US

Congressional Record

PROCEEDINGS AND DEBATES

OF THE

SECOND SESSION OF THE SIXTY-SEVENTH CONGRESS

OF

THE UNITED STATES
OF AMERICA

VOLUME LXII—PART 11

JULY 31 TO AUGUST 28, 1922

(Pages 10797-11884)

WASHINGTON
GOVERNMENT PRINTING OFFICE
1922

U. S. Govt.
Pt. 12 - 1923

Congressional Record.

PROCEEDINGS AND DEBATES OF THE SIXTY-SEVENTH CONGRESS SECOND SESSION.

SENATE.

MONDAY, *July 31, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The VICE PRESIDENT being absent, the President pro tempore [Mr. CUMMINS] took the chair.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDENT pro tempore. The Secretary will call the roll, to ascertain the presence of a quorum.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Frelinghuysen	McKinley	Sheppard
Ball	Gooding	McLean	Simmons
Borah	Harreld	McNary	Smoot
Brandegee	Harris	Moses	Spencer
Broussard	Harrison	Myers	Stanfield
Bursum	Heflin	Nelson	Stanley
Calder	Jones, N. Mex.	New	Sterling
Cameron	Jones, Wash.	Newberry	Swanson
Capper	Kellogg	Nicholson	Trammell
Caraway	Kendrick	Norbeck	Walsh, Mass.
Cummins	Keyes	Oddie	Warren
Curtis	Ladd	Overman	Watson, Ind.
Dial	Lenroot	Phipps	Willis
Ernst	Lodge	Ransdell	
Fletcher	McCumber	Robinson	

Mr. DIAL. My colleague [Mr. SMITH] is detained on official business. I ask that this notice may continue through the day.

The PRESIDENT pro tempore. Fifty-eight Senators have answered to their names. A quorum is present. The question is upon the amendment proposed by the Senator from Wisconsin [Mr. LENROOT] to the amendment of the committee, upon which the Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). I am paired with the Senator from Michigan [Mr. TOWNSEND]. I transfer that pair to the Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. JONES of New Mexico (when his name was called). I transfer my general pair with the senior Senator from Maine [Mr. FERNALD] to the senior Senator from Nevada [Mr. PITTMAN] and vote "yea."

Mr. KENDRICK (when his name was called). I have a general pair with the senior Senator from Illinois [Mr. MCCORMICK]. As I am unable to obtain a transfer, I find it necessary to withhold my vote. If permitted to vote, I should vote "nay."

Mr. LODGE (when his name was called). I transfer my pair with the senior Senator from Alabama [Mr. UNDERWOOD] to the junior Senator from Pennsylvania [Mr. PEPPER] and vote "nay."

Mr. McCUMBER (when his name was called). I transfer my general pair with the junior Senator from Utah [Mr. KING] to the junior Senator from Washington [Mr. POINDEXTER] and vote "nay."

Mr. NEW (when his name was called). Transferring my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Vermont [Mr. PAGE], I vote "nay." I ask that this announcement of the transfer of my pair may stand for the day.

Mr. ROBINSON (when his name was called). Transferring my pair with the senior Senator from West Virginia [Mr. SUTHERLAND] to the senior Senator from Missouri [Mr. REED], I vote "yea."

Mr. STERLING (when his name was called). On this question I am informed that my pair, the Senator from South Carolina [Mr. SMITH], would, if present, vote as I intend to vote. I am therefore at liberty to vote. I vote "yea."

Mr. TRAMMELL (when his name was called). I transfer my pair with the senior Senator from Rhode Island [Mr. COLT] to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. CURTIS (when Mr. WADSWORTH's name was called). The Senator from New York [Mr. WADSWORTH] is paired on this vote with the junior Senator from Maryland [Mr. WELLER]. If present, the Senator from New York would vote "yea" and the Senator from Maryland would vote "nay."

Mr. WATSON of Indiana (when his name was called). I transfer my pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the senior Senator from Pennsylvania [Mr. CROW] and vote "nay."

Mr. WILLIS (when his name was called). I am paired with my colleague, the senior Senator from Ohio [Mr. POMERENE]. I transfer that pair to the senior Senator from Maryland [Mr. FRANCE] and vote "nay."

The roll call having been concluded,

Mr. HARRISON (after having voted in the affirmative). I transfer my pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from South Carolina [Mr. SMITH] and allow my vote to stand.

Mr. FRELINGHUYSEN (after having voted in the negative). I transfer my pair with the Senator from Montana [Mr. WALSH] to the Senator from Delaware [Mr. DU PONT] and allow my vote to stand.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Maine [Mr. HALE] with the Senator from Tennessee [Mr. SHIELDS]; and

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON].

The result was announced—yeas 27, nays 30, as follows:

YEAS—27.

Ashurst	Harris	Lenroot	Simmons
Borah	Harrison	Myers	Stanley
Capper	Heflin	Nelson	Sterling
Caraway	Hitchcock	Norbeck	Swanson
Cummins	Jones, N. Mex.	Overman	Trammell
Dial	Jones, Wash.	Robinson	Walsh, Mass.
Fletcher	Kellogg	Sheppard	

NAYS—30.

Ball	Gooding	McNary	Smoot
Brandegee	Harreld	Moses	Spencer
Broussard	Keyes	New	Stanfield
Bursum	Ladd	Newberry	Warren
Cameron	Lodge	Nicholson	Watson, Ind.
Curtis	McCumber	Oddie	Willis
Ernst	McKinley	Phipps	
Frelinghuysen	McLean	Ransdell	

NOT VOTING—39.

Calder	Gerry	Owen	Smith
Colt	Glass	Page	Sutherland
Crow	Hale	Pepper	Townsend
Culberson	Johnson	Pittman	Underwood
Dillingham	Kendrick	Poindexter	Wadsworth
du Pont	King	Pomerene	Walsh, Mont.
Edge	La Follette	Rawson	Watson, Ga.
Elkins	McCormick	Reed	Weller
Fernald	McKellar	Shields	Williams
France	Norris	Shortridge	

So Mr. LENROOT's amendment to the amendment of the committee was rejected.

Mr. McCUMBER. Mr. President, at this time I wish to ask unanimous consent that when the Senate closes its session on this calendar day it recess until to-morrow at 11 o'clock a. m.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The question is on agreeing to the amendment proposed by the Committee on Finance.

Mr. WALSH of Massachusetts. The pending question being upon the committee amendment, I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

U.S. Govt. Printing Office, 1-8-239

Mr. FRELINGHUYSEN (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

Mr. JONES of New Mexico (when his name was called). I ask that the same announcement which I made on the previous vote in reference to the transfer of my pair stand for the day. I vote "nay."

Mr. LODGE (when his name was called). Making the same transfer of my pair as on the preceding ballot, I vote "yea."

Mr. McCUMBER (when his name was called). Transferring my general pair as on the previous vote, I vote "yea."

Mr. ROBINSON (when his name was called). Announcing the same pair and transfer as on the last vote, I vote "nay."

Mr. STERLING (when his name was called). On this question I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from California [Mr. SHORTRIDGE] and vote "yea."

Mr. TRAMMELL (when his name was called). Announcing the same transfer of my pair as on the previous ballot, I vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before in reference to my pair and its transfer, I vote "yea."

Mr. WILLIS (when his name was called). I transfer my pair with my colleague, the senior Senator from Ohio [Mr. POMERENE], to the Senator from Maryland [Mr. FRANCE] and vote "yea."

The roll call was concluded.

Mr. DIAL. Making the same announcement as to my pair and its transfer as on the former ballot, I vote "nay."

Mr. KENDRICK (after having voted in the affirmative). I understand that the Senator from Illinois [Mr. McCORMICK], with whom I am paired, if present, would vote "nay" on this question. I am unable to obtain a transfer of my pair with the Senator from Illinois and am, therefore, compelled to withdraw my vote.

Mr. HARRISON. I have a pair with the junior Senator from West Virginia [Mr. ELKINS]. If permitted to vote, I should vote "nay." I vote "present."

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Maine [Mr. HALE] with the Senator from Tennessee [Mr. SHIELDS];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON]; and

The Senator from New York [Mr. WADSWORTH] with the Senator from Maryland [Mr. WELLER]. I am informed that if the Senator from Maryland were present he would vote "yea," and if the Senator from New York were present he would vote "nay."

The result was announced—yeas 33, nays 24, as follows:

YEAS—33.

Ball	Gooding	Moses	Spencer
Brandegee	Harreld	New	Stanfield
Broussard	Keyes	Newberry	Sterling
Bursum	Ladd	Nicholson	Warren
Calder	Lodge	Norbeck	Watson, Ind.
Cameron	McCumber	Oddie	Willis
Curtis	McKinley	Phipps	
Ernst	McLean	Ransdell	
Frelinghuysen	McNary	Smoot	

NAYS—24.

Ashurst	Fletcher	Kellogg	Sheppard
Borah	Harris	Lenroot	Simmons
Capper	Heflin	Myers	Stanley
Caraway	Hitchcock	Nelson	Swanson
Cummins	Jones, N. Mex.	Overman	Trammell
Dial	Jones, Wash.	Robinson	Walsh, Mass.

NOT VOTING—39.

Colt	Glass	Owen	Smith
Crow	Hale	Page	Sutherland
Culberson	Harrison	Pepper	Townsend
Dillingham	Johnson	Pittman	Underwood
du Pont	Kendrick	Poindexter	Wadsworth
Edge	King	Pomerene	Walsh, Mont.
Elkins	La Follette	Rawson	Watson, Ga.
Fernald	McCormick	Reed	Weller
France	McKellar	Shields	Williams
Gerry	Norris	Shortridge	

So the committee amendment was agreed to.

The PRESIDENT pro tempore. The Secretary will state the next amendment reported by the committee.

The next amendment of the Committee on Finance was, on page 148, after line 14, to strike out:

PAR. 1113. Felts, not woven, wholly or in part of wool, valued at not more than 75 cents per pound, 20 cents per pound and, in addition thereto, 20 per cent ad valorem; valued at more than 75 cents but not more than $1.50 per pound, 25 cents per pound and, in addition thereto, 20 per cent ad valorem; valued at more than $1.50 per pound, 30 cents per pound and, in addition thereto, 25 per cent ad valorem.

And to insert:

PAR. 1113. Felts, not woven, wholly or in chief value of wool, valued at not more than 50 cents per pound, 20 cents per pound and 30 per cent ad valorem; valued at more than 50 cents but not more than $1.50 per pound, 30 cents per pound and 35 per cent ad valorem; valued at more than $1.50 per pound, 40 cents per pound and 40 per cent ad valorem.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

GOVERNMENTAL EXPENDITURES.

Mr. STANLEY. Mr. President, the Senate was deeply interested a few days ago in a rather sharp colloquy between the junior Senator from North Carolina [Mr. OVERMAN], the senior Senator from Wyoming [Mr. WARREN], and others touching the increase of national expenditures not related directly or indirectly to the conduct of the war. I will cheerfully say that the very able and capable Senator from Wyoming has made an earnest, honest, and indefatigable effort, in my opinion, to curtail expenditures—and my difference with him on this occasion does not imply that he is particeps criminis to the abuse of which I am about to speak—but it is nevertheless true, Mr. President, that an analysis of the expenditures of this Government will show that the cost of administering the Government, over and above those expenditures which arose or arise out of wars, present, past, or future, has inordinately increased. I am not here to take a partisan advantage or to make a partisan appeal. This is not due entirely to the dereliction of the party in power. It is due to a persistent growth of bureaucratic control, the increase of the personnel of departments and of commissions and of boards and of bureaus, and of every other agency ever utilized or ever abused by a paternalistic régime.

The great Senator from Idaho [Mr. BORAH] not long ago, in a hearing before the Committee on the Judiciary on a bill then pending to increase this bureaucratic control by abridging the liberty of the press, declared that that particular bill was but a symptom of a worse disease—the wholesale taking from courts, from local self-government, from the States, from constituted authority in every shape and form, the conduct of the people's affairs and the control of those things that local communities have controlled during the whole history of this Government, taking it away from every other form of governmental supervision, and sticking it somewhere in a hidden bureau here in Washington.

There is more power to-day exercised in these marble sarcophagi by unknown experts, the politically controlled appointees of whispering propaganda, than by the courts themselves. The cost has become unbearable. Not only has the Senator from Idaho spoken against it but Henry Ford's paper, the Dearborn Independent, in a recent editorial claims that there are now 15,000,000 officials pensioners upon public bounty, drawing public pay, and that there are 30,000,000 actual producers in the United States. If that is the case, there is an officeholder, a tax eater, on the back of every two tax producers in the United States. That situation crushed France and produced the French Revolution. That same bureaucracy was the bane and damnation of Germany, and that same condition will bankrupt and enslave this country.

In support of what I have said, I send to the desk a very able editorial from the Chicago Tribune—I presume it will not be suspected of Democratic leanings or of sympathy with the plans and policies of the senior Senator from Kentucky—and I ask to have it read.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Secretary will read as requested.

The reading clerk read as follows:

THE SPREAD OF BUREAUCRACY.

[From the Chicago Tribune of Tuesday, July 25, 1922.]

"Too little attention is given to the tendency to multiply public jobs. Mr. Oscar Hewitt contributed an interesting fact-essay on that topic to Monday's Tribune which we hope will set a good many citizens and citizenesses thinking.

"Mr. Hewitt calls attention to the fact that although the Budget estimates of revenue indicate there will be 20 per cent less collected by the Bureau of Internal Revenue, Congress has granted authority to the bureau to spend 13 per cent more. In other words, the cost of tax collecting has risen 41 per cent.

"That is a phenomenon that does not exactly square with Mr. Harding's sincere, and in many directions effectual, effort to economize. Mr. Hewitt is not at a loss for the explanation nor will anyone else be who understands our political mechanics. 'More jobs,' says Mr. Hewitt, 'are not exceedingly distasteful

to the average Congressman, because he always hopes that he may get some for his constituents.' The obverse of this is that as the average Congressman has no such hope in the case of the Army or Navy personnel he is a stern economizer there, slashing regardless of considered policies and the judgment of those more fitted than he to judge.

"We have here one powerful influence always operative for the multiplication of civilian jobs in the interest of politicians. There is another influence which is less known but very powerful. Mr. Hewitt says that the 'dominating influence' back of the act increasing the allowance of the revenue bureau was probably that of the bureaucrats.

"The public knows too little of the pressure constantly brought upon Congress in favor of increased public expenditure by those who will do the spending; that is, by the officials in charge of Government activities. It is natural for men in charge of any work to find it easy to discover things which should be done, or done better, or done on a larger scale. Each bureau is convinced of its own importance and obeys that law of growth which is a part of life. No bureau is ready to restrict itself, but on the contrary is always pressing forward.

"This tendency to growth in bureaucracy requires constant resistance. Every nation which has permitted it to go on has suffered heavily from it. The French Revolution came from the breakdown of a centralized bureaucratic system which brought France to the brink of ruin by paralyzing the functions of its economic life. It brought general stagnation, the crushing of private enterprise, and finally famine. In republican France to-day there is an enormous machinery of public officialdom which rests as a heavy weight on the French people, wasting the public taxes through red tape and inefficient service and demoralizing French politics through the influence of a great army of petty job holders. In every country where bureaucracy has grown up the results have been seriously injurious.

"In the concrete case before us, that of revenue collection, there may be expected not only an unnecessary expenditure of public money but an increased interference with private affairs, one of the curses of bureaucratic government. As Mr. Hewitt points out, 'there will be less money to collect, but there will be more collectors. There will be fewer accounts to audit, but there will be more auditors. There will be fewer schedules filed, but there will be more clerks to handle them.' In other words, not only must the taxpayer bear his burden of the tax, 'but he will be forced to submit to more questions, more audits, more investigations, and more checking up than last year, if all the bureaucrats are to find employment.'

"Here, in fact, is the worst evil of bureaucracy. It complicates machinery in order to keep itself employed. Study conditions in bureaucratic Europe and you will find red tape insisted upon so that there may be officeholders to unwind it. Ancient, involved methods are stubbornly preserved in order to give clerks something to do, and, of course, this means an enormous waste of energy and loss of motion not only in Government business but in everything unfortunate enough to be touched by Government. It means not only mulcting the taxpayer of inordinate taxes in order to maintain a system of doing public business in the most cumbersome and expensive way conceivable, but it means keeping thousands of men and women employed at doing unnecessary things when they should be working in private enterprise at some productive service; and, finally, it means entangling private enterprise itself in a network of vexatious restrictions and regulations which lower its efficiency.

"America has prospered through freedom from slavery to officialdom and Government interference. We began our national life with a wholesome distrust and dislike of them, and for a long time resisted aggrandizement of the State and extensions of regulations in our private affairs. But this resistance has weakened. We have had a large influx of people not brought up in the tradition of individual responsibility and freedom who, though many of them had suffered the oppression of governments, were willing to turn to a government presumably more beneficent to assist them in our country. Furthermore, for more than half a century there has been a persistent propaganda on behalf of socialism, which is simply bureaucracy triumphant, and, unfortunately, there have been evils of predatory individualism and dubious combinations of private power to give this propaganda a superficial plausibility.

"But the American people, if they have any regard for their liberties and any appreciation of their good fortune in keeping free from the exhausting and burdensome imposition of Government interference and control, or bureaucracy, or organized officialdom, will wake up and check the bureaucratic tendency, which has been growing ominously, before it is too late. This is a new war for freedom."

Mr. STANLEY. I ask that this editorial may be printed in the RECORD in the same type as my remarks.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

Mr. WARREN. Mr. President, referring to the remarks just made by the Senator from Kentucky [Mr. STANLEY], I can have no differences with him. The Senator's efforts are evidently along the lines of economy, the same thing for which many of us are striving; and as he makes no partisan complaint, knowing full well how and where and through whom these bureaus and this bureaucracy have been inspired and started, I feel disposed rather to thank him than otherwise for the remarks that he has made.

I have nothing further to say in regard to the matter at this time.

Mr. STANLEY. Mr. President, in this fight that I am making against the duplication of departments, against the assumption by the Federal Government of authority previously vested in the States which belongs there, against not only the betrayal of the people's liberties but the squandering of their patrimony, I welcome assistance from either side of this Chamber; and I hope patriots of both sides will forget every other consideration except the personal and material rights of a free people.

PETITIONS.

The PRESIDENT pro tempore (Mr. CUMMINS) laid before the Senate a telegram in the nature of a petition from W. G. Block Co., of Davenport, Iowa, favoring the prompt shipment of coal to Iowa for threshing, canning factories, and cold-storage plants, so as to prevent loss of grain and food, which was referred to the Committee on Education and Labor.

Mr. ROBINSON presented resolutions adopted by the convention of the Arkansas Federation of Rural Letter Carriers at Little Rock, Ark., favoring certain improvements in handling the mails, standardized compensation for postal employees, granting to rural carriers the same equipment allowance as now granted to mounted city carriers, and a single grand organization for all postal workers, etc., which were referred to the Committee on Post Offices and Post Roads.

Mr. WILLIS presented a petition of sundry shoe manufacturers in the State of Ohio, praying that hides and skins be placed on the free list in the pending tariff bill, which was referred to the Committee on Finance.

SOUTHERN PACIFIC AND CENTRAL PACIFIC RAILWAYS.

Mr. WARREN. I ask unanimous consent to present resolutions from the Board of Trade of Evanston, Wyo., the Rotary Club of Rawlins, Wyo., and the Board of Trade of Rawlins, Wyo., commending the Supreme Court findings in the case of the separation of the Central Pacific Railway from the Southern Pacific Co., and asking that Congress may not undertake to overturn that decision. I ask that the resolutions may be referred to the Committee on Interstate Commerce, and that the one from the Evanston Board of Trade be printed in the RECORD.

There being no objection, the resolutions were referred to the Committee on Interstate Commerce, and the resolution of the Evanston Board of Trade was ordered to be printed in the RECORD, as follows:

"Whereas the highest court of our Nation has decided that the Southern Pacific-Central Pacific monopoly is unlawful and that the Southern Pacific Co. must relinquish its control of the Central Pacific for the public good; and

"Whereas plans are being made to set aside the court's decision by legislative action; and

"Whereas the Southern Pacific Co. can not route transcontinental traffic over the Central Pacific without ignoring its own business interests, and consequently is not in a position to cooperate in the development of competitive business through the Ogden gateway; and

"Whereas the investments and disbursements of the Wyoming transcontinental railroads depend in a large degree upon the volume of transcontinental traffic and the building and maintaining of communities along the lines of such railroads depends in no small degree upon such traffic; and

"Whereas the Southern Pacific southern route and the Central Pacific Ogden gateway route are normally competitive and should function and operate as competitors in order that the public interest shall be fully served and in order that each line may be free to develop and maintain and may be given an opportunity to reach its maximum efficiency: Therefore be it

"*Resolved*, That the Evanston Board of Trade recognizes the great interest of all communities along the coast to coast Ogden gateway route in having the decision of the Supreme Court upheld and in having the Southern Pacific's unlawful control of the Central Pacific speedily terminated; and be it further

"*Resolved*, That we call the attention of our representatives in Congress to the attempts which are being made to legalize this harmful monopoly, and that we urge that they take such action as seems to them advisable to defeat these attempts."

I, Matthew Nisbet, of Evanston, Uinta County, Wyo., do hereby certify that I am the duly elected and acting secretary of the Evanston Board of Trade, of Evanston, Uinta County, Wyo., and that the above

and foregoing is a full, true, and correct copy of the resolutions duly and regularly adopted by the said the Evanston Board of Trade at a meeting duly held on the 25th day of July, 1922, as the same appears of record in my office as such secretary.

Witness my hand this July 25, 1922.

M. M. NISBET, *Secretary*,
By ROY E. BRYAN, *Acting Secretary*.

AMENDMENT OF COTTON FUTURES ACT.

Mr. RANSDELL, from the Committee on Agriculture and Forestry, to which were referred the following bills, reported them each adversely and submitted a report (No. 841) on both bills:

S. 385. A bill to amend section 5 of the United States cotton futures act, approved August 11, 1916, as amended; and

S. 3146. A bill to amend section 5 of the United States cotton futures act.

The PRESIDENT pro tempore. The bills will be placed on the calendar with the adverse report of the committee.

BRIDGES ACROSS GRAND CALUMET RIVER, IND.

Mr. JONES of Washington. Out of order, I ask unanimous consent to report, on behalf of the Senator from New York [Mr. CALDER], two bridge bills, and ask for their immediate consideration.

From the Committee on Commerce, I report back favorably, with an amendment, Senate bill 3793, to authorize the Gary Tube Co. to construct a bridge across the Grand Calumet River, in the State of Indiana, and I submit a report (No. 842) thereon. I ask unanimous consent for the present consideration of the bill.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The amendment was, in section 2, on line 15, before the word "expressly," to insert the word "hereby," so as to make the bill read:

Be it enacted, etc., That the Gary Tube Co., a corporation organized under the laws of the State of Indiana, is hereby authorized to construct, maintain, and operate a bridge and approaches thereto across the Grand Calumet River, at a point suitable to the interests of navigation, in the northeast quarter of section 3, township 36 north, range 8 west of the second principal meridian, in Lake County, in the State of Indiana, said bridge to be built across the Grand Calumet River in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. JONES of Washington. From the same committee I report back favorably Senate bill 3834, to authorize the Chicago, Lake Shore & Eastern Railway Co. to construct a bridge across the Grand Calumet River, in the State of Indiana, and I submit a report (No. 843) thereon. I ask unanimous consent for the immediate consideration of the bill.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the Chicago, Lake Shore & Eastern Railway Co., a corporation organized under the laws of the States of Indiana and Illinois, is hereby authorized to construct, maintain, and operate a bridge and approaches thereto across the Grand Calumet River at a point suitable to the interests of navigation in the southwest quarter of section 36, township 37 north, range 8 west of the second principal meridian, in Lake County, in the State of Indiana, said bridge to be built across the Grand Calumet River in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

Sec. 2. That the right to alter, amend, or repeal this act is expressly reserved.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

WATERWORKS PLANTS, KANSAS CITY, KANS., AND KANSAS CITY, MO.

Mr. NELSON. From the Committee on the Judiciary I report back favorably, with an amendment, a joint resolution, to which I call the attention of the Senator from Kansas [Mr. CURTIS].

Mr. CURTIS. Mr. President, as this joint resolution simply gives the consent of Congress to acts of the Kansas Legislature and the Missouri Legislature, I ask unanimous consent for its immediate conideration.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution (S. J. Res. 216) providing for the consent of the Congress of the United States of America to a compact and agreement between the State of Kansas and the State of Missouri respecting the erection, maintenance, and operation of the waterworks plants of the cities of Kansas City, Kans., and Kansas City, Mo.; the taxation thereof, and exercise of eminent domain in connection therewith by each State.

Mr. NELSON. The amendment simply strikes out the word "*Resolved*" and inserts the usual clause found in joint resolutions.

The PRESIDENT pro tempore. The amendment will be stated.

The amendment was, on page 3, line 1, to strike out "*Resolved*" and insert "*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled*," so as to make the joint resolution read:

Whereas by a concurrent resolution adopted by the General Assembly of the State of Missouri and approved by the governor of said State on April 15, 1921, and a similar resolution adopted by the Legislature of the State of Kansas and approved by the governor of said State on March 18, 1921, it was resolved and provided that, whereas the city of Kansas City, in Wyandotte County, Kans., and the city of Kansas City, in Jackson County, Mo., are contiguous and adjoining and each owns and operates waterworks plants, the intake portions of which are on the banks of the Missouri River in Kansas City, Kans., and contiguous to each; and for the protection of each city, in the event of a breakdown of its plant, a conflagration, epidemic, or other exigency, it is vitally important that its water plant have connection with and access to the facilities of the other; and it is and has been in the past of material benefit to each city that both contribute to a common fund in protecting the banks of the Missouri River in the vicinity of said plants and farther upstream from breaking over and destroying the plants or changing its course so as to leave the intake so far from the stream as to render it impossible to obtain an adequate flow of water therefrom; and the water plants of both cities are connected at various points so that they can in the future, as they have in the past, supply each other with water, thereby preserving the health and protecting the property of each; and the plant of Kansas City, Mo., is now and will of necessity continue to be for a long period in the future the only source of water supply to the city of Rosedale, in Wyandotte County, Kans., and the maintenance of this supply is of vital importance to the health and property protection of the citizens of said municipality; and the contour of the territory of each city is such that to reach and serve certain districts it is necessary that portions of the service mains and plants occupy and run through the territory of the other State; and Kansas City, Mo., is about to invest many millions of dollars in the betterment of its plant in the immediate future and the city of Kansas City, Kans., will invest in the future large sums in extending its plant, said extensions of each municipality necessitating large investments in the territory of the adjacent State, and to raise the funds for the purpose of making these investments it is vital to each city that each plant be free from assessment and taxation in the other State; and that therefore, by reason of the advantages accruing to the municipalities of each State and to the inhabitants thereof, as hereinbefore recited, and other advantages not therein enumerated, the States of Kansas and Missouri thereby entered into the following compact and agreement:

(1) Neither the State of Kansas, nor any county, township, or municipality located within said State, or any official thereof, shall ever assess, levy, or collect any taxes, assessments, or imposts of any kind or character whatsoever on the portion of the waterworks plant of the municipality of Kansas City, Mo., now or hereafter located within the territory of the State of Kansas.

(2) Neither the State of Missouri, nor any county, township, or municipality located within said State, or any official thereof, shall ever assess, levy, or collect any taxes, assessments, or imposts of any kind or character whatsoever on the portion of the waterworks plant of the municipality of Kansas City, Kans., now or hereafter located within the territory of the State of Missouri.

It is further provided by said resolutions, compact, and agreement that the right of eminent domain, for the purpose of acquiring property rights and easements for a waterworks plant, including mains, water pipe lines, or extensions, or any part thereof, in either State, was thereby given and granted to each State and to Kansas City, Kans., and Kansas City, Mo., to be exercised by Kansas City, Kans., in the State of Missouri, and by Kansas City, Mo., in the State of Kansas, for said purposes; and that to the faithful observance of the said compact and agreement each State, by the adoption of said resolutions, pledged its good faith: Therefore be it

Resolved, etc., That the consent of Congress is hereby accorded to said compact and agreement between the State of Kansas and the State of Missouri.

The amendment was agreed to.

The joint resolution was reported to the Senate as amended, and the amendment was concurred in.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAMERON:

A bill (S. 3875) granting a pension to Martin T. Knapp; to the Committee on Pensions.

By Mr. KELLOGG:

A bill (S. 3876) to extend the benefits of the Employers' Liability act of September 7, 1916, to Carol E. Reeves; to the Committee on Claims.

THE MUSCLE SHOALS PLANT.

Mr. McKINLEY. Mr. President, I ask unanimous consent to present and have printed in the RECORD in 8-point type a letter I have written to Mr. Gray Silver, of the American Farm Bureau Federation.

There being no objection, the letter was ordered to be printed in the RECORD in 8-point type, as follows:

JULY 20, 1922.

DEAR MR. SILVER: Thank you for your courteous letter of July 18 suggesting that I make a statement which you will present to your organization in the State of Illinois, giving my position in reference to the power development at Muscle Shoals.

The testimony of the United States engineers who are in charge at Muscle Shoals shows that with the auxiliary steam power which the Government has bought and paid for and which it is proposed to give Mr. Ford 200,000 horsepower can be depended upon for practically every day in the year and an additional 150,000 to 200,000 horsepower for 10 months in the year. Under the present standard of electrical art this power can be distributed to towns and cities, mines, and manufacturing plants covering a circle of 600 miles in diameter, thus providing untold advantages for a very large section of the United States. Power of this kind delivered from Keokuk over parts of western and southern Illinois sells at the dam for about $40 per horsepower per year, which would mean a revenue to the Government for the Muscle Shoals power of not less than eight or ten million dollars per year if the Government should sell same to a distributing company at same price. This is figured on a basis of about one-half of 1 cent per kilowatt hour. A farmer or a resident in a small town or city is glad to secure this power on a basis of twenty times that much, or 10 cents per kilowatt hour. One objection I have to Mr. Ford taking over this power under his present plan is because he proposes to deprive thousands and thousands of people over an area of 600 miles in diameter of power and its use in order that he may build up at Muscle Shoals a new Detroit. That is a fine thing for the inhabitants of Muscle Shoals, and naturally they are extremely desirous of seeing their real estate advance in value from $50 per acre to $10,000 an acre, but it is a bad thing for the thousands and thousands of people within this 600-mile area. This power which will wholesale at $10,000,000 per year will retail for over $50,000,000 per year. Mr. Ford proposes to buy from the Government for $5,000,000 what has cost the Government $150,000,000 and pay 4 per cent interest on the additional forty or fifty million dollars which the Government must invest to complete the dams, and in addition to that he proposes to pay the Government $46,000 a year, which he calls amortizement, and $55,000 a year which he calls repairs.

The testimony of the Army engineers is that the repairs at the dams will be about $227,000 a year, and not $55,000 a year. As Mr. Ford is to have the benefits if he gets this property on his terms and is to have these benefits for 100 years, he certainly, instead of offering to pay $55,000 a year, ought to agree to keep the dam in repair, which the Army engineers say will cost $227,000 a year.

Mr. Ford does not propose to take this property but to have a $10,000,000 corporation take title to it, and this title stands for 100 years. The experience with all large capital investments as corporations is that sooner or later, within 10 or 20 years, they pass into control of large money holders commonly known as "Wall Street." Mr. Ford, if he secures this property on the proposition indorsed by you so strongly, gets the property tax free for 100 years, with no control of any kind as to what price he should charge for power. He requires the Government to install, at Government cost, machinery for 850,000 horsepower and agrees to use 100,000 of this power to make 40,000 tons of ammonia, which would make an amount of fertilizer which would not be sufficient to fertilize one-third of the acreage of Illinois alone, not including any other State, and he only agrees to furnish this provided he can sell at a profit of 8 per cent on the 4 per cent interest money he has secured from the Government. The testimony of the Army engineers who have had this property in charge since its inception is that with Chilean nitrates, or ammonia made from the by-products of coke ovens, power must be secured at three-quarters of a mill per kilowatt. They further testify that, not getting any interest on the money the Government has already invested, and 4 per cent on the additional money which the Government must invest under Mr. Ford's offer, it would cost 2½ mills per kilowatt to generate the power, or three times as much as they testify that power must necessarily be provided in order to compete with present fertilizer.

One hundred years is a long time to give one man a tremendous natural resource, which now belongs to the people, and disinterested, thinking persons certainly should hesitate before voting for such a law. After a great deal of consideration, Congress within the past two years has created a Federal Power Commission, which can lease water power for a limit of 50 years, or half the time you have recommended that this property be given to Mr. Ford. Under Federal power control the Government has something to say. Nothing should be done with the Muscle Shoals property that takes away from the United States Government and from the State of Alabama the right to control rates. The time has gone by when large corporations should be given a free hand to exploit the people. I note within the last few days that the Governor of Alabama, recognizing the wrong which can be done to the people of his own State living away from Muscle Shoals, protested against turning over the whole property to Mr. Ford in the manner which you have recommended.

Now, in closing let me ask, what is the hurry about turning over this great power proposition to Mr. Ford at this time? This Muscle Shoals project, if properly handled, will benefit hundreds of thousands of people and bring in more than $10,000,000 annual revenue a year to the Government.

Congress has authorized the United States engineers to complete the dam, and all the testimony shows that it will take three years or more before the Government can deliver power from this project. Many important conditions may arise within three years. Mr. Ford, as you must admit, has within the past year made three offers for this power, each succeeding one more advantageous to the United States Government than his preceding offer, and at the last meeting of the committee, as you know, one of the Senators from the South, a strong advocate of Mr. Ford's offer, presented an amendment to Mr. Ford's latest proposition, in which he cuts the time down from 100 years to 50 years.

Mr. Ford has been of great benefit to the American people in producing, at a cost to himself of perhaps $200 a machine, a wonderful automobile, for which the people have gladly paid him $400. I, for one, anticipate with pleasure a proposition from him for this tremendous Muscle Shoals water power that will be beneficial to the citizens of the United States. If an offer is accepted from Mr. Ford, I want to see the rights of the whole people protected and ask him to come in under existing laws, which control rates for power which he will sell and which the people must buy.

Remember that you are proposing to lease to Mr. Ford for 100 years, at a rental of less than $2,000,000 per year, power that would sell for $100,000,000 per year, if sold at the price we are to-day paying for electric power in the city of Washington.

Sincerely, W. B. MCKINLEY.

MR. GRAY SILVER,
Representative American Farm Bureau Federation,
Washington, D. C.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. WALSH of Massachusetts. Mr. President, I have very little to say about the pending amendment. In fact, I hope that the remaining paragraphs in the wool schedule may be disposed of in very short order. I do not know of any paragraphs which are likely to provoke much discussion, except the paragraph fixing the rate upon clothing and articles of wearing apparel, and I am informed that there is to be very little debate upon that amendment.

Paragraph 1113, the pending paragraph, deals with felts not woven, wholly or in chief value of wool. I want to call attention to the fact that there are very few imports of those felts. Practically the only imports which come into this country are felts used on pianos. There is no such fine and exceptional felt manufactured in this country. It is very necessary to import those felts. But even the imports of those are insignificant in quantity and insignificant in value.

Strange to say, our exports of felt have been rather substantial. In the five months from January 1 to May 31, 1922, the present year, wool felts were exported valued at $157,792. In other words, the exports of wool felts in the first five months of this year were over three times as much as the total imports of wool felts during the year 1921. Therefore it does not seem to me that an increase in the protective duty over the rate in the present law, such as is contemplated here, is justified.

There is nothing else I care to say upon this paragraph. I would simply be repeating the arguments I made in reference to the other paragraphs, if I attempted to consume any more time. The same principle is involved, and I am simply going to

proceed hastily, and assist in having the votes taken and the wool schedule disposed of as quickly as possible. These increased protective duties can not be justified.

Mr. SMOOT. Mr. President, a number of felt manufacturers have advised me that the rates in this schedule are altogether too low to afford protection, but just by way of explanation I want to say that we have divided these fabrics into three classes, and the three brackets carry different compensatory duties and different protective duties.

Under the Underwood law all three qualities of felts carry a duty of 35 per cent ad valorem. The committee thought it would be better to fix a duty of 30 per cent on the low-priced class; on the medium bracket, a duty of 35 per cent, and on the higher-priced felts, 40 per cent. The average of the three brackets is 35 per cent, exactly the same as in the Underwood law. That is the compensatory duty.

Some of the manufacturers complain that we have not given them a sufficient compensatory duty, but I am quite sure we have, because the felts included in the different brackets can not possibly be all wool, and therefore we give only 20 cents on the first bracket instead of 49 cents, and I base that entirely upon their using the short waste wool. While there have been objections to it, the committee thinks it is ample.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 149, after line 4, to strike out—

PAR. 1114. Fabrics with fast edges not exceeding 12 inches in width, and articles made therefrom; tubings, garters, suspenders, braces, cords, and cords and tassels; if wholly of wool, 36 cents per pound; if in part of wool, whether or not wool constitutes chief value, 25 cents per pound; and, in addition thereto on all the foregoing, 30 per cent ad valorem.

And in lieu thereof to insert:

PAR. 1114. Fabrics with fast edges not exceeding 12 inches in width, and articles made therefrom; tubings, garters, braids, laces, galloons, veils and veiling, bands, belts, suspenders, braces, cords, and cords and tassels; all the foregoing if wholly of wool, 49 cents per pound; if in part of wool, whether or not wool constitutes chief value, 33 cents per pound; and, in addition thereto on all the foregoing, 55 per cent ad valorem.

Mr. SMOOT. Mr. President, I desire to offer a substitute for the amendment to paragraph 1114, proposed by the committee, and I send the substitute to the desk.

The PRESIDENT pro tempore. The Secretary will report the proposed amendment.

The READING CLERK. Strike out lines 5 to 11, both inclusive, on page 149, and insert the following:

PAR. 1114. Fabrics with fast edges not exceeding 12 inches in width, and articles made therefrom; tubings, garters, suspenders, braces, cords, and cords and tassels; all the foregoing if wholly or in chief value of wool, 49 cents per pound upon the wool content thereof and 50 per cent ad valorem.

The PRESIDENT pro tempore. The Chair understands the committee withdraws the amendment as printed in the bill and substitutes the one just read. The question is upon agreeing to the substitute just offered.

Mr. SMOOT. The Senate will notice that the committee has stricken out "braids, laces, galloons, veils and veiling, bands, belts." If the proposed amendment is agreed to, the result will be that those articles will fall in paragraph 1430 of the bill, and a detailed explanation will be made at the time that paragraph is reached. The committee also has added the words "upon the wool content thereof." Therefore there was no necessity whatever of the brackets which were originally put into the amendment. The committee have also cut the rate from 55 per cent to 50 per cent. These are fast-edged goods, very narrow, generally carrying an elastic warp, or a rubber warp, or silk, and while there is considerable produced in this country, I think as to this class of goods the amendment as submitted can be justified.

Mr. WALSH of Massachusetts. There are practically no imports of the fabrics named in this paragraph. In the last 10 years the imports have not amounted in value to over $5,000. In the last year the imports were only $2,942 in value. How can we justify such an increase in the protective duties proposed over the rates in the present law, in view of a record of practically no imports, under a rate of 35 per cent?

To show how seriously these high duties are going to affect prices, I want to call attention to some figures I have before me in reference to imports and the duties collected in previous years upon the fabrics named in this paragraph. In 1920 the imports were $3,907 in value. The duties collected were $1,367. In 1921, six months of which period the emergency law was in operation, under which, of course, the duties were increased very substantially—as the Senate knows, the compensatory duty being 45 cents per pound on wool, and the protective duty 35 per cent—the imports were valued at $2,942 and the duties collected were $1,381. In other words, the duties collected in 1921 were about 50 per cent of the value of the imported product, but while the much lower duty levied in the Underwood law was in operation, the duties collected were less than one-third of the total value of the product. When the rates here levied are in force, the duties will be close to 100 per cent of the foreign price.

I have nothing further to say with reference to this paragraph, except what I have heretofore said in opposition to all of the high duties levied under the wool schedule.

Mr. SIMMONS. Mr. President, I think it proper to make some statement with reference to this amendment now proposed by the committee, and I will make it very brief.

The amendment under discussion is in the nature of a substitute for the paragraph as provided in the bill as it passed the House, and Senators will observe that in the original committee amendment there was this provision, "all the foregoing, if wholly of wool, 49 cents per pound." That is the proper form to write an amendment of this sort, where it is intended to be compensatory.

If the original amendment had stopped there it would not have been subject to the objections made on Saturday by the Senator from Wisconsin and myself to the compensatory provisions of the paragraph then under consideration. But the original amendment of the committee did not stop there. It proceeded as follows:

If in part of wool, whether or not wool constitutes chief value, 33 cents per pound.

If that amendment had been adopted as originally proposed by the committee it would have meant that if there was a fraction of wool in the article it would bear a duty of 33 cents a pound, because the amendment very carefully provides that the 33-cent rate shall obtain as a compensatory duty for the wool, whether the wool constitutes the element of chief value or not, which, of course, could mean what I said a while ago, that the 33 cents, ostensibly for the purpose of compensating for the raw wool in the article, should be allowed although it might contain only a bare fraction of wool. In other words, if there were any wool at all in the product, under that amendment the producer of the article would be entitled to have a duty of 33 cents a pound by way of compensating him for the wool in the article, however small that quantity of wool might be. The committee has very properly stricken that out. It is very much to their credit that they have stricken it out, as, I think, it was very much to their discredit that they put it in there in the first instance.

I am calling attention to this simply for the purpose of showing how crudely this bill was originally redrafted by the committee in those particulars in which it was sought to amend it, and what would have been the situation if those amendments had not been challenged and the committee been coerced into further action by reason of the exposure of the provisions as originally drafted by it.

Mr. President, there is another comment I wish to make upon this amendment. As originally drafted it provided "all the foregoing, if not wholly of wool, 49 cents per pound." After the words "49 cents per pound," the committee now adds "upon the wool content thereof," and it changes the preceding part of the amendment to read "all the foregoing, if wholly or in chief value of wool," it having originally read, as I said, "all the foregoing if wholly of wool." So that the amendment as now changed by the committee reads substantially as the corresponding provision in some of the items which preceded it and with reference to which the Senator from Wisconsin so earnestly insisted that it should be changed so as to provide that the rates should apply only upon the wool content where the article was not wholly of wool.

I think in view of the fact that the committee have clearly changed their policy and recognized in this paragraph that where the provision provides a certain rate by way of compensation for the wool, where it is in part or in chief value of wool, in view of the fact that they have now concluded with reference to this particular paragraph dealing with a fabric that only the wool content should be considered in applying the compensatory rates with reference to this particular article, that the committee in common justice, and certainly in the interest of consistency, ought, wherever that language appears in the paragraphs of the schedule, to make the same amendment.

The Senator from Utah [Mr. SMOOT] shakes his head. I want to ask the Senator from Utah how he differentiates the situation in this respect with reference to this paragraph from the situation with reference to the same condition in the paragraphs sought to be amended on Saturday by the Senator from

Wisconsin. I also call it to the attention of the Senator from Wisconsin. It may be that in my hurry I have overlooked some circumstance, but as it appears to me now, if this is a proper amendment to the particular paragraph now pending, that it likewise would be a proper amendment, and in the interest of consistenecy ought to be applied to the other paragraphs of like import which were discussed and acted on during the past week.

Mr. SMOOT. Mr. President, I will say to the Senator that it is very easily answered. In the other case, where the language has not been added, wool waste is used. In the fabrics carried by this paragraph they do not use wool waste. The goods are entirely different, and the compensatory duty where wool waste is used——

Mr. SIMMONS. They may use cotton in the fabrics mentioned in both paragraphs.

Mr. SMOOT. Not in this one.

Mr. SIMMONS. They use nothing but wool waste in the fabrics covered in this paragraph?

Mr. SMOOT. No; they do not use wool waste in those fabrics.

Mr. SIMMONS. They do not use waste wool at all.

Mr. SMOOT. But they do use rubber.

Mr. SIMMONS. But in the paragraphs already passed over, and in the paragraphs in which the same language appears——

Mr. SMOOT. It only appears where the 49 cents per pound duty is given, and that necessarily should be all wool, and therefore we provide that unless it is all wool they shall only receive the all-wool compensatory duty on the wool content.

Mr. SIMMONS. If this particular article is all wool, why was it necessary to put it in?

Mr. SMOOT. It is not all wool. The great bulk of it is not all wool. If the Senator wants to know why the committee used the words "if in part wool, whether or not wool constitutes the chief value," there is a reason for that.

Mr. SIMMONS. I am not talking about that.

Mr. SMOOT. The Senator criticized that language.

Mr. SIMMONS. I did.

Mr. SMOOT. The Senator said it was an inconsistency. The Senator will notice that the committee have stricken out the words "laces, galloons, veils and veiling, bands, belts." The reason why the words "if in part of wool" were used in this paragraph was because if the words had not been there with those items in the paragraph, then the items would have fallen under a higher rate under paragraph 1430.

Mr. SIMMONS. I only referred to the elimination of the 33 cents portion of the paragraph for the purpose of commending the committee for taking a saner view of the matter than they originally did.

Mr. SMOOT. If the Senator understood it he would not make that statement. If we had left in here the items "laces, galloons, veils and veiling, bands, belts," if those words were stricken out, they would have fallen in paragraph 130 at a higher rate, but we have stricken those out.

Mr. SIMMONS. What has been done with the items stricken out?

Mr. SMOOT. They go into paragraph 1430, and whenever we reach that paragraph then we will decide upon the rates, but if the words "if in part of wool, whether or not wool constitutes the chief value," had been left in this paragraph or had not been put in here, then the articles would have fallen naturally into paragraph 1430 at a higher rate. It was protection which the committee had sought in putting those words in there, and not what the Senator thought it was.

Mr. SIMMONS. Was not the 33 cents per pound rate a compensatory duty?

Mr. SMOOT. Yes; certainly it was. We provided 49 cents a pound on the wool content, but in doing that we had to take out laces, galloons, veils, and veiling, bands and belts, and, as I said, there would have been no necessity for that in the first place if it had not been for the reasons I have just given.

Mr. SIMMONS. Both of the rates, the 49 cents per pound rate and the 33 cents per pound rate, are compensatory rates, because there was afterwards added 55 per cent ad valorem as a protective rate.

Mr. SMOOT. Fifty per cent.

Mr. SIMMONS. It was 55 in the original amendment to the bill.

Mr. SMOOT. They are compensatory rates, and we accepted those just as we accepted the amendment of the Senator from Wisconsin and used the exact words following.

Mr. SIMMONS. The Senator stated that they had taken out the last item in the paragraph which imposed a 33 cents per pound rate because they had stricken out of it some of the specific articles contained in the paragraph.

Mr. SMOOT. Yes; and that the only thing now——

Mr. SIMMONS. The 33 cents per pound was intended, according to the Senator, to cover the specific articles which the committee now proposes to eliminate. Now, those articles——

Mr. SMOOT. If they had not been in here it was——

Mr. SIMMONS. Let me finish my statement. That is, 33 cents per pound was put in here for the purpose of affording a compensatory rate on the articles which have been taken out. Now, those articles are in part of wool, I presume.

Mr. SMOOT. Yes.

Mr. SIMMONS. If they are only in part wool why was a 33 cents per pound rate, which is the rate on all wool, imposed in the original amendment unless it was meant that if there was any wool in the articles the manufacturer of the article should be entitled to the compensatory rate of 33 cents a pound upon total weight of the cloth?

Mr. SMOOT. Perhaps I can explain it to the Senator in this way.

Mr. SIMMONS. Taking those items out does not change the fact at all.

Mr. SMOOT. Yes, it does.

Mr. SIMMONS. It does not change the fact that it was the original intent to allow the manufacturer of the articles which have been taken out, without reference to the quantity of wool that might be in them, to have 33 cents a pound on every pound of goods.

Mr. SMOOT. If the Senator will allow me to explain, I will tell him just what would have happened. In this paragraph the wording is "wholly of wool, 49 cents per pound."

Mr. SIMMONS. Not in the section about which I was talking.

Mr. SMOOT. If the Senator will allow me to explain, I shall be glad to do so, and then he will see why the committee did it. It is very clear when it is understood.

This is the only paragraph where the words "wholly of wool" are used. This is the only paragraph where the words "if in part wool, whether wool constitutes the chief value," are used. This is what would have happened: Laces, galloons, veilings, and so forth, would have been manufactured with one thread of wool in them, and would have escaped the higher rate imposed in paragraph 1430. In fact, I had samples shown to me containing one thread of wool. The object of that, I will say to the Seantor, was that the importer could not send in here laces of the highest value, and veilings particularly, with a wool thread in and get them under the lower rate in this paragraph when they should have gone under paragraph 1430. But now that we have taken them out, it applies to the fabrics with fast edges not exceeding 12 inches, and we say that it shall be 49 cents a pound on the wool content thereof.

Mr. SIMMONS. The amendment as now adopted is in proper form. I am not criticizing it. I think it is entirely right, so far as form of laying the duty is concerned, but it ought to apply elsewhere as well as here where the conditions are substantially the same.

Mr. SMOOT. Of course I can explain also why it could not apply to some of the brackets which we have already passed over. It applies in every case where there is a 49-cent compensatory duty given, but it will not apply where there is, for instance, 20 cents a pound given and where we know it will be all wool waste. It could not apply where it is 49 cents. I think the paragraph is so worded now that there can be no deception or misunderstanding with reference to the paragraph under which these goods will fall when imported into the United States.

Mr. SIMMONS. Mr. President, I simply wish to say that when I stated that the amendment as perfected by the committee was "right" I meant as to form, of course, and not as to the amount of duty which the amendment carried.

Mr. LENROOT. Mr. President, just a word with reference to the question which has been raised by the Senator from North Carolina [Mr. SIMMONS]. It is true that where the committee assumed that the article was all wool and gave a 49 cents a pound compensatory duty they did accept the amendment making it upon the wool content. The justification of the committee for opposing the amendment which I proposed, where the compensatory duty was less than 49 cents a pound, was the plea that a part of the article was made of wool waste and wool extract and perhaps a part of it of cotton, and therefore they had taken that into consideration in giving a rate of compensatory duty less than 49 cents a pound.

I see that there is some justification for the position that the committee has taken; but, as I have stated to the Senator from Utah [Mr. SMOOT] privately, and I also want to state it upon the floor of the Senate, in arriving at the rates of compensatory duty less than 49 cents a pound, which the committee have imposed, they have assumed that a part of the article was to be a wool extract and a part of it of cotton or other material.

That being so, I do not see why the committee could not and should not, in conference, at least, give their best judgment as to what part of the article will be composed of cotton or some other material, and make the duty upon the wool content throughout. If only a part of it shall be of waste or wool extract, the committee can and should arrive at a lower rate of compensatory duty, but whatever that shall be make it upon the wool content.

I have no information, I want to say, as to what part would be of wool waste or of wool extract or what part of cotton. So I am not in a position to offer the amendments that I should like to offer if I had the information.

Mr. SMOOT. I have told the Senator from Wisconsin, I think several times, that if it were possible to ascertain the percentage of wool waste that might be in a wool thread I should be glad to figure it out; but that can not be done.

Mr. LENROOT. No; the Senator from Utah misunderstood me. I did not urge that.

Mr. SMOOT. The Senator means, on the assumption that the committee made in arriving at the rate of compensatory duty?

Mr. LENROOT. Yes. Now, if the committee assumes that one-half of an article will be of wool, two-fifths of wool waste, and one-tenth of cotton—if that makes the proper calculation; at any rate, the Senator sees what I am getting at——

Mr. SMOOT. Yes; I see what the Senator is driving at.

Mr. LENROOT. I do not object to giving a full compensatory duty upon the wool and the wool extract and the wool waste if the committee has once lowered the duty to less than 49 cents to where it thinks it ought to be; but whenever there is any cotton in the article we ought to exclude the cotton. That is my point.

Mr. SMOOT. I will say to the Senator from Wisconsin that in every case that has been taken into consideration.

Mr. LENROOT. Yes; but if it has been taken into consideration the committee must have made some kind of assumption as to how much of the article was cotton.

Mr. SMOOT. Certainly.

Mr. LENROOT. If the committee has proceeded upon that kind of an assumption, it ought to remove the cotton entirely from consideration in the imposition of the rate and give the duty upon the wool which is used. The duty ought to be imposed upon the wool and the wool waste and the wool extract.

Mr. SMOOT. That can not be done.

Mr. SIMMONS. Mr. President——

Mr. LENROOT. I wish to make myself clear to the Senate. I do not insist upon differentiating in the compensatory duty between pure wool and wool waste; but I do insist that we ought not to give any compensatory duty upon any other than the wool or the wool waste in the fabric.

Mr. SMOOT. I want to say to the Senator from Wisconsin that we have not done so in so far as we can possibly figure it. For instance, take the blanket paragraph. We start out with a duty of 20 cents a pound, and we know that the duty upon carbonized noils is 30 cents. The manufacturer is not going to use carbonized noils to make blankets falling in that bracket. I have not any doubt that he can make his warp of 90 per cent wool waste. Perhaps he could not in making the filling use quite as much; but we have figured upon those percentages and we have given the duty upon the waste that is in that class of blankets and not upon the wool.

Mr. SIMMONS. Mr. President, if the Senator from Utah will pardon me, if the proposition of the Senator from Wisconsin [Mr. LENROOT] were adopted, and that were applied only to the actual wool content of the article, there could be no trouble about it; the producer could never get more compensation than he was entitled to upon the amount of wool he used; but suppose we adopt the method of which the Senator from Utah has just spoken, and which the Senator from Wisconsin says he is not able to work out because he has not the data. Probably the Senator from Utah has the data, but if the Senator from Utah has the data, those data are not absolutely stable and fixed. The Senator may have some information as to the amount of wool that is used in a certain cloth now, when the wool is on the free list, but when wool is placed under a duty of 33 cents a pound, would we have any assurances that the manufacturer would use as much wool in making various fabrics as he would if he could get his wool free? Should we not be speculating by taking the present proportion of wool in a fabric, when wool is free, instead of considering the fact that there may be vast changes in the proportion of the mixture of cotton and wool, with wool worth 33 cents a pound more than it now is?

Mr. SMOOT. The manufacturer has in mind the making of a certain piece of goods, and he knows that it will take a certain class of wool to make those goods. If they are adulterated in any way, they are not that class of goods. I doubt whether any manufacturer will make the same kind of goods using a lower form of mixture than was used by the manufacturer who originally made the cloth.

Mr. SIMMONS. But suppose they are of a lower grade.

Mr. SMOOT. Then they will not sell for the same.

Mr. SIMMONS. I do not think the fact that they are of less value would change their classification, so far as the tariff is concerned.

Mr. SMOOT. Oh, yes; the goods would fall in different brackets wherever there is more than one provided. As I stated when the Senator first proposed his amendment to the 49-cent rate, I saw no reason why it should not be accepted, and, so far as I was concerned, I believed that the committee would accept it, and, on speaking to members of the committee, they said they would accept it. It was right; there is no question about that; but the other proposition is quite different.

Mr. SIMMONS. The paragraph reads:

Fabrics with fast edges not exceeding 12 inches in width—

That is the description. Now, any fabric answering to that description would be entitled to this duty, and it would answer to that description if there was a less quantity of wool in it than is in the similar class of goods made now.

Mr. SMOOT. No one is stating to the contrary. The only reason why the committee, or, I should say, the Tariff Commission, prepared the amendment in the form in which it is was because of the fact that there have been included in the paragraph laces, galloons, veils, and veiling which were not included in the original House provision. There is, however, no need of my explaining that again. We did not propose to leave a loophole so that the manufacturer in the foreign country could manufacture a veiling, put one thread of wool in it, and, instead of paying 75 per cent duty, pay 60 per cent.

Mr. HITCHCOCK. Mr. President, we have heard a great deal of discussion here on what seems to me a very unimportant feature of this schedule. What I should like to know is whether I have interpreted the paragraph correctly that it increases the present rate from about 35 per cent to something like 100 per cent?

Mr. SIMMONS. If the Senator will pardon me, if he had been here the other day when we were discussing the framework of the compensatory scheme proposed by the committee he would not have thought this was an unimportant matter. It is a very fundamental matter and lies at the very bottom of this whole business. It goes to the question of concealed protection.

Mr. HITCHCOCK. That is, of course, of importance, but as I read the existing law, the tariff is 35 per cent, while the schedule as now proposed will make it about 100 per cent.

Mr. SMOOT. The Senator is wrong.

Mr. HITCHCOCK. Will the Senator state, then, what the ad valorem equivalent will be?

Mr. SMOOT. The ad valorem as it was originally written on fabrics made wholly of wool would be 76 per cent; on fabrics partly of wool, as it was originally written, the duty would be 68 per cent. Of course, in view of the amendment which we have already adopted that the compensatory duty should only be allowed upon the wool contained therein, the equivalent ad valorem will fall a little lower than that. The goods embraced in this paragraph are very expensive goods, I will say to the Senator; they are narrow goods and are made into garters and suspenders and generally have silk mixed with them or their warp is of rubber.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield a moment?

Mr. SMOOT. Yes.

Mr. WALSH of Massachusetts. Of course, a fabric the import price of which is a dollar when it is made chiefly of wool under this paragraph will be taxed 49 cents per pound of wool, if there is a pound of wool in the fabric, plus an ad valorem rate of 50 per cent, which will be equivalent to 99 cents on a dollar article. That is the way it would work out.

Mr. SMOOT. If the price were a dollar a pound, it would; but no such goods as that fall in this paragraph. These are high-priced articles. They are woven in not to exceed 12-inch widths, and many of them in only three-quarters of an inch width. Most of them have rubber warp, and are used for suspenders, and frequently are mixed with silk.

Mr. WALSH of Massachusetts. Then why did the committee put in a bracket imposing 49 cents duty on the wool fabric if no goods made wholly of wool fall under this paragraph? I am assuming an article made of all wool the import price of which is a dollar. On such an article the tax is 49 cents upon

the wool and 50 per cent ad valorem. The Senator admits that in such a case the duty would be practically 100 per cent.

Mr. SMOOT. Yes; if there were such a case.

Mr. WALSH of Massachusetts. Of course, we can conceive of goods on which the rate would be more than 100 per cent.

Mr. SMOOT. The tariff rate is 76 per cent on the wool; but the amendment making the rate 49 cents on the wool content will bring the equivalent ad valorem down to a little over 68 per cent.

Mr. HITCHCOCK. I am trying to find out what the tariff duty will be on wool of the manufactured article.

Mr. SMOOT. Just the rate that is proposed upon the wool itself.

Mr. HITCHCOCK. First there is a duty of 49 cents per pound. Now, what is the equivalent ad valorem of 49 cents per pound?

Mr. SMOOT. Under the original provision the equivalent ad valorem of the 49-cent rate is the difference between the 55 per cent and 76 per cent, which would be 21 per cent.

Mr. HITCHCOCK. Then added to that must be a 55 per cent ad valorem.

Mr. SMOOT. No; 50 per cent.

Mr. HITCHCOCK. Fifty per cent ad valorem? That will make a total per cent of 71.

Mr. SMOOT. As against the present law, which was 35 per cent.

Mr. HITCHCOCK. Thirty-five per cent.

Mr. SMOOT. The other would be with 5 per cent off of 68 per cent, or 63 per cent, as against 35 per cent.

Mr. HITCHCOCK. Is there any such tremendous importation of this article as to justify more than doubling the tariff rate?

Mr. SMOOT. I can not say that there has been of late.

Mr. HITCHCOCK. Has there ever been any great importation of this character of goods?

Mr. SMOOT. We do not know as to the quantity made in this country; we have no reports as to the production in the United States, and I can not say what is the percentage of imports to domestic production.

Mr. HITCHCOCK. Apparently the records show imports of only $3,000 a year.

Mr. SMOOT. Oh, no; under paragraph 1114 in 1921 the imports were valued at $157,624.

Mr. WALSH of Massachusetts. The imports under paragraph 1114 in 1921 were valued at $2,942.

Mr. SMOOT. Of course I suppose that included braids and laces as well.

Mr. HITCHCOCK. Mr. President, if the imports are only $3,000 a year, why more than double the tariff? That is what I can not see. How can that be explained?

Mr. SMOOT. I want to say to the Senator that these goods are entirely the subject of fashion. They are passementerie. They are the highest type of luxuries. Whether or not they are made here all depends on whether or not they take during the year. Fashion governs them entirely now that we have taken the braids and galloons and veilings and veils and laces out of this paragraph.

Mr. HITCHCOCK. I can recognize that if they are luxuries it is not such a serious matter to double the tariff; but why double the tariff even on luxuries if the amount imported is negligible?

Mr. SMOOT. I do not think it will make any difference as to the importations.

Mr. LENROOT. Mr. President, I should like to ask the Senator from Utah a question. Now that braids, laces, galloons, veils, and veilings have been taken out, where will they go?

Mr. SMOOT. In paragraph 1430. There will have to be a new division made in that schedule.

Mr. WALSH of Massachusetts. Is that the sundries schedule?

Mr. SMOOT. Yes; the sundries schedule.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the committee.

The amendment was agreed to.

The PRESIDENT pro tempore. The Secretary will state the next amendment of the committee.

The next amendment was, on page 149, after line 19, to strike out—

PAR. 1115. Knit fabrics, made of wool or of which wool is a component part, whether or not constituting chief value, valued at not more than $1.25 per pound, 25 cents per pound and, in addition thereto, 20 per cent ad valorem; valued at more than $1.25 per pound, 36 cents per pound and, in addition thereto, 25 per cent ad valorem.

Hose and half hose, and gloves and mittens, made of wool or of which wool is a component part, whether or not constituting chief value, valued at not more than $3 per dozen pairs, 30 cents per pound and, in addition thereto, 25 per cent ad valorem; valued at more than $3 per dozen pairs, 36 cents per pound and, in addition thereto, 30 per cent ad valorem.

Knit underwear, finished or unfinished, made of wool or of which wool is a component part, whether or not constituting chief value, valued at not more than $2.50 per pound, 30 cents per pound and, in addition thereto, 20 per cent ad valorem; valued at more than $2.50 per pound, 36 cents per pound and, in addition thereto, 25 per cent ad valorem.

Outerwear and other articles, knit or crocheted, finished or unfinished, made of wool or of which wool is a component part, whether or not constituting chief value, valued at not more than $2.50 per pound, 30 cents per pound and, in addition thereto, 28 per cent ad valorem; valued at more than $2.50 per pound, 36 cents per pound and, in addition thereto, 33½ per cent ad valorem.

And in lieu thereof to insert:

PAR. 1115. Knit fabrics in the piece, wholly or in chief value of wool, valued at not more than $1 per pound, 33 cents per pound and 40 per cent ad valorem; valued at more than $1 per pound, 49 cents per pound and 50 per cent ad valorem.

Hose and half hose, and gloves and mittens, wholly or in chief value of wool, valued at not more than $1.75 per dozen pairs, 39 cents per pound and 35 per cent ad valorem; valued at more than $1.75 per dozen pairs, 49 cents per pound and 50 per cent ad valorem.

Knit underwear, finished or unfinished, wholly or in chief value of wool, valued at not more than $1.75 per pound, 39 cents per pound and 30 per cent ad valorem; valued at more than $1.75 per pound, 49 cents per pound and 50 per cent ad valorem.

Outerwear and other articles, knit or crocheted, finished or unfinished, wholly or in chief value of wool, and not specially provided for, valued at not more than $2 per pound, 39 cents per pound and 40 per cent ad valorem; valued at more than $2 per pound, 49 cents per pound and 55 per cent ad valorem.

Mr. SMOOT. Mr. President, beginning with line 11, down to and including line 16; that is, for the last paragraph of the committee amendment I offer a substitute which I sent to the desk and ask to have read.

The PRESIDENT pro tempore. The substitute will be stated.

The ASSISTANT SECRETARY. As a substitute for that part of the paragraph embraced within lines 11 to 16, both inclusive, the following is proposed:

Outerwear and other articles, knit or crocheted, finished or unfinished, wholly or in chief value of wool, and not specially provided for, valued at not more than $1 per pound, 39 cents per pound and 40 per cent ad valorem; valued at more than $1 and not more than $2 per pound, 44 cents per pound and 45 per cent ad valorem; valued at more than $2 per pound, 49 cents per pound and 50 per cent ad valorem.

Mr. WALSH of Massachusetts. There is another bracket added?

Mr. SMOOT. Yes; I will say to the Senator that the committee added another bracket. Frankly, the manufacturers claim that the competition is so keen to-day in that one bracket that nearly all of the mills making those goods in the United States are closed.

Mr. WALSH of Massachusetts. Why does not the Senator add the words "on the wool content thereof" after the compensatory duty in each case?

Mr. SMOOT. I do not know how in the world we could ever find that out in the case of these outer garments.

Mr. WALSH of Massachusetts. You have attempted to find it out in the case of the other wool fabrics.

Mr. SMOOT. That is quite different from a made-up garment. You can take a piece of cloth and test it without destroying the cloth; but in the case of garments it is absolutely impossible. The only way we could do that is by values, as has been done here in the brackets, and knowing as nearly as possible just what percentage of yarns the different costs would go into that kind of an article.

I want to say to the Senator that I had a sample of these outer garments brought to my office the other day, a number of them, with the invoice on the goods. The manufacturer claimed that they were all wool, and I doubted it. I knew that it was very coarse wool, and I doubted that it was all wool; so I said, "May I cut this garment, and if you will allow me to do so, I will test it to find out whether it is all wool or whether it is not?" I took out of that garment enough of the material to test whether it was all wool or not, and I found that it was, and the invoice price of that was 84 cents a pound. It averaged 84 cents a pound.

I want to say frankly that I am warned that if these rates go through, that part of the industry can not survive; but I think it can, because of the fact that with the low-grade wools at the price they are now I think they can get along with the compensatory duty we have offered.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. SMOOT. Yes.

Mr. LENROOT. I should like to ask the Senator a question with reference to the difficulty of ascertaining the wool content. Is it or is it not a fact that the yarn itself may be part wool and part some other material, cotton or otherwise, and that a test could not be made without injuring the garment?

Mr. SMOOT. They can not make the test without injuring the garment. If it were possible, we would do it otherwise; but I will say to the Senator that in order to test this very garment I had to take at least an inch square out of it, and

when you take out only an inch square you are liable to be 4 or 5 per cent off, because of the fact that the weights are so small, particularly if the material is adulterated a very little, that you can hardly weigh it. Your scales are hardly fine enough to find out what the percentage is. I will say to the Senator from Massachusetts that if it were possible I would gladly accept an amendment to that effect, but it is impossible to administer a provision of that kind.

Mr. WALSH of Massachusetts. Mr. President, this paragraph (1115) covers wool knit fabrics, wool gloves and mittens, wool knit underwear, and wool hosiery.

There have been comparatively small importations of these articles. Wool knit fabrics were imported in 1921 to the value of $7,425, wool gloves and mittens to the value of $303,143, wool knit underwear and outerwear to the value of $161,299. These have been negligible when compared with the production in this country. There has, however, been quite an increase in the importation of wool hosiery during the year 1921 and also during the year 1920, due to the short skirts worn by women and the inclination to wear sport hosiery and wool hosiery which was not made in this country.

Our people do not wear large quantities of woolen hosiery or woolen gloves. The gloves and hosiery and underwear worn by our people are made either wholly or in chief part of cotton or silk. Whatever wool hosiery or underwear is imported is largely of a special type and kind that does not compete with the domestically made hosiery or underwear.

The specialty shops import these wares to satisfy the demands of a certain class of customers, largely those who like to wear sport clothes and like to dress in the manner and style of the English.

I do not know that I can present my views in opposition to this amendment better than by asking to have read from the desk an article which I will send up from the Dry Goods Economist of April 29, 1922. This paper contains an interesting discussion of these duties. I suppose it is well known that the Dry Goods Economist is the leading magazine in circulation among dry goods merchants throughout the country. It is a very high-class paper. The writer of this article seems to consider these high duties indefensible, and does not believe that they ought to be levied.

I ask the Secretary to read the article.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Assistant Secretary read as follows:

NOBODY IS WILLING TO BE GODFATHER TO THE KNIT-UNDERWEAR TARIFF—MANUFACTURERS KNOW IT IS UNNECESSARY—JOBBERS SAY THEY DON'T CARE ONE WAY OR THE OTHER, AND IMPORTERS DON'T LIKE IT—WHY IT WAS PUT IN THE BILL IS A PUZZLE.

As far as can be discovered from a canvass of the market, the proposed tariff on knit underwear is nobody's child. In other words, nobody confesses to wanting it especially. But still it is there, and the presumption is that domestic manufacturers made some effort to have it put there; except perhaps Congress, in the goodness of its heart, having been so kind to the other industries, couldn't bear to leave the knit-underwear industry out in the cold. * * *

RATES CALLED EXORBITANT.

These rates are characterized by importers as both exorbitant and unnecessary. The Economist has pointed out before that the amount of knit underwear imported into this country is negligible and could not by any stretch of the imagination be looked upon as competing seriously with domestic production. Under the circumstances there appears to be no present need for protection, and the proposed rates are so high, importers say, that they will simply kill off the current small volume of importations without benefiting anybody in particular.

Apparently, manufacturers are concerned not so much with existing competition as with the possibility of competition in the future. They are afflicted with the fear that this country will be flooded with the products of cheap European labor. Ever since the armistice this country has been perpetually on the brink of the aforesaid flood; but during those three and a half years no more than a few scanty drops have trickled over.

WHERE IS THE DANGER?

There may be a reason why we are more likely to be flooded with European knit underwear during the next three years than we have been during the last three; but up to the moment of going to press this reason has not been discovered. Neither the British nor the Germans have succeeded in making knit underwear that would "go" successfully on the American market, although both have tried hard. It is possible that they may succeed eventually; but putting up a tariff against an eventual possibility is a new wrinkle.

DISTRIBUTERS INDIFFERENT TO TARIFF.

Jobbers and other distributers of knit underwear are not much concerned with the question. They handle so little imported goods, they say, that it is a matter of indifference to them whether the proposed tariff shuts off importations or not. They do not believe that it can be used by domestic manufacturers as a lever to raise prices, because the large volume of domestic production and the competition for business between domestic manufacturers will be sufficient to regulate prices.

More serious is the probable effect of the proposed tariff on raw-material prices, particularly wool. The raw-wool schedule, which aims at an average duty of 35 cents a pound, clean basis, on all except carpet wools, is enough to make the most hardened protectionist sit up and take notice. If this measure goes through, the price of raw wool and of wool underwear is bound to be affected materially. The same is true of long-staple cotton, on which the proposed duty is 7 cents a pound. The only thing that seems reasonably clear about the whole matter is that the consumer, as usual, is going to get it in the neck.

The PRESIDENT pro tempore. The question is upon agreeing to the committee amendment as modified.

Mr. WALSH of Massachusetts. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. FRELINGHUYSEN (when his name was called). Making the same announcement as before, I vote "yea."

Mr. HARRISON (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. ELKINS] to the Senator from Rhode Island [Mr. GERRY] and vote "nay."

Mr. JONES of New Mexico (when his name was called). I transfer my pair with the Senator from Maine [Mr. FERNALD] to the Senator from Nevada [Mr. PITTMAN] and vote "nay."

Mr. ROBINSON (when his name was called). Announcing the same pair and transfer as on the last vote, I vote "nay."

Mr. STERLING (when his name was called). Making the same transfer of my pair as on the last vote, I vote "yea."

Mr. WALSH of Massachusetts (when Mr. TOWNSEND's name was called). The Senator from South Carolina [Mr. DIAL] is paired with the Senator from Michigan [Mr. TOWNSEND]. If the Senator from South Carolina were present and not paired, he would vote "nay."

Mr. TRAMMELL (when his name was called). I transfer my pair with the senior Senator from Rhode Island [Mr. COLT] to the senior Senator from Texas [Mr. CULBERSON] and vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as on the last vote, I vote "yea."

Mr. WILLIS (when his name was called). In the absence of my colleague [Mr. POMERENE], with whom I am paired, I transfer that pair to the senior Senator from Maryland [Mr. FRANCE] and vote "yea."

The roll call having been concluded,

Mr. LODGE. Making the same transfer of my pair with the senior Senator from Alabama [Mr. UNDERWOOD] as before, I vote "yea."

Mr. McCUMBER. I transfer my general pair as on the previous vote and vote "yea."

Mr. ERNST (after having voted in the affirmative). I transfer my pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from Maryland [Mr. WELLER] and let my vote stand.

Mr. JONES of Washington. I transfer my general pair with the Senator from Virginia [Mr. SWANSON] to the Senator from Connecticut [Mr. BRANDEGEE] and vote "yea."

The result was announced—yeas 31, nays 16, as follows:

YEAS—31.

Ball	Frelinghuysen	McKinley	Oddie
Borah	Jones, Wash.	McLean	Phipps
Bursum	Kendrick	McNary	Smoot
Calder	Keyes	Moses	Sterling
Capper	Ladd	New	Warren
Cummins	Lenroot	Newberry	Watson, Ind.
Curtis	Lodge	Nicholson	Willis
Ernst	McCumber	Norbeck	

NAYS—16.

Ashurst	Harrison	Kellogg	Sheppard
Caraway	Heflin	Overman	Simmons
Fletcher	Hitchcock	Ransdell	Trammell
Harris	Jones, N. Mex.	Robinson	Walsh, Mass.

NOT VOTING—49.

Brandegee	Gerry	Owen	Stanley
Broussard	Glass	Page	Sutherland
Cameron	Gooding	Pepper	Swanson
Colt	Hale	Pittman	Townsend
Crow	Harreld	Poindexter	Underwood
Culberson	Johnson	Pomerene	Wadsworth
Dial	King	Rawson	Walsh, Mont.
Dillingham	La Follette	Reed	Watson, Ga.
du Pont	McCormick	Shields	Weller
Edge	McKellar	Shortridge	Williams
Elkins	Myers	Smith	
Fernald	Nelson	Spencer	
France	Norris	Stanfield	

The PRESIDENT pro tempore. There is not a quorum present. The Secretary will call the roll.

The Assistant Secretary called the roll and the following Senators answered to their names:

Ashurst	Frelinghuysen	Lodge	Phipps
Borah	Gooding	McCumber	Ransdell
Broussard	Harreld	McKinley	Robinson
Bursum	Harris	McLean	Sheppard
Calder	Heflin	McNary	Simmons
Capper	Hitchcock	Moses	Smoot
Caraway	Jones, N. Mex.	New	Sterling
Cummins	Jones, Wash.	Newberry	Walsh, Mass.
Curtis	Kellogg	Nicholson	Warren
Ernst	Kendrick	Oddie	Watson, Ind.
Fletcher	Keyes	Overman	Willis

The PRESIDENT pro tempore. Forty-four Senators have answered to their names. There is not a quorum present. The Secretary will call the roll of absentees.

The Assistant Secretary called the names of the absent Senators and Mr. LENROOT and Mr. NORBECK answered to their names when called.

Mr. BALL entered the Chamber and answered to his name.

The PRESIDENT pro tempore. Forty-seven Senators have answered to their names. There is not a quorum present. What is the pleasure of the Senate?

Mr. McCUMBER. I move that the Sergeant at Arms be instructed to procure the attendance of absent Senators.

The motion was agreed to.

The PRESIDENT pro tempore. The Sergeant at Arms will execute the order of the Senate.

Mr. TRAMMELL and Mr. CULBERSON entered the Chamber and answered to their names.

The PRESIDENT pro tempore. Forty-nine Senators have answered to their names. There is a quorum present. The Secretary will call the roll upon the amendment proposed by the committee, as modified.

The reading clerk proceeded to call the roll.

Mr. FRELINGHUYSEN (when his name was called). Making the same announcement as before in reference to my pair and its transfer, I vote "yea."

Mr. JONES of Washington (when his name was called). Making the same announcement with reference to my pair as on the former vote, and its transfer to the senior Senator from New York [Mr. WADSWORTH], I will vote. I vote "yea."

Mr. McCUMBER (when his name was called). Transferring my general pair as on the previous vote, I vote "yea."

Mr. McLEAN (when his name was called). I transfer my pair with the senior Senator from Montana [Mr. MYERS] to the junior Senator from Iowa [Mr. RAWSON] and vote "yea."

Mr. ROBINSON (when his name was called). Announcing the same pair and transfer as on the last vote, I vote "nay."

Mr. STERLING (when his name was called). Making the same announcement as to my pair and its transfer as on the last vote, I vote "yea."

Mr. TRAMMELL (when his name was called). Making the same announcement as to the transfer of my pair as on the previous ballot, I vote "nay."

Mr. WILLIS (when his name was called). Making the same announcement as before of the transfer of my pair with the senior Senator from Ohio [Mr. POMERENE] to the senior Senator from Maryland [Mr. FRANCE], I vote "yea."

The roll call was concluded.

Mr. WATSON of Indiana. Making the same announcement as before in reference to my pair and its transfer, I vote "yea."

Mr. LODGE. Making the same announcement as to the transfer of my pair as previously, I vote "yea."

Mr. ERNST (after having voted in the affirmative). My general pair with the senior Senator from Kentucky [Mr. STANLEY] I transfer to the junior Senator from Maryland [Mr. WELLER] and allow my vote to stand.

Mr. HARRISON. I transfer my pair with the junior Senator from West Virginia [Mr. ELKINS] to the junior Senator from Rhode Island [Mr. GERRY] and vote "nay."

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Maine [Mr. HALE] with the Senator from Tennessee [Mr. SHIELDS];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON]; and

The Senator from Michigan [Mr. TOWNSEND] with the Senator from South Carolina [Mr. DIAL].

The result was announced—yeas 36, nays 17, as follows:

YEAS—36.

Ball	Curtis	Lenroot	Nicholson
Borah	Ernst	Lodge	Norbeck
Brandegee	Frelinghuysen	McCumber	Oddie
Broussard	Gooding	McKinley	Phipps
Bursum	Harreld	McLean	Smoot
Calder	Jones, Wash.	McNary	Sterling
Cameron	Kendrick	Moses	Warren
Capper	Keyes	New	Watson, Ind.
Cummins	Ladd	Newberry	Willis

NAYS—17.

Ashurst	Heflin	Overman	Trammell
Caraway	Hitchcock	Ransdell	Walsh, Mass.
Fletcher	Jones, N. Mex.	Robinson	
Harris	Kellogg	Sheppard	
Harrison	Myers	Simmons	

NOT VOTING—43.

Colt	Glass	Pepper	Stanley
Crow	Hale	Pittman	Sutherland
Culberson	Johnson	Poindexter	Swanson
Dial	King	Pomerene	Townsend
Dillingham	La Follette	Rawson	Underwood
du Pont	McCormick	Reed	Wadsworth
Edge	McKellar	Shields	Walsh, Mont.
Elkins	Nelson	Shortridge	Watson, Ga.
Fernald	Norris	Smith	Weller
France	Owen	Spencer	Williams
Gerry	Page	Stanfield	

So the committee amendment as modified was agreed to.

Mr. McCUMBER. Mr. President, I rise to a point of order. I desire an expression from the Chair as to whether or not an order of the Senate requiring the Sergeant at Arms to procure the presence of absent Senators is deemed suspended when a quorum is secured?

The PRESIDENT pro tempore. The Chair did deem the order suspended, and ordered a roll call. The Chair is not prepared to say that that is the proper procedure, however.

Mr. McCUMBER. I do not understand that having the roll call in itself suspends the order because a quorum has been secured. However, I want the Sergeant at Arms distinctly to understand, if the rule is that the order is not suspended when he secures the presence of a sufficient number of Senators to constitute a quorum, that the order is to bring absent Senators in, and I desire that order to be continued in force, and that the Sergeant at Arms shall understand that it shall be in force during the entire legislative day, even though that legislative day lasts until next March, if it is necessary, in order to keep a quorum here.

Mr. LODGE. Mr. President, I think the practice and the understanding have always been that the order to the Sergeant at Arms remains in force unless formally vacated by the Senate. Sometimes formal action to vacate the order has been forgotten; but I think there is no doubt about the practice being as I have just stated it.

The PRESIDENT pro tempore. The Chair has no doubt that the order continues until it is suspended by a vote of the Senate.

The Secretary will state the next committee amendment.

The ASSISTANT SECRETARY. On page 151, after line 16, the Committee on Finance proposes to strike out paragraph 1116 as printed in the House text, as follows:

PAR. 1116. Clothing and articles of wearing apparel of every description, not knit or crocheted, manufactured wholly or in part, made of wool or of which wool is a component part, whether or not constituting chief value, valued at not more than $2.50 per pound, 20 cents per pound and, in addition thereto, 25 per cent ad valorem; valued at more than $2.50 but not more than $5 per pound, 25 cents per pound and, in addition thereto, 25 per cent ad valorem; valued at more than $5 per pound, 36 cents per pound and, in addition thereto, 30 per cent ad valorem.

And in lieu thereof to insert a new paragraph, as follows——

Mr. SMOOT. Before the Secretary reads the paragraph which is proposed as an amendment, I now desire, on behalf of the Committee on Finance, to offer two modifications, in order to perfect the amendment. On page 152, paragraph 1116, line 2, after the word "crocheted," I ask that there be inserted the words "manufactured wholly or in part, composed." That is simply to perfect the wording of the paragraph.

Also, on line 7, before the words "per cent," I desire to strike out the numeral "55" and to insert the numeral "50."

The PRESIDING OFFICER (Mr. ASHURST in the chair). The Secretary will read the paragraph as proposed to be modified.

The ASSISTANT SECRETARY. As proposed to be modified the paragraph reads as follows:

PAR. 1116. Clothing and articles of wearing apparel of every description, not knit or crocheted, manufactured wholly or in part, composed wholly or in chief value of wool, valued at not more than $2 per pound, 26 cents per pound and 40 per cent ad valorem; valued at more than $2 but not more than $4 per pound, 33 cents per pound and 45 per cent ad valorem; valued at more than $4 per pound, 49 cents per pound and 50 per cent ad valorem.

The PRESIDING OFFICER (Mr. JONES of New Mexico in the chair). The question is on the amendment of the Committee on Finance as modified.

PARAGRAPH 1116—CLOTHING.

Mr. WALSH of Massachusetts. Mr. President, clothes and articles of wearing apparel are given a lower protective rate than in the Payne-Aldrich law, but the total rate ranges practically as high owing to the increase of the raw wool duty. On these goods, however, there appears to be no reason why the protective rate of 55 per cent accorded in the Senate bill should even approximate the rate in the Payne-Aldrich law, namely, 60 per cent. It is a well-known fact that the clothing-manufacturing industry of the United States is not subject to foreign competition and has practically exclusive control of the domestic market. The manufacture of ready-

made clothes is conducted nowhere in the world upon such a large and efficient scale as in the United States. Indeed, the testimony of one of the leading men in the trade, Mr. Goldman, of Cohen & Goldman, New York City, before the Senate Finance Committee contains the frank admission that the protective duty upon clothes is not a matter of vital concern to the clothing manufacturers inasmuch as the industry of this country is on a competitive basis and sells its goods already far below the tariff wall. The fact is that this branch of the wool industry, even in the pre-war and post-war period, has exported clothes upon a substantial scale. Exports have generally exceeded imports by a considerable margin, and what imports have come in have been largely specialties and do not compete with the domestic industry. It is the duty upon raw wool, rather than upon clothing which vitally concerns this branch of the industry. Indeed, it will be a great marvel of business efficiency if, under the disadvantage of a duty of 33 cents per pound, the American clothing manufacturers are able to continue to export any clothing at all to other countries and compete with goods made from free wool. Even in the domestic market this duty will seriously curtail the demand for clothes of good quality.

The Department of Commerce, in its 1916 report on "The men's factory-made clothing industry," stated:

> Imports of wool clothing are negligible, as compared with the huge domestic output, and consist mainly of English overcoats, novelty garments like the Balmaccan, and golfing and motoring clothes. Imports of sack suits are rare. The people in this country who demand English clothes are few; they reside usually in the seaport cities such as New York and Boston, and are in touch with England either socially or commercially. English ready-made clothing is not comparable with the American. The English tailoring is poor, except in the finest custom work. Very conservative styles of clothing are worn in England; the models do not change from one season to another as they do in the United States. American people believe not only that the styles of clothing for men that are originated in the United States are superior to those that come from other countries, but also that the workmanship is superior to the workmanship on ready-made clothing produced in foreign countries. This belief accounts, in a measure, for the tremendous increase in the production of factory-made clothing in the United States during the last 20 years. While the manufacture of ready-made clothing is one of the large industries in the United States, this industry is of comparatively small importance in other countries.

The above facts hold true to-day, and the domestic clothing manufacturer has practically no competition from abroad; not only that but for many years exports of clothing has been larger than imports. Under these circumstances it is difficult to see how a high duty on clothing can be justified.

Yet, let us see what this bill does. We will take as a basis a £4 suit of clothes invoiced from abroad at a price equivalent in exchange value to $29.53 and sold to the consumer in this country at $75 (vide Valuation Investigation Report made by the Secretary of the Treasury in 1921).

The duties under different acts and proposed bills would be as follows:

	Specific and ad valorem duties.	Total duty per suit.	Equivalent ad valorem.
			Per cent.
Act of 1909	4 pounds at 44 cents plus 60 per cent of $29.53.	$19.48	66
Act of 1913	4 pounds at 44 cents plus 35 per cent of $29.53.	10.34	35
Emergency act	4 pounds at 45 cents plus 35 per cent of $29.53.	12.14	41
H. R. 7456[1]	4 pounds at 36 cents plus 30 per cent of $75.00.	23.94	81
Senate bill	4 pounds at 49 cents plus 55 per cent of $29.53.	18.20	62

[1] Note the effect of the foreign valuation plan, as a basis for levying duties as provided in the House bill, in increasing protection.

The wholesale price of the comparable domestic suit, better tailored, although not of as good cloth, is stated in the report to have been $32.50; this probably retailed to the consumer at $50. The fact that the consumer was willing to pay $75 for a foreign suit as against $50 for a comparable domestic suit shows that foreign clothes are sold on a basis of quality or preference and do not undersell the domestic.

Mr. SMOOT. What the Senator has said does not, of course, apply to tailor-made clothing in the United States, and those who produce such clothing are the ones who are most vitally interested in this paragraph, as the Senator knows.

Mr. WALSH of Massachusetts. As the Senator has stated, the large clothing manufacturers entertain the view I have expressed. There are some tailoring establishments, I believe, which claim that this duty is necessary. We have developed a considerable export business in ready-made clothing; but, of course, it will all be over now. The increase of the duty upon raw wool will end all our export clothing business. Nobody claims that it will be retained.

Mr. SIMMONS. Mr. President, I beg the Senator's pardon, but will he yield to me?

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from North Carolina?

Mr. WALSH of Massachusetts. I yield.

Mr. SIMMONS. The Senator from Massachusetts has made a very important statement and one which I think is striking. With the high duties on raw wool I do not think it possible that our manufacturers of clothing will be able to compete in foreign markets in the sale of their products. Can the Senator furnish us information as to the amount of the exports of clothing?

Mr. WALSH of Massachusetts. I can do so directly, but I can not at this moment. I shall, however, be glad to do so later.

Mr. SIMMONS. I think it will be very well to put that into the RECORD in order that it may appear there.

Mr. President, as long as the clothing industry is competitive these protective duties are not likely to be effective to the full amount; but it is an invitation to form combines and direct the clothing industry of this country toward a monopoly. There is really an invitation extended upon the part of the Government to an industry like the clothing industry, where such heavy duties are levied, to form a monopoly. Why? These duties shut out whatever foreign competition may threaten to come in. The only thing that prevents them from being totally effective in the home market is the home competition; so that any financiers who possess the real spirit of greed, and who seek an opportunity to make great profits, can very easily figure out how, by a consolidation of the clothing industry in this country, they can make these duties absolutely effective, and the manufacturer of clothing can increase his prices up to the very high tariff wall levied in this bill.

It is only fair to say that the duties levied upon the material which goes into the making of suits and clothing have been very greatly increased; but that does not affect the tariff. It will affect the price to the American consumer; and I want to call attention to the extent to which this industry has had its burdens increased by reasons of the duties imposed in other sections of this bill upon the materials used in the manufacture of clothing.

The per cent of increase over the Underwood law on wool cloth valued at not over 60 cents a pound is 230 per cent.

The per cent of increase over the Underwood law on wool cloth valued at from 61 to 80 cents a pound is 207 per cent.

The per cent of increase over the Underwood law on wool cloth valued at from 81 cents to $1.50 per pound is 180 per cent.

The per cent of increase over the Underwood law on wool cloth valued at over $1.50 per pound is 130 per cent.

In the case of cotton linings the increase over the Underwood law is 64 per cent.

In the case of silk used for linings the increase over the Underwood law is 12 per cent. Once more the rich, who use silk lining, are favored with a small increase in duty.

On trimmings and buttons the increase is 250 per cent.

On haircloth the increase is 216 per cent.

On canvas padding the increase is 100 per cent on one kind and on another kind 57 per cent.

On cotton thread the increase is 133 per cent.

Summing it all up, on these four chief classes the duty is increased more than 200 per cent, on five from 100 to 200 per cent, on two more than 50 per cent, and on two less than 50 per cent.

It would be a very serious matter if these duties—which, of course, will be effective to the clothing manufacturer—were levied at the high rates named here. If we had importations of clothing it would destroy the business, of course; but there are no importations. No matter what the duty is that is levied upon the material that goes into the finished product of the manufacturer, all he has to do is to charge it up to the consumer. There is not any doubt whatever but that there is going to be a substantial increase in the price of clothing, regardless of this protective duty upon clothing, by reason of the duty upon raw wool and the duty upon the various materials which go into the making of clothing. In fact, the great problem with the clothing people is the duty on raw wool. They appreciate that and they know that the production of clothing depends upon the price of clothing, and they know that they must produce clothing at popular prices in order to supply the American demand, and that the production decreases as the cost of clothing increases.

So they are opposing these duties upon raw wool and these duties upon the materials which go into the finished product, because they say it will lessen the production in America because it will increase the prices of clothing, and it will destroy

whatever foreign business the clothing industry has been able to develop.

I am putting into the RECORD, at the suggestion of the Senator from North Carolina, the figures of the exports and imports of woolen wearing apparel, not knit.

For the year 1918 our imports amounted to $4,894,000, and our exports to $4,239,262. Of course, that was a war year, and it is not a good basis of comparison.

In 1919 our imports amounted to $1,425,890, and our exports to $14,665,069.

In 1920 the imports amounted to $5,011,135, and the exports to $8,160,416.

In the year 1921, which was the year when the industry was very much depressed, the imports amounted to $3,201,582 and the exports to $3,296,490.

In normal years the exports are very much larger than the imports, and the imports, anyway, are specialties, which do not compete with the clothes made by the clothing industry. They may compete with the clothes made by American tailors; and I think the American tailors may be demanding high duties, because they claim that a large number of well-to-do go to Europe and have their clothes made there, and that when they bring their clothes into this country they should be compelled to pay the high duties named in this bill. But so far as the great clothing industry is concerned there is no tariff problem involved here, and I do not believe they want any protection. They do want cheap wool, and they are protesting strongly against the 33 per cent duty on wool per clean pound. If you want to make clothing cheap give the clothing industry a free and unrestricted wool market.

Mr. SMOOT. Mr. President, I think the Senator is right when he says that the ready-made clothing in the United States, manufactured in Baltimore, New York, and Cincinnati—they being the great centers of the ready-made clothing industry—would not require 50 per cent protection. I freely grant that. But there is not a tailoring establishment in the United States that does not claim now that their business is greatly affected by the 50 per cent rate. I do not care what duty is levied on those Americans who go over to Europe once a year and have their clothing made there, because of some style of cloth or style of make, to ape the English dude. When a man goes from here over there and has his clothes made I do not care whether he pays 50 per cent, 60 per cent, or 75 per cent.

The importations under this paragraph are of specialties, just as the Senator from Massachusetts has said. Under the rates named in this paragraph those valued at not more than $2 per pound bear an equivalent ad valorem of 53 per cent; valued at more than $2 and not more than $3, the equivalent ad valorem is 53 per cent; and valued at more than $4, the equivalent ad valorem is 62 per cent. I think the Senator from Massachusetts gave the same figures. The equivalent ad valorem in the Payne-Aldrich law was 77 and 86 per cent.

As far as the committee was concerned in drafting the paragraph, they thought that as long as those overcoats and suits are made for parties who go abroad, and do not think that any suit made in the United States is good enough for them, I am not crying about the duty they shall pay.

Mr. SIMMONS. Mr. President, it is not my purpose to enter into any specific discussion of this particular paragraph. However, I want to give my full and hearty indorsement to the position taken by the Senator from Massachusetts [Mr. WALSH] with reference to the situation which will undoubtedly develop speedily, if it has not already been accomplished, with reference to the monopolization of this industry of making clothes in this country.

In connection with all of this business, I think we have given too little attention to the fact that many of the industries to which high protection has been given are already to a very large extent consolidated and under single control, at least as far as is necessary to enable them to substantially regulate the prices of their products.

Mr. SMOOT. That is not the case in this business.

Mr. SIMMONS. I am speaking generally now. When that happens in this country with reference to a particular industry all the fundamental reasons which have heretofore been assigned by the Republican Party and the champions of protection in its behalf seem to my mind to vanish.

In my studies of the tariff question I have been taught to understand that the Republican theory of tariff protection was based upon the fundamental principle that, so far as the consumer was concerned, he would be protected against excessive and unreasonable prices by domestic competition, and while, in the first instance, prices might be advanced as the result of protection, it would tend to the establishment of the industry in this country to the point where it could supply the domestic demand, and that under the operation of the law of supply and demand prices would be kept down to reasonable and fair margins of profit.

If there is domestic monopoly none of those things for the protection of the consumer will happen. He will be absolutely at the mercy of the combination which fixes the prices, and those prices can be established by them as high as their avarice may dictate, up to the point where foreign competition would be invited if they were advanced any further.

In that condition it has seemed to me that there was no logical or economic basis upon which we could levy a protective duty upon such a product without at the same time doing a rank injustice to the domestic consumers of that product. I am simply making these general observations for the purpose of fortifying, in the main, the idea which was in the mind of the Senator from Massachusetts when he was applying this principle to the paragraph now in hand.

With reference to this clothing situation, I want to say that this paragraph is a pretty far-reaching one. It applies, as its language imports, to "clothing and articles of wearing apparel of every description, not knit or crocheted, wholly or in chief value of wool," so that it may be said, speaking generally, that the rates carried in this paragraph are the taxes which this bill imposes upon the wool clothing of the people. It embraces all woolen articles of apparel "not knit or crocheted."

It is a very serious matter to artificially and by legislation advance the price of the wool clothing of the people. Taking our country as a whole, it has during certain seasons of the year a rather hard climate. There is no apparel at all suited to the conditions which environ us in this country which will answer the requirements of the rigors of winter except wool. These articles are as necessary to the poor as they are to the rich. They are not only necessary to the comfort of every human being in the United States, outside, possibly, of a narrow strip on our southern coast, but they are equally necessary to the preservation of a high standard of physical condition and health of the people. There is no substitute for wool. It is as much a necessity, therefore, as the food we eat, and as that character of food with which we can not dispense.

In those conditions, especially when we take into consideration the distress of a very large element of our people just at this time, to deliberately and by the exercise of a function of government arbitrarily increase the prices of woolen clothes in this country to the extent these duties will necessarily increase them seems to me to be little short of an outrage.

Now there is no contention that the woolen industry in this country is in its infancy. There is no contention that the woolen industry in this country is not well established and needs further expansion in order to enable it to supply the domestic demand. It is admittedly an old industry. It is admittedly an established industry of sufficient size not only to supply the domestic requirements but to supply with its surplus other markets to a large extent.

It is also charged and generally believed that there is no industry in the country more closely consolidated, in which the prices are more arbitrarily adjusted by the different manufacturers by reason of combination of interests, than in the woolen industry. So that there would seem to be no argument, based upon tariff protection, that would apply to the industry, and no hope for the consumer of wool products through domestic competition, and therefore if foreign competition is excluded there is nothing to restrain the avarice of the producer from charging whatever price he may see fit to charge.

In these circumstances it is proposed to impose—for the purposes of protection, not compensation on account of the wool duties, but for purposes of protection, a duty of 50 per cent—55 per cent in the original bill, but very graciously, under pressure, reduced by the committee to 50 per cent. That can have but one meaning in the world, and that is—under the circumstances which now exist—to enormously increase the price of wool. The present law for all purposes of legitimate protection seems to have been effective. It imposes a rate of 35 per cent. It has excluded the foreign product. Yet we are asked to increase that rate to 50 per cent. I grant, if we are going to put a rate of 33 cents per pound on raw wool, that outside and independent of any question of protection the woolen manufacturer would be entitled to a rate that is equivalent by way of compensation.

Now in connection with these general remarks I want to read a letter. It relates to the effect of these rates in increasing the cost of a suit of clothes. There has been considerable controversy on the floor with reference to whether these increases over the present rate will increase the price of clothing and to what extent, if any, it will increase those prices. This letter contains a calculation with reference to that matter and

leaves out the question of whether there is a difference between the emergency rate on raw wool and the rate in the proposed bill on raw wool. His calculation is based upon the increase in the protective rate, excepting the rates in the emergency law and the proposed rates in the pending bill on raw wool as not specially affecting the profits.

The letter is addressed to the Hon. REED SMOOT. It is dated July 14, 1922, and is written by Edgar B. Walters, manufacturers' agent, Broadway and Twenty-third Street, Bartholdi Building, New York City, N. Y. The Senator from Utah has not seen fit to put the letter in the RECORD, and as a copy of it was sent to me I take the liberty of doing so myself. The letter reads:

JULY 14, 1922.

Hon. REED SMOOT,
Committee on Finance, United States Senate,
Washington, D. C.

DEAR SIR: According to recent press reports, you are quoted as having said:

"The proposed rates in the Fordney-McCumber tariff bill will not result in an increase in the price of clothing to the consumer."

And again:

"Whatever changes are made in the woolen schedule will be very slight, perhaps 5 per cent on woolen cloth."

I trust you will pardon me for calling your attention to paragraph 1116—

That is the paragraph with which we are dealing now—

page 152, in the proposed bill, which reads as follows:

"Clothing and wearing apparel of every description, not knit or crocheted, wholly or in chief value of wool * * * valued at more than $4 per pound—

He is taking the $4 cloth for purposes of comparison—

$0.49 per pound and 55 per cent ad valorem."

Does this not provide for an increased cost on clothing over the rates now in effect?

As an example: A man's suit now costing $20, foreign value, weight 4¼ to 4½ pounds, would under these rates cost as follows:

Foreign cost	$20.00
Weight duty ($0.49 per pound)	2.33
Ad valorem duty (55 per cent)	11.00

He is taking the rate as proposed in the original Senate committee amendment—

Carrying charges, marine insurance, and duty on container	$1.67
Total cost	35.00

That is, the present market.

Under the present tariff laws the same suit costs as follows:

Foreign cost	$20.00
Emergency law, weight duty $0.45 per pound	2.14
Ad valorem duty (35 per cent)	7.00
Carrying charges, marine insurance, and duty on container	1.59
Total cost	30.73

Now, that is simply applying the additional protective rate, the difference between 35 per cent per pound and 55 per cent per pound. The difference in the compensatory rate as provided in the emergency law and the present bill as applied to this article would only be the difference between $2.33 under the bill and $2.14 under the emergency tariff law, or a difference of 19 cents, a negligible matter. I am leaving that out of consideration. The writer concludes:

Or $4.27 less than the proposed rate on a $20 suit.

That calculation seems to me to be perfectly straight. He takes a suit costing the same price abroad, and he figures what it would cost under the rates of the pending bill and what it would cost under the rates of the present law, regarding the emergency tariff law as in force.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Does the Senator from North Carolina yield to the Senator from Utah?

Mr. SIMMONS. If the Senator will allow me to finish the reading of the letter, then I shall be glad to yield.

I continue reading:

I have had many years' experience as selling agent for both domestic and foreign manufacturers of ready-made clothing, and am at present representing both American and foreign manufacturers. I may also say I am the American purchasing agent for foreign manufacturers and am therefore an exporter as well as an importer.

Remember, this letter was written to the Senator from Utah [Mr. SMOOT].

I shall be pleased to place at your disposal such evidence as I have and which I believe will show that not only are the present rates, 35 per cent ad valorem and 45 cents per pound on ready-made clothing, fully protective, but that they are almost prohibitive.

England is the only country in the world equipped to do any business in this market in men's clothing, and at present the average suit of American make, $25 wholesale selling price, can not be produced there, of comparable workmanship and finish, at less than $20.50, wholesale selling price, even at the present depreciated rate of exchange.

I have not heard it said that the American clothing manufacturers had asked for an increase in the present rates. On the other hand, it is generally conceded that no country in the world has developed the ready-to-wear industry on such a scale as has been done here. In fact, the American manufacturers are at present selling goods in England and other foreign countries because of their superior methods of production and distribution.

I am convinced that the present tariff on clothing affords more protection than is necessary and should be materially reduced. I do not believe a tax of $15 on a $20 suit, as proposed, can be defended on any grounds.

Yours faithfully,

——— ———.

The original of the letter was doubtlessly signed by Edgar B. Walters.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Utah?

Mr. SIMMONS. I yield.

Mr. SMOOT. I find it a physical impossibility for me to answer the thousands of letters which I have received from all over the country. Every moment of my time from early in the morning until late at night is occupied in connection with the work on the tariff bill. I can, however, pick out here now a few of the articles in this schedule which carry a higher rate of duty than under the existing law with its rate of 45 cents. I was speaking of the cloth schedule generally. I also at the same time stated that the equivalent ad valorem upon all cloths—and that is what we were discussing, and not suits of clothes—would be reduced 5 per cent from the rates which had been reported to the Senate.

I made that statement and followed it with the inquiry as to why there were 107,000,000 pounds of wool lying in bond in the different ports of entry in the United States. Mr. Walters ought to have known why. Every woolen manufacturer knows why. It is because of the fact that the rates provided in the pending bill are lower than those which are imposed in the emergency tariff law. He makes his case out on the basis that the rates in the pending bill will be higher. The woolen manufacturers are not so silly that they would hold wool in bond waiting for a bill to be passed the duties imposed by which would be higher than those which are provided for in the existing law. I am speaking now of the emergency tariff law. The statement I have made is a complete answer to Mr. Walters's contention, I will say to the Senator from North Carolina.

Mr. SIMMONS. I beg the Senator's pardon. I did not hear the last suggestion he made. As I understand, he is speaking about the emergency tariff law, and I did not catch the point.

Mr. SMOOT. Then I shall have to repeat to the Senator what I said.

Mr. SIMMONS. Mr. Walters estimated on the basis of the 35 per cent ad valorem rate of the emergency tariff law.

Mr. SMOOT. But he has only taken into consideration the face of the rates on the scoured basis. He has not taken what the actual result would be.

Mr. SIMMONS. I think the Senator from Utah must misunderstand the matter. In his calculations he includes upon a suit of clothes purchased after the passage of this act the "weight duty" of 49 cents per pound, which is $2.33. Then in his calculation of the cost under the present law he includes 45 cents per pound weight duty. Suppose he had computed on a basis of $2.33 in both cases, it would have affected the result to the extent of 19 cents.

Mr. SMOOT. But it would be even worse than that, I will say to the Senator, because of the effect of the skirting clause. The importers are bringing in here the wools that go into suits and are holding them in bond because, notwithstanding this bill provides 33 cents on scoured wool, the rate is lower than the 45 cents on the scoured content provided for in the emergency tariff act, which is now in effect.

Mr. SIMMONS. I think, Mr. President, when the Senator from Utah reads the calculation which is made here he will see that of the $4.27 increase in the cost of an imported suit——

Mr. SMOOT. The Senator did not hear what I said.

In the first place, I can pick items in the pending bill and figure them out so that the rate would be more than the present law, but I was talking at the time the quotations were made about the cloth paragraphs. That is what I had reference to. I also stated at the same time that on those paragraphs the rate would be cut 5 per cent. I think I made that statement in answer to a question which was then asked by the Senator from North Carolina.

Mr. SIMMONS. Yes; the rates were cut 5 per cent this morning; but, of course, that would have to be taken into consideration in the calculation as to the difference of $4.27, because that reduction has been made since the letter was written.

Mr. SMOOT. Yes; I know the letter is based upon the rate that was in the bill at the time it was written, which was 55 per cent; but comparing this schedule from beginning to

end with the emergency tariff rates, considering the skirting provision in that law—I do not say that it would be so without that provision, but with the skirting provision—and the decision made by the Treasury Department, the rates now proposed will be found to be less than they are in the emergency tariff act.

Mr. SIMMONS. I am not discussing the general question now, but in the calculation made in this letter the difference in the weight duty as now proposed and that of the emergency tariff act is only 19 cents.

Mr. SMOOT. Mr. President——

Mr. SIMMONS. Let me finish. Eliminate that, and it would leave $4.08 as the increased cost of the suit of clothes by reason of the increase in the rate from 45 per cent to 55 per cent. Of course, when that is cut down 5 per cent, as has been done this morning, and only this morning, that has to be deducted from the total additional cost.

Mr. SMOOT. The Senator has time to answer the letter, and if I can get time I will answer it; but I have not had time to do so up until now. I will call the writer's attention to the fact that there are a number of other articles as to which he could make a similar contention.

Mr. SIMMONS. He invites the Senator from Utah to write him.

Mr. SMOOT. I have not had time to do so. When I have the time I will answer the letter. I can not answer all the letters received by me. I should like to see any human being, I do not care who he is, answer all the letters that I get in reference to the tariff bill and in addition do the other work which falls to me. The man who could do that does not live.

Mr. SIMMONS. I am not complaining of the Senator from Utah not answering the letter, but I am complaining that I do not think the Senator quite understands the nature of the calculation made by the writer of the letter. The calculation is a very simple one, and I do not think the result attained can be questioned. The writer is a man who professes not only to be an importer but to know what he is talking about, and also to be an exporter; and he professes to have a general knowledge of the wool business. He states that the proposed increases in rates are not needed; that the industry is amply protected, and overprotected, now; and that there is no necessity for adding $4.27 to the cost of a $20 suit of clothes, making a differential on account of the tariff, in round numbers, of $15 on a $20 suit of clothes.

Mr. President, Senators may talk about this rate adding so much and that rate adding so much, but if they will add the 55 per cent rate and the compensatory rate, just what this gentleman says will be found to be true, that a $20 suit of clothes made in Great Britain when it is sold in this market will cost the purchaser $35, or $15 more than the original cost of production.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield?

Mr. SIMMONS. I yield.

Mr. WALSH of Massachusetts. While the Senator has been talking I was called out of the Chamber by a gentleman who has been following the wool schedule with much interest, and who informed me that he went to his tailor this morning and found him very gloomy and depressed. The tailor showed him some samples which had just come in, and advised him that in one case cloth which last season cost $1.50 a yard this year was costing him $2.50 a yard; that another sample that cost him last season $3 a yard was costing this year $4.50 a yard; and that another sample which cost $4 a yard last season was costing him nearly $7 a yard this year. The high duties of the emergency tariff law are becoming effective in increasing prices. That fact, together with the knowledge that the rates are to be increased by the pending bill, have resulted in increasing the prices of woolen cloth and dress goods almost 100 per cent when they get into the hands of the tailor.

Mr. SMOOT. Did the Senator ask that tailor what he charged for a suit of clothes?

Mr. WALSH of Massachusetts. I did not talk with the tailor, but with a gentleman who had been to the tailor and who repeated what the tailor had told him.

Mr. SMOOT. Of course, the tailor will say that; but, on his own statement, on the basis of three yards and a half of cloth for a suit of clothes, the cloth at $2 will cost $7, but what will the tailor charge for the whole suit?

Mr. WALSH of Massachusetts. The Senator misunderstood me. The tailor showed the gentleman to whom I have referred some samples and said, "Here is a sample which came in this morning of goods which last season cost $1.50 a yard and now they are asking for it $2.75 a yard." Then he took other samples and showed similar increases.

Mr. SIMMONS. Mr. President, it is clear that this issue can not be evaded by injecting charges as to profiteering on the part of the tailors. That is not the question we are discussing here to-day. We are discussing the effect of the proposed tariff rates upon cloth and clothing, if I may speak in the language and fashion of my good friend, the junior Senator from Idaho [Mr. GOODING].

Mr. WALSH of Massachusetts. Our friend from Utah appreciates that it is very popular to abuse profiteers, especially tailors and retailers.

Mr. SIMMONS. But that is not the question here.

Mr. SMOOT. I am going to ask the Senator from Massachusetts a direct question. Does he think, if there were an advance of 50 cents a yard in the price of the cloth, there being 3½ yards in a suit of clothes, the total increased price amounting to $1.75, that the tailor would add the $1.75 to the suit of clothes?

Mr. WALSH of Massachusetts. I do not know that I understand the Senator.

Mr. SIMMONS. Let me ask the Senator from Utah a question. Does the Senator from Utah think that because the tailor charges an excessive price for his work that we ought to charge all the people of this country excessive prices for their cloth to be transferred through the wholesale merchant or through the retail merchant or through the tailor to the consumer? Does he think that is any excuse for what we are doing here?

Mr. SMOOT. That is not the point at all.

Mr. SIMMONS. That is merely aggravating it. We become then a party to the profiteering when we do that.

Mr. SMOOT. No, Mr. President——

Mr. SIMMONS. When the United States Senate undertakes to excuse itself for adding enormously to the cost of the basic material, upon the ground that the tailor who makes the goods into clothes or the manufacturer who manufactures them or the retail merchant or the wholesale merchant who sells them adds an unconsionable profit, then the Senate of the United States is saying that because these people are doing these outrageous things the great Government of the United States ought to put itself behind them and do likewise.

Mr. SMOOT. That is not the question at all.

Mr. WALSH of Massachusetts. The Senator's argument has been that the manufacturers and retailers and wholesalers will "get theirs" anyway, and therefore he does not think any of these increases will be reflected. The Senator from North Carolina very strikingly calls attention to the fact that that does not justify us in increasing these duties.

Mr. SMOOT. No; I think when a tailor charges $145 for a suit of clothes that $1.75 will make no difference whatever. That is what I think, and I think it in all sincerity. I say take it out of the people who charge exorbitant prices for clothes and let it go into the Treasury of the United States.

Mr. WALSH of Massachusetts. Mr. President, when the Senator was in the wool-manufacturing business and the price of any of his raw material was increased, did he not increase the price of the finished product?

Mr. SMOOT. Sometimes that may be done and sometimes it may not be done.

Mr. WALSH of Massachusetts. And did not the Senator in fixing the price upon the finished product estimate what each bit of the material that went into that finished product cost him, and what the labor cost was, and what the overhead charges were? Therefore does he mean to say it does not make any difference whether the material that goes into the finished product increases in price or decreases in price?

Mr. SMOOT. Sometimes conditions are such that that can not be helped. Naturally what the Senator suggests would be the orderly way and the business way to do; but I have seen it happen many a time when no advantage could be taken of such conditions. There is not a manufacturer in the world who has not found himself in the same position.

Mr. WALSH of Massachusetts. The Senator will agree with me that in ninety-nine cases out of one hundred an increase in the price of the raw material will increase the price of the finished product and a decrease in the price of the raw material ought to, if the usual laws of business honesty are applied, result in a decrease in the price of the finished product.

Mr. SMOOT. Yes; wherever there is competition, there is no doubt that is true.

Mr. SIMMONS. Not only is that so, but any increase made at the bottom is carried forward, and a similar increase is made by everybody who handles the goods. The Senator from Utah

now says that some who charge excessive rates overlook a little item like this; that they do not charge any more for their goods because of it than they otherwise would charge; that they would charge the same whether the cloth costs a high price or a lower price; and, therefore, he says, let us make these profiteers pay this into the Treasury.

Mr. President, if that argument were sound there might be some sense in it, but that argument is not sound. A tailor, like everybody else that is dealing in merchandise, is going to add the cost of his material, if that cost is increased, to his price; and the result will be, in the last analysis, that the profiteer, who the Senator from Utah thinks is able to pay this money and thinks we ought to make him pay it and let it go into the Treasury, will not pay it, but the victim of his profiteering will pay it. The victim is the final consumer, who has to bear the whole load of accumulated costs, starting with the original cost of production with the duties added, with all the freights and other items of expense added to the raw cloth; and then, when the manufacturer buys the wool, if it is wool, that increase is added, and the manufacturer of the cloth adds a profit on account of that additional cost. It has to pay its per cent of it, just as much as the cost of the article without the duty. There is, therefore, a profit laid upon the duty by the manufacturer. Then, when he sells it to the wholesaler, the wholesaler carries forward to the profit and adds a commission to it by way of compensation for his handling it. When it comes to the clothier, his cost is added up and a profit is added to that; and so it goes on and on until it reaches the final consumer. Everybody who is handling it has added to the cost, and then added a profit to himself because of that initial cost. The Senator will understand what I mean. I will not digress.

Mr. WALSH of Massachusetts. Mr. President, I wonder if the Senator has been impressed as he studied this paragraph with what a wonderful invitation has been extended here to drive the clothing industry of this country into a monopoly. Here is a great, big industry that has grown very rapidly. It has a tremendous output, and through the levying of high protective duty all foreign competition is shut off. The high duties levied here are not effective in full at present, because of the very sharp domestic competition. It is almost an invitation, it seems to me, to have these great clothing industries come together, upon the assurance and the promise that the moment they stifle domestic competition they will be able to raise the prices of clothing to the height of the tariff wall that we are setting up here.

I do not know of any other case where Congress has practically said, "Gentlemen, if you have greedy inclinations, if you want to make money, if you want to get the full effect of the protection that we are giving you, go out and form a combine. We have said that we will protect you from foreign competition, and we have left you in the position to take care of the domestic competition." As soon as the clothing manufacturers get together these duties will be effective to the last dollar. It is almost a command from Congress to combine, organize, and form a monopoly to strangle the American people with any prices they may choose.

Mr. SIMMONS. Mr. President, does the Senator doubt for a minute that if this bill is passed the process of monopolizing the industries of this country will go on at a breakneck pace at once?

Mr. WALSH of Massachusetts. Why, that is the next step in the economic development following the imposition of high protective duties. It is the necessary step that industry will take to increase its profits. The first step we are taking here, shutting out foreign competition, saying, "Nobody from abroad will influence you in fixing whatever price you see fit. It is up to you so to arrange the prices in this industry in this country that you may not suffer too much from domestic competition." Of course, that is encouraging monopolies, and I pointed out that that is what has happened already in the woolen industry. As we have shown, the little manufacturing units of woolen cloths have all disappeared. The 4,000 little woolen mills that dotted the land 40 years ago have been reduced to less than 1,000. Of course, in part this may be due to the policy of centralization, but I sincerely believe that these high protective tariff duties have had a tendency to organize the woolen industry into a monopoly; and the same thing, in my opinion, is going to happen in the clothing industry.

Mr. SMOOT. Mr. President, notwithstanding all that has been said, the Senator from Massachusetts and I agree that the cloths that are imported under paragraph 1116 to-day are novelties, used by people who want English cloths rather than American cloths, and by people who want an English overcoat rather than an American overcoat. As far as the ready-made clothing is concerned, that furnishes the clothing to the great mass of the people—98 per cent, I suppose, of the American people—the domestic manufacturers have to-day a monopoly of that trade, and I want to say that there is not any business in the United States that I know of where there is keener competition.

Take such houses as Hart, Schaffner & Marx, of Chicago; Kuh, Nathan & Fischer, of Chicago; Kuppenheimer & Co., of Chicago; Sonneborn & Co., of Baltimore; Kirschbaum & Co., of Philadelphia; and the manufacturers of Cincinnati, Ohio; I say that there is not a business in the United States where there is such keen competition. As far as the making of the clothes is concerned, they have the last word in America in the machinery, in the styles, and everything else connected with the clothing manufacture; but we have a certain number of citizens, including a lot of dudes, that do not want to wear an overcoat unless it is made in London. They do not want to wear a pair of pants unless they ape the ones worn in England. If Englishmen wear baggy pants, they have to wear baggy pants. I do not care if those people have to pay 50 per cent duty upon importations of that kind. That is what falls under this paragraph, and that is what the friend of the Senator who wrote this letter imports into this country, and he is more interested in his chances of importing that kind of goods than he is in selling any domestic product made anywhere in the United States.

Mr. SIMMONS. Mr. President, I have no doubt that there is in all lines of business in this country very sharp competition for customers; but there is a very great difference between competition for customers and competition in prices. It is competition in prices that I have been speaking about and that the Senator from Massachusetts has been speaking about.

Mr. President, I have here an article which appeared in the World's Work of August, 1922. It is written by Mr. Reuben A. Lewis, jr. It discusses the tariff question now before us in a very frank, a very candid, and so far as I can see a fairly unbiased manner, and throws a great deal of light upon a number of phases of this very important and interesting question. It is not long, and I am going to ask that it be published in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The article is as follows:

[From the World's Work of August, 1922.]

A TARIFF TO RAISE THE COST OF LIVING—THE FORDNEY-MCCUMBER TARIFF THE HIGHEST PROTECTION EVER OFFERED—HOW AND WHERE IT WILL RAISE THE COST OF THE NECESSITIES OF LIFE TO AMERICAN CONSUMERS.

(By Reuben A. Lewis, jr.)

"A bill to raise the cost of living, to hamper foreign trade, and to retard the return of prosperity."

Such a title would be more appropriate for the Fordney-McCumber tariff than the pleasing and conventional platitudes with which the framers have sponsored it, "A bill to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes."

The tariff, in the making ever since the Republicans came into full power, has had a hard struggle for the spotlight. Long overshadowed by tax revision, treaties, and the soldiers' bonus, it has finally emerged from the cloister of the Senate Committee on Finance and has taken its place at the head of the administration's legislative program. With more than 2,000 proposed amendments, it would hardly be recognized as the same bill as that which passed the House of Representatives last summer. The famous American-valuation plan, which for the first time in our tariff history sought to base duties on the comparable domestic commodities instead of the foreign invoice price, has been discarded. The rates, so high that the bill was invested with the sobriquet of "Fordney's folly," have been shifted and changed helter-skelter. The more moderate views of the world's greatest deliberative body have been reflected in more conservative imposts. The free list, from which so many commodities were stricken, has regained some of its erstwhile items.

Although tempered by the sobering views of the more grizzled statesmen in the Senate, the tariff bill will stand out as the utmost in protection. The farmer, for the first time, has joined hands with the infant industries, the adolescent manufactures, and the venerable institutions of the land, appearing in the foreground of those whose continued existence is said to be threatened without the sheltering protection the dominant party has promised. While several of the more conservative members have counseled delay and the majority, to all appearances, is lacking in enthusiasm, the Republican machine has decided to press on to a conclusion. The one big push before adjournment is to pass the measure before repairing from Washington to the scenes of the fall political campaigns.

The tariff, shoved to the background in recent years by taxation as a reason for a change in administrations, will be one of the outstanding issues—perhaps the dominant issue—in the fall elections. Senator UNDERWOOD, the minority leader, early in May challenged the Republicans to make the tariff the issue upon which the electorate would be asked to pass judgment. While there has always been two schools of thought as to whether or not a protective tariff should be adopted at any time, it can hardly be gainsaid that there are compelling arguments to challenge the advisability of action now with world conditions still unsettled, no danger of a destructive flood of imports even faintly apparent, and the country industrially on the upgrade. Whole pages of protest indeed have been read into the CONGRESSIONAL RECORD from rock-ribbed Republican and independent newspapers inveighing against the tariff change as an ill-timed move. But with a foolish consistency not always the hobgoblin of the administration's best minds,

the majority, definitely committed to the adoption of a new tariff, has stumbled on toward something, which from this distance resembles a precipice more than it does a new prosperity.

Out of the welter of endless controversy one fact stands in splendid isolation. The rates in the McCumber bill, though measurably lower than those adopted by the House of Representatives last July, are higher than any ever enacted into law. Senator SIMMONS, the ranking minority member of the powerful Committee on Finance, has contended that the rates are 40 per cent above the level of those in the Payne-Aldrich bill. It is incontestably true that every one of the 14 schedules is higher than in the Underwood law. Compared with the high-water mark of protection as symbolized in the act of 1909, the rates on cotton goods, woolens, and textiles are, on the whole, lower. However, the metals schedule is markedly higher, silks are taxed as real luxuries, while duties on medicines and chemicals have soared to new heights. A selective embargo on dyes has been voted for the first year, with the condition that it may be continued for two years if the President, in his judgment, thinks the tariff wall must be kept up to protect the war-born industry.

An analysis of the pending bill reflects the changing and fluctuating conditions under which it was framed. While the underlying principle is that of protection, there does not seem to have been any orderly or scientific basis upon which the rates were determined. The Payne-Aldrich tariff, which President Taft admiringly described as the "best tariff ever," was founded upon the doctrine of equalizing the costs of production. The Underwood bill of 1913 was conceived to provide a "competitive tariff." The McCumber bill was designed to "afford protection to American industries and permit them to pay wages sufficient to enable our workmen to maintain an American standard of living; to maintain essential industries created as a result of the war and considered vital to the future industrial independence of the American people"; and "to protect the American market and preserve domestic competition and at the same time permit fair competition from other countries." In the quest of a happy descriptive term the supporters of this all-embracing bill have sought to give it the popular label of the "All-American tariff" because they contend that, for the first time, all sections of the Nation are given their share of protection.

The most extraordinary feature of the pending legislation is the provision adopted in response to President Harding's message for a way "to make for flexibility and elasticity so that rates may be adjusted to meet unusual and changing conditions which can not accurately be anticipated." Without a precedent, this administrative section endows the President with authority to increase duties on any commodities up to 50 per cent above the established rates; to transfer articles from the free list to the dutiable list; and to substitute a proclaimed American valuation for the foreign invoice value as a basis for levying duties. By investing the President with such wide powers, it is claimed that the tariff would be "removed from politics" because the Executive, before acting, would be guided by a painstaking study made by the nominally nonpartisan Tariff Commission. Inasmuch as this continues, instead of ends, the long assailed "tariff uncertainty," it will be adopted, if at all, only after a bitter and stubborn fight. The business interests of the country have taken none too kindly to the idea of this sword of Damocles dangling from the ceiling of the new tariff structure. So long as the Constitution provides that all bills for raising revenue shall originate in the House of Representatives and the party system survives, there seems to be little hope of escape from the situation where politics instead of ratiocinative processes determine what the rates of import duties shall be.

There are three distinct trends discernible in the bill—ad valorem rates have been replaced in innumerable instances by specific duties; the free list has been greatly reduced; custom duties have gone skyrocketing on two great classes of imports, agricultural products and manufactures, especially those which normally come from German and central European nations now having depreciated currencies.

But that which is more compelling in popular interest is the fact that materially higher rates are to be applied on the commonest necessities of life. American industries, reliant upon foreign markets for the absorption of their surplus, are concerned vitally with the new levies on raw materials. How is this going to affect the consumer's pocketbook? With dearer crude materials, how is the American manufacturer going to meet the competition in the foreign field?

While the tariff has been hailed as a wonder-working nostrum that may be expected to prevent the wage of the American workman from being lowered and at the same time guarantee the American manufacturer a materially higher return for his products, the minority is proclaiming that this era of superprotection will be created through a tax of billions laid on the backs of the consuming public. Indeed at the same time that Senator MCCUMBER was fervently informing his colleagues, "I do not think that this bill will raise the cost of living a dollar," Senator WALSH, Democrat, of Massachusetts, was estimating that the high duties, soaring beyond the notorious Payne-Aldrich bill, would add $21,000,000,000 annually to the cost of living. Inasmuch as the Nation's pay roll has been computed to be not more than $8,000,000,000 a year, it is reasonable to deduce that the truth lies somewhere between the two specious limits.

The cost of living is going up. The question is: How much?

Even the most meticulous survey of column upon column of rates, with their maze of ad valorems, specifics, and compounds affords little that is concrete to the popular mind. It is virtually impossible to estimate the extent in percentages the rates have advanced. The difficulty is that, in order to make any comparison, the base used must be ad valorem. In one bill there are ad valorem customs—say 10 per cent of the value of the import. In the other specific rates—assume 5 cents a yard—have been substituted. Compound rates, a combination of the two, further complicate the computation. In the process of conversion a definite valuation must be placed upon the article for which the duty is to be collected. While a precise contrast is perhaps desirable, it is such a precarious task that not even the Government's actuary or the Tariff Commission has ventured upon the hazardous estimate. Some rates are purely ornamental and meaningless. Others add a definite cost to the whole domestic consumption. So long as the inexorable law of supply and demand operates and industries gauge their prices with the idea of getting the maximum return, no one can definitely foresay what the results will be. The prophet walks on uncertain ground in this sphere, for higher tariff rates do not necessarily mean higher costs. When the emergency tariff act in 1921 raised the duty on sugar, one of the most staple articles, from 1 cent to 1.6 cents it declined to the lowest level in 30 years.

A measurable appreciation of what striking advances are destined to come, however, may be had by contrasting the hundreds of rates in the McCumber bill running above 40 per cent with the corresponding items of the present law. Pertinently relative is the fact that the average ad valorem duty, based upon imports actually brought in for consumption during 1921, was just 11.95 per cent. This represented an inflation over 6.49 per cent for the preceding year and 6.52 per cent for 1919. The increases, while not consistent with any rule, have been pretty general. Pointing out that the McCumber bill had doubled the rate on dolls and toys while providing an increase from 30 to 60 per cent on tombstones, Senator UNDERWOOD reminded the Senate that the Republican Party had placed a tax on everything from the cradle to the grave.

The essence of protective duties is that the price of the domestic supply will be raised by the amount of the customs levied on the imports. Perhaps there are no two staple commodities in normal times which have responded more faithfully to this rule than wool and sugar. The United States produces 300,000,000 pounds of wool and consumes more than 600,000,000 pounds. With wool free under the Underwood bill, the new Schedule 11—for the iniquitous letter K of the Payne-Aldrich tariff has been obliterated—provides for a duty of 33 cents a pound on scoured wool. Before the Senate started the debate on the wool schedule two advances had been marked up on all-wool fabrics by the largest American manufacturer.

To a people consuming 91.5 pounds per capita the price of sugar is not a small item in living costs. Of the four and a half million tons consumed annually, the domestic beet and sugar-cane industries contribute a bare 1,000,000 tons. The Philippines, Hawaii, Porto Rico, and the Virgin Islands, which are given the concession of sending in their output duty free, help satisfy the American sweet tooth, while Cuba, with a slight preferential over the full duty foreign supplies nearly half of the market demand. The cost of production in Cuba plus the duty more or less governs the price at which the consumer may purchase his sugar, so that there is a direct relation between what the American buyer pays and the duty that is fixed. Sugar and wool are the favorite exhibits of what a protective tariff costs because the reckoning is so simple. The same analogy might, however, be followed on a myriad of commodities, which must attribute part of their sales price to the tariff.

Here are the rates on foodstuffs:

	Payne-Aldrich.	Underwood.	Emergency.	Fordney-McCumber.
Wheat flour	25 per cent	45 cents 196-pound barrel.	20 per cent	78 cents hundredweight.
Corn meal, etc	40 cents 100 pounds.	Free		30 cents hundred pounds.
Oatmeal, etc	1 cent pound	30 cents 100 pounds.		90 cents 100 pounds.
Fish, canned	30 per cent	15 to 25 per cent.		30 per cent.
Apples	25 cents bushel	10 cents bushel	30 cents bushel	30 cents bushel.
Plums and prunes	do	do		2 cents pound.
Lemons	1½ cents pound	½ cent pound		Do.
Walnuts, unshelled.	3 cents pound.	2 cents pound		4 cents pound.
Potatoes, Irish	25 cents 60 pounds.	Free	25 cents 60 pounds.	53 cents 100 pounds.
Macaroni, etc	1 cent pound	1 cent pound		2 cents pound.
Cattle	$2 head to 27½ cents.	Free	30 per cent	1½ to 2 cents pound.
Fresh beef	1½ cents pound	do	2 cents pound	3½ cents pound.
Fresh pork	do	do	do	¼ cent pound.
Bacon and hams	4 cents pound	do	25 per cent	2 cents pound.
Milk, condensed or evaporated.	2 cents pound	do	2 cents pound	1 to 1½ cents.
Butter	6 cents pound	2½ cents pound	6 cents pound	8 cents pound.
Cheese	do	20 per cent	23 per cent	5 cents pound to 25 per cent.
Poultry	5 cents pound	2 cents pound		6 cents pound.
Eggs	5 cents dozen	Free		8 cents dozen.
Almonds, unshelled.	4 cents pound.	3 cents pound		5 cents pound.
Cocoanuts	Free	Free	Free	½ cent each.

The tariff, like other indirect taxes, is painless. It is interesting to speculate what would happen if the purchasers of imported commodities were required to pay directly out of their pockets the taxes, which in a pyramided form are passed on by the obliging middlemen. Suppose shops and stores tacked on to the bills, in just the same fashion that the erstwhile nuisance taxes were collected, imposts amounting to half of the sales price. Fancy what exclamations would come when sales prices of articles in common usage were swelled 50 per cent.

Here are some of the customs that are coming to revive that once far-heralded phrase the high cost of living:

ON ARTICLES OF WEARING APPAREL.

The McCumber duty, cotton, 60 per cent.
The McCumber duty, silk, 60 per cent.
The McCumber duty, woolen, from 40 cents plus 50 per cent to 49 cents plus 55 per cent a pound.

ON FABRICS AND CLOTHS.

The McCumber duty, cotton, 40 to 50 per cent.
The McCumber duty, silk, 55 per cent.
The McCumber duty, woolen, from 40 cents plus 50 per cent to 49 cents plus 55 per cent a pound.

In pre-war times there were large imports of cheap cotton stockings, gloves, and other wearing apparel that were absorbed by people of most moderate means. Now, by the dozen, the cheapest glove must pay a duty of $3, the lowest priced stocking 70 cents, and the coarsest undergarment a rate of 40 cents. Table, household, and kitchen utensils are assessed at 50 per cent of their value. The most common china is listed at 55 per cent. Knives, reflecting the meteoric rates in the cutlery schedule, that run as high as 400 per cent, are taxed at from 2 to 60 cents each plus 60 per cent ad valorem. Scissors must pay 10 cents plus 55 per cent a pair. The customs on clocks is half their value.

What a shock milady would suffer from head to foot when the milliner added 50 per cent on a trimmed straw hat from Paris, while the

perfumer tacked on 60 per cent for a whiff of lilac, the furrier made a simple addition of 50 per cent for a stole, and the bootery figured 60 per cent extra for a smart pair of shoes!

And thus it goes.

The conversation of the Nation is going to turn from "how dry it is" to "how high it is" unless all signs fail.

As the national mind goes beyond the 3-mile limit there is another consideration. The view that the world from an economic standpoint is indivisible is becoming more firmly fixed. The farmer has seen what it means when the purchasing power of the best customer for his surplus is impaired. The manufacturing industry, vastly overexpanded during the war-time boom, realizes that there must be a sharp contraction in its output unless a foreign market is found for this excess. There is nothing more patent, as long as exchange is the basis of world commerce, that we can not sell unless we buy.

In trade orientation the United States faces changed conditions. Before the World War the balance of trade ran from $50,000,000 to $60,000,000 a month against America. We were a debtor nation. With the war the golden tide turned. While Congress is engaged in the seemingly indeterminable debate as to how high the tariff wall should be raised, a reckoning shows that the allied Governments owe us $11,000,000,000. Secretary of Commerce Herbert Hoover estimates that American capital has poured its resources into foreign countries to the extent of $4,000,000,000 since the armistice. Even the most confirmed optimist in his dotage would scarcely expect all the Allies to refund their indebtedness under the restrictions laid down by Congress. Surely it is too much to hope for eventual repayment if we are to throw up barriers to trade at this stage and thereby lose the benefit of the increasing productivity of Europe.

So insistent and repeated has been the cry that we must increase our export trade that it would seem every stimulus would be given to effect such an end and every obstacle, as far as possible, removed. And yet there is one striking feature in the proposed tariff bill that is of more than passing consequence—the number of high duties that have been levied on raw materials. It would seem that the framers of the law had overlooked a pertinent truth. American foreign trade consists principally of three great classes of commodities—agricultural products, cotton, wheat, and grain; patented articles, typewriters, harvesting machinery, moderate-priced automobiles, and comparable products of inventive genius; and manufactured commodities. And yet raw materials from which these articles are fashioned have been lifted from the free list and placed on schedules where they must pay duty and enhance the cost of the finished product.

In many lines of manufacturing the United States outstrips the world. Yankee ingenuity, coupled with big-scale production, has enabled American industries to win what has promised to be a firm hold on certain widely distributed markets. The American shoe literally walks around the globe. This country, now the leading manufacturer of footwear, has wrested from Great Britain the rank of the first exporting nation. In 1920 the American factories sent out boots and shoes valued at $67,144,542. The decline in foreign purchasing power was reflected in a great drop in 1921. With Great Britain striving to regain her former position and other foreign nations importing the machinery which is largely responsible for American supremacy, it is manifest that the competition will become increasingly keen. At this juncture the McCumber bill proposes to transfer hides from the free list and thus insure higher costs of the raw materials which compose the heels and soles of shoes.

The gospel of cleanliness has been vastly aided by American soap, which has won reputation in the most distant lands. The toilet soap, as well as the household variety, has contributed to the balance of trade. There are four vegetable oils that enter largely into the production of this common necessity—those extracted from the soy bean, the coconut, the palm, and the cotton seed. Removed from the free list in the Underwood bill, these vegetable oils have been assessed handsomely. The soap industry supplies 99 per cent of the American consumption and produces more than $300,000,000 worth of these needed articles annually.

The expansion of the steel and iron industry during the last decade is one of the commercial epics. The amazing development of the automotive industry has created a new customer of vast proportions for the American plants, while the emergency shipbuilding program launched by the Shipping Board forced the mills to enlarge their activities. Before the war, when the Underwood tariff cut down the protective duties, the American steel and iron mills proved that they could produce these basic materials more cheaply than they could be imported. Profiting from the World War, the steel interests have reached out into the foreign markets and are entrenched for the struggle to hold on as Germany, Belgium, and Britain seek to regain their old customers. Of all the alloys used in the making of steel, ferromanganese is required in the largest quantity. Free under the Underwood law, a duty of $2.50 a ton is now proposed. Magnesite, an essential refractory, and virtually all of the other alloys which impart the various special qualities to high-grade steels, have been lifted from the free list and placed upon the swollen roster of dutiable commodities. The cargoes of steel and iron which have been dispatched from American ports have always constituted a respectable part of our foreign trade. Government records reveal that even in 1913 we exported approximately ten times as much in manufactures of steel and iron as the Nation imported. In 1920, for the third time, the volume surpassed the billion-dollar mark.

The automobile-tire industry is another example of how America has strode to the front. During 1920 the factories shipped more than $50,000,000 worth of tires abroad. A slump reduced the volume to sixteen millions last year. Here again, the tariff framers are making mischief. Of all the Egyptian long-staple cotton that comes into our ports about 80 per cent is consumed in the making of fabrics for tires. The agricultural bloc, led by the Arizona and California Senators, is demanding a duty of 7 cents a pound on Egypt's foremost offering to the United States and its abdication from the favored position previously accorded raw materials.

Another peculiar twist is observed in the machinery schedule. The national inventive genius has never glowed brightly enough to beat the English in the creation of textile machinery. It tops the import list. In order to obtain the novelties in design and manufacture, the American industry must bring in these patented machines regardless of cost. Singularly, the tariff rate is highest on this productive article through which our mills enjoy a wide overseas market for the finished goods.

And thus it goes with many of the other industries which have applied the spurs to their sides and have sought to speed past the barrier in the export race.

A mere scanning of the nature of our imports and exports serves to show the importance of our industries, sending out finished products to the world marts in competition with the other great exporting nations, not being burdened with dearer raw materials. Congress, imbued with a generous spirit that has a sardonic guise, has been consistent. Not only has it proposed high duties on the raw materials which we import but it has compensated by declaring that the finished products, which we export and do not import, must pay proportional rates.

The drawback, drafted to permit the manufacturer to escape the payment of customs on raw materials entering into exports, has striking, if not nullifying, imperfections. Even if full advantage were taken of this feature, it would afford only a partial restoration of duties, because the Government deducts at least 1 per cent. No allowance is made either for a return on the invested capital, frozen during the period of conversion from the crude to finished state. The rub is that only the actual importer can later claim the drawback, while the joker is that he must prove to the satisfaction of the Treasury that all of the imported raw materials entered directly into the goods shipped overseas.

The rigid inflexibility of the system ignores the fact that the manufacturer is seldom the agent through which the foreign sale is made and fails to take cognizance of the machinery that has been set up. Imagine the plight that an importer of manganese would have in gaining a drawback on watch springs! It is another fine theory shattered against the stern wall of business practice.

The cold figures of the Department of Commerce for 1921 reveal in significant divisions why duties on raw materials are a menace to our foreign trade:

Summary statement of imports and exports of merchandise.

Groups.	1921	
		Per cent.
IMPORTS.		
Free of duty:		
Crude materials for use in manufacturing	$747,812,561	47.87
Foodstuffs in crude condition, and food animals	260,362,031	16.66
Foodstuffs partly or wholly manufactured	53,960,736	3.45
Manufactures for further use in manufacturing	219,733,870	14.07
Manufactures ready for consumption	268,613,182	17.16
Miscellaneous	12,308,775	.79
Total free of duty	1,562,191,155	100.00
Dutiable:		
Crude materials for use in manufacturing	105,272,186	11.12
Foodstuffs in crude condition, and food animals	43,605,614	4.60
Foodstuffs partly or wholly manufactured	314,881,920	33.26
Manufactures for further use in manufacturing	124,208,004	13.13
Manufactures ready for consumption	350,913,970	37.06
Miscellaneous	7,862,494	.83
Total dutiable	946,834,248	100.00
Free and dutiable:		
Crude materials for use in manufacturing	853,084,747	34.01
Foodstuffs in crude condition, and food animals	303,967,645	12.12
Foodstuffs partly or wholly manufactured	368,842,656	14.70
Manufactures for further use in manufacturing	344,031,934	13.71
Manufactures ready for consumption	618,927,152	24.66
Miscellaneous	20,171,269	.80
Total imports of merchandise	2,509,025,403	100.00
Per cent of free		62.26
EXPORTS.		
Domestic:		
Crude materials for use in manufacturing	984,025,577	22.47
Foodstuffs in crude condition, and food animals	692,166,371	15.81
Foodstuffs partly or wholly manufactured	660,703,375	15.29
Manufactures for further use in manufacturing	399,879,573	9.13
Manufactures ready for consumption	1,625,401,862	37.12
Miscellaneous	7,846,972	.18
Total domestic	4,379,023,730	100.00
Foreign	105,098,966	
Total exports	4,485,122,696	
Excess of exports	1,976,097,293	

The object of the permanent tariff is to raise the prices at which American manufacturers sell their goods. While the sponsors of the legislation are frankly willing to admit that the bill will fail in its purposes unless these results are achieved, they are not so outspoken when questioned as to its effect upon the cost of living. Senator McCUMBER has declared that one of the chief objects is to prevent the industries from lowering the wages now paid to their workmen. Presenting statistics, which he claimed showed that wages were 105 per cent above the pre-war level while the manufacturers were selling their products at an advance of only 40 per cent, the successor to the mantle of the late Boies Penrose contended that only by enabling the manufacturers to get more for their goods could the high-wage scale survive. The debate in Congress thus far has been singularly devoid of predictions that the passage of the tariff bill will raise wages; on the other hand, there has been no denial that it will increase the costs of the most common necessaries of life at least when they pass from the plants of the manufacturers.

Thomas O. Marvin, chairman of the bipartisan United States Tariff Commission, holds to the view that the public will not bear the burden of these increased costs. Pointing to the wide differential between the price that the manufacturer gets for different commodities and the figure at which these are retailed, Mr. Marvin insists that this increment will be absorbed by the middlemen. "This bill is designed to raise the manufacturers' prices—not the retailers'," he explained. "The volume of trade that may accrue to American manufacturers by the most meager margin is far greater than supposed. It should be remembered that we consume from 90 to 96 per cent of all that we produce. If our industries are kept operating on a large scale the purchasing power of the workers is increased. With more demand, lower unit production costs will come. Thus the cost of manufactured articles may be lowered instead of raised."

Here is how Senator McCUMBER curiously explained how the protection to the inflated wage scale was to be applied without loss of the ineffable boon to the manufacturers:

"Let the manufacturer be satisfied with the most meager return on his investment for a while; then let the employees increase their efficiency to the highest possible degree. Then, if the retailer will just follow the manufacturer, the great American public, now hungry for more and better things, will give employment to all to supply its demand, and old-time prosperity will again reign throughout the land."

President Harding in one crisp sentence epitomized the administration's argument for tariff action: "I do not want to build up an industry abroad at the expense of one in this country."

While it would be heresy for any sponsor of the proposed tariff to say that it was for revenue only, the Treasury experts have estimated that a yield of at least $350,000,000 a year and perhaps $400,000,000 may be expected. This return will compare favorably with the $305,475,485 in receipts for 1921, $331,231,441 in 1920, and $249,774,758 in 1919. Unquestionably the higher rates will tend to keep out hundreds of commodities that are now being entered at American ports and will confine imports more rigorously to the necessities.

The minority, with an eye to the elections, has volubly and tenaciously protested the passage of key items in every important paragraph that has come up in debate. The majority, impatient to adjourn, has charged filibuster and needless delay. There is no smoke screen to conceal the fact that the tariff has become more and more the real issue between the two parties. Inasmuch as it seems likely at this time that the bill will hardly go into effect before the voters go to the polls there will be scant opportunity for even the closest observer to appraise its economic effects. Unless the champions of the two parties undergo a change of faith and complexion it seems likely the electorate will hear in one thunderous tone that this wonder-working act will restore with amazing alacrity the "old-time prosperity," while in another breath the ominous warning will be sounded of hastening ills and the empty dinner pail.

Like a grim specter on the field of battle rises the fact in political history that no party has ever revised the tariff and won the election in the same year. Little wonder that boots are quaking and hearts beating stoutly on the opposing sides of the Senate Chamber.

Mr. HITCHCOCK. Mr. President, I want to refer to what the Senator from Utah [Mr. SMOOT] said a few moments ago concerning the purchase of foreign cloths for men's clothes.

Mr. SMOOT. This paragraph covers clothing.

Mr. HITCHCOCK. Very well. I understand the Senator from Massachusetts to say—and I have verified it by asking him—that these were not British cloths nor British clothing that he was referring to, but American-made goods——

Mr. SMOOT. If it comes in as cloth, and is imported, it has to come from some other country.

Mr. HITCHCOCK. But that American-made goods that formerly were offered to the dealers in Washington for $2 a yard are now being offered as $3.50 a yard.

Mr. SMOOT. I think the Senator is mistaken.

Mr. WALSH of Massachusetts. I will send my friend up to try and get the samples and bring them here during the day.

Mr. SMOOT. I have the samples here.

Mr. HITCHCOCK. And that American-made woolens that were formerly offered at $3 are now offered at $5. The charge is not that people who import British goods are to be required to pay more, but that, because of the increase in the tariff, those who buy American goods are going to be assessed, upon every suit of clothing that they buy, a number of dollars; it is difficult to tell exactly how much. That is the charge. You are going to increase the cost of clothing for every man in the country as a result of these various increases.

Mr. WALSH of Massachusetts. The Senator agrees to that in part. He does not go as high as the Senator from North Carolina and I go. He agrees that there is going to be an increase.

Mr. SMOOT. Then the person who told the Senator about the increase was mistaken.

Mr. WALSH of Massachusetts. I have sent up to the tailor's, and I hope to have him back here before we finish this schedule.

Mr. SMOOT. I have the quotations here of the last week, with all of the prices—the price at the opening in February and the increased prices for every week after that; and the average, I will say to the Senator, is less than 13 per cent.

Mr. WALSH of Massachusetts. Those are manufacturers' prices.

Mr. SMOOT. Certainly.

Mr. WALSH of Massachusetts. I am talking about a gentleman who went into a Washington tailor's and had his samples brought out and produced to him this morning.

Mr. SMOOT. The Washington tailor does not sell the cloth to that man. The tailor buys his cloth from the manufacturer.

Mr. WALSH of Massachusetts. Exactly—from the jobber in New York, I suppose.

Mr. SMOOT. There is no necessity of it if he buys in quantities.

Mr. WALSH of Massachusetts. The Senator knows that no tailor buys from a manufacturer. He buys from a jobber.

Mr. SMOOT. Sometimes he buys from a jobber, and sometimes directly from the manufacturer.

Mr. WALSH of Massachusetts. Does the Senator mean to tell me that manufacturers sell yards of cloth to tailors?

Mr. SMOOT. Not yards of cloth, but bolts of cloth.

Mr. WALSH of Massachusetts. There is no tailor in Washington who does a large enough business to buy from a manufacturer.

Mr. SMOOT. Oh, yes; there is.

Mr. WALSH of Massachusetts. The clothing industry may buy from the woolen manufacturer, but the average tailor in a city like Washington buys from the jobber.

Mr. SMOOT. I can mention tailors that import directly from the manufacturer in England.

Mr. WALSH of Massachusetts. I am not talking about that. I am talking about the tailor here who uses domestic cloths. I say he buys from the jobber. The jobber sends him samples from New York, and he makes his selection.

Mr. SMOOT. No manufacturer cuts bolts of cloth up into suit lengths; but they do sell it by the bolt or by the 10-bolt or 100-bolt lots.

Mr. STANLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Kentucky?

Mr. HITCHCOCK. I yield to the Senator.

Mr. STANLEY. I will say to the Senator from Utah that I was under that impression, that tailors buy by the bolt almost universally. Suits of cloth are sold by the sample, and if the Senator will go to Washington tailors, for instance, and try to get a coat and two pairs of trousers of one piece of cloth, he will find that two-thirds of the samples they show are not sufficient to make two pairs of trousers with a coat. They are bought by the piece.

Mr. SMOOT. I do not know what tailor the Senator goes to, but I can take you to tailors in Washington, for instance, J. M. Stein & Co., or E. H. Snyder & Co., and the Senator will find bolts of cloth on their shelves.

Mr. STANLEY. I will not embarrass tailors by giving their names——

Mr. SMOOT. It is no embarrassment at all, because they will admit it themselves, and you can see the bolt of cloth on their shelves.

Mr. STANLEY. I was surprised at the number of tailors who did not have cloth enough of any pattern to even make into suits consisting of a coat and two pairs of trousers. These cloths come by the piece.

Mr. SMOOT. That may happen. They come both ways.

Mr. STANLEY. The bulk is bought from the jobber, I am sorry to say.

Mr. SMOOT. Whenever you have it cut it comes from the jobber.

Mr. STANLEY. There is one other question I want to ask the Senator, because he is an expert on this question and is candid in his answers, even though sometimes he has to testify against himself, unfortunately, on account of that candor.

Mr. SMOOT. If it is the truth, I would have to say it.

Mr. STANLEY. Yes; the Senator does, and I like to see him suffer, because I do not think the Senator enjoys telling the truth when it hurts an organization he loves, but he will do it, I will say that for him. I am not trying, however, to give him any pain now. Does the Senator mean to state that certain qualities of clothing, especially gents' furnishing goods, suitings, are made in this country in quantities of the same quality in which they are made in Great Britain without regard to the price?

Mr. SMOOT. Before I answer I want the Senator to repeat that question, because I did not follow him, as my attention was diverted.

Mr. STANLEY. There are a few mills in the country which produce a quality of clothing for the best suitings comparable to English cloth. I am under the impression—and the Senator knows better than I—that we do not produce in this country enough of that character of cloth—which is generally worn—either in texture or in the use of dyes that will wear, cloth that will not fade, as the English cloth will not fade.

Mr. SMOOT. There are a few mills in the United States which can make cloth just as fine as any mill in the world. The English cloths are supposed to be the best cloths made in the world, outside of the few which are made comparable to them in the United States, and the same cloths made in Germany are very nearly as good. But I want to say to the Senator that there is no laboring man who ever purchased a yard of that cloth.

Mr. STANLEY. That is true.

Mr. SMOOT. It is all made up by tailors and is not made into a ready-made suit. It is made for the Senator or for

somebody else who wants a suit made to fit him and is perfectly willing to pay the price.

Mr. STANLEY. That is what I am talking about, exactly. Suits which cost, say, from $100 to $150 are made of English cloth?

Mr. SMOOT. They are made many times of American cloth.

Mr. STANLEY. But as a rule?

Mr. SMOOT. I would not say as a rule. I think the best merchant tailors use perhaps 50–50 of the American cloth and the foreign cloth.

Mr. STANLEY. My information is that there is no American cloth of any great quantity which meets that demand. That is what I want to get at. Would we produce enough cloth of that character to supply the demand if we put an embargo on the English cloth?

Mr. SMOOT. We could produce all we use.

Mr. STANLEY. Do we?

Mr. SMOOT. No; we are not producing it to-day. It requires the most technical skill to put the proper finish on the cloth. It requires the very best of operators. It requires the finest of machinery, and it requires the very finest wool that can be grown in the world to make it.

Mr. STANLEY. Mr. W. C. P. Breckinridge, who, as I have said before, was the most versatile genius Kentucky ever sent to Congress, and had technical knowledge of all sorts, went very elaborately into this question some 25 years ago, and he produced statistics to show that this cloth could only be made by a certain character of operators; that we had not the apprentices, that we had not the technical manual skill to pull the wool, to produce this cloth in any great quantity.

Mr. SMOOT. It is not in the pulling of the wool; it is in the making and finishing of the cloth.

Mr. STANLEY. In the selection of the wool and in the finishing of the cloth. He said it was technical, like diamond cutting, and that if the English business was destroyed or an embargo were placed on it, in this country we had not, first, the wool, the technical operatives to pull it, or the technical operatives to manage the looms, and that it would be physically impossible to produce in any reasonable length of time that character of cloth, and that when we did we would simply have to import English labor; that with labor the necessary skill was not to be found here.

Mr. SMOOT. Of course, conditions are quite different now from what they were when Mr. Breckinridge made that statement.

Mr. STANLEY. I do not know whether those conditions exist, and that is what I am asking the Senator.

Mr. SMOOT. Those conditions do not prevail now as they did before, and I am quite sure that now we could, in time, gather employees together, and, with the Australian fine wool, which is what the English use in making these cloths, make similar cloth, and make it in sufficient quantities to meet the demands of the American people. But I want to say to the Senator that where cloths are made in small quantities it always costs more, relatively, than to make them in large quantities. In other words, if we start with a batch of wool to make simply one warp of cloth, the length of which would be 360 yards, the loss is tremendous. You will have a loss at the end, where you have a little more filling than you wanted, and you may have more warp yarn than you wanted; there is the waste in beginning the working of wool and surplus stock at the end, and there would be no more waste in these processes than in making 100,000 yards instead of one warp. I refer to the waste in the beginning and the waste at the close. When you have a trade in cloth of that kind you have to have a trade so large that it will take quantities, or the cost is prohibitive. That is the condition.

Mr. STANLEY. One other question and then I will be through, and I thank the Senator from Nebraska for yielding to me.

In that event I could see no great industrial necessity for hothousing or fostering the manufacture of this expensive and rare cloth in the United States. It is not a war necessity. We can do very well without it in case of extremity, and if we can exchange American commodities for that cloth at an advantage, I am at a loss to see the propriety, except as a purely revenue measure, of imposing these high duties upon that cloth.

Mr. SMOOT. I have stated virtually that myself. You can not get a suit made of that kind of cloth anywhere in the city, by any tailor I know of, for less than $100, and they run up to $145. The strange thing to me is that many of the finer cloths have dropped, particularly in this country, more than 50 per cent since the peak of 1919 and 1920, but you do not find the price of a suit of clothes reduced in the same proportion.

Mr. STANLEY. That is on account of the fact that the work is done by highly organized labor, and, as I understand it, the tailors have not dropped prices at all.

Mr. LENROOT. Mr. President, I should like to ask the Senator from Utah one or two questions. I do not understand that the cloth which the Senators have been discussing comes in under this paragraph at all.

Mr. SMOOT. It does not.

Mr. LENROOT. I would like to ask the Senator what does come in under this paragraph; certainly not these finer cloths the Senator has been talking about?

Mr. SMOOT. I will tell the Senator just what comes under this paragraph; and the Senator from Massachusetts and I agree about it. This is the clothing paragraph, covering cloth that is to be made up into clothing. As far as ready-made clothing is concerned there are no manufacturers in any country in the world who can beat the American people in making ready-made clothing. They have perfected it almost to an art.

Mr. WALSH of Massachusetts. It comes in the form of specialties.

Mr. SMOOT. Yes; specialties; just as the Senator from Massachusetts has said.

Mr. WALSH of Massachusetts. Topcoats and raincoats.

Mr. SMOOT. I know men, who are friends of mine, who would no more think of buying an American overcoat than they would think of flying. I know men who go to London every year for their overcoats and their clothing.

Mr. LENROOT. Do they buy them ready-made?

Mr. SMOOT. They have them made in England and ship them in here ready-made. They will not have any other style.

Mr. WALSH of Massachusetts. Every large American city has English specialty shops where gents' clothing of English tailoring is sold.

Mr. SMOOT. Golf clothes and of the cockney style.

Mr. WALSH of Massachusetts. Certain forms of waterproof coats and evening coats.

Mr. LENROOT. I would like to ask the Senator, for my information, the proportionate value of the cloth in a suit of clothes with reference to the entire cost of manufacture?

Mr. SMOOT. That all depends on the quality and the price.

Mr. LENROOT. What is the average?

Mr. SMOOT. It takes three and a half yards of cloth to make a suit of clothes, and——

Mr. LENROOT. I am speaking of ready-made clothing.

Mr. SMOOT. Let us take a cloth costing $6 a yard. Three and a half yards would cost $21. That is fine English cloth.

Mr. LENROOT. What would the cost of manufacture of that suit be, cloth and all?

Mr. SMOOT. Of course, if the lining were silk, it would be expensive, and I can not say what the cost of manufacture would be.

Mr. WALSH of Massachusetts. But the Senator does not want the cost of tailor-made clothes.

Mr. McCUMBER. These cloths are not made into ready-made clothes.

Mr. LENROOT. I am asking the Senator to give me the cost of the cloth in ready-made clothing. I would like to get the proportionate cost of the cloth in the cost of the manufacture.

Mr. WALSH of Massachusetts. Taking any ready-made suit, the Senator from Wisconsin wants to know how much of the price of that suit is represented in the cloth and how much in the labor.

Mr. SMOOT. Here is a fine piece of cloth [exhibiting]. The Senator wants to know what it would cost to make a suit of clothes of this, and the price of that cloth.

Mr. WALSH of Massachusetts. Take a $30 or $40 sack suit.

Mr. SMOOT. I would rather put it this way: The price of that on July 1, 1922, was $1.95 a yard. We will call it $2 a yard. Three and a half yards would be $7.

Mr. WALSH of Massachusetts. That is the manufacturer's price.

Mr. LENROOT. That is what the clothing manufacturer pays?

Mr. SMOOT. That is what the mill would sell this for to the clothing manufacturer.

Mr. WALSH of Massachusetts. The clothing manufacturer pays that for it.

Mr. LENROOT. I want the Senator to give me the price of the cloth that goes into a ready-made suit.

Mr. SMOOT. This may be made into a ready-made suit, but it is the best cloth.

Mr. McCUMBER. It is very much in excess of the value of the average cloth which goes into a ready-made suit.

Mr. SMOOT. I want to be perfectly fair with the Senator.

Mr. WALSH of Massachusetts. The cloth represents about a third and the labor two-thirds.

Mr. LENROOT. That is what I am trying to get at.

Mr. WALSH of Massachusetts. Very generally speaking. Of course, it depends on the style and other things. Is not that true?

Mr. SMOOT. The cloth does not run as high as one-third, by any manner of means. When we take into consideration the linings, the buttons, the thread, the padding, and everything else, it is not nearly one-third with exception of few instances. A suit of clothes made of this cloth could not have been purchased by anyone anywhere for less than $65.

Mr. WALSH of Massachusetts. Can the Senator give a better answer than I have given?

Mr. SMOOT. I think it would run all the way from 10 to 30 per cent in special cases. That is the only way I can give it.

Mr. LENROOT. That would be $21 that it cost the manufacturer of the suit, taking the highest figure.

Mr. SMOOT. Yes; I think that would be about right. Back in 1898 and 1899 I used to send thousands of yards of cloth to one of the large Chicago clothing manufacturers to make up into clothing. I would order that cloth made into the different sizes of clothing. I had a contract price to make that cloth and furnished all that went into it outside of the cloth for $3.75 a suit. Of course it would cost more than that to-day, but in 1898, 1899, and 1900 the contract price for making the suits, furnishing all there is in a suit with the exception of the cloth itself, was $3.75.

Mr. LENROOT. What would that cloth be worth a yard?

Mr. SMOOT. The cloth at that time was worth $1.20 a yard, but the suits sold for $15.

Mr. WALSH of Massachusetts. Mr. President, in answer to the inquiry of the Senator from Wisconsin I would like to read from the report of the Tariff Board on Schedule K, as follows:

In women's garments the cloth is also the largest single item. In skirts it is equal to 40 per cent of the net wholesale selling price; on most cloaks equal to between 30 and 35 per cent; on cheap suits it is over 25 per cent; and on more expensive varieties it falls below 20 per cent. To the manufacturer, therefore, cloth is not so important an element of cost in women's clothing as in men's. On the other hand, the labor and manufacturing expense are more important in women's clothing. The margin remaining to the manufacturer of women's garments, over and above the cost of materials and expense of converting them into wearing apparel, is somewhat less than in the men's clothing industry, but selling expenses are considerably lower for these establishments.

Mr. SMOOT. I knew I was well within the bounds when I said it was 15 to 30 per cent.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as modified.

Mr. WALSH of Massachusetts. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). I transfer my pair with the Senator from Michigan [Mr. TOWNSEND] to the Senator from Rhode Island [Mr. GERRY] and vote "nay."

Mr. LODGE (when his name was called). Making the same transfer of my pair as before, I vote "yea."

Mr. McCUMBER (when his name was called). Transferring my general pair as on the previous vote, I vote "yea."

Mr. McLEAN (when his name was called). Making the same announcement as before with regard to my pair and its transfer, I vote "yea."

Mr. ROBINSON (when his name was called). Transferring my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the senior Senator from Missouri [Mr. REED], I vote "nay."

Mr. STERLING (when his name was called). Making the same announcement as to my pair and its transfer as on the last vote, I vote "yea."

Mr. TRAMMELL (when his name was called). Transferring my pair with the senior Senator from Rhode Island [Mr. COLT] to the senior Senator from Texas [Mr. CULBERSON], I vote "nay."

Mr. WATSON of Georgia (when his name was called). I have a general pair with the senior Senator from California [Mr. JOHNSON], who, if present, would vote "yea." If at liberty to vote, I would vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "yea."

Mr. WILLIS (when his name was called). Making the same announcement with reference to my pair with my colleague [Mr. POMERENE] and its transfer, I vote "yea."

The roll call having been concluded,

Mr. FRELINGHUYSEN. Making the same announcement as before, I vote "yea."

Mr. HARRISON. I have a pair with the junior Senator from West Virginia [Mr. ELKINS]. In his absence I withhold my vote. If permitted to vote, I would vote "nay." I vote "present."

Mr. KENDRICK. I transfer my general pair with the senior Senator from Illinois [Mr. McCORMICK] to the junior Senator from Oregon [Mr. STANFIELD] and vote "yea."

Mr. JONES of New Mexico. I transfer my pair with the senior Senator from Maine [Mr. FERNALD] to the senior Senator from Nevada [Mr. PITTMAN] and vote "nay."

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Maryland [Mr. WELLER] with the Senator from New York [Mr. WADSWORTH];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from Maine [Mr. HALE] with the Senator from Tennessee [Mr. SHIELDS].

The result was announced—yeas 29, nays 22, not voting 45, as follows:

YEAS—29.

Brandegee	Gooding	McLean	Spencer
Broussard	Jones, Wash.	McNary	Sterling
Bursum	Kendrick	Moses	Warren
Calder	Keyes	New	Watson, Ind.
Cameron	Ladd	Newberry	Willis
Curtis	Lodge	Oddie	
Ernst	McCumber	Phipps	
Frelinghuysen	McKinley	Smoot	

NAYS—22.

Ashurst	Harris	Nelson	Stanley
Capper	Heflin	Overman	Swanson
Caraway	Hitchcock	Ransdell	Trammell
Cummins	Jones, N. Mex.	Robinson	Walsh, Mass.
Dial	Kellogg	Sheppard	
Fletcher	Lenroot	Simmons	

NOT VOTING—45.

Ball	Glass	Norris	Stanfield
Borah	Hale	Owen	Sutherland
Colt	Harreld	Page	Townsend
Crow	Harrison	Pepper	Underwood
Culberson	Johnson	Pittman	Wadsworth
Dillingham	King	Poindexter	Walsh, Mont.
du Pont	La Follette	Pomerene	Watson, Ga.
Edge	McCormick	Rawson	Weller
Elkins	McKellar	Reed	Williams
Fernald	Myers	Shields	
France	Nicholson	Shortridge	
Gerry	Norbeck	Smith	

So the committee amendment as modified was agreed to.

The PRESIDENT pro tempore. The Secretary will state the next amendment.

The ASSISTANT SECRETARY. The next amendment is, on page 152, line 14, after the word "figured," to strike out "5 cents per square foot and, in addition thereto, 30," and to insert "55," so as to make the paragraph read:

PAR. 1117. Oriental, Axminster, Savonnerie, Aubusson, and other carpets and rugs, not made on a power-driven loom; carpets and rugs of oriental weave or weaves, produced on a power-driven loom; chenille Axminster carpets and rugs, whether woven as separate carpets and rugs or in rolls of any width; all the foregoing, plain or figured, 55 per cent ad valorem.

Mr. WALSH of Massachusetts. Mr. President, the carpets and rugs named in this paragraph are not made in this country. The paragraph refers to oriental high-priced rugs. The tax imposed I assume is for revenue purposes. I have no objection to those who want to buy these high-priced rugs paying a good revenue tax to the Government. I have no objection to the paragraph.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDENT pro tempore. The Secretary will state the next amendment.

The ASSISTANT SECRETARY. The next amendment of the Committee on Finance is, on page 152, after line 16, to strike out—

PAR. 1118. Axminster carpets and rugs, not specially provided for, and carpets and rugs of like character or description, 2 cents per square foot; Wilton carpets and rugs, and carpets and rugs of like character or description, 3 cents per square foot; Brussels carpets and rugs, and carpets and rugs of like character or description, 2 cents per square foot; velvet and tapestry carpets and rugs, and carpets and rugs of like character or description, 1½ cents per square foot; and, in addition thereto, on all the foregoing, 25 per cent ad valorem.

and in lieu thereof to insert:

PAR. 1118. Axminster carpets and rugs, not specially provided for; Wilton carpets and rugs; Brussels carpets and rugs; velvet and tapestry carpets and rugs; and carpets and rugs of like character or description, 40 per cent ad valorem.

Mr. WALSH of Massachusetts. Mr. President, there is no tariff problem involved in this paragraph. One of our most prosperous industries is the carpet industry. It has been a

self-supporting and self-sustaining industry for years. It does not need any protection. There are no imports of comparable carpets or rugs, except perhaps in the case of one class of carpets made in this country—the Axminster. We have been exporting more than we have been importing of carpets. The industry does not need protection. There is no reason for increasing the duty, and in my opinion there can not be a satisfactory defense made of the attempt here to substantially increase the protective duties on carpets. This is all I care to say on this paragraph.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 153, line 7, after the word "character," to strike out "and" and to insert "or," and in the same line, after the word "for," to strike out "1 cent per square foot and, in addition thereto, 20," and to insert "30," so as to make the paragraph read:

Ingrain carpets, and ingrain rugs or art squares, of whatever material composed, and carpets and rugs of like character or description, not specially provided for, 30 per cent ad valorem.

Mr. SMOOT. On behalf of the committee I desire to modify the amendment on page 153, line 8, before the words "per cent," by striking out the numerals "30" and substituting therefor the numerals "25."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as modified.

The amendment as modified was agreed to.

The next amendment of the Committee on Finance was, on page 153, line 11, after the word "in," to strike out "part" and to insert "chief value," and in line 12, after the word "wool," to strike out "whether or not constituting chief value, 2 cents per square foot and, in addition thereto, 25," and to insert "40," so as to make the paragraph read:

All other floor coverings, including mats and druggets, not specially provided for, composed wholly or in chief value of wool, 40 per cent ad valorem.

Mr. SMOOT. I desire to modify the committee amendment, in line 13, before the words "per centum," by striking out the numerals "40" and inserting in lieu thereof the numerals "30."

The PRESIDENT pro tempore. The question is on the amendment as modified.

The amendment as modified was agreed to.

The next amendment of the Committee on Finance was, on page 153, line 19, to increase the rate of duty on screens, hassocks, and all other articles composed wholly or in part of carpets or rugs, and not specially provided for, from "22" to "40" per cent ad valorem.

Mr. SMOOT. I desire to modify the committee amendment, on page 153, line 19, before the words "per centum," by striking out the numerals "40" and inserting in lieu thereof the numerals "30."

The PRESIDENT pro tempore. The question is on the committee amendment as now modified by the Senator from Utah.

The amendment as modified was agreed to.

The next amendment of the Committee on Finance was, on page 153, after line 19, to strike out—

PAR. 1120. All manufactures not specially provided for, composed of wool or of which woo. is a component part, whether or not constituting chief value, 25 per cent ad valorem.

And in lieu thereof to insert:

PAR. 1120. All manufactures not specially provided for, wholly or in chief value of wool, 55 per cent ad valorem.

Mr. WALSH of Massachusetts. That is the "catch-all" paragraph, I suppose?

Mr. SMOOT. I will say to the Senator that we do not give in that paragraph a compensatory duty at all. As the Senator has stated, it is a "catch-all" paragraph, providing for a duty of 55 per cent, which, of course, there being no compensatory duty imposed, is rather low.

Mr. WALSH of Massachusetts. I presume this paragraph is inserted in case any importations should come in which are not taken care of in the other paragraphs?

Mr. SMOOT. That is all.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 154, line 4, after the word "goat," to insert "Cashmere goat," so as to make the paragraph read:

PAR. 1121. Whenever in this title the word "wool" is used in connection with a manufactured article of which it is a component material it shall be held to include wool or hair of the sheep, camel, Angora goat, Cashmere goat, alpaca, or other like animals, whether manufactured by the woolen, worsted, felt, or any other process.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 154, after line 6, to strike out:

PAR. 1122. All samples of manufactures of wool which are not admitted under bond for exportation within six months shall be subject to the same rates of duty and the same valuation as the manufactured articles which they are intended to represent.

Mr. WALSH of Massachusetts. Mr. President, before a vote is taken on this, which is the last amendment in the wool schedule, I ask to have printed in the RECORD three letters, one addressed to the Senator from Montana [Mr. WALSH] and the other two to myself, in reference to the duties which are levied in the wool schedule of the pending bill.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The letters referred to are as follows:

JULY 28, 1922.

Hon. THOMAS J. WALSH,
The Senate, Washington, D. C.

DEAR SIR: I have just read in the CONGRESSIONAL RECORD (p. 10640) the following remarks by you on the wool schedule during the Senate discussion on July 25, when you condemned the rates on wool as "unjustifiably large," but objected to Senator LENROOT'S 60 per cent ad valorem maximum unless the compensatory duty could be reduced proportionately:

"Before a vote is taken on this matter I desire to say that I represent in part in this body the greatest wool-producing State in this Union. I am entirely satisfied that the rates provided for in paragraph 1102 are unjustifiably large. I am desirous of voting for very much lower rates. I should like very much to vote for the amendment offered by the Senator from Wisconsin. The wools to which it would be applicable are not produced in any considerable quantity, at least in our section of the country, and the effect would be indirect and not direct. But, Mr. President, I shall not vote to reduce the rates on the raw wool unless I can be fully assured that the compensatory duties upon the manufactured products are going to be reduced proportionately and in accordance with those rates."

This has led me to write this letter to you in order to present what I am sure is an entirely practicable plan for making the wool schedule adequately protective and also fair to the woolgrower, wool manufacturer, clothing manufacturer, and consumer.

This can be accomplished by placing ad valorem rates on wool, wool by-products, noils, waste and shoddy, tops, yarn, cloth, and all other products of wool, and making these rates high enough to protect the American production of the various products, but not so high as to burden the consumer. The Wilson-Gorman bill of 1894 and the Underwood-Simmons bill of 1913 and the experience in administering these tariff acts supply an excellent basis on which to frame an ad valorem schedule to take the place of the Underwood and Fordney-Penrose emergency acts, both of which are now in effect.

The objections to placing an ad valorem maximum on specific wool duties, as in the House bill and the Lenroot amendment, are:

1. The ad valorem equivalents of the duty on high-priced wool subject to the specific rate are lower than the ad valorem maximum on the low priced wools.

2. The compensatory duties on goods are excessive on the wools subject to the ad valorem maximum.

The second objection could be partially remedied by placing ad valorem compensatory rates on wool goods, but that would give an excess of the compensatory on high-priced goods, a defect that could be lessened by graduating the ad valorem compensatory according to the value of the goods, decreasing the ad valorem compensatory rate as the value increased. These, however, would be mere expedients partially to offset the effects of combining specific and ad valorem duties on wool.

The only right way is to begin with an ad valorem duty on new and reclaimed wool and wool by-products, and then place ad valorem compensatory and protective rate on wool goods. To do this it is necessary to decide on the following factors:

1. Ad valorem duty on wool and by-products.

2. Increase in American conversion cost over the foreign conversion cost.

3. Relative costs of wool and conversion in a dollar's worth of wool goods abroad.

Having decided on these factors the ad valorem compensatory and protective rates can be easily calculated. As I want to keep my explanation of this plan free from the suspicion of recommending or exploiting any particular rate on wool or wool goods, I will illustrate the calculation of the wool and wool goods rates from the above factors by the aid of algebraical symbols:

Let—

a=ad valorem rate on wool;

b=per cent of increase of American conversion cost over foreign conversion cost;

c=cost in cents (per cent) of wool in a dollar's worth of goods abroad;

d=cost in cents (per cent) of conversion of wool into a dollar's worth of goods abroad;

x=ad valorem compensatory rate on goods;

y=ad valorem protective rate on goods;

z=total ad valorem rate (compensatory and protective) on goods.

Then the calculation is—

$ac=x$;

$bd=y$;

$ac+bd=z$.

Having given this algebraical explanation of the plan in order to keep it free from the suspicion of promoting any particular rates, I will apply it to several concrete cases, assuming for all of them that one dollar's worth of goods abroad costs 50 cents (50 per cent) for wool and 50 cents (50 per cent) for conversion.

First I will take the Underwood bill of 1913. The Committee on Ways and Means had that bill framed to provide for a duty of 15 per cent ad valorem on wool. This was abandoned at the last moment and the bill as reported provided for free wool and 35 per cent ad valorem on cloth. With a dollar's worth of foreign goods costing 50 cents for wool and 50 cents for conversion, a 35 per cent ad valorem duty on goods is a protective rate based on an American conversion cost 70 per cent above the foreign conversion cost.

On this basis, and taking the original intention of the 1913 Committee on Ways and Means as an illustration, we have the following factors:
a=15 per cent;
b=70 per cent;
c=50 per cent;
d=50 per cent.
Then the rates on goods are:
.15×.50=7½ per cent, compensatory rate on goods;
.70×.50=35 per cent, protective rate on goods;
7½ per cent+35 per cent=42½ per cent, total rate on goods with 15 per cent on wool.
If the wool duty is increased to 30 per cent ad valorem, the calculation of the revised Underwood rates on cloth would be:
a=30 per cent;
b=70 per cent;
c=50 per cent;
d=50 per cent.
Then—
.30×.50=15 per cent, compensatory rate on goods;
.70×.50=35 per cent, protective rate on goods;
15 per cent+35 per cent=50 per cent, total rate on goods with 30 per cent on wool.
Now, let us take as an illustration the free wool Wilson bill rate of 40 per cent on goods, which represents an increase of 80 per cent in the American conversion cost over the foreign, and assume that the rate on wool is 40 per cent ad valorem. We have now—
a=40 per cent;
b=80 per cent;
c=50 per cent;
d=50 per cent.
Then—
.40×.50=20 per cent, compensatory rate on goods;
.80×.50=40 per cent, protective rate on goods;
20 per cent+40 per cent=60 per cent, total rate on goods with 40 per cent on wool.
The Wilson bill also provided for a rate of 50 per cent on high-priced goods, which represented an increase of 100 per cent in the American conversion cost over the foreign. On this basis, with a duty of, say, 40 per cent on wool, we have:
a=40 per cent.
b=100 per cent.
c=50 per cent.
d=50 per cent.
Then—
.40×.50=20 per cent, compensatory rate on goods.
1.00×.50=50 per cent, protective rate on goods.
20 per cent+50 per cent=70 per cent, total rate on goods with 40 per cent on wool.
These illustrations of the plan can be continued indefinitely, but I will give only one more, assuming a duty of 50 per cent ad valorem on wool and a 100 per cent increase in the American conversion cost over the foreign. We have now—
a=50 per cent.
b=100 per cent.
c=50 per cent.
d=50 per cent.
Then—
.50×.50=25 per cent, compensatory rate on goods.
1.00×.50=50 per cent, protective rate on goods.
25 per cent+50 per cent=75 per cent, total rate on goods with 50 per cent on wool.
The above plan is equally suited for the tariff on tops, yarn, and cloth, it being necessary only to decide upon the relative proportions of wool cost and conversion cost in one dollar's worth of the product abroad. Take wool yarn as an illustration, assuming a 50 per cent duty on wool, an increase of 100 per cent in the American conversion cost, and relative cost proportions of 70 cents (70 per cent) for wool and 30 cents (30 per cent) for conversion for a dollar's worth of yarn abroad. Now we have—
a=50 per cent.
b=100 per cent.
c=70 per cent.
d=30 per cent.
Then—
.50×.70=35 per cent, compensatory rate on yarn.
1.00×.30=30 per cent, protective rate on yarn.
35 per cent+30 per cent=65 per cent, total rate on yarn with 50 per cent on wool.
In these calculations the only variable factors are c and d, the relative proportions of wool and conversion costs in the value of goods, abroad. Those who do not want a fair tariff on wool and wool goods seek to convey the impression that the variations in the relative costs of wool and conversion mean corresponding variations in the compensatory duty on goods. See John P. Wood's testimony before the Finance Committee on December 14, page 3539; also the recent Tariff Commission's bulletin prepared by L. G. Connor, page 13. The only statistics that I know of bearing on the relative costs of wool and conversion are those given in my "Analysis of the Tariff Board Report on Schedule K," June, 1912, a copy of which I inclose. These are based on actual costs of goods made in American mills under my supervision, also on the fragmentary data in the Tariff Board's report on Schedule K, the omissions in which I supplied from data of actual costs. These statistics show that on the great bulk of wool goods the relative costs range from 60 per cent for wool and 40 per cent for conversion at one extreme, to 40 per cent for wool and 60 per cent for conversion at the other extreme, the variations beyond these limits being so few and so slight as to be negligible.
Now, let us assume a wool duty of 50 per cent and a conversion cost increase of 50 per cent, and apply the above plan to three assumed fabrics with relative costs as follows:
1. 40 per cent for wool, 60 per cent for conversion.
2. 50 per cent for wool, 50 per cent for conversion.
3. 60 per cent for wool, 40 per cent for conversion.

FABRIC NO. 1.

a=50 per cent.
b=50 per cent.
c=40 per cent.
d=60 per cent.
Then—
.50×.40=20 per cent, compensatory rate on goods.
.50×.60=30 per cent, protective rate on goods.
20 per cent+30 per cent=50 per cent, total rate on goods with 50 per cent on wool.

FABRIC NO. 2.

a=50 per cent.
b=50 per cent.
c=50 per cent.
d=50 per cent.
Then—
.50×.50=25 per cent, compensatory rate on goods.
.50×.50=25 per cent, protective rate on goods.
25 per cent+25 per cent=50 per cent, total rate on goods with 50 per cent on wool.

FABRIC NO. 3.

a=50 per cent.
b=50 per cent.
c=60 per cent.
d=40 per cent.
Then—
.50×.60=30 per cent, compensatory rate on goods.
.50×.40=20 per cent, protective rate on goods.
30 per cent plus 20 per cent equals 50 per cent, total rate on goods with 50 per cent on wool.
Thus if the duty on wool and the increase in the conversion cost are equal, a variation in the relative costs of wool and conversion, no matter how wide, has no effect whatever on the total rate required on goods, which is the same in all cases.
Let us now assume that the wool duty is 50 per cent ad valorem and the increase in the conversion cost is 100 per cent. We have—

FABRIC NO. 1.

a=50 per cent.
b=100 per cent.
c=40 per cent.
d=60 per cent.
Then—
.50×.40=20 per cent, compensatory rate on goods.
1.00×.60=60 per cent, protective rate on goods.
20 per cent plus 60 per cent equals 80 per cent, total rate on goods with 50 per cent on wool.

FABRIC NO. 2.

a=50 per cent.
b=100 per cent.
c=50 per cent.
d=50 per cent.
Then—
.50×.50=25 per cent, compensatory rate on goods.
1.00×.50=50 per cent, protective rate on goods.
25 per cent plus 50 per cent equals 75 per cent, total rate on goods with 50 per cent on wool.

FABRIC NO. 3.

a=50 per cent.
b=100 per cent.
c=60 per cent.
d=40 per cent.
Then—
.50×.60=30 per cent, compensatory rate on goods.
1.00×.40=40 per cent, protective rate on goods.
30 per cent plus 40 per cent equals 70 per cent, total rate on goods with 50 per cent on wool.
Thus for the practicable extremes of variation in relative costs of wool and conversion the total rates on goods vary only 5 per cent from the mean of these costs, fabric No. 1, at one extreme, requiring 5 per cent more than fabric No. 2, which represents the mean of the extremes, while fabric No. 3, at the other extreme, requires 5 per cent less than fabric No. 2, the mean.
From the above it follows that if the tariff act provides for the rate required for the mean of the extreme variations in relative costs of wool and conversion, the actual rates required for compensatory and protective duties will vary not more than 5 per cent above or below the rate imposed on the goods.
I will tabulate these results in order to make the comparison easier:

Fabric.	Rate in act.	Rate required.
	Per cent.	*Per cent.*
1	75	80
2	75	75
3	75	70

So far as the relative costs of wool and conversion are concerned, I have given you the best information available, based on my own experience and the figures compiled by the Tariff Board. The Committee on Finance, if empowered by the Senate, could obtain these comparative costs from enough of the woolen and worsted mills of the country in a few weeks to afford an up-to-date basis for carrying out the plan proposed above. All the difficulties, confusion, turmoil, special privilege, and discrimination under Schedule K are wholly the result of the specific rates in the schedule from 1867 to 1894 and from 1897 to 1913 and proposed in the House bill and Finance Committee's bill now under consideration. The only remedy is an ad valorem tariff on wool and all of its products.
The variation of 5 per cent is the extreme. The relative costs of wool and conversion for the great bulk of wool goods will be near the mean of the extremes and the duties on them thus practically in agreement with what are required.
Those who do not want a fair tariff on wool and wool goods will raise objections to an ad valorem schedule, but these objections are either baseless or negligible. They will say that undervaluations will result, ignoring the fact that the greatest frauds in the collection of duties in the United States have been in connection with specific rates on sugar, also ignoring the cases now pending in which imported wool subject to the specific rates of the emergency act is reported to have been concealed by a covering of carpet wool.
They will also claim that the duty under an ad valorem rate on wool is least when values are lowest, ignoring the fact that under normal conditions simple justice to producers and consumers demands that this should be the case, ignoring the fact that the protective duty on wool goods in every tariff law since 1867 has been ad valorem, and consequently that these protective duties which they approve are subject to the same variations that they claim are fatal to ad valorem com-

pensatory duties, and also ignoring the fact that under an ad valorem schedule the woolgrower, top maker, spinner, weaver, and clothing manufacturer would all be on the same ad valorem basis of justice.

Disregarding party politics and considering the question solely from the viewpoint of the public welfare, there is no escape from the conclusion that Schedule K should be placed on a strictly ad valorem basis with adequately protective rates on new wool, reclaimed wool, wool by-products, and partially and wholly manufactured wool goods.

The Sixty-seventh Congress may not, probably will not, do this. It will probably place on the statute book a wool schedule even less defensible than the Payne-Aldrich Schedule K. But the people rule in the end, although the popular will is often thwarted through the control of legislation by selfish interests. But the American people want just laws. They have learned much since 1909 about the injustice of the wool schedule, and sooner or later they will secure justice by an adequately protective ad valorem tariff on wool and wool goods.

The view to which you so courageously gave expression on Tuesday, July 25, the twenty-fifth anniversary of the passage of the Dingley bill, have led me to believe that you would gladly hasten the coming of the rule of justice in Schedule K. I trust you will find it possible to render this service to the public.

Yours very truly, SAMUEL S. DALE.

—

On goods composed of mixtures of wool and other fibers—cotton, etc.—the compensatory duty should be reduced to conform to the percentage of wool in the cloth, which can be easily and accurately determined.

(Copy to Senator WALSH of Massachusetts.)

(Inclosures:)

1. Analysis of Tariff Board report on Schedule K.
2. The Wool Tariff. Conversation with Senator Dolliver (Doc. No. 38, Sixty-first Congress, first session).

—

BENOIT SYSTEM,
Malden, Mass., July 1, 1922.

Senator DAVID I. WALSH,
Washington, D. C.

DEAR SENATOR: I wish to enter protest against the passing of the proposed tariff bill of 33 cents flat rate per pound on the scoured contents of the pound of wool. The people are demanding lower prices in clothing and will not stand for much higher prices.

The retail clothiers and the manufacturers have worked hard the last two years in order to lower the price of clothing, with the final result that the price of a suit of men's clothes has been reduced all the way from $5 to $12 per suit in the last two years, and yet the people are still clamoring for lower prices, and are holding off buying their accustomed needs in the hope of forcing prices downward.

If this bill is passed it will add $3 to $5 to the price of a suit of men's clothes or an overcoat, and the same proportion on boys' clothing. This proposed bill would affect particularly the people buying the medium and lower priced clothing, which is another very bad feature of the bill.

I do not advocate a low tariff on wool, but the tariff should not be so high as to place a burden on 98 to 99 per cent of the people of the country to benefit only 1 to 2 per cent of the woolgrowers of the country.

I trust that you will understand my feeling in regard to the new proposed wool tariff and will represent my interests in this matter at Washington.

I would be pleased to hear your views in this matter at your convenience.

Yours very truly, ARTHUR H. BENOIT.

—

FITCHBURG HARDWARE CO.,
Fitchburg, Mass., July 24, 1922.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SENATOR: I desire to register my vigorous protest against Schedule 11 of the Fordney-McCumber tariff bill, which proposes a duty on raw wool of 33 cents a pound.

It is excessive, unwarranted, and beyond the point of necessary protection.

It has been universally conceded that Schedule K of the Payne-Aldrich bill was too high. Schedule 11 exceeds it. It will increase prices to the many for the benefit of the few, which is uneconomic at this time.

Kindly give this protest your earnest consideration.

Very truly yours,

M. B. DAMON.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the Committee on Finance, striking out paragraph 1122.

The amendment was agreed to.

The PRESIDENT pro tempore. The next amendment of the Committee on Finance will be stated.

The ASSISTANT SECRETARY. In "Schedule 12, silk and silk goods," the Committee on Finance propose——

Mr. McCUMBER. Mr. President, before proceeding to the consideration of the silk and silk goods schedule I wish to make a very few general observations, with the hope of bringing the matter before the Senate from the standpoint of the Committee on Finance.

Mr. President, the average price of cotton is now about 15 cents per pound; the average price of wool, scoured, which places it in the same condition as cotton when it is marketed and fit to be spun into yarn, is about 60 cents a pound. When we come to the silk schedule, however, we deal with a commodity which has a value of about $6 per pound. Therefore it may easily be seen that when we enter the silk realm we enter into the field of luxuries.

By far the greater quantity of goods that are manufactured into clothing are of cotton and wool, although there is a vast volume that is composed of silk fabrics. The silk fabrics, however, are not worn by the great majority of the American people. So we may consider silk fabrics and silk clothes in the light of luxuries.

Mr. President, a few years ago the American people adopted the eighteenth amendment to the Constitution. Prior to its adoption the Government was receiving as revenue from liquors about $300,000,000 annually. The cost of conducting the Government is many times greater than it was prior to 1914, the beginning of the great World War. We have gone to the limit, according to the views of a great many American experts, in the extent to which we have levied taxes on sales and in the imposition of income and excess-profits taxes; we have gone to the limit, according to the views of a great many, in the matter of surtaxes upon incomes; but we have got to have the money; we have got to raise the $300,000,000 that we lost in revenue when we adopted the eighteenth amendment to the Constitution. Where can we best levy that tax?

I am presuming that it is a tax. I do not know a better place than upon such luxuries as silk. Therefore in determining the duties that should be imposed the committee had in view not only the matter of protection of American industries in the manufacture of silks but it had also in view the raising of a very considerable revenue. Consequently the committee did not attempt to hew close to the line of exact protection.

There are a great many articles made of fancy silks which could be sold for an increase above the cost of from 10 to 15 per cent, but which are actually sold to the American people at an increase of from 50 to 150 per cent. Those who desire to purchase such luxuries have sufficient money generally to be able to pay more than they otherwise would to support the American Government. In making the duties upon those fancy goods we have taken that propensity of some of our citizens into consideration, and we propose to allow them to indulge in it for the benefit of the American Treasury. So I say in general that the rates in the silk schedule are both for protection and revenue, with the emphasis upon "revenue."

Mr. President, in the calendar year 1921 the imports of manufactures of silk amounted to $48,207,000 worth, and the duties collected from silk manufactures amounted to $21,795,866. The silk schedule, therefore, furnished 6 per cent of the customs receipts in 1921.

Our exports of silk manufactures during the calendar year 1921 were as follows: Dress goods, $3,337,764; wearing apparel, $3,611,956; all others, $2,722,360. So, while we imported something over $48,000,000 worth of dutiable silk goods, we exported about $9,672,000 worth of the same articles.

Mr. President, paragraph 1205 relates to broad silks. In value of exports and in revenue derived it is by far the most important paragraph of the silk schedule. Since 1914 there has been a very radical change in the relative importance of the different sources of broad silk imports, and it is worth while for those who are interested in the silk schedule to bear that great change carefully in mind. In 1914, 52 per cent of the total value of the imports came from France, 12 per cent from Switzerland, 25 per cent from Japan, and 1 per cent from China. Now, note the change: In 1921 the percentages were Japan 71 as against 25 in 1914; France, 10 per cent as against 52 per cent in 1914; China, 6 per cent as against 1 per cent in 1914; and Switzerland, 5 per cent as against 12 per cent in 1914. So it will be seen that the manufacture of silk has gone from the Occident to the Orient, and we must deal therefore with the cheaper labor conditions of the Orient.

In quantity Japan's predominance in 1921 is even greater than indicated by mere values. Fabrics obtained from Europe are chiefly expensive goods, demanded because of style, unique design, or special construction. Imports from China and Japan are ordinarily low and medium grade goods of simple weave, and they have enormously increased. Considerably more than half of the total from Japan are light-weight habutaes such as are not made in the United States. The remainder are heavy habutaes and other goods similar to those made in the United States.

From China come chiefly pongees woven in the gum from wild tussah silk.

Mr. President, I think we should weigh these facts in considering the duties that are imposed upon this schedule, because our competition has gone from the higher-price producing countries prior to the war to the lower-price producing countries since the war; and considering the fact that it is necessary that we make up from some source the immense loss growing out of the eighteenth amendment, I think we should give and sustain as high a rate of duty as the trade will bear upon silk luxuries.

Mr. SHEPPARD. Mr. President, I shall pursue the course adopted by the Senator from North Dakota and discuss the silk schedule as a whole.

THE SILK SCHEDULE OF THE REPUBLICAN TARIFF BILL OF 1922.

Mr. President, silk in reaching its final form for human use passes through many stages. Its principal source is the silkworm.

THE SILKWORM.

The silkworm is hatched by artificial heat from eggs that have been collected and stored a number of months pending the arrival of the hatching season.

The worm is then placed on the leaf of the mulberry tree, and on this leaf feeds for six weeks.

It then emits from an opening in its underlip two liquid strands, called brins, which harden and unite under the influence of the air into a silk filament or thread, aided by a gum accompanying these liquid emissions.

Making a weaving motion with its head and a circular motion with its body, the worm gradually wraps about itself thread after thread until in about three days a complete encasement, known as a cocoon, is formed.

Inside this silken envelope the worm changes into a chrysalis and then into a moth, which pierces the cocoon at one of its ends and breaks out, its first and only task on emerging from its silken cradle being to provide for the propagation of its kind. The eggs the female moth lays are collected and stored for the next hatching.

REELED RAW SILK YARN.

To produce a yarn or composite thread from which the best and most widely used silk products come the firmest and smoothest threads in the cocoon must be reeled before the chrysalis becomes a moth and pierces the cocoon.

The chrysalis is killed by the use of hot, dry air and the cocoon thus kept intact. To secure the best results it has been found necessary to select from 3 to 12 or more of these intact cocoons the strongest and most evenly shaped threads and then to reel them together. The composite thread or yarn so reeled from the unpierced cocoon is the raw silk of commerce, the raw material of most of the American and other silk industries, which carry it through further stages to the final fabricated form The processes of growing the worm, developing and preserving the cocoon, and reeling from it the threads of proper size and strength are so tedious, so exacting, so wearisome, and the pecuniary return so paltry that it has not been possible to establish the reeling of raw silk in the United States, although repeated efforts have been made. For instance, it takes about 2,000 or 3,000 cocoons to produce a pound of raw silk, and a pound sells for about $8 at present. The normal price is around $4 or $5 per pound. The development of each cocoon requires the most exhaustive attention and care. It is hardly conceivable that human beings can be found to perform such painstaking, monotonous, and intensive work for such trifling compensation. The fact that they are reduced to such economic straits is a revelation of one of the tragedies underlying our civilization. That hundreds of millions throughout the world may wear a soft and glistening raiment, a fabric that contributes so much to the comfort, refinement, and general well-being of society, as well as to many of its practical needs, hundreds of thousands of the human race must suffer the direst poverty and privation. Only in China and Japan, where the struggle for a bare physical survival has reached the fiercest of proportions, are a sufficient number of mortals to be located who endure economic crucifixion that the rest of humanity may know a brighter existence, so far as the silk industry is concerned. By far the greater portion of the earth's raw silk thread or yarn comes from China and Japan. A rougher form of silk yarn is reeled from wild, undomesticated silkworms known as tussah or tusser worms that feed on the leaves of oak and other trees, mainly in China and India, and makes a stronger and coarser fabric than that which comes from the domesticated worm.

SILK WASTE THREADS.

The threads in the cocoon of such imperfect structure that they can not be used for reeling are called waste silk. Waste silk consists also of cocoons after they have been pierced by the emerging moth, or which for other reasons have become unreelable; of reeled yarns discarded for various reasons in throwing and weaving processes in the United States, the discarded yarns being known also as mill wastes; of fibers less than 2 inches in length left over after silk waste is dressed, these being known as exhausted noils. Waste silk can not be reeled, but is spun into yarn.

IMPORTATIONS OF REELED RAW SILK AND SILK WASTE.

Raw silk and silk waste, including silk cocoons, are imported into the United States free of duty, where they become the basis of the American silk industry, the largest silk industry in the world, the third largest textile industry in the United States. The reeled raw silk yarn is the basis of woven silk goods, while the waste silk is the raw material for spun-silk goods. The volume of American imports of reeled raw silk—that is, the yarn in its first stage after leaving the unpierced cocoon, the yarn from which by far the larger portion of American silk fabrics is made—is an indication of the wonderful growth of the silk-manufacturing industry in this country. Considering these imports by five-year periods and starting with those of the years from 1866 to 1870, inclusive, as a base, we find that they have grown from 2,875,970 pounds in that period to 183,240,727 pounds in the period from 1916 to 1920, inclusive, an increase of over 6,370 per cent. Before the Civil War there was a duty on raw silk, but it did not create a domestic industry for the reasons already mentioned. Since the Civil War these raw-silk imports have been on the free list. Imports of silk waste are also duty free and have averaged 3,861,893 pounds per year during the 30 years from 1891 to 1920, having grown from 1,346,689 pounds in 1891 to 11,263,546 pounds in 1920. In these silk-waste totals are included the exhausted noils, which averaged 791,119 pounds per year during the 20 years from 1901 to 1920, and the pierced or imperfect cocoons unfit for reeling but used for spinning, which averaged 120,312 pounds per year for the 30 years from 1891 to 1920. Silk-waste importations had a value of $16,135,227 in 1920; reeled raw silk importations, $437,951,434. The only form of silk waste produced in the United States is that known as mill waste and amounts to about one-eighth of all waste silk imports. Since the Civil War it has been the policy of both the Democratic and Republican Parties to keep these raw materials of the American silk industry on the free list. The term "silk waste" originated when the fibers so described were valueless. It was later discovered that while they could not be reeled and woven they could be spun into a practicable yarn by methods similar to those employed in the spinning of flax and cotton.

REELED RAW-SILK YARN "THROWN" INTO STRONGER YARNS OR WOVEN DIRECTLY INTO CLOTH.

The reeled raw silk arrives in this country in skeins or hanks, and after being cleaned and wound on bobbins is converted by what is known as the throwing process into a stronger yarn, called thrown silk, or is woven directly into cloth.

STANDARD TYPES OF THROWN YARNS.

The standard types of the thrown or twisted yarn—the word "thrown" being derived from the Saxon "thrawan," which means to twist—are tram, crêpe twist, organzine, grenadine, and poile.

Tram is made by combining or doubling two or more raw-silk threads and twisting them into one by what is technically called the slack twist, and is used chiefly for filling in the manufacture of many important silk fabrics and of knit goods. Crêpe twist is used in making a fabric called crêpe silk, and is a tram yarn to which an extra hard twist has been given.

Organzine is made by first twisting two raw-silk threads separately in one direction and then doubling and twisting them in the opposite direction, and is used as a warp in the manufacture of the fabrics for which the tram is the filling.

Grenadine is an organzine yarn to which a specially hard twist has been given, and is used in making gauzes and occasionally a fabric known as silk voile.

Poile is the only standard thrown yarn made by twisting a single raw-silk thread, and is used in making silk voile, chiffons, and chiffon crêpe.

NO INTERMEDIATE STAGE BETWEEN REELED RAW-SIK YARN AND THROWN YARN OR CLOTH.

Here it should be said that there is no intermediate stage of manufacture between the imported raw silk and these thrown yarns or the cloth into which the raw article is sometimes immediately woven without going through any further yarn process. It is true that the raw-silk thread may be wound on spools or tubes before entering further processes, but this could not be said to represent a stage of manufacture.

Nevertheless, the pending tariff bill provides a duty on silk partially manufactured from raw silk and not twisted or spun of 35 per cent ad valorem. See paragraph 1201 of the tariff bill. The only effect of this joker provision, this tariff fiction, is to supply a basis or excuse for high duties on the forms into which the reeled raw silk imports are actually converted. The thrown yarns and certain woven fabrics are the first forms into which the reeled raw silk imports are made, and the provision under discussion could not have reference to these yarns and fabrics because they are the subjects of separate paragraphs in a subsequent part of the bill, paragraphs bristling with formidable duties on these very items.

THE AMERICAN THROWN SILK YARN INDUSTRY.

From the thrown silk yarns are made most of the silk goods produced by the American silk industry. Indeed, the making of these yarns is an important and largely independent branch

of that industry. Probably more than 85 per cent of the reeled raw silk imports are made into the thrown silk yarns, much more than half of which are manufactured by separate throwing establishments, the rest being produced by finished-goods makers for their own use. The United States has distanced all other countries in the production of thrown silk yarns, 28,000,000 pounds having been turned out here in 1920. Imports are hardly worth mentioning, except to emphasize their insignificance. They have averaged about 34,000 pounds a year during the 30 years ending with 1920. Competition from abroad, therefore, is all but nonexistent. And yet the Republican Party proposes duties on thrown silk yarn 33⅓ per cent higher than the present rates.

Mr. KELLOGG. In what form is the silk imported?

Mr. SHEPPARD. In the form of skeins or hanks of what is known as reeled raw silk; also in the form of imperfect or damaged cocoons and of threads too short or too uneven for reeling.

Mr. KELLOGG. Before it is made into threads?

Mr. SHEPPARD. Before the reeled raw silk is made into a stronger composite thread or yarn called thrown yarn, which is the basis of the woven silk industry, and before the imperfect cocoons and shorter threads are made into a yarn which is the basis of the spun silk industry.

When it is observed that the present rate, 15 per cent ad valorem, is the rate under which the American industry has outstripped the world during the past nine years, the rate under which it commands and supplies the entire home market, the enormity and the absurdity of this advance of about 200 per cent in the tariff taxes on this basic item of the silk industry will become apparent.

SEWING AND EMBROIDERY SILK THREAD, ETC.

Certain articles made by twisting the reeled raw silk into a tougher thread or yarn are known as sewing thread, used mainly for hand sewing; machine twist, a thread used principally for machine sewing, although sometimes employed in sewing by hand; floss and embroidery silk; that is, threads used for machine and hand embroidering. These articles are sometimes made from spun-silk waste, but to no great extent, inasmuch as the waste yarns lack strength and elasticity. As long ago as 1879 the United States had outstripped the world in this branch of the silk industry. In that year a book was published by authority of the Silk Association of America entitled "The Silk Goods of America," and written by William C. Wyckoff, wherein appeared this statement:

> The manufacture of silk thread in this country is a distinct branch of the industry which has wholly outgrown foreign competition.

Under all tariff acts since that time the sewing and embroidery silk industry has supplied practically the entire domestic market, imports have been insignificant, with the exception of but a few years, and a substantial export trade has developed. The tariff acts of 1883, 1890, 1894, and 1897 imposed a duty of 30 per cent ad valorem on these items. The tariff act of 1909 imposed the practically prohibitive rate of $1 per pound in the gum and $1.50 a pound if ungummed or otherwise advanced by any process of manufacture. The survey of the Tariff Commission has the following comment on the Payne rate, that is, the 1909 rate:

> This duty was practically prohibitory, and the only imports thereunder consisted of one or two thousand pounds a year of special high-priced sewing silks. Owing to the absolute exclusion of ordinary sewing and embroidery silks, the equivalent ad valorem rate of duty on the trifle of high-priced silk thread imported averaged lower than the 30 per cent ad valorem duty imposed previous to the act of 1909.

But the most remarkable evidence of the superior position of the sewing and embroidery silk industry in the United States, its complete independence of foreign competition, was shown by the fact that when the prohibitive Payne rates were supplanted by the very low rate of 15 per cent ad valorem in the Democratic tariff law of 1913 imports continued to be so pitifully few that in none of the years since 1913 have they amounted to 2 per cent of the domestic production. In fact, in most years they have been less than 1 per cent of the domestic output. In 1914 the domestic output was valued at $9,681,613, while the imports had a value of $12,940, or less than one-fifth of 1 per cent. In 1919 the domestic output had a value of $9,682,000, while imports were valued at $6,332, about one-tenth of 1 per cent. During 1920, when speculative silk movements created an abnormal demand for everything made of silk, imports were less than 1 per cent of home production. On the other hand, exports in 1920 of these American sewing and embroidery silk threads to Canada alone exceeded $400,000 in value, while important quantities went to Australia and other countries. It is clear that if there is any industry in the United States which has been established beyond the slightest necessity of a fostering tariff tax it is that of sewing and embroidery silk. And yet in the very teeth of these facts the pending Republican tariff bill proposes to enact a duty increase of over 100 per cent on these articles of common use.

WASTE SILK THREADS USED IN MAKING POWDER BAGS FOR HEAVY ARTILLERY, INSULATED COVER FOR ELECTRIC WIRES, AND IN ACETYLENE-GAS CYLINDERS.

It should be said here that the type of waste silk fiber known as exhausted noils is used in making the powder bags essential to the most effective firing of heavy artillery and was in especial demand during the war. Silk is the best material for this purpose because it burns up quickly and leaves no smouldering residue. Silk from these short noils is used because it is about the least expensive way of securing silk for powder bags. Coarse-spun silk yarns were also utilized for this purpose during the World War. So we see that silk is quite an important factor in the national defense and in military operations. The exhausted noils are also used by woolen manufacturers in making mixed silk and wool goods and in making insulated cover for electric wires. They are also used in acetylene-gas cylinders.

PEIGNEE SILK YARN (DRESSED AND COMBED WASTE-SILK THREADS).

Before the silk waste is in shape for spinning it passes through a stage of partial manufacture, turning it into what is known as dressed and combed silk or peignee, a stage in which the unreelable fibers are cleaned and paralleled and tied at one end for further advancement toward spun-silk yarn. The shorter waste fibers, not under 2 inches long, are called long noils and are retained with the other cleaned threads for the next step toward the spun yarn, while waste fibers less than 2 inches long, called exhausted noils, are used as before indicated. Peignee, or dressed-silk yarn, is not made for sale in the United States, but is a mere intermediate stage between the waste-silk and the spun-silk yarn. The manufacturer of the spun-silk yarn obtains the best results when he makes his own peignee or dressed silk, and knows the exact nature of the waste silk employed in producing it. It is very difficult to determine this from peignee made by others.

Prior to the World War it was the custom for domestic spun-yarn mills to make their own peignee, and their machinery was balanced accordingly. During the war the demand for powder-bag cloth absorbed not only the short noils but the coarse yarn spun from peignee to such an extent that peignees were imported into the United States in considerable quantities for the first time in history. The silk boom in 1919 caused this accelerated importation to continue, with the result that several domestic spun-yarn mills enlarged their finishing machinery with a view to reliance on imports for peignee material. Also, combined European silk interests have established a spun-silk plant in the United States to convert into spun yarn here the peignee it makes abroad. The Tariff Commission estimates that 7,300,000 pounds of peignee were produced in the United States in 1918 and that 810,950 pounds were imported. Peignee imports come principally from Japan. Domestic mills have not yet demonstrated, however, that foreign peignee can be profitably worked up here, and this is due to its variable and uncertain quality. Furthermore, Japan is the only country making surplus peignee for export, and domestic producers relying on this foreign supply would be in a dangerous situation either in case of monopoly control in the country of export or in case of war. For military reasons, if for no other, the peignee industry should be maintained in the United States, and the present duty of 20 cents a pound is sufficient for that purpose. Because peignee represents an intermediate stage of production it is very difficult to determine its value, and ad valorem duties would be especially hard to administer. Therefore the Underwood-Simmons Tariff Act of 1913, which placed all other silk items under ad valorem duties, imposed a specific duty on peignee under the definition of silk partially manufactured from cocoons or from waste silk and not further advanced or manufactured than carded or combed silk—that specific duty being 20 cents per pound.

When it is recalled that in 20 of the 27 years prior to 1917 imports of peignees were less than 1,000 pounds per annum; that in 5 of these 27 years none at all came in; that in the remaining 2 years these imports amounted to 16,000 and 17,000 pounds, respectively; that the sudden rise in imports was due to abnormal war and after-war conditions; that the most successful makers of spun-silk yarn are those who develop their own peignees with their own machinery from their own waste silk, and that it is unsafe for them to rely on a foreign product with the raw material of which they have no definite knowledge; that so far the use of imported peignees by domestic manufacturers has not led to satisfactory results, this being due to the unsteady and uncertain quality of the foreign ar-

ticle—all these facts make it very questionable whether the importations will not revert on the advent of normal conditions to their former insignificance.

Mr. McLEAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Texas yield to the Senator from Connecticut?

Mr. SHEPPARD. I yield.

Mr. McLEAN. I understood the Senator from Texas to say that there were no imports of peignee of any consequence.

Mr. SHEPPARD. I did not say that.

Mr. McLEAN. I may have misunderstood the Senator.

Mr. SHEPPARD. On the contrary, I gave the figures provided by the Tariff Commission. There were imports of 810,050 yards in 1918, but during that year 7,300,000 yards were made in this country. I say to the Senator that I admit the peignee industry ought to be maintained in this country and that there should be a duty. I take the position, however, that the present duty of 20 cents a pound is sufficient.

Remember, also, that the waste silk is put through numerous processes before reaching the peignee state, processes such as degumming, which involves proper mixing of the different kinds of waste silk threads, boiling, scouring, drying, restoration of natural moisture, softening, and storing; processes such as opening, lapping, filling, dressing, combing, and so forth—most of these processes being of a technical nature, requiring to a large extent expert adult male labor, and the advantage of a home producer who conducts these processes in his own plant and under his own supervision over a producer importing peignees is readily seen. Observe further that under the existing Democratic duties on peignees and spun-silk yarns the spun-silk business has gone forward with tremendous strides, more than trebling its output from 1914 to 1920—that is, increasing its production from 2,500,000 pounds of spun-silk yarn in 1914 to 6,700,000 pounds in 1920—and it will be hard to find excuse for the proposed increase of the present tariff rate of 20 cents per pound to the 55 cents carried in the Senate bill, an increase of nearly 200 per cent.

SLIVER YARN, DRESSED.

The peignees—i. e., dressed and combed waste silk threads—are next drawn by machinery into a loose rope without any twist called sliver. Before we take up the succeeding step toward the spun-silk yarn it will be well to quote here in full paragraph 1201 of the pending bill. It is as follows:

Silk partially manufactured, including total or partial degumming, from raw silk, waste silk, or cocoons, and silk noils exceeding 2 inches in length, or silk and artificial silk, all the foregoing not twisted or spun, 55 cents per pound: *Provided*, That none of the foregoing shall pay a less rate of duty than 35 per cent ad valorem.

The Senate Finance Committee have proposed an amendment striking out the specific rate and providing a general rate of 35 per cent ad valorem, still involving an increase which I consider to be entirely without justification. I shall attempt to demonstrate this later.

I have already shown that the clause in this paragraph purporting to relate to silk partially manufactured from raw silk not twisted or spun is meaningless. I have already cited facts showing that the proposed duty of 35 per cent on silk partially manufactured from waste silk or cocoons and silk noils exceeding 2 inches in length—that is, on what is known as peignees—is beyond the pale of apology. It might be well to say here that the words "including partial or total degumming" were inserted because of a recent customs decision holding that the mere degumming of raw silk or waste silk—that is, the softening of the natural gum on the fiber by the simple method of boiling in soap and hot water—did not change the state of the fiber, and that the degummed fiber should come in without duty as raw silk or silk waste, as the case might be. The clause in the pending bill subjecting the raw fibers to a duty of 35 per cent merely because they have been soaked in boiling water is but another instance of the voracious motive behind the entire measure. The next stage after that of the peignee is, as we have seen, the sliver, the drawn rope of peignee fiber, and sliver would be dutiable under this same paragraph if any should be imported. It represents so slight a stage of manufacture that competing importations are out of the question.

ROVING YARN.

The rope of threads called sliver is next made into what is termed "roving" by giving the sliver a slight twist by machinery on roving frames. Like sliver, roving is so slight a stage of advancement in manufacture that importation is not to be thought of. And yet, as we shall presently observe, it is subjected to a heavy duty. No roving is made for sale in this country and none is imported. Sliver is in the same condition. Both are made in the domestic spun-silk yarn factories of the United States as a part of the process of converting peignees into yarn.

SPUN-SILK YARN; ALSO KNOWN AS SCHAPPE SILK YARN.

The twisted rope of yarn known as roving is next put on bobbins and spun and further twisted into spun-silk yarn, technically known as schappe silk yarn, or to put it shortly "schappes."

Taking up the spun-silk yarn, we observe that its elaborate classification in the pending bill under a rate scale beginning with unbleached, undyed, uncolored yarn with a single twist and with a certain size estimated according to numbers and increasing as twists, numbers, dyes, and colors are added, and adding further duties if the yarn is placed on bobbins, spools, or beams, means an advance over existing rates of about 40 per cent.

By the way, the Senate Finance Committee have a belated amendment pending doing away with this elaborate classification, and it is therefore not worth while to allude to it further. The Senate Finance Committee have in effect abolished the extremely elaborate classifications in two or three paragraphs of the silk schedule dealing with the vast bulk of silk goods and adopted the plain and simple plan of statement carried in the existing Democratic tariff law. The new proposal involves an increase of the present rate on spun-silk yarn of 35 per cent to 40 and 45 per cent.

That any rate advance on spun-silk yarn is without reason is shown by the remarkable expansion of the spun-silk industry under the present duties. The processes of manufacture are so difficult, numerous, and technical that production on an extensive scale and large capital investments are required. The industry in the United States is in the hands of seven or eight firms, and its total output has grown from 1,617,416 pounds in 1914 to nearly six and three-quarter million in 1920—multiplying itself nearly five times in six years under the present tariff law. There are but four concerns making spun-silk yarn exclusively. The other three or four make the spun silk for their own finished product. It is true that importations average about one-third of the domestic production, but it is also true that they affect in the main but one branch of the spun-silk industry, to wit, certain types of velvet, and that the imported type is not yet successfully or generally produced here. Imports can not be said, therefore, to be seriously competitive with the greater part of the domestic industry. Besides velvet, spun-silk yarn is used in making plushes, piece-dyed broad silks, wool-mixed fabrics, powder-bag cloth, already described, knit goods, and so used to a constantly extending degree. These facts do not show any need for additional tariff subsidy in the production of spun-silk yarn or "schappes."

The rapid growth of the spun-silk yarn industry shows that the present high rate of 35 per cent meets whatever inequalities exist in competitive conditions. Indeed, the Tariff Commission reports that in machinery, raw material, organization, capital, and technique—except the technique necessary to certain types of velvet before referred to—the home industry can not be effectively assailed from abroad. Before 1910 spun-silk imports exceeded home production; since that time the domestic output has so quickly advanced that it has almost doubled importation.

SILK PLUSHES, VELVETS, AND OTHER SILK PILE FABRICS.

We now come to certain finished products made principally of spun-silk yarn, products known as silk plushes and velvets, used for making and trimming both clothes and hats, for imitation furs and seals, pile ribbons, chenille fabrics, draperies, furniture coverings, and so forth. They are also known as silk pile fabrics, a pile fabric being any textile fabric composed of a foundation cloth to which is attached at one end short threads or loops of threads making a hairlike surface. The word "pile" is evidently derived from the Latin "pilus," meaning hair. The short projecting threads form what is called the pile. Most silk velvets and plushes are woven in this country with a pile fashioned from spun-silk yarn and a foundation cloth of some other textile material. Pile fabrics composed wholly of silk—that is, with both foundation cloth and pile of silk—are not made to any large extent in the United States, and such as are used here are mainly brought from abroad. Very few velvet ribbons and no plush for hats are made as yet in the United States.

Silk plushes and velvets form another distinct branch of the American silk industry—a branch that has grown enormously and always enjoyed a high degree of protection under both political parties. The Underwood-Simmons Tariff Act of

1913, the act now in force, gives these articles a rate of 50 per cent ad valorem, paragraph 314 of that act reading as follows:

Velvets, plushes, chenilles, velvet or plush ribbons, or other pile fabrics, composed of silk or of which silk is the component material of chief value, 50 per cent ad valorem.

These articles have never had a smaller degree of protection than 50 per cent, and the pending bill proposes to increase that generous figure about 20 per cent.

In 1914 silk velvet had a domestic production of 16,318,000 yards, valued at $8,570,022; silk plush, 9,115,000 yards, valued at $10,136,000. In 1919 silk velvet had a domestic production of 16,150,000 yards, valued at $20,950,000; silk plush, 5,860,000 yards, valued at over $10,000,000. Imports had a total value of $4,171,390 in 1914, $440,780 in 1919, and $1,157,410 in 1920. Imports in 1920 were less than half of 1914 entries and about half of the average yearly imports through 30 years. Imports consist mainly of all-silk velvets, high-grade specialties, velvet ribbons, all of which are produced to a very small degree or not at all in the United States, and do not compete, therefore, with the mass of American silk plush and velvet production. In fact, an export trade of important proportions has developed since the war, Canada alone receiving from this country silks and velvets to the value of $563,866 in the fiscal year of 1920. In view of these circumstances it is hard to see why there should be an increase of duty over the high protective rates now enjoyed by this branch of the American silk industry. Hatter's plush requires attention at this point. For many years hatter's plush has been placed in the sundry schedule of both Republican and Democratic tariff acts at a rate of 10 per cent ad valorem.

This was done because no hatter's plush was produced in this country, and for a number of years was not imported in sufficient quantities for any particular notice. However, from an average annual value of $46,000 from 1895 to 1909 imports began to increase in 1910, rising to $170,777 in 1914, $445,070 in 1917, and $539,939 in the first nine months of 1921. This is due to the fact that hatter's plush has come to be widely used for women's hats and for a number of general millinery purposes. In view of this widened use the pending bill transfers hatter's plush from the sundry schedule to the velvet and plush paragraph of the silk schedule where it properly belongs. It is claimed by plush manufacturers here that with a proper duty this article can be successfully made in the United States. Inasmuch, however, as the domestic velvet and plush manufacturers have done so well with all other lines it would seem that they should not ask for a larger rate on hatter's plush than they now enjoy on these other lines and in which they have established themselves so firmly.

BROAD SILKS.

Of remaining finished silk products it may be said that in general they are woven from the silk yarns which had themselves been woven from the raw silk reeled from the unpierced, normal, undamaged cocoon. The spun silk yarns derived from the threads called silk waste and originating in the damaged or imperfect cocoons and in left-over fibers of certain milling processes are also used in these products to a minor extent.

Of these remaining products, by far the most important is that known as broad silk. Indeed, "broad silks," a term including all woven silk fabrics in the piece over 12 inches wide, of which silk is the component material of chief value, except bolting cloth, a silk cloth imported especially for milling purposes, so marked as to be unavailable for any other use and admitted free of duty in both existing law and the pending bill, or except when embroidered, tamboured, appliquéd, or made wholly or partly of lace, netting, veiling, and so forth, constitute the largest branch of American silk production. Their principal use is for women's dress goods, linings of all kinds, shirts, ties, underclothing, furniture coverings, draperies, and so forth. Their manufacture requires about half of all the imports of raw reeled silk, and substantial amounts of spun-silk yarn, artificial silk yarn, and yarns of cotton, wool, and mohair. Their output in this country amounted in 1914 to 216,034,000 yards, and to a value of $137,720,000, more than half the total value of domestic silk manufactures in that year. In 1919 the output amounted to 307,104,000 yards, and to a value of $391,225,000, about 44 per cent of the value of all domestic silk products in that year. In the main these articles are made of standard weaves from silk yarns of high quality and of strong fiber, adapted to machinery production on a large scale. Skilled labor is required to a considerable degree, and in recent years home producers have added fancy qualities to the usual standardized types. Imports total about 6 or 7 per cent of internal output, averaging about two and a half million pounds per year during the four fiscal years from 1916 to 1920, inclusive. Exports in 1919 had a value of $10,225,376; in 1920, $8,775,079; during the first nine months of 1921, $2,542,244. The average exports per year during the period from 1916 to 1920, inclusive, has far exceeded the average imports.

In 1914 imports of broad silks came from the following countries in the percentages indicated: France, 52.1 per cent; Switzerland, 12.2 per cent; Japan, 24.8 per cent; China, 1 per cent; other countries furnishing the remainder. In 1921 Japan had jumped to 71.1 per cent, France had fallen to 10.3 per cent, Switzerland had fallen to 4.8 per cent, while China had increased to 5.5 per cent. This means that the United States has practically preempted the field of high-quality silks of the kind made in Europe, finding these more profitable than the lower-type goods, such as Japanese habutai and other light weights, Chinese pongee from wild tussah silk yarn, and so forth. For the most part these last-mentioned products from the Orient are not made here, and supplement the domestic market rather than seriously compete with the mass of standardized high-grade American silks. Some of these, it is true, are made or can be made in the United States, but our manufacturers find the better types more responsive to skilled labor and efficient quantity production.

It may be instructive to cite one or two instances of the success with which American manufacturers supplant European producers in the making of high-class silks. The most important article in the broad-silk trade from 1916 to 1920 was that known as georgette. It originated in France in 1912, and thousands of pieces were imported into the United States in 1913, 1914, and 1915. By 1916, however, the American factories were making it to such an extent and so successfully that with the help of the Democratic tariff rate of 45 per cent they shut out importations altogether in another year or so. Again, in 1910 there originated in France a popular and fashionable silk article known as crêpe grosgrain, or Canton crêpe. It was imported into the United States in large quantities, but in a short while American producers were making it so extensively and so efficiently that the Underwood-Simmons tariff rate of 45 per cent became a complete bar to the foreigner.

With this rate in operation the domestic manufacturers of broad silks have obtained command of the home market. Imports consist either of novelties, specialties, and exceptional grades from Europe, which consumers take regardless of price, and which our own producers import for their own instruction, or of cheap types from the Orient, which home industry either does not make or does not care to make. To add a higher duty is to give what is already a practical monopoly on the part of domestic industry in all kinds of standard silk dress goods a wider license to levy tribute on the American home. And yet the pending bill proposes an increase of about 22 per cent over the present rates on the fabrics now under discussion.

SILK KNIT GOODS.

Second in value to broad silks among finished silk products are silk knit goods, goods made on knitting machines mainly from tram yarn, a yarn thrown or twisted, as we have seen, from reeled raw silk, although spun yarn from silk waste and artificial silk yarn are used to a small extent. Among the principal kinds of silk knit goods in the order of their importance are hosiery, outer wear, including sweaters, scarfs, dresses, etc., gloves, underwear, neckties, knit fabric, thread, yarn, etc. The value of the silk knit goods output had a sensational rise from $41,262,000 in 1914 to $234,927,000 in 1919. Imports have been so small that serious foreign competition can not be said to exist. They have averaged less than $500,000 in value per year during the 30 years from 1891 to 1920, inclusive.

In 1914 they were less than one-half of 1 per cent of domestic production; in 1916 about one one-hundredth of 1 per cent. Exports are in material excess over imports. Notwithstanding the position of absolute security from foreign competition which the domestic silk knit-goods industry has held under the liberal 50 per cent duty of the existing tariff law, the pending bill proposes an increase to 55 and 60 per cent.

SILK RIBBONS AND OTHER SMALL SILK WARES.

Third in value after broad silks and second to knit goods are silk ribbons, the production of which in this country rose from a value of $38,000,000 in 1914 to $66,000,000 in 1919. They are made principally from the thrown silk yarn, the yarn derived, as we have several times observed, from the reeled raw silk, but spun silk yarn as well as cotton, artificial silk, and other yarns are sometimes employed.

Imports are comparatively small and are confined to exceptional qualities not made in the United States. The home industry makes ordinary standard grades and is independent of competition from abroad. In fact, foreign manufacturers do not attempt to compete with home producers in making the staple article, and, furthermore, ribbons produced here are exported in small quantities to Canada and Latin America. The existing Democratic rate of 45 per cent ad valorem and

the high-speed multiple-shuttle ribbon loom, operating on a maximum volume basis, long ago put the overseas competitor out of the running. Nevertheless the Senate Finance Committee, running true to form, proposes an increase to 55 per cent. Silk ribbons are included in paragraph 1207 of the pending bill, which reads as follows:

Fabrics with fast edges, wholly or in chief value of silk, not exceeding 12 inches in width, including ribbons and articles made therefrom, tubings, garters, suspenders, braces, cords, tassels, and cords and tassels; all the foregoing composed wholly or in chief value of silk or of silk and india rubber, not embroidered in any manner by hand or machinery, and not specially provided for, 55 per cent ad valorem.

The items in this paragraph are called small silk wares and include, besides ribbons, narrow fabrics not over 12 inches in width made on ribbon looms from the thrown yarns, and a number of articles not woven but made directly from the reeled silk threads. Among these articles are hat and cap bands; borders or finishings for dresses; thin taffeta ribbon binding in all staple colors; bindings for tailored garments; bindings for carpets and blankets; inner belting for skirts and waists, insuring proper adjustment; casings for corset steels and "boning" used in dressmaking; elastic banding and webbing containing rubber threads and used for braces, various kinds of supports, sureingles, suspenders, and garters; tubings, cords, tassels, garment labels, fishlines, and so forth.

Imports of these articles reached the highest point during the 30-year period from 1891 to 1920 in the year 1897, when they amounted to $1,221,528. From that point they declined to $489,830 in 1913 and to $434,185 in 1921. Domestic production runs into the tens of millions. Probably more than 50 per cent of the imports now consist of hatbands from Germany, and it is evident that they compete with this particular silk small ware. This leaves practically all the other small wares without the slightest shadow of competition, and the proposal to increase the high protective rate of 45 per cent they already have to a still higher level is as absurd as it is unjust. There may be good reason for leaving the existing rate on hatbands undisturbed. Certainly there is no excuse for increasing the rates on these other wares of common, everyday household use.

SILK HANDKERCHIEFS.

The next article to invite our attention in the silk schedule is the silk handkerchief. Its status is another illustration of the tendency of American manufacturers to make the high-grade, standard silk products and leave the cheaper types to the Japanese habutai and other forms of light-weight silk fabric. The demand for silk handkerchiefs is so unsteady and variable in the United States, their manufacture in Japan from untwisted or unthrown reeled-silk threads so simple a process requiring no especial skill, that the American producer finds he can employ machinery and skill to far better advantage in the higher types of silk fabrics. The result is that there is no separate silk-handkerchief industry in this country; it exists in connection with the broad-silk manufacture or with the making of other kinds of handkerchiefs, and that perhaps 90 per cent of the supply in the United States comes from Japan, as does about 90 per cent of the world's supply. Such silk handkerchiefs as are produced here are either loom-woven from thrown silk or cut from broad-silk fabrics. Importations of silk handkerchiefs had a value in 1920 of nearly $2,000,000, having risen to that figure from $370,955 in 1914. They consist mainly of the cheapest grade of women's silk handkerchiefs, the average unit value being less than $1 a dozen. Under the present tariff law there are three classifications: (1) Silk handkerchiefs, if cut, not hemmed, or hemmed only, bear a duty of 40 per cent; hemstitched or imitation hemstitched, 50 per cent; embroidered or lace trimmed, 60 per cent. These are unusually high rates, and yet they have failed to establish a domestic industry. Thus the cheap silk handkerchiefs are made to pay a revenue burden out of all proportion to other articles. Notwithstanding these facts, the Senate Committee on Finance insists on raising all the present duties on silk handkerchiefs, and mufflers as well, to 55 per cent and 60 per cent. As a matter of fact and justice, the duty on these common, cheap articles, a luxury within easy reach of all, should be lowered materially, if not abolished altogether. The duty is a purely revenue duty, carries no protection, because no industry exists of sufficient size to profit by it, and could be reduced without injury to any and with justice to all.

READY-MADE SILK WEARING APPAREL.

The silk product next to be considered is that which may be roughly classified as ready-made silk wearing apparel, including all principal types of male and female wear. This branch of the silk industry consumes nearly all the broad silk cloth before described and, in fact, utilizes every existing form of woven silk goods. It operates on so efficient a basis that competition from other countries is out of the question. In fact, exports of silk wearing apparel made in the United States increased from $2,556,166 in 1918, the first year they were officially recorded, to $10,016,045 in 1920. They declined in 1921 on account of the general business depression, but they still exceeded imports by a million and a half dollars. This is sufficient to show the establishment of the domestic industry beyond the reach of foreign competition. No definite figures are available as to home production because the industry usually exists in connection with the making of garments from other textiles, but it is the statement of the Tariff Commission that it supplies nearly all the domestic consumption. Imports consist mainly of special types for which there is a special demand, and had a value of something like $2,000,000 in 1920. The Tariff Commission also states that in this division of the silk industry the efficiency of American labor offsets the difference in wages paid at home and abroad, and that other conditions are at least equal, that women's wearing apparel is imported from France chiefly for ideas and not for sales, and in deference to the world ascendancy of Paris in the matter of styles. The duty of 50 per cent in the present Democratic tariff law on silk wearing apparel is unnecessarily high, but the Senate Finance Committee, wedded to its idols, proposes an advance to 60 per cent.

ARTIFICIAL SILK.

We now come to a form of silk not derived from the cocoon but made by chemical processes from the cellulose of plant tissue—namely, artificial silk. It is more lustrous than real silk, but heavier, weaker, less elastic, and harder to manipulate. It is much cheaper than the real article and is used chiefly for hosiery and other knit goods, silk and cotton weaving, braids, plush goods, tapestries, embroideries, and so forth. It has certain other uses which do not directly compete with those of natural silk.

The domestic output of artificial silk has grown from 1,566,000 pounds in 1913 to 15,000,000 pounds in 1921. Before the World War it rarely equaled as much as half the internal consumption, but after the war in 1919 and 1920 it equaled 88 per cent of that consumption. Prior to those years one corporation manufactured practically all the domestic output, the American Viscose Co., of New Jersey, a corporation whose stock is controlled by an English artificial silk firm. New plants with varied processes have since started, and a distinct increase in the domestic supply both in quantity and variety has developed. All this has come about under the present rate of 35 per cent ad valorem on artificial silk yarns and 60 per cent on the finished product. The pending bill proposes a specific duty of 35 cents a pound on partially manufactured artificial silk waste; on yarns of various types 45 cents, 50 cents, and 60 cents, respectively, none of these rates to be less than 35 per cent ad valorem, and on finished products 45 cents per pound, plus 60 per cent ad valorem. The proposed rates involve an increase of about 11 per cent on artificial silk fabrics and of 14 to 28 per cent on artificial tram and organzine silk yarns, respectively.

The Senate Finance Committee has since offered amendments changing these rates to some extent. I shall discuss that phase of the matter a little later.

It should be said here that an additional type of artificial silk comes from imitation horsehair, and that this type, both in yarn and finished product, is included in the paragraph of the pending bill relating to artificial silk.

Two processes are principally used in making artificial silk—the viscose and the nitrocellulose. In the former wood pulp is reduced by treatment with caustic soda and carbon bisulphide to a viscous or semifluid mass, and this is converted into filaments or threads. In the latter cotton linters are nitrated into gun cotton, the gun cotton reduced to a viscous, or semifluid mass, which is then converted as in the other process.

The Tubize Artificial Silk Co. of America, a company recently organized, has invested about $7,000,000 in the erection of a plant using the nitrocellulose or cotton linter process at Hopewell, Va., where they are already employing 2,000 people, men and women, with a daily output of 6,000 pounds of yarn per day, the ultimate capacity in view being 10,000 pounds per day.

This process was the first used for making artificial silk, having been discovered by Chardonnet in 1885. It is owned by an artificial silk concern in Belgium, the Fabrique Soir Artificiale. R. H. Murray, of the Tubize Artificial Silk Co. of America, said before the Ways and Means Committee of the House that his was a new company, associated with the Belgian organization, whose processes the new company had bought for American use. He did not say on what terms the old and the new company were associated, or what royalties or what control would be enjoyed by the foreign company.

In addition to the almost miraculous development of the artificial silk industry in the United States it should be noted that its exports to other countries had a value of $3,406,191 in the calendar year of 1918, $9,694,248 in 1919, $7,909,299 in 1920, and nearly $3,000,000 during the first nine months of 1921. Imports in the calendar year of 1918 were valued at $36,577; 1919, $129,154; 1920, $726,438; in 1921, first nine months, $319,354.

Mr. Simon Rosenau, of Philadelphia, representing manufacturers of artificial silk goods, said before the Ways and Means Committee of the House that the manufacture of artificial silk fabrics and garments was growing tremendously and would in the near future be as large as the real silk industry.

It is little less than scandalous that an industry like that of artificial silk, which under exceptionally high duties has had so wonderful an expansion—multiplying itself fifteen times in less than a decade, established so firmly that its exports run into the millions while imports remain less than 5 per cent of the home output—should ask and secure the imposition of higher tariff taxes on some of its products. While there may be a slight reduction on its finished products, the Senate Finance Committee has recommended a substantial increase on artificial silk yarns, an increase from 35 per cent under existing law to 40 and 50 per cent. The present rate on finished products of artificial silk is 60 per cent. This is slightly reduced. The reduction should be greater.

THE "CATCH-ALL" OR BASKET CLAUSE.

Lest some form of silk manufacture might possibly escape the most elaborate, comprehensive, and exorbitant duty scheme ever devised, the rate in the "catch-all" or basket paragraph of the silk schedule is increased in the pending bill to 60 per cent. In the existing tariff law the basket duty is 45 per cent. Truly, the "catch-all" clause in the pending bill is all that its name implies. It is contained in paragraph 1213 of the bill under debate, which reads as follows:

PAR. 1213. All manufactures of silk or of which silk is the component material of chief value, not specially provided for, 60 per cent ad valorem.

CONCLUSIONS.

The growth of the American silk industry is an illustration of those American qualities of initiative, energy, vision, creation, and execution which rank among the marvels of modern times. The Aladdin of American genius touched the lamp of American skill and resource, and, behold, a domestic silk production valued at $295,000,000 in 1914 swept to a value of $895,000,000 in 1919. Rarely has such a development been equaled in commercial annals; rarely, if ever, has it been surpassed. So rapid has been its progress that the American silk industry is to-day the largest in the world and the third greatest form of textile manufacture in the United States. It consumes probably three-fourths of the world's crop of raw silk. Its command of the home market is shown by an importation of finished silk products in 1914 valued at only $34,797,000, which increased to but $53,000,000 in 1919, about half of which was in bonded warehouses and not intended for local consumption. Internal output almost trebled, while the ratio of imports dropped more than half in the short space of five years.

If anything could be more astounding than this expansion it would be the audacity of the proposal in the pending tariff bill to enlarge the tariff duties on silk imports in the face of the record under existing rates. The silk makers themselves were by no means a unit on such a course. Several producers urged the retention of present tariffs at the hearings before the proper committees of Senate and House. They pointed to the world leadership of this country in the fabrication of silk—to the practical monopoly it had established here in standard goods of general use—and to the fact that with high-speed machinery, volume production, efficient labor, ample capital, and aggressive management it presented a front of adamant to the assaults of foreign rivals.

The average rate of 45 per cent ad valorem on silk imports in the Democratic tariff act which has been in force since 1913 and which the Republican Party is about to increase has proved to be not only a distinctly protective duty but in many instances a prohibitive one. The Democratic Party levied so large an impost on the theory that silks were luxuries. It is clear, however, that to-day many silk or part-silk articles, among which may be mentioned surgical threads and other medical supplies, insulated coverings for electric wires, cheap handkerchiefs, household furnishings, standard dress goods, dress accessories, coffin linings, and so forth, are of such widespread use among the American people that to a material and growing extent they may be classed as comforts and in some instances as necessities. They help to form that mass of useful commodities which find a more general distribution in the United States to-day than in any other country and which make possible what is known and envied everywhere as the American standard of living. American labor, the most active and effective on earth; American capital, the most colossal and the most efficient in the records of finance; American environment and opportunity, to date the fairest and most unfettered that ever spurred achievement or sustained ambition—all these have united to surround our present population with the most varied and available supply of the articles of material welfare and development history has yet noted.

The enlargement of that supply is one of our fundamental problems. It is not yet large enough to place within the reach of every citizen of energy and intelligence the requisite quantity of the commodities that assure healthful, comfortable, hopeful life. It may be carried to that happy end if relations of harmony and confidence and mutual solicitude prevail among labor and capital and Government. The growing shadow on our economic progress and on our civilization is the hostility now arising between purveyors of capital and managers of enterprise on one side, the hosts of physical toil upon the other. How unfortunate it is that at this critical hour the party in control of Government should lash the troubled waters into further fury by the imposition of the most oppressive tariff taxes in American annals—taxes on nearly everything of human necessity and use, from the swaddling bands of infancy to the shrouds of the dead—taxes which, as in this silk schedule, buttress monopoly and invite extortion; taxes which reveal this Government as the instrument of privilege, no longer the exemplar of equal opportunity; taxes which will do much to undermine the spirit behind the economic structure that brings to the American citizen more of the satisfactions, enjoyments, substantials, safeguards, and even luxuries of life than has yet been realized in this or any other land.

Mr. McLEAN. Mr. President, I think if I knew as much about raw silk as the able Senator from Texas [Mr. SHEPPARD] knows about raw wool, I would be able to get a unanimous vote on this schedule. The Senate will remember that the Senator from Texas, who has just delivered his illuminating essay on the silkworm, voted for a tariff of 129 per cent ad valorem on the low-grade coarse varieties of wool. I voted with him, because I am certain that unless we protect the sheep industry in this country woolen cloth will be more expensive than silk cloth in a very few years.

The rates in this schedule, although they are imposed upon a luxury, a class of goods which ordinarily bears high taxes, as do wines and tobacco, are less than half of the duties on raw wool. The highest rate in this schedule is on velvets—60 per cent ad valorem. That is only 10 per cent higher than the Underwood rate, or revenue rate. The next highest is 55 per cent on silk cloth, broad silks, and that is only 10 per cent higher than the rate in the Underwood law. The rates on the yarns and the partly finished products are based upon the best information the committee could get, information gathered partly from the Reynolds report and from a very careful estimate of manufacturers' costs of silk goods in this country, and I want to say that those rates in no case give more than reasonable protection to the industry.

The chairman of the committee, the Senator from North Dakota [Mr. MCCUMBER], said that the price of silk now was something like $6 a pound. That is true with regard to the fine reeled silk, but a very large percentage of the product is called waste silk, taken from the punctured cocoons. The price of that is very much less, and from that product a very large percentage of the goods which compete with our goods is made in China and Japan.

It is unnecessary for me to call the attention of the Senate to the importance of this industry. It employs something like 140,000 men and women, which means that half a million people in this country are dependent on the industry, and the industry is now working on half time.

The first real protective tariff on silk was imposed in 1864, which, if I remember correctly, was an ad valorem rate of 60 per cent upon the finished goods. The raw silk has come in free since that time, as we all know. The effect of that tariff I think is the most graphic illustration of the benefit of the protective principle that we have, because the raw material is all imported, and the growth of this industry and its development, depending as it does upon importations for its raw material, have been remarkable, and its history, it seems to me, is a complete answer to the arguments to which we have listened for weeks and months, emanating from the other side of the Chamber, and which attempt to discredit the committee and the pending bill because of the taxes which they insist are imposed by protective duties.

The arguments to which we have listened from the distinguished Senator from North Carolina [Mr. SIMMONS] and the Senator from Massachusetts [Mr. WALSH] and others, denouncing the rates in this bill, especially those applying to the woolen and cotton industries, as taxing the American people in enormous sums, have no significance whatever and are of no value whatever in measuring the merits or the demerits of the principle of protection as a permanent national policy.

When a State builds a university, it does not estimate the value of that university in the cost of the construction of the college buildings, and when a State or a county builds a highway, they do not measure the value of that highway to the public by the cost of its construction. Yet gentlemen on the other side of the Chamber confine their arguments against this bill entirely to the cost of the article in the year succeeding the imposition of these duties. The experience we have had with the silk industry, as I have said, demonstrates that those arguments have no significance whatever when they undertake to measure the benefits of protection as a permanent policy.

Mr. President, as I have said, the industry was established after 1864. They made silk in this country as early as 1843. In 1843 the employees worked 72 hours a week and received 6 cents an hour. That meant $4.32 a week. In 1921 the employees in the industry averaged about 48 hours a week and were paid about 49 cents an hour. In 1868 the common grosgrain silks sold for $3 a yard. In 1914 they sold for 60 cents a yard.

Mr. KELLOGG. What are they selling for now?

Mr. McLEAN. The Senator knows that since the war prices of all silks have increased, and I can not tell the Senator what the price of this particular article is to-day. It is higher, but I am confining my illustration to normal times.

We have here an illustration of the effect of protection upon an industry where we have to import all the raw materials. Mr. President, a day's work to-day in this country will buy from five to six times the silk goods that it would in 1868. That is precisely what always happens when we have a protective duty upon a legitimate industry where natural conditions are comparable with those of our competitors.

I will repeat what I said to the Senator from Texas a few moments ago. I voted for the tariff upon wool because I know that our flocks decreased from 65,000,000 to something like 45,000,000 under free wool, and I know that but for the protection which the industry has had the sheep industry in the country would have been destroyed and we would have been entirely dependent upon the producers of wools in foreign countries. Once that is the case, woolen clothing would bring all the trade would bear, and that means that it would bring all the foreign monopolists desired to charge us.

Mr. President, when the Dingley bill was framed a system of specific duties was applied to the silk schedule, owing to the price of silks at that time. That same policy was followed in the Payne-Aldrich Act; that is, the specific rates were continued, and for the same reason. When the Ways and Means Committee of the House, something like 18 months ago, framed this schedule they adopted the specific rates. At that time it was realized that they would be inoperative, owing to the price of silk, but it was thought best to retain them as a sort of gun behind the door, and they were retained. They were retained by the Finance Committee of the Senate when it first considered the schedule; but upon giving the matter further consideration, realizing that the specific rates would not operate, we thought it best to recommend ad valorem duties, with one or two exceptions.

With regard to the first paragraph which comes up for consideration, I do not know whether the chairman of the committee presented the amendment or not. If not, I ask that the first amendment be reported.

The PRESIDENT pro tempore. The Secretary will report the first amendment in the schedule proposed by the Committee on Finance.

Mr. SHEPPARD. Mr. President, before the amendment is reported I want to say to the Senator that I voted for the duty on raw wool because I propose to do what I can while the bill is being perfected to see that duties are levied on the products of the ranch and farm as well as on those of the factory. If we are going to have a policy of protection let it be applied without discrimination as between products and sections. When the time comes to vote finally on the entire bill I shall, of course, vote against it.

Mr. McLEAN. I assume that the Senator from Texas voted for the duty on raw wool because he thought it was justified. It was 129 per cent ad valorem.

Mr. SHEPPARD. Certainly it is justified when the duties on the finished product are considered. It may also be justified on its own account. At any rate let there be no discrimination between the raw material and the finished product.

SILK SCHEDULE.

The PRESIDENT pro tempore. The Secretary will state the first amendment.

The READING CLERK. The first amendment of the Committee on Finance is on page 154, in paragraph 1201, in line 13, to strike out the word "manufactured" and insert "manufactured, including total or partial degumming," so as to read:

PAR. 1201. Silk partially manufactured, including total or partial degumming from raw silk waste silk or cocoons, etc.

Mr. McCUMBER. Some time ago we offered certain amendments changing the phraseology entirely. I will send a copy of those amendments to the desk.

The PRESIDENT pro tempore. The committee withdraws the amendment just stated and substitutes therefor the amendment which will be stated.

The READING CLERK. On page 154 strike out lines 13 to 19, both inclusive, and insert in lieu thereof the following:

PAR. 1201. Silk partially manufactured, including total or partial degumming other than in the reeling process, from raw silk, waste silk, or cocoons, or silk and artificial silk, and silk noils exceeding 2 inches in length; all the foregoing not twisted or spun, 35 per cent ad valorem.

Mr. SHEPPARD. I move to amend the amendment proposed by the committee by striking out the words "from raw silk," in line 5 of the amendment as printed.

The PRESIDENT pro tempore. The amendment proposed by the Senator from Texas to the amendment of the committee will be stated.

The READING CLERK. In line 5 of the committee amendment as printed the Senator from Texas moves to strike out the words "from raw silk."

Mr. SHEPPARD. I do this because there is no such article as that described by the language I propose to strike out. The raw reeled silk comes in free. The next manufactured form is known as thrown silk. It is given a separate duty under another paragraph of the bill. There is no intermediate manufactured form. It is true that the raw reeled silk might be wound on spools or tubes, and in that form become dutiable under this paragraph, but there would be neither justice nor sense in such a proceeding. Surely the winding of the reeled raw silk on tubes and spools could not be called a stage of manufacture, such a stage as to call for a separate duty.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment offered by the Senator from Texas to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee.

Mr. McLEAN. Does the Senator from Texas wish to comment further upon rates?

Mr. SHEPPARD. Yes. I move to strike out "35 per cent ad valorem" and insert "20 cents per pound."

The PRESIDENT pro tempore. The Secretary will state the amendment now proposed by the Senator from Texas.

The READING CLERK. On line 7 of the amendment as printed the Senator from Texas moves to strike out "35 per cent ad valorem" and insert "20 cents per pound."

Mr. SHEPPARD. May I ask the Senator from Connecticut a question? What is the meaning of the expression "or silk and artificial silk"? Is that the finished product? What is intended by that language?

Mr. McLEAN. That is where they mix silk and artificial silk.

Mr. SHEPPARD. Does the Senator mean silk manufactured from silk and artificial silk?

Mr. McLEAN. Yes.

Mr. SHEPPARD. What is the kind of cloth to which that term applies?

Mr. McLEAN. It is described here. They mix the real silk with the artificial silk. The Senator knows that artificial silk is made from cellulose prepared from wood. The nitrates are removed by the use of caustic potash. I am not familiar with the process, but it is all conversion cost, and the rate has to be fully as high upon the artificial silk as it does upon the real silk.

Mr. SHEPPARD. Very well. On my motion to substitute 20 cents per pound for 35 per cent ad valorem I desire to call attention to the fact that the price per pound of the silk yarn referred to in the paragraph as made from reeled raw silk is

about $8, so that the existing duty of 20 cents a pound would be nearly 3 per cent ad valorem. In this form the reeled raw silk would be wound on spools or tubes, the only intermediate step between reeled raw silk and the thrown yarn. Very little, if any, is so imported, however. If by any chance there should be any importation, the proposed ad valorem of 35 per cent would represent an increase of about 1,000 per cent over the existing ad valorem of 3 per cent.

Mr. McLEAN. The Senator is entirely mistaken about the value of silk.

Mr. SHEPPARD. It certainly could not be less than the raw reeled silk.

Mr. McLEAN. It will be seen by the Reynolds report that it runs from $2.50 up.

Mr. SHEPPARD. When the Senator speaks of $2.50 silk yarn he is evidently referring to the artificial silk.

Mr. McLEAN. Oh, no; not artificial silk.

Mr. SHEPPARD. The Senator did not allow me to conclude. I make the statement that the price of raw reeled silk to-day is around $8 per pound.

Mr. McLEAN. Yes; the reeled silk.

Mr. SHEPPARD. The raw reeled silk. Winding it on spools and tubes and bringing it in under the proposed paragraph would not lessen its value.

Mr. McLEAN. The very fine silk which is reeled comes from perfect cocoons and is $6 per pound. A very large percentage of the material is from the waste silk, and that, it will be seen, runs from $2 a pound up.

Mr. SHEPPARD. But this paragraph professes to include yarns made from raw reeled silk as well as the threads from waste silk.

Mr. McLEAN. The importations are all from the waste silk, or nearly all. The importations are from the cheaper grades of waste silk, because they know how to handle them over there so much better than we do.

Mr. SHEPPARD. That is true, but if any of the reeled raw silk should come in on spools or tubes it would surely be worth as much as the reeled raw silk itself, to wit, about $8 at present.

Mr. McLEAN. It is only the waste silk that comes in, I will say to the Senator.

Mr. SHEPPARD. I am entirely willing to argue the matter on that basis also.

Mr. McLEAN. If the Senator will pardon me, I would like to make a brief statement with regard to that matter.

The material represented in paragraph 1201 is the first step toward manufacturing spun silk yarn from the various wastes produced in the reeling industry, the chief materials being pierced cocoons and frisons, which are the waste of reeling establishments. In the usual form in which it is likely to appear is combed silk, otherwise known as peignee. The appearance of the material is somewhat similar in condition to the wool top. There is a great deal of capital involved in the development of the article. In chemical research alone large sums have been expended.

Inasmuch as this is only a partly manufactured article, there would naturally, under normal circumstances, be no importations on the part of a person regularly engaged in the business who had a complete plant for producing the finished article. The only condition upon which it might become an important factor would be the establishment of a spinning plant in this country having a foreign connection which might manufacture its combed silk and its finished yarns in this country. Mr. President, there is such a plant already in existence, recently established by the European combination of spinners, and for that reason this paragraph may have a greater bearing in the future upon the course of the domestic industry. It should be remembered that its value is very difficult to determine. The committee did the best it could to get accurate estimates of the value of peignee. We took our estimates from the Reynolds report and from reports received from three or four of the leading manufacturers.

The statement which I am about to read is a statement of the approximate averages and the duty required to cover the cost of production in this country and abroad:

The cost of manufacturing in the United States averages approximately $2.85 per pound, of which 99 cents is conversion cost. Japan has recently developed a very large facility for its manufacture. It claims to be now in a position to manufacture all the wastes produced in China and Japan. The average cost of the product in Japan is $1.89, of which 33 cents is cost of conversion. The European cost per pound averages approximately $2.23, of which 50 cents per pound is conversion cost. Japanese and European spinners use materials of less value than those used in the United States. Originally the spinners in this country asked for specific duty of 65 cents per pound. The duty finally determined upon by the Finance Committee—

Which has now been stricken out—

was 55 cents per pound; the differential ranges from 96 cents per pound to 62 cents per pound.

The average value of this material reported by the Reynolds investigation was $2.04, on which basis a differential of 81 cents would exist. The ad valorem equivalent of the average differential is about 40 per cent.

The committee recommended 35 per cent ad valorem.

It should be borne in mind that peignee is a prime necessity in time of war, as the Senator from Texas suggested in his remarks. The Senator from Texas also suggested that for that reason it should have a protective duty. If it is to be protected at all, the rate must reasonably cover the difference in the conversion cost. Your committee has done the best it could to ascertain that cost. As Senators know, it furnishes the cartridge casings, and it is very important that this industry should be maintained.

In the hearings before the Committee on Finance considerable testimony was taken with regard to this schedule. I shall not take time to read that testimony, but Mr. M. C. Migel quoted an extract from the survey of the Tariff Commission, which I wish to read to the Senate and which it seems to me clearly implies the necessity for an adequate duty upon this product. I quote:

It has been reported from time to time that leading European spun-silk producers are considering the establishment of spinning plants in the United States to work up into yarn peignee produced by them abroad. So far, however, no such plants have been established.

That is not true to-day, for a plant has been established. I continue to quote:

Should such plants be constructed here, they would suffer no disadvantage in being dependent upon imported peignee, for they would not only possess an assured supply but would know the exact character of the waste used. In that case, unless peignee production by domestic spinners is sufficiently efficient, or the duty on peignee sufficiently high to make the cost of producing it in the United States as low as the cost of the imported article, plus duty, they would, despite their disinclination, probably be forced to use imported peignee in order to make spun silk cheap enough to sell in competition with the new concerns.

Mr. SHEPPARD. Mr. President, accepting the statement of the Senator from Connecticut that the minimum value of the yarn from silk waste covered in this paragraph is $2 a pound, the existing rate of 20 cents a pound will be equal to 10 per cent ad valorem. This paragraph proposes a rate of 35 per cent ad valorem—an increase, therefore, of about 250 per cent. I have already shown that importations of threads or yarn made from waste silk, namely, peignees, bear so small a proportion to home production that any advance in duty is beyond excuse. The proposed increase of 250 per cent should not be tolerated. If Senators wish to vote for an increase of that kind, they may do so; but not without entire knowledge of the facts.

Mr. McLEAN. I want to state——

Mr. SHEPPARD. Let me conclude. Raw reeled silk wound on spools or tubes would be dutiable under this amendment, would be subjected to a duty of 35 per cent on a value of about $8 per pound. The present rate is 20 cents a pound, about 3 per cent ad valorem. The increase, therefore, on this form of silk yarn would be about 1,000 per cent. The Senate evidently thinks that such a form exists, because it voted down my motion to strike out the words in the amendment describing it. On yarn made from waste silk, namely, on peignees, the proposed increase is at least 250 per cent. I am willing to concede that this is practically the only type of yarn dutiable under the amendment in any substantial amount.

Mr. McLEAN. If the raw material came in free and we put on a 10 per cent ad valorem, what would be the percentage of increase?

Mr. SHEPPARD. Is the Senator asking a mathematical question?

Mr. McLEAN. Yes. If on an article which formerly came in free we imposed a duty of 10 per cent or 15 per cent, what would be the percentage of increase?

Mr. SHEPPARD. Where an article is on the free list and a duty is placed upon it, there is no way of telling what the percentage of increase is. The Senator attempted a while ago to show that I had voted for a certain percentage of increase when I voted to take wool from the free list, but there is no earthly way of estimating the percentage of increase when an article is so treated. That, however, is not the situation which is presented in this paragraph.

Mr. McLEAN. It is just as easy to estimate the increase upon the proposition which I made as it is to make the estimate suggested by the Senator from Texas. Suppose we have a duty of 10 per cent and we increase it to 20 per cent, the Senator insists that we are increasing it 100 per cent; that is his proposition. I am tired of that kind of mathematics. The increase

would be 10 per cent, and that is all, if I know anything about arithmetic.

Mr. SHEPPARD. I know the Senator from Connecticut is weary of that kind of mathematics, the mathematics of truth; but Senators must realize that they are voting for an increase of at least 250 per cent when they vote for this proposed rate.

Mr. McLEAN. We are not doing that.

Mr. SHEPPARD. I ask for the yeas and nays on my amendment.

The PRESIDENT pro tempore. The question is on the amendment proposed by the Senator from Texas to the amendment reported by the committee.

Mr. HEFLIN. Mr. President, the Senator from Connecticut says that he is getting tired of this sort of mathematics. There will be a good many things to contribute to the tired feeling of the Senator from Connecticut before he gets through with this robber tariff bill and some other measures pending in the Senate.

I hold in my hand, Mr. President, an editorial from the North American, a Republican newspaper published in Philadelphia. As I heard the Senator from Texas [Mr. SHEPPARD] talking about the Republicans in this body increasing these tariff rates from 100 per cent to 400 and 1,000 per cent, I recalled the fate of the Payne-Aldrich tariff law which provided no such high rates as are proposed by the bill now under consideration. This Republican newspaper, appealing to this Republican Congress, says:

> There is at the present time an unexcelled opportunity for some Republican or Democratic Member of Congress possessing the necessary courage and ability to perform a great public service and achieve high place as a statesman. Honor will be his and enduring fame if he will but tell the American people the truth about the tariff and pending legislation thereon.

Continuing, the editorial says:

> Truth telling about the tariff is not an unattainable ideal. It is not an unheard-of achievement. A Member of Congress once reached this height of statesmanship, and the Nation rang with his praises—and followed his farseeing advice. Jonathan P. Dolliver, United States Senator from Iowa, performed an historic service when he led the fight against the betrayal of the Republican Party and the country in the Payne-Aldrich bill of 1909. He did not prevent its passage, but he revealed its evils and its falsities with such clearness that it was discredited long before it was signed by President Taft, who himself had confessed that some features of it were "indefensible."
>
> Day after day during that summer Senator Dolliver met all comers in debate, analyzing the schedules, exposing the special interests which had dictated them, and showing how party and presidential pledges of revision downward were being dishonored. Nor did he quit the fight after he was beaten, for in June, 1910, he delivered in the Senate a speech which was a masterpiece of powerful oratory—a merciless revelation of how the President had been used by unscrupulous interests and how the public had been wronged in the manipulated legislation.
>
> Dolliver was a stanch believer in tariff protection. He stood for a tariff framed to offset the difference between foreign and American production costs and to preserve the American workers' standard of living. But he was implacably against those who, disguised as champions of honest protection, sought to put the rates so high that they could wring tribute from the American people. "It is going to be very difficult," he said—

Referring to Senator Dolliver—

> "to get me out of the old Republican Party. It can not be done by lying about me, by calling me names calculated to prejudice me in a Republican community. But I do not propose that the remaining years of my life shall be given up to a dull consent to the success of these tariff conspirators, who do not hesitate to use the lawmaking power of the United States to multiply their own wealth and to fill the market places with evidences of their avarice."

That is what a great Republican statesman did and said here, Mr. President, when the tariff barons were using the taxing power against the American people to enrich themselves. He was opposing a bill far less objectionable and monstrous than the pending tariff measure; and here is a Republican newspaper reminding this Congress of just what occurred in the other Republican Congress when the bill which Dolliver denounced, although less objectionable than the bill now before us, was forced through that Congress, and praising his name long after he is dead for the fight that he made then, telling what happened to those who voted for that bill, and reminding the Republicans now attempting to pass a worse bill that the same fate awaits them. But "none of these things" move the old standpatter, who has his instructions from the tariff conspirators of whom Dolliver spoke. These tariff barons feel that through big campaign contributions to the last Republican campaign fund they bought the right to tax the American people for their own special benefit. It remains to be seen whether the people will approve such misuse and abuse of the taxing power. The Senator from Connecticut and his party here advocate tariff rates ranging from 100 to 1,000 per cent on cheap silk. This is the only kind of silk that the poor can ever buy. The editor of the North American seems to be in search of a speech that strongly and eloquently points out some of the iniquities of the present monstrous tariff measure, and I commend to his careful consideration the able and unanswerable argument of the Senator from Texas [Mr. SHEPPARD].

The PRESIDENT pro tempore. The question is upon the amendment of the Senator from Texas to the amendment reported by the committee.

Mr. SHEPPARD. Upon that I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). Making the same announcement of my pair as on the former ballot, I vote "yea."

Mr. FRELINGHUYSEN (when his name was called). Making the same announcement as before, I vote "nay."

Mr. HARRISON (when his name was called). I transfer my general pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Montana [Mr. MYERS] and will vote. I vote "yea."

Mr. LODGE (when his name was called). Making the same announcement as before of the transfer of my pair, I vote "nay."

Mr. McCUMBER ((when his name was called). Transferring my general pair as on the previous vote, I vote "nay."

Mr. ROBINSON (when his name was called). Announcing the same pair and transfer as on the last vote, I vote "yea."

Mr. STERLING (when his name was called). Making the same announcement as on the previous vote as to my pair and its transfer, I vote "nay."

Mr. WATSON of Indiana (when his name was called). Transferring my pair as on the last roll call, I vote "nay."

Mr. WILLIS (when his name was called). I transfer my pair with my colleague, the senior Senator from Ohio [Mr. POMERENE], to the senior Senator from Maryland [Mr. FRANCE] and will vote. I vote "nay."

The roll call was concluded.

Mr. ERNST. I transfer my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from Oregon [Mr. STANFIELD] and will vote. I vote "nay."

Mr. TRAMMELL. Making the same transfer of my pair as on the previous ballot, I vote "yea."

Mr. JONES of Washington (after having voted in the negative). Has the Senator from Virginia [Mr. SWANSON] voted?

The PRESIDENT pro tempore. That Senator has not voted.

Mr. JONES of Washington. I have a pair with that Senator for the afternoon, which I find I can transfer to the Senator from Oklahoma [Mr. HARRELD]. I do so, and will allow my vote to stand.

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Maine [Mr. HALE] with the Senator from Tennessee [Mr. SHIELDS]; and

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON].

The roll call resulted—yeas 15, nays 33, as follows:

YEAS—15.

Ashurst	Harris	Overman	Simmons
Caraway	Harrison	Ransdell	Trammell
Dial	Heflin	Robinson	Walsh, Mass.
Fletcher	Jones, N. Mex.	Sheppard	

NAYS—33.

Brandegee	Frelinghuysen	McKinley	Smoot
Broussard	Gooding	McLean	Spencer
Bursum	Jones, Wash.	McNary	Sterling
Calder	Kellogg	Moses	Warren
Cameron	Kendrick	Nelson	Watson, Ind.
Capper	Keyes	New	Willis
Cummins	Lenroot	Newberry	
Curtis	Lodge	Oddie	
Ernst	McCumber	Phipps	

NOT VOTING—48.

Ball	Glass	Norbeck	Smith
Borah	Hale	Norris	Stanfield
Colt	Harreld	Owen	Stanley
Crow	Hitchcock	Page	Sutherland
Culberson	Johnson	Pepper	Swanson
Dillingham	King	Pittman	Townsend
du Pont	Ladd	Poindexter	Underwood
Edge	La Follette	Pomerene	Wadsworth
Elkins	McCormick	Rawson	Walsh, Mont.
Fernald	McKellar	Reed	Watson, Ga.
France	Myers	Shields	Weller
Gerry	Nicholson	Shortridge	Williams

The PRESIDENT pro tempore. On this question the yeas are 15, the nays are 33. A quorum has not voted. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Capper	Fletcher	Heflin
Brandegee	Caraway	Frelinghuysen	Hitchcock
Broussard	Cummins	Gooding	Jones, N. Mex.
Bursum	Curtis	Harreld	Jones, Wash.
Calder	Dial	Harris	Kellogg
Cameron	Ernst	Harrison	Kendrick

Keyes	Nelson	Robinson	Trammell
Lodge	New	Sheppard	Warren
McCumber	Newberry	Simmons	Watson, Ind.
McKinley	Oddie	Smoot	Willis
McLean	Overman	Spencer	
McNary	Phipps	Sterling	
Moses	Ransdell	Swanson	

The PRESIDENT pro tempore. Forty-nine Senators having answered to their names, there is a quorum present. The question is upon the amendment proposed by the Senator from Texas [Mr. SHEPPARD] to the amendment of the committee, upon which the yeas and nays have been demanded and ordered. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). Making the same announcement as to my pair and its transfer as on the former ballot, I vote "yea."

Mr. ERNST (when his name was called). Making the same announcement as to my pair and its transfer, I vote "nay."

Mr. FRELINGHUYSEN (when his name was called). Making the same announcement as before, I vote "nay."

Mr. HARRISON (when his name was called). Making the same announcement as before, I vote "yea."

Mr. LODGE (when his name was called). Making the same announcement as to my pair and its transfer as on the former vote, I vote "nay."

Mr. McCUMBER (when his name was called). Transferring my pair as on the previous vote, I vote "nay."

Mr. ROBINSON (when his name was called). Transferring my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Missouri [Mr. REED], I vote "yea."

Mr. STERLING (when his name was called). On this question I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from New York [Mr. WADSWORTH], and vote "nay."

Mr. TRAMMELL (when his name was called). Making the same announcement as on the previous ballot as to the transfer of my pair, I vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

Mr. WILLIS (when his name was called). Repeating the announcement made on the last vote as to my pair and its transfer, I vote "nay."

The roll call having been concluded, the result was announced—yeas 17, nays 34, as follows:

YEAS—17.

Ashurst	Harrison	Ransdell	Trammell
Caraway	Heflin	Robinson	Walsh, Mass.
Dial	Hitchcock	Sheppard	
Fletcher	Jones, N. Mex.	Simmons	
Harris	Overman	Swanson	

NAYS—34.

Brandegee	Frelinghuysen	McCumber	Phipps
Broussard	Gooding	McKinley	Smoot
Bursum	Harreld	McLean	Spencer
Calder	Jones, Wash.	McNary	Sterling
Cameron	Kellogg	Moses	Warren
Capper	Kendrick	Nelson	Watson, Ind.
Cummins	Keyes	New	Willis
Curtis	Lenroot	Newberry	
Ernst	Lodge	Oddie	

NOT VOTING—45.

Ball	Glass	Owen	Stanley
Borah	Hale	Page	Sutherland
Colt	Johnson	Pepper	Townsend
Crow	King	Pittman	Underwood
Culberson	Ladd	Poindexter	Wadsworth
Dillingham	La Follette	Pomerene	Walsh, Mont.
du Pont	McCormick	Rawson	Watson, Ga.
Edge	McKellar	Reed	Weller
Elkins	Myers	Shields	Williams
Fernald	Nicholson	Shortridge	
France	Norbeck	Smith	
Gerry	Norris	Stanfield	

So Mr. SHEPPARD's amendment to the committee amendment was rejected.

The PRESIDENT pro tempore. The question now is upon the amendment proposed by the committee.

The amendment was agreed to.

The next amendment of the committee was, on page 154, lines 20 and 21, to strike out "silk yarn" and insert in lieu thereof "yarn of silk and artificial silk."

Mr. SHEPPARD. Mr. President, will the Senator from Connecticut tell us why those additional words are used?

Mr. McLEAN. If I understand the Senator, he refers to the amendment which includes the mixture of the artificial silk and the real silk.

Mr. SHEPPARD. I ask the Senator to explain why the words are changed.

Mr. McLEAN. You have to have the same duty on the artificial as you have on the real silk.

Mr. SHEPPARD. In paragraph 1201 the language "or silk and artificial silk" is used. The word "yarn" does not appear.

Mr. McLEAN. There is no yarn in that.

Mr. SHEPPARD. In this proposal the Senator wants to strike out the words "silk yarn" and substitute therefor the words "yarn of silk." What is the difference?

Mr. McLEAN. That was recommended by the experts as a better definition; that is all. It seems to me to be better English, and I think it defines the article better.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, on page 154, line 23, after the word "of," to strike out "singles," and to insert "singles"; in line 24, after the word "yarns," to strike out "together" and insert "together,"; in line 25, after the word "per," to strike out "pound" and to insert "pound,"; on page 155, line 5, after the word "together," to strike out "at the" and to insert "the specific"; and in line 7, after the word "colored," to strike out "at the" and to insert "the specific"; in line 10, after the word "foregoing," to insert the word "specific," so as to read:

PAR. 1202. Spun silk or schappe silk yarn, or yarn of silk and artificial silk, and roving, in skeins, cops, or warps, if not bleached, dyed, colored, or advanced beyond the condition of singles by grouping or twisting two or more yarns together, on all numbers up to and including number 205, 45 cents per pound, and in addition thereto ten one-hundredths of 1 cent per number per pound; exceeding number 205, 45 cents per pound, and in addition thereto fifteen one-hundredths of 1 cent per number per pound; if advanced beyond the condition of singles by grouping or twisting two or more yarns together, the specific rate on the single yarn and in addition thereto 5 cents per pound cumulative; if bleached, dyed, or colored, the specific rate on unbleached yarn and in addition thereto 10 cents per pound cumulative: *Provided*, That any of the foregoing on bobbins, spools, or beams shall pay the foregoing specific rates, according to the character of the yarn or roving, and in addition thereto 10 cents per pound.

The amendment was agreed to.

The next amendment was, on page 155, line 12, to strike out all of the matter beginning after the word "pound" and the colon, down to and including the words "ad valorem" in line 14, and insert in lieu thereof the following:

Provided further, That none of the foregoing single yarn or roving shall pay a less rate of duty than 40 per cent ad valorem: *And provided further*, That none of the foregoing two or more ply yarn shall pay a less rate of duty than 45 per cent ad valorem.

Mr. SHEPPARD. I move to strike out the figure "40" and insert "35."

The READING CLERK. On page 2, line 2, of the amendment the Senator from Texas proposes to strike out "40" and insert in lieu thereof "35."

Mr. SHEPPARD. I want to say that the rate of 35 per cent ad valorem is the rate applied to this entire branch of the silk industry under the present law. It is my intention to move to substitute the text and rate of existing law for this paragraph. Under the rule now governing the debate that can not be done until the committee amendments are completed. For the present, therefore, I shall content myself by moving to substitute the present rate where it is changed in this amendment. Therefore I move to strike out "40" and insert in lieu thereof "35."

The amendment to the amendment was rejected.

Mr. SHEPPARD. For the same reason I move to strike out the figures "45" and insert "35" in the last line of the amendment.

The PRESIDENT pro tempore. The Secretary will state the amendment to the amendment.

The READING CLERK. On page 2 of the amendment as printed, line 4, the Senator from Texas moves to strike out "45" and insert in lieu thereof "35."

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question now is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the committee was, on page 155, line 15, after the word "yarn," to insert a comma and the words "or yarn of silk and artificial silk."

The amendment was agreed to.

The next amendment was, on page 155, to strike out all of the matter beginning with line 22 down to and including line 6 on page 156, in the following words:

PAR. 1203. Thrown silk in the gum, if singles, 50 cents per pound; if tram, 75 cents per pound; any of the foregoing containing more than 30 turns of twist per inch, and organzine, $1 per pound; if ungummed, wholly or in part, or if further advanced by any process of manufacture, in addition to the rates herein provided, 50 cents per pound: *Provided*, That none of the foregoing shall pay a less rate of duty than 12½ per cent ad valorem. In no case shall the duty be assessed on a less number of yards than is marked on the goods as imported.

And to insert in lieu thereof the following:

PAR. 1203. Thrown silk not more advanced than singles, tram, or organzine, 25 per cent ad valorem.

Mr. SHEPPARD. I will ask the Senator from North Dakota if it is his purpose to proceed with the debate on this paragraph to-night?

Mr. McCUMBER. I would be glad if we could finish the schedule to-night, but I do not know whether we can do so or not.

Mr. SHEPPARD. As we have made fairly good progress, I suggest that we recess until to-morrow.

Mr. McCUMBER. I understand that the Senator from Indiana [Mr. NEW] has a matter, to which there will be no objection, which he would like to have considered, and I will agree that the tariff bill may be temporarily laid aside for that purpose, to be followed by a short executive session, and then a recess in accordance with the unanimous-consent agreement.

COL. FREDERICK MEARS.

Mr. NEW. Mr. President, in accordance with the announcement made by the Senator from North Dakota there is a House joint resolution (H. J. Res. 316) authorizing the reappointment of Frederick Mears as a commissioned officer of the Regular Army and making him available, when so reappointed, for service as chairman and chief engineer of the Alaskan Engineering Commission, which should have immediate consideration, for reasons which I shall explain.

Col. Frederick Mears, of the United States Army, is at present filling a detail as chief of the engineering commission which is building the railroad in Alaska. Previous to his having gone there, back in the days when he was a lieutenant of engineers, he was sent to the Panama Canal Zone, where, under Colonel Goethals, he superintended the work of digging the Panama Canal. Because of the record he made and what he did there he was sent by the last administration to Alaska to serve in the detail I have just described.

When the war came on Colonel Mears was taken away from that detail and went to France, where he served all the time the Army was there as colonel of the Thirty-first Engineers and in general command of the engineering operations of the First Army Corps, I think it was. At all events he had a long and very honorable career there.

The Comptroller General has recently rendered a decision to the effect that in accepting the detail to the work in Alaska Colonel Mears vacated his place in the Army. The purpose of the joint resolution is to restore him to the place he has occupied for years and to remedy the condition which the decision made by the Comptroller General has brought about.

Mr. ROBINSON. Mr. President——

Mr. NEW. If the Senator will pardon me just a moment, I shall then be glad to yield to him.

I have talked with the Secretary of War about the matter; I have talked with the Secretary of the Interior about it; and letters from both of them are in the report accompanying the joint resolution. I have also had a full conference with the chairman of the Committee on Military Affairs. All agree that this is a very meritorious measure and ought to pass. The reason for asking immediate consideration of it is in order that the status of Colonel Mears may be thoroughly established before the general board which has recently been appointed for promotions in and eliminations from the Army undertakes its work.

Now I yield to the Senator from Arkansas.

Mr. ROBINSON. I merely desire to say that a very great injustice will result to this officer if the joint resolution or a similar measure is not passed at a very early date. He did not seek the detail, but the services which he performed under it were efficient and highly satisfactory to his commanding officer. I think the joint resolution should be considered at this time and passed.

Mr. WARREN. Mr. President, if the Senator from Indiana will pardon me, I wish to say that I agree entirely with what the Senator from Arkansas has stated. I know the officer and I knew his father. Colonel Mears is one of the most brilliant officers in the United States service. As an engineer he has at every point where stationed distinguished himself. I hope the joint resolution will pass without delay.

The PRESIDENT pro tempore. The Senator from Indiana asks unanimous consent that the tariff bill may be temporarily laid aside and that the Senate proceed to the consideration of House Joint Resolution 316.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which was read, as follows:

Resolved, etc., That the President be, and he is hereby, authorized, in his discretion and by and with the advice and consent of the Senate, to reappoint Frederick Mears to the Regular Army in the grade and with the date of rank to which he would have been entitled at the time of such reappointment had he remained an officer of the Regular Army continuously from the time he first became an officer thereof: *Provided*, That after such reappointment said Frederick Mears shall be regarded as having in contemplation of law the same status, rights, and privileges as an officer of the Regular Army that he would have had if he had remained a commissioned officer of the Regular Army continuously, under the various commissions in the Regular Army, issued to and accepted by him from the date of his first appointment therein.

SEC. 2. That notwithstanding the provisions of sections 1222, 1224 (as amended by the act of February 28, 1877, 19th Stats., p. 243), 1763, 1764, and 1765, Revised Statutes, the provisions of section 2 of the act of July 31, 1894 (28th Stats., p. 205), and the provisions of section 6 of the act of May 10, 1916 (39th Stats., p. 120), as amended by the act of August 29, 1916 (39th Stats., p. 582), or the provisions of other existing statutes of like import, the said Frederick Mears may, after having been reappointed an officer of the Regular Army under the provisions of the preceding section, continue in office under an existing commission as chairman and chief engineer of the Alaskan Engineering Commission or accept a new appointment as such, and may exercise the functions of said civil office without prejudice to his commission as an officer of the Regular Army or to his standing as such, and may receive the compensation duly prescribed from time to time for the incumbent of said civil office, less the pay and allowances to which he may be entitled as an officer of the Regular Army.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

FEDERAL RESERVE BANK BUILDING IN DETROIT.

Mr. NEWBERRY. Mr. President, I ask unanimous consent for the present consideration of the joint resolution (S. J. Res. 229) authorizing the Federal Reserve Bank of Chicago to enter into contracts for the erection of a building for its branch office in Detroit, Mich. I think it will cause no debate. It is a joint resolution which provides that the Federal reserve bank in Chicago may proceed with the construction of its building at Detroit, Mich., upon the land which was previously purchased. The measure is approved by the Treasury officials and unanimously reported by the Committee on Banking and Currency.

Mr. ROBINSON. Let the joint resolution be read.

The reading clerk read the joint resolution; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration, as follows:

Whereas the act of Congress approved June 3, 1922, abridged the right of Federal reserve banks to enter into contracts by providing that no Federal reserve bank should have authority thereafter to enter into any contract or contracts for the erection of any building of any kind or character or to authorize the erection of any building in excess of $250,000 without the consent of Congress having previously been given therefor in express terms, which, however, did not apply to buildings under construction on June 3, 1922; and

Whereas many of the Federal reserve banks were not affected by this provision, since they had already completed or commenced construction of buildings for their head offices and branches; and

Whereas the Federal Reserve Bank of Chicago had not on June 3, 1922, actually commenced the construction of any building for its branch at Detroit, Mich., but had acquired the site therefor; and

Whereas the act of June 3, 1922, operates inequitably on said Federal Reserve Bank of Chicago: Now, therefore, be it

Resolved, etc., That the Federal Reserve Bank of Chicago be, and it is hereby, authorized to enter into contracts for the erection of a building for its branch bank at Detroit, Mich., on a lot previously acquired: *Provided*, That the total investment in such building shall not exceed an amount equal to 2½ per cent of its paid-in capital stock and surplus.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

Mr. NEWBERRY. Mr. President, I ask that there be printed in the RECORD, in 8-point type, certain correspondence in relation to the matter covered by the measure just passed.

There being no objection, the letters were ordered to be printed in the RECORD in 8-point type, as follows:

FEDERAL RESERVE BOARD,
Washington, July 18, 1922.

MY DEAR SIR: Referring to our conversation over the telephone this morning I beg to confirm my statement that I have been requested by officers of the Federal Reserve Bank of Chicago to discuss with you the matter of erecting a building for the branch of that bank at Detroit.

As you may know, the Federal Reserve Bank of Chicago purchased some time ago a lot opposite the post office in Detroit, known as the Couzens lot, for $850,000, and immediately sold to the National Bank of Commerce one-fourth of the property for $200,000, retaining 9,750 square feet on the corner at a cost of $650,000. It had been contemplated to erect a building on this lot at a cost of about $800,000, but before plans could be made and contracts let the law was amended by the act of June 3, 1922, which prohibits the Federal reserve banks from erecting any buildings costing more than $250,000 without the consent of Congress having been given therefor in express terms.

A joint resolution was passed by the Senate a few days ago authorizing the Federal Reserve Bank of St. Louis to erect a

building for its own use at St. Louis and buildings for its branches, which was amended at the instance of Senator SMOOT to provide also for the erection of a building for the use of the Salt Lake City branch of the Federal Reserve Bank of San Francisco. In the form in which this resolution passed the Senate it seemed doubtful whether it would be of any effect as far as the Salt Lake City branch was concerned, and Senator SMOOT introduced the resolution in another form on July 11, 1922, a copy of which (S. J. Res. 222) is inclosed herewith. Unless you would prefer to introduce a separate resolution, I would suggest that you might ask for the further amendment of Senate Joint Resolution 222 as indicated in the inclosed copy.

The capital and surplus of the Federal Reserve Bank of Chicago is something over $43,000,000, and if that bank is authorized to invest an amount not exceeding 2½ per cent of the paid-in capital and surplus in a building for its branch bank at Detroit, on the lot previously acquired, the amount, something over $1,000,000, would in the judgment of those who have looked into the matter be ample.

It may be said for the proposed joint resolution that Congress is not appropriating any money out of the Public Treasury, but is merely authorizing the Federal reserve banks to invest a portion of their own capital and surplus in the buildings described.

I have a telegram to-day from Chicago stating that the governor of the Federal Reserve Bank of Chicago expects to be in Washington Friday or Saturday, and that he is anxious to lay before you complete information regarding the proposed building for the branch bank at Detroit.

Very truly yours,

W. P. G. HARDING, *Governor.*

Hon. TRUMAN H. NEWBERRY,
United States Senate.

DETROIT CLEARING HOUSE ASSOCIATION,
Detroit, Mich., July 22, 1922.

Hon. TRUMAN H. NEWBERRY,
United States Senate Chamber, Washington, D. C.

MY DEAR SIR: The banks of Detroit, at their Clearing House Association meeting to-day, took into consideration a bill now pending in the United States Senate, which by title, rider, or amendment contemplates an appropriation for the construction of a building for the use of the Detroit branch of the Federal reserve bank, seventh district, and we, the undersigned, were appointed as a committee to ask your earnest support of the measure.

The rented quarters temporarily occupied by the Detroit branch is grossly inadequate for the accommodation of its business and can not be safely guarded or constructively protected as it should be to serve as custodian of the millions of bank reserves and Government funds deposited in that bank. When we consider that the business transacted through the Detroit branch of the Federal reserve is greater in volume and amount than that handled by any other branch in the Federal reserve system and that the Detroit district is rapidly growing and expanding in commercial and financial importance and that it has very good prospects in the near future of further expansion through direct waterway connection with the seaports of the world, the necessity of a suitable building in which to adequately carry on this vast and growing business is most apparent.

In our humble opinion the construction and equipment of a suitable building would justify the expenditure of $1,500,000 and is recommended by all financial interests of this city as a great public necessity.

J. T. KEINA,
WM. J. GRAY,
Committee.
J. H. LANGDON,
Secretary.

FEDERAL RESERVE BANK OF CHICAGO,
July 21, 1922.

Hon. TRUMAN H. NEWBERRY,
United States Senate Office Building,
Washington, D. C.

DEAR SENATOR NEWBERRY: Governor McDougal has just telephoned me that he has had a very satisfactory and pleasant interview with you in regard to the branch of the Federal Reserve Bank of Chicago located at Detroit and the desirability of a building for the branch. He has asked me to furnish you certain data, as follows:

The capital stock of the Federal Reserve Bank of Chicago is at this date $14,622,900. Of this capital the banks in Detroit and what we call "Detroit territory" contribute $2,472,850, or 16.91 of the total capital. The surplus of the Federal Reserve Bank of Chicago at the present time is $29,025,000, or a trifle over that figure.

The reserve deposits of the Federal Reserve Bank of Chicago, figured as of June 30, 1922, were, in round numbers, $265,000,000. Of this the reserve deposits contributed by the Detroit banks and those in Detroit territory were a little over $39,000,000, or 14.32 per cent.

You will notice that I speak of Detroit and Detroit territory. I do so for the reason that when the branch was opened certain counties in Michigan were set apart to be served directly from the branch, rather than the home office in Chicago. The inclosed map of the southern peninsula of Michigan—the only part of Michigan in the seventh Federal reserve district—shows the counties included in Detroit territory. However, this division is an arbitrary one, and there is no question but that a goodly part of Michigan outside of the territory which we have allotted to Detroit relies on Detroit rather than Chicago for the major part of its banking service. I presume that the First and Old Detroit National Bank, the People's State Bank, and perhaps a number of other large banking institutions in Detroit carry much of the reserves and supply a large part of the business demands in the territory in that part of the State which is marked on the map as Chicago territory.

Detroit is, I understand, the fourth city in population in the United States. It is one of the great industrial centers, is constantly growing in financial, commercial, and industrial importance, and serves likewise as one of the main gateways to Canada, and it appears from the map that the railway systems of Michigan have been largely planned with Detroit as a center, and, therefore, bring the whole State largely tributary to and dependent upon Detroit.

The seventh (or Chicago) Federal reserve district is the second in importance in the country and contains within its bounds the second and fourth cities in population—namely, Chicago and Detroit. The Detroit branch is the only one operated, or contemplated, by the Federal Reserve Bank of Chicago.

I am to-day informed by Mr. John Ballantyne, of Detroit, that the Detroit clearing house, or the clearing house committee, at a meeting held this morning adopted a memorial to you requesting that you prepare a bill, or rider to an already existing bill, authorizing the Federal Reserve Bank of Chicago to construct a building for the use of its branch at Detroit, at a cost not to exceed $1,400,000. You are, of course, aware that we have already purchased a building site at Detroit, the net cost of which to us is in the neighborhood of $650,000. If the building, equipped and furnished, should cost as much as $1,400,000, the total cost for the Detroit building and ground would be a little over $2,000,000. Governor McDougal informs me that Governor Harding is of the opinion that 2½ per cent of our capital and surplus would, perhaps, take care of the present and probable future needs of the Detroit branch, and that he (McDougal) after consultation with you had expressed himself that probably the 2½ per cent, instead of the 3 per cent asked for by the Detroit clearing house, might see us through.

I discussed this matter informally with such members of our executive committee as were present at the regular meeting this morning, and after further consultation with our architects we are inclined to the belief that a total of 2½ per cent of our total capital and surplus may be found sufficient to supply the reasonable needs for the Detroit branch building. Therefore, if you prepare and present your bill or rider at the suggestion of the Detroit clearing house, I think that we, as well as the board of the Detroit branch, will be fairly well satisfied that the 2½ per cent, or $1,090,000, may be practically sufficient.

If there is any other data which I can furnish you in connection with this matter I shall be only too happy to do it.

You are probably aware that the Detroit branch of the Federal Reserve Bank of Chicago is inadequately housed in an out-of-date building, with out-of-date vaults, and that the major part of its cash and securities now has to be carried in the vaults of the Wayne County and Home Savings Bank for the reason that there is neither room nor proper protection for these in the vaults of the building now occupied, and that there is a constant danger through daily transportation of cash and securities between the branch and the vaults where said cash and securities are kept.

Very truly yours,

W. A. HEATH, *Chairman.*

EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After eight minutes spent

in executive session the doors were reopened and (at 6 o'clock and 15 minutes) the Senate, under the order previously entered, took a recess until to-morrow, Tuesday, August 1, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate July 31 (legislative day of April 20), 1922.

COLLECTORS OF INTERNAL REVENUE.

Arnold J. Heilmich, of St. Louis, Mo., to be collector of internal revenue for the first district of Missouri in place of George H. Moore, resigned.

POSTMASTERS.

CALIFORNIA.

Hazel B. Hough to be postmaster at Arrowhead Springs, Calif. Office became presidential July 1, 1922.

Otto B. Liersch to be postmaster at Corning, Calif., in place of R. C. Hannan, resigned.

Thomas D. Walker to be postmaster at Walnut Creek, Calif., in place of E. B. Bradley, resigned.

COLORADO.

Sylvester E. Hobart to be postmaster at Nunn, Colo. Office became presidential July 1, 1922.

CONNECTICUT.

Joseph H. Derenthal to be postmaster at Madison, Conn., in place of J. H. Derenthal. Incumbent's commission expired April 6, 1922.

ILLINOIS.

Ulysses G. Stutzman to be postmaster at Carlock, Ill. Office became presidential July 1, 1922.

Daisy A. Nieman to be postmaster at Philo, Ill. Office became presidential April 1, 1921.

Lester Cromwell to be postmaster at Momence, Ill., in place of I. W. Metcalf. Incumbent's commission expired January 24, 1922.

INDIANA.

George W. Shively to be postmaster at Winona Lake, Ind., in place of G. P. De Hoff, resigned.

IOWA.

Arthur Ingraham to be postmaster at Conesville, Iowa. Office became presidential July 1, 1922.

Ralph K. Russell to be postmaster at Cushing, Iowa. Office became presidential January 1, 1921.

Arvin C. Sands to be postmaster at Mallard, Iowa. Office became presidential April 1, 1920.

Ferdinand J. Ruff to be postmaster at South Amana, Iowa. Office became presidential July 1, 1922.

Blinn N. Smith to be postmaster at Coon Rapids, Iowa, in place of Patrick Doran, resigned.

KANSAS.

Joseph B. Dick to be postmaster at Ellinwood, Kans., in place of Robert Shouse. Incumbent's commission expired July 15, 1920.

Charles I. Zirkle to be postmaster at Garden City, Kans., in place of R. E. Stotts. Incumbent's commission expired February 4, 1922.

KENTUCKY.

Newell R. Downing to be postmaster at Ways Lick, Ky. Office became presidential July 1, 1922.

MAINE.

Lloyd A. Harmon to be postmaster at Clinton, Me., in place of L. A. Burns, resigned.

MASSACHUSETTS.

Annie E. Cronin to be postmaster at North Wilmington, Mass. Office became presidential July 1, 1920.

Mabel Holt to be postmaster at Wilmington, Mass. Office became presidential October 1, 1920.

MICHIGAN.

Helen B. Martin to be postmaster at Indian River, Mich. Office became presidential July 1, 1922.

Flora Van Zinderen to be postmaster at Grandville, Mich., in place of H. R. Bouma, resigned.

Grace M. Miller to be postmaster at Union City, Mich., in place of L. L. Johnson, resigned.

MISSISSIPPI.

Carl J. Carpenter to be postmaster at Scott, Miss. Office became presidential October 1, 1920.

NEW JERSEY.

Henry R. Parvin to be postmaster at Ramsey, N. J., in place of Henry Bell, resigned.

NEW YORK.

Samuel K. Seybolt to be postmaster at Pine Bush, N. Y., in place of Edward Crawford. Incumbent's commission expired January 24, 1922.

NORTH CAROLINA.

John L. Dixon to be postmaster at Oriental, N. C., in place of G. L. Griffin. Incumbent's commission expired July 21, 1921.

NORTH DAKOTA.

Anfin Qualey to be postmaster at Aneta, N. Dak., in place of Nicholas Johnston. Incumbent's commission expired January 24, 1922.

OHIO.

Joseph Jameson to be postmaster at Lorain, Ohio, in place of Custer Snyder. Incumbent's commission expired January 31, 1922.

OKLAHOMA.

Charles M. Henry to be postmaster at Carmen, Okla., in place of A. R. Duncan. Incumbent's commission expired February 4, 1922.

Simpson B. Richards to be postmaster at Waynoka, Okla., in place of R. L. Floyd. Incumbent's commission expired June 6, 1922.

OREGON.

George D. Wood to be postmaster at Brookings, Oreg. Office became presidential October 1, 1920.

Grant L. Grant to be postmaster at Riddle, Oreg. Office became presidential October 1, 1920.

Henry E. Grim to be postmaster at Scappoose, Oreg. Office became presidential July 1, 1920.

PENNSYLVANIA.

Warren F. Leister to be postmaster at Curtisville, Pa. Office became presidential April 1, 1921.

Luna J. Sturdevant to be postmaster at North Warren, Pa. Office became presidential April 1, 1922.

Edward D. Hannum to be postmaster at Rosedale, Pa. Office became presidential April 1, 1922.

Beula E. Giesy to be postmaster at Russelton, Pa. Office became presidential January 1, 1921.

Ralph P. Holloway to be postmaster at Pottstown, Pa., in place of R. M. Root. Incumbent's commission expired January 25, 1919.

Milton W. Lowry to be postmaster at Scranton, Pa., in place of J. J. Durkin, removed.

SOUTH CAROLINA.

Dan K. Dukes to be postmaster at Orangeburg, S. C., in place of A. C. Ligon. Incumbent's commission expired January 19, 1920.

TEXAS.

Eddie C. Slaughter to be postmaster at Goose Creek, Tex., in place of E. C. Slaughter. Incumbent's commission expired January 24, 1922.

Oscar B. Acton to be postmaster at Jasper, Tex., in place of W. C. Blake. Incumbent's commission expired April 20, 1922.

John R. Ratcliff to be postmaster at Wallis, Tex., in place of T. W. Johnston, removed.

VIRGINIA.

Elihu T. Kiser to be postmaster at Roaringfork, Va. Office became presidential July 1, 1922.

Grace C. Collins to be postmaster at Drakes Branch, Va., in place of D. W. Berger. Incumbent's commission expired January 24, 1922.

Della L. Fuller to be postmaster at Honaker, Va., in place of A. B. Dye, resigned.

Charles E. Fulgham to be postmaster at Windsor, Va., in place of J. W. Roberts. Incumbent's commission expired December 20, 1920.

WASHINGTON.

Frank Morris to be postmaster at Bordeaux, Wash. Office became presidential July 1, 1922.

WEST VIRGINIA.

Claude W. Harris to be postmaster at Kimball, W. Va., in place of H. W. Early. Incumbent's commission expired July 21, 1921.

WISCONSIN.

Frank G. Johnson to be postmaster at Dallas, Wis. Office became presidential July 1, 1920.

Emil Klentz to be postmaster at Reeseville, Wis. Office became presidential April 1, 1920.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 31 (legislative day of April 20), 1922.

COLLECTOR OF CUSTOMS.

Samuel H. Thompson to be collector of customs, district No. 12, Pittsburgh, Pa.

POSTMASTERS.

CALIFORNIA.

Oliver N. Thornton, Brea.
Roscoe E. Watts, Rialto.
James E. Pharr, Scotai.

COLORADO.

Arthur I. Weaver, Creede.

ILLINOIS.

Frank C. Krans, Altona.
Edward A. Catour, Atkinson.
Lulu L. Meyer, Deerfield.
Sherman G. Jackson, Forest City.
Leo H. Borgelt, Havana.
Hugo L. Schneider, Highland Park.
Charles W. Russell, Hurst.
Bert R. Johnson, Kewanee.
Samuel J. Davis, Mooseheart.
Allie M. Relneke, Perry.
Ella L. Widicus, St. Jacob.
Raymond W. Peters, St. Joseph.
Ida C. Revell, Stillman Valley.
Ulysses G. Dennison, Winnebago.

MICHIGAN.

Andrew W. Reinhard, Brimley.

MONTANA.

T. Lester Morris, Corvallis.
Frank D. Worcester, Geyser.

NEW JERSEY.

Israel C. Harris, Alloway.
Clair McFarland, Monroeville.
Harry J. Corwin, Paterson.

NORTH CAROLINA.

Claud S. Rowland, Pinetown.
Walter F. Long, jr., Rockingham.
Calvin Y. Holden, Wake Forest.

OKLAHOMA.

Richard H. Everett, Broken Bow.

OREGON.

George C. Peterson, Bay City.
Amanda E. Bones, Carlton.
James Henderson, Cascade Locks.
Lucius L. Hurd, Glendale.
James D. Fay, Gold Beach.
Flora B. Thompson, Jacksonville.
Bernhard L. Hagemann, Milwaukie.
Etta M. Davidson, Oswego.
Henrietta Sandry, Rogue River.
Glenn D. Withrow, Talent.
Charles H. Watzek, Wauna.

TENNESSEE.

Carrie L. Waters, Goodlettsville.

TEXAS.

George Rice, Jayton.

WASHINGTON.

Thurston B. Stidham, Doty.

WEST VIRGINIA.

Hallie A. Overholt, Thurmond.

WITHDRAWAL.

Executive nomination withdrawn from the Senate July 31 (legislative day of April 20), 1922.

POSTMASTER.

Gertrude H. Ashley to be postmaster at Bay City in the State of Oregon.

SENATE.

TUESDAY, *August 1, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Frelinghuysen	McCumber	Robinson
Ball	Gooding	McLean	Sheppard
Borah	Hale	McNary	Simmons
Brandegee	Harreld	Moses	Smoot
Bursum	Harris	Nelson	Spencer
Calder	Harrison	New	Stanfield
Cameron	Heflin	Newberry	Sterling
Capper	Hitchcock	Nicholson	Trammell
Caraway	Jones, N. Mex.	Norbeck	Walsh, Mass.
Culberson	Jones, Wash.	Oddie	Walsh, Mont.
Cummins	Kellogg	Overman	Warren
Curtis	Kendrick	Pepper	Watson, Ind.
Dial	Keyes	Phipps	Willis
du Pont	Ladd	Pittman	
Ernst	Lenroot	Pomerene	
Fernald	Lodge	Ransdell	

Mr. CURTIS. I was requested to announce that the junior Senator from Illinois [Mr. MCKINLEY] is detained at a committee hearing.

Mr. DIAL. I desire to announce that my colleague [Mr. SMITH] is detained on official business. I ask that this notice may continue through the day.

The PRESIDENT pro tempore. Sixty-one Senators have answered to their names. There is a quorum present.

PROMOTION OF WORLD PEACE.

Mr. HITCHCOCK. Mr. President, I present for reference to the Committee on Foreign Relations and printing in the RECORD, with the names attached, resolutions adopted by the League of Women Voters at Hastings, Nebr., signed by Mrs. Margretta S. Dietrich, wife of the former Senator, and some hundred others, praying the United States to keep its leadership asserted recently in the matter of limitation of naval armament and to continue its efforts and stand against war.

There being no objection, the resolutions, with the names attached, were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

HASTINGS, NEBR., *July 12, 1922.*

Whereas it has been called to our attention that 10 countries of the civilized world have set July 29 and 30 for demonstrations demanding no more wars for the settlement of international differences, we, the undersigned, gathered at a luncheon of the League of Women Voters in Hastings, Nebr., rejoicing that our country took the lead in the limitation of navies, respectfully urge the President and Congress of the United States to continue the leadership in an effort to outlaw war, and we affirm our approval of the resolution adopted by the National League of Women Voters in convention assembled at Baltimore, April, 1922, a copy of which is attached.

Mrs. R. S. McIntire, Mrs. B. J. Hilsabeck, Mrs. H. M. Russell, Mrs. R. E. Bryant, Mrs. E. Uden, Mrs. Jack Kelly, Miss Matilda McClelland, Mrs. S. B. Sorensen, Karl D. Beghtol, Mrs. J. M. Ferguson, Mrs. Cora M. Bartlett, Mrs. John Slaker, Mrs. Nellie I. Zinn, Mrs. W. A. Dilworth, Mrs. Hettie J. Martin, Mrs. Wm. Keal, Mrs. W. S. Holmes, Mrs. H. B. Whitney, Mrs. J. H. Lohmann, Mrs. W. S. Watson, G. B. Durkee, Mrs. George Schafer, Mrs. G. W. Buckner, jr., Mrs. Wm. Madgett, Mrs. Jennie Woodworth, Mrs. C. W. Wilson, Mrs. E. R. Erway, Mrs. L. L. Brandt, Mrs. J. H. Lantz, Mrs. A. G. Matter, Mrs. A. H. Brooke, S. B. Sorensen, Mrs. B. J. Thomas, E. A. St. John, John W. Shaw, Mabel Cramer, Mrs. P. B. Woodworth, Caroline M. Smith, Mrs. S. V. Byrne, Mrs. W. A. Graham, Margretta S. Dietrich, Mary J. Nowers, Mrs. N. W. Coleman, Mrs. Geo. W. Kimball, sr., Mrs. Martha H. Schultz, Mary Hill Landsrath, Patracia A. Johnson, Mrs. Ella Wiltrout, Mrs. Hilda Bruninger, Rena Gartner, Dorothy N. Stewart, Helen S. Fuller, P. B. Woodworth, Mrs. Lee Gauvreau, Abigail M. Kernan, Alice L. Paris, Neal J. Wyne, Raymond L. Crosson, Mrs. J. K. Sherman, Mrs. E. E. Danly, H. R. Alexander, Mrs. Nettie Sims, Mrs. John W. Brown, Helen K. Dutton, Marie Herrin, Mrs. W. G. Hay, Mrs. W. M. Whelan, Mrs. T. H. Goodwin, Susie Farmer, Mrs. Fannie Pyle, D. B. Marti, Bess Rippeteau, Mrs. M. S. Davis, Anne Stull, L. N. Button, Mrs. G. E. Isaman, Mrs. W. M. Dutton.

HASTINGS, NEBR.

I hereby certify that the above is a correct and true copy of the original resolution and signatures.

[SEAL.] A. M. LINNEMANN,
Notary Public, Adams County, Nebr.

Whereas in establishing justice and amity between human beings men have defined and repudiated crimes of individuals against the public welfare; and

Whereas the greatest crime against the public welfare is war; and

Whereas we applaud the progress toward peace in the recent reduction of naval armaments and the curb on naval competition; and

Whereas we recognize that conferences alone, as shown by those at The Hague, have not prevented or ameliorated wars in the past, and that resolutions outlawing certain methods of killing, such as poison gas and submarines, are not only futile but imply that certain other methods are justifiable: Therefore be it

Resolved, That the National League of Women Voters in convention assembled at Baltimore, Md., April, 1922, assert its conviction that the aim of all international peace efforts should be to outlaw war itself and to abolish it as a legalized institution, instead of to regulate it, and that to this end a code of international law based on equity and justice between individuals be erected, by which the waging of war be made a crime, defined and punishable under the terms of the code.

PETITIONS AND MEMORIALS.

Mr. ROBINSON presented resolutions of the Fort Smith (Ark.) Chamber of Commerce, condemning the action of railway shopmen for striking in opposition to a ruling of the United States Railway Labor Board and protesting against efforts to compel the railroads to relinquish their right to withdraw seniority privileges and other benefits from striking employees accruing from previous employment, etc., which were referred to the Committee on Interstate Commerce.

Mr. McLEAN presented a memorial of sundry citizens of New London County, Conn., remonstrating against inclusion of a $50 duty on potash in the pending tariff bill, which was referred to the Committee on Finance.

He also presented resolutions unanimously adopted at a meeting of the Connecticut Leaf Tobacco Association, remonstrating against the proposed increased duty on potash in the pending tariff bill, which were referred to the Committee on Finance.

He also presented a resolution of Wadhams Post, No. 49, Grand Army of the Republic, of Waterbury, Conn., favoring the prompt passage of the so-called Bursum pension bill, which was referred to the Committee on Pensions.

He also presented letters and telegrams in the nature of petitions from the Connecticut League of Women Voters, of Wallingford, Hartford, Farmington, Meriden, and Stratford, and the Connecticut and Rhode Island State Conference of the Council of Jewish Women, held at Hartford, all in the State of Connecticut, praying that the United States take the lead toward promoting world peace through international understandings and removing the economic causes of war, which were referred to the Committee on Foreign Relations.

IMPORTATION OF THE ADULT HONEYBEE.

Mr. McNARY, from the Committee on Agriculture and Forestry, to which was referred the bill (H. R. 11396) to regulate foreign commerce in the importation into the United States of the adult honeybee (Apis mellifica), reported it without amendment.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HARRISON:

A bill (S. 3877) for the relief of Frank B. Ferrill, formerly a lieutenant (T) in the Dental Corps, United States Navy; to the Committee on Naval Affairs.

By Mr. FLETCHER:

A bill (S. 3878) to repeal an act entitled "An act to authorize the construction of a bridge across the St. Marys River, at or near Wilds Landing Ferry, between Camden County, Ga., and Nassau County, Fla.," approved October 13, 1921; to the Committee on Commerce.

By Mr. OVERMAN:

A bill (S. 3879) for the relief of William H. Lee; to the Committee on Claims.

By Mr. FLETCHER:

A joint resolution (S. J. Res. 234) authorizing the Federal Reserve Bank of Atlanta to enter into contracts for the erection of a building for its branch office in Jacksonville, Fla.; to the Committee on Banking and Currency.

FEDERAL LOCOMOTIVE INSPECTION.

Mr. HARRISON. I desire to offer a resolution at the instance of the Senator from Utah [Mr. KING]. I ask that the resolution be referred to the Committee on Interstate Commerce, and I will state in this connection——

The PRESIDENT pro tempore. Is there objection to the introduction of the resolution?

Mr. CURTIS. Let it be read.

The PRESIDENT pro tempore. The Secretary will read the resolution for information.

The Assistant Secretary read the resolution (S. Res. 327), as follows:

Resolved, That the Interstate Commerce Commission is hereby required and directed to report to the Senate whether or not the provisions of the act entitled "An act to promote the safety of employees and travelers upon railroads by compelling common carriers engaged in interstate commerce to equip their locomotives with safe and suitable boilers and appurtenances thereto," approved February 17, 1911, and the amendment to said act approved March 4, 1915, requiring the regular inspection of the boilers of locomotives, is being violated, and if so, to report the extent of such violation, and to report specifically whether inspection of locomotive boilers is presently being made in all Federal locomotive boiler inspection districts and upon the roads of all common carriers engaged in interstate commerce as required by said act.

The PRESIDENT pro tempore. Is there objection to the introduction of the resolution? The Chair hears none.

Mr. HARRISON. I merely want it to go to the Committee on Interstate Commerce.

The PRESIDENT pro tempore. It will be so referred.

Mr. HARRISON. May I say in this connection that I have offered the resolution at the instance of the Senator from Utah [Mr. KING], who is at home on important official business, and I should like to have read a telegram received this morning which shows that I am offering it at his request.

The PRESIDENT pro tempore. Without objection, the telegram will be read.

The Assistant Secretary read as follows:

SALT LAKE CITY, UTAH, *July 31, 1922.*

SAMUEL RUSSELL,
Care Senator King, United States Senate, Washington, D. C.:

Prepare and have Senator HARRISON introduce to-morrow morning resolution directing Interstate Commerce Commission to report to what extent Federal locomotive inspection law is being violated and whether proper inspection as by law required is being made by all agencies employed in interstate transportation.

WILLIAM H. KING, *Senator.*

Mr. BRANDEGEE. I wish to inquire of the Senator from Mississippi if this is a joint resolution?

Mr. HARRISON. It is a simple Senate resolution, and may I say to the Senator I am offering it at the request of the Senator from Utah [Mr. KING].

Mr. BRANDEGEE. So I understand, but the reason why I asked the question is because it occurred to me that the Senate might not have the power to direct the Interstate Commerce Commission by a simple resolution.

Mr. HARRISON. It has been referred to the committee and the committee may make any modification necessary.

Mr. BRANDEGEE. Very well.

ASSISTANT CLERK TO COMMITTEE ON INDIAN AFFAIRS.

Mr. SPENCER submitted the following resolution (S. Res. 328), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That Senate Resolution No. 157, agreed to November 16, 1921, authorizing and directing the Senate Committee on Indian Affairs to employ an assistant clerk to be paid out of the contingent fund of the Senate for the second session of the Sixty-seventh Congress be, and the same is hereby, extended and continued in full force and effect until the end of the Sixty-seventh Congress.

MARSHAL FOR WESTERN DISTRICT OF SOUTH CAROLINA.

Mr. DIAL. Mr. President, a couple of months ago the name of a man was sent in to the Senate for appointment as marshal for the western district of South Carolina. I made known the fact that the appointment was not very agreeable to me. The matter was referred to the Judiciary Committee and a subcommittee was appointed to investigate it.

I was perfectly willing to let the matter rest there until the people of my State had an opportunity to be heard. I received numbers of communications on this subject. Some time ago, possibly 30 days or more, the nominee, ascertaining my feelings in the matter, undertook to send around at least one and in some cases two men to persuade the people of my State to write me letters asking that I withdraw my opposition, and I am informed that later they had copies of those letters made and sent to the Judiciary Committee, therefore putting me in the wrong light at home and also before the Judiciary Committee. This became so persistent that I gave out an interview yesterday, which was published in the papers, and I want to state to the Senate that this is my reason for doing so. I should have preferred to say nothing until the committee had gotten through with the matter, but a large part of the time of my force is taken up with answering these letters, and a few days afterwards I got other letters withdrawing the first one and stating that the writers signed them under this propaganda.

Mr. President, I ask to have printed in the RECORD in 8-point type the interview which I gave out, setting forth my reasons in the premises.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

In regard to the confirmation of Joseph W. Tolbert, who was recently appointed marshal for the western district of South Carolina, Senator DIAL said to-day:

"Tolbert is the South Carolina member of the Republican National Committee, State chairman of that organization, and

was recently appointed 'referee' for South Carolina for the present administration; that is, he is the chief distributor of patronage.

"I am not concerned about these positions, and would not interfere if I could and could not if I would. They are simply party matters. The appointee to the position of marshal has to be confirmed by and with the advice and consent of the Senate, and this is an entirely different proposition. When the President is of one political party and the Senators of another party there is no advice given in these appointments, when the office is not a bipartisan one, but when the name comes to the Senate we have to vote either to confirm or reject; hence we are responsible to this extent for all appointments confirmed by the Senate.

"The public has a right to expect us to use all diligence and exercise our best judgment—stronger than this, they have a right to demand that we scrutinize most carefully all such appointees. I have received letters from friends on the subject, but I know most of this is propaganda and that many of them have been imposed upon.

"I do not fall out with people because they are Republicans, notwithstanding I think they show poor judgment in the South to belong to this party; I freely accord every man the right to join whichever party he sees proper and to select his own companions, and if there are suitable individuals in their own ranks it is their privilege to select them for political offices. Neither do I quarrel with the powers that be for appointing them.

"I will not mention some unpleasant matters that will throw no particular light on the subject, but will only call to the minds of the people a few facts which confirm my opinion in the matter.

"Mr. Tolbert poses as a large farmer, whereas the record in Greenwood County shows that he does not pay a cent of taxes, except a dollar poll tax, and the records in the municipal, State, and the Federal courts—both on the civil and criminal side—show that his record is an unenviable one. I do not mean to say that it is necessary for a man to own property to hold office; far be it from me to take any such position; but Tolbert is sailing under false colors.

"Mr. Tolbert's conduct since he has been appointed 'referee' has shown him to be a spoilsman of the worst class. For instance, under the practice of this administration in selecting postmasters the Civil Service Commission sends to the Post Office Department the three names making the highest marks, and this department delegates to Tolbert, the referee, the right to select whichever he chooses. These offices are not political ones, and in our State the patrons are not 1 per cent Republicans, and the offices should be kept out of politics. However, under party rules, where they have competent persons it is their privilege to appoint them, and we have made no objection.

"In these matters Tolbert has ruthlessly ignored the spirit of the civil service and has refused to recommend parties making the highest marks, except in a very few cases. He has almost universally ignored the claims of ladies and ex-service men. Under the spirit of the civil-service rules ex-soldiers should receive the preference, but this has no weight with Tolbert, even where they make the highest marks. He has endeavored to turn lady postmasters out where they have been in office many, many years, and where they have made the highest marks. Moreover, he has turned out many officials—some who have served in this department for practically 40 years—and he named persons who were totally without experience, and these were not Republicans, either.

"In other words, he has run roughshod over our people and seems to be drunk with the power of a little authority.

"Worst of all, under previous administrations, I am informed, that the referee in our State sold patronage and that the universal charge was one-half of the first year's salary, and it is now claimed and generally believed that this practice is in vogue. The proof presented to me is unquestionable on the subject and is convincing beyond the peradventure of a doubt. The practice is to divide the State into districts and have some one in each district look after this part of the nefarious business. I am told of many instances where the offices were sold—one bringing $750, another $1,200, another $600, another $2,000, and different sums all around the State where there was competition. A recent case was reported where $1,200 was paid and the party failed to get the office, and after considerable wrangling the funds were returned. It is alleged that appointees to small offices often have to contribute.

"One of Tolbert's 'referees' was recently rejected by the Senate because he endeavored to get a lady postmaster to pay him $300 to get her confirmed. An affidavit of one of his former followers states Tolbert admitted he expected to realize $100,000 from this source.

"I can not condone the practice of buying an office, and if the competitors would cease bidding against each other this most disgraceful practice would be obliterated. However, they are to be pitied for being forced to come in contact with such a corrupt system. It can readily be seen that some one will have to fill the office anyway.

"Furthermore, I am told by the best authorities that Tolbert is by no means in sympathy with the enforcement of the prohibition law, and even has bragged to this effect. It is shown by affidavit that he had a barrel of liquor at one time. Many of his associates are among the most lawless class of our people, and it is commonly reported that he has formed a political combination with certain parties in our State calling themselves Democrats to create a political machine.

"It is generally believed that politics is rotten, and I am sorry to admit there are some grounds for such opinions, particularly as to Republican administrations, and it is incumbent upon me and all other citizens who care for the maintenance and perpetuation of good government to expose and obliterate all fraud and corrupt practices in our power. No man shall have a Government commission, with the approval—confirmation—of the Senate, to plunder our people if it is in my power to prevent it. Loving my State as I do, and feeling the pride of its reputation that I have always felt, I will not stand for the nomination one minute."

Mr. DIAL. Mr. President, this statement deals in a great measure with the debauchery of people in my section of the country. I hope that this in a measure will stop some of the corruption in regard to public office. I do not believe that right-thinking people of any faction or any party would condone any such corrupt practices. We get the condemnation in the South, and, of course, our people are not responsible for it; but I hope that practice will be obliterated from now on. The half has not been told.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDENT pro tempore. The Secretary will report the pending amendment of the Committee on Finance.

The READING CLERK. On page 155, in line 22, strike out paragraph 1203, in the following words:

PAR. 1203. Thrown silk in the gum, if singles, 50 cents per pound; if tram, 75 cents per pound; any of the foregoing containing more than 30 turns of twist per inch, and organzine, $1 per pound; if ungumined, wholly or in part, or if further advanced by any process of manufacture, in addition to the rates herein provided, 50 cents per pound: *Provided*, That none of the foregoing shall pay a less rate of duty than 25 per cent ad valorem. In no case shall the duty be assessed on a less number of yards than is marked on the goods as imported.

And insert in lieu thereof:

PAR. 1203. Thrown silk not more advanced than singles, tram, or organzine, 25 per cent ad valorem.

Mr. SHEPPARD. Mr. President, I move to amend the amendment of the committee by striking out "25" and inserting in lieu thereof the existing rate of 15 per cent ad valorem.

The PRESIDENT pro tempore. The Secretary will state the amendment proposed by the Senator from Texas to the amendment.

The READING CLERK. On page 2 of the printed amendment of the committee, in line 12, the Senator from Texas proposes to amend the committee amendment by striking out "25" and inserting in lieu thereof "15," so as to make the paragraph read:

PAR. 1203. Thrown silk not more advanced than singles, tram, or organzine, 15 per cent ad valorem.

Mr. SHEPPARD. The present amendment of the committee modifies the rate in the pending bill considerably on this branch of the silk industry, but still involves a distinct increase, an increase without any excuse whatever. The American thrown silk industry has won a position of practical immunity from foreign competition. It has surpassed all other countries in the protection of thrown silk yarn, the production in 1920 amounting to 28,000,000 pounds. The imports are entirely insignificant. They averaged about 34,000 pounds a year during the 30 years ending with 1920. Competition from abroad has practically disappeared. Certainly the increase is without justification. I ask for the yeas and nays on my amendment to the amendment.

The yeas and nays were ordered.

Mr. McLEAN. Mr. President, for the sake of the record I want to state that the facts warrant an ad valorem duty of 39 per cent on this article. There are some imports, although, of

course, the American manufacturer who has a complete plant makes this product for himself. But the rate is warranted by the Reynolds report and by the most careful investigation made by the committee as to the cost to the American manufacturer.

Mr. SIMMONS. Mr. President, I shall detain the Senate only a short time in discussion of this rather important paragraph.

Thrown silk is to the silk industry what yarn is to the cotton and the wool industries. It might be called the first stage of manufacture of the product. The chairman of the Finance Committee in his speech delivered on yesterday attempted to justify these high rates and this preferential protection given to the silk producers upon the broad ground that silk is a luxury. No one can deny the fact that formerly and until a comparatively recent period silk was, properly speaking, a luxury. It has been so treated in tariff bills in the past, and because it was so regarded it has heretofore been given preferential rates when considered in connection with other textiles. I distinctly recall when we were framing the Underwood law, in which we imposed upon this particular item a duty of 15 per cent, as I now recall, and in which we imposed rather high duties, as we then thought, upon the finished products, the theory obtained in the committee and upon the floor of the Senate in the discussion that silk was a luxury, and that these rates were to be considered not so much from the standpoint of protection as from the standpoint of revenue, regarding a luxury as a proper subject of taxation for revenue. The same general theory has obtained in our revenue bills. We have regarded articles of luxury, rather than articles of necessity, as the proper subjects of high rates of taxation. I say, therefore, that as late as 1913 we did regard silk as a luxury.

But, Mr. President, conditions, especially conditions of dress, the conditions which dictate the character of the material that the people use in clothing themselves, move and change very rapidly, and there has been no period in the history of the United States, or probably any other country, when those conditions have moved more rapidly with reference to the use of silk as a common article of human clothing than since 1913.

I think a proper understanding of the extent to which silks are now used for this purpose as well as for other domestic purposes must lead us to the conclusion that silks are no longer a luxury and should no longer be treated as a luxury. They are now almost as commonly used for the clothing of the people as are woolens, and I am quite certain that when this bill becomes operative, unless the duties on silks are made as prohibitive as the duties on woolens, that silks will be more common than woolen goods in America.

It was only the rich or people who were in very good financial circumstances who could afford expensive silks 10 or 15 years ago. Now, Mr. President, there is hardly a woman in the United States, whether white or colored, who does not, to some extent, use silk goods as a part of her raiment. The silk shirt has become almost as common as any other kind of shirt, especially at certain seasons. I am not expressing an individual opinion about this; I am stating what is generally known; and, Mr. President, I am stating what the manufacturers of silk in the United States have in the years since the beginning of the war, when the use of silks became so common among the people, declared to be a fact, that silk is a necessity. They insisted that because their product had become a necessity of almost as common use among the people as cotton and wools, it ought to be treated upon the same basis with reference to taxation as these other competing—for they are competing—textiles are treated.

I call the attention of the Senate to the fact that during the war the Silk Association of America, in connection with the division of industries into those essential and those nonessential, published a statement declaring that silk had become a necessity.

Again, in 1917, as appears from page 30 of the 1918 Annual Report of the Silk Association of America, a general meeting of the silk men called to consider the proposal in the war revenue bill of 1917, as introduced in the House of Representatives, to place a revenue tax on raw silk, stated:

> It (a tax upon raw silk) will increase the cost to the consumer of a product which is no longer a luxury but which is used by every woman in the United States.

I think, Mr. President, I may, therefore, lay down the broad proposition here that the silk manufacturers are not under the circumstances entitled to preferential treatment on the ground that their products are luxuries.

A higher rate on silk manufactures, as compared with cotton manufactures, can not be justified from the viewpoint of luxury or from that of competition; in fact, it is doubtful if the silk rates should be as high as the cotton rates, for, whereas the United Kingdom, our chief competitor, is the most important manufacturer of cotton, the United States is the most important manufacturer of silk, and there is less competition from abroad on silk manufactures than there is on cotton manufactures.

I want to introduce right here, Mr. President, a table which compares the evolution of the silk industry in the United States and Europe. Considering the total consumption of raw silk in the mills of the United States and of Europe combined as 100, we find that in the five years 1872–1876 Europe consumed and manufactured 95 per cent of the total, as against only 5 per cent by the United States. The relative amount of silk used in America, as compared with that used in European mills, has steadily increased, and for the five years 1917–1921 the United States used 64.6 per cent and Europe only 35.4 per cent of their combined total. So that during this period of 40 years, beginning in 1872 and ending in 1922, the process of the concentration of the silk industry in the United States as against Europe has been going steadily on, and as a result of that transition in the business from the one side of the water to the other side the relative proportion between Europe and the United States, so far as consumption of raw silk, and therefore manufacture of silk goods, is concerned, has changed from 95 per cent European and 5 per cent American to about 65 per cent American and 35 per cent European.

Mr. President, I ask unanimous consent that the table to which I have referred may be inserted in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—*Average annual raw silk consumption in the United States and Europe, five-year periods, 1872–1921.*

[In thousands of pounds.]

Period.	Total average annual consumption in United States and Europe.[1]	Consumption in Europe.		Consumption in the United States.[2]	
		Pounds.	Per cent of total.	Pounds.	Per cent of total.
1872–1876	21,001	19,906	95.0	1,095	5.0
1877–1881	19,479	17,844	91.6	1,871	8.4
1882–1886	20,764	17,255	83.1	3,509	16.9
1887–1891	25,520	20,327	79.7	5,193	20.3
1892–1896	33,649	26,474	78.7	7,175	21.3
1897–1901	37,617	28,233	75.1	9,384	24.9
1902–1906	42,002	27,761	66.1	14,241	33.9
1907–1911	51,066	31,422	61.6	19,645	38.4
1912–1916	54,886	27,815	50.8	27,071	49.2
1917–1921	55,663	19,742	35.4	35,921	64.6

[1] Figures taken from reports of Syndicat de l'Union des Marchands de Soie de Lyon, and Silk Association of America.
[2] Figures taken from import tables in Commerce and Navigation.

Mr. SIMMONS. The movement of which I speak has been going on steadily, without a break, all during those long years, culminating in the United States not only consuming in its mills twice as much raw silk as does all of Europe but becoming the leading silk manufacturing country of the world. If that continues it is clear that we shall soon be manufacturing more silk than all other countries of the world combined. During the same four decades we have made no such gains in the manufacture of cotton goods, and the United Kingdom still exceeds us in number of spindles and looms and in value of output, although we produce raw cotton and she does not.

But, Mr. President, there would seem to be no reason why this silk industry, which has been growing in this country so rapidly, which has grown more rapidly under the present law than ever before in all of our history, should not continue to grow. In the five years 1902–1906 we manufactured only half as much raw silk as did Europe, but in the five years 1917–1921 we manufactured twice as much raw silk as did Europe. Practically all of this phenomenal increase—phenomenal when considered in the light of the increase that has taken place in the past 50 years—in the production of silk goods in the United States and in the tendency to concentrate the business of silk production in this country and to draw it away from Europe, the chief center of production 50 years ago, 30 years ago, 25 years ago, took place during the operation of what is known as the Underwood tariff bill. The greatest development in our silk industry in our history took place between 1912 and 1921, as the figures show.

Mr. McLEAN. Mr. President, the Senator is mistaken about that. If he had said between 1914 and 1921 he would have been fairly accurate.

Mr. SIMMONS. Oh, Mr. President, I qualified that properly. The Senator need not try to haul me up on a mere trifling pretext like that. The Senator knows that I said that beginning in 1912, mostly under the Underwood bill, this remarkable development had taken place; but if the Senator yearns to have it stated as from 1914 to 1921, let it be so, and it will prove all the more perfectly that this greatest development of the American silk industry began with the first full year under the Underwood law, to wit, 1914. In the period from 1912 to 1916, for I must be accurate, notwithstanding the sensibilities of the Senator from Connecticut, part of that time under the Underwood law, nearly three years of that time under the Underwood law and a little over a year under the Payne law, we had gotten to 49 per cent; but in the period from 1917 to 1921 we went from 49 per cent to practically 65 per cent—to be accurate, 64.6 per cent—of the mill consumption and production of Europe and America combined.

If the Senator thinks there is anything in that, I have confined it to the operation of the Underwood law and during that period the increase has been enormous, the heaviest ratio of increase in all our history; and during that period this particular product, the yarn of the silk industry, was taxed at 15 per cent.

Mr. STANFIELD. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Oregon?

Mr. SIMMONS. I yield.

Mr. STANFIELD. Nineteen hundred and twenty-one was not a very profitable year. While the production was great, the profits were not large; were they?

Mr. SIMMONS. In the silk industry in 1921?

Mr. STANFIELD. Yes; last year.

Mr. SIMMONS. I have not investigated the extent of the profits of the silk industry in 1921, but I will tell the Senator that the profits in the silk industry in this country will parallel the profits in any industry in the world in proportion to the capital invested. Nobody has lost any money in the silk industry. There is not any such question as was raised with reference to wool. If we were producing any raw silk in the United States worth mentioning, of course, we would have a high duty upon the raw silk to protect it. Although it might not have grown one particle in 50 years, although it might be decadent, moribund, disappearing, we would have a proposition here from the majority to protect the raw silk. But, Mr. President, we do not produce any raw silk in America. So, it comes in free. The question here is a question of protecting nothing but the manufactured product, either in its initial stages or in its completed, finished form. On that line I want to say that we are producing to-day in our own silk mills 99 per cent of all the thrown-silk yarn consumed in the United States. Ninety-nine per cent of all that we consume of thrown silk, this article upon which you are proposing to increase the duty, is made here in the United States.

Now, let us see what have been the imports; and it is, we have the right to assume, to protect this 99 per cent of domestic production against imports that it is proposed to increase this duty—a duty that has stimulated production in America, if a duty ever does stimulate, until we produce 99 per cent of all that we consume, and a duty which has kept out of our markets, to that extent, the thrown silk of Europe and of all nations.

Mr. President, I desire to put in the RECORD this statement, which I will read:

The minimum ad valorem is so high—

This speaks about the bill before the change.

The minimum ad valorem (in the amendment) is so high as to make the specific rates originally proposed inoperative under present prices. For this reason a straight ad valorem of 25 per cent has been substituted by the committee. The Underwood rate is 15 per cent, so the increase proposed is 10 per cent ad valorem.

The United States is much the largest producer of thrown silk—a yarn made by doubling and twisting raw silk. Import has for years been negligible. The largest for 30 years occurred in the fiscal year 1917, when 125,000 pounds came in. This record import was less than one-half of 1 per cent of estimated production in the United States.

And here we have stated the largest importation of any one year in all the history of recent years since 1896—125,000 pounds, or less than one-half of 1 per cent of the estimated domestic production. In most years the importation was probably not more than one-tenth of 1 per cent; in many years even less than that.

Now, let me give the imports for the past few years. The domestic production of thrown silk amounts to approximately 30,000,000 pounds. Here are the importations against which it is proposed to increase the rate to protect the silk throwers of this country:

Importations.	Pounds.
1918	67,319
1919	10,723
1920	59,074
1921	27,195

The exports were larger than our imports.

But again, Mr. President, if those figures do not show that the present law is sufficiently protective, when we are the greatest producer in the world of this product, when we produce 99 per cent of our domestic production and import less than 1 per cent of what we consume, if there is any reason for raising the duty under which those conditions have been brought about, then, of course, there is no use of arguing this question at all. We ought in that case to impose a high rate of duty upon everything, whether it is imported to any extent or not. If this does not constitute a case where there is no justification whatever for increasing an existing rate, or for imposing a rate if the conditions have been brought about upon a basis of free trade, then we can not conceive of such a thing. The mind can not imagine one. It is the strongest case that has been presented since this bill was taken up against an increase and in support of the sufficiency of the present rate.

If I felt it would do any good I would show and demonstrate that from 80 to 90 per cent of the cost of producing thrown silk is represented by the cost of the raw material. I will not take the time to do that, but I will publish the statement in which that is shown. Eighty-five per cent would probably be a fair average. That represents material, and it is a material which we do not produce in the United States and which Europe, our competitor, does not produce in quantity to supply its needs. The price of that material is the same here as in Europe and throughout the world, so that there can be no element of difference in material cost to justify the proposed duty. The material cost is proportionately so large that it leaves only 15 per cent as representing the entire labor cost of throwing this silk.

The present duty of 15 per cent, therefore, is just the measure of the entire labor cost of throwing the silk in America. When you have given the manufacturer a duty which covers his total labor cost, in the name of God why should he ask for any more?

This bill is reeking with just such inconsistencies and outrages upon the American consumer of these products as I have disclosed. This is the worst, I concede it is the very worst, unless it be the case of sewing silk; but the great captain of the silk industry in this country is a man of tremendous influence in the financial, the industrial, and the political world. He dominates and controls the silk industry in tariff legislation to the same extent that Mr. Wood dominates and controls the woolen industry and Mr. Lippitt dominates and controls the cotton industry.

The silk manufacturers of the United States as a body are not asking for increased rates. They recognize that the rates now existing are high enough and in many instances too high. They are not asking for increased rates; they are satisfied. But Mr. Horace Cheney and the small coterie which surround him, who are more directly interested in his operations than others in the industry, want higher duties, not because Mr. Cheney meets with any competition in the manufacture of ninety-odd per cent of his products, for he does not, and he knows it; at least, all the other silk manufacturers of this country recognize it. They have really no competition. Competition in the silk industry between the United States and Europe has practically ended. It is a bagatelle. It is too small to take into account. But there is a kind of silk goods coming into the United States, known as pongees and habutai, habutai produced in Japan exclusively, I believe, and pongee in China and Japan. It is a small amount compared with the aggregate of silks consumed in America, probably not more than 6 or 7 per cent. There are a few novelties coming in from Europe still, a few new designs, which do not hurt but help the industry.

Mr. McLEAN. Mr. President, I can not let that statement go unchallenged, because while the amount that comes from Japan and China may be about 7 per cent in poundage, it is 24 per cent of the entire yardage used in this country.

Mr. SIMMONS. Mr. President, the Senator is in error, I am advised by my official Government expert, and his statement bears out the statements of scores of silk manufacturers who have been to my office. These big silk manufacturers, urging me to oppose these increases, have insisted that they were not needed, and that Mr. Cheney was not justified in demanding them. Of course, if Mr. Cheney does demand them, I know he will get what he demands, just as Mr. Wood got what he demanded, and just as Mr. Lippitt got what he demanded. Whatever these towering, Brobdingnagian characters of the financial

and industrial and political world demand of the Republican Party, they get. There can be no doubt about that. The Republican Party can not help itself. It is bound hand and foot. It is mortgaged. It must dance when they fiddle.

Those silk manufacturers declared to me that these proposed rates were not required. I have a telegram to that effect which I shall put in the RECORD. The manufacturers tell me that the pongee and the habutai silks come in in negligible quantities compared with the general production.

I do not say that they said 7 per cent, but it was small and insignificant as compared with the total, and I am advised that it is about 7 per cent. That is a matter which easily can be ascertained, however. This fact can not be wiped out—that no pongee or habutai silk is produced in this country, or if there is any produced here it is too trifling to be mentioned.

Mr. McLEAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Connecticut?

Mr. SIMMONS. Our manufacturers did at one time start to produce it, but they discontinued the effort. They were perfectly content to leave that business to Japan and China.

Mr. McLEAN. They went out of business because of the low rate in the Underwood law.

Mr. SIMMONS. The Senator is again mistaken, and I decline to yield until I have consented to be interrupted. The Senator has no right to interrupt me in that way while I am speaking. If he will wait until I finish the sentence and interrupt me in the orderly way, I will yield.

I was discussing the amount of this silk produced in the United States. I said that at one time our manufacturers did undertake to manufacture this low-grade silk in this country; but after an effort all of them decided that it was better to leave the production of it to China and Japan, and as a result China and Japan are to-day practically the only producers of these two classes of silks. They are cheap products. They are that part of the silk consumed in the United States which is bought and consumed by the poorer classes of our people, people who are not able to pay the high charges and prices asked for Mr. Cheney's fine silks.

We can perfectly well understand that. People of small means recognize the fashions in silk hose, silk gloves, and silk shirts; people of small means who want to follow in those fashions of course must buy the grades of silks which conform most nearly to their financial ability to buy. They have to buy the cheaper quality, just as those people who wear the same general fashion of clothes which the rich wear have to buy a coarser and a cheaper grade of goods, whether it is cotton or wool or linen. An embargo on this pongee and this habutai, which are not produced in America, which Mr. Cheney does not produce, which no silk man produces in the United States in any quantity worth mentioning, is all Mr. Cheney is after.

Mr. McLEAN. Mr. President——

Mr. SIMMONS. Not that Mr. Cheney needs it.

The PRESIDENT pro tempore. Does the Senator yield?

Mr. SIMMONS. I will yield in a moment.

The PRESIDENT pro tempore. The Senator declines to yield.

Mr. SIMMONS. I decline to yield for the present. Mr. Cheney does not think those silks come in competition with the run of his mill. That is not why he wants a duty on this article not produced in the United States. He does not wish to permit that cheap grade of goods to displace his fine goods. Mr. Cheney wants the purchasers of that cheap grade of goods forced by legislation to purchase his expensive goods, and that is the proposition we have here—whether we shall force the poor people of the United States whose needs are satisfied with this inexpensive pongee and habutai silk of China and Japan to buy Mr. Cheney's higher-priced silks; whether, though none is made in this country, we shall prohibit the importation of those cheaper silks, in the interest of Mr. Cheney, in order that the poor people may be forced either to go without silks or to buy Mr. Cheney's expensive silks.

Now I yield the floor to the Senator from Connecticut, if he wants it.

Mr. McLEAN. Mr. President, I shall occupy the floor but a very few minutes. I understand the Senator has yielded the floor?

Mr. SIMMONS. I have.

Mr. McLEAN. The Senator from North Carolina has repeated his criticisms and strictures against this paragraph almost in precisely the same language he used when speaking of the other textile schedules.

Mr. SIMMONS. Mr. President, I am about to leave the Chamber, and I hope the Senator will not think I am leaving because I am not interested in what he is about to say, but I have just been called to the long-distance phone.

The PRESIDENT pro tempore. The Chair recognizes the Senator from Connecticut.

Mr. McLEAN. Does the Senator from Arkansas know whether the Senator from North Carolina wishes to continue his remarks?

Mr. ROBINSON. He has concluded his remarks and has left the Chamber in response to an urgent call to the long-distance telephone.

Mr. McLEAN. The Senator from North Carolina insists that silk is not a luxury. That is true in a sense, and I think we will all agree that it is not as necessary as our wool and cotton. The fact that it is not a luxury is entirely due to the protection which the Government has given to the silk manufacturer. As I stated yesterday, when the Senator from North Carolina was not in the Chamber, silk which cost $3 a yard in 1868 was sold for 60 cents a yard in 1914. That remarkable and striking decrease in the cost of the product is entirely due to the fact that this country has given reasonable protection to her manufacturers.

I want to say, Mr. President, that it is due to the ingenuity of the American manufacturer that the cost of silk has been greatly decreased throughout the world, or was up to 1914. We all know that after that time conditions were abnormal and prices of everything went up.

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

Mr. McLEAN. Certainly.

Mr. ROBINSON. The Senator said that the cost of silk declined to about 60 cents a yard in 1914. Will the Senator give the cost of the silk at this time so as to enable the Senate to make a comparison between the prices of 1914 and the prices at the present time?

Mr. McLEAN. That same question was asked yesterday when peignee was under discussion. The prices are very uncertain at the present time. They have been reduced largely since 1920. I do not know just what the prices are to-day, but I will say to the Senator that the mills are working half time and no silk mill in the country has made any money in the last two years. If a yard of silk made in 1921 or 1922 is bought to-day, it will be bought for less than it cost to produce it.

Mr. ROBINSON. My object in asking the question, I will state in fairness to the Senator from Connecticut, is that he stated that silk in 1914 had declined to 60 cents per yard and I wanted to make a comparison in my own mind between the cost of silk at that time and the cost of silk at the present time. I thought, perhaps, the Senator might have the price of the particular kind of silk he had in mind.

Mr. McLEAN. The particular kind I referred to was the common grosgrain silk, and I do not think it is made at the present time. I think other varieties have taken its place.

Mr. ROBINSON. So that the Senator is totally unable to give figures which would enable the Senate to make a comparison between the prices of silk in 1914 and the prices of silk in 1922.

Mr. McLEAN. I do not think that any comparison of that kind would be of value because, as the Senator knows, the prices of silk went very high during the war. The war operated as an embargo and the industry did increase very rapidly here and prices went up. I will say to the Senator that the prices have decreased greatly in the last two years, but just what is the price of that particular product at this time I do not know.

Mr. ROBINSON. That was true of almost everything else, but that general statement can not be of very great value in enabling one to form a conclusion as to the present condition of the industry and present prices which its products command.

Mr. McLEAN. I will say to the Senator that the present condition of the industry is very much depressed. While I am on that subject I desire to make another statement. The Senator from North Carolina has referred to Mr. Cheney, who is a Connecticut man. I have known him all my life. If there is an honest man in the United States, Mr. Cheney is that man. He and his family before him are responsible for one of the finest communities in New England, if not in the United States. While I have no financial interest in the industry, I am in a position to know that the net dividends have not averaged 6 per cent since it was established.

Now, Mr. President, it is true that owing to protection the industry in this country has developed remarkably. Nearly all of the labor-saving devices were invented in this country. The Grant reel, which substituted a cross skein in place of the old straight reel, was invented here and adopted in other

countries. It saved hundreds of millions of dollars to the producers of silk.

Two years ago we sent a mission to China to instruct the Chinese in the use of modern silk machinery. Within the last three years Japan has imported over $12,000,000 worth of silk-producing machinery. China and Japan are in position to-day to drive the American producer out of the market, and will drive him out of the market in the lightweight silks, such as the pongee and habutai.

Mr. ROBINSON. Mr. President, will the Senator yield at that point for an inquiry?

Mr. McLEAN. Certainly.

Mr. ROBINSON. Has the Senator available the production figures for the manufactures of silk in the United States subsequent to the year 1919?

Mr. McLEAN. No; I have not.

Mr. ROBINSON. With reference to a statement made by the Senator from North Carolina while he had the floor and which I understood the Senator from Connecticut to challenge, I want to point out that according to the census the imports of all manufactures of silk in 1921 were valued at $48,682,507. The production of all silk manufactures in 1919 was valued at $688,946,000. Thus the imports in 1921 were about 7 per cent of the value of production in 1919. I have not the figures of production later than 1919, and of course the comparison is not entirely accurate for that reason.

Mr. SHEPPARD. May I suggest to the Senator from Arkansas that the production, including knit goods in 1919, was $895,000,000, which makes the illustration all the more striking.

Mr. ROBINSON. I have been unable to secure the figures of silk production for any year later than 1919.

Mr. McLEAN. I have not the importations, but my information is that they are about 24 per cent of the entire yardage of American production.

Mr. ROBINSON. For 1921?

Mr. McLEAN. Yes.

Mr. ROBINSON. Then there must have been a very great decrease in production.

Mr. McLEAN. That is very possible, because, as I said, the mills are working only half time.

Mr. ROBINSON. What were the total manufactures for 1919, according to the Senator's figures?

Mr. McLEAN. I have not those figures.

Mr. ROBINSON. How does the Senator from Connecticut get the percentage if he has neither the total production nor the total importations?

Mr. McLEAN. I had them when I made my estimates. The Senator can easily figure it out when he knows that the yardage imported is about 24 per cent of the entire American production for 1921. That is about 68,000,000 yards.

Mr. ROBINSON. That is starting with the assumption that the percentage is accurate. The Senator must have had the production for 1921 in order to arrive at the ratio which the production bears to the imports.

Mr. McLEAN. I gave the yardage of 1919 at 310,132,000 yards.

Mr. ROBINSON. Is that the production or the importation?

Mr. McLEAN. That is the production in yards.

Mr. ROBINSON. The figures of the census for 1919 are $688,946,000.

Mr. McLEAN. That is probably the entire product?

Mr. ROBINSON. Yes; all manufactures, and that was my question.

Mr. LODGE. The difficulty is that the Senator from Connecticut is giving the figures in yards, while the Senator from Arkansas is giving the value in dollars.

Mr. McLEAN. The entire production, as I recollect it, is upward of $700,000,000.

Mr. ROBINSON. If the Senator includes knit goods, the production figures for 1919 swell to $895,000,000, I am informed by the Senator from Texas [Mr. SHEPPARD], but I am interested to know to what character of goods the Senator from Connecticut refers. I was discussing, and so was the Senator from North Carolina, the production of all manufactures of silk in 1919.

Mr. McLEAN. As I recollect it, the value of the total production was approximately $700,000,000. That includes everything. Of course, the Senator knows that a very large percentage of that is velvet and knit goods, and a large percentage of the silk yarns go into woolen goods and cotton goods and into the insulating appliances which are used by electrical establishments. I think perhaps 50 per cent of the product——

Mr. ROBINSON. Mr. President, will the Senator yield again.

Mr. McLEAN. I yield.

Mr. ROBINSON. That would swell the total value of domestic production, if all the items which the Senator from Connecticut referred to should be included.

Mr. McLEAN. No; that is included in the $700,000,000.

Mr. ROBINSON. According to the statement just made by the Senator from Texas, if we include knit goods in silk the total would be $895,000,000 plus.

Mr. SIMMONS. Mr. President, may I interrupt the Senator from Arkansas?

Mr. ROBINSON. Certainly.

Mr. SIMMONS. I understood that the controversy between the Senator from Connecticut and myself grew out of two statements that I made, one that 99 per cent of the thrown silk consumed in this country was imported and the other that all except 7 per cent of the entire silk production in this country was produced or manufactured in this country.

Mr. McLEAN. The Senator from North Carolina discussed the whole schedule.

Mr. SIMMONS. I was speaking of both.

Mr. McLEAN. I should prefer to take up the pongees and habutais when we come to them, for a complete defense of the rates recommended by the committee. The Senator said that the American producer wants to shut off the Japanese and Chinese light goods, the pongees and habutais.

Mr. SIMMONS. No; if the Senator will pardon me, I did not say that. I said Mr. Cheney and his coterie desire to do it. I said the balance of them were not asking it.

Mr. McLEAN. The Senator is wrong about that, in my opinion. I do not know where he got his information.

Mr. SIMMONS. I got it from the silk manufacturers.

Mr. McLEAN. My judgment is that the silk manufacturer who gave the Senator that information was also an importer. Is that true?

Mr. SIMMONS. No.

Mr. McLEAN. I know, but several gentlemen have appeared before the committee who were importers and domestic manufacturers.

Mr. SIMMONS. I should like to ask the Senator a question.

The PRESIDENT pro tempore. Does the Senator from Connecticut yield to the Senator from North Carolina?

Mr. McLEAN. I yield.

Mr. SIMMONS. Is not Mr. Cheney one of the largest importers of spun silks and silk fabrics?

Mr. McLEAN. Mr. Cheney spins his own silks. He did in 1913 and 1914 import some of the habutai, because the Underwood rate was so low that he was driven out of the business; and, if he supplied his customers, he had to get the foreign goods.

Mr. President, the particular paragraph which is under discussion, being paragraph 1203, is one which evidently the Senator from North Carolina knows nothing about. Every complete plant of necessity prepares its own thrown silks. It is an expensive and technical process, and any man who makes fine goods necessarily controls the preparation of his thrown silk and his yarn.

Thrown silk is the first step in preparing the reeled silk—that is, silk prepared by unwinding from the cocoon—in manufacture. Normally there would be little or no importation of materials of this character, it being a partly manufactured product, and moreover having the disadvantage of concealing the character of the material from which it is produced to a degree. Manufacturers—

As I have stated—

usually prefer to buy their own raw silk and send it to a throwster to be prepared for weaving, otherwise they are not able to establish proper weaving conditions.

If the Senator from North Carolina knew anything about this industry, he would know that that is an absolutely accurate statement.

This paragraph covers silks of all kind, from the cheapest to the best. If the specific rates here mentioned were applied to the finest silks, they would appear prohibitive.

I want to say right here that the Japanese, for ways that are bright and tricks that are far from vain, excel their Chinese neighbors. They have absolute control of the raw product, as I shall show later when we come to the silk threads—and it is largely true of this product—and they will control the price, so that an ad valorem duty of 25 per cent will amount to nothing. It will not, in my opinion, shut out an ounce of importation. The duty should be as high as the rate which is warranted by the importations which we have been able to tabulate, which would be 10 per cent above the rate recommended by the committee.

I have here, Mr. President, a statement of costs in this country which were obtained after the most careful investigation. I want to say that when the American citizens representing this great industry appeared before the Ways and Means Committee

of the House and made their statements as to their costs they invited the committee to visit their mills and to check up those costs.

In August, 1921, the cost of materials from which press-packed tussah was made was $2.10 a pound, and the foreign cost of manufacture was $1 a pound. The specific duty at that time of 75 cents equaled only 22 per cent of the value. The material has been sold in this country as low as $1.50 a pound already thrown.

In 1921 Canton crêpes were valued at $5 a pound in the United States; the domestic cost of throwing was $1.85 per pound; Chinese cost 31 cents; differential $1.54, equal to 30.8 per cent ad valorem.

Canton weighted black organzines on beams, value $4.80 per pound; cost of manufacture in the United States, $1.90 per finished pound; cost of manufacture in Germany, where made, 31 cents; differential, $1.59 per pound; specific duty, $1.50—that is under the old law before we suggested the amendments—differential ad valorem 33 per cent.

Mr. President, as I stated yesterday when the Senator from North Carolina was absent—and I am going to repeat it to-day—the arguments presented by Senators on the other side of the Chamber in denunciation of the Finance Committee and of this bill have no merit whatever as an estimate of the benefit of protective tariffs as a permanent policy. They talk about the cost in the succeeding year, when history has shown that where protective tariffs have been permanently established the price of the product has been reduced below the price which obtained when the tariff was imposed. In the silk industry we have a striking illustration of the benefits which resulted to this country by protecting an industry the raw material of which we must import.

We have not the advantage which is incident to the cotton industry, because in the case of cotton the material is all grown here; we have not the advantage which pertains to the woolen industry, because a large percentage of the raw material in that instance is grown here; but in the case of silk we must import all of our raw material, and we are at the mercy of the foreign producer of raw silk. Yet such has been the ingenuity of the American manufacturer that a day's work in this country to-day will buy five times the silk goods that it would buy in 1868, when the first protective tariff began to take effect.

The Senator from North Carolina is, of course, interested in the political effect of the pending tariff bill. He has from time to time read editorials from the great metropolitan newspapers; he has spoken for the importers who have made common cause with the other side of the Chamber in their attempt to discredit this bill. I want to call the Senator's attention to an editorial appearing in the New York Herald, which happens to be his favorite publication at this time. The editorial is very brief and was printed the day after the minority report of the Finance Committee was presented to this Chamber. It reads as follows:

> Senator SIMMONS's minority report against the Fordney-McCumber tariff proposal has been carefully prepared as a Democratic electioneering dodger rather than an economic treatise.

I think that fairly describes the minority report and very accurately describes the subsequent speeches which have been delivered by the Senator from North Carolina.

I think I can say with regard to this particular schedule that the reason for asking for these rates, which are only reasonably protective, are similar to those advanced by the distinguished Senator when he advocated a tariff on lumber in 1909. Let me quote from the CONGRESSIONAL RECORD of April 28, 1909:

> The bill under consideration reduces the duty upon rough lumber—that is, sawed board—from $2 to $1 per thousand feet. The equivalent ad valorem rates are, respectively, about 1 per cent and 5½ per cent. I am opposed to this reduction—

Said the distinguished Senator from North Carolina—

> and in favor of retaining the present duty upon lumber—

Why?

> because the present rate is upon a revenue basis and because the proposed reduction will probably not reduce the price of lumber to the farmer and the home builder, or, if at all, only slightly and in a comparatively limited area, while—

Now we get the real reason why the Senator from North Carolina wanted a duty of $2 on lumber—

> it would work great hardship to the lumber industry and the sections of the country in which this industry is conducted by enlarging the market zone of Canada for this product.

Mr. President, that is all we are asking for. We should like to have what the Senator from North Carolina wanted; we should like to have a revenue duty high enough to keep out of this country the rapidly increasing importations from Japan and China. The Senator says they are lighter weight, they are cheaper goods. That is true. You can go into any store in this town to-day and buy them for 60 cents a yard, with an ad valorem duty of 45 per cent paid, and all we are asking is an increase of 10 per cent. It is not sufficient. In my opinion, it will be a serious menace to the industry in this country unless these rates are made higher than those recommended by the committee. Already the importations have increased from 9,000,000 yards in 1909 to something like 60,000,000 yards last year, 24 per cent of the entire yardage.

Mr. President, we will discuss the tussah and the habutai when we get to them. I am merely interjecting this now to indicate to the Senator from North Carolina that the Committee on Finance, in striking out these specific duties and reporting only the ad valorem duties, made every concession to the importer, and that this duty on the thrown silk might well be prohibitive, because no complete plant in this country should depend upon foreign importation of this article if it expects to make fine goods; but it is not prohibitive. It is only 10 per cent above the 15 per cent in the Underwood Act, and I sincerely hope that the recommendations of the committee will be adopted.

Mr. SHEPPARD. Mr. President, while no official figures have been published as to the value of the total manufactured products of silk since 1919, official figures do exist as to the volume of imports of reeled raw silk. Of course, it is well understood that we import all the raw material of the silk industry, and the importations of reeled raw silk have increased steadily since 1919. In fact, the amount of importations during the 11 months ending in May of 1922—to wit, 43,102,299 pounds—was greater than during any previous period in the history of the American silk industry.

Mr. McLEAN. Mr. President, if the importations are increasing, there is all the more reason for the tariff.

Mr. SHEPPARD. The imports of raw silk have been increasing, showing that the industry itself is continuing to make the same remarkable progress that has characterized it during the last five or six years and that has characterized it during the prevalence of the existing rate, showing that there is no excuse or justification for an increase at this time.

The yardage figures given by the Senator from Connecticut are entirely unreliable, because they do not show the number of pounds per yard in the yardage so imported. It is impossible to tell what the actual value of that importation is, and what the relation of that value is to the total value of the manufactured product.

Mr. McLEAN. The Senator is mistaken about that. These figures are taken from the invoices and customs reports.

Mr. SHEPPARD. The figures are taken from unofficial private estimates of interested concerns.

I ask for the yeas and nays on my amendment.

The PRESIDENT pro tempore. The yeas and nays have been already ordered.

Mr. SIMMONS. Mr. President, the Senator from Connecticut [Mr. McLEAN] has just read a part of an editorial in the New York Herald, a Republican paper, printed the morning after the minority filed its report upon the pending tariff bill. That minority report analyzed and dissected the bill. The editorial the Senator has now read criticized the minority report as being political and partisan.

I assume that the Herald had not then had time to digest that report. Certainly the Herald had not at that time come to understand what this tariff bill means. As soon as this great Republican newspaper, which criticized the report the next morning, before it had had time for more than a mere scanning of the report; as soon as that great Republican newspaper—Republican, I believe, through all of its history; probably the leading Republican organ of the United States; certainly one of the greatest, if not the greatest, Republican papers published in America—as soon as it came to understand what this bill meant, what these criticisms meant, and the facts that fully justified the criticisms made in the minority report, it opened wide its news columns and, in addition, from day to day, in editorials that thundered around this land, began to denounce in the bitterest and most unqualified and scathing terms this bill from beginning to end.

As soon as the iniquities of the pending measure began to dawn upon its editors, as soon as they had an opportunity to study and see the justification of the criticisms in the report, they sent to Washington a newspaper correspondent who was an expert tariff man to cover the tariff fight and they directed him to come to see me, as well as other Senators, for the purpose of getting further facts from us and of exposing what that great Republican newspaper and its editors had discovered to be an outrage against the American people.

The same thing happened, Mr. President, with the other Republican newspapers whose editorials I have heretofore, as the Senator said, read into the RECORD. At first, of course,

these Republican newspapers had supposed that a committee of their party, framing this bill under a mandate from the people to frame a protective measure, had really framed a protective measure just, from their view, to the industries of the United States and just to the consumers of this country; but when they found that the Republican majority had framed a bill in the interest of profiteers, repudiating every Republican tariff principle, perpetrating gross and cruel wrongs upon the consumers of America, they earnestly and freely used their editorial and news columns in denunciation of the monstrous thing. I have repeatedly said here that probably a majority of the great, outstanding Republican newspapers of the United States to-day, since they have come to understand this bill as the people of the United States have come to understand it, have changed from advocacy of it as a Republican tariff bill to scathing denunciation of it as a profiteering, a plunderbund, a robber tariff, that could not be justified on any principle of party or of morals or of ethics.

I thank the Senator from Connecticut for his unwittingly calling the attention of the country to the fact that this great organ of his party, the New York Herald, sought to support this measure as long as conscience would permit it to do so, and that as soon as its eyes were opened it became a mighty champion in the front ranks of those opposing this unspeakable tariff robbery.

Mr. President, I have here some additional editorials from Republican and independent and nonpartisan trade papers. I may have heretofore called attention to parts of one or two of these editorials, but taken together, and representing as they do the consensus of the views of the leading Republican editors of the United States, they are very significant and interesting. I am going to ask unanimous consent that I may insert in the RECORD, without reading, these additional editorials for the edification and enlightenment of the Senator from Connecticut and those who, like him, because a partisan organ of their party disapproved of a Democratic report the morning after it was adopted, close their eyes to the startling fact that the partisan press of the Senator's own party has now, since it came to understand this tariff bill, turned upon the measure with more bitterness in denunciation than even Democratic Senators on this side have ever shown, some of these great Republican organs speaking of it not as protection but as thievery, others speaking of it as a "damn fool tariff bill," and others as "a plundering tariff."

The PRESIDENT pro tempore. Is there objection to the request of the Senator from North Carolina? The Chair hears none, and it is so ordered.

The editorials are as follows:

[From the New York Herald, Tuesday, August 1, 1922.]

LET THE TARIFF WAIT.

The national scandal of an insufferably burdensome wool tariff made by sheep-growing, wool-raising Senators for the benefit of their own private property has deeply stirred the people of the United States. American sentiment can comprehend men in high public office going to extremes, men going wrong and even badly wrong in their partisan or fanatic devotion to an impersonal cause. American sentiment can not comprehend and American sentiment will not countenance legislators making themselves responsible for, indeed creating and jamming through, laws that directly and heavily concern their own private pockets.

The tariff makers of the present Congress can not go before the voters of the United States next November on the issue of the Senate's monstrous wool schedule, the handiwork of sheep-raising, wool-growing Senators, without inviting political revolution by an aroused Nation. But even if the wool-tariff scandal had not arisen to shock and outrage the fine American sense of conscience and propriety, the Fordney-McCumber tariff as a whole is so full of economic blunders, so fraught with public hardship, and so potentially dangerous to the country that it would not be good sense and it would not be safe to take it before the American people at the Congress elections now only about three months away.

If the crazy wool schedule were torn out of the tariff measure by the roots, if the sheep-growing, wool-raising Senators never had startled and shaken the American public with the wool tariff they have tried to impose upon the country, still the Fordney-McCumber tariff is so bad, so unworthy of anybody's support, so incapable of meeting the test of popular approval, that to take it to the polls as the great national issue of the elections of 1922 might blow any political party so doing off the face of the earth.

There is no time left between now and November to make a good enough measure out of the Fordney-McCumber monstrosity to win public confidence. There is no time left to correct in a sound, scientific way even the schedules that are the most extravagant in their economic lunacy and the most hateful to the American public. There is no time left to extract half the wrong and evil of the measure. There is no time left to do much of anything but to run for shelter out of the storm.

A frightful economic botch has been made out of the whole tariff. Anybody in his senses knows that. It is beyond all hope of satisfactory repair in the next few months or several weeks. Anybody competent to do the job knows that. To go before the country with this tariff botch would be simply to commit, on the heels of the unparalleled economic blunder, a colossal, unexampled political blunder.

Let the tariff wait until after the November elections.

[From New York Evening Post (Independent Republican), July 11, 1922.]

TARIFF TO RAISE PRICE OF CLOTHING NEARLY $5 A SUIT—TAX ON 99 PER CENT OF POPULATION TO AID A FEW WOOLGROWERS—FORDNEY-MCCUMBER SCHEDULES GET NEW NAME, BUT ARE NONE THE LESS OFFENSIVE.

(By William O. Scroggs.)

In past years Schedule K of the tariff bill, the section dealing with wool and manufactures thereof, has "smelled to heaven." After Congress tinkered with it in 1909 President Taft denounced it as indefensible, and it was so rank that the American people turned against its framers and sent a Democratic majority to Congress at the election of the following year.

In the Fordney-McCumber tariff bill the schedules bear numbers instead of letters, and Schedule K thus gets a coat of whitewash by becoming Schedule 11. But changing its name has not made the wool schedule any less offensive. Many of the duties in the new tariff bill are even higher than those in the Payne-Aldrich Act. It is not easy to compare them, because the rates in the latter measure were laid on wool in the grease, while those in the Fordney-McCumber bill are based on the scoured content.

Nevertheless, it is evident to everyone with an elementary knowledge of the wool industry that the Payne-Aldrich duty of 11 cents a pound on wool in the grease is much less than the proposed duty of 33 cents a pound on scoured wool. The degree of shrinkage varies from about a fourth up to two-thirds when wool is scoured; the average is somewhat less than a half. A shrinkage of 40 per cent would make the Payne-Aldrich rate about 18 cents a pound on the proposed new basis, whereas the Fordney-McCumber bill imposes a duty of 33 cents, or 83 per cent more.

ON AN AD VALOREM BASIS.

Just what this specific duty of 33 cents a pound on scoured wool means when converted to an ad valorem basis may be readily estimated. A coarse grade of New Zealand cross-bred wool sold recently in its home market for 13½ cents. As this grade shrinks about 25 per cent when scoured, its scoured value would be 18 cents. When brought into the United States under a 33-cent import duty, it would have to sell for 41 cents plus the carrying charges, compared with 18 cents in Great Britain. This 33-cent duty on 18-cent wool is equivalent to an ad valorem duty of 183.5 per cent, or more than double that of the Payne-Aldrich bill. It should be borne in mind also that this is the duty on cheap wool for the poor man's clothing.

Now, let us see the difference between this duty and that on the fine grades of wool that go into the manufacture of clothes for the well to do. One of the fine grade wools from Australia recently had a value of 54 cents a pound in its home market. It shrinks about 45 per cent in scouring. Its foreign value when scoured, therefore, would be 98.2 cents a pound, or over five times that of the cheap grade of wool just mentioned. Now, this 98-cent wool and this 18-cent wool are both dutiable at 33 cents. As a result the cheap, coarse wool bears the equivalent of an ad valorem duty of 183.5 per cent, and the fine grades a duty of only 33.6 per cent.

It is not surprising, therefore, that the Democrats plan to make schedule 11 (ex-K) one of their greatest assets in the coming campaign, unless their opponents reverse their position before the bill comes up for final passage. The farm bloc, which is responsible for the duty on raw wool, has left something on the doorsteps of the Republican leaders that is likely to cause them as much trouble as old Schedule K did in 1909.

These exorbitant rates on an essential commodity are not imposed with a view to protecting an infant industry. Woolgrowing in the United States, instead of being in its infancy, is more likely showing signs of senile debility; that is to say, it is largely a frontier industry, and the American frontier is vanishing. For this reason Australasia, Argentina, and South Africa are to-day the world's chief sources of wool supply, and no reasonable tariff measure can make the United States self-supporting in this field.

UNITED STATES WOOL CLIP DECREASES.

At present the country can supply only about 40 per cent of its wool requirements. The census shows that only about 7 per cent of the farms produce wool in any quantity worth mentioning, and it is only on the great western ranches that woolgrowing constitutes the chief industry. On smaller farms it is merely a side line. Only a fraction of 1 per cent of our population is directly dependent on wool production for a livelihood.

Our domestic wool clip, according to the census, was 289,000,000 pounds in 1909, and by 1919 it had dropped to 228,000,000 pounds. It should be noted, too, that this decline took place in spite of the war prices for wool that prevailed from 1914 to 1919. The industry also languished under the benevolent paternalism of the McKinley Act of 1890 and of the Dingley Act of 1897.

The Underwood Act of 1913 placed wool on the free list, but the Great War came soon afterwards and raised the price higher than any protective tariff could have done in time of peace. In spite of this encouragement, and of the special efforts of the Government to stimulate production as a war measure, the output was never brought back to the level of 1890. The reason is quite plain. The improved farm lands of the United States can raise other things more profitably than wool. Intensive agriculture is steadily supplanting sheep grazing.

Since the high duties in the wool schedule will neither develop a new industry for which the country is well adapted nor serve to make us self-sufficing as regards an essential commodity, it is evident that they can be employed only to bolster up a declining business and to enrich barely 1 per cent of the population at the expense of the other 99 per cent.

Some defenders of the wool schedule maintain that the duty on raw wool will increase the cost of men's clothing less than a dollar a suit and that this small sum will be absorbed by the dealer or manufacturer and therefore will not increase the price of clothing to the consumer. If the duties are absorbed in any instance—and it is doubtful if they will be—this can happen only in the case of the more expensive clothing. Cheap clothing, as a result of the specific duties, will be taxed more heavily in proportion to its value than the better grades, and the burden on this sort of material will be too great to be absorbed by manufacturer or merchant. This can best be shown by an illustration.

HOW THE COST INCREASES.

The average suit of clothes requires four pounds of scoured wool in its manufacture. The proposed duty on this amounts to $1.32. The wool importer pays this and adds it to the amount on which he bases his commission when he passes the material on to the spinner. The

latter includes the original duty plus the commission in the sum on which he calculates his mark up. The extra charge which the cloth manufacturer must pay for the yarn as a result of the tariff has by this time increased, say, 22½ per cent over the original duty, and is now $1.81. To this the manufacturer adds his mark up of 20 per cent, and it grows to $2.17. Next the cloth goes to the clothing manufacturer, who adds another 20 per cent, bringing the added price up to $2.62. Finally the retailer adds his mark up, varying from 35 to 50 per cent, according as the suit is of staple design or an extreme novelty.

Consequently the suit will cost from $3.54 to $3.93 more than it would if wool had remained on the free list. These figures are conservative; others estimate the extra cost at $5 per suit, and this is probably more nearly correct for the reason that the dealer, if he is compelled to raise his price as much as $3.93, will go a little further and make it $5. He can get that from the average consumer about as easily as he can the $3.93. The tariff bill tends to stimulate petty profiteering of this sort, as well as profiteering on a larger scale, by the producers, on whom it confers special favors.

It is important, however, to bear in mind the fact that this extra $5 will be added to a $25 suit as well as to one costing $125. On the clothing of the poor man the wool duty thus imposes the equivalent of a 20 per cent tax, while for the man who can affard the $125 suit the tax amounts to only 4 per cent. In the latter case the added cost is relatively so small that it is possible for the tailer or clothier to absorb it and for the wealthy consumer to escape the burden. The only way that the less affluent consumer can avoid paying more for his clothes is to purchase a suit made up of inferior fabrics. Incidentally, this may prove to be one of the worst effects of the duty on wool. The people must have clothes, and if they can not afford good wool they will wear stuff of part cotton and shoddy that will give inferior service and in the long run prove very expensive.

All this makes a travesty of the claim that the chief purpose of the tariff is to enable American working people to maintain high standards of living.

—

[Editorial in the Greensboro (N. C.) Daily News, a great independent newspaper, leaning toward the Republican Party, July 31, 1922.]

THE SENATE'S COARSE WORK.

The iniquity of the tariff bill has been the subject of lurid comment from many Republican newspapers; but the New York Herald, as stout a supporter of the G. O. P. as exists in newspaperdom, has brought charges of a peculiarly shocking nature. It is a discreditable thing for Senators to use the tariff schedules to corral votes in their individual States; but that practice is ancient, if not venerable. Unholy custom has solidified if not sanctified it. It is out of the ordinary, though, for Senators to be accused of juggling the tariff in order to put dollars into their own pockets. The wool schedule is a scandalous thing—worse than Schedule K of infamous memory. It is robbing every man and woman in the country who has to buy woolen cloth, or clothes made of woolen cloth, for the benefit of a few sheep raisers. That is bad enough, in all conscience; but the Herald makes worse charges, for it alleges that certain of the Senators are woolgrowers—that Senator WARREN, in particular, is the "greatest sheep raiser since Abraham."

Juggling the tariff bill by Senators for their own financial profit would be a new infamy in American politics. The very suggestion of such a thing shocks the country. If there is any foundation for such a charge the country should know it; yet Senator WARREN dubs the proposal to investigate the charges a "damn-fool" proposition.

Is WARREN monstrously cynical or merely imbecile? One would think that a man gifted with both integrity and intelligence would recognize the frightful nature of such a charge and would recoil in horror from it. One would imagine that a man, convinced of his own innocence but charged with the crime of using an honorable office to batten upon the necessities of the poor, would jump at any chance to clear his own name.

Furthermore, if the Senate thinks that it is "arm'd so strong in honesty" that it can afford to ignore such charges against its membership, it flatters itself. The country has not forgotten that NEWBERRY also is a Senator, and that he was made a Senator by a majority of $195,000. The country knows also that there must be some excuse for the existence of the wool schedule; and the country can see no legitimate excuse for it. The country knows that somebody will profit scandalously by that schedule; and the New York Herald charges that some of the profiteers are Members of the United States Senate. When newspapers normally Republican in politics admit that the tariff bill stinks to high heaven, is the independent voter likely to believe that it is wholesome and sound? And if the Senate is preparing to ram through a rotten tariff bill, how can it hope to maintain a reputation for dignity and integrity?

Apparently the Senate has gotten away with so much of late that it thinks that nobody will call it to account, no matter how coarse its work.

—

[Editorial, New York Sun (Republican), July 12, 1922.]

A BIG WHEAT CROP, BUT—

Farm crops promise on the whole better this year than the average of the last five years, according to the forecast of the Department of Agriculture. Corn is likely to be considerably less plentiful than last year, when many farmers could find no use for it excepting as fuel. Wheat will be a high average crop, 817,000,000 bushels.

In the fiscal year 1921 this country exported 293,267,637 bushels of wheat. In return for it foreign nations had to send us the equivalent in goods, gold, or credit. They use all three. Europe's gold reserves are already running low, the possibilities of selling on credit are limited, and Congress, with the aid of the farm bloc, seems determined to put up such a high tariff that the shipment of goods will be much more restricted.

A large wheat crop is invariably greeted as good news for the farmer and for the country. And so it is. But if the farm bloc puts through a tariff that will largely shut off imports, how is the farmer to sell his surplus wheat? If he can not export it, domestic prices will fall and he may expect in consequence a smaller return on his sales for American consumption. The farmer will find that his excessive tariff will be a boomerang, for what is the use of a big crop if you can not sell it?

—

[Editorial, New York Tribune (Republican), July 21, 1922.]

LOCKING UP AMERICA.

Wherein Senator GOODING, of Idaho, is superior to some of his colleagues is in his frankness. He does not beat about the bush. When he has a conviction he blurts it out. His may not be an opinion anyone else entertains, but that makes no difference to the Senator. He dares to be Daniel and stand alone.

So, as the nub and king-pin of a speech which it took him 2 hours and 24 minutes to deliver, in which he discussed the cod-liver oil industry with great thoroughness, with side trips to cuckoo clocks, monkey-faced dolls, dog muzzles, and other points of interest, he declared if he had his way he would build a tariff wall so high "that there would be an embargo against every foreign-made article that can be manufactured in this country."

He would make the aforesaid wall proof against the jimmies of wicked importers. Tropical fruits can be raised in this country by steam heat. Shipments of them here should at once be stopped. He would lock up America and throw the key into the deepest ocean. Embargo is his favorite word.

Here is a declaration calculated to make Daniel Webster, Henry Clay, James G. Blaine, William McKinley, and others rated as good protectionists uneasy in their coffins. But these were weak in the faith. It has remained for this generation to produce a true-blue champion of advanced truth.

—

[Editorial, New York Herald (Republican), July 22, 1922.]

LET THE TARIFF WAIT.

When the Senate revolt against the Fordney-McCumber tariff monstrosity starts with two or three independent members of the majority party in control; when next it picks up several more members who always are of the organization, but seldom hidebound and never stone blind; when later it gathers in still other members who recognize political danger as it begins to crash over their heads; when finally it sweeps along even some of the machine's most cherished hard-boiled tariff standpatters, as in the case of the overthrow of certain outrageous glove schedules—when the Senate tariff revolt becomes a mountain slide, carrying away everything, it is pretty nearly time for even the Fordneys and the McCumbers to wake up.

The majority control of the United States Senate, the very machine in charge of the tariff, now recognizes that the measure is not right, can not be accepted by the American people, and is sure to become a high political explosive.

The Congress machine also must realize that in the brief time left between now and the national campaign for all the seats in the House of Representatives and many of the seats in the Senate, this tariff measure can not be made right and can not be made safe.

Let the tariff wait until after the November elections.

—

[Editorial in St. Louis Globe-Democrat (Republican), July 18, 1922.]

* * * * * * *

The bill is fundamentally wrong—would have been wrong if enacted a decade or more ago, and, in view of vast changes in world trade and finance, is little less than a landmark of political fatuity now. It can be defended neither in the countingroom nor on the stump. Economically, it is unsound as a whole and unsound in its parts. Politically it is—but how can its possibilities of political disaster be described in terms which deaf leaders will heed and understand? * * *

What does this hopeful revolt mean? It shows that the views of a large part of the press which has been criticized as unfairly attacking the bill are shared by peculiarly representative party leaders. But what does it mean in the recasting and permanent improvement of the entire bill? That weighty tariff decisions should have been postponed until strike problems and distinctively legislative problems have created a veritable jam in Congress is perfectly inexcusable, but it will be better to pass no bill at all than to pass one that is not right.

—

[Editorial, New York Journal of Commerce (protectionist paper of commerce), July 15, 1922.]

TARIFF DISAFFECTION.

Signs are multiplying that tariff excesses have begun to turn the stomach even of ardent protectionists in Congress. * * *

The plain truth is they have seen the handwriting upon the wall. * * * They naturally are becoming increasingly worried as Congress goes serenely about the task of enacting this monstrous bill into law. * * *

* * * There is but one thing to do and that should have been done long ago. The bill ought to be thoroughly overhauled from one end to the other. A major operation is absolutely essential; no minor changes here and there can possibly suffice. A new tariff program based upon entirely different conceptions is the only way out for the party in power.

—

[Editorial, New York Tribune (Republican), July 17, 1922.]

MR. DOLLIVER'S MANTLE.

The defeat of the dye-embargo provision of the McCumber bill and the rejection of many other Finance Committee amendments show that a Republican group is forming in the Senate ready to take up the work which was done under Senator Dolliver's leadership in 1909. This group aims at moderating the excessive rates in various parts of the McCumber measure, notably in the cotton and woolen schedules. It is opposed, as Senator Dolliver's following was, to a perversion of the principle of protection, substituting for an equalization of foreign and domestic production costs in the interest of the public as a whole the theory of a practical absorption of the market by home producers without regard to the economic disadvantage of such an absorption.

Mr. Dolliver received his training as a protectionist under McKinley and Dingley. He was one of the framers of the Dingley tariff bill. He realized, as McKinley did, that the economic conditions of the first decade of the new century were different from those of the last decade of the last century. When the Payne tariff revision of 1909 was undertaken he favored a liberalization of the schedules, as did President Taft and the more progressive elements in the Republican Party. Senator Aldrich did not concur in this view. He accepted the theory which has now been carried to extremes by Mr. FORDNEY and Mr. MCCUMBER. He made the Payne-Aldrich bill a stiffer measure of protection than the country needed or wanted.

Mr. Dolliver took up the fight in the Senate against the high Aldrich rates. But the power of the Senate leader was too far-reaching. Mr. Aldrich had few equals as a political organizer. He held the Senate in the hollow of his hand and repulsed the Dolliver offensive.

There is no leader like Aldrich to-day. The Senate has lost confidence in Mr. McCUMBER's mastery of the theory of tariff adjustments. The Republican majority is crumbling in its support of his bill because it feels that that measure is not only politically inopportune but loosely and faultily constructed. Senator Aldrich, with all his skill and experience, turned out a bill which the country would not accept and which helped to drive the Republican Party from power. The McCumber bill would also be a serious handicap in the coming congressional elections. There is no political or economic excuse for passing it now. But if it is to be considered and brought to a position in which it can be passed at some other session, it is wise to submit it to searching criticism and to prune it of many excesses and aberrations.

This is what the Republican group headed by Mr. LENROOT is working for under more favorable circumstances than those of Mr. Dolliver's day. It deserves success, for it is doing the Republican Party and the country a notable service.

—

[Editorial, New York Journal of Commerce (protectionist newspaper), July 12, 1922.]

RICE AS AN EXAMPLE.

In rejecting the committee's rates of duty on rice and adopting those set by the House, the Senate has yielded to pressure from three or four rice-growing States. This action of the upper Chamber is unfortunately in line with much that it has been doing in the past week or two. Facts are all too likely to be lost sight of in spirited and selfish controversies of this sort. It is well therefore to remind ourselves once more of the true inwardness of this situation.

As for rice, in 1914 we raised some 650,000,000 pounds and exported about 18,000,000 pounds, drawing 125,000,000 pounds from abroad, chiefly the Orient. During the half a decade of low duties immediately following that date a remarkable change took place. In 1920 we produced nearly 1,500,000,000 pounds of rice and exported about 400,000,000 pounds. Our imports amounted only to about 50,000,000 pounds. In short, our production more than doubled; our exports were multiplied by more than 20, while our imports were more than cut in half. Nor has the emergency tariff of 1921 had any appreciable effect upon this situation. Production was off a little in 1921, but for obvious reasons that can hardly be attributed to tariff action. Exports in that year reached the 600,000,000 mark, while imports continued to decline at about the same rate that they had been doing during the years of the Underwood Act.

As to prices, there was a sharp decline in the fall of 1920, and it continued through several months of 1921. True, they began to stiffen somewhat at about the time that the emergency tariff act took effect, but so did the London, Burma, and Siam quotations. What benefit under these circumstances can the rice farmers expect from rates such as those now proposed? These House duties are measurably about the emergency act rates. But, even so, assuming competitive conditions, what good can come of any tariff on an article which is produced in this country 25 per cent or more in excess of our consumptive capacity? Our imports are now only one-tenth of those of 1914, and less than 3 per cent of our exports. It was charged on the floor of the Senate that domestic growers are so strongly organized that they are able to control prices. If they are in a position to fasten monopoly prices upon the consumer, the tariff that makes such a situation possible is obviously a most reprehensible measure; if not, then such a law would be simply a "sop" to win credulous votes.

—

[Editorial, New York Herald (Republican), July 21, 1922.]

REACTIONARY MACHINE UPSETS.

What better proof than the continuing record of the contests at the primaries does the machine control of Congress need to convince itself that its reactionary, selfish, stubborn, defiant legislative course is alienating the American people? Or must it go on in blindness to the last deadly stroke?

In Pennsylvania the reactionary machine was against Pinchot for governor, and the Republican voters upset the machine.

In Indiana the machine was against Beveridge for the nomination to the Senate, and Beveridge, going to the voters of his party, won.

In Iowa the machine was against Brookhart, and Brookhart came through with flying colors.

In North Dakota the machine bent all its energies to renominate Senator McCUMBER—McCUMBER, author of the bonus raid on the National Treasury and of the tariff monstrosity—and McCUMBER went down to defeat.

In Nebraska the machine has been against Howell for the Senate nomination, and now Howell gets it with ease.

If the machine control of Congress can not yet realize that it is becoming well nigh fatal for any candidate for elective office to have its support the candidates are beginning to realize that such support is an all but insurmountable handicap. From the record at the primaries thus far in every State where the people are aroused to the issues of the day and to the utter incapacity of the extravagant tariff makers and reckless bonus raiders to grasp those issues it becomes evident to all eyes with the power to see that the candidate who enters the average primaries with the machine indorsement leaves hope behind.

How, then, can the candidates doubt, how can the machine itself doubt, what is liable to be in store for those of them that survive the primaries when they get to the November polls where the voters of all parties can take a crack at them?

There could be no surprise in the Nebraska primaries after Indiana in the Middle West, Pennsylvania in the East, Iowa in the West, and North Dakota in the Northwest. And if the reactionary machine control of Congress does not come to its senses both in the matter of the bonus measure, which threatens a colossal raid on the Treasury, and in the matter of the irrational tariff schedules that threaten another colossal raid on the consuming public, a Democratic sweep of Members of the House of Representatives might surprise nobody in the whole United States except the same blind reactionary machine.

—

[Editorial from the New York Journal of Commerce (independent protectionist trade paper), July 14, 1922.]

Congress has degenerated into a national grab bag into which any bloc or self-seeking interest is free to thrust its hands and pull out the particular privilege that it wants. Of legislation honestly and broadly planned for the welfare of the country at large there is little if any.

The tariff, in spite of the slight modifications now being pretentiously made in the Senate, will be much higher than its predecessor, the beneficiaries being a bloc of interests intent only on their own exclusive financial advantages. * * * The subsidy bill awards gifts to a few concerns solely for the purpose of insuring risks which they themselves are unwilling to undertake. An overtaxed and overpatient public will be called upon to pay all these in additional taxes.

* * * * * * * *

Apparently statesmanship from one cause or another has gone into bankruptcy, and our whole legislative machinery is being perverted from making laws for the Nation to making laws for whatever classes prove to be the most insistent beggars. To the disinterested and thoughtful citizen this drift from national to class legislation is fraught with danger to the Republic. Before long our State and municipal legislatures will be caught in the same drift, and the whole country threatened by a welter of corruptive class legislation, the consequences of which are easy to foresee.

* * * Coming elections will prove whether the public is alive to this menace or not. It probably is, and if so there will be some wiser if not better men next November.

—

[From the New York Evening Post (Republican), June 13, 1922.]

The machinations of the farm bloc and the ineptitude of the congressional leaders have resulted in the imposition of a bread tax of $3 a year on every American family. This tax on consumption, like all others of its kind, falls most heavily on those who are least able to pay.

—

[London correspondence of Philadelphia Public Ledger (Republican), July 2, 1922.]

BRITISH RETALIATION IMPENDING.

(Copyright, 1922, by Philadelphia Public Ledger.)

LONDON, July 2.—The erection of a tariff wall on the part of England—and through cooperation with the dominions extended around the empire—of such proportions as to form much more than a stumblingblock in the path of American export trade is in the making, and probably the height of such a barrier will be determined in the next week or two when Parliament takes final action upon section 2 of the safeguarding industry act.

That the United States Government contemplates the situation with some anxiety is shown by the fact that the state of mind among English business men on the legislation has been made the subject of an investigation and report through diplomatic channels. This report declares that whatever action may be taken here will bear a close relation to what English business considers the threat of the new American tariff and will be virtually a policy of retaliation.

—

[Editorial, New York Herald (Republican), July 14, 1922.]

LET THE TARIFF WAIT.

In recent days the United States Senate has been carving slices out of the grossly overweight McCumber tariff duties; for example, in the cotton-goods schedules. That is a good thing. But a better thing and a safer thing would be to take plenty of time to go over all the extravagantly high tariff rates and cut them down to the measurement of reason and sense, every one of them. This could not be done in a wild rush.

In the few weeks that are left between now and the elections it would be a terrific job to undo all the mischief the McCumber tariff makers were able to do up to the hour they began to see the handwriting on the wall, long after everybody else had seen it, read it, and understood it. * * *

—

[Editorial, New York Evening Post (Republican), July 12, 1922.]

MORE HARD WORDS FOR THE TARIFF.

Whole-hearted supporters of the tariff bill must shiver inwardly as they see a Republican Senator rise to discuss the Fordney-McCumber measure. Instead of praising it to the skies, about which there would be a certain astronomical appropriateness, he is as likely as not to explain how hard it is going to be for him to vote in favor of it. Senator EDGE is the latest to join this growing group of critics, and in the very calmness of his attack lies its deadliness. If he had only got excited, those for whom no tariff is impossible might have found comfort in the hope that in a cooler moment he would reconsider. But Senator EDGE was not excited. He was as calm as a veteran executioner. He did not assail the bill for the monstrosity it is, but contented himself with the cautious remark: "The passage of this hard and fast tariff bill without opportunity for certain elasticity of rates might prove a national calamity." To admit that under some circumstances a measure might prove a national calamity must strike tariff Senators as a most unhappy way of advancing its fortunes. * * *

The tariff bill has been on the defensive before the country from the first day. It is rapidly being put on the defensive before the Republican Party. No wonder that its friends are urging a rule to stop debate upon it.

—

[Editorial, New York Tribune (Republican), July 9, 1922.]

THE CLOTURE FARCE.

Senator WATSON'S claim that the McCumber bill has been held up by partisan obstruction is without merit. Everybody knows that action on the bill has been retarded by the Republican managers, who took almost a year to make up their minds what to do with the Fordney measure sent over from the House. The Fordney bill passed on July 21, 1921. On July 7, 1922, the Republican Senators put in a boisterous plea that too much time has been lost bringing it to a vote in the Senate. Political Joe Millering could go no further. * * *

Mr. McCUMBER is no Nelson W. Aldrich. He doesn't know exactly what he wants. He is a little afraid of his own work. Imagine Mr. Aldrich getting up in the Senate and saying, in effect: "The rates in my bill are susceptible of abuse. Please, gentlemen who are to benefit by them, don't abuse them. As a favor to me go easy and spare the American consumer as far as you can."

The country distrusts a bill thus advertised by its sponsor. It has no confidence in Mr. McCUMBER'S workmanship. It would feel outraged to see his revision rushed heedlessly through the Senate, as Mr. FORDNEY'S was rushed through the House. The Senate has spent a year on a half-baked, makeshift bill. The present revision is not ripe and the times are not ripe for it. What is needed in its case is not cloture, but intensive reconsideration for at least another year.

[Editorial, New York Journal of Commerce (protectionist commercial journal).]

EXPORT TRADE.

Congress is giving little indication of appreciation of our export trade. So far as it is thought of at all, it is thought of as the shipment of grain and pork and cotton to Europe, with the assumption that Europe has got to have these, anyway, and it does not matter what Congress does. * * *

All nations depend largely on customs dues for their revenues, and the imposition of duties that may plausibly be designed to raise a revenue would not encounter criticism anywhere. But Congress is now establishing much higher duties than we ever had before and doing it for the avowed purpose of excluding foreign goods. Is it strange and improper that Canada should raise its duties on some of our products, or that Great Britain should contemplate using its disguised protective system against us?

Ultraprotectionist as he was when chairman of the Ways and Means Committee, William McKinley, as President, took a world-wide view of commerce and insisted repeatedly that we can not sell unless we will also buy.

—

[Editorial, New York Tribune (Republican), June 24, 1922.]

TARIFF REVISION FALLACIES.

The Fordney and McCumber tariff bills were framed with little regard to economic tendencies. They ignore the vast alteration brought about by the war in America's economic relations, to the rest of the world. * * *

We have plenty of time ahead in which to construct a rational, fairly scientific tariff. The leaders in Congress are not in a frame of mind to do anything of that sort now.

—

[Editorial, New York Tribune (Republican).]

HAVE A CARE, GENTLEMEN!

Senator LENROOT's vehement protest against a particular McCumber duty will strengthen the suspicion with which so many Republicans view the pending tariff bill. * * *

The authors of the Fordney and McCumber bills have apparently been parceling out protection for the benefit of individual producers and groups of producers rather than with proper regard for the ultimate effects of those duties on the country as an economic whole. Few people except those in the secrets of the committee rooms know exactly what the present bill accomplishes. It is being rushed through. The debate on it has been perfunctory and largely of a smoke-screen character. The voters look askance at a permanent revision which they have not demanded and do not understand.

There is no reason for passing a complicated, highly technical, and confessedly faulty tariff bill at this session. * * *

It would be political folly for the Republican Party to pass a tariff bill before the fall elections. Mr. LENROOT knows this. He also knows that a far better tariff can be constructed later. It would be well for the Republican leaders to listen to him and not to Messrs. FORDNEY and MCCUMBER, who are about to retire to private life.

The message that goes to Washington from the country is direct and brief. It is, "Have a care, gentlemen! Mind your step!"

—

[Editorial, the Chicago Tribune (Republican), July 10, 1922.]

THE TARIFF BURDEN.

* * * The proposed tariff bill as it now stands is about the most unpopular piece of legislation yet devised.

Individuals no doubt approve it. California almond growers are pleased with it. The Aluminum Co. of America is pleased with it. Certain fertilizer manufacturers are pleased with it. Glove manufacturers are pleased with it, and so on. But each individual or group which is pleased with one item is opposed to the thousands of other items which the bill contains, and the mass of consumers who will be called upon to pay the high prices which the bill promises will be opposed to it in general.

Altogether it is distinctly unpopular. That might not be sufficient reason for rejecting it if there were any assurance that it would bring sufficient prosperity to the country as a whole to make up for the costs which it will impose. But there is no such assurance, except the verbal assurance of its sponsors. The general unpopularity of the bill will impose a heavier burden upon the Republican Party at the next national elections than any other thing on the record. This rather than impassioned oratory should influence the Senate in its consideration of the measure.

—

[Editorial in Chicago Daily News (Independent Republican), June 14, 1922.]

* * * * * * *

But the pending bill is full of jokers, excessive rates of duty, deals, and bargains in the interest of monopoly. That is the reason why it would increase prices. It is being denounced even by stanch protectionist papers, that call it a bill to empty Congress of Republicans. It is a dangerous bill politically, because it is unsound and vicious economically.

—

[Editorial in New York Evening Post (Republican), June 22, 1922.]

* * * * * * *

Are we then committed to the processes of tariff framing that have made the present bill as suspect as the Payne-Aldrich measure of unhappy memory? By no means. It may be impossible to draw an exact line between a reasonable duty and an unreasonable duty, but it is quite possible to avoid duties that are manifestly absurd. A tariff that is framed upon the principle of letting the producer write the schedules in which he is interested is one kind of unscientific tariff that can be stopped if we are determined to stop it. There is no need of trying for a perfectly scientific tariff or for taking the tariff out of politics. Defeat of a Congress that unloads a measure like the Fordney-McCumber bill upon the country will do more for proper tariff making than all other methods combined.

—

[Editorial, New York Journal of Commerce (protectionist paper of commerce), May 16, 1922.]

* * * The fact is that the adoption of the present tariff would be a severe blow to any party that sponsored it and that generalization will hold of this year as of every other.

* * * It should be remembered that the tariff has been under continuous discussion ever since the Harding administration came into office, a first installment having been supplied in the objectionable emergency tariff of a year ago. This measure has been almost disastrous in some lines, and it has wholly failed to help those for whose benefit it was intended. The present tariff has been widely advertised and is now generally considered likely to be fatal to other lines of business and industry. This is known to the commercial public at large, while the average man has already learned from the tendency of prices that he may expect a substantial advance on all commodities of common consumption if the new rates take effect. * * *

* * * It was suggested some time ago by protectionists who foresaw the harm of this tariff that the best thing to do would be simply to reenact the Payne-Aldrich tariff bill. That would at least have been consistent. The rates of the tariff of 1909, while high and while riddled with jokers, did not compare in severity with some of those in the present schedules, while the technical work done in preparing the measure was infinitely ahead of that now presented in the Fordney-McCumber tariff. Probably any such expedient is now out of the question. * * *

—

[Editorial from the Philadelphia Public Ledger (Republican), June 8, 1922.]

* * * * * * *

The big vote of two years ago that brought Harding to the White House was not a vote of approval for the Republican "organization" and the men now in control of it. Some of these men are just awaking to the meaning of that expression of public opinion. The Iowa primary should further open their eyes.

The present Iowa idea seems to be that men with a sense of guidance and direction should be put in authority; that new times need new ideas and not the political theories and practices that were found too reactionary so long ago as 1910, when the Progressive revolt began in the Republican Party. The one thing that can be ventured about these primary results in Iowa, Pennsylvania, and Indiana is that they are a questing for new leadership. They betray a restiveness and discontent with present management. It is clearly not a radical movement, but the public mind was never less in sympathy with the type of mind that framed the pending tariff bill, the reactionary mind closed to new ideas and new conditions, than it is now.

—

[Editorial, New York Journal of Commerce, Protectionist Paper of Commerce, May 22, 1922.]

TARIFF REVOLT.

* * * There is a wave of protest against the tariff that is now sweeping widely and deeply over the country as a whole. It is due to general dissatisfaction with the continued high cost of living, the manifest fact that the tariff will lessen our export trade and curtail the field of employment, and the general circumstance that the rates are in the interest of monopoly and favoritism.

Thus far there is no sufficient indication of revulsion of feeling on the part of enough Senators to make it seem probable that the "revolt" will do much more than delay matters. There is need for some energetic action on the part of the business and industrial community if the disastrous legislation now in prospect is to be checked.

—

[Editorial, the Philadelphia North American (Republican), June 30, 1922.]

* * * * * * *

As an example of what an unintelligent partisanship can produce in the way of tariff argument, consider this from the National Republican, a party organ published in Washington:

"We have had during the last nine years the lowest tariff in American history, enacted on the pledge that it would smash monopolies, stop profiteering, and end the high cost of living. Yet under it we have had the highest prices, the most profiteering, and the most outrageous exploitation by monopoly in our national history. In the face of this record the foes of protection have the unadulterated gall to shriek against the restoration of the protective policy on the ground that it will create the very evils the present low tariff has developed."

While we hold no brief for the Underwood Tariff Act, we consider it utter nonsense to charge to it conditions produced by the war—a trifling episode which the writer ignores, but which, in fact, made the Underwood tariff inoperative during the period of high prices and profiteering.

Another example was a "tariff show" staged before Republican women by Senator CALDER, of New York. As evidence that "a higher tariff does not mean higher prices," he exhibited amber beads sold by a German manufacturer for 62 cents and retailed in New York for $12.50, a German clock produced at $2.40 and marketed here at $68, a 10-cent beaded bag priced at $15, and an impressive array of like articles. Senator MCCUMBER, of North Dakota, exploited similar figures in a speech. The dishonesty of such representations is palpable, for they conceal the fact that the depreciation of the German mark makes the cost figures wholly deceptive.

But what the infatuated advocates of excessive protection do not perceive is that their line of argument is fatal to their own case. If they succeed in making the public believe their false allegations of "2,000 per cent profit on imported goods," it won't be long before there will be a demand that the extortion be ended by abolition of the tariff and the admittance of these fabulously cheap goods which consumers want.

* * * * * * *

—

[Editorial of New York Journal of Commerce (protectionist paper of commerce), July 17, 1922.]

TARIFF SCANDAL NO. 1.

An excellent illustration of the sort of "protection" provided by the tariff now being hatched in Washington is afforded by the duties on aluminum and aluminum ware. The Underwood Act places a levy of 2 cents per pound on imports of ingots, 3½ cents per pound on sheets, and 25 per cent ad valorem on aluminum household articles. The Senate now proposes 5 cents and 9 cents per pound, respectively, upon the first two and 15 cents per pound plus 60 per cent ad valorem upon the third.

Here are the facts which afford the basis for these increases. We ourselves, as far back as 1913, produced more than twice as much aluminum as any other country in the world; in fact, well over a third of the world's output. Ever since 1914 we have been producing

more than half of the world's supply. In 1920 we produced 90,000 metric tons of the metal out of a world total of less than 150,000 tons. Switzerland, our nearest competitor, produced 12,000 tons.

At the outbreak of the war we were importing about $4,500,000 worth of aluminum and articles made of the metal and exporting more than $1,000,000 worth. During the war we became heavy net exporters. Prices more than doubled and the one important producer reaped enormous profits. Now that Europe is once more a factor in the market prices to the consumer have taken a tumble. The existing rate of duty does not cover the difference between the price at which aluminum can be purchased abroad and the price our monopolists here would like to charge. The result is Congress proposes to multiply the tax on the consumer by two or three.

The Aluminum Co. of America, the dominating factor in the domestic situation, quotes ingots at present at a little over 19 cents per pound, while the imported article can be had for around 18 cents, duty paid. If the tariff is raised to 5 cents per pound, our monopolists will be enabled not only to maintain their present prices but to tack on several more cents for the consumer to pay. So also with sheets, which are only ingots rolled out flat.

But the real scandal is to be found in the case of aluminum ware. The existing duty of 25 per cent is not enough, according to lobbyists, to keep out foreign goods. True enough, as long as our producers fail to get their costs and prices to reasonable levels. But even so, there is not the slightest doubt that our importations have been grossly exaggerated. In 1921 we imported only a little more than $2,000,000 worth of aluminum ware. Moreover, it is currently reported that our imports have been of such poor quality as to be almost unsalable.

But the pending measure would increase duties more than 200 per cent. There can be no question as to what is intended. Plans are being laid to exclude all foreign competition. In this case that would mean the elimination of all competition, for there is none within the United States. Should the bill be passed in its present form, the American people would be absolutely at the mercy of the one and virtually the only producing company of this country.

—

[From the Springfield Republican (independent Republican), June 23, 1922.]

If the wool schedule as now written in the Senate bill should be enacted into law, it ought to be worth at least 10 new congressional seats for the Democrats in New England alone. Rhode Island and eastern Massachusetts have been littered with textile strikes this spring on account of wage reductions. This tariff bill would raise the price of clothes for the mill operatives at the very time they were forced to accept lower pay, and the increase of prices due to the new tariff would be greatest on the suits which the workingmen must wear.

If enacted, this bill will become law while the congressional campaign is in progress. No such political opportunity through tariff legislation has come to the Democrats since the McKinley law went into effect not long before the elections of 1890 with disastrous results to the Republican Party.

—

[From the Ohio State Journal (Republican), June 20, 1922.]

Congress has been in session so long and its record of constructive accomplishment is so comparatively meager the leaders seem to feel that they must do something to base campaign claims on, even if the claims are ill grounded and will be proved so in a short time. The best thing to do when one finds oneself panic stricken is to stop and think. There is every reason to believe that the country would rather go along with the tariff law it has for a while than to invite the increased tax burden and the restricted markets promised by this one. As for the party standpoint, no Republican leader can truly complain hereafter of any lack of plain warnings of what the public reaction to the passage of the Fordney-McCumber bill is likely to be.

—

[Editorial, Magazine of Wall Street (protectionist), July 8, 1922.]

THE TARIFF IN DIFFICULTIES.

Debate in Congress during the past week or two has demonstrated once more the difficulties under which the tariff is laboring. There can be no doubt that the public is out of sympathy with any such measure as is now pending. The more it is studied the less satisfactory it appears, and this dissatisfaction prevails not only among the consumers of the country but also among those who are supposed to be beneficiaries of the measure. Manufacturers are now convinced that they must inevitably suffer from the legislation both in their foreign and domestic trade and that not only in the export trade but also at home they will be certain to lose their markets, owing to the much greater expenses of production and consequently higher prices which they must establish.

In fact, with the provisions of the tariff as they now stand, involving as they do a very high average rate on raw materials, the manufacturer will unavoidably be compelled to put his prices up to a materially higher level. The various interests in the Senate realize this fact clearly enough, and a great deal of the discussion in that body is naturally devoted to an effort to show that the criticism on the rates is inspired by biased or interested persons. Thus there is nothing whatever to indicate—the only interests which are opposing the tariff apparently being those who are regarded as its chief beneficiaries.

—

[From New York Herald (Republican).]

G. O. P. HAS LOST CONTACT WITH BUSINESS.

[Louis Seibold, national political correspondent, New York Herald (Republican).]

The demand in favor of discarding the obsolete and unsatisfactory methods for building a tariff on a political foundation merely to vindicate the archaic doctrines of the party has been repeatedly brought to light in the tariff discussions. One thing appears to be absolutely certain. The Republican Party has lost sympathetic contact with the business interests of the country.

The demand for the disproportionate and haphazard scheme proposed by Mr. MCCUMBER comes from himself and other Senators who expect to reap desirable political benefits and not from the business interests of the country.

—

EXCERPTS FROM NEWSPAPER EDITORIALS.

[From the Chicago Daily Tribune (Republican).]

We can guarantee one thing for the new tariff bill just reported by the Senate Finance Committee. Somewhere in its maze of barbed-wire entanglements each intelligent business man, producer, and consumer who attempts to negotiate it will meet a shock. It is one of the longest, most detailed, and most complex tariff bills ever presented to Congress.

On the whole it is a very high protective tariff. It bears every evidence of having been built according to the ancient methods of allowing or soliciting every special interest in the country to appear before the committee, argue for a high rate of duty to protect its own special commodity, and obtain such a rate regardless of its effect upon the economic organization of the country as a whole.

—

[From the St. Louis Daily Globe-Democrat (Republican).]

Its protective sufficiency is not to be doubted, but examination of the schedules fails to reveal any assurance that it will permit "fair competition from other countries." We are in sympathy with the principle of protection where protection is needed, but this bill seems to have applied the principle to everything without regard to specific needs, without regard to present world conditions, and without regard to our altered position in relation to the world's trade.

—

[From the New York Herald (Republican).]

It will give the American consumer a heavy jolt to see how the Senate tariff makers propose to tax his food, as if it were not already costly enough to eat in this country, compared with pre-war prices.

—

[From the New York Herald (Republican).]

But its worst feature is that it completely shuts America out of foreign markets except in our raw materials, notably cotton and copper.

—

[From the New York Tribune (Republican).]

"It is something of a shock to learn, if the analysis of the Associated Press is accurate, that the rates of the bill are, on the whole, higher than those of the Payne-Aldrich law," remarks this staunchly Republican paper.

—

[From the Ohio State Journal, of Columbus (Republican).]

Our agricultural and manufacturing interests need as never before a wide, free foreign market.

—

[From the Business Farmer, of Michigan.]

Of what benefit to the farmer is a 25 per cent duty on a world grain like wheat, of which we produce a large surplus, when he must turn right around and pay a 40 to 80 per cent duty on the majority of things he buys? The duty on sugar is an affront to every American consumer. Michigan is an important sugar-beet-growing State, but only 10,000 of her 200,000 farmers grow beets. But three and a half million Michigan people are asked to add several million dollars to their sugar bill for the direct benefit of a few hundred sugar-mill stockholders and the very small indirect benefit of the handful of beet growers.

—

[From the Southland Farmer, of Houston, Tex.]

Written into law this tariff will bring the farming regions of the West and South under still greater bondage to the industrial sections of the East and North. The emergency tariff showed the fallacy of any tariff helping prices for farm products to any extent worth considering. This tariff will add nothing worth while to returns for the farmer, but will add hundreds of millions to the cost of what he must buy.

The bill is one written by special interests for such interests, with little regard to the plain people of the country, and it takes no prophet to foretell what its enactment will cost the Republican Party responsible for it.

—

[From the St. Paul Dispatch (Independent).]

Ridiculing the idea that it can "work the miracle of protecting industry and agriculture alike—a patent impossibility unless the fundamental laws of economics are repealed at the same time." "What of the great unregarded masses of consumers?"

—

[From the New York Evening Post (Independent Republican).]

It will make trouble for the consumer.

—

[From the New York Globe (Independent Republican).]

If we pass the McCumber tariff, or even the Fordney version of it, "we practically make Europe a present of $11,000,000,000 she owes us." For "she can't pay in gold, and we wouldn't let her if she could, for it would be ruinous to us to receive it. She can only pay in goods, and against those goods we now propose to erect impossible tariff barriers."

—

[From the Kansas City Star (Independent Republican).]

This bill is a serious economic mistake, the immediate effect of which will be to increase the cost of living. The farmer will find that the protection offered his products "is an illusion," while "the protection on what he has to buy will be real."

—

[From the Springfield Republican.]

The measure is open to severe attack by those who believe that the price of commodities should not be raised.

—

[From the Chicago Daily News.]

The Senate should modify it with a liberal hand in obedience to the logic of the world situation and of the just claims of the American consuming public.

—

[From the Indianapolis News (Independent).]

The bill represents an outrageous abuse of the taxing power.

—

[From the St. Louis Globe Democrat (Republican).]

The bill as it stands fixes very high rates on all articles that are customarily dutiable, and makes dutiable many that have heretofore been admitted free. There is in the schedules little evidence of any discriminating consideration of trade conditions as they relate to the

national welfare. The Finance Committee of the Senate, like the Ways and Means Committee of the House, seems to have adopted the easy way of acceding to all class or trade demands, and increased everything on the "horizontal" principle.

—

[From the Journal of Commerce and Commercial Bulletin (Independent).]

The public should be fully informed of the true character of the schemes that are hatching for the effective looting of its pocketbook.

—

[From the St. Louis Daily Globe Democrat (Republican).]

It will appear that the Senate committee has practically ignored the changed conditions, and has legislated upon the basis of the conditions of 20 years ago.

—

[Editorial from the Philadelphia Public Ledger (Republican), May 29, 1922.]

* * * Privately, any number of Senators will say they are afraid of the bill; they are afraid it will prove hurtful in the election; yet there is no move to abandon it. These same Senators readily will concede that the duties are being fixed and based on no recognized principle; that it is impossible to determine with any accuracy the difference in the cost of production at home and abroad. They will concede that the bill is inopportune politically and economically, and that it will cost the consumers a great sum of money in increased prices; how much no one can say. They are equally frank in hoping that the country will not find out before the November election, but they know what a handicap and burden it will be in the 1924 presidential election.

In the face of this they plod along in the spirit of condemned creatures doing penance. It passes understanding. The only interests for the bill are those which will be benefited directly by the high rates. There may have been some excuse in the beginning for the bonus as a bait for votes, but to this juncture not even the faintest proof can be cited that high tariff rates and an increased cost of living will do the country any good or appeal to an electorate whose one present desire is to get out of the deep hole of hard times into which it was thrust last year.

—

[From the New York Globe (Republican), June 23, 1922.]

There is no decent defense for the flax schedule, yet it has the merit, which some of the other schedules lack, of being an old iniquity rather than a new one. The truth is that a hand plunged at random into the Fordney-McCumber grab bag is almost certain to bring up something incredibly naive or incredibly dishonest. This isn't protection; it is a proposal to collect by force from the consumer in order to distribute largess to a few favored friends of the administration.

—

[From the New York Globe (Republican), June 26, 1922.]

The agricultural tariff is a bribe in return for which the farmers are expected to support the regular Republican nominees, and as a result of which it is hoped they will be diverted from any fundamental reform movement. The pity is that such honest and able men as Senator LADD, of North Dakota, do not realize how they are being buncoed.

—

[From the Brooklyn Eagle (Independent), June 26, 1922.]

Why go the full length of putting this monstrous tariff on the books merely to prove what everyone already knows. With the President and leading members of his own party fast losing faith in this purely party measure, why keep it to the fore to the exclusion of other legislation so badly needed? There is no demand for the new tariff except from interests that hope to profit inordinately from it. Why not let it stand as a horrible example while a really constructive tariff is being written by men who are not interested primarily in pleasing a few special interests?

—

[From the Chicago News (Independent), June 14, 1922.]

There is significance in the implied admission that the pending tariff bill will increase prices all along the line and arouse widespread dissatisfaction and resentment. If the bill were sound, no such effects would follow. Besides, what necessity is there for protective duties so high as to advance commodity prices that in many instances are still inflated?

A defensible tariff, based on ascertained differences in production costs, would have no such effect. It would not threaten defeat for the party in power. But the pending bill is full of jokers, excessive rates of duty, deals, and bargains in the interest of monopoly. That is the reason why it would increase prices. It is being denounced even by stanch protectionist papers that call it a bill to empty Congress of Republicans. It is a dangerous bill politically because it is unsound and vicious economically.

—

[Editorial from the New York Journal of Commerce (protectionist paper of commerce), June 10, 1922.]

* * * * * * *

This bill ought to be sent back to the Finance Committee with orders to reconstruct it. Study of its terms has shown its dangers. It has also shown the difficulty of revision on the floor. The inefficient patchwork of the Finance Committee is a tribute to cowardice and opportunism, not an evidence of change of heart. Only by general revision from the bottom up will any tolerable or workable measure be obtained. It would be far better to do what President Harding was asked to favor—repass the Payne-Aldrich bill—than to go on with the measure which has resulted from the blundering and the political bargaining of the dwarfish epigoni who have found the shoes of the old Senate oligarchy too large for them.

—

[From the New York Tribune (Republican), June 21, 1922.]

The tariff bill is undigested and unscientific. It is framed on ancient methods and shot through with misconceptions. It ignores the vast changes which the war brought about in our economic relations with the rest of the world. The time is not ripe for national tariff revision. And few will accuse the McCumber bill of being tainted with rationality.

To speculate further along these lines is to invite economic injury and political disaster.

[From the Indianapolis News (Independent), June 26, 1922.]

What the plain people, who do not buy 94-cent cuckoo clocks for $22, would like to know is how one of those 1,000 per cent tariff imposts which are mentioned every now and again in the tariff debate is going to bring the price down to a figure that would make them feel that they were getting their money's worth in case they were so foolish as to buy a German cuckoo clock. Furthermore, they want to know how those profiteering dealers managed to get away with that two thousand and odd per cent when there were American clocks on the market just as good, and probably better, that were selling at much lower prices. The tariff opponents are asking such questions as these and others equally embarrassing in the Senate, and are not receiving answers that make the situation any clearer to the electorate.

—

[From the New York Herald (Republican), June 24, 1922.]

In the United States to-day there are Republicans and protectionists by the hundreds of thousands who are asking one another whether the party leaders in Congress have gone crazy over the tariff. There are Republicans and protectionists by the tens of thousands who believe that the Fordney-McCumber tariff bill will destroy their party. This is becoming a national sentiment which is immeasurable in its political possibilities.

—

[Editorial, New York Journal of Commerce (protectionist paper of commerce), July 8, 1922.]

THAT TARIFF WITH CANADA.

To the fair-minded observer building a high tariff wall against Canada is harmful and stupid. Next to Great Britain, Canada is our best customer. During the 11 months ended May 31 our exports to Canada were $497,000,000, and to the United Kingdom $768,000,000. In the same period our imports were $277,000,000 from Canada and $243,000,000 from the United Kingdom. What inconceivable folly to injure our best customers! Why should a political border be turned into an economic wall, which, if high enough and drastic enough, would require a line of forts and gunboats to protect it? Both countries produce what the other needs, and free exchange is of mutual advantage.

Both countries in their economic, industrial, and social activities have much in common and would prosper more in a policy that promoted untrammeled intercourse rather than in one that restricted or destroyed advantageous commerce. How long will 105,000,000 Americans submit to being penalized for the questionable benefit of a mere handful of people near the boarder? Our proposed tariff against Canada represents the unreasonable selfishness of a small minority that should not be allowed to dominate the great majority. A high tariff wall between the United States and Canada is just as ridiculous as would be a tariff line drawn between New York and San Francisco, or a tariff against Dakota wheat for benefit of the Illinois farmers. The lower the barriers between the United States and Canada the better for both sides.

—

[From Kansas City Star (Independent Republican), June 1, 1922.]

Contemplating the process from the outside—and most everybody contemplates it in that way, if at all—it looks like a strange way to make a tariff law. The subject is economic and technical; the Senate is uneconomic and political.

But Senator LODGE'S declaration that the coming tariff will be a Republican tariff is sufficient warning, if one were needed, that the experts are going to have very little to do with it. And by experts we mean, of course, the Tariff Commission.

—

[From the New York Herald (Republican), June 28, 1922.]

Any tariff that is devised merely to take care of a domestic cost of production, regardless of whether it is too high or not, is simply a tariff not to protect home industries but to perpetuate high prices, wherever they happen to be up in the sky. Nobody can get away from that.

And a tariff that simply keeps up excessive prices at home, a tariff that jacks up the cost of living when the cost of living ought to come down, is absolutely contrary to and irreconcilable with the fundamental principles of the American tariff system itself. The people of the United States will never stand for such conditions. The export trade business of American industries can not survive them. The country will not thrive under them.

—

[Editorial, New York Journal of Commerce (protectionist paper of commerce), June 17, 1922.]

PUBLIC OPINION AND THE TARIFF.

The newspapers of the country are almost overwhelmingly opposed to the Fordney tariff bill. Even the hard-boiled Republican organs give it faint support, and not a few strongly advise moderation in order to avert party disaster. A single mail to this office brings the opinions below, which, though chance selections, are characteristic of the mass of editorial opinions.

The Providence Journal, an influential newspaper published in a protectionist stronghold, writes:

"The Fordney-McCumber tariff bill is at once a colossal piece of partisan tariff folly and an offense against the American people. The only question is to what an extent the splendid victory of 1920 is going to be diminished next November. Unless the present shameful program of the tariff makers is radically changed, there will be a sorry lot of Republican "statesmen" on the morning after the congressional elections."

The Indianapolis News calls it "profit for the few" in these words:

"The more the tariff bill is discussed the more it appears that it is a measure for the profit of the few rather than for the protection of the many. There is no longer any pretense that the effect will not be to raise prices, and raise them a great deal.

"Thus it is not surprising that there is a daily increasing antagonism to the proposed tariff not only among the people who, because of a lack of organization, can speak only at election, but among prominent Republicans who always have been protectionists, but who do not believe in protection run mad."

The Philadelphia Record comments thus:

"If the press is hostile to the Fordney-McCumber bill it is because the bill is hostile to the Nation, and whether all the people understand this or not, most of the newspapers do. MR. MCCUMBER is simply trying to get money out of all the people for the enrichment of a few of them."

The Oklahoman, of Oklahoma, gives this warning to Republicans in Congress:

"There is now some belated effort in Congress to reduce schedules of the new tariff measure. This undoubtedly is in response to public protests against a measure carrying schedules that average nearly 50 per cent higher than those of the Payne-Aldrich tariff law, and that was so bad that it disrupted the Republican Party and ended its control of national affairs. It is time that people who object to such robbery of the many for the benefit of the few should make their objections felt, and the point of attack should be the Republicans now in Congress."

The Providence Journal, an influential newspaper published in a protectionist stronghold, writes:

"The fact that a foreign ambassador has called the tariff an international question is not going to make the American people forget that whether the quidnuncs call it an international question or a domestic question, or both, it comes home to them in higher costs of living for which there can be no justification."

Mr. SIMMONS. Mr. President, in reference to the extract that the Senator from Connecticut read from my speech upon lumber, I simply desire to say to him that in 1913, when I was making a tariff bill, I put lumber on the free list.

Mr. HEFLIN. Mr. President, the Senator from Connecticut [Mr. McLEAN] has announced a strange doctrine, an entirely new doctrine to me. He said that when a tariff tax was laid upon an article the article thus taxed immediately became cheaper.

Mr. President, I am satisfied that there is not a Republican in the whole country except the Senator from Connecticut who will accept that doctrine. The Senator from North Dakota [Mr. McCUMBER], in his defense of these tariff schedules, has undertaken to point out from time to time that they would result in but slight increases so far as the cost to the consumer was concerned. I have never before heard the doctrine announced from anybody, and I never expect to hear it announced again except by the Senator from Connecticut [Mr. McLEAN] that by the employment of the taxing power to increase the selling price of an article you at the same time reduce the cost of that article to the consumer.

Mr. President, no wonder these Republican newspapers are referring to this tax measure and some of the arguments that support it as utterly ridiculous. Here is an effort to increase the tariff tax on cheap silk, and we now have a splendid trade in American silk goods abroad. I hold in my hand a pamphlet, "The Silkworm, Official Bulletin of the Silk Association of America," and here is an advertisement seeking American agents to sell our silk goods in foreign markets; and yet some Senators on the other side, including the Senator from Connecticut, are appealing for an additional tax upon that very material.

Mr. President, as the Senator from Texas [Mr. SHEPPARD] showed in his powerful speech of yesterday, we are absolutly dependent on these foreign countries for the raw material for our silk industry.

The Senator from Connecticut comes now and asks for an additional 10 per cent, to be added to the 45 per cent now on the statute books.

It is a fortunate thing that the people back home can be heard in these matters. I hold in my hand a copy of a telegram addressed to the Senator himself by one of his own constituents, which reads as follows:

The tentative rate of 55 per cent catchall clause in silk schedule is altogether too high. It shuts out French importations upon which we depend for success of American industry. We urge 45 per cent as ample protection.

Forty-five per cent is the present rate, and the Senator is seeking to put on top of that 10 per cent more, and one of his own constituents, in the business himself, says that the addition of 10 per cent would destroy their business.

It is a flagrant abuse of the taxing power to undertake to put money into the pockets of one great big silk concern, taking it away from others and destroying their business. It simply shows what I and others have contended during the tariff debates—that the little man is not considered by the bosses of the Republican Party; that the common man, the average man and woman, never is considered in its scheme of legislation. It is only the big man, it is only the man who is able to write a big check for a campaign fund who is able to have the taxing power used for his benefit in the Senate. The little man may protest by his telegram to his own Senator that his little business will be destroyed, but none of these things move the Senator from Connecticut and those with him, who stand and plead for this abuse of this taxing power.

Mr. McLEAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from Connecticut?

Mr. HEFLIN. I yield.

Mr. McLEAN. The Connecticut industry at South Manchester, which is owned and managed by the Cheneys, produces less than 5 per cent of the American product.

Mr. HEFLIN. Is that any reason why it is not entitled to live? Because a concern is small should it be choked to death and killed?

Mr. McLEAN. Mr. President——

Mr. HEFLIN. It is entitled to as much consideration as the silk kings of the country. The Democratic Party looks to the welfare of the commonest individual. None is too small for its consideration. The Government belongs to the whole people, and you have no right to use it to put money into the pockets of the few favored ones to the detriment and ruin of the many.

Mr. McLEAN. I think the Senator from Alabama, as usual, did not comprehend my statement.

Mr. HEFLIN. I understand the Senator from Connecticut. I think he does not understand himself frequently.

Mr. McLEAN. I understood the Senator from Alabama to say earlier in the day that this bill was drafted in the interest of the Cheney combine. I wanted to inform him that this great combine which he has mentioned controlled or produced less than 5 per cent of the American product. I did not refer to the telegram which the Senator read, because I do not know who signed it, and the Senator has not told me.

Mr. HEFLIN. I will tell the Senator. It is signed by the Portland Silk Co., Middletown, Conn., right in the Senator's own State, protesting against the very thing he is undertaking to have done, and a Democrat from the far South must champion the cause of these people in the State of the Senator and protest against the very thing he is undertaking to do in this body.

That is not all. I want to read another one to the Senator, from his own State. It is as follows:

Senator GEORGE P. McLEAN,
Senate Office Building, Washington, D. C.:

We protest against the high rate of 55 per cent catch-all clause in the silk schedule. As manufacturers of silk goods in your State, we tell you that Cheney is not the whole show, and as your constituents we insist upon 45 per cent as more than sufficient protection. We are exporting silks that we make to England at a profit, and therefore surely do not need a prohibitive protection.

BERFELDEN SILK MILLS.
Bethel, Conn.

Mr. President, in view of what the Senator has said I read to but little purpose to the Senator yesterday from the editorial of the North American, a Republican paper published in Philadelphia. I want to read a part of it again:

Dolliver was a stanch believer in tariff protection. He stood for a tariff framed to offset the difference between foreign and American production costs and to preserve the American worker's standard of living. But he was implacably against those who, disguised as champions of honest protection, sought to put the rates so high that they could wring tribute from the American people.

What is this but raising the prices of these cheap silk goods to the poor? It is the only class of silk goods they can buy, and now comes the Senator from Connecticut asking for the increase, with silk concerns in his own State saying that they will be put out of business; that it will hurt their foreign trade if he puts this duty on, which only benefits one big concern in New England.

Again, Mr. President, it seems that the Republican bosses are deaf to the appeals of fairness and justice in anything which affects the rights and interests of the American people. As I said yesterday, it remains to be seen whether or not the American electorate will indorse the misuse and abuse of the taxing power that we see here every day.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the Senator from Texas [Mr. SHEPPARD] to the committee amendment, on which the yeas and nays have been ordered.

The Assistant Secretary proceeded to call the roll.

Mr. DIAL (when his name was called). I have a pair with the senior Senator from Michigan [Mr. TOWNSEND]. I transfer that pair to the junior Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. HALE (when his name was called). I transfer my pair with the Senator from Tennessee [Mr. SHIELDS] to the Senator from Maryland [Mr. WELLER] and vote "nay."

Mr. JONES of Washington (when his name was called). The senior Senator from Virginia [Mr. SWANSON] is necessarily absent. I am paired with him for the day. I find I can transfer that pair to the junior Senator from Iowa [Mr. RAWSON], and I do so and vote. I vote "nay."

Mr. LODGE (when his name was called). I transfer my pair with the senior Senator from Alabama [Mr. UNDERWOOD] to the senior Senator from Maryland [Mr. FRANCE] and vote "nay."

Mr. McCUMBER (when his name was called). I transfer my general pair with the junior Senator from Utah [Mr. KING] to the junior Senator from Washington [Mr. POINDEXTER] and vote "nay."

Mr. ROBINSON (when his name was called). Transferring my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the senior Senator from Missouri [Mr. REED], I vote "yea."

Mr. STERLING (when his name was called). Transferring my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from New York [Mr. WADSWORTH], I vote "nay."

Mr. TRAMMELL (when his name was called). In the absence of my pair, the senior Senator from Rhode Island [Mr. COLT], I withhold my vote. If permitted to vote, I would vote "yea."

Mr. WATSON of Indiana (when his name was called). Transferring my general pair with the Senator from Mississippi [Mr. WILLIAMS] to the senior Senator from Pennsylvania [Mr. CROW], I vote "nay."

The roll call was concluded.

Mr. HARRISON (after having voted in the affirmative). I have a general pair with the junior Senator from West Virginia [Mr. ELKINS]. He not having voted, I withdraw my vote. If permitted to vote, I would vote "yea."

Mr. JONES of New Mexico (after having voted in the affirmative). I am informed that my general pair, the Senator from Maine [Mr. FERNALD], has not voted. I am unable to obtain a transfer of that pair and therefore withdraw my vote.

Mr. CURTIS. I wish to announce the following general pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON]; and

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR].

The result was announced—yeas 23, nays 35, as follows:

YEAS—23.

Ashurst	Fletcher	Myers	Sheppard
Borah	Harris	Overman	Simmons
Caraway	Heflin	Pittman	Stanley
Culberson	Hitchcock	Pomerene	Walsh, Mass.
Cummins	Kellogg	Ransdell	Walsh, Mont.
Dial	Lenroot	Robinson	

NAYS—35.

Ball	Frelinghuysen	McKinley	Phipps
Brandegee	Gooding	McLean	Smoot
Broussard	Hale	McNary	Spencer
Bursum	Jones, Wash.	Moses	Stanfield
Calder	Kendrick	Nelson	Sterling
Capper	Keyes	Newberry	Warren
Curtis	Ladd	Nicholson	Watson, Ind.
du Pont	Lodge	Oddie	Willis
Ernst	McCumber	Pepper	

NOT VOTING—38.

Cameron	Harreld	Norris	Swanson
Colt	Harrison	Owen	Townsend
Crow	Johnson	Page	Trammell
Dillingham	Jones, N. Mex.	Poindexter	Underwood
Edge	King	Rawson	Wadsworth
Elkins	La Follette	Reed	Watson, Ga.
Fernald	McCormick	Shields	Weller
France	McKellar	Shortridge	Williams
Gerry	New	Smith	
Glass	Norbeck	Sutherland	

So Mr. SHEPPARD's amendment to the amendment of the committee was rejected.

The PRESIDENT pro tempore. The question now is upon agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDENT pro tempore. The Secretary will state the next amendment.

The ASSISTANT SECRETARY. On page 156, in paragraph 1204, the committee proposes to strike out in line 9, after the word "pound," "*Provided*, That none of the foregoing shall pay a less rate of duty than 35 per cent ad valorem," and insert in lieu thereof a comma and the words "but not less than 35 per cent ad valorem," so as to read:

PAR. 1204. Sewing silk, twist, floss, and silk threads or yarns of any description, made from raw silk, not specially provided for, if in the gum, $1 per pound, but not less than 35 per cent ad valorem.

Mr. SHEPPARD. Mr. President, I recognize that the application of the proposed ad valorem duty is essential to the rate scheme contemplated in this paragraph, and, inasmuch as the amendment which I propose to offer involves a complete change of the text of the paragraph, I can not under the prevailing rule offer it at this time. Consequently I content myself with voting against the amendment for the present.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment will be stated.

The ASSISTANT SECRETARY. On page 156, in line 13, after the word "pound," the committee proposes to strike out "*Provided*, That none of the foregoing shall pay a less rate of duty than 40 per cent ad valorem," and insert in lieu thereof a comma and the words "but not less than 40 per cent ad valorem," so as to read:

If ungummed, wholly or in part, or if further advanced by any process of manufacture, $1.50 per pound, but not less than 40 per cent ad valorem. In no case shall the duty be assessed on a less number of yards than is marked on the goods as imported.

Mr. SHEPPARD. Mr. President, what I said with reference to the previous amendment applies to this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The ASSISTANT SECRETARY. The next amendment of the committee is on page 156, to strike out paragraph 1205, in the following words:

PAR. 1205. Woven fabrics in the piece, composed wholly or in chief value of silk, if dyed in the thread or yarn, and the weight is not increased in dyeing beyond the original weight of raw silk, if containing not more than 30 per cent in weight of silk, $1.25 per pound; if containing more than 30 per cent but not more than 45 per cent in weight of silk, $1.60 per pound; if containing more than 45 per cent in weight of silk, $3 per pound; if weight is increased in dyeing beyond the original weight of raw silk, if weighing more than one-third of 1 ounce but not more than 1 ounce per square yard, if black (except selvedges), $2.25 per pound; if other than black, $3 per pound; if weighing more than 1 ounce but not more than 1½ ounces per square yard, if black (except selvedges), $2 per pound; if other than black, $2.75 per pound; if weighing more than 1½ but not more than 1¾ ounces per square yard, if black (except selvedges), $1.80 per pound; if other than black, $2.50 per pound; if weighing more than 1¾ but not more than 2 ounces per square yard, if black (except selvedges), $1.65 per pound; if other than black, $2.25 per pound; if weighing more than 2 but not more than 8 ounces per square yard, and if containing not more than 30 per cent in weight of silk, if black (except selvedges), 75 cents per pound; if other than black, 90 cents per pound; if containing more than 30 per cent but not more than 45 per cent in weight of silk; if black (except selvedges), $1.10 per pound; if other than black, $1.30 per pound; if containing more than 45 per cent in weight of silk, but not more than 60 per cent, if black (except selvedges), $1.40 per pound; if other than black, $1.60 per pound; if containing more than 60 per cent in weight of silk, or if composed wholly of silk, and if having not more than 440 single threads to the inch in the warp, if black (except selvedges), $1.50 per pound; if other than black, $2 per pound; if having more than 440 but not more than 600 single threads to the inch in the warp, if black (except selvedges), $1.65 per pound; if other than black, $2.25 per pound; if having more than 600 but not more than 760 single threads to the inch in the warp, if black (except selvedges), $1.80 per pound; if other than black, $2.50 per pound; if having more than 760 but not more than 920 single threads to the inch in the warp, if black (except selvedges), $2 per pound; if other than black, $2.75 per pound; if having more than 920 single threads to the inch in the warp, if black (except selvedges), $2.25 per pound; if other than black, $3 per pound; if weighing more than 8 ounces per square yard, 33⅓ per cent ad valorem.

And insert in lieu thereof:

PAR. 1205. Woven fabrics in the piece, composed wholly or in chief value of silk, not specially provided for, 55 per cent ad valorem.

Mr. SHEPPARD. Mr. President, the Senate Finance Committee in proposing this amendment have discarded and repudiated the rate scheme which it recommended when it reported the pending bill. The paragraph as it appears in the bill covers four or five pages and includes complicated classifications, classifications amounting almost to prohibitions against imports in many instances. In proposing in lieu of that complicated paragraph a paragraph of two or three lines, following exactly the language of the existing Democratic law, the committee pays a high compliment to the ability of the Democrats in constructing the present tariff law. I congratulate it on returning to the plain, simple Jeffersonian language of existing Democratic law and wish it could also apply the same action to the rates.

It is unnecessary for me to repeat what I said yesterday regarding this paragraph. It involves the type of silk known as broad silk. Broad silk constitutes the principal part of the silk-manufacturing industry in the United States.

Under the existing Democratic rate of 45 per cent, a rate in effect highly protective, this branch of the silk industry has made most remarkable progress within the last six or eight years. It has grown from an output in 1914 of over 216,000,000 yards, valued at $137,000,000, to an output in 1919 of 307,000,000 yards, valued at $391,000,000. Thus it trebled its output under existing Democratic rates within five years. What more could Senators expect? Why do they propose a substantial increase in rates in view of a situation of this kind?

Not only has the industry shown this remarkable increase in the value of production but it has developed a notable export trade. The exports in 1919 had a value of $10,000,000 and in 1920 of $8,000,000. During the first nine months of 1921 the exports amounted to $2,000,000. Imports constitute about 6 or 7 per cent of the domestic consumption, and are confined mainly to novelties and high-grade specialties from Europe and to the cheaper grade of silks from China and Japan, which are not made to any large extent in this country or which can not be as profit-

ably made as the higher-grade standard silk goods. Our manufacturers have found it more profitable to confine their efforts to the production of the higher-grade standard silk goods than to attempt to produce the cheaper goods. The cheaper goods and the high-grade novelties constitute the bulk of the relatively small volume of imports in this branch of the silk industry.

The Senator from Connecticut [Mr. McLEAN] said the silk industry was suffering. What is it doing with the continuously increasing volume of imported raw material? As I said a few moments ago, the imports for 11 months ending in May of this year were larger than in any similar period of the country's history. So I submit that there can be no possible basis in justice or in fact for an increase of 22 per cent in the tariff on broad silk.

Mr. HITCHCOCK. Mr. President——

Mr. SHEPPARD. I yield to the Senator from Nebraska.

Mr. HITCHCOCK. Can the Senator state approximately the price at which the American-made silks sell in this country?

Mr. SHEPPARD. I can in a general way. Usually the value of the silk manufactured output is twice the value of the raw material. The raw reeled-silk imports are valued now at about $8 a pound. Therefore the manufactured output of woven-silk goods, the larger part of the entire production, would have an average value of $16 a pound at present.

Mr. HITCHCOCK. Can the Senator translate that into yards instead of pounds, so as to make it a little more intelligible?

Mr. SHEPPARD. It is hardly possible to translate it into yards because the quality varies with the pounds per yard, and I know of no official statement based on yards.

Mr. HITCHCOCK. Are these particular silks in general use or are they simply luxuries used by the rich?

Mr. SHEPPARD. They are standard silk dress goods and, as the Senator knows, they are in general use throughout the United States.

Mr. HITCHCOCK. By women of all classes?

Mr. SHEPPARD. Yes; by practically all women. Ninety per cent of ties and hatbands are made of silk, and silk dresses, especially the cheaper variety, are coming more and more into general use. In fact, the American people are using silk to a greater extent than ever, and it would not be accurate to say that it is a luxury solely or mainly of the rich.

Mr. HITCHCOCK. The Senator's investigations have shown that the manufactures of the American-made goods consumed are increasing rapidly, and that the American manufacturers control the market virtually?

Mr. SHEPPARD. The American manufacturers of broad silks have not only obtained complete command of the domestic market but are building up a substantial export trade. The imports, as I said, are now confined principally to the higher grades of silk goods and novelties and to the cheaper grades from Japan and China.

The existing rate of 45 per cent certainly ought to be satisfactory to Senators and to the industry. I have here a telegram from the Bethlehem Silk Co., one of the substantial silk concerns of the United States, sent to a Republican Senator and reading as follows:

JULY 26, 1922.

As domestic manufacturers of silks, and for the good of the Republican Party, we hereby protest against the high rates now proposed by the Senate Finance Committee on silk goods imports as unnecessary for protection. We are amply and fully protected against the importations from any country in the world by the present rate of 45 per cent, and any rates above this would only mean higher taxes for the consuming public.

BETHLEHEM SILK CO.

Mr. POMERENE. Mr. President——

Mr. SHEPPARD. I yield to the Senator from Ohio.

Mr. POMERENE. I did not hear the earlier part of the Senator's argument on this schedule, but can he tell the Senate what this additional tariff rate would cost the consumers of the country if it were adopted?

Mr. SHEPPARD. The output for the last year for which I have the official figures is almost $400,000,000, and the ad valorem increase is about 22 per cent. One-fifth of $400,000,000 means an $80,000,000 cost increase in this branch of the silk industry alone.

Mr. FLETCHER. Mr. President——

Mr. SHEPPARD. I yield to the Senator from Florida.

Mr. FLETCHER. May I ask the Senator what the revenue now derived amounts to under the present law?

Mr. SHEPPARD. I have not that exact figure at present, but I shall find out for the Senator and will give it to him in a moment. The revenue derived from the existing Democratic rate on broad silks amounted to about eleven and a half million dollars in 1920. The average for a number of past years was much lower.

Mr. FLETCHER. As I understand the Senator's argument, supported by the telegram which he just read, it is to the effect that the additional 22 per cent would be overprotection.

Mr. SHEPPARD. Exactly.

Mr. FLETCHER. It comes out of the pockets of the people without any benefit really to the manufacturer or to anybody else. It merely enables them to raise the price that much. May I ask the Senator how much of the raw material out of which these goods are made is imported? Is practically all the raw material imported?

Mr. SHEPPARD. All of the raw material is imported, imported free of duty, so that manufacturers are practically getting double protection. They are getting a generous protection on the finished product and they are also getting the raw material free. Why they ask for more at this time challenges my understanding.

Mr. POMERENE. Mr. President, let me ask a further question. The Senator from Texas has just read a very illuminating telegram from the Bethlehem Silk Co.——

Mr. SHEPPARD. The telegram which I read was from the Bethlehem Silk Co.

Mr. POMERENE. Are they producers of all classes of silk or are they confined to certain specialties?

Mr. SHEPPARD. They are producers in a large way of the standardized broad silks, if I am correctly informed.

Mr. POMERENE. So that any expression of that kind would reflect their sentiment as to the silk industry generally?

Mr. SHEPPARD. I think that they would reflect the sentiment of the larger part of the silk industry.

Mr. HITCHCOCK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Nebraska?

Mr. SHEPPARD. I yield.

Mr. HITCHCOCK. I understood the Senator from Texas to state that the American production of silk is something like $400,000,000 worth a year?

Mr. SHEPPARD. The amount in 1919, the last year for which we have the official figures, was over $391,000,000 in broad silks alone.

Mr. HITCHCOCK. That is consumed very largely by the American public.

Mr. SHEPPARD. It is consumed principally by the American public.

Mr. HITCHCOCK. Can the Senator from Texas state or give some idea as to how the imports of that class of silk compare with the volume of American production?

Mr. SHEPPARD. The importations represent about 6 or 7 per cent of home output.

Mr. HITCHCOCK. So that competition from abroad may be said to be negligible?

Mr. SHEPPARD. That is true.

Mr. HITCHCOCK. And where the Bethlehem Silk Co. states that "any rates above" the present rates "would only mean higher taxes for the consuming public," they only refer to importations of about 6 per cent of the total consumption; so that the taxes are not a very important feature.

The real significant fact is that if the tariff were raised it would enable the producers of $400,000,000 worth of silk to raise their prices and have immunity from foreign competition; in other words, the taxes that would be levied on the American people would not go into the Treasury of the United States, but might go into the treasuries of the silk manufacturing companies?

Mr. SHEPPARD. That seems to be correct.

Mr. POMERENE. It would also follow, I assume, that instead of getting customs revenues from the importations which amount to 6 per cent of consumption, the additional tax of 10 per cent would operate as an embargo?

Mr. FLETCHER. The additional tax is 22 per cent.

Mr. POMERENE. No; the additional rate is 10 per cent.

Mr. SHEPPARD. The additional rate amounts to an increase of 22 per cent over the existing rate.

Mr. POMERENE. The rate of 22 per cent, therefore, would operate virtually as an embargo upon any further importation of silks?

Mr. SHEPPARD. It evidently would.

Mr. FRELINGHUYSEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield, and, if so, to whom?

Mr. SHEPPARD. I yield to the Senator from New Jersey.

Mr. FRELINGHUYSEN. I request Senators who are debating the pending proposition to speak a little louder in order that we on this side of the Chamber may hear what they say.

Mr. SHEPPARD. I shall speak a little louder, and I shall read the names of some silk concerns which are opposed to an increase of tariff rates in this schedule; concerns which em-

brace, I think, the bulk of the silk business in the United States.

The Susquehanna Silk Mills, 149 Madison Avenue, New York City, with mills at Marion, Ohio; Jersey Shore, Lockhaven, Milton, Northumberland, Lewiston, and Huntington, Pa.

Martin L. Cohn Co., 424 Fourth Avenue, New York City.

Mr. WALSH of Montana. I should like to ask the Senator are we to understand that mills at Marion, Ohio, are protesting against this schedule?

Mr. SHEPPARD. The mill at Marion, Ohio, is protesting against this schedule. Also the Burlington Silk Mills, 424 Fourth Avenue, New York City, with mills at Burlington, N. J.

Mr. POMERENE. May I add to the illuminating statement which has just been made by the Senator from Texas in answer to the question of the Senator from Montana [Mr. WALSH] that there are more protests against the passage of this bill in my mail from Ohio from manufacturers who are Republicans than from any other source.

Mr. SHEPPARD. I thank the Senator from Ohio for that information.

Mr. HITCHCOCK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Nebraska?

Mr. SHEPPARD. I yield.

Mr. HITCHCOCK. I want to state to the Senator from Texas also that there will not only be Marions who will protest against the passage of this bill but there will be Marys, Susans, Lucys, and women of a great many other names when the time comes for the new voters to go to the polls in November next. I think, perhaps, that our Republican friends have overlooked the fact that when the Marions, and the Marys, and the Lucys, and the Susans, and the Jessies go to buy their dresses and other articles of war apparel and find that the Republican policy has put up the prices of the things they have got to wear, the protests will take a very substantial form in the November elections.

Mr. SHEPPARD. We have all heard of the "steam roller" in American politics, but it seems now that Marion, Ohio, is going to get out a steam shovel and with it undermine the high walls of protection. I understand that some of the best varieties of steam shovels are made there.

Mr. WATSON of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Georgia?

Mr. SHEPPARD. I yield.

Mr. WATSON of Georgia. Has the Senator from Texas read the first issue of the magazine called The New Magazine, which came out in April of this year and which has been followed by subsequent monthly issues? In the first issue there was a special study, carefully made to all appearances, by an expert, and one of the most important statements made with reference to the Swiss industry was that Switzerland, a country which did not go into the war and has not since then entered the league, has had to close down its silk industry and that Germany and the American States are getting the trade in silks which Switzerland used to have.

Mr. SHEPPARD. I have not seen that publication, but I am glad to have the Senator's statement regarding it. In this connection I desire to say that the silk concerns of America, while preparing to have a great silk exhibit in New York City, recently invited foreign silk concerns to cooperate, but a number of them have declined on the ground that they could not make a decent showing in competition with American concerns. Now I shall proceed with the list.

Mr. POMERENE. Mr. President, is it possible that we can do anything of that character? I did not suppose we could do anything without this tariff.

Mr. SHEPPARD. I think that the illustration I have given ought to be sufficient evidence of the fact that we can lead the world in manufacture without the aid of exorbitant tariffs.

Now, proceeding with the list of silk concerns opposed to increases in the present silk tariff rates, I call attention to the following:

Empire Silk Co., 315 Fourth Avenue, New York (with mills at Paterson, N. J.; Carbondale, Scranton, and Wilkes-Barre, Pa.).

The Peerless Plush Manufacturing Co., 32 East Twenty-first Street, New York City (with mills at Paterson, N. J.).

Carl Shoen Silk Corporation, 260 Fourth Avenue, New York City (with mills at West Hoboken, N. J.; Scranton, Pa.; and Valley Falls, R. I.).

Stunzi Sons Silk Co., 461 Fourth Avenue, New York City (with mills at Reading, Pa.).

Sauquoit Silk Manufacturing Co., 440 Fourth Avenue, New York City (with mills at Philadelphia, South Bethlehem, and Scranton, Pa.).

American Velvet Co., 456 Fourth Avenue, New York City (with mills at Stonington, Conn.).

A. Wimpfheimer & Bro., 456 Fourth Avenue, New York City.

Astoria Silk Works, 727 Steinway Avenue, Long Island City, N. Y.

D. G. Dery (Inc.), 381 Fourth Avenue, New York City (with mills at Allentown, Reading, Anticoke, Maltby, Scranton, Olyphant, Stroudsburg, Pa.; Paterson, N. J.; Norfolk and Charlottesville, Va.; Hornell, N. Y.; and Taunton, Mass.).

Cedarcliff Co., 381 Fourth Avenue, New York City (with mills at Paterson, N. J., and Binghamton, N. Y.).

John & James Dobson (Inc.), 809–811 Chestnut Street, Philadelphia, Pa.

Clifton Yarn Mills, Clifton Heights, Pa.

The Portland Silk Co., 131 East Twenty-third Street, New York City (with mills at Middletown, Conn.).

R. & H. Simon Co., Union Hill, N. J. (with mills at Union Hill, N. J., and Easton, Pa.).

Pennsylvania Textile Co., 449 Fourth Avenue, New York City (with mills at York, Pa., and Central Falls, R. I.).

Manhattan Silk Co., 95 Madison Avenue, New York City (with mills at Ogdensburg, N. Y.).

Mr. FRELINGHUYSEN. Mr. President——

Mr. SHEPPARD. I yield to the Senator from New Jersey.

Mr. FRELINGHUYSEN. I should like to ask the Senator a question. Has he compiled the statistics of the number of looms in the mills to which he has referred, and also the quantity of material imported by those firms? Has he the number of broad looms that are represented in the list which he has read?

Mr. SHEPPARD. I have not that information. I give this list for what it is worth, and I think it is composed of representative silk firms in the United States.

Mr. POMERENE. They are opposed to this increase?

Mr. SHEPPARD. They are opposed to this increase.

Therefore, Mr. President, I move to substitute the rate of 45 per cent as found in the present Democratic law for the proposed increase to 55 per cent. The Republican Party ought to be consistent. Having adopted the language of the Democratic law it ought also to adopt the Democratic rate. I ask for the yeas and nays on the amendment.

Mr. FRELINGHUYSEN. Mr. President, before the yeas and nays are taken I want to say just a word about this industry, particularly in reference to my State.

The Senator from Texas [Mr. SHEPPARD] has read a list of several firms or factories in New Jersey that he says are opposed to this duty. I think I counted some eight or ten factories that he mentioned. There are 957 silk factories in New Jersey, and they are almost a unit in asking for this protection. We do not realize the extent or importance of the great silk industry which has been built up and fostered in this country under a protective tariff. Connecticut, for which Senator MCLEAN speaks, of course has a large silk industry within its limits. Some fifty-seven and odd millions of dollars are invested there; but in New Jersey we have $101,000,000 invested and in the State of Pennsylvania there is $237,000,000 invested. The entire capital invested in the silk industry in this country is some $532,000,000. The factories employ 137,000 wage earners, but at the present time only 59 per cent of the full capacity of the mills is in operation. The number of dependents upon the 137,000 wage earners is 413,000. So when you take the States of Connecticut, Massachusetts, New Jersey, New York, Pennsylvania, and Rhode Island, these States are deeply interested from the standpoint of the protection of the labor that work in these factories.

We are considering the tariff duty on broad silk. New Jersey has 20,683 looms employed in broad-silk manufacturing, and Pennsylvania over 33,000. The employees in New Jersey on broad silk number over 32,000, while 53,000 are employed in Pennsylvania, but at the present time only 49 per cent of the capacity of the broad-silk mills in this country is in operation.

I ask that these statistics, compiled by the statistical bureau of the Silk Association of America, be inserted as part of my remarks.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

[Compiled by the statistical bureau of the Silk Association of America.]

States.	Number of establishments.	Looms.		Spindles.	Wage earners.	Number of dependents (wage earners multiplied by 3).	Capital invested.
		Broad.	Narrow.				
Connecticut	69	4,974	167	138,189	11,254	33,762	$57,837,589
Massachusetts	92	3,218	.....	152,658	5,907	17,001	26,614,191
New Jersey	957	20,683	3,998	284,121	32,326	96,978	101,180,821
New York	592	6,114	1,248	263,040	13,342	40,026	62,550,489
Pennsylvania	769	33,853	3,629	1,610,086	53,002	159,156	237,628,505
Rhode Island	69	5,240	.....	40,303	4,150	12,450	20,200,627
Total in United States	2,743	87,215	9,223	2,669,459	137,716	413,148	532,732,163
Operated at present (per cent)	.....	49.8	35.3	59.3	.....	.....	.....

Mr. HITCHCOCK. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Nebraska?

Mr. FRELINGHUYSEN. I yield.

Mr. HITCHCOCK. I desire to ask the Senator whether the fact that only 40 per cent of the capacity is now at work in these mills is due to large importations?

Mr. FRELINGHUYSEN. In some part it is due to the importations, and in some part to the present depressed condition of the market.

Mr. HITCHCOCK. I thought so; but how large are the importations?

Mr. FRELINGHUYSEN. I will get to that. I want to finish my statement of these figures, because I think, I will say to the Senator from Nebraska, that they are important to show the size of the industry and how it is affected. The Senator from Texas [Mr. SHEPPARD] has tried to show that there is a protest from certain factories in my State. I want to show that the majority, running into the hundreds, of the silk men of New Jersey and Pennsylvania and Connecticut believe that this tariff duty—10 per cent over the former duty—is necessary and that this protest is only a flash in the pan, started by men who are principally interested in the importation of silk.

We are considering broad silk, and these figures were compiled by the Associated Silk Manufacturers of North Hudson, N. J., a large silk center in my State, in addition to Paterson, which is the largest.

In 1919 the number of mills manufacturing broad silk in New Jersey was 600. The number of looms was 36,800. The normal help was 29,400. What is it in 1922? The present help is 14,720, or nearly one-half of what it was in 1919. The weekly wage is $363,000, as against a normal weekly wage in 1919 of $883,000, and as against an annual wage in 1919 of $45,926,000 in 1922 it was only $18,890,000.

I ask to have this table printed in the RECORD as part of my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

The table is as follows:

Silk industry in New Jersey.

[Associated Silk Manufacturers of North Hudson, N. J.]

	Broad silk.	Ribbons, labels, and bat-bands.	Skein dyers.	Piece dyers.	Throwsters.	Total.
Number of mills	600	75	40	70	96	881
Number of looms	36,800	5,000				
1919.						
Normal help	29,400	6,000	2,500	3,500	2,500	43,900
Normal week wage	$883,200	$180,000	$62,500	$87,500	$50,000	$1,263,200
Annual wage	$45,926,400	$9,360,000	$3,250,000	$4,550,000	$2,600,000	$65,686,400
1922.						
Present help	14,720	1,500	750	1,400	1,250	19,620
Present week wage	$363,280	$37,500	$16,500	$30,800	$22,500	$470,580
Annual wage	$18,890,560	$1,950,000	$858,000	$1,601,600	$1,170,000	$24,470,160

Mr. FRELINGHUYSEN. The Senator from Nebraska [Mr. HITCHCOCK] asks about the importations. In 1918 there were 1,676,000 pounds of broad silk imported; in 1919, 3,123,000 pounds; in 1920, 2,565,000 pounds; and in 1921, 4,109,000 pounds. In comparison with the production, I agree with the Senator that it is a very small amount.

I did not hear what the Senator from Utah [Mr. SMOOT] said. Possibly he wishes to contribute something to the discussion.

Mr. SMOOT. No; I did not. I simply asked the Senator how many yards there generally are to a pound of silk.

Mr. FRELINGHUYSEN. I am not well enough informed to give the details.

Mr. McLEAN. From 8 to 20.

Mr. SMOOT. I stated that about 2 ounces to the yard would be 8 yards to the pound, the Senator having just a little while before asked about the importations. I am sorry the Senator thought I interrupted him in any way.

Mr. FRELINGHUYSEN. Mr. President, the value, as compiled by these figures for paragraph 1205, in 1918 was $10,645,000, and in 1921 $28,995,000, showing that the imports are increasing.

Mr. President, I have introduced these figures simply to show the importance of the industry, the present depressed condition in New Jersey, and to make the statement for the manufacturers of New Jersey that they want this protection. The condition of the mills of New Jersey at the present time is deplorable, and unless this proper duty, figured out carefully by the committee, is imposed, these people feel that they will be menaced by the importations from France and Japan.

That is all I have to say.

Mr. HITCHCOCK. Mr. President, I understood the Senator to say that the present imports are about $23,000,000 worth.

Mr. FRELINGHUYSEN. Yes.

Mr. HITCHCOCK. What is the American production?

Mr. FRELINGHUYSEN. In 1919 it was $391,000,000.

Mr. HITCHCOCK. So that the imports are a very small proportion of the consumption, or of the production here?

Mr. FRELINGHUYSEN. In 1914 the production was $137,000,000; but I have shown the progressive increase of the importations.

Mr. HITCHCOCK. Mr. President, it is evident that these mills which are producing three or four hundred million dollars' worth a year of this particular kind of silk are not seriously endangered by the importation of $23,000,000 worth.

Mr. FRELINGHUYSEN. They are to a certain extent.

Mr. McLEAN. Mr. President, if the Senator from New Jersey will pardon me——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Connecticut?

Mr. FRELINGHUYSEN. I do.

Mr. McLEAN. We are not afraid of the European competition to-day. They are novelties, very expensive goods; but we think the rate is justified because they are expensive goods and are purchased by well-to-do people who buy fancy material. The competition that we fear is from Japan and China—mostly from Japan.

Mr. HITCHCOCK. Let me ask the Senator a question there. Are these expensive goods?

Mr. McLEAN. No; they are cheap goods.

Mr. HITCHCOCK. Then the Senator wants to stop the importation of cheap goods?

Mr. McLEAN. No; we do not want to stop the importation of cheap goods. We want to be put on a fairly competitive basis, and that is all. I want to say to the Senator that while the value of the importation is only about 7 per cent of the total, the yardage is 24 per cent. They are very light goods and very cheap goods. As I stated to the Senator from Utah, they run as high as 20 yards to the pound, and it is that competition which we fear. We did make these goods in 1912 and 1913, but we were driven out of business by this Japanese competition. Since the war the importation has increased so rapidly that it is displacing a very large percentage of our yardage, and that is why we want a rate 10 per cent higher than the Underwood rate.

Mr. HITCHCOCK. Let me see if I have the figures correctly. The Senator states that in value the imports approximate only 7 per cent of the total consumption, so that is negligible. He then says, however, that when we come to measure the amount by yards the imports are 24 per cent of the total consumption; so that it is the cheap goods that are coming in, and it is the cheap goods, used by comparatively poor people, upon which the Senator seeks to levy this tax, and which he seeks to exclude from the American market. That is just exactly the statement the Senator made.

Mr. McLEAN. Let me call the attention of the Senator from Nebraska to the Reynolds report on these habutais and pongees. The first article is valued in Japan at 38 cents a yard. The selling price here is 62 cents, adding the duty and all. The selling price of the domestic article is 85 cents a yard. That would warrant a rate of 120 per cent to equalize the difference, and all that we are asking is 55 per cent. When this matter was discussed before the committee I asked the expert if this rate of 55 per cent would interfere with the importations from Japan, and he said it would not. My own belief is that we shall have to have at least 75 per cent ad valorem, but we are willing to try to do the best we can on the 55 per cent basis. That is the situation.

Mr. HITCHCOCK. The fact is that we are making four times as much silk as we are importing if we take it by yardage. Now, I want to know of the Senator from Connecticut whether he objects to any competition from abroad. Does he not want any imports?

Mr. McLEAN. I have just tried to make it clear to the Senator that these rates probably would not interfere with the importations to the extent of a yard.

Mr. HITCHCOCK. What are they put on for, then?

Mr. McLEAN. The duty will give us a fairer chance to compete than if we had to compete under the 45 per cent ad valorem rate.

Mr. HITCHCOCK. That is, it will give the American manufacturers an opportunity to raise their prices to comport with the increased tariff?

Mr. McLEAN. Oh, no; they will have to lower their prices.

Mr. HITCHCOCK. How will they get any benefit from the tariff, then?

Mr. McLEAN. They will get 10 per cent ad valorem. The price of the foreign product will be raised to that extent.

Mr. HITCHCOCK. It means that that extra protection will enable them to avail themselves of it to get that extra pay.

Mr. McLEAN. Oh, no, Mr. President.

Mr. HITCHCOCK. That is certainly so. It is a proposition to increase the price of the cheap silks to the American women by increasing the tariff on cheap silks that are imported.

Mr. McLEAN. Mr. President, these goods can be bought now for 50 or 60 cents a yard in Washington, and they pay a 45 per cent ad valorem. I want to show a sample to the Senator from Nebraska.

Mr. FLETCHER. May I ask the Senator, right there, how the prices of to-day compare with the prices in 1914?

Mr. McLEAN. We were driven out of business in 1914 by the Underwood rates and we had to stop making these goods.

Mr. FLETCHER. That does not answer the question. The Senator made a statement regarding present prices of these silks. I ask him how the present prices compare with those of 1914?

Mr. McLEAN. I can not answer that question. I think they are probably somewhat higher.

Mr. FLETCHER. I think so.

Mr. HITCHCOCK. I understood the Senator to say that the silk mills were driven out of business in 1914. Have they been out of business ever since?

Mr. McLEAN. No. During the existence of the embargo created by the war, of course, we know that all industries in this country were busy.

Mr. HITCHCOCK. The war stopped four years ago.

Mr. McLEAN. Yes; but the Underwood rates are still in existence.

Mr. HITCHCOCK. They are still in existence, and your silk people are now doing three-fourths of all the business in silks, and they are manufacturing four times as much silk as is being imported, measured by the yard.

Mr. McLEAN. But we are not making these articles, because we can not do it, as we can not get the protection. Here is a pongee [exhibiting]. It is "loaded." I do not know the prices, but if you wish it, that is what you get. [Exhibiting.] It is a pure imposition. It is weighted with China clay and rice glue, and when you boil it and wash it it is worthless. I do not think the American people would suffer greatly if they were not permitted to buy this stuff at all.

Mr. SIMMONS. Mr. President, in the colloquy between the Senator from Nebraska and the Senator from Connecticut I understood the Senator from Connecticut to make the statement that on account of the Underwood law not affording sufficient protection the industry had been embarrassed and that the importations were increased.

Mr. HITCHCOCK. The Senator went further than that. He said they were put out of business by the Underwood law.

Mr. McLEAN. We did not make this particular line in 1912 and 1913.

Mr. SIMMONS. I am talking about broad silks, which are referred to in the paragraph under consideration. I have the data with reference to broad silks——

Mr. HITCHCOCK. I hope the Senator will read them.

Mr. SIMMONS. Under the McKinley Act and under the Dingley Act and under the first two years of the Underwood Act, before the influences of the war began to affect this industry, as it did many other industries. Beginning with 1901, down to 1905, which were years when the Dingley Act was in force, the importations were, in round numbers—

1901	$12,000,000
1902	13,000,000
1903	14,000,000
1904	14,000,000
1905	14,000,000

An average for those five years of $13,602,000.

Beginning with 1906, and going down to 1910, under the Payne-Aldrich rates, the importations were—

1906	$13,735,000
1907	13,545,000
1908	10,123,000
1909	11,162,000
1910	9,861,000

That was an average during those years of $11,655,000.

Beginning with 1911, and running on down to 1919, under the Payne-Aldrich rates, the importations were—

1911	$9,000,000
1912	6,895,000

And then, in 1914, the Underwood law being in operation during a large part of that year, the importations were $11,985,000, and in 1915 under the Underwood law the importations were $8,732,000, or an average during those five years of $8,878,000, as against an average from 1906 to 1910 of $11,685,000 and as against an average from 1901 to 1905 of $13,612,000. So the importations under the Underwood law before war conditions affected the situation were less, on the average, than the importations under the Dingley law or under the Payne-Aldrich law.

Mr. HITCHCOCK. I thank the Senator for those specific figures. But if we take the figures alone given by the Senator from Connecticut and have no supporting figures of a stronger character, as given by the Senator from North Carolina, the argument is conclusive that the manufacturers of silk in this country have prospered and done a legitimate part of the American business. He has admitted that if we take these silks as a whole the importations amount at the present time to only 7 per cent of the total consumption, and the other 93 per cent is supplied by the American manufacturers. He admits that even when we come to the cheaper silks, which, he says, sell to the women of this country at something like 60 cents a yard, the importations, in yardage, amount to only 24 per cent, as I understood him. Possibly he meant that the importation, by yardage, of all silks was 24 per cent.

I do not care which figures are taken. The American manufacturers, in any event, are manufacturing four times as much silk as is being imported into the country, measured in yards, which embraces the cheaper silks, and certainly it can not be claimed that that competition is of a disastrous character when three-fourths of the market, even in these cheap silks, is in the hands of the American manufacturers. I take it that the proposition to levy an extra tax of 10 per cent, or to increase the rate by 22 per cent, is simply for the purpose of enabling the American manufacturers to raise their prices on cheap silks to the American women, and I say that is not justified. There is no impending danger to the American industry which warrants it, and it is simply compelling the American women of the poorer class to pay a tax to the factories every time they buy a yard of silk.

Mr. SIMMONS. Mr. President, in addition to what the Senator has said, with the exception of a few novelties which come from Europe and some new designs, this is clearly a proposition to exclude the very cheapest grades of silks, which are not produced in the United States at all. I have discussed already to-day their character. While the purpose and motive of the manufacturers very largely is as described by the Senator, that of obtaining an opportunity to advance their prices, with immunity from foreign competition, the fundamental ground upon which they are asking the exclusion of these silk goods, which are not produced in America, and which the poor people of this country use, because they are not able to buy the high-priced products produced in the United States, is to force that class of customers, the users of these inexpensive silks from abroad, notwithstanding their financial inability, to undertake the extravagance of buying the higher grade and more costly products which are produced in America. It is a direct blow at the consumers of the cheap products. It is the laboring people of the United States, the people of small salaries, the farm women of this country, whose husbands are in distress, who use this inexpensive silk. These cheap silks do displace to some extent the expensive silks produced in the United States, and if the cheaper goods are excluded the poor people will be forced to buy the expensive silks or go without silks, and that is the motive of the proposition of levying this duty.

All the silk manufacturers are not asking for this, and those who are not asking for it have, in conversations with me, said that that was the purpose and the motive, to force these poor people, who have been content to buy a thing they were able to pay for, not produced in America, to buy a thing produced in this country which they are not able to pay for or as an alternative to have no silks at all.

The Senator from New Jersey spoke of the rapid increase of importation. There has been no rapid increase in importations at any time. Under the Underwood rate the importations have been negligible, and even during the war and since the war there has been no appreciable change in the importations from the year 1919.

In 1919 the importations were $28,000,000, in 1920 they were $25,000,000, in 1921 they were $23,000,000, in round numbers, in value. There may have been more yards, and there were

more yards; but that has reference to the cheaper products which are imported. A greater percentage of those have been coming in since the war. The distress of our people has made it necessary for greater numbers of them to use these cheaper grades of silk than was the case during the war. During the war almost anybody could afford to buy a $10 or $14 silk shirt, or thought they could. People are not doing it now. Anybody then could afford to buy costly stockings. They can not do it now. Now they must buy the cheaper stockings, and therefore the increase in the yardage is due to the fact that a larger percentage of these cheap goods are coming in now than during the war, because the demand for them is greater than it was during the war, and the demand for the more expensive kind is less.

I do not wish to enlarge upon the very able discussion of this schedule by the Senator from Texas. I think he covered this paragraph with wonderful clearness, forcefulness, and completeness; but I have here a statement giving certain data connected with the production, the importation, the exportation, and the value of these products, together with explanatory notes prepared by an expert of the department for my use. Instead of reading it and commenting upon it, which I would do but for the very full statement and presentation of the Senator from Texas, I shall content myself by asking that it may be incorporated in the RECORD as a part of my remarks without reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

PARAGRAPH 1205.

The production of broad silks (American production of broad silk is at least equal to that of all European countries combined and something like twice that of Japan)—designated in the tariff as "woven fabrics in the piece"—increased, from 1909 to 1914, 16.3 per cent in yards and 28 per cent in value; from 1914 to 1919, 43 per cent in yards and 184 per cent in value. Since 1919 production has, due to the depression, declined both in yards and in value, particularly in value. Production in 1914 and 1919 was as follows:

	Yards.	Value.
1914	216,511,000	$137,720,000
1919	310,132,000	391,736,000

Imports in the calendar year 1914 were valued at $10,257,000, or 7.4 per cent of production; in the calendar year 1919, at $28,417,000, or 7.2 per cent of production. In pounds, imports in these years 2,185,000 and 3,124,000, respectively.

Imports of broad silk from all sources rose from an annual average of 2,046,000 pounds in the five fiscal years, 1909 to 1913, inclusive, to an average of 2,409,000 pounds in the five fiscal years, 1914 to 1918, inclusive, and to an average of 2,931,000 pounds in the three fiscal years, 1919 to 1921, inclusive. Imports in the last four calendar years have been as follows:

	Pounds.	Value.
1918	1,676,168	$10,645,113
1919	3,123,880	28,416,782
1920	2,565,535	25,470,263
1921	4,109,185	23,995,339

The import in 1921 was the largest since 1903 and considerably more than double the average annual import for the five years, 1911 to 1915, inclusive. In this year the import was evidently a materially larger proportion of domestic production than in 1919.

Imports are mainly noncompetitive silks, pongees, and habutais, and those are not luxuries, but for the use of the poorer classes.

Since 1914 the character and source of imports has greatly changed. In the fiscal year 1914, 52 per cent of the total imports came from France, 12.2 per cent from Switzerland, and only 24.8 per cent from Japan. In the calendar year 1921, 74 per cent in value and 69 per cent in quantity came from Japan, only 9½ per cent in value and 7 per cent in quantity coming from France. From Japan and China together, the percentages for 1921 were 80 per cent in value and 85½ per cent in quantity. From these two sources came relatively cheap goods, used largely by the poorer classes of silk users. Those coming from France, on the contrary, are as a usual thing high-grade luxury cloths sold in small quantities to wealthy buyers. At the present time, therefore, 75 or 80 per cent of the imports consist of low-grade goods for mass consumption. They are no more luxuries than the bulk of cotton and wool fabrics which are imported. Right here lies one of the explanations of the increased import in pounds in the calendar year 1921. Because of reduced incomes, many consumers who in previous years had used domestic-made silks were forced to substitute therefor the somewhat inferior and much lower priced Japanese goods. This substitution occurred in the women's lining, underclothes, and shirt-waist trades and in the men's shirtings trade. Another important cause of the increased import of 1921 was buying in anticipation of increased duties.

Prior to 1914 the value of habutai imports constituted more than 95 per cent of the total import of broad silks from Japan. Since then the proportion of habutai has steadily decreased until in the calendar year 1921, judging by Japanese export figures, it constituted only about 47 per cent of the total pongee—a cloth not exported from Japan before 1918—now constituting about 45 per cent of the total.

The following figures indicate the course of plain habutai exports from Japan to the United States, in pounds and in estimated yardage:

	Pounds.	Yards.
Annual average 1909–1913	405,000	8,711,000
Annual average 1914–1918	948,000	20,352,000
Annual average 1919–1921	1,228,000	26,381,000
1919	1,700,000	38,456,000
1920	875,000	18,790,000
1921	1,019,000	21,896,000

Pongee exports from Japan were not differentiated by countries until 1921, for which year the American consul at Yokohama cables that the export of pongee to the United States amounted to 18,349,000 yards. From China, whence comes practically nothing but pongee, went to the United States, in 1920, 229,000 pounds of pongee, which probably amounted to a million and a half yards; in 1921, perhaps more than treble that amount—say, six to seven hundred thousand pounds, constituting four to five million yards.

For discussion, habutais may be divided into three classes—extremely lightweights (below about 4 momme weight, which equals 0.51 ounce to the square yard); medium weights (4 to 6 momme; that is, from 0.51 to 0.77 ounce per square yard); and heavyweights (above 6 momme). The extremely lightweights, which constitute 10 to 12 per cent of the total habutai import, are used chiefly as cheap coffin and cheap hat linings. They are so flimsy that they have to be used where there is practically no wear. None of them have ever been made in the United States, and their import is thus noncompetitive. If they did not come in, cotton and not silk would probably be substituted for them. The medium weights are used in making cheap undergarments, waists, and linings. They constitute probably 50 to 60 per cent of the total import and are only indirectly competitive. Under the 1909 tariff they were produced in the United States in small proportion to imports, but have not been made here since 1914. The heavyweights, which altogether constitute something like 20 to 30 per cent of the total, are directly competitive with a small domestic manufacture of imitation habutai and with a fairly large domestic manufacture of imitation radium. With other domestic goods they are also indirectly competitive. American fabrics are in general better made and command a varying price differential over the imported product.

Pongees were made here under the act of 1909, when the duty amounted usually to several hundred per cent, though consumption was greatly curtailed. Since 1914 they have not been made here, and it is doubtful whether they could except with a duty of something like 100 per cent. Imports of pongees may at present, therefore, be said to be noncompetitive. They are used for men's summer suits, men's shirts, women's dresses, suits, waists, and skirts. In many of these they are more nearly competitive with linen or cotton than with silk.

Under the present duty of 45 per cent ad valorem the bulk of American production, probably three-fourths of it, has met little or no foreign competition. The remaining fourth meets more or less direct or indirect competition from imports, chiefly from heavyweight habutai, though to some extent from European print cloths.

Attached is a table showing on various Japanese and Chinese fabrics, how under March, 1921, prices the duties of the pending bill would operate. For some of them it is also indicated how these duties would operate under 1913 prices should they return.

From the table it becomes apparent that with a minimum ad valorem the specific duties originally proposed would not only not apply under present prices, except on pongee, but would not apply under 1913 prices. Indeed, with a minimum ad valorem of 45 per cent, 27 per cent of the total import in the fiscal year 1913 was dutiable under the minimum, while the average ad valorem equivalent was 54.37.

Mr. SIMMONS. In connection with my remarks upon the schedule relating to thrown silk, I ask permission to incorporate as a part of my remarks a statement with reference to the matter I was then discussing, prepared and sent to me by the Fair Tariff League, a great protection organization of the United States, with a membership, as I understand, of 1,500,000. It is very illuminating, and I ask that I may be permitted to incorporate it as a part of the remarks I made upon that schedule.

There being no objection, the statement referred to was ordered to be printed in the RECORD, as follows:

The silk tariff has virtually been written for a generation under pressure of the Cheney family, who operate what is said to be the biggest silk mills on earth at South Manchester, near Hartford, Conn. Just so Lippett, of Rhode Island, has dominated the cotton schedule, and other manufacturers their several schedules.

* * * * * * *

Now, under the pressure and leadership of a Cheney, and with the vigorous opposition of some silk manufacturers in Connecticut and elsewhere, the Payne paragraph is restored in the pending bill, but with 20 per cent increase in rates. * * *

* * * * * * *

The present rate averages 42.6 per cent on woven fabrics, laces, embroideries, and other manufactures. The rate in the Senate bill is 62 per cent.

Under the present rate, the silk mills are permitted to add to their prices, if they can, $214,000,000 above the prices of their foreign competitors.

COST OF PROPOSED RATES.

Under the proposed bill they are invited to add $274,000,000, mostly to be picked from the pockets of the women of the United States. The unfortunate women would have to give up under the pending bill an additional $120,000,000 above present costs, one half of this going to the manufacturers and the other half going to jobbers, wholesalers, and retailers, who are everywhere protesting against it.

This statement of the unrighteousness of the proposed silk rates is based upon the following facts:

THE "DIFFERENCE IN COST HERE AND ABROAD."

Prominent and successful silk manufacturers, upon thorough investigation, declare that "the difference in the cost of production" (the rule of protection) between this country and Switzerland, our hardest com-

petitor, is 15 per cent. This, therefore, 15 per cent, would be a definite and extremely close protective rate, one which, however, no protectionist would approve, because the rates should be so liberally figured as to cover all contingencies and give domestic confidence and satisfaction.

A silk manufacturer and expert, representing many domestic silk manufacturers, says it is well known that the industry in this country is far ahead in quantity production and labor-saving devices. Also that American labor per unit produced is undoubtedly the cheapest in the world. One manufacturer says he could sell in any country in the world at a profit if he cared to go after its trade. In China and Japan a weaver operates one loom, usually a primitive hand loom. Here she operates from two to five high-speed machine looms.

Says he, the ratio of raw material to finished marketable product in domestic silk ranges between 50 and 70 per cent.

"Based on a careful survey and investigation of the costs of production here and in Switzerland, for instance, we [these manufacturers] came to the conclusion that a rate of duty of approximately 25 per cent to 30 per cent ad valorem would amply protect domestic manufacturers against any possible competition of Switzerland." Switzerland has the lowest production costs of any country making competitive silks.

Thirty per cent would be twice this difference in cost of production and decidedly liberal. The present rate is 42 per cent and the proposed rate 62 per cent.

MONOPOLY OF MARKET ON COMPARABLE GOODS.

Under the present rate our silk manufacturers have a virtual monopoly of the domestic market. Search through a great department store shows that not a single yard of foreign-made silk is commonly sold in this country, except novelties in design or quality and an extra-cheap silk from Japan, known as habutai, used mostly for linings and made of second-quality silk too weak for our looms, as we choose to run them. Shall our women of small means be estopped from the use of this silk? It is not a question of protection, because we do not make it.

From China come the Shantung light-brown silks, worn in summer by people of moderate means. The Senate would raise the duties on these in some cases to 200 per cent, thereby doubling the cost and forcing many would-be users to do without or to buy instead such silks as domestic manufacturers offer.

In 1919 we imported less than 1 per cent of the silk ribbons consumed, 3 per cent of our velvets and plushes, and 7.2 per cent of our broad silks, including the habutais and Shantungs, and 5.9 per cent of our total production of silks of all kinds, including knit goods.

A consolidation has just been effected of domestic silk-ribbon manufacturers making more than 2,000,000 yards annually and including the greatest producer in the world.

Imports from France have been steadily declining. They are now mostly very sheer fabrics, which are not profitable for our looms, novelties and art fabrics, which are needed for the stimulation of our industry as well as for the satisfaction of those who can afford them.

Importations from Switzerland have almost ceased. Silks formerly imported, such as taffetas, satins, umbrella silks, and tie silks have for a long time been successfully produced here.

WAGES.

We get some idea of the patriotism and altruism of these manufacturers from the further fact that when, under the Payne law, they had the highest protection then conceivable, 50.5 per cent, the industry paid in Rhode Island—and presumably elsewhere—only $7 to $8 wages per week of long hours, with 92.8 per cent of its operatives foreign born and doubtless many of the remaining 7.2 per cent children of the foreign-born operatives. Labor then got 18.5 per cent of the factory selling price of the product. Labor plus superintendence got 22.7 per cent. The tariff, 50.5 per cent, was over two and one-half times wages plus superintendence.

MATERIAL ONE-HALF OF COST.

While percentages vary, generally speaking, the cost of the silk itself is more than half the cost of the final product, certain crêpes are 80 per cent silk, 10 per cent overhead, and 10 per cent labor.

As the raw silk coming from the Orient is the same price the world over, no protection is required on raw material. The duty, therefore, is measurable only by differences in labor, overhead, and profit, which are more than 50 per cent of the total cost. The present duty of 42.6 per cent is 85.2 per cent of all cost elements subject to difference.

The proposed duty, averaging 62 per cent, would be 124 per cent of the foreigner's total labor, overhead, and profit—a 62 per cent tariff against an actual difference in cost of about 15 per cent.

JAPAN.

Much is said about the low wages of Japanese silk workers. Japanese processes are essentially different from ours. Not a yard of the silk we commonly use is made in Japan. For 50 years those who would frighten us picture Japan as adopting our methods some day. If in another 50 years she does adopt our methods, action can be taken then.

PRODUCTION, EXPORTS, AND IMPORTS.

The domestic industry's control of our market is evidenced by the fact that out of a total production in 1919 of $716,084,858 we imported only $48,286,344, of which $31,000,000 were the noncomparable, noncompeting habutais from Japan, with much of the remainder Shantungs from China. Exports were $16,467,168. Such is the present throttlehold of our silk industry.

In 1920 exports were $15,595,915, imports $54,763,689, mostly the noncomparable fabrics of China and Japan. We are now exporting good-quality silks to free-trade England at satisfactory profits.

PROFITS.

When the necessities of poverty are pleaded by manufacturers, demanding financial relief through Congress from the women of America, it is fair to investigate the claim.

During the war and shortly thereafter the silk market was extremely speculative, raw material rising to $15 or more per pound from $4.50 to $6 per pound pre-war. Some bankruptcies resulted and heavy losses. This is aside from tariff considerations, however.

The Cheney Co., as shown in financial statements, increased its net worth from $7,000,000 in 1905 to $14,075,489 in 1916, exclusive of dividends, if any.

Mr. Horace B. Cheney, in pleading his cause before the Ways and Means Committee February 3, 1922, gave the then net capital as three times the par value ($7,000,000) of the stock, or $21,000,000. "That is just the value." "Absolutely." This indicates a profit of $6,924,511 from 1914 to 1921, exclusive of dividends, if any—a total of $14,000,000 plus dividends, 1905–1921. Should they require more liberal public assistance?

NOT A LUXURY.

Silk is not a luxury. If it were, the American people are for whatever luxuries and convenience they can enjoy properly and modestly, and against congressional interference.

PUBLIC MISCONCEIVES COST.

The public has misconceived the cost of manufacturing silk. Although silk shines and delights, the wage cost of manufacture, being the substantial factor, as shown by the census of 1919, is substantially the same, 15.7 per cent, as in woolens, 15.6 per cent, and less than in cottons, 16.3 per cent.

The present duty should be reduced materially. Let the silk manufacturers, with their cost books, show how much. Plenty of them say this. Then let them reasonably earn their own living.

The present protection, 42.6 per cent, gives the silk manufacturers congressional permission to add $214,000,000 to their prices above those of foreign competitors.

COST OF PROTECTION.

The proposed duty, averaging 62 per cent, lifts this $214,000,000 to $274,000,000, which would be doubled at retail, making $548,000,000 to consumers, half of it lost in gratuities to manufacturers and percentage to retailers, who strenuously protest against the entire scheme.

Mr. SIMMONS. Mr. President, I was very much interested in the thrown-silk paragraph, and I was also deeply interested in the sewing-silk and embroidery-silk paragraph which immediately followed, but unfortunately about the time the Senator from Connecticut took the floor after I had closed my remarks on the thrown-silk paragraph I was called out of the Chamber by an urgent telephone call from the governor of my State, and before I could return to the Senate Chamber the sewing-silk paragraph had been passed. I do not want to discuss that further, but I do wish to put in the RECORD some very informative data which has been furnished me and which I intended to use with elaborate commentation, but which I shall now use without any elaborate discussion.

Our imports of sewing silk and embroidery silk in the calendar year 1920 were only 1,208 pounds, valued at $7,969. The exports were not recorded separately before 1922, but in the first five months of January to May, 1922, our exports were 78,478 pounds, valued at $322,089. It will be seen that on the basis of comparing imports for 12 months with exports for 5 months I am conservative in estimating the exports this year at one hundred times the quantity of imports.

The act of 1913 imposed a duty of 15 per cent ad valorem on sewing and embroidery silks. The Senate committee made the rate 35 per cent on sewing silks in the gum and 40 per cent on sewing silk ungummed. Now, with an enormous production, with exports one hundred times our imports, with only 1,000 pounds of imports of the product, how absurd, how preposterous, how ridiculous—I wish my poor and meager vocabulary might command some stronger words—it appears when the committee comes in here and for the purpose, as they say, of protecting this article from foreign importations, when there are no foreign importations, propose this greatly increased rate. These two paragraphs, thrown silk and sewing silk, present a situation which illustrates the attitude of mind in which the committee must have been when they framed the bill. This illustrates it probably better than any item we have discussed.

In 1919 we produced of these silks $18,234,479 worth, imported $1,000 worth of them, and exported one hundred times as much as we imported. That constitutes the whole basis upon which the rate must be written, if written at all, the whole foundation upon which this increase in rates must stand.

If there be any other reason which could justify it, we have not had it, and can not have it, because the necessity and the justice of the rate must be based upon production here, importations, and exportations. Here are the fundamental facts that either sustain or condemn the rate. If there is any intellect in America that can take those facts—and they have not been and can not be disputed—and justify an increase of these rates from 15 per cent, where they were when these conditions which I have described were developed, up to 25 per cent, it is an intellect more fertile in expedients to do the wrong than I would like to credit any Senator in this body with possessing. It does not mean and can not mean anything but a surrender, an abject surrender, to certain interests in the country which, desiring to increase their prices and still be free from foreign competition, have asked these rates. They were free from foreign competition under the 15 per cent rate. If they were satisfied with present profits and prices they would not ask for any more, because they had no trouble from outside competition under that rate. When they come here and in these circumstances ask for higher protection there can be but one motive—that of affording an opportunity to increase their prices and their profits without incurring the danger of foreign competition.

I say that the facts show that a committee of intelligent gentlemen, many of whom, if not all of whom, understand the principles which underlie tariff taxation, could not have misunderstood the situation and what it justified and did not jus-

tify, and when they propose these increased rates to the Senate I can not account for it, and I do not account for it. In an overabundance of justice to them, in charity to them, I do not account for it except upon the theory that they were forced by conditions which they could not control to surrender to the great and powerful interests which demanded these unnecessary, these unjust, these oppressive increases in rates.

Mr. McLEAN. Mr. President, I have just been handed the pink statement which was presented by the Senator from North Carolina alleged to have been written by Mr. Miles, representing the Fair Tariff League. Anyone who is familiar with Mr. Miles and his views would know that this statement should have been denominated a statement of the free-trade league. It is so full of misstatements that it is hardly worth considering. In the first place, Mr. Miles intimates that Mr. Cheney practically controls the silk production of the country. As I have already stated, he controls less than 5 per cent of the silk production and less than 2 per cent of the broad-silk production. The whole statement is based upon the production of broad silk—the expensive silk—and has nothing to do with the light-weight goods and the cheaper goods which are coming in from Japan, and, as I shall show before I close, in rapidly increasing poundage and yardage.

Mr. Miles in this pink statement alleges that Switzerland has the lowest production cost of any country making competitive silk. If Mr. Miles knew anything about the production of silk in the world, he would know that the Swiss production is the most expensive next to that of the United States. We have no fear of the Swiss competition. Mr. Miles alleges that there has been a consolidation of domestic silk-ribbon manufacturers. It is too bad he does not give some evidence of that, because there are something like 1,500 establishments in this country, and a good many of them make ribbons. It is a small item, and if they were to combine on anything that would be the last thing that they would undertake to monopolize. In his estimate of importations Mr. Miles says:

> Under the present rate the silk manufacturers have a virtual monopoly of the domestic market. Search through a great department store shows that not a single yard of foreign-made silk is commonly sold in this country—

Mr. President, I walked into an antique store in Washington the other day. Being interested in a little bronze Japanese vase, I went in to inquire its price. The first thing that the proprietor asked me was, "Do you want to buy some silk goods? I have just got a new importation from China." He laid down two pieces of goods on the counter. I was interested and inquired the price. He said the price was 50 cents a yard. The silk paid a 45 per cent ad valorem duty. Mr. President, the idea that the addition of 10 per cent to that ad valorem duty will raise the price of those goods to the American consumer is too ridiculous for discussion. All that Japan will do will be to lower her invoice price enough to cover the duty; that is all there will be to it. Mr. Miles goes on to state as follows:

> We get some idea of the patriotism and altruism of these manufacturers from the further fact that when, under the Payne law, they had the highest protection then conceivable, 50.5 per cent—

He is wrong about that. I think the Payne rates averaged over 60 per cent, and that, with the specific rate, the equivalent was as high as 63 per cent in many instances. It is, however, a waste of time to comment on this "pink statement," because I find nothing in it to indicate that Mr. Miles knew anything about the industry. He speaks here about the number of children who are employed and states that the labor in the product is 18.5 per cent of the factory selling price of the product. I admit that wages were low, averaging about $21 a week. The railroad men, however, get about $30 a week, while the coal miners get $35 a week. The wages in the silk industry are low, and they have been twice cut since the war; but that is because the industry is so depressed that the American manufacturer must cut wages.

I do not believe, however, there is a patriotic woman in this country who would not be willing to pay 3 cents more a yard for a pongee dress rather than have 150,000 people who are engaged in the silk industry walk the streets without a job. Mr. Miles further says:

> Much is said about the low wages of Japanese silk workers. Japanese processes are essentially different from ours. Not a yard of the silk we commonly use is made in Japan.

Mr. President, as I have said, Japan has within the last three years imported over $12,000,000 worth of modern machinery, and the last Japanese census shows that more goods were produced from foreign-made power looms than on the native looms which they had previously used. Everybody knows that the Japanese are the most skillful and most adaptable people in the world; they are expert copyists. For us to assume that the Japanese people, whose wages are now about one-eighth of ours, can not manipulate the same machines that we have, make that product, send it over here and pay a 55 per cent duty instead of a 45 per cent duty, is entirely a mistake. The whole claim is ridiculous, Mr. President.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Montana?

Mr. McLEAN. I do.

Mr. WALSH of Montana. I should like to ask the Senator why the Japanese have not done so?

Mr. McLEAN. They have done it.

Mr. WALSH of Montana. The figures show that they have not done it.

Mr. McLEAN. Well, I will read some figures to the Senator from Montana. He has not been here. That is the trouble with this whole debate. First one Senator on the other side of the Chamber, who does not know anything about the bill, delivers himself of a denunciation of it. It is explained to him. Then another Senator, who evidently does not know anything about the bill, comes in and denounces it. The importations in pounds are as follows:

Mr. WALSH of Montana. Before the Senator from Connecticut proceeds I desire to say that I do not know anything about the matter except what the Tariff Commission has told us.

Mr. McLEAN. I am quoting from the tariff reports.

In 1918 the imports were 1,676,168 pounds; in 1919 they were 3,123,889 pounds; in 1920 they were 2,560,535 pounds; and in 1921 they were 4,109,185 pounds. If these figures are wrong, the expert who sits at my right must take the responsibility. I assume that he is not only responsible for these figures but for the tariff survey; and I think he is a very accurate gentleman.

Now, let me call the attention of the Senator from Montana to some other figures. Under the law of 1909 the five-year average of importations was 9,500,000 square yards per year of habutai and pongee. Similar goods were manufactured upon a large scale in the United States, in an amount a little greater than the importations. Under the first five years of the Underwood law the importations rose to 21,500,000 square yards, according to the figures furnished by the Tariff Commission to the Ways and Means Committee of the House.

The importations of habutai silk from Japan to the United States have been as follows: In 1910—I will not quote the odd numbers—they were 8,000,000 yards; in 1911 they were 8,000,000 yards; in 1912 they were 6,000,000 yards; in 1913 they were 10,000,000 yards; in 1914 they were 13,000,000 yards; in 1915 they were 18,000,000 yards; in 1916 they were 21,000,000 yards; in 1917 they were 24,000,000 yards; in 1918 they were 20,000,000 yards; in 1919 they were 37,000,000 yards. Since that time the importations have continued to increase, in the year 1920 being 38,000,000 yards. The total importations of all silk goods from China and Japan for the year 1919 were 45,800,000 yards, while for 1921 they were 68,000,000 yards. For the year 1921 the domestic production was 237,500,000 yards.

This is a luxury. The goods are exceedingly cheap; and if we will give the American producer anything like reasonable protection he will probably devise labor-saving machinery, so that in a few years the very character of goods which are now coming from Japan will be made as cheaply here as they are there, and we will have the same result in regard to this article as we did with regard to the broad goods. As I have said, we are not afraid of European competition in the novelties and high-priced goods, but we must have this protection upon the light-weight goods from Japan.

Mr. President, it is a matter of displacement. The agriculturists of the country wanted a little protection on their wheat, and I thought they were entitled to it and voted for it. In North Dakota and in other Northwestern States there is produced a kind of wheat which is called No. 1 hard, a fine quality of wheat. It may be that some day, not long in the future, Russia will produce a wheat and call it No. 1 red, which may be laid down in America and displace the American product for half what we can produce it for. I think the wheat growers of the country realize that such competition would be disastrous to them; and I want to say to the Senator that the silk producers of the country are realizing that the constantly increasing importations of habutai and pongee silks are seriously affecting their business. I think that the men and women who are working in the silk mills on half time—three days in the week—are entitled to reasonable consideration.

Mr. SHEPPARD. Mr. President, the Senator from New Jersey [Mr. FRELINGHUYSEN] tried to create the impression that the list which I read to the Senate of manufacturers who had gone on record in opposition to increasing the existing rates in the silk schedule represented but a small and negligible number of American silk manufacturers.

The facts are, as I am reliably informed, that the list of manufacturers which I read represents in volume of output over 50 per cent of the American silk industry as a whole. It is true that the protest to which their signatures were attached applied to the rates on spun-silk articles, but it is also true that many of them have protested against the increases in the rates on other types of silk goods. It is entirely within the limits of accuracy to say, therefore, Mr. President, that a representative and substantial number of American silk manufacturers are opposed to the increases proposed in the silk schedule.

The Senator from New Jersey referred to idleness and depression in the silk industry, and the Senator from Connecticut has endeavored to reenforce the position which he took in that regard. Mr. President, it is utterly absurd to talk of idleness and depression as a permanent thing in the silk industry when the importations of raw silk are increasing every year and every day. What are the manufacturers doing with the constantly increasing quantities of raw material? They can not eat it; they must be making use of it. The facts are that in the silk industry looms are at times temporarily suspended, pending a change in fashion, and that work is halted until the factories can get a better line upon future markets. It is also true that at the present time in New Jersey an exodus is about to occur of a number of mills into Pennsylvania, where better labor conditions are thought to prevail. These facts may explain the temporary idleness of some New Jersey looms.

Mr. McLEAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Connecticut?

Mr. SHEPPARD. Certainly I yield.

Mr. McLEAN. I find it necessary to repeat what I said this morning with regard to the use of the raw silk which is imported. Practically 50 per cent of it goes into cotton, woolen, and knit goods and insulating material and not over 50 per cent of it probably goes into velvet and broad goods. The competition in cotton goods is so keen that the manufacturers of cotton cloth in this country are using silk, or part silk, in order to revive their trade. The same statement is true as to worsteds. In probably half of the worsted goods that are used for men's wear the stripe, if they contain a stripe, will be found to be of silk. It helps to sell the goods. It is not an indication that the broad-silk industry ought to revive because the importations of raw silk have increased.

Mr. SHEPPARD. Mr. President, the broad-silk industry consumes the greater portion of the imported raw silk. I further say that the factories which consume silk for any purpose are as much a part of the silk industry in America as those which make any particular kind of silk goods exclusively. So I do not think the distinction drawn by the Senator from Connecticut is valid.

The Senator from Connecticut also stated that the Underwood tariff rates drove the silk industry out of business in 1914; yet, Mr. President, under the Underwood rate from 1914 until to-day the American silk industry has made the greatest progress in its history.

Mr. McLEAN. Mr. President, again I must correct the Senator from Texas.

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Connecticut?

Mr. SHEPPARD. I yield to the Senator, of course.

Mr. McLEAN. I did not say that on account of the Underwood law the manufacturers of broad silk, or what we understand as the expensive goods, were compelled to discontinue production. I referred to the habutai and pongee silks.

Mr. SHEPPARD. Mr. President, any statement that any part of the American silk industry was driven out of business by the Underwood-Simmons rates on silk, when that industry as a whole and in all its branches has enjoyed a marvelous progress during the last seven or eight years, answers itself.

I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Texas to the amendment reported by the committee to strike out "55" and insert "45." On that amendment to the amendment the Senator from Texas asks for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. McCUMBER (when his name was called). Transferring my general pair as on the previous vote, I vote "nay."

Mr. WATSON of Georgia (when his name was called). I have a general pair with the Senator from California [Mr. JOHNSON], who, if he were present, would vote "nay." If I were free to vote I would vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. STERLING. Making the same announcement as on the last vote, I vote "nay."

Mr. LODGE. I transfer my pair with the Senator from Alabama [Mr. UNDERWOOD] to the Senator from California [Mr. SHORTRIDGE] and will vote. I vote "nay."

Mr. TRAMMELL. In the absence of my pair, the Senator from Rhode Island [Mr. COLT], I withhold my vote. If at liberty to vote I should vote "yea."

Mr. HARRISON. I transfer my pair on this question to the senior Senator from Montana [Mr. MYERS] and will vote. I vote "yea."

Mr. JONES of New Mexico. I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Nevada [Mr. PITTMAN] and will vote. I vote "yea."

Mr. DIAL. I am paired with the Senator from Michigan [Mr. TOWNSEND]. I transfer that pair to the Senator from Rhode Island [Mr. GERRY] and will vote. I vote "yea."

Mr. CURTIS. I have been requested to announce the following general pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON]; and

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR].

The result was announced—yeas 22, nays 35, as follows:

YEAS—22.

Ashurst	Harris	Lenroot	Stanley
Borah	Harrison	Overman	Swanson
Caraway	Heflin	Pomerene	Walsh, Mass.
Culberson	Hitchcock	Ransdell	Walsh, Mont.
Dial	Jones, N. Mex.	Sheppard	
Fletcher	Kellogg	Simmons	

NAYS—35.

Brandegee	France	McKinley	Phipps
Broussard	Frelinghuysen	McLean	Smoot
Bursum	Gooding	McNary	Spencer
Calder	Hale	Moses	Stanfield
Cameron	Jones, Wash.	Nelson	Sterling
Capper	Kendrick	Newberry	Warren
Curtis	Ladd	Nicholson	Watson, Ind.
du Pont	Lodge	Oddie	Willis
Ernst	McCumber	Pepper	

NOT VOTING—39.

Ball	Harreld	Norris	Smith
Colt	Johnson	Owen	Sutherland
Crow	Keyes	Page	Townsend
Cummins	King	Pittman	Trammell
Dillingham	LaFollette	Poindexter	Underwood
Edge	McCormick	Rawson	Wadsworth
Elkins	McKellar	Reed	Watson, Ga.
Fernald	Myers	Robinson	Weller
Gerry	New	Shields	Williams
Glass	Norbeck	Shortridge	

So Mr. SHEPPARD's amendment to the amendment of the committee was rejected.

The PRESIDING OFFICER. The question now is on the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment of the committee.

The READING CLERK. The committee proposes to strike out, on page 161, lines 23 and 24, all of page 162, and down to and including line 13 on page 163, and to insert the following:

PAR. 1206. Plushes, including such as are commercially known as hatter's plush, velvets, chenilles, velvet or plush ribbons, and all other pile fabrics, cut or uncut, composed wholly or in chief value of silk, 60 per cent ad valorem.

Mr. SHEPPARD. I move to strike out "60" and insert in lieu thereof "50," so that the amendment will read "50 per cent ad valorem" instead of "60 per cent ad valorem."

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The READING CLERK. On line 10 of the committee amendment, it is proposed to strike out "60" and insert "50."

The PRESIDING OFFICER. The question is upon the amendment proposed by the Senator from Texas to the amendment of the committee.

Mr. SHEPPARD. Mr. President, again the Senate Finance Committee has surrendered an elaborate and complicated classification and returned to the plain and simple language pursued by the Democratic tariff law. The principal change the committee has made has been to increase the rate from 50 per cent to 60 per cent.

Here is an industry which has never had a less rate than 50 per cent, evidently a high-protective tariff, and under this

high rate of 50 per cent the industry has grown from an output valued at over $8,000,000 in 1914 to over $20,000,000 in 1919—a wonderful growth.

I refer in these figures to the silk-velvet branch of the plush industry. Silk plushes have held their own. Imports have not amounted to more than 10 per cent of the domestic output, and imports to-day are smaller than they have ever been before. In fact, the imports for 1920 are half the average imports for each year during the last 30 years. The imports consist mainly of an all-silk-velvet type of goods which is produced in this country only to a nominal extent. Therefore imports do not compete in any true sense with the domestic production, and yet the Finance Committee want to increase this high-protective rate of 50 per cent to 60 per cent ad valorem.

I think the mere recital of these figures, showing the present prosperous condition of this branch of the silk industry, will be sufficient to show the injustice and the viciousness of the proposed change.

I ask for the yeas and nays on my amendment to the committee amendment.

The yeas and nays were ordered.

Mr. McLEAN. Mr. President, I wish to state for the record that on this paragraph, pile velvets, the Reynolds report authorizes an average rate of 76 per cent ad valorem on the importations that come in. The committee recommended 60 per cent. The Underwood rate was 50 per cent; and it seems to me that, as this rate applies to velvets, luxuries, and is 15 per cent below the rate authorized by the experts who examined the costs, there ought to be no oppos tion to its adoption by the Senate.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. McLEAN. Yes.

Mr. LENROOT. I should like to ask the Senator upon what price of silks the 76 per cent ad valorem was figured?

Mr. McLEAN. The price given in the Reynolds report is $1.57 a yard.

Mr. LENROOT. That, of course, does not tell us anything unless we know the price by the pound.

Mr. McLEAN. It seems to me that it does. It seems to me that it is a much better basis than a pound basis.

Mr. LENROOT. But we do not know what proportion the price per yard now bears to the price before, unless we know the pound basis.

Mr. McLEAN. It would be about 4 ounces to the yard, which would make about 4 yards to the pound.

Mr. LENROOT. What date does the Reynolds report bear?

Mr. McLEAN. August, 1921.

Mr. LENROOT. Silk is worth $6 a pound.

Mr. McLEAN. As to many of these articles, the Japanese will lay the goods down in this country at the price of the raw silk.

Mr. SMOOT. That is on account of the filling.

Mr. LENROOT. It is not pure silk, then?

Mr. SMOOT. No; it is mixed with China clay.

Mr. McLEAN. Most of it is weighted in some way.

Mr. SHEPPARD. Mr. President, the report of the Tariff Commission indicates that no imports of these articles come from Japan at all. They come from France, England, Germany, and Switzerland chiefly.

I ought to say, further, that this character of silk article is used in making trimming both for clothes and hats, for imitation furs and seals, for furniture covering, draperies, and so forth; articles of general, if not common use, among people. Certainly there is no reason for any increase in the rates. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). Making the same announcement as on the former ballot, I vote "yea."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. HARRISON (when his name was called). Making the same announcement as before, I vote "yea."

Mr. LODGE (when his name was called). I transfer my pair with the senior Senator from Alabama [Mr. UNDERWOOD] to the junior Senator from California [Mr. SHORTRIDGE] and vote "nay."

Mr. McCUMBER (when his name was called). Transferring my general pair as on the previous vote, I vote "nay."

Mr. STERLING (when his name was called). Making the same announcement as on the previous vote, I vote "nay."

Mr. WATSON of Georgia (when his name was called). I have a general pair with the senior Senator from California [Mr. JOHNSON] who, if he were present, would vote "nay." If I were at liberty to vote, I would vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from West Virginia [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. ROBINSON];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS]; and

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN].

Mr. JONES of New Mexico. I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Missouri [Mr. REED] and vote "yea."

Mr. NEW. Transferring my pair with the junior Senator from Tennessee [Mr. McKELLAR] to the junior Senator from Vermont [Mr. PAGE], I vote "nay." I ask that this announcement of transfer stand for the day.

The result was announced—yeas 22, nays 39, as follows:

YEAS—22.

Ashurst	Harrison	Overman	Stanley
Caraway	Heflin	Pittman	Swanson
Cummins	Hitchcock	Pomerene	Walsh, Mass.
Dial	Jones, N. Mex.	Ransdell	Walsh, Mont.
Fletcher	Kellogg	Sheppard	
Harris	Lenroot	Simmons	

NAYS—39.

Ball	France	McCumber	Pepper
Brandegee	Frelinghuysen	McKinley	Phipps
Broussard	Gooding	McLean	Smoot
Bursum	Hale	McNary	Spencer
Calder	Harreld	Moses	Stanfield
Cameron	Jones, Wash.	Nelson	Sterling
Capper	Kendrick	New	Warren
Curtis	Keyes	Newberry	Watson, Ind.
du Pont	Ladd	Nicholson	Willis
Ernst	Lodge	Oddie	

NOT VOTING—35.

Borah	Glass	Owen	Sutherland
Colt	Johnson	Page	Townsend
Crow	King	Poindexter	Trammell
Culberson	La Follette	Rawson	Underwood
Dillingham	McCormick	Reed	Wadsworth
Edge	McKellar	Robinson	Watson, Ga.
Elkins	Myers	Shields	Weller
Fernald	Norbeck	Shortridge	Williams
Gerry	Norris	Smith	

So Mr. SHEPPARD's amendment to the committee amendment was rejected.

The PRESIDENT pro tempore. The question now is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 163, line 18, after the word "or," to insert the word "of"; in line 19, before the word "not," to strike out the word "if"; and in line 20, before the word "per," to strike out the figures "33⅓" and to insert "55," so as to make the paragraph read:

PAR. 1207. Fabrics with fast edges, wholly or in chief value of silk, not exceeding 12 inches in width, including ribbons, and articles made therefrom, tubings, garters, suspenders, braces, cords, tassels, and cords and tassels; all the foregoing composed wholly or in chief value of silk or of silk and india rubber, not embroidered in any manner by hand or machinery, and not specially provided for, 55 per cent ad valorem.

Mr. SHEPPARD. I move to insert "45," the existing tariff rate on the articles covered by this paragraph, in lieu of 55 per cent, proposed by the committee.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Texas to the committee amendment.

Mr. SHEPPARD. Mr. President, we have here a branch of the silk industry comprising silk ribbons and other silk small wares, which, under the existing high protective rate of 45 per cent, has grown from an output valued at $38,000,000 in 1914 to $66,000,000 in 1919. The imports are insignificant and are confined to specialties which are not produced to any great extent in the United States. An export trade has developed, quite a quantity of these goods being now shipped to Canada and Latin America.

Among the articles covered by this paragraph are hat and cap bands; borders or finishings for dresses; thin taffeta ribbon binding in all staple colors; bindings for tailored garments; bindings for carpets and blankets; inner belting for skirts and waists, insuring proper adjustment; casings for corset steels and "boning" used in dressmaking; elastic banding and webbing containing rubber threads and used for braces; various kinds of supports, surcingles, suspenders, and so forth; tubings, cords, tassels, garment labels, and the like.

I have enumerated the articles covered by this paragraph to show that in the main they can not be considered altogether as luxuries, but in many instances as necessities; in fact, many of them are necessary medical supplies and are used in the hospitals of the country to an increasing degree in ministering to the disabled.

The imports of these articles reached the highest point as long ago as 1897 and have continuously decreased until last year they amounted to less than 1 per cent of the domestic output. Yet the Finance Committee and the Republican Party propose to increase this rate by 33⅓ per cent—this rate, which is highly protective and which ought not to be increased in any degree. In fact, if justice were done, the rate ought to be decreased.

I do not know anything further that can be said to show the real situation, and I ask for the yeas and nays on my amendment.

Mr. McLEAN. Mr. President, these imports are novelties, and they come from Europe. The importations recorded in the Reynolds report warrant protective rates ranging from 65 per cent ad valorem to 85 per cent ad valorem. There would seem to be no reason why the rate on these articles should be any less than that on the broad goods from which they are made.

Mr. SHEPPARD. Mr. President, the only article that comes in substantial competition with any article mentioned in this paragraph is the hatband, which is imported from Germany. Outside of hatbands there is practically no serious competition in these articles imported from abroad. As the Senator has suggested, most of these articles are specialties and novelties. It is a fact that hatbands from Germany do compete seriously with the American article, and I refer to the fact that practically every hatband in the United States is made of silk or partially of silk to show how general the use of silk is coming to be in the United States. A rate of 45 per cent ought to be a sufficient protection on hatbands from Germany, because this branch of the silk industry has already achieved such rapid growth under that rate.

If the industry could be said to be languishing in any way, perhaps there might be some excuse for an increase, but it is making substantial and lusty progress. In my judgment there can be no basis for such an increase of duty as is here proposed, an increase of about 33⅓ per cent.

Mr. President, on my amendment I ask for the yeas and nays.

Mr. JONES of New Mexico. Mr. President, I would like to ask the Senator from Texas where Germany gets the raw silk out of which she manufactures these materials.

Mr. SHEPPARD. Principally from Japan.

Mr. JONES of New Mexico. It was my understanding of the matter that Germany got her raw silk in the world market and would pay for it just as much as we in the United States pay for it. The difference in exchange in this case, instead of operating to the advantage of any German manufacturer, is an extreme handicap upon such industries in Germany.

The PRESIDENT pro tempore. The Senator from Texas asks for the yeas and nays on his amendment to the committee amendment.

The yeas and nays were ordered.

Mr. SIMMONS. Mr. President, I wish simply to supplement some of the very pertinent observations of the Senator from Texas. I want to read from the Tariff Commission's report on silk ribbons just a few lines:

> Some American ribbons are exported each year, but normally these do not represent a significant part of the world's trade. During the last few years exports have been considerably larger than imports. The American manufacturer holds the domestic market on all but fancy goods and novelties. Imports supplement the domestic product rather than compete with it. This will probably remain the case as long as conditions of manufacture here and abroad hold their present relation.

So that we have a statement from the Tariff Commission that would seem to meet the situation and condemn the proposition of the committee to increase the rate.

I also have a telegram which I wish to read, as follows:

NORTH BERGEN, N. J., *August 1, 1922.*

Hon. F. M. SIMMONS,
United States Senate, Washington, D. C.:

> We firmly believe that the present rate of 45 per cent ad valorem has been and is sufficient protection to the American silk industry.
>
> VERITAS SILK MILLS.

A mere examination of the official statistics shows that the present rate of duty upon the product is amply protective; indeed that it is almost, if not practically, prohibitive. The last year for which we have the official statistics showing the production of silk ribbons in this country is 1919, but in that year the production was $66,000,000 in round figures, while the importations for consumption were only $74,778, or about one one-hundredth of 1 per cent of the domestic consumption. The importations are somewhat larger now than they were in 1919, but now they are less than they were in 1910. In 1910 under the Payne-Aldrich law there was a production of $32,000,000 and importations of $934,000, while in 1921 the importations were $862,000, or less than they were in 1910.

Mr. SHEPPARD. The importations reached the highest point as far back as 1897 and they have never been as large since, although the industry itself has been growing prodigiously.

Mr. SIMMONS. The importations under the Payne-Aldrich law in 1910, 1911, 1912, 1913, and 1914 were greater than they were in 1920, and in 1910 they were greater than they were in 1921. The 1914 importations were large it is true, but they fell off in 1915 and have continued to fall off ever since, showing that there is no progressive increase in importations, although the production has increased in the last 11 years from $32,000,000 to $66,000,000. The importations have actually fallen off. The importations are so small that they could not possibly be material in connection with the labor problem presented by the tariff or any problem so far as I know presented by the tariff.

It is impossible for me to conceive why, under these circumstances, any increase in the rate is asked. Certainly it can not be asked for any public purpose. I can not state definitely why it is asked, but I know it is for a private and a selfish purpose and not a purpose which concerns the general public welfare of the people of the country or the prosperity of the industry. It has to do with the prices and profits of the industry and the ability of those who operate it to increase arbitrarily those profits in response to the demands of personal selfishness and avarice. To increase duties under circumstances like these is not only preposterous and absurd, but the committee and the party responsible for the act in the commission of the act stultify themselves both intellectually and morally, and when the American people come to understand the situation they will regard this act as an act of self-stultification unless it is intended deliberately to legislate against the people in the interest of a comparatively few producers whose avarice seems to have no limitation whatever.

Mr. President, I ask permission to have printed in the RECORD a brief statement with reference to the pending item.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

PARAGRAPH 1207.

Rate: Act of 1913, 45 per cent; Senate amendment, 55 per cent.

Ribbons: American mills manufacture ribbons of standard quality and width. These constitute the bulk of the trade. Few novelty goods are made in this country. Production is very variable from year to year because demand depends upon style.

Value of silk ribbons produced in the United States.

1909	$32,744,873
1914	38,201,293
1919	66,186,609

Imports have never approached the production of any census year. The largest imports were in 1914. They amounted to 5.62 per cent of the production for that year.

Imports of silk ribbons for consumption.

	Value.
Fiscal years:	
1913	$596,896
1914	2,146,988
1919	74,778
1920	526,255
1921	862,727
Calendar year:	
1921	546,634

Nineteen hundred and fourteen was a year of unusual demand. It was also a year of big business for the domestic industry. (Annual Report of Silk Association of America, 1914.)

Exports were not recorded prior to January, 1922. For the first quarter of this year they amounted to a value of $175,488, during which period imports were $103,514.

Imports of all kinds of ribbons into Canada from the United States were as follows:

Year ended March 31:	Value.
1918	$646,424
1919	1,481,545
1920	1,595,053
1921	868,270

French exports to all countries were valued at $9,000,000 in 1913 and at $36,000,000 in 1920.

Small wares: There is little foreign competition in silk small wares in general, but prior to the war imports of hat bands were sufficiently large to be considered competitive. Domestic production in 1914 was $607,204, and imports amounted to $484,369.

Imports are not always of as good quality as the domestic because the use of inferior materials, which necessitate slower production, is not practicable in the United States.

Imports for consumption of silk small wares—fiscal years.

	1914	1919	1920	1921	Calendar year 1921.
Belts and belting	$42,540	$316	$42	$439	$401
Bindings and bone casing		1,656	2,663	13,934	5,643
Cords, tassels, etc		10,808	24,180	164,928	154,985
Garters, suspenders, etc		894	1,491	1,359	1,460
Webs and webbing		4,031	3,842	4,320	4,831
Bandings, including hat	484,369	36,641	142,201	249,205	131,212
Total	526,909	54,436	174,419	434,185	298,532

Hatbands are mainly from Germany and France. Cords and tassels are principally from the Orient.

Exports for the first quarter were $43,317; imports for the same period were $35,838.

Mr. McLEAN. Mr. President, I could not hear the Senator from North Carolina as he read the statement of imports, but an examination of them will show that they are very significant.

Mr. SIMMONS. Mr. President, I can not hear the Senator from Connecticut.

Mr. McLEAN. I could not hear the Senator from North Carolina.

Mr. SIMMONS. Then we will call it even, and let it go at that.

Mr. McLEAN. In 1913 the imports were $596,000 worth of ribbons. In 1914, when the industry felt the effect of the Underwood rates, the importations were $2,146,988. When we come to 1918, at the close of the war, the imports were low, $105,000, and in 1919 only $74,000, but in 1920 they jumped to $526,000, and I understand they have increased in 1921. So much for the significance of the figures as indicating an enormous increase under the Underwood rate when that rate was effective, and a constant increase since the war.

Mr. SHEPPARD. The Senator from Connecticut boasts of the increase in imports to a little over $500,000 in 1920. That means but little more than 1 per cent of the total output.

Mr. SIMMONS. They were less than the imports of 1910.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Texas to the amendment of the committee, on which the yeas and nays have been ordered.

The reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). Making the same announcement as before, I vote "yea."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. JONES of New Mexico (when his name was called). Making the same announcement as to the transfer of my pair as on the previous vote, I vote "yea."

Mr. McCUMBER (when his name was called). I again transfer my general pair with the junior Senator from Utah [Mr. KING] to the junior Senator from Washington [Mr. POINDEXTER] and vote "nay."

Mr. STERLING (when his name was called). Making the same announcement as on the previous vote in reference to my pair and its transfer, I vote "nay."

Mr. TRAMMELL (when his name was called). I transfer my pair with the senior Senator from Rhode Island [Mr. COLT] to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement with reference to my pair and its transfer as on the last vote, I vote "nay."

The roll call was concluded.

Mr. LODGE. Making the same announcement as to the transfer of my pair as before, I vote "nay."

Mr. CARAWAY. I wish to announce that my colleague the senior Senator from Arkansas [Mr. ROBINSON] is absent on official business. He is paired with the senior Senator from West Virginia [Mr. SUTHERLAND]. If my colleague were present and permitted to vote, he would vote "yea."

Mr. JONES of Washington (after having voted in the negative). Has the Senator from Virginia [Mr. SWANSON] voted?

The PRESIDENT pro tempore. He has not voted.

Mr. JONES of Washington. The Senator from Virginia is necessarily absent. I am paired with him for the afternoon. I find, however, that I can transfer that pair to the Senator from Colorado [Mr. PHIPPS], and I do so, and allow my vote to stand.

Mr. ERNST (after having voted in the negative). I transfer my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from Iowa [Mr. RAWSON] and allow my vote to stand.

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. ROBINSON]; and

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON].

The result was announced—yeas 16, nays 36, as follows:

YEAS—16.

Ashurst	Fletcher	Overman	Simmons
Caraway	Harris	Pomerene	Trammell
Cummins	Heflin	Ransdell	Walsh, Mass.
Dial	Jones, N. Mex.	Sheppard	Walsh, Mont.

NAYS—36.

Ball	Ernst	Lenroot	Newberry
Brandegee	France	Lodge	Oddie
Broussard	Frelinghuysen	McCumber	Pepper
Bursum	Gooding	McKinley	Smoot
Calder	Hale	McLean	Standfield
Cameron	Harreld	McNary	Sterling
Capper	Jones, Wash.	Moses	Warren
Curtis	Kendrick	Nelson	Watson, Ind.
du Pont	Keyes	New	Willis

NOT VOTING—44.

Borah	Hitchcock	Norris	Smith
Colt	Johnson	Owen	Spencer
Crow	Kellogg	Page	Stanley
Culberson	King	Phipps	Sutherland
Dillingham	Ladd	Pittman	Swanson
Edge	La Follette	Poindexter	Townsend
Elkins	McCormick	Rawson	Underwood
Fernald	McKellar	Reed	Wadsworth
Gerry	Myers	Robinson	Watson, Ga.
Glass	Nicholson	Shields	Weller
Harrison	Norbeck	Shortridge	Williams

So Mr. SHEPPARD's amendment to the committee amendment was rejected.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 163, line 23, before the words "per cent," to strike out the figures "35" and to insert the figures "55," so as to read:

PAR. 1208. Knit fabrics, in the piece, composed wholly or in chief value of silk, 55 per cent ad valorem.

Mr. SHEPPARD. I move to amend the committee amendment, on page 163, line 23, before the words "per cent," by striking out the numerals "55" and inserting in lieu thereof the numerals "50." I shall not ask for a roll call on this amendment to the committee amendment, but shall do so on the last committee amendment in the paragraph.

The PRESIDENT pro tempore. The question is on the amendment proposed by the Senator from Texas to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question now is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the Committee on Finance was, in the same paragraph on the same page, in line 25, before the words "per cent," to strike out the numerals "40" and to insert the numerals "60," so as to read:

Knit underwear, hose, half hose, and gloves, finished or unfinished, composed wholly or in chief value of silk, 60 per cent ad valorem.

Mr. SHEPPARD. I move to amend the committee amendment, in line 25, by striking out the rate of 60 per cent and inserting in lieu thereof the rate of 50 per cent.

The PRESIDENT pro tempore. The question is on the amendment proposed by the Senator from Texas to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the Committee on Finance was, in the same paragraph, on page 164, line 3, before the words "per cent," to strike out the numerals "40" and to insert in lieu thereof the numerals "60," so as to read:

valorem; outerwear and other goods, knit or crocheted, finished or unfinished, composed wholly or in chief value of silk, 60 per cent ad valorem.

Mr. SHEPPARD. I move to amend the committee amendment by substituting the rate of 50 per cent ad valorem for the rate of 60 per cent ad valorem.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Texas to the amendment of the committee.

Mr. SHEPPARD. Mr. President, since 1913 the silk knit goods industry has enjoyed a protection under the existing law of 50 per cent. Under that law, with a 50 per cent protection, that industry has multiplied itself nearly six times. In view of that fact, what excuse can be offered for an increase in the rate of from 10 to 20 per cent?

These silk goods comprise many articles in general use, such as hosiery, outer wear, sweaters, scarfs, gloves, underwear, neckties, knit fabrics, threads, yarns, and so forth. Neckties may not be said to be a necessity, but undoubtedly they are an article of common and general use. The imports of these goods are so slight as not to be worth mentioning. In 1914 the imports were less than one-half of 1 per cent of the domestic output; in 1916 they were one one-hundredth of 1 per cent of the domestic output; the industry has a position of absolute security against foreign competition, and yet we are asked here

to vote for an increase of from 10 to 20 per cent in the tariff duties on these articles of common and general use.

Mr. WALSH of Massachusetts. From what countries do the imports come?

Mr. SHEPPARD. The imports come principally from Europe, but they are confined to high-grade specialties and novelties that are not made in this country. I ask for the yeas and nays on my amendment to the committee amendment.

Mr. McLEAN. Mr. President, the Reynolds report justifies an ad valorem rate of 55 per cent to 108 per cent. Of course the labor cost is more in many instances in the case of these goods than in the manufacture of woolen goods. The importations come from Germany, and they were considerable before the war. The potential competition is very alarming, and if Germany sees fit to resume the exports which she sent to this country before the war the competition will be serious; but more important than that, Mr. President, if people want to buy imported silk underwear and silk stockings, it seems to me there is no reason why they should not pay a duty of 60 per cent.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Texas to the amendment reported by the committee on which the yeas and nays are demanded. Is the demand seconded?

The yeas and nays were ordered.

Mr. SHEPPARD. Mr. President, I wish to add to what I have already said that this industry has not only enjoyed the wonderful growth which I have described but is now building a substantial export trade. I do not see how Senators can vote for increased duties in the face of the facts.

Mr. SIMMONS. Mr. President, I merely desire to insert in the RECORD certain data with reference to this paragraph, which have been furnished me by the expert and which throw a great deal of light on the subject and confirm the statements made by the Senator from Texas [Mr. SHEPPARD].

While we imported practically no silk gloves at all in 1919, we produced $13,915,000 worth. With reference to silk hosiery, during the first five months of the year 1922 we exported $1,049,642 worth of silk hosiery, and there were practically no imports whatever.

Mr. President, I do not see the good of extended discussion of the paragraph. It is evident that through some influence or some adjustment that element of the Republican Party which has been protesting against the excessive rates in the bill have been quieted, and that any effort on our part, by discussion or by exposure or by demonstrating the absurdity and the preposterous character of the proposition, directed toward reducing the unnecessary increases in the present rates, which have given the producers in this country absolute control of this article, exempting them almost entirely from foreign competition, would fail to secure any cooperation from the other side.

Mr. President, I do not wish to take the time of the Senate to discuss this paragraph, but I ask permission to incorporate in the RECORD as a part of my remarks the statement to which I have referred.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The statement referred to is as follows:

PARAGRAPH 1208.

SILK-KNIT FABRIC, IN THE PIECE.

Rate: Act of 1913, 45 per cent (par. 318); Senate amendment, 55 per cent.

Silk-knit fabric may be made on warp or on weft knitting machines. Generaly speaking, the greater speed of production makes the conversion costs on knit fabrics less than on woven fabrics. Fine warp knit-silk fabric, known as Milanese, tricot, "glove" silk, or Italian silk, is used for underwear, gloves, and hosiery.

Production for sale by mills amounted to $2,739,000 in 1914 and $6,437,000 in 1919. A considerable quantity is cut up by the mills. The quantity and variety handled by retail stores is increasing.

No import statistics. None had been imported up to spring of 1921.

SILK-KNIT UNDERWEAR.

Rate: Act of 1913, 50 per cent; Senate amendment, 60 per cent.

Practically all the silk underwear is women's "glove" silk; only a relatively small amount of ribbed-silk underwear is made or used in this country.

Value of production of silk-knit underwear.

1904	$455,612
1909	948,292
1914	2,807,914
1919	13,747,121

Imports, not recorded separately (see below), are negligible. No "glove" silk underwear is imported.

Exports of silk underwear, including both woven and knit, were first recorded in January, 1922. For the first three months of 1922 they were valued at $16,514.

SILK HOSIERY.

Rate: Act of 1913, 50 per cent; Senate amendment, 60 per cent.

Production of silk hosiery.

	Quantity (dozen pairs).	Value.
1904	42,065	$522,201
1909	434,414	3,600,416
1914	3,710,209	29,971,695
1919	17,204,013	128,126,161

Imports not recorded separately (see below). Some French goods usually in gauges finer than any made in this country are imported.

Exports, not recorded prior to January, 1922, amounted to $1,049,642 for the first five months of 1922.

Production of silk gloves.

Rate: Act of 1913, 50 per cent; Senate amendment, 60 per cent.

Silk gloves are made from fine-warp knit fabric.

	Quantity (dozen pairs).	Value.
1914		$4,683,479
1919	2,307,805	13,915,321

American silk gloves are considered superior to the foreign, hence none are imported.

SILK KNIT OUTERWEAR.

Rate: Act of 1913, 50 per cent; Senate amendment, 60 per cent.

This is an industry of comparatively recent growth. Production in 1914 amounted to $303,510 and in 1919 to over $40,000,000. Imports have been negligible. Specialties in sweaters and elaborately designed scarfs have come from Switzerland. The industry is new in other countries as well as in the United States.

Total imports of silk knit goods.

Fiscal years:	
1913	$250,794
1914	181,135
1919	29,080
1920	108,500
1921	164,017
1922 (January–March)	93,081

The PRESIDENT pro tempore. The question is upon the amendment proposed by the Senator from Texas [Mr. SHEPPARD] to the amendment reported by the committee, on which the yeas and nays have been ordered. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). Making the same announcement as to my pair and transfer as on former ballots, I vote "yea."

Mr. HALE (when his name was called). Making the same announcements as before with reference to my pair and its transfer, I vote "nay."

Mr. JONES of New Mexico (when his name was called). Making the same announcement as on previous votes with reference to my pair and its transfer, I vote "yea."

Mr. JONES of Washington (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. LODGE (when his name was called). Making the same announcement as to my pair and its transfer as before, I vote "nay."

Mr. McCUMBER (when his name was called). Transferring my general pair as on the previous vote, I vote "nay."

Mr. STERLING (when his name was called). Making the same announcement as on the last vote, I vote "nay."

Mr. TRAMMELL (when his name was called). Making the same announcement as on the previous ballot with regard to the transfer of my pair, I vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as on the last roll call, I vote "nay."

The roll call was concluded.

Mr. SIMMONS. I have a general pair with the junior Senator from Minnesota [Mr. KELLOGG]. In his absence from the Chamber I transfer that pair to the senior Senator from Montana [Mr. MYERS] and will vote. I vote "yea."

The result was announced—yeas 18, nays 35, as follows:

YEAS—18.

Ashurst	Harris	Pomerene	Trammell
Caraway	Heflin	Ransdell	Walsh, Mass.
Cummins	Hitchcock	Sheppard	Walsh, Mont.
Dial	Jones, N. Mex.	Simmons	
Fletcher	Overman	Stanley	

NAYS—35.

Ball	Cameron	France	Jones, Wash.
Brandegee	Capper	Frelinghuysen	Kendrick
Broussard	Curtis	Gooding	Keyes
Bursum	du Pont	Hale	Ladd
Calder	Ernst	Harreld	Lodge

McCumber	Moses	Oddie	Warren
McKinley	Nelson	Smoot	Watson, Ind.
McLean	New	Stanfield	Willis
McNary	Newberry	Sterling	

NOT VOTING—43.

Borah	Johnson	Owen	Smith
Colt	Kellogg	Page	Spencer
Crow	King	Pepper	Sutherland
Culberson	La Follette	Phipps	Swanson
Dillingham	Lenroot	Pittman	Townsend
Edge	McCormick	Poindexter	Underwood
Elkins	McKellar	Rawson	Wadsworth
Fernald	Myers	Reed	Watson, Ga.
Gerry	Nicholson	Robinson	Weller
Glass	Norbeck	Shields	Williams
Harrison	Norris	Shortridge	

So Mr. SHEPPARD's amendment to the amendment of the committee was rejected.

The PRESIDENT pro tempore. The question now is on the amendment of the committee.

The amendment was agreed to.

The PRESIDENT pro tempore. The Secretary will state the next amendment of the committee.

The ASSISTANT SECRETARY. The next amendment is in paragraph 1209, page 164, line 6, where the committee proposes to strike out "33½" and in lieu thereof to insert "55," so as to read:

Handkerchiefs and woven mufflers, composed wholly or in chief value of silk, finished or unfinished, not hemmed, 55 per cent ad valorem—

And so forth.

Mr. SHEPPARD. Mr. President, I move to strike out "55 per cent ad valorem" and to insert in lieu thereof "40 per cent ad valorem."

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Texas to the amendment of the committee.

Mr. SHEPPARD. Mr. President, no question of protection is involved in this paragraph. The handkerchiefs referred to are women's handkerchiefs of the cheaper grades, a grade of light-weight silk, and are imported entirely from Japan, whence 90 per cent of the supply of the United States is derived, and in fact where 90 per cent of the world's supply originates. It is merely a question of revenue. There is no separate silk-handkerchief industry in the United States. Such silk handkerchiefs as are made here are made in connection with other silk industries. It is difficult to see, therefore, why there should be an increase in duty, especially an increase from 40 to 55 per cent, on these cheap silk handkerchiefs. Their wholesale price delivered in the United States from Japan is $1 per dozen. Here is a case where an increase in rate would undoubtedly lessen the revenue. The only object of imposing the rate is revenue, and certainly there can be no reason for the increase.

I ask therefore that the existing rate of 40 per cent be retained on this cheap article, this article that is now within the reach of the masses. It may be called an article of luxury, but it is an article of common use and a luxury which, if not increased in price, will be within the reach of the people at large.

I trust, therefore, that the present rate of 40 per cent will be retained.

Mr. McLEAN. Mr. President, here we have an article of which 50 per cent of the consumption is imported. The Senator from Texas thinks there should not be any protection on this article. He has argued heretofore that we do not need any protection where the importations are small. I confess that I see no reason why we should not expect to make silk handkerchiefs in this country as well as all other kinds of silk products. The fact is that we can not do it because of these cheap importations from Japan. If anybody is foolish enough to use a silk handkerchief, it seems to me we ought to apply the same rate of duty that we apply on hose and knit wear.

Mr. SHEPPARD. Mr. President, this type of silk handkerchief is not made in the United States, because the American manufacturer has found that he can employ his capital and his machinery to much better advantage in making a higher grade of goods; so no protective purpose whatever can be subserved.

The Senator from Connecticut says that anybody who is foolish enough to buy a handkerchief of this kind ought to pay a rate of 60 per cent. I take the position that here is an opportunity to place a cheap luxury, if you may so call it, within the reach of the masses, and where the purpose of revenue—which is the only purpose to be subserved—may be best accomplished by not increasing the rate.

I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Texas to the amendment of the committee, on which the yeas and nays have been demanded and ordered. The Secretary will call the roll.

The Assistant Secretary proceeded to call the roll.

Mr. DIAL (when his name was called). Making the same announcement as on the former ballot as to my pair and transfer, I vote "yea."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. JONES of Washington (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. LODGE (when his name was called). Making the same announcement as before as to my pair and its transfer, I vote "nay."

Mr. McCUMBER (when his name was called). Transferring my pair as on the previous vote, I vote "nay."

Mr. SIMMONS (when his name was called). Making the same announcement of my pair and its transfer as on the previous vote, I vote "yea."

Mr. STERLING (when his name was called). Making the same announcement as before, I vote "nay."

Mr. TRAMMELL (when his name was called). Making the same announcement with regard to the transfer of my pair as on the previous ballot, I vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. HARRISON. I transfer my pair with the Senator from West Virginia [Mr. ELKINS] to the Senator from Missouri [Mr. REED] and vote "yea."

The result was announced—yeas 18, nays 36, as follows:

YEAS—18.

Ashurst	Harrison	Pomerene	Trammell
Caraway	Heflin	Ransdell	Walsh, Mass.
Dial	Hitchcock	Sheppard	Walsh, Mont.
Fletcher	Overman	Simmons	
Harris	Pittman	Stanley	

NAYS—36.

Ball	du Pont	Lodge	Nicholson
Brandegee	Ernst	McCumber	Oddie
Broussard	France	McKinley	Pepper
Bursum	Gooding	McLean	Smoot
Calder	Hale	McNary	Stanfield
Cameron	Jones, Wash.	Moses	Sterling
Capper	Kendrick	Nelson	Warren
Cummins	Keyes	New	Watson, Ind.
Curtis	Ladd	Newberry	Willis

NOT VOTING—42.

Borah	Harreld	Norris	Spencer
Colt	Johnson	Owen	Sutherland
Crow	Jones, N. Mex.	Page	Swanson
Culberson	Kellogg	Phipps	Townsend
Dillingham	King	Poindexter	Underwood
Edge	La Follette	Rawson	Wadsworth
Elkins	Lenroot	Reed	Watson, Ga.
Fernald	McCormick	Robinson	Weller
Frelinghuysen	McKellar	Shields	Williams
Gerry	Myers	Shortridge	
Glass	Norbeck	Smith	

So Mr. SHEPPARD's amendment to the committee amendment was rejected.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the committee was, on page 164, line 7, to strike out "40" and insert "60," so as to read:

Hemmed or hemstitched, 60 per cent ad valorem.

Mr. SHEPPARD. I move to insert "55" instead of "60."

The amendment to the amendment was rejected.

The amendment was agreed to.

The next amendment was, on page 164, after line 7, to strike out:

PAR. 1210. Shirt collars, composed in whole or in part of silk, whether natural or artificial, 50 cents per dozen and 20 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 164, after line 10, to strike out:

PAR. 1211. Shirts, for men and boys, in whole or in part of silk, whether natural or artificial, 40 per cent ad valorem, but not less than 10 per cent in addition to the duty on the component materials.

The amendment was agreed to.

The next amendment was, on page 164, line 15, after the word "clothing," to strike out "ready made,"; in line 18, before the words "per centum," to strike out "40" and to insert "60"; and in line 19, after the word "valorem," to strike out the colon, so as to read:

PAR. 1212. Clothing and articles of wearing apparel of every description, not knit or crocheted, manufactured wholly or in part, composed wholly or in chief value of silk, and not specially provided for, 60 per cent ad valorem.

Mr. SHEPPARD. I move to insert "50" in lieu of "60." This type of silk product embraces practically every kind of male and female ready-made wearing apparel. It is beyond the reach of foreign competition of any character whatever. It has developed a considerable export trade. The exports of these products from the United States have grown from $2,556,166 in 1918, the first year they were officially reported, to $10,016,045 in 1920.

The Tariff Commission states that the domestic industry supplies nearly all the domestic consumption. The commission says, further, in a special report on this industry that the efficiency of American labor offsets the difference in wages paid at home and abroad, and that other conditions are at least equal; that women's wearing apparel is imported from France chiefly for ideas and not for sale and in deference to the world ascendency of Paris in the matter of style.

Under the high Democratic rate of 50 per cent this industry has been securely established, established beyond all reach of foreign competition, an industry which produces articles of general and common use throughout the United States. Any increase in rate, therefore, is without justification. I shall not ask for a roll call, but will be content with a viva voce vote.

The PRESIDING OFFICER (Mr. ODDIE in the chair). The question is on agreeing to the amendment of the Senator from Texas to the committee amendment.

The amendment to the amendment was rejected.

The amendment of the committee was agreed to.

The next amendment was, on page 164, line 19, after the word "valorem," to strike out the following proviso:

Provided, That articles composed wholly or in chief value of any of the materials or goods dutiable under this paragraph shall pay not less than the rate of duty imposed upon such materials or goods by this title.

The amendment was agreed to.

The next amendment was, on page 164, line 25, before the words "per cent," to strike out the figure "35" and to insert "60," so as to make the paragraph read:

PAR. 1213. All manufactures of silk, or of which silk is the component material of chief value, not specially provided for, 60 per cent ad valorem.

Mr. SHEPPARD. I move to strike out "60" and insert in lieu thereof "45."

This paragraph is known in tariff terminology as the "catch-all" clause, the basket clause. It is well named when you apply to it the name of "catch-all," because it catches everything in sight, and some things not in sight.

This paragraph is inserted here for fear that some article made wholly of silk or partly of silk might escape the claws of the taxgatherer. The increase from 45 to 60 per cent is beyond all reason. I want to read a telegram from a representative silk concern, the Lenape Silk Co., of East Stroudsburg, Pa., sent to a number of Republican Senators, which reads as follows:

We understand you have temporarily placed a 55 per cent catch-all clause—

As a matter of fact, the committee has made it 60 per cent—

as a minimum rate on silk piece goods in the silk schedule. This is all wrong. It is excessive and hurts our industry by the prohibition of French imports. We insist upon 45 per cent as ample protection and no higher.

The American silk industry, under a minimum Democratic tariff rate of 45 per cent, has registered a progress absolutely unparalleled in financial and economic annals. During the life of this Democratic tariff law, imposing a minimum rate of 45 per cent on silk goods, the rate rising to 50 and 60 per cent on many types of silk goods, the industry has grown from a domestic production valued at $295,000,000 in 1914 to $895,000,000 in 1919, and the growth continues. If there is an industry in the United States which has made signal progress and which has no claim to higher protection it is the silk industry of the United States.

In addition to this protection of 45 per cent on the finished product it has had the privilege of importing all its raw material free of tariff charges. The American silk industry is to-day the greatest silk industry on earth. It has surpassed the historic silk industries of France and of other countries. It is the third largest textile industry in the United States.

So, Mr. President, voicing my protest against an increase of duty where an industry has become so prosperous as has the American silk industry, I ask for the yeas and nays on the maintenance of the existing rate of 45 per cent on all articles not specially provided for.

Mr. WALSH of Montana. Mr. President, I observe that the Senator from Connecticut has twice endeavored to get the ear of the Chair in order to make some kind of an explanation as to why this rate should be charged. The Chair overlooked him. It would be a real service if the Senator would give the Senate some reasons for this increase.

Mr. McLEAN. Mr. President, I shall be very glad to do so. It must be apparent that these imports are made of goods which bear a 60 per cent ad valorem rate. Take a jewelry box, for instance, made of silk. The silk in that box bears a rate of 60 per cent, and there is no reason why the box should not carry the same rate.

The imports have been large. In 1918 they were $476,000, in 1919 they were $602,000, in 1920 they were $1,183,000, and in 1921 they were $1,035,000. These goods are luxuries, and it would be unreasonable to impose a rate upon the articles in this paragraph lower than 60 per cent.

The Reynolds report on these articles warrants a rate of 100 per cent ad valorem on the importations.

Mr. SHEPPARD. Mr. President, the explanation of the Senator from Connecticut is an explanation which in my judgment does not explain. He said something about articles already bearing a rate of 60 per cent ad valorem. The object of this paragraph is to take care of those articles which have not been given a rate at all. That is the reason the paragraph is called a basket clause.

Mr. McLEAN. If a jewelry box is made out of velvet, that velvet, if it came in as cloth, would pay a rate of 60 per cent. Why should they not pay the same rate if it is manufactured in a jewelry box?

Mr. SHEPPARD. This paragraph would not cover an article which was already taxed; otherwise it would not be a basket clause at all.

Mr. McLEAN. It would cover the article made from the silks, of course.

Mr. SHEPPARD. Very well. I understand that. But I have contended all through the schedule that we should substitute for the very high rates of the Senate Finance Committee the rates of the Democratic tariff law, and consequently I offered that rate here. The reply of the Senator is, therefore, no just criticism of my proposal to substitute 45 per cent for 60 per cent. Neither has the Senator attempted to justify in his reply to the Senator from Montana [Mr. WALSH] the increases which have been made in the rates of the silk schedule.

I want to add that silk is becoming more and more a material of general and common use. I have already shown that it is a prime necessity in time of war; that it is a necessary material in the making of bags for powder. I have already shown that it is a necessary material in coverings which insulate every electric wire in the country, and that thus it is a prime necessity of American industry. In addition to that, surgical thread, used in operations on the human body, where life itself is frequently in the balance, is made of silk. Many essential medical supplies are made wholly or in part of silk. Household furnishings, imitation seals and furs, and standard dress goods I have already referred to. Even the linings of the cheap coffins are made of silk, affording people of limited means an opportunity to pay a tribute of tenderness and honor to their beloved dead.

So there is something more than the mere idea of luxury in the silk schedule. I have been astounded at the position taken by the Senator from Connecticut on some of these articles when he pronounces them luxuries and says if people are foolish enough to buy such articles they ought to be subject to a tax so high that they may be said to be penalized.

Mr. WALSH of Massachusetts. Mr. President, may I inquire of the Senator from Texas if there have been any sort of importations of these articles in recent months?

Mr. SHEPPARD. There has been no flood of importations. In fact, the command of the home market which the silk industry enjoys is shown by the fact that the importations in 1914 had a value of only $34,000,000, as compared to a total output of nearly $300,000,000, and that those imports only increased to $53,000,000 in 1919, whereas the total production increased to nearly $900,000,000. So the Senator can see that the imports have proportionately decreased during the last seven or eight years, while the production of the finished product has had an enormous increase.

Mr. WALSH of Massachusetts. Does the record of 1921 correspond with the record of 1914 and 1919?

Mr. SHEPPARD. The record of 1921 shows the volume of importations of the raw materials of the silk industry has continued to increase. While there have been no official figures as to manufactured products since 1919, we have the official figures as to the importations of raw materials, and those importations have continued to multiply on an advancingly rapid scale.

Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. DIAL (when his name was called). Making the same announcement as to my pair and transfer as on the former ballot, I vote "yea."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. HARRISON (when his name was called). Making the same announcement as before, I vote "yea."

Mr. JONES of Washington (when his name was called). Making the same announcement as before with reference to my pair and transfer, I vote "nay."

Mr. LODGE (when his name was called). Making the same announcement as to my pair as before, I vote "nay."

Mr. McCUMBER (when his name was called). Transferring my general pair as on the previous vote, I vote "nay."

Mr. TRAMMELL (when his name was called). Making the same announcement as on the previous ballot in regard to the transfer of my pair, I vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded

Mr. SIMMONS (after having voted in the affirmative). I have a pair, but I have heretofore announced the transfer of that pair. Making the same statement as to my pair and transfer, I let my vote stand.

Mr. STERLING (after having voted in the negative). Making the same announcement as on the previous vote, I will let my vote stand.

The result was announced—yeas 18, nays 36, as follows:

YEAS—18.

Ashurst	Harrison	Pomerene	Trammell
Caraway	Heflin	Ransdell	Walsh, Mass.
Dial	Hitchcock	Sheppard	Walsh, Mont.
Fletcher	Overman	Simmons	
Harris	Pittman	Stanley	

NAYS—36.

Ball	Ernst	McCumber	Oddie
Brandegee	Frelinghuysen	McKinley	Pepper
Broussard	Gooding	McLean	Smoot
Bursum	Hale	McNary	Spencer
Calder	Jones, Wash.	Moses	Stanfield
Cameron	Kendrick	Nelson	Sterling
Capper	Keyes	New	Warren
Curtis	Ladd	Newberry	Watson, Ind.
du Pont	Lodge	Nicholson	Willis

NOT VOTING—42.

Borah	Glass	Norbeck	Smith
Colt	Harreld	Norris	Sutherland
Crow	Johnson	Owen	Swanson
Culberson	Jones, N. Mex.	Page	Townsend
Cummins	Kellogg	Phipps	Underwood
Dillingham	King	Poindexter	Wadsworth
Edge	La Follette	Rawson	Watson, Ga.
Elkins	Lenroot	Reed	Weller
Fernald	McCormick	Robinson	Williams
France	McKellar	Shields	
Gerry	Myers	Shortridge	

So the amendment of Mr. SHEPPARD to the amendment of the committee was rejected.

The PRESIDING OFFICER. The question recurs on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will report the next amendment.

The ASSISTANT SECRETARY. The next amendment is, on page 165, line 2, after the word "this," to strike out "title" and to insert "schedule," so as to make the paragraph read:

PAR. 1214. In ascertaining the weight or number of silk under the provisions of this schedule, either in the threads, yarns, or fabrics, the weight or number shall be taken in the condition in which found in the goods, without deduction therefrom for any dye, coloring matter, or moisture, or other foreign substance or material. The number of single threads to the inch in the warp provided for in this title shall be determined by the number of spun or reeled singles of which such single or two or more ply threads are composed.

The amendment was agreed to.

The ASSISTANT SECRETARY. The next amendment is, on page 165, line 11, after the words "PAR. 1215," to insert "Partially manufactured artificial silk waste, 35 cents per pound."

Mr. SMOOT. Mr. President, the chairman of the committee sent to the desk on July 29 an amendment to this paragraph. There are two changes in it which I desire to submit and then offer it as a substitute for paragraph 1215 as originally reported.

On page 2 of the amendment as printed, in line 7, the word "cellulose" is incorrectly spelled. It should be corrected. Then, in line 11, "40 per cent ad valorem" should read "50 per cent ad valorem." I ask that the Secretary report the amendment as modified and then I shall be glad to explain it.

The ASSISTANT SECRETARY. On page 165 strike out lines 11 to 22, both inclusive, and insert in lieu thereof the following:

PAR. 1215. Artificial silk waste, 10 cents per pound, but not less than 15 per cent ad valorem; artificial silk waste not further advanced than sliver or roving, 20 cents per pound, but not less than 25 per cent ad valorem; yarns made from artificial silk waste, if singles, 25 cents per pound; if advanced beyond the condition of singles by grouping or twisting two or more yarns together, 30 cents per pound; yarns, threads, and filaments of artificial or imitation silk, or of artificial or imitation horsehair, by whatever name known and by whatever process made, if singles, 45 cents per pound; if advanced beyond the condition of singles by grouping or twisting two or more yarns together, 50 cents per pound; products of cellulose, not compounded, whether known as visca, cellophane, or by any other name, such as are ordinarily used in braiding or weaving and in imitation of silk, straw, or similar substances, 55 cents per pound; but none of the foregoing yarns, threads, or filaments, or products of cellulose shall pay a less rate of duty than 35 per cent ad valorem. Knit goods, ribbons, and other fabrics and articles composed wholly or in chief value of any of the foregoing, 45 cents per pound and 50 per cent ad valorem.

Mr. SHEPPARD. Does the Senator wish to discuss the amendment?

Mr. SMOOT. Yes.

Mr. SHEPPARD. In the last line of the amendment I move to strike out "45" and to insert "40." Let me say by way of explanation that in this instance the Senate Finance Committee has recommended a slight decrease in existing rates on the finished product.

Mr. SMOOT. May I just explain the amendment I have submitted? The original amendment as offered on "knit goods, ribbons, and other fabrics and articles composed wholly or in chief value of any of the foregoing," which means the cellulose compounds or the artificial silk, provided a duty of 45 cents per pound and 40 per cent ad valorem.

Mr. SHEPPARD. That is really a reduction of the existing rate.

Mr. SMOOT. The existing law provides a rate of 60 per cent upon those goods; 45 cents, Mr. President, on these fabrics, even if they were worth $4.50 a pound, would be 10 per cent, and the addition of 40 per cent would make 50 per cent, or 10 per cent less than they are under existing law.

Mr. SHEPPARD. That is true.

Mr. SMOOT. Therefore I suggest that 40 be increased to 50 and leave the 45 cents specific rate as it is. That will leave the rate exactly as it is under the existing law, being an equivalent of 60 per cent ad valorem. That is about the only change which I have suggested in this amendment. I wish to say to the Senator from Texas, however, that the proposed amendment is much more scientifically framed.

Mr. SHEPPARD. The amendment proposes an increase on certain artificial silk yarns, does it not?

Mr. SMOOT. That rate has been increased very little, for I wish to say to the Senator that at the present prices of yarn the ad valorem rate will be operative in nearly every case. I have here to-day's prices of the yarns.

Mr. SHEPPARD. What is the value of these yarns per pound?

Mr. SMOOT. I will say to the Senator from Texas that the prices of imitation horsehair and imitation silk run about a dollar a pound; yarns made from artificial silk waste, singles, are about 80 cents a pound; if advanced beyond the condition of singles by grouping or twisting two or more yarns together made from artificial silk waste, the price is from 80 to 95 cents a pound. The Senator will therefore notice that according to those values the ad valorem rate mentioned in each case will be the rate that will be operative. I repeat that as the paragraph is now written it is far better than the provision of the existing law, of the Payne-Aldrich law, or the paragraph as originally reported to the Senate by the Committee on Finance.

Furthermore, as the paragraph is now written we can secure all the information in reference to importations and know just what is coming in, but under the law to-day that can not be done. For statistical purposes the form of the paragraph as now proposed is very much better.

Mr. SHEPPARD. What is the equivalent ad valorem of the rates of 45 cents a pound and 50 cents a pound and 55 cents a pound proposed by this amendment on various artificial silk yarns?

Mr. SMOOT. Of the 45 cents per pound rate, the equivalent ad valorem rate to-day is 30 per cent—and of course the 35 per cent bracket would catch it. Of the 50 cents per pound rate the equivalent ad valorem rate would be 27 per cent, and of the 55 cents per pound rate the equivalent ad valorem rate would be only 15 per cent.

Mr. SHEPPARD. Does that mean a lower rate than the present one on these yarns?

Mr. SMOOT. If it were not for the provision that the rate shall not be less than 35 per cent, of course the rates would all be less. But at some time in the future, if the price of yarns fall, then of course the rate will not be less. Therefore, it is a far better provision in order to take care of future conditions than the one originally reported. In other words, out of this schedule we have taken all of the specific rates, with the ex-

ception, I think, of two paragraphs, paragraph 1206, covering plushes, and one other. I can not see why the specific rates should not be taken out of those paragraphs and only ad valorem rates provided. There is, however, one reason, but I thought it was not sufficient to prevent me from expressing the opinion at least that I should prefer a straight ad valorem duty.

Mr. SHEPPARD. Mr. President, I desire to submit this observation regarding the present amendment: This is a branch of the silk industry which has enjoyed the rapid growth that has characterized the other branches of the silk industry under existing tariff rates. The artificial-silk industry has multiplied itself fifteen times under the existing tariff law in less than a decade. The Committee on Finance very wisely has proposed a decrease in the rate on the finished product of the artificial-silk industry. The Senator from Utah [Mr. SMOOT], evidently being unable to tolerate such a thing as a decrease, has offered an amendment making the rate equal to the existing rate. The Senate Finance Committee ought to have taken the same course with regard to all the other branches of the silk industry, because they all are largely in the same position in so far as growth under the present tariff rates is concerned. None of them presents a proper case for an increase of duty. I congratulate the committee on not offering to increase the rates on the products of this branch of the silk industry. This action stands out in strange contrast to its course as to other silk products. I shall not ask for a yea-and-nay vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Utah [Mr. SMOOT] on behalf of the committee.

The amendment was agreed to.

Mr. SMOOT. Mr. President, I notice in the New York Herald of to-day, August 1, 1922, an article headed:

New woolen prices surprisingly low. Reductions from last year named in women's wear fabrics for spring.

I have noticed editorials in that newspaper in which it is stated that the rates proposed on women's woolen fabrics would result in large increases in the prices of clothing to the American consumer. In the same paper, however, I find here under the heading indicated, "Woolen prices surprisingly low," an article to one statement of which I desire to call attention, as follows:

It was generally believed in the trade that the American Woolen Co.'s prices on the women's wear fabrics would at least be above last year's figures, in view of the fact that the primary market had risen steadily since last year. The new values probably will cause some downward revision of prices by other independent factors, it is believed in the trade.

I ask that the article, together with the prices upon the commodities named therein, may be printed in the RECORD without reading.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW WOOLEN PRICES SURPRISINGLY LOW—REDUCTIONS FROM LAST YEAR NAMED ON WOMEN'S WEAR FABRICS FOR SPRING.

The American Woolen Co. opened yesterday its complete line of women's wear woolen and worsted fabrics for next spring for the coat, suit, and dress trades. Even more surprising to the trade than the opening of the men's wear lines on July 17, when prices were found to be but slightly higher than last spring, were the comparatively low prices named on the lines shown yesterday.

Values named on the best selling or repeat numbers were from 1½ to 5 per cent lower than prices prevailing at the last spring opening, despite the fact that raw wool quotations have jumped more than 100 per cent on the finer and medium grades in the last year.

It was generally believed in the trade that the American Woolen Co.'s prices on the women's wear fabrics would at least be above last year's figures, in view of the fact that the primary market has risen steadily since last year. The new values probably will cause some downward revision of prices by other independent factors, it is believed in the trade.

Velours and tricotine worsteds were shown at prices which were the lowest for any spring opening in the company's history. Prices on the less important constructions were figured at a slightly higher plane than last spring. The standard 0417, which is the popular Normandy cloth, was figured at $3.12½ a yard, contrasted with $3.27½ last spring. This represents a decline of 4.7 per cent. The 0453 number, which is the Elysia, was shown at $3.02½ a yard, as against $3.10 last year, which is a reduction of 2.4 per cent. The 0481, or Shawsheen cloth, was opened at $3.15 a yard, compared with $3.20 last spring, which is a concession of 1.6 per cent.

The showing was said to be one of the largest for department 4. There was an extensive line of Polaires shown, ranging in weight from 14 to 20 ounces and in prices from $1.22½ to $2.45 a yard. A much larger line of fabrics for sports wear also was displayed. Polaires in small and large checks and diagonal patterns, weighing from 14 to 16 ounces, were priced at $1.42½ a yard. This showing included tweeds for suitings and coats and reversible plaid-back suitings, which are new departures for the company.

The department was fairly filled with buyers from the early morning to the close of the afternoon. Several leading houses placed large orders for various fabrics, while purchasing from other buyers was also brisk and in substantial volume.

The balance of men's wear lines will be shown to-day.

Subjoined is a list of some of the fabrics shown, with their style, numbers, weight, and price per yard:

Spring fabric prices.

TRICOTINES.

Style.	Weight.	Price.
	Ounces.	
0537	9½	$1.70
117	10	2.30
09172	11	2.40
09183	10½	2.50

VELOURS.

1310	10	$1.27½
13909	10	1.42½
13800	9	1.55

POLAIRES.

132016	16	$1.22½
11196	14	1.27½
131514	14	1.32½

Mr. FLETCHER. Mr. President, referring to the statement of the Senator from Utah regarding the woolen-goods situation, the papers show that there has been a great increase in the trade in woolens—enormous buying of woolens. That would seem to indicate that the importers expect the price to go up, and are therefore making their purchases now. They evidently expect that the effect of this bill will be to increase the price of those woolen goods.

Mr. SMOOT. Mr. President, that is a strange argument. We have been hearing for about two weeks that there were no purchases abroad and no importations. I want to say, as I have said before, that the prices of woolen goods are lower than the prices at the last openings, and they were under existing law. These goods mentioned in the newspaper article will not be made for six months. They will be made and sample pieces delivered perhaps in six months from to-day, and then the delivery of the whole order will extend for three months longer.

Mr. FLETCHER. They are being purchased now because they expect prices to go up after this bill is passed.

Mr. SMOOT. Mr. President, these are American prices, sold in America for future delivery.

The next amendment of the Committee on Finance was, in Schedule 13, on page 165, line 23, in the subhead before the word "papers," to insert "pulp," so as to read: "Schedule 13.—Pulp, papers, and books."

Mr. WALSH of Montana. Mr. President, my attention was diverted for a moment. I will ask that the amendment may be again stated.

The PRESIDING OFFICER. The amendment will be again stated.

The Assistant Secretary again stated the amendment.

Mr. WALSH of Montana. I have no objecton to that amendment.

The PRESIDING OFFICER. Without objection, the amendment to the subhead will be agreed to.

Mr. McCUMBER. Mr. President, before the Senator from Montana proceeds with the discussion, if it is entirely agreeable to him I will ask to have inserted in the RECORD at this point certain tables bearing upon importations of chemical pulp and other pulp into the United States.

Mr. WALSH of Montana. That is entirely satisfactory to me.

Mr. McCUMBER. I will ask, first, to have printed in the RECORD a table showing the imports of pulp and the proportionate part of the total imports which were made of chemical pulp, from 1910 to 1921, inclusive, and also the domestic production of chemical wood pulp from 1917 to 1920, inclusive, showing the imports and the percentage of imports to domestic production. I also ask to have printed in the RECORD a table showing the imports of chemical wood pulp from 1918 to 1921, inclusive.

The PRESIDING OFFICER. Without objection, it is so ordered.

The tables referred to are as follows:

CHEMICAL WOOD PULP.

United States imports of pulp and the proportionate part of total imports that was chemical pulp.

	Total tons.	Chemical percentage of total.
1910	377,000	62.1
1911	488,000	52.3
1912	483,000	59.6
1913	500,000	67.5
1914	510,000	69.0
1915	588,000	68.5
1916	514,000	62.5
1917	698,000	61.3

CHEMICAL WOOD PULP—continued.

United States imports of pulp, etc.—Continued.

	Total tons.	Chemical percentage of total.
1918	505,000	62.2
1919	478,000	64.8
1920	727,000	73.3
1921	504,000	71.6

United States production of chemical wood pulp.

	Tons.	Imports, in percentage of production.
1917	1,973,986	35.3
1918	1,949,337	25.9
1920	2,008,647	36.1

Imports of chemical wood pulp, 1918-1921.

Article.	1918		1919		1920		1921	
	Tons.	Dollars.	Tons.	Dollars.	Tons.	Dollars.	Tons.	Dollars.
Unbleached sulphate	106,037	7,971,067	130,278	9,048,537	163,122	17,025,709	155,351	10,863,804
Unbleached sulphite	226,298	16,973,540	214,243	17,979,170	308,008	37,510,435	208,093	14,149,454
Bleached sulphate	3,356	299,790	4,594	394,765	15,426	1,954,005	3,645	231,114
Bleached sulphite	14,962	1,512,742	38,174	4,472,593	114,470	19,046,439	85,005	8,948,089
Total	350,653	26,757,139	387,289	31,895,065	601,026	75,536,589	452,104	34,192,441

Mr. McCUMBER. Mr. President, I should like to present a few other facts concerning chemical wood pulp.

Mr. LODGE. Mr. President, if the Senator from North Dakota will allow me before he makes his statement, I desire to say something as to chemical wood pulp, and so does the Senator from Maine; but I shall not be ready to go on to-morrow, and I should like to have it put over for a day.

Mr. McCUMBER. Mr. President, there are Senators on the other side who are ready to speak, but I will allow the paragraph to go over when they have concluded.

Mr. President, the chemical-pulp industry is one that is very important to the United States, and if the example of our manufacturers in Maine, the State ranking first in the production of chemical pulp, is followed the United States can produce indefinitely all of this pulp required. In that State a certain acreage of timber is cut each year, which is to be fixed by reforestation that the timber resources of that State are steadily increasing. All suitable logs cut are converted into timber and lumber. The remaining, together with all parts of the trees cut, too small for use in making lumber are converted into pulp. Even the bark and sawdust are used as fuel, so there is no waste.

The chemical-pulp industry in 1921 was employing, roughly, 20,000 men at the mills and 10,000 men in the woods. It has invested $233,000,000 of capital, and converts a raw material into this pulp that is of no use in any other industry, and of which there is a sufficient supply in the United States (p. 4523 of hearings). This pulp can be made from practically any kind of wood, even from wood not suitable for any other purpose, even fuel. The refuse of the lumber mills—parts of trees too small for lumber, small second-growth timber from 5 inches in diameter up. Some 60 per cent of the cost of this pulp represents labor.

The daily capacity of the United States mills is about 9,300 tons of chemical pulp; or, working at normal capacity, 2,500,000 tons of chemical pulp per annum. Foreign pulp is causing many of our mills to close or run on part time. (Appendix A to brief of Peter G. Thompson, jr., p. 4529 of hearings, as follows:)

In making newsprint or cheap print paper 15 to 20 per cent of unbleached chemical pulp is mixed with mechanical pulp to give strength to the paper. But newsprint paper would not be affected by a duty on chemical pulp, for three reasons:

1. Practically all American mills that make newsprint paper manufacture their own pulp.

2. At least 80 per cent of these mills manufacture the chemical pulp they use. They do not buy this pulp but manufacture a surplus and offer it for sale.

3. Newsprint paper and mechanical pulp come into the United States free of duty.

Certain of our consumers of chemical pulp own grants of Canadian land and manufacture their chemical pulp in Canada and import it into this country.

In 1921 our total importation was $92,372,606 of paper and all manufactures of paper, including books, cards, cigar bands, etc.; $83,629,877 worth came in free, of which $79,123,368 was newsprint paper. Of all other print paper—that containing large quantities of chemical pulp—only $196,000 worth was imported. For the same year, $39,396,249 worth of wood pulp was imported, $9,179,183 of which was chemical pulp, a highly manufactured product coming into direct competition, free of duty, with a great American industry, and steadily driving it into bankruptcy.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The ASSISTANT SECRETARY. At the beginning of the paper schedule, the committee proposes to insert a new paragraph, as follows:

PAR. 1300. Chemical wood pulp, unbleached or bleached, 5 per cent ad valorem: *Provided*, That if any country, dependency, province, or other subdivision of government shall forbid or restrict in any way the exportation of (whether by law, order, regulation, contractual relation, or otherwise, directly or indirectly) or impose any export duty, export license fee, or other export charge of any kind whatever, either directly or indirectly (whether in the form of additional charge or license fee, or otherwise), upon printing paper, chemical wood pulp, or wood for use in the manufacture of wood pulp, there shall be imposed upon chemical wood pulp, when imported, either directly or indirectly, from such country, dependency, province, or other subdivision of government, an additional duty equal to the highest export duty or other export charge imposed by such country, dependency, province, or other subdivision of government, upon either an equal amount of chemical wood pulp or an amount of wood necessary to manufacture such wood pulp, or an amount of printing paper ordinarily manufactured from such chemical wood pulp.

Mr. WALSH of Montana. Mr. President, the commodities with which this schedule deals have in the past given rise to protracted and oftentimes heated controversies, an echo of which was heard in this Chamber only a few days ago. The logic of events, however, has to a very great extent demonstrated the soundness of the contention of those who have insisted upon the introduction of this commodity free, or at a very low rate of duty.

To the almost universal public opinion to that effect the committee framing the measure have to a very great extent yielded—not wholly, but almost—so that to a very large extent the controversies of the past need not be repeated at this time.

Wood pulp is of two general classes—ground pulp and chemical pulp. Ground pulp is made by bringing the wood into contact with whirling grindstones or some similar machinery that reduces it to a pulp form. Chemical pulp, as is suggested by the term, is produced by the utilization of chemicals in the maceration process, chiefly some form of sulphite. Both classes of pulp—ground pulp and chemical pulp—are on the free list in the bill as it came from the House. The Senate committee proposes to leave ground pulp on the free list, but proposes to put a duty of 5 per cent on chemical pulp.

Wood pulp, as is of course well known, is the foundation for most of the paper that is manufactured in this country and abroad. The greater portion of it is consumed in the manufacture of what is known as newsprint. Newsprint is likewise on the free list under the bill as it came from the House and as reported by the Senate committee, so that while the product of wood pulp is on the free list wood pulp itself—that is, the chemical wood pulp—is on the dutiable list, a condition which I apprehend exists with respect to no other commodity mentioned in the bill.

In the manufacture of newsprint paper ground wood pulp is the chief constituent, but in order to make the paper acceptable to the trade about 20 per cent of chemical pulp is necessary. The chemical pulp is used in increasing proportions as the grade of the paper rises, and in the grades of paper above newsprint it becomes a very important element, as indeed it is so far as newsprint is concerned.

The duty, being 5 per cent as prescribed, is equivalent to an ad valorem of about $5 per ton, wood pulp now commanding about $100 a ton, or 5 cents a pound, in the market; so that whatever chemical pulp is introduced into this country bears a duty of practically $5 a ton, the consumption amounting to

600,000 tons a year. This imposes upon the newspaper industry of the country and other forms of manufacture of paper the trifling burden of something like $3,000,000.

Attention has been called by the distinguished chairman of the Finance Committee to the heavy importations of chemical wood pulp. They are very heavy. Perhaps these figures were given in the table submitted by the Senator from North Dakota; but I repeat, for the information of the Senate, that in 1918 our importations of unbleached chemical pulp amounted to $25,000,000, in round figures, and our importations of bleached pulp to $1,800,000. In 1919 the figures were increased to $27,000,000 of unbleached pulp and $4,867,000 of bleached pulp. In 1920 the importations jumped to $54,760,000 of unbleached pulp, and $20,866,777 of bleached pulp. The ground wood-pulp importations increased in the same high proportion—$4,700,000 worth in 1918, $5,000,000 worth in 1919, and $13,800,000 in 1920. So that by the table of production and importations a prima facie case is easily made in favor of a substantial protective tariff upon this particular article; but, Mr. President, other features are to be taken into consideration, and there are other factors in the problem.

To start out with, it will be understood that the sources of wood pulp in this country are limited. Our forests are rapidly disappearing. The alarm has been sounded for the last 20 years. We are expending annually from five to six million dollars in order to preserve the forests which are the property of the United States, not to speak of the enormous sums that are annually expended by the States and by private interests for the protection of the forests.

Our supply of pulp woods, as I have said, is being rapidly exhausted, and we have come to rely to a very large extent upon the abundant forests of Canada for our supply of pulp wood and of wood pulp.

As is well known, Canada has laid an embargo upon the exportation of pulp wood, requiring that it be converted into wood pulp in that country before it can be exported.

The question is presented, then, as one of great public policy, Shall we put a duty upon the production of chemical wood pulp, thus promoting the preservation of our forests, which are rapidly eaten up because the consumption is enormous, or would it be the better public policy to preserve our forests for use in the future, allowing the Canadians to utilize their vast sources of supply as they may see fit, for domestic use or for export?

Mr. HALE. Mr. President, does the Senator know what proportion of our annual lumber cut goes into pulp wood?

Mr, WALSH of Montana. I can give the Senator the number of cords of wood.

Mr. HALE. Does the Senator know what proportion of our annual cut of lumber in the United States goes into pulp wood? I think I can tell him. Three and one-tenth per cent of the entire cut of lumber in the United States goes into pulp wood, and that includes mechanical as well as chemical pulp wood, so that it is only a little over 1½ per cent of the lumber cut that goes into pulp wood.

Mr. WALSH of Montana. That is a feature of the controversy aside from the question I am now presenting, and, of course, it is an inconsequential proportion of the entire supply. I do not want to be diverted from the line of argument I am now pursuing—that is, the great question of public policy, as to whether we ought to put this premium upon the destruction of the American forests. Let us find out what information we have concerning the extent of our present supply of pulp wood.

The Tariff Commission tells us, by the pamphlet on wood pulp and rag pulp, F. L. 38, as follows—I read from page 28 thereof:

> The most serious problem of pulp and paper manufacture in the United States arises less from foreign competition than from the increasing difficulty in securing pulp wood. Both in the lumber industry and in the pulp and paper industry it has been hitherto the practice to exploit the virgin forests for lumber or pulp wood with little or no attention to reforestation. As a result the forests of pulp wood—spruce, hemlock, and balsam fir—in the Northeastern and Lake States, the principal seats of the pulp and paper industry, are rapidly approaching extinction.
>
> In New England and New York it is estimated that there is only a 15-year supply. In New York alone the supply will hardly last 10 years. Moreover, in New York large areas of timberland have been acquired by the State as State preserves, and on such land cutting is prohibited by the State constitution.

Mr. HALE. Mr. President, I dislike to interrupt the Senator, but my State is one of the principal States where chemical pulp is manufactured, and I can inform the Senator that, instead of the pulp wood being cut off, by the use of forestry methods our supply is growing all the time instead of diminishing.

Mr. WALSH of Montana. I observed that the Senator from North Dakota, the distinguished chairman of the Committee on Finance, told us about the reforestation in Maine. I ask the Senator from Maine when that policy was inaugurated in his State?

Mr. HALE. I think it has been in operation for the last 10 or 15 years.

Mr. WALSH of Montana. How long will it take in the State of Maine for timber to reach such a state of maturity as to be available for pulp wood?

Mr. HALE. Almost any timber can be used for pulp wood. As a matter of fact, we cut down to a certain diameter, and then, after we have cut the land over, we cut it again in another 15 or 20 years.

Mr. WALSH of Montana. How much of the reforested timber has ever been cut in the State of Maine?

Mr. HALE. We are cutting all along, all the time.

Mr. WALSH of Montana. Cutting timber which has been planted?

Mr. HALE. No.

Mr. WALSH of Montana. That is what I am talking about. I dare say that not a stick of planted timber has ever been cut.

Mr. HALE. We do not have to do that. We simply do not strip the land.

Mr. WALSH of Montana. You let it grow up naturally?

Mr. HALE. Yes.

Mr. WALSH of Montana. The same process of reforestation is going on in my State.

Mr. HALE. We cut very carefully, and we do not strip the land, so that the land takes care of itself.

Mr. WALSH of Montana. My question is, How long does it take, after the seed drops to the ground, before the timber has arrived at such a state of maturity as that it is available for pulp wood?

Mr. HALE. As I told the Senator, it is available at any time. You could put small saplings in if you wanted to, but you do not do it. You allow the tree to grow until it measures about 6 inches at the butt before cutting.

Mr. WALSH of Montana. How long does it take to grow to 6 inches at the butt?

Mr. HALE. Probably about 20 years.

Mr. McCUMBER. Mr. President, if the Senator will allow me, the evidence from which I made my statement, and which was before the committee, showed that there is just as great an amount of wood available for pulp in the State of Maine to-day as there was 15 years ago, when they began the reforestation by taking care of their trees. That is the idea I sought to convey, rather than the idea of the length of time it will take for any particular sized tree to grow to the condition in which the other trees were when they were cut and converted into pulp.

Mr. WALSH of Montana. Is there any evidence that a stick of new-growth timber was ever cut in the State of Maine for wood-pulp purposes?

Mr. McCUMBER. I do not know that there is any statement that that which started to grow 10 years ago has even been cut, but I understand the growth is sufficiently rapid so that trees much less than 15 years of age are cut and used for pulp wood.

Mr. WALSH of Montana. Does not the Senator know that the Forestry Service has reported that we never have grown timber in this country for any such uses whatever?

Mr. HALE. The Senator is now talking about timber that has been planted.

Mr. WALSH of Montana. It does not make any difference whether it was planted or not.

Mr. HALE. Most of the timberland in my State has at one time or another been cut over.

Mr. WALSH of Montana. I have no doubt in the world that since Maine was settled, some 200 years ago, it has been retimbered. What I want to know is, since the reforestation, of which the Senator from North Dakota told us, was begun, what extent of territory in the State of Maine has been cut over?

Mr. McCUMBER. The point I desire to make as to that is that the young trees are growing as rapidly as the older trees are taken away, so that the amount available for pulp remains about stationary.

Mr. HALE. They are growing because we do not cut them down. We do not strip the land. We cut intelligently. I do not know what they do in the Senator's State.

Mr. HITCHCOCK. Mr. President, I think probably I can reconcile some of these rather antagonistic statements. My information is that there is only one company in the United States that has adopted a policy of preserving its wood used for wood pulp, and that is the Northern Paper Co., of Maine.

Mr. HALE. Mr. President, the Senator refers not to the Northern Paper Co. but to the Great Northern Paper Co., of

Maine, and his information is entirely erroneous. There are other companies which do the same thing.

Mr. HITCHCOCK. If the Senator will let me finish my statement, I shall appreciate it. The fact is that the Great Northern Paper Co., which supplies newspapers in a very limited area of the United States and which is not available for the papers of the Middle West or the West, sells paper probably at a lower price than any other company in the United States. It is in possession of a vast tract of timberland, chiefly, I think, and perhaps altogether in Maine.

Mr. HALE. About a million and a half acres.

Mr. HITCHCOCK. A number of years ago it adopted a very wise policy, under which it cuts trees of only a certain size, allowing the others to develop, and by the adoption of that policy it has got in perpetuity a limited forest of wood pulp. The other States in the Union which have heretofore raised spruce and other limited varieties of wood for wood pulp have practically been denuded and, as the statistics introduced by the Senator from North Dakota have shown, the United States now is dependent for a large part of its wood pulp, both ground and chemical, upon Canada, because the American accessible forests have been practically denuded and, as I understand it, there is no practical plan of reforestation anywhere in operation.

Before I conclude, I simply want to read this quotation from Theodore Roosevelt, which was accepted at the time and which I think still stands as a wise conclusion. He said, in June, 1909:

> There should be no tariff on any forest product grown in this country, and in especial there should be no tariff on wood pulp, due notice of the change being, of course, given to those engaged in the business, so as to enable them to adjust themselves to the new conditions. The repeal of the duty on wood pulp should, if possible, be accompanied by an agreement with Canada that there should be no export duty on Canadian pulp wood.

Mr. President, the result of denuding our available spruce forests, as has been done in the past, has been to put further away the supply of this necessary wood pulp, and the result is that newspapers are compelled to pay now a much higher price for paper than they paid a number of years ago; and when the newspapers pay that increased price they have to charge it to their consumers on subscription rates and in the price of street sales. That is one of the reasons why the Sunday papers cost the average purchaser so much more than they used to and why subscription prices and street sales are so much higher than they formerly were.

It is a plain proposition. We have two objects in keeping wood pulp on the free list: First, to avoid excessive charges for the newspapers; in the second place, to allow some effort to be made to restore the already practically destroyed woodpulp forests of the country. Maine is the only State in which such a policy is being followed; and in Maine, so far as I know, there is only one company which has been able, by reason of its favored situation and its great capital, to adopt an intelligent system by which it has been able to preserve for itself a spruce forest. Such a plan does not exist for the rest of the country.

Mr. HALE. Mr. President, I tried to tell the Senator that it is a general rule in Maine to take care of timberlands in that way. It is not in any way limited to one company.

Mr. WALSH of Montana. Mr. President, that is the way to take care of timberlands everywhere. They do exactly the same thing in my State. I have seen the young timber grow up where the whole side of a mountain was denuded 30 years ago. Our forests reproduce themselves, the same as the forests in the State of Maine do. I know all about that. But that is not the proposition at all. The idea of reforestation contemplates artificial development of the timber supply, not the mere matter of allowing the cones to drop from the trees and spread themselves over the ground and reproduce. That is going on everywhere. It is going on, as I said, in my State. But everybody realizes that that kind of growth is not available for wood pulp or any other purposes until it is at least 25 or 30 years old, and it does not grow to timber size until it is 75 years old.

The Tariff Commission does not at all say incautiously or without reflection that the wood pulp supply of New England will be exhausted in 15 years, notwithstanding reforestation that is going on. They understand perfectly well that everything that is available will be gone by that time, and then we will be obliged to wait until the new timber arrives at the proper state of development after a lapse of years.

Mr. LODGE. Mr. President, may I ask the Senator a question? I am interested in what he is saying about reforestation. Do I understand him to say that reforestation can take place only by planting?

Mr. WALSH of Montana. No; I did not say that. I said I have seen our mountains and hills reforested without any effort at all artificially. I said further that when we talk about reforestation we refer to artificial planting and taking care of the new forests. When the Tariff Commission tells us, as I shall show directly, that the only relief from the situation is by reforestation, they mean by the planting of forests the same as is done in Germany, in France, and everywhere else.

Mr. LODGE. That is the point I wanted to make.

Mr. WALSH of Montana. The Senator has seen the great forests in Germany as I have. They grow up with perfect regularity, just like the stalks of corn grow in the field. They are in rows, planted, cultivated, and taken care of, and after 30, 40, 50, 75 years they become timber available for any of the purposes for which timber is available. That is what we mean by reforestation.

Mr. LODGE. I do not think it is limited to that. I think it is possible to reforest in other ways, by natural growth and proper management of the cut to preserve the forests so that the land can be cropped year in and year out and the forest never exhausted any more than we exhaust the land by cutting a crop of corn from it.

Mr. WALSH of Montana. I dare say the Senator is correct.

Mr. RANSDELL. Mr. President, will the Senator yield?

Mr. WALSH of Montana. I will yield in just a moment. The Senator from Massachusetts is correct. The term "reforestation" is really broad enough to include both reforestation by natural process and reforestation artificially, but when the Tariff Commission speaks about it they undoubtedly mean the planting of trees and the culture and care of them.

Mr. HALE. If we can reach the same result by cutting carefully, I do not see what possible objection the Senator can have.

Mr. WALSH of Montana. The trouble is we do not reach the same result.

Mr. HALE. I think we do. I think I ought to know more about my own State than the Senator from Montana. The Senator seems to object to the process in use.

Mr. WALSH of Montana. I think I know as much about natural reforestation as the Senator from Maine.

Mr. HALE. The Senator has referred to the report of the Tariff Commission saying our supply will be exhausted in 15 years. I think if the Senator has his way and we take off this duty and let Canadian pulp come in, it may eventually be the case that we will not be able to compete with the Canadian pulp which is coming in, and the result will be that we shall have to cut off our timber and move out. The Senator would not want to see that done even in Maine.

Mr. WALSH of Montana. In due course, I presume, the Senator from Maine will make his speech. I yield now to the Senator from Louisiana.

Mr. RANSDELL. I have no desire to get in the debate, but I simply wish to correct what seems to me to be an erroneous statement on the part of the Senator from Nebraska [Mr. HITCHCOCK] when he said there is no systematic attempt to reforest our lands. There is in my State, Louisiana, quite a systematic attempt going on now. It is of the yellow pine and not timber that makes newsprint. It does not make the finer grades of paper. This plan of reforestation is being carried on by the Great Southern Lumber Co., at Bogalusa, La., where they claim to have the greatest sawmill in the world and where they have an immense paper-making plant. At the present time they are using the refuse of their enormous sawmill to make paper. Everything that does not go into lumber is used by the paper mill.

In conjunction with that they are carrying on, and have been for several years, a very intelligent system of reforestation. They leave a certain number of trees per acre from which the ground is seeded. They call them seed trees, two or three to the acre. They watch those forests very carefully. They have to fence them and guard against the razorback hog, which is one of the greatest enemies of the forest. He roots up the young trees, and is really one of the greatest enemies the forests have. He will dig around a tree and root it up when it is several years old to get the succulent roots.

Mr. WALSH of Montana. Trees how old?

Mr. RANSDELL. Trees several years old. I think it is no exaggeration to say that they root up trees 3 or 4 years old. Pine is of very slow growth at the start, and the hogs get it when it is young.

These lands have to be fenced very carefully and guarded against fire also. There is a most intelligent effort being made to reforest timberlands in the central part of the State. The effort was started by a man whom I know quite well, Mr. Henry Hardtner, at a place called Urania, in the center of my

State, about 12 or 13 years ago. I remember going over his forest in the summer of 1911. He pointed out to me a number of trees which were at that time 8 or 10 inches in diameter. He had left them on the land when he cut the big trees for his mill. He did intelligent cutting of the timber, leaving a certain number of young trees.

The Yale School of Forestry has for several years been sending its classes in forestry down to Urania, La., to study the forestry methods pursued there by my friend, Mr. Hardtner.

So it is not quite right to say that we have no intelligent reforestation going on in the United States. It has been going on in the State of Louisiana for a number of years, I am very happy to say. This does not, however, I will say to the Senator from Nebraska, apply to trees suitable for newsprint paper. We have not the quality of wood that makes print paper, but it does make an admirable brown paper, which is used for many purposes, such as wrapping paper and to make boxes. I am told that these trees attain sufficient growth in 15 or 20 years to make excellent pulp, and the plan of the Great Southern Lumber Co. is to have a perpetual forest there in the vicinity of Bogalusa. They plant a number of acres every year, and their scheme is laid out in such a way that they will never exhaust their great forests.

Mr. WALSH of Montana. I am very much obliged to the Senator from Louisiana for the valuable information. May I ask how long this system has been in vogue?

Mr. RANSDELL. In a large way by the Great Southern Lumber Co. at Bogalusa for five years, but in a smaller way at the Urania Lumber Co. for 11 or 12 years. It was 11 years ago, I know, when I drove with Mr. Hardtner over his forests, and he has carried on the work of reforestation in a very intelligent way in connection with the State conservation commission. They exempt his lands from taxes while the trees are growing and aid him in various ways. They do not collect any taxes until the timber is cut. They aid him in fighting fire and in every possible way. It is a very intelligent method that is in vogue at Urania.

Mr. WALSH of Montana. The statement made by the Senator from Louisiana is in entire accord with my information and judgment with respect to the matter. It coincides with my own experience. It will take at least 15 to 20 years for new forests to arrive at such a state of maturity as that the wood will be available for the manufacture of pulp at all.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. WALSH of Montana. I yield to the Senator from Massachusetts.

Mr. LODGE. The Senator spoke about the Great Northern Co. being the only company that was engaged in using its forest intelligently and scientifically, if I may say so, but I think we have in my State only one pulp mill that makes only pulp and is not also a conversion mill. With reference to that I have a communication as follows:

> This company, although a very small factor in the trade, has purchased these forest lands on which the growth is allowed to mature and where plans for seeding are being carried out from year to year. It is no longer the practice of pulp manufacturers to strip forest lands, but rather to cut mature growth and to give young growth every opportunity to mature.

In other words, they use the selective process. They do not strip the young trees. They take out the trees of a given size, so they have a new crop of trees continually coming on; that is, coming within the range of use from year to year. They have learned the lesson. I know that in a broad way the Senator is perfectly right about the slaughter of American forests and I had very much the same impression that he has expressed in regard to pulp. But when I came to look into it I found, in the first place, that the chemical pulp mills used only a very trifling amount of wood, and, in the second place, bitter experience has taught them that it is greatly to their interest to reforest and care for their forests very carefully and scrupulously, so they will have a permanent supply. I am sorry to have interrupted the Senator so long.

Mr. WALSH of Montana. Within recent years every public sentiment has been aroused with respect to the destruction of our forests. It is not necessary to go into a discussion of how essential, from every point of view, it is that they should be preserved. It is only within very recent years—10 or 15 years—that any concerted effort was made by private owners of timberland in the northwestern part of the country to guard against the destruction of the forests by fire. Our Forestry Service has been in existence only about 20 years. Prior to that time fires raged in those great forests, destroying hundreds and thousands of acres of them from time to time, without any consideration whatever of the losses. But sentiment has been aroused and efforts are going on in some sections of the country looking toward the reforestation of lands which have been denuded either in lumber operations or in the manufacture of the wood pulp.

But all these things are being taken into consideration, and yet the Tariff Commission tells us, and I have no doubt the information is accurate, that the supply in New England will be exhausted in 15 years and in New York within 10 years, as it has largely been exhausted in the States of Wisconsin and Michigan.

Mr. SIMMONS. Mr. President, will the Senator from Montana yield to me for a moment or two?

Mr. WALSH of Montana. I yield to the Senator from North Carolina.

Mr. SIMMONS. Mr. President, we had some discussion between the Senator from Connecticut [Mr. McLEAN] and myself with reference to the attitude of the New York Herald. I did not at that time know of an editorial which appeared in that paper this morning. If I had, I certainly should have read it at that time. I am going to ask that the Secretary read the editorial now, because it is not long, and I ask that it be printed in connection with my remarks immediately before the various clippings from newspapers which I got permission to have printed in the RECORD this morning. The editorial is headed "Let the tariff wait."

The PRESIDENT pro tempore. Without objection, the editorial will be read as requested.

Mr. McCUMBER. Mr. President, before the article is read I want to know a little something about the length of it. Is it something that is long? Will it take some hours to read? Is it the desire of the Senator to take up the time between now and 6 o'clock?

Mr. SIMMONS. It will not take more than five or six minutes to read it. It is less than a column of the paper and is in big print.

Mr. McCUMBER. Very well; I shall not object, then; but I wish we could use our own judgment on these things.

The PRESIDENT pro tempore. The editorial will be read as requested.

The reading clerk read as follows:

[From the New York Herald, Tuesday, August 1, 1922.]

LET THE TARIFF WAIT.

The national scandal of an insufferably burdensome wool tariff made by sheepgrowing, wool-raising Senators for the benefit of their own private property has deeply stirred the people of the United States. American sentiment can comprehend men in high public office going to extremes, men going wrong and even badly wrong in their partisan or fanatic devotion to an impersonal cause. American sentiment can not comprehend and American sentiment will not countenance legislators making themselves responsible for, indeed creating and jamming through, laws that directly and heavily concern their own private pockets.

The tariff makers of the present Congress can not go before the voters of the United States next November on the issue of the Senate's monstrous wool schedule, the handiwork of sheep-raising, wool-growing Senators, without inviting political revolution by an aroused nation. But even if the wool-tariff scandal had not arisen to shock and outrage the fine American sense of conscience and propriety, the Fordney-McCumber tariff as a whole is so full of economic blunders, so fraught with public hardship, and so potentially dangerous to the country that it would not be good sense and it would not be safe to take it before the American people at the Congress elections now only about three months away.

If the crazy wool schedule were torn out of the tariff measure by the roots, if the sheepgrowing, wool-raising Senators never had startled and shaken the American public with the wool tariff they have tried to impose upon the country, still the Fordney-McCumber tariff is so bad, so unworthy of anybody's support, so incapable of meeting the test of popular approval, that to take it to the polls as the great national issue of the elections of 1922 might blow any political party so doing off the face of the earth.

There is no time left between now and November to make a good enough measure out of the Fordney-McCumber monstrosity to win public confidence. There is no time left to correct in a sound, scientific way even the schedules that are the most extravagant in their economic lunacy and the most hateful to the American public. There is no time left to extract half the wrong and evil of the measure. There is no time left to do much of anything but to run for shelter out of the storm.

A frightful economic botch has been made out of the whole tariff. Anybody in his senses knows that. It is beyond all hope of satisfactory repair in the next few months or several weeks. Anybody competent to do the job knows that. To go before the country with this tariff botch would be simply to commit, on the heels of the unparalleled economic blunder, a colossal, unexampled political blunder.

Let the tariff wait until after the November elections.

Mr. HARRISON. Mr. President, may I ask what is the article which has just been read from the Secretary's desk? I came into the Chamber while it was being read.

The PRESIDENT pro tempore. The Secretary advises the Chair that it is an editorial in the newspaper which is known as the New York Herald of this day.

Mr. McCUMBER. Mr. President, the Senator from Montana [Mr. WALSH] took his seat and I supposed that he had concluded.

Mr. WALSH of Montana. No; I yielded at the request of the Senator from North Carolina to secure unanimous consent to insert something in the RECORD. I now yield to the Senator

from North Dakota for a question, but, of course, I claim the floor.

Mr. McCUMBER. No; I desire to reply to the Senator from North Carolina [Mr. SIMMONS] very briefly, but I do not want to break in upon the argument of the Senator from Montana if he desires to go on.

Mr. WALSH of Montana. If the Senator prefers that I do so I shall, of course, be very glad to proceed; but if he desires to take the floor I shall be very glad to yield to him.

Mr. McCUMBER. Mr. President, I merely wish to occupy a few moments. Of course, there is no use of saying to the New York Herald or to any other representative of the importing interests that the pending tariff bill affords less protection on manufactured goods than any Republican tariff bill that has been before the country for a half century. I think it but fair, however, to remind the Senator from North Carolina that when the next day after he filed his minority report this same newspaper came out assuming an abusive and slurring attitude toward the report on the pending bill submitted by the Senator from North Carolina, the Senator from North Carolina was then as quiet as a clam at the bottom of the ocean. I did not hear him say one single word about this being a great Republican newspaper. Its greatness has come only as it veered from ridiculing and speaking in a despicable manner of the report of the Senator from North Carolina and began to advocate the views of those it represents.

Mr. President, I entirely agree with the Senator from North Carolina that the individual who wrote the article slurring and condemning the report submitted by the Senator from North Carolina did not know a single thing in reference to the subject of which he was writing.

Mr. SIMMONS. Mr. President——

Mr. McCUMBER. That writer did not know anything about it then and he does not know a confounded thing about it to-day. The Senator from North Carolina ought to agree with me upon that. When that newspaper began to see the light was when the importing interests of the country began to realize that at least a little portion of their enormous profits would have to be divided with the Government. Then this great Republican newspaper saw the matter just as its advertisers saw it.

Mr. SIMMONS. Mr. President——

Mr. McCUMBER. The Senator may quote as much as he has a mind to from such newspapers, but they are the same newspapers that slurred and spoke in almost disgraceful terms of the report submitted by the Senator from North Carolina; and they have not any more intelligence on the subject of the tariff bill or upon the subject of the minority report or of the majority report now than they then had. It is easy to condemn.

Mr. SIMMONS. Will the Senator permit me to interrupt him?

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from North Carolina?

Mr. McCUMBER. Certainly, Mr. President.

Mr. SIMMONS. The Senator from North Dakota was probably not in the Chamber this morning when the Senator from Connecticut [Mr. McLEAN] read an extract from the New York Herald, written the day after the minority report was filed, and criticizing that report, though not in the terms which the Senator from North Dakota has stated, but I thought rather mildly criticizing the report and characterizing me as a politician. When the Senator from Connecticut read that editorial I took the floor and stated, as I repeat now, that I think it was very natural that this great Republican newspaper, this great champion of protection, should, before it understood the pending bill and before it understood the report, when it thought the bill was a protection measure and framed upon the principles of the Republican Party and in order to carry out the theory of protection of that party, have criticized the minority report.

I would expect that from a Republican newspaper; I would expect that from a protectionist newspaper; but as soon as the Herald understood, as a result of the discussion in the Senate, what the bill contained it changed its attitude with reference to the bill altogether and denounced it as not only not being a protective measure at all but it went so far, as I now remember, as to characterize it as thievery—I may be a little mistaken about that.

Mr. McCUMBER. The Senator has made that statement before.

Mr. SIMMONS. The Senator says that the change of attitude was the result of the influence of the importers upon the New York Herald. Well, Mr. President, I have read in the Senate from a score of Republican newspapers that saw the light just as the New York Herald did, newspapers that at first thought the pending bill was a protection measure, written according to the principles of the Republican Party, but afterwards realized that it was a profiteer's tariff and not a protective tariff. Then they opened up on it just as the Herald has opened up on it. I secured this morning permission from the Senate to put into the RECORD of to-day another score of editorials from Republican newspapers which likewise have denounced this bill as soon as they discovered its iniquity. I have had this editorial read to-day because the Senator from Connecticut this morning referred to a Herald editorial; and I wanted to show how the Herald, when the light of the truth dawned upon it, changed its attitude toward this bill and denounced it as other Republican newspapers—and they constitute nearly a majority of the great outstanding Republican publications of this country—are to-day denouncing it as iniquitous and fraudulent in its purposes.

Mr. McCUMBER. Mr. President——

The PRESIDENT pro tempore. The Senator from Montana [Mr. WALSH] has the floor. Does he yield to the Senator from North Dakota?

Mr. McCUMBER. I had no right to yield to the Senator from North Carolina and I did not yield to the Senator; but he simply took possession of the floor, and if I had proceeded there would have been two Senators talking at the same time.

Mr. SIMMONS. I understood the Senator from North Dakota to yield to me.

Mr. McCUMBER. If the Senator from Montana will let me finish, I will do so, and then he may discuss the bill.

Mr. WALSH of Montana. I will yield to the Senator from North Dakota upon the assurance that it will take him only about five minutes. I am quite willing that the Senator should continue his remarks.

Mr. McCUMBER. I do not need to take a great deal of time. The Senator from North Carolina does himself great injustice when he assumes that the writers of these articles in these newspapers know anything about the tariff bill. He knows as well as I do that they do not know a thing about it. He knows, further, that he has never read one sentence in any one of the newspapers indicating that the writer had any knowledge or had any information in reference to the schedules or a single item in the schedules. All the newspaper knows is that its advertisers—the great importers and the department stores—want to have a lower rate on their importations, and it uses its pen, scurrilously very often, but never intelligently, discussing a single one of the items.

Mr. SIMMONS. Will the Senator yield to me?

Mr. McCUMBER. I have no right to yield to the Senator from North Carolina. The Senator from Montana [Mr. WALSH] has the floor. He yielded to me, and I wanted to finish.

The PRESIDENT pro tempore. The Senator from North Dakota has the floor.

Mr. McCUMBER. I want to finish the sentence.

Mr. SIMMONS. Very well.

Mr. McCUMBER. The Senator from North Carolina knows these newspapers as well as I do, and there is no use of the Senator or anyone else trying to fool himself, to put it lightly.

Now, I want to say a word——

Mr. GOODING. Will the Senator yield to me for just a moment?

Mr. McCUMBER. I have no right to yield.

Mr. GOODING. Will the Senator from Montana yield? I will occupy but a moment of the time of the Senate.

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Idaho?

Mr. McCUMBER. Not now, Mr. President. I do not think I can do so in justice to the Senator from Montana [Mr. WALSH].

I wanted to call the attention of the Senator from Montana to a matter in order that he may answer my question now. If I understood the Senator correctly, he stated that from some evidence—I do not remember now exactly where he got his information—we would about use up the supply of our timber for pulp wood in the United States in about 15 years?

Mr. WALSH of Montana. The source of my information does not seem to be in good standing on the other side of the Chamber, but it is the Tariff Commission.

Mr. McCUMBER. I simply wanted to know where it was from and whether I was correct in reference to the 15 years.

Mr. WALSH of Montana. The Senator is correct.

Mr. McCUMBER. I will say to the Senator that I have had a great deal of difficulty, because of the conflicting reports, in trying to arrive at a conclusion as to how long our coal supply, our iron supply, our timber supply for lumber, and our timber for pulp wood would last.

Mr. WALSH of Montana. If the Senator will permit me, I would prefer that he should defer a discussion of that particular feature of the matter until I get through presenting it. Then I shall be glad to yield.

Mr. McCUMBER. I wanted the Senator to answer that part because the evidence that was taken before the committee insists that we have enough to last forever; that the growth will more than equal the consumption if properly cared for; and that there are many millions of acres that can not produce anything but wood that is fit for pulp wood.

Mr. WALSH of Montana. Yes, Mr. President; I observe that some of the people who are asking for the duty on chemical wood pulp furnished such information as that to the committee, or, at least, made that estimate. I am giving the Senate the conclusion arrived at by the Tariff Commission.

I now yield to the Senator from North Carolina.

Mr. SIMMONS. Mr. President, the Senator from North Dakota has said that the writer of this editorial in the Herald did not know what he was writing about, and I suppose he means to include in that category all these other great Republican newspapers—the Chicago Tribune, the Evening Post of New York, the Journal of Commerce of New York, and the scores of other papers which, though Republican and protectionists, have changed their attitude toward this bill and are now its severest critics.

I want to say to the Senator that the Washington correspondent of the New York Herald, Mr. Seibold, is one of the greatest writers in America. His letters to the Herald have discussed this bill very thoroughly and denounced it; and no discussions that have been made in this Chamber by Senators claiming to know something about this bill have been more enlightening and more valuable and have shown a greater understanding of the subject than Mr. Seibold's articles.

But the New York Herald, like the New York World, shortly after they discovered the outrages in this bill, designated each of them a gentleman of reputation who had some special training with reference to the tariff, and sent him to Washington with instructions to study this subject, to go to the bottom of it, and to write up these schedules from day to day; and there have appeared from the pens and under the names of these two great writers, Mr. Thurston and Mr. McGregor, from day to day articles discussing practically every schedule that we have discussed here, in a way that is as enlightened and as intelligent and that shows as much understanding of the subject as any Senator upon this floor has exhibited. To say that these newspapers under these circumstances do not know what they are talking about is to make an absurd and ridiculous statement in the United States Senate. Anybody who has been reading the articles of these gentlemen, upon which these editorials are partly predicated, must know that the statement of the Senator that these papers in printing these editorials are ignorant and know nothing about the subject which they are discussing does not require, under the circumstances, any denial.

Mr. President, I have in my hand one of the finest articles that I have seen written about the tariff by any editor in the United States or by any American writer. It is a clearer exposition than any that I have seen heretofore of what this wool schedule means to the American people and of its absurdities and its violation of every sane principle of economics and of tariff legislation. It is not surpassed. This article appears in the New York Evening Post. It is written by Mr. William G. Scott, and it shows him to be thoroughly familiar with the subject upon which he is writing.

Mr. President, I had intended to read this editorial and to comment upon it because of its strength, because of its forcefulness, because of its true understanding of the situation, and its powerful presentation of it. I shall not do that; but, on the other hand, I shall ask that it be printed in connection with the other newspaper articles and editorials that I received permission this morning to incorporate in the RECORD.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it will be printed according to the request of the Senator from North Carolina.

Mr. SIMMONS. Mr. President, I wish to say that in having this editorial read I had no intention of myself participating in any attack upon any Senator in this Chamber, but I had it read because the Senator from Connecticut [Mr. McLEAN] this morning had relied upon the mild, not the scurrilous, criticism heretofore made by the same paper, because I imagine that he read this morning, although I never read the article, the strongest part of it, and there was nothing scurrilous about it and nothing that I object to. It was just a natural criticism by a Republican paper and a protectionist paper the day after this report had been made, before the writer of the article had had any opportunity to study the report, or before he had any opportunity or had availed himself of the opportunity of studying the bill.

As I said to the Senator from Connecticut this morning, that newspaper and the other newspapers, articles from which I have been putting into the RECORD, are Republican newspapers that originally and naturally would have been in favor of Republican tariff legislation and would be standing for this bill to-day if it were an exposition of Republican principles instead of being, as it is, an instrument for the robbery and the exploitation of the American people; but in good conscience and in the exercise of the independence of newspapers of the character of these great Republican journals that are fighting against this bill, they have wisely chosen in the interest of the people of the United States and of justice and right to powerfully attack this bill and to condemn and denounce it in terms so scathing and so bitter that I myself would hesitate to use them upon this floor.

Mr. GOODING. Mr. President——

The PRESIDENT pro tempore. The Senator from Idaho.

Mr. GOODING. Will the Senator yield for just a minute?

Mr. WALSH of Montana. Does the Senator desire to comment on the editorial?

The PRESIDENT pro tempore. The Chair recognizes the Senator from Idaho in his own right.

Mr. SIMMONS. Mr. President, I wish to say to the Senator from Idaho that I hope he will not consider me discourteous in leaving the Chamber. I am obliged to do so.

Mr. WALSH of Montana. Mr. President, I yielded at the request of the Senator from North Dakota. I did not yield the floor. I held the floor and the Senator asked to interrupt, and he did so. That gave rise to the discussion which has now taken place. Apparently now the Chair is constrained or disposed, at least, to hold that I have lost the floor. He recognized the Senator from Idaho in his own right. I do not want to find fault with the ruling of the Chair, but Senators will understand in what position it will put me hereafter. I shall be unable to yield to anybody. I shall claim the floor when the Senator from Idaho gets through, and anyone who desires to interrupt me—and I am always willing to be interrupted to answer any questions that may be addressed to me when I am discussing a question—whoever interrupts me hereafter must have an understanding with the Chair that I do not lose the floor.

Mr. GOODING and Mr. HARRISON addressed the Chair.

The PRESIDENT pro tempore. The Senator from Idaho.

Mr. HARRISON. Will the Senator yield?

Mr. GOODING. Yes; I yield.

Mr. HARRISON. I submit that the whole Senate understood that the Senator from Montana had not yielded the floor.

Mr. WALSH of Montana. I take it that the Senator from North Dakota so understood.

The PRESIDENT pro tempore. The Chair feels constrained to say that it is impossible, under the rules of the Senate, for any Senator to yield for the speeches that have occurred since the Senator from Montana addressed the Senate and retain the floor. The Chair has no desire to take the Senator from Montana from the floor, but we must give some attention to the rules of the Senate.

Mr. WALSH of Montana. The Senator from Montana is not disposed to question the soundness of the ruling now made by the Chair. What he does desire to remark is that this is the first time that the rule has been applied in the discussion in connection with this bill. It has been practically disregarded to this time, and now it is invoked without even a warning from the Chair to the Senator from Montana that it would be applied.

The PRESIDENT pro tempore. The Chair is quite willing to concede that it has been practically disregarded.

Mr. HARRISON. Mr. President, I merely want to suggest that the Senator from North Dakota refused to yield once simply because he said that he was speaking through the courtesy of the Senator from Montana. I submit that this is a pretty dangerous precedent to establish. I am sure that the Senator from Idaho understood that the Senator from Montana had the floor and was going to yield to him for a question.

Mr. GOODING. Mr. President, if the Senator from Montana cares to continue the discussion at this time I am ready to yield the floor. I want to occupy only a few minutes of the time of the Senate this evening.

The editorial in the New York Herald is a direct attack on the agricultural interests of the country and live-stock industry. There is not any question of doubt about that; and the New York Herald and many of the other metropolitan papers of this country changed their minds about this tariff bill just as soon as they discovered that the agricultural inter-

ests of this country were to be treated fairly and given a square deal. I can understand why the Democratic Party, which never has given agriculture in this country a square deal in its tariff bills, the party that has always considered farm products raw material and put them on the free list, accepts the New York Herald's editorials with a great deal of satisfaction.

Mr. President, I am simply going to say, as I said the other day, that I am going to demand an investigation.

I want to know whether there are any exceptions to be made in this body, and whether the man who owns sheep has not a right to express his opinion and to vote on this schedule or any schedule in this tariff bill. If I have violated my oath of office, by the eternal gods I am going to resign.

The Senator from Nebraska stands on the floor and, because he owns a newspaper, is demanding free wood pulp. Where is the line to be drawn? I want to say, Mr. President, that if any Senator who knows anything about my actions in the Senate will say that I have not made just as great an effort in regard to many other schedules as for wool, if not greater, he will say it because he does not know the truth or does not understand it. The hardest fight I made was for a duty on vegetable oil—and I may have annoyed the committee by my efforts—and I never saw a cotton plant growing in all my life. It has not made any difference with me as to what the product was. I stand here for a principle, and if my mouth is to be closed and I am to be insulted and smirched simply because I am advocating the agricultural interests in the Senate, I want to know it. Agriculture is receiving a square deal in this bill. Simply because we have had a chairman of the Finance Committee who has been the best friend agriculture has had in this body for a quarter of a century, and because men have had courage enough to stand together and present in an intelligent way to the Senate Finance Committee the needs of agriculture, it is said that we have violated our oaths of office. There can not be any greater indictment against any man than for any paper or any Senator to intimate for a minute that he has violated his oath as a Senator in the greatest legislative body in all the world. I am going to pay my respects in due time to the New York Herald, and I am going to insist on this investigation all down the line, and I want that understood. By the eternal gods we are going to have it, too. If we do not have it, I will not be to blame.

Mr. HARRISON. Mr. President, will the Senator yield for a question?

Mr. GOODING. I yield.

Mr. HARRISON. The Senator, in a very manly and courageous way, because of these slurs in the editorials about him and others voting where they were interested, is demanding an investigation, and as one Member of the Senate I think he is entitled to the investigation. The thing I want to ask the Senator is, has he a resolution, or does he propose to have this resolution which was offered on Saturday voted upon? I am with the Senator in his contention.

Mr. GOODING. I will say very frankly to the Senator that I am preparing a resolution to be offered. But I want to say just a little more. Just as long as they could get Schedule K, which they knew was dishonest, no voice was lifted in the great metropolitan papers. Just as long as they could give the manufacturers in this country a schedule which destroyed an industry—and almost every Senator who has spoken upon the floor admits to-day that Schedule K was crooked—that was all right. But just as quickly as the committee is fair enough and strong enough to give the agricultural interests of this country a square deal, then all the great papers turn upon the committee and upon the Republican Party, and the Democratic Party laughs in glee.

Of course, the Democratic Party says that it is unconstitutional to give protection to any industry. I have no quarrel with them if they think so. Some Senators on the other side have had the courage to stand by the industries of their States and to vote for protection, and I want to congratulate them for it.

Mr. President, what a crime it is, when a country like this is suffering from the effects of the war, as we are to-day, that we have to stand here and plead for proper protection to great industries in order to give them a chance to live, the only legislative body in all the world where there is any division as to the needs of an industry. What a spectacle it is for a great, intelligent body like this and a great Nation that the very life of this country must be at stake while we haggle and quarrel over what protection an industry needs to let it live.

By the eternal gods, I have not violated my oath of office, nor has any other Senator, in voting for any schedule in this bill, and there is going to be a quarrel between myself and any newspaper or anyone else who makes such a charge.

If I can not vote for any agricultural industry simply because I am a farmer, then I want to know it. My conscience is clear, and I know that when I get through my work in the Senate I shall be able to lie down to peaceful dreams.

Mr. HITCHCOCK. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Nebraska?

Mr. WALSH of Montana. I find myself unable to do so. I am afraid the Chair would then invoke the rule on me that no man may talk more than twice on the same subject.

Mr. HITCHCOCK. Mr. President, I request the privilege of addressing an inquiry to the Senator from Idaho, who has just spoken, before the Senator from Montana resumes the floor.

Mr. WALSH of Montana. The Senator from Nebraska had better ask unanimous consent.

The PRESIDENT pro tempore. Senators understand the rule perfectly well. The rule has never been enforced with very much rigor, and a reasonable interruption would not, by the present occupant of the chair, be deemed sufficient to take the Senator addressing the Senate from the floor; but when the debate had continued for an hour or an hour and a half upon questions which are not concerned with the matter before the Senate the Chair felt constrained to rule that the Senator from Idaho had a right to recognition in his own right.

Mr. HITCHCOCK. I had endeavored to interrupt the Senator from Idaho before he had taken his seat. I was not aware that the Senator from Montana was upon his feet.

Mr. GOODING. I hope the Senator from Montana will yield a moment.

The PRESIDENT pro tempore. The Senator from Montana will not lose the floor on account of any reasonable interruption by the Senator from Nebraska.

Mr. HITCHCOCK. Then, Mr. President, I want to compliment the Senator from Idaho for the courageous and frank position which he takes, and to say to him that this side will support fully any effort he may make to secure the withdrawal of objections from the other side to an investigation of which he speaks, and I trust that if he draws another resolution, instead of supporting the resolution offered by the Senator from Arkansas [Mr. CARAWAY], it will not be any the less effective or strong.

Mr. GOODING. There will not be anybody left out when my resolution is offered. The Senator will discover that.

Mr. HITCHCOCK. Then I hope the Senator will not delay the introduction of his resolution.

Mr. GOODING. It will not be delayed, either. If we are going to have an investigation, we will all get into the game. I understand the intention here. There is not any question about it. It is to smirch a few Senators on this side, and the papers all over are busy doing it now. It is just politics, that is all; nothing more and nothing less.

I do not care to discuss it any more. I hope to be ready with the resolution to-morrow, and I trust it will be accepted.

Mr. HARRIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Georgia?

Mr. WALSH of Montana. I have declined to yield to anyone. It does not seem to do any good, however.

Mr. McCUMBER. Mr. President, if it is agreeable to the Senator from Montana, I was about to move to recess until to-morrow at 11 o'clock. But the Senator from Missouri [Mr. SPENCER] states that he wants to have consideration of a bill on the calendar which will not require any debate, and the Senator from Georgia [Mr. HARRIS] seems to be waiting to present something. If it is agreeable to the Senator from Montana, I suggest to him that he let those two Senators present their matters, and then I will move a recess, and the Senator from Montana can go on in the morning.

Mr. WALSH of Montana. I desire to say before that action, which is quite satisfactory to me, is taken, that if I were able to satisfy myself that anything which might be said by me on the paragraphs under consideration would in the slightest degree affect any vote in this Chamber, I should regret very much indeed that whatever value there is to the continuity of my discussion should be so broken as it is; but inasmuch as I can not believe that it would, I have tolerated the discussion which has taken place in the last 45 minutes. I shall be very glad to resume on the reassembling of the Senate to-morrow.

Mr. HARRIS. Mr. President, I would like to say, as the Senator from Idaho [Mr. GOODING] has referred to the Senator from Nebraska [Mr. HITCHCOCK], that the Senator from North Carolina [Mr. SIMMONS] asked me to handle the chemical wood-

pulp item, and this morning I told the Senator from Nebraska that I would like to have him take an interest in it, and he told me he declined to do so because of the fact that he is the owner of a newspaper, and he said it would not be becoming in him to do so.

Mr. HARRISON. May I suggest that I notice by the RECORD that the late Senator Frye, while a Member of the House, declined to vote on a proposition touching a railroad because he had some interest in a railroad. The precedent has been long established.

EMPLOYEES OF THE INDIAN SERVICE.

Mr. SPENCER. Mr. President, the bill (H. R. 9814) amending the proviso of the act approved August 24, 1912, with reference to educational leave to employees of the Indian Service, is a bill extending the time in which men in the Indian Service may be given an educational leave during the summer from 15 days, as the law now is, to 30 days. The Indian Bureau think it is very essential that the bill, which is a House bill, should be passed, in order that they may avail themselves of it during this summer. I ask unanimous consent for the consideration of the bill.

The PRESIDENT pro tempore. The Secretary will report the bill for information.

The reading clerk read the bill.

The PRESIDENT pro tempore. The Senator from Missouri asks unanimous consent for the immediate consideration of the bill. Is there objection?

Mr. DIAL. Mr. President, it seems to me that would establish a bad precedent which might be extended, and I shall object for the present.

The PRESIDENT pro tempore. Objection is made.

MAHONING RIVER DAM.

Mr. WILLIS. I ask unanimous consent to report favorably from the Committee on Commerce, with amendments, the bill (S. 3733) granting the consent of Congress to the city of Warren, in the State of Ohio, its successors and assigns, to construct, maintain, and operate a dam across the Mahoning River in the State of Ohio, and I submit a report (No. 844) thereon.

The PRESIDENT pro tempore. Without objection, the report will be received.

Mr. WILLIS. I now ask unanimous consent for the present consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The first amendment of the Committee on Commerce was, in section 1, page 1, line 7, after the name "Ohio," to strike out "in accordance with the provisions of the act entitled 'An act to regulate the construction of dams across navigable waters,' approved June 21, 1906, and amended by the act of June 23, 1910," and to insert a colon and the following proviso:

Provided, That the work shall not be commenced until the plans therefor have been filed with and approved by the Chief of Engineers, United States Army, and by the Secretary of War: *Provided further*, That this act shall not be construed to authorize the use of such dam to develop water power or generate electricity.

The amendment was agreed to.

The next amendment was, on page 1, to strike out section 2 in the following words:

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

And in lieu thereof to insert:

SEC. 2. That this act shall be null and void unless the actual construction of the dam hereby authorized is commenced within one year and completed within three years from the date hereof: *Provided*, That the consent hereby given shall terminate and be at an end from and after 30 days' notice from the Federal Power Commission or other authorized agency of the United States to said company or its successors that desirable water-power development will be interfered with by the existence of said dam; and any grantee or licensee of the United States proposing to develop a power project at or near said dam shall have authority to remove, submerge, or utilize said dam under such conditions as said commission or other agency may determine, but such conditions shall not include compensation for the removal, submergence, or utilization of said dam if the water level to be maintained in said power project is higher than the level of the crest of said dam.

The amendment was agreed to.

The next amendment was to add the following additional section:

SEC. 3. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

Mr. BRANDEGEE. Mr. President, in section 2 of the bill there is a provision that the bridge shall be begun within one year and completed within three years "from the date hereof." What is the date hereof? Does it mean from the passage of the bill or what does it mean?

Mr. WILLIS. That is a matter of opinion, I suppose, but undoubtedly it would be the date of the enactment of the law and not the passage of the bill by the Senate.

Mr. BRANDEGEE. If the question of forfeiture came up, it would be absolutely vital to know.

Mr. WILLIS. I may say to the Senator from Connecticut that the language was suggested by the War Department. I think it is not very clear, but evidently it means the date of the passage of the act.

Mr. BRANDEGEE. If the Senator is satisfied with it as it reads, very well.

Mr. WILLIS. I am satisfied and the War Department is satisfied.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RECESS.

Mr. McCUMBER. I move that the Senate take a recess until to-morrow at 11 o'clock a. m.

The motion was agreed to; and (at 6 o'clock and 5 minutes p. m.) the Senate took a recess until to-morrow, Wednesday, August 2, 1922, at 11 o'clock a. m.

SENATE.

WEDNESDAY, *August 2, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

VIEWS OF SENATOR KEY PITTMAN.

Mr. ROBINSON. Mr. President, I ask unanimous consent to have printed in the RECORD in 8-point type a brief interview with the able Senator from Nevada [Mr. PITTMAN], published in the Santa Fe New Mexican on July 15, 1922, presenting a forceful and interesting discussion of political topics.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

[From the Santa Fe New Mexican, July 15, 1922.]

POVERTY, DISTRESS, DISORDER, VIOLENCE, FOUR HORSEMEN OF HARDING REGIME, SAYS PITTMAN—REPUBLICANS HAVE MADE MESS OF THE GOVERNMENT, DEMOCRATS TO BE SWEPT INTO POWER, SAYS NEVADA SENATOR; RAILROAD LEGISLATION COMPLETE FIZZLE, ALLEGES—BONUS A FIASCO.

ACHIEVEMENTS OF G. O. P. AS SEEN BY SENATOR PITTMAN.

Foreign relations left in chaotic condition.
Our foreign commerce—there is none.
Millionaires' taxes reduced; poor people pay.
The H. C. L. still is a terror.
Transportation charges increased.
Outrageous discriminations.
Perpetuation of long and short haul "outrage."
Destruction of all State control over intrastate commerce.
Producer and consumer are starving together.
Harding, Mellon, and Wall Street keep the soldier from bonus.
The four horsemen of the Harding administration are:
Poverty,
Distress,
Disorder,
Violence.

Republican management of the affairs of the Nation has been a failure, declared United States Senator KEY PITTMAN, of Nevada, in an interview to-day.

"I look for a Democratic House as the result of the coming fall election," he added, "as a rebuke to Mr. Harding and his administration; as a rebuke to the Republican Government in the saddle for two years before Harding took office; as a loud protest against the 'four horsemen' of the Harding administration: Poverty, distress, disorder, and violence."

Senator PITTMAN is up for reelection to the United States Senate this fall. He says that he expects to win, and he looks for a Democratic wave all over the country.

"These are bad days," he continued, "with coal walkouts, with railroad shopmen striking, with so much of the after-war misery, with so many hundreds of thousands out of work, with so many pledges broken, promises unfulfilled, and brilliant visions of happiness, progress, and prosperity changed into a mirage of plain chaos.

HINTS AT REVOLUTION.

"There may be a revolution in this country some day. But it will not come from present labor troubles and present poverty, in my opinion. If there ever is a revolution in this country, I think it will be brought about by the people and for the people who finally realize that they, the people, no longer rule; that men are put on the tickets and elected by money."

G. O. P. FOUND WANTING.

Senator PITTMAN said that he believes the coming fall elections will sweep enough Democrats into the lower House of Congress to make it Democratic "because the Republican Party and the Republican President have been tried and found wanting." He discussed the situation as follows:

"The Republican Party was placed in the control of both branches of Congress four years ago on certain definite pledges to the people. The members of this party excused themselves before the people for failure to fulfill these pledges for the first two years, saying: 'We could do nothing without a Republican President.'

"The Republicans pledged to the people that if put in complete power by the election of Harding they would reestablish our foreign relations and foreign commerce as they existed before the Great War.

"They have failed absolutely. Our foreign relations to-day are in a most chaotic condition—more chaotic than they ever were in peace times, and as for foreign commerce—we have none. We have no market for our surplus products.

TAXATION.

"The Republicans promised to reduce taxation. They have not even attempted to reduce taxes. They have reduced some of the higher taxes on millionaires' incomes and transferred these taxes to the poor people. So much for the fulfillment of Republican pledges on taxation.

REDUCING THE HIGH COST OF LIVING.

"Now for another pledge. The Republicans promised to reduce the high cost of living, and what have they done? They have not even attempted to carry out that pledge or promise. The wages of a man with a family to-day will hardly keep that family decently. The purchasing power of the dollar is still low. Ask the average clerk in a city like Washington, D. C. Many of the clerks there get $100 a month. They have to pay $50 a month rental for a small apartment of about three rooms and a bath. Consider for a moment the struggles of a married man with a family to pay board, clothes, doctor, and dentist bills on $50 a month. The high cost of living is still a terror to the poor man on a small salary—especially when he has a family."

THE TRANSPORTATION SYSTEM.

As regards the transportation system of the country and its reorganization Senator PITTMAN had a few words to say: "The promise was made by the Republicans that they would reorganize the transportation system of the country and bring about a reduction of transportation charges," he said. "But the Republicans since they have been in power have made no effort to reduce the transportation charges except through the Esch-Cummins bill. And let me add that that bill to-day is universally condemned except by its authors, and to them it has become a source of constant apology. What is its result? Increased transportation charges, most outrageous discrimination, and a perpetuation of the long-and-short-haul outrage; also the destruction of all State control over intrastate commerce and harassment and destruction of the morale of all railroad employees. Such is the way that promise of reducing the transportation charges has been fulfilled."

THE FARMER AND CONSUMER.

Senator PITTMAN then referred to the treatment of the farmer and consumer, saying: "The Republicans promised to help the farmer and the consumer through the reduction of transportation costs." They encouraged everyone to believe that through the reconstruction of transportation the producer and the consumer might live and prosper at the same time. The result really is this: The producer and the consumer are starving at the same time. They have seen no advantage of Mr. Harding's administration.

VICTIMS OF PROSPERITY?

The Senator from Nevada said that the Republican spellbinders and the Republican writers had enthused the American people with "visions of prosperity," but, he added, "The smoke of the election has blown away; the people see they have been deceived—at least I think they will say so in November. And now, instead of those visions of prosperity they are confronted with the 'four horsemen' of the Harding administration—poverty, distress, disorder, and violence. All four are the result of this new management of the Nation's affairs."

AS TO THE SOLDIER BONUS.

Senator PITTMAN was most sarcastic concerning the fulfillment of the pledge to the soldiers on the bonus question. He said, "The Republicans promised the ex-soldiers—they called them 'the soldier boys'—that if Harding was elected they would be taken care of by a readjustment of their compensation. This readjustment was to be worked out like that for civil Government employees who had their compensation increased and adjusted.

"Now, this is the way the bonus bill has been 'adjusted' for the soldier. Every time it has come out of committee it has come as a result of the force applied by the Democrats. Every time this bill arrived on the floor to start adjusting its workings to the tired ex-soldier it has been forced back into the committee room, there to be smothered in a dungeon by Republican votes. An extraordinary way of adjusting itself to the ex-soldier.

"Why has this been done? Because of the demand of President Harding, back of whom is the demand of the Secretary of the Treasury Mellon, back of whom is the demand of Wall Street. That is the gist of the history of the bonus bill. The money power of the country does not desire to pay the bonus because of the taxes on that money power. It is simple enough. And so you see a Republican President is opposing this adjusted compensation and a Republican Secretary of the Treasury is opposing it and Wall Street is opposing it."

Senator PITTMAN said that the flood of money enveloping this country at the election of Mr. Harding explains why Wall Street's voice is heard and listened to.

SOUTHERN PACIFIC AND CENTRAL PACIFIC RAILWAYS.

Mr. WARREN. I present resolutions adopted by the Lions Club of Rawlins, Wyo., and the Community Club of Green River, Wyo., commending the Supreme Court finding in the case of the separation of the Central Pacific Railway from the Southern Pacific Co., and asking that Congress may not undertake to overturn that decision. I ask that the resolutions be referred to the Committee on Interstate Commerce and that the one from the Lions Club may be printed in the RECORD.

There being no objection, the resolutions were referred to the Committee on Interstate Commerce and the resolution of the Lions Club of Rawlins, Wyo., was ordered to be printed in the RECORD, as follows:

Resolutions passed by the Lions Club of Rawlins, Wyo.

Whereas the Sherman antitrust act was enacted to prevent monopolies and to prevent a carrier from interfering with commerce by acquiring and controlling its competitor; and

Whereas the Central Pacific is a necessary connecting link in that general system of transcontinental transportation which handles San Francisco traffic through the Ogden gateway and forms no part of the San Francisco-New Orleans-New York route; and

Whereas the Supreme Court has held that the control of the Central Pacific by the Southern Pacific Co. constitutes a violation of the Sherman antitrust law and that it is harmful to the public interest; and

Whereas it is unthinkable that an unlawful monopoly ordered by the Supreme Court to desist from its unlawful conduct shall by legislation be declared to be lawful and be granted permission to continue its unlawful conduct; and

Whereas the continued holding of the Central Pacific Co. will place in the hands of the Southern Pacific Co. both the power and the desire to hinder and impede transcontinental traffic moving to or from San Francisco through the Ogden gateway, and enable it thereby to increase the cost of transportation and supplies to the people of the great central communities of the United States: Therefore, be it

Resolved, That Rawlins Lions Club is opposed to any and all attempts to permit the Southern Pacific Co. to retain control of the Central Pacific, and that it believes that the public interest requires the dissolution of the Southern Pacific-Central Pacific monopoly; and be it further

Resolved, That the attention of our representatives in Congress be called to the efforts which are being made to place a permanent obstacle in the way of transcontinental traffic moving to or from San Francisco over the short direct route; and be it further

Resolved, That a copy of these resolutions be spread upon the minutes of this meeting; and be it further

Resolved, That a copy of these resolutions be sent to each of Wyoming's representatives in Congress.

Approved and adopted unanimously by Lions Club of Rawlins, Wyo., this 27th day of July, A. D. 1922.

LIONS CLUB OF RAWLINS, WYO.,
By GEO. A. RILEY, *Its President.*

Attest:
P. H. LEIMBACH, *Its Secretary.*

Mr. ODDIE presented communications, in the nature of memorials, of the Chamber of Commerce of Churchill County, of Fallon; the Pershing County Chamber of Commerce, of Lovelock; the Humboldt County Chamber of Commerce, of Winnemucca; and sundry citizens and business firms of Reno, Tonopah, Golconda, Battle Mountain, Hazen, Palisade, Carlin, Deeth, Beowawe, Wells, Wadsworth, Fernley, Sparks, Mina, Luning, Eureka, Dayton, Austin, Oreana, Rochester, Imlay, Hawthorne, Lovelock, and Goldfield, all in the State of Nevada, remonstrating against the separation of the Central Pacific Railway from the Southern Pacific Co., etc., which were referred to the Committee on Interstate Commerce.

REGISTRATION OF CERTAIN SEED.

Mr. CAPPER introduced a bill (S. 3880) to authorize the registration of certain seed, and for other purposes, which was read twice by its title and referred to the Committee on Agriculture and Forestry.

"A DEMOCRAT SPEAKS OUT."

Mr. HARRISON. Mr. President, I ask unanimous consent to have inserted in the RECORD, in 8-point type, an article which appeared in the New York Times of Sunday, headed "A Democrat speaks out." It is a very interesting article and ought to be read throughout the country.

Mr. BORAH. Mr. President, the article is very interesting; I read it, and I have been trying to find out ever since who it is that "speaks out." I do not think a gentleman speaks out when he writes an article to which he will not sign his name.

Mr. HARRISON. I may say to the Senator that I do not know who wrote the article, but there is much food for thought in it.

Mr. BORAH. There is a great deal of food for thought in it, and I should like very much to know who wrote it.

Mr. HARRISON. I can not give the Senator the information, but I am sure the Senator does not want to prevent its printing in the RECORD because I can not give him that information.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Mississippi?

There being no objection, the article was ordered printed in the RECORD, as follows:

[From the New York Times of July 30, 1922.]

A DEMOCRAT SPEAKS OUT—A SHARP ARRAIGNMENT OF REPUBLICAN ADMINISTRATION FOR SINS OF OMISSION AND COMMISSION—"SELF-REFUTING CLAIMS OF ECONOMIES"—COMPARISON WITH "GOOD OLD DAYS" OF HANNA.

(The author of this article is one of the leading Democrats of the country.)

At a well-known club the other evening they were talking about the Fordney-McCumber tariff bill. There were some derisive remarks about the recent puppet show in the Senate, in which advocates of the bill exhibited cuckoo clocks, razors, and sundry German baubles to support their argument. One man finally remarked, "Well, I gave $5,000 in 1920 to put the Republicans in office. I would now cheerfully give $10,000 to put them out." Then turning to me he said, "Why are you Democrats so reticent? You are giving the Republicans too much rope. They have been doing all the talking for a year, and rather tiresome talk at that."

There are reasons for this reticence. In the first place, Democratic politicians, who look upon the alternations of party control with the cynical philosophy of the professional politician of either party, are quite content with the spectacle of leaderless confusion, forgotten promises, unrealized expectations, conflicting purposes, subsiding popularity, and general deadlock which make up the Republican picture. When a Republican Congress is pronounced by a stalwart party organ like the Boston Transcript to be incomparably bad and is described in a public address by the Republican Secretary of War as revealing the lowest depths to which congressional government has ever sunk, a Democrat may well conclude that from a partisan standpoint things are proceeding quite satisfactorily. He might naturally prefer not to deflect Republican attention, by more criticism or a discussion of issues, from this intensive effort at party suicide.

There is, of course, also the conventional theory of the rôle of an opposition party to explain the Democratic attitude. When a party has been given so overwhelming a mandate as that which the Republicans received at the last election, with its accompanying ascendency in both Houses of Congress, effective opposition in the sense of frustrating the Republican program is out of the question. The Democratic Party may naturally conclude that its full duty as an opposition party is discharged by exposing the fallacies of Republican policy and then keeping a score card of Republican failures and mistakes. There is also a certain widely shared view that in the by-election which comes midway in the course of every national administration issues are determined largely with reference to local conditions. The reaction of the several communities to the course of Congress is not usually in accordance with broad national principles, but is rather the expression of local disappointment, or the reverse, with the course of a Senator or Representative.

In short, there is no general expectation that national issues will be broadly affirmed or clearly defined in such an election. Tendencies are revealed, of course. A state of popular feeling is disclosed, whether it be one of satisfaction or resentment, and the initial processes are set in motion which finally reveal public opinion in its decisive mood at the next national election.

NOT HAPPY OVER FAILURE.

I think it may fairly be said on the part of the Democrats throughout the country that they are not happy over the Republican failure. No man whose patriotism is worth its salt can have any feeling but one of depression, and even of alarm, at the course of the Republican administration. That President Harding and his unwieldly majority in Congress should stumble and fail in some important respects is not altogether surprising, considering the infirmities of human nature and the complexity of the problems confronting the Nation. Uniform success was too much to expect. But the Nation regardless of party did expect a sober, conscientious, dispassionate, and patriotic approach to the problems of the day. This expectation has been wholly disappointed. Instead of serious work on the part of Congress we have been regaled by interminable discussions of patronage, endless recriminations between individuals, vulgar diatribes, pettifogging speeches in praise of achievements that have not been achieved, and puerile and self-refuting claims of economies which have not happened, such as the speech of Senator McCORMICK on Republican savings.

It is a pity that men who have enjoyed contact with educational processes and who presumably have a cultivated man's sense of the decencies of debate should be guilty of such studied distortion of the facts and descend to such banalities. But such is the corrosive effect of the disease called "party" that men like McCORMICK and WATSON of Indiana, not to speak of LODGE and FRELINGHUYSEN and McCUMBER and FESS and FORDNEY, will utter the inanities that constitute the staple of their congressional speeches, under the impression that their fellow countrymen are such gulls as to swallow them whole and smack their lips over the pleasing taste of insincerity and "bunk."

THE GOOD OLD DAYS.

If I were called upon to say what ails the Republican Party, I might reply in the language which Mr. H. G. Wells used in referring some time ago to the city of Boston. "Boston," said he, "reminds me of a community which reached a state of absolute repletion about the year 1875." And so with the Republican Party. It still thinks of government as the Standard Oil Co. regarded it in the eighties, when Mr. Archbold passed upon nominations for the Federal bench, or when the American Sugar Refining Co. relied upon the party's success for immunity in certain little matters of false weights and measures in their accountings with the Government; or when the consolidated banking power of the country could prevent any practical step toward a Federal banking system unless it were controlled by Wall Street and made subservient to speculative manipulations. Those were the good old days. Those were the days of "sterling Republicans." Hanna was their prophet; Aldrich was their vicar; Taft was their chore man; Roosevelt was their naughty but repentant boy who had his good points. And the men in Washington to-day who are impersonating "best minds" are the apprentices and office boys of the old system, reverently imitating the departed and legendary figures of the bygone times, but—like every second generation, whether it be in the Vanderbilt family or the Standard Oil Co. or the Harvester Trust—not in any way the equals of the men who designed and built the machine which they continue ineffectively to operate. And so they persist in the old ways. They not only fail to understand what has happened in the intervening years but they persist in the determination to act as if nothing had happened.

What is the result? Look in any direction. It is easily perceived. Scandals galore—the civil service assailed; the dismissals in the Printing Bureau; the aborted activities of Dover, the axman; the recalled appointment of Nat Goldstein; Daugherty, mum and undefended, riding out the storm; our pillbox brigadiers; our bootlegging national merchant marine, and so on indefinitely.

In the matter of broken pledges the administration no longer defends itself. As Artemus Ward said, "If a man calls you a liar, never make him prove it," and thus, floating with other jettisoned pledges, the grandiose promise of "an association of nations" which was to supersede the league is no longer mentioned.

INDIRECT PLUNDERING.

The Republican Party promised a reduction of our taxes, but it can not forego the old Republican habit of indirect plundering for the enrichment of the contributors to its campaign fund. Therefore we have promise of a tariff worse than the Payne-Aldrich bill of evil memory. Not protection but monopoly and extortion are its objects, and the puny abatements of our taxes, if any there shall be, will be lost in the overwhelming increase in the cost of all the necessaries of life. One is tempted to exclaim, in the words of the late Prof.

Thomas Davidson, once described as among the world's 12 most learned men, "Nay, man, if you believe in a protective tariff, you're in hell already, though you may not know it."

Congressional election approaches and votes are needed. What more natural than that votes should be bought? Accordingly, we have the McCumber bonus project, which contemplates laying a burden of $4,000,000,000 upon the already bowed backs of the taxpayers. Vote buying has always been a field in which the much-vaunted "efficiency" of the only party fit to govern has delighted to display itself. The transition from bribe to bonus is a simple one. Both have the same object—votes. They differ only in degree, or rather in amount. The hapless Senator NEWBERRY spent only $178,000, and his own money, for that matter. But there are about 400 Congressmen seeking reelection, and the bonus involves a distribution of $4,000,000,000, which practically means spending $10,000,000 per Congressman of other people's money. One might say of NEWBERRY, as Burke said of Clive, "One marvels at his moderation."

Turning to labor, the situation is grave and disheartening. The postwar deflation has struck wages. The Labor Board has been called upon to act and it functions in a strictly Republican way. Dividends upon watered stock must be maintained. They can not be maintained without great inroads upon the wage fund. But the principle of the minimum wage, Republicanized, becomes the principle of the minimum dividend. And now we have the shopmen of the railroads and other sympathetic crafts threatening to tie up the Nation's arteries. This is obviously a case for scientific and conciliatory approach, but the press of the moment carries the report that the Republican expedient is not solution but militia, not justice but force, not patient examination of facts and correction but the ultimatum. And what is worse, perhaps, an ultimatum which does not speak finality, a mere feint, to cover a wavering purpose and a feeble grasp. The end is not yet.

INVOLVEMENTS AND COMMITMENTS.

In the field of foreign relations we seem content to avoid everything that savors of "involvements" or "commitments." We are in favor of peace, but only where it already exists. We will not even discuss peace in Europe where our help is sorely needed, lest perchance we find ourselves "entangled," but in the Orient we ally ourselves with the two foremost imperialisms in the world against our protégé, China, and our traditional friend, Russia. Toward the 51 sovereign and enlightened peoples who compose the League of Nations we have not made a single friendly sign. No helpful action, no stanch and friendly word, no constructive decision or endeavor is allowed to qualify or disfigure our rigid aloofness. We have drawn the protective mantle of our barrier oceans around us, thankful that we only read of Europe's distress and can not hear its cries, and persist in a state of insensate political and commercial isolation, building up our fortunes by taking in each other's washing and collecting back rent from our allies.

And so the Republican picture might be painted with multiplying and unending detail. It is grisly enough without wasting canvas.

With these grave thoughts in mind, it is not to be wondered at that the country is pretty well fed up with Marion oratory, Columbus glee clubs, "normalcy," and the "founding fathers," to say nothing of the pretty legend of steak and onion dinners at the White House.

But the hour of retribution, although it approaches, has not struck. One does not reap until the crop is grown. The Democratic Party is waiting until Republicanism loses the last of its seven veils, until all men agree as to what it is and what its noxious fruits are, and then, with unity and precision, will proceed to strike it down.

One often hears the remark that there is little difference between the Republican and Democratic Parties. This is far from the truth. The Democratic Party is in a very different state of mind from that of the Republican Party. Its gaze is up, not down. It is looking forward, not back. It feels that it is the party which has had the privilege of collaborating with one of the greatest of American Presidents. It thinks it knows the difference between his distinction of mind, his scientific grasp of administration, his inflexible courage and austere purity in the public service, his social vision, his great conception of America's rôle as the guide and helper of humanity, and on the other hand the mental and moral mediocrity of the administration which is now in power. The Democrats of the country are proud of their part in sustaining and helping forward the great policies of Woodrow Wilson.

They think America acquitted itself well in the war and are proud of the country's record. They rather prefer this point of view to that of the Republican Party, which has sought to impugn their country's motives, to belittle its efforts, to smirch its leaders in the Great War effort, and to deprive the country of its well-earned consolations for its sacrifices by a methodized program of sneering and disparagement—all of which, of course, has its obvious motivation in a consuming jealousy.

HOPES OF DEMOCRATIC PARTY.

Some day the Democratic Party hopes that America will regain the moral leadership in the world which the Republican Party would not suffer it to retain. It proposes a more rational objective than the "isolation" which to-day has stranded the United States far above the currents of world interest, world sympathy, world trade, world influence, and world power.

The Democratic Party is also in sympathy with much of the deeper subsurface unrest which the people feel. Not that it approves the more violent manifestations of this unrest; not that it regards some forms of expression which it takes as either rational or just; but it senses the evils of rapacious competition. It recognizes that there are great inequalities in our social and industrial system which must be corrected, and to that end it hopes some day to bring to bear upon such problems a scientific method and a disinterested approach, of which thus far there is no suggestion either in the Republican mind or program.

I say the "Republican mind." Because, after all, the action of the electorate is an expression of hope, an effort to express the trend of life, to render articulate the people's sense of justice and of their interest. A party which is frankly skeptical of progress, ashamed of idealism, and elevates the "concrete" and the "practical" and the "limited objective" to the plane of ritual is a poor instrument for the fulfillment of aspirations. There is a vast difference between a brake and an accelerator, and a dead horse is a poor mount.

Some one wittily commenting on the atmosphere of the present administration said he would rather be charged with embezzlement than suspected of idealism in Washington, and even the Chief Justice, so recently the president of the League to Enforce Peace and the enthusiastic advocate of the League of Nations, now refers to the latter, with his somewhat overworked chuckle, as "the league which shall be nameless."

But all this will pass. The sordid apostasy of the Republicans to the true and abiding ideals of America will be swept away by the tide of moral earnestness, which has already turned and is seen everywhere to be rising and gaining in its onrush.

The earnest and thoughtful minds of the country are not in the Republican Party. They are not all in the Democratic Party, to be sure, but many of them are—enough to give tone, point, and character to the party. The economic illiteracy which makes the present Congress a veritable museum of blundering is preponderantly on the Republican side of both Houses. True, we have BORAH and NORRIS and now and then LENROOT and LA FOLLETTE in the Senate uttering warnings and sputtering protests. Their effectiveness, however, is destroyed by their organic adhesion to the majority which they denounce, but at the same time sustain in its control of the main currents of legislative policy.

The Democratic Party perceives that the country can not survive if business initiative is extinguished by unbridled taxation. It realizes the truth which every unprejudiced observer sees, that our industrial civilization can not live nor our agricultural interests prosper without overseas markets. It knows that our own recovery is conditioned upon the recovery of our sister nations. It is enlightened enough to appreciate the fact that Republican prejudices, provincialisms, illiteracies, and vote-ogling demagogy are not substitutes for a sound economic program, built upon actualities and supported by inexorable laws of universal application.

It knows that wealth and power have their responsibilities which can not be ignored even in the case of nations; that pride goeth before destruction, and the spirit of self-sufficiency and self-gratulation is the sure forerunner of humiliation and failure.

Soon the leaders of the Democratic Party will be heard again. It will be time. The season of reaction, the period of the country's relapse, draws to an end.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDENT pro tempore. The question is on the amendment proposed by the Committee on Finance inserting

paragraph 1800, chemical wood pulp, on which the Senator from Montana [Mr. WALSH] is entitled to the floor.

Mr. WALSH of Montana. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Fletcher	McCormick	Pomerene
Borah	France	McCumber	Ransdell
Brandegee	Gooding	McLean	Robinson
Bursum	Hale	McNary	Sheppard
Calder	Harreld	Moses	Simmons
Cameron	Harris	Myers	Smoot
Capper	Harrison	Nelson	Spencer
Caraway	Heflin	New	Stanfield
Culberson	Hitchcock	Newberry	Sterling
Cummins	Jones, N. Mex.	Nicholson	Trammell
Curtis	Jones, Wash.	Oddie	Walsh, Mass.
Dial	Kellogg	Overman	Walsh, Mont.
du Pont	Keyes	Pepper	Warren
Ernst	Ladd	Phipps	Watson, Ind.
Fernald	Lodge	Pittman	Willis

Mr. DIAL. I wish to announce that my colleague [Mr. SMITH] is absent on official business. I will let this notice continue through the day.

Mr. RANSDELL. I desire to announce that the Senator from Illinois [Mr. MCKINLEY] and the Senator from Wyoming [Mr. KENDRICK] are engaged in a hearing before the Committee on Agriculture and Forestry.

The PRESIDENT pro tempore. Sixty Senators have answered to their names. There is a quorum present.

Mr. SIMMONS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from North Carolina?

Mr. WALSH of Montana. I yield.

Mr. SIMMONS. I wish to present and tender to the majority a proposition for fixing a time for a final vote upon the amendments of the committee and upon amendments offered on the floor and upon the whole bill.

We did not decide that it would be feasible to make this proposition until after the wool schedule, upon which the attention of the country was so largely focused, had been disposed of. But that being out of the way, the general principles of the bill and its character having been very generally discussed and probably thoroughly discussed on both sides, we see no reason why we can not now come to a unanimous-consent agreement fixing a time to vote on the amendments both of the committee and those offered upon the floor, and upon the whole bill. I therefore send to the Secretary's desk the following proposition.

The PRESIDENT pro tempore. The Senator from North Carolina presents a request for a unanimous-consent agreement, which the Secretary will read for information.

The reading clerk read as follows:

It is agreed by unanimous consent that on August 19, 1922, at 11 o'clock a. m., the Senate will proceed without further debate to vote upon H. R. 7456, to provide revenue, etc., and upon all motions and amendments thereto which may be pending or which may be offered and to the exclusion of all other business.

That not later than August 11, at 11 o'clock a. m., the Senate will proceed to vote without further debate upon all committee amendments that may be pending or that may be offered, and that immediately following the conclusion of the votes on committee amendments the Senate shall proceed to the consideration of other amendments, if any, which may be submitted.

That all time shall be divided as nearly equally as may be between the majority and the minority, and shall be controlled by the Senator from North Dakota [Mr. MCCUMBER], on behalf of the majority, and by the Senator from North Carolina [Mr. SIMMONS] on behalf of the minority.

Mr. BRANDEGEE. Mr. President, I ask that the proposed agreement may be read again.

The reading clerk again read the proposed unanimous-consent agreement.

The PRESIDENT pro tempore. Is there objection?

Mr. MCCORMICK. Mr. President, has the proposed agreement been submitted by the Senator from North Carolina [Mr. SIMMONS] to the Senator from North Dakota [Mr. MCCUMBER]?

Mr. SIMMONS. I will say to the Senator from Illinois that I have not consulted with the Senator from North Dakota in reference to the matter. I stated that I simply tendered the proposed unanimous-consent agreement to the majority.

Mr. SMOOT. Then the Senator from North Carolina does not desire the proposed unanimous consent now to be disposed of?

Mr. SIMMONS. I am willing that the matter shall take whatever course the majority may decide upon. If the majority are not now prepared to accept the proposition and desire to consider it, of course I would not suggest immediate action upon the request. I am simply tendering the proposition to the majority. I have been asked repeatedly if I would not consent to some time for a vote, and this is my response. I submit it to the majority.

Mr. MCCUMBER. Mr. President, this is somewhat of an unusual method, at least, of arriving at a unanimous-consent agreement. Ordinarily those in charge of a pending bill and those opposed to it have some conversation concerning the matter and try to get together before a request for an agreement to vote is presented to the Senate. In this instance the request has not followed that course. I am not, however, finding any fault at all with the course suggested by the Senator from North Carolina. The Senator is presenting the matter in this form to this side of the Chamber, and, while the time which he has suggested for a vote on the pending bill seems to me to be unnecessarily late, I desire to say that I should be glad to take up the proposition and talk with the Members on this side of the Chamber in reference to it and consider any proposal from our side. I am very glad to have this first step taken toward bringing the pending measure to a close. I think, however, all that can now be done is to give us time to look over and study the proposition. I am sure I shall give the Senator from North Carolina a response to his proposal within the day.

Mr. ROBINSON. Mr. President, the time has arrived when the Senate should agree to a time for final disposition of the pending bill. The Senator from North Dakota suggests that the agreement should, perhaps, provide for a final vote on the bill earlier than August 19. I have no objection whatever to that suggestion. As originally drafted the proposal contemplated a vote very much earlier. Some Senators, however, think that, inasmuch as a number of important provisions in the committee amendments remain undisposed of and no time so far has been devoted to individual amendments which are to come from the floor, the time fixed in the proposed unanimous-consent agreement is reasonable and the time provided is necessary for the intelligent determination of the issue involved.

The important point is to reach an agreement for a vote on the pending bill. The Republican press of the country contains declarations that it will be impossible to pass the pending tariff bill prior to the November election, and that Republican Senators are highly gratified and greatly relieved by that fact. Some time ago it was declared on the floor of the Senate that there was a growing disposition on the majority side of the Chamber to prolong this debate and to protract the consideration of the pending measure until such time as it will be a practical impossibility to accomplish its passage prior to the elections.

In view of the course that the measure has taken in the Senate, it is important and necessary that the people of the United States should be given an opportunity to know the policy of the Congress and the policy of the present administration touching this important subject. I express the hope that the agreement may be entered into as presented by the Senator from North Carolina, or, if possible, that a date for an earlier vote on the pending measure may be fixed.

Mr. LODGE. Mr. President, I have not seen the proposed agreement, having only just heard it read since I reached the Senate Chamber this morning. I am very anxious to secure a vote on the pending bill and to have it disposed of at the earliest possible moment. I had hoped we might reach an agreement to vote on an earlier day than the one proposed in the unanimous-consent agreement. I should like, however, to have an opportunity, as the Senator from North Dakota [Mr. MCCUMBER] has suggested he also would desire, to look the proposition over and to talk, at least, with some of the Republican Members of the Senate before giving assent to the agreement at this moment, which I do not now feel able to do. I think we ought to have an opportunity, at least, to consider the proposition as it has been presented to us without, so far as I am concerned, any notice at all.

The PRESIDENT pro tempore. Is there objection to the agreement proposed by the Senator from North Carolina [Mr. SIMMONS]?

Mr. JONES of Washington. Mr. President, I wish to ask the Senator from North Carolina a question. I wish to ask the Senator if it is his idea that after this agreement shall have been entered into any Senator who has an amendment which he desires to present must consult the leader on his side and arrange with him as to the amount of time that the Senator desiring to present the amendment will be allowed for the consideration of such amendment?

Mr. SIMMONS. I will state frankly to the Senator that we adopted that method because we recognized the fact that some amendments would require very little discussion while other amendments of very great importance would require more, and that it would therefore be better to allow some elasticity in the

matter of debate, so that on important amendments a longer time would be allowed for presentation and more time might be accorded for reply. It was thought that would be a better method than to limit debate, especially where so many different propositions were involved which were of such varying importance.

Mr. JONES of Washington. That is the only feature of the proposal which I do not like.

Mr. SIMMONS. At first I, too, did not like it, but upon reflection it finally seemed to me that that was the only solution of the matter. This is not a case of dealing with one or two propositions, but these amendments deal with separate propositions of differing importance. One may be a very important matter, while another may be a matter of but trifling consequence. We therefore thought some elasticity in regard to the matter of time to be allowed in the discussion ought to be granted in order to accommodate the situation.

I think that that is a very happy solution of the difficulty.

Mr. HARRELD. Mr. President, I should like to ask the Senator a question. For instance, if I desire to submit an amendment does the proposed agreement contemplate that I must get the consent of the leader of my side in order that I may do so?

Mr. SIMMONS. After the time fixed has arrived, if the Senator should rise and announce that he desires to occupy so much time, the Senator in charge of the bill, the Senator from North Dakota [Mr. MCCUMBER], with the Senators on the majority side of the Chamber, could agree as to the length of time that it is necessary to enable him to discuss it, and accord him that time.

Mr. HARRELD. Mr. President, I should like to ask one further question. Is it proposed in the agreement to vote on all committee amendments on the 11th of August, and are they to be voted upon then without any further debate?

Mr. SIMMONS. It is provided they shall be voted upon then without further debate.

The PRESIDENT pro tempore. The Chair is unable to hear the colloquy, and is interested in knowing whether or not objection is made.

Mr. HARRELD. Mr. President, I desire to ask a further question.

Mr. WATSON of Indiana. Mr. President, we wish to discuss the matter.

Mr. HARRELD. Mr. President——

Mr. LODGE. Action will be taken when it is necessary, and in the meantime the request ought to go over.

Mr. WATSON of Indiana. Yes.

Mr. LODGE. The Senator from North Dakota has asked that it go over and I have made the same request. That is equivalent to an objection.

Mr. SIMMONS. I have no objection to that.

Mr. WATSON of Indiana. I desire to ascertain the present status. On account of the fact that the chairman of the committee and the leader on our side have not been notified that the agreement was going to be proposed at this time, would not the Senator from North Carolina be willing to wait, say, until 3 o'clock or 4 o'clock before he presents it?

Mr. SIMMONS. Probably the Senator was not here, but I said and I desire to repeat that this is merely a tender. I am not asking action upon it now. It is merely a tender on the part of the minority side of the Chamber to the majority side of the Chamber.

Mr. WATSON of Indiana. That is all right.

Mr. SIMMONS. The Senator from North Dakota has stated that during the day, after conference, he would indicate his position in the matter.

Mr. WATSON of Indiana. The reason I asked the Senator the question anew was because the President pro tempore insisted upon putting it up to the Senate.

Mr. SIMMONS. I agree that no action shall be taken at the present time, but later in the day I will call the matter up.

The PRESIDENT pro tempore. The question will be passed over until called up by the Senator from North Carolina.

The Secretary will state the pending amendment.

The ASSISTANT SECRETARY. At the beginning of the paper schedule, the committee proposes to insert a new paragraph, as follows:

PAR. 1300. Chemical wood pulp, unbleached or bleached, 5 per cent ad valorem: *Provided*, That if any country, dependency, province, or other subdivision of government shall forbid or restrict in any way the exportation of (whether by law, order, regulation, contractual relation, or otherwise, directly or indirectly), or impose any export duty, export license fee, or other export charge of any kind whatever, either directly or indirectly (whether in the form of additional charge or license fee, or otherwise), upon printing paper, chemical wood pulp, or wood for use in the manufacture of wood pulp, there shall be imposed upon chemical wood pulp, when imported, either directly or indirectly, from such country, dependency, province, or other subdivision of government, an additional duty equal to the highest export duty or other export charge imposed by such country, dependency, province, or other subdivision of government, upon either an equal amount of chemical wood pulp or an amount of wood necessary to manufacture such wood pulp, or an amount of printing paper ordinarily manufactured from such chemical wood pulp.

Mr. WALSH of Montana. Mr. President, when the discussion of the pending amendment was interrupted on yesterday afternoon I was endeavoring to present the important public question involved, namely, as to whether, in view of the situation in which this country finds itself with reference to its timber supply, it was a wise thing to offer a premium upon the rapid consumption of our forests, and whether that policy was not in plain contravention of the wise policy of conservation which we believed we had entered upon some years ago.

The situation which confronts us, Mr. President, is very tersely set forth in a paper by Dr. Hugh P. Baker, the secretary of the American Paper & Pulp Association, published in the Paper Trade Journal on January 13, 1921, which was incorporated in the hearings upon this schedule before the House. In that he said:

> The forests of America were the finest of the world when our forefathers first began the development of this country. No other continent within the memory of man has been so blessed with forests as America. The very abundance of forests caused us to become careless with them, and the years, almost centuries, of carelessness can not be overcome even with the aggressive agitation of a decade. In a way we must exhaust our virgin forests before our people will be convinced that it is a profitable undertaking to handle our forests as a crop as we have learned to handle agricultural crops. The future of the paper industry in this country is absolutely dependent upon a permanent supply of the right kind of wood from our forests. The disappearance of our forests over vast areas is going to have a serious influence upon the industry. For the next 25 to 50 years the problem of a permanent suppy of wood for our eastern paper mills is going to be a very difficult one to solve. It will mean our turning to the forests of the far West or Alaska or to the paying of a royalty of considerable amount to those who bring in wood or pulp from outside our boundaries. Should it be possible to secure proper legislation and make a beginning in a reasonably effective way in protection and reforestation, we may expect in the course of 40 to 60 years to begin to produce on the forest land east of the Mississippi all the wood we will need for the paper industry of the country. However, due to the carelessness of the past, the industry is facing fifty-odd lean years, with the problem of raw materials a difficult one to solve and a problem which some mills may be unable to solve.

But we are told, Mr. President, by the Senator from Maine [Mr. HALE] that they are solving the problem in the State of Maine by simply allowing to remain standing some of the trees in the forest that is cut down for pulp wood, allowing the area to become reseeded. That is a very optimistic view of the situation to take, and one which our great Forestry Service says is utterly futile. I want to submit the last we have on the subject from the Forestry Service. I read from the report of the forester in the Yearbook of the Department of Agriculture for the year 1920, as follows:

> The average well-kept farm in the upper Mississippi Valley uses 2,000 board feet of lumber every year for repairs and improvements. This yearly use of lumber represents probably the minimum requirement of efficient twentieth century agriculture. Turn to our manufacturing communities. Industrial centers like Pittsburgh, Chicago, or St. Louis consume from two to four times as much lumber per capita as the country at large. To maintain our railway systems requires 125,000,000 wooden crossties every year, and the more railroads we build the larger does this permanent requirement become. And our use of paper, which is made largely from wood, has grown by leaps and bounds. In 1880 the average person in the United States used about 30 pounds of paper every year; to-day the average American uses 125 pounds every year.
>
> * * * * * * *
>
> Three-fifths of the forests which sheltered America's aboriginal inhabitants are gone. From the remnant we are now cutting yearly at least four times as much wood as is being grown. We are even cutting trees too small for the sawmill more rapidly than they are being produced. The American sawmill has moved over the face of the land, cleaning up one forest region after another. About 5 per cent of the virgin forests of the New England States is left. In 1850 New York held first rank among the States as a lumber producer; to-day she imports probably 90 per cent of the forest products required by her own people and industries. In 1860 Pennsylvania stood first in the cut of lumber and exported large quantities to her sister States. The lumber cut in Pennsylvania now is less than the requirements of the Pittsburgh territory alone. By 1892 the Lake States had become the great lumber camp of the country; to-day their cut has dropped to a single billion feet, and of their vast pine forests about 2 per cent is left.
>
> There are not many more chapters in this story. The pine belt of the Southern States is now our greatest source of lumber, but that region has also passed its peak, and all the evidence goes to show that within another 10 or 12 years the Southern States will have little lumber for export. Fifty per cent of the timber yet standing is in three States bordering the Pacific Ocean. The westward movement of forest industries is becoming more accelerated every year; and every year constantly greater quantities of lumber are being hauled 2,000 or 3,000 miles from the sawmill to its consumer. The average freight charge on lumber to-day amounts to more than the lumber itself cost 30 years ago.
>
> * * * The exhaustion of our timber supply is coming about not because we have used our forests freely but because we have failed to use our timber-growing land. The problem in a nutshell is the enormous area of forest land which has been so logged and so burned that it is producing little or nothing. We have over 80,000,000 acres, an area greater than all the forests of France, Belgium, Holland, Den-

mark, Germany, Switzerland, Spain, and Portugal, which has been denuded to the point of absolute idleness so far as the production of any timber of commercial value is concerned. We have other enormous areas of cut-over land now growing but a fraction of the amount of timber which they might produce. And we are adding to these areas of idle or largely idle land from 10,000,000 to 15,000,000 acres every year as destructive logging and still more destructive burning progress.

Now, how to remedy this situation.

After discussing the seriousness of it, the forester continues:

Nor can we solve this problem by the old economic theory of leave it alone. Considerable reforestation comes about by chance. Areas in the South Atlantic States are now yielding their third cut of saw timber in spite of the prevalence of fires and other destructive agencies. Considerable reforestation is coming about through the intelligent action of landowners—

The process referred to by the Senator from Maine [Mr. HALE]—

There are not a few holdings in our north woods which have produced yields of saw timber and pulp wood through three generations of owners.

I suppose that in the State of Massachusetts timber has been cut off probably three times since 1620. In visiting that State some time ago, I speculated upon whether the timber I saw was the original virgin growth or whether it had been cut off, and I was told at that time that that was the third growth. That is to say, in 300 years the timber had replaced itself three times.

Year after year the planting of denuded lands is increasing. It is safe to say that 12,000,000 or 15,000,000 young forest trees are planted annually in the New England States and probably as many more in the Middle Atlantic and Central States.

So it will be observed that due consideration has been given to the reforestation referred to by the Senator from Maine.

The forester continues:

Such instances of reforestation through private initiative are, indeed, encouraging and should receive every reasonable form of public assistance. But, weighed in the balance against our national needs for timber, the production of wood by voluntary private effort is hopelessly inadequate and will remain so for a long time to come.

Mr. WILLIS. Mr. President, will the Senator yield for a question?

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Ohio?

Mr. WALSH of Montana. I do.

Mr. WILLIS. Will the Senator state from what document or report he is reading?

Mr. WALSH of Montana. I read from the Yearbook of the Department of Agriculture for the year 1920.

It takes a long time to grow merchantable timber, and the vast public interests at stake can not, under a real national conception of the problem, be left to the turn of profit or loss or the business policy of the individual. We must devise some plan-wise system of reforestation, with enough public participation and assistance to make it effective, which will keep not an isolated spot here and there but hundreds of millions of acres of forest land at work growing timber.

Mr. WILLIS. Mr. President, before the Senator leaves that particular part of the discussion, does the report give any information, or has the Senator any information of his own, as to this point: I have heard much about reforestation. Does the Senator know whether the product of reforestation is entering to any considerable extent into our supply of pulp wood now?

Mr. WALSH of Montana. That was the subject of discussion yesterday.

Mr. WILLIS. I was unfortunate enough not to hear it.

Mr. WALSH of Montana. My information is that reforestation carried out as is here suggested is in its infancy, and that no timber grown by scientific reforestation has ever been used in this country in the manufacture of wood pulp. The fact is, however, that the forests have themselves by chance been reforested after having once been cut down, so that in the old settled portions of the country there is a second growth after a hundred years or so that has been cut down for timber; but nothing in the way of the cultivation of forests has gone on to such an extent as to make the timber available for wood pulp.

Mr. WILLIS. Does the Senator know practically whether that is true of spruce? That is the best pulp wood. Take the case of a forest of spruce which is cut off. Will it come up to spruce or jack pine, or what?

Mr. WALSH of Montana. Of course spruce rarely grows singly. In our country it is quite common and is interspersed with other timber—fir, pine, and that kind of thing.

Mr. WILLIS. The reason why I ask that question is that in the case of the only spruce forest that I have seen cut off that particular kind of tree did not seem to have the ability to reproduce itself. Some other trees came up—what they call in that country jack pine and stuff of that kind—but it was not spruce and not very good pulp wood. You could not make print paper out of it. You could make kraft and other stuff, but you could not make newsprint paper.

Mr. WALSH of Montana. My observation has been quite in keeping with that suggested by the Senator from Ohio. Out in our country, as a rule, the lodgepole pine first exhibits itself in areas that have been cut over. The other trees require some protection, and they would come in the course of time, after shelter is provided, as I take it, by the hardier varieties of pine.

So, Mr. President, we are squarely confronted with the proposition as to whether we shall go on encouraging the destruction of our forests by putting this duty upon the importations of wood pulp from abroad. I submit that it is an unwise policy.

But there are many other considerations which operate against the wisdom of the adoption of this amendment than that to which I have addressed my attention thus far.

I called attention yesterday to the very heavy importations of chemical wood pulp, of course very largely coming from Canada. Not only are the importations large, but it is conceded that chemical wood pulp, and ground wood pulp, for that matter, can be produced in Canada at a less cost than in this country, for two reasons. In the first place, the raw material, the pulp wood, is more abundant and less expensive; in the second place, the process of conversion is less expensive, very largely by reason of the fact that the Canadian mills as a rule are newer, more modern, operated more efficiently, and, in addition to that, power for the operation of them is obtainable at a less cost, generally, than in this country.

So that might appear to be a reason why a duty should be put upon wood pulp; but it is not a good reason, because the wood-pulp manufacturers of this country are making a very excellent profit at the present time, and the operation of the duty would be, not to enable them to operate more successfully, but simply to enable them to operate with a little more profit than they enjoy at the present time. I speak the conclusion of the Tariff Commission.

Mr. HALE. Can the Senator give some figures about the profits?

Mr. WALSH of Montana. I am going to give the figures given by the Tariff Commission. That presents another question of public policy, namely, if a product can be manufactured in a foreign country at a less cost than it can be manufactured in this country, and yet the American manufacturer is making a good profit under the law as it is, is it justifiable to impose a protective tariff in order that his profits may be increased? That is to say, in that kind of a case, should a tariff duty be imposed equalling the difference in the cost of production at home and abroad?

I read from page 28 of the pamphlet of the Tariff Commission on this subject, as follows:

The average cost of production of wood pulp in Canada is considerably less than in the United States. In 1915 the average cost for ground wood was 23.9 per cent lower and sulphite 14.6 per cent lower. In 1916 the percentages were 23.5 and 19.2, respectively. In spite of this difference in cost, Canadian competition is not at present a serious menace to American producers. This is because the strong demand maintains the price at a figure sufficient to give the American producers a profit, though, of course, the Canadian producer makes a greater profit. This condition is brought out clearly by the diagrams, figures 3–6. In all four diagrams, as may be seen, the average Canadian cost line is below the average American cost line, but both are below the average price line. It is simply a case where competitive manufacturers produce at different costs, and the marginal cost tends to equal the price. A strong demand calls for an output greater than the most efficient manufacturers can supply. The price rises, making it possible for less and less efficient producers to compete, until the "marginal producer" is reached, whose cost equals the price. The Federal Trade Commission Report (65th Cong., Doc. No. 49) segregates the American producers into classes. For ground wood, Class I, less than $10.50; Class II, $10.50 to $12.50; Class III, $12.50 to $15; Class IV, $15 to $17; Class V, $17 and over. For sulphite, Class I, less than $27; Class II, $27 to $30; Class III, $30 to $33; Class IV, $33 to $36; Class V, $36 and over. The output and average costs of each of these groups is shown by the steps in the diagram. If the Canadian producers were segregated, their costs also would be shown by steps. The American and Canadian producers could then be segregated into classes without reference to nationality, and there could be a single flight of steps. But the conclusions would be the same: The low-cost producers would make a large profit, the higher-cost producers progressively less and less profit until the marginal producer was reached, who would just "break even." The demand may be so strong that for a time at least there is no marginal producer—that is, the price rises to a point where even the highest cost producer makes a large profit. This condition is suggested in figures 4, 5, and 6, especially figure 6. Under free competition such a condition could not be permanent. If it does remain permanent, there is a suggestion of restriction of output and monopoly.

So the conclusion which I have announced is not only that of the Tariff Commission but it is that of the Federal Trade Commission—that the wood-pulp producers of this country do not need the protection which is accorded here in order to enable them to make a fair profit on their output. Nor are they menaced particularly by foreign competition, the demand being so great as to absorb the product.

There is still a further reason why this duty should not be imposed. There are a vast number of paper mills in this coun-

try which have been engaged in the manufacture of wood pulp. Quite a number of paper mills produce their own wood pulp and consume it in the manufacture of paper. Other mills produce wood pulp only and sell that wood pulp to other factories, which make paper of the wood pulp, the paper mills being obliged to buy either from the American wood-pulp producer or from the Canadian wood-pulp producer.

So it will be observed that the duty upon wood pulp is a burden upon the paper mills of the country, and necessarily so. But worse than that, the paper mills are obliged to sell their paper in a perfectly free market; that is, so far as newsprint is concerned, which, of course, is the great product. They get no compensatory duty whatever, newsprint being upon the free list. So they are obliged to buy in a protected market and sell in a free market.

There are about 16 mills in this country, according to the information given us by the Tariff Commission, engaged in the manufacture of wood pulp, and which sell their products to the paper mills. There are about 600 paper mills in the country which buy their wood pulp either from the American producer or from the foreign producer.

I give the information upon that point as it comes to us. I read from page 2979 of the House hearings on this schedule as follows:

> Out of the 146 mills manufacturing chemical pulps, such as bleached soda, bleached and unbleached sulphite and kraft pulp, not more than 15 mills manufacture pulp solely for sale; the other pulp mills manufacture pulp for their own requirements, and have more or less surplus quantities to offer for the trade from time to time, depending on their own needs. As against the 15 pulp mills manufacturing chemical pulp exclusively for the trade, there are approximately 600 paper mills in the United States which do not produce their own chemical pulp and are obliged to buy their pulp either from surplus production of their competitors or in the open market.

It need not be said, Mr. President, that under these circumstances the 600 paper mills in the United States are protesting loudly against the imposition of this duty.

Mr. HALE. The Senator does not mean that there are only 16 mills in the United States which manufacture chemical pulp? Surely he does not include the newsprint mills.

Mr. WALSH of Montana. There are 16 mills which manufacture pulp exclusively for sale. Other mills manufacture pulp and convert it themselves into paper. Some of them make more pulp than they actually consume themselves, and they sell their excess. They, of course, are not interested in the duty upon pulp, so far as they consume their own product. There are only 16 mills which manufacture wood pulp and do not use any portion of it.

Mr. HALE. The manufacturers of newsprint in this country make chemical pulp as well, and they make 50 per cent more chemical pulp than is used in the manufacture of newsprint in the entire country. So there is no lack of supply of the chemical pulp used in the manufacture of newsprint in this country.

Mr. WALSH of Montana. There are a large number of mills engaged in making newsprint which make their own pulp.

Mr. HALE. That is true.

Mr. WALSH of Montana. And some of them make more pulp than they actually need themselves in the manufacture of the paper which they produce, and they sell the excess to the other mills which do not produce any pulp.

Mr. LENROOT. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Wisconsin?

Mr. WALSH of Montana. I yield.

Mr. LENROOT. Could the Senator tell us what the total amount of chemical pulp sold is of domestic production?

Mr. WALSH of Montana. The total production is 600,000 tons.

Mr. LENROOT. How much of that is sold?

Mr. WALSH of Montana. I am not able to give that information. Possibly I have it, but not at hand now.

Mr. WILLIS. I think I have the figures, if I understood the question of the Senator from Wisconsin. What was the question?

Mr. LENROOT. A part of this chemical pulp is used by the manufacturers themselves in the manufacture of paper, as I understand. My question was, how much chemical pulp of the domestic production is sold, by whomever made?

Mr. WILLIS. I think the figures I have are reliable, and they show that in 1921 there were produced of chemical pulp in the United States 1,526,000 tons. There were consumed of that amount by the mills manufacturing the pulp, who also manufacture paper, 1,114,000 tons. That is to say, 73 per cent was consumed by the mills which manufacture pulp and also manufacture paper. That leaves 407,000 tons sold to the converting mills, or, in percentages, 73 per cent consumed by the mills that manufacture the pulp, and the surplus, as pointed out by the Senator from Montana, 27 per cent only, sold to the converting mills.

Mr. HARRIS. With the permission of the Senator from Montana, I may state in reply to the Senator from Wisconsin that there is only 9 per cent of the chemical wood pulp made by the mills which manufacture newsprint paper themselves and 91 per cent of it is manufactured by others than the paper mills.

Mr. LENROOT. That does not tally with the figures given by the Senator from Ohio. The Senator from Ohio, if I understood him, stated there would be 27 per cent of the total domestic production of chemical pulp sold. Did the Senator from Montana understand the figures that way?

Mr. WALSH of Montana. I so understood the Senator from Ohio.

Mr. WILLIS. That was my statement, and I think it is absolutely correct. Is it challenged?

Mr. HARRIS. My understanding from reliable information, as I stated, is that only 9 per cent of the chemical wood pulp used in the manufacture of newsprint paper is made by the mills themselves and 91 per cent is not made by the mills which manufacture newsprint.

Mr. WALSH of Montana. That may be in entire harmony with the statement of the Senator from Ohio. The Senator from Georgia is referring to newsprint only. That is to say, in the manufacture of newsprint only 9 per cent of the pulp is purchased and the other 91 per cent is manufactured by the makers of the newsprint.

Mr. WILLIS. That is not necessarily contrary to the figures I gave.

Mr. LENROOT. Mr. President, will the Senator from Georgia make that statement again? I do not know that I quite followed it.

Mr. HARRIS. I stated that of the amount of newsprint manufactured by the factories in the country only 9 per cent of the chemical wood pulp they use is made by the mills themselves and the other 91 per cent is made by others.

Mr. LENROOT. In other words, 91 per cent is purchased?

Mr. HARRIS. That is true.

Mr. LENROOT. But that includes both chemical pulp and mechanical pulp?

Mr. HARRIS. This is only the chemical wood pulp.

Mr. LENROOT. That certainly does not tally with the figures given by the Senator from Ohio.

Mr. HARRIS. The Senator from Maine yesterday referred to the Great Northern Co. That company has about the lowest newsprint paper production cost in the country because of its magnificent forests and machinery. It has a lower cost even than the Berlin mills of New Hampshire and others, much lower than the International, the largest of all the companies manufacturing newsprint paper, which have a higher production cost because they have not the forests and they have to get the pulp from Canada, and some of their mill machinery is old and not up to date. There are only 21 mills which are favorably affected by the 5 per cent rate recommended by the committee. There are 215 mills that will be discriminated against, and some of them have the highest cost of production. I am referring to the mills in this country. Two-thirds of the newsprint paper is manufactured in Canada and about one-third manufactured in the United States. The Canadian mills have an advantage over ours in the low cost of wood and power, but this is offset by the high price they pay for coal.

I would like to say in passing that nearly all the other paper mills in this country and Canada put up their prices just before and during the war, but it was the Great Northern that held the prices down and did not take advantage of their customers. The majority of mills on this side of the Canadian line have not the forests and must buy the chemical wood pulp from Canada. It is proposed to give the 5 per cent to mills like the Great Northern, which do not need it. They can manufacture paper at a lower cost of production than the International or other mills that have not the forests and have to depend upon getting the pulp from Canada and other sources. This 5 per cent additional expense on chemical wood pulp would be a rank discrimination against a large majority of the paper mills in our country and a heavy tax on the people who buy papers. Nearly all the paper mills in Ohio and other States get their chemical wood pulp from Canada, and this extra duty on them would be an unjust discrimination. The paper mills in the United States have a difficult time competing with the Canadian mills without this additional tax, which will be a heavy burden on most of our mills.

Mr. HALE. The Senator is entirely wrong in stating that 90 per cent of the chemical pulp used in the manufacture of paper is purchased by the newsprint manufacturers.

Mr. HARRIS. That is my information.

Mr. HALE. I am going to talk upon the subject later, and I shall put in exact figures, which I shall have later.

Mr. HARRIS. I would like to have the Senator give the source of his information and his authority.

Mr. HALE. I got it from some of the companies themselves.

Mr. HARRIS. There are only 21 companies which have been here asking for this rate, or the representatives of 21 mills, and all the mills that have forests were included. There are 215 mills that have to buy the chemical wood pulp, and they are protesting against this and did not come down here to ask for it.

Mr. HALE. Those are the converting mills to which the Senator refers.

Mr. HARRIS. They are the mills which manufacture newsprint.

Mr. WALSH of Montana. Mr. President, I want to be as gracious as possible, but I trust that the Senators will defer further colloquy until I get through. I am pretty nearly through with what I have to say about the matter.

Another reason why this ought not to be done is that it is a perfectly manifest injustice to the American producer of paper and the American paper mill. It is really offering a premium to producers of print paper in Canada. The Canadian manufacturer gets his wood pulp in Canada, manufactures it into paper, and that paper is introduced into this country free, while the American print-paper manufacturer, who is obliged to buy his chemical wood pulp in the market, is obliged to pay, if he imports it, the additional 5 per cent, or if he buys it from the domestic producer is obliged to pay the equivalent amount. So that the American producer of print paper is burdened against his own interests and in favor of his Canadian competitor, who is nearer the source of supply and gets his wood pulp free and introduces his print paper into this country free.

Finally, Mr. President, this duty will give a monopoly, as far as a monopoly can be granted, to the American wood-pulp producer, and that is the very purpose of it, as frankly indicated by the testimony of the gentlemen who are asking it upon their behalf. I read from the House hearings, at page 2977.

Mr. HARRIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Georgia?

Mr. WALSH of Montana. I yield.

Mr. HARRIS. I would like to give the Senator these figures: In 1920 we got from Canada 419,270 tons of chemical wood pulp, exported from Canada to the United States. In 1921 we got 308,981 tons of chemical wood pulp, which was exported from Canada to the United States.

Mr. HALE. From what is the Senator quoting?

Mr. HARRIS. I am quoting from statistics which the newspaper organization furnished.

Mr. WALSH of Montana. Mr. President, in support of the demand for a duty upon chemical wood pulp, the American Paper and Pulp Association submitted a brief to the House Committee on Ways and Means in which, among other things, they said as follows:

> Your attention is particularly invited to the very great increase both in manufacture and in import of pulp during the year 1920, when the entire paper industry was enjoying an abnormally large business. The fact that the United States produced in the year 1920, under these favorable circumstances, 3,866,000 tons of pulp of all kinds, and that the consumption of pulp during the years 1918 and 1919 (reasonably normal years) averaged 3,850,000 tons, it became self-evident that the United States actually possesses sufficient pulp-making capacity to very nearly meet its requirements in normal years, and that with very little encouragement production might be increased to a point where it could supply the entire demand and have a surplus. It is with a view of obtaining this encouragement that we are asking for a revision of the existing tariff, which places pulp upon the free list and that duties be imposed as follows:

	Per pound.
Mechanical pulp	$\frac{1}{10}$ of 1 cent
Unbleached chemical pulp	$\frac{1}{8}$ of 1 cent
Bleached chemical pulp	$\frac{1}{6}$ of 1 cent

In other words, they want a duty which will enable them to supply the entire American demand to the exclusion of all importations. So frank a demand of a purpose to have an embargo tariff is probably not found in any other place in the hearings.

The duty, in my judgment, Mr. President, is entirely unjustifiable. It would be clearly violative of the public interest. It is unjust and unfair to the American paper manufacturer, and I think ought to be universally condemned.

Mr. ROBINSON. Mr. President, the argument made by the Senator from Montana [Mr. WALSH], it seems to me, can not be answered. During the course of the debate on the bill a few days ago the Senator from North Dakota [Mr. MCCUMBER], chairman of the committee in charge of the bill, made an astonishing statement. He declared that the defeat of Mr. Taft for reelection in his second campaign in 1912 was due to the vindictiveness and revengeful action of American newspapers and magazines growing out of the refusal of the Finance Committee to place newsprint paper upon the free list more than from any other cause. That statement was supported in interesting and somewhat amusing declarations by the Senator from Utah [Mr. SMOOT] and the Senator from Indiana [Mr. WATSON]. The former recalled a threat which he said had been made by Mr. John I. Norris, representing the American Newspaper Publishers' Association, to a subcommittee of the Finance Committee, charged with the responsibility of considering the question of whether newsprint paper should be made dutiable or placed upon the free list, which subcommittee was composed of the then Senator from Rhode Island, Mr. Aldrich, and the Senator from Utah [Mr. SMOOT]. The Senator from Utah declared that Mr. Norris had asserted that there could be no compromise on the question, that the attitude of the American newspapers in favor of free newsprint paper and free wood pulp was unalterable and uncompromising, and that if the Republican Party persisted in refusing to yield to the demand for free wood pulp and free newsprint paper it would be visited with the political wrath of the entire press of the United States and the Republican Party would be driven from power.

The Senator from Indiana [Mr. WATSON] became reminiscent and related incidents and conversations which he said took place in 1908 and 1909 when he was a Member of the House of Representatives and actively engaged in guiding party affairs as the whip of the House. To recall definitely and accurately the statement of the Senator from Indiana, I read from the CONGRESSIONAL RECORD, July 26, 1922, at page 10662, at which point the Senator from Indiana said:

> Mr. President, I do not know that the recital of personal experiences is of very serious consequence in the debate that is now being engaged in by the Senate. Indeed, it throws no very great light upon the subject in hand. And yet, inasmuch as the newsprint paper question has been brought before the Senate, and the relation of Mr. Herman Ridder and Mr. Norris to that question in 1908 and 1909 has been discussed, I think perhaps it would not be out of order, as throwing some light upon the situation, if I were to relate what I personally know about it. I use the personal pronoun only that I may show my relation to the situation.
>
> At that time I happened to be the whip of the House of Representatives and had been for some time. I was likewise a member of the Ways and Means Committee of that body, which considered and formulated the Payne-Aldrich tariff law.
>
> At that particular time I happened to be living with the then Speaker, JOSEPH G. CANNON, who at that time lived on Vermont Avenue, and therefore I had first-hand knowledge of the matters concerning which I speak.

The Senator from Indiana in the same connection then proceeds to relate a conversation which he said occurred in his presence between the then Speaker of the House of Representatives, Mr. CANNON, and Mr. Herman Ridder, in which Mr. Ridder made violent threats of a political nature toward Mr. CANNON and the Republican Party. Having had occasion to look up the record, I want to point out some facts which show that the memory of the Senator from Indiana in this instance, as in some other instances, can not be relied on at this distant date. I do not wish to be understood as impeaching the integrity or the veracity of my friend the Senator from Indiana; but to show that in all probability he was mistaken, at least in some of his declarations, I point out the fact that in 1908 the Senator from Indiana was the Republican candidate for Governor of the State of Indiana. He was then a Member of the House of Representatives. His time during 1908 was, in large part, consumed in the primary and general election campaigns preceding the gubernatorial election in Indiana which, I believe, took place in November of 1908. His term of office as a Member of the House of Representatives expired March 4, 1909. So the Senator from Indiana was not a Member of Congress at the time the Payne-Aldrich bill was introduced and considered; he was not a Member of Congress during the first two years of the Taft administration, during which period the Payne-Aldrich bill was framed, considered, and enacted into law.

The Payne-Aldrich bill was introduced in the House of Representatives on March 17, 1909; it passed that body April 9, 1909; it came to the Senate and was referred to the Finance Committee on April 10, was subsequently reported, and passed the Senate on July 8, 1909, the President approving it on August 5, 1909. So whatever discussion the Senator from Indiana—then the gentleman from Indiana—may have heard between Speaker CANNON and Mr. Ridder must have taken place in 1908, prior to Mr. Taft's first election.

The important point in this connection is that the Senator from North Dakota [Mr. MCCUMBER], the Senator from Utah [Mr. SMOOT], and the Senator from Indiana [Mr. WATSON] have all alleged that the failure of Mr. Taft's party to incorporate newsprint paper in the free list in the Payne-Aldrich tariff law and the refusal to permit consideration of a resolution, which it is alleged was pending in Congress in 1908, placing newsprint paper on the free list, resulted in the turning away from the Republican Party of many of the great Republican newspapers throughout the Nation and in the defeat of Mr. Taft when a second time he was a candidate for the Presidency.

I point out the fact that if the conversation which the Senator from Indiana states occurred while he was a Member of Congress in 1908 and 1909 it must have occurred in 1908, prior to the introduction of the Payne-Aldrich tariff bill and prior to Mr. Taft's first election.

Mr. LENROOT. Mr. President——

Mr. ROBINSON. I yield to the Senator from Wisconsin.

Mr. LENROOT. I do not care to get into the controversy, but I know that the Senator from Arkansas wishes to be accurate. The Senator from Arkansas was a Member of the House of Representatives at the time to which he refers, and he will remember that hearings were held on the Payne-Aldrich bill after Mr. Taft's election and before the 4th of March when he was inaugurated?

Mr. ROBINSON. That statement is not quite accurate. Hearings were held on the subject of the tariff after Mr. Taft's election in November, 1908, but the Payne-Aldrich tariff bill was not introduced in Congress until March 17, 1909.

Mr. LENROOT. But the framing of the bill was actually and practically begun before Mr. Taft's inauguration.

Mr. ROBINSON. Immediately following Mr. Taft's election the subject of the tariff was under consideration by the Ways and Means Committee of the House of Representatives; but the point that I am making is——

Mr. CALDER. Mr. President——

Mr. ROBINSON. I yield to the Senator from New York.

Mr. CALDER. It just occurred to me while the Senator from Arkansas was making his statement that the Senator from Indiana also referred to the consideration of some resolution which was pending during the year 1908, before the election of 1908, for if the Senator from Arkansas will recall reference was made to the candidacy of Mr. CANNON for the Presidency, which was to be in the election of 1908.

Mr. ROBINSON. I myself have spoken of that.

Mr. CALDER. Then I beg the Senator's pardon.

Mr. ROBINSON. I have mentioned it. However, an examination of the RECORD does not disclose that any such resolution as that mentioned by the Senator from Indiana in his remarks the other day ever was submitted by the Senator from Mississippi [Mr. WILLIAMS]; which is another illustration of the fact that Senators ought not to be too hasty to testify concerning incidents that have long since passed. The Senator from Mississippi, so far as my investigations go, did not present a resolution placing newsprint paper on the free list. The Senator from Mississippi, however, presented a resolution providing for an investigation of the subject of wood pulp and newsprint paper.

The Senator from Indiana has come in the Chamber during the course of my remarks, and I will say to him that I have pointed out, in connection with the statement that he made in the RECORD some days ago, that while he was a Member and whip of the House in 1908 and 1909 he had heard a conversation between the Speaker and Mr. Ridder—he was a candidate for Governor of Indiana in 1908, and that his term of office as a Member of the House of Representatives expired on March 4, 1909—and I make this statement not to impeach the honesty or the veracity of the Senator from Indiana but to show that his memory of the events is not accurate in detail—that whatever conversation the Senator may have heard while a Member of the House of Representatives occurred prior to Mr. Taft's election, because Mr. Taft was elected in the campaign of 1908; and, while the Ways and Means Committee of the House of Representatives did have hearings on the general subject of the tariff, the bill, which afterwards became the Payne-Aldrich tariff bill, was not introduced in the House of Representatives until March 17, 1909. Mr. Crumpacker became the Republican member from Indiana of the Ways and Means Committee when the now Senator from Indiana [Mr. WATSON] retired from that committee on March 4, 1909. So that any events of which he speaks must have occurred prior to March 4, 1909, and probably occurred during Mr. Taft's first campaign, because his election was in November, and Mr. Taft did not become President of the United States until March 4, 1909. If there had been a fixed purpose upon the part of the newspapers to resent the refusal of the Republican Party in its plan for a tariff to incorporate newsprint paper on the free list or to permit the passage of a resolution placing newsprint paper on the free list prior to March 4, 1909, it must appear to the Senate that the reaction should have occurred in the election immediately following the refusal.

Now, going further with the statement of the Senator from North Dakota, I bring to the attention of the Senate an editorial published in the New York World of July 26, 1922. I am going to read the editorial. It is entitled "Mr. MCCUMBER'S red herring," and reads as follows:

"The real cause of Mr. Taft's defeat in 1912," Senator MCCUMBER charges, "was the refusal of the Republican Party to put newsprint paper on the free list." That this is an attempt to support a faked indictment by sheer mendacity can be proved by looking over the files of Republican papers printed during Taft's second campaign. He received well-nigh solid support from the leaders of the Republican press, a fact in itself remarkable considering the influence and prestige of Roosevelt.

I stated when this matter was under consideration by the Senate a few days ago that my recollection then was that the Republican press had as a whole supported Mr. Taft, thus completely repelling the declaration made by the Senator from North Dakota that the press of the Nation had turned against Mr. Taft because of the refusal of his administration to put newsprint paper on the free list.

Continuing, the New York World editorial says:

It is true that a committee of newspaper publishers went to Washington in 1909 to present the case of the newspapers, but it is obviously not true that this committee had authority to commit the editors of the country to any attitude toward the tariff, the administration, or Mr. Taft personally. It is true that this committee was fairly well satisfied with the newsprint schedule, but it is not true that threats were made to secure the agreement. The committee was not in a position to threaten. For that matter, the metropolitan papers mainly represented by the committee were not so vitally interested in the duty as were the more numerous small-town publications that might have been suspended by an increase in manufacturing costs.

Mr. MCCUMBER's attack on the newspapers is all too evidently a red-herring trail to divert attention from his own rapidly crumbling tariff defenses. Having perpetrated another Schedule K in full view of the public, he sets up a cry of "Stop thief!" and starts full tilt after passersby.

To show that this opinion concerning the censure which has been heaped upon the newspapers of the country by the Senator from Utah [Mr. SMOOT]——

Mr. SMOOT. I deny that.

Mr. ROBINSON (continuing). The Senator from Indiana [Mr. WATSON] and the Senator from North Dakota [Mr. MCCUMBER] is not confined to the eastern press or to what may be termed the metropolitan press, to show the resentment at the attitude which those Senators take and the responsibility which they seek to place upon the press of the country for the defeat of Mr. Taft for vindictive reasons, I bring to the attention of the Senate an editorial published in the Portland Oregonian of July 28, 1922, the Portland Oregonian, according to my information, being one of the most prominent western Republican newspapers.

I beg the pardon of my friend the Senator from North Dakota for a word or two that is used in this editorial that perhaps is not in strict conformity to parliamentary rules and is not up to the standard of senatorial dignity, but I am going to read the editorial as a whole, because it is impossible to eliminate any part of the language without destroying the sense of it.

It is headed:

JUST A CLOAKROOM YARN.

The theory of Senator MCCUMBER that the Republican Party was driven from power in 1912 through a conspiracy of the American press is as silly as it is novel. The motive of the newspapers, according to MCCUMBER, was obviously revenge, for the Congress refused to put newsprint and wood pulp on the free list.

The late defeat of Senator MCCUMBER has had a bad effect on him. He ignores the incontrovertible record and attempts to substitute for it a strange yarn emanating in the trifling gossip of the cloakroom. Two men representing the American Newspaper Publishers' Association threatened that the Republican Party would be "driven from power" if it did not accede to their demands, and one of them is said to have promised to make JOE CANNON President if he "stood in" or to destroy him if he did not. These two lobbyists are dead, and it appears opportune for the North Dakota Senator to tell his story.

Mr. CANNON was neither made President nor destroyed; the first could not have been done if it had been attempted, and the second did not occur.

The Republican Party was beaten in 1912 because the Republican Party was split wide open between progressives and regulars. The Roosevelt bolt beat Taft, and Colonel Roosevelt bolted as a consequence of a series of happenings within the party with which wood pulp and the tariff on newsprint had nothing whatever to do. Was Roosevelt the instrument that the American papers used to defeat Taft? Not even MCCUMBER will say so. The newspapers which usually supported the Republican Party divided according to their inclinations—more of them, probably, staying with Taft than followed the banner of Roosevelt.

The Ballinger-Pinchot episode, the Payne-Aldrich tariff, the insurgent movement, the Roosevelt-Taft quarrel, and similar episodes split the Republican Party and caused its disastrous defeat in 1912. The truth is well known, and it is strange that anyone, even a Senator, should dispute it.

Mr. President, I think it is clear that notwithstanding the Senator from Indiana and the Senator from North Dakota have attributed the defeat of Mr. Taft to a revengeful spirit on the part of the American newspapers because wood pulp and newsprint paper were not placed on the free list, the elements which entered into and controlled the result in that campaign were entirely distinguishable from any vindictive spirit on the part of the American press. I have renewed this discussion this morning because I am not content to let the declarations of the Senator from Indiana and the Senator from North Dakota, made some days ago, rest without further contradiction.

The Senator from Utah has disclaimed any purpose to impute vindictiveness to the American press. He did, however, quote a declaration by Mr. Norris in implied support of the position taken by the Senator from North Dakota. I can not understand that the statement quoted by the Senator from Utah [Mr. SMOOT] could have been injected into the debate for any other purpose than to substantiate in part the theory of the Senator from North Dakota that in virtuous indignation the Finance Committee had refused to be bribed or intimidated by the representatives of the American Newspaper Publishers' Association, and that as a result of that virtuous act the newspapers had turned against the administration and encompassed the defeat of Mr. Taft in his second campaign. I have pointed out the fact that whatever threat was made, according to the statement of the Senator from Indiana, must probably have been made in the first campaign, and that no such results occurred then; and I have also pointed out the fact that notwithstanding the disappointment which American newspaper publishers experienced, and in my judgment rightly experienced, in the failure of Congress to place wood pulp and print paper upon the free list, the Republican newspapers of the Nation went forward as a whole and supported Mr. Taft, notwithstanding there were powerful political inducements and arguments which tended to lead them to the support of Mr. Wilson or Mr. Roosevelt. Mr. Taft, carrying only two States in that campaign—two of the smaller States—had practically the unanimous support of the Republican press of the Nation. Where he lost was that he had no support among the voters of the United States.

Mr. CARAWAY. In other words, Mr. President, everybody but the people was for him.

Mr. ROBINSON. Everybody but the people who voted was for him, and that is the reason he lost by such an overwhelming vote in his second campaign.

It is not just to the newspaper publishers of America to charge them with responsibility for the results which occurred in that campaign, and particularly to ascribe those results to a deliberate spirit of vindictiveness and a determined purpose to accomplish revenge.

The press of the Nation, like the public men of America, must have the confidence of the people of the country if it is to assist in improving the standards of American citizenship and of public service. Nothing is calculated more powerfully to undermine, discredit, and destroy the influence of the newspapers of the United States than to declare that for a corrupt purpose—a selfish purpose, at least—their columns may be used in encompassing the election or defeat of public men, in bringing about the overthrow or the triumph of political parties. The time has come in the United States when men who are interested in the maintenance and perpetuity of the fundamental institutions which underlie this Republic should seek to establish and maintain confidence in the agencies and instrumentalities which under our system of government and society are useful in the formation of public opinion and in the dissemination of information. If the time ever comes when the American people lose confidence in the press of the Nation, if the time ever comes when the people of this country regard the influence of the press as susceptible of purchase and sale it is the beginning of the end of free speech and free press. Charges of that character ought not to be lightly made and they ought not to be made for political purposes. Historical facts, well known, justify the conclusion that while the press of the country was then, as now, in favor of free wood pulp and free newsprint paper, it did not subordinate other issues to that consideration. It did not use its mighty power and overwhelming influence for the political overthrow of the men and the party responsible for the refusal to place wood pulp and print paper on the free list.

In my judgment, the argument of the Senator from Montana is unanswerable. The position of the newspaper publishers of America in favor of free wood pulp and free newsprint paper is grounded in sound economics. No theory has been advanced which justifies the imposition of a duty upon intelligence and the dissemination of information. The industry in this country can not supply the demand of the publishers. We must look to external sources for a large part of these products which we are consuming in ever-increasing quantities. We ought to recognize the right and the privilege of the men who are connected with this great publishing industry to express and assert, as others express and assert, their opinions on questions of public importance, including the one now under consideration. We ought not to attribute to them, on ill-considered evidence and trivial facts, motives unworthy of American citizenship and conduct sounding in dishonesty.

The time has come when those of us who want this Government to continue to enjoy the confidence of its citizens should build up rather than destroy the influences which made it great and glorious. Just as we are jealous of our own reputations we ought to be jealous of the reputation of the press of America. No consideration should impel the Senate of the United States or its Members to an attitude toward American newspapers such as that implied in the conduct and the statements of the Senator from Indiana [Mr. WATSON] and the Senator from North Dakota [Mr. MCCUMBER], impeaching the integrity, the good faith, and the honesty of purpose of the press of the United States, for in spite of all its mistakes, in spite of the passion and prejudice which sometimes control the pens of editors, in spite of the falsehood which sometimes underlies the news published, the press of the United States throughout the history of this country has been and still continues the greatest agency for the enlightenment and the uplifting of the American people. It is a sorry hour for this Government, a sad hour for her people, presaging the destruction of her best institutions, when the press of the Nation becomes corrupt.

I have taken occasion to assert in the most forceful way at my command my difference from the viewpoint expressed by the Senator from Indiana and the Senator from North Dakota.

Mr. WATSON of Indiana. Mr. President, I was considering the unanimous-consent agreement proposed by the Senator from North Carolina when apprised that the Senator from Arkansas was discussing again the wood pulp and print paper question of 1909. Therefore, I was deprived of the pleasure of hearing the first part of the remarks of my friend from Arkansas.

It is very easy, of course, for any of us to be mistaken as to dates. Events in a busy man's life crowd one another very rapidly, and things which occurred 12, 13, and 14 years ago may be somewhat jumbled together in the mind when it comes to making a narrative statement respecting their sequence. All I do know about it is that I did remain in the House until the 4th of March, 1909, and that the Payne bill was formulated before that time. A special session of Congress was called by the President, which met, my recollection is, within two weeks after that time, and the bill was introduced, having been formulated before the Congress convened. Whether or not Mr. Herman Ridder came to me during that discussion or before, I do not recall. I do remember that the Member from Mississippi then, now the Senator from Mississippi [Mr. WILLIAMS], did introduce a resolution about the paper business, and I remember that it came to the committee and was voted down. I remember that those gentlemen came here afterwards in great numbers, because they were very much interested in it. I never blamed them for coming. They came just as everybody else does who wants some proposition in a tariff bill or wants some proposition out of a tariff bill, and I think they have a right to come, like everybody else who wants to come and present his interests to the committee or to individual members of the committee.

All I said the previous day was in an effort to throw light on the statements which had been made by the Senator from North Dakota [Mr. MCCUMBER] and the Senator from Utah [Mr. SMOOT], and I did say that I took Mr. Ridder around to see the Speaker, which was true, and the conversation as I then narrated it, almost word for word, occurred. I do not know whether it was 9 o'clock in the morning or 4.30 in the afternoon, or whether it was on the 17th of the month or the 29th. I do not know about those details, but I do know that the conversation occurred, and that was the only proposition in which I was interested. I do know that those gentlemen were here, and I do know that they were red hot after free print paper and free wood pulp, and I do know they pursued us all relentlessly, seeking to get it. I never blamed them for that. It was to their interest to do it. They had a perfect right to come and try to get it, and they sought all of us out in the corridors, and talked to us about it repeatedly. That was proper. I did not object to it. They did not get me to vote for it, because I did not believe in it; but that does not make any difference.

It is all right for my friend to rise and defend the newspapers of the country. I do not need to do that. I could not help them if I wanted to, and I could not harm them if I attempted

to. We have here practically the same thing again to be voted on, I think possibly the next item in the tariff bill, chemical wood pulp, which enters very slightly into the manufacture of newsprint. That question is up again, and a lot of Senators will doubtless be guided by what their newspaper friends want to have done. I have no objection to anybody doing that who wants to do it. I am not blaming anybody who wants to do it. I am going to vote for the 5 per cent tariff duty on it because I think it is necessary to sustain that industry in the United States. That is my object in doing it. I am not seeking to injure any newspaper, or to wreak vengeance upon the head of any editor, and all that sort of thing.

Everybody knew at that time that our newspaper friends were anxious for free print paper and free wood pulp. They are just as anxious now for free chemical wood pulp. I do not blame them for that. They say it is to their interest, and I think possibly it would be to their interest if they could have free chemical pulp, because it does enter slightly into the manufacture of newsprint.

As to whether or not the newspapers beat Taft in 1912, I do not know. Many things helped to beat Taft in 1912. They were cumulative disasters. But of course the newspapers had a great deal to do with it, because East and West and North and South very great numbers of them were against him, and they were against him because of Canadian reciprocity, and of course against him because of the great split between Roosevelt and Taft. I am not going into all that.

I only rose for the purpose of saying that while I may be confused as to the time of the conversation between Mr. Ridder and the Speaker, that conversation occurred, and there are other witnesses who know about it. Anybody can go over and ask Mr. Busbey, who was then the Speaker's clerk, who himself used to be an Associated Press reporter, and then afterwards a reporter on some Chicago paper.

Mr. Busbey has been a member of the Gridiron Club for years, and he is a man who I am sure enjoys the confidence of all newspaper reporters. He knows all about that conversation, for he was present and heard it, and other people now living were present and heard it. That is precisely what I rose to narrate, and while I may be somewhat confused as to the time it occurred, I am not confused as to the fact that it did occur, nor am I confused as to what was said, nor am I confused as to what was attempted to be done when it was said. I have no further interest in it, I will say to my good friend from Arkansas.

Mr. HEFLIN. Mr. President, I recall an incident in connection with the presidential election of 1912. A story was told to the effect that the Senator from Indiana [Mr. WATSON] was calling upon Mr. Taft at the White House after the election, and that while he was discussing some matter with him word came in that Senator SMOOT was in the office of the secretary waiting to see the President, whereupon the Senator from Indiana remarked to the President, "Just think of it! There's REED SMOOT out there walking around with half of your electoral votes in his vest pocket." [Laughter.]

FEDERAL RESERVE BOARD GOVERNOR.

Mr. President, as the time is drawing near for the President of the United States to appoint a governor of the Federal Reserve Board, I desire to submit for the consideration of the Senate, the President, the press, and the country some additional reasons why Governor Harding should not be reappointed. I charged that the governor of the Federal Reserve Board had had the progressive interest rate applied to the agricultural sections of the South and West and had not applied it at all to the other sections of the country.

I hold in my hand a letter written by the governor of the Federal Reserve Bank of Atlanta, in which he acknowledges that they charged a bank in my State 8½ per cent interest. Former Comptroller of the Currency Williams furnished me this valuable document. I made that charge on this floor for more than a year, and I could not get any information on the subject from either the board or the bank of Atlanta as to the correctness or incorrectness of my charge. In the meantime the governor of the Federal Reserve Board was proclaiming that agriculture was in no way being discriminated against. He declared that agriculture had been aided in every way possible, when the real facts show that agriculture was stricken down and practically destroyed by the deflation-policy conduct of Governor Harding.

Mr. President, I have the proof now. A bank in my State furnishing money and credit to farmers at the crop-moving time had the progressive interest rate applied to it by the reserve bank of Atlanta and forced to pay 8½ per cent interest.

Does that look like a fair deal for agriculture? Does that look like aiding agriculture in every way possible?

Mr. ROBINSON. Mr. President——

The PRESIDENT pro tempore. Does the Senator yield to the Senator from Arkansas?

Mr. HEFLIN. I gladly yield to my friend from Arkansas.

Mr. ROBINSON. Of course, everyone knows that an interest rate even approximating 8½ per cent is calculated to prevent rather than to promote business. What was the object of imposing such a rate?

Mr. HEFLIN. The object was to shut off loans, to prevent agriculture from getting money, to force the farmer to sell regardless of market conditions, because the edict had gone out, in a quiet way, to stop loaning money on cotton and live stock and other farm products.

Mr. ROBINSON. Was the rate actually collected or was it just sought to be imposed?

Mr. HEFLIN. It was actually collected, and I criticized the Federal Reserve Board for its brutal and inhuman conduct in this matter until I, with John Skelton Williams, forced the policy to be changed and the money to be refunded. The injury had been done, however, before the money was refunded.

Mr. ROBINSON. How could a bank continue in business and pay that exorbitant rate?

Mr. HEFLIN. It practically had to quit; barely lived through that trying time.

Mr. ROBINSON. What I can not understand is why anyone intrusted with the power of fixing interest rates would impose and justify such a high rate rather than refuse to engage in such a transaction.

Mr. HEFLIN. I set out in the CONGRESSIONAL RECORD on July 27, page 10687, a statement giving the figures on $691 of a $110,000 loan. They charged one-half per cent on the first $691, then 1 per cent on the next $691, then 1½ per cent on the next $691, and on the next $691, 2 per cent, and on up to 8½ per cent on the last $691 of that $110,000. That was the progressive interest rate, and John Skelton Williams tried to get the Federal Reserve Board to pass a resolution preventing the banks from charging more than 10 per cent, but Governor Harding and the board refused to do that and insisted on the progressive interest rate, and through its cruel application destroyed business in the South and West by the hundreds of millions of dollars.

Mr. SMOOT. Does the Senator know what was the capital stock of the bank?

Mr. HEFLIN. Twenty-five thousand dollars.

Mr. SMOOT. They were borrowing from the Government four times the amount of their capital stock?

Mr. HEFLIN. Some New York banks and other banks were borrowing ten times the amount of their stock.

Mr. SMOOT. What was the reason why the bank did not go and borrow the money outside? Nobody else was charging that rate.

Mr. HEFLIN. It could not borrow outside. It was already tied up to this bank, and was doing business with it. The Senator knows how that is. After you get tied up to a bank you can not go out somewhere else and borrow.

Mr. SMOOT. Oh, yes; if you have security you can.

Mr. HEFLIN. But their security was being destroyed every day by this deflation process. Cotton was 40 cents a pound, and in a few months it was 10. It was $200 a bale at the outset, and when the farmer could not get money with which to hold it off the market it went down to $50 a bale. The Senator can understand that they could not borrow on cotton when what they had was already tied up to that bank. Not only that, but the local banks were being called by the reserve banks and they were forced to sell their Government bonds.

Mr. SMOOT. They certainly did not advance $100,000 without security.

Mr. HEFLIN. They had good security and they never lost a dollar. They collected the debt and the 8½ per cent on a part of it, and we made them pay that back. The average rate charged was about 40 per cent.

The point is there was no excuse for the high and criminal rate that was charged. It was simply the inhuman execution of a plan deliberately laid to prevent the farmers of the South from getting the money and credit necessary to enable them to hold their cotton until the price would yield a profit.

Mr. SMOOT. I have heard the Senator make the statement a good many times and I have not questioned it at all. The only thing that seems very strange to me is that a bank with any kind of security should pay 8½ per cent interest. I do not understand it. I can not understand it. It must have been virtually in a bankrupt condition even to think of doing such a thing. It was done to save its life, do doubt, but I do not see how a bank could pay 8½ per cent, even to save its life.

Mr. HEFLIN. It must have been in pretty good condition to survive an interest charge of 87½ per cent.

Mr. SMOOT. It was a mighty strong bank if it paid that interest very long in order to live.

Mr. HEFLIN. It was charged long enough to shut this bank off of loans and to frighten other banks by this horrible example. Other banks were charged high and usurious interest rates, and loans on agricultural paper were practically stopped, as they intended they should be.

Now, Mr. President, I want to say on behalf of the governor of the Federal Reserve Bank of Atlanta that he did not at that time want to apply the progressive interest rate. He came here and went before Governor Harding and begged him in August, 1920, to permit the Atlanta bank to abandon the progressive interest rate. He realized how hurtful its application would be to the people in the agricultural section and he came here and requested the governor of the Federal Reserve Board on August 31, 1920, right at the beginning of the cotton picking and cotton marketing season, to allow the Federal Reserve Bank of Atlanta to refuse to apply the progressive interest rate on loans or discounts.

Governor Harding declined to do it. This information comes from the governor of the Federal Reserve Bank of Atlanta, Mr. Wellborn. He says in a letter to Hon. John Skelton Williams that he asked the Federal Reserve Board to let the reserve bank of Atlanta be excused from the application of the progressive interest rate and that the board refused to grant his request.

Mr. SMOOT. Governor Harding had to follow the law. The law requires that the rate of interest shall increase as the amount of borrowing increases based upon their capital.

Mr. HEFLIN. Is that so?

Mr. SMOOT. I think so.

Mr. HEFLIN. I can show to the Senator, as I have done a dozen times on this floor, that a bank in New York borrowed many, many times more than its capital, and they never applied the progressive interest rate to it at all. Six per cent in New York and an interest rate as high as 87½ per cent in Alabama! Is that compliance with the law?

Mr. SMOOT. It may have been on Liberty bonds in New York, I will say to the Senator.

Mr. HEFLIN. We could not borrow at all in Alabama on Liberty bonds.

Mr. SMOOT. Not from the Federal reserve bank?

Mr. HEFLIN. No. We could not get money on Liberty bonds. A gentleman at Eufaula, Ala., went to a bank with a $1,000 bond and tried to borrow $100. Ex-Congressman Dent told me that. That is his old home town. He said they stated that they could not loan money on bonds.

Mr. SMOOT. Not to individuals; of course, they could not do that, but I am speaking of the banks, and the Senator was speaking of the banks. They have no right whatever to loan to an individual on Liberty bonds, but they have a right and did loan money on Liberty bonds to the banks. If there is any fault to find with it, it is with the law.

Mr. HEFLIN. The man who had Liberty bonds and wanted to borrow money on them at the bank in order to get money so that he could prevent the forced sale of his cotton at prices below the cost of production simply could not get it. I am telling the Senate what actually occurred.

They refused to loan money on bonds, and bonds were forced out of the hands of people who had struggled hard to buy them and sold for $80 and $85 on the $100. They were forced to sell those bonds because they could not borrow the needed money on them.

Mr. SMOOT. Not banks.

Mr. HEFLIN. Yes; the banks. People in my section could not borrow money on bonds; they could not borrow it in the West; and they had to sacrifice their bonds. Wall Street got those bonds for $80 and $85 on the hundred, and on every bond thus forced upon the market they got out of the people of the South and West, under deflation, practically stole $15 or $20 on the hundred from patriotic people who bought bonds to help their country win the war.

Mr. President, I want the President of the United States and the country to know that this cruel progressive interest rate was employed in the agricultural sections of the South and West and nowhere else. Other sections suffered because the purchasing power and debt-paying power of the South and West was destroyed. When the governor of the bank that supplies my section cried out against the cruelties of the progressive interest rate, Governor Harding, himself hailing from my State, from that very section, refused to let them abandon that destructive interest rate.

Mr. President, the Senator from Connecticut [Mr. McLEAN] said that Governor Harding prepared this progressive interest amendment and brought it to him and asked him to introduce it. It was in accord with the deflation resolution passed later by the Republican Senate. The Senator from South Carolina [Mr. SMITH], who opposed the progressive interest rate, said that Governor Harding told him they did not intend to apply it to agriculture in the South and West, that they intended to apply it to New York and other cities getting money for speculative purposes. The measure passed. Governor Harding did not have it applied at all to New York and other big cities. I repeat, they applied it only to the agricultural sections of the South and West. When the governor of the bank in Atlanta cried out against its oppressive work, the governor of the Federal Reserve Board, Governor Harding, declined to let him stop applying it to the people of my State and my section. That deflation policy cost the people of my State millions and hundreds of millions of dollars. It cost the cotton producers of Alabama more than $100,000,000 in 1920. I estimate that it cost my State between $500,000,000 and $750,000,000. That is what deflation did in one year for the people that I in part represent. It is a serious matter, and now they are carrying on a propaganda to have Governor Harding reappointed. They started a campaign the other day in one State taking a straw vote on him, and the opposition said, "All right, we will take a straw vote also," and in a little while the suggestion came to the opposition, "Let's drop it." They do not want both sides to be heard. I owe it to the President and to the country to tell just exactly what I know about the disgusting and reprehensible tactics being used to deceive the President and the public about this thing.

Mr. President, I want to call attention to the fact that in the great State of Texas ex-Governor Ferguson ran for the United States Senate and advocated the abolishment of the Federal reserve banking system. Reading from my speech, I am told—I mean the long speech that I made replying to the Senator from Virginia [Mr. GLASS]—he asserted that I was right, but that I wanted it regulated and he wanted to destroy it, to do away with it. I think it is the greatest banking system in the world. I want it run honestly and efficiently so that it will do what we intended it should do—serve continuously the business needs of all the people all the time. He spoke in different places and asked the people in the audience, "How many of you have been ruined financially by deflation; stand up," and the audience was so unanimous in its view that they would stand up like they were receiving the benediction. That man ran second in the senatorial race in the great State of Texas, which has a Federal reserve bank at Dallas. Senators, we established the Federal reserve banking system over the opposition of Wall Street, and we should not permit Wall Street to control or destroy it. Now, Mr. President, there is another thing that I want to mention at this time. I have a newspaper here quoting Mr. Brookhart, the Republican nominee for the United States Senate in Iowa. He was denouncing in unmeasured terms the deadly work of the deflation policy conducted by the board presided over by Governor Harding and saying that Governor Strong, of the Federal Reserve Bank of New York, was the man who inspired it. This situation calls to my mind another matter that I feel justified in mentioning now. A Secretary of the Treasury told Governor Harding that he had a great mind to ask for the resignation of Governor Strong, and, strange to say, he did not. Listen, Senators: Governor Harding, the deflationist, said to that Secretary of the Treasury, "Do not do it. I practically have his resignation in my pocket." That is what Governor Harding told the then Secretary of the Treasury who wanted to call for the New York man's—Governor Strong—resignation. These awful conditions were produced after McAdoo resigned. The then governor of the board told the then Secretary of the Treasury, "Do not do it. I practically have Governor Strong's resignation in my pocket." Did he have it? No. What was he doing? From what has happened he was deliberately deceiving the Secretary of the Treasury. Did Strong resign? Why, certainly not. Who is now governor of the bank in New York, at a salary of $50,000 a year? This same Governor Strong that Governor Harding said was about to resign.

Why, Mr. Brookhart, the Republican nominee for the Senate in Iowa, the great State of Dolliver and Kenyon and Cummins, said Strong was the inspiring power back of deflation.

What have I said frequently here? I have said that Wall Street inspired and ordered deflation. Why? For the purpose of making hundreds of millions of dollars, even billions, which its speculators did make out of the deflation drive against the agricultural South and West. They did not do it simply to make us suffer. They had no feeling about that. They did it to make many hundreds of millions of dollars. Then those who

profited by deflation write up here and ask some Senators to indorse this man, Governor Harding, for reappointment.

Mr. President, I want to tell the Senate and the country an amusing incident. A State in the Northwest, where they had the bankers in convention assembled to indorse Governor Harding, selected a good old honest banker to bring the indorsement to the Capital and present it to the President. The old fellow brought it here. He called on his Senator. He said, "Here it is." The Senator said, "I will go with you to see the President, but I am not for him for governor of the Federal Reserve Board." The old man looked at him and said, "I am not either."

Is it my duty to disclose these things that the President may know what sort of hypocrisy is being practiced upon him? Bankers are coerced and intimidated into indorsing a man whom they despise, detest, and distrust. That is what is going on. Yet they have a man to journey to the Capital, smile, and present to the President a petition to retain a man whom they do not want reappointed. So I am letting the President know the truth.

Mr. President, outside of those who have made millions out of deflation, nobody wants Governor Harding reappointed. Wherever a man has indorsed him for reappointment, he has either profited by deflation or he has been influenced and coerced against his will by somebody to recommend him.

We have been told here by a Senator, just one, that agriculture was treated fairly. Agriculture is the corner stone on which all other industries rest. I want the President to know exactly how agriculture has been treated. I am going to read a statement from Congressman SWING, a Republican, from the State of California. Here is what he said in the House of Representatives not long ago:

> I can not understand how men can continue to deny that the deflation policy adopted by the Federal Reserve Board was not deliberately aimed at the farmers of this country.

I want you Republican Senators to get this statement:

> I was present at a meeting of the bankers of southern California, held at El Centro, in my district, in the middle of November, 1920, when W. A. Day, then deputy governor of the Federal Reserve Bank of San Francisco, spoke for the Federal reserve bank and delivered the message which he said he was sent there to deliver. He told the bankers there assembled that they were not to loan to any farmer any money for the purpose of enabling the farmer to hold any of his crops beyond harvest time. If they did he said the Federal reserve bank would refuse to rediscount a single piece of paper taken on such a transaction. He declared that all the farmers should sell all of their crops at harvest time, unless they had money of their own to finance them, as the Federal reserve bank would do nothing toward helping the farmers hold back any part of their crop, no matter what the conditions of the market.

Can you imagine a situation more cruel and desperate than that which confronted the farmers of the country in 1920 and 1921?

God forbid that another distressing time like it shall ever come upon our people.

Senators, do you get that statement from this Republican Member of Congress from the far West? Speaking of what the representative of the Reserve Bank of San Francisco said, Representative COOPER said:

> Did the gentleman from California hear that?
> Mr. SWING. I did. * * *

Then he goes on to say:

> The Federal reserve bank deliberately set out to "bear" the market. They succeeded so well that they broke the market; not only broke the market but broke the farmers as well. We there saw the strange spectacle of the farmer citizens of this country being ruined by being forced to sell their products on a glutted market at less than what it cost to grow them, as a direct result of a policy adopted by their own Government, a Government created to aid them, not to harass them. I say it was criminal; it was damnable for this all-powerful agency of our Government to deliberately crucify the farmers of this country. * * *

Mr. President, that is what I desired to say this morning. I shall give to the Senate and to the country from time to time other information and arguments upon the subject. Let me say, in conclusion, that Governor Harding brought the amendment providing for the progressive interest rate to the Senator from Connecticut [Mr. MCLEAN] and asked him to introduce it. Senator MCLEAN says that he did. The Senator from South Carolina [Mr. SMITH] and others opposed it, and Governor Harding told them that it would not be applied at all to agriculture; but the fact remains that when it became the law it was applied only to the agricultural sections. When the governor of the Federal reserve bank at Atlanta, serving my section of the country, cried out against it and said that he wanted to get rid of it, Governor Harding and his board refused to permit him to abandon it.

There is not anybody in the South who is in favor of his reappointment, except those who profited by his deadly deflation policy; there is not anybody in the West who is for him, except those who profited by that policy or those who have been coerced or induced somehow to indorse this man for reappointment. Mr. President, I do not want anyone to say, if by hook or crook this man's name be sent to the Senate for confirmation—and it will not—"You ought to have stated this beforehand; you ought to have let the President know." I am telling the President now; others also have let him know; I am letting him know from time to time in the CONGRESSIONAL RECORD. I have shown here to-day by the letter of the governor of the Federal Reserve Bank of Atlanta that they charged a little bank in my State in the very high tide of the deflation drive, when that little bank was struggling to serve its customers, 8½ per cent interest on a part of its needed loan.

Mr. President, I do not know of, and I challenge the governor of the Federal Reserve Board and every member of the Banking and Currency Committee of the Senate to cite an instance, in all the history of all the world where a Government bank ever charged such an interest rate as was charged a bank in my State which was trying to help the farmers get at least the cost of production for their crops. The Federal reserve banking system was intended to save the people of all sections from just such a situation. When it turned from the proper path, however, and created this condition, and ground these people down and took their substance away, it was changed from a helpful agency to an implement of torture and destruction. That is what we have witnessed. I am the firm friend of the system; I want it preserved; I am trying to help preserve it, to take it out of politics, and out of subserviency to Wall Street. I am taking the position that those who conducted that drastic and deadly deflation policy ought now to be condemned and repudiated and not indorsed and rewarded.

The PRESIDING OFFICER (Mr. KENDRICK in the chair). The question is on the committee amendment in paragraph 1300.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Borah	France	Lodge	Pomerene
Brandegee	Glass	McCormick	Ransdell
Broussard	Gooding	McCumber	Robinson
Bursum	Hale	McKinley	Sheppard
Calder	Harreld	McNary	Simmons
Cameron	Harris	Moses	Smoot
Capper	Heflin	Nelson	Spencer
Caraway	Hitchcock	New	Stanfield
Curtis	Jones, Wash.	Newberry	Sterling
Dial	Kellogg	Nicholson	Trammell
du Pont	Kendrick	Norbeck	Walsh, Mont.
Ernst	Keyes	Oddie	Warren
Fernald	Ladd	Pepper	Watson, Ind.
Fletcher	Lenroot	Phipps	Willis

The PRESIDING OFFICER. Fifty-six Senators having answered to their names, there is a quorum present. The question is on the committee amendment inserting paragraph 1300.

Mr. SMOOT. I ask that paragraph 1300 be passed over until to-morrow, and that we take up paragraph 1301 for consideration at this time.

Mr. WALSH of Montana. I presume the Senator means in case no Senator is ready to speak on it at this time?

Mr. SMOOT. Certainly. I asked several Senators on the other side, and they did not know of anyone else who wished to speak. If any Senator does desire to speak at this time, I should be glad to have him proceed.

Mr. POMERENE. I did not understand the Senator's request. Was it with respect to paragraph 1300?

Mr. SMOOT. Paragraph 1300. If the Senator from Ohio desires to speak on it we shall be glad to have him do so.

Mr. POMERENE. I am going to speak on it very briefly in the morning, probably not more than five minutes.

Mr. SMOOT. The Senator does not want to proceed now?

Mr. POMERENE. I would a little rather not do so, because there are some matters that I want to get.

The PRESIDING OFFICER. Without objection, paragraph 1300 will be passed over until to-morrow.

The ASSISTANT SECRETARY. Paragraph 1301——

Mr. SMOOT. The committee has no amendment to offer to that paragraph. I thought we had one, but I see that there is not any.

The ASSISTANT SECRETARY. Paragraph 1302. Paper board——

Mr. WALSH of Montana. Mr. President, I should like to remark that I have recently been handed quite a long list of amendments which the committee now proposes to submit to the paragraphs comprising this schedule. I, of course, have had no opportunity to study the paragraphs in the light of the amendments now proposed. However, I observe that most of

them are reductions or eliminations, and I shall not offer any objection to proceeding with the consideration of the remaining paragraphs.

Mr. SMOOT. I want to say to the Senator that I think in every single case they are reductions.

Mr. WALSH of Montana. Before going into the consideration of these paragraphs in detail, however, I should like to say just a word or two.

Generally the duties proposed here are illustrative of what seems to be an idolatrous kind of sentiment touching these duties. As in the case of many of the paragraphs considered within recent days, there seems to be no occasion whatever for the imposition of duties upon most of the commodities referred to in the schedule—that is to say, the different forms of paper and the manufactures of paper. From anything that I have been able to learn from such study as I have been able to give it, the paper industry of this country is upon a perfectly safe basis, without any kind of menace whatever from foreign competition; so the Tariff Commission informs us with respect to practically every item in the schedule.

Take book paper, for instance, which is dealt with in the first paragraph succeeding that now under consideration—paragraph 1301—or printing paper, as it is called. There is no competition. Let me submit what information we have about that. I read from the tariff survey as follows:

The book-paper industry, being confronted with negligible foreign competition, has no tariff problem. In the calendar year 1920 our imports of book paper amounted only to one-fifth of 1 per cent of domestic production. In the fiscal year 1914, when imports were at their highest, they amounted only to one-third of 1 per cent of domestic production. On the other hand, a substantial export business in book paper was built up during the war. In the calendar year 1919 we exported 8.38 per cent of our domestic book-paper output, in comparison with 1.53 per cent in the fiscal year 1914. In the calendar year 1920 we exported 4.38 per cent of our output.

At page 43 of the same survey the following statement is made:

Inasmuch as our book-paper imports amounted in the calendar years 1918 and 1919 to one-hundredth of 1 per cent and in 1920 to one-fifth of 1 per cent of domestic production, there can hardly be said to be a pressing tariff problem in the book-paper industry. Even in the fiscal year 1914, when imports were at their highest, they amounted only to one-third of 1 per cent of domestic production.

This is characteristic of the reports made with respect to practically every item in the schedule. The paper industry as a whole is not menaced by competition from any source; so that in the consideration of the rates proposed I should like to have that situation understood.

Let me give a little more information concerning book paper, as it is the foundation of most of the rest of the schedule. The exports and imports are given in the summary as follows:

The production in 1914 was 934,979 short tons, valued at $73,000,000.

The production in 1919 was 1,001,000 short tons, valued at $153,368,000.

The imports were perfectly negligible and insignificant compared with the production.

In 1918 the total imports were only $44,445.

In 1919 they were $58,319.

In 1920, $493,411.

In 1921, $191,838.

The exports of book paper in 1914 were 14,301 short tons, valued at $1,612,370.

In 1918 they were 45,036 short tons, valued at $7,695,298.

In 1919 exports of book paper amounted to 8 per cent of the domestic production.

In 1920 the proportion fell to 4 per cent and the decrease continued in 1921.

At page 13 of the survey the following information is given—of course, the situation with respect to the principal raw material, wood pulp, has heretofore been discussed, but we are under no disadvantage with respect to the other component parts of book or printing paper. The survey tells us as follows:

Filler (in the form of china clay, talc, or agalite), alum, sizing (usually rosin), and color are the other materials entering into the actual composition of the paper. In 1910 the proportion of these secondary materials used by 48 newsprint mills in the United States amounted to only 5.5 per cent of all materials used; the remainder consisted of wood pulp. Filler is very little used for newsprint paper. A much greater proportion of subsidiary materials as well as a greater variety in the proportions of all materials used appears in book-paper manufacture. In 1916 three eastern book-paper companies used 40.1 per cent soda pulp; 34.9 per cent sulphite; 2.9 per cent waste paper; 19.4 per cent clay, agalite, and talc; 1.7 per cent alum; and 1 per cent rosin. In the same year five Michigan companies used 58.9 per cent waste paper, including a small proportion of rags; 5.7 per cent soda pulp; 21.7 per cent sulphite; 8.2 per cent clay, agalite, and talc; 4 per cent alum; and 1.5 per cent rosin. In the case of the eastern companies one-fifth by weight of the paper manufactured consisted of filler, while in the case of the Michigan companies this proportion was less than one-tenth.

In most cases no difficulty nor tariff problem is involved in securing these materials. Certain manufacturers prefer English china clay to domestic clay, saying that it is so much superior to the domestic clay as to be practically a different product. During the war there were periodic shortages of this commodity, but it is now easily obtainable from England. Our domestic color industry has been developed to a point where we are practically independent of the Germans, although before the war we used to import practically all our colors from Germany. The yellowish color of newspapers after the beginning of the war was due to the lack of German red and blue dyes, which removed the characteristic natural wood color of the unbleached pulp, making it appear white.

Printing paper carries under the bill as it came from the House, and no amendment is made, a duty of one-fourth of 1 cent per pound and 10 per cent ad valorem. The production of book paper has been developing, as shown by these figures. The production increased from 569,212 tons in 1899 to 1,511,968 tons in 1920, and the exports increased from 13,654 tons in 1911 to 76,691 tons in 1919 and 47,845 tons in 1920. Practically the same condition as I have indicated with reference to book or printing paper exists with reference to felt and building papers, with reference to tissue paper, with reference to wall paper, and with reference to paper board, these being the principal items in the schedule.

Mr. SMOOT. Mr. President, just a word in general about this paper schedule.

There is no schedule in the whole of the pending bill where labor cost is such a great percentage of the cost of the finished article as in the pending paper schedule. The raw material of paper, as everybody knows, is a very insignificant part of the cost of the paper. Even in the case of the wood in the forest the greater part of the value of it is in the labor, and every time it is handled from the tree to the finished product the labor is a great part of the cost of the paper. The finer the paper, the greater the percentage of labor cost; and if the Senate will notice when we read these schedules nearly all of them have been reduced, many of them even lower than the House provided, where the valuation was based upon the American price instead of the foreign price.

We passed over the first paragraph of the schedule, chemical wood pulp, and I will not have anything to say about that; I will let others discuss that question. The Senator referred to the great exports of book paper and quoted the exports for the year 1919 and the year 1920. I stood upon the floor of the Senate during those years and begged Senators not to burden the RECORD with extraneous matter. Upon several occasions I called the Senate's attention to the fact that unless we could get paper from somewhere the CONGRESSIONAL RECORD could not be printed. Your Committee on Printing scoured the country from one end to the other during those years for paper, bought it in small quantities, and paid exorbitant prices for it. There was a demand for paper in South America, in Canada, and everywhere else, and our manufacturers had taken contracts abroad, and they had to deliver. But if the Senator will notice, the exportations of the same paper for 1921 had fallen over 50 per cent, and in the 11 months ending in May, 1922, instead of being 159,000,000 pounds they had fallen to 19,170,000 pounds.

Mr. POMERENE. Mr. President, the Senator has just referred to the difficulty we had in getting the paper with which to print the CONGRESSIONAL RECORD. Would not the tariff on this pulp have just by that much increased the difficulty the committee had in securing the paper?

Mr. SMOOT. I was not discussing the pulp paragraph at all. That has gone over until to-morrow.

Mr. POMERENE. The Senator referred to that subject.

Mr. SMOOT. I simply announced that it was going over until to-morrow. The first amendment, in paragraph 1302, is simply for the purpose of including wall board in that paragraph, to be followed by another amendment in the paragraph which will take care of pulpboard in rolls for use in the manufacture of wall board, on which the rate will be 5 per cent ad valorem.

Mr. WILLIS. Mr. President, I think the Senator has in part answered what I wanted to inquire about. Paragraph 1302 provides a 10 per cent ad valorem duty upon wall board. But the committee has inserted the language, "except pulpboard in rolls, for use in the manufacture of wall board." What is the purpose of that exception?

Mr. SMOOT. I shall ask that that amendment be disagreed to, and then, following the words "ad valorem," in line 4, I shall ask to have inserted the words "pulpboard in rolls, for use in the manufacture of wall board, 5 per cent ad valorem." I think that is what the Senator from Ohio desires to have done, judging from what he has already said to me.

Mr. WILLIS. What reason does the Senator assign for suggesting different rates? The different types of board carry 10 per cent ad valorem. Now the Senator proposes to make the

duty on wall board 5 per cent. What is the reason for the difference?

Mr. SMOOT. The paragraph provides:

Paper board, wall board, and pulpboard, including cardboard, and leather board or compress leather, not laminated, glazed, coated, lined, embossed, printed, decorated, or ornamented in any manner, nor cut into shapes, * * * 10 per cent ad valorem.

That is that class of board, pulpboard. This other is pulpboard in rolls, for use in the manufacture of wall board, and a 5 per cent ad valorem is sufficient on that.

Mr. WILLIS. The Senator regards the other commodities as more in the nature of finished products?

Mr. SMOOT. Yes.

Mr. LENROOT. Mr. President, I would like to ask the Senator the reason for the distinction. A 10 per cent duty is levied upon pulpboard if it is not laminated, and so forth, but if it happens to be in rolls, which is even more expensive, he proposes to reduce the rate to 5 per cent. In other words, pulpboard alone is to carry 10 per cent, but if it happens to be in rolls it is to bear only 5 per cent. Will the Senator explain how the committee arrive at that difference?

Mr. SMOOT. Whenever pulpboard comes in rolls it is not a finished product. It then has to be put into a finished product, and the other items named are virtually finished products, to be used just as they are manufactured, and not used as the pulpboard in rolls will be used.

Mr. LENROOT. That is not necessarily so, because the pulpboard, if not laminated, glazed, coated, lined, or embossed may take an advance or a further process of manufacture, just the same as the pulpboard in rolls.

Mr. SMOOT. It would be cut into lengths and used for a certain purpose. The rolls are rolled out just as fast as the machines can run them, and I have no doubt but that 5 per cent is ample protection for that class of products. I think also that a good many of them are a little finer than the ones used for pulp in rolls.

Mr. WILLIS. I desire to ask the Senator his opinion as to the administrative difficulties. I understand the amendment which he intends to propose provides for a rate on pulpboard in rolls "for use" along certain lines. How is that use to be determined? How are you going to follow it up? Will it not open up the way for rather indiscriminate imports? How is the Senator to tell? If an importer brings in so much, to be used for such and such a purpose, he gets it in under that rate. I do not see how it is workable.

Mr. SMOOT. I do not think there is any question about the administration of it because of the fact that in order to use this pulpboard for the purposes named it has to be thinner than the other board, which is used singly, and is cut into lengths for certain purposes. The question of the administration came up in the committee, and we were advised that there would be no difficulty whatever in the administration if these words were used.

Mr. LENROOT. If pulpboard in rolls is imported, but is not shown to be used for the manufacture of wall board, what rate would it bear?

Mr. SMOOT. Ten per cent; but that which comes in rolls is used for that purpose, and I can not see that there would be any difficulty in the administration of it.

Mr. LENROOT. I asked one of the manufacturers of wall board to give me some figures upon the cost of production in the different stages of manufacture, and I have before me a letter wherein it is stated that the total cost of production in the rolls is 82 per cent of the total cost, and only an additional 21 per cent to make it into the wall board from the rolls. If that were so, I figure out that it would require about 8 per cent relative duty.

Mr. SMOOT. That applies to the very cheapest article, which is pasted together to make the board, and it is the quantity and quality of it which would bring the labor cost up to that high percentage, because it is the very cheapest kind that is made.

Mr. LENROOT. When it goes from the rolls to the wall board, then you have a varying cost of production, of course.

Mr. SMOOT. The reason why the labor percentage is so great in that case is because that is a very cheap article, indeed. In my opening statement I called attention to the fact that in this paragraph the labor costs are higher in proportion to the cost of the goods than in any other schedule of this bill, and the reason is, as I stated, that when the raw material is first touched the labor becomes an exceedingly high percentage of the product that goes into the article manufactured.

Mr. LENROOT. I would like to ask if it is not also true that the Tariff Commission state that the total cost in Canada is considerably lower than in the United States?

Mr. SMOOT. It is in this particular case, because of the fact that their timber is right at the door.

Mr. WILLIS. I understand the Senator will request that the amendment in lines 3 and 4 shall be disagreed to?

Mr. SMOOT. Yes.

Mr. WILLIS. Then, what is the amendment which the Senator proposes?

Mr. SMOOT. After the words "ad valorem" on line 4, to insert the words "pulpboard in rolls, for use in the manufacture of wall board, 5 per cent ad valorem."

Mr. WALSH of Montana. I have not been able to get any satisfactory information about it, and perhaps the Senator from Utah will be able to tell us how pulpboard does come in except in rolls.

Mr. SMOOT. It comes in in sheets. The best quality has to come in in sheets, because of the fact that it is so thick that it can not be rolled.

Mr. WALSH of Montana. Can the Senator tell us what the imports of pulpboard not in rolls amount to?

Mr. SMOOT. I do not think the figures as to that are kept separate in the statistics.

Mr. WALSH of Montana. I find the returns on pulpboard in rolls, and that is all. Apparently that covers all the imports there are, so far as my information goes.

Mr. SMOOT. The pulpboards come in cut into lengths, and they can not be rolled; but where the pulpboard comes in and can be rolled, it is because of the fact that it is so much thinner than the other, and whenever used it is used and cemented together after it comes in in the rolls.

Mr. WALSH of Montana. What information has the Senator as to the imports of pulpboard not in rolls?

Mr. SMOOT. If the Senator will turn to the "Imports of merchandise entering for consumption in the United States" for 1921, on page 41, he will see that the quantity of pressed boards or pressed paper was 168,668 pounds. Then the importations of pulpboard in rolls, not laminated, are next given; then reinforced or cloth-lined paper; then sheathing paper, and so forth. Those are the imports.

Mr. WALSH of Montana. That is not pulpboard at all. I have exactly the same information before me, as to pulpboard in rolls, not laminated. The importations amounted to 1,113,577 pounds in 1921. Then there was also introduced reinforced and cloth-lined paper; there was introduced sheathing paper; but no pulpboard was introduced, so far as I can learn, except pulpboard in rolls.

Mr. SMOOT. If the Senator will refer to Schedule No. 15, prepared by the commission, he will find that the imports of paper board for the calendar year 1921 were 36,887 pounds and of wall board 10,287 pounds. The statistics as to pulpboard are not stated separately. Of leather board and embossed leather 163,240 pounds.

Mr. WALSH of Montana. This is what I find at page 32 of the survey:

Of our paper board imports, only our imports of pulp board in rolls not laminated (board made of wood pulp, not consisting of layers of paper or board pasted together) are of importance.

The rest is not important, whatever there is, if there is any at all.

Mr. SMOOT. If the Senator will look at page 1049 of the Summary of Tariff Information he will find that box board is exactly the same thing, and under the rate of 5 per cent in 1920 there were 5,527,205 pounds imported and, in 1921 for nine months there were 4,043,746 pounds imported.

Mr. WALSH of Montana. Yes; there are various kinds of paper board, box board, press board, cardboard, leather board, and all that, and there is also pulpboard in rolls, but I have not any information at all about pulpboard not in rolls. However, it is a matter of no very great consequence and I do not care to consume further time on it. The paragraph as it stands is entirely meaningless to me.

Mr. LENROOT. I would like to call it to the attention of the Senator from Montana that on page 748 the Tariff Commission say that the terms paper board and pulpboard are synonymous. So when we come to the bracket it does cover pulpboard.

Mr. SMOOT. Not only that, but on page 30, where data with reference to consultation are given, it is said:

Box board, common paper, not coated—

And so forth. They are synonymous, of course.

Mr. SHEPPARD. Mr. President, paragraph 1302 of the pending bill subjects the various forms of paper board and building paper to a tariff tax of 10 per cent. The chief use of paper board is in making paper boxes and other containers, and this form of the board carries a rate of 5 per cent in the existing Democratic tariff law. On this item of general necessity, there-

fore, the pending bill doubles the existing duty. Furthermore, the Democratic tariff act now in force places an important type of building paper, to wit, sheathing felt for vessels, and an important type of paper board, to wit, leather board for trunks, suitcases, shoes of inexpensive character, and so forth, on the free list, whereas the pending bill transfers these articles to the taxed list. On one form of paper board, to wit, cardboard, the rate is reduced from the existing rate of 25 per cent to 10 per cent. Besides the purposes above mentioned, paper board is used in bookbinding and printing, in making tags, cartridges, advertising cards and placards, in roofing, in lining walls of buildings, and under carpets and floors to deaden sound.

Paper board is made principally from waste paper, about 80 per cent of its raw material coming from this source. The remainder is drawn from woolen, cotton, and jute waste, old gunny sacks, paper-board cuttings, old rags, cornstalks, straw, and practically anything of fibrous nature.

The value of the output of paper boards in 1914 was $39,493,174; in 1919, $124,000,000; of building paper in 1914, $9,475,723; in 1919, $17,737,000. Imports have been so small in comparison as hardly to be worth mentioning, totaling $2,318,940 in 1919, as against a home production of $141,827,000, or less than 2 per cent. Exports of paper board and strawboard exceeded four and one-half millions in 1919. Thus exports exceed imports, while the total home production outruns imports so far as to make an increase in duty entirely out of question from any standpoint of protection. Be it noted that the duty under discussion applies to paper board before it has been cut into shapes for boxes and other articles, and that additional duties are levied in succeeding stages of manufacture.

Mr. WALSH of Montana. Mr. President, I want to supplement what was said on the subject by the Senator from Texas with the following information on paper board from the Tariff Commission, page 31 of the survey:

The present and potential power of foreign producing nations as competitors in the domestic market is very small, except in the case of wood-pulp test boards made in Canada and strawboards made in Holland and Germany. As shown in the appended table of the world's production of paper boards and the number of mills in the year 1906-7, compiled from an Austrian commercial report, Germany was the only country that came near the United States in paper-board production, but even then German production amounted to only slightly more than a third of ours, the American and German production being, respectively, 685,000 and 247,083 short tons. Since 1907 our production has tripled. While Germany's production of paper board increased to 408,000 tons in 1912, it has been greatly affected by the war. At present there is a serious shortage of raw material in Germany.

I read now from page 17:

There is practically no tariff problem in the American paper-board industry, because this industry is conducted on such a large scale that the output of other nations is unimportant in comparison, and it can supply the domestic market at a price lower than that at which foreign producers can sell in America. The annual production of paper boards in this country is greater than that of any other branch of the paper industry. There are two reasons for the strong position and large scale of the industry. First, on account largely of our immense newspaper publication, we can secure waste paper, the main raw material of paper boards, in greater abundance and cheaper than can other nations. Our comparative independence of wood pulp as a raw material means that Canada has not the advantage of lower cost of production by reason of cheaper raw material that she has in making the wood-pulp papers, such as newsprint and wrapping paper. Second, our industries make use of paper-board boxes, and paper-packing material on a scale unknown to any other country.

Canada can produce paper board made of wood pulp, especially high-grade test board made from sulphate wood pulp, as advantageously as the United States, and exports to us an amount equal to nearly one-fourth our domestic production of wood-pulp boards. This is normally not an injuriously competitive trade, however, for it supplies a deficiency in domestic production. Moreover, wood-pulp boards represent a very small proportion of our total paper-board output. Holland and Germany send us a small amount of strawboard, but ordinarily do not offer serious competition.

Very recently, however, owing mainly to the industrial depression, some American manufacturers have begun to complain of the injurious effect of Canadian wood-pulp imports on the domestic market, and ask for a tariff which shall provide the same protection against Canadian paper board as the Canadian tariff provides against American paper board. Likewise there are complaints of the depressing effect Dutch and German strawboard offerings are exerting on American strawboard prices.

The American paper-board industry is, nevertheless, firmly and strongly established in a position where in normal times it need not fear the world's competition, and in times of depression competition only from boards made direct from such raw material as wood pulp and straw is likely to be disturbing.

Paper boards (as also newsprint paper) present a contrast to most other kinds of paper in that they do not face potential competition due to reconstruction of European pre-war industrial conditions and export trade. The war has had only a very indirect effect on conditions of competition in paper-board manufacture in this country.

The paper-board industry of the United States is highly organized. It is in the hands of comparatively few concerns, each one being necessarily large and highly capitalized, due to the great size and expense of machinery and plant involved.

We export probably somewhat more than 4 per cent and import about 2 per cent of domestic production.

At page 35 of the survey there is the following:

The American manufacturer normally stands unassailable in the production of almost all kinds of paper boards. The paper-board industry of the United States, on account of the immense supply of raw material available to it in the form of waste paper and the immense domestic market for its products, has been developed on a scale to which that of no other nation can even approach. Conditions are considerably different from those obtaining in the newsprint industry, where wood pulp, the raw material, is available cheaper and in greater quantities to Canada than to the United States. By reason partly of our large imports of newsprint from Canada, we are able to be practically independent of her and other countries for paper board, for our domestic supply of waste paper thereby becomes practically assured.

Yet in the face of these facts, as said by the Senator from Texas, it is proposed to increase the rate 100 per cent upon this commodity.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment will be stated.

The READING CLERK. On page 168, line 3, after the words "provided for," the committee proposes to insert "except pulpboard in rolls, for use in the manufacture of wall board."

Mr. SMOOT. I ask that the amendment be disagreed to.

The amendment was rejected.

Mr. SMOOT. I now offer the following amendment, which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 168, line 4, after the words "ad valorem," insert a semicolon and the following:

pulpboard in rolls, for use in the manufacture of wall board, 5 per cent ad valorem.

The amendment was agreed to.

Mr. LENROOT. I will ask the Senator from Utah whether he desires at this time to disagree to the amendment putting that item upon the free list?

Mr. SMOOT. I think perhaps we had better do it later.

Mr. LENROOT. We have been doing that at the time.

Mr. SMOOT. I wish that it may go over, because we have passed over chemical wood pulp. We can do it at the time we decide on chemical wood pulp.

Mr. LENROOT. Very well.

The PRESIDING OFFICER. The Secretary will state the next amendment.

The READING CLERK. The next amendment is, on page 168, line 12, in paragraph 1303, where the committee proposes to strike out "15" and insert "25," so as to read "25 per cent ad valorem."

Mr. McCUMBER. I wish to withdraw the committee amendment in line 12.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

Mr. McCUMBER. I now move, on page 168, in line 12, to strike out "1½ cents per pound and 15," and to insert in lieu thereof "20," so as to read:

PAR. 1303. Filter masse of filter stock, composed wholly or in part of wood pulp, wood flour, cotton, or other vegetable fiber, 20 per cent ad valorem.

Mr. WALSH of Montana. Can the Senator advise us how that rate compares with the rate in the present law?

Mr. SMOOT. It is the same exactly.

Mr. WALSH of Montana. That relates to filter masse.

Mr. SMOOT. It makes the rate the same as at present.

Mr. WALSH of Montana. I have no objection to that.

Mr. SHEPPARD. What is the effect of that rate as compared with the existing rate?

Mr. McCUMBER. It is the existing rate.

Mr. SHEPPARD. In other words, the committee have decided to offer no increase in the existing rate on the article covered by this paragraph?

Mr. McCUMBER. That is correct.

Mr. SHEPPARD. I think the committee acted very wisely.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee as modified.

The amendment as modified was agreed to.

Mr. McCUMBER. On page 168, in line 15, I move to substitute "25" for "30" as proposed by the committee.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 168, in line 15, in lieu of the amendment proposed by the committee which is withdrawn, insert "25," so as to read:

Indurated fiber ware, masks composed of paper, pulp or papier-mâché, manufactures of pulp, and manufactures of papier-mâché, not specially provided for, 25 per cent ad valorem.

Mr. SHEPPARD. Is that the existing rate?

Mr. McCUMBER. The amendment would leave it as provided in existing law.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the committee as modified.

The amendment as modified was agreed to.

The next amendment of the Committee on Finance was in paragraph 1304, on page 168, line 17, after the word "copying," to strike out "paper and all papers not specially provided for in this section," and to insert "paper, india and bible paper, condenser paper, carbon paper, coated or uncoated, bibulous paper, pottery paper, tissue paper for waxing, and all paper similar to any of the foregoing, not specially provided for, colored or uncolored, white or printed," so as to read:

PAR. 1304. Papers commonly known as tissue paper, stereotype paper, and copying paper, india and bible paper, condenser paper, carbon paper, coated or uncoated, bibulous paper, pottery paper, tissue paper for waxing, and all paper similar to any of the foregoing, not specially provided for, colored or uncolored, white or printed, weighing not over 8 pounds to the ream of 480 sheets on the basis of 20 by 30 inches, and whether in reams or any other form, 6 cents per pound and 15 per cent ad valorem.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. WALSH of Montana. Mr. President, I should like to have some explanation of the amendment from the committee.

Mr. SMOOT. Mr. President, there are several amendments which are to be offered by the committee to this paragraph. The first amendment is simply for the purpose of designating the different kinds of paper referred to so that hereafter we may have the statistics relative thereto in better form than we have them to-day. The amendment which is to be proposed by the committee on page 168, line 23, striking out the word "eight" before the word "pounds" and inserting in lieu thereof the word "six" will have the effect of eliminating paper which weighs over 6 pounds from the bracket which imposes a duty of 6 cents per pound and 15 per cent ad valorem. The House of Representatives inserted 8 pounds with no other purpose than to include coarser or heavier weight paper at the higher specific duty. Almost all the tissue and other light-weight papers—that is, the real fine papers—weigh less than 6 pounds to the ream. If the weight to be included in this rate of duty be increased from 6 pounds to 8 pounds, then it would let in a large quantity of paper weighing between 6 pounds and 8 pounds, and make necessary the imposition of the higher rate of duty. The committee thought that that was unwise.

The weight fixed in the Payne-Aldrich law was only 6 pounds. The effect of the proposed amendment, of course, will be to decrease the rate of duty on certain kinds of paper.

In the next clause the House of Representatives fixed the weight between 8 pounds and 12½ pounds and provided a rate of duty of 5 cents per pound and 15 per cent ad valorem. The Committee on Finance propose to amend that by reducing the maximum weight to 10 pounds. If the House provision fixing the maximum weight at 12½ pounds a ream be adopted instead of the Senate committee amendment proposing to fix the weight at 10 pounds, there are large quantities of paper that would fall within the 5-cent specific rate instead of the 4-cent bracket below. Therefore your committee has felt that 10 pounds should be the limit of weight in the second bracket, therefore reducing the rate of duty in that case.

As to the next provision, I will say to the Senator that will be stricken out and there will be a new provision proposed in the way of an amendment to take care of bibulous paper, which the House has not inserted here, but intended should fall under a very high rate, making the equivalent ad valorem duty on it, according to to-day's prices, about 42 per cent. The committee has decided to insert a special bracket for that particular class of paper, on account of its being cheap as compared with the other high-priced papers which I have mentioned.

If the Senator from Montana so desires, I will call his attention to the amendment now—I think he has a copy of it before him—or I will wait until we get to it, and then I can tell the Senator just what it proposes.

The PRESIDING OFFICER. The question is on the amendment proposed by the committee.

Mr. WALSH of Montana. My understanding now is that the changes proposed by the committee throw a greater quantity of material into the low dutiable brackets.

Mr. SMOOT. That is the result of the changes proposed.

Mr. WALSH of Montana. That is very gratifying; indeed, the action of the committee with respect to this entire paragraph is pleasing. From the information I have before me tissue paper bears a rate of 30 per cent under the present law, and the rate proposed in the bill is a slight reduction of the rate in the present law. The rate in the Underwood law was altogether too high, as shown by its actual operation. The imports of tissue paper into this country in 1919 amounted only to $816,263, while our exports amounted to $2,056,670, with a production in this country of $40,696,000.

Mr. SMOOT. Mr. President, I want to call the Senator's attention to the fact that these changes are made for several reasons, one reason, which I did not mention, being that the price of paper has decreased 33⅓ per cent in the last few months, and, of course, the ad valorem duties upon those papers would not afford the protection which they would have afforded three or four months ago. Yet we have cut the rates here in some cases even below the existing law.

Mr. WALSH of Montana. But the importations seem to be constantly diminishing. As I have advised the Senate, the importations in 1919 amounted to $316,263; in 1920 to $377,222; and for the nine months of 1921 the importations were only $34,977; so that it may be said that there are practically no importations at all under existing law and consequently the duty ought to be reduced.

Mr. SMOOT. I thought that we had really arranged this paragraph in such a way that not even a Democrat would object to it; I did not anticipate anyone would object to it.

Mr. WALSH of Montana. I am much gratified at the action the committee has taken.

Mr. SHEPPARD. Mr. President, is it not a fact that the paragraph represents an increase in the rate on crêpe paper and filtering paper?

Mr. SMOOT. We have taken filtering paper out of this paragraph and put it in paragraph 1309.

Mr. SHEPPARD. What about crêpe papers? In line 8, page 169, a duty of 6 cents a pound and 15 per cent ad valorem is proposed. Does not that represent a distinct increase over the existing rate of 30 per cent ad valorem?

Mr. SMOOT. As to some types of paper it does represent an increase, but as to others it does not represent an increase.

Mr. SHEPPARD. From the figures handed me by one of the experts it appears that the ad valorem increase represented by the duties on crêpe paper and filtering paper is from 42 to 56 per cent over the existing rates.

Mr. SMOOT. We have taken filtering paper out of paragraph 1304, so that, instead of falling under the bracket requiring a rate of 6 cents a pound, it will fall in paragraph 1309. As I have already said as to crêpe paper, we can not tell just what the importations have been, because the statistics have covered not only crêpe paper but also filtering paper. So far as filtering paper is concerned, however, it makes very little difference as to what rate is imposed, because the duty is levied entirely for revenue. France makes the filtering paper that is generally used and ships it all over the world. We have been unable to make it. The only other country which makes it at all, so far as I know, is England, which produces a small quantity of it, and yet England imports filtering paper from France, for the French have some process of manufacturing that no one else has been able to perfect, and the French filtering paper is better than that manufactured anywhere else in the world. No matter whether the duty were 1 cent or whether it were 5 cents, the paper would be imported into this country.

Mr. SHEPPARD. I am not speaking of filtering paper now; I am referring to crêpe paper. The proposed increase in the rates on crêpe paper is without justification. It is to be regretted that the committee did not restore the rates on crêpe paper when they restored the existing rates on the other qualities of paper covered by this paragraph. The imports of all kinds of paper covered by this paragraph are insignificantly small, being exceeded many times by the exports. Canada relies upon us for a large portion of her supply, and we continue to furnish an ample supply for all our domestic needs and to export substantial quantities all over the world.

Mr. SMOOT. Mr. President, just for the record, I wish to say to the Senator that crêpe paper is an ordinary paper with a rather strong fiber and it is run through rolls to crimp it and it is used entirely for decorative purposes. So I can not see any harm in the rate which we have provided upon crêpe paper.

Mr. WALSH of Montana. Mr. President, let me inquire of the Senator, inasmuch as these two qualities of paper have always been combined, are combined in the reports, and have been thrown together in previous tariff acts, why does not the Senator transfer crêpe paper to another paragraph, as has been done in the case of filtering paper?

Mr. SMOOT. The House separated the two, and the committee thought that it was just as well for statistical purposes to have them separated. Filtering paper is hardly the class of paper that falls in this bracket. So the House took it out and put it in paragraph 1309, with a rate of 5 cents instead of 6 cents. Those interested in the manufacture, such as it is, of filtering paper in this country asked that it be put in this para-

graph with no other purpose than to have a duty of 6 cents a pound imposed instead of 5 cents.

The PRESIDENT pro tempore. The question is upon agreeing to the committee amendment.

The amendment was agreed to.

Mr. McCUMBER. In line 23 the committee proposes to strike out "8" and insert "6."

The PRESIDENT pro tempore. The amendment proposed by the Senator from North Dakota in behalf of the committee will be stated.

The READING CLERK. On page 168, line 23, it is proposed to strike out "8" and insert "6," so that it will read "not over 6 pounds to the ream."

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the Senator from North Dakota on behalf of the committee.

The amendment was agreed to.

Mr. McCUMBER. On line 2, page 169, I move, on behalf of the committee, to strike out "8" and insert "6."

The PRESIDENT pro tempore. The Chair calls the attention of the Senator from North Dakota to the fact that there is an amendment preceding that point. The Secretary will state the amendment.

The READING CLERK. On page 169, line 2, before the word "weighing" it is proposed to strike out "if."

The amendment was agreed to.

The READING CLERK. It is now proposed by the Senator from North Dakota, on page 169, line 2, after the word "over," to strike out "8" and insert "6," so as to read "weighing over 6 pounds."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from North Dakota on behalf of the committee.

The amendment was agreed to.

The READING CLERK. On the same page, line 4, after the words "ad valorem"——

Mr. McCUMBER. On page 169, line 3, I move to strike out "12½" and insert in lieu thereof "10."

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 169, line 3, it is proposed to strike out "12½" and insert "10," so as to read:

Weighing over 6 pounds and less than 10 pounds to the ream—

And so forth.

The amendment was agreed to.

Mr. McCUMBER. As there have been some changes here, I will substitute for the first part of the next amendment as printed in the bill the following:

On page 169, lines 4 and 5, strike out "weighing over 12½" and insert in lieu thereof "india and bible paper weighing over 10."

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The READING CLERK. On page 169, lines 4 and 5, in the committee amendment, it is proposed to strike out "weighing over 12½" and to insert in lieu thereof "india and bible paper weighing over 10," so that, if amended, the committee amendment will read:

India and bible paper weighing over 10 pounds and less than 18 pounds to the ream, 4 cents per pound and 15 per cent ad valorem.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. McCUMBER. On page 169, line 7, I ask that the committee amendment be rejected.

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 169, line 7, after the words "crêpe paper," it is proposed to insert "and filtering paper."

The amendment was rejected.

Mr. McCUMBER. On line 14, after the word "pound," I move to add "and 15 per cent ad valorem."

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. In paragraph 1305, page 169, line 14, after the word "pound" and before the semicolon, it is proposed to insert "and 15 per cent ad valorem," so as to read:

Papers with coated surface or surfaces, not specially provided for, 5 cents per pound and 15 per cent ad valorem.

The amendment was agreed to.

The READING CLERK. On line 18 the committee proposes to strike out "gelatin" and insert "gelatin, linseed-oil cement."

Mr. SHEPPARD. Mr. President, what is that amendment?

The PRESIDENT pro tempore. The amendment is in line 18 on page 169.

Mr. SHEPPARD. But what is the amendment?

The READING CLERK. On line 18 it is proposed to strike out "gelatin" and insert "gelatin, linseed-oil cement," so as to read:

And papers wholly or partly covered with metal or its solutions (except as herein provided), or with gelatin, linseed-oil cement, or flock, 5 cents per pound—

And so forth.

Mr. SMOOT. It is simply adding linseed-oil cement; that is all.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. McCUMBER. I ask that the Senate reject the committee amendment on line 19.

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 169, line 19, the committee proposes to strike out "15" and insert "20," so as to read:

Five cents per pound and 20 per cent ad valorem.

The amendment was rejected.

Mr. McCUMBER. On page 170, line 3, I move to strike out "20" and insert in lieu thereof "15."

The PRESIDENT pro tempore. The amendment as modified will be stated.

The READING CLERK. On page 170, line 3, it is proposed to strike out "17" and insert "15," so as to read:

Papers, including wrapping paper, with the surface or surfaces wholly or partly decorated or covered with a design, fancy effect, pattern, or character, except designs, fancy effects, patterns, or characters produced on a paper machine without attachments, or produced by lithographic process, 4½ cents per pound, and in addition thereto, if embossed, or printed otherwise than lithographically, or wholly or partly covered with metal or its solutions, or with gelatin or flock, 15 per cent ad valorem.

The amendment as modified was agreed to.

The READING CLERK. On page 170, line 8, it is proposed to strike out "17" and insert "25."

Mr. McCUMBER. I move to substitute "15" for "25."

The READING CLERK. It is proposed to strike out "17" and to insert "15," so as to read:

Provided, That paper wholly or partly covered with metal or its solutions, and weighing less than 15 pounds per ream of 480 sheets, on the basis of 20 by 25 inches, shall pay a duty of 5 cents per pound and 15 per cent ad valorem.

Mr. LENROOT. Mr. President, I want to ask the chairman of the committee a question. I have no familiarity with this schedule, and I am just curious to know how it came about that the rate of 25 per cent was reported by the committee, and now it is reduced to 15 per cent.

Mr. SMOOT. I will say to the Senator that these papers have already been reduced in price 33⅓ per cent since the bill was reported to the Senate.

Mr. LENROOT. I wanted that information.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee as modified.

The amendment as modified was agreed to.

The READING CLERK. On the same page, line 9, it is proposed to strike out "including decalcomania paper not printed" and to insert "not specially provided for," so as to read:

Gummed papers, not specially provided for, 5 cents per pound.

Mr. McCUMBER. I wish to modify that amendment by inserting on line 10, after the word "for" and the comma, the words "including simplex decalcomania paper not printed."

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The READING CLERK. On line 11 it is proposed to strike out "17" and insert "20," so as to read:

Cloth lined or reinforced paper, 5 cents per pound and 20 per cent ad valorem.

Mr. McCUMBER. I wish to substitute "15" for "20," on line 11.

The PRESIDENT pro tempore. The question is on agreeing to the amendment as modified.

The amendment as modified was agreed to.

The READING CLERK. On line 18 it is proposed to strike out "13" and insert "25," so as to read:

Papers with paraffin or wax-coated surface or surfaces, vegetable parchment paper, grease-proof and imitation parchment papers which have been supercalendered and rendered transparent or partially so, by whatever name known, all other grease-proof and imitation parchment paper, not specially provided for, by whatever name known, 3 cents per pound and 25 per cent ad valorem.

Mr. McCUMBER. I ask to strike out "25" and insert in lieu thereof "15."

The PRESIDENT pro tempore. The question is upon agreeing to the amendment as modified.

The amendment as modified was agreed to.

The READING CLERK. On page 171, line 1, it is proposed to strike out "20" and insert "35," so as to read:

Bags, printed matter other than lithographic, and all other articles, composed wholly or in chief value of any of the foregoing papers, not specially provided for, and all boxes of paper or papier-mâché or wood covered or lined with any of the foregoing papers or lithographed paper or covered or lined with cotton or other vegetable fiber, 5 cents per pound and 35 per cent ad valorem.

Mr. McCUMBER. I ask that the Senate reject the committee amendment on line 1.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

The READING CLERK. On lines 3 and 4 it is proposed to strike out "or solar printing processes" and insert "processes by using solar or artificial light," so as to read:

Plain basic paper for albumenizing, sensitizing, baryta coating, or for photographic processes by using solar or artificial light—

And so forth.

The amendment was agreed to.

The READING CLERK. On line 5 it is proposed to strike out "15" and insert "20," so as to read:

Three cents per pound and 20 per cent ad valorem.

Mr. McCUMBER. I ask that the Senate reject the committee amendment on line 5.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

Mr. McCUMBER. I also ask that the Senate reject the committee amendment on line 7.

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 171, line 7, it is proposed to strike out "20" and insert "25," so as to read:

Albumenized or sensitized paper or paper otherwise surface coated for photographic purposes, 3 cents per pound and 25 per cent ad valorem.

The amendment was rejected.

The READING CLERK. In line 10, it is proposed to strike out "plates, 30" and insert "plates or stones, 65," so as to read:

Wet transfer paper or paper prepared wholly with glycerin or glycerin combined with other materials, containing the imprints taken from lithographic plates or stones, 65 per cent ad valorem.

Mr. WALSH of Montana. Mr. President, I should like to learn from the committee why they felt justified in proposing an increase of over 100 per cent in this duty.

Mr. McCUMBER. This relates to wet transfer paper. The stones are cut in Germany. The transfer papers are made therefrom and brought over to this country. The reports show a requirement of about double the amount of duty which we have placed upon them. They take the place of the stonecutting which is done in this country; and therefore the committee, after a very full hearing, considered that 65 per cent was the least it could give as a protective duty.

Mr. SHEPPARD. Mr. President, paragraph 1305 of the Fordney-McCumber bill deals with surface-coated, lined, waxed, gummed, and decorated papers.

Surface-coated papers are used for printing half tones, for covering boxes, and for a number of fancy and decorative purposes.

Gummed paper is used in making stickers, labels, stamps, seals, and so forth.

Waxed paper is used for wrapping and preserving bread, cake, pie, food products in general, drugs, flowers, and so forth.

One form of gummed paper is called decalcomania paper and is used in placing colored designs on glassware, porcelain, marble, and so forth.

Reinforced paper is lined with cloth or string and is used for covering cases of goods shipped on flat cars, machinery shipped in crates, lining cases, and in merchandise shipments of many kinds. This reinforced paper makes a durable drawing paper for draftsmen and for children's books of various types.

Vegetable parchment paper is also included in the paragraph and is made from pulp treated with sulphuric acid. It is grease proof, waterproof, translucent, slightly transparent, and is used for drawing, bookbinding, cork covers for medicine bottles, filtering sugar, refining gutta-percha, covering for greasy substances, and wrapping for various food products.

Vulcanized paper is also embraced in this paragraph. It is a form of vegetable parchment but is treated with zinc chloride instead of sulphuric acid and is used in making trunks, tubs, waste baskets, trucks, and so forth.

An imitation parchment, semigrease proof but not waterproof, is also embodied in this paragraph. It has many of the characteristics of the real parchment and is used as a wrapper for bottles and boxes through which the label may be seen, the transparent material for window envelopes, and sanitary protectors for telephone receivers.

Photographic and blue-print paper and wet transfer paper, a coated paper used in placing designs on lithographic plates, are also covered by this paragraph.

Exports of these articles amounted to more than $16,000,000 in 1920, while imports did not reach more than one-seventh or one-eighth of that figure. While exact figures of home production are not available, it is certain that they run into the tens of millions. Evidently the home industry is permanently buttressed against outside attack, and the raise in the tariff rates on these articles in paragraph 1305 is without justification. This paragraph increases the duty on autographic transfer paper, for instance, from 25 per cent, the rate fixed by the present law, to 65 per cent ad valorem. The existing Democratic rates for all these articles range from 25 to 40 per cent. The pending paragraph changes these to rates partly specific and partly ad valorem, an increase ranging from 12 to 100 per cent, with the exception of coated-surface papers not specially provided for and papers containing decorations, fancy effects, patterns, designs, and so forth, not produced on a paper machine or lithographed. On these last-named articles there is a reduction from 35 per cent in the existing tariff law to 17 or 18 per cent. On the whole, the paragraph makes increases which are entirely without any basis in fact or in ethics.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee.

Mr. WALSH of Montana. Mr. President, the argument made by the Senator from Texas may be illustrated by the case of parchment paper, on which the rate of 25 per cent under the existing law is increased to the equivalent of 34.6 per cent in the bill before us.

Mr. SMOOT. Is the Senator speaking of wet transfer paper?

Mr. WALSH of Montana. No; I am talking about the paragraph generally, and illustrating its tendencies by the item of parchment paper. On parchment paper, as I have indicated, the duty is increased from 25 per cent to 34.6 per cent, yet the Tariff Commission tells us that imports of parchment paper in the calendar year 1920 amounted to only seventy-seven one-hundredths of 1 per cent of the domestic production. In other words, the present rate of 25 per cent is an embargo rate, and yet the rate is proposed to be increased by something like 33⅓ per cent.

Mr. SMOOT. Just for the record, Mr. President, I want to say to the Senator that that rate has been reduced from 3 cents a pound and 25 per cent ad valorem to 3 cents a pound and 15 per cent ad valorem. The remarks of the Senator are based on the rate reported to the Senate committee in the first place, which would be reduced by 10 per cent.

Mr. SHEPPARD. It still involves an increase, however.

Mr. SMOOT. Not with the 3 cents a pound and 15 per cent ad valorem. Figured on the prices of to-day that makes it the same as the existing law.

Mr. SHEPPARD. As I figure it, while the amendment suggested does reduce the rate in the bill as reported, the new rate still represents in the main a substantial increase over the existing rate.

Mr. SMOOT. I can not agree with the Senator. The only increase is in the case of the wet transfer paper. There is an increase in that, and I am quite sure the Senator will not object to that, for this reason: Let us take any large firm in the United States which issues, we will say, Christmas calendars. They have the stone cut in Germany, and all the artistic work is done in Germany. In Germany they take a wet transfer sheet from that stone and send that wet transfer sheet to the United States, where they can print a million copies, if they want to, from that transfer sheet. I think the figures of importations show that the value of those was only $16,000. Every artist in the United States, either plate or stone, is at a disadvantage in every way, because the labor is done over there against his labor here. All they have to do is to get a wet transfer sheet and ship it over here and the whole work is done. It is to protect the high, skilled labor which cuts the lithographic stone or the steel plate that this rate is imposed.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee.

The amendment was agreed to.

DEATH OF SENATOR CROW.

Mr. PEPPER. Mr. President, I rise to announce to the Senate the death of Hon. WILLIAM E. CROW, late the senior Senator from Pennsylvania. Senator CROW died at his home in Uniontown, in that State, at 10 minutes of 11 this morning.

I venture to believe, Mr. President, that by no Senator was membership in this body more highly prized than by Senator CROW. His long and tragic illness prevented him from rendering to the country and to the Senate the service which he was so well qualified to render. He fought manfully, sir, to regain his health and strength to the end that he might return to his post of duty. It was decreed otherwise, and he has entered into his rest.

I accordingly submit, sir, the following resolutions and ask for their immediate consideration.

The PRESIDENT pro tempore. The Secretary will read the resolutions.

The resolutions (S. Res. 329) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of the Hon. WILLIAM E. CROW, late a Senator from the State of Pennsylvania.

Resolved, That a committee of eight Senators be appointed by the President pro tempore to attend the funeral.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The PRESIDENT pro tempore appointed as the committee under the second resolution Mr. PEPPER, Mr. ROBINSON, Mr. SPENCER, Mr. TRAMMELL, Mr. DIAL, Mr. HARRIS, Mr. ERNST, and Mr. NORBECK.

Mr. PEPPER. Mr. President, as a further mark of respect to the memory of the deceased Senator, I move that the Senate do now adjourn.

The motion was unanimously agreed to, and (at 2 o'clock and 53 minutes p. m.) the Senate adjourned until to-morrow, Thursday, August 3, 1922, at 12 o'clock meridian.

SENATE.

THURSDAY, *August 3, 1922.*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father and our God, in Thee we live and move and have our being. We would bear before Thee this morning a thrice grief-stricken State, and ask Thee to look upon that great Commonwealth in its present sorrow, but especially bear, we beseech Thee, upon Thy gracious heart the widow and the orphan. Be the widow's God and the Father of the fatherless. So help us each to understand that as the days multiply and the duties come and go we are under supreme obligation to the God who continues us in health and strength. May we bear nobly and faithfully the tasks committed to us. May we serve Thee with full purpose of soul. To our land in its present complexities of anxiety we beseech Thine own guidance and that righteousness may exalt the Nation. To our President and all related to him as his official family may Thy blessings be imparted. Hear and help us till the day is done and the shadows flee away. We ask in Jesus Christ's name. Amen.

THE JOURNAL.

On request of Mr. LODGE, and by unanimous consent, the reading of the Journal of the proceedings of the legislative day of Thursday, April 20, 1922, was dispensed with and the Journal was approved.

ABANDONED COTTON ACREAGE AND BOLL-WEEVIL RAVAGES (S. DOC. NO. 237).

The PRESIDENT pro tempore laid before the Senate a communication from the Secretary of Agriculture, transmitting, pursuant to Senate Resolutions 319 and 320, the supplementary cotton report published by the department in connection with its August 1 cotton condition report, showing the opinion of the State commissioners of agriculture and agricultural agents of the various counties in the cotton-growing States of the percentage of abandoned cotton acreage up to July 1, 1922, and the percentage of cotton acreage infested by the boll weevil and the estimated damage to the crop caused by the weevil up to July 25, by States, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

LABOR UNIONS AND THE TARIFF.

Mr. CALDER. Mr. President, I ask unanimous consent to have printed in the RECORD, in the usual RECORD type, and referred to the Committee on Finance a brief statement recently published in the press, prepared by the Senator from Connecticut [Mr. MCLEAN], which contains a list of labor organizations and representatives of the American Federation of Labor which have petitioned the President and Congress in support of the pending tariff measure.

There being no objection, the statement was referred to the Committee on Finance and ordered to be printed in the RECORD in 8-point type, as follows:

* * * * * * * *

"Ten international labor unions and over 300 individual labor unions from all parts of the United States have petitioned Congress to speed the enactment of the pending tariff bill. This does not include the thousands of petitions which individual Members of the Senate have received from employees of factories or shop committees. This is almost entirely the voice of union labor.

"Despite the statements made and constantly repeated that there is no sentiment in the country for the passage of a tariff bill at this time, the following partial list of labor organizations which have petitioned Congress will prove to anyone who wishes to be fair and face the facts that the great majority of workers in the United States, men and women producers, want this tariff bill.

"In a recent letter to President Harding and members of the Senate Finance Committee 10 international brotherhoods said:

"'Representing thousands of skilled American wage earners, a large percentage of whom served their country on the blood-stained fields of Europe, and who on their return to their homes have found it impossible to obtain employment, we again reiterate our desire for the enactment of laws by Congress that will adequately protect all wage earners of our country against the loss of employment through any industrial invasion on the part of the products of any other nation. We believe that any fair-minded person will admit that thousands of our American workmen are idle to-day solely because of the increase in the importations of merchandise from foreign countries.'

"This petition was signed by the—

"International Brotherhood of Bookbinders.
"American Flint Glass Workers' Union.
"United Hatters of North America.
"United Textile Workers of America.
"American Wire Weavers' Protective Association.
"International Union of Steam and Operating Engineers.
"International Union of Leather Workers.
"National Print Cutters' Association.
"Painters, Paper Hangers, and Decorators.
"Steel and Copper Plate Engravers.

"The Republican majority in the Senate has been struggling since April to pass a protective tariff in the interest of American workers, but progress has been slow because of a protracted Democratic filibuster and a campaign of misrepresentation by the importing interests, who are flooding the country with false statements about the tariff and the cost of living.

"The Republican majority, however, intends to fight the opposition no matter how long it takes, because we are determined to pass the Fordney-McCumber bill before Congress adjourns. The United States can not be prosperous unless the producers have work and can prosper, and the petitions which have been received from labor shows that the working men and women of the country are aroused to the danger and demand a protective tariff. If Congress legislates to make it possible for the people of this country who want to work to find profitable employment against any kind of foreign competition, every consumer will benefit by a wide distribution of prosperity.

"According to reports from many sections of the country the tariff delay here is holding up a return to prosperity. No one recognizes this more than I do, and for this reason I wish to state to the people of Connecticut and the country that the Republican Party is not responsible for the protracted debates in the Senate by those Democrats who think that by talking they can pull the wool over the eyes of the workers of the country and make them think they do not need a tariff.

"The following partial list of labor organizations shows that labor has not been fooled by the Democratic filibuster:

LABOR.

"American Federation of Labor, resolution passed at Buffalo, 1917.

"American Flint Glass Workers' Union of North America, Local No. 44, Vineland, N. J.

"American Flint Glass Workers' Union, No. 13, Bellaire, Ohio.

"American Flint Glass Workers' Union, No. 34, Bellaire, Ohio.

"American Flint Glass Workers' Union, Toledo, Ohio, and 182 other flint glass workers' unions.

"Amalgamated Association of Steel, Iron, and Tin Workers, No. 83, Yorkville, Ohio.

"Amalgamated Association of Steel, Iron, and Tin Workers, No. 46, Martins Ferry, Ohio.
"Amalgamated Association of Street and Electric Railway Employees, No. 1003, Martins Ferry, Ohio.
"Amalgamated Sheet Metal Workers, Local No. 255, New Haven, Conn.
"Amalgamated Sheet Metal Workers' International Alliance, Local No. 114, Bridgeport, Conn.
"Amalgamated Meat Cutters and Butcher Workmen of North America, Local Union No. 207, Danbury, Conn.
"Amalgamated Lace Operatives of America, York Hotel, New York City.
"American Federation of Musicians, Danbury, Conn.
"A. A. of S. I. and T. W., No. 81, Martins Ferry, Ohio.
"Bakery and Confectionery Workers, Local No. 6, Philadelphia, Pa.
"Beer Drivers' Union, No. 132, Philadelphia, Pa.,
"Brewery Firemen, Oilers, and Helpers' Union, Local No. 285, Philadelphia, Pa.
"Bakers' Union, No. 241, Bridgeport, Ohio.
"Bottle Blowers, No. 73, Bellaire, Ohio.
"Bricklayers and Plasterers, No. 9, Bellaire, Ohio.
"Bridgeworkers' Union, No. 237, Etnaville, Ohio.
"Bricklayers, Masons, and Plasterers' International Union, No. 22, Danbury, Conn.
"Central Labor Union of Vineland, Vineland, N. J.
"Central Labor Union of Millville, Millville, N. J.
"Central Labor Union of Danbury, Danbury, Conn.
"Connecticut Federation of Labor, New Haven, Conn.
"Cigar Makers' International Union of America, Local 282, Bridgeport, Conn.
"Cigar Makers' International Union of America, Local 180.
"Cigar Makers' International Union of America, Local 39.
"Corset Cutters' Union, Local No. 34, Bridgeport, Conn.
"Clerks' Union, No. 126, Bellaire, Ohio.
"Coppersmiths' Union, Local 82, Philadelphia, Pa.
"Denver Building Trades Council, Denver, Colo.
"Trades and Labor Federation, New Brunswick, N. J.
"Tip and Novelty Stampers' Union, Philadelphia, Pa.
"Teamsters and Chauffeurs, No. 187, Bridgeport, Conn.
"United Brotherhood of Carpenters and Joiners of America, Local Union No. 115, Bridgeport, Conn.
"United Hatters of North America, New York, N. Y.
"United Hatters of North America, Local No. 1, Bethel, Conn.
"United Hatters of North America, Local No. 2, Bethel, Conn.
"United Hatters of North America, Local No. 10, Danbury, Conn.
"United Hatters of North America, Local No. 16, South Norwalk, Conn.
"United Hatters of North America, Local No. 24, South Norwalk, Conn.
"United Hatters of North America, Local No. 33, South Norwalk, Conn.
"United Hatters of North America, Local No. 40, Bethel, Conn.
"United Hatters of North America, Local No. 30, Peekskill, N. Y.
"United Hatters of North America, Local No. 27, Peekskill, N. Y.
"United Hatters of North America, Local No. 18, Philadelphia, Pa.
"United Garment Workers of America, Philadelphia, Pa.
"United Mine Workers of America, No. 245, Barton, Ohio.
"United Mine Workers of America, No. 430, Bellaire, Ohio.
"United Mine Workers of America, No. 1840, Shadyside, Ohio.
"United Mine Workers of America, No. 1978, Bellaire, Ohio.
"United Mine Workers of America, No. 2276, Bellaire, Ohio.
"United Mine Workers of America, No. 1077, Bellaire, Ohio.
"United Mine Workers of America, No. 2688, Martins Ferry, Ohio.
"United Mine Workers of America, No. 1696, Yorkville, Ohio.
"United Shoe Workers of America, Local No. 116, Philadelphia, Pa.
"United Shoe Workers of America, Local No. 121, Philadelphia, Pa.
"United Shoe Workers of America, Local No. 133, Philadelphia, Pa.
"International Brotherhood of Bookbinders, Washington, D. C.
"United Textile Workers, New York, N. Y.
"American Wire Weavers' Protective Association, Holyoke, Mass.
"International Union of Steam and Operating Engineers, Chicago, Ill.
"International Union of Leather Workers, Kansas City, Kans.
"International Print Cutters Association, Philadelphia, Pa.
"Steel and Copper Plate Engravers, Orange, N. J.
"Carpenters and Joiners of America, Local Union No. 36, Oakland, Calif.
"F. & N. Lawn Mower Co. employees, Richmond, Ind.
"Glove Workers' International, Local No. 39, San Francisco, Calif.
"Hotel and Restaurant Employees' International Alliance, Philadelphia, Pa.
"International Union of Steam and Operating Engineers, New Haven, Conn.
"International Molders' Union of North America, Local No. 110, Bridgeport, Conn.
"International Union of United Brewery, Flour, Cereal, and Soft Drink Workers of America, Local 386.
"International Union of United Brewery, Flour, Cereal, and Soft Drink Workers of America, Local 218, Philadelphia, Pa.
"International Union of United Brewery, Flour, Cereal, and Soft Drink Workers of America, Local 204, Philadelphia, Pa.
"International Union of United Brewery, Flour, Cereal, and Soft Drink Workers of America, Local 37, Philadelphia, Pa.
"International Union of United Brewery, Flour, Cereal, and Soft Drink Workers of America, Local 42, Peekskill, N. Y.
"International Boiler Makers and Iron Ship Builders, Kansas City, Kans.
"International Brotherhood of Electrical Workers, Local Union No. 98, Philadelphia, Pa.
"Journeymen Barbers, No. 41, Bellaire, Ohio.
"Journeymen Barbers, No. 118, Ferry, Ohio.
"Journeymen Barbers, No. 540, Bridgeport, Ohio.
"Journeymen Barbers' International Union of America, Local No. 104, Philadelphia, Pa.
"Journeymen Barbers' International Union of America, Local No. 215, New Haven, Conn.
"Journeymen Barbers' International Union of America, Local No. 175, Danbury, Conn.
"Labor Lyceum Association, Philadelphia, Pa.
"Mercer County Central Labor Union, Trenton, N. J.
"Musicians' Union No. 142, Martins Ferry, Ohio.
"New Haven Printing Pressmen and Assistants' Union, No. 74, Reading, Pa.
"Philadelphia Printing Pressmen's Union, No. 4, Philadelphia, Pa.
"Philadelphia Press Assistants' Union, No. 11, Philadelphia, Pa.
"Painters, Decorators, and Paperhangers of America, Bridgeport, Conn.
"Pattern Makers' Association, New Haven, Conn.
"Philadelphia Typographical Union, No. 2, Philadelphia, Pa.
"Quaker City Fraternal Aid Society, Philadelphia, Pa.
"Rail Clerks, No. 540, Martins Ferry, Ohio.
"Soft Drink Workers, No. 348, Martins Ferry, Ohio.
"Steam Engineers, No. 172, Bellaire, Ohio.
"Stage Employees, No. 54, Bellaire, Ohio.
"Street Electric Railway Employees, Division No. 459, Bridgeport, Conn.
"Allied Lace and Embroidery Manufacturers, West New York, N. J.
"Allied Printing Trades Council of Philadelphia, Philadelphia, Pa.
"Amalgamated Association of Street Electric Railway Employees, Bridgeport, Conn.
"Amalgamated Clothing Workers of America, Local No. 208, Vineland, N. J.
"Amalgamated Lithographers of America, 205 West Fourteenth Street, New York City.
"Amalgamated Lithographers of America, Local No. 17, San Francisco, Calif.
"Amalgamated Sheet Metal Workers' International Alliance, Vallejo, Calif.
"Amalgamated Society of Carpenters and Joiners, Local No. 1909, San Diego, Calif.
"American Federation of Labor, Philadelphia, Pa.
"American Federation of Labor, Washington, D. C.
"American Flint Glass Workers' Union, Morocco, Fla.
"American Flint Glass Workers' Union, Toledo, Ohio.
"Barbers' Union, Local 312, Stockton, Calif.
"Bookbinders' Union, No. 2, Harrisburg, Pa.
"Builders' Material Packers and Shippers' Union, San Jose, Calif.

"Building Service Employees' International, No. 9, San Francisco, Calif.
"Butchers' Union, Local No. 115, San Francisco, Calif.
"Carpenters and Joiners' United Brotherhood, Union No. 35, San Rafael, Calif.
"Carpenters and Joiners of America, Union 586, Sacramento, Calif.
"Carpenters and Joiners, Local No. 620, Vineland, N. J.
"Carpenters' Union, San Pedro, Calif.
"Carpenters' Union, No. 771, Watsonville, Calif.
"Cigarmakers' Union 332, San Diego, Calif.
"Coopers' International Union of North America, Local No. 65, San Francisco, Calif.
"Cooks and Waiters, Local 550, Bakersfield, Calif.
"Electrical Workers, Local 73, Vineland, N. J.
"Electrical Workers' Union 283, Oakland, Calif.
"Federated Industries of Washington, Seattle, Wash.
"Flint Glass Workers' Union, Huntington, W. Va.
"Flour and Cereal Workers' Union, No. 204, Los Angeles, Calif.
"Harrisburg Typographical Union, Harrisburg, Pa.
"Hod Carriers, Local No. 181, Eureka, Calif.
"International Alliance of Theatrical Stage Employees, No. 16, San Francisco, Calif.
"International Boiler Makers, Local 61, Kansas City, Mo.
"International Brotherhood of Electrical Workers, Local 684, Modesto, Calif.
"International Hod Carriers, Building and Common Laborers' Union of America, Local No. 97, Redwood City, Calif.
"International Lady Garment Workers, Local No. 119, Vineland, N. J.
"International Molders' Union, San Francisco, Calif.
"International Union of United Brewery, Flour, Cereal, and Soft Drink Workers of America, Philadelphia, Pa.
"Iron Workers, No. 155, Fresno, Calif.
"Laborers and Helpers, Local 470, Vineland, N. J.
"American Flint Glass Workers, Local Union No. 118, Huntington, W. Va.
"Masons, Bricklayers, and Plasterers, Local No. 40, Vineland, N. J.
"Material Teamsters, Local No. 57, Oakland, Calif.
"Metal Polishers, Local No. 67, Los Angeles, Calif.
"Musicians' Union, Local 333, A. F. of M., Eureka, Calif.
"Musicians of America, Local 595, Vineland, N. J.
"Napa State Hospital Employees' Union, No. 15631, Imola, Calif.
"National Federation of Post Office Clerks, San Mateo, Calif.
"National Window Glass Workers, Cleveland, Ohio.
"New Jersey State Federation of Labor, Trenton, N. J.
"New Jersey State Federation of Labor, Newark, N. J.
"Newspaper Writers' Union No. 11, Philadelphia, Pa.
"Oil Workers' Union, Fellows Local, No. 13, Fellows, Calif.
"Oil Workers' Union, Maricopa, Calif.
"Operative Plasterers and Cement Finishers' International Association, Local No. 194, Pasadena, Calif.
"Painters' Local, Marysville, Calif.
"Painters' Union, Long Beach, Calif.
"Painters and Decorators' Brotherhood and Paperhangers of America, No. 750, Watsonville, Calif.
"Painters and Decorators, Local Union No. 409, New Haven, Conn.
"Painters, Paperhangers, and Decorators, New York, N. Y.
"Photo Engravers' Union No. 7, Philadelphia, Pa.
"Plumbers and Steam Fitters No. 346, Fresno, Calif.
"Printing Press Feeders and Assistants' Union No. 11, Philadelphia, Pa.
"Quarry Workers' International Union of North America, Branch No. 43, Rocklin, Calif.
"Reed and Rattan Workers' Union No. 15053, Pasadena, Calif.
"Sheet Metal Workers, Local 364, Santa Barbara, Calif.
"Stage Employees, Local 673, Vineland, N. J.
"Steel and Copper Plate Engravers, Orange, N. J.
"United Brotherhood of Carpenters and Joiners, Coalinga, Calif.
"United Shoe Workers, Local No. 119, Vineland, N. J.
"United Shoe Workers, Local No. 129, Vineland, N. J.
"Women Bindery Workers, Local Union 86, Philadelphia, Pa."

"IS THIS THE BEGINNING?"

Mr. HARRISON. Mr. President, I ask unanimous consent to have printed in the RECORD in 8-point type, following the statement just referred to by the Senator from New York, an editorial which appeared in the home city of one of the leaders on the tariff question, Salt Lake City, Utah, in the Salt Lake Telegram, entitled "Is this the beginning?" It is an article against the tariff bill.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Salt Lake Telegram of July 13, 1922.]

IS THIS THE BEGINNING?

Food prices record a general increase for the period from May 15 to June 15, according to figures compiled by the United States Department of Labor. There seems to be no good and sufficient reason for this tendency, unless it be found in the fact that passage of the tariff bill, designed to protect abnormal profits, is already being discounted. Generally speaking, this is the season of the year when the consumer looks for a little relief in his food budget.

In the natural operation of the laws of supply and demand the season should provide lower rather than higher prices. We do not know how the Congressmen who are supporting the tariff measure in its present form explain the figures, but it seems certain to us that they reflect anticipatory glee over the new tariff. It is not the last increase the people will have to pay if the tariff bill is enacted in its present form.

The tariff, as contemplated, can have no other effect. It is not content to protect the American manufacturer from the cheap labor to be had in Europe. By monopoly it would protect the American manufacturer in all of his undertakings, even to that of gouging the public for abnormal profits. The main purpose of a tariff is to protect the workingman, who can not compete with the labor of Europe, and the majority of our people believe in this principle.

They are not agreed that the tariff is intended to protect the manufacturer against all forms of competition at the expense of the purchasing public. And yet this is precisely the effect of the pending measure. It automatically creates a monopoly which shuts out all foreign competition and legalizes and protects American profits, no matter how unreasonable they may be. Congress, it seems, will insist that the measure be enacted without material change and the people may expect further discouraging reports from the Department of Labor. Congressmen, apparently, will not realize the effect of their action until they are confronted with it in future campaigns.

THE SOAP BLOC VERSUS THE FARM BLOC.

Mr. LADD. Mr. President, I ask unanimous consent to have printed in the RECORD, in 8-point type, and referred to the Committee on Finance an editorial appearing in Wallace's Farmer of July 28, 1922, entitled "The Soap Bloc Versus the Farm Bloc," together with two telegrams protesting against the proposed rates on certain oils.

There being no objection, the matter was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

[Editorial from Wallace's Farmer, July 28, 1922.]

THE SOAP BLOC VERSUS THE FARM BLOC—IS SECTION 50 (A) OF THE NEW TARIFF BILL TO BE ANOTHER SCHEDULE K?

With the tariff as it stands to-day, coconut oil and soya-bean oil will come into the United States from the Orient in quantities at least four times as large as before the war. True it is that there is provision for a duty of 4 cents a pound on coconut oil and 3 cents a pound on soya-bean oil when these products are to be used for edible purposes. However, copra (from which coconut oil is pressed) is allowed to come in free and soya beans are allowed to come in free, no matter for what purpose they may be used. The vegetable-oil provisions of the permanent tariff as they stand to-day are absolutely worthless to the farmer.

SOAP BLOC WINS SENATE FIGHT.

The farm-minded Senators made a strong fight against the soap bloc the second week of July but were defeated by a vote of 33 to 24, the vote on section 50 (a), which provides that the tariff on soya-bean oil shall be 3 cents a pound and on coconut oil 4 cents a pound when these oils are used for edible purposes, but that the duty shall be remitted in case it is shown within three years that the oils have been used in the manufacture of substances which can not be used for food.

Senator GOODING, of Idaho, moved to strike out of section 50 (a) the provision for remitting the duty on the vegetable oils when they are used for industrial purposes. This precipitated at once a strictly nonpartisan fight between the soap bloc on the one hand and the farm bloc on the other. Nine Democrats voted with the soap bloc and seven with the farm bloc. Twenty-four Republicans voted with the soap bloc and 17 with the farm bloc. Senator CUMMINS, of Iowa, voted with the soap bloc and Senator RAWSON, of Iowa, with the farm bloc. Generally speaking, the voting divided on purely sectional lines,

not a single Senator from an eastern industrial State voting in favor of a tariff on vegetable oils used in the making of soap.

It is a decidedly curious situation to find high-protectionist eastern Republicans voting in favor of free trade in vegetable oils for soap-making purposes when soap as a finished product is protected by a tariff of from 5 per cent to 50 per cent ad valorem. The Senators leading the fight for the soap bloc marshaled their arguments very cleverly and misled the following western Senators: BORAH, of Idaho; BURSUM, of New Mexico; CUMMINS, of Iowa; CURTIS, of Kansas; MCCUMBER, of North Dakota; NELSON, of Minnesota; KING, of Utah; SMOOT, of Utah; SPENCER, of Missouri; and WARREN, of Wyoming. Inasmuch as the oriental oils have in recent years displaced tremendous quantities of the lower grades of animal fats for soap-making purposes, it is hard to see how these western Senators can explain their vote to their farmer constituents.

Before the war about two-thirds of the oil used in the making of soap came from home-grown animal fats and a large part of the remaining third from home-grown vegetable oils. During the war, when Europe temporarily was forced out of the oriental oil trade, our soap manufacturers learned to use soya-bean oil and coconut oil in ever-increasing quantity, replacing large quantities of home-grown cottonseed oil, corn oil, and the lower grades of animal fats.

DANGER IN OILS ON FREE LIST.

The most forceful argument of the soap bloc was that a tariff on coconut and soya-bean oil used for soap purposes would result in large quantities of these oils being diverted to Europe, and that Europe would, therefore, buy less lard and cottonseed oil from the United States, thus harming the hog farmer of the Corn Belt and the cotton farmer of the South. This is largely bunk, for the reason that both lard and cottonseed oil fulfill a somewhat different function in the oil trade than coconut oil and soya-bean oil. No matter how much coconut oil and soya-bean oil Europe gets from the Orient, she will still be in the market for our lard and cottonseed oil. And so far as coconut oil is concerned, a tariff in the United States will not make so very much difference, because most of the coconut oil imported into the United States comes from the Philippines.

The great advantage of a tariff on coconut oil to farmers of the United States is that it will shut out just enough of the coconut oil so there will not be so much danger of coconut oil being used for both soap-making purposes and for the making of butter substitutes. Under section 50 (a) there is very real reason to fear that much of the coconut oil imported supposedly for soap-making purposes will find its way into butter substitutes.

CHANCE TO AMEND IN CONFERENCE.

The soya-bean tariff is really far more important than the coconut-oil tariff as long as the Philippines are a part of the United States and Philippine coconut oil can come in free. Soya beans and soya-bean oil are largely produced in China, and a tariff against them is really effective. Moreover, it is justified on the ancient Republican plea of building up infant industries. Soya-bean acreage has been growing by leaps and bounds and will continue to grow rapidly if our soap industry continues to be willing to pay a price for soya-bean oil on a parity with the price paid for corn oil and cottonseed oil, as is the case at the present time.

When the House and Senate take up the bill in conference there will be another chance to straighten out this matter of an equitable tariff on vegetable oils. So far the soap bloc has been victorious in both Houses because so many Representatives and Senators from Western States have not gone into the vegetable-oil problem in the great detail which the matter deserves. In the Philippine Islands and in the United States we can produce all of the vegetable fats which the soap and margarine manufacturers of the United States need. A tariff to keep out the soya beans and soya-bean oil from Manchuria and the coconut oil and copra produced outside of the Philippines will in the long run do far more good than harm to the soap maker, the Corn Belt farmer, and the cotton farmer.

The farm bloc should make a final determined effort to straighten out section 50 (a) when the tariff bill goes to conference.

—

SEATTLE, WASH., *July 29, 1922.*

Senator LADD, *Washington, D. C.:*

Protective tariff on fish and vegetable oils essential for preservation and further developing of Pacific coast fish-oil industries, particularly that of Alaska, where herring oil is produced in connection with the Scotch cure pickled herring industry. Most strongly protest on behalf of coast fish-oil producers against proposed tariff legislation putting fish and vegetable oil on free list for nonedible purposes, and urge that duties proposed in Senate committee bill be made effective on all oils imported for any purpose.

A. BUNZEN,
Secretary Pacific Cured Fish Association,
Representing Fish-Oil Producers of Alaska.

—

SEATTLE, WASH., *July 29, 1922.*

Senator LADD, *Washington, D. C.:*

I understand that the contemplated legislation anticipates permitting oriental oils to be imported into this country duty free for nonedible purposes, and as president of the Franklin Packing Co., of Port Ashton, Alaska, and Baranof Packing Co., Red Bluff Bay, Alaska, both of which are producing fish oil, I want to protest against the admission of oriental oils duty free for any purpose whatsoever, as it would mean practically the annihilation of the fish-oil industry of Alaska, which we have at great expense gone into in connection with the development of the pickled-herring industry within the last few years. If we are not protected on the oil, which is a by-product, and enabled to get a fair price for the same, it will not only annihilate the oil industry but will cripple very seriously the herring industry as well, which bids fair to become the greatest industry in Alaska. I would like to urge upon you the necessity of taking a firm stand in this matter that we may have the protection we are rightfully entitled to.

LEE H. WAKEFIELD.

FEDERAL RESERVE BANK BUILDING AT DENVER.

Mr. PHIPPS. From the Committee on Banking and Currency I report back favorably the joint resolution (S. J. Res. 223) authorizing the Federal Reserve Bank of Kansas City to enter into contracts for the erection of a building for its branch office at Denver, Colo. I ask unanimous consent for the present consideration of the joint resolution.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which was read, as follows:

Whereas the act of Congress approved June 3, 1922, abridged the right of Federal reserve banks to enter into contracts by providing that no Federal reserve bank should have authority thereafter to enter into any contract or contracts for the erection of any building of any kind or character or to authorize the erection of any building in excess of $250,000, without the consent of Congress having previously been given therefor in express terms, which, however, did not apply to buildings under construction on June 3, 1922; and

Whereas many of the Federal reserve banks were not affected by this provision, since they had already completed or commenced construction of buildings for their head offices and branches; and

Whereas the Federal Reserve Bank of Kansas City had not on June 3, 1922, actually commenced the construction of any building for its branch at Denver, Colo., but had acquired the site therefor; and

Whereas the act of June 3, 1922, operates inequitably on said Federal Reserve Bank of Kansas City: Now, therefore, be it

Resolved, etc., That the Federal Reserve Bank of Kansas City be, and it is hereby, authorized to enter into contracts for the erection of a building for its branch bank at Denver, Colo., on a lot previously acquired: *Provided*, That the total investment in such buildings shall not exceed an amount equal to 5 per cent of its paid-in capital stock and surplus.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

PENSIONS AND INCREASE OF PENSIONS.

Mr. BURSUM. Mr. President, I ask unanimous consent for the present consideration of the bill (H. R. 4) granting relief to soldiers and sailors of the War with Spain, Philippine insurrection, and Chinese Boxer rebellion campaign; to widows, former widows, and dependent parents of such soldiers and sailors; and to certain Army nurses.

The bill increases the pension of widows of the Spanish War from $12 to $20. It increases the pensions of dependent children from $2 to $4. The bill has passed the House and has been in the Senate for a long time. I do not think there is any opposition to it. The Spanish War veterans, who are to have their national encampment in a few days at San Francisco, are very anxious that the bill shall be passed at this time.

The PRESIDENT pro tempore. The Senator from New Mexico asks unanimous consent for the present consideration of House bill 4. Is there objection?

Mr. DIAL. Mr. President, I object.

The PRESIDENT pro tempore. The Senator from South Carolina objects.

Mr. BURSUM. I move that the Senate proceed to the consideration of the bill.

Mr. BORAH. Mr. President, is that motion in order at this time?

The PRESIDENT pro tempore. The Chair is of the opinion that the motion is not in order at this time. Does the Senator from Idaho make the point of order?

Mr. BORAH. I think we ought to finish the morning business. There will be some time after morning business is concluded to call up the bill.

The PRESIDENT pro tempore. Objection is made.

Mr. BURSUM. I give notice that I shall make a motion at 1 o'clock to take up the bill.

DISABLED AMERICAN VETERANS OF THE WORLD WAR.

Mr. POMERENE. Mr. President, on April 12, 1921, I introduced the bill (S. 406) to incorporate the Disabled American Veterans of the World War. The bill was on that day referred to the Committee on the Judiciary. An identical bill passed the House unanimously. I realize that under present conditions it is impossible to have the bill brought up at this particular time, but I think the Senate, as well as myself, a Member of the Senate, is entitled to a report on the bill.

The bill which passed the House is also pending before the Committee on the Judiciary. No report has been made on either bill. I feel, notwithstanding the objection which exists on the part of certain members of the Judiciary Committee to a favorable report, that we are entitled either to a favorable report or an adverse report or to have the bill reported back without recommendation.

A month ago I submitted a motion to discharge the Judiciary Committee from the further consideration of the bill. There has not been an opportune time to bring that motion up because of the pendency of the tariff bill, and I knew, of course, that under the existing circumstances it was not worth while to occupy the time of the Senate in bringing it up. But I serve notice now, this being the first morning hour we have had since that time, that I intend to bring up the motion to discharge the committee and get favorable action upon it if possible.

Mr. WALSH of Montana. To what bill does the Senator refer?

Mr. POMERENE. The bill to incorporate the Disabled American Veterans of the World War.

Mr. ROBINSON. What is the calendar number of the bill?

Mr. POMERENE. It is not on the calendar. It was introduced April 12, 1921, and has been in committee ever since.

RIVER AND HARBOR PROJECTS.

Mr. SIMMONS obtained the floor.

Mr. JONES of Washington. Mr. President, will the Senator from North Carolina yield to me for just a moment?

Mr. SIMMONS. I rose to call up the unanimous-consent agreement which I offered on yesterday, but I yield to the Senator.

Mr. JONES of Washington. I understood that the Senator was going to call up the unanimous-consent proposal. If that should be agreed to, as I hope it will be, then we would have no opportunity to call up other measures. A few days ago we had up House bill 10766, the legislative river and harbor bill, and disposed of all amendments to it except two committee amendments and one or two amendments which are to be offered. I think the two amendments will take no time. I think we can dispose of the bill probably in five minutes or such a matter. I had hoped we might get it through so that we might be allowed to vote upon it before the House convenes. I ask unanimous consent that the bill be considered at this time.

Mr. BORAH. Mr. President, I am under obligation to object to unanimous consent for the present consideration of the bill. My attention has been called to two or three items. I did not expect it to come up this morning, and I am not prepared to take them up. If I had known we were to have a morning hour and that it was expected to call up the bill, I perhaps could have been ready, but I am not ready to do so now.

The PRESIDENT pro tempore. Objection is made.

THE TARIFF.

Mr. SIMMONS. Then, Mr. President, I ask that the unanimous-consent proposal made by myself on yesterday may be laid before the Senate.

Mr. McCUMBER. Although the unanimous-consent agreement offered by the Senator from North Carolina was read yesterday, I think perhaps it had better be read again, and after it is read I shall offer a substitute.

The PRESIDENT pro tempore. The Secretary will read the proposed unanimous-consent agreement presented by the Senator from North Carolina on yesterday.

The reading clerk read as follows:

It is agreed by unanimous consent that on August 19, 1922, at 11 o'clock a. m., the Senate will proceed without further debate to vote upon H. R. 7456, to provide revenue, etc., and upon all motions and amendments thereto which may be pending or which may be offered and to the exclusion of all other business.

That not later than August 11, at 11 o'clock a. m., the Senate will proceed to vote without further debate upon all committee amendments that may be pending or that may be offered, and that immediately following the conclusion of the votes on committee amendments the Senate shall proceed to the consideration of other amendments, if any, which may be submitted.

That all time shall be divided as nearly equally as may be between the majority and the minority and shall be controlled by the Senator from North Dakota [Mr. McCUMBER] on behalf of the majority and by the Senator from North Carolina [Mr. SIMMONS] on behalf of the minority.

The PRESIDENT pro tempore. Is there objection?

Mr. McCUMBER. I send to the desk and ask that the Secretary may read a substitute for the unanimous-consent agreement just submitted by the Senator from North Carolina [Mr. SIMMONS].

The PRESIDENT pro tempore. The Chair understands that the Senator from North Dakota offers a paper which he has sent to the desk as a substitute for or an amendment to the request as presented by the Senator from North Carolina.

Mr. LODGE. As a substitute.

The PRESIDENT pro tempore. The Chair does not understand that a request for unanimous-consent agreement is subject to amendment.

Mr. SIMMONS. Mr. President——

Mr. LENROOT. In order to simplify the situation I now object to the request of the Senator from North Carolina. That will permit the Senator from North Dakota to offer his request for unanimous consent.

Mr. ROBINSON. If the Senator from Wisconsin objects to the request for unanimous consent which has been presented by the Senator from North Carolina [Mr. SIMMONS], then I will object to the suggestion of the Senator from North Dakota [Mr. McCUMBER].

The PRESIDENT pro tempore. The Senator from Wisconsin objects to the request for unanimous consent submitted by the Senator from North Carolina.

Mr. SIMMONS. Mr. President, I think the matter may be adjusted very easily. Upon reflection, I think the Chair is entirely right in holding that the proposition of the Senator from North Dakota may not be offered as a substitute for my request for a unanimous-consent agreement, but the only differences between the proposition of the Senator from North Dakota and the proposition made by myself are, first, as to the time of final voting, the Senator from North Dakota fixing the time as the 17th of August, and my proposition fixing it as the 19th of August. I am perfectly willing to agree to the Senator's suggestion as an amendment to my proposition, fixing the 17th of August instead of the 19th of August as the time for voting. I am perfectly willing to write that date into my request for unanimous consent.

Mr. ROBINSON. Let the request submitted by the Senator from North Dakota be stated.

The PRESIDENT pro tempore. The Chair was about to direct that the proposal of the Senator from North Dakota be read.

Mr. SIMMONS. Mr. President, if I may finish what I was saying, I desire to further state that the other difference between the proposition of the Senator from North Dakota and mine is the provision that no Senator shall be compelled to confine himself to the discussion of the bill while it is pending. That proposition was originally in my request, but by inadvertence was stricken out. I am perfectly willing to accept that also, so that we may, by way of amendment, perfect the proposition which I have offered so as to embrace the suggestions embodied in the request of the Senator from North Dakota.

The PRESIDENT pro tempore. The Secretary will state the proposal of the Senator from North Dakota.

The reading clerk read as follows:

It is agreed by unanimous consent that at 10 o'clock a. m. on the calendar day of Thursday, August 17, 1922, the Senate will proceed to vote, without further debate and to the exclusion of all other business, upon any amendment that may be pending, any amendment that may be offered, any motion that may be made relative thereto, and immediately thereafter upon the bill (H. R. 7456), an act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, through the regular parliamentary stages to its final disposition.

That from this time forward until the final vote is reached debate shall be confined to the question before the Senate or to the bill itself, and the presiding officer shall strictly enforce this provision of the agreement.

That at not later than 11 o'clock a. m. on the calendar day of Friday, August 11, 1922, the Senate will proceed to vote, without further debate, on any committee amendment that may be pending; that following the disposition of committee amendments the Senate will proceed to consider other amendments that may be offered.

That the time remaining after committee amendments are disposed of shall be evenly divided, as nearly as may be, between the majority and minority sides of the Senate and shall be controlled by the

Senator from North Dakota [Mr. McCUMBER] on behalf of the majority and by the Senator from North Carolina [Mr. SIMMONS] on behalf of the minority.

The PRESIDENT pro tempore. Is there objection?

Mr. LENROOT and Mr. STERLING addressed the Chair.

The PRESIDENT pro tempore. The Senator from Wisconsin.

Mr. LENROOT. I should like to ask the Senator from North Dakota or the Senator from North Carolina this question, among others. Will it be in order after Friday, August 11, for the Committee on Finance to offer any amendment to the bill, even though there be no debate upon it?

Mr. McCUMBER. It is my understanding that any Senator may offer amendments, but committee amendments are by that time supposed to be concluded.

Mr. LENROOT. That is, the Committee on Finance itself could not offer any amendment to the bill after August 11?

Mr. SIMMONS. Not as a committee amendment, but any individual member of the committee might offer an amendment.

Mr. LENROOT. I understand; but the committee itself could not offer any amendment to the bill after August 11?

Mr. McCUMBER. Not as a committee.

Mr. LENROOT. Well, Mr. President, for the present I am going to object to this unanimous-consent agreement, and when I have the opportunity I should like to state my reason for doing so. If I may have it now, I will proceed.

Mr. McCUMBER. Very well, Mr. President.

Mr. LENROOT. Mr. President——

Mr. SIMMONS. I think I have the floor, but I yield to the Senator from Wisconsin.

Mr. LENROOT. I thank the Senator.

I am as anxious as is any Senator to dispose of the pending bill, but, Mr. President, if the unanimous-consent agreement be entered into in the form in which it is now proposed, upon August 19, no matter what committee amendments may be pending, and on August 11, no matter what committee amendments may be pending or may be proposed, there will be no opportunity for one single word of discussion concerning such amendments. On the 11th day of August, under the proposed unanimous-consent agreement, the committee might offer an amendment of the very greatest importance changing the character of the bill, and yet there would not be opportunity for one single word of protest.

Mr. ROBINSON. Mr. President, will the Senator yield to an interruption?

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Arkansas?

Mr. LENROOT. Yes.

Mr. ROBINSON. The Senator from North Carolina [Mr. SIMMONS] has the floor.

Mr. SIMMONS. I yield to the Senator from Arkansas.

Mr. ROBINSON. I call the attention of the Senator from Wisconsin [Mr. LENROOT] to the language of the proposed agreement, which provides that after 11 o'clock on August 11 the committee can not propose any amendment. All amendments which have been proposed prior to that time by the committee must be voted on without further debate. The object, of course, of that provision is to give time for debate on the individual amendments. Individual amendments can not under the unanimous-consent agreement under which the Senate is now proceeding be presented until after all committee amendments have been disposed of. Prior to August 11 the Finance Committee may offer amendments, and until the Senate convenes at 11 o'clock on August 11 those amendments are subject to debate.

This arrangement or some arrangement similar to it is absolutely necessary in order to arrive at any unanimous-consent agreement. If Senators imagine that the minority are willing to submit to an agreement which would shut off debate on minority amendments, after having permitted four or more months of debate on committee amendments, they are mistaken. Such a suggestion would appear to me to be unreasonable.

Under the agreement as proposed, until 11 o'clock on August 11 the committee may continue to offer amendments, and until that hour arrives any amendment which the committee has offered may be debated. Technically, of course, the pending amendment must be considered, but, under the practice of the Senate, we may debate any amendment that we desire to debate. In order to secure time for the discussion of amendments to come from the floor, it is necessary at some time to shut off committee amendments and to shut off the debate on committee amendments; but, since committee amendments can not be proposed after the Senate convenes on the 11th of August and are subject to debate until that date, I see nothing unfair in discontinuing debate on committee amendments and requiring votes on them, in order that they may be disposed of and some time may be left prior to the final vote for the discussion and determination of individual amendments. Unless this arrangement or something very like it is effected there can not be any unanimous agreement entered into.

Mr. LENROOT. I have no objection whatever to a limitation—a drastic limitation—of debate upon committee amendments and upon individual amendments; but under the proposed unanimous-consent agreement the committee might offer an amendment or a series of amendments or 50 amendments at 10 o'clock on August 11, if we shall convene at that hour, or at 6 o'clock on the night of August 10, and there would be no opportunity to utter one single word with reference to them.

Mr. SIMMONS. Mr. President, will the Senator allow me to interrupt him?

Mr. LENROOT. I am occupying the floor by the grace of the Senator from North Carolina.

Mr. SIMMONS. I understand that; but I interrupt the Senator to say that I think I see the point of the Senator, and I should like to ask him if it can not be met in this way: We agree that we shall begin on the 11th of August at 11 o'clock to vote upon committee amendments without further debate, and then on the 19th we are to vote, without further debate, on other amendments than committee amendments which may be pending or offered. Would it not meet the Senator's objection if a provision were incorporated that after the 9th, which would be one day before we begin to vote on committee amendments, during which no additional amendment shall be offered by the committee, and that on the 17th—if we adopt the 19th as the date for the final vote—we will foreclose further amendments? Might not that meet the objection of the Senator? I can readily see what the Senator has in mind.

Mr. LENROOT. I appreciate that in part that would reach one of the objections which I have, but I now want to state another. Under the proposed agreement, when we reach the 11th day of August it is just as certain as that the sun will rise that there will be scores upon scores of committee amendments which will not have been acted upon and will not have been debated. I wish to give one illustration of a committee amendment which I understand will be proposed when we arrive at the proper place, and that is to pay a bounty in lieu of a tariff rate upon a certain commodity. It is certain that that will not be reached before the 11th day of August, and is the Senate of the United States to pass upon a policy of granting bounties to an American producer without one single word of debate concerning it?

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. LENROOT. I yield.

Mr. WATSON of Indiana. I should like to ask my friend a question.

Mr. ROBINSON. The Senator from Wisconsin has yielded to me.

Mr. WATSON of Indiana. I beg the Senator's pardon.

The PRESIDENT pro tempore. To whom does the Senator from Wisconsin yield?

Mr. ROBINSON. If the Senator from Indiana wishes to proceed at this time, I will wait until he concludes.

Mr. WATSON of Indiana. I desire to ask the Senator from Wisconsin a question. Some three weeks ago the Senator, along with me and other Senators, proposed that the cloture rule now in existence should be put into operation. That would have given each Senator one hour for debate and would have closed all debate after that. That would have left hundreds of amendments undebated, would it not?

Mr. LENROOT. No; not necessarily. Of course, there will be hundreds of amendments that we do not need or care to debate; but I would infinitely prefer that cloture rule, because then I individually would have that hour reserved for my discussion of such subjects as I saw fit to address myself to. Under this proposition I will have no such opportunity, unless I choose to discuss something a week before it is acted upon by the Senate, and that is not the way to legislate.

Mr. ROBINSON. Mr. President, will the Senator yield to me now? If the Finance Committee, after having reported this bill on the 10th day of April, 1922, and having had until the 11th day of August, 1922, to present and have considered its amendments, chooses to pursue the course which the Senator from Wisconsin fears it will pursue—namely, at the last moment before the debate on the committee amendments is concluded to present to the Senate a large number of important and new amendments to be acted upon—there is no way to prevent that in practical effect except to preclude members of the committee from offering amendments after a fixed date, and I will state why. The Senator, of course, being a great parliamentarian, realizes it already, in advance of my statement.

Mr. SIMMONS. That is just what I suggested awhile ago.

Mr. ROBINSON. The Senator from North Dakota [Mr. McCUMBER], for instance, under this rule and any other rule likely to be adopted, can rise and present an amendment, and say that under the unanimous-consent agreement entered into the committee can not offer an amendment, but that the committee has considered the amendment, is in favor of it, and as an individual he presents the amendment or amendments to the Senate in his individual right, and if he can secure the floor to offer the amendment or amendments, in practical effect he can have the Senate consider amendments favored by the committee. The only reason that can exist for shutting off absolutely committee amendments after the 11th of August is that under the procedure here it is frequently discovered that amendments are necessary to reflect the known intent or policy of those in charge of a bill. They could only be made at the instance of the committee, if this rule were agreed to, by unanimous consent. Any Senator under this rule could prevent the committee from formally presenting an amendment, but no Senator could prevent the Senator from North Dakota [Mr. McCUMBER] or the Senator from Utah [Mr. SMOOT] or any other member of the Finance Committee who chose to pursue that course from rising on the floor and saying as an individual Senator: "I present an amendment which I know the Finance Committee is in favor of, because that committee has discussed it and considered it."

I agree with the Senator from Wisconsin [Mr. LENROOT] in the necessary implication from his statement that it would be unfair and unjust and unreasonable for the Finance Committee, after having had exclusive control of the procedure of the Senate in the consideration of this tariff bill from the 10th day of April until the 11th day of August, 1922, to come into the Senate and violate the spirit of this agreement by presenting to the Senate a large number of amendments, such as that suggested by the Senator from Wisconsin, at the last moment, when no opportunity will be given to discuss them and when the Senate under the rule must take a vote upon them. I am not disposed, however, to think that the Finance Committee would resort to that extremity, and, so far as I am concerned, I am willing to see written into the agreement a provision that the committee shall not do it.

The committee has been slow in presenting its revised amendments. We all agree to that. The committee presented 2,087 amendments when the bill was first reported to the Senate. Then, as each schedule has been reached it has been the policy of the committee to come in with such a revision of the rates first reported by the committee as to make entirely new issues. That has been true as to every schedule that the Senate has considered since this bill was first brought before it. The time has been entirely consumed by the consideration of committee amendments, and the committee in good faith, in fairness to the Senate and the country, ought to present immediately all the amendments it intends or proposes to present and give the Senate a chance to consider them; but there must be some arrangement made whereby those who want to present individual amendments may have the opportunity of doing so and having them considered without the remaining time taken up by members of the committee in the presentation of committee amendments. The committee ought to be able, between now and the 11th of August, to present and have fairly discussed any amendment which it thinks material.

Mr. LENROOT. Mr. President, will the Senator yield to me there?

Mr. ROBINSON. Yes; certainly.

Mr. LENROOT. The Senator admits that with perfectly legitimate discussion, without any time being wasted, it will be impossible to reach all other pending committee amendments prior to the 11th day of August.

Mr. ROBINSON. I am not sure of that.

Mr. WATSON of Indiana. Mr. President, if the Senator will permit me, there are between two and three hundred committee amendments now pending. Let me say to my friend from Arkansas that the committee meets every morning at 9.30 to keep ahead of the Senate's work and take up the schedule which we are to consider next. That is to say, we come down to sundries and take up sundries, and the committee itself doubtless will propose a number of amendments to that schedule. It is utterly impossible for us to be up here and down there at the same time. We can not comply with the provisions of the Senator's suggestion to bring in all these amendments in one day. That can not be done, because we can not go over them and determine what they shall be. We aim to keep one day ahead of the Senate and bring in these amendments so that we shall have them as the schedule is presented. It can not be done in any other way.

Mr. ROBINSON. That is a very remarkable statement. We have now, substantially, a leading member of the committee pleading for more time than either proposal contemplates. After having taken from the 10th day of April until, in prospect, the 11th day of August, several months, to consider its amendments, the committee now says that it is a physical impossibility for it to report to the Senate, in advance of the time for action in the Senate, just what its proposals shall be.

The committee has had ample opportunity to study this bill. The presumption was, when the bill was reported, that the 2,087 amendments which the committee then suggested reflected the conclusions of the committee; but, marvelous beyond expression, the committee has elected to withdraw amendment after amendment and present others as substitutes for them, and now the Senator from Indiana tells us in effect that any agreement which anybody is contemplating on this bill really means that the committee can not have ample time to formulate and have its proposals considered.

Mr. WATSON of Indiana. No.

Mr. ROBINSON. It really means that there can be no agreement, and that this debate must go on and on and on until this session dies and until the fall elections have been held.

Mr. WATSON of Indiana. No; I think——

Mr. ROBINSON. With the indulgence of the Senator from Wisconsin, I will yield to the Senator.

Mr. WATSON of Indiana. Will the Senator from Wisconsin yield?

Mr. LENROOT. The Senator from North Carolina has the floor.

Mr. WATSON of Indiana. Will whoever has the floor yield?

Mr. SIMMONS. Mr. President, I have the floor, and I do not desire to lose it, I will say to the Senator.

Mr. WATSON of Indiana. The Senator will not lose it, so far as I am concerned; but I want to ask the Senator from Arkansas a question.

Mr. SIMMONS. I have no objection to that.

Mr. ROBINSON. Certainly; I yield with pleasure to my friend the Senator from Indiana.

Mr. WATSON of Indiana. I thank the Senator. He evidently misunderstood my statement. We have come now to the last schedule. We shall meet again to-morrow morning at 9.30 to take up that schedule. I do not know what amendments the committee may see fit to adopt, but I understood the Senator to say that either to-day or to-morrow we ought to bring in all the amendments we intend to bring in at any time, and I tell him that is a physical impossibility. The members of the committee must be here on the floor—at least the two leaders of the committee—and we can not tell just how many amendments that schedule will bring about.

Mr. ROBINSON. Mr. President, the Senator proceeds upon the theory that the committee shall formulate its policy while this bill is being discussed and determined by the Senate. Under the rules and practice, as everybody knows, the committee's policy presumably is formed while the bill is in the committee, and changes are made only to meet obvious mistakes made by the committee. What the Senator from Indiana is now insisting upon is that as the rates presented by the committee are assaulted and disclosed to be unreasonable, unjust, and unfair, the committee shall have unlimited opportunity to retreat, prepare a new line of combat, and then advance again to the attack.

Mr. WATSON of Indiana. Now will the Senator yield?

Mr. ROBINSON. Yes; I yield in the time of the Senator from North Carolina, through the courtesy of both the Senator from North Carolina and the Senator from Wisconsin.

Mr. WATSON of Indiana. The Senator has entirely misconstrued my remarks, unintentionally, of course. The committee now is on the sundries schedule, and we consider amendments going through the schedule seriatum, taking up one of these items after another, and going into the merits of the propositions. These items have not been discussed at all on the floor. Nothing has been said about them; but in the committee, before they come to the floor, we determine whether or not these particular rates should be left in the bill.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. WATSON of Indiana. Yes.

Mr. ROBINSON. The Senator's committee reported this bill several months ago with 2,087 amendments.

Mr. WATSON of Indiana. Yes.

Mr. ROBINSON. Why did not the committee then report such amendments as it was willing to stand upon? Why did the committee elect to pursue a course that will make ni[illegible] the constant revision by the committee of its own work?

Mr. WATSON of Indiana. To meet new facts and new conditions as those conditions have constantly arisen.

Mr. ROBINSON. Oh!

Mr. WATSON of Indiana. The Senator understands about the chaotic conditions of the world and all industry and commerce, and this is done to meet new facts and to adjust these rates as we think they ought to be adjusted from time to time. We squarely announced in the beginning that these changes would be made, and that the committee would meet every day for the express purpose of doing precisely what we have done; and in a general way we have carried out that policy from beginning to end.

Mr. POMERENE. Mr. President, will the Senator yield?

Mr. SIMMONS. I yield to the Senator from Ohio.

Mr. POMERENE. I should like to ask a question of the Senator from Indiana, if I may. I have been very much interested in the statement just made by my distinguished friend from Indiana to the effect that the committee has to meet constantly, every day, to consider changes in this bill. I should like to ask him what the position of the committee would have been if it had succeeded in adopting the cloture rule, which would have ended all debate, and which would have compelled, in the ordinary process under the cloture rule, a final vote on this bill long before this?

Mr. ROBINSON. And which would have shut off all amendments.

Mr. POMERENE. And would have shut off all amendments.

Mr. WATSON of Indiana. Mr. President, I can answer that question if the Senator wants me to. It may be that some of these rates would have been a little too high; it may be that some of them would have been a little too low; but, after all, wherever there was any doubt, the benefit of that doubt would have been given to the American manufacturer and the American producer and not to his foreign rival and competitor; and, so far as I am concerned, I would have been entirely willing to run the risk in the forum of public opinion, as we shall shortly appeal to it.

Mr. SIMMONS. Mr. President, before further yielding to the Senator from Wisconsin, I want to say for myself, and I think I speak for this side of the Chamber, we are very anxious that some unanimous-consent agreement fixing an early day for final action upon the bill shall be entered into. I have offered my proposition in good faith. I am perfectly willing to amend it in any particular which may seem just and proper in order to secure a legitimate and adequate discussion of the measure. Feeling that way about it, I am disposed to yield to anyone on the other side who wishes to discuss this matter, because I am anxious to find out whether or not the majority really want a unanimous-consent arrangement.

Mr. LENROOT. Does the Senator yield the floor?

Mr. SIMMONS. I yield to the Senator all the time he wants.

Mr. LENROOT. I wanted to say something which I would not like to say through the courtesy of the Senator from North Carolina.

Mr. SIMMONS. I yield to the Senator, but I desire to hold the floor.

Mr. LENROOT. Very well; I shall have an opportunity later, then.

Mr. SIMMONS. The Senator can say now anything he desires about the matter.

Mr. LENROOT. I want to make this observation——

Mr. HARRISON. Before the Senator proceeds, may I ask what the Senator has to suggest? Does he want a vote on this proposition at a definite date, or does he want to modify the proposed agreement?

Mr. LENROOT. I want to have the proposed agreement modified. I am perfectly willing to agree now to a limitation of debate of 10 minutes, if you choose, upon each amendment, and that debate shall be confined to the amendment pending, and then proceed until we reach the final disposition of the bill.

Mr. HARRISON. Without fixing a definite time for a vote?

Mr. LENROOT. Without fixing a definite time.

Mr. HARRISON. With the sugar proposition coming on, which is filled with iniquities, and such other propositions as leather and hides and boots and shoes, does the Senator think it is fair that Senators should be confined to 10 minutes to debate those important questions?

Mr. LENROOT. Under the unanimous-consent agreement proposed it would be perfectly possible to take from now until the 11th day of August without reaching sugar or hides.

Mr. HARRISON. If the Senator thinks that is not time enough and wants a limitation of debate, why does he not suggest a definite time for a vote at a later date and get somewhere?

Mr. LENROOT. Now, I am going to say what I did not like to say with the courtesy of the Senator from North Carolina——

Mr. SIMMONS. Will the Senator let me say one thing first?

Mr. LENROOT. Certainly.

Mr. SIMMONS. I want to say to the Senator that every change from my proposition which is embodied in the majority proposition I am willing to accept as an amendment. I want to say to the Senator, furthermore, and I think myself it would be better to provide in this unanimous-consent agreement that at a certain time the committee should stop offering amendments, leaving a margin for the discussion of new amendments.

Mr. LENROOT. I am perfectly willing to agree to that.

Mr. SIMMONS. And I am perfectly willing also to provide that at a certain time the offering of amendments from the floor shall stop, leaving a margin for discussion of new amendments which may have been offered. I want an agreement, and in good faith I am asking for one.

Mr. LENROOT. I am very anxious to have an agreement for the limitation of debate, and which will confine the debate to the particular question before the Senate, and if we do that we can dispose of this bill within a reasonable time. But I rose to call attention to the effect of this unanimous-consent agreement. Before doing so, I want to ask the Senator from North Carolina if he, representing the other side of the aisle, is willing to have the question of a bounty to American producers voted upon by the Senate without any opportunity to discuss it?

Mr. SIMMONS. I will state very frankly to the Senator from Wisconsin that I am not.

Mr. LENROOT. Yet the Senator himself has offered a unanimous-consent agreement which would have exactly that result.

Mr. SIMMONS. If I had thought it would have that effect I would not have offered it.

Mr. LENROOT. I mean to say, if the committee offers that proposition.

Mr. SIMMONS. I think, with the control of the time which is accorded to the Senator from North Dakota, representing the majority, and myself, representing the minority, we shall be able, within the time we have fixed for the discussion of new amendments offered from the floor, to cover the major questions.

Mr. LENROOT. But amendments can not be voted upon before they are reached in regular order. The Senator knows that, and the Senator knows the futility of the discussion of some particular subject a week before it is voted upon.

Mr. President, I want to call attention to another result of this unanimous-consent agreement. Section 315 of the bill is the section known as the elastic tariff provision. It is absolutely certain that under this unanimous-consent agreement that section would not be reached before August 11, because, under the unanimous-consent agreement, there is no incentive whatever upon the part of anyone who does not want debate limited to expedite consideration of the amendments, and this important provision, one of the most important that has ever come before Congress in a tariff bill, delegating to the President the power to fix and change duties under certain conditions, under this unanimous-consent agreement would have to be voted upon without one single word of debate.

I want to say a word now with reference to the attitude of the other side of the aisle. I appreciate that Senators on the other side of the aisle have changed their views very materially concerning their tactics with reference to this bill. In the beginning of the debate, and up to a very recent period, they believed it was to their political advantage to postpone the bill just as long as possible, because they wanted it to go to the people just before the election, without an opportunity to have it tried out. But the other side of the aisle has observed from day to day and from week to week that the bill has been improved; that excessive rates have been lowered; that the committee itself has acted and is acting every day in reducing exorbitant rates; and there is not nearly so much political advantage to the Democratic Party if we pass a good bill as there is if we pass a bad one. That is plain talk, but I do not happen to occupy a position where I am in sympathy with the Democratic side of the aisle, nor have I been in sympathy, as the Senate well knows, with the excessive rates which have been found throughout the bill.

That brings me to another proposition. I think it is without precedent in the Senate of the United States for a unanimous-consent agreement to be made or proposed whereby the control of the time shall be wholly in the chairman of the committee and the ranking minority member. Even in the House, with its drastic rules, that is never done when they come to the consideration of amendments.

All Senators are upon an equality here. Although I am not a member of the committee, I have the same right to discuss any amendment or proposition that any other Senator has, and if I am not in accord with the view of the chairman, or in accord with the view of the Senator from North Carolina, I do not propose to be put in the position of having to ask either of those gentlemen for time in order to explain an amendment or oppose one.

If we really want to get down to business on the bill, let us enter into a unanimous-consent agreement confining debate to the amendment pending before the Senate; let us confine debate to 10 minutes on amendments; and, if you choose, on sugar and hides you may enlarge the time, or on any other important item—on this elastic section, for instance—and then we shall have a unanimous-consent agreement which will permit legitimate and proper discussion without any waste of time. I am as anxious for the early disposition of the bill, as I said, as any Senator is, but I am not so anxious that I am willing to take the responsibility, as any Senator must take it if he refuses to object, of allowing important amendments, vital to the welfare of the country, to be voted on without a single word of discussion.

Mr. SIMMONS, Mr. GOODING, and Mr. McCUMBER addressed the Chair.

Mr. SIMMONS. I yield to the Senator from Idaho.

Mr. GOODING. Mr. President, I offer a resolution, and ask to have it read.

The PRESIDENT pro tempore. The Chair is of the opinion that with a request for a unanimous-consent agreement pending, there can not be brought forward another request for unanimous consent.

Mr. LENROOT. I objected to the request for unanimous consent.

The PRESIDENT pro tempore. The Chair understands that the Senator from Wisconsin objected to the proposal made by the Senator from North Carolina. The Chair has not understood, as yet, that the Senator from Wisconsin objected to the proposal made by the Senator from North Dakota.

Mr. LENROOT. I do object now; and I desire to make a statement, if I may have the floor.

Mr. SIMMONS. I think I have the floor. I have not yielded the floor.

The PRESIDENT pro tempore. The Chair doubts whether the Senator from North Carolina has the floor. Both these requests have been disposed of, and the order of business is the introduction of bills and joint resolutions.

Mr. SIMMONS. It is true that both the requests have been disposed of by the objections which were made as an interruption in my time, but that does not take me off my feet.

The PRESIDENT pro tempore. The Senator from North Carolina has no right to the floor except to introduce a bill or a joint resolution.

Mr. SIMMONS. I presume the Chair bases his ruling on the theory that there is nothing pending before the body?

The PRESIDENT pro tempore. There is nothing pending except the introduction of bills and joint resolutions.

Mr. ASHURST. I introduce a bill, and ask for its appropriate reference.

Mr. SIMMONS. I simply want to understand the ruling of the Chair. The Chair rules that this being in the morning hour I have not the floor because there is nothing pending before the Senate?

Mr. LODGE and Mr. GOODING addressed the Chair.

The PRESIDENT pro tempore. If Senators will permit the Chair to make a statement, it may clarify the situation. We are in the stage of the introduction of bills and joint resolutions, which is routine morning business. That was interrupted by the presentation by the Senator from North Carolina of a request for unanimous consent. That has been disposed of.

Mr. LODGE. Mr. President, I rise to a question of order. I believe I am in order now.

The PRESIDENT pro tempore. The Senator from Massachusetts will state his point of order.

Mr. LODGE. We are now at the stage of the introduction of bills and joint resolutions, under the morning-hour rule. Pending that, the Senator from North Carolina offered a request for unanimous consent, which I take to be privileged. That has been objected to. Objection has also been made by the Senator from Wisconsin to a similar request for unanimous consent offered by the Senator from North Dakota, and that disposes of both those requests for unanimous consent, as far as their parliamentary position is concerned. The Senator from Idaho, as I understand it, has risen to offer a Senate resolution, and we have not yet reached that order of business.

The PRESIDENT pro tempore. The Chair was about to state that the resolution offered by the Senator from Idaho could not be received until we reach that order of business.

Mr. HARRISON. Mr. President, I desire to propound a request for unanimous consent. In view of the fact that the Senator from Wisconsin has just made a speech giving his position touching this very important question, I desire to ask unanimous consent to proceed to reply to him at this time.

Mr. McCUMBER rose.

Mr. LODGE. I think we had better have the regular order, and finish that first.

Mr. McCUMBER. That is what I was going to ask for.

Mr. SIMMONS. That is what I wanted the floor for.

The PRESIDENT pro tempore. The introduction of bills and joint resolutions is in order.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WALSH of Montana:

A bill (S. 3881) for the relief of Irvin Bird Above; to the Committee on Public Lands and Surveys.

By Mr. CURTIS:

A bill (S. 3882) granting a pension to David Mitchell; to the Committee on Pensions.

A bill (S. 3883) for the relief of James R. Gristy (with accompanying papers); to the Committee on Military Affairs.

By Mr. ASHURST:

A bill (S. 3884) granting a pension to Ross W. Brooks; to the Committee on Pensions.

By Mr. HITCHCOCK:

A joint resolution (S. J. Res. 235) authorizing the Federal Reserve Bank of Kansas City to enter into contracts for the erection of a new building for its branch office in Omaha, Nebr.; to the Committee on Banking and Currency.

TARIFF BILL AMENDMENTS.

Mr. CALDER submitted two amendments intended to be proposed by him to House bill 7456, the tariff bill, which were referred to the Committee on Finance and ordered to be printed.

INVESTIGATION OF INTERESTS IN TARIFF LEGISLATION.

The PRESIDENT pro tempore. Concurrent and other resolutions are in order. The Chair recognizes the Senator from Idaho.

Mr. GOODING. I ask that the resolution I have sent to the desk may be read.

The PRESIDENT pro tempore. The resolution will be read for the information of the Senate.

The Assistant Secretary read the resolution (S. Res. 330), as follows:

Whereas charges have been made by the New York Herald that Members of the Senate engaged in the sheep industry have thereby been financially interested in the wool schedule of the pending tariff bill; and

Whereas a resolution has been introduced in the Senate to investigate the financial interests affected by the proposed protective rates of the pending tariff bill; and

Whereas these charges originated in the New York Herald, which is owned by Mr. Frank A. Munsey; and

Whereas these and similar charges against the honesty and integrity of Members of the Senate have appeared in other newspapers: Therefore be it

Resolved, That a special committee of five Members of the Senate be authorized to investigate and report to the Senate the results of its investigations of—

1. The financial interests of Senators in the wool and sheep industries.

2. The financial interests of Mr. Frank A. Munsey in European industries which compete with American industries; the amount and percentage of his income derived from advertisements placed in his newspapers by the importing department stores which have financed a campaign of defamation against the pending tariff bill and which will profit by the defeat of the bill.

3. The number of Senators owning or controlling or financially interested in newspapers, the amount of revenue obtained by these newspapers from importing department stores, which will benefit financially by the defeat of the pending tariff bill.

4. The financial interests of all Members of the Senate or their immediate relatives in any American industry or in any property in any community in the United States which may be affected directly or indirectly either by the passage or defeat of any proposed schedule in the pending tariff bill.

Resolved further, That the investigating committee be empowered to summon witnesses and examine them under oath, including Mr. Frank A. Munsey and officials and attorneys for or representatives of the General Real Estate & Trust Co., or any other company or companies which may have been organized to operate other foreign mills, mines, and factories engaged in competition with American producers and workers and which will benefit financially by the defeat of tariff legislation by this Congress; also that the committee be empowered to summon witnesses and examine them under oath, including the publishers, editors, and business managers of newspapers which will benefit financially by advertisements or subsidies from importers and importing department stores which will benefit by the defeat or delay of tariff legislation; also officials of importing houses and department stores which will benefit financially by the defeat of tariff legislation; and all other

witnesses who can testify as to the interests and individuals who will reap fortunes if the pending tariff bill is not passed by Congress.

The committee is authorized to employ stenographers and to pay for the services therefor not to exceed $1.25 per printed page of said testimony, all expenses of said investigation to be paid out of the contingent fund of the Senate.

Mr. GOODING. I ask that the resolution be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. HARRISON. I ask unanimous consent for the immediate consideration of the resolution.

Mr. SMOOT. Under the rules it has to go to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. HARRISON. Then I desire to move that the Committee to Audit and Control the Contingent Expenses of the Senate be instructed to report back the resolution immediately.

Mr. GOODING. I accept the motion and hope it will prevail.

Mr. HARRISON. May I ask the Senator a question before he takes his seat? If I understood the second proposition to investigate, it was to investigate Frank A. Munsey. Does the Senator propose to investigate the other papers which have made similar accusations, notably the Chicago Tribune?

Mr. GOODING. That is the purpose of the resolution.

Mr. HARRISON. But it is confined to just one paper.

Mr. GOODING. It includes all other papers which have been undertaking to attack the tariff bill, those which we know receive large sums of money for advertising from importers and wholesale houses and department stores.

Mr. HARRISON. May I ask for a rereading of that part of the resolution? I understood that it merely applied to Frank A. Munsey.

Mr. GOODING. No; it is very general. I do not think there is anybody left out.

The PRESIDENT pro tempore. The Chair directs the Secretary to reread that part of the resolution, but suggests at the same time that debate upon the resolution is not in order.

The Assisant Secretary read as follows:

2. The financial interests of Mr. Frank A. Munsey in European industries which compete with American industries; the amount and percentage of his income derived from advertisements placed in his newspapers by the importing department stores which have financed a campaign of defamation against the pending tariff bill and which will profit by the defeat of the bill.

Mr. HARRISON. That does not include any other paper. Does not the Senator think other papers should be included?

The PRESIDENT pro tempore. Debate is not in order upon the resolution.

Mr. HARRISON. I ask unanimous consent to make the inquiry of the Senator from Idaho.

Mr. GOODING. If I may be permitted, I think the resolution covers all newspapers which have made an attack upon the name and honor of Senators who have been supporting the tariff bill. I think it covers several things.

Mr. SIMMONS. I suggest that no doubt ought to be left as to that. I am very much afraid it does not include anybody but Mr. Munsey and his publications. If there is any doubt about it, it ought to be broad enough to include all the Republican newspapers which have been opposing the bill.

The PRESIDENT pro tempore. The Senator from North Carolina is aware of the fact that under the rule, when the resolution is considered, it is open to amendment. At the present time it will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. HARRISON. I made a motion that the Committee to Audit and Control the Contingent Expenses of the Senate be directed to report the resolution back to the Senate immediately.

The PRESIDENT pro tempore. The Senator from Mississippi moves that the resolution be referred to the Committee to Audit and Control the Contingent Expenses of the Senate, with instructions to report back to the Senate immediately the resolution.

The motion was agreed to.

Mr. HARRISON. Now I offer the resolution which I send to the desk, and I ask unanimous consent for its immediate consideration.

Mr. LENROOT. Mr. President, a parliamentary inquiry. What is the status of the resolution introduced by the Senator from Idaho?

The PRESIDENT pro tempore. It has been referred to the Committee to Audit and Control the Contingent Expenses of the Senate. The Secretary will report the resolution offered by the Senator from Mississippi.

The Assistant Secretary read the resolution (S. Res. 331), as follows:

Whereas paragraph 21 of section 17 of Jefferson's Manual provides:

"Where the private interests of a Member are concerned in a bill or question he is to withdraw. And when such an interest has appeared his voice has been disallowed."

Resolved, That it is the sense of the Senate that the principle enunciated in the rule is proper and wise.

Resolved further, That it is the sense of the Senate that Senators, not only in the consideration of the pending bill (H. R. 7456), but on all other questions that may arise in the Senate, should adhere to the rule.

Mr. HARRISON. I ask unanimous consent for the immediate consideration of the resolution.

The PRESIDENT pro tempore. Is there objection?

Mr. McCUMBER. I think it should follow the other resolution, and I therefore object.

The PRESIDENT pro tempore. The Senator from North Dakota objects.

Mr. LODGE. It goes over under the rule.

Mr. HARRISON. Do I understand that objection has been made?

Mr. McCUBMER. I ask that the resolution may go over under the rule, and then it can go in company with the resolution of the Senator from Idaho.

Mr. HARRISON. In other words, when that resolution is adopted this one may be adopted.

Mr. LODGE. Mr. President, I rise to a question of order. The Senator from North Dakota asked that the resolution of the Senator from Mississippi lie over under the rule, and, of course, that sends it over under the rule.

The PRESIDENT pro tempore. The Senator from North Dakota did not ask that it lie over under the rule.

Mr. LODGE. Yes; he asked it in so many words, standing within 2 feet of where I stand.

The PRESIDENT pro tempore. He asked that it follow the resolution of the Senator from Idaho.

Mr. McCUMBER. To settle the matter I ask that it may go over under the rule.

The PRESIDENT pro tempore. Objection is made, and the resolution will lie over under the rule.

Mr. HARRISON subsequently said: A parliamentary inquiry.

The PRESIDING OFFICER (Mr. McNARY in the chair). The Senator will state his inquiry.

Mr. HARRISON. There is a chance that the Senate might recess this afternoon and not have a morning hour to-morrow. In view of the fact that the Senate adopted a motion referring the Gooding resolution to the Committee to Audit and Control the Contingent Expenses of the Senate, with instructions that they should report back immediately, should they not report back during this morning hour? Should the resolution not now be reported back to the Senate?

Mr. SMOOT. Do I understand the Senator to say that the motion carried?

Mr. HARRISON. Yes; it carried. I do not want to lose any rights.

The PRESIDING OFFICER. The present occupant of the chair is informed by the Secretary that the motion obtained.

Mr. HARRISON. Then it should be reported this morning, should it not?

Mr. SMOOT. Just as soon as the chairman can get his committee together and report it. They would have to get the committee together.

Mr. HARRISON. I ask unanimous consent that that resolution and the resolution which I presented be taken up for consideration to-morrow, notwithstanding the fact that we might recess instead of adjourning.

Mr. SMOOT. As the chairman of the committee is out of the Chamber, I shall have to object until he comes back into the Chamber.

Mr. HARRISON. I did not want to lose my rights.

The PRESIDING OFFICER. The Senator from Utah objects to the request for unanimous consent.

THE TARIFF.

Mr. McCUMBER. Mr. President, I ask unanimous consent to discuss for a very few moments the proposal for a unanimous-consent agreement.

The PRESIDENT pro tempore. Is there objection?

Mr. LENROOT. Mr. President, will the Senator yield? Is the Senator willing that I should present a unanimous-consent request and let it be read in connection with the Senator's statement?

Mr. McCUMBER. Certainly.

Mr. LENROOT. I send to the desk a proposed unanimous-consent agreement.

The PRESIDENT pro tempore. The Secretary will read the proposed agreement.

The ASSISTANT SECRETARY. The Senator from Wisconsin [Mr. LENROOT] asks unanimous consent for the adoption of the following:

It is agreed by unanimous consent that when the tariff bill is before the Senate debate shall be confined to the question before the Senate, and that after 11 o'clock a. m. on August 11 no Senator shall speak

longer than 10 minutes upon any amendment or upon the bill. All questions of order under this agreement shall be decided by the Chair without debate.

Mr. LODGE. As I understand the proposed unanimous-consent agreement, it fixes no time for taking a final vote.

The PRESIDENT pro tempore. It does not.

Mr. LODGE. I ask that it may go over. I object to it now.

The PRESIDENT pro tempore. Objection is made, and the request will go over. The Chair now understands that the Senator from North Dakota has unanimous consent of the Senate to address the Senate upon the subject of the former proposed unanimous-consent agreement. The Senator from North Dakota will proceed.

Mr. McCUMBER. Mr. President, we have been discussing the tariff measure for an exceedingly long time, and so many other matters and discussions have crept into the debate that each side of the Chamber has accused the other of delay. Now both sides of the Chamber seem desirous of bringing the debate to a close. The Senator from North Carolina [Mr. SIMMONS] yesterday presented for consideration by this side a proposed unanimous-consent agreement. As we had had no time to consider it then, as it had not been presented to this side of the Chamber previously, and as we desired to have time to know just exactly what it meant and to see that it was agreeable to this side of the Chamber, I suggested to the Senator from North Carolina that I would take the matter up immediately and we would try to get an agreement during the day, if possible.

In accordance with that suggestion, Mr. President, a number of the Democratic Senators and a number of Republican Senators, including the whip on this side of the Chamber, the Senator from Kansas [Mr. CURTIS], and the ranking minority member of the Committee on Finance and others on the Democratic side whom he asked to join with him, went over this matter quite thoroughly and finally agreed upon the proposal which I offered this morning. I think it is fair; I think it is just to both sides. I am perfectly willing to concede that if either side should attempt to be unfair in the matter of the consideration of amendments or in presenting amendments, some complaint might lie. Those possibilities were discussed by those who formulated this proposed agreement.

I can say that every Republican member of the Committee on Finance is satisfied with the proposed agreement. I think every member of the Finance Committee on the other side who is present in Washington to-day is equally satisfied with it.

It is true that the limit on time does not begin until the 11th of August. To-day is the 3d of August. That gives seven days, excluding Sunday. If the committee, or those in charge of the bill, shall act with absolute fairness and in a spirit that would indicate an intention to bring questions before the Senate in such manner that every subject shall receive full and fair consideration, I think ample opportunity will be afforded for legitimate debate. I think we should take up the important, the great debatable, questions which have been suggested by the Senator from Wisconsin [Mr. LENROOT] between now and the 11th of August. We have gone from one schedule to another all through this debate in order to accommodate Senators. I think the sugar schedule, which presents practically but one question, could be taken up and disposed of before the 11th of August; I think the question of the duty on hides, which presents but one important question, could be taken up and disposed of before that time, as might also other important matters on which there is likely to be debate, including the one that has already been debated at considerable length by the Senator from Montana [Mr. WALSH], the provision giving special power to the President of the United States to increase or lower tariff rates.

Mr. POMERENE. Mr. President——

Mr. McCUMBER. I yield to the Senator from Ohio.

Mr. POMERENE. I want to make this suggestion: There are several of those questions which are coming up, such as the one just mentioned by the Senator from North Dakota, conferring certain powers upon the President, the sugar schedule, perhaps the leather-goods schedule, and so forth, that are of paramount importance. Why could not the agreement be modified in some way so as to give a little longer time in the discussion of those matters and then limit the debate as to the other items?

Mr. McCUMBER. That was the very purpose the Senator from North Carolina [Mr. SIMMONS] had in mind in drafting the proposition which he presented. The Senator from Ohio can see the almost impossibility of drawing a hard and fast line upon the exact number of minutes to which any amendment is entitled. On some of them we do not need to take five minutes; the object of many of them is so apparent upon their face that we may vote upon them without any discussion whatever and fully understand them; but when it comes to questions such as those that are involved in the sugar schedule and the matter of giving the President the extraordinary powers which are proposed in a provision of the bill, I think it is pretty difficult for us to say in advance that a Senator may have an hour or two hours or three hours for discussion. I think, however, on a subject of the character of the last which I have mentioned probably not more than two or three Senators would care about debating it; and there would be no difficulty in saying that the discussion on it shall occupy four hours or five hours, or whatever number of hours may be necessary. While I would not want to take the responsibility, I am certain the responsibility could be taken and exercised in a manner that would be absolutely agreeable to those who desire to speak at length upon those subjects.

Mr. BORAH. Mr. President——

Mr. McCUMBER. I yield to the Senator from Idaho.

Mr. BORAH. Does the Senator from North Dakota regard the clause of the suggested agreement proposing to divide up the time amongst Senators, and so forth, as of importance?

Mr. McCUMBER. I regard it as important that the power therein conferred should be exercised with absolute fairness, and I have not the slightest question in the world that if any two Senators were so to divide the time they would first ascertain which Senators desired to speak, and how long each Senator desired to speak, and then give those Senators that time. Undoubtedly that would be done; and if it becomes necessary to extend our daily sessions an hour or two longer or at some time during the week that we should hold a night session in order to accommodate Senators who wish to make more extended addresses, I have no doubt that it could be arranged satisfactorily. I myself certainly would not expect to agree to carry it out unless I felt I could carry it out to the absolute satisfaction of the Senator who desired to speak upon the subject.

Mr. BORAH. Mr. President, it is not so much a question as to the ability of some Senator to carry it out fairly or unfairly, but the principle itself. I did not suppose the time would ever come when the right of a Senator to speak in this Chamber would be determined by anybody.

Mr. McCUMBER. Mr. President, I think if the wording is not agreeable we could agree that upon a given subject some one at least should fix the number of hours or days that one subject should be under consideration, and that we could leave it to the good faith of the Senators themselves as to what portion of the time each Senator should take. That is, in effect, what it really amounts to.

The committee would have to do another thing. If it acted in entire good faith the committee ought to present every amendment it proposes to present before the 11th of August; and, if this agreement is carried out, I would expect to ask the committee to sit during the evenings and finish the proposed amendments and report them at a sufficiently early date before the 11th of August to allow Senators to give them fair consideration.

Mr. POMERENE. Mr. President, that is a fair suggestion; but it seems to me that all of those amendments ought to be presented not later than next Monday morning, so that several days would be given to Senators to investigate them. Some of the rates necessarily will not be intelligible unless they are considered in connection with other kindred rates, and so forth. It takes some time for Senators who are not members of the committee to take up a subject and study it so as to get a fairly intelligent idea as to what the effect may be.

Mr. McCUMBER. I believe, Mr. President, that all of this can be done within the time suggested by the Senator; that is, in sufficient time to give each Senator before the 11th of August an opportunity to investigate any proposed amendment.

What we are seeking is to get a final vote and to get it just as soon as possible. Undoubtedly, if we put the date off even to the 15th of August or the 19th of August, there will be many amendments which will be offered on which an opportunity for debate will not be afforded; but that is one of the conditions with which we have to contend in making every unanimous-consent agreement. There are always a number of amendments offered, some of them being very important, which can not be debated; but, in view of the length of time we have taken in the discussion of this measure and in view of the fact that such amendments as will be offered by the committee will in the main merely change the rates, I do not think that it is necessary to extend the time.

If any Senator can conceive of some method by which we may in a unanimous-consent agreement take care of those questions which will require extended debate and at the same time close

the prolonged debates upon the unimportant questions, I think we can adopt a suggestion of that character; but, Mr. President, I hope that the Senator from Wisconsin will meet with us to-day again and see if we can not arrive at an agreement in accordance mainly with the provisions of the agreement which has been proposed. Senators should remember that the very first paragraph in the proposed agreement which compels Senators to speak to the subject will gain not only hours but days in the discussion of the pending measure.

PENSIONS AND INCREASE OF PENSIONS.

Mr. BURSUM and Mr. BROUSSARD addressed the Chair.

The PRESIDENT pro tempore. The Senator from New Mexico.

Mr. BURSUM. I now move that the Senate take up for consideration the bill (H. R. 4) granting relief to soldiers and sailors of the War with Spain, Philippine insurrection, and Chinese Boxer rebellion campaign; to widows, former widows, and dependent parents of such soldiers and sailors; and to certain Army nurses.

The PRESIDENT pro tempore. The question is on the motion of the Senator from New Mexico.

Mr. DIAL. Mr. President, a parliamentary inquiry. Is that motion in order?

Mr. BURSUM. It is in order after 1 o'clock.

The PRESIDENT pro tempore. The motion is in order.

Mr. DIAL. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Glass	McKinley	Sheppard
Ball	Gooding	McLean	Shortridge
Borah	Hale	McNary	Simmons
Broussard	Harris	Moses	Smoot
Bursum	Harrison	Nelson	Spencer
Calder	Heflin	New	Stanfield
Capper	Hitchcock	Nicholson	Stanley
Caraway	Jones, N. Mex.	Norbeck	Sterling
Culberson	Jones, Wash.	Oddie	Trammell
Cummins	Kendrick	Overman	Walsh, Mass.
Curtis	Keyes	Pepper	Walsh, Mont.
Dial	Ladd	Phipps	Watson, Ind.
Ernst	Lenroot	Pittman	Willis
Fernald	Lodge	Pomerene	
Fletcher	McCormick	Ransdell	
France	McCumber	Robinson	

The PRESIDENT pro tempore. Sixty-one Senators have answered to their names. There is a quorum present. The question is upon the motion of the Senator from New Mexico [Mr. BURSUM].

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 4) granting relief to soldiers and sailors of the War with Spain, Philippine insurrection, and Chinese Boxer rebellion campaign; to widows, former widows, and dependent parents of such soldiers and sailors; and to certain Army nurses, which had been reported from the Committee on Pensions, with amendments.

The amendments were, in section 2, page 3, line 14, to strike out:

SEC. 2. That all women employed by the Surgeon General of the Army as nurses, under contract or otherwise, during the War with Spain, the Philippine insurrection, or the Chinese Boxer rebellion, or who were employed as nurses during such period by authority which is recognized by the War Department, and who rendered actual service as nurses in attendance upon the sick or wounded in any regimental, post, camp, or general hospital of the armies of the United States for a period of 90 days or more, and who were honorably relieved from such service, and who are now or who may hereafter be unable to earn a support, shall, upon making due proof of the fact according to such rules and regulatons as the Secretary of the Interior may provide, be placed upon the list of pensioners of the United States and be entitled to receive a pension of $20 per month, and such pension shall commence from the date of filing of the application in the Pension Office after the passage of this act.

And to insert:

That the benefits of the act of Congress approved June 5, 1920, entitled "An act to pension soldiers and sailors of the War with Spain, the Philippine insurrection, and the China relief expedition," be, and are hereby, extended to include any woman who served honorably as an Army nurse, chief nurse, or superintendent of the Nurse Corps, under contract for 90 days or more between the beginning of the War with Spain and February 2, 1901, when the Nurse Corps (female) was declared by law a component part of the Army, and any such nurse who was released from service before the expiraton of 90 days because of disability contracted in line of duty in said service: *Provided*, That the release from service of any nurse, chief nurse, or superintendent shall operate as if she had received an honorable discharge, it being the intent and purpose to give to said nurses, chief nurses, and superintendents of the Nurse Corps (female) the same status in all respects as members of said corps who served after February 2, 1901.

So as to make the bill read:

Be it enacted, etc., That the widow of any officer or enlisted man who served 90 days or more in the Army, Navy, or Marine Corps of the United States during the War with Spain, the Chinese Boxer rebellion, or the Philippine insurrection, between April 21, 1898, and July 4, 1902, inclusive, service to be computed from date of enlistment to date of discharge, and was honorably discharged from such service, or, regardless of the length of service, was discharged for a disability incurred in the service and line of duty, such widow having married such soldier, sailor, or marine prior to the passage of this act shall, upon due proof of her husband's death, without proving his death to be the result of his Army or Navy service, be placed upon the pension roll from the date of the filing of her application therefor under this act, at the rate of $20 per month during her widowhood. And this section shall apply to a former widow of any officer or enlisted man who rendered service as hereinbefore described, and who were honorably discharged, such widow having remarried either once or more than once after the death of the soldier, sailor, or marine, if it be shown that such subsequent or successive marriage has or have been dissolved, either by the death of the husband or husbands, or by divorce without fault on the part of the wife; and any such former widow shall be entitled to and be paid a pension at the rate of $20 per month; and any widow or former widow as mentioned in this section shall also be paid $4 per month for each child of such officer or enlisted man under the age of 16 years, and in case of the death or remarriage of the widow leaving a child or children of such officer or enlisted man under the age of 16 years, such pension shall be paid such child or children until the age of 16 years: *Provided*, That in case a minor child is insane, idiotic, or otherwise mentally or physically helpless, the pension shall continue during the life of such child, or during the period of such disability; and this proviso shall apply to all pensions heretofore granted or hereafter to be granted under this or any former statute: *Provided further*, That in case of any widow whose name has been dropped from the pension roll because of her remarriage, if the pension has been granted to an insane, idiotic, or otherwise helpless child, or to a child or children under the age of 16 years, she shall not be entitled to renewal of pension under this act until the pension to such child or children terminates, unless such child or children be a member or members of her family and cared for by her, and upon renewal of pension to such widow, payment of pension to such child or children shall cease.

That the benefits of the act of Congress approved June 5, 1920, entitled "An act to pension soldiers and sailors of the War with Spain, the Philippine insurrection, and the China relief expedition," be, and are hereby, extended to include any woman who served honorably as an Army nurse, chief nurse, or superintendent of the Nurse Corps, under contract for 90 days or more between the beginning of the War with Spain and February 2, 1901, when the Nurse Corps (female) was declared by law a component part of the Army, and any such nurse who was released from service before the expiration of 90 days because of disability contracted in line of duty in said service: *Provided*, That the release from service of any nurse, chief nurse, or superintendent shall operate as if she had received an honorable discharge, it being the intent and purpose to give to said nurses, chief nurses, and superintendents of the Nurse Corps (female) the same status in all respects as members of said corps who served after February 2, 1901: *Provided*, That no person shall receive more than one pension for the same period: *Provided further*, That all dependent parents of any officer or enlisted man who served in the War with Spain, the Philippine insurrection, or the Chinese Boxer rebellion, whose names are now on the pension roll, or who are now entitled to pension under any existing law, shall be entitled to and shall be paid a pension at the rate of $20 per month.

SEC. 3. That from and after the approval of this act, all persons whose names are on the pension roll and all persons hereafter granted a pension, who while in the military or naval service of the United States under the provisions of this act and all other acts relating to pensions of soldiers who served in the War with Spain, the Philippine insurrection, or the Chinese Boxer rebellion and in line of duty shall have lost both hands or both feet or been totally disabled therein, or who while in such service and in like manner sustained injuries that proved the direct cause of the subsequent total disability of both hands or both feet, shall receive a pension at the rate of $100 per month.

SEC. 4. That the pension or increase of pension herein provided for, as to all persons whose names are now on the pension roll, or who are now in receipt of a pension under existing law, shall commence at the rates herein provided from the date of the approval of this act; and as to persons whose names are not now on the pension roll, or who are not now in receipt of pension under existing law, but who may be entitled to pension under the provisions of this act, such pensions shall commence from the date of filing application therefor in the Bureau of Pensions in such form as may be prescribed by the Secretary of the Interior.

SEC. 5. That in the adjudication of claims arising under section 1 of this act, and claims arising under the provisions of the act entitled "An act to pension soldiers and sailors of the War with Spain, the Philippine insurrection, and the China relief expedition," approved June 5, 1920, all leaves of absence and furloughs under General Orders, No. 130, August 29, 1898, War Department, shall be included in determining the period of pensionable service: *Provided*, That as to any claimant who filed an application for pension under the act of July 16, 1918, or the act of June 5, 1920, and whose application is still pending in the Bureau of Pensions or has been rejected on the ground that 90 days' service was not shown exclusive of the leave of absence or furlough under the order herein referred to, the pension shall commence from the date when the original application was filed in the Bureau of Pensions, and as to claims under the act of July 16, 1918, the pension shall be at the rate provided in that act, with increase at the rate provided herein from the date of the approval of this act: *Provided further*, That persons who are now receiving pensions under existing laws, or whose claims are pending in the Bureau of Pensions, may, by application to the Commissioner of Pensions, in such form as he may prescribe, showing themselves entitled thereto, receive the benefits of this act; and nothing herein shall be so construed as to prevent any pensioner thereunder from prosecuting his claim under any other general or special act: *And provided further*, That this act shall not be so construed as to reduce any pension under any act, public or private: *Provided, however*, That no person shall receive more than one pension for the same period.

SEC. 6. That no claim agent or attorney or other person shall be recognized in the adjustment of claims under this act except in claims for original pension, and in such cases no more than the sum of $10 shall be allowed for services in preparing, presenting, or prosecuting any such claim, which sum shall be payable only on the order of the Commissioner of Pensions; and any person who shall violate any of the provisions of this section, or shall wrongfully withhold from the pensioner or claimant the whole or any part of a pension allowed or due to such pensioner or claimant under this act, shall be deemed guilty

of a misdemeanor, and upon conviction thereof shall, for each and every such offense, be fined not exceeding $500 or be imprisoned not exceeding one year, or both, in the discretion of the court.

Mr. OVERMAN. Mr. President, I should like to inquire of the Senator from New Mexico if he has any estimate from the department of how much money this will take?

Mr. BURSUM. Yes; about $1,800,000.

Mr. OVERMAN. There are no pensions now, except private pensions, to Spanish War veterans' widows, are there?

Mr. BURSUM. Yes; they get $12 a month. This will increase their pensions from $12 to $20.

Mr. POMERENE. Mr. President, does the Senator mean that it will increase the total amount $1,800,000?

Mr. BURSUM. Yes; the total amount. The pensions of dependent children are increased from $2 a month to $4 a month; and in this connection I think it is fair and due to the Spanish War veterans to say that they have been the most lenient of all of the soldiers' organizations with reference to making claims for increases, and this allowance of $20 is less than is allowed to any other widows of veterans.

Mr. FLETCHER. Mr. President, the Senator refers to the increase of $1,800,000. That does not mean the total, does it?

Mr. BURSUM. Oh, no.

Mr. FLETCHER. That is the annual increase?

Mr. BURSUM. The total amount of pensions to Spanish War veterans is something like $12,000,000.

Mr. POMERENE. To the widows?

Mr. BURSUM. Oh, no; to all of them.

Mr. FLETCHER. This means an annual increase of that amount, does it?

Mr. BURSUM. An annual increase of $1,800,000. That is the estimated expense for the first year, and it will very likely be less after the first year.

Mr. OVERMAN. What do the widows of Civil War pensioners get?

Mr. BURSUM. The regular pension is $30. In some cases, by special act, they get more; but the law provides for $30.

The PRESIDING OFFICER (Mr. McNARY in the chair). The question is upon the committee amendment.

Mr. DIAL. Mr. President, I was opposed to taking up this bill because I felt it was my duty to call the matter to the attention of the Senate, and it seems to me that now is an inopportune time to increase the taxes upon the people of this country. I, of course, realize how futile it is to object to any bill or even undertake to oppose any bill that is labeled "pension." I imagine that if the person claiming the pension had not been in the service more than 24 hours, if you just named it "pension" it would have a fascination for all legislators and would pass with very great speed.

This bill undertakes to increase the amounts of these pensions irrespective of whether or not the soldier was disabled in the war, irrespective of his means, or anything of that kind. I have great sympathy for maimed soldiers, of course, and I would not raise my voice in opposition to compensation for them, even if it were in the nature of a pension; but when it comes to including soldiers who were in the service only a short time—I believe this takes them in irrespective of time of service—when they may have been furloughed, or not in any battle or in any danger, and granting pensions to their widows or to their children or to their parents and nurses simply because these soldiers were enlisted for a little while, seems to me to be carrying the principle of pensions to an unreasonable extent.

I do not know when it is ever going to stop. I have been amazed, since I have been in the Senate, to see the ease with which these matters pass and the little attention they get. No one seems to want to object, and they just come in and put their hands into the Treasury and help themselves.

I was told by a Senator not long ago that a company in his State during the Spanish-American War was furloughed, and they went out to some State and had a great picnic time for a few months, and then were discharged. They did not go to the battle line or anything of that sort. Under this bill their dependents, their parents, and their widows would receive a pension. I can not see how that kind of service is so sacred and why it has such great preference.

But as I said at the beginning, I know it is futile to undertake to defeat this kind of legislation. I simply rose to enter my protest. I had thought of talking until after the morning hour had expired, but I do not believe in filibustering, and if the majority party in the Senate, which has the responsibility of looking after the taxes of the people of this country, is going to let it pass, the burden must be with it. I would be glad to join with them and use my vote in trying to reduce expenses, but I think all the promises which they made to the people that they would reduce expenses have simply been mockeries. I do not see any great effort being made by anybody along that line, I am sorry to say.

So I will content myself with raising my protest. Eventually the people of this country will wake up, and they will certainly hold legislators to a greater accountability than seems to be done at the present time.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. BURSUM. Mr. President, I move to amend, on page 1, line 10, after the word "for," by inserting the words "or died in the service of." That is to clarify the bill. In other words, it is necessary, in order for a soldier to obtain a pension, to have an honorable discharge. If a man died in the service, of course, it might be impossible to grant him that discharge, and there might be some question. The legal department of the Pension Bureau brought this to my attention, and for that reason I am offering the amendment.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The READING CLERK. On page 1, line 10, after the words "discharged for," to insert the words "or died in service of."

The amendment was agreed to.

Mr. BURSUM. I offer a similar amendment on line 10, page 2, after the word "discharged," to insert the following words: "or died in service due to disability in the service."

The amendment was agreed to.

Mr. SMOOT. I offer the following amendment as section 6. This is Senate bill 451, a bill to amend the act approved March 4, 1917. I think the Senator will remember well that in 1917 we undertook to gather in all of the Indian war veterans in the United States, and we covered, in that act of March 4, 1917, the different Indian war veterans who had not been taken care of up until that date. At that time it was provided that certain testimony should be given before they could be allowed pensions, and it has developed that in some cases, through the carelessness of those who kept the muster rolls, there are a few who can not get pensions because of that fact. This amendment was prepared by the Pension Committee in order to take care of the Indian war veterans who fought during the early years of our country, and where the muster rolls have been lost or destroyed. It has a favorable report from the committee, and was prepared by the department to take care of that class of veterans. They are nearly all dead now.

The PRESIDENT pro tempore. The Secretary will report the next amendment of the committee.

The READING CLERK. On page 6, line 9 of the reported bill, it is proposed to insert a comma after the word "absence."

The amendment was agreed to.

Mr. SMOOT. I ask that the pending amendment be reported.

The PRESIDING OFFICER. The Secretary will report the next committee amendment.

The READING CLERK. On page 2, line 10, after the word "discharged," insert the words "or died in service due to disability in the service."

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the amendment offered by the Senator from Utah [Mr. SMOOT].

The READING CLERK. The Senator from Utah offers the following amendment, to be numbered section 6:

SEC. 6. That the second section of the act entitled "An act to pension the survivors of certain Indian wars from January 1, 1859, to January, 1891, inclusive, and for other purposes," approved March 4, 1917, be so amended as to read as follows:

"SEC. 2. That the period of service performed by beneficiaries under this act shall be determined: First, by reports from the records of the War Department, where there are such records; second, by reports from the records of the Treasury Department showing payment by the United States, where there is no record of regular enlistment or muster into the United States military service; and third, when there is no record of service or payment for same in the War Department or the Treasury Department, by satisfactory evidence from muster rolls on file in the several State or Territorial archives, or by congressional documents embodying memorials from States or Territories to Congress or furnished by States or Territories or by executive departments of the Government at the request of Congress, or by records compiled under State authority duly accepted by such States as a basis for appropriations or reimbursement to Indian war survivors and their widows: *Provided*, That the want of a certificate of discharge shall not deprive any applicant of the benefits of this act."

Mr. BURSUM. That has been included in a bill reported by the Committee on Pensions. There are only a few of those veterans who would come under that, and they are very advanced in age and very deserving. It is not a matter of a large amount. It will not involve any great expenditure. Probably less than 50 men would be affected by the amendment; and I therefore accept the amendment.

The PRESIDING OFFICER. The question is upon agreeing to the amendment offered by the Senator from Utah.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment.

The READING CLERK. On page 7, line 9, to renumber "Section 6" to read "Section 7."

The amendment was agreed to.

Mr. SMOOT. I would also like to have the title amended so as to include the amendment offered by me.

Mr. DIAL. Mr. President, on page 4, line 25, I move to strike out the language beginning with the word "*Provided*," down to and including line 5, on page 5.

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. On page 4, line 25, the Senator from South Carolina moves to strike out, after the word "period" and the colon, the following words:

Provided further, That all dependent parents of any officer or enlisted man who served in the war with Spain, the Philippine insurrection, or the Chinese Boxer rebellion, whose names are now on the pension roll, or who are now entitled to pension under any existing law, shall be entitled to and shall be paid a pension at the rate of $20 per month.

Mr. DIAL. I understand that extends the scope of the bill, and I think it is unnecessary.

Mr. ROBINSON. I would like to understand the effect of the amendment proposed by the Senator from South Carolina. I have just come into the Chamber.

Mr. DIAL. I move to strike out the provision for dependent parents. I think that increases the expenditures beyond the necessities. It is the last line on page 4, extending through line 5, page 5. I think that extends the parties to whom the pensions should be allowed beyond what is necessary.

Mr. ROBINSON. The language provides that "all dependent parents of any officer or enlisted man who served in the war with Spain, the Philippine insurrection, or the Chinese Boxer rebellion, whose names are now on the pension roll, or who are now entitled to pensions under any existing law, shall be entitled to and shall be paid a pension at the rate of $20 per month."

Mr. WALSH of Massachusetts. Can the Senator from Arkansas state what he believes would be the effect of that?

Mr. ROBINSON. The provision would give to the dependent parents of officers and enlisted men who served in the three wars mentioned—the War with Spain, the Philippine insurrection, and the Chinese Boxer rebellion—$20 per month. The effect of it, of course, would be to increase the pensions of the dependent parents of soldiers of those wars. I am inclined to think that the provision is a just one.

Mr. BURSUM. It increases it only from $12 to $20, the same that a widow would get.

Mr. ROBINSON. The effect of the amendment is to increase the allowance of the dependent parents of the soldiers or officers of the three wars mentioned. The allowance is a small one, in any event.

Mr. BURSUM. The allowance is very small, and I hope the amendment will not prevail.

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The READING CLERK. A bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. SMOOT. I ask unanimous consent that the unfinished business be temporarily laid aside, as I am quite sure the pending bill will only take a few moments now to dispose of.

Mr. ROBINSON. I do not intend to object to the request of the Senator from Utah, but I want to inquire whether it is the purpose to go on with the tariff bill when the bill now under consideration is disposed of?

Mr. SMOOT. Yes; just as soon as the pending bill is out of the way.

Mr. ROBINSON. And other bills on the calendar will not then be considered to-day?

Mr. SMOOT. Not to-day.

The PRESIDING OFFICER. The Senator from Utah asks unanimous consent that the unfinished business may be temporarily laid aside for the purpose of continuing the consideration of House bill 4. Is there objection? The Chair hears none, and it is so ordered.

Mr. DIAL. Mr. President, I want to say that the interpretation placed upon my amendment by the Senator from Arkansas [Mr. ROBINSON] is in error. A soldier would not be drawing $20 a month. As I understand it, the provision increases the number of persons to whom pensions should be paid and it gives a pension to dependent parents of any officers or enlisted men who served in the War with Spain. It seems to me that is carrying the number of persons too far. It is not a question of whether the soldier was injured or whether he is dependent or anything of that sort, but it goes to include dependent parents.

Mr. ROBINSON. I may have been misled by a suggestion of the Senator from New Mexico. The language proposed to be stricken out by the amendment of the Senator from South Carolina is:

That all dependent parents of any officer or enlisted man who served in the War with Spain, the Philippine insurrection, or the Chinese Boxer rebellion, whose names are now on the pension roll, or who are entitled to pension under any existing law, shall be entitled to and shall be paid a pension at the rate of $20 per month.

The way I understood it from a casual reading was correct. It increases the pensions of the dependent parents of persons who served in the three wars referred to. It pays that dependent parent now on the rolls a pension of $20 a month instead of $12. The principle underlying it is, in my judgment, meritorious. I see no objection to paying an increased pension to the dependent parent. In fact, I do not see how the Government can avoid it if it is to make effective its purpose in providing a pension to the soldier.

The PRESIDING OFFICER (Mr. ODDIE in the chair). The question is on agreeing to the amendment offered by the Senator from South Carolina.

The amendment was rejected.

Mr. WALSH of Massachusetts. Mr. President, I hope the bill will be passed without delay. It is a very meritorious measure. The Committee on Pensions are of a practically unanimous opinion that the bill ought to be enacted speedily into law.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "A bill granting relief to soldiers and sailors of the War with Spain, Philippine insurrection, and Chinese Boxer rebellion campaign; to widows, former widows, and dependent parents of such soldiers and sailors; and to certain Army nurses; and to amend section 2 of an act entitled 'An act to pension the survivors of certain Indian wars from January 1, 1859, to January, 1891, inclusive, and for other purposes,' approved March 4, 1917."

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. SMOOT. I ask that the Senate return to paragraph 1300, chemical wood pulp.

The PRESIDING OFFICER. The pending amendment will be stated.

The READING CLERK. On page 165, after line 23, insert a new paragraph, as follows:

PAR. 1300. Chemical wood pulp, unbleached or bleached, 5 per cent ad valorem: *Provided*, That if any country, dependency, province, or other subdivision of government shall forbid or restrict in any way the exportation of (whether by law, order, regulation, contractual relation, or otherwise, directly or indirectly) or impose any export duty, export license fee, or other export charge of any kind whatever, either directly or indirectly (whether in the form of additional charge or license fee, or otherwise), upon printing paper, chemical wood pulp, or wood for use in the manufacture of wood pulp, there shall be imposed upon chemical wood pulp, when imported either directly or indirectly from such country, dependency, province, or other subdivision of government, an additional duty equal to the highest export duty or other export charge imposed by such country, dependency, province, or other subdivision of government upon either an equal amount of chemical wood pulp or an amount of wood necessary to manufacture such wood pulp, or an amount of printing paper ordinarily manufactured from such chemical wood pulp.

Mr. LENROOT. Mr. President, I desire to occupy only two or three minutes with reference to the unanimous-consent agreement which I presented to the Senate and which I did not have an opportunity to discuss because it was submitted in the time of the Senator from North Dakota [Mr. MCCUMBER].

The agreement which I presented and which was objected to by the Senator from Massachusetts [Mr. LODGE] has just two propositions: First, that hereafter whenever the tariff bill is before the Senate debate shall be confined to the question before the Senate; and second, that after 11 o'clock a. m. on August 11, in addition to debate being confined to the question before the Senate, no Senator shall speak longer than 10 min-

utes upon any amendment or upon the bill. In other words, it gives the same opportunity up to August 11 for unlimited debate as does the unanimous-consent agreement proposed by the Senator from North Dakota. The distinction between the two is that the unanimous-consent agreement to which I objected cuts off all debate on committee amendments on August 11. My proposal permits debate to the extent of 10 minutes upon each amendment.

If the unanimous-consent agreement which I proposed had been accepted we would have begun to-day proceeding in the consideration of the bill with every speech confined to the amendment before the Senate. As the Senator from North Dakota said, that in itself would have saved days and days of the time of the Senate. In addition, on August 11 speeches would have been limited to 10 minutes where the unanimous-consent agreement approved by the Senator from Massachusetts would have cut off all debate.

So we are in a situation now where, because the chairman of the committee and the Senator from Massachusetts could not get as drastic a proposition as they desired, objection was made to a proposition which would really expedite consideration of the bill. That is all I care to say upon it. I want to say in this connection, however, that at least until all important amendments are disposed of there will be no unanimous-consent agreement made for a final vote upon the bill. I am ready at any time to consent to drastic limitation upon debate.

Mr. LODGE. Mr. President, I agree with both propositions made by the Senator from Wisconsin. In fact, the first one was included in our unanimous-consent agreement. I endeavored, when we were discussing it yesterday, to insert an arrangement for limiting debate on the amendments. But I wish to bring the debate to a close. Unless we set a day and a time at which the final vote shall be taken we shall make comparatively little progress in reaching a conclusion. I am ready to go very far in yielding on any agreement that will fix a day for a final vote; but I have had sufficient experience in the Senate to know that unless we fix a day for the final vote, no matter what subordinate agreements we make, we do not materially expedite the final result. I am very anxious to make an agreement to take a final vote, but I see nothing to be gained unless we can have that included in the agreement.

Mr. SIMMONS. Mr. President, I want to say to the majority that I regret that we did not succeed in reaching the unanimous-consent agreement upon the basis of the two propositions made this morning. I regard them as practically one and the same. The difference between them is utterly immaterial. But we failed on account of objection from the Republican side, and I want to say to the majority now, and I do it for the purpose of showing my good faith in the matter, that I am ready again to meet with them or the members of the committee and discuss the matter of adjusting the question of when we shall vote upon the bill and the conditions of debate in the Senate. Anything that tends to curtail debate and confine it to the question before the Senate and to fix a reasonable limitation upon the time for voting would be satisfactory to me.

Mr. President, on yesterday, after I had presented my unanimous-consent proposition, we met in the Finance Committee room, there being present the chairman of the Finance Committee, the Senator from North Dakota [Mr. McCUMBER]; the whip of the majority, the Senator from Kansas [Mr. CURTIS]; the Senator from Indiana [Mr. WATSON]; and other members of the committee whose names I do not now recall, as well as the leader of the majority, the Senator from Massachusetts [Mr. LODGE]. After going over the matter fully we came to an agreement. It might as well be stated here that while I insisted upon presenting my proposition, I stated that when the Senator from North Dakota introduced his substitute I would accept it as satisfactory. It was satisfactory to Senators on this side of the Chamber.

I was very much surprised this morning when objection to the proposition came from the other side of the Chamber. Of course, I know that the members of the committee and other Senators who met yesterday afternoon could not bind individual Senators, but I had assumed that they had canvassed the matter on their side of the Chamber, and that their action in the matter would meet the approval of the entire membership on their side of the Chamber. Especially did I think that, in view of the fact that the Senators representing the majority have from the beginning insisted upon haste and speedy consideration of the measure. I thought that they would hail with delight any proposition that provided for a very early vote upon the bill. I think the 17th of August, which was agreed upon, was a much earlier date than Senators on either side of the Chamber until yesterday expected could be agreed upon and much earlier than the country expected action upon the measure.

But, Mr. President, objection is made, and that objection is put upon specific grounds. I recognize that there is some force in the objection; but I think the suggestion which I made with reference to fixing a time when further amendments should not be offered to the bill would probably have met the most serious aspect of that objection.

I did not submit the proposal for unanimous consent on yesterday without very thorough investigation as to the time that would be reasonably necessary to discuss the remaining portions of the bill and such committee amendments as might be pending or that might hereafter be offered by the committee from the floor of the Senate. I have from the very beginning maintained that there ought to be reasonable discussion of all of the important items of the pending bill to which objection was made.

I offered the proposition in the light of that position taken by myself as the ranking Democratic member of the Finance Committee and concurred in by the Members of this side of the Chamber. Therefore, before I presented the proposal I made a pretty thorough canvass, so far as this side of the Chamber was concerned, with a view to ascertaining about how much time would be required for further discussion of the committee amendments and of amendments offered from the floor. I conferred with those Senators who have been aiding me in the discussion and management of the various schedules of the bill. Especially did we consider the time that would probably be required in the consideration of the more important matters that have not been acted upon, such as sugar, leather, hides, and shoes, and the elastic tariff provision reported by the Committee on Finance. I had a very definite idea of how long Senators on this side of the Chamber would desire for the proper discussion of those very important questions. Having canvassed the matter both with reference to amendments that are now pending and those that are expected to be offered, I became satisfied that if the Senate would devote its whole time to the bill to the exclusion of other matters we could reasonably discuss these various propositions.

The question was also discussed in the conference as to whether, in case it appeared that we should not have sufficient time by holding daily sessions, it would not be feasible to hold evening sessions, and it was agreed that that might be done in case the time should run short, and that we could practically double the time of consideration by resorting, as we once before did in connection with the bill, to evening sessions.

Mr. President, it has been said that we on this side of the Chamber have changed our policy with reference to the bill. Not at all. I think, however, that at least some of the Senators on the other side of the Chamber have changed their policy. They are now loud and persistent in their demand for longer time in which to discuss the items of the bill. They now think we ought to have very thorough discussion of the matters remaining undisposed of, and that ample time should be devoted to that purpose. Mr. President, we proceeded with the bill for six weeks before Senators on the other side of the Chamber would admit that its paragraphs needed any discussion at all. For six weeks it was stated, when Senators on this side of the Chamber discussed those paragraphs, that we were wasting time and were filibustering. There was during that time practically no discussion of those paragraphs on the other side of the Chamber.

The Senator from Wisconsin [Mr. LENROOT], who now objects to this proposed unanimous-consent agreement upon the ground that ample and adequate time is needed for discussion, as I remember, did not enter into the discussion until very late in the course of the consideration of the bill. I understood his policy was the policy of mum. I do not now recall when the Senator did enter into the discussion of the bill, but it was tolerably late in the proceedings.

Mr. LENROOT. Mr. President, will the Senator yield to me?

Mr. SIMMONS. Yes.

Mr. LENROOT. Inasmuch as the Senator has made that statement, I am sure he will permit me to say that the Senator from Wisconsin entered into the discussion of the bill on the chemical schedule, but he did not spend hours and hours, as did Senators upon the other side of the Chamber, upon trivial amendments that meant little or nothing to the country. In such discussion as the Senator from Wisconsin has indulged he has confined himself to the point and has been brief, and his remarks have been upon important items. The Senator from North Carolina can not say as much for Senators on his side of the aisle.

Mr. SIMMONS. I did not mean to say that the Senator did not speak at all until we had the bill under consideration for six weeks; I think he did; but I do not remember that he participated to any considerable extent in the discussions until we were nearly halfway through. The Senator is right, however, when he says that whenever he has entered into the discussion he has confined himself to the bill and has been brief. I want to say—and I say it with pleasure—the Senator from Wisconsin always does confine himself closely to the discussion of the question before the Senate, and there is no Senator in the Chamber who expresses himself and his views with more forcefulness and clearness and succinctness than does the Senator from Wisconsin. He has discussed nothing connected with this bill without doing so very effectively from his standpoint.

But, Mr. President, we have not changed our policy of adequate discussion by offering the proposed unanimous-consent agreement. We have sought to discuss this bill all through; we have told the country that we proposed to discuss the important questions, to the end that their meaning might be made clear to the people who have got to pay these taxes. That course we thought we would be able to pursue to the end, and under the unanimous-consent agreement proposed I think we could, although we might probably be compelled to hold night sessions. I had supposed that the Senate, like the country, was anxious that there should be action upon this measure, and I was willing to enter into this agreement.

The Senator from Wisconsin can not say that it was an afterthought on my part or on the part of the minority to offer this proposition. The whip on the Republican side [Mr. CURTIS], who is always diligent in looking after detail matters on the other side of the Chamber, has repeatedly spoken to me about securing some sort of an agreement for the purpose of limiting discussion and bringing about speedy action, and I have uniformly said to him that after we had disposed of the more important schedules, as to which nearly all the amendments offered by the committee were of great importance as affecting the rates, I would be willing to enter into an agreement.

I especially have laid stress upon the position that, until we had acted upon the amendments to the textile schedules, embracing cottons, wools, silks, and hemp and jute, four schedules in this bill which I have regarded from the beginning as of almost paramount importance, schedules in which the people of the whole country are deeply interested, schedules imposing taxes which affect practically every man, woman, and child in the country, raising the rates, as I thought, as this side of the Chamber thought, and, as I think, the country thought, beyond all reason, I naturally felt that until we had disposed of those schedules we could not with safety enter into any unanimous-consent arrangement; but as soon as they were disposed of, Mr. President, I felt that it might be done.

It has also been suggested that we have changed our policy with reference to this bill because it has been made so much better that it has become palatable by reason of the enforced amendments which the committee have made from day to day. Mr. President, the rates in the chemical schedule are just as bad as any in this bill, and they have remained practically unchanged to this day. To the earthenware schedule, a very important one in which the rates were very high, as high as in any schedule in the bill, the committee has not proposed reductions. We had not in the beginning aroused the country and the press, and Senators on the other side had not begun to see the excessive character of these rates, and to bring pressure upon the committee, under threat of defeating the bill, to cut them down. We were in the educative stages of this debate. We were preparing and disseminating information that finally brought about this reaction and this revolt that resulted in some cuts.

There were practically no cuts in the metal schedule, and there is not a schedule in this bill upon which the rates imposed are more unjustified than those in the metal schedule. They have not been reduced. In fact, we did not begin to have any serious cuts until we reached the cotton schedule. Then we had objections and we had amendments. The Senator from Wisconsin [Mr. LENROOT] offered some of those amendments. He offered amendments to other schedules, but I think most of the amendments which the Senator from Wisconsin offered were voted down by his side of the Chamber. The cuts that have been made were made by the committee. They are as a rule little, trivial amendments. Some of them, however, were very substantial, especially those made on the cotton schedule.

Some amendments were made on the hemp and flax and jute schedule, I think, slightly cutting down the rates, most of them immaterial, and most of them confined to one or two schedules right in the middle of the bill; but when we got through the cotton and flax schedule and reached the woolen schedule, does anybody say that any amendments were offered to the wool schedule that made that schedule satisfactory to the country or to anybody outside of somebody interested in raw wool or in the manufactures of wool? It remains practically as it was before.

The same is true of the silk schedule, which, like the wool schedule, imposed duties beyond all reason, beyond all possibility of justification. There were practically no changes there. The committee stopped making changes. It made them only for a while, and chiefly when we were on cotton and hemp and things like that. There may have been one or two little, small schedules before that to which amendments were made; but in the important schedules in this bill the committee amendments are of no consequence, and in many of them there have been practically no committee amendments.

So that if the bill is better—of course these little amendments have somewhat improved it—its improvement has been absolutely inconsequential. The suggestion that we have changed our policy because of that, of course, is absurd. We have not changed our policy, but we have reached a point in these discussions where we feel that we can proceed with rapidity. The things that we have gone over have developed the arguments which will necessarily apply to all the items in the sundries schedule—quite a good-sized schedule, dealing with specific articles—and there is no necessity of discussing all of those paragraphs, and it is not our purpose to discuss all of them. In many of them we shall permit a vote without any discussion at all. We shall select the important ones and confine ourselves to a very brief discussion of those. We do not think it will take long. I have assigned those paragraphs to four Senators, and in discussion with them we think it will require only a very short time for us to finish up the schedule.

Nothing remains except the free list and the administrative clauses of this measure. So far as the free list is concerned, I think there need be and will be very little discussion upon that, certainly from the standpoint of this side of the Chamber; and then I want to say to the Senator from North Dakota, who I know sympathizes with me in wishing to reach a conclusion by which we may have an early vote, that when we get to the administrative features, outside of the elastic tariff provisions, delegation of power, and things of that sort, there is going to be mighty little discussion of the provisions of that schedule. Most of them—I think a large part of them—are merely Treasury recommendations and require no particular discussion.

I want to say further to the Senator, with reference to the powers given to the President, that it is not expected that there will be any prolonged discussion on this side of the Chamber. The Senator from Montana [Mr. WALSH] in the great speech that he delivered here early in these discussions, very completely covered the arguments from the standpoint of this side of the Chamber, and with slight additional discussion on his part I doubt whether there will be any further discussion of the matter on this side of the Chamber.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from North Dakota?

Mr. SIMMONS. Yes; I yield.

Mr. McCUMBER. The Senator from North Carolina and myself are in absolute accord upon one thing in reference to this bill, and that is that we desire to get action as early as possible. I think he realizes as well as I do, however, that we have to meet the desires and wishes of every Senator with respect to a unanimous-consent agreement——

Mr. SIMMONS. I do.

Mr. McCUMBER. And therefore it is a matter of compromise——

Mr. SIMMONS. That is true.

Mr. McCUMBER. And the compromise must be broad enough to cover the wishes of every Senator in the Chamber. I am going to suggest to the Senator—and that is the reason why I am making this preliminary statement—that we might meet the objections of the Senator from Wisconsin [Mr. LENROOT] in this way:

We can do anything by unanimous consent, and I would propose that we enter into a unanimous-consent agreement that immediately after we get through with the paper schedule, for instance, we would take up the several items or paragraphs of which the Senator has spoken, on which Senators will require more than the 10 minutes, and which will require rather full debate. I am willing to say that we will take up the sugar schedule, although there is no amendment to it; but we can by unanimous consent say that we will discuss that schedule and allow amendments to be offered and take it right up to-morrow or the next day.

Mr. SIMMONS. And then take up hides and shoes and so on.

Mr. McCUMBER. My idea was to select, with the cooperation of the Senator from Wisconsin and the Senator from North Carolina and other Senators, those important features which would require more debate and say that in the discussion of those a Senator may speak an hour or an hour and a quarter or whatever time we may agree upon, and take them up and dispose of them before we get to the 11th of August, and that will leave only the minor questions that will come up after that time. I think we ought to be able to agree.

Mr. SIMMONS. That is a very splendid thought of the Senator. I am glad he has made that suggestion. As I understand the Senator, he is willing now to take up these matters and get them out of the way.

Mr. McCUMBER. Yes; that is, just as soon as we get through with the paper schedule, and dispose of them before we reach them in regular order.

Mr. SIMMONS. I think that is a very good idea. Of course, there may be some Senator who expects to speak on those important matters who is not quite ready, who is not expecting the subject to come up right away; but I think we can get ready on this side of the Chamber to take them up, and I think that would be a very good way of expediting the matter and would lead ultimately to a satisfactory unanimous-consent agreement.

Mr. FLETCHER. Mr. President, will the Senator allow me to suggest that we are not making any progress in the disposition of the bill by this open discussion, exchanging views about what is possible in the way of an agreement, and so forth, and that those are matters as to which the Senator from North Carolina, the Senator from North Dakota, the Senator from Wisconsin, and others can get around a table, consider the details, and figure out a plan whereby they can come in with a proposed unanimous-consent agreement that will be agreeable to all? I think we really ought to have this discussion in the cloakroom and let the Senate go on with the bill. That is my impression about it. I believe the Senator from North Carolina has about finished and a continued interchange of views on that subject might well take place in a conference and that would permit the Senate to proceed with the bill.

Mr. SIMMONS. I want to say to the Senator, however, inasmuch as he has referred to me, that I thought the discussion of this matter here in the open would lead to an agreement, whereas otherwise we might make an agreement to come back here and find somebody throwing a monkey wrench into the whole scheme.

Mr. FLETCHER. I do not mean to intimate that the Senator's remarks thus far have not been very helpful, but I was suggesting that this discussion might come to a close between Senators on the other side and Senators on this side about the details of an agreement. I hope Senators can come to some agreement that will facilitate final action on this measure. Of course, if the suggestion of the Senator from Indiana [Mr. WATSON] is to obtain—that is, that we must wait until conditions are stabilized all over the world and until we have reached a state of normalcy—then we might as well adjourn now, because conditions are continuing to change. Many of us have contended from the start that this is not a time to undertake to write a permanent tariff law; and the Senator from Indiana confirms that, because he suggested this morning that although this bill has been in the Senate ever since July 21, 1921, over a year, and the committee reported it on April 10 of this year, still the committee now say that they have to meet from day to day to proceed just a little in advance of the work of the Senate in revising these schedules and reconsidering and readjusting these rates to meet the changing conditions.

Mr. ROBINSON. Will the Senator yield?

Mr. FLETCHER. I yield.

Mr. ROBINSON. If that procedure is to be followed to the end, if the Committee on Finance finds itself compelled to do all of its work over, the best thing we can do is to recommit the bill to the committee and let the committee have it.

Mr. FLETCHER. That is a very excellent suggestion, I think entirely appropriate and timely. I do not know but that may be a way out of this difficulty, just to send the bill back to the committee and let them finish their work and report it to the Senate in order that the Senate may have the result of their study and consideration when they report their conclusions. I thought we had that when the bill was reported last April, but it seems we got only a premature reaction of the committee on these various schedules and that the committee reserved to itself the privilege of reconsidering all the schedules from day to day and coming in with different amendments changing those reported. There is no end to that, and the only logical way out is, as the Senator from Arkansas has suggested, for us to send the bill back to the committee and ask them to finish their work. Then we will be in a position to go on with consideration of the bill in a serious and proper and regular way. I do not know when they would finish it. As I have said, if they are going to wait until conditions become normal or stable, then I think they might as well keep it under advisement for something like a year, or six or eight months longer, anyhow, because while we have been proceeding on this road toward normalcy we have evidently reached the forks and have got on the wrong fork.

Mr. SIMMONS. Mr. President, I respectfully suggest to the Senator that these matters he is talking about now might be deferred until some other time and that we take the bill up and go on considering that.

Mr. FLETCHER. I venture to say, in reply, that my remarks are quite as relevant to the bill as any remarks that have been made to-day, and quite as practical.

The PRESIDING OFFICER. Did the Senator from North Carolina yield the floor? The Chair understood the Senator yielded to the Senator from Florida.

Mr. SIMMONS. I interrupted the Senator from Florida to make a suggestion which I thought was very pertinent, in view of the suggestion he made a little while ago about some other Senators.

Mr. FLETCHER. I did not mean to take the Senator off the floor, but I supposed he had concluded, and that is the reason I was proceeding in this sort of way by way of developing the situation.

Mr. SIMMONS. I withdraw my remark, if the Senator does not see the point.

Mr. FLETCHER. I do not know that there is any point. I think I would see it if it existed. However, I appreciate the Senator intended to respond to my interruption rather as a bit of pleasantry, and I so accept it and concede its justness.

I will now proceed to offer something that bears directly on the bill, in pursuance of the hint of the Senator from North Carolina. It is not applicable to this particular schedule, but it bears on the bill. It is a communication from the Fair Tariff League, which discusses some of the paragraphs in this bill. I ask to have it printed in the RECORD without reading.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

FAIR TARIFF LEAGUE,
Racine, Wis., August 2, 1922.

CONGRESS BUTTRESSING ANOTHER TRUST IN THE PENDING TARIFF BILL.

DEAR SIR: The inclosed facts are of public concern.

Is it possible that you didn't know when the vote was taken on terra-cotta and earthenware that the Senate was voting everybody's money into a trust's pocket, according to the findings of a Federal grand jury?

Very truly yours,

H. E. MILES, *Chairman.*

FAIR TARIFF LEAGUE,
Racine, Wis.

AT IT AGAIN—CONGRESS BUTTRESSING ANOTHER TRUST—THE PROPOSED TARIFF ON BRICK AND TILE, TERRA-COTTA AND FIRE-CLAY PRODUCTS.

Congress offers this industry, indicted for conspiracy and price fixing, $30,000,000, costing consumers about $70,000,000. According to the United States Tariff Commission *no protection is necessary.*

Possible revenue, $150,000.

Present duty, 11.8 per cent. Proposed duty, 50 per cent.

Wages, 37.5 per cent.

These products are a universal necessity—for the farmer's drains, for conveying water and subsurface electric cables, for fireproofing, as substitutes for brick or concrete in walls and floors.

It is made of mud—just mud, burned clay, forced through dies at the discharge end of an automatic mixing or plug mill.

Congress says it should have 50 per cent protection. The Tariff Commission clearly indicates that it should have none. It says, "The cost of these articles per unit of weight is small, and the careful packing necessary when long-distance shipments are to be made restricts the market of the domestic plants and *practically prohibits international shipments.*" The following table confirms the commission's statements:

Exports and imports by years.

Year.	Exports.	Imports.	Per cent exports to 1919 (Census) production.	Per cent imports to 1919 production.	Exports exceed imports by "number of times."
			Per cent.	*Per cent.*	
1914	$2,378,773	$282,687	1.7	0.2	8.4
1919	3,625,038	195,640	1.7	0.09	18.6
1920	5,608,163	419,964	2.7	0.2	13.4
1921	3,544,769	301,059	1.7	0.1	11.8

Production, in 1914, was $136,915,644; in 1919, $210,085,972.

As above shown, exports were nothing as compared with production, and yet, says the grand jury, *the manufacturers, since 1911, "have, in pursuance of an understanding and agreement among themselves," carried on their trade "without any competition between any of said*

defendants," and sold "at arbitrary, noncompetitive, and excessive prices fixed by agreement."

If imports were possible under any conditions, under a tariff like the present of 11.8 per cent, they would have been made so as to share in these excessive prices. Yet the Senate tariff bill, with this information on file in the Federal court since September 21, 1921, 10 months ago, and the above information, and more, given it by the Tariff Commission, puts a duty of 50 per cent on these products.

METHODS OF PRODUCTION.

The report of the Tariff Commission says, "The domestic industry manufactures practically the entire domestic supply of these products. *All machinery and equipment are produced and manufactured in the United States, and the domestic processes are at least as efficient as those used in any foreign country.*" The product is made by semi-automatic or automatic processes, the shape being given the product by forcing the clay through dies.

WAGES 37.5 PER CENT.

As the material is almost worthless, wages are relatively high, being 37.5 per cent of the mill selling price. With importations virtually prohibited now, because of freight costs and our unrivaled methods, it is evident to whom the increase in duty will go.

COST OF PROTECTION AND REVENUE DERIVED.

The present duty of 11.8 per cent helped these manufacturers to form the trade conspiracy, with which they are charged, and to add $32,000,000 to their prices at a cost to consumers at retail of twice this sum, or $64,000,000. It seems that they could not resist the temptation. What right had Congress thus to *tempt them? What right thus to endanger the public interest?*

The proposed duty invites them to add $70,000,000 to their prices at a cost to consumers at retail of $140,000,000.

Congress is offering as great temptation to every industry. Is not this kind of a Congress, "the mother of the trusts," as some one said?

PRICES.

The Senate Finance Committee's experts showed from Government records that fire brick costing $28.92 in England pays $27 freight to the United States, giving nearly 100 per cent of "national" protection. It sold here for $65 against domestic brick $67.50. Canadian brick costing $39.55 paid $15 freight—40 per cent—and (probably superior quality) sold here for $72.50 against domestic $65.

The English importer had 8.8 per cent gross margin on landed cost; the Canadian, 14 per cent.

Why do Americans pay $65 to $72.50 for what costs English and Canadians from $28.92 to $39.55?

In the face of all these facts *why has the Senate just voted 25 per cent duty on fire brick, and on tiles for drainage and all else duties running up to 60 per cent?*

The answer has no relation to protection nor to revenue, for there is no revenue worth noticing.

CORSETS.

A present excessive tax of $23,000,000 to be raised to $29,000,000, costing American women up to $58,000,000 if they will endure it. Possible revenue, $10,000.

PRODUCTION, IMPORTS, AND EXPORTS.

Imports of corsets pre-war, 1914, were $52,711, only one-tenth of 1 per cent of domestic production, which was $40,550,702.

Exports in 1914 were $2,220,739, or 5.5 per cent of production. *Exports were forty-two times greater than imports.*

In 1919, with a production of $75,541,959, we imported $37,422, or five one-hundredths of 1 per cent. We exported $2,880,858, or 3.8 per cent of production. *Exports were seventy-seven times greater than imports.*

In 1920 exports were $3,583,767, or 4.7 per cent of 1919 production. *Imports were $9,408, or one one-hundredth of 1 per cent. Exports were three hundred and eighty times imports.*

In 1921 *exports, $1,695,555, were sixty-two times imports, which were $27,511, or four one-hundredths of 1 per cent of (census) 1919 production.* Had the higher prices of 1920 held, these 1921 exports would have been charged out at $2,508,828.

IMPORTS IMPOSSIBLE.

Women dress humanely now. Corsets are fitted to the person. She is no longer incased in a form-made steel compress. Distance alone is sufficient protection, as says an American corset manufacturer, unless his European competitors send fitters here. *He has 5,000 saleswomen in Europe.*

This corset tax is because women haven't known and haven't voted.

WAGES AND TARIFF.

(*Present duty, 30 per cent to 60 per cent; proposed duty, 6½ per cent; wages, 17.3 per cent.*)

The total wages in the corset industry in pre-war 1914 *were only 19.7 per cent of factory selling prices; and in 1919 still less, 17.3 per cent. Our production methods are the best in the world.*

The Payne duty, 1908–1914, was 50 per cent, or over two and one-half times the wage cost. Was this for the girl wage earners, as honest protection requires, or was all above 19.7 per cent for the manufacturers?

The present duty is 30 per cent on plain cotton corsets, or *nearly twice the present wage cost of 17.3 per cent. If there is 5 cents or more of lace on the imported corset, the duty is doubled—60 per cent. No luxuries allowed, women! Not 5 cents' worth of lace.*

The proposed duty is 6½ per cent on all qualities, or three and seven-tenths times the wage cost.

It shuts out imports. It compels women to buy from domestic manufacturers at any prices they dare charge. "It's an outrage," says a domestic manufacturer.

COST OF PROPOSED DUTY.

The present duty invites manufacturers to combine and to add $23,000,000 to the prices at which they meet foreign competition on their exports.

The proposed duty would be a possible tax of $29,000,000 for the manufacturers and cost women, at retail, twice this, or $58,000,000.

REVENUE COLLECTED.

This tax is for manufacturers—not for revenue. Congress knows that the Government collected in customs duties on corsets, *in 1919, only $19,000; in 1920, $4,000; in 1921, $19,000.* It can't collect more.

Why this $58,000,000 possible increase in corset prices? Does Congress think women stupid?

Some corset factories are hard up. So are some women.

Women are rebelling against old-fashioned caisson clamps. Up to date corset makers are prospering. They are getting whatever trade our women have to offer.

THE FAIR TARIFF LEAGUE.

The Fair Tariff League is a protectionist organization.

Honest protection represents "the difference in the cost of production here and abroad."

Such protection safeguards American wages and ideals. *It protects the consumer from excessive prices.*

Dishonest protection fattens trusts. It enslaves Congress to moneyed interests and weakens the foundations of government.

The Fair Tariff League includes representatives of 2,500,000 farmers and 500,000 wage earners, women's organizations, manufacturers, merchants, and others.

Your support desired. Join now.

Mr. HALE obtained the floor.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from North Carolina?

Mr. HALE. I yield.

Mr. SIMMONS. Mr. President, on August 1 the Senator from North Dakota [Mr. MCCUMBER] and myself had a pleasant sort of colloquy over certain articles which had appeared in the New York Herald. The Senator from North Dakota spoke as follows:

Mr. President, I merely wish to occupy a few moments. Of course, there is no use of saying to the New York Herald or to any other representative of the importing interests that the pending tariff bill affords less protection on manufactured goods than any Republican tariff bill that has been before the country for a half century. I think it but fair, however, to remind the Senator from North Carolina that when the next day after he filed his minority report this same newspaper came out assuming an abusive and slurring attitude toward the report on the pending bill submitted by the Senator from North Carolina the Senator from North Carolina was then as quiet as a clam at the bottom of the ocean. I did not hear him say one single word about this being a great Republican newspaper. Its greatness has come only as it veered from ridiculing and speaking in a despicable manner of the report of the Senator from North Carolina and began to advocate the views of those it represents.

I believe that is the pertinent part of the Senator's remarks. In the New York Herald of to-day, August 3, 1922, is an article prominently displayed with these headlines:

Congress and the tariff—The New York Herald's editorial article which inspired Senator SIMMONS's tribute to this newspaper's consistency.

Then follow some comments upon what transpired here in the Senate on August 1. Then follows the editorial about the minority report, which the Senator from North Dakota thought was so critical of me and my report. I thought he used the word "scurrilous" in commenting on the observations in the Herald as to me, but I see it is not in the RECORD. Anyhow, according to the Senator from North Dakota, it was a villainous article about me and my report. I observe upon reading the editorial that, while it does speak of my report as a political report and does state that some parts of the report might have been dictated by partisan bias, it is rather commendatory of part of it, and very, very uncomplimentary to the Fordney-McCumber bill. I ask that the Secretary read the editorial.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Carolina? The Chair hears none, and the Secretary will read.

The Assistant Secretary read as follows:

The United States Senate paid the New York Herald the compliment on Tuesday of debating and discussing for a good part of the day editorial articles which have appeared in this newspaper since the Fordney-McCumber tariff monstrosity has been before Congress. Among the New York Herald editorial articles referred to especially by Senator MCCUMBER, of North Dakota, and Senator MCLEAN, of Connecticut, was one published by the New York Herald on May 9, regarding the minority (Democratic) report on the McCumber monstrosity.

It seemed to be the idea of Senator MCCUMBER and Senator MCLEAN on Tuesday that if that Herald editorial article of May 9 did not indicate approval of the Republican measure at that time, it did at least strongly condemn and thoroughly discredit the Democratic position against the McCumber tariff monstrosity.

It gives the New York Herald some satisfaction, therefore, to reprint here its editorial article of May 9, and if any protectionist extremist gone tariff mad, or any antiprotectionist extremist gone free-trade mad, can get any comfort out of it he is welcome to it. The editorial article, which reflects, in our opinion, the sane, sound tariff views of the American people of all parts of the country, both Republicans and Democrats, follows.

Mr. SIMMONS. Now comes the editorial cited with gusto by the Senator from North Dakota.

The PRESIDING OFFICER. The Senator desires to have that read, too?

Mr. SIMMONS. I desire to have the editorial read, especially.

The Assistant Secretary continued the reading, as follows:

[From the New York Herald of May 9.]

DEMOCRATS AND THE TARIFF.

Senator SIMMONS's minority report against the Fordney-McCumber tariff proposals has been carefully prepared as a Democratic electioneering dodger rather than an economic treatise. In respect of that fact it does some shooting that is as wild as some of its truths are bitter.

The Democratic Party by and large would no more welcome to-day the complete exposure of American industries to the cheap-labor competition of aggressive foreign producers than would the Republican Party. Louisiana is as rabid a protectionist in behalf of cane sugar as Michigan or Nebraska is in behalf of beet sugar. North and South Carolina have come to have as big a stake in preserving their textile manufactures as New England. Georgia, Alabama, and Tennessee would welcome unrestricted imports of British, German, and French steel products with as much enthusiasm as Pennsylvania, Illinois, and Indiana.

Tariff or no tariff, the great staple cotton industry of Texas is secure. In the whole world there is nobody that can raise cheaper cotton than our own American crops. But there have been no stronger protests against throwing any industry to the free-trade wolves than those from the Lone Star State against the sacrifice of its rice business, while the Texan voice has been clamorous for a duty on oil, which never ought to be. And the agricultural interests of the Democratic South yoked up joyously a year ago with the agricultural interests of the Republican West to haul through the emergency tariff on farm products—and pulling together they got just what they wanted.

But while a reasonable protective policy has become more and more acceptable to the Democratic industrial States as they have steadily built up their great industries under such a national policy, Democratic statesmen like UNDERWOOD and SIMMONS and GLASS are quick to see the advantage they can gain for their party in the approaching elections out of an assault upon extravagant Fordney tariff schedules and McCumber tariff amendments that, from the point of view of both economics and politics, are nothing less than irrational.

So the Democratic minority in Congress puts it up to the American people that the sky-high Fordney duties and the sky-high McCumber duties alike would drive up the public's cost of living; and that is the fact. They put it up to the American people that the excessive duties and higher costs would kill off still more of our export business; and that, too, is the fact.

But it is not the fact that the country needs or that the country could stand an extreme national policy of holding our tariff doors wide open to cheap labor competition from abroad while our own labor costs continue, many of them, at the war peak. The Democratic statesmen, putting out their minority tariff report, know it is not the fact. But if the Republican tariff framers in Congress can not make themselves realize that what the country needs and what the country must have is the mean of sane protection and not the extreme of a prohibitive Chinese tariff wall, then so much the worse for their own political careers and so much the worse for the future of their party.

Mr. SIMMONS. All this speaks for itself. But may I not call the attention of the Senator from North Dakota [Mr. MCCUMBER] and of the Senator from Connecticut [Mr. MCLEAN], who also, on August 1, referred with much bombast to this editorial, to the fact that they did not see proper to advise the Senate that even in that editorial of May 9 the New York Herald was severely criticizing the pending tariff bill, and that almost as much of praise as of condemnation was spoken of my report by this great Republican newspaper?

Mr. HALE. Mr. President, am I to understand that section 1300 of the tariff bill is now under consideration?

The PRESIDING OFFICER. It is.

Mr. HALE. The committee amendment to section 1300 provides for an ad valorem duty of 5 per cent on chemical wood pulp—not a very exorbitant duty when compared with some of the duties which have been levied in the bill. The chemical-pulp industry is one of the principal industries in my State. Our daily production of chemical pulp of all kinds, including sulphite, sulphate, and soda pulp, is between 1,400 and 1,500 tons. We produce a good deal of soda pulp relatively to the production throughout the country, very nearly one-third of the total production. We produce about 800 tons daily of sulphite and 200 tons daily of sulphate. As it takes the labor of three men to produce one ton of chemical pulp, and we produce between 1,400 and 1,500 tons, that means that we employ in this industry in my State between 4,000 and 5,000 operatives in the mills. Aside from these are an equal number of men who are employed in the woods getting out and preparing the wood necessary in the process of manufacture. Further than that, a good deal of pulp is bought from the farmers of the State. They pick up small consignments of the wood and bring them to the mills, and many of the farmers get a winter's livelihood through this means.

In the country at large the production of chemical wood pulp is about 6,000 tons—6,200, I think, to be more exact—of sulphite and sulphate, and about 1,000 tons of soda pulp. We, therefore, produce in my State about one-fifth of all the chemical pulp that is produced in the country. Where we employ between 4,000 and 5,000 men in the mills, there are throughout the country between 20,000 and 25,000 men employed.

The production of chemical pulp in 1921, the year just passed, was 623,493 tons of news-grade pulp and 630,577 tons of the finer grades than news, making a total production of 1,254,070 tons of sulphite and sulphate. Aside from that, we produced in this country 279,000 tons of soda pulp. This was not a great year for production.

It has been estimated that to produce one ton of chemical pulp an investment of capital of $20,000 is required. The smallest chemical-pulp mill that can be operated successfully is a $1,000,000 mill, which produces 50 tons of pulp daily. Besides that, it requires another $1,000,000 of working capital with which to operate. Based on those figures of $2,000,000 for every 50 tons of output, there is invested in this country between $250,000,000 and $200,000,000, or possibly a little more. In my State, where, as I said, we have one-fifth of the industry, we have invested between $50,000,000 and $60,000,000. I call attention to this to show the importance of the industry not only in my State but in the country at large.

The statement has been made that chemical wood pulp is not in itself a finished product but is in the nature of a raw material. I have already stated that it takes the labor of three men one day to produce a ton of the chemical pulp. The people who are fighting the duty, the principal ones who are fighting it, are the converting mills of the country, and they have enlisted the aid of the newspaper publishers.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Maine yield to the Senator from Massachusetts?

Mr. HALE. I yield.

Mr. WALSH of Massachusetts. Looking through my correspondence from some of the paper mills in my city of Fitchburgh, Mass., I find several communications in which it is stated that there is not produced in America sulphite pulp such as they need and must have to make certain kinds of paper. Is that the fact?

Mr. HALE. Certain kinds of newspaper or certain other paper?

Mr. WALSH of Massachusetts. I had in mind outside or other paper.

Mr. HALE. I think we need some foreign sulphite pulp in this country without any question.

Mr. WALSH of Massachusetts. It is absolutely indispensable, is it not, in the making of certain grades of paper?

Mr. HALE. In making certain grades of paper I believe it is absolutely indispensable.

Mr. WALSH of Massachusetts. I am glad to have the Senator confirm what they say.

Mr. WALSH of Montana. Mr. President, I should like to inquire about what this means. I can not comprehend it myself. They make sulphite pulp in Maine and they make sulphite pulp in Canada.

Mr. HALE. There are all sorts of grades of sulphite pulp. Some of the foreign grades are better than we produce in this country or than we find it profitable to produce here.

Mr. WALSH of Massachusetts. May I interrupt the Senator to read just a paragraph from a letter? I am reading a letter from the firm of Crocker, Burbank & Co., of Fitchburgh, Mass. This is a concern that makes the paper used by the Saturday Evening Post and the Ladies Home Journal, and is one of the largest white-paper mills in America. They say:

> It is not a question altogether of the protection of American industries manufacturing chemical pulp. There has always been a large importation of foreign pulp, which is cleaner and stronger than the domestic article. There are a good many papers used in this country which can not be made out of domestic pulp and made of the proper quality. We have always enjoyed a good reputation for our machine finish and supercalendered papers, which for many years have been made with foreign bleached sulphite. During the war we had to substitute domestic pulp for foreign. Our product suffered accordingly.

That statement is confirmed by a letter from the Strathmore Paper Co., of Massachusetts, another very large company. They state:

> This company is probably one of the largest companies in the world making strictly high-grade papers. It uses all of the American-made pulp that it can, but has found that for certain kinds of papers the foreign pulp produces goods which American pulp can not produce.

They say that the question of price is practically on a parity and that it does not enter into the proposition. They state that it is absolutely necessary for them to import certain grades of foreign pulp in order to make the kind of papers they want.

Mr. WALSH of Montana. Will the Senator from Maine tell us why we can not make just as good pulp in this country as they can anywhere else?

Mr. HALE. I think we can; but it is a question of the wood that is used and the profits. Our mills do not take up certain kinds that are manufactured in other countries.

Mr. WALSH of Montana. Certain woods will make a higher quality of pulp than certain other woods?

Mr. HALE. Yes. As I said, the people who are fighting this duty are principally the converting mills, with the assistance of some of the newspaper publishers.

Mr. HARRIS. I think there are about five mills fighting it where there is one favoring it.

Mr. HALE. I shall go into that later. I think I can disprove that. The Senator may be right so far as the number of mills is concerned, but so far as the volume of product is concerned he is absolutely wrong. There are many of the conversion mills which are simply 10 or 20 ton mills, very small in size.

Mr. ROBINSON. The last statement of the Senator from Maine would imply that the smaller organizations favor the placing of this product on the free list.

Mr. HALE. If the Senator will bear with me, I shall try to explain that. I am speaking of converting mills which are not producers at all of chemical pulp. The conversion mills simply get the chemical pulp and other ingredients and assemble them and make their products out of the assembled ingredients, but they do not manufacture them originally at all. What the conversion mills want naturally is to have the product on the free list so that they can have what they call the raw material free, and then they want a duty on their manufactured product, and in fact have it already; it has already been provided for.

As I have already said, it takes the labor of three men one day to make a ton of chemical pulp. It takes the labor of only two men one day in the converting paper mills to make a ton of their paper. It is a very much more expensive process to make the chemical pulp than it is to make the paper where they use the chemical pulp as one of the ingredients, as the converting mills do.

A short time ago I wrote to Mr. John S. Parker, of New York. He is counsel for the chemical pulp committee. I asked him to explain the process of the manufacture of chemical pulp to me, and I wish to read what he wrote in reply:

The process of making chemical pulp may be described briefly as follows:

"The wood is brought to the mill usually in its rough state in logs 4 feet in length. Every pulp mill attempts to keep on hand at its mill, or at places in the woods near railroad stations, at least a year's supply of wood. The first step in the treatment of the wood is to remove the bark. This is usually done in barking machines which either cut or rub the bark from the log. It is necessary to remove every trace of the bark as it is unaffected by the later cooking process to which the chips of wood are subjected, and if allowed to remain spoils the pulp for paper-making purposes. After the bark is removed the logs are conveyed to chipping machines which cut them into small chips. These machines must be so designed and operated as to preserve so far as possible the fibers lengthwise. From the chipping machines the chips are conveyed to a digester. Thus it is seen that the preparation of the wood alone is an elaborate manufacturing process requiring much labor and equipment.

"The digester is a large boiler lined with some substance which will not be affected by the chemical used. In the sulphite process the chips are mixed in the digester with bisulphite of lime or lime liquor and cooked by steam under pressure for 8 to 15 hours. This liquor is prepared at the pulp mill in a special plant known as the acid plant. In this plant the raw materials used for the sulphite process are sulphur, lime, and limestone."

"The cooking is done by steam under pressure. The liquor dissolves and removes all the constituents of the wood chips except the cellulose, leaving the unbleached fiber free. When bleached this fiber is practically pure cellulose—the structural material of all vegetable matter.

"When the cooking is finished the stock, containing the fiber and the other constituents of the wood, is blown from the digester into a blow pit. This is a large vertical tank of wood or concrete construction. The stock is then mixed with water and thoroughly washed. From the blow pit the stock is pumped into tanks, where it is again washed and the cellulose fibers separated from the other constituents of the wood, so far as possible. The pulp then flows by gravitation or is pumped to knotter screens, where knots or lumps of uncooked fiber are removed. From the knotter screens the stock passes through a riffler, a shallow wooden sluice about 6 or 8 feet wide. It is then pumped or allowed to flow by gravitation to screens by which the fibers suitable for use are separated. After going through several other processes, the purpose of which is to remove all foreign matter, the pulp is put in vats and thickened and bleached, if bleached pulp is desired, and either kept in stock chests for use in the paper mill, if there is a paper mill connected with the pulp mill, or else run through machines, dried, and pressed into rolls or sheets of fiber.

"In addition to the special equipment required for each of the processes mentioned it is also necessary to have auxiliary plants to furnish the necessary steam and power, and usually it is necessary to have a filtration plant for the water, of which enormous quantities are used; and in the manufacture of some kinds of pulp it is necessary to have a recovery system, so that the chemicals employed may be recovered and again used in the plant.

"The above description is necessarily brief, but is sufficient to show that the process of making chemical pulp is a most elaborate one, and completely rebuts the claim frequently made by opponents of this duty that chemical pulp is a raw material."

I think the Senator on yesterday referred to the process as one of maceration It is really a process of cooking. The wood is chipped up first, then it is put into the digesters, and cooked, partly by the use of acid but largely by heating. It has been estimated that it takes 2 tons of coal to produce 1 ton of chemical pulp.

Mr. President, I think this letter proves that chemical pulp is not in any wise a raw material, but is in itself a very finished and expensive product. I think everyone will admit that. If it is a finished and expensive product; if the industry is one in which between 20,000 and 25,000 men are employed in the mills and an equal number in the forests to get out the wood; if it is an industry in which we have an investment of $250,000,000 or more; then, if it meets with competition from outside, under the terms of the pending bill is it not entitled to a fair amount of protection, such as is accorded to other products which are embraced in the bill?

In 1920 the annual production of sulphite and sulphate—I have left out soda pulp in this table—amounted to 1,789,564 tons. That was a large year in the business. In the same year the imports were 673,185 tons. In 1921 the production dropped from 1,789,564 tons to 1,254,000 and odd tons, and the imports dropped from 673,185 tons to 507,025 tons. But while the imports declined they did not decrease proportionately to the decrease of production. On the contrary, the imports that year of 507,000 and odd tons were the largest imports that we have ever had in this country, with the exception of the year 1920, which, as I have said, was a very exceptional year.

Furthermore, for the first five months of this year the imports amounted to 327,254 tons. Based on those figures, if the importations for the other seven months run in like proportion, the importations for the entire year will be over 700,000 tons, which is more than we have ever before had, and greater than the imports for the year 1920, which year, as I have said, was an exceptional year.

These figures indicate that we are meeting with more and more competition all the time. This competition is not by any means all Canadian competition. During the last five months the imports have been about half and half Canadian and European, and we have every reason to believe that the European imports will increase as time goes on.

A great deal has been said about the interest of the newspapers in opposition to the tariff duty proposed on this commodity. There are 43 newsprint manufacturers in the United States. Through the chemical committee, to which I have referred, an attempt was made to secure information about the production of these newsprint manufacturers. A questionnaire was sent to every manufacturer of newsprint paper in the United States, including all the manufacturers who in the trade directories were stated to manufacture newsprint with other grades of paper. The questionnaire asked for the total production of newsprint before the 18 months ending June 30, 1922, the total production of sulphite pulp for the same period, and the amount of imported sulphite pulp used during the same period. Thirty-four manufacturers replied, giving all of the figures requested; nine either failed to reply or declined to give their figures or replied that they had not produced any newsprint paper during the period. The 34 who gave their complete figures gave a total production of newsprint for the 18 months' period of 1,517,742 tons, and the total production of sulphite pulp during the same period of 526,850 tons. These 34 manufacturers also reported that during the same period they had used only 25,487 tons of imported sulphite. As I have said, nine of those to whom letters were written did not reply. Some of them did not produce their own chemical pulp and others have been in the habit of buying a certain amount in the past. It was not possible to get the exact figures, but allowing a purchase of imported chemical pulp of one-fifth of their production—and I think that is a fair basis, because one-fifth only of the chemical pulp is used in the manufacture of newsprint paper—the total that these 43 companies could have bought from outside sources—and in many cases they did not buy any—could not have amounted to over 40,000 or perhaps 45,000 tons at the most. It is estimated that 375,000 tons of chemical pulp are used in the manufacture of newsprint paper. Very little more than one-tenth, then, by any possibility could have been purchased out of the foreign imports. That does not look as though the newspapers are very vitally interested in this matter.

The manufacturers of newsprint, as I have shown, produce more than 200,000 tons of chemical wood pulp in excess of what they use in their business, so that there is always a supply on hand which the manufacturers of print paper can secure. There is never any difficulty in obtaining that.

I wish to insert in the RECORD at this point a letter from John S. Parker, to whom I have already referred, addressed to the committee on Federal legislation of the American Newspaper Publishers' Association, in which he speaks about the attitude of the publishers toward this tariff rate. I quote from the letter as follows:

During the period January 1, 1921, to June 30, 1922, of 18 months, 1,878,942 tons of standard newsprint were produced in the United States and 1,274,481 tons were imported.

I think the Senator from Georgia [Mr. HARRIS] yesterday stated that two-thirds of the newsprint used in this country was imported. Am I not right?

Mr. HARRIS. I did not hear the Senator's statement.

Mr. HALE. I think such a statement was made yesterday and I think the figures I have given correct that statement.

Mr. HARRIS. What is the statement, please?

Mr. HALE. It is stated in a letter to which I have referred that—

During the period January 1, 1921, to June 30, 1922, of 18 months, 1,878,942 tons of standard newsprint were produced in the United States and 1,274,431 tons were imported, making a total of newsprint consumed during that period of 3,153,373 tons.

Mr. HARRIS. I am not sure about that. The Senator, however, made a statement a moment ago that 200,000 tons of chemical wood pulp are produced by the paper mills here in excess of the quantity they use.

Mr. HALE. Yes.

Mr. HARRIS. We imported from Canada last year 308,981 tons of chemical wood pulp and during the previous year 419,270 tons.

Mr. HALE. There is no doubt about that; but it did not go into the manufacture of newsprint paper.

Mr. HARRIS. Most of it does go into newsprint, according to my understanding.

Mr. HALE. I have just shown that only 34,000 tons, or at the most 40,000 tons, can go into newsprint.

Mr. HARRIS. I think the Senator's information probably is not the same as that which was given to us.

Mr. HALE. Oh, I think it is. I do not think there is any question about my information. The newsprint manufacturers do produce 200,000 tons more than they need, and this overproduction goes out on the market and is sold to the converting mills and others in the country.

During the same period the American manufacturers of newsprint alone produced 645,986 tons of unbleached sulphite pulp, the only kind of chemical wood pulp which enters into the manufacture of newsprint. As you know, newsprint paper contains 20 per cent by weight of sulphite pulp. The amount of sulphite required, therefore, to manufacture the above-mentioned 1,878,942 tons of newsprint was 375,788 tons. Thus it will be seen that the newsprint manufacturers produced a surplus of sulphite amounting to over 270,000 tons, which was sold and used for other purposes. During the same period the total amount of imported sulphite pulp used in the United States in the manufacture of newsprint paper was 36,138 tons—

I am allowing for a slight increase—

being less than 10 per cent of the whole amount of sulphite used in the manufacture of newsprint. Most of this imported sulphite came from Canada. For the month of May the import value, as found by the customs, of unbleached sulphite was $47.66 per ton.

That is to say, if you get your pulp at $47.66 a ton, a 5 per cent duty would be $2.38, and all that the newspapers would have to pay with this tax on, in addition to what they now pay, would be one-fifth of $2.38, or 48 cents a ton of newspaper; and as there have only been about 40,000 tons of chemical pulp imported into this country, the tax on those 40,000 tons at $2.38 a ton would be somewhere around $100,000—the total tax paid on all the imports that came in and that were used in the manufacture of newsprint.

A duty of 5 per cent would be $2.38 per ton, or 48 cents on the amount of sulphite used in one ton of newsprint. On the whole amount of 36,138 tons used, therefore, the total duty would be $86,008.44. When it is considered that during the past 18 months newsprint sold for at least $70 per ton, it will be seen that the entire amount paid by publishers for the newsprint consumed was over $220,000,000. To say that a total duty of $86,000 would have any effect whatsoever upon the price of a commodity sold in such great volume as newsprint is, of course, absurd. The figures given above have been obtained direct from the manufacturers of newsprint and from the published reports of the Department of Commerce.

During the year 1920 the total production of sulphite (other than news grade) and sulphate pulp in the United States was 946,050 tons. The total imports of chemical wood pulp during the year were 673,185 tons. In 1920 the production and consumption were, of course, the highest ever attained. During the first five months of 1922, however, the total production (other than news grade and soda) was 336,449 tons and the imports were 327,254 tons. This large proportionate increase of imports has caused the shutting down of many American mills and a large decrease in output of those which have been able to run.

I think that disposes, or ought to dispose, of the talk that the newspapers of the country are greatly interested in this suggested duty. I do not believe that they are.

Another argument that has been brought up against protection for this industry was the argument that we ought to save our forests; that we can not afford to put on a duty that will tend to use up the lumber of the country. In the course of the debate day before yesterday I made the statement that all the wood used in the manufacture of chemical and mechanical pulp together amounted to only 3.1 per cent of the annual cut of lumber in the United States; and including, as this does, mechanical pulp, it leaves something under 2 per cent for chemical pulp. That is to say, something less than 2 per cent of our annual cut goes into chemical wood pulp; and that, of course, is a very small fraction. Furthermore, I stated—and the Senator from Montana [Mr. WALSH] took exception to the statement—that through the use of scientific forestry methods we managed to take care of our timber so that the supply does not give out. The Senator objected to my statement, as he said that we did not replant, and his idea was that that was necessary in scientific forestry.

We do not do that in my State. It is, however, done in some States of the country. I have here some photographs, which I shall be very glad to show any Senator, of the operations of the Bogalusa Pulp Co. in Louisiana.

The first of these pictures shows a territory that has been cut over, with the tops and cuttings lying around.

The second picture shows the same land after they have taken off the pulp wood, and that includes practically all of the wood that was in those tops and cuttings.

The third picture shows some of the timber in the country that has been marked for a cut, and it also shows certain trees that have been notched with a mark to indicate that they are to be left standing to reproduce.

The fourth picture shows a portion of this same territory where the young trees are beginning to come up that have seeded themselves automatically from these other trees that have been left for reproduction.

If any Senator cares to see these pictures, I shall be very glad to show them to him.

As a matter of fact, Mr. President, so much money is invested in my State and throughout the country in these various chemical pulp plants that it is necessary for them to look after their supply of wood for future use. Part of the wood that is used we get from Canada. Canadian pulp wood comes into this country free. Last year we brought in 1,000,000 cords of Canadian pulp wood. Out of one cord of pulp wood you can manufacture two-thirds of a ton of ground wood pulp and one-half of a ton of chemical pulp; but if anything should happen to this Canadian supply it will still be necessary for our mills to get their own supply in this country. They realize that, and they have more and more been taking care of the lands which they own near the mills, so that they could depend on their own supply of lumber should the Canadian supply give out, or should they not be able to get it in any other way. It is vital to them that they protect their land against storm and against fire and against insects that bore in and destroy the trees, and that is exactly what our pulp people are doing in my State, and I believe also in other States in the country.

The Great Northern Paper Co., which perhaps uses the most scientific system of forestry used in my State, has a regular plan of putting lanes through its timber, so that the wind has a chance to sweep through. Further, where the timber is too thick, where it is so thick that it would oppose a wall in case of storm, they thin it out. On the sides of mountains, when they are making their cuttings, where they would ordinarily leave enough timber so that they could cut again in 20 years, they strip entirely, because if you thin out timber on the side of a mountain, and the winds come along, the whole timber blows down.

They use the most scientific methods that are known to them to take care of this timber, and they are the very people who ought to be helped out in this work that they are doing to preserve the forests of the country. Whether they are doing it for their own purposes or for the general good of the country, they are preserving the wood of the country.

Anyone would think, from the bitterness that seems to have been manifested toward this duty—not in this Chamber, but outside—that it was a disgraceful sort of a duty; that we have not any business to put it on. I maintain that this is a perfectly legitimate business, as legitimate a business as you can possibly have in this country; that it needs protection against foreign importations, both from Canada and from other countries; that the figures show that we are meeting with more and more competition all the time; and that instead of asking for this small duty we really should be entitled to a much larger duty. That, however, we have not asked for.

I very much hope the Senate will see the matter as I do, and that this committee amendment will be approved.

I ask unanimous consent to insert in the RECORD a table giving the production in this country and in other countries for the last few years.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Pulp—domestic production, shipments, and stocks (net tons) by grades, 1917–1921, inclusive.

Grade and year.	On hand Jan. 1.	Production for year.	Used during year.	Shipped during year.	On hand Dec. 31.
Ground wood pulp:					
1921	129,626	1,268,012	1,176,899	97,659	123,080
1920	139,304	1,578,300	1,456,198	131,495	129,626
1919	131,170	1,449,799	1,312,335	135,579	139,961
1918	145,567	1,303,403	1,229,298	88,512	131,170
1917	112,145	1,447,068	1,314,773	98,873	145,567
Sulphite, news grade:					
1921	17,984	623,493	530,644	89,593	21,240
1920	20,046	843,514	717,986	126,261	17,984
1919	17,905	723,991	606,984	116,164	20,373
1918	21,546	744,944	645,794	102,841	17,905
1917	13,634	744,470	636,858	99,700	21,546
Sulphite, bleached:					
1921	6,661	360,063	215,323	144,653	6,748
1920	6,810	578,081	316,037	262,213	6,661
1919	4,240	515,897	271,276	241,673	6,810
1918	12,180	484,525	256,407	236,058	4,240
1917	4,130	497,085	269,347	219,688	12,180
Sulphite, easb bleaching:					
1921	1,134	62,344	39,017	23,593	868
1920	1,314	72,394	45,309	27,159	1,134
1919	2,212	66,465	40,950	25,740	1,314
1918	1,451	80,730	58,897	21,072	2,212
1917	438	85,081	55,156	28,912	1,451
Sulphite, mitscherlich:					
1921	2,768	60,005	41,365	20,280	1,128
1920	1,809	82,687	50,404	31,479	2,768
1919	1,489	79,353	47,895	30,571	1,809
1918	1,752	74,799	45,966	29,096	1,489
1917	1,147	78,751	50,441	27,705	1,752
Sulphate pulp:					
1921	7,850	148,165	114,164	34,194	7,657
1920	5,753	212,888	144,926	65,601	7,850
1919	4,490	161,887	104,214	53,670	7,647
1918	1,284	167,438	100,552	63,680	4,490
1917	421	108,431	86,770	20,798	1,284
Soda pulp:					
1921	6,507	272,287	174,102	95,668	9,024
1920	5,672	431,971	235,808	195,296	6,507
1919	3,395	377,473	217,351	158,002	5,672
1918	6,586	343,611	204,411	142,391	3,395
1917	6,088	398,684	225,239	172,947	6,586
Other than wood pulp:					
1921	119	7,069	6,464	546	178
1920	240	7,821	6,788	1,162	119
1919	252	9,903	8,817	1,199	240
1918	178	12,898	10,804	2,020	252
1917	231	11,999	5,952	6,100	178
Total for all grades:					
1921	172,649	2,801,438	2,297,978	506,186	169,923
1920	180,948	3,807,656	2,973,456	840,666	172,649
1919	165,152	3,384,768	2,609,822	763,598	183,826
1918	190,544	3,212,398	2,552,119	685,670	165,153
1917	138,234	3,371,569	2,644,538	674,723	190,544

NOTE.—The pulp used and shipped during each year represents pulp produced in the establishment using or shipping same.

The annual totals do not always balance owing to corrections, received from the mills, affecting stocks on hand from month to month.

Mr. POMERENE. Mr. President, I am advised that the senior Senator from Maine [Mr. FERNALD] is suffering from a severe cold, which makes it impossible for him to speak audibly, and that he has committed his views to writing and desires to have the paper read from the desk. I ask that that may be done, and I yield the floor for that purpose.

The PRESIDENT pro tempore. The Secretary will read as requested.

The reading clerk read as follows:

Mr. FERNALD. Mr. President, I regret that a slight hoarseness prevents me from speaking on the question of a duty on chemical pulp.

But I wish to say that this industry is of paramount importance to the people of my State. Millions of dollars are invested in it and thousands of people engaged in carrying on the work. There is scarcely an industry of so much importance to the farmers, as well as the laborers and operators, and I hope that the duty suggested in the amendment may be accepted.

I want to say that not all of the papers in the country are opposed to this. There appeared in the Bangor Daily Commercial, a Democratic paper, published at Bangor, Me., an editorial on July 31, 1922, so comprehensive and fair that I shall ask that it be made a part of my remarks and that it be printed in 8-point type.

I can not express my disappointment at not being able to go into this question at greater length, but this slight indisposition, which came upon me a few days since, makes it impossible for me to speak at any length for the present, and for possibly two or three weeks longer.

[From the Bangor Daily Commercial, July 31, 1922.]

SHOULD BE RETAINED.

"Among the schedules of the tariff measure as now proposed that are of vital importance to the people of Maine is that which proposes a 5 per cent duty upon bleached chemical fibers. This matter was thoroughly considered by the Finance Committee, which, after contemplating the question from all angles, reported in favor of the duty. It now appears that there will be an effort to overthrow this report and eliminate the duty upon bleached chemical fibers from the tariff measure.

"The proposed tariff is a necessary one not only to the American manufacturers of bleached pulp, a number being located in this State, but to the lumber industry as well, and in this connection this includes the many Maine farmers who own or operate wood lots, small or of considerable size, and who have been able in the recent meager years of farm production to eke out their income by the sale of pulp wood. This industry has been no inconsiderable one for the farmers of this State, especially in northern and eastern Maine, and many of these farmers have made preparations for the continuation of the industry by the purchase of wood lots.

"We do not understand there is any material objection to the proposed duty on the part of the mills that produce newsprint. As we understand it, the proposed duty applies only to bleached pulp, which is not used in the manufacture of newspaper, and the effect of this small duty upon newsprint would be practically nothing. There might be a slight sentimental effect if it resulted in reducing the importations of high grade foreign pulp, but that must be so small as to be negligible.

"There would be some effect, perhaps, upon the manufacture of writing paper, and it is reported that one publisher, who loses no opportunity to express his devotion to the cause of American labor, but who is reported to have been purchasing his supply of print paper in Germany to a considerable extent for the past year, is attempting to stir up newspaper publishers to oppose the proposed duty, but we do not understand that the publishers are joining in the effort to any considerable degree.

"To our mind the newspaper publishers should in this connection regard the greatest good of the greatest number and not seek to be especially favored regardless of the effect upon other industries. Here in Maine the matter is vital. Next to farming, the most important industry in this State is lumbering, and the most important side of lumbering has come to be pulp making. We are, in this respect, competing with European pulp, which can be sold here at a profit to-day at rather more than the cost of wood to a mill in Maine. Already the movement to abandon pulp mills in the United States has begun, and if the industry is to continue being an important one there must be some kind of protection from the present unfair competition. Certainly if there is any excuse for protective tariff for American labor in any industry that applies to the manufacture of chemical pulp.

"This is the position that is taken by the Maine Senators and, we think, by the Maine Representatives in Congress. They are alive to the interests of the State, and realize that its industries must be protected from unfair foreign competition. To-day large quantities of bleached chemical fibers are being brought into this country, especially from Germany and Norway. And if this is continued the effect will speedily be felt not only by the pulp manufacturers but very directly by the farmers and small and large operators who are engaged in the cutting of pulp wood."

The PRESIDENT pro tempore. The editorial will be printed in regular RECORD type, as requested by the Senator from Maine.

Mr. WALSH of Montana. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from Montana?

Mr. POMERENE. I yield.

Mr. WALSH of Montana. The value of the editorial just read is disclosed by the statement made in it to the effect that great importations of chemical wood pulp are coming into this country from Norway. I have before me the Monthly Summary of Foreign Commerce of the United States for the month of May, 1922, which gives the importations of chemical wood pulp for the preceding 11 months, including that month, from which it appears that Norway is not a country of any particular consequence when it comes to the matter of importations of wood pulp. That country sent us during that 11 months' period chemical wood pulp to the amount of $819,881, while Sweden sent us $10,000,000 worth, Canada $14,000,000 worth, and all other countries $3,000,000 worth.

While I am giving these figures, I want to submit some more which show some misinformation about this matter on the

part of some of the Senators who have spoken. Our importations for 1922 were very decidedly less than for 1921; that is, for the 11 months' period.

Mr. HALE. How does the Senator get 11 months in 1922?

Mr. WALSH of Montana. It is the fiscal year, dating from the 1st day of July. The Department of Commerce reports run from July to July, and this includes the five months of 1922, including the month of May, and the last six months of 1921.

Mr. HALE. The Senator will recall that I mentioned specifically that during the six months the importations were very much larger than we had ever had before.

Mr. WALSH of Montana. I can not see how that——

Mr. POMERENE. I would like to know how long this colloquy is going on in my time.

Mr. WALSH of Montana. It is not going on any longer from me. I submit that during that period, for the 11 months ending May, 1921, our importations were $44,132,670, and that during a similar period ending May, 1922, they were $28,144,310.

Mr. POMERENE. Mr. President, a statement has just been made by one of the speakers, and possibly by two of them, to the effect that there was not very much opposition to this duty among the newspapers. I have been hearing from time to time from the newspapers of my own State—the cosmopolitan papers, the local country papers, and the papers in the smaller cities—and if there is a single paper in the State of Ohio that is not opposed to it I am not advised of that fact.

The junior Senator from Maine [Mr. HALE] talks about the vast value of this paper pulp industry to his State. I assume he is correct in the figures he has given, but when my distinguished friend suggests that the paper pulp mills are not denuding our forests I beg to differ with him.

I do not think he quite appreciated the effect of what he himself said when he referred to the fact that pulp timber was allowed to come into this country, aye, even into Maine, free of duty, and that the paper pulp mills were so very careful in the protection of their forests that they were treating them in a very husbandlike way. Why bring this timber in from Canada if they are not needing it? Does that not demonstrate the fact that the forests in Maine are suffering by reason of this policy? Does not the fact that the mills there, according to the Senator's own statement, are carefully reforesting, indicate that there is grave need of protection to the forests? To my mind, one of the strongest reasons which can be urged for free pulp is the fact that the constant cutting of the timber is denuding our forests. It may be that if we were to stop cutting timber for lumber and building purposes, and leave the pulp mills as the only source of danger to our forests, the Senator would be right, but when the Senator speaks of the wonderful importance of this industry to his State, I want to remind him and other Senators of the vast importance to my own State of not having any duty on pulp.

The Senator from Maine suggests that it takes at least a million dollars to build and equip a pulp mill. In my State we have 55 paper mills. I am not prepared to say what their value is.

Mr. HALE. Will the Senator tell me what their production is?

Mr. POMERENE. I have not those figures, but I can give the Senator some idea about it. The people who write me about it say that they employ in those 55 mills from 30,000 to 40,000 men, and all of those mills, save one, are converting mills. They have to buy their pulp. Part of it they get from abroad, part of it they get from the pulp mills of this country, possibly some of it from the pulp mills in the great State of Maine. Only one of those mills is a chemical-pulp mill, and that is a small mill at Chillicothe, which is a soda-pulp mill.

Mr. LODGE. Are those mills in Ohio of which the Senator speaks newsprint mills or general paper mills?

Mr. POMERENE. Both, I think.

Mr. LODGE. Some of them are general paper mills?

Mr. POMERENE. I think so.

Mr. LODGE. I notice that their product is pretty well protected.

Mr. POMERENE. Possibly some of these others are protected, I am not prepared to say about that; but I do know that this 5 per cent is going to be a very great burden upon them, and I think I will be able to show it by some of the figures I have before me.

Mr. LODGE. The attitude is a familiar one. We have cases everywhere of people who want everything they buy that comes into their mill, which is the finished product of some other man, on the free list, but they want everything that goes out of their mill protected.

Mr. POMERENE. I think that is true, and I think there are some of that class of people in the State represented by the distinguished leader on the other side of the Chamber.

Mr. LODGE. I do not know of any State where they are not to be found.

Mr. POMERENE. I think the Senator is right about that. He and I can not have any quarrel on that point.

Mr. LODGE. I only wanted to bring out the fact that there was protection.

Mr. POMERENE. Very well, sir; I am not afraid of facts.

Mr. HALE. Mr. President——

Mr. POMERENE. I yield to the Senator from Maine.

Mr. HALE. The Senator is not a protectionist, of course, and does not believe in the theory of protection.

Mr. POMERENE. The Senator must define what he means by "protectionist." If he means to insinuate that because I am more moderate in my views that, therefore, I am one of the free traders who must be anathematized every time the subject comes up, then I differ from him.

Mr. HALE. I did not intend to insult the Senator. I only wanted to propound a question to the Senator.

Mr. POMERENE. I freely admit that on the subject of the tariff I am more liberal in my views than is the Senator from Maine. I am not willing, as has been urged on the floor of the Senate, that there shall be a Chinese wall built around the country, as some would have it done.

Mr. HALE. But I would like to ask the Senator a question. Granting that we are going to have some protection, does not the Senator think an industry that has $250,000,000 invested in it is entitled to more protection if it is meeting competition and can not keep going unless it has that protection?

Mr. POMERENE. In view of the present situation and the effect it is going to have——

Mr. HALE. The Senator means the effect on those who are opposing the protection?

Mr. POMERENE. I mean the effect it is going to have upon the forests. I mean the effect it is going to have upon the newsprint paper industry as well as the general paper industry. I mean the effect it is going to have upon the entire country. I am willing, if the bill is to be constructed along reasonable lines, to say that I would not object to some of the tariff duties on some of the schedules.

Mr. HALE. May I ask the Senator just one more question?

Mr. POMERENE. Yes.

Mr. HALE. Does the Senator realize that if the competition becomes too great and we are driven out of business, as we will be driven out of business, we shall have to give up our mills and move them away, and if the mills are given up we shall naturally be the losers to that extent?

Mr. POMERENE. Oh, Mr. President, the difficulty with the friends of the school of thought of the Senator from Maine is that they are always seeing things at night. Labor in Canada is paid as much as labor in Maine.

Mr. HALE. Not quite as much.

Mr. POMERENE. About the same. It costs about as much to cut timber in Canada as it does in Maine. It is a little farther away; I daresay that is so, and there may be an item of difference in the transportation. But I have not heard, while the Senator is talking about the duty on the pulp, that he is asking for a duty upon the pulp wood that comes in.

Mr. HALE. Why should we? That is not a manufactured product.

Mr. POMERENE. It is not? Why, the very moment that the tree is cut down and it is cut into shipping length it is a manufactured product.

Mr. HALE. Very slightly manufactured.

Mr. POMERENE. Very slight; but it is none the less a manufactured product. Is there any particular reason why 55 paper mills——

Mr. WALSH of Montana. Mr. President, will the Senator from Ohio permit me to interrupt him?

Mr. POMERENE. Certainly.

Mr. WALSH of Montana. It is always easy to say that an industry is going to fail. Upon what basis does the Senator from Maine assert to the Senate that this tariff is needed in order that the business may live?

Mr. HALE. I did not hear the Senator's question.

Mr. WALSH of Montana. Upon what basis does the Senator from Maine assert that the tariff is necessary in order that the wood-pulp industry may live?

Mr. HALE. Because production is decreasing in this country and because the imports are increasing.

Mr. WALSH of Montana. Production is decreasing simply because the supply of wood is decreasing. The Tariff Com-

mission reports, as I have stated, that wood-pulp manufacturers in the country do not need this tariff, that they make a good profit as it is.

Mr. HALE. As a matter of fact, during the last six months production has been increasing over what it was last year.

Mr. POMERENE. That is very true. I remember very distinctly a report made on this subject by the Tariff Board during the Taft administration. I talked with one of the members of that board and he told me that they discovered after a thorough investigation that many of the pulp mills were taking their profits and investing them in timberlands and that this did not appear upon the books of the companies—another effort to conceal their profits. I do not think anyone has heard of any of the pulp mills going into the hands of receivers. I have not heard of it.

Mr. President, I have before me some figures which have been sent to me and which, as I understand, have been taken from some reports of the Federal Trade Commission. The figures, I am told, have been presented to the Finance Committee. As indicating the extent of the industry the memorandum says that there are 838 paper mills and 323 pulp-paper mills in the United States; that there are less than 10 chemical pulp mills of small tonnage which do not make paper; that all the other pulp mills are essentially paper mills which make pulp for their own consumption and whose surplus, when there is any, is available to converting mills.

I have a table which gives the chemical pulp produced in the United States for each year from 1917 to 1921, the amount consumed by the mills manufacturing pulp for each of those years, the percentage of their product which they consumed, and the percentage of their product which is sold to converting mills of the type existing in Ohio. I ask permission to incorporate this table in the RECORD in connection with my remarks, without reading.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The table referred to is as follows:

	Tons of chemical pulp produced in United States.	Consumed by mills manufacturing pulp.		Sold to converting paper mills.	
		Tons.	Per cent.	Tons.	Per cent.
1917	1,912,502	1,323,811	70	569,750	30
1918	1,896,047	1,312,027	69	595,138	31
1919	1,925,056	1,288,670	67	626,820	33
1920	2,221,535	1,510,470	68	708,009	32
1921	1,526,357	1,114,615	73	407,981	27

Mr. POMERENE. Suffice it to say that the chemical pulp mills consumed during the years referred to, 1917 to 1921, inclusive, from 67 per cent to 73 per cent of their output. They sold to other converting mills during the same years from 27 per cent to 33 per cent of their output. Many of the converting mills buy their pulp partly from domestic producers of pulp and partly from abroad.

I have here another table which was prepared and presented to me from the same source, which shows the pulp consumed in the United States by the paper mills making pulp for each of the years 1917 to 1921, inclusive, and the amount of the domestic production of pulp which is consumed by paper mills as by-products. I ask permission to insert this table in the RECORD without reading.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The table referred to is as follows:

Pulp consumed in the United States.

	By paper mills making pulp.		By paper mills who buy pulp.	
	Tons.	Per cent of total United States consumption.	Tons.	Per cent of total United States consumption.
1917	1,323,811	58	968,119	42
1918	1,312,027	57	987,820	43
1919	1,288,670	55	1,060,627	45
1920	1,510,470	52	1,381,570	48
1923	1,114,615	55	915,482	45

Pulp consumed by paper mills who buy pulp.

	Bought from domestic mills.		Bought from foreign mills.	
	Tons.	Per cent.	Tons.	Per cent.
1917	569,730	59	398,389	41
1918	595,138	60	392,681	40
1919	626,820	59	433,807	41
1920	708,009	51	673,561	49
1921	407,981	45	507,471	55

(Figures given are taken from the Federal Trade Commission summaries and Department of Commerce reports.)

Mr. POMERENE. The domestic pulp mills during each of the years referred to, 1917 to 1921, inclusive, consumed from 52 to 58 per cent of their total production. They sold from 42 to 48 per cent of their production during the same years, and this was consumed by the United States converting mills.

I also call attention to the table which shows the pulp consumed by the paper mills which bought pulp during the same years, 1917 to 1921, inclusive. The domestic paper mills during those years bought from the domestic pulp mills from 45 per cent to 60 per cent of their total consumption. They bought from foreign mills during the same years from 40 per cent to 55 per cent of their total consumption. So that, assuming that all of the domestic mills consumed the same proportion of domestic product and foreign product that is consumed by the mills in Ohio, then the 55 mills in Ohio are obliged to depend upon the foreign market during each year for from 40 to 55 per cent of their total pulp, and they would be compelled to pay, if the amendment shall be adopted, the 5 per cent ad valorem duty.

Mr. President, I might take time to go into these matters more in detail, but I think I have presented in concrete form the problem as it presents itself to me. My belief is that in whatever way we look at the subject, we must be convinced that if we are to look at it from a national standpoint and not from the standpoint of the individual investor, we ought to provide for free pulp, and to that extent relieve the industry from this tax and preserve our forests.

Everyone, I think, knows that for several years one of the difficulties which confronted every consumer of paper was to get his necessary supply. The senior Senator from Utah [Mr. SMOOT] was constantly telling us during the war and after the war that it was very necessary that we conserve our supply of paper, even in the printing of the CONGRESSIONAL RECORD. I know that the newspapers of my own State were occasionally writing or wiring me making appeals for relief and suggesting that if they did not get any print paper within the next week or 10 days they could not go to press with their newspapers. When we have the manufacturers of paper appealing for the raw material, and when I remember that in my own State our forests are so denuded that it is utterly impossible to get the necessary pulp wood, I ask why should these mills be burdened with this tax for the benefit of some favored individuals?

Mr. RANSDELL obtained the floor.

Mr. WALSH of Montana. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Montana?

Mr. RANSDELL. I do.

Mr. WALSH of Montana. Before the Senator from Louisiana proceeds with the discussion generally, I should like to submit a few observations here in connection with the statement made by the Senator from Massachusetts [Mr. LODGE] in the course of a colloquy with the Senator from Ohio [Mr. POMERENE], namely, that the paper manufacturers of Ohio are protected in this bill. It is true, Mr. President, that the remaining paragraphs of the bill dealing with manufactures of paper generally carry rather high and in some cases quite unjustifiable duties; in some instances the House rates have been increased by the Senate committee.

Recently amendments have been introduced generally lowering the rates proposed by the Senate committee to the level of the House rates, at least, reducing them to a considerable extent; but I am unable to observe that any change in the rates made by the Senate Finance Committee was by way of compensation for the duty imposed upon chemical wood pulp. The rates are all fixed upon the manufactured products upon the basis that the paper manufacturers get their pulp free.

Mr. POMERENE. And may I suggest that, as I understand, newsprint paper is made free, and the manufacturers of paper, if this amendment goes through, will have to be penalized by this 5 per cent duty.

Mr. WALSH of Montana. Undoubtedly. The American manufacturer of newsprint paper must buy his raw product in a protected market and sell in competition with a free product from abroad.

Mr. HALE. Does the Senator from Montana think that this chemical wood pulp is a raw product?

Mr. WALSH of Montana. I did not say it was a raw product.

Mr. HALE. I thought the Senator said that the manufacturer could buy the raw product in a free market?

Mr. WALSH of Montana. Of course, the chemical wood pulp is the raw material of the manufacturer of paper.

Mr. HALE. I understand what the Senator means.

Mr. RANSDELL. Mr. President, in part answer, at least, to what has just been said by the Senator from Montana [Mr. WALSH], I will suggest that newsprint paper comes in absolutely free, as we all know, and ground pulp, out of which newsprint paper is principally manufactured, also comes in free. Newsprint paper is made of ground pulp to the extent of 80 per cent, while to the extent of 20 per cent chemical pulp is used in its manufacture. There is a great deal more of the chemical unbleached pulp manufactured in the United States than there is used in the manufacture of newsprint paper. I have the exact figures here as furnished me by Mr. John S. Parker, of New York, and I assume they are correct. He says this:

During the period January 1, 1921, to June 30, 1922, of 18 months, 1,878,942 tons of standard newsprint were produced in the United States and 1,274,431 tons were imported, making a total of newsprint consumed during that period of 3,153,373 tons.

Now, listen to this:

During the same period the American manufacturers of newsprint alone produced 645,906 tons of unbleached sulphite pulp, the only kind of chemical wood pulp which enters into the manufacture of newsprint. As you know, newsprint paper contains 20 per cent by weight of sulphite pulp. The amount of sulphite required, therefore, to manufacture the above-mentioned 1,878,942 tons of newsprint was 375,788 tons. Thus it will be seen that the newsprint manufacturers produced a surplus of sulphite amounting to over 270,000 tons, which was sold and used for other purposes.

In other words, Mr. President, it was not necessary for our newsprint paper manufacturers to import one pound of unbleached sulphite or chemical wood pulp from Canada or elsewhere. A great deal more was made in this country than there was any necessity for them to use. They had a surplus, so far as the newsprint paper was concerned, or 270,000 tons, if the figures of Mr. Parker are correct. He goes on:

During the same period the total amount of imported sulphite pulp used in the United States in the manufacture of newsprint paper was 36,138 tons, being less than 10 per cent of the whole amount of sulphite used in the manufacture of newsprint. Most of this imported sulphite came from Canada. For the month of May the import value, as found by the customs, of unbleached sulphite was $47.66 per ton. A duty of 5 per cent would be $2.38 per ton, or 48 cents on the amount of sulphite used in 1 ton of newsprint. On the whole amount of 36,138 tons used, therefore, the total duty would be $86,008.44. When it is considered that during the past 18 months newsprint sold for at least $70 per ton, it will be seen that the entire amount paid by publishers for the newsprint consumed was over $220,000,000. To say that a total duty of $86,000 would have any effect whatsoever upon the price of a commodity sold in such great volume as newsprint is, of course, absurd. The figures given above have been obtained direct from the manufacturers of newsprint and from the published reports of the Department of Commerce.

Mr. President, I am as strongly in favor as any Senator can be of the free importation of newsprint and of the necessary pulp to make newsprint. I do not wish any duty whatsoever on the paper that is used for the newspapers of the land in giving us the news of the day. I want those newspapers to be just as cheap as it is possible for them to be; but the paper which they use comes in free, and at least 80 per cent of all the pulp used in the manufacture of newsprint in this country comes in free. As I have just shown, we manufacture in this country a great deal more of the unbleached pulp which goes into combinations with the ground pulp of the United States and of Canada and other countries than is needed to supply all the demands of our newspapers. So we are making a mountain out of a molehill when talking about the newspapers being interested in this proposition. If they are interested at all, their interest is so infinitesimal that they ought to be willing to set it aside, in order that the general principles on which this bill is being framed may be applied to other very great interests in this country. It is as to those other interests particularly that I propose to speak.

I wish to speak briefly about the interest in this duty of the great Southland where I live. I admit that the manufacture of wood pulp in the United States is not an infant industry, but I contend that the manufacture of wood pulp in the South is an infant industry. There are only a few States in the South where there is any wood pulp manufactured, namely, Tennessee, Georgia, Louisiana, Texas, and perhaps to some extent in North Carolina. My own State is probably in the lead in that respect, but it is only in the past five or six years, sir, that we have been manufacturing wood pulp in Louisiana. In connection with the manufacture of wood pulp what are we doing? We are undertaking the most intelligent reforestation of any State of the Union. We are there setting a pace for the Nation to follow in the intelligent reforestation of our cut-over pine lands.

Mr. CARAWAY. Mr. President, may I ask the Senator a question?

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Arkansas?

Mr. RANSDELL. I will be delighted to yield.

Mr. CARAWAY. The industry is growing in Louisiana, is it not?

Mr. RANSDELL. I hope it is; it has not been tried out long enough as yet to be tested thoroughly.

Mr. CARAWAY. It has been born and raised without any duty, has it not?

Mr. RANSDELL. Yes; I believe it was born, but it has not been raised as yet, I will say to the Senator. It was born, however, without any duty; it was born out of necessity.

Mr. CARAWAY. I thought the Senator said it was a very large and growing industry in his State.

Mr. RANSDELL. I did not say that it was a large and growing industry.

Mr. CARAWAY. The Senator said his State was the largest manufacturer of wood pulp of any State in the South.

Mr. RANSDELL. I did say that the wood-pulp industry was larger in my State than in any State in the South, but it is a very small industry all over the South. If the Senator can construe that statement to mean that it is a big industry in Louisiana, when it is small everywhere in the South, he is welcome to that construction. The industry has just started in my State, I will say; it has not got fairly going as yet, but we are very hopeful that it is going to amount to something after a while.

Mr. WALSH of Montana. Mr. President——

Mr. RANSDELL. I yield to the Senator from Montana.

Mr. WALSH of Montana. I want to ask the Senator if he can give us the information as to the percentage of chemical wood pulp produced south of Mason and Dixon's line?

Mr. RANSDELL. It is impossible for me to do that, I will say to the Senator, but I have a letter here from Mr. W. H. Sullivan, head of the Great Southern Lumber Co., at Bogalusa, La.——

Mr. WALSH of Montana. Let me ask the Senator——

Mr. RANSDELL. Just a moment, please—where a great sawmill is being operated. He tells me in this letter, which is dated April 13, that there are a few plants in Louisiana that are manufacturing chemical pulp—at Bastrop, La., in the northern part of the State, at Braithwaite, La., 7 miles south of New Orleans, and at Bogalusa, in the southeast corner. Bastrop manufactures about 40 tons a day, Braithwaite about 30 tons, and Bogalusa 70 tons. In addition to this, there is a plant at Orange, Tex., and one at Moss Point, Miss., and there are other plants in the eastern portion of the Southern States.

I will say that in my State, according to these figures, about 140 tons a day are produced. As I make the calculation, roughly, this represents an annual production of around 40,000 tons. So that it is a very small affair, when one considers that in the country at large we produce nearly 4,000,000 tons of wood pulp. The industry is very small in the South; we are just getting started. Does that answer the question of the Senator from Montana?

Mr. WALSH of Montana. In a way it answers the question, but down to 1921 the Tariff Commission did not even designate a single southern State as a producer of wood pulp.

Mr. RANSDELL. I understand that.

Mr. WALSH of Montana. They came in under the head of "all others."

Mr. RANSDELL. Mr. President, we are just getting started in the South, but we hope to be heard from after a while, and we believe that this little duty of 5 per cent ad valorem will help us to be heard from.

I spoke briefly a day or two ago about the mill at Bogalusa, La., where we have the greatest sawmill on earth. It actually cuts about 750,000 feet of pine timber per day and has a capacity of 1,000,000 feet. The forests are being denuded there so rapidly, at the rate of about 65 acres per day, to supply that great mill with saw logs, that about five years ago the owners determined to attempt intelligent reforestation. They realized if they did not do something of that kind that in about 15 to 20 years, or at the outside 25 years, they would have completely exhausted their forests, and the beautiful city of Bogalusa, with its 15,000 to 20,000 souls, one of the finest cities

in my State, would no longer be able to exist, because it was built by that sawmill and is maintained by it. So they said, "We will take time by the forelock. We will replant these vast denuded acres in the kind of growth which Almighty God intended should grow on them"; for the God of Hosts never intended that anything but trees should grow on an immense area in the Southland. He never intended that crops of cotton and corn and wheat and oats and soya beans and other crops should grow on millions and millions of our acres. He intended that trees should be produced there; and they said, "After denuding these forests of timber for the sawmill we will replant trees. We do not expect, perhaps, in our day, to get valuable sawmill timber, but in from 15 to 30 years we can get the most valuable kind of trees for pulp wood, and fine saw logs in 30 to 50 years." Trees grow very fast in that country, and the men behind the Great Southern Lumber Co. have undertaken reforestation in a very intelligent manner. For five years they have been working at it, and they feel that if they can get reasonable encouragement by this small duty they can go ahead and make a success of their industry. The leading spirit and live wire of the enterprise, one of the most progressive and intelligent men of the South, is Mr. W. H. Sullivan, the vice president and general manager of the company.

Mr. Sullivan sent me two pieces of wood, which I should like to pass around among the Senators. Growing trees indicate their age in an infallible manner. Every year produces a ring in a tree. There [exhibiting] is a piece of long-leaf pine coming from a tree 70 years old. You can examine the rings on it. You can count them. There are 70 rings there. Here [exhibiting] is a piece of a tree of another species of pine, known as short-leaf or loblolly. There are 11 rings on it, indicating that this tree was 11 years old. You can see that the two are practically the same size—one of 70 years, one of 11 years.

I should like to have Senators look at this piece of the short-leaf pine and see how far apart the rings are and how porous the wood is. If you examined it with a microscope you would find that it is full of pores. Those pores are very valuable in a way. This wood left alone, not treated chemically, will decay rapidly when exposed to the weather, but the railroads have found that if this loblolly or short-leaf pine, this porous, open-pore pine, is treated with creosote, or some similar chemical, it will last about twice as long as this splendid pine of the other variety if the latter is not creosoted. The long-leaf pine will not take the creosote as well. The pores are so close, the timber is so very dense, that the creosote will not penearate. It will penetrate all through the loblolly pine, so they find that this is very valuable for crossties and for other purposes in railroading where the timber is exposed. It is also extremely valuable without being creosoted for interior work in houses, such as joists, beams, rafters, boards, and things of that kind, where the timber is not exposed to the weather. When creosoted it is valuable anywhere and everywhere.

This tree was only 11 years old. The part I exhibit is a quarter of it. You can see that that was a pretty respectable piece of timber. Suppose you had let that tree acquire an age of 30 to 35 years. It would have been a pretty good piece of commercial saw timber.

Mr. President and Senators, the Bogalusa people think they have demonstrated that this variety of the short-leaf or loblolly pine, and still another variety called slash pine, will become a commercially valuable tree for lumber purposes in 30 to 40 years and will be very valuable for pulp purposes in 15 to 25 years.

Mr. WALSH of Montana. Mr. President——

Mr. RANSDELL. I yield to the Senator.

Mr. WALSH of Montana. I inquire of the Senator if either of these specimens was grown by any species of cultivation or whether they just grew naturally?

Mr. RANSDELL. My friend Mr. Sullivan did not say as to that; hence I can not answer that question. I will read the Senator his exact statement. He says in a letter of October 28, 1921:

> I am sending you under separate cover a piece of long-leaf pine, which shows slow growth, and a piece of loblolly or short-leaf pine, which shows rapid growth. You will notice these pieces are about the same size. One of them grew in 70 years and one in 11 years. It is this type of quick-growing pine that the great Southern Lumber Co. is going to plant. Some of it is to be used in perpetuating the lumber business and a large part of it is to be used in the manufacture of pulp. We have already started this work on an extensive scale.
>
> This quick-growing wood is suitable for all purposes for railroad construction when creosoted, and most railroads now prefer it to the long-leaf pine, because the creosote gets a more extensive penetration; while for building houses, such as studding, boards, and joists, it is also suitable, but not for any class of work where it comes in contact with the ground, cement, or brick walls, unless it is creosoted.

Mr. WALSH of Montana. Mr. President, I was inquiring simply for the purpose of endeavoring to get some kind of an idea about how long it would take to produce pulp wood. Of course, the Senator will realize that the same variety of tree will make very rapid growth in certain soils and under certain conditions, and very slow growth under different conditions and in different soils; likewise, that all growth is highly stimulated by cultivation; so I was simply desirous of knowing to what extent this was cultivated, and what kind of soil it was grown upon.

Mr. BROUSSARD. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to his colleague?

Mr. RANSDELL. I will yield to the Senator in just a moment. I will say to the Senator from Montana that it is estimated that there are in the South something like 66,000,000 acres of pine land, from the greater portion of which—all but about 11,000,000 acres, as I understand—the timber has been denuded. When the timber is cut from that land, if you can keep forest fires away from it and keep razor-back hogs from grazing on it, the trees spring up everywhere like magic, and in a few years produce a new forest. Several times, when I used to campaign for the House some years ago, I have traveled through the pine sections of my State and have gone through young forests with well-defined corn or cotton ridges on the ground, and the trees would be as large as my body, sir—25 to 30 years old, evidently—a very thick growth and just as vigorous as anything could be.

In my own State—and I will explain this more fully in a moment—they are practicing intelligent reforestation by planting trees, although not as the Senator saw in Germany, where they are planted in rows and thinned out like a regular orchard. They do not do it in that way, sir. They leave anywhere from one to two or three seed trees per acre. The cones fall from those trees, nature spreads the seed around. Strong fences are built around those forests to keep out trespassers and to keep the hogs away from the young trees, and forest rangers go around and prevent fires. That system has been practiced by Mr. Henry Hardtner at Urania, La., for the last 15 or 20 years, and he has been very, very successful in it.

I now yield to my colleague.

Mr. BROUSSARD. Mr. President, I merely wanted to answer the question propounded by the Senator from Montana [Mr. WALSH]. No doubt my colleague will cover the particular thought I had in mind, but I wish to do it now, because it is within my own knowledge and information.

When the trees are protected from the hogs, which destroy the seed, there spring up trees as numerous as the hairs on a man's head. These trees can not grow and thrive when they are so thick. The theory that the people of Louisiana have advanced is a thoroughly practical one. At the end, say, of 10 years they go in and select the weaker trees and cut them out and make pulp of them, so as to give air and sunshine to the other trees. At the end of 20 years they go in again and thin out these trees, so that they are adding to the opportunity of the tree to develop, just the same as they would do if they cultivated the tree. They do not cultivate it, except that they permit it to grow; and I dare say that in a forest that is tended in that manner the rings around the tree will show a very decided increase in size; the tree will develop more rapidly and become more porous. For certain purposes the tree that has to fight for a living is a more durable tree; but the other tree, if treated with chemicals, absorbs the creosote, because it is porous, and then becomes practically impervious to weather and to time.

While taking care of these forests we are converting what was absolutely a waste product heretofore into a very useful thing. I wish to say to my colleague that within the last year two paper factories have been established in my town, a town of less than 12,000 people.

The last factory put up there cost over $2,000,000, and they now are beginning to operate. They propose to use other things than wood in the manufacture of paper. They propose to use rice straw and cotton stalks and cornstalks, but they have invested that money because they know that they can fall back on the willows and the other trees that grow in the forests there. We have a wonderfully intelligent conservation commission, which has been responsible for the conservation not only of timber but of all other things which nature affords; and we feel certain that while using some of this timber we can make it useful to civilization, and at the same time afford an opportunity for the trees to produce more timber in a given time than they did under nature, through natural causes, without assistance.

Mr. RANSDELL. May I ask how rapid is the growth of the willow that the Senator speaks of? Is not that a very rapid growth also?

Mr. BROUSSARD. That can be cut down every year and used the following year for paper pulp. The William Boldt

Co. established a mill in my town, which is just completed, just beginning operations now, with the idea of using other things than wood pulp, but knowing that they have an unlimited quantity of raw material if they should fail in that line.

Mr. RANSDELL. Mr. President, I thank the Senator for his remarks. I firmly believe that we are doing a wise thing in encouraging the manufacture of wood pulp in the United States. This is a very low rate of duty which is proposed—only 5 per cent ad valorem—it does not amount to much, and it would encourage our people greatly. Certainly we have to import an immense quantity of paper of every kind and sort, and wood pulp of every kind and sort, from abroad, and if we can impose a reasonable duty like this, which will give from two and a quarter to three million dollars a year in revenue and at the same time will not hurt any industry in the Union, but will greatly encourage many big industries, why not do it? It is along the general principles of this bill. It is both a duty for revenue and for protection, or, for those who do not like the word "protection," then let us say "incidental protection," along with a very considerable revenue.

In my judgment, we ought to encourage the growth of forests in America. If we can believe what the foresters tell us, we will have exhausted our national forests in a very few years if we do not do something to restore them. If we can by this measure encourage people to plant forests, induce them to make all the pulp wood we need, and, incidentally, a great deal of lumber, will we not have acted as statesmen—as wise, far-seeing men?

The people abroad replant their forests. The wise people of France and Germany plant forests. It is said that they produce practically enough timber for their own consumption. I do not know that that is true, but they certainly produce a very large percentage of it. If we could do anything in this country, by legislation or otherwise, to encourage reforestation of the vast area in the Southland of over 50,000,000 acres and a much greater area in other States which has been denuded of forests, we will certainly have acted wisely.

Just a word more. I hold in my hand a page of the New Orleans Daily States of Sunday, July 30, in which there is an intensely interesting article, entitled "Louisiana man is international figure in forest conservation and preservation." It describes in a most vivid and readable way how Mr. Henry Hardtner started his conservation work at the little town of Urania, in the center of the State, and how he was assisted in that work by Mr. Alexander, head of the Louisiana Conservation Commission. Let me say, sirs, that Henry Hardtner and M. L. Alexander are wise, far-seeing men, of whom Louisiana is justly proud. They have been working together for a long time and have succeeded so well that they have set the pace for America. The great Yale University Forestry School has for years been sending its boys to far-away Urania to be taught forestry right on the ground, under the leadership of Henry Hardtner and M. L. Alexander. It is a splendid illustration of what can be done.

Mr. Hardtner is now cutting trees for his mills which were very small when he began this plan 20 to 25 years ago. The State of Louisiana, through the conservation commission, has made special arrangements with him by which he pays only nominal taxes on that land until the trees have attained sufficient size to be cut into timber, and then the lumber is taxed enough to compensate for the exemption.

Following the example set by Mr. Hardtner, the Great Southern Lumber Co. has also been acting vigorously in reforesting its section of Louisiana. We are anxious to encourage these people. We believe they will be encouraged by the passage of this bill and that it will give decided impetus to reforestation throughout the Nation.

Mr. President, I ask leave to publish this article as an appendix to my remarks, in 8-point type, without reading, and I call it to the attention of every Senator, who will find it to be intensely interesting.

There being no objection, the matter referred to was ordered to be printed in the RECORD in 8-point type, as follows:

[From the New Orleans States, Sunday, July 30, 1922.]

LOUISIANA MAN IS INTERNATIONAL FIGURE IN FOREST CONSERVATION AND PRESERVATION—HARDTNER TRACT MODEL PRESERVE—LITTLE TOWN OF URANIA SCENE OF PUBLIC-SPIRITED ENTERPRISE—LOUISIANA TRAINS YALE'S FORESTERS.

"For several years the eyes and thoughts of conservationists, especially foresters, throughout the United States have been directed toward the little town of Urania, in La Salle Parish, La. This village is more widely known than many towns of the State with ten times its population or more, and its fame is based almost entirely on the vision and public spirit of one of its citizens—Henry E. Hardtner.

"With the cooperation of Commissioner M. L. Alexander, of the Louisiana Department of Conservation, Mr. Hardtner has furnished a lesson in forest conservation for the entire country.

"Toward the close of the last century foresighted men began to take alarm at the rapid destruction of the forests of the country. Writers in magazines and public speakers called attention to the danger. But they were addressing a people who had an inherited belief in the inexhaustible timber resources of the country. The facts presented generally fell on the barren soil, but slowly the idea grew that something must be done to replace the waste.

"Finally President Roosevelt called a conference of the governors of States to meet at the White House to consider means for the conservation of the natural resources of the country. By virtue of its personnel this conference attracted attention throughout the country, and the conservation movement received an impetus that has carried it forward until now it has thousands of advocates where less than two decades ago it had a single one.

HISTORY HAS ITS LESSONS.

"It dawned upon the more wide-awake class of people that the forests must be protected. The finger of history pointed at evils that were to follow the continued destruction of the forests, which had proceeded to such an extent that the effect was already visible in the world's greatest and richest valley and in innumerable other smaller valleys throughout the country.

"The Mississippi River reached an elevation this year higher than ever before known, and other streams in various sections in recent years have overflowed their banks, causing great destruction and in cases desolation of the surrounding country. These disasters are directly attributable to the destruction of the forests, which held back the rainfall in former years, permitting the water to enter the streams only in such quantity as could be provided for without overflowing their banks.

"Efforts to restore the forests of this country have just begun, and so far have been isolated. The most conspicuous example in the country is the Urania Forest Reserve, under the direction of Henry E. Hardtner. In Europe forestry has been generally practiced for a century or more, with the result that Europe is approaching restoration of its wooded lands. But, at best, Europe can never become an exporter of lumber. It can never hope to go beyond the point of supplying its own needs.

"The most important trees to be restored are the conifers, or softwoods. In data compiled for the peace conference at Paris it was shown that there are about 2,800,000 acres of forests in temperate regions and 3,000,000,000 acres in the Tropics. Approximately 1,400,000,000 acres of softwoods (needle leaf) are in temperate regions, while the amount in the Tropics is negligible. For purposes of world supply softwood growth is centered in the United States, Canada, Europe, Siberia, and Japan. While there is three times as much hardwood in the world as softwood, the world consumes twice as much softwood as hardwood. It may be held that when the softwood forests are depleted hardwood will take the place of the more acceptable growth. It will, no doubt, to some extent, but softwood can never be fully or acceptably replaced.

SOFTWOOD FORESTS VANISHING.

"The world's softwood forests are rapidly disappearing and the necessity for reproduction has become acute. The forestry problem of the day is to increase the production of softwood timber, because it is far superior to hardwood for most commercial purposes. Europe long ago awoke to the fact, and under the wise practice of forestry there the needle-leaf trees are replacing the broadleafs in nearly all cultivated areas. Although in this country there will be constantly increasing importation of tropical hardwoods to take the place of southern pine, fast becoming scarce, these tropical hardwoods can not be expected to supply the place of pine. No nation may expect to destroy its own forests and hope to economically or satisfactorily supply its needs from other countries. Lumber is so bulky a commodity that its transportation increases the cost enormously.

"There are two prime essentials in the problem of reforestation. First, fires must be prevented, for pines, being highly inflammable, suffer more from fires than any other trees; second, regrowth must be provided for on a scale equal to the annual cut of the mills. Prof. J. W. Toumey, of the Yale forest school, has this to say on the subject of regrowth:

"'The goal toward which this Nation should move is 200,000,000 acres of softwoods fully stocked, protected, and organ-

ized for sustained yield. The goal toward which the South should move is 50,000,000 acres of softwoods, fully stocked, protected, and organized for sustained yield. This movement definitely planned and effectively carried out will assure an annual cut of softwoods 100 years hence at least as large as we cut to-day.'

"America must either grow its softwood timber or, after a few years, do without it. When it is considered that Louisiana is the only State from Virginia to Texas that has even begun the movement toward reforestation, the serious nature of the situation is apparent. The University of Georgia has a forestry school, but that is the only nucleus of the practice of forestry in the vast territory mentioned, a territory that for the last two decades has been drawn upon by the civilized world for its lumber.

COMPARISON IN ACREAGE.

"In her history the United States had nearly one-half of her area in forest growth. The original area of southern pine is placed by the United States Forest Service at 125,000,000 to 130,000,000 acres. Of this area there is left about 20,000,000 acres of virgin timber. Louisiana originally had 11,000,000 acres of pine lands and now has left not much over 2,000,000 acres. The Capper report places the total area of southern pine both of virgin and second growth at 60,000,000 acres. If the South should adopt the program of Professor Toumey, of Yale, she can secure for all time an annual yield of 10,000,000,000 board feet a year, or nearly as much as the present cut.

"It is usually calculated that 100 years is required for the growth of trees of saw-log size. Mr. Hardtner has shown that in Louisiana, under the more favorable conditions of soil and climate, the necessary growth only occupied 35 to 40 years. There is no guesswork about growth on the Urania tracts. Trees are numbered and are measured periodically, so that the rate of growth is known absolutely.

"Five years ago the writer was conducted over experimental tracts by Mr. Hardtner, and was shown on this most important privately owned forest tract in the country that the destruction of the forests has been caused not by the necessities but by the shortsightedness of man. Mr. Hardtner's vast holding around Urania is an object lesson for the whole country in the matter of reforestation. The conservation department of the State has cooperated with him in his public-spirited work, and M. L. Alexander, its chief, was foresighted and broadminded enough a decade ago to enter into a contract on the part of the State with Mr. Hardtner by which his success has been made possible. The attention of the Federal Government was also attracted to his work, and it has assisted him by furnishing experts who demonstrated scientifically the correctness of Mr. Hardtner's theory and practice.

"Years ago lumbermen learned it was unprofitable to mill the smaller trees, but they did not agree as to the limit of profitable size. Economists figured that the loss grew in arithmetical progression every half inch below an 8-inch diameter. Twenty-five years ago, while other lumbermen were cutting the forest bare, Mr. Hardtner reached the conclusion that it was economical to leave trees of 12-inch diameter standing. The result proved the wisdom of the plan, for the tracts so treated have not only been reforested but the trees left standing, having plenty of sunlight, grew three or four times as fast as they had previously grown. His practice showed that land so treated would produce 5,000 feet of lumber per acre every 20 years, or 250 board feet annually, no inconsiderable yield with the present and continually advancing price of lumber.

RAPID GROWTH DEVELOPED.

"Leaving aside the reforestation of the cut-over land, the plan was economical. The growth of the trees has been checked by crowding, and trees over a century old put on rapid growth. One of these trees, when cut down, showed by its annual rings an astonishing and apparently eccentric rate of growth. In the center of the cross section the rings showed each year's growth were so close as to be mere threads. The annual rings developed after thinning out of the trees were broad, showing rapid growth. When the tree was 150 years old, as shown by its rings, its diameter was 9.5 inches. Seventeen years later the diameter was 15.8 inches. In the first 150 years of its existence it had grown 1 inch in 17 years and in its old age it had developed an inch in 2.7 years. The difference in area of cross section was 196 square inches as against 72. In other words, two and three-quarters as much wood was produced in the 17 years of the tree's old age as in the century and one-half of the first period.

"A resurvey of several experimental tracts last week only accentuated the conclusion reached by the visitors five years before. There was still to be noted the difference of growth on areas protected from fire and those burned over annually. Five years ago this difference was apparent only in the number of seedlings left on each plot. Now the same difference is even more apparent, and the rate of growth of the two plots is striking.

"The protected plot is thick in growth of trees 7 feet high, while in the plot exposed to fire only an occasional 2-foot tree is seen, showing that even the few trees that survived the fire were stunted in their growth.

"The older growths in the plots that were protected from fire 20 years ago, and when cut over were left with some trees to reseed the land, showed well-grown trees, some of them nearly ready for the saw, while others had attained great height and considerable diameter of bole. In one plot can be seen side by side the difference in the rate of growth between trees crowded together by nature and those thinned out by man. The thinned area, with one-half the number of trees, showed double the number of cubic feet of timber area.

"The John M. Parker tract along the Pelican Highway is a demonstration of the natural reforestation of the pine woods when a few seed trees are left standing. The tract is growing up in vigorous young long-leaf pines. The only attention paid it is the guarding against fires and fencing against hogs. The growth along the highway outside the fences on both sides and that within the inclosure are striking examples of the truth of the theory advanced by Mr. Hardtner six or eight years ago, and since proved by a demonstration, that long-leaf pine would not reproduce where hogs were allowed to roam.

HOG PROVES AN ENEMY.

"The hog is the all-sufficient reason for the 'second-growth pine' throughout the South being short leaf or 'loblolly.' On the highway, alongside the John M. Parker tract, there is a dense growth of worthless scrub oak, but no pines. A foot or so distant on the other side of the seedling of the long-leaf pine that grew outside the inclosure were eaten by hogs, while those within the fenced area could not be reached. The hog eats the root of the long-leaf pine because it is fleshy and sweet, while the bitter root of the short-leaf and loblolly are left untouched.

"The most striking feature of the 70,000 acres of the Urania Co.'s holdings is that there is no idle land. What is not planted in agricultural crops is growing trees. There is probably no land of equal extent in the United States of which every acre is producing some form of wealth. The desolation often seen on cut-over lands throughout the South is visible nowhere. Freshly cut-over tracts have sufficient standing trees to lend color to the scene, and the prevention of fires allows a thick carpet of grazing grass everywhere.

"Considering the success that Mr. Hardtner has had in perpetuating forest growth and his standing throughout the country as a forest conservationist, it is not astonishing that some years ago Yale University established on his land a summer school of forestry for its graduating class, distant though the spot is from the seat of learning. Here the youth of the university may study forestry in the woods, the proper spot for such study; and, moreover, they can study reforestation and forest conservation in the best-conducted reservation within the limits of the country.

"Similar considerations induced the department of conservation of Louisiana to hold the present year's session of the summer forestry school it organized and is conducting in conjunction with the Louisiana State University in a beech grove, in the game-reserve section of the forest, where roam herds of elk and Louisiana deer, and where all forms of wild life find safe refuge.

"Under giant beech trees bordering a little creek have been pitched 13 large tents, 10 of them for sleeping quarters and 3 for administration purposes and storerooms. A short distance away, along a path in the woods, is a large mess hall and kitchen, well screened against insects, and provided with all the appurtenances of an up-to-date eating house. The 10 sleeping tents will house comfortably 8 persons each, while the mess hall will accommodate all of the campers at one time.

SCHOOL HAS DOUBLE MISSION.

"The department of conservation had a twofold purpose in the establishment of this school, the first of its kind in the country. In the first place it recognized the need of educating its own rangers in forestry work, it being impossible in selecting these rangers to secure in all cases educated foresters. In the second place there was the need of educating the youth of the State in forestry, that the conservation movement, so auspiciously begun, might be continued indefinitely. Mr. Alexander recognized also that to interest the youth of the State in forestry meant the gathering of the older generation into the fold,

for the parent naturally takes interest in that which interests his child.

"The forest school opened this summer with 65 students in attendance on a site lent to the school by Mr. Hardtner and situated near the site of the Yale school. The school was established in the summer of 1921, with 25 students, and was the first forestry practice school ever conducted in the South. The fact that its attendance more than doubled in a single year gives promise of satisfactory growth and an increasing interest in forestry in consequence.

"The present session began June 19 and closed yesterday. The curriculum was composed of four courses: One advanced course for college students, a course for high-school graduates and college students, a high-school course, and a ranger's course.

"Every Wednesday afternoon lectures were delivered to the students by forestry experts or prominent citizens from all parts of the State on the subject of conservation. The students have been enthusiastic in their work, and it is believed that the establishment of this educational institute will be of great benefit in furthering the forestry movement throughout the State."

Mr. LODGE. Mr. President, as the hour is late, I have no intention of delaying the Senate beyond a few moments. I do not propose to go over all the details and figures of this question of wood pulp, which have been very thoroughly covered by the Senator from Maine and other Senators.

I approached this question with my opinion very much against the continuance of the duty. I believed that wood pulp was a great source of forest destruction, and I was not willing to vote for anything that would stimulate the destruction of our forests. I took the matter up in that sense with the Finance Committee, and I found that they took a different view and that they thought it wise that there should be a small duty placed on chemical wood pulp.

That led me to look into the question. It is not one affecting my own State. In my own State I suppose the opinions of those interested in it are against the position I take, but I could not escape the convictions which came to me when I examined into the subject.

The first thing which interested me was the effect of a duty in helping in the destruction of the forests. I found that all the pulp that was used, both mechanical and chemical, consumed about 3 per cent of the annual cut in this country. I am sorry to differ with my friend from Ohio [Mr. POMERENE] in anything, but I can not believe that 3 per cent is larger than 97 per cent, or that the 97 per cent is not that portion of the cut which is fatal to the American forests.

I was surprised, I confess, to find how small it was. But I also discovered that the comparatively small extent of the cut rose from the fact that wood pulp was made to a very large extent from the waste of the sawmills and the natural wastes of the forests. I also found, wherever I inquired, that the makers of chemical wood pulp were engaged in preserving their forests, because it was their absolute means of subsistence; that they were engaged in reforestation, or in the preservation of the forests by selective and scientific cutting. That, I know, is especially the case of the Great Northern Co. in Maine, and I found the same condition in a very small mill in my State, the only one we have, I think, which is purely a pulp mill.

Having proceeded as far as that, it seemed to me that there was no reason why a legitimate industry should be extinguished. I quite agree with the Senator from Montana [Mr. WALSH] that where the final, finished product is free, the manufacturers have a right to demand that their basic material shall also be free, which I think is very well illustrated in the case of hides, and the newsprint manufacturers no doubt would have a good claim that the pulp they use should be free, if they chose to assert it, because their finished product is on the free list. I can not find that the demand for free wood pulp comes from the newsprint manufacturers. It comes from those who use newsprint, which is a different proposition economically.

The wood pulp is largely made by mills which are also conversion mills, which use it for newsprint or other papers, and a large part of the hostility to the duty on wood pulp, I think, comes from a very natural feeling that the mill which makes its own pulp, and is also a conversion mill, has some advantage. Whatever a tariff is intended to be, it certainly is not intended to regulate competition between American industries.

The last source of objection is from the people who use wood pulp who are not manufacturers of newsprint, which is on the free list, where we are very glad to put it, and very glad to keep it. Those are the makers of all sorts of paper other than newsprint. My State is one of the leading States in the production of paper, and there are many mills in Massachusetts. All that is made in those mills is protected, and properly so, in my judgment, as a protectionist. I have been very glad to support the protection for those mills, but I can not help having the feeling—in fact, it has been a conviction with me for many years—that those who are protected in their own highest finished product ought to be willing to let the basic material which comes into their mill, and which is some other man's finished product, have protection also.

It seems to me, after a consideration of the general conditions, that the manufacture of wood pulp is a thoroughly legitimate business, employing some 70,000 men, I believe. The duty asked is very moderate. I do not think it will be hurtful to any of the makers of paper, and I think the business ought to be preserved and not extinguished.

I have been informed, I think with perfect correctness, that if this question were referred to the Tariff Commission and a comparison were made between the Swedish wood pulp, for example, and ours, the Tariff Commission, or any scientific board which examined it, and examined into the costs, would say that our wood pulp, if there was to be any protection of American industries, would be entitled to about 15 per cent, instead of 5. Five per cent is all that is asked. It seems to me moderate; the industry seems to me a legitimate one, and it seems to me that this is in accordance with all the principles of protection, and although I know very well that perhaps the other view is the more popular one, and what the feeling is in many States, including my own, I can not with any sense of justice oppose this moderate duty on wood pulp, and I shall therefore give my vote to it.

Mr. LENROOT. Mr. President, I want to say just a word in explanation of the vote I shall cast on this amendment. I have been very greatly troubled, in coming to a conclusion upon this subject, by a consideration of forest preservation. The Tariff Commission has reported that the difference in cost of production of this pulp between Canada and the United States is greater than the duty proposed, and is certainly very much greater between the United States and European countries, which are now importing in large quantities. It seems to me the only question for any Republican, at least, to ask himself is whether or not the imposition of the duty, although it is not as great as is the difference in the cost of production, will tend more rapidly to devastate our own forests.

But, Mr. President, when we come to a consideration of that question it seems to me we can not stop with chemical pulp if that principle is to control our action. Chemical pulp is not a raw material. Pulp wood is imported in large quantities into this country. Chemical pulp is a highly intricate process of advanced manufacture. If we are to say that chemical pulp shall be admitted free of duty upon the ground of conservation of our forests, must we not also logically say that all kinds of paper shall likewise be admitted free of duty, and for the same reason? Can we stop there? If that is to be the controlling principle, must we not say that all furniture shall be admitted into this country free of duty because it will tend to conserve our forests? Where are we going to stop if that is to be the principle which controls our action?

Mr. WALSH of Montana. Mr. President——

Mr. LENROOT. I yield to the Senator from Montana.

Mr. WALSH of Montana. I have not been able quite to understand the question which the Senator is now presenting. We will assume that the manufacturers of the high-class paper get all of their pulp abroad. What difference does it make, so far as conservation of our timber is concerned, whether there is a duty on their product or not?

Mr. LENROOT. The Senator makes an impossible assumption.

Mr. WALSH of Montana. Let us assume the other thing, then—that they do not.

Mr. LENROOT. Then, just so far as they do not, they use our own forests, do they not?

Mr. WALSH of Montana. Undoubtedly.

Mr. LENROOT. And if the controlling principle is to conserve our forests, then, if we let all paper come in free, we will conserve our forests just to that extent.

Mr. WALSH of Montana. But if we let all paper in free our forests would be devastated in some other manner anyway. That would not meet the situation entirely.

Mr. LENROOT. But the Senator is making a strong argument that the admission of chemical pulp free does tend to conserve our own forests. Now, I say if that is to be the controlling principle, the admission of all papers free would also and likewise and for the same reason tend further to conserve our forests.

Mr. WALSH of Montana. Only in a very remote degree, however.

Mr. LENROOT. I do not know, nor do I care to argue the question of the remoteness of the degree.

Mr. SMOOT. It could not be any more remote than the amount of paper made out of wood, if we go to that extent. Of course, if it is made of rags, that is another question.

Mr. LENROOT. To my mind there is a very clear distinction, so far as conservation of our forests is concerned, between the pulp wood or timber of which pulp may be made and lumber. The wood from which pulp is made attains a growth in from 15 to 20 or 25 years, while the timber from which lumber is made requires anywhere from 50 to 100 years.

In the matter of the conservation of our forests, a subject in which I am very keenly interested, the fact is that it is exceedingly difficult for Americans to look ahead 50 or 100 years, looking toward the conservation of our forests, while the time is at hand where, as a business proposition, corporations will look ahead 15 or 20 years. So there is very much more opportunity and very much more likelihood of forest conservation of the product that can mature in from 15 to 20 years than of the product which requires from 50 to 100 years to mature.

Upon the question of forest conservation I think this is a matter which should be considered. If all of our pulp mills are to remove to Canada, so that Canada or Sweden or Finland or Norway is to be looked upon to produce all of the pulp that is used in the United States, we must look forward to the time when Canada will face a timber shortage exactly as the United States faces it to-day. The only remedy, the only hope for the future of America in the use of wood, is the conservation of our own forests.

Mr. SMOOT. Even to-day, in at least two of the Provinces of Canada, they are facing that very situation.

Mr. LENROOT. If all of our pulp mills are to remove to Canada, what can we look for in the conservation of our own forests, in reforestation, in growing this class of wood, if we have not any mills here to offer any inducement to Americans to conserve our own forests and do reforesting?

So, Mr. President, from the standpoint of reforestation, from the standpoint of conservation of our forests, I think that upon this particular product which may mature in 20 years or less we are really and truly conserving our own forests by providing a moderate duty such as is here proposed, which will give some incentive and some inducement to our own manufacturers to conserve and reforest in the United States so that we may have a permanent supply.

The Tariff Commission reports that that is the attitude of the American Paper & Pulp Association now. On page 32 of their survey they say:

(4) The course that is most approved by the trade, as represented by the American Paper & Pulp Association, is that of continuing to operate in the present location and of securing a permanent supply of pulp wood through the practice of scientific forestry and reforestation.

That can not be done unless there is an incentive for these people to maintain their establishments here in the United States and induce them to enter upon the practice of forest conservation and reforestation.

I appreciate the opposition of most of the newspapers and I well realize the force of that opposition, but here is a proposition that is fairly established that there is a difference in the cost of production greater than the duty proposed. If it be admitted that it is in the interest of permanent forests in this country and a permanent supply of wood that the pulp mills shall continue to exist in America, then it seems to me as a Republican, as a protectionist, as one who does not wish to discriminate either in favor of or against any industry, but upon sound principles of protection, that the committee was fully justified in the amendment proposed.

Mr. WALSH of Montana. Mr. President, before the Senator takes his seat I should like to ask him a question. I should like to understand, on the matter of principle involved, if he assumed that the American pulp manufacturers were now making a fair profit upon their product, whether the Senator would still insist upon levying a tariff?

Mr. LENROOT. No, I would say, if they were making a fair profit; but I happen to know that mills in my own State are closed down. I know that mills in my State making chemical pulp are not making any profit at all. That is not a matter of assumption; it is a matter of fact.

Mr. WALSH of Montana. Of course, the Senator may know that, but the Senate is obliged to know the situation generally and to know all the facts, if it is to act intelligently.

Mr. LENROOT. What information has the Senator that the pulp mills are making any profits?

Mr. WALSH of Montana. I have only the Tariff Commission report.

Mr. LENROOT. As of what date?

Mr. WALSH of Montana. Nineteen hundred and twenty-one.

Mr. LENROOT. The importations have increased.

Mr. WALSH of Montana. I called attention a moment ago to the fact that the importations for 1922 are less than they were for 1921.

Mr. LENROOT. That may be, but they have increased in proportion to the total consumption. Our domestic production has increased in greater proportion than the imports have increased.

Mr. WALSH of Montana. The Tariff Commission gives us this information, which I shall be obliged to offset against the statement of the Senator from Wisconsin:

The average cost of production of wood pulp in Canada is considerably less than in the United States. In 1915 the average cost for ground wood was 23.9 per cent lower and sulphite 14.6 per cent lower. In 1916 the percentages were 23.5 and 19.2, respectively. In spite of this difference in cost, Canadian competition is not at present a serious menace to American producers. This is because the strong demand maintains the price at a figure sufficient to give the American producers a profit, though, of course, the Canadian producer makes a greater profit.

Mr. LENROOT. Will the Senator give me the date of the report from which he is quoting?

Mr. WALSH of Montana. Nineteen hundred and twenty-one.

Mr. LENROOT. But what date in 1921? I think if the Senator will investigate, he will find that the report was made in 1921, but that it covers a time previous. So far as the investigation made is concerned, it could not have been with reference to the situation now. It could not have been with reference to the situation in the latter part of 1921, because the Senator must know that the demand was not such as that during the time stated in the report.

Mr. WALSH of Montana. I am able to give the Senator some information on the matter.

Mr. LENROOT. I am informed by the Senator from Utah [Mr. SMOOT] that the report gives the business of 1920.

Mr. WALSH of Montana. I was going to call the attention of the Senator to the fact that the report gives us statistics for the month of March, 1921.

Mr. SMOOT. That is, as to importations.

Mr. WALSH of Montana. No; it gives statistics concerning March, 1921, so that the report must necessarily have been made at some time later than March, 1921.

Mr. SMOOT. The business spoken of must have taken place in March, 1921. They could not write a report until after the business had taken place.

Mr. WALSH of Montana. Of course, if such an important matter as this report of the Tariff Commission is regarded as worthless and a mere statement of a Senator upon the floor that mills in his State are not making a profit is to displace it, I do not see why we want the Tariff Commission report.

Mr. LENROOT. I insist there is nothing in the report to substantiate the Senator's statement, because the last year they give as to the difference in the cost of product on is 1916.

Mr. SMOOT. And the mills of the Senator's State were not closed down in 1920.

Mr. LENROOT. They were not, nor were they closed down for six months in 1921.

Mr. WALSH of Montana. No. It is quite likely, because the early part of 1921 the price of print paper was out of the reach of any ordinary institution of the country.

Mr. SMOOT. That is what the Tariff Commission reports, and the very fact that there was such a demand for it made it possible to keep the mills running in this country.

Mr. LENROOT. I think the Senator from Montana must agree with me that the situation which he quoted, that the strong demand maintained the price, is not true to-day. He must know there is no such demand to-day as there was a year and a half ago.

Mr. WALSH of Montana. Why is there not?

Mr. LENROOT. Because of the general depression.

Mr. WALSH of Montana. Exactly, the general depression. The general depression exists in Canada just as it does here.

Mr. LENROOT. But the commission reported that it was the strong demand that kept up the price. When that demand goes down, of course it must follow that the price is not kept up because of the strong demand, and the difference in the cost of production applies.

Mr. WALSH of Montana. Oh, Mr. President, the Tariff Commission was not reporting about the condition that existed just at that particular time or in that particular year. The commission was reporting upon the general condition that exists from year to year. They were not speaking about the specific conditions that existed at that particular time, because, Mr. President, they look to the future; they are advising the Congress of the United States with respect to this matter as a guide for legislation which is to take effect in the future.

They tell us not the particular condition which existed at that time, but generally that the demand for print paper is very great, and that it is increasing by such leaps and bounds that the demand is sure to go.

Reference is made in their report to the fact that in 1895 the average consumption in the United States was something like 50 pounds while to-day it is 125 pounds. The demand is constantly increasing. It is idle to imagine that the present depression is going permanently to affect the consumption. Beyond a doubt the consumption is going to grow in the future as it has in the past.

Mr. LENROOT. Does the Senator from Montana want the Senate to understand that either he or the Senate would accept the statement that there is a strong demand to-day that keeps up the price, because the Tariff Commission says so, when he and I know that there is no such demand?

Mr. WALSH of Montana. I do not know that there is not a strong demand. I know there is a strong demand.

Mr. LENROOT. Then, I can not argue with the Senator.

Mr. WALSH of Montana. I know that the demand is not so great as it was in 1920, but the demand for paper and the consumption of paper continues and is increasing. Everybody knows that the demand is great.

Mr. LENROOT. I do not know of a plant in the United States producing wood pulp which is to-day running to capacity. Does the Senator from Montana think there are any such?

Mr. WALSH of Montana. I have no information one way or the other as to that, and I have not been able to secure any to-day.

I want to supplement what has been said by saying in this connection that the Tariff Commission with respect to the particular matter under consideration is giving not only its own conclusions, and not with respect to the particular condition that existed at the time the report was made, but it is giving us the conclusions of the Federal Trade Commission, which made an exhaustive inquiry into this matter stretching over a period of years, and upon the conclusions of the Federal Trade Commission concerning this matter the Tariff Commission states that the constantly increasing demand in this country gives the American producer a fair profit without any tariff at all.

Mr. LENROOT. Mr. President, I was a member of the Commission on Agricultural Inquiry. Our commission could have taken figures, year after year, and if we had stopped at a certain point, we could have shown that the farmer was fairly prosperous during certain years. In 1919 and 1920 there was a strong demand for everything which the farmer produced. When, however, we brought our information down to date, we found that the farmer was worse off than he had been in all his history. Certainly the Senate must take into account existing conditions. Indeed, Mr. President, that is one reason for revising the tariff at all. Must we not take into consideration conditions exactly as they exist? Must we assume that conditions are normal when they are not normal? Apparently the Senator from Montana would so assume, I am very frank to say, that, if we had normal conditions, we would have a very different tariff bill here.

The rates might be very much lower; I know they would be very much lower in many cases if we had normal conditions here and abroad; but in considering these rates we ought to consider conditions as they exist to-day, and that is what I have been trying to do in this discussion.

Mr. HALE. Mr. President——

Mr. LENROOT. I yield to the Senator from Maine.

Mr. HALE. I have here the figures for the first five months of this year showing the importations of chemical wood pulp into this country. For the month of January they were 95,636 tons; for February they were 66,441 tons; for March they were 48,376 tons; for April they were 65,144 tons; for May they were 51,657 tons; aggregating for the five months 327,254 tons. If the importations shall continue at the same rate for the remaining months of the year, they will aggregate 760,000 tons. That is almost 100,000 tons more than has ever before been imported into this country.

Mr. SPENCER. Will the Senator from Maine yield for a question?

Mr. HALE. Yes.

Mr. SPENCER. What relation does that bear to the amount of pulp which is manufactured in the United States?

Mr. HALE. I do not know what the domestic production of pulp was for those five months.

Mr. SPENCER. I mean generally what is the annual amount of chemical pulp manufactured in the United States?

Mr. LENROOT. It is 1,700,000 tons.

Mr. HALE. Those figures represent the production in an exceptionally high year, but the importations are less than one-third of the domestic production. I may say the statement I have made is gathered from information taken from the Monthly Summary of Foreign Commerce, which is issued by the Department of Commerce. I ask that the tables may be inserted in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

Imports of chemical wood pulp for the month of January, 1922.

[From the Monthly Summary of Foreign Commerce, issued by the Department of Commerce.]

	Short tons.	
Unbleached sulphate	24,527	
Unbleached sulphite	44,675	
		69,202
Imported from:		
Norway	1,353	
Sweden	37,830	
Canada	23,352	
Other countries	6,667	
	69,202	
Bleached sulphate	1,586	
Bleached sulphite	24,848	
		26,434
Imported from:		
Norway	5,513	
Sweden	2,727	
Canada	10,878	
Other countries	7,316	
	26,434	
Total		95,636

Imports of chemical wood pulp for the month of February, 1922.

[From the Monthly Summary of Foreign Commerce, issued by the Department of Commerce.]

	Short tons.	
Unbleached sulphate	19,042	
Unbleached sulphite	32,954	
		51,996
Imported from:		
Norway	2,055	
Sweden	25,931	
Canada	20,982	
Other countries	3,028	
	51,996	
Bleached sulphate	258	
Bleached sulphite	14,187	
		14,445
Imported from:		
Norway	4,845	
Sweden	2,329	
Canada	6,813	
Other countries	458	
	14,445	
Total		66,441

Imports of chemical wood pulp for the month of March, 1922.

[From the Monthly Summary of Foreign Commerce, issued by the Department of Commerce.]

	Short tons.	
Unbleached sulphate	14,548	
Unbleached sulphite	20,153	
		34,701
Imported from:		
Canada	22,873	
Europe	11,828	
Bleached sulphate	197	
Bleached sulphite	13,478	
		13,675
Imported from:		
Canada	9,746	
Europe	3,929	
Total		48,376

Imports of chemical wood pulp for the month of April, 1922.

[From the Monthly Summary of Foreign Commerce, issued by the Department of Commerce.]

	Short tons.	
Unbleached sulphate	17,530	
Unbleached sulphite	28,660	
		46,190
Imported from:		
Canada	24,327	
Europe	21,862	
Bleached sulphate	514	
Bleached sulphite	18,440	
		18,954
Imported from:		
Canada	8,980	
Europe	9,970	
Total		65,144

Imports of chemical wood pulp for the month of May, 1922.

[From the Monthly Summary of Foreign Commerce, issued by the Department of Commerce.]

	Short tons.	
Unbleached sulphate	15,620	
Unbleached sulphite	20,334	
		35,954
Imported from:		
Norway	3,433	
Sweden	3,924	
Canada	26,174	
Other countries	2,423	
	35,954	
Bleached sulphite		15,703
Imported from:		
Norway	4,438	
Sweden	1,240	
Canada	9,856	
Other countries	169	
	15,703	
Total		51,657

Mr. WILLIS. Mr. President, the inquiry has developed just now as it did yesterday as to the facts concerning the amount of pulp produced in this country, the amount consumed by the mills that manufacture pulp, and the amount which is sold to converting mills. I believe that those facts are of some importance, and I have taken the pains to prepare some data in reference to them. I ask unanimous consent that they may be inserted in the RECORD at this point.

The PRESIDENT pro tempore. Without objection, it will be so ordered.

The matter is as follows:

There are 838 paper mills and 323 pulp-paper mills in the United States. There are less than 10 chemical-pulp mills of small tonnage that do not make paper. All the other pulp mills are essentially paper mills that make pulp for their own consumption and whose surplus, when there is any, is available to converting mills.

	Tons of chemical pulp produced in United States.	Consumed by mills manufacturing pulp.		Sold to converting paper mills.	
		Tons.	Per cent.	Tons.	Per cent.
1917	1,912,592	1,323,811	70	569,750	30
1918	1,886,047	1,312,027	69	596,138	31
1919	1,925,066	1,288,670	67	626,820	33
1920	2,221,535	1,510,470	68	708,009	32
1921	1,526,357	1,114,615	73	407,981	27

(Figures given are taken from Federal Trade Commission summaries.)

As indicated above, approximately 70 per cent of the total pulp production in the United States is made by and for the consumption of the domestic mills which produce said pulp.

The converting paper mills, which use about 45 per cent of the total chemical pulp consumed in the United States, are, therefore, absolutely dependent on foreign sources for about one-half of their supply.

Pulp consumed in the United States.

	By paper mills making pulp.		By paper mills who buy pulp.	
	Tons.	Per cent of total United States consumption.	Tons.	Per cent of total United States consumption.
1917	1,323,811	58	908,119	42
1918	1,312,027	57	987,829	43
1919	1,288,670	55	1,060,627	45
1920	1,510,470	52	1,381,570	48
1921	1,114,615	55	915,452	45

Pulp consumed by paper mills who buy pulp.

	Bought from domestic mills.		Bought from foreign mills.	
	Tons.	Per cent	Tons.	Per cent.
1917	569,750	59	398,369	41
1918	595,138	60	392,691	40
1919	620,820	59	433,807	41
1920	708,009	51	673,561	49
1921	407,981	45	507,471	55

(Figures given are taken from the Federal Trade Commission summaries and Department of Commerce reports.)

If the above comparisons were limited to chemical pulp, "exclusive of news grade sulphite and soda pulp, which are not imported into this country," it would be found that—

(a) Approximately 60 per cent of the total production in the United States is made solely for the consumption of the establishments which produce said pulp.

(b) The converting paper mills, which use about 40 per cent of these chemical pulps consumed in the United States, are, therefore, absolutely dependent on foreign sources for more than one-half of their supply.

The inevitable result, therefore, of the proposed duty on pulp would be to give to those mills which manufacture both pulp and paper an unfair advantage over the converting mills. Since approximately only 27 per cent of the pulp produced in the United States is available for sale to converting mills, while 73 per cent is made into paper by the very mills that produce the pulp, a duty on imported pulp would inevitably tend to give to one class of paper mills an unfair control over the supply of raw material used by their competitors.

Mr. WALSH of Massachusetts. Mr. President, aside from the interest which the consumers of paper have in this amendment, I find that there are three classes of the paper industry interested: First, the domestic manufacturers of chemical wood pulp, few in number; second, the manufacturers of paper who also manufacture their own chemical wood pulp; and, third, the manufacturers of paper who have to buy in the open market the chemical wood pulp which they need.

The manufacturers of paper who produce their own chemical pulp have a distinct advantage over the manufacturers of paper who do not produce their own chemical pulp. Thus it is apparent that these two branches of the paper industry are competing at a considerable disadvantage to the latter. It is proposed by this committee amendment to add to that disadvantage by providing a duty of 5 per cent upon the chemical pulp which they must buy either by importations into this country or at an increase in cost, if they can get it from the domestic wood-pulp manufacturers.

Information which I have from the manufacturers of paper in my State is to the effect that this duty will seriously interfere with the progress of their business. I do not know that I can state their position better than by quoting from a statement recently made by one of the leading manufacturers of my State. He says:

> Sufficient prime-bleached sulphite is not obtainable in United States converting mills. Pulp taken as a whole—ground wood, soda kraft, and second and third rate sulphite, bleached—might be obtained, but 80 per cent of Massachusetts mills want prime bleached sulphite and can not get it in the domestic market. We are offered lower grades, not consumed by those pulp mills making paper competing with us, * * * but can not make our high grades of paper from such stuff. We must buy in Canada fully half our needs.

In other words, the independent manufacturers of paper must go into the foreign market to buy their chemical pulp, and of course pay the foreign price plus the duty. There is not a sufficient amount of chemical pulp produced in this country to meet the demands of the manufacturers of paper. It does not seem to me that the levying of this duty can be justified, in view of that situation. These manufacturers ought to be allowed to buy their chemical pulp without any extra cost. There is not a situation here where the domestic pulp industry can grow to such an extent that it can take care of the domestic demand; it is admitted it does not and that it can not take care of the demand. It seems to me that is simply permitting those industries which are manufacturing paper and which supply themselves with their own chemical pulp to increase their prices for paper and increase their profits so that they can compete more favorably with the paper mills that do not make their own pulp, and these mills constitute the largest part of the paper industry. In addition, the Senator from Ohio [Mr. POMERENE] very properly suggests to me, the greater the efforts of the domestic pulp manufacturers to meet the domestic demand the more they will deplete our forests.

There is another factor which I brought out in this debate and admitted by the Senator from Maine, namely, that the chemical wood pulp produced in this country does not meet the demands and requirements in quality of certain of our paper manufacturers. Why should these industries that must import this product be penalized? I read extracts from two letters sent me by two establishments, one the largest manufacturer of high-class paper in the country, and the other one of the most reputable and best-known paper concerns in the country, and they both state that they are absolutely obliged to go into foreign markets to get their chemical wood pulp—what they need is not obtainable in America.

We are once more confronted with the situation which has faced us again and again and constitutes a serious drawback to this tariff legislation—we are again adding duties upon the materials which go into the finished product of our manufacturers; we are again piling up duties to impair and restrict the paper manufacturers from producing at reasonable costs. One of the letters which I have received called attention to the fact that we were doing considerable of an export business in the sale of high-class paper manufactured in this country. The pro-

posed duty, they assert, will help to increase the price of our paper and will tend to injure our foreign market.

Mr. WALSH of Montana. Mr. President——

Mr. WALSH of Massachusetts. I yield to the Senator.

Mr. WALSH of Montana. Let me say to the Senator that we are doing a very substantial export business in practically every line of paper manufacture.

Mr. WALSH of Massachusetts. I am very glad to have the Senator confirm what I have said. I have not had the time to review the figures; but I knew that we were doing quite an export business in the higher grades of paper. I am glad to know we are doing an export business in all grades of paper.

Mr. WALSH of Montana. And, of course, that trade will be embarrassed by the imposition of this duty upon the chemical wood pulp.

Mr. POMERENE. Mr. President, would it interfere with the Senator if I should read a paragraph or two from a letter?

Mr. WALSH of Massachusetts. I shall be glad to have the Senator do so.

Mr. POMERENE. I was very greatly surprised a little while ago to have the distinguished Senator from Massachusetts [Mr. LODGE] and perhaps some others say that there was little or no opposition to this duty on the part of the newspapers. I have here a letter under date of June 16, 1922, from Mr. W. F. Wiley, the general manager of the Cincinnati Enquirer, which is recognized as one of the great newspapers of the country; and only two paragraphs will I read:

> The newspapers of America unanimously oppose the imposition of the 5 per cent duty on chemical wood pulp.
>
> Pulp, as you know, at present comes into the United States without duty thereon. With the proposed measure enacted into law, the cost of newsprint will be very materially increased in a period when publishers generally are attempting to reduce costs.

Mr. WALSH of Massachusetts. Mr. President, I want to call attention to the fact that the protests against this duty that have come to me have come from an exceptionally conservative class of citizens in my State. Nearly all of them have declared their belief in the principle of protection, and are in favor of reasonable protection that can be justified; but they point out that this duty is not justified under the circumstances. They call attention to the fact that five times as many persons are employed in these converting mills, that do not make their own chemical pulp, as compared with the pulp mills. The larger branch of the industries of the country manufacturing paper are very strongly opposed to this duty. They do not hesitate to declare that it will injure them and not expand the pulp industry, which does not supply the demand.

I do not believe we should levy a duty that is certain to add further to the very serious handicap which a large group of our paper manufacturers now experience by reason of the fact that they must compete with paper manufacturers who make their own chemical pulp, and I shall vote against the proposed duty.

Mr. President, I send to the desk a letter, which I ask to have read, from a leading citizen of Massachusetts, Mr. John T. Wheelwright, whose family have been engaged in the manufacture of paper for years. He expresses very clearly and very directly the opposition of the paper manufacturers. I will ask to have the letter read from the desk, and then I will ask that other letters and telegrams which I have here may be inserted in the RECORD.

The PRESIDENT pro tempore. Is there objection?

Mr. SMOOT. Mr. President, I have no objection to the reading of the letter, but at this time I desire to ask unanimous consent that when the Senate closes its session to-day it recess until 11 o'clock to-morrow.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Utah? The Chair hears none, and it is so ordered. Without objection, the Secretary will read the letter referred to by the Senator from Massachusetts.

The Assistant Secretary read as follows:

MAY 3, 1922.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SENATOR WALSH: The proposed changes in the tariff, so far as they affect the manufacturers of paper, impose burdens upon them by duties upon the materials which they must use greater than the burdens of the existing tariff. These increases affect all paper makers wherever situated, including the manufacturers of "standard newsprint paper," which both the Senate and the House bills put upon the free list, and, as shown in the tabulation hereto annexed, add burdens which must necessarily increase the cost of manufacturing paper and therefore its cost to the consumer.

A duty of 5 per cent ad valorem has been placed by the Senate upon chemical wood pulp, though the House has placed this article upon the free list. It has for a long while been considered wise not to put a duty on chemical wood pulp for the reasons that, owing to its failing resources of wood, this country can not supply the demand, and that pulp must be imported, whether from Canada or Europe, and that importations of pulp will of necessity continue in order to conserve our own rapidly diminishing supply of pulp wood. These broad general considerations doubtless led the House to retain chemical wood pulp upon the free list, and the Senate Finance Committee put the duty of 5 per cent ad valorem on this article in order to recognize in their tariff a manufacturing industry.

But it must be remembered that many of the mills converting old papers, thus conserving waste material and making it into paper, have no pulp mills, and must buy such chemical pulp as they need in the open market. Many other paper mills have pulp mills of their own, and the natural advantage which they possess over the converting mills is obvious. It does not seem proper to enhance this natural advantage by a duty on chemical wood pulp, for it is not claimed that any such duty is necessary for the protection or prosperity of the chemical pulp makers. If, however, any duty is put upon chemical wood pulp it should be a very small specific duty.

The paper makers have never been to Congress asking a high protective tariff. Indeed, when the last tariff was framed representatives of the printing-paper manufacturers informed those making the tariff that they were far more anxious to have the duties which enhanced the cost of their products removed or reduced than they were to have a large tariff upon the finished articles, since modern conditions pointed to the necessity of establishing foreign markets for their products, and that therefore low costs of production were essential to prosperity. Foreign markets have been established during the last 10 or 15 years for American paper.

Yours respectfully, JOHN T. WHEELWRIGHT.

PROPOSED ADVANCES IN TARIFF RATES ON MATERIALS.

The rates of the existing tariff upon colors and dyes are substantially increased by both House and Senate reports, the present rates being in section 52 of the present tariff: Blue, 15 per cent; 53 blacks, etc., 5 per cent; 54 chromes, yellow, green, etc., 10 per cent; ochres, 20 per cent; browns and reds, 10 per cent. The House, in dealing with the question of colors and dyes, put upon all colors, dyes, etc., a duty of 35 per cent ad valorem and 7 cents per pound, while the Senate in dealing with the subject increased the 35 per cent to 60 per cent, leaving on the 7 cents per pound. The Senate further puts other restrictions on the importation of these articles. The embargo on the importation of such articles was not renewed at its expiration in November, 1921.

On all the principal chemicals used in paper making the rates and suggested rates are as follows:

	Existing rate.	House.	Senate.
Soda ash	½ cent per pound	½ cent per pound	½ cent per pound.
Bleaching powder	¼ cent per pound	¼ cent per pound	¼ cent per pound.
Caustic soda	½ cent per pound	½ cent per pound	½ cent per pound.
China clay (kaolin)	$1.25 per ton	$2.50 per ton	$2.50 per ton.
Woven wires	15 per cent	According to mesh, 20 per cent, 30 per cent, 40 per cent, ad valorem.	According to mesh, 25 per cent, 40 per cent, 45 per cent, ad valorem.
Paper makers' felts	35 per cent		

Woven fabrics, House paragraph 1109, according to their value per pound, valued at not more than 75 cents a pound, 20 cents a pound and 18 per cent ad valorem; valued at more than 75 cents a pound but not more than $1.25, 25 cents a pound and in addition thereto 21 per cent ad valorem; valued at more than $1.25 but not more than $2.50, 30 cents a pound and in addition thereto 24 per cent ad valorem; valued at more than $2.50, 36 cents a pound and in addition thereto 27½ per cent ad valorem.

Senate: Valued at not more than 60 cents, 26 cents a pound and 40 per cent ad valorem; more than 60 cents but not more than 80 cents, 40 cents a pound and 50 per cent ad valorem; valued at 80 cents but not more than $1.50, 49 cents a pound and 50 per cent ad valorem; valued at more than $1.50, 49 cents a pound and 55 per cent ad valorem.

Wood, existing tariff: Logs, timber, hewn and sawed; sided or squared, pulp wood, boards, planks, deals, and other lumber not further manufactured than sawed, planed, or tongued and grooved, clapboards, laths, pickets, palings, staves, shingles—free.

House paragraph 401. Timber: Hewn, sided, squared otherwise than by sawing (not less than 2 inches square) and round timber used for spars or in building wharves, one-half of 1 cent per cubic foot.

House paragraph 402. Logs of spruce, cedar, or western hemlock, $1 per thousand feet, board measure.

Paragraph 407. Pickets, palings, props, and staves of wood of all kinds, 10 per cent ad valorem.

Paragraph 408. Shingles, 50 cents per thousand.

Paragraph 409. Packing box, shooks of wood, 15 per cent ad valorem.

Senate report:

Paragraph 401. House, deleted.

Paragraph 402. Unchanged.

Paragraph 407. Unchanged.

Paragraph 408. Deleted.

In both committee reports of 1922 coal is to be retained on the free list, and wood pulp, except chemical pulp, which has a duty of 5 per cent by Senate bill and is free in House bill.

Standard newsprint is free.

Senate paragraph 1641. Rag pulp; paper stock, crude, of every description, including all grasses, fibers, rags, waste, including jute, hemp, and flax waste, shavings, clippings, old paper, rope ends, waste rope and waste bagging, and all other waste not specially provided for, including old gunny cloth and old gunny bags, used chiefly for paper making and no longer suitable for bags—free.

DUTIES ON PAPER.

By paragraph 1659 of the Senate report both House and Senate give printing paper not specially provided for a rate of a quarter of a cent per pound and 10 per cent ad valorem; the existing duty on this is 12 per cent. The present tariff, section 324, gives for paper valued at about 2½ cents per pound 12 per cent ad valorem, and section 324 provides all other papers with coated surfaces or other surfaces not specially provided for in this section 25 per cent ad valorem.

The House report gives writing, letter, note, drawing, etc., Bristol board of the kind made on Fourdrinier machines, and ledger, bond, record, tablet, typewriter, manifolding, and onion skin and imitation onion skin, calendered and uncalendered(3 cents per pound and 15 per cent ad valorem.

The Senate gives the same duty, but puts it in the following order: After imitation Japaned paper by whatever name known, Bristol board of the kinds made on Fourdrinier machines, ledger, bond, record, tablet, typewriter, manifolding, onion skin and imitation onion skin, calendered or uncalendered, weighing 8 pounds or over per ream, and paper similar to any of the foregoing, 3 cents per pound and 15 per cent ad valorem.

The PRESIDENT pro tempore. Without objection, the request of the Senator from Massachusetts to have further letters and telegrams printed in the RECORD is granted.

The matter referred to is as follows:

HOUSATONIC, MASS., *March 15, 1922.*

Hon. DAVID I. WALSH,
Washington, D. C.

DEAR MR. WALSH: We are advised that there is a movement on foot to put an import duty on wood pulp, bleached and unbleached, and kraft pulp.

We hope that, as representing the large industry in Massachusetts, you will use every possible endeavor to prevent such action. Wood pulp, as you know, is a raw material, of which there is not sufficient quantity produced in this country, and has been on the free list for a good many years. It would be a very serious hardship to the paper men to have a duty put on pulp, and would oblige us to raise our prices, a thing which we would be very reluctant to do under the present circumstances.

As a general proposition, we believe in a moderate tariff, but paper men are not asking for any increased tariff at the present time but simply suggesting that the present status of affairs be maintained, and in line with this policy we hope there will be no change in the matter of pulp.

We would be glad to have your assurance that you will protect us in this matter to the best of your ability, and remain,

Very truly yours,

B. D. RISING PAPER CO.,
CHARLES MCKERNON, *President.*

THE SPRINGFIELD UNION,
Springfield, Mass., June 23, 1922.

DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR MR. WALSH: I am taking the liberty of sending you a copy of the statement of Mr. S. E. Thomason, chairman of the committee on Federal laws of the American Newspaper Publishers' Association, on the subject of duty on chemical wood pulp.

Assuming that the intent of the proposed tariff law is to equalize manufacturing costs at home and abroad, it would seem to me that Mr. Thomason's argument shows conclusively that the imposing of this tax is not necessary. The fact that it would place our paper manufacturers at a disadvantage, to say nothing of the added burden placed upon the various publications, should also be considered.

I will not attempt to go into the details of this situation, as I believe the pamphlets cover it most thoroughly, but will say that I am in hearty accord with the statement as printed and that my experience as a newspaper publisher leads me to support unreservedly the position Mr. Thomason has taken.

I trust that you will give this careful consideration when this phase of the tariff bill is up for discussion.

Sincerely yours,

J. D. PLUMMER,
Publisher the Springfield Union.

FITCHBURG, MASS., *March 14, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: We beg herewith to confirm the following telegram which we sent you to-day:

"If a duty is put on foreign bleached and unbleached sulphite pulp it will directly injure the business of a large number of independent paper makers of this country who buy foreign pulp on account of its superior quality. Result will be increased cost for paper to many consumers. We object to the imposition of these duties."

Yours very truly,

CROCKER, BURBANK & CO.

FITCHBURG, MASS., *March 20, 1922.*

Senator DAVID I. WALSH,
Washington, D. C.:

Any duty placed on chemical wood pulp would injure the United States mills making book papers. Little sulphite fabric manufactured in the United States is of quality suitable for such mills, and such mills must depend on fibers from Canada and Scandinavia.

FITCHBURG PAPER CO.,
By GEO. R. WALLACE.

FITCHBURG, MASS., *March 14, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.:

If a duty is put on foreign bleached and unbleached sulphite pulp, it will directly injure the business of a large number of independent paper makers of this country who buy foreign pulp on account of its superior quality. Result will be increased cost for paper to many consumers. We object to the imposition of the duty.

CROCKER-BURBANK.

CROCKER, BURBANK & CO.,
Fitchburg, Mass., March 21, 1922.

Hon. DAVID I. WALSH,
Senate Chamber, Washington, D. C.

DEAR MR. WALSH: Recently I had occasion to telegraph to you, registering the objection of this company to the imposition of a duty upon foreign chemical pulp.

I am informed that the committee has practically decided to put a duty of 10 per cent on foreign pulp. This will have the effect of raising the price of papers made from foreign sulphite to a considerable percentage. I should say that the advance to home consumers on account of this duty in many instances would vary from 3 to 5 per cent.

It is not a question altogether of the protection of American industries manufacturing chemical pulp. There has always been a large importation of foreign pulp, which is cleaner and stronger than the domestic article. There are a good many papers used in this country which can not be made out of domestic pulp and made of the proper quality. We have always enjoyed a good reputation for our machine-finish and supercalendered papers, which for many years have been made with foreign bleached sulphite. During the war we had to substitute domestic pulp for foreign. Our product suffered accordingly.

We are writing this letter simply to confirm our telegram to you and to urge that no duty be put upon foreign chemical pulp if the country can possibly get along without it. We do not believe that the domestic manufacturers really need this protection. There are only a small number of manufacturers in this country making papers out of foreign sulphite, because many of these concerns are interested directly or indirectly in domestic sulphite mills. We presume, therefore, the objections to such a duty will come from only a very limited number of people. We urge, however, that the consumers of paper in this country will suffer without knowing the reasons. We remain,

Very respectfully yours,

ALVAH CROCKER, *President.*

MITTINEAGUE, MASS., *June 24, 1922.*

Senator D. I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: You no doubt have appeals in the matter of tariff from every source in the United States, and yet, no doubt, also, you are very willing to get different views.

The Strathmore Paper Co. is interested very much in having no duty on foreign pulp.

This company is probably one of the largest paper companies in the world making strictly high-grade papers.

It uses all of the American-made pulp that it can but has found that for certain kinds of papers the foreign pulp produces goods which American pulp can not produce.

It therefore buys foreign pulp not because of price.

Its use of foreign and domestic pulp, therefore, is based entirely on the fact that certain papers are made better out of American pulp and certain others are made better out of foreign pulp, and the question of price, which is practically on a parity, does not enter into the proposition.

With us pulp is a raw material, and we understand the general policy is to make raw materials entering this country as free as possible and keep out finished products which make for devastated competition.

It is, therefore, distinctly on the basis that at least, as far as we are concerned, and no doubt this applies to a very considerable number of paper mills, the use of foreign pulp is not because of the price but because of the character, that we ask that pulp be left on the free list.

We understand that about 45 per cent of the pulp used in this country within a reasonably recent period is foreign pulp, probably including Canadian pulp, of course.

On the other hand, the experience of the last few years has shown—and we believe this can be verified—that pulp manufacturers in this country have been continuously busy and profitably so, so that a duty on pulp will not be of any material assistance to them but will tend to increase the cost of papers using this foreign pulp.

We, therefore, request your earnest consideration of the proposition to put pulp on the free list.

Very truly yours,

STRATHMORE PAPER CO.,
B. A. FRANKLIN, *Vice President.*

BOSTON, *April 28, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I am informed that in the tariff measure which is now before the Senate there is a duty of 5 per cent ad valorem on chemical wood pulp. As a considerable user of pulp imported from Scandinavia, we earnestly ask that this duty be not imposed. We do this not because of the increase in price which the duty would bring about but as users of pulp we are keenly alive to the rapid disappearance of our forests and are anxious that they should not be further destroyed, so long as we can draw on the almost limitless supplies of Scandinavia, Finland, and Russia.

Should the Senate decide that a tariff on chemical wood pulp should be imposed, we beg that you will give careful consideration to the desirability of having such duty specific rather than ad valorem. An ad valorem duty, owing to the conditions of importation, would add an unnecessary burden to the cost of pulp for paper makers, since the importers would feel obliged to cover themselves by adding greatly to the price to American consumers, whereas were a specific duty to be imposed both importer and manufacturer would know exactly where we stand.

We earnestly hope, however, that the Senate will see the wisdom of imposing no duty on wood pulp.

Yours very truly,

MUNROE FELT & PAPER CO.,
JAMES P. MUNROE,
President and Treasurer.

HAVERHILL, MASS., *May 4, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SENATOR: As a friend of the newspaper men in Massachusetts I feel sure you will not need to be asked to do what you can to prevent the imposition of the proposed 5 per cent duty on chemical pulp in the pending tariff bill. It seems to us that we have about all the burdens we can carry in the newspaper business right now, and I earnestly urge you to prevent as far as you can any legislation that will surely add to the cost of newsprint.

Very sincerely,

RECORD PUBLISHING CO.,
LEWIS R. HOREY, *Treasurer.*

WORCESTER, MASS., *March 22, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.:

For the 67 daily newspapers comprising the New England Daily Newspaper Association, of which I am president, I desire to protest against placing duties on sulphite pulp, which I learn is imminent. Such duty would be harmful to newspapers already overburdened with expense.

BENJAMIN H. ANTHONY,
Publisher New Bedford (Mass.) Standard

EAST PEPPERELL, MASS., *March 22, 1922.*

Senator DAVID I. WALSH,
Washington, D. C.:

As manufacturers of 100 tons of paper daily, all out of imported pulp, would respectfully submit Massachusetts paper manufacturers are fighting for existence. Any duty on imported pulp would be disastrous.

NASHUA RIVER PAPER CO.

—

ERVING, MASS., *March 21, 1922.*

Hon. DAVID I. WALSH,
Washington, D. C.

DEAR SIR: Knowing that the tariff question is being studied by you now, we wish to express our hope that there will not be any duty on pulp imported from abroad or Canada.

The manufacture of wood pulp in the United States is becoming more limited year by year as there is less wood, so that it is conserving our wood to bring in pulp free.

Then, again, we are especially interested as a mill buying all our wood pulp and having to compete with more or less paper that is made by mills producing their own wood pulp. Without a tariff we are in much better shape to compete.

Yours very truly,

ERVING PAPER MILLS,
C. H. WAITE, *Treasurer.*

—

NATICK, MASS., *March 16, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

MY DEAR SENATOR: Our attention is called to the fact that at the present tariff conference there is a great deal of pressure being brought to bear toward having an "import duty" placed upon wood pulp, bleached and unbleached sulphite, also kraft sulphate.

Having in mind that the aforesaid pulps are a raw material and that there is not a sufficient supply produced in this country for the requirements of the paper mills, and inasmuch as many paper companies in this country manufacture their own pulp, a tariff placed upon this raw material means higher prices and the forcing out of business of those mills not manufacturing their own pulps.

We therefore most vigorously protest against the levying of an import duty on this material. May we count upon your most valued assistance?

Very truly yours,

NATICK BOX & BOARD CO.,
C. A. COOMBS, *Treasurer.*

—

BOSTON, *June 26, 1922.*

HON. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: The proposed tariff bill now under discussion carries, as no doubt you know, a duty of 6 per cent on chemical wood pulp; yet newsprint, made in part of chemical wood pulp, is on the free list.

The writer is a Democrat and does not believe that this accords with Democratic doctrine; moreover, from careful study of the forestry situation in this country, we believe that it is essential for the protection of our dwindling forestry sources to put no barriers in the way of using lumber and forest products generally coming from countries outside our border.

We hope, at the proper time, that you will make as effective a fight against this duty as you possibly can. We believe there is considerable sentiment in the Republican ranks also against this particular schedule.

Very truly yours,

GEO. W. WHEELWRIGHT PAPER CO.,
GEO. W. WHEELWRIGHT, Jr.,
President.

—

A TARIFF ON PULP IS UNFAIR DISCRIMINATION.

CHEMICAL WOOD PULP.

(Schedule 15, par. 1610, H. R. 7456.)

MARCH 31, 1922.

To the COMMITTEE ON FINANCE,
United States Senate, Washington, D. C.

DEAR SIR: In reply to the statement filed by the Committee of Chemical Wood Pulp Manufacturers, 200 Fifth Avenue, New York, N. Y., under date of March 25, 1922, we wish to bring forth the following points:

1. There are 838 paper mills and 323 combined pulp-paper mills in the United States. There are less than 10 chemical-pulp mills of small tonnage who do not make paper. All the other pulp mills are essentially paper mills who make pulp for their own consumption and whose surplus, when there is any, is available to converting mills.

2.—

	Tons of chemical pulp produced in United States.	Consumed by mills manufacturing pulp.		Sold to converting paper mills.	
		Tons.	Per cent.	Tons.	Per cent.
1917	1,912,502	1,323,811	70	569,750	30
1918	1,896,047	1,312,027	69	595,138	31
1919	1,925,056	1,288,670	67	636,820	33
1920	2,221,535	1,510,470	68	708,009	32
1921	1,526,357	1,114,615	73	407,981	27

(Figures given are taken from Federal Trade Commission summaries.)

The statement filed by the Committee of Chemical Wood Pulp Manufacturers compares production in the United States with imports into the United States. They fail to state that the largest part of their total production is not for sale. As indicated above, approximately 70 per cent of the total pulp production in the United States is made by and for the consumption of the domestic mills which produce said pulp.

3. The converting paper mills, which use about 45 per cent of the total chemical pulp consumed in the United States, are therefore absolutely dependent on foreign sources for about one-half of their supply.

Pulp consumed in the United States.

	By paper mills making pulp.		By paper mills who buy pulp.	
	Tons.	Per cent of total United States consumption.	Tons.	Per cent of total United States consumption.
1917	1,323,811	58	908,119	42
1918	1,312,027	57	987,329	43
1919	1,288,670	55	1,060,627	45
1920	1,510,470	52	1,381,570	48
1921	1,114,615	55	915,452	45

Pulp consumed by paper mills which buy pulp.

	Bought from domestic mills.		Bought from foreign mills.	
	Tons.	Per cent.	Tons.	Per cent.
1917	569,750	59	398,369	41
1918	595,138	60	392,691	40
1919	626,820	59	433,807	41
1920	708,009	51	673,561	49
1921	407,981	45	507,471	55

(Figures given are taken from the Federal Trade Commission summaries and Department of Commerce reports.)

4. If the above comparisons were limited to chemical pulp, "exclusive of news-grade sulphite and soda pulp, which are not imported into this country," it would be found that—

a. Approximately 60 per cent of the total production in the United States is made solely for the consumption of the establishments which produce said pulp.

b. The converting paper mills, which use about 60 per cent of these chemical pulps consumed in the United States, are, therefore, absolutely dependent on foreign sources for more than one-half of their supply.

5. Any duty on pulp is, therefore, no incentive to domestic purchases or protection to domestic producers of pulp. It is a discrimination between mills making their own pulp and those who must buy their pulp.

Respectfully submitted.

Allied Paper Mills, Kalamazoo, Mich.; American Writing Paper Co., Holyoke, Mass. (26 mills); Appleton Coated Paper Co., Appleton, Wis.; Bergstrom Paper Co., Neenah, Wis.; Bryant Paper Co., Kalamazoo, Mich.; Martin Cantine Co., Saugerties, N. Y.; Champion Coated Paper Co., Hamilton, Ohio; the Chillicothe Paper Co., Chillicothe, Ohio; Crocker, Burbank & Co. Association, Fitchburg, Mass.; Dill & Collins Co., Philadelphia, Pa.; Fitchburg Paper Co., Fitchburg, Mass.; French Paper Co., Niles, Mich.; W. C. Hamilton & Sons, Montgomery County, Pa.; Kalamazoo Paper Co., Kalamazoo, Mich.; Lakeview Paper Co., Neenah, Wis.; Lincoln Paper Mills, Elkhart, Ind.; Mead Pulp & Paper Co., Dayton, Ohio; Merrimac Paper Co., Lawrence, Mass.; the Miami Paper Co., West Carrollton, Ohio; Miamisburg Paper Co., Miamisburg, Ohio; Michigan Paper Co., Plainwell, Mich.; W. B. Oglesby Paper Co., Middletown, Ohio; Patten Paper Co., Appleton, Wis.; Peerless Paper Co., Dayton, Ohio; Poland Paper Co., Mechanic Falls, Me.; Rex Paper Co., Kalamazoo, Mich.; Strathmore Paper Co., Mittineague, Mass.; Watervliet Paper Co., Watervliet, Mich.; Wanaque River Paper Co., Wanaque, N. J.

Paper manufacturers in Massachusetts:

Advertisers' Paper Mills, Holyoke, Mass.; A. L. Adams Paper Co., Baldwinsville, Mass.; American Tissue Mills, South Hadley Falls, Mass.; American Writing Paper Co. (20 mills), Holyoke, Mass.; Berkshire Hills Paper Co., Adams, Mass.; L. L. Brown Paper Co., Adams, Mass.; Carew Mfg. Co., South Hadley Falls, Mass.; Chapin & Gould Paper Co., Springfield, Mass.; Chemical Paper Manufacturing Co., Holyoke, Mass.; W. A. Cole Paper Co., post-office box 444, Holyoke, Mass.; Collins Manufacturing Co., 208 Race Street, Holyoke, Mass.; Z. & W. M. Crane, Dalton, Mass.; Crane & Co., Dalton, Mass.; Crocker, Burbanks & Co. Association, Fitchburg, Mass.; Crocker-McElwain Co., Holyoke, Mass.; Erving Paper Mills, Erving, Mass.; Esleeck Manufacturing Co., Turners Falls, Mass.; Fitchburg Paper Co., Fitchburg, Mass.; Franklin Paper Co., Holyoke, Mass.; Hampden Glazed Paper & Card Co., Holyoke, Mass.; Hampshire Paper Co., South Hadley Falls, Mass.; Holyoke Card & Paper Co., Springfield, Mass.; Keith Paper Co., Turners Falls, Mass.; Mars Paper Corporation, Westfield, Mass.; Merrimac Paper Co., Lawrence, Mass.; Millers Falls Paper Co., Millers Falls, Mass.; Nashua River Paper Co., East Pepperell, Mass.; Parsons Paper Co., Holyoke, Mass.; B. D. Rising Paper Co., Housatonic, Berkshire County, Mass.; Smith Paper Co., Lee, Mass.; Southworth Co., Mittineague, Mass.; Strathmore Paper Co., Mittineague, Mass.; Taylor-Logan Co., paper makers, Holyoke, Mass.; Union Mill, Bancroft, Mass. (mill); Valley Paper Co., Holyoke, Mass.; Byron Weston Co., Dalton, Mass.; Geo. W. Wheelwright Paper Co., 70 Franklin, Boston, Mass.; Whiting Paper Co., Holyoke, Mass.; Worthy Paper Co. Association, Mittineague, Mass.

Mr. SHEPPARD. Mr. President, about 54 per cent of the domestic consumption of wood pulp comes from spruce wood, the rest coming from hemlock, balsam fir, poplar, jack pine, and yellow pine.

The principal use of wood pulp is in the making of paper. Newsprint paper requires the ground wood pulp and the sulphite form of chemical wood pulp in the proportion of about four of the former to one of the latter. Book paper is of a better quality and requires a larger amount of the sulphite form. The finer grades of book paper require a pulp made from rags, and sometimes from other substances. The higher types of paper, such as bond and ledger, often contain sulphite, although the rag pulp is to be preferred. The sulphate form of chemical wood pulp is used mainly for wrapping paper.

Wood pulp is also employed to some extent in making certain kinds of laces, yarns, and textiles, as well as artificial silk, paper clothing, and papier-mâché. It is used in making vulcanized paper, out of which may be fashioned pails, tubs, and other containers.

The Tariff Commission warns us that on account of the depletion of the pulpwood forests it is becoming more and more difficult to secure an adequate supply of that fundamental of modern civilization—wood pulp. Already the home demand has outgrown the home production. During the last 10 years we have been compelled to import from 17 to 23 per cent of the raw material of newsprint and book paper, and the outlook suggests a growing dependence on the foreign supply. While the chief source of outside supply is Canada, we have begun to draw on Norway, Sweden, Finland, and Germany.

The existing Democratic tariff law puts wood pulp of all types on the free list, and there it should remain. It is true that the proposed duty on chemical wood pulp is small, but it marks a departure and a principle freighted with sinister possibilities. On the broad ground of conservation of what material resources are left in this Republic after more than a century of riotous and wanton waste, no tariff tax should be imposed on wood pulp or on print paper.

Newspapers, books, and magazines are the universities of the people. They constitute a supreme educational force in this Nation. Their successful continuance depends on a steady and reasonably priced supply of newsprint and book paper. Make their existence more difficult and you imperil the general distribution of knowledge—one of the basic supports of American liberty and American progress.

Francis Bacon uttered one of the most significant sentences in human literature when he said:

Human knowledge and human power meet in one.

The power of the American people over their Government will decline as information of conditions and events becomes harder to secure, as the circulation of the printed word becomes more expensive both to producer and to reader; and let me digress here to say that the men engaged in newspaper, magazine, and book work are of primary importance to democracy. The newspaper men who occupy seats in the press galleries of the American Congress are in effect a third house, a factor in American life of far-reaching influence. The reports which they transmit to the American people are in large degree the foundation of public judgment and public action. Their estimates become to no small extent the people's estimates, not in the way of mere echo or imitation but because they convey to the country a conscientious and impartial analysis of governmental affairs. Years of contact with officials of every type, of observation of human conduct in emergencies of every proportion, of devotion to the highest conceptions of their profession, have qualified them for the unmasking of pretense, the penetration of fraud, the revealment of truth for the sake of truth, and the maintenance of loyalty to fact which no blandishment can shake, no temptation destroy.

Let Congress do nothing which may add to the economic difficulties of the press. Already costs of material and operation have risen to such a degree as to cause the most serious apprehension for the future. A press with almost prohibitive cost of operation, or with constantly increasing cost of operation, can not be justly termed a free and untrammeled press.

Mr. WALSH of Montana. Mr. President, I desire to submit one or two observations before the vote is taken.

My esteemed friend the Senator from Louisiana [Mr. RANSDELL] made a very passionate appeal to the Senate to encourage the reforestation of our denuded forest lands. That is the basis of the argument that we make, Mr. President. That is what we ought to do. We ought to aid in every possible way that we can toward the development of some plan by which reforestation shall go on systematically; but is it not rather startling that a Senator should get up and argue in favor of reforestation of our denuded forest lands and then insist upon putting a duty upon lumber, for instance, or upon wood pulp, or upon other forest products, the natural and necessary and inevitable consequence of which will be to stimulate and hurry the destruction of our forests?

They are carrying on some work of reforestation down in Louisiana. Success to them! The Bogalusa Co. is engaged primarily in the manufacture of lumber. It is consuming the forests very rapidly in the production of its lumber supply, and is doing something toward reforestation of those denuded lands. But how is the thing going to be stimulated by putting a duty upon the importation of wood pulp?

The senior Senator from Massachusetts [Mr. LODGE], the leader on the Republican side, is in favor of this duty, because, he tells us, as a basic proposition, only 3 per cent of the total annual cut of timber for all purposes goes into chemical wood pulp. Very good. Let us see what that amounts to. That looks small, does it not? But I called attention yesterday to the fact that, as reported by the Forest Service, we are denuding our forest lands to the extent of 15,000,000 acres a year, and 3 per cent of that is 450,000 acres of timberland denuded annually in order to produce wood pulp.

The Senator suggests that, inasmuch as the manufacturers of paper have a protective rate, they ought not to complain about a duty upon the basic product out of which their product is made, namely, chemical wood pulp. Mechanical wood pulp is also used in the manufacture of these higher grades of paper to a relatively small percentage. There should then likewise be a duty upon ground wood pulp, according to the argument of the Senator. But I call attention to the fact that the manufacturers of paper are given no compensatory duty at all on account of this duty which it is proposed to put upon chemical wood pulp.

Then the Senator from Louisiana tells us that the newspapers of this country are not interested in this particular duty at all, because, forsooth, the manufacturers of print paper in this country manufacture wood pulp enough to supply their own demands, and to sell a considerable quantity upon the open market. But there are mills in this country manufacturing paper which do not produce their own wood pulp, and they are obliged to buy wood pulp and pay the duty, if they import it from abroad, or pay the higher rate to the manufacturers of wood pulp and print paper who have an excess supply, and they are obliged to put their product upon the market manufactured from a protected wood pulp, and, accordingly, they are obliged to demand from newspapers throughout the country a higher price for their product. Likewise the mills which produce their own wood pulp and their paper will boost their prices in order to meet the level fixed by those who are obliged to buy either the foreign wood pulp and pay the duty upon it, or buy the domestic wood pulp, enhanced in price as it is contemplated the price will be enhanced by this. So the newspapers of the country are the ones who are obliged to pay this duty, and to pay the enhanced price of the domestic product occasioned by it, and of course they will, so far as they are able, transfer the burden to the great body of the people, where the burden of this law, if it becomes a law, will eventually rest, to a very large extent.

Now, to review: I insist that this duty ought not to be put upon this commodity, because it will accelerate and aid in the rapid destruction of our forests. No one controverts that proposition.

Next, it ought not to be put on because the manufacturers of wood pulp in this country are now making a fair and reasonable profit upon their enterprise, and ought not to be permitted to raise their prices by reason of the duty which is imposed.

Third. It is an unjust burden to put upon the paper mills of this country, which have already developed a fine export business, which will be seriously menaced by the imposition of this additional burden upon their raw product.

Finally, it is a discrimination against the American paper mills. It is practically a premium upon the paper mills of Canada, which are able to introduce into this country their chief product—newsprint—without any duty or tariff at all. So the American producer is burdened in the interest of the Canadian producer, a policy, I undertake to say, that has never crept into our legislation until now.

Mr. STANLEY. Mr. President, this subject has been so fully and so thoroughly covered that at this hour I hesitate to trespass further upon the patience of the Senate. These paper mills are admittedly prosperous without this duty. The fact that this business has been organized, this baby has been born, this infant industry has learned to walk without any duty is conclusive proof that the duty is not essential.

When you impose a duty on hides, a duty on long-staple cotton, a duty on short-staple wool, a duty upon everything which is necessary to the physical existence of a people, it does seem that you might make some exception and exempt from a duty the mental and spiritual development of a community. This is a duty upon information; this is a duty upon knowledge, a duty upon mental development, a duty upon print paper, a duty upon schoolbooks and upon magazines. This duty falls at every crossroads. There is not a schoolhouse nor a country newspaper which does not pay its quantum of the duty. But under this system it appears that there is only one thing which needs development, and that is a mill or a factory or some other industrial enterprise, and, moving by a strange and perverse formula, the less profitable the business the greater the duty. The greater the difference between the cost of production abroad and at home, the greater should be the onus upon the consumer. The less indigenous to the soil of this country a business is, the greater should be your effort to foster it. If it costs twice as much to produce a thing here as it does to produce it abroad, then give us 100 per cent duty, and if it costs five times as much give us 500 per cent duty.

Wood pulp and print paper come to us from Canada. All the arguments, the learned and labored arguments, which have been made, all the bugaboos about Germany and pauper labor and depreciated currency, fall to the ground when you erect that Canadian wall. The truth is that this country owes its industrial power, its industrial development, its commercial and financial supremacy, to free trade, absolute, unhampered free trade among the States more than to any other one thing except the beneficence of God and the intelligence and enterprise of our citizens.

A short time ago, and 13 small Colonies were extended along the Atlantic coast. A military camp on Lake Champlain, another at Detroit, and one on the Mississippi River marked our outer border, and then we were told that if we crossed the Mississippi, if we went beyond Detroit, if we went south into Florida, we must have a barrier against Mexico, a barrier against Spain, a barrier against France, or industrial development was impossible.

We broke down those barriers. We wiped out Spain's dominions. We took possession of the mouth of the Mississippi and of the Father of Waters. We extended our dominion into Texas, into the Louisiana purchase, over the serried tops of the Rockies, to the Pacific, until a great empire was opened to freedom of trade, and our growth went with it.

Mr. President, industrially, what difference does it make in the exchange of commodities whether we trade with Florida in the possession of Spain or in the possession of the United States? What difference does it make whether we have the privilege of purchasing free the products of Louisiana or the products of California when under the dominion of Mexico, the dominion of Spain, the dominion of France, or our own? Our prosperity is due to the fact that this country is industrially one unit, not politically one unit.

The fact that Canada happens to have a governor general and we have a President, a slight difference in our fiscal systems, makes no difference in the great fundamental economic law which developed both countries. The freer the trade is across that border the more mutually beneficial it is.

To-day our exports to Canada are nearly a billion dollars; our imports from Canada are less than half a billion dollars. To-day we export to Canada more than twice as much of the produce of the soil as we import, and to-day our imports from Canada are more essential to our industrial development than our exports to Canada.

Were it not for this fool policy of a tariff wall along the Canadian border Canada would not have 300 per cent greater per capita railroad mileage than we have. She has spanned great estuaries; she has crossed the wilderness; she has crossed mountain ranges in an effort to unite industrially her widespread dominions. Her furs, her timber, her hides, her wood pulp, her raw materials of every character and description have been transported 3,000 miles because we refuse to allow those raw materials to be converted at our door, because we closed our mines, our mills, our factories, and our smelters to her ore, her timber, and her wool. Some day perhaps this will all be one country—I am not intimating that it is in the near future or that I expect it—and then men will admit, if that does occur, that free trade with that country is as essential as free trade with the Dakotas or free trade with California or free and unimpeded trade with Texas.

The other day I received a letter from the Carolina Stock Farms with reference to this same wood pulp which I ask to incorporate in the RECORD, together with my reply thereto, in the same type in which this address will be printed.

There being no objection, the matter referred to was ordered to be printed in the RECORD, in 8-point type, as follows.

CAROLINA STOCK FARMS,
Foreston, S. C., July 27, 1922.

Hon. A. OWSLEY STANLEY,
United States Senate, Washington, D. C.

MY DEAR SENATOR: The members of our association of southern pulp-wood producers are in pretty desperate circumstances as a result of the inability of southern pulp mills to use pulp wood because the paper mills that normally buy from them are buying foreign pulp instead. Foreign pulp can be purchased in New York at less than the cost of southern manufacture. As a result the only source of income of many of your constituents is cut off, while the product of foreign labor rules our only market and our own labor is hungry and without employment.

The Finance Committee, in a spirit of simple fairness to a southern industry, placed a 5 per cent duty on chemical pulp (against the protest of New England converting mills), at the same time refusing to put any duty on mechanical pulp (ground wood), from which newspaper is made.

Rumor now has it that some Democrats, you among them, will join certain Republicans in fighting this duty on the floor of the Senate, your vote being thus made to count against home interests and for the benefit of New England converting mills and foreign pulp producers, who sell in this market without paying anything into the United States Treasury for the privilege which is given them, while American mills which do pay taxes are jostled out of the way in their own market, the only one open to them in the world, as even Canada, which sells hundreds of thousands of tons of pulp in America, bars the American product from Canada by a 25 per cent duty.

We hope most sincerely that this is not true and that you will advise us that you can and will support this very small duty for revenue only either by voting for the duty or by refraining from voting against it.

Very truly yours,

COURTNEY CAMPBELL.

JULY 28, 1922.

Mr. COURTNEY CAMPBELL,
Carolina Stock Farms, Foreston, S. C.

MY DEAR MR. CAMPBELL: It affords me genuine pleasure to assure you that the rumor to the effect that I am among certain Democrats who are opposed to a duty on chemical pulp is well founded.

Let me suggest, my dear Mr. Campbell, that you have the cart before the horse in your suggestion that I am about to "join certain Republicans" in fighting this duty upon the floor of the Senate. I entertain the hope that certain Republicans, goaded by an outraged public, in their shame may be induced to join orthodox Democrats in their determined opposition to this indefensible duty.

Your letter when analyzed is one of the best arguments I have ever seen against the duty you suggest. You assert that this duty is essential to the life of your business; that this material can be purchased in the open market much more cheaply than it can be made. Your profits, if any, in that case are necessarily derived not from the prosecution of a business indigenous to the soil, southern or otherwise, but from the operation of law. In order that you may continue in this business, you propose to levy a tax upon every newspaper, every book and magazine, upon every crossroads schoolhouse, upon the industry and upon the intelligence of your countrymen. It matters not whether your industry is located in the East, West, North, or South, I will never give my consent to the hot-housing of an industry which you admit is not and can not be profitable without the privilege or supplementing your revenues by a bonus from a tax-burdened public and by an added increase to the cost of living and thinking to the American people.

I hear so much of this twaddle in the Senate about levying taxes to foster industries in one section of the country against industries in another that I am not surprised at the implied threat in your recent communication.

I shall be delighted to cooperate with Democrats, mugwumps, Republicans, New Englanders, westerners, southerners, or anybody else in taking every cent of duty off print paper and chemical pulp and of every other instrumentality designed to make culture, education, and progress easier and cheaper to the American people.

I regret that I can not more strongly express my unalterable abhorrence of this duty. I trust that your fears will be realized and that this duty on wood pulp may be forever removed from the tariff schedules of the country.

Very truly yours,

Chemoca wood pulp.
[Fiscal year ended June 30, 1922.]

Imported (long tons)	695,008
Value	$44,123,054

Used principally in making book paper.

Some of it mixed with ground wood pulp and used to make newspaper.

Total production in United States for year ended May, 1922, 1,713,840 short tons.

Mr. HARRIS. Mr. President, I do not wish to take the time of the Senate to discuss the matter further. I merely wish to remind Senators that the 5 per cent duty would benefit 21 paper manufacturers and tax 215 paper manufacturers of our country who have to compete with Canadian mills.

Mr. FLETCHER. Mr. President, I do not propose to discuss the amendment, but, inasmuch as I shall feel obliged to differ with some of my colleagues on the matter, I feel that I ought to make this statement:

I do not think we can raise by direct taxation all the revenue necessary in this country to administer the affairs of Government. I believe we are under the necessity of raising a certain amount of revenue needed for the Government through the customhouse and by levying reasonable duties for that purpose. The duty here proposed is only 5 per cent ad valorem. It seems to me it is as low a rate of duty as can be offered for the purpose of raising revenue, and, inasmuch as it will produce some $3,000,000 of revenue for the Government, I can not believe that we ought to estimate the patriotism of the newspapers of the country on such a basis as that they would oppose a strictly revenue duty, a low rate of 5 per cent ad valorem, that would bring to the Treasury something like $3,000,000. Therefore I shall vote for the committee amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee to insert a new section as section 1300.

Mr. SMOOT. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. DIAL (when his name was called). I am paired with the Senator from Michigan [Mr. TOWNSEND]. I am unable to obtain a transfer and therefore withhold my vote. If permitted to vote I would vote "nay."

Mr. GLASS (when his name was called). I have a general pair with the senior Senator from Vermont [Mr. DILLINGHAM]. I release my pair on this question and refrain from voting.

Mr. HALE (when his name was called). I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Maryland [Mr. WELLER], and vote "yea."

Mr. HARRISON (when his name was called). I transfer my pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Montana [Mr. MYERS], and vote "nay."

Mr. HITCHCOCK (when his name was called). Under the circumstances I decline to vote.

Mr. LODGE (when his name was called). I transfer my pair with the senior Senator from Alabama [Mr. UNDERWOOD] to the junior Senator from Arizona [Mr. CAMERON], and vote "yea."

Mr. McCUMBER (when his name was called). I transfer my general pair with the junior Senator from Utah [Mr. KING] to the junior Senator from Washington [Mr. POINDEXTER], and vote "yea."

Mr. McNARY (when his name was called). On this amendment I have a pair with the junior Senator from Minnesota [Mr. KELLOGG] who, if present, would vote "nay." I transfer that pair to the senior Senator from Vermont [Mr. DILLINGHAM] and vote "yea."

Mr. NEW (when his name was called). I transfer my pair with the junior Senator from Tennessee [Mr. McKELLER] to the junior Senator from Vermont [Mr. PAGE], and vote "yea."

Mr. OVERMAN (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. WARREN], who is absent on account of illness in his family. Being unable to obtain a transfer, I withhold my vote.

Mr. ROBINSON (when his name was called). Transferring my pair with the senior Senator from West Virginia [Mr. SUTHERLAND] to the senior Senator from Missouri [Mr. REED], I vote "nay."

Mr. DIAL (when Mr. SMITH's name was called). My colleague [Mr. SMITH] is detained on official business. He is paired with the Senator from South Dakota [Mr. STERLING].

Mr. STERLING (when his name was called). I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Iowa [Mr. RAWSON], and vote "nay."

Mr. TRAMMELL (when his name was called). I have a pair with the senior Senator from Rhode Island [Mr. COLT]. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON], and vote "nay."

Mr. WALSH of Montana (when his name was called). I have a general pair with the senior Senator from New Jersey [Mr. FRELINGHUYSEN]. Being unable to secure a transfer, I am obliged to withhold my vote. If at liberty to vote, I would vote "nay."

The roll call was concluded.

Mr. KENDRICK (after having voted in the negative). I have a general pair with the Senator from Illinois [Mr. McCORMICK]. I am informed that he would vote as I have voted. So I allow my vote to stand.

Mr. JONES of Washington (after having voted in the affirmative). The senior Senator from Virginia [Mr. SWANSON] is necessarily absent. I have a pair with him for the afternoon, but find that I can transfer the pair to the junior Senator from Oklahoma [Mr. HARRELD], which I do, and allow my vote to stand.

The result was announced—yeas 22, nays 30, as follows:

YEAS—22.

Ball	Fletcher	McCumber	Phipps
Broussard	Gooding	McLean	Ransdell
Curtis	Hale	McNary	Smoot
du Pont	Jones, Wash.	New	Stanfield
Ernst	Lenroot	Newberry	
Fernald	Lodge	Pepper	

NAYS—30.

Ashurst	Harrison	Nicholson	Spencer
Borah	Heflin	Norbeck	Stanley
Bursum	Jones, N. Mex.	Oddie	Sterling
Calder	Kendrick	Pittman	Trammell
Caraway	Keyes	Pomerene	Walsh, Mass.
Cummins	McKinley	Robinson	Willis
France	Moses	Sheppard	
Harris	Nelson	Simmons	

NOT VOTING—43.

Brandegee	Glass	Norris	Swanson
Cameron	Harreld	Overman	Townsend
Capper	Hitchcock	Owen	Underwood
Colt	Johnson	Page	Wadsworth
Culberson	Kellogg	Poindexter	Walsh, Mont.
Dial	King	Rawson	Warren
Dillingham	Ladd	Reed	Watson, Ga.
Edge	La Follette	Shields	Watson, Ind.
Elkins	McCormick	Shortridge	Weller
Frelinghuysen	McKellar	Smith	Williams
Gerry	Myers	Sutherland	

So the amendment of the committee was rejected.

Mr. McCUMBER. The vote just taken will necessitate a disagreement to certain committee amendments upon the free list, and also in the title of this schedule.

I therefore ask that the Senate reconsider the vote by which the committee amendment was agreed to inserting the word "Pulp" and the comma on line 23, page 165.

The PRESIDENT pro tempore. The Senator from North Dakota asks unanimous consent that the Senate reconsider the vote by which the amendment on line 23, page 165, was agreed to. Is there objection? The Chair hears none, and the vote is reconsidered.

Mr. McCUMBER. I now ask that the Senate disagree to that amendment.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee.

The amendment was rejected.

Mr. McCUMBER. Now, turning to the free list, on page 225, I ask that the committee amendment in lines 17 to 19, inclusive, be rejected.

The PRESIDENT pro tempore. The amendment will be stated.

The ASSISTANT SECRETARY. On page 225, line 17, after the words "wood pulp" and the comma, the committee propose to strike out the words "chemical wood pulp, unbleached or bleached," and to insert "including pulpboard in rolls, for use in the manufacture of wall board."

The PRESIDENT pro tempore. The question is upon agreeing to the amendment.

The amendment was rejected.

Mr. McCUMBER. On line 4, page 226, I ask that the committee amendment be rejected.

The PRESIDENT pro tempore. The amendment will be stated.

The ASSISTANT SECRETARY. On line 4, page 226, after the word "paper" and the comma, the committee propose to insert the words "mechanically ground."

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee.

The amendment was rejected.

Mr. McCUMBER. I also ask that the committee amendment in lines 9 and 10 of the same page be rejected.

The PRESIDENT pro tempore. The amendment will be stated.

The ASSISTANT SECRETARY. On the same page, page 226, lines 9 and 10, the committee propose to strike out the words "and chemical wood pulp, unbleached or bleached."

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee.

The amendment was rejected.

Mr. McCUMBER. Also, on line 16, I ask that the committee amendment be rejected.

The PRESIDENT pro tempore. The amendment will be stated.

The ASSISTANT SECRETARY. On line 16, before the words "wood pulp," the committee propose to insert the words "mechanically ground."

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

Mr. McCUMBER. That completes it.

FEDERAL RESERVE BRANCH BANK AT JACKSONVILLE, FLA.

Mr. FLETCHER. I ask unanimous consent to report Senate Joint Resolution 234 and have it acted on at this time. It is unanimously reported from the Committee on Banking and Currency and is recommended by the Federal Reserve Board. It proposes to authorize the construction of a building for the Jacksonville branch of the Atlanta Federal Reserve Bank, at a cost exceeding the amount of $250,000, which was limited under the recent amendment of the Federal reserve act. It is recommended by the board and the building is very much needed. A lot has already been acquired, and it is just a question now of putting up an adequate building.

I ask unanimous consent to make the report and to have the joint resolution considered.

The PRESIDENT pro tempore. The Senator from Florida asks unanimous consent to submit a report upon Senate Joint Resolution 234 and requests its immediate consideration. Is there objection? The Chair hears none.

Mr. OVERMAN. Mr. President, what is to be the limit of cost?

Mr. FLETCHER. The joint resolution provides that the cost shall not exceed an amount equal to 3 per cent of the paid-in capital stock and surplus of the Atlanta bank, which would amount to about $400,000 for the building.

There is one amendment to the preamble, Mr. President.

The PRESIDENT pro tempore. The amendment will be considered after the passage of the joint resolution.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution (S. J. Res. 234) authorizing the Federal Reserve Bank of Atlanta to enter into contracts for the erection of a building for its branch office in Jacksonville, Fla., which was read, as follows:

Whereas the act of Congress approved June 3, 1922, abridged the right of Federal reserve banks to enter into contracts by providing that no Federal reserve bank should have authority thereafter to enter into any contract or contracts for the erection of any building of any kind or character or to authorize the erection of any building in excess of $250,000 without the consent of Congress having previously been given therefor in express terms, which, however, did not apply to buildings under construction on June 3, 1922; and

Whereas many of the Federal reserve banks were not affected by this provision, since they had already completed or commenced construction of buildings for their head offices and branches; and

Whereas the Federal Reserve Bank of Chicago had not on June 3, 1922, actually commenced the construction of any building for its branch at Jacksonville, Fla., but had acquired the site therefor; and

Whereas the act of June 3, 1922, operates inequitably on said Federal Reserve Bank of Atlanta: Now, therefore, be it

Resolved, etc., That the Federal Reserve Bank of Atlanta be, and it is hereby, authorized to enter into contracts for the erection of a building for its branch bank at Jacksonville, Fla., on a lot previously acquired: *Provided*, That the total investment in such building shall not exceed an amount equal to 3 per cent of its paid-up capital stock and surplus.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

Mr. FLETCHER. I move to amend the preamble by striking out the word "Chicago," at the top of page 2, and inserting "Atlanta."

The amendment was agreed to.

The preamble as amended was agreed to.

Mr. FLETCHER. I ask to have printed in the RECORD the letter from the Federal Reserve Board with reference to the joint resolution.

There being no objection, the letter referred to was ordered to be printed in the RECORD, as follows:

FEDERAL RESERVE BOARD,
Washington, August 3, 1922.

MY DEAR MR. CHAIRMAN: I have received your letter of the 2d instant, inclosing a copy of S. J. Res. 234 on which you request the views of the board. There is a typographical error in the preamble in the first line on page 2 where the word "Chicago" should be "Atlanta."

A reference to page 54 of the board's annual report for the year 1921 will show that in October, 1921, the Federal Reserve Bank of Atlanta purchased in Jacksonville a plot of ground covering 4,770 square feet for the sum of $45,826.96. The officials of the bank are now having plans prepared by an architect with a view of obtaining estimates to ascertain whether it will be possible to construct a suitable building and adequate vaults on this lot for the sum of $200,000, thus keeping the total investment within the limit of $250,000 prescribed by the amendment of June 3, 1922, to the Federal reserve act.

When the normal growth of the territory served by the Jacksonville branch is considered, it seems probable that even in case a building and vaults can be constructed for a sum which will keep the entire investment, including ground, within the limit of $250,000, the business of the branch will soon outgrow its new quarters, and it would seem that good business judgment would call for the investment of a somewhat larger sum in order to insure adequate accommodation for a reasonable period of time.

The capital and surplus of the Federal Reserve Bank of Atlanta amount to almost $13,400,000, and an investment of 3 per cent of that amount in a building at Jacksonville would amount to a little more than $400,000. There seems to be no doubt that this amount would be sufficient for the construction of a suitable building and adequate vaults.

The branch at Jacksonville, Fla., has added importance because of its proximity to Cuba. As you know, the circulating medium of Cuba consists almost entirely of United States currency. As this currency becomes absolutely unfit for circulation, it is sent to the United States for redemption. By reason of the geographical location of Jacksonville, at least two days' time can be saved by having redemptions made at the branch there. During the year 1921 (page 80, board's annual report) currency received at the Jacksonville branch amounted to $50,620,000 and the payments to $38,375,000. A large amount of Federal reserve notes and United States currency is always kept on hand at the Jacksonville branch, and in the board's opinion better facilities than those now available are necessary.

Very truly yours,

W. P. G. HARDING, *Governor.*

Hon. GEORGE P. MCLEAN,
Chairman Committee on Banking and Currency,
United States Senate.

THE TARIFF—SUGAR SCHEDULE.

Mr. HARRISON. I give notice that on Saturday morning, immediately upon the convening of the Senate, if I can get the attention of the Chair and permission to speak, I desire to submit some remarks on the sugar schedule of the tariff bill.

EDUCATIONAL LEAVE OF EMPLOYEES OF INDIAN SERVICE.

Mr. SPENCER. Mr. President, the other night I asked unanimous consent for the passage of House bill 9814, which the Indian Department wanted passed, extending from 15 days to 30 days the educational leave of men in its employ. The Senator from South Carolina [Mr. DIAL] objected because he wanted to look into it a little. He stated to-day that he has no objection to the bill, and I ask for its present consideration. It is House bill 9814.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 9814) amending the proviso of the act approved August 24, 1912, with reference to educational leave to employees of the Indian Service, which was read, as follows:

Be it enacted, etc., That the proviso of the act approved August 24, 1912 (37 Stat. L. 519), allowing educational leave to employees of the Indian Service, is hereby amended by striking out the word "fifteen" in the sixth line of the sixth paragraph of said act and inserting in lieu thereof the word "thirty," so that the proviso shall read: "*Provided*, That hereafter employees of the Indian schools may be allowed, in addition to annual leave, educational leave not to exceed 30 days per calendar year for attendance at educational gatherings, conventions, institutions, or training schools, if the interest of the service require, and under such regulations as the Secretary of the Interior may prescribe, and no additional salary or expense on account of this leave of absence shall be incurred."

Mr. HEFLIN. Mr. President, the Senator from Arkansas [Mr. ROBINSON] wanted time to look into this bill the other day. I desire to ask the Senator from Missouri if he has satisfied the Senator from Arkansas?

Mr. SPENCER. I have. I saw the Senator from Arkansas, and he said he thought the measure a good one. I think there is no objection to it.

The PRESIDENT pro tempore. If there be no amendment to be proposed as in Committee of the Whole, the bill will be reported to the Senate.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

INVESTIGATION OF INTEREST IN TARIFF LEGISLATION.

Mr. McCUMBER. Mr. President, I move that the Senate take a recess.

Mr. HARRISON. Mr. President, will the Senator withhold that motion one moment?

Mr. McCUMBER. I will.

Mr. HARRISON. Two important resolutions were presented to-day, one of which probably will be reported to-morrow by the Committee to Audit and Control the Contingent Expenses of the Senate. The one that I offered is on the table. I want to take it up to-morrow for consideration. If we have a recess,

I can not do so unless by unanimous consent. Will not the Senator move an adjournment, so that we can have a morning hour to-morrow?

Mr. McCUMBER. A good many Senators left the Chamber after unanimous consent was obtained that we would take a recess. That agreement has already been entered into; and having been entered into, and many Senators having left, there would not be a quorum at this time.

Mr. HARRISON. I have been staying around here very closely, so that if a request for unanimous consent was made I could object to it, unless I could get unanimous consent to take up this matter to-morrow.

Mr. McCUMBER. Unanimous consent to take a recess was granted.

Mr. HARRISON. Will the Senator allow me to propose now a unanimous-consent request which will settle the proposition? I did so awhile ago, and the Senator from Utah [Mr. SMOOT] asked me to withhold the request until the Senator from North Dakota could be present. I made it some time during the afternoon.

I ask unanimous consent that on to-morrow, if the Committee to Audit and Control the Contingent Expenses of the Senate under the order of the Senate reports out the Gooding resolution, it shall be in order to be considered; and I couple with that the request that the resolution which I presented to-day and that is on the table may be considered to-morrow.

The PRESIDENT pro tempore. Is there objection?

Mr. McCUMBER. Mr. President, I hope the Senator will not make that request now, with only a few Senators present. I think there will be no disposition to interfere with either of those resolutions; but with the general understanding that there was upon this side and I think upon both sides of the Chamber that we were to take a recess, a great many Senators came to me and asked if anything further would come up, and I replied in the negative. I hope, therefore, that the Senator will not insist upon that request to-night but will present it to-morrow, if necessary, when more Senators can be present.

The PRESIDENT pro tempore. Is there objection?

Mr. HARRISON. Of course, I am powerless to make a motion, because there is not a quorum present, and it would accomplish nothing if a unanimous-consent agreement to take a recess has been entered into; but I made that request to-day. I thought the Senator from North Dakota was on the floor at the time. There was quite a large attendance here; and the Senator from Utah [Mr. SMOOT] said that while he did not think there would be any objection, he hoped I would wait until the Senator from North Dakota could be present. Of course, the Senator will aid me to-morrow in getting up the resolution, and I shall therefore desist.

Mr. McCUMBER. I certainly shall not object to their being brought up if they can be disposed of.

I now move that the Senate take a recess, the recess being under the unanimous-consent agreement, until to-morrow at 11 o'clock.

The motion was agreed to, and (at 6 o'clock and 30 minutes p. m.) the Senate, under the order previously entered, took a recess until to-morrow, Friday, August 4, 1922, at 11 o'clock a. m.

SENATE.

FRIDAY, *August 4, 1922.*

(Legislative day of Thursday, August 3, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. GOODING obtained the floor.

Mr. McCUMBER. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Curtis	Heflin	Nelson
Ball	Dial	Hitchcock	New
Borah	Dillingham	Jones, N. Mex.	Newberry
Brandegee	du Pont	Jones, Wash.	Nicholson
Bursum	Ernst	Keyes	Norbeck
Calder	Fletcher	Ladd	Oddie
Cameron	Glass	Lenroot	Overman
Capper	Gooding	Lodge	Pepper
Caraway	Hale	McCumber	Phipps
Culberson	Harris	McLean	Pomerene
Cummins	Harrison	McNary	Ransdell
Robinson	Smoot	Sterling	Watson, Ind.
Sheppard	Spencer	Trammell	Willis
Shortridge	Stanfield	Walsh, Mass.	
Simmons	Stanley	Walsh, Mont.	

Mr. DIAL. I wish to announce that my colleague [Mr. SMITH] is detained on official business. I ask that this notice may continue through the day.

Mr. LADD. I was requested to announce that the Senator from Illinois [Mr. MCKINLEY] and the Senator from Wyoming [Mr. KENDRICK] are detained in a hearing before the Committee on Agriculture and Forestry.

The PRESIDENT pro tempore. Fifty-eight Senators have answered to their names. There is a quorum present.

THE MUSCLE SHOALS PROJECT.

Mr. LADD. Mr. President, will the Senator from Idaho yield to me a moment?

Mr. GOODING. I yield.

Mr. LADD. I desire to submit the views of a minority of the Committee on Agriculture and Forestry on the joint resolution (S. J. Res. 227) rejecting bids for the acquisition of Muscle Shoals, which I ask may be printed.

The PRESIDENT pro tempore. Without objection, it is so ordered. The views of the minority will be printed as part 2 of Report No. 831.

Mr. LADD. The report I have submitted also gives the views of the minority on the bill (S. 3802) authorizing the acceptance of the proposal of Henry Ford for the completion and leasing of the dams and hydroelectric plants at Muscle Shoals, and for the purchase of nitrate plant No. 1, nitrate plant No. 2, the Waco quarry, and the interest of the Government in the Gorgas Warrior River steam plant, all in the State of Alabama, dated May 31, 1922, being the Henry Ford offer for the lease of Muscle Shoals; and the views of the majority of the committee on the bill (S. 3420) to provide for the manufacture of explosives for the use of the Army and Navy, to provide for the manufacture of fertilizer for agricultural purposes, to incorporate the Federal Chemical Corporation, and for other purposes, the so-called Norris Government ownership and operation proposal bill.

Mr. ROBINSON. Mr. President, I inquire what was the order just made respecting the report from the Committee on Agriculture and Forestry made by the Senator from North Dakota [Mr. LADD]. There was so much confusion in the Chamber that in this part of the Chamber we were unable to hear what he said.

Mr. LADD. I submitted the report for the minority of the committee on Senate bill 3802 with reference to leasing the Muscle Shoals property to Henry Ford and the majority report on the so-called Norris bill for the completion and operation of Muscle Shoals by the Government. This I did in accordance with permission which was granted a few days ago. I ask that the reports may be printed.

Mr. ROBINSON. I inquire of the Senator if he asked leave to have his report printed separately? That action was taken with respect to the report presented by the chairman of the committee. Several Senators on this side of the Chamber have suggested that the report of the Senator from North Dakota ought also to be printed separately, so that those Senators who desire to circulate that report or make use of it separately from the majority report may have the opportunity to do so.

Mr. LADD. I did not ask it, but I shall make that request at the present time. I ask that unanimous consent be given to print the minority report as a separate document.

The PRESIDENT pro tempore. The Chair desires to state that he is informed the RECORD shows that an order has already been entered for printing both reports.

Mr. ROBINSON. And there was also an order made subsequently for printing the majority report separately. A number of Senators desire that the minority report submitted by the Senator from North Dakota have the same privilege that the majority report had. I called attention, at the time the Senator from Oregon [Mr. MCNARY] requested the privilege of having the majority report printed separately, to the fact that an order had already been made authorizing the printing of the two reports, the majority and the minority, in conjunction with each other. I now ask, if the Senator from North Dakota has not done so, that the report submitted by the Senator from North Dakota be printed separately.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

PETITIONS AND MEMORIALS.

Mr. MYERS presented a memorial of sundry citizens of Pablo, Mont., remonstrating against the enactment of legislation providing for compulsory Sunday observance in the District of

Columbia, which was referred to the Committee on the District of Columbia.

Mr. WILLIS presented a petition of sundry citizens of Toledo, Ohio, praying for the passage of a protective tariff act based upon American valuations, which was referred to the Committee on Finance.

Mr. ASHURST presented resolutions adopted by the joint convention of the Arizona Cattle Growers' Association and the Arizona Wool Growers' Association, which were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Resolved by the Arizona Cattle Growers' Association and the Arizona Wool Growers' Association, in joint convention assembled at Prescott, Ariz., on July 7, 1922, That we advocate the passage by Congress of a bill looking to the establishing of a nonpartisan scientific tariff board, based on American production and conversion costs.

Resolved further, That a copy hereof be sent to each member of our delegation in Congress and to the National Wool Growers' Association.

The foregoing resolution was unanimously adopted at the joint meeting of both associations and also at the annual meeting of the Arizona Wool Growers' Association.

F. W. PERKINS,
Secretary of the Arizona Wool Growers' Association.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAMERON:

A bill (S. 3885) granting an increase of pension to Mathew Cavaness; to the Committee on Pensions.

By Mr. BALL:

A bill (S. 3886) to authorize the closing of a part of Thirty-fourth Place NW., and to change the permanent system of highways plan of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. MYERS:

A bill (S. 3887) to amend the act of April 16, 1906, relating to the disposition of the proceeds of sales of town lots on reclamation projects; to the Committee on Public Lands and Surveys.

By Mr. JONES of Washington:

A bill (S. 3888) to provide for the organization and establishment of stock corporations to engage in foreign trade or commerce, and for other purposes; to the Committee on Commerce.

TARIFF BILL AMENDMENTS.

Mr. SIMMONS (for Mr. KING) submitted two amendments intended to be proposed by Mr. KING to House bill 7456, the tariff bill, which were ordered to lie on the table and to be printed.

FOREIGN-TRADE ZONES IN UNITED STATES PORTS.

Mr. McNARY submitted an amendment intended to be proposed by him to the bill (S. 2391) to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

FUNERAL EXPENSES OF THE LATE SENATOR CROW.

Mr. PEPPER submitted the following resolution (S. Res. 332), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay, from the miscellaneous items of the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed by the President pro tempore in arranging for and attending the funeral of the Hon. WILLIAM E. CROW, late a Senator from the State of Pennsylvania, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

INVESTIGATION OF INTERESTS IN TARIFF LEGISLATION.

Mr. HARRISON. Mr. President, will the Senator from Idaho yield to me for an inquiry?

Mr. GOODING. Will it lead to debate?

Mr. HARRISON. It will lead to no debate. I am merely trying to ascertain the status of Senate Resolution 330. On yesterday the Senator from Idaho [Mr. GOODING] very courageously offered a resolution which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate with instructions to report it back immediately. It has been some 24 hours since that was done, and the resolution has not yet been reported back. I notice that the chairman of the committee is here, and it may be that he wants to present the report the first thing this morning. It seems to me that under the order of the Senate he should do so before the Senator from Idaho proceeds, if he has the report ready.

Mr. GOODING. Mr. President, I shall refuse to yield any further or for a report on my resolution. I am quite within my rights.

The PRESIDENT pro tempore. The Senator from Idaho has the floor and will proceed.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. GOODING. Mr. President, speaking to the resolution which I introduced yesterday, first I want to say that no man in this country has a higher regard for the press than I have. No citizens have rendered a greater service to the American people than those who edit and control our newspapers.

As a rule, it may be said that the newspaper men of the country are fearless in discussing public questions, keenly interested in advocating those principles which they believe are for the best interests of the people, always ready to safeguard the rights of the people and to protect and defend our principles of government.

I have known cases of heroic service on the part of the press in my own State. During the great murder trials of Haywood, Moyer, and Pettibone the Idaho Statesman courageously and fearlessly defended the State. It will be remembered that ex-Governor Steunenberg was assassinated for his enforcement of law and order when he was Governor of Idaho. Bill Haywood, the greatest criminal this country has ever produced, Moyer, and Pettibone would have paid the full penalty for the assassination of ex-Governor Steunenberg if others connected with the case had shown equal courage during those great murder trials. So I hope that anything I may say at this time will not be construed as a lack of appreciation of the great public press of America.

No citizen in this country, in my judgment, gives so much and gets so little in return as the editor of the country newspaper. I have seen him struggle along for years, making barely a living, and always defending the rights of the community and standing for those things that are for the best interests of the State and the Nation.

I have no quarrel, Mr. President, with the Democratic newspapers that believe that protection is unconstitutional and immoral. The platforms of the Democratic Party for nearly a hundred years have declared protection unconstitutional. They have a right to condemn this tariff bill and say anything they please, of course, so long as they tell the truth about it from their viewpoint. But in all lines of business and all classes of trade, and in society everywhere, there are those who do not measure up to the high standard of their profession, and I care not whether that be the humble and lowly profession of the farmer or what some people call the high profession of journalism. In other words, there are crooks in every trade and in every line of business, and I am convinced that journalism is no exception, although I am going to say that it is only found to a limited extent in journalism, for which the American people are truly thankful.

Mr. President, at first it was hard for me to understand why some of the great newspapers of this country should make such a vicious attack upon some of the members of the so-called agricultural tariff bloc. I was at a loss to understand why the New York Herald should be so bitter in its denunciation and quite willing to destroy a Senator's good name in order to create a prejudice against the tariff bill that is now before the Senate. Their viciousness excited my curiosity, and I concluded to investigate this man Munsey, who has been posing as a great American for so many years.

Mr. Munsey's attitude toward the Republican Party and the present tariff bill and the agricultural bloc is easily understood when his great interest in foreign countries is unmasked, and it will be easy for the Republicans of this country to understand why Mr. Munsey has turned a Democrat and a free trader when the mask is torn off.

Mr. President, last September there was organized in Paris a concern known as the General Real Estate & Trust Co., which was to take over and liquidate the $400,000,000 estate of Archduke Frederick of Austria and his family.

I ask, Mr. President, that the Secretary may read the following articles, clipped from the New York Herald and cabled from its Paris bureau under date of September 11, 1921, and four articles which appeared in the New York Times on September 12, 13, 14, and 27, 1921, respectively.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Secretary will read as requested.

The reading clerk read as follows:

AMERICANS ACQUIRE $200,000,000 ESTATE OF ROYAL AUSTRIANS—ARCHDUKE AND SYNDICATE AGREE ON PLAN TO SAVE VAST HOLDINGS IN EUROPE—STATES TO BE SUED—THEY CONFISCATE VALUABLE PROPERTIES IN DEFIANCE OF TREATIES, SAY INVESTORS—FACTORIES TO BE OPENED—UNITED STATES METHODS TO BE APPLIED TO GREAT PROPERTY, INCLUDING STEEL MILLS, PALACES, AND ART MUSEUMS.

(Special cable to the New York Herald. Copyright, 1921, by the New York Herald.)

NEW YORK HERALD BUREAU,
Paris, September 11.

Another chapter of one of the most dramatic and extraordinary episodes arising from the war was closed at a meeting in the drawing room of Samuel Untermyer, of New York, at the Ritz Hotel here yesterday.

What happened at this gathering was a culmination of negotiations between parties which have been meeting for two months in various places in Germany and Austria and in Paris. These were on one part Archduke Frederick, of Austria, and Archduke Albrecht, his son; Archduchess Isabella, his wife, who was Princess Croy, and the six daughters of the archducal family, with their counsel, Dr. Wilhelm Rosenberg, of Vienna, and Dr. Ancel Egry, of Budapest.

On the other side was an American syndicate, represented by Samuel Untermyer, and including such men as Charles H. Sabin, J. Leonard Replogle, Frank A. Munsey, Thomas J. Felder, William R. Honnald, Louis Chevrillon, and their associates.

$200,000,000 ESTATE INVOLVED.

The story concerns the vast estates of the Archduke Frederick, who throughout the war was field marshal and commander in chief of the Austro-Hungarian armies and whose wealth generally was estimated before the war as well above $200,000,000. From reports current for a year and accentuated in the last few months by meetings at Carlsbad, Kissingen, Vienna, and Paris, but which could not be verified, the facts are:

While the archduke is a member of the Hapsburg family, his lineage and connections extend back still further; also he is uncle of the present King of Spain, Alfonso XIII, whose mother is his sister. Another sister formerly was Queen of Bavaria.

The line goes back to Marie Therese, who reigned from 1740 to 1780. Her eldest daughter, the Archduchess Marie Christine, was married to Duke Albrecht of Save Teschen, who was a member of the Saxonian house. Not having children, they adopted their nephew, Archduke Charles, a brother of Emperor Francis I, who was a grandson of Marie Therese, and who reigned from 1792 to 1835 and who himself had no children.

Charles was commander in chief of the Austrian Army in Austria's wars against Napoleon. It was he who won the Battle of Aspern-Essling in 1819. Archduke Albrecht was the eldest son of Charles, and was born in 1819 and died in 1893. He won the Battle of Kustozza in 1866 in the Austrian war against Sardinia. Albrecht had no children.

The present Archduke Frederick is the son of Albrecht's brother, Charles Ferdinand. The fortune inherited by the present archduke, largely from his uncle Albrecht, was increased by wise investments and returns from new enterprises.

ARCHDUKE'S HOLDINGS VARIED.

Prior to the war Archduke Frederick was generally regarded as one of the richest land and industrial owners in Europe. His holdings were distributed throughout Austria-Hungary, Czechoslovakia, Yugoslavia, Poland, Rumania, and Italy. They included the world-renowned steel works and mines at Teschen, which is now partly in Czechoslovakia and partly in Poland; vast working forest lands, amounting to hundreds of thousands of acres, scattered over several countries; and numerous other industries, including dairies which supply milk and butter to Vienna; sugar plantations and factories, palaces, apartment houses, and other private properties in Vienna and elsewhere, historic castles in various parts of the Continent, and the great Albertina Museum in Vienna, which is said to contain more valuable art treasures of its kind than any in the world, there being nearly 1,000,000 objects in the collection.

All his properties and art objects were acquired by private enterprise, and the funds of the archducal family were accumulated largely in industries. Its fortune was built essentially on saving and business sagacity. None of it was based on royal gifts or concessions. Before the war it yielded a yearly income in the millions.

At the close of the war the archduke found himself excluded from all of his properties in the countries for which he had fought. Some had been sequestrated; others were alleged to have been confiscated, some by the reconstituted old governments and others by new states in whose jurisdiction they were put by peace treaties. This action was based solely on the archduke's almost unrecognizable and untraceable kinship to the ex-sovereign.

In none of these cases, except a small estate in Italy, could it be said that the archduke was the enemy of the country in which his property had been situated. On the contrary, he was the head of armies whose countries are now endeavoring to take away his property.

GETS AID OF AMERICANS.

In the summer of 1919 the archduke and his family were living in Switzerland, where he made the acquaintance of Thomas J. Felder, an American living in Paris. The bulk of the archduke's properties were mainly his own, although use of part of them had been for a time impracticable and the operation of various industries was paralyzed by the disorganization of the war.

An arrangement was made in October, 1919, whereby the archduke transferred his various properties and interests, except those in New Hungary, to a corporation organized in Switzerland to take over their administration. Mr. Felder was to form a syndicate in America to acquire substantial interests in the new company. He obtained the required capital, and interested some of the most prominent men in America in the enterprise.

When various governments enacted laws and took other measures to confiscate the properties internal differences arose between the archducal family and the American syndicate, and litigation in the Swiss courts followed. All of these differences have been adjusted by an agreement executed at the Ritz.

The American syndicate will proceed to enforce its rights against several governments which are withholding possession of the estate from the Swiss corporation. The syndicate is particularly anxious to get prompt return of the Teschen works and various lands and other industries, so as to resume their operation and introduce American methods.

DEFIANCE OF TREATIES.

Since the territory constituting Czechoslovakia, Yugolavia, Poland, and Rumania was taken from the Austro-Hungarian Empire on the distinct treaty stipulations that private properties of citizens and subjects of the one-time Austro-Hungarian Empire could not be confiscated, it is explained by the syndicate and the archducal family that attempted action and laws enacted in these new countries to validate such action are a flagrant violation and defiance of the treaties.

Complaint accordingly is about to be lodged before tribunals established under the peace treaties. The new sovereign states will be required to appear, and the question of the right to confiscate these vast estates will be contested aggressively.

The new states seek to justify their action solely on the ground that the archduke is a member of the royal Hapsburg family, and that confiscation of his property therefore is sanctioned by the treaties. This construction is disputed by the archduke and the syndicate, who contend that the right of confiscation applies only to the state property of the former reigning family and not to the fortunes privately accumulated in industrial enterprises by citizens of the old empire merely because they happen to be members of the Hapsburg family.

NEW LAW AFFECTS PALACES.

Attempted confiscation of the Albertina Museum and of the palaces in Vienna likewise will be contested, although the attempted confiscation was based on a new law passed by the Austrian Parliament and predicated on the ground that the Archduke Frederick is a Hapsburg and that these estates are entailed.

Properties in Poland, regarding which that Government has taken no action, and in Rumania doubtless will be retained by the family without litigation in view of recently established precedents in the courts of those countries.

In connection with these contentions and actions of the new states it was pointed out that if they were permitted to confiscate private property put under their jurisdiction, although treaties creating their sovereignty said the owners should not be molested in their property rights, there was no reason why they should not with impunity disregard all the other conditions of the treaties. It is not believed any such action will be sanctioned or tolerated.

Archduke Albrecht refused to confirm, deny, or comment on the story, nor would any of the parties or counsel say anything, except that Mr. Felder admitted the substantial accuracy of the account. He declined to say anything further than that before the syndicate undertook the business it had communicated with the American Department of State and the French authorities and was assured that there was no possible objection to its proposed investment.

New and interesting questions regarding treaty rights and obligations of the new states are involved in the litigations about to be instituted, and developments may be expected soon.

—

[Special cable to New York Times.]

PARIS, September 11, 1921.—At the Ritz Hotel here yesterday an agreement was signed between representatives of a big American syndicate and the Archduke Frederick of Austria and his family, by which the American syndicate took over the whole of the archduke's estates in the dismembered Austrian Empire.

These estates include the rich steel works and mines at Teschen, vast forests, lands stretching across many miles of several new central European Republics, farms, factories, apartment houses, palaces, castles, and even the celebrated Albertina Museum, in Vienna, in which are housed about 1,000,000 articles of artistic and historical interest. The value of the property is conservatively estimated at $200,000,000.

In the syndicate which is taking the control of this great and varied property are, it is understood, Charles H. Sabin, J. Leonard Replogle, Frank A. Munsey, Thomas J. Felder, William A. Honnald, and Louis Cheverilion. Their representative here, in whose suite at the Ritz the agreement was signed yesterday, is Samuel Untermyer, of New York.

The negotiations began in the summer of 1919, when Thomas J. Felder, an American whose home is in Paris, approached the archduke, who was then living in Switzerland, to see if any purchase could be made out of his large estates. During the war, it will be remembered, Archduke Frederick was for a time commander in chief of the Austro-Hungarian armies. He is a member of the Hapsburg family, but belongs to a branch which has been for centuries distinct from the reigning house. One of his sisters is the Queen Dowager of Spain and another was the Queen of Bavaria. The archduke himself married Princess Croy, and she, with her son, Archduke Albrecht, and six daughters, were present yesterday at the Ritz Hotel to witness the agreement as to the disposal of the family property.

When Mr. Felder began the negotiations with the archduke the property was mainly in his possession, though some had been sequestrated. Between the two an agreement was made in October, 1919, whereby the archduke was to transfer his various properties and interests, except those in Hungary, to a corporation to be organized and which was then organized in Switzerland to take over, and which did take over, the administration of the estates. Mr. Felder further undertook to form a syndicate in America which would acquire substantial interest in the new corporation; and this he succeeded in doing, interesting the men whose names have been mentioned.

A period of trouble, however, shortly afterwards set in for the corporation. On the ground that the archduke was a Hapsburg, the Governments of some of the new Republics in which his properties were located legislated for their confiscation. This action raised difficulties between the archducal family and the American syndicate, which culminated in litigation in the Swiss courts. It was these difficulties and the differences which were ended by the agreement which was signed here yesterday.

The American syndicate has been freed from complications and ambiguities, and its directors now propose to proceed to enforce their rights against the several Governments which are withholding possession of the estates from the Swiss corporation. Especially they are anxious to secure prompt return of the Teschen works and the forests and farm properties so as to resume their operation on American lines.

The ground on which they will claim restoration of the lands is the stipulation in the treaties of peace concerning the dismemberment of the Austro-Hungarian Empire that the private property of citizens and subjects of the former Empire could not be confiscated by the new States. Under an interpretation of the treaties that will be advanced, it will be claimed that the Governments of the new States are violating their treaties in legislating for the confiscation of the former archduke's estates on the ground that the archduke is a member of the royal family and that his property is therefore liable to confiscation. The interpretation of the treaty in this respect which will be advanced by the syndicate and the archduke is that the right of

confiscation applies only to the State property of the former reigning family and not to private fortunes, such as the estates of the archduke are represented to be.

This legal contest, involving a discussion of the peace treaties between the Governments of the new central European States and the representatives of this purely American syndicate, will be the next step in this interesting attempt by American interests to secure so large a measure of industrial control of central Europe.

—

SEPTEMBER 13, 1921.

The management of the estate of the Archduke Frederick of Austria and his family, in which a group of American capitalists has obtained an interest, will be operated by the General Real Estate & Trust Co., recently incorporated in Geneva, Switzerland, with a capitalization of $500,000. Two-thirds of the stock of this company is owned by the Hapsburg family, while one-third is owned by the American syndicate. Rene Viviani, former premier of France, has been retained to obtain a release of the properties which have been confiscated by the various Governments. These details were divulged yesterday by J. Leonard Replogle, who heads the American interests.

Mr. Viviani has been intrusted with the task of bringing the matter before the mixed tribunal of the League of Nations on the ground that the confiscation of some of the estates was a violation of the treaty of St. Germain.

Negotiations for the control of this vast estate started two years ago, when Mr. Replogle, on one of his visits abroad, negotiated with Eugene Schneider, the French steel manufacturer, to obtain an interest in the Bergunhutten steel plant, located at Teschen, Czechoslovakia. This deal went through, and Mr. Replogle is one of the directors of this company. Following this, the parties interested were approached on the matter of taking over additional properties, and finally the deal reached such large proportions that the assistance of other Americans was solicited.

The Teschen steel plant is said to be modern in every detail. It employs approximately 20,000 men at the present time, according to Mr. Replogle, and is operating at about 85 per cent of capacity. It has its own by-product coke ovens, coal mines, bar and plate mills, and, besides, is one of the lowest-cost producers of steel compared with any of the large plants in this country in equipment. Mr. Schneider will continue to operate the plant.

The properties of the Hapsburg family taken over by the General Real Estate & Trust Co. include approximately 1,200,000 acres of land, of which 60,000 acres are in Italy, 120,000 in Rumania, 290,000 in Hungary, 200,000 in Austria, and 200,000 in Czechoslovakia. It includes from 12 to 14 beet-sugar factories, several coal mines, apartment houses in the larger cities of Austria and Hungary, palaces, and the Albertine Museum in Vienna. The value of the art objects in this museum alone is estimated at $100,000,000. The Hapsburg family before the war was considered among the wealthiest in Europe, comparing with the Czar of Russia and the Rothschilds.

It is the intention of the trust company, which is headed by H. S. Endsley as president, to liquidate the landholdings and other property as soon as possible, but as about 50 per cent of this property has been confiscated by various countries it is believed that realization on them will be a long drawn-out affair. The manufacturing plants, however, will be operated as heretofore by the trust company, which is to be managed by Charles H. Sabin, president of the Guaranty Trust Co. of this city; Mr. Replogle, president of the Vanadium Steel Co.; and Frank A. Munsey. Mr. Endsley was president of the Replogle Steel Co. during its period of reorganization. Rene Viviani is general counsel of the General Real Estate & Trust Co., and Samuel Untermyer represents the American interests.

Associated with Messrs. Sabin, Replogle, and Munsey are Thomas J. Felder, William A. Honnald, Louis Chevrillon, and Dr. Hugh Young, of Johns Hopkins University. Mr. Felder has been interested in the negotiations from the start and was associated with Mr. Replogle in securing an interest in the Bergunhutten steel plant. He is a son-in-law of the late Milton Smith, president of the Louisville & Nashville Railroad.

The investment in the General Real Estate & Trust Co. has been completely financed and there will be no offering of securities either in this country or abroad. The investment is a personal one on behalf of the individuals in the American group. As the holdings of the Hapsburg estate are liquidated by the trust company, dividends will be distributed in proportion to the holdings of the Hapsburg family, which is two-thirds, and to the American syndicate, which is one-third.

Mr. Replogle has made two visits abroad investigating the property, one last year and one this year. The plans call for Mr. Replogle making an annual visit to Europe in behalf of the local syndicate.

—

SEPTEMBER 14, 1921.

Charles H. Sabin, president of the Guaranty Trust Co., will not be one of the managers of the General Real Estate & Trust Co., which was organized in Geneva, Switzerland, to liquidate the $400,000,000 estate of the Archduke Frederick of Austria and his family. Mr. Sabin will be one of the partners of the American syndicate associated with J. Leonard Replogle and Frank Munsey.

—

NEW YORK, *September 27, 1921.*

Samuel Untermyer, counsel for the American syndicate which obtained a one-third interest in the $400,000,000 estate of the Archduke Frederick of Austria, branded as false yesterday reports that the archduke and archduchess were dissatisfied with the agreement and had started proceedings to withdraw. The estate is scattered over seven countries and consists of more than 1,000,000 acres of lands, coal mines, steel plants, sugar-beet factories, much improved real estate, including modern apartment houses, and the famous Albertina Museum in Vienna. The American syndicate, which is being managed by J. Leonard Replogle, Charles H. Sabin, and Frank A. Munsey, undertook to liquidate the estate. Mr. Untermyer said, in connection with the report:

"The story is a silly fabrication from beginning to end. There is perfect harmony, sympathy, and understanding between the archducal family and the syndicate. Since I left there, and within the last 10 days, the directors of the trust company that holds the property met in Geneva, and by unanimous vote ratified the contracts that were executed in Paris the day before my departure. The interests are now together working out the many complicated problems involved in the administration of the vast estate, and are in constant and harmonious communication and cooperation to that end. Somebody has fooled Mr. Von Weigand, for whom I have a high personal regard, and whose good faith in cabling this foolish yarn I do not doubt."

Mr. GOODING. Mr. President, these articles show very plainly why Mr. Munsey has turned his hounds loose on those Senators who are trying to protect American industries and American labor.

With Mr. Munsey's interest in one of the greatest steel plants in the world, employing from twenty to thirty thousand men and running 85 per cent capacity, owning its own iron mines, its own coal mines, and all the rest of the by-products that go into the making of steel, his interest in one and a quarter million acres of forest and fertile lands, his interest in glass factories, pottery plants, 12 or 14 sugar-beet factories, and other industrial institutions in foreign lands, it is not hard to understand why Mr. Munsey has turned his hounds loose on those Senators who are trying to protect American industries and American labor, nor is it strange that he has singled out the members of the tariff bloc of the Senate; for without the steadying influence of the tariff bloc this propaganda that has been going on by Munsey, Goldman, and the international bankers and their kind would have defeated any attempt to pass a protective tariff measure at this session. So I say again to Mr. Munsey and his hounds, let them come on. I will take my chances with the American farmer, the American manufacturer, the American laborer, and the American people, regardless of what occupation they follow, while he hobnobs with royalty and exploits the poorly paid labor of Europe.

No reason is ascribed in any of these articles as to why Mr. Munsey, owner and publisher of these New York papers, should have been selected as one of those to become engaged as a member of this syndicate which holds such vast properties, many of which are producing tremendous quantities of goods which enter into competition of like products of American industries. It may be, in this connection, that it would be well to investigate the well-defined rumors which circulated in Washington, Baltimore, and New York during the years immediately prior to the outbreak of the European War and during the early period of that war.

It was commonly reported in banking circles in those cities, so I am reliably informed, that Mr. Munsey had tremendous holdings of bonds and securities of the Austrian Government. It is a matter of common public knowledge that every year for a number of years previous to the outbreak of the war in Europe Mr. Munsey spent several months at the famous watering places located in the Austrian Empire. In fact, he was marooned in the Austrian Empire when the war suddenly burst over Europe on August 1, 1914. His automobile was confiscated by the Austrian Government, and other personal property which he had with him was held up. He had considerable difficulty, as did hundreds of other Americans traveling abroad that year, in getting out of Europe, and was put to many inconveniences in so doing.

Although he eventually arrived in this country with a safe skin, Mr. Munsey's Americanism, even at that time, was of such a thin veneer that when he returned home, instead of being thankful for his safe arrival he proceeded to use the editorial columns of his papers to denounce the American Government for being so grossly negligent as to permit so great an American as he to have been inconvenienced and discommoded by a world-wide upheaval.

It was commonly reported in banking circles in 1912, 1913, and 1914 that upon his return from Europe each of those years Mr. Munsey brought with him hundreds of thousands of dollars' worth of Austrian Government bonds, part of which he attempted to sell to his friends and part of which he attempted to market to the public through his trust companies located in Washington and Baltimore. A greater part, however, he was supposed to have kept because he regarded them as gilt-edge investments.

Mr. President, I will leave the people to pass upon the action of an American who invested vast sums in foreign properties; who takes the money he earns from American people and places it in factories, mines, farms, and other industries abroad for the purpose of building up foreign countries and adding to their prosperity, while at the same time through exploiting their poorly paid labor he is able to reap extortionate profits; but it is certainly in poor grace for such a one to criticize, through columns of newspapers which he owns, those Americans who have accumulated properties in this country and who have invested what properties they have legitimately earned in American enterprises which build up America.

Mr. President, in view of Mr. Munsey's great newspaper holdings in America and his effort to prejudice public opinion against American legislation in the interest of his foreign investments, the people of the United States have a right to know all the facts relating to Mr. Munsey's foreign holdings in European industries, stocks, bonds, and other securities.

If the Senators who have stood for protection to American industries and American labor are to be blackmailed in the in-

terest of Mr. Munsey's foreign investments, then I want to know about it.

Let us examine further the attitude of the New York Herald. This newspaper is frequently referred to as a Republican newspaper. It has consistently and persistently fought any legislation by this Congress which was in the interests of this country whenever American interests came into conflict with foreign interests. The managing editor of the New York Herald is a Democrat. He was trained and educated in the principles of the Democratic Party by the late Joseph Pulitzer. He spent the greater part of his newspaper career as the managing editor of the New York World. About two years ago Mr. Charles M. Lincoln left the World to direct the policy of the New York Herald for Mr. Munsey. He is now the managing editor of that newspaper. The Washington correspondent of the New York Herald, Mr. Louis Seibold, was, like Mr. Lincoln, schooled in the principles of the Democratic Party by the late Joseph Pulitzer. He was for many years the Washington representative of the New York World. During the past two years he has been in charge of the Washington bureau of the New York Herald.

Thus the two responsible officials of the New York Herald who are in charge of its political news and policies are dyed-in-the-wool Democrats, who have always been and always will be the willing agents of the Democratic Party. I heard with more than passing interest the eulogy passed upon Mr. Seibold on the floor of the Senate the other day by the distinguished Senator from North Carolina, who pronounced Mr. Seibold one of the greatest writers in America. This is the opinion of all Democrats. Under the direction of Mr. Seibold and Mr. Lincoln the New York Herald has been definitely aligned against the Republican Party and the Republican administration for more than a year. The tariff is not the only administrative policy which the New York Herald is opposing or has opposed. Through its news and its editorial columns it has persistently, consistently, and most bitterly taken issue with the Republican administration upon all policies. It has not had a Republican impulse since this administration began to exert its influence in public affairs. Senators who quote from the New York Herald, and ascribe to it Republicanism, offer an insult to public intelligence and make a laughing stock of themselves among newspaper men.

The New York Herald is not the only newspaper which is frequently quoted upon the floor as Republican. The record of the Senate proceedings of August 1 shows that the Senator from North Carolina [Mr. SIMMONS] had inserted a large number of editorials from papers which he labeled Republican. Among them was the New York Evening Post. It is well known that the New York Evening Post for at least a generation has been Democratic. It gained national reputation by its support of Cleveland. It has been critical to a degree of every Republican administration for the last quarter of a century. Under its ownership by Mr. Thomas W. Lamont, of the Morgan banking house, in 1920, it was conspicuous for its support of Mr. Cox, Democratic candidate for President. Since that time Mr. Lamont has disposed of his interest to a syndicate, among which are such distinguished and well-known Democrats as Cleveland H. Dodge, who financed President Wilson's first campaign; Frank Polk, who was Undersecretary of State under the Wilson régime; and other leading Democrats.

Other newspapers are quoted and credited as being Republican which are no more Republican than the New York Evening Post and the New York Herald. A paper's policy is determined not by its ancestry but by the utterances of its editorial columns and the slant of its news columns. In this connection I ask that the Secretary read the following article which appeared in the Boston Herald of July 29, 1922. It was written by Mr. Whiting, the Washington correspondent of the Boston Herald, who contributes to that paper one column of editorial matter a day under his own signature.

The PRESIDENT pro tempore. The Secretary will read, without objection.

The reading clerk read as follows:

KNUTE NELSON, United States Senator from Minnesota, who has been one of the supporting members of IRVINE LENROOT'S tariff rebellion in the Senate, could hardly be classed as a rebel by nature. He has had a long political career, in which irregularity has not been conspicuous. He is convinced that the Finance Committee's ideas on the wool tariff, or the ideas which the Finance Committee is supporting, are not good from any reasonable point of view. Thus he joins his voice and vote to those of LENROOT, and thus finds himself one of an aggressive minority among the majority Members of the Senate. NELSON is one of the veterans, both in service and in years, in the Senate. LENROOT is one of the youngsters. NELSON'S support of LENROOT'S position now removes from it any suspicion of brashness. NELSON is a cautious man.

KNUTE NELSON looks so much like a Yankee he ought to be one. Visitors to the Senate gallery often pick him out as a "typical New England Senator." He is short of stature, a trifle roly-poly but not too much so; he wears a short, white chin beard and he shaves his upper lip. It is this method of treating his whiskerial equipment which gives him his Yankee appearance. He is no Yankee, not even an ex-Yankee, of whom the Middle West and West have many. He has no claim to New England residence or association. He was born in Norway in 1843, but as he came to this country when he was 6 years old he is native enough for all practical purposes. He is a very good American. He went to Chicago first, but by the time he was 7½ years old he reformed and went to Wisconsin. He stuck it out there until 1871, when he moved to Minnesota, thus escaping future political association with BOB LA FOLLETTE; but maybe Wisconsin memories operate to incline him to friendship now with LENROOT, the better exhibit of Wisconsin politics.

New England interest is now drawn, but with little promise of a thrill, to another western Senator, FRANK R. GOODING, of Idaho, also foreign born. Local interest in GOODING is stirred by a letter he wrote to Conrad Hobbs, of Boston, in which he expressed a low opinion of those who import wool. As we interpret the easily interpreted cerebral spasms of the junior Senator from Idaho he believes that those who grow wool on the backs of sheep are of a much higher moral character than those who import it from sheep born, reared, and sheared in an alien country. It is probably the Gooding idea that there is something in the placid and moderate intellectual equipment of sheep which subtly imparts to its human associates an incapacity for evil, a disinclination to sordidness, and a fitness for service in the United States Senate. Thus far Mr. GOODING has not founded a bloc on this basis, but when the sheep are enfranchised he will have it.

FRANK GOODING is a new Senator, who takes himself with an intense seriousness. He was born in England, but left that country in 1867, his parents coming to America and young Frank deeming it expedient to accompany them, being in youth. We do not know what England lost by his migration. Over here we gained a Senator. Young Mr. GOODING was educated in the public schools of that succulently named place, Paw Paw, Mich., thus imbibing through the avenues of scholasticism a sweet regard for the appealing voice of native sheep, whose cry in joy and sorrow manifests an alliteration not dissimilar to that of the Michigan town. At the age of 16, or by other accounts 17, he moved to California, but soon moved again, to Idaho, where he was for many years a contractor for mining companies and where during the past 20 years he has been engaged in the stock and farming business, with the emphasis on the woolies. Few, if any, in Idaho own more sheep than FRANK GOODING. For his sheep, and the hair upon their backs, he would sacrifice every wool merchant in Boston and surrounding territory. Judging by his letter to Mr. Hobbs, he would even sacrifice courtesy.

As accurately as our judgment will allow us to estimate the representation from Idaho in the United States Senate, there is enough statesmanship therein to provide two high-grade Senators. The division, however, is uneven, which is unfortunate for the junior Senator.

The Senate and the wool tariff, however, are not the only things in life. We are reminded by a reader, apropos our recent publication of what has been called the oldest story in the world, that Wendell Phillips in his lecture on the "Lost arts," first delivered in 1837 (Speeches of Wendell Phillips, 1892, p. 371), says:

"There is one story which it is said Washington has related, of a man who went to an inn and asked for a drink from the landlord, who pushed forward a wine glass about half the usual size, and said, 'That glass out of which you are drinking is 40 years old.' 'Well,' said the thirsty traveler, contemplating its diminutive proportions, 'I think it is the smallest thing of its age I ever saw.'

"That story as told is given as a story of Athens 375 years before Christ was born."

Or, we might add, possessing later information than that available to Wendell Phillips, 2,294 years before the adoption of our own eighteenth amendment.

Mr. GOODING. Mr. President, I admit the charge contained in this article that I was born in a foreign country under the British flag. The publisher and responsible editor of the Boston Herald is Robert J. O'Brien, a very distinguished and honorable gentleman, but who, as his name indicates, came from foreign-born ancestry of the same country which gave me birth. I now ask the Secretary to read the following article, which appeared in the Boston Herald of June 13, 1922.

The PRESIDENT pro tempore. Without objection, the Secretary will read as requested.

The Assistant Secretary read as follows:

PAPERS TO AID FOREIGN TRADE—AMERICAN NEWSPAPERS COMBINE TO ASSIST FIRMS TO "SELL AMERICA"—OPEN OFFICES IN LONDON AND PARIS.

Announcement of the organization of the Associated American Newspapers brings to public notice the newest and one of the most comprehensive plans yet devised to assist European manufacturers and merchants to develop their business in America through the mediumship of newspaper advertising.

The association has been formed as a result of a constant and growing demand in the American market for European merchandise to make an intensive effort to assist in this market development, and success is assured in advance, as each newspaper member of the association is a tremendous force in its market or selling zone, and the field covered by these newspapers comprises the wealthiest, most populous, most concentrated, and most easily developed markets in the United States.

The Associated American Newspapers comprises the following widely known newspapers: The Boston Herald and Traveler, the Chicago Tribune, the New York Times, the Cleveland Plain Dealer, the Philadelphia Evening Bulletin, the Washington Star, the Pittsburgh Post and Sun, the St. Louis Globe-Democrat, and the Minneapolis Tribune.

Through this association of representative newspapers is placed at the disposal of European advertisers and advertising agents the highest development of newspaper merchandising service to assist European firms in planning to "sell America."

Two European offices already have been established and are now functioning—the London office at 125 Pall Mall SW., in charge of Mortimer Bryands, as representative for Great Britain, and the Paris office at 5 Rue Lamartine, with R. A. Washburn in charge, as representative on the Continent. Both offices are equipped with telephone and cable connections and with every other facility to aid the prospective advertiser in properly preparing his publicity message to the American public.

Mr. GOODING. Mr. President, evidently the main distinction between Mr. O'Brien and myself is that, although both of

us are of foreign-born ancestry, I am devoting myself to American interests and the protection and development of American industry, while Mr. O'Brien is using his publication, to quote from his paper, "to assist European manufacturers and merchants to develop their business in America," which, of course, must be done, and will be done, at the expense of American manufacturers and American labor.

When the Senate committee undertakes this investigation I shall insist that all the facts relating to Mr. Munsey's foreign investments be probed to the bottom in order that the American people may learn why Mr. Munsey is to-day the champion of foreign industries and the enemy of American industry and labor. The charge of the New York Herald against Members of the Senate is a poor camouflage for the concealment of Mr. Munsey's exploitation of the workers of central Europe and his investments in other foreign industries.

While we are investigating Mr. Munsey, Mr. President, we should also investigate the financial interests of other newspapers, such as the Boston Herald and those which it advertises as its associates in the plan to sell America to European manufacturers and merchants. The newspapers which it lists as engaged in selling America to foreign manufacturers and merchants compose those which have been most critical of the pending protective tariff bill, namely, the Chicago Tribune, the New York Times, the Cleveland Plain Dealer, the St. Louis Globe-Democrat, and the Minneapolis Tribune. Let us ascertain, Mr. President, why these publications are so interested in the defeat of a protective tariff.

Let us settle for all time whether it is a crime to stand for the protection of American industries, but a virtue and an exhibition of patriotism to work for the destruction of American industry.

Mr. LODGE. Mr. President, will the Senator allow me to say a word?

Mr. GOODING. Certainly.

Mr. LODGE. I happened to hear what the Senator said in regard to Mr. O'Brien, editor of the Boston Herald. I merely wish to say, in justice to Mr. O'Brien, that he was born in this country and is a graduate of Harvard. He was educated here and is as good an American as I know, although I differ with him on some tariff points, no doubt.

Mr. GOODING. My statement was that he was of foreign ancestry, the same as myself.

Mr. LODGE. We are all of foreign ancestry if we go back far enough.

Mr. GOODING. I understand that.

Continual reference is made upon the floor of the Senate that manufacturers, farmers, and others who have investments have no right to advocate a measure which would afford protection to those investments. A great deal has been said regarding the selfishness of those who are interested in the passage of a protective tariff bill as a whole. What I propose to do by my resolution is to investigate the selfishness of those who would profit by the defeat of proposed schedules and who would put large sums of mony into their pocket by the defeat of the tariff bill as a whole. I do not make the charge that Members of this body have voted for the defeat of rates proposed by the Senate Finance Committee because by defeating the rates they would profit greatly thereby. But I ask the question whether or not Members of this body have not voted against protective rates because they were stockholders in corporations that wished the defeat of such rates? I ask the question whether there are not Members of this body who are heavily interested in newspapers who have indicated their opposition to proposed tariff rates on print paper and wood pulp because it is to their financial interests to do so?

If it is a crime for a United States Senator to vote for protection because he might safeguard his own investments it is also a crime for a United States Senator to vote for free trade or a smaller measure of protection in order that he may protect his investments. You can not make fish of one and fowl of the other.

I am willing to be judged by the same standard by which other Senators are judged. If it has become a crime in the United States for a man with property and investments in this country to seek public office and sit in legislative halls, then we have reached the level of Russia. If it is a misdemeanor and a violation of public ethics and morals for those who have accumulated something to assist in framing legislation, then I am willing, along with other Senators in this body who own property and have investments, to resign.

Let us walk out together who are in that class and leave the Senate in the hands of those who are without property. That is what happened in Russia. One of the provisions of the Bolshevik constitution is that in the Soviet government no man who owns property is permitted to vote or hold office. The whole world is witnessing the result of such a policy. But if it is the judgment of this Senate that a man can not legislate honestly because he has property that may be favorably affected by such legislation I am willing, along with all other Senators who have property and investments, to step down and out and let the people send those who are without property to legislate for them.

But, Mr. President, whether I remain in the United States Senate or depart from it, I for one intend to continue for the rest of my life to fight for the protection of American people, for the protection of American industry and American labor, for the men and women of this country who believe that our prosperity depends upon our ability as a people and a nation to secure and protect the rights of property and to maintain a living wage and constant employment for the working people of the United States. Mr. Munsey and his associates may continue to be the enemies of American manufacture, the American farmer, and American labor. He and his mouthpiece upon the floor of this Senate may continue to denounce those of us who own property, but that will not deter me from continuing my fight for American rights, American standards, and the American Nation.

Mr. President, I have here a statement of the investment of American bankers in foreign government bonds, foreign railroads, and other foreign industries. It shows that the American bankers have invested in Europe since the World War $1,530,400,000. This statement gives the rate of interest, it being in some cases 8 per cent. Such loans have been made in practically every country on earth. I ask that the statement may be printed as a part of my remarks.

The PRESIDENT pro tempore. Without objection, the statement will be printed in the RECORD.

The statement referred to is as follows:

Partial list of loans to foreign governments; foreign municipal bonds; industrial, steamship, and railway bonds, made by American bankers and floated in the United States since the war.

(Totals by years.)

FOREIGN GOVERNMENT LOANS.

European countries:		
1919	$305,000,000	
1920	254,600,000	
1921	144,800,000	
1922	69,000,000	
South America:		
1921	171,500,000	
1922	78,000,000	
Canada:		
1919	65,000,000	
1921	6,000,000	
1922	106,000,000	
		$1,199,900,000
Queensland and Dutch East Indies:		
1921	12,000,000	
1922	110,000,000	
		122,000,000

FOREIGN MUNICIPAL BONDS.

European countries:		
1919	$60,000,000	
1920	21,000,000	
1921	6,000,000	
1922	7,500,000	
South America:		
1919	8,500,000	
1921	3,500,000	
1922	23,000,000	
		$129,500,000

INDUSTRIAL, STEAMSHIP, AND RAILWAY BONDS.

European countries:		
1922	$75,000,000	
South America:		
1922	4,000,000	
		79,000,000
Grand total		1,530,400,000

Industrial, steamship, and railway bonds.

Name.	Country.	Date and maturity.	Rate.	Amount.
EUROPEAN COUNTRIES.			Per ct.	
French-American Industrial Development Corporation (Steel Works).	France	Jan. 1, 1922-1942	7½	$10,000,000
Paris-Mediterranean Railroad Co.	do	Feb. 15, 1922-Aug. 15, 1958	6	40,000,000
United States Steamship Co. (Ltd.).	Scandinavia	May 1, 1922-1937	6	5,000,000
Holland-America Line	Holland	May 1, 1922-1947	6	[1] 8,000,000
Anton Jurgens United Margarine Works.	do	June 1, 1922-July 1, 1947.	6	[1] 12,000,000
Total				75,000,000
SOUTH AMERICA.				
Paulista Railway Co.	Brazil	Mar. 15, 1922-1942	7	4,000,000

[1] Approximately.

Foreign government (including departmental) loans.

Country.	Date and maturity.	Rate.	Amount.
EUROPEAN COUNTRIES.		*Per ct.*	
Swedish Government	June 15, 1919-1939	6	$25,000,000
Switzerland	Aug. 1, 1919-1929	5½	30,000,000
United Kingdom of Great Britain and Ireland.	Nov. 1, 1919 ($101,620,900 due Nov. 1, 1922; $148,379,100 due Aug. 1, 1929).	5½	250,000,000
Belgium	Jan. 1, 1920-1925	6	18,600,000
Italy	Feb. 1, 1920-1925	6½	25,000,000
Belgium	June 1, 1920-1945	7½	46,000,000
Switzerland	July 1, 1920-1940	8	25,000,000
French Republic	Sept. 15, 1920-1945	8	95,000,000
Norway	Oct. 1, 1920-1940	8	20,000,000
Denmark	Oct. 15, 1920-1945	8	25,000,000
Belgium	Feb. 1, 1921-1941	8	30,000,000
Danish consolidated municipal loan	Feb. 1, 1921-1945	8	14,800,000
French Republic	June 1, 1921-1941	7½	100,000,000
Denmark	Jan. 1, 1922-1942	6	30,000,000
Department of the Seine (France)	Jan. 14, 1922-1942	7	25,000,000
Czecho-Slovak Republic	Apr. 1, 1922-1951	8	14,000,000
Yugoslavia	May 1, 1922-1962	8	25,000,000
			798,400,000
Queensland (Australia)	Oct. 1, 1921-1941	7	12,000,000
Dutch East Indies	Jan. 1, 1922-1947	6	40,000,000
Queensland (Australia)	Feb. 15, 1922-1947	6	10,000,000
Dutch East Indies	Mar. 1, 1922-1962	6	60,000,000
Total			122,000,000
SOUTH AMERICA.			
Chile	Feb. 1, 1921-1941	8	$24,000,000
State of Sao Paulo (Brazil)	Mar. 14, 1921-Jan. 1, 1936.	8	10,000,000
Brazil	June 1, 1921-1941	8	50,000,000
Uruguay	Aug. 1, 1921-1946	8	7,500,000
Argentine Republic	Oct. 1, 1921-1923	7	50,000,000
Chile	Oct. 1, 1921-1926	8	9,500,000
Rio Grande do Sul (Brazil)	Oct. 1, 1921-1946	8	10,000,000
Chile	Nov. 1, 1921-1946	8	10,500,000
Argentine Republic	Feb. 1, 1922-1927	7	27,000,000
Brazil (Coffee Loan)	Apr. 1, 1922-1952	7½	2,000,000
Bolivia	May 1, 1922-1947	8	24,000,000
Brazil (Central Railway Electrification Loan.)	June 1, 1922-1952	7	25,000,000
Total			249,500,000
CANADA.			
Newfoundland	June 1, 1919-July 1, 1939.	5½	$5,000,000
Dominion of Canada	Aug. 1, 1919-1929	5½	60,000,000
Newfoundland	June 1, 1921-June 30, 1936.	6½	6,000,000
Newfoundland	Mar. 1, 1922-July, 1942.	5½	6,000,000
Dominion of Canada	May 1, 1922-1952	5	100,000,000
Total			177,000,000

Foreign municipal bonds.

City.	Country.	Date and maturity.	Rate.	Amount.
EUROPEAN COUNTRIES.			*Per ct.*	
Copenhagen	Denmark	July 1, 1919-1944	5½	$15,000,000
Bordeaux	France	Nov. 1, 1919-1934	6	15,000,000
Lyons	do	do	6	15,000,000
Marseille	do	do	6	15,000,000
Christiana	Norway	Oct. 1, 1920-1945	8	5,000,000
Zurich	Switzerland	Oct. 15, 1920-1945	8	6,000,000
Berne	do	Nov. 1, 1920-1945	8	6,000,000
Bergen	Norway	do	8	4,000,000
Soissons	France	Nov. 14, 1921-1936	6	6,000,000
Prague (Greater City)	Czechoslovakia	May 1, 1922-1952	7½	7,500,000
				94,500,000
SOUTH AMERICA.				
Sao Paulo	Brazil	Nov. 1, 1919-1943	6	8,500,000
Porto Alegre	do	Dec. 1, 1921-1961	8	3,500,000
San Paulo (City)	do	Mar. 1, 1922-1952	8	4,000,000
Rio de Janeiro	do	Apr. 1, 1922-1947	8	[1] 13,000,000
Montevideo	Uruguay	June 1, 1922-1952	7	6,000,000
				35,000,000

[1] Approximately.

Mr. GOODING. Mr. President, for more than two years now the international bankers of this country, who have loaned a billion and a half dollars to foreign countries have, through public speakers and the press, been making a campaign against the pending tariff bill. Statements have been made to the effect that this is no t me to enact a new tariff act; that economic and industrial conditions throughout the world are upset. For that reason they have indulged, all over this country, in a propaganda of denunciation of the pending tariff bill and opposed its passage at this time as a protective tariff measure. The time will never come when these international bankers will favor a protective tariff measure. They are internationalists and have lost interest in America.

I am wondering, Mr. President, if Senators on this side of the Chamber have forgotten how bitterly the Democrats denounced the emergency tariff bill. How well I remember the statements of the Senator from Nebraska [Mr. HITCHCOCK]. He insisted that we were handing the farmer "a gold brick." In a voice full of throbs, with crocodile tears apparently streaming down his cheeks, he said, "The farmer asked you for bread, and you gave him a stone." The little Senator from North Carolina [Mr. SIMMONS]—little in stature only, but a giant in intellect—followed a day or two afterwards with exactly the same words. After working himself up to a pitch of excitement, as he does when he is in earnest, of course, he said, "The farmer asked you for bread, and you gave him a stone."

Now, Mr. President, all at once that stone is turned into gold. For the first time, to my knowledge at least, we have had the admission by the Democratic party that a protective tariff law has benefited the American farmer. Through their hypocritical policy on the tariff they have always denounced every protective tariff measure. The junior Senator from Mississippi [Mr. HARRISON] only a few weeks ago was so sure that no farmer had been benefited by the emergency tariff law that he introduced a resolution demanding a report from the Tariff Commission as to the benefits accruing from the operation of the emergency tariff act. That report, like almost every other report that comes from the Tariff Commission, did not announce any definite conclusion except along certain lines.

Now, Mr. President, after ridiculing and almost insulting the Senators on this side who voted for the emergency tariff bill, Democratic Senators propose to investigate in order to ascertain how many millions of dollars certain Senators may have made out of it.

It is true, Mr. President, that the emergency tariff law has proven a blessing to the American farmer. Every protective tariff law has always brought prosperity and happiness to the American people, while every free trade measure which has ever been passed by the Democratic Party has brought ruin, disaster, poverty, suffering, and distress, and soup houses in all the great cities, and even the farmers have not escaped the universal cataclysm.

Let us see about this. Who may vote for a protective tariff measure under the doctrine now promulgated? I agree with the great Jeffersonian principle that a man should not vote for any measure from which he is to be benefited if it be special legislation; but protection has been a great principle of the American people from the very foundation of this Government.

The first law to be enacted by our Congress was a protective tariff measure. Jefferson lived and died a great protectionist. Who may properly vote for a protective tariff measure or for any measure, if you please, or for any revenue law? Every man is benefited in some way or other; it can not be otherwise. There can not be any legislation if Senators are to be debarred from voting for legislation which means prosperity to the American people. Under that policy a farmer could not sit in this body and vote for an appropriation for agriculture, for he might be growing cotton, and the Government spends millions of dollars in trying to destroy the boll weevil. If a Senator owned live stock he could not vote for an appropriation for agriculture, for the Government spends millions of dollars in eradicating contagious diseases among live stock.

I have here a list of agricultural products which our Democratic friends put on the free list for the farmer. I will read the list and I will ask Senators on the other side how they are going to vote on the pending bill?

First, however, let me say that the Democratic Senator from Nebraska [Mr. HITCHCOCK] and the junior Senator from Virginia [Mr. GLASS] yesterday refused to vote on the question of wood pulp; but in looking up their record I find that they did not hesitate to vote for the bill of 1913. It is not on the schedule which may be under consideration or which finally becomes a part of the law where a Senator's vote counts so much, but it is the final vote that he casts on the bill. That is what Mr. Jefferson had reference to. Yet these Senators, though they were interested in newspapers, voted for the tariff bill of 1913, which put wood pulp on the free list. Oh, they almost made hypocrites out of themselves in the eyes of every honest man.

When was this new-found virtue called to their attention? Not until the junior Senator from Arkansas [Mr. CARAWAY] introduced a resolution to investigate a few woolgrowers be-

cause they had voted for a duty—an honest duty—on the product of the woolgrowers of this country. I presume those Senators, in order to be consistent, will vote against the pending bill before they get through. They are two great Senators, I may say, too. But it is strange, Mr. President, when great men such as we have in this body—and I say that in all seriousness and earnestness—can permit themselves to be carried so far and to do such ridiculous things in the interest of dirty politics. Dirty politics never won anything for any political party. That is all there is to this matter.

Here is the article of wheat. The Underwood-Simmons law put wheat on the free list, while the rate of duty proposed to be imposed on wheat in the pending Senate committee bill is 30 cents per bushel, and the equivalent ad valorem duty is 28 per cent. Of course, the doctrine which is sought to be invoked is an attack on the American farmer, and the American farmer accepts it as an attack on him. No farmer can sit in this body and, I think, no property holder can sit in this body and vote for any revenue law, I care not what that law may be, whether it is a tariff law or an internal-tax law or any other kind of law, if the doctrine now promulgated shall be upheld.

But let me proceed with the wheat story. If there is a Senator here who owns land and grows wheat he can not vote for the proposed duty on wheat, if the Democratic position is correct. If there is a Senator who eats bread, he can not vote for the duty on wheat or vote against it, because he would be voting in his own interest and in favor of cheaper bread. So the interest is both ways. Senators vote against protection because they believe at times, at least, such action will tend to make food products cheaper. They tell the laboring man——

Mr. HARRISON. Mr. President, may I ask the Senator a question?

Mr. GOODING. I do not think I desire to be interrupted at this point. They tell the American laboring man in this country how much the articles that go on the breakfast table are going to be increased in price, and then they go to the American farmer and tell him that the tariff was a gold brick; that it never did benefit him; that protection is of no benefit to him at all. Years in the past when there was no communication in this country, they always played a double tariff game; they advocated free trade in the South and protection in the North. They have never been honest in discussing the question before the American people. That is why I was so keenly interested in having the minority leader fairly and squarely—and he is always fair and square—say that he believed protection was unconstitutional and that he would go further and say it is immoral or morally wrong. I want to see this issue squarely drawn. Let us go before the American people and fight it out, because it is the greatest crime possible to conceive of or to think of that the great business interests of the American people must continue to be made the football for the selfishness of political parties. I ask again, how is any Senator going to vote for free wheat, if he eats bread?

Mr. HARRISON. Mr. President, does the Senator ask that as a question?

Mr. GOODING. No; not at this point. There will be plenty to follow, and the Senator will have an ample chance before I get through to express his views.

I wish to read from the free list under the present Democratic tariff law and show what a friend the Democratic Party is to the farmer.

Under the Underwood law corn is on the free list. The Republican Party have imposed a duty of 20 cents a bushel on corn, which is equivalent to an ad valorem duty of 25 per cent. Under the Underwood law eggs are on the free list, while in the bill pending before the Senate a duty of 8 cents a dozen is imposed, the equivalent ad valorem duty being 33 per cent. Buckwheat is on the free list under the present law, while a duty of 10 cents a hundred pounds is provided in the bill as reported to the Senate. Cotton is on the free list in the present law, while on long-staple cotton a duty of 7 cents a pound is provided in the Senate committee bill. Beef is on the free list in the Underwood law, but in the bill now pending before the Senate there is a duty proposed of 3½ cents a pound. Veal is on the free list in the Underwood law, but the pending bill provides for a duty of 3½ cents a pound. Mutton is on the free list in the Underwood law, and is to bear a rate of 2½ cents a pound under the pending bill. Lamb is on the free list under the Underwood law, but bears a duty of 5 cents a pound under the pending bill. Pork is on the free list under the Underwood law, while a duty of three-fourths of 1 cent a pound is provided in the pending measure. Bacon is on the free list in the Underwood law, while in the bill now pending a duty of 2 cents a pound is provided. Ham is on the free list in the Underwood law, while under the pending bill a protective duty of 2 cents a pound is imposed. In the Underwood-Simmons law wool is on the free list, while under the pending bill a duty of 33 cents a pound on the scoured content has been provided. Milk was on the free list in the Underwood law, while the pending bill proposes a duty of 2½ cents a pound. Potatoes are on the free list in the Underwood law, while a protective duty of 58 cents a hundred is given in the bill now pending before the Senate. Cream is on the free list in the Underwood law, and a duty of 22½ cents a gallon is provided by the pending bill. Flax is on the free list in the Underwood law, while a duty of a cent a pound is imposed in the Finance Committee bill. Hides are on the free list in the Underwood law. We have not as yet reached the paragraph dealing with hides in the pending bill, but it is to be hoped that the Republicans on this side of the Chamber will, as they have all the way through so far as agriculture interests are concerned, provide a sufficient duty on hides. Let us try to develop the several branches of agriculture which are not developed up to the requirements of the American people. Unless we do develop them, unless we pick out and seek out all of those industries which are not developed up to the requirements of this country, we will never find employment for the three and a half million men who are now out of employment, although it is midsummer with the harvest in full swing.

Let Mr. Munsey and his people have their way and defeat this tariff measure and you will have six or eight million people out of employment when the winter comes, and nothing can save us.

Lard is on the free list in the Underwood bill. It carries a duty of 1 cent a pound in the Senate bill.

Rye is on the free list in the Underwood bill. It carries a duty of 15 cents a bushel in the Senate bill.

Swine are on the free list in the Underwood bill. In the Senate bill they have a duty of one-half cent a pound.

Sheep are on the free list in the Underwood bill. They are dutiable at $2 a head in the Republican protective tariff measure.

Soya beans are free in the Underwood bill. There is a very small duty, I am sorry to say, on soya beans in the Finance Committee bill—four-tenths of a cent a pound. I have some information that I want to turn in to the committee with the hope that they will reconsider that duty. The raising of soya beans is becoming a great industry in America, and it is vitally needed in the interest of bringing back the fertility of the soil.

When we get down to rice, we find that the Underwood bill has a duty of three-eighths of a cent a pound on rough rice, equal to 4 per cent ad valorem duty. The Republican protective tariff bill has a duty of a cent a pound on rough rice.

Straw has a duty of 50 cents a ton in the Underwood bill, an equivalent ad valorem duty of 5 per cent. In the Senate Finance Committee bill it has a duty of $1.50 a ton.

Oats have a duty of 6 cents a bushel in the Underwood bill, an equivalent ad valorem duty of 16 per cent. In the Senate bill they have a duty of 15 cents a bushel, an equivalent ad valorem duty of 39 per cent.

Flaxseed carries a duty of 20 cents a bushel in the Underwood bill, an equivalent ad valorem duty of 11 per cent. In the Finance Committee bill flaxseed has a duty of 40 cents a bushel, an ad valorem duty of 22 per cent.

Honey has a duty of 10 cents a gallon in the Underwood bill, an equivalent ad valorem duty of 8 per cent. In the Finance Committee bill it carries a duty of 3 cents a pound, or 27 per cent ad valorem duty.

Hops are dutiable at 16 cents a pound in the Underwood bill; 24 cents a pound in the Finance Committee bill.

Peanuts are dutiable at three-eighths of 1 cent a pound in the Underwood bill; 3 cents a pound in the bill before the Senate.

Barley carries a duty of 15 cents a bushel in the Underwood bill, an equivalent ad valorem duty of 30 per cent. This is the highest duty given to any farm product in the Underwood bill.

I am not going to take up the time of the Senate by reviewing at greater length this remarkable showing of the generous impulse that the Democratic Party must have felt toward agriculture when they gave it the magnificent protection of a little better than 4 per cent ad valorem duty on farm products, 250 per cent lower than any Democratic free-trade measure ever gave to the farmers of the country.

I ask to have printed as a part of my remarks the table to which I have referred.

There being no objection, the table referred to was ordered to be printed in the RECORD, *as follows:*

Article.	Rate in Underwood law.	Equivalent ad valorem.	Rate in Senate bill.	Equivalent ad valorem.	Rate in Fordney bill.
				Per ct.	
Wheat	Free	Free	30 cents bushel	28	25 cents bushel.
Corn	do	do	20 cents bushel	25	15 cents bushel.
Eggs	do	do	8 cents dozen	33	6 cents dozen.
Buckwheat	do	do	10 cents hundredweight.		30 cents hundredweight.
Cotton	do	do	7 cents pound (long staple).	30	Free.
Beef	do	do	3½ cents pound	22	2 cents pound.
Veal	do	do	do	22	Do.
Mutton	do	do	2½ cents pound	25	1½ cents pound.
Lamb	do	do	5 cents pound	27	2 cents pound.
Pork	do	do	½ cent pound	40	½ cent pound.
Bacon	do	do	2 cents pound	20	2 cents pound.
Ham	do	do	do	10	Do.
Wool	do	do	33 cents pound		25 cents pound, not to exceed 35 per cent ad valorem.
Milk	do	do	2½ cents pound	10	1 cent gallon.
Potatoes	do	do	58 cents hundredweight.	37	42 cents hundredweight.
Cream	do	do	22½ cents gallon	6	5 to 10 cents gallon.
Flax	do	do	1 cent pound		1 cent pound.
Hides, cattle	do	do			Free.
Lard	do	do	1 cent pound		1 cent pound.
Rye	do	do	15 cents bushel	20	10 cents bushel.
Cattle	do	do	1½ to 2 cents pound.	20 to 30	1 to 1½ cents pound.
Swine	do	do	½ cent pound	10	½ cent pound.
Sheep	do	do	$2 per head	33	1 cent pound.
Skins, raw	do	do			Free.
Soy beans	do	do	½ cent pound		1½ cents.
Poultry	1 cent pound	3 per cent	6 cents pound	17	1 cent pound.
Rice, rough	½ cent pound	4.24 per cent	1 cent pound	12	Do.
Hay	$2 ton	7 per cent	$3 ton	10	$4 ton.
Straw	50 cents ton	5 per cent	$1.50 ton	15	$1 ton.
Oats	6 cents bushel.	10 per cent	15 cents bushel	39	10 cents bushel.
Flaxseed	20 cents bushel.	11 per cent	40 cents bushel	22	25 cents bushel.
Onions	do	8 per cent	1 cent pound	20	75 cents hundredweight.
Honey	10 cents gallon.	do	3 cents pound	27	2½ cents pound.
Hops	16 cents pound.	26 per cent	24 cents pound	39	24 cents pound.
Peanuts, unshelled.	½ cent pound	4.22 per cent	3 cents pound	30	3 cents pound.
Barley	15 cents bushel.	30 per cent	20 cents bushel	40	15 cents bushel.
Apples	10 cents bushel.	9.6 per cent	30 cents bushel	30	25 cents bushel.
Beans	25 cents bushel.	8 per cent	2 cents pound	33	1½ cents pound.
Beets	5 per cent	5 per cent	17 per cent	17	17 per cent.
Horses and mules.	10 per cent	10 per cent	20 per cent	20	20 per cent.
Butter	2½ cents pound.	6¼ per cent	8 cents pound	25	8 cents pound.
Eggs, dried	10 cents pound.	20 per cent	18 cents pound	30	15 cents pound.
Eggs, frozen	2 cents pound.	7 per cent	6 cents pound	17	4 cents pound.
Grapes	25 cents cubic foot.	2 per cent	25 cents cubic foot.	2	25 cents cubic foot
Raisins	2 cents pound.	11 per cent	2½ cents pound	17	2 cents pound

Mr. GOODING. Mr. President, the cardinal principle of the Republican Party has been protection to American industry. If there is one thing that we have advocated more than any other, it is a tariff which shall represent the honest difference in the cost of production at home and abroad. Experts of the Tariff Commission have found that 33 cents is not the honest difference in the cost of producing a pound of scoured wool in America and a pound of scoured wool in the Argentine, and yet I am to be blackmailed and denounced as a criminal for voting for a principle that the Republican Party has advocated since its birth. The experts of the Tariff Commission find that it costs 34.4 cents a pound more to grow a pound of wool in America than it does in the Argentine. There are 700,000 woolgrowers in America; and if a Senator from an agricultural State can not come here and vote and plead for protection for the American farmer, we may as well have a soviet government, and then we will have nothing better than they have over in Russia to-day, where they are destroying womanhood and motherhood and Christianity—everything that is worth living for, everything that is worth fighting for, and everything that is worth dying for.

Come on with your investigations. I want the report of the Committee to Audit and Control the Contingent Expenses of the Senate. No honest man in the Senate ought to fear an investigation, and I think they are all honest. I have not found any crooks in the United States Senate. I have a very high regard for the Members of this body; but I do think it is unfortunate, just for the dirty politics that is played to too great an extent in this country, that Senators will go so far as to question the honesty of Members of this body in charging that they have not any right to vote for protection to the industries of their States.

If I had done anything less than I have done in this body in the way of fighting for protection for the industries of my State, I would not be worthy of representing the great Commonwealth of Idaho. I think every member of the Finance Committee will bear me out in the statement that I have said less and done less for protection on wool before the Finance Committee than for any other one of the important agricultural industries. Again, I want to say that the hardest fight I have made before the committee—and I am still fighting for it—is for protection to vegetable oils, of vital interest to the cotton growers of the South, and I never saw a cotton plant growing in my life. Not only have I fought for protection for vegetable oils, but for protection for the dairy interests of this country. I have taken up a great deal more of the time of the committee in pleading and asking for protection to that great industry than for protection to any other. So I ask for the report, Mr. President, on my resolution.

Mr. HARRISON obtained the floor.

Mr. CALDER. Mr. President——

Mr. HARRISON. I yield to the Senator from New York.

Mr. CALDER. The Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution No. 330, which provided for an investigation of certain charges appearing in the press reflecting upon Members of of this body, reports the same back adversely and recommends that it do not pass.

The majority of the committee believes that the Senators referred to in these publications are men of integrity, whose votes in this body have never been influenced by any improper motive. All of them have frankly stated on the floor of the Senate their interest in the tariff bill under consideration, and the committee is of the opinion that the investigation would fail in bringing to light any additional information. The inquiry would take the time of Members of this body, and would cost a large sum of money, resulting in no benefit to the country.

Speaking for myself, I regret the intimation in the resolution that Frank A. Munsey, the owner of the New York Herald, was influenced in his opposition to the tariff bill because of some personal interest he may have in its defeat. I do not agree with Mr. Munsey in his position on this measure, but I am confident that his opposition to it is based upon what he believes to be in the best interest of the country. Mr. Munsey is one of the Nation's representative citizens, and I trust when the bill is finally passed, and all of its provisions are understood, he will come to believe that he was mistaken in his position toward it.

Mr. HARRISON. Mr. President, may I ask the Senator a question before he takes his seat? I understand, then, in view of the utterances of the Senator, that the committee in making an unfavorable report upon this resolution repudiates the charges that were made by the Senator from Idaho as to the allegations of the Herald and other newspapers of the country?

Mr. CALDER. Mr. President, the Senator from New York is not going into that question. The majority of the committee reports the resolution adversely. The Senate can do as it wishes with it.

Mr. HARRISON. But I understood the Senator to say that the committee to which this resolution was referred does not believe that there is any foundation for the charges that were made in the Gooding resolution.

Mr. CALDER. Mr. President, the committee does not go into that at all. The committee reports the resolution adversely.

The PRESIDENT pro tempore. The report will be received.

Mr. HARRISON. Mr. President——

The PRESIDENT pro tempore. The Senator from Mississippi.

Mr. GOODING. Mr. President, I suggest the absence of a quorum.

Mr. HARRISON. I have the floor, I believe.

Mr. GOODING. Will the Senator yield to permit me to suggest the absence of a quorum?

The PRESIDENT pro tempore. Does the Senator from Mississippi yield?

Mr. HARRISON. I think the Senator from Idaho is entitled to a quorum while this matter is being discussed. I yield for that purpose, but I do not want to lose my right to continue.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ashurst	Fletcher	McCormick	Ransdell
Ball	Glass	McCumber	Robinson
Borah	Gooding	McKinley	Sheppard
Broussard	Hale	McLean	Shortridge
Bursum	Harreld	McNary	Simmons
Calder	Harrison	Myers	Smoot
Cameron	Heflin	Nelson	Spencer
Capper	Hitchcock	New	Stanfield
Caraway	Jones, N. Mex.	Newberry	Stanley
Culberson	Jones, Wash.	Nicholson	Sterling
Cummins	Kendrick	Oddie	Trammell
Curtis	Keyes	Overman	Walsh, Mass.
Dial	Ladd	Pepper	Walsh, Mont.
Dillingham	Lenroot	Phipps	Watson, Ind.
Ernst	Lodge	Pomerene	Willis

The PRESIDENT pro tempore. Sixty Senators have answered to their names. A quorum is present.

Mr. HARRISON. The action of the Committee to Audit and Control the Contingent Expenses of the Senate in making an unfavorable report on this Gooding resolution is perhaps without precedent in this body. I am quite sure that not only did it stun the Senator from Idaho, whose integrity has been challenged, but it no doubt bewildered other Senators, even those on the other side of the aisle.

A Member of this body says, in his capacity as a Senator, that certain charges against him and his colleagues are false, charges which have been published in the public print from one end of this country to the other, to the effect that they are interested in wool, interested in sheep, interested in chemicals, interested in mines, interested in oils, and because of their interest in those investments and various things which are manufactured or produced in this country that they are championing high rates against the interests of the American people.

So the Senator from Idaho, in order at least to remove that stain upon his character and the fair name of his State, and the names of other States whose Senators have been likewise charged, offers this resolution, and asks simply that five of his colleagues be appointed to make an investigation of the matter. Now, we find the chairman of the Committee to Audit and Control the Contingent Expenses of the Senate reporting unfavorably upon the resolution and asking the Senate to adopt that report which would deny the investigation, and in the same report the chairman defends a certain publisher of his own city. That is strange politics, indeed.

What is there behind all this that moves Senators? The resolution of the Senator from Idaho in simple language makes this charge, which a committee composed of his colleagues, for the most part of the same political faith he holds, turns down. The resolution reads:

Whereas charges have been made by the New York Herald that Members of the Senate engaged in the sheep industry have thereby been financially interested in the wool schedule of the pending tariff bill—

Then there are other whereases, and it continues:

Resolved, That the financial interests of Senators in the wool and sheep industries be investigated.

For what purpose? So that they can lay the facts on the table and remove whatever impression may have been wrongly created, and which has been charged in the public press. It has not been confined to any one paper. The New York Herald is not alone in saying, in its editorial columns, that Senators, in order to promote their own private welfare—add to their own pocketbooks—entered into this agreement to have their colleagues unite in the imposition of these high rates on wool.

I have before me a paper from even as far away as the mountains of the "Volunteer" State, an editorial in which makes similar charges. With such charges as these made, which no doubt the Senator from Idaho has read, I submit that he and his colleagues are entitled to an investigation that the country may know the real facts. Perhaps the committee which considered this resolution, from which the Senator from Idaho pleads for a favorable report thereon, did not see even in a Nashville paper such charges as this:

Under a Salt Lake City date line appeared this item:
"The Shoshone, Idaho, wool clip has been sold by a pool, headed by Senator FRANK R. GOODING and his brother, at an average price of 30 cents a pound, to the B. Harris Wool Co., of St. Louis and Salt Lake City. The clip consisted of 1,000,000 pounds. The prices paid are more than 100 per cent higher than last year, it was stated."

Last year was when the emergency tariff bill was passed by the Congress. With such allegations as that in the public press, confined to no city or no State, which people by the millions have read, not only about the Senator from Idaho but other Senators; with common rumor afloat in every hamlet and village in this land, I submit that the Senator from Idaho is entitled to a favorable report on this resolution.

Mr. BURSUM. Mr. President——

Mr. HARRISON. I will not yield just for the present. I want to get through with this proposition. Then, when I have finished, I will be glad to yield for any question.

The Senator from New York submitted this report; and my information is that only a majority of the committee joined in this unfavorable report. The Democratic member of that committee is the Senator from New Mexico [Mr. JONES]. I will ask the Senator from New York if the Senator from New Mexico did not vote to report the resolution favorably?

Mr. CALDER. The Senator from New Mexico indicated his willingness to have it reported favorably.

Mr. HARRISON. The two Republican members of that committee, or all the Republican members of the committee who were consulted, agreed to report it out unfavorably; in other words, to quash it, to smother it, to kill it, so that the reports which are rampant throughout the country can not be verified or disproved to the people, and the fair names of the Senator from Idaho and others, as well as of the States they represent in part, can not be cleansed.

So the Republican members of this committee, to which the resolution was referred, ask the other side of the Chamber, as well as this side, to kill the resolution, to strangle it, not to let this investigation come about. I say it is unprecedented in the whole history of the United States Senate.

Of course the resolution was not exactly fair to all parties concerned. It did ask for an investigation as to charges touching certain Senators having interests in wool and sheep who have voted for these high rates, which necessarily impose greater burdens upon every person in the country who uses or needs woolen clothes or woolen blankets. But there would have been many modifications to the resolution proposed, in the form of amendments, and will be, if we can vote down this unfavorable report and have the Senate consider the resolution. There will be amendments offered to it which will provide that the investigating committee shall go into an investigation such as the American people would desire, and which we should have.

Let me point out a few things left out of the resolution. It may be that the Senator from Idaho left these out inadvertently, it may be that he intentionally left them out, or it may be that because he wanted to draw the resolution quickly and get it in, so that at the earliest possible moment his skirts might be cleared, he omitted some things, and took it for granted that certainly the Senate would amend the resolution.

The first resolve indicates that one of the things to be investigated is the financial interests of Senators in the wool and sheep industries. Of course charges have been made in regard to the chemical schedule, and mining, and sugar, and other industries, which should be added to this resolution; and if this report of the committee is voted down I assure Senators that we will have an opportunity to vote on an amendment to this investigation resolution which will permit an investigation into the activities of certain sugar interests, chemical interests, mining interests, and manufacturers who are receiving benefits from the high rates imposed in this bill. Now, why the Senator should restrict it to such an extent I know not.

Mr. GOODING. Mr. President, will the Senator yield? I merely want to say to the Senator that if he will read it all——

Mr. HARRISON. I am going to read it all.

Mr. GOODING. He will find there is nobody left out.

Mr. HARRISON. I am going to read it all and I am going to show the Senator that persons who should be included were left out. I take it from the remarks of the Senator that he omitted them through oversight and not intentionally. I am glad to have the interruption, because I would dislike to think, indeed it would be humiliating to me as one who has a very strong and warm affection for the Senator from Idaho to think that he would draft the resolution and intentionally and deliberately leave out so many other interests that should be investigated.

Now, let us go further. I am going to analyze the entire resolution. Second, the Senator from Idaho wants to investigate "the financial interests of Mr. Frank A. Munsey in European industries which compete with American industries, the amount and percentage of his income derived from advertisements placed in his newspapers by the importing department stores," and so forth. That is the part to which the Senator from New York objects. Well, we can not blame the Senator for objecting. He has on his hands now one of the hardest political fights of his long and eventful political career. Mr. Frank A. Munsey is a political strong arm in his State. He wields an influence hardly second to any in that State. The Herald, I imagine, is friendly to the distinguished Senator from New York, and he does not want to bruise the feelings of either Mr. Munsey or the New York Herald. So it is good politics,

and I congratulate the Senator from New York on being candid about it and so frankly stating as his reasons for his action his selfish political instinct. But it is so illogical, so unreasonable, so unfair, and unjust to the Senator from Idaho and other Senators against whom charges have been made. Rumors are floating thick and fast all over the country, which will be handed down to their children and their children's children, blotting the escutcheon of the States which they represent, simply because the Senator from New York was a friend of Frank A. Munsey and the New York Herald and should, therefore, deny the right of the Senate to investigate all the other allegations.

The Senator from New York and his committee could have stricken from the resolution the second paragraph, if you please, which applies to Frank A. Munsey and the New York Herald. The Senator would receive just as much warm approbation from Mr. Munsey and the New York Herald by performing that gracious act as he probably will receive by reporting unfavorably upon the resolution. Indeed, Frank A. Munsey is a man of wisdom. He is a patriot and has a reputation of being fair and just. The Herald is a great newspaper with a reputation all over the country. If the Herald should indorse editorially the action of the Senator from New York and the procedure he has taken here to-day, that simply in order to help Mr. Munsey and retain his political friendship he would smother all the other investigations that are sought in the other provisions of the resolution, the people would say in New York that the Senator from New York is not the kind of man that New York is entitled to have representing her in part upon the floor of the United States Senate. They would say, "Indeed, we need a bigger man than he." They would say, "We want one who will overlook his little selfish political interests for the common good and general welfare of all the people. We will want one there who, when the fair name of the Senate of the United States is dragged in the mud will help to raise it and provide the opportunity to blot out those accusations, if untrue, which the Senator from Idaho alleges certain interests have brought against Senators upon this floor."

Now, let me go further. I would offer an amendment to strike out the name of Frank A. Munsey. I would not employ all of my guns against him. He is not the only one in this fair land who has brought these charges. Why should he be sought after and picked out among all the editorial writers of the country and publishers who own Republican papers? Was it simply because his editorials may have been stronger than others, simply because he may have put it perhaps more clearly than others?

But from Massachusetts, the home of the leader of the Republican Party in this Chamber, away out to the golden West, where my distinguished and handsome and dignified friend from California [Mr. SHORTRIDGE] resides, the Republican papers have denounced editorially this infamous bill, and they have charged that Senators upon the floor were voting these high rates, pressing down upon the people, in order to promote their own private good. So I say it would have been fair and more in keeping with the practice and wisdom of this august body if we would strike out the name of Frank A. Munsey and merely let him be investigated with all the other Republican papers and Democratic and independent papers throughout the country with reference to the charges which have been made against certain Senators and Members here.

Mr. LENROOT. Mr. President——

Mr. HARRISON. I would rather not yield now. I shall yield presently when I get through.

Mr. LENROOT. I merely want to make a parliamentary inquiry.

Mr. HARRISON. I can not yield for that just at present.

That is the second subdivision of the resolution, and I would amend it in that respect. The committee of the Senator from New York could have amended it or they could have reported it back favorably and asked that certain amendments be adopted. But now, if the Senator's motion prevails, if Senators on the other side of the Chamber stand by the side of the Senator from New York and vote with him for his motion, they will vote to smother this investigation that is rife from one end of the country to the other. When they do it they know the investigation is dead; they know that the "fair name" of the Senator from Idaho and the names of other Senators will retain the blemish that certain papers are alleged to have placed upon them. It is unfair, Senators. I am in hopes that before I shall have finished the Senator from New York, hard-hearted though he is, will yield, will see the error of his way, and I shall yield for the privilege of the Senator, upon his own motion, moving to have the resolution referred back to his committee to take favorable action upon it.

Mr. CALDER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from New York?

Mr. HARRISON. I yield for that purpose.

Mr. CALDER. The Senator from New York has made no motion. The Senator's committee reported the resolution unfavorably, and that is all.

Mr. HARRISON. Does not the Senator propose to make the motion?

Mr. CALDER. No; I do not.

Mr. HARRISON. Then the motion will be made, and I am going to ask unanimous consent, when I finish, that immediate consideration of the resolution be entered into, and I shall make the motion that the Senator's unfavorable report be turned down. After that is done, if the Senate so decide, we can change the many erroneous statements and incorrect assumptions contained in the resolution.

Mr. LODGE. Mr. President——

Mr. HARRISON. I do not care to yield now.

Mr. LODGE. I rose to the parliamentary question which the Senator himself has raised.

Mr. HARRISON. I did not raise it.

Mr. LODGE. I simply make the point that under the rule the report has to go over for one day in any event.

Mr. HARRISON. Oh, yes; the Senator can employ all the little parliamentary technicalities he wants in order to delay action, in order to assist in smothering the proposition. But I say to him, and I say to his party on the other side of the aisle, that the American people will never stand for the employment of technicalities to sidetrack this resolution, because he knows, adroit and long-experienced legislator that he is, that unanimous consent can be entered into here for the immediate consideration of the proposition. If the Senator wants to object, I am going to give the Senator from Massachusetts an opportunity to do so. The country is entitled to action upon the Gooding resolution. They are going to have it to-day if there is any way to have it. If it is defeated, the defeat will come from the other side of the aisle and not from this side.

Now, let me go further with the resolution. The Senator from Idaho wants to investigate—

3. The number of Senators owning or controlling or financially interested in newspapers, the amount of revenue obtained by these newspapers from importing department stores—

And then he uses this significant language:

which will benefit financially by the defeat of the pending tariff bill.

Assuming that the newspapers will be benefited by the defeat of the pending tariff bill! Nowhere in the resolution does the Senator ask for investigation of any interest or any person who will be benefited by the increased tariff rates proposed in the bill. Ah, but he wants to take up three certain Senators on this floor—the Senator from Kansas [Mr. CAPPER], the Senator from Nebraska [Mr. HITCHCOCK], and the Senator from Virginia [Mr. GLASS]—because, forsooth, they are interested in newspapers, and because of that interest he has asked that they be investigated. God bless you, if some of you on the other side of the Chamber would follow in the footsteps of those distinguished Senators, who, because of their interests, on yesterday demanded the right not to vote on the paper schedule, you would be vastly better off. I congratulate the splendid Senator from the great State of Nebraska; I congratulate my colleague, the junior Senator from Virginia [Mr. GLASS], as well as the distinguished Senator from the progressive State of Kansas [Mr. CAPPER] on excusing themselves when an item was voted upon in which they felt they might be financially benefited.

They thought well enough of themselves, in the interests of the American people, not to vote upon that paragraph, rather than have their skirts tainted and smeared, even though the American people who want to read were crying out for cheap paper and their position was in thorough accord with the views of the American people. Oh, that their virtuous example might be followed by some other Senators on the other side of the aisle! And yet because of the way they acted yesterday, which will meet the approval not only of their constituents but fair and right thinking people throughout this country, they must be brought before the committee and investigated, while all the sugar and chemical and mining and manufacturing interests, and those here who might stand for them, demanding increased rates that will bear down upon the American people—and yet they are not to be heard. Senators who may control stock in great manufacturing interests, who will reap untold and unlimited benefits from the increased tariff rates here proposed, can do likewise, but the resolution of the Senator from Idaho does not provide how they shall be investigated. But the Senators

from Nebraska and Kansas and Virginia, who said they did not think it was proper and right to vote when the rules of the Senate and the precedents of both bodies provide that when a Senator is interested in the question or the measure coming before the Senate for consideration they may be excused from voting upon the proposition, are nevertheless to be investigated under the resolution of the Senator from Idaho. They shelter themselves behind that provision; yet under the Gooding resolution they are to be investigated, and others who are voting for the increased rates to benefit so many interests, at the expense of the great masses of the American people, may sit over in their offices, and they will not be bothered by the investigation.

Mr. GOODING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Idaho?

Mr. HARRISON. Yes; I yield.

Mr. BURSUM. Mr. President——

Mr. HARRISON. I will yield to both Senators. However, I first yielded to the Senator from Idaho.

Mr. GOODING. The Senator from Mississippi spoke so beautifully of the high position taken by the Senator from Nebraska [Mr. HITCHCOCK] in reference to wood pulp in refraining from voting on the proposition to place a duty on that article that I was wondering if he knew that the Senator from Nebraska used his great influence upon the floor for free pulp when the schedule was under consideration. I will read this for the Senator's information——

Mr. HARRISON. No; I do not want it read in my time. The Senator has made his statement. I thought he desired to ask me a question.

Mr. GOODING. I shall be very glad to read it to show that the Senator from Nebraska said that wood pulp should be on the free list.

Mr. HARRISON. But the Senator from Nebraska on yesterday refused to vote upon the proposition; and that is the statement I made. I will take long enough now—for the Senator from Idaho would not yield to me; he was not so courteous to me when he was on the floor when I asked to interrupt him with a question as I am to him—I shall take this opportunity——

Mr. GOODING. I am sure the Senator wants to be right and not to make any mistake.

Mr. HARRISON. I have not made any mistake, because all I have said is that the Senators to whom I have referred, on yesterday, when the wood-pulp provision came up, refused to vote because they said they were interested in newspapers in this country. I want to ask the Senator from Idaho now does he indorse their action or does he disapprove it?

Mr. GOODING. I do not indorse it.

Mr. HARRISON. Then that is enough.

Mr. GOODING. When they voted for it in 1913, as they did, and when they refused to vote for it yesterday, after the part that was taken by the Senator from Nebraska [Mr. HITCHCOCK], they were very inconsistent, to say the least.

Mr. HARRISON. Mr. President, here I am trying to defend the Senator, and he is being uncomplimentary to my colleagues.

Now let us see about this. A part of clause 4 of the Gooding resolution provides for the investigation of:

> *Resolved further*, That the investigating committee be empowered to summon witnesses and examine them under oath, including Mr. Frank A. Munsey and officials and attorneys for or representatives of the General Real Estate & Trust Co., or any other company or companies which may have been organized to operate other foreign mills, mines, and factories engaged in competition with American producers and workers and which will benefit financially by the defeat of tariff legislation by this Congress.

The Senator from Idaho wants to investigate witnesses whose interests will be affected beneficially by the defeat of the pending bill; in other words, he does not want to investigate those whose interests will be promoted by the passage of the bill. So throughout are these little discrepancies that were mere oversights on the part of the Senator from Idaho.

Mr. BURSUM. Mr. President——

Mr. HARRISON. When the motion is made for the consideration of this resolution by the Senate, amendments will be offered to cure those defects, so that not only those who are interested in wool and sheep may be investigated but those who are interested in chemicals and sugar and mines and also manufacturers will be investigated, and those who will benefit by the passage of the bill carrying increased rates, the same as those who will be benefited by the defeat of the bill. Now I yield to my distinguished and pleasant friend from New Mexico.

Mr. BURSUM. I simply desire to say, for the enlightenment of the Senator from Mississippi, that if those who are to be benefited by the passage of the pending tariff bill are to be investigated it will be necessary to investigate the whole Nation, the whole American people, for they will all be better off as the result of the passage of this measure.

Mr. HARRISON. Mr. President, I heard when I was a tiny boy that when the hunters began to pursue the she bear and they got close with their hounds the bear was accustomed to throw down the little cub in order to distract their attention in order that she might escape. Senators may apply that to suit themselves. Mr. President, let me proceed, now, along one other line.

Mr. LENROOT. Before the Senator from Mississippi does that, will he yield to me?

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Wisconsin?

Mr. HARRISON. I yield.

Mr. LENROOT. Will the Senator from Mississippi state why he says that the resolution of the Senator from Idaho does not provide for the investigation of those who are interested in manufactures and industries who are affected by the passage of the bill, but only provides for an investigation of those who are affected by the defeat of the bill?

Mr. HARRISON. The Senator from Wisconsin will understand that paragraph 4 of the resolution applies to Members of the Senate; that it does not apply to any special interest of the country, such as the mining interest or the manufacturing interest or the wool interest or to Frank A. Munsey, who is in the newspaper business. The Senator's resolution merely proposes to investigate the newspaper interest, Frank A. Munsey particularly, who, it says, will benefit by the defeat of the tariff bill; but the resolution says nothing about these great manufacturers whose lobbyists have swarmed around the Capitol to such an extent that a Senator could not get in or out of his office.

Mr. LENROOT. Is the Senator from Mississippi in favor of an investigation by the Senate in order to ascertain what industries in the United States will be benefited by the passage of the tariff bill?

Mr. HARRISON. Oh, I will tell the Senator what I think. I think that every Senator upon this floor ought to consult his own conscience when he casts a vote here upon a paragraph in the pending bill in which he is personally interested, and if his conscience tells him that it is wrong to vote on the proposition he should recuse himself. I do not think investigations get anywhere, so far as that is concerned. I know, with the temper on the other side of the aisle, and from the way Senators on that side have voted on the pending tariff bill, that they are going to protect every special interest in the country in the committee investigation the same as they have done in the pages of the bill. Of course, nothing will come out of it, because they will stack the cards.

Mr. GOODING. Mr. President——

Mr. HARRISON. But the Senator has asked for an investigation, and I am willing to give to him that which he seeks. I hope it will be fair. The Senator does not provide for any Democratic Senators on the committee; he merely provides for the appointment of five Senators; but I hope that the Presiding Officer—and I know that if the distinguished Senator from Iowa [Mr. CUMMINS], who now occupies the chair, has a hand in it, that will be done—will appoint at least two Senators from this side of the aisle on the committee. If that shall be done, the dome of this Capitol is not secure.

The distinguished Senator from Wisconsin [Mr. LENROOT] yesterday performed a curious stunt. I recall that for almost three months under the assaults from this side of the aisle and under the eloquent pleas of Members over here to him personally to get into this scrap over the tariff bill he even got cotton and closed up his ears, so that he could not hear the appeals; his voice was as silent as the tomb; but when the American people became aroused under the splendid fight made by the Senator from North Carolina [Mr. SIMMONS] and others on this side who took care of the different schedules the Senator from Wisconsin almost overnight woke up, turned a somersault, and began to fight certain paragraphs of the bill——

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. HARRISON. Not only that but the Senator was so interested in holding the phalanx over there that I remember several times when we were trying to expose the iniquities of the paragraphs the Senator would ask, "Well, why do you not permit us to vote on this bill?" I remember on one occasion he told us how many hours and how many days it would take to pass the bill at the rate at which we were then going, and I think he said the bill would hardly be passed until doomsday at the rate at which we were then traveling. I have the many statements of the Senator here in the RECORD before me. I do not want to trespass at too great length on the patience of Senators or the time of the Senate, but if my assertions are contra-

dicted I shall read from the Senator's remarks. Yet, despite that position of the Senator, when this side yesterday submitted a request for unanimous consent, which was agreeable to every other Senator, I dare say, in this body, to vote upon the pending bill not later than the 17th of the present month, the Senator objected to it. I do not want to keep the Senator standing and I will yield to him presently; I will tell him when I want to yield, so that if the Senator will bide his time in patience he will have an opportunity later on——

Mr. LENROOT. Very well.

Mr. HARRISON. So yesterday when the Senator made that objection, and the Senator from Indiana [Mr. WATSON] made certain utterances which were significant to me, there was borne out what some of us charged two months ago, that the majority party had no idea of enacting this bill into a law before the November election.

The Senator from North Dakota [Mr. MCCUMBER], whose political existence is soon to pass into history, does not care now, and he is sincerely interested in the passage of the bill; he wants to go down into history—God knows why—as the coauthor of a tariff bill, although I would rather have my name attached to an indictment in the criminal courts of the District of Columbia than to have the proud honor which apparently the Senator from North Dakota desires. So the Senator from North Dakota evidently is ready for us to pass the bill; but that astute and shrewd manipulator—and I do not say that offensively, for, God bless him, I like him—the Senator from Indiana [Mr. WATSON] knows what he is about. The only trouble yesterday was that he showed his hand a little bit too much. Ordinarily he does not make such tracks as he walks along, and yet——

Mr. BURSUM. Mr. President——

Mr. HARRISON. I will not yield just yet, but I will be very glad to yield when I finish; I do not want the Senator from New Mexico to spoil the little figure of speech which I was about to utter or to interrupt the statement of facts.

Mr. BURSUM. I merely desired to ask the Senator a question.

Mr. HARRISON. I do not yield at this time to my friend from New Mexico, although he is the most pleasant gentleman in the world.

The PRESIDENT pro tempore. The Senator from Mississippi declines to yield.

Mr. HARRISON. I do not yield yet; I will reach wool presently, and then I will yield to the Senator.

Mr. President, the Senator from Indiana, I say, made tracks yesterday a little plainer than ordinarily. He said yesterday that there would be committee amendments offered up to the last minute on August 11, when, under the proposed unanimous-consent agreement, no further committee amendments could be offered; that the committee were meeting every morning. I will read just what he said:

> Let me say to my friend from Arkansas—
>
> Says the Senator from Indiana—
>
> that the committee meets every morning at 9.30 to keep ahead of the Senate's work and take up the schedule which we are to consider next. That is to say, we come down to sundries and take up sundries, and the committee itself doubtless will propose a number of amendments to that schedule.

That is an admission upon the part of one of the distinguished leaders of the other side, one of the smartest and ablest members of the Finance Committee, that the provisions covering sundries are all wrong or many of them are wrong, because he says, "doubtless the committee will be meeting right up to the last minute and changes and modifications and alterations will be made in it." He goes further and says:

> It is utterly impossible for us to be up here and down there at the same time.

Why have they not acted like the Finance Committees of the Senate throughout the history of this Government? Heretofore when they finished framing tariff bills they brought them here and made them their handiwork. Goodness knows in this instance the Finance Committee were a long time in framing the bill, for it took them 12 months or more, and yet they are not satisfied with it. By the utterances of the Senator from Indiana and the action of the Finance Committee they admit their incompetency to write a tariff bill, and they are forced to resort to bringing in changes up to the last minute.

There are no two men on the other side of the Chamber more closely allied and who understand each other better than the Senator from Wisconsin [Mr. LENROOT] and the Senator from Indiana [Mr. WATSON]. They walk arm in arm; they think alike on many matters; they politically conspire together; they ofttimes try, and too frequently succeed, in "putting over" their political schemes together. They never are found at cross-purposes; and so the Senator from Wisconsin on yesterday was playing one end, the Senator from Indiana the other, but unfortunately the Senator from Indiana let the cat out of the bag.

Ah, the Senator from Wisconsin was wise. He was doing that which we feared might be done. We have believed, some of us, that you did not want the bill to pass; that you would come to your senses after a while and recognize that the American people would condemn you in the election if you did.

The Senator from Wisconsin realizes it, and the Senator from Idaho [Mr. BORAH] realizes it, and for that reason they are trying to save the Republican Party from itself. Yes, they know, and I hope the Senator will tell me when he follows me that he knows, because he has said it in his speeches, that if this bill passes in its present form the Republican Party will go the way that it has always gone following the passage of its iniquitous tariff measures—to defeat. So the Senator from Wisconsin and the Senator from Idaho [Mr. BORAH] are working in behalf of the Republican Party when they seek to prolong this discussion, to withhold from the statute books the enactment of this bill, so that the American people can not get such a good whack at them in November. The Senator from Indiana [Mr. WATSON] understands it, and he comes to the Senator's rescue, and he says, "Why, the Senate Committee on Finance are working every morning and every night. We can not be up here and down there at the same time, and we are bringing in amendments up to the last moment."

I am through, Mr. President. In a moment I shall ask unanimous consent for the immediate consideration of the resolution reported by the Senator from New York. Before making that motion, I yield for interruptions. I promised to yield to some of these distinguished Senators.

Mr. GOODING. Mr. President, at this point in the Senator's remarks I want to call his attention to the words of the Senator from Nebraska [Mr. HITCHCOCK] upon the floor when the wood-pulp schedule was under consideration.

Mr. HARRISON. I prefer that the Senator put that in in his own time. I will yield for any question.

I now ask unanimous consent for the immediate consideration of the resolution reported by the Senator from New York [Mr. CALDER].

The PRESIDENT pro tempore. Is there objection?

Mr. LODGE. I think the resolution ought to go over under the rule.

Mr. HARRISON. Then there is objection?

The PRESIDENT pro tempore. Objection is made.

Mr. HARRISON. I move that the Senate proceed to the consideration of the resolution.

Mr. LODGE. That is out of order, of course.

The PRESIDENT pro tempore. The Chair is of the opinion that the motion is not in order.

Mr. CALDER. Mr. President, just a word.

This resolution was introduced yesterday by the Senator from Idaho [Mr. GOODING]. Then, on motion of the Senator from Mississippi [Mr. HARRISON], it was referred to the Committee to Audit and Control the Contingent Expenses of the Senate; and a further motion was made by the Senator from Mississippi, and agreed to, directing the committee to report the resolution forthwith.

The committee, during my chairmanship of it, has followed the practice, believing that that was the rule under which we were operating, that it was our business to report resolutions of this character without change, either for them or against them. After deliberation the majority members of the committee determined, because of the way in which the resolution was drawn and the fact that it referred to an individual not a member of this body, to report the resolution as we did. That is the reason for our action. We have not believed that we had any right to alter or amend a resolution of this kind.

Mr. HARRISON. Mr. President, may I ask the Senator a question?

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Mississippi?

Mr. CALDER. I have concluded my statement.

Mr. HARRISON. I desire to ask a question of the Senator. The Senator would be willing, then, to vote down this report, would he not, so that we can amend the resolution in such respects as may be thought desirable and pass it?

Mr. CALDER. If a vote is taken, I shall vote against the consideration of the resolution.

Mr. LENROOT. Mr. President, the Senator from Mississippi [Mr. HARRISON] and I have been very close and intimate friends for a great many years. We are still, and shall continue to be; but I want to say in defense of the Senator from Mississippi that his many inaccuracies of statement are excusable from the

fact that his eloquent voice is in demand all over this country; wherever there is a Democratic political convention of any kind, the Senator from Mississippi is appealed to. There is a demand for him upon the Chautauqua platform; and the Senator from Mississippi must be excused in his inaccuracies from the fact that he has been absent from the Senate for so great a portion of the time during which this bill has been under discussion.

I want to say, however, that during the early consideration of this bill, until the Senator from Mississippi absented himself for so long a period of time, 99 per cent of the discussion of this bill on the other side of the Chamber was piffling discussion, without any endeavor upon the other side of the aisle to discuss rates in this bill that were of importance to the people of the country.

Senators on the other side of the aisle occupied hour after hour, and sometimes days, with the discussion of amendments in the chemical schedule relating to articles the names of which they could not pronounce, and the importance of which to the country amounted to practically nothing. The Senator from Mississippi may not have been here, so he may be excused for not knowing that fact; and so it went on until it was clearly a filibuster against this bill upon the other side of the aisle. Finally, however, we came to some important items in the bill. The Senator may not have been here, so he does not know, but my first discussion of this bill happened to be in connection with the first schedule of the bill, the chemical schedule; but it happened to be upon an item that was of importance to the country. That is the attitude that the Senator from Wisconsin has occupied from the first consideration of the first schedule of the bill to the present time, and that is the attitude that the Senator from Wisconsin proposes to occupy until the bill is concluded.

However, when we came to important schedules of the bill this filibuster upon the Democratic side suddenly ceased. Why? Because the Committee on Finance day after day brings in amendments reducing the excessive rates in this bill, and in the cotton schedule the Senate was successful in lowering excessive rates where the committee had not agreed to do so. We had the support of the Democrats, but I am very sure that the action of the Senate was not to the liking of the Senator from Mississippi. The Senator from Mississippi would like to have the rates in this bill even higher than they are. He would rather have an issue with his eloquent appeal to the American people concerning the enormities of this tariff bill than to have a bill which the American people would approve, and what is true of the Senator from Mississippi is true of many other Senators upon the other side of the aisle.

Mr. President, I am a Republican. I wish to go with the organization, but I propose to exercise my independent judgment. I have done so in the past. I have not been playing cheap politics, as the Senator from Mississippi is doing to-day; but I have tried to have in mind the interest of the American people in the consideration of these questions.

What were we confronted with yesterday, Mr. President? This sudden change of attitude on the Democratic side. They saw that this bill was being improved from day to day. They came to the conclusion that it would be to their political advantage not to have further reductions in this bill; that it would be to their political advantage to have high rates, so-called bounties, voted in on an important schedule without a word of discussion. They believed that without discussion those rates would be voted into the bill; and so we suddenly find the Democratic side, after all they have been saying about the freedom of discussion and all the discussion they have been giving on unimportant items of the bill, suddenly willing to forego any discussion whatever upon the most important items in this bill remaining undisposed of.

The country will not be deceived by the attitude of the Democratic side. The country will understand that the Democratic side of this aisle would rather have a political issue for the November elections than to legislate for the welfare of the American people.

Mr. President, I exercise a right which I have, and which I propose to exercise, to object to any unanimous-consent agreement which will not accord an opportunity of at least uttering a protest over any rate which may be before the Senate that is of importance to the American people. The Democratic side is willing to forego that. The Democratic side is willing now that any rate shall be written into this bill, no matter how high, content with voting against it; but they do not want any further discussion, because they fear that discussion will improve the bill.

Now, a word with relation to this resolution. The Senator from Mississippi waxes eloquent about Senators not voting upon schedules or upon items in which they have a personal interest. We very shortly will have up the question of free hides, and I wonder if the other side of the aisle will take the position which the Senator from Mississippi insists ought to be taken by this side of the aisle? I wonder if every Senator on the other side of the aisle who is interested in cattle will refrain from voting upon the question of free hides? When the time comes for a vote on that item I do not believe we will hear my genial friend from Mississippi condemning his Democratic colleagues for voting upon the question of free hides, although some of them may be interested in cattle.

Then there will be the question of tobacco. Will the Senator as eloquently condemn any Democratic Senator who may be interested in tobacco who votes upon that question?

Upon this question of a Senator voting upon a matter in which he has a personal interest, it so happens that I am free to vote upon any question, because I have no financial interest, so far as I know, in any schedule or any item in this bill. But it seems to me that the line of demarcation is very clearly drawn as to where the duty of a Senator lies in voting upon a matter in which he has a personal interest. In regard to the question of free pulp, I think it eminently proper that Senators who own papers should not vote upon that question, because their interest is a special interest, distinguished from the general interest of the States which they are here to represent.

If a Senator owns a mine producing a rare mineral, and there are only a few other such in the country, and his interest is not the common interest of his State, I do not believe such a Senator ought to vote upon a question involving the products of that mine.

But when we come to the question of sheep, which is really the subject matter of this resolution, I very sharply disagree with the Senator from Idaho and the other Senators from the woolgrowing States. I have done my best to secure lower duties and been defeated; but I want to repeat here what I said during that debate, that, sharply as I disagree with the Senator from Idaho, I do not believe that his personal interest in wool affected one iota his position upon this bill. The same applies to the Senator from New Mexico and other Senators. This is how I believe the line should be drawn. Does anybody question that the Senator from Idaho or that the Senator from New Mexico, in the attitude they took upon wool, reflected the attitude of the people of their States? The answer must be that of course they reflected the attitude of the people of their States. The people of their States were entitled to representation upon that all-important subject, and therefore, in my judgment, where the interest of the Senator is exactly the interest of his State, there is no duty and no obligation upon his part to refrain from voting upon any duty that is the subject of controversy.

On the other hand, if a Senator's interest be special and not the interest of his State, I say, without hesitation, that I do not believe he ought to vote upon any question which affects his own pocketbook.

With regard to this resolution, what do we find the Senator from Mississippi insisting upon? While he criticizes the committee for not making a favorable report upon the resolution, knowing that the Committee to Audit and Control the Contingent Expenses of the Senate never do consider the merits of a resolution with reference to amendments of the same, except as it affects expense, he would not vote for this resolution to-day as it was reported from the committee, would he?

Mr. HARRISON. Yes; I would vote for it in its present form. I would rather amend it, however.

Mr. LENROOT. Then let us see what the Senator from Mississippi is willing to do, and let us see how consistent the Senator from Mississippi is. The Senator from Mississippi then indorses this allegation in the resolution——

Mr. HARRISON. No; I do not indorse allegations——

Mr. LENROOT. If he would vote for it, of course he indorses it.

Mr. HARRISON. The Senator is too smart to say that.

Mr. LENROOT. I am not, and the Senator is too smart to say otherwise.

Mr. HARRISON. The Senator does not indorse anything in the resolution, but a Senator on the other side says he wants an investigation of charges which have been made against him and his colleagues; he states it in his allegation, and he is entitled to it. The whereases, of course, do not amount to anything, but I think the resolution ought to be changed on the floor of the Senate.

Mr. LENROOT. I do not yield for any such purpose. I am going to hold the Senator to his statement. He said that he was willing to vote for this resolution as reported by the committee.

Mr. HARRISON. The Senator reiterates that.

Mr. LENROOT. When he is willing to do that, he indorses everything in the resolution, and let us see what he is willing to vote for, then, and how it squares with the professions which the Senator from Mississippi has been making. He says he is willing to vote for this declaration, that "the importing department stores have financed a campaign of defamation against the pending tariff bill." That is what the Senator from Mississippi says he is willing to vote as true; that the department stores have financed a campaign of misrepresentation against the pending tariff bill.

The Senator from Mississippi can crawl out of that hole as best he can, but he can not in a thousand years, if he should live that long, square that declaration with the other assertions he has made upon this floor.

The Senator from Mississippi says that the fourth paragraph is not sufficiently strong, because it does not call for an investigation of every factory, of every industry, in the United States which would be benefited by the passage of the bill or injured or benefited by its defeat. Does the Senator think that anyone will take him seriously, that he would have the Senate enter upon an investigation of every manufacturing industry in the United States, of the cotton industry, of every other industry in the United States, a committee of five Senators to ascertain how those industries, separately and in the aggregate, are going to be affected by the passage of a tariff bill?

I wonder if the Senator from Mississippi wants this investigation made and concluded before we vote upon the tariff bill? If he does, how does that square with his position in criticizing me for preventing a vote on the final passage on August 19?

The Senator knows that the investigation which he proposes for political purposes could not be completed by the Senate inside of two years, and would cost millions of dollars. Oh, the Senator from Mississippi is not entirely sincere. I do not wish to reflect upon him in making that statement; I mean that he is thinking of politics when he makes that statement. He is not thinking of legislation, he is not thinking of his position as a Senator of the United States; he is thinking of himself only as a Democratic politician—and he is one of the best they have in their party.

I am not going to discuss this matter further, but while I am on my feet I am going to propose a unanimous-consent agreement—and I want to say, in that connection, that we will test the sincerity of the other side of the aisle—as to whether they are willing to agree to a limitation of debate which will permit of some discussion of every amendment.

Mr. HARRISON. May I suggest to the Senator that he wait until the Senator from North Carolina may be notified?

Mr. LENROOT. I am not going to ask for immediate action upon it. We will test the sincerity of the other side as to whether they are willing to vote for a limitation of debate which will permit of some debate upon every question, or whether they stand upon the proposition made by the Senator from North Carolina, that he now wants the most important items in this bill to be voted upon without one single word of debate.

I send to the desk, and ask unanimous consent to have read, this proposed agreement, and I will ask then that it temporarily lie upon the table.

The PRESIDING OFFICER (Mr. SPENCER in the chair). If there is no objection, the Secretary will read the proposed agreement.

The reading clerk read as follows:

PROPOSED UNANIMOUS-CONSENT AGREEMENT.

It is agreed by unanimous consent that whenever the bill H. R. 7456, "An act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States," is before the Senate until the final vote is reached, debate shall be confined to the bill before the Senate, and no other business or irrelevant question or motion shall be entertained by the Chair unless, after a statement of the question, the unanimous consent of the Senate is given therefor.

That from and after the hour of 11 o'clock a. m. of the calendar day of Friday, August 11, 1922, no Senator shall speak in the aggregate more than one hour upon the bill and any amendment or amendments offered thereto and motion or motions that may be made respecting the same.

That the Senate shall immediately proceed to the consideration of committee amendments to paragraphs 1427a and 1582 relating to hides and 1431 relating to leather and manufactures thereof. That upon the disposition of said amendments the Senate shall next consider committee and individual amendments to Schedule 5 relating to sugar, molasses, and manufactures thereof.

The Senate shall next consider committee amendments to paragraph 1636 relating to potassium nitrate, and when disposed of the Senate shall consider the committee amendment designated as section 315.

After the disposition of the foregoing the Senate shall next proceed to the consideration of remaining committee amendments, and after the same have been disposed of individual amendments to the bill shall be considered and disposed of.

All questions of order under this agreement shall be decided by the Presiding Officer without debate.

The PRESIDING OFFICER. Without objection, the proposed unanimous-consent agreement will be printed and lie upon the table.

Mr. STANLEY obtained the floor.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from North Carolina?

Mr. STANLEY. I yield.

Mr. SIMMONS. I was not in the Chamber when the Senator from Wisconsin presented the unanimous-consent proposal. I do not understand that he desires immediate action on it.

Mr. LENROOT. No; I asked that it be printed and lie on the table.

Mr. SIMMONS. I desire to say that I shall be very glad, together with my associates on this side of the Chamber, to give consideration to the proposition presented by the Senator, and some time during the day I hope to be able to answer, if we do not agree to his proposition, by the presentation of a counterproposition.

Mr. STANLEY. Mr. President, I have been somewhat surprised at the nature of the reply to the Senator from Mississippi [Mr. HARRISON]. The charge that he has been absent from the Chamber or was an absentee from the Chamber is, in the face of the record, in my humble opinion, unwarranted, if not gratuitous. The yeas and nays of this body, the CONGRESSIONAL RECORD, and the knowledge of Members of the body, all bear evidence to the fact that few men have given the same personal attention to public affairs or have participated more actively or more effectively in the deliberations of this body than the accomplished and diligent Senator from Mississippi. It is true that at times his talents have been demanded by the national committee. He has served his party, both in and outside of the Chamber, with signal ability.

Mr. President, it is an odd sort of a claim that one must believe everything, all the whereases and every other loose statement contained in a resolution of inquiry, before he can vote to report it favorably. If all the surplusage and irrelevant matters contained in such a resolution of inquiry are to be taken as absolutely true, there would be no necessity for the inquiry. What is the use of having an inquiry to investigate into the truth of certain statements if the statements are to be taken in advance as true? The votes of the Senate, not the investigation of the committee, would establish the truth or falsity of the assertions. The Senate does not propose, by reporting the resolution, to say whether or not the various and sundry statements of the Senator from Idaho [Mr. GOODING] are true. It votes to give the Senator from Idaho and others a chance to establish the truth or falsity of those statements. That is all there is in the resolution of inquiry.

Mr. President, nothing has occurred in the last few months, no sign so propitious, as the very significant statement of the Senator from Wisconsin [Mr. LENROOT]. It will be remembered that the junior Senator from Wisconsin but a few months ago stood here and led the fight for cloture, stood here and led an unprecedented fight to gag and tie the Senate of the United States in the discussion of the schedules of this very bill, voted to make us take that nauseous dose like a sugar-coated pill, voted to deny the Senators the right to discuss the amendment. At that time the Senator believed that the bill would be stomached by the American people. At that time he did not dream that the integrity and the intelligence of an outraged Republic would anathematize the bill, that the great organs of known Republican leaning and which had been a tower of strength in the party for 20 years would join with the Democratic press of the country in a practically unanimous denunciation of its abominations and of its indefensible rates.

Now the same Senator, who but a few months ago proposed to shut off debate, makes the startling statement that if the bill should now be passed under a unanimous-consent agreement, which would have the effect of the very cloture he sought—preventing debate or the improvement of the bill—that if what is left of it should pass unchanged, it would damn the Republican Party. If what is left of the bill untouched is so iniquitous that it would ruin the Republican Party unless the patriotism and the wisdom of the Senator from Wisconsin and others were called instantly to the relief of this bungling thing, what, oh what, would have been the fate of the party and the country if this agglomeration of blunders and abomination had been passed at the time the Senator from Wisconsin demanded cloture?

I am surprised that this self-constituted expert, who lectures the Senator from Mississippi about his absence from the Senate, should have hurled this challenge at this side of the Chamber, "Where, oh where, will the tobacco Senator stand, where will

the southern Senators and the Democratic Senators stand when we propose to vote for a duty on tobacco?"

My State produces more tobacco than the same area anywhere, so far as I know, on the habitable globe. At one time, and until very recently, we produced one-third of all the tobacco by weight produced in the United States. I will say to the Senator that he may introduce an amendment to put tobacco on the free list—with the exception of a few high-priced tobaccos that are used for cigars and the like and which are not produced in my State and which ought to bear a duty because they are luxuries—and I will vote for it. There is not a Senator from Virginia or South Carolina or North Carolina or Tennessee or Kentucky who knows enough to tell a tobacco plant from a head of cabbage that cares a bawbee about a duty on tobacco. A duty of $1,000 an ounce on all the tobacco raised in Kentucky, Tennessee, Virginia, North Carolina, and South Carolina would not benefit the tobacco growers one one-thousandth of a red cent. It might all be put on the free list and it would not reduce the price of those tobaccos by the price of a red herring.

Mr. President, I had hoped that the resolution introduced by the Senator from Idaho [Mr. GOODING] would be reported and acted upon notwithstanding its absurdity. It is true that the resolution provides for a most rigorous investigation of every concern, of every Senator, of every newspaper, of every broker, of every merchant, who has a direct or a special interest in the reduction of rates or in lifting any character of ban or embargo from the commerce of the United States.

Now, Mr. President, the junior Senator from Idaho is a man of ability. He is a thoughtful and serious man. Like all of that illustrious race, the Englishmen, he is not inclined either to tell or see or hear a joke. He is nothing if not serious. He is not inclined to frivolities or to satire. When he proposes to spend the thousands and tens of thousands of dollars which the Senator from Wisconsin says must be spent to probe into these iniquities and find out whether or not Frank A. Munsey has a material interest in opening the ports of the United States to the importations of manufactures abroad in which he was interested—when he proposes to spend the money of the United States to find out how much the debit and credit sides of the great ledgers of the department stores would show of direct benefit from the opportunity to buy abroad as cheaply as they bought at home, he admits or charges that to use the taxing power of this country, to use the strong arm of the law, to use the collection of revenues, for the purpose of benefiting a special interest, instead of collecting revenue for the discharge of public duties and the conduct of the Government economically administered, is a serious offense.

And yet by some strange oversight, with the exception of the woolgrowers, there is not a hole in that resolution big enough to hide a gnat. There is not a sentence, not a word providing for a like investigation of the enormous concerns whose profits will be multiplied a hundredfold by a tariff and by an embargo. If it is a crime to enrich Frank A. Munsey by lowering the tariff, it is a crime to enrich some Munsey by raising the tariff. If it is an offense for a newspaper, because it has a direct interest in the price of newsprint paper, to advocate the placing of that commodity upon the free list, what will we say of the offense of a Senator who advocates a duty, not as a publisher, not as a citizen, but by the exercise of his high prerogative as a Senator in the United States of America?

Ah, I do not mean to intimate that the Senator from Idaho or any other Senator on the floor of this body has a direct and pecuniary interest in the price of wool; that he is either a vast owner of sheep and expects to profit thereby or that he has been a purchaser or broker in that commodity whose value is affected by these schedules; but it is a shame, it is a scandal; it is a piece of indefensible and purblind political cowardice, when the charge is made from one end of this country to the other that Senators are investors, that Senators are speculators, that Senators are personally profiting by the schedules they manipulate, to place some Maxim silencer upon that charge and snuff it out and to sneer at the press which has discharged a great and wholesome public duty.

Senators can not in this matter muzzle or censor the press; they can not stop it with a solemn sneer; they can not turn their hardened faces from the wrath, not of the press but of public sentiment that finds voice in that press, without finding a day of judgment on the Ides of November. Already every living human soul upon whom responsibility may be placed for this iniquitous thing has the seal of death upon his face or lies stark upon the field of political conflict. No man can proclaim his authorship of it or his approval of it in its entirety and not be pilloried by an intelligent and outraged press now and by an intelligent and outraged public in the near future.

Mr. GOODING. My thought or my hope, at least, in submitting the resolution is to learn whether I can remain in the United States Senate from the State of Idaho without the violation of my oath of office and without violation of my own conscience. Has the Senator from Kentucky concluded?

Mr. STANLEY. I yield for a question.

Mr. GOODING. I thought the Senator had concluded. I beg pardon.

Mr. STANLEY. No; I am just getting a good start.

The PRESIDING OFFICER. The Senator from Kentucky has the floor.

Mr. GOODING. I will listen to the Senator with much interest.

Mr. STANLEY. I thank the Senator. Mr. President, I can say for the Senator from Idaho that he is the best Republican on the face of the earth. He runs truer to form, truer to all the evil traditions of his party, than any known exemplar of that organization now alive.

Mr. GOODING. Mr. President——

Mr. STANLEY. I am as proud of my poverty as the Senator is of his wool.

Mr. GOODING. Mr. President, will the Senator from Kentucky let me correct him? I did not cast any reflections on the Senator from Kentucky.

Mr. STANLEY. I will not yield for corrections. When I am through the Senator may make corrections. I yield now only for questions.

Mr. GOODING. I did not make any reflections on the Senator because he was without money.

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Idaho?

Mr. STANLEY. I will yield for questions, but for corrections it would be almost too long a job. The RECORD shows what the Senator from Idaho said. Underlying it all was that fine scorn of the man who speaks of property rights here but who has no property. That has been reflected by any number of Senators upon the other side of the Chamber. The Senator from Idaho is not personally to be blamed for that; that is not his personal opinion; he acquired that sentiment in the atmosphere he breathes over there on the other side of the Chamber. That is a Federalistic tradition, as dear to the heart of Republicanism as is plunder under a tariff. The great father of Republicanism was Alexander Hamilton; the greatest Republican organization on this continent bears his name. There is nothing in common to-day between the humanity and the democracy and the love of personal liberty and the idealizing of mere man that characterized and glorified the life and thought of Abraham Lincoln and the present-day Hamiltonian organization of the Republican Party. You have abandoned Lincoln. Down with Lincoln and up with Hamilton! Down with moneyless men and up with the gray wolves of the Senate.

Hamilton argued and Hamilton fought all his life, until he fell before the revolver of Burr at Weehawken, for a property qualification. Under him the Senate was to sit in secret session; no man was to occupy a place here and no man was to vote for a Senator who did not have $1,000 in fee simple in real estate or its equivalent; and to-day his dutiful followers would impose a like qualification if they dared.

Mr. President, there is a close psychological relation between that mental attitude and the protective tariff. Senators speak here of men voting in their own interests as if it were a light matter. It has been argued on the floor of the Senate that, while a judge, as the Senator from Arkansas [Mr. CARAWAY] has well said, is disqualified by a material interest or a direct interest, and while a juror is disqualified by a material interest or a direct interest, a Senator is under no such disqualification in acting upon matters that materially affect his purse, that the material interests of a legislative body can not possibly affect legislation. Why, Mr. President, the material interests of judges have here and there perverted justice; the material interests and the special interests of jurors have here and there secured a conviction of the innocent or an acquittal of the guilty; but the history of oppression, the history of greed, the history of the most polluted despotisms that the world ever saw reek with the same old story of legislative bodies enacting laws in the interest of a particular and privileged class of which they were a part.

More than 2,000 years ago Tiberius Gracchus raised his voice against a landed aristocracy, against special privileges to men holding vast estates—and the great majority of them, by the way, were woolgrowers—and they tore up the benches in the forum, they beat him to death, they mangled his body, they burned it, and hurled his ashes to the winds, and from the ashes of the Gracchi sprang Marius and Sulla.

Mr. President, there was a time in France, as in the Roman Empire, when one justice was meted out to the man without money and another justice was meted out to the man with wealth. For a thousand years men were forced to come before a court, and the first question asked was, "Are you one of the wealthy or one of the poor?" If he was a man of property, he could not be put to the torture; he could not be crucified; the lash could not be laid upon his proud body; but if he were a moneyless man, if he were one of the poor, they could break his bones and stretch his tendons, and crucify his quivering body because he was a "free-trade hobo," because he was a moneyless man.

Mr. President, for 500 years in France a poor man could not own a pigeon; he had to wear a certain dress; he could not hunt in the woods or fields; meat was practically denied him, and yet he bore the entire burden of the expenses of the State. Three-fourths of the property of France under the Bourbons was in the hands of a king and a nobility; one-fourth was owned by the remainder of the people, and they bore all the taxes, in humiliation, in ignorance, in destitution, until at last the mob took fire and the tattered flag became a banner; in fury they rose and destroyed their oppressors in blood and horror. It was because the Chamber of Deputies were landed aristocrats and there was no place until they heard the thunders of Mirabeau for a moneyless man in the French Parliament.

Mr. BURSUM. Mr. President, does the Senator imply that we ought to have a revolution in this country and divide up the property between all of the people of the country—take away from those who may have too much that which they have and divide it up? Is that the attitude of the Senator?

Mr. STANLEY. Is the Senator through?

Mr. BURSUM. Yes.

Mr. STANLEY. Mr. President, I am as much of an individualist as the Senator from New Mexico is a Federalist. I believe that the right of personal liberty and the right to personal property never came from any government on earth; that they are the inestimable blessings of God. I believe, with old Thomas Jefferson, that all men are created equal and have an equal right to life, liberty, and happiness, and that they are endowed by their Creator with these rights. I believe with him that this is self-evident. I believe that every man in the world is entitled to be the master of his own home, to have all the property he can acquire honestly, and I believe that the rate of taxation should be in proportion to his ability to pay. I would be the last man on earth to give one jot or tittle to those who would turn over to the Federal Government the right to invade a home by search and seizure, the right to lay your hands upon my person, my papers, my property, my house, without due warrant of law. I believe that it is no part of this Government's business to regulate how I make money if I make it honestly, to regulate my diet, to regulate my food, or to interfere with my right to a free market.

Your protective idea that every business is entitled to be coddled and milk-fed by the Government, to come like a beggar whenever it thinks it is a loser in a game it can not play, for every improvident business, whether it be farming or manufacturing or what not, to come here with a sick mouth and a crippled leg and to say, "I want the privilege of plundering some prosperous business in order to insure me the cost of production and a fixed income"—that is socialism. That is the nose of the camel. That ends at last in Lenin and Trotski, or it ends in a Bourbon despotism. The democracy of Thomas Jefferson believes that it matters no more about a man's wealth than the color of his eyes; he has the same rights whether he is a millionaire or whether he is a pauper, and among those rights is his right to see that this Government is economically administered, and that we are not hounded to death by spies and informers, and that money taken by the process of taxation is not used surreptitiously to enrich you or anybody else.

Mr. BURSUM. Mr. President, will the Senator yield?

Mr. STANLEY. Certainly.

Mr. BURSUM. I suggest that the Senator from Kentucky is entitled to his views as to free trade; he is evidently a free trader; but notwithstanding the so-called despicable policy of protection which this country has had a good part of the time during its existence for more than a hundred years, it has not resulted in the destruction of the country. It has not resulted in depriving the citizens of their liberty. It has not resulted in lawlessness. It has not resulted in impoverishing the country. On the contrary, during all of these years under a system of protection this country has been built up until it is the greatest country, the most powerful country, the most wealthy country, the most idealistic Nation, on the face of the earth.

Mr. STANLEY. Mr. President, I have heard that argument so often that I can repeat it backwards. We have had protection; we have had a prosperous country; therefore the prosperity of the country is due to protection. We have had protection; we have had a great number of twins born during that time; therefore the prosperity of the country is due to the twins.

Why, Mr. President, that argument has been made in favor of every political heresy and every religious heresy that ever cursed mankind. For a thousand years, because Christianity had increased, because every day there were more converts to religion, because vast domains of barbarians had been brought to the cross, and vast regions once peopled only by the savage and tainted by the smoke of human sacrifice were now filled with populous communities, and church spires were everywhere, they said that civilization demanded union of church and state; and when men arose to denounce it, they said: "Will you deny that France and England and Italy have emerged from the poverty and the destitution of the Dark Ages until to-day they are the beacon lights of the prosperity of the world? They advanced as they did advance under a union of church and state." But they forgot that the union of church and state had made of sweet religion a rhapsody of words. They forgot that the union of church and state had changed temples of holiness into chambers of horror. They forgot that the union of church and state had put a ban upon human intelligence. They forgot that the thumbscrew and the rack and the auto-de-fé were resorted to by Protestant and Catholic alike when a king was the head of a church.

Mr. President, that argument has been advanced in favor of other things. The Senator forgets that the greatest progress this country ever knew was in the 20 years just preceding the Civil War, when there was no iniquitous protective tariff, when duties were reduced to a minimum. The Senator forgets that under Jefferson and Jackson and Madison and Monroe, for 50 years and over, between the inauguration of Thomas Jefferson and the inauguration of Abraham Lincoln, the Democratic Party never lost but three elections, and lost no two in succession. He forgets the progress that the country made then by leaps and bounds. Yes; this country has advanced—advanced notwithstanding a protective tariff. In the language of another, it has been the march of a giant, but a giant manacled. It has been the flight of an eagle, but an eagle weighted and trammeled. I would break the shackles from the puissant limbs of American industry; I would take the trammels from the eyes of the American eagle, and allow her to renew again her eternal sight in the effulgence of the noonday sun. Give me an America with its intelligence, with its industries, with its resources, and an intelligent Democratic administration like that of Woodrow Wilson, and America will dominate and direct the destinies of a distracted world.

Mr. BURSUM. Mr. President, I will say to the Senator from Kentucky that there were 7,000,000 majority in this country in 1920 who disagreed with the views of the Senator from Kentucky.

Mr. STANLEY. Yes; that is true. Christ was crucified, and the majority was all against Him. Oh, that is the beauty of the Democratic Party! You could no more stand a defeat like that than a tallow dog could penetrate the labyrinth of hell. That would be the end of him.

Mr. BURSUM. I suggest that that is to be seen. The day has not yet arrived when the Republicans have failed to rally after defeat. They have been defeated a great many times through the demagogism and misrepresentation of the Democrats, but they have always come back.

Mr. STANLEY. Yes; and we suffered accordingly; but I do not believe that the Lord, in His mercy, is ever going to inflict it on us again. Why, you talk about coming back. The Republican Party is a mere babe compared with the Democratic Party. We were alive, kicking, and dominant and ruled the country longer before this country ever politically turned away from the Lord and the Republican Party was born than it has been in existence since. Your party has been in existence only about 60 years, and we have been here nearly a century and a half, and to-day, notwithstanding your extreme youth, you show all the signs of infantile paralysis.

Mr. BURSUM. Mr. President, I suggest to the Senator from Kentucky that the Democratic Party which the Senator mentions and of which he feels so proud has long ago ceased to exist. It is no longer the party of Jefferson or the party of Jackson. We now have a new party still masquerading under the name of the Democratic Party, which is more of a socialistic party than the Democratic Party of Jefferson or of Jackson.

Mr. STANLEY. Mr. President, if socialism is not evidenced by the attitude of the Republican Party upon the tariff, what is socialism? What is the state socialism of Germany to-day? The socialist maintains that the Government should insure the prosperity of great industrial concerns by operating them and owning them for the benefit of all the people. The Republican Party maintains that it is incumbent upon the Government to subsidize and fatten and regulate markets for the benefit of great organized enterprises, not for the benefit of all the people but for the benefit of a few fat-frying beneficiaries. Why, protectionism is the first cousin of socialism. The only thing that is eternally abhorrent to it is individualism, democracy, and a tariff for revenue only.

Mr. President, as indicative of the attitude of the press on this important subject, I wish to have incorporated in the RECORD, in the same type in which my remarks will be printed, a number of editorials commenting favorably upon the resolution of the Senator from Arkansas [Mr. CARAWAY].

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

[From the Washington Daily News.]

SETTING AN EXAMPLE.

Senators CAPPER, Kansas; HITCHCOCK, Nebraska; and GLASS, Virginia, have set an example which it would be well for the six wool Senators—WARREN and KENDRICK, Wyoming; BURSUM, New Mexico; STANFIELD, Oregon; GOODING, Idaho; and CAMERON, Arizona—to emulate when the individual amendments are offered to the wool schedule.

CAPPER, HITCHCOCK, and GLASS are all newspaper publishers, and as such purchase the product of wood pulp. While they have no direct interest in paper manufacture, they feel their indirect interest is great enough to justify them to decline to vote on that schedule of the tariff.

These three Senators announced they will observe the rule in Jefferson's Manual, which provides:

"When the private interests of a Member are concerned in a bill or question, he is to withdraw, and where such an interest has appeared his voice has been disallowed, even after division. In a case so contrary not only to the laws of decency but to the fundamental principles of the social compact which denies to any man to be a judge in his own cause, it is for the honor of the House that this rule of immemorial observance should be strictly adhered to."

The fact that CAPPER is a Republican and a supporter of the bill and the other two are Democrats and opponents to it shows that there is no politics in the move, but an intelligent respect for political ethics.

—

[From the Philadelphia Record.]

In view of the Caraway resolution for an investigation of the wool Senators, Mr. GOODING, of Idaho, offers to resign. That would be an empty form; just a "gesture," as our French friends say. The opulent flockmasters would reelect him quick enough; it is quite worth while for them to keep him in the Senate. The wool duty is no worse than several other things in the tariff. But the spectacle of all the Senators from the very limited woolgrowing regions supporting unprecedentedly high duties on wool can hardly fail to afford the people considerable education in the way tariff laws are made. There is a Tariff Commission, created by the Republicans, but it was invited to mind its own business and keep its hands off the wool tariff; the wool Senators would see to that.

—

[From the New York Times of July 31, 1922.]

JUDGES IN THEIR OWN CAUSE.

The indignation stirred in the Senate by Senator CARAWAY'S resolution to inquire whether any Senators have a direct pecuniary interest in the tariff rates they are voting for is natural. If there has been any impropriety, Senators have not been aware of it. Long years of tariff legislation have destroyed any delicate sensitiveness on that subject. The protective system being frankly one of logrolling duties so as to put money in various favored pockets, why should a Senator hesitate simply because he finds some of it going into his own? That anybody should be squeamish about it came evidently as a great surprise to the sheep-raising Senators. To them in their innocence it seemed that the fact that they stood to gain by higher duties on wool simply showed that they were skilled experts in advising what the duties should be. If they were satisfied, from the accounts of their own flocks, that 33 cents a pound would be profitable, the argument was strong that other growers would also make money. What could there be wrong about that? The idea that some fastidious persons might blame him was so startling to Senator GOODING, of Idaho, that he nearly resigned on the spot.

Ordinarily, a public man would shrink from even appearing to act as a judge in his own cause. There are parliamentary rules against doing so. There are, in some cases, statutes forbidding it. Legal and judicial precedents are heavily opposed to it. Some of the Senators, touched on the raw, resented the comparison between them and judges. Yet, as Daniel Webster when a Senator clearly pointed out, there is a sense in which a Senator ought to think of himself as a judge. He is to think not merely of what is good for his constituents or his section, but of what is good for the whole country. He must decide judicially between local claims and the interest of the entire people. This principle, if carried out, would be the death of most protective tariffs; and if it should be fatal to the present friendless and unloved bill, popular grief would be able to contain itself.

—

[From the Baltimore Sun of July 31, 1922.]

"BAA, BAA, BLACK SHEEP, HAVE YOU ANY WOOL," AND WHOSE IS IT TO BE?

The United States Senate became really interesting Saturday, and it became so because one of its Members introduced a resolution implying that Senators might actually be influenced in tariff or other legislation by their personal financial interests. Senator CARAWAY'S proposal to probe the personal relation of senatorial votes to tariff schedules created an angry hubbub at once, and its prompt adoption was barred by the sympathetic objection of Senator WADSWORTH, of New York.

The Senate heretofore has never shown any reluctance to investigate anything that might come up. In fact, investigation has been its long suit, and nothing has been so rare as a day in June or in any other month in which the Senate has not had one or two committees at work trying to show up the deviltry of somebody or something.

But when it comes to investigating Senators the gods on this legislative Mount Olympus become horror-stricken and indignant. The suggestion that a Senator could commit any wrong is almost blasphemous; the insinuation that a Senator could be influenced in his attitude toward the tariff or any other public question by sordid considerations of gain is inexpressibly shocking and preposterous. When a man gets into the Senate he is immediately purged of all human weaknesses, of all human prejudices and influences. His mind at once assumes a judicial impartiality beyond the reach of hot or cold waves of human passion or human selfishness. Such a divinity doth hedge a Senator around that it is profane to question him. That's the way, at least, that some of the Senators seem to regard themselves, if we take Saturday's debate on the Caraway resolution as a key to their self-appraisal.

Unfortunately for this view of senatorial impeccability, there have been quite a number of incidents in recent years which have shaken public faith in this theory. Most persons at an earlier period did believe that Senators were what it was said Caesar's wife should have been, and most of us would like to believe it now if we could prevail on ourselves to shut our eyes to facts. We hate to recall the case of Senator Lorimer, of Illinois, who was finally expelled because of gross misconduct, and we hate to remember how many of his colleagues defended him and tried to persuade the country that he had been guilty of no serious offense. And it is painful to remember that most of those who are now so vehemently protesting against the insult contained in the Caraway resolution were among those who voted to add NEWBERRY to the senatorial family.

In these circumstances it would seem that the opponents of the investigation do protest too much. Their assumption of outraged virtue is not likely to produce a very strong impression upon the public. Indeed, quite the contrary impression will be produced if they continue to oppose the investigation and put themselves in the position of appearing to want to hide the facts. Some of those mentioned as being large sheep raisers, and therefore interested in a high tariff on wool, deny that they own any sheep. Others admit it, but impudently ask what has that got to do with it? Senator WARREN, of Wyoming, who during the debate on the Payne-Aldrich bill in 1909 was referred to, says the New York Times correspondent, as "the greatest shepherd since Abraham," was especially wroth at CARAWAY'S presumptuous reflection upon the 100 per cent purity of high-tariff Senators and denounced it as "a damn fool resolution."

Very likely it will be made "a damn fool resolution" by any investigation the Senate may hold, if those interested in the Fordney-McCumber bill can make it so. But no stalling, no evasion, no finespun arguments can break the force of Saturday's debate in the Senate. What was revealed on the part of some of the participants in that debate was the curious lack of

a sense of delicate honor, a strange failure to perceive the relation between their official action and personal profit, which ninety-nine ordinary men out a hundred would perceive at once. Senator GOODING, of Idaho, in "denouncing" the Caraway resolution as "politics" declared that if it could be shown that he had violated any law, "by the eternal gods" he would resign his seat. But no one supposes he has violated any written statute by supporting an unprecedentedly high tariff on a commodity in the production of which he is engaged. The question is whether he has violated a higher unwritten code of ethics which would control men of sensitive feelings. That is the moral point involved. Ought senatorial sensibilities to be blunted and more callous than those of the man on the street?

This is the situation presented: A high tariff bill is evolved from somewhere which offers to woolgrowers the highest bonus ever proposed. Certain Senators who are engaged in sheep raising are among the strongest supporters of that bonus. Senator SMOOT says that when Grover Cleveland was elected he (Senator SMOOT) sold all his sheep and has not owned a head since—which, by the way, is rather a tribute to old Grover as an admission that special interests could expect no favors from him. Now, if the sheep Senators who voted for the present wool bonus had sold or offered to sell their flocks and herds, they would have proved they were not voting for their own pocketbooks. But have they done so, or are they going to do so? And what do they stand to make out of this wool deal if it goes through?

The question involved is not a question of Republicanism or of Democracy, of wealth or poverty. No Senator can be expected to divest himself of every business interest. But the size of the interest and its direct connection with proposed legislation are important factors in determining the proper course for a Representative or a Senator. The following rule from Jefferson's Manual, quoted by Senator CARAWAY, seems to furnish a guide for any man who wants one:

"When the private interests of a Member are concerned in a bill or question, he is to withdraw, and where such an interest has appeared his voice has been disallowed even after division. In a case so contrary not only to the laws of decency but to the fundamental principles of the social compact which denies to any man to be a judge in his own cause, it is for the honor of the House that this rule of immemorial observance should be strictly adhered to."

Senator CARAWAY'S resolution declares that the charges made are "hurtful to the honor of the Senate." The question to be determined is how much honor the Senate has left.

—

[From the New York Tribune of July 31, 1922.]

STRAINING PATIENCE.

In so far as the Caraway resolution implies that a Senator may not participate in the making of a tariff if financially interested to any degree in any of its schedules, the resolution is, of course, absurd.

Senators do not exist in vacuums any more than other persons. They are human beings, like the rest of us, and as such are touched in their several businesses by fiscal legislation of universal effect. Farmers are not expected to be inactively neutral when measures of consequence to their class are under consideration, nor may supineness be demanded of manufacturers or wageworkers or other elements of the population.

The rule that a man may not be a judge or determiner when his own interests are at stake is to be applied with common sense and not pressed to an illogical extreme. Impropriety enters only when the interest is special, direct, and so preponderating as to cloud perception of and regard for the general welfare. The issue sensationally thrust on the Senate thus boils down to the practical question whether the so-called "wool" Senators are honestly pursuing what they deem a public end or are controlled by thoughts of personal profit. The matter is not whether they own sheep, but how many; not whether they are woolmen, but whether they are wool kings.

As to this the information as far as it goes is gravely disturbing. In the Congressional Directory Senator STANFIELD, of Oregon, describes himself as "America's largest producer of wool and mutton." Senator GOODING, of Idaho, the leader of the so-called agricultural bloc, says that the raising of sheep has been his life work—acknowledges that his flocks cover many hills. Senator BURSUM, of New Mexico, is also a shepherd, but the extent of his fold he does not state. Senator SMOOT, who probably has had more to do with writing the wool schedule than any other man, is no longer an owner, although formerly he was one.

The conclusion that the average person, dismissing thought of the extreme virtue that Senator CARAWAY emphasizes for obvious political ends, is that the wool Senators have been rather indecently conspicuous in behalf of Schedule K. A 60 cents per pound duty is obviously high. Their activity has not lessened public suspicion of the tariff bill. Protection will be in danger, as Senator WADSWORTH remarked the other day, when the public becomes convinced that a measure embodying it represents successful grabbings. The members of the agricultural bloc have strained the patience of the country, which has 100 buyers of wool to each producer. Not because they are corrupt but because they should show more sense the wool Senators may be asked to take a seat further in the rear.

—

[From the Fort Wayne, Ind., Gazette of August 1, 1922.]

WHAT DO YOU THINK ABOUT IT?

Once in a while a dynamic thought is let loose in the Senate Chamber. One was given wing the other day when the courageous and honest CARAWAY, of Arkansas, took cognizance of the everyday comment of the American press on the financial benefits to fall to certain Senators personally interested in the woolen industry by the criminally high tariff proposed on woolens.

He seemed to feel that the facts should be known.

Thus his resolution calling for an investigation of the relation of Senators to industries being given astonishing tariff rates that will greatly increase cost to the consumers and put money in the private purse of Senators who are financially interested.

When he asked for immediate consideration for the resolution it was refused—the son-in-law of John Hay objecting. This worthy was quite sure that it is not permissible to permit the public to know such things.

The debate was interesting.

Senator GOODING, who is charged as being one of the men to financially profit by the increase in the price of woolens this winter, and who has devoted his statesmanship to this one topic, was outraged. He declared dramatically, "By the gods" that if he had "violated any law" he would resign. He meant any statute. Sometimes there is a law of propriety that ought to be, and is not, the law of the land.

Senator WARREN, dubbed by Dolliver "the greatest shepherd since Abraham," said it was a "damn fool resolution." Any resolution that would prevent special interests, Senators or no Senators, from "getting theirs" would be a "damn fool resolution" to this incurable reactionary.

Senator BURSUM, of New Mexico, who will also gain financially, was sure the resolution is "ridiculous."

It is interesting to note that the Senators who are personally interested in the wool rate in the tariff have been in the front rank of the fighting on this one schedule—and in the rear ranks on all else.

This is explained by Senator STANFIELD, of Oregon, who describes himself in his autobiography as "America's greatest producer of wool," on the ground that a personal interest in the subject makes these men just the men to say what the American people shall pay for woolens.

Senator CARAWAY put the other side forcibly enough in the following:

"If I believed that the laws were bought and sold, I would owe no allegiance to that kind of law or the kind of government in which that thing could happen. It would become the duty of every self-respecting citizen to rise up, not only in protest, but if necessary in rebellion, against a government where the laws were bought and sold.

"This is a charge made by reputable Republican papers; it has been reiterated here on the floor of the Senate; it was charged yesterday afternoon by a Member on your side, whose honor and whose acute sense of honor nobody questions, that it was an outrage.

"Is it wise to let the impression go abroad that legislation is being framed by selfish interests, by men directly profiting by the legislation?"

The Senate will not permit that investigation.

Why?

The Senate is not impressed—but what about the people who pay the piper?

Once upon a time one Henry Lippitt became the master lobbyist of the cotton industry. That was his principal work for years. He did his work well. Later he became a Member of the Senate—and as a Senator he remained as he had been, a lobbyist—active on cotton.

These are matters that may amuse Senators, but how do you feel about it?

Would you want a judge financially interested in the result of a suit to sit on a case in which your interests were on the other side? We believe that a judge thus sitting would be open to impeachment. He would feel disgraced.

What is the moral difference between a judge financially interested in a case sitting as judge, and a Senator financially interested in the making of a tariff rate voting on the making of the tariff?

Perhaps there is a difference that escapes us—and we put it up to you. What do you think about it?

We submit that if there is no hard and fast law prohibiting Senators and Congressmen from voting taxes out of the people's pockets into their own there ought to be.

—

[From the Springfield Republican of July 31, 1922.]

"ROBBER TARIFFS."

The resolution of Senator CARAWAY calling for an investigation of the financial and business connections of Senators in their relation to the pending tariff bill is not so partisan as it may seem. There are Democrats as well as Republicans in that body who might be discredited by the disclosures of the inquiry.

Repeatedly while this tariff bill has been pending Democrats have voted for high duties in opposition to the majority on their own side, and among their number some may have been influenced by their personal interests as well as by the pressure from their own constituents. If Senator CARAWAY planned his stroke for party advantage, he might not be entirely satisfied with the outcome of an investigation.

It is no new thing to find in the Senate men who are deeply interested financially in certain tariff schedules. Senator GOODING, of Idaho, who owns great flocks of sheep, has become notorious mainly because of his aggressive insistence in the Senate upon wool duties that seem outrageous in their effect on the prices of clothing, but even his brutal disregard of the consumer's interest and his cave man's theory of protection as synonymous with embargoes and absolute monopoly are by no means unprecedented. We had the "Senators from Havemeyer" when the sugar schedule was fought over in Mr. Cleveland's second administration. Only a very few years ago Rhode Island had one of the largest textile manufacturers in the country, Mr. Lippitt, as one of its Senators. There has not been a time in 50 years when the Pennsylvania iron and steel makers did not virtually own the Senators from the Keystone State when tariff duties on iron and steel were under consideration, whether or not those Senators personally owned shares in steel companies.

Moral standards in legislation have risen in some directions, but not in others. It is no longer "ethical," in the public view, for legislators to own stock in a railroad that is the subject matter of a pending bill. A selfish interest in a franchise can not safely be exposed to popular scrutiny by a member of the body that grants it. The late Senator Foraker was driven out of public life after it had been shown that as a lawyer he had acted as counsel for the Standard Oil Co. Not so many "railroad attorneys," actually under retainers, now sit in our lawmaking bodies. Senator Bailey, of Texas, expired as an influence in politics after his connection with Southwestern oil companies became known. When President Roosevelt wished to embarrass Senator Tillman, of South Carolina, who had been attacking him, he made public the fact that Mr. Tillman had had some connection with certain investments in the far Northwest and might be trying to make money out of the public lands.

It is singular that the public conscience has not grown equally sensitive to the personal interests of Members of Congress in tariff legislation. It is absurd to brand a Foraker or a Bailey and then virtually license FRANK GOODING, of Idaho, a woolgrower, to fix in the United States Senate the prices of the clothes we buy through his dictation of the duties on raw wool. Possibly the people are now waking up to this iniquitous aspect of tariff legislation, which gives reality to "robber tariffs." If they really are, a "scientific tariff" may not be so far away as the higher cynics have believed.

—

[From the Boston Globe of July 31, 1922.]

MUCKRAKING AGAIN.

Senator CARAWAY, of Arkansas, is earning a name as "the bad little brother" of the Senate. It is the little brother who really gives the bride away by spilling awkward words just when the festivities are at their height.

The Caraway resolution for an investigation of the charges that certain Members of the National Upper House are interested financially in the pending tariff bill was outlawed by the objection of a single Senator. Mr. CARAWAY is a Democrat, of course; but it is the feeling of many on the Republican side that his allegiance to another party is not an excuse for giving currency to such horrid charges as those which have been made, especially those against wool-growing Senators, who are patriotically trying to do their bit to cover the backs of their fellow citizens with fleeces from home-bred sheep.

It is small wonder that Senator WARREN, who was called by the late Senator Dolliver "the greatest shepherd since Abraham," should have been driven to strong language, or that Senator STANFIELD, of Oregon, described in the Congressional Directory as "America's largest producer of wool and mutton," should have argued that the very fact that he is interested in wool enables him "to vote more intelligently."

Even though the Senate has shut off the investigation by its system of senatorial courtesy, the public has been made to believe that the cat is out of the bag, the sheep out of the pen. The result will be many unofficial investigations. This Caraway resolution has opened the gates to muckraking of the sort which was so popular a dozen years ago, when a man's public conduct was judged in the light of his private interests. Even now an army with rakes is threatening the sanctity of the most expensive club in the world.

—

[From the New York Globe.]

SENATORS FROM THE WOOL RANCHES.

Senator CARAWAY has proposed an investigation of what every Senator and everyone familiar with Washington affairs already knows, namely, the relations between certain Senators and the wool industry. Neither Senator GOODING, nor Senator WARREN, nor Senator STANFIELD, nor Senator BURSUM has made any secret of their peculiar interest in the wool schedules. The case of Senator SMOOT is superficially different, for although he is a prominent banker and investor in a State in which sheep raising is important, he has not owned sheep directly for some 30 years.

Still other Senators are bound by personal, political, or business affiliations to support this or other schedules in which they have not a direct pecuniary interest. The whole tariff bill has been written primarily on the showing of those who expect to benefit by it, for although there was a public hearing on most of the items the producers who wanted the tariff were always better organized and more adroitly represented than the consumers who stood to lose by it. There is an element of corruption in every protective tariff made as protective tariffs have always been made in this country.

There are, however, degrees of corruption which public opinion can not tolerate. One of these is reached when a business man in Congress takes an active part in forwarding legislation which will put money into his own pocket. This is exactly what several of the wool Senators have been doing, and their action can not be excused by the specious argument of Senator STANFIELD that their personal interest in wool fits them "to vote intelligently; more intelligently, perhaps, than many others who are opposed to the principle of a protective tariff." The political experience of mankind showed long ago just how untrustworthy "intelligence" of this kind is. The principle is firmly established with regard to judges; it ought to be established with equal firmness with regard to legislators. The wool Senators know, and everyone else knows, that they are taking the Federal pay for serving their own interests. An ordinary sense of decency would lead them to withdraw from the debate. In the present condition of American politics it is too much to expect that they should abstain from voting on schedules in which they have a financial concern, but a high sense of honor—an honor to which American legislators may yet attain—would demand even that.

Senator CARAWAY is to be thanked for turning the spot light upon the Senate at the very moment when the spectacle it revealed was most instructive. If other legislators would more frequently forget "senatorial courtesy" the upper House might be purged of some Members who have no moral right to sit there.

—

[From the New York World of July 31, 1922.]

THE WOOL-TARIFF SCANDAL.

The scandal of the wool schedule can not be suppressed by shelving the Caraway resolution. It can not be brushed aside as of no importance. It can not be dismissed as being inspired by partisan politics. For it goes to the root of the system of tariff making for which the Republican majority in the Senate stands responsible.

The issue is as plain as it can be. It is a question of common honesty. If individual Republican Senators or a group of Republican Senators as woolgrowers are financially interested in the rates of the pending tariff bill, in decency they should be barred from voting. No protests of rectitude and no specious pleas of service to industries of their sections can be made to justify their using their official position to vote money into their own pockets. Men in places of trust are regularly sent to

jail for doing that very thing. The Senator who does not hesitate to misuse his power to raise money from the public not for the public but for himself must be wholly insensitive to the moral quality of his acts or defiant of public opinion.

The audacity of the woolgrowing Senators of the West during the debate on the Caraway resolution was astounding. They have gone too far to be capable of showing any shame. They are too sure of the profits of tariff legislation to give up anything that they have been promised. In the bargaining in duties with other Senators who have special interests to care for they have obtained advantages which they intend to hold; otherwise the whole tariff bill would go to smash.

So Senator WARREN, a Wyoming woolgrower, denounces "these damn-fool, nonsensical investigations." And Senator STANFIELD, of Oregon, who boasts in the Congressional Directory of being "America's largest producer of wool and mutton," professes indignation that any Senator, "because he happens to be interested in wool," should be criticized for "voting for this woolen schedule." And Senator BURSUM, of New Mexico, a woolgrower, complains that "this whole proceeding seems to me an undue capitalization of a matter which is unimportant for the reason that it is of daily occurrence." And Senator GOODING, of Idaho, another woolgrower, who wrote the wool rates, explains that if every Senator followed the rule of not voting where he had invested in something, "there would not be a quorum on the tariff question at all." And Senator WADSWORTH, of New York, farmer and live-stock grower by profession, trails along with the remark that the Caraway resolution is uncalled for and objects to its consideration.

It is a revealing picture of the methods by which a Republican tariff bill, not merely the woolen schedule, is prepared and put through the Senate. It exposes the party of moral ideas at its highest point of efficiency. And not a Republican voice from the side of the high protectionists is raised in condemnation.

It was shown in the Newberry case that with the approval of the Republican majority seats in the Senate may go to the highest bidder. Is it now to be a matter of record that with the approval of the Republican majority Republicans holding seats in the Senate may without dishonor use their official position and power for their personal enrichment; that it is their private privilege to lay an outrageous tax on the American people for their own immediate profit?

Mr. GOODING. Mr. President, I understand that under the rules of the Senate the resolution goes over until to-morrow. Is that correct?

The PRESIDING OFFICER. There is no resolution before the Senate at this time. The tariff bill is before the Senate.

Mr. GOODING. My understanding is that the chairman of the Committee to Audit and Control the Contingent Expenses of the Senate reported unfavorably the resolution which was submitted yesterday.

The PRESIDING OFFICER. The report of the committee has gone to the calendar in accordance with the rule.

Mr. GOODING. Mr. President, in view of the fact that a wool pool has been referred to in which it was said that I was interested, I want to say that I never bought a pound of wool in my life. It has become the custom in this country to organize wool pools. That custom exists not only in the Western States but in practically all the Eastern States. This has been brought about by the fact that those who buy wool divided up the territory, and there was no longer any competition between those who were in the wool trade. The woolgrowers of the West were at the mercy, if you please, of men in the business who combined together, as I have said, and divided the territory so that there was no competition at all in the wool market; and for that purpose they organized these wool pools, sometimes having wool auctions, gathering the wool into large warehouses, and trying to get somewhere near the market price.

The wool pool that was organized at Shoshone, Idaho, and in which the press say that I was financially interested, was a wool pool that I understand covered about a million pounds of wool of the different woolgrowers. I likely was one of the very smallest sheep owners in that pool. I knew nothing about it. The wool sold for 30 cents a pound, and the next day another pool was formed in the neighborhood where the few flocks I had were feeding, and that wool was sold for 31 cents a pound.

I made this statement before, but, in view of the fact that I have been referred to as being interested in making so many millions out of this wool business, I wanted to repeat it—that the wool pool in which I was interested got the smallest price paid for wool in the West this year; that through the pooling they finally succeeded in receiving as high a price as 38 cents a pound on wool, and I was unfortunate, through the kindness of a brother who thought he was doing me a good turn, to have my wool go in with his pool in a neighborhood practically 50 miles away from where my sheep were being ranged, and I lost something like $700 or $800.

For two years I was out of the sheep business. I thought I was through owning any live stock, as far as that is concerned. Then came the great crisis which swept over the country, brought about largely by free wool and a Democratic administration, who never made an effort to bring the country down by stages, as England did her agricultural interests and as was done over in Australia; but with a smash and a bang they took off all control they had of farm products, and did everything they could to deflate the farm prices, with the result that it practically broke and paralyzed the live-stock industry of the country. I was unfortunate enough to have to take back the sheep in which I am now interested. I am charged with having sheep on a thousand hills. I have a half interest in 8,000 sheep, which ranks me as a small live-stock grower in the West.

I am not offering this as an excuse for having voted for a duty on wool that is less than the difference in the cost of production between this country and foreign countries. I want to say to the Senator that my conscience is not hurt at all by the charges which have been made. I am not so sensitive or ignorant that I do not know that I have only done my duty in a manly way, and I am going to continue to do it and fight to protect the industries of my State as long as I have a seat in the United States Senate.

I want to say that, as far as the present duty on wool of 33 cents on the scoured basis is concerned, the cost of production to-day is even greater than 33 cents on the pound of scoured wool. The freight charges alone, the commission charges, and the scouring charges, after the wool leaves the farm in the West, all of which the woolgrower must pay, amount to 8½ cents on a pound of clean wool. The cost of handling and running sheep to-day is a dollar a head more than it was before the war. The sheep of the West shear somewhere near 2½ pounds of clean wool. It is going to cost something like 48½ cents a pound more to lay a pound of clean wool down in Boston than it did before the war. So, unless there is an increase in the price of wool, the industry can not live even with a duty of 33 cents on the scoured basis. That is the lowest duty that has been placed on wool by the Republican Party, or as low a duty, for a half a century, and the only difference, if you please, is the fact that the duty is placed on the clean content of a pound of wool. It is possible for the woolgrower to come nearer getting the full duty on wool than he did when it was based on the grease content of the wool, but there is nothing certain about it, for to-day, with 45 cents on the scoured basis, some classes of wool are selling in Boston for less than the duty of 45 cents a pound. The American manufacturer is the only market for American wool. He is the sole master and he beats the price down to the lowest point. Just how much the duty would benefit the woolgrower nobody knows, but if the Finance Committee had accepted Schedule K, something which gave the manufacturers a hidden duty, I would not have been attacked as I have been by the Boston newspapers and other newspapers of the country and charged with having violated my oath of office.

I am not going to take up any more time of the Senate. I merely say that when my resolution comes up I am at least going to speak upon it, and I hope the resolution I have introduced will be accepted, because I know it covers in a very fair way all that everybody who is interested in the pending tariff bill wants, and I have confidence that the Presiding Officer will appoint a committee consisting of men of judgment, integrity, and honesty, and he will not have any trouble finding that kind of men on both sides of the Chamber in the United States Senate.

Mr. CARAWAY. Mr. President, on last Saturday I introduced a resolution which sought to ascertain what, if any, financial or professional interest Senators had in rates of the various schedules of either the pending tariff bill or the emergency tariff law. Quite a number of Senators, who elected to imagine they were being accused, entered denials that they were interested, and others undertook to justify their votes in the interest of their people's interest.

As I said before, and say again, it is not my province to determine whether they had a right to cast such votes. I think, following the interpretation of others who have discussed the provision of Jefferson's Manual, that if one's personal interest is large, if it is the main thing in his life, if it is of such predominance that it might lead people who are not familiar with his high character to suspect he may have been influenced by his private interests and not the public good, he ought to refrain from voting. After all, it may be that it is a question for each individual Senator to determine for himself.

I sometimes can not tell whether the mannerisms of the Senator from Idaho indicate anger or intensity of interest and purpose, but he was deeply stirred, and, using his own swear words, "by the eternal gods," he announced he was going to have an investigation. He repeated that declaration on at least two occasions on the floor, and I have also read similar statements in print, and I thought that "by the eternal gods" he meant it.

Yesterday there was a chance to introduce a resolution. I refrained from reintroducing the one I had previously introduced, and which had been objected to by the Senator from New York [Mr. WADSWORTH], because I presumed that a man who was the self-selected head of the farmers' tariff bloc would do whatever he said he would, and I necessarily presumed we would have an investigation. I feared I could not get it. I knew, or at least I was told, that if the Senator from New York [Mr. WADSWORTH] were absent from the Chamber, other Republican Senators had been posted to object to any resolution I might offer. But a powerful Senator, or a Senator who is credited, whether rightly or wrongly, with having written the whole schedule dealing with wool, having said so confidently that "by the eternal gods" he would have an investigation, I naturally refrained from offering any resolution, content that the mighty Senator from Idaho [Mr. GOODING] should take the laboring oar and bring about an investigation.

The mountain labored and brought forth a mouse, according to the opinion of the Republican colleagues of this great Senator from Idaho. The Committee to Audit and Control the Contingent Expenses of the Senate, to which his resolution was referred, promptly reported it back with this statement, if I may be permitted to translate it, without giving offense: "There is nothing in the Gooding resolution but foolishness, and we are not going to help the Senator from Idaho make a fool of the Senate, and therefore we report his resolution adversely."

The Senator from Wisconsin [Mr. LENROOT] said it would take two years and hundreds of thousands of dollars to carry out the investigation suggested by the Senator from Idaho; and the Senator from Wisconsin, who I understand from the Senator from Kentucky [Mr. STANLEY], represents practically the entire unadulterated intelligence of the Republican Party, took the Senator from Mississippi [Mr. HARRISON] to task for admitting he would vote for that resolution.

That is the view which the "intelligent" Members of the Senate on the Republican side entertain of the resolution offered by the great Senator from Idaho. I will not charge it, because I do not know, but it may be that it was intended to be a joke, and be laughed out of court. That is what has happened to it, anyway.

The only real charge in the resolution of the Senator from Idaho dealt with Mr. Munsey and the New York Herald, and the Senator from New York [Mr. CALDER], who is the chairman of the Committee to Audit and Control the Contingent Expenses of the Senate, took occasion in his report to say that the charge was unfounded and unjustified.

The committee prejudged the case and said there was nothing in the charge; that Mr. Munsey and his paper were guilty of no wrongdoing nor of any impropriety, as charged by the Senator from Idaho.

The Senator from Idaho protests his innocence, and I am going to permit him to do it. It is nothing to me; I have never made a charge against him. I never knew he had 8,000 sheep until to-day. I had never heard the number mentioned. But the Senator thinks it is reprehensible—and in that opinion the Senator from North Dakota [Mr. MCCUMBER] and the Senator from Utah [Mr. SMOOT] concur—for a newspaper to accept an advertisement from an importer, and that if it does, that importer will influence its editorials, will control the editorial policy of the paper. The Senator from North Dakota so charged, and the Senator from Indiana [Mr. WATSON] agreed, that papers which accepted these advertisements were controlled by their advertisers; that, in other words, they sold their editorials to their advertisers.

Mr. SMOOT. Mr. President, I want the Senator to correct his statement so far as the Senator from Utah is concerned. The Senator from Utah has never stood upon this floor and said one word about the advertisements in papers in any part of the United States.

Mr. CARAWAY. I am awfully glad to know that.

Mr. SMOOT. Not one word.

Mr. CARAWAY. The Senator does not believe they were controlled by their advertising columns?

Mr. SMOOT. The only question that was ever asked was by Senator ROBINSON——

Mr. CARAWAY. I say, the Senator does not believe that they were controlled by their advertising columns?

Mr. SMOOT. I could not say the papers were. I do not know a thing about it.

Mr. CARAWAY. Has the Senator any opinion?

Mr. SMOOT. No; I have not; because some may be and others not. I could not say a word about it. I know nothing about it.

Mr. CARAWAY. And yet the Senator knows as much about it——

Mr. SMOOT. I do not propose to stand upon the floor of the Senate and make a statement about something I know nothing about.

Mr. CARAWAY. I commend the Senator for that. I have for him a very high opinion. Evidently, with all the facts the Senator from North Dakota and the Senator from Indiana together had, he does not believe there was evidence to convict the newspapers.

The Senator from Idaho, who wants to investigate the newspapers, especially to investigate Frank Munsey, does believe that private interests control the great dailies in the discharge of their public duty, because we all know that a newspaper owes a public duty to report correctly the news and, as far as possible, reflect in their editorials a high moral sentiment. He believes those papers were controlled against the Republican Party by the importing houses that advertised in their columns. Now is it any wonder that the papers say that Senators who are directly financially interested in the production of articles on which unjustifiable duties have been levied were influenced by their private interests? One is no more reasonable than the other. When he makes the charge in his resolution and in his statement, the Senator admits that people are influenced and controlled by their private interests, and that is what the newspapers said about Senators, that they were interested and, therefore, were controlled by their private interests.

Of course I am perfectly willing for the Senator to turn State's evidence. That seems to have been his intention. He seems to admit that he and those who had been charged by the New York Herald were guilty, but seeks by his resolution to show that all other Republicans are no better than they. If that is all he expects to disclose, there is not much use, I think, in spending several thousand dollars in investigations to ascertain that fact. It will be admitted that he is correct about it.

But, Mr. President, it is amusing to watch the Senator from Wisconsin [Mr. LENROOT], for whose intelligence I have a very high regard, differentiate. He would not do what the Senator from Idaho did. He would not charge the Senator from Kansas [Mr. CAPPER] with being a hypocrite because he did not vote for a reduction of the rate on pulp. He did not charge that the Senator from Nebraska [Mr. HITCHCOCK] and the Senator from Virginia [Mr. GLASS] were hypocrites. He said they were to be commended for their course, that it was proper that they should refrain from voting because they were the owners of newspapers, and therefore directly interested in the price of newsprint paper. But, on the other hand, it was entirely proper, he said, for Senators to vote for matters in which they had an overwhelming financial interest if other people in their States were likewise interested. In other words, the Senator from Wisconsin laid down the rule, Mr. President, that we have a right as Senators to advocate anything the people in our States wish. That is what it reduces itself to, that we have a right to violate the oath of office we took when we were sworn into the Senate of these United States and justify it by saying that it is the wish of the people we represent.

How, then, could any man be held to any course of propriety? He could say that he spoke for the interests and opinions of his people. He could advocate the repeal of the Constitution and be entirely within his right by saying that the people of his State wanted it done. John C. Calhoun and those Senators who believed with him in State rights and nullification ought never to have been condemned by any Senator on the other side of this Chamber, if they accept the statement of the Senator from Wisconsin, because those Senators evidently spoke the sentiment of the people of their States. A Senator from the State of Kentucky was driven out of this Senate during the war, not because he did not speak the sentiments of his people but because he did not speak the sentiments of the people who lived north of the Mason and Dixon line. Senators expelled him from the Senate. Now, the Senator from Wisconsin would condemn every Senator who voted that way because, he has said, we have a right to advocate anything and cast any kind of vote, however corrupt, if we can show that

the people in our State wanted us to cast that vote or that they would be benefited by it.

Mr. STANLEY. Mr. President——

Mr. CARAWAY. I yield to the Senator from Kentucky.

Mr. STANLEY. At that point may I say that we have this anomalous situation: The people in my State are admittedly for free wool. The people in the State of Idaho are not for free wool. A woolgrower from Kentucky, if he were in the Senate, could not vote for the duty if he had a material interest, because his people do not agree with him, while a woolgrower in Idaho could vote for it.

Mr. CARAWAY. I think the Senator's statement—the Senator from Wisconsin—will be interesting reading in New Jersey, for instance. The Senator from New Jersey [Mr. FRELINGHUYSEN] wants to stay here. That is a laudable ambition. The people of his State evidently believe in light wines and beer, because they elected a governor on that platform by an overwhelming majority when the other State officers were Republican and the governor a Democrat. I suggest, according to the Senator from Wisconsin, that the Senator from New Jersey had no right to cast a dry vote here, if the Senator from Wisconsin is correct.

Oh, the idea that the question of whether an act is right or wrong could be determined by whether your people agree with you is so absurd that any Senator who could lay that down as a touchstone of right or wrong has not any conception of what right or wrong really is. On the contrary, Mr. President, it is a principle; it is a question of honor; it is a question of that finer sense that gentlemen feel should guide them in dealing with all questions, public or private, and not whether their State would be financially interested or bettered.

Now, may I say one further thing and then I am through. I realize that the resolution of the Senator from Idaho was not urged very strenuously. I rather imagine he expected the thing to happen to it that did happen to it. I suspect he wanted it that way. It strikes me, if I may say so without being critical, that it was such an absurd resolution that I did not presume anybody was going to seriously press it. I do not presume it was expected to be pressed. The country is permitted to make up its mind as to whether Senators on the floor of the Senate of the United States have been influenced by their private interests in piling up rates on schedules that are to cost the other part of the country hundreds of millions of dollars by the attitude of the Republican Party which by its act says, "We are not going to permit you, the people who are to pay the taxes, to have any information as to the motives which impelled us to levy these outrageous rates of duty upon you, if we by any parliamentary tactics can keep you from knowing them."

There is a rule of evidence, as old as the common law, that where a witness is in possession of information and he alone has it and refuses to reveal it, it must be presumed that his testimony would hurt his cause. Applying that rule to the present situation, the country would be justified in deciding, and will decide, that there is information in the possession of the Senate which, if made known, would be hurtful to the Senators who wrote these schedules, and therefore that information is denied.

Mr. CURTIS. Mr. President, I ask unanimous consent to have printed in the RECORD a decision rendered by the Speaker of the House of Representatives a good many years ago on the question of the right of a Member of the House or the Senate to vote upon a question in which he is interested. I am not going to take the time to read it, but I ask that it may be printed in the RECORD in 8-point type, because it covers the question fully, and I think every Senator ought to read it before he casts his vote.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

[From vol. 5, par. 5952, pp. 503–504, of Hinds' Precedents of the House of Representatives.]

"On April 11, 1874, the House was considering the bill of the House (No. 1572) to amend the several acts providing a national currency and to establish free banking, and for other purposes.

"During the proceedings Mr. Robert M. Speer, of Pennsylvania, made the point of order that certain Members holding stock in national banks were not entitled to vote, being personally interested in the pending question. Mr. Speer mentioned three Members—Messrs. Poland, of Vermont, and Hamilton and Phelps, of New Jersey—who were officers of national banks, and therefore, as he held, not entitled to vote on the pending question, which included the following proposition:

"'That in lieu of the tax of 1 per cent per annum now imposed on the outstanding circulation of national banks, a tax of 3 per cent per annum, payable semiannually in gold, shall be collected upon the circulation which has been issued to each national bank which has not been returned for cancellation.'

"The Speaker, in ruling, said:

"'The Chair will say that the question in fact lies somewhat back of the rules of the House, and while the Chair is going to give his opinion upon the rule and construe it, he begs to make a remark that goes somewhat deeper than the rule. When a very distinguished predecessor in this chair, Mr. Nathaniel Macon, of North Carolina, occupied it, as is familiar to the House, a question arose upon the amendment to the Constitution changing the mode of counting the votes for the election of President and Vice President. The rule at that time was peremptory that the Speaker should not vote except in the case of a tie. It has since been changed. The vote, if the Chair remembers correctly, as handed up to Mr. Macon was 83 in favor of the amendment and 42 opposed to it. The amendment did not have the necessary two-thirds and the rule absolutely forbade the Speaker to vote, and yet he did vote, and the amendment became engrafted in the Constitution of the United States upon that vote; and he voted upon the distinct declaration that the House had no right to adopt any rule abridging the right of a Member to vote; that he voted upon his responsibility to his conscience and to his constituents; that although that rule was positive and peremptory it did not have any effect upon his right. He voted, and, if the Chair remembers correctly, it was attempted to contest afterwards by some judicial process whether the amendment was legally adopted. But the movement proved abortive, and the amendment is now a part of the Constitution. Now, the question comes back whether or not the House has a right to say to any Member that he shall not vote upon any question, and especially if the House has a right to say if 147 Members come here, each owning one share of national-bank stock—which there is no law to prohibit them from holding—they shall by reason of that very fact be incapacitated from legislating on this whole question.

"'If there is a majority of one in the House that holds each a single share of stock, and it incapacitates the Members from voting, then, of course, the House can not approach that legislation; it stops right there. * * * Now, it has always been held that where legislation affected a class as distinct from individuals, a Member might vote. Of course, everyone will see the impropriety of a sitting Member, in the case of a contest, voting on his own case. That is so palpably an individual personal interest that there can be no question about it. It comes right down to that single man. There is no class in the matter at all. But where a man does not stand in any way distinct from a class the uniform rule of the American House of Representatives and of the British Parliament, from which we derive our rulings, have been one way. In the year 1871—the Chair is indebted for the suggestion to the gentleman from Massachusetts [Mr. G. F. Hoar], but he remembers the case himself—when a bill was pending in the British House of Commons to abolish the right to sell commissions in the army, which officers had always heretofore enjoyed, and to give a specific sum of money to each army officer in lieu thereof, there were many officers of the army members of the British House of Commons, as there always are, and the point was made that those members could not vote on that bill because they had immediate and direct pecuniary interest in it. The House of Commons did not sustain that point, because the officers referred to only had that interest which was in common with the entire class of army officers outside of the House, many thousands in number.

"'Since I have had the honor of being a Member of this House, on the floor and in the chair, many bills giving bounty to soldiers have been voted on here. We have the honor of the presence on this floor of many gentlemen distinguished in the military service who had the benefit of those bounties directly and indirectly. It never could be made a point that they were incapacitated from voting on those bills. They did not enjoy the benefit arising from the legislation distinct and separate from thousands of men in the country who had held similar positions. It was not an interest distinct from the public interest in any way. * * * And the same with pensions. * * * And further, as the gentleman from Massachusetts, the chairman of the Committee on Ways and Means [Mr. Henry L. Dawes], has well said, if it should be decided to-day that a Member who holds a share of national-bank stock shall not vote on a question relating to national banks, then the question might come up whether a Member interested in the manufacture of cotton shall have the right to vote upon the tariff on cotton goods, or whether a Member representing a cotton State shall vote upon the question whether cotton shall be taxed, for

that interest is largely represented here by gentlemen engaged in the planting of cotton. And so you can go through the whole round of business and find upon this floor gentlemen who, in common with many citizens outside of this House, have an interest in questions before the House. But they do not have that interest separate and distinct from a class, and, within the meaning of the rule, distinct from the public interest. The Chair, therefore, has no hesitation in saying that he does not sustain the point of order presented by the gentleman from Pennsylvania [Mr. Speer].'

"Mr. William S. Holman, of Indiana, having appealed from this decision, the appeal was laid on the table, and so the decision of the Chair was sustained."

Mr. McCUMBER obtained the floor.

Mr. SIMMONS. Mr. President, will the Senator yield to me to send to the desk and have read on behalf of the minority a proposition with reference to a unanimous-consent agreement for a time to vote upon the bill?

Mr. McCUMBER. I yield for that purpose.

Mr. SMOOT. The Senator does not want to have it considered at this time?

Mr. SIMMONS. I simply want it read, and then to have it lie on the table.

Mr. McCUMBER. I was in hopes the Senator would prepare something and present it to this side of the Chamber so that we would have a little time to consider it, and possibly agree upon it, and settle the matter right now.

Mr. SIMMONS. I am not going to ask that.

Mr. McCUMBER. I said that I wish the Senator had presented it to us before he sent it to the desk; but if that is the channel through which we are to receive it, I am glad to receive it from any source. I have no objection.

Mr. SIMMONS. I send to the desk a proposition on behalf of the minority looking to an agreement on a time to vote upon the pending bill. I ask that it may be read and lie upon the table.

The PRESIDENT pro tempore. The Secretary will read the proposed unanimous-consent agreement.

The reading clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT.

It is agreed by unanimous consent that not later than 10 o'clock a. m. on the calendar day of Thursday, August 17, 1922, the Senate shall proceed to vote, without further debate and to the exclusion of all other business upon any amendment that may be pending, any amendment that may be offered, any motion that may be made relative thereto, and immediately thereafter upon the bill H. R. 7456, an act to provide revenue, etc., through the regular parliamentary stages to its final disposition.

That hereafter debate shall be confined to the question before the Senate or the bill itself, and no other business or irrelevant question or motion shall be entertained except by unanimous consent.

That upon the conclusion of the consideration of amendments to the schedule now before the Senate the Senate shall proceed to the consideration of amendments pending or hereafter to be offered to the following paragraphs in the order named, the agreement heretofore made that committee amendments shall be first disposed of being hereby modified so far as such agreement affects those particular paragraphs and amendments offered thereto, namely:

Paragraphs relating to sugar (Schedule 5).

Paragraphs relating to potash and bounty thereon (paragraphs 1635 and 1636) and white arsenic (paragraph 1).

Paragraphs relating to presidential powers (sections 315, 316, 317).

Amendments to tariff commission act.

Paragraphs relating to hides, leather, boots, shoes, and leather goods (paragraphs 1427a, 1431, 1432, 1433, and 1435a).

That upon the conclusion of amendments to said paragraphs, or if the amendments to said paragraphs shall not be concluded prior to that time, after the hour of 11 o'clock a. m., Saturday, August 12, 1922, no Senator shall speak more than once nor longer than 15 minutes on any amendment or motion nor longer than 30 minutes upon the bill.

All questions of order under this agreement shall be decided by the Presiding Officer without debate.

Mr. SIMMONS. I did not ask for immediate action. I ask that it may lie on the table.

The PRESIDENT pro tempore. The proposed agreement will lie on the table for the present.

Mr. McCUMBER. Mr. President, I simply desire to say in respect to the proposal just submitted by the Senator from North Carolina that I think, with a very slight amendment, it will be entirely satisfactory; and I think the amendment which I shall propose will also be satisfactory to Senators on the other side of the Chamber. Inasmuch, however, as the proposed agreement is not to be acted upon just now, I should like to go over it a little with the Senator from North Carolina [Mr. SIMMONS] in order to understand just exactly what particular provisions come within the matters which are proposed first to be considered.

Mr. President, having spent four and a quarter hours of the day on matters outside the pending tariff bill, I hope we may now get to the bill and make some real progress upon it.

The PRESIDENT pro tempore. The Secretary will state the next amendment of the Committee on Finance.

The next amendment of the Committee on Finance was, on page 171, line 22, before the word "cents," to strike out the figures "20" and to insert "30," so as to read:

PAR. 1306. Pictures, calendars, cards, labels, flaps, cigar bands, placards, and other articles, composed wholly or in chief value of paper lithographically printed in whole or in part from stone, gelatin, metal, or other material (except boxes, views of American scenery or objects, and music, and illustrations when forming part of a periodical or newspaper, or of bound or unbound books, accompanying the same), not specially provided for, shall pay duty at the following rates: Labels and flaps, printed in less than eight colors (bronze printing to be counted as two colors), but not printed in whole or in part in metal leaf, 30 cents per pound.

Mr. SMOOT. Mr. President, on page 171, line 22, before the words "per pound," I desire, on behalf of the committee, to modify the amendment by substituting the numeral "25" for the numeral "30."

The PRESIDENT pro tempore. The question is on agreeing to the amendment as modified.

Mr. BURSUM. Mr. President, I have endeavored to get the floor several times. I merely wish to make a short statement with reference to the much-discussed wool schedule and the statement made by the junior Senator from Arkansas [Mr. CARAWAY]. The Senator from Arkansas seems to be very much disturbed about the moral integrity of the Senate; he pretends to be very seriously affected thereby. It is evident to my mind that there has never been any such exemplification of curbstone politics displayed in the Senate in all its history as has been indulged in within the last day or two with reference to the wool schedule.

There is no dispute as to the main facts relative to this matter. The Senator from Arkansas introduced his resolution pursuant to an article which appeared in the New York Herald charging that certain Senators were interested in the growing of wool. Mr. President, suppose they are. There is no denial that some Senators in this body are interested in the growing of wool. I, for one, am frank to say that I was interested in the growing of wool before I became a Senator, and I have been so interested since I have become a Senator. I have always believed in the doctrine of protection and in a tariff on wool.

The question of a duty on wool was brought up in my State in the State convention and it was made an issue in the election of 1921. The convention platform adopted specifically a duty of 33 cents a pound upon wool upon the scoured basis, and upon that platform I was elected a Senator from that State. I publicly pledged the people of my State to support a duty of 33 cents on clean wool, and, therefore, was charged with the duty of carrying out the mandate of the people of my State. If I did not do so. I would be failing in my duty.

I submit, Mr. President, that the fact that a Senator may have an interest or ownership in an industry which is national in its character is only an incident and can not be construed as an individual or personal question. The Senator from Arkansas assumes the position of a moral disinfector or a censor of what he imagines to be the morals of some of the Members of the Senate.

Mr. President, it is my view that a person who assumes that there is a lack of honesty as to questions of this kind and who would challenge the honesty of any Senator or his good faith or that he is not acting in accordance with the dictates of his conscience is pursuing the tactics of a demagogue. There is nothing else to the whole proposition. It is cheap politics—the cheapest kind of politics.

Mr. President, one of the fundamentals of the organization of this Government is the right of sovereign States to have representation in this body; and I deny the right of any Senator, of any committee, or even the Senate itself, to disfranchise any State from representation on all questions before the Senate upon grounds similar to those advanced in this resolution.

Mr. President, what is there to investigate? There is nothing to investigate. If any Senator has violated any rule of the Senate, let that fact be known; let the point of order be made to the Presiding Officer; and let the Presiding Officer decide the question. If any Senator is not satisfied with the decision of the Presiding Officer, let him take an appeal to the Senate on the floor of the Senate. We have our rules; there is no question about the rules; and there is no question about the application of the rules. In the matter suggested by the resolution of the Senator from Arkansas [Mr. CARAWAY] there is no question on earth that the rules in no way apply in any shape, manner, or form. It is simply a case of bidding and obtaining cheap notoriety on the first pages of the newspapers of the country in order to carry on propaganda for political purposes.

My prediction is that this tempest in a teapot resolution or investigation will amount to nothing. I do not care anything about this investigation; I have no objection to committees and Senators investigating until they are black and blue in the face; but I say now that nothing constructive or helpful to the public will come of it. It will only be a farce; we may waste a large sum of public money for which no useful purpose will have been subserved. I am thoroughly satisfied with the righteousness of my vote on wool. It is fair, just, reasonable, and right. It is an honest duty due an honorable and essential industry, necessary and vital to its preservation, and vital to the welfare and security of the Nation.

Mr. HEFLIN. Mr. President, it ought to be the ambition and the desire of every Senator in this body to keep untarnished the good name of the Senate; it ought to be the desire of every Senator to do everything in his power to prevent anything from transpiring here that will reflect upon its honor and integrity. This body ought not to be the rendezvous of special privilege or the clearing house for tradesmen. It ought to remain the Senate of the United States, filled with men coming from the sovereign States who will live up to the oath which they took when they entered this body to support and defend free institutions. It looks as if some Senators would like to get away from that idea and make the Senate a trafficking institution whereby special interests can send their special agents here, and under the guise of United States Senators vote to tax the whole American people to build up the fortunes of those whose agents they are. That is not my conception of the duty of a Senator.

Mr. President, every State in the Union safeguards the principle that is involved here. We elect officers for a given term, and we throw restraints around those officers, in order to do what? To keep them from raising their own salaries during the term for which they were elected. A Senator should not vote to raise his salary during his term. When he is elected for a term of six years at $7,500 per year, it would be wrong for him to vote to increase his salary to $15,000 a year as soon as he gets in the Senate. What is the difference between that and a wool king taking his seat here as a United States Senator, when his business is worth a half million dollars, and then immediately vote to increase his wealth to three-quarters of a million dollars by taxing me and everybody else in the country upon wool? What right has he to do that? Senators resent the idea that some of us have of protecting this Chamber and the people against such trafficking.

The Senator from New Mexico invites the Senator from Arkansas [Mr. CARAWAY] to submit his proposition to the Presiding Officer as to whether these men interested financially in the question before the Senate should be allowed to vote, and then, if he rules against them, to appeal to the Senate. I suggest an amendment to that suggestion, and that is that we then appeal to the judgment bar of the American people. We have got that right, and we will take advantage of it. Mr. President, the American people are not going to permit anybody to come here and simply vote to put money in his own pocket or to represent special interests against the interests of the great mass of the American people. That was not the intention the founders had when they builded this Republic, and those of us who are here ought to safeguard it from just such things as that. Instead of that we are being scolded and criticized by Senators on the other side for undertaking to hold the Senate true to the course the founders intended it should follow.

The Senator from Idaho [Mr. GOODING] has introduced a resolution which is pretty broad in its scope, to investigate who is who in this body with regard to these big interests. Let the investigation proceed; it is high time that the American people were finding out just what hold the money power has upon this great Government of ours. Turn on the light and let the truth be known.

What do they say here to-day? The Senator from Idaho [Mr. GOODING]—himself accused, with a number of other wool kings, of voting in this body to put money into his own pockets by taxing the men and women of America—rises in his place and asks to have an investigation conducted; and here comes the Senator from New York [Mr. CALDER], chairman of a committee, sitting right in a place where he can use his power to protect these people who ought to be investigated; he rises immediately; he does not wait for the resolution to get cold until he comes in and tells the Senate and the country that his committee has reported it adversely, therefore shutting the door in the face of his Republican colleague from Idaho and saying, "There will be no investigation had just now."

Mr. President, that will be pleasing news to the Senator's friends in New York. My good friend [Mr. CALDER] has a race on up there now, running pretty lively, in New York State. Some of those big buccaneers in Wall Street will laugh when they hear what he has done for them to-day.

"What about that resolution of investigation?"

"How is that?"

"What about the investigation resolution?"

"There will be no investigation."

"Good for you," they will say.

Oh, Mr. President, these revels of greed and avarice have been had before in history. They flourish for a time, but they pass away. The American people are not going to submit to this sort of thing, Senators. I do not think they will.

The Senator from New Mexico [Mr. BURSUM] says he has always believed in protection, and therefore, because that is his belief, he should be excused from a rule that would prevent a man from voting where his private interests were involved. A burglar might say, "What business have you to arrest me? I have always believed in burglary. That is one of my cardinal principles. Pillage and plunder is what I live on. What right have you to interfere with my pleasant pastime?" [Laughter.] So one of these pillaging and plundering fellows comes in and says, "Yes; I voted to put this money in my pocket by laying a tax on wool and taxing all the men, women, and children in America; but what right have you to say anything about it? I have believed in that doctrine from my youth up."

Mr. President, when I used to practice law, many years ago, I would see a judge sitting on the bench trying cases, and after a while he would reach a certain case and then he would rise and say, "Gentlemen," speaking to the lawyers and the people present, "I am interested in the next case that is to be tried, and I do not think I am competent to sit in it, and I ought not to sit in it because of the interest I have in it. I therefore vacate the bench and ask one of you lawyers to come up and preside in this case"; and another lawyer would go and relieve the judge in the trial of a case, maybe, where the amount of $50 or $100 or more was involved. So careful is a judge to safeguard this principle of eternal right and justice that he will not sit in a case where he is even remotely interested. Every time one of these cases is tried and a jury is impaneled to sit in it and to make its judgment upon it the lawyers on both sides of the case sit there and they will have this question asked of the juror: "Are you personally interested in this case? Are you interested in the outcome of this litigation? Are you related by blood or marriage to either one of the parties litigant here?" He says: "I am not." All right; he is qualified so far as that goes and they either accept him or reject him; but the minute he says, "I am interested in a financial way," the judge says, "You are incompetent; stand aside." But in the great Senate of the United States a Senator who has millions of dollars invested in wool can stand in this body and vote to put upon it a sky-high tax rate that increases his fortune, and then those of us who say that that is wrong, that it is immoral to do it, are criticized, and they say we are old fogies in our ideas.

Mr. President, when a Senator stands in this lawmaking body and a great trust concern like the Woolen Trust is up for consideration and a measure is pending that will put money in his pocket by the thousands and hundreds of thousands of dollars, when his name is called he ought to stand up like a real American and say, "If this amendment is adopted it means hundreds of thousands of dollars to me. If I vote for it I am voting to take money out of the pockets of other people to put into my own. Under the circumstances I do not feel that I should vote upon this particular item."

Mr. President, that has been done before in both branches of Congress.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee as modified.

The amendment as modified was agreed to.

The PRESIDENT pro tempore. The next amendment of the committee will be stated.

The ASSISTANT SECRETARY. On line 23, page 171, the committee proposes to strike out "30" and insert "45," so as to read:

Cigar bands of the same number of colors and printings, 45 cents per pound.

Mr. SHEPPARD. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ashurst	Cummins	Frelinghuysen	Harrison
Ball	Curtis	Glass	Heflin
Broussard	Dillingham	Gooding	Jones, Wash.
Calder	du Pont	Hale	Kendrick
Capper	Ernst	Harris	Keyes

Ladd	Nelson	Ransdell	Sterling
Lenroot	Newberry	Rawson	Trammell
Lodge	Oddie	Robinson	Walsh, Mass.
McCormick	Overman	Sheppard	Walsh, Mont.
McCumber	Pepper	Simmons	Watson, Ind.
McKinley	Phipps	Smoot	Willis
McLean	Pittman	Spencer	
McNary	Pomerene	Stanfield	

The PRESIDENT pro tempore. Fifty Senators have answered to their names. There is a quorum present. The question is upon agreeing to the amendment of the committee on page 171, line 23, where the committee proposes to strike out "30" and to insert "45."

Mr. SMOOT. I desire that the Senate shall substitute "35" for "45."

Mr. WALSH of Montana. Mr. President, the action of the committee in receding from the outrageously high rate proposed by them in the first place is to be commended, but the reduction proposed is comparatively insignificant. Possibly the Senate might be interested in learning just exactly what these specific rates in this particular paragraph mean when converted into ad valorem rates and compared with the rates in existing law.

This paragraph includes a large number of commodities made of paper. Thus, cigar bands, labels, and flaps of less than eight colors are included. The present law subjects those to a duty of 28.08 per cent, and that is raised to 73.4 per cent. If those come from Cuba they bear a rate under the present law of 6.55 per cent, which becomes 14.7 per cent under the pending bill.

Mr. SMOOT. What rate is the Senator speaking of?

Mr. WALSH of Montana. I am speaking of cigar bands, labels, and flaps, if they are of less than eight colors. The present rate is 7.31 and that is raised to 17.5 per cent; 14.86 per cent on another variety is raised to 35.8 per cent; 24.01 per cent to 54.2 per cent; 11.08 per cent to 25 per cent; and 14.78 per cent to 28.6 per cent. Cigar labels, flaps, and so on, in whole or in part printed upon metal leaf, are subjected, under the present law, to a rate of 34.05 per cent, and that is increased to 73.5 per cent. I am not particularly interested in this commodity, but I dare say that the manufacturers of cigars throughout the country will find this no small burden.

Mr. SMOOT. Will the Senator tell me to what year he refers in giving the equivalent ad valorems to which he has referred?

Mr. WALSH of Montana. They are based upon current prices, as shown in the Reynolds report, figures prepared for me by the expert on paper for the Tariff Commission.

Mr. SMOOT. I think the figures of the Senator are wrong, or I misunderstand them.

Mr. WALSH of Montana. I do not pretend to know myself. I am giving the information which comes from the expert of the Tariff Commission.

Mr. SHEPPARD. They are based on values for 1921.

Mr. SMOOT. Were those equivalents based upon the rates which were first proposed by the committee?

Mr. WALSH of Montana. They were based on the rates proposed. I invite the Senator's attention to the reductions. For instance, by the change just made the rate is reduced from 32 to 25 cents a pound, which is a reduction of 16⅔ per cent, so 73.4 per cent will be reduced to practically 54.4 per cent, as against 28.8 per cent, and so on down the line. In other words, these figures I have given now must be reduced, by virtue of the reductions proposed by the committee, somewhere from 10 to 20 per cent. The Senate will understand that.

Let me give some other items which are included in this paragraph. A great many of our young women are interested in pottery decoration and that kind of thing. Decalcomanias are used in that interesting work, which is artistic and educative in character. The rate on decalcomanias under existing law is 11.6 per cent, and that is increased to 28.5 per cent. Another variety, of a different style, is increased from 11.78 per cent to 31.4 per cent. Souvenir post cards are raised from 12.11 per cent to 40 per cent. I am not going to spend any time upon these matters. I just wanted to indicate to the Senate what they were doing in adopting these rates.

Mr. CALDER. Mr. President, this relates to the art of lithographing, and men serve years to learn the trade. There are engaged in it about 20,000 men in New York, New Jersey, and Pennsylvania, where this work is very largely done.

The Tariff Commission have taken the trouble to inquire into the wages paid to men in this industry. They tell me that in America, in and about the centers I have indicated, they pay the men an average wage running from $39 to $42 a week, and men doing the same sort of work in Germany are receiving in the neighborhood of $2.35 a week. So, of course, if we hope to check what appears to be a rush of these imports into this country during the past few months, we must increase the duty as the committee has recommended.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment as modified.

The amendment as modified was agreed to.

The next amendment was, on page 172, line 2, to strike out "30" and insert in lieu thereof "45," so as to read:

Labels and flaps printed in eight or more colors (bronze printing to be counted as two colors), but not printed in whole or in part in metal leaf, 45 cents per pound.

Mr. SMOOT. I move to substitute "35" for "45."

The amendment as modified was agreed to.

The next amendment was, on page 172, line 3, to strike out "40" and insert in lieu thereof "60," so as to read:

Cigar bands of the same number of colors and printings, 60 cents per pound.

Mr. SMOOT. I move to insert "50" for "60."

The amendment as modified was agreed to.

The next amendment was, on page 172, line 5, to strike out "50" and insert in lieu thereof "75," so as to read:

Labels and flaps, printed in whole or in part in metal leaf, 75 cents per pound.

Mr. SMOOT. I move that "60" be substituted for "75."

The amendment as modified was agreed to.

The next amendment was, on page 172, line 6, to strike out "55" and insert in lieu thereof "82½," so as to read:

Cigar bands, printed in whole or in part in metal leaf, 82½ cents per pound.

Mr. SMOOT. I move that "65" be substituted for "82½."

The amendment as modified was agreed to.

The next amendment was, on page 172, line 14, to strike out "8" and insert in lieu thereof "12," so as to read:

Fashion magazines or periodicals, printed in whole or in part by lithographic process, or decorated by hand, 12 cents per pound.

Mr. SMOOT. I ask that that amendment be disagreed to.

Mr. SHEPPARD. Would that leave the existing rate in operation?

Mr. SMOOT. No; the existing rate is 6 cents, but it reduces the rate one-third from what the House fixed it.

The amendment was rejected.

The next amendment was, on page 173, line 2, to strike out "20" and insert "30," so as to read:

All other articles than those hereinbefore specifically provided for in this paragraph, not exceeding eight one-thousandths of an inch in thickness, 30 cents per pound.

Mr. SMOOT. As to that, I move that "25" be substituted for "30."

Mr. WILLIS. I desire to ask the Senator whether the committee did not intend to propose an amendment in line 17, page 172. I was advised that an amendment was contemplated there.

Mr. SMOOT. That refers to decalcomanias, and the committee thought there was no necessity for making a change under the conditions existing to-day.

Mr. WILLIS. I wish the Senator would give me some information about that item. I have sought information unsuccessfully.

Mr. SMOOT. I think what the Senator is interested in, because it refers to the pottery business, is found on page 170, where the duplex and the simplex decalcomanias are enumerated. We passed those the other day, and put the duplex on the free list and the simplex was made dutiable at 5 cents a pound.

Mr. WILLIS. I was interested in that item, but I am also interested in this one. I have sought in the hearings and in the Summary of Information to find what justification there is for the increase in the rates. As the Senator will see, there is a very considerable increase. The rate in the present law on decalcomanias is 60 cents a pound. This proposes to make it 70 cents a pound and 15 per cent ad valorem. That would figure out, under the rate in the present law, for the year 1920, 13.8, or nearly 14 per cent. Now there is 15 per cent ad valorem added. It is not a large industry, of course, and it is not a large item of expense, yet it is of a good deal of interest to our people. As the Senator knows, we have in the State of Ohio the largest pottery industry there is to be found in the country. There are perhaps 45 or 50 great potteries in that State, and I have had a great deal of correspondence with persons interested in that business, complaining about this very rate. I shall not object to it if some good reason can be given for the increase of 100 per cent. That is what it amounts to, because it is now 13 or 14 per cent, and it is proposed to add 15 per cent ad valorem. Why should it be increased?

Mr. SMOOT. On these decalcomanias in ceramic colors weighing not over a hundred pounds for 1,000 sheets, on the

basis of 20 by 30 inches in dimensions—because those are the dimensions these rates are based upon—we give 70 cents a pound and 15 per cent ad valorem. The equivalent ad valorem on all the imports for 1921 was but 29 per cent.

Mr. WILLIS. If the Senator will refer to the Summary of Tariff Information, page 1069, he will find that the rate is a little lower than that. The figures are given as 13.8 per cent.

Mr. SMOOT. The equivalent ad valorem on imports for the full year of 1921 is 29 per cent. That is the amount of duty that is put upon these decalcomanias in ceramic colors, and that is all.

Mr. WILLIS. I can not quite see why there should be that apparent doubling in a year. At all events, this makes a very considerable increase in price.

Mr. SMOOT. The present rate is 60 cents a pound and the proposed rate is 70 cents a pound.

Mr. WILLIS. And 15 per cent ad valorem. That is where the tremendous increase comes in.

It is shown in the Summary of Tariff Information that our annual production in this country is only 100 tons and that our annual consumption is 600 tons. Of course, if an industry can develop here, as the Senator knows, I am in favor of it, but it does seem to me it is a heavy burden upon the potters of the country to increase their rate 100 per cent unless some perfectly good reason should be given for it, which I have not yet heard.

Mr. SMOOT. I will say to the Senator that the potters are more interested in the duplex decalcomania than they are in the ceramic colors.

Mr. WILLIS. They are interested in both.

Mr. SMOOT. They are used so slightly, I will say to the Senator, that it would cut no figure at all in the case of pottery.

Mr. WILLIS. The Senator understands, of course, that we can use our own product here, but where we have to come in competition with the foreign market, and we do export some pottery, of course, if we are to compete with the foreign product we must have as good designs as they have, and it is a matter of a good deal of importance.

Mr. SMOOT. So far as designs are concerned, I think the American is equal to that of any foreign country.

Mr. WILLIS. We are equal in our view but we are not in their view.

Mr. SMOOT. We know what we want in this country better than anybody else does.

Mr. WILLIS. I shall not quarrel with the Senator. I hope that this will succeed in establishing a new industry.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee as modified.

The amendment as modified was agreed to.

The PRESIDENT pro tempore. The next amendment will be stated.

The ASSISTANT SECRETARY. On page 173, in line 4, the committee proposes to strike out the numeral "35" and insert the words "thirty-five."

The amendment was agreed to.

The next amendment of the committee was, on page 173, in line 5, to strike out "8½" and insert "12½," so as to read:

exceeding eight and not exceeding twenty one-thousandths of an inch in thickness, and less than 35 square inches cutting size in dimensions, 12½ cents per pound.

Mr. SMOOT. To make this equivalent to the amendments we have already agreed to, I move that "10" be substituted for "12½."

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee as modified.

The amendment as modified was agreed to.

The next amendment of the committee was, on page 173, in line 6, to strike out "8" and insert in lieu thereof "12," so as to read:

exceeding 35 square inches cutting size in dimensions, 12 cents per pound.

Mr. SMOOT. I move that "9½" be substituted for "12."

The amendment as modified was agreed to.

The next amendment of the committee was, on page 173, in line 9, to strike out "one-half" and insert "three-fourths," so as to read:

and in addition thereto, on all of said articles exceeding eight and not exceeding twenty one-thousandths of an inch in thickness, if either die cut or embossed, three-fourths of 1 cent per pound.

Mr. SMOOT. I ask that the amendment be disagreed to.

The amendment was rejected.

The next amendment of the committee was, on page 173, in line 10, to strike out "1 cent" and insert "1½ cents," so as to read:

if both die cut and embossed, 1½ cents per pound.

Mr. SMOOT. I ask that the amendment be disagreed to.

The amendment was rejected.

The next amendment of the committee was, on page 173, in line 12, to strike out "6" and insert "9," so as to read:

exceeding twenty one-thousandths of an inch in thickness, 9 cents per pound.

Mr. SMOOT. I move to substitute "7½" for "9."

Mr. SHEPPARD. Mr. President, this paragraph has for its subject matter pictures, calendars, cards, labels, cigar bands, placards, and other articles composed wholly or in chief value of paper lithographically printed, and increases substantially the existing rates on these articles. Many of these articles, such as lithographic calendars, pictures, and cards, are the only means of adornment and beautification within the reach of thousands of humble homes, while the cards and pictures may serve as appropriate but inexpensive souvenirs and presents on many occasions where large expenditure may be neither practicable nor desirable. These articles for the most part contribute to the pleasure and instruction of the masses. Certainly the advance proposed is without basis in reason or foundation in fact. Imports totaled about $600,000 in 1920. Production figures for this country I am unable to obtain, but the spectacle of great numbers of these articles on sale in every city, town, and hamlet in the land evidences a domestic output beside which these importations fade into unimportance. Certainly no profound consideration of material defense or national economy justifies a high tariff tax in behalf of picture cards, art calendars, advertising placards, and cheap souvenirs of pictured paper.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee as modified.

The amendment as modified was agreed to.

The next amendment of the committee was, on page 174, in line 4, to insert "Bristol board of the kinds made on a Fourdrinier machine," so as to read:

PAR. 1307. Writing, letter, note, drawing, handmade paper and paper commercially known as handmade paper and machine handmade paper, japan paper, and imitation japan paper by whatever name known, Bristol board of the kinds made on a Fourdrinier machine, and ledger, bond, record—

And so forth.

Mr. WALSH of Montana. Mr. President, paragraph 1307 deals with writing paper, letter paper, and note paper and that kind of thing used for ordinary correspondence. Under the present law it all bears a rate of 25 per cent. The changes made operate as a reduction in the case of a number of the articles.

Mr. SMOOT. Even from the existing law.

Mr. WALSH of Montana. Yes; from existing law; but in the case of drawing paper and not paper that is ruled, bordered, or embossed an increase occurs, 27.9 per cent in the one case and about 32.3 per cent in the other case, without apparently any justification whatever for it. I read from the summary as follows:

Production: The production of fine paper increased from 248,000 tons, valued at $34,055,000, in 1914 to 325,000 tons, valued at $87,741,000, in 1919. Massachusetts is the principal seat of the fine-paper industry; the other States of importance are New York, Pennsylvania, Wisconsin, and Ohio. The domestic production is sufficient to supply practically the whole of the demand for domestic consumption and to export a surplus.

Imports of writing paper in 1914 were 2,163,432 pounds, valued at $203,171.

The survey of the subject tells us as follows:

Before the war Germany, France, the United Kingdom, and, to some extent, Italy sent high-grade writing paper to the United States. The tariff, however, was comparatively high, averaging nearly 45 per cent in ad valorem equivalent under the tariff act of 1909, although reduced to 25 per cent in 1913. Hence the quantities imported were not large, the greatest amount entering in any year being a thousand tons in the fiscal year 1914, which was less than one-half of 1 per cent of domestic production.

Accordingly the rates, wherever there is an increase, are prohibitive rates.

Mr. SMOOT. Mr. President, in this whole paragraph the only increase is in writing paper, calendered or uncalendered, weighing 7 pounds or over per ream, and paper similar to any of the foregoing. The committee asked that the "8" be stricken out and "7" inserted. That is to follow out the plan adopted in the first paragraph of the paper schedule where the rate was changed from 8 cents to 6 cents. The weight of these papers over and above the tissue paper is about 1½ pounds and, therefore, there ought to be a difference between the 6 pounds and the other to make the weight equivalent to the tissue paper. That being the case, it is a little less than 7 pounds, but the committee decided that they did not want any fractions, so they put it at 7 pounds instead of 8.

The ad valorem equivalents of these compound rates based on the 1921 report are 21 to 32 per cent. The rates on writing

papers are the only ones higher than existing law to-day. The straight rate of 25 per cent to-day applies to all, and some of the papers are 21 per cent equivalent ad valorem, which is lower than the rate to-day. It is true that the rates on certain kinds of the high-priced writing papers are a little higher than the existing rates to-day. I will say to the Senator from Montana that all our imports, nearly every pound of them, are of that kind of paper.

Mr. WALSH of Montana. I wish to give just a little additional information. I read:

The Crane Co., of Dalton, Mass., and the Crocker-McElwain Co., of Holyoke, Mass., however, do not believe that our paper industry is in danger of serious competition from Europe. These concerns say that the best American writing paper is equal to any produced abroad and that where there is competition between the American and imported grades we can hold our own. Mr. C. A. Crocker, president of Crocker-McElwain, says that on account of the fact that high-grade writing paper is sold principally by trade-mark, each consumer having a definite preference for one or another brand, the foreign product is hardly the same article, as far as buying conditions are concerned, and comes very little into competition with the domestic product.

Mr. SMOOT. I want to say that the Crane Paper Co. make the paper for our money, and not only for this country, but for foreign countries. They make the best paper used for currency in all the world. The high-priced papers to which the commission refers in that statement must be made from all new linen rags. It can not be made from anything else. I have been in the Crane factory and have seen them unload carload after carload of new linen rags. We have to pay a duty upon linen. Therefore, the rate here is none too high. I say again that the importations all fall within that class.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 174, in lines 7 and 8, to strike out "Bristol board of the kinds made on a Fourdrinier machine."

The amendment was agreed to.

The next amendment was, on page 174, in line 8, after the word "uncalendered," to insert the words "weighing 8 pounds or over per ream, and paper similar to any of the foregoing."

Mr. SMOOT. I move that "7" be substituted for "8."

The amendment as modified was agreed to.

The next amendment was, on page 174, line 14, after the word "rate," to insert a colon and the following proviso:

Provided, That in computing the duty on such paper every 187,000 square inches shall be taken to be a ream.

The amendment was agreed to.

The next amendment was, on page 174, in lines 18 and 19, to strike out "for, folded or flat, if plain," and insert "for," so as to read:

PAR. 1308. Paper envelopes not specially provided for shall pay the same rate of duty, etc.

Mr. WALSH of Montana. Mr. President, envelopes bear, under the present law, 15 per cent. These envelopes, of course, are made of the fine paper provided for in the paragraph which we have just passed, which carries a duty of from 21 to 30 per cent. In addition to that the envelopes bear 5 per cent additional if plain, 10 per cent if bordered, embossed, and so forth, and 30 per cent if lithographed.

The Summary of the Tariff Commission says:

Production: The production of envelopes in the United States increased from $18,481,000 in 1914 to $39,664,000 in 1919 and the number of establishments making envelopes from 90 in 1914 to 106 in 1919. Domestic production supplies practically the whole of the demand for domestic consumption. The capitalization of the 90 envelope establishments in the United States in 1914 was $15,830,000.

Imports in 1914 were valued at $29,350. Later statistics follow:

Calendar year.	Value.	Duty.	Ad valorem rate.
			Per cent.
1918	$5,122	$768	15
1919	14,291	2,144	15
1920	[1] 48,742	7,288	15
1921 (9 months)	31,387	.....	.....

[1] In addition to the figure given ($48,742) envelopes to the value of $152 were imported free of duty from the Philippine Islands.

There are, one might very properly say, no imports at all even under the present rate. The duty, therefore, upon this commodity is prohibitive. It might as well be an embargo on the importation of envelopes of foreign manufacture, giving the American producer in the State of Massachusetts and a couple of other States an opportunity to boost his prices.

Mr. SMOOT. Mr. President, the rate of 30 per cent on lithographed envelopes is provided in this case to take care of a condition which has arisen in the trade. In many cases envelopes now used as containers are lithographed exactly the same as to the character of the work as are cigar-box flaps. They bear advertisements, pictures of ladies, and all kinds of scenery, and the work is executed with a high degree of artistic skill. The use of such envelopes is growing in the United States, and, indeed, all over the world; and it is upon those articles that we put a duty of 30 per cent ad valorem.

The Tariff Commission experts claim that the industry making that class of envelopes in the United States may be able to get along with the 30 per cent duty. The committee, however, was told by men who manufactured them that they needed a 60 per cent duty in order to keep foreign goods out of the United States, based upon the actual invoices of goods coming into this country. I think, however, Mr. President, that they can get along with this rate; the committee felt so; and therefore we have reported it.

The PRESIDING OFFICER (Mr. ODDIE in the chair). The question is on the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The next committee amendment will be stated.

The next amendment of the Committee on Finance was, on page 174, line 20, after the word "made," to strike out "and 5 per cent ad valorem; if bordered, embossed, printed, tinted, decorated, or lined, 10 per cent ad valorem in addition to the foregoing rates," and in lieu thereof to insert "and in addition thereto, if plain, 5 per cent ad valorem; if bordered, embossed, printed, tinted, decorated, or lined, 10 per cent ad valorem; if lithographed, 30 per cent ad valorem."

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 175, paragraph 1309, line 4, before the words "per cent," to strike out the figures "23" and to insert "35," so as to read:

PAR. 1309. Jacquard designs on ruled paper, or cut on Jacquard cards, and parts of such designs, 35 per cent ad valorem; hanging paper, not printed, lithographed, dyed, or colored, 10 per cent ad valorem.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 175, in line 6, after the words "ad valorem," to strike out "paper hangings with paper back or composed wholly or in chief value of paper, not printed, lithographed, dyed, or colored, 5 cents per pound."

The PRESIDING OFFICER. The question is on the amendment proposed by the Committee on Finance.

Mr. WALSH of Montana. I have not been able to follow the statement of the amendment.

Mr. SMOOT. The amendment just stated is on page 175, in paragraph 1309, line 6, where the committee proposes to strike out the words "paper hanging with paper back or composed wholly or in chief value of paper, not printed, lithographed, dyed, or colored, 5 cents per pound," so that the clause will read:

Printed, lithographed, dyed, or colored—

The committee have also reported an amendment in line 10, inserting "3 cents per pound and," so as to read "3 cents per pound and 20 per cent ad valorem." That is a reduction. I will say to the Senator from Montana, but it may be that the committee will want to reduce it still further, and I ask that the amendment in line 10 go over for the present.

Mr. WALSH of Montana. I am very glad that the committee will again take this matter under consideration, because it is a very important item.

Mr. SMOOT. I know it is.

Mr. WALSH of Montana. This is the ordinary wall paper that is used in every house, and it ought to be made as reasonable to the purchaser as it can be.

Mr. SMOOT. I will assure the Senator that the committee will act upon the matter to-morrow, and, whatever we agree on, we shall then ask to return to this paragraph and suggest the amendment; but I am quite sure the rate will be less than the committee has reported.

Mr. SHEPPARD. Mr. President, I wish to suggest to the Senator that the committee should restore the two classifications of wall paper. One class of wall paper is unfinished paper, which is used by manufacturers in making the finished wall paper; but the committee has reported the same rate on both the unfinished and the finished paper.

Mr. SMOOT. I think that if we are going to have a specific rate of 3 cents per pound, the Senator's suggestion would be absolutely correct; but if we materially reduce the rate, then it will not make so very much difference; and a straight ad valorem rate will really be a protective rate.

Mr. SHEPPARD. Does the Senator mean to impose the same duty on both types of wall paper, the unfinished and the finished?

Mr. SMOOT. Yes; where an ad valorem rate is applied it makes but very little difference, I will say to the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment striking out after the words "ad valorem" in line 6 down to and including the word "pound" in line 9.

The amendment was agreed to.

The PRESIDING OFFICER. Without objection, the amendment in line 10, page 175, will be passed over.

The next amendment proposed by the Committee on Finance will be stated.

The next amendment of the Committee on Finance was, on page 175, line 11, before the words "per centum," to strike out the numerals "23" and to insert the numerals "30," so as to read:

Wrapping paper not specially provided for, 30 per cent ad valorem.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. WALSH of Montana. That is the ordinary wrapping paper, I presume, used in grocery stores and other mercantile establishments and for express packages and all that kind of things. The duty is raised 5 per cent, the present law imposing a duty of 25 per cent on that article. There are no substantial importations, so far as I can learn, and I should like to inquire of the Senator from Utah why it is deemed advisable to put a higher duty on wrapping paper.

Mr. SMOOT. Of all of the papers included in this paragraph there is the strongest competition in wrapping paper. It is imported from Sweden, Norway, and Germany, but more particularly from Sweden and Norway. The importations for the last year, as I remember, were 11,000,000 pounds under the rate of duty of the present law, 25 per cent. The invoices which have been shown to the committee and other facts indicate that the importations of wrapping paper will be greater than ever in the past. So the committee felt that 30 per cent was the lowest rate that they could provide and afford the industry in the United States a chance to live.

Mr. WALSH of Montana. Mr. President, the Tariff Commission says that the exports in 1914 of paper hangings were valued at $453,412; exports of wrapping paper were 14,133,097 pounds, valued at $532,667.

Mr. SMOOT. Let me call the Senator's attention to a fact which will show where we are drifting. In May, 1921, we imported of wrapping paper 1,111,909 pounds, and in May, 1922, of this year, we imported 6,066,041 pounds. That shows how the imports are increasing under the 25 per cent rate of duty, and we are only increasing it 5 per cent up to 30 per cent. The House rate was 23 per cent, based on American valuation.

The PRESIDING OFFICER. The question is on the amendment proposed by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The ASSISTANT SECRETARY. On page 175, in line 12, it is proposed to strike out "2 cents per pound and 10" and insert "30," so as to read:

Blotting paper, 30 per cent ad valorem.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 175, line 13, after the words "ad valorem," to strike out "filtering paper, 5 cents per pound and 15 per cent ad valorem," and the semicolon.

Mr. SMOOT. Mr. President, I ask that that amendment be disagreed to. The Senate will remember that filtering paper was taken out of this paragraph and put into paragraph 1304 under a higher rate of duty. I asked that the amendment in paragraph 1304 be disagreed to, and gave notice at that time that when we reached paragraph 1309 I would also ask that the amendment in that paragraph be disagreed to, which will reduce the duty on filtering paper from 6 cents a pound and 15 per cent ad valorem to 5 cents a pound and 15 per cent ad valorem, as the House bill provided.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 175, line 14, after the word "for," to strike out "23," and in lieu thereof to insert "30," so as to read:

Paper not specially provided for, 30 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 175, line 20, after the word "for," to strike out the figure "20" and to insert "if of bona fide foreign authorship, 15 per cent ad valorem; all other 25"; in line 23, after the word "for," to strike out the figures "33⅓" and to insert "45."

Mr. SMOOT. Mr. President, I desire to modify the committee amendments just stated by inserting a substitute for that portion of paragraph 1310, from the word "Books," in line 16, to and including the words "ad valorem" in line 24.

The PRESIDING OFFICER. The amendment as proposed to be modified by the Senator from Utah on behalf of the committee will be stated.

The ASSISTANT SECRETARY. On page 175 it is proposed to strike out all beginning with the word "Books," in line 16, down to and including the words "ad valorem," in line 24, and to insert in lieu thereof the following:

Unbound books of all kinds, sheets or printed pages of books bound wholly or in part in leather, bound books of all kinds except those bound wholly or in part in leather, including blank books, slate books, and pamphlets, engravings, photographs, etchings, maps, charts, music in books or sheets, and printed matter, all the foregoing not specially provided for, if of bona fide foreign authorship, 15 per cent ad valorem; all other, 25 per cent ad valorem; book bindings or covers wholly or in part of leather, not specially provided for, 30 per cent ad valorem.

The PRESIDING OFFICER. The question is on agreeing to the amendment as modified by the Senator from Utah on behalf of the committee.

Mr. WALSH of Montana. Mr. President, I do not understand the amendment.

Mr. LODGE. Mr. President, I do not wish to interrupt the Senator, but I think I can explain it if the Senator will give me a moment.

Mr. WALSH of Montana. I will be very glad to hear the Senator from Massachusetts.

Mr. LODGE. Mr. President, this is a paragraph in which I take a great deal of interest, and the amendment which has been proposed I offered some time ago and had printed. I will say to the Senator, as, of course, he is perfectly aware, that the printer and the compositor are entirely protected under the copyright laws, because no book can be copyrighted in this country that is not printed in this country. The House had so arranged the paragraph as to put books in foreign languages on the dutiable list, where they have never been and never ought to be, and they also eliminated the provision that all books more than 20 years old shall be on the free list.

I was very anxious to have them restored to the free list. What I desired to do, in the draft I made of this amendment—and it is merely a redraft of what is here in print—was to make sure that the duty which it was desired to impose on the binding should fall on the binding alone, and not upon the book—that is, the book more than 20 years old.

Some of those books, as the Senator well knows, first editions—take the first folio of Shakespeare as an extreme example—are of enormous value. They may have been bound within the 20 years. To tax the whole book on the full value of the book would be monstrous, of course. They really ought to come in free; and the purpose of this amendment, with which I had something to do, was to make sure that the tariff duty should be confined to the binding, and I think it achieves that purpose. It must be taken in connection with an amendment to the free list which will be offered in a moment.

Mr. WALSH of Montana. The proposed amendment also affects the importation of books, does it?

Mr. SMOOT. Yes. That refers to the free list.

Mr. LODGE. Yes. The free-list provision is as follows. These are on the free list:

Books, maps, music, engravings, photographs, etchings, lithographic prints, bound or unbound, and charts, which have been printed more than 20 years at the time of importation: *Provided*, That where any such books have been rebound wholly or in part in leather within such period, the binding so placed upon such books shall be dutiable as provided in paragraph 1310.

Mr. WALSH of Montana. I should like to follow this amendment of the Senator from Massachusetts and the Senator from Utah, the proposed substitute for paragraph 1310. This reads:

Unbound books of all kinds—

That is to say, if they have bindings they do not fall under this paragraph. That is the first clause. The second clause is:

Sheets or printed pages of books bound wholly or in part in leather—

Unbound books of all kinds bear a duty of 15 per cent under this provision. Now, why should a bound book come in free and an unbound book bear a duty of 15 per cent? I understood the Senator from Massachusetts to say that the sole purpose was to reach the binding.

Mr. LODGE. Yes; on books over 20 years old. The books over 20 years old come in free. All books less than 20 years old, bound or unbound, bear a duty.

Mr. WALSH of Montana. But this says "unbound books of all kinds." That would include, of course, books over 20 years of age.

Mr. LODGE. I think not.

Mr. WALSH of Montana. Unless you add "except as herein otherwise provided."

Mr. SMOOT. It says here:

Printed matter, all the foregoing not specially provided for, if of bona fide foreign authorship, 15 per cent ad valorem; all other, 25 per cent ad valorem; bookbindings or covers wholly or in part of leather, not specially provided for, 30 per cent ad valorem.

Mr. LODGE. "All the foregoing not specially provided for."

Mr. WALSH of Montana. That is carried clear through?

Mr. SMOOT. Then I will say to the Senator that in the amendment that we propose to offer on page 215, line 22, it is provided that they shall come in free if they are 20 years old or more. In other words, "books, maps, music, engravings, photographs, etchings, lithographic prints, bound or unbound, and charts, which have been printed more than 20 years at the time of importation," come in free. Paragraph 1310 applies only to the dutiable books.

Mr. WALSH of Montana. But it will be observed that after that provision you have "unbound books of all kinds, * * * not specially provided for."

Mr. LODGE. That is specially provided for in the free list.

Mr. WALSH of Montana. Yes; exactly—

If of bona fide foreign authorship, 15 per cent ad valorem—

Now, you provide—

All other, 25 per cent ad valorem.

Mr. SMOOT. Yes.

Mr. WALSH of Montana. I suppose "all other" must mean "all other books, pamphlets, engravings, photographs, etchings, maps," and so forth.

Mr. LODGE. "Not specially provided for."

Mr. SMOOT. Not of foreign authorship.

Mr. WALSH of Montana. No; excuse me. That is not the case. The "not specially provided for" does not qualify that.

Mr. LODGE. Oh, yes; I beg the Senator's pardon—

All other, 25 per cent ad valorem; books bound wholly or in part in leather, the chief value of which is in the binding, not specially provided for.

Mr. WALSH of Montana. Yes; but the Senator will observe that there is a semicolon after "ad valorem" in the fourth line from the bottom.

Mr. SMOOT. It is a comma. It goes back to that "not specially provided for." There is not a semicolon there.

Mr. LODGE. The "15 per cent ad valorem" covers all from line 16 to line 21.

Mr. WALSH of Montana. Yes. If the Senator will pardon me, then follows:

All other, 25 per cent ad valorem—

And a semicolon.

Mr. LODGE. Oh! I see what the Senator means.

Mr. WALSH of Montana. And then it says:

Book bindings or covers wholly or in part of leather, not specially provided for.

Mr. LODGE. I see. I think the Senator is right.

Mr. SMOOT. Yes; there is a semicolon there.

Mr. LODGE. It should read:

All other, not specially provided for, 25 per cent ad valorem.

Mr. SMOOT. That ought to be repeated, because of the semicolon.

The ASSISTANT SECRETARY. After the words "all other," insert the words "not specially provided for."

The PRESIDING OFFICER. The question is on agreeing to the amendment as modified.

Mr. WALSH of Montana. Mr. President, before we agree to that, I want to inquire where provision is made for textbooks, if at all.

Mr. LODGE. I do not think there is any provision for textbooks as such.

Mr. SMOOT. I do not, either.

Mr. LODGE. Unless it is under one of the educational paragraphs; but I was going to ask, when we take up, as the Senator from Utah is about to take up, the free list——

Mr. SIMMONS. Sundries; not the free list.

Mr. LODGE. No; this is the free list.

Mr. SMOOT. If the Senator will turn to page 216, paragraph 1531, he will see that it reads:

Any society or institution incorporated or established solely for religious, philosophical, educational, scientific, or literary purposes, or for the encouragement of the fine arts, or any college, academy, school, or seminary of learning in the United States, or any State or public library, may import free of duty any book, map, music, engraving, photograph, etching, lithographic print, or chart, for its own use or for the encouragement of the fine arts, and not for sale, under such rules and regulations as the Secretary of the Treasury may prescribe.

Mr. WALSH of Montana. Yes; but that is not the idea I have in mind.

Mr. SMOOT. That is the textbook provision. That is the paragraph under which these institutions will import them.

Mr. WALSH of Montana. Oh, yes; but what I want to know about is the ordinary textbooks that are purchased by students for use in colleges.

Mr. LODGE. They come under the duty, of course.

Mr. SMOOT. They are dutiable under existing law, and always have been, and will be under this law.

Mr. LODGE. The ordinary schoolbook, of course, is printed in this country, and ought to be.

Mr. WALSH of Montana. But I am speaking about those printed in foreign languages.

Mr. SMOOT. They are free.

Mr. LODGE. No; they are not. I was going to offer that amendment about books printed in foreign languages, because I see that that is not specifically stated.

Mr. SMOOT. They are in paragraph 1530.

Books and pamphlets printed wholly or chiefly in languages other than English; books, pamphlets—

And so forth.

Mr. LODGE. I was misled. I did not know there was another paragraph dealing with this subject. It is scattered about in a bad way. We ought to have one paragraph embracing the whole of it.

Mr. WALSH of Montana. That is all right, then.

Mr. LODGE. I have brought it back as nearly as possible, I think, to the existing law. This is all right, then, on page 215, line 22, after the word "Governments"?

Mr. SMOOT. Yes.

Mr. LODGE. The Senator is going to dispose of that?

Mr. SMOOT. Yes; just as soon as we get paragraph 1310 disposed of.

Mr. WALSH of Montana. Will the Senator suggest the amendment?

Mr. LODGE. I do not think it is necessary, since the Senator has shown me that books in foreign languages are covered in paragraph 1530.

Mr. WALSH of Montana. I refer to the absence of the words "otherwise specially provided for."

Mr. LODGE. That has been put in.

Mr. SMOOT. We have agreed to that.

Mr. LODGE. That has been agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment as modified.

The amendment as modified was agreed to.

The ASSISTANT SECRETARY. On page 176, line 3, it is proposed to strike out "20" and insert "25."

Mr. LODGE. We were going to dispose first of the free list in regard to books.

Mr. SMOOT. I want to dispose of the free list now. On page 215, the first word in paragraph 1529, where the committee struck out "Hydrographic," I desire that that shall be rejected, and then I desire to strike out the balance of that line down to and including the word "hydrographic" on line 17, so that it will read:

Hydrographic charts and publications issued for their subscribers or exchanges by scientific or literary associations—

And so on, down to the word "Governments" on line 22; and then I offer, to follow the word "Governments" in line 22, the amendment that I send to the desk.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee beginning on line 12, page 215, striking out "hydrographic" and inserting certain other words.

The amendment was rejected.

Mr. WALSH of Montana. Mr. President, let me inquire of the Senator from Utah what is the meaning of this? That practically restores the paragraph to the condition in which it was when it came from the House, does it not?

Mr. LODGE. Oh, no.

Mr. SMOOT. Not when we get through with the other amendment.

Mr. LODGE. We are going to insert what will be read from the desk.

Mr. SMOOT. If the Senator will follow me I will read it just as it will be, with the exception of the insertion, and then I will ask the Secretary to read the insertion. It will read now:

Hydrographic charts and publications issued for their subscribers or exchanges by scientific or literary associations or academies, and publications of individuals for gratuitous private circulation, not advertising matter, and public documents issued by foreign governments.

Then, after "Governments," I move to insert the matter which I ask to have read from the desk.

The PRESIDING OFFICER. The Secretary will state the amendment.

The Assistant Secretary read as follows:

Books, maps, music, engravings, photographs, etchings, lithographic prints, bound or unbound, and charts, which have been printed more than 20 years at the time of importation: *Provided*, That where any such books have been rebound wholly or in part in leather within such period, the binding so placed upon such books shall be dutiable as provided in paragraph 1310.

The PRESIDING OFFICER. The question is on the amendment.

The ASSISTANT SECRETARY. There is one amendment in line 19 that proposes to strike out the word "and" and insert the word "or."

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the amendment as read.

The amendment was agreed to.

Mr. McCUMBER. Mr. President, at this time I ask unanimous consent that when the Senate concludes its business on this calendar day it recess until to-morrow at 11 o'clock.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. McCUMBER. Mr. President, I send to the desk a proposed substitute for the unanimous-consent agreement proposed this morning by the Senator from North Carolina [Mr. SIMMONS]; and in order that we may be able to take them up in the morning, I ask that both the proposed unanimous-consent agreement offered by the Senator from North Carolina and this substitute may be printed as separate sheets.

Mr. CURTIS. Mr. President, I want to ask the Senator if he does not think it would be wise to print also the proposition submitted by the Senator from Wisconsin [Mr. LENROOT]?

Mr. McCUMBER. I will include that in the request for printing.

Mr. POMERENE. Mr. President, I ask, for the information of Senators who are here, that the unanimous-consent agreement which has just been submitted by the chairman of the committee be read.

Mr. McCUMBER. Very well, Mr. President, if the Senator desires.

The PRESIDING OFFICER. The Secretary will read.

The Assistant Secretary read as follows:

It is agreed by unanimous consent that not later than 10 o'clock a. m. on the calendar day of Thursday, August 17, 1922, the Senate shall proceed to vote without further debate and to the exclusion of all other business upon any amendment that may be pending, any amendment that may be offered, any amendment that may be made relative thereto, and immediately thereafter upon the bill H. R. 7456, an act to provide revenue, etc., through the regular parliamentary stages to its final disposition.

That hereafter debate shall be confined to the question before the Senate or to the bill itself, and no other business or irrelevant question or motion shall be entertained except by unanimous consent.

That upon the conclusion of the consideration of amendments to the schedule now before the Senate the Senate shall proceed to the consideration of amendments pending or hereafter to be offered to the following paragraphs in the order named (the agreement heretofore made that committee amendments shall be first disposed of being hereby modified so far as such agreement affects these particular paragraphs and amendments thereto), namely:

"Paragraphs relative to sugar, Schedule 5.

"Paragraphs relative to potash and bounty thereon, being paragraphs 1635 and 1636, and white arsenic, paragraph 1.

"Paragraphs relating to presidential powers (sections 315, 316, 317).

"Amendments to Tariff Commission act.

"Paragraphs relating to hides, leather, boots, shoes, and leather goods (paragraphs 1427–a, 1431, 1432, 1433, and 1435–a)."

That during the consideration of the aforementioned paragraphs no Senator shall speak more than once nor longer than one hour upon any one of such paragraphs or more than once nor longer than one hour upon any amendment thereto.

That upon the conclusion of amendments to said paragraphs or if the amendments to said paragraphs shall not be concluded prior to that time, after the hour of 11 o'clock a. m., Saturday, August 12, 1922, no Senator shall speak more than once nor longer than 15 minutes on any amendment or motion nor more than 10 minutes upon the bill.

All questions of order under this agreement shall be decided by the presiding officer without debate.

Mr. McCUMBER. I call the attention of the Senator from North Carolina to the fact that this is exactly the same as written by the Senator, with the exception of the first paragraph on the second page, which seeks to limit the debate upon those several paragraphs and amendments thereto, so that no Senator can speak longer than one hour on any one of the amendments, or longer than one hour upon the bill itself. I submitted that because I thought we should take it into consideration to the end, if possible, of agreeing so that we might not run over to the 12th before we had finished those paragraphs.

Mr. SIMMONS. Mr. President, I want to say to the Senator from North Dakota that it does not require consideration on my part; I accept it at once. I am glad the Senator made that limitation. I think it very proper, and it will be helpful. Certainly no Senator will want more than an hour to discuss these preferential amendments, and certainly will not want more than an hour to discuss any amendment.

Mr. McCUMBER. I hope the Senator from Wisconsin will find that agreeable.

Mr. LENROOT. I understand the matter is not up for action?

Mr. McCUMBER. No; it is not.

Mr. BROUSSARD. Will the Senator from North Dakota yield?

Mr. McCUMBER. I yield.

Mr. BROUSSARD. I merely desire to inquire whether the clause with reference to Schedule 5 is understood to cover paragraph 503?

Mr. McCUMBER. It covers everything that pertains to sugar and molasses.

The PRESIDING OFFICER. The Chair will state that these various propositions have been read to-day and will appear in the RECORD. Is there objection to the request of the Senator from North Dakota that this unanimous-consent agreement be printed as a separate sheet?

Mr. LENROOT. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. LENROOT. Did the Senator request that all the proposed requests for unanimous consent be printed as separate sheets?

Mr. McCUMBER. I make that request. There are only three of them.

Mr. LENROOT. That is all right.

Mr. SIMMONS. On behalf of the junior Senator from Utah [Mr. KING] I desire to offer and have pending for consideration several amendments to the pending bill, which I send to the desk.

The PRESIDING OFFICER. They will be received and lie on the table.

Mr. POMERENE. Mr. President, it so happens that I have a very important engagement on the 18th of August, and I would a little have preferred if, instead of fixing the 17th, it had been one day earlier, or perhaps after the 18th; but I am not going to make any objection on that score.

Mr. McCUMBER. I made it one day earlier; that is, on the 17th.

Mr. POMERENE. I will have to leave on the evening of the 17th, but I am not going to make any objection on that score.

Mr. LODGE. If we enter into the agreement, the vote may be taken before the Senator has to leave.

Mr. POMERENE. There may be a great many amendments and roll calls, and it may not be possible to get through by that time.

OATHS OF NATIONAL BANK DIRECTORS.

Mr. McLEAN. Mr. President, I ask unanimous consent for the immediate consideration of the bill (S. 3840) to amend section 5147 of the Revised Statutes.

Mr. SMOOT. Will it lead to any discussion?

Mr. McLEAN. If it does, I will certainly not press its consideration.

The PRESIDING OFFICER. Is there objection?

Mr. WALSH of Montana. Reserving the right to object, I ask that the bill be read.

Mr. McLEAN. I will explain the bill. Section 5147 of the Revised Statutes provides that the directors of national banks shall be sworn, but it does not provide any officer before whom the oath can be taken. Consequently, the director of a national bank who makes a false statement can not be held responsible, and the Comptroller of the Currency is very anxious for that to be remedied. This bill is reported unanimously from the Committee on Banking and Currency. It provides only that the oaths may be taken before a notary public, or other officer authorized to administer oaths, and that a record shall be kept.

Mr. HEFLIN. Is that the bill the Senator from Connecticut spoke to me about yesterday?

Mr. McLEAN. That is the bill.

Mr. HEFLIN. I have no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Connecticut for the present consideration of the bill?

There being no objection, the bill was considered as in Committee of the Whole, and it was read as follows:

Be it enacted, etc., That section 5147 of the Revised Statutes is amended to read as follows:

"SEC. 5147. Each director, when appointed or elected, shall take an oath that he will, so far as the duty devolves on him, diligently and honestly administer the affairs of such association, and will not

knowingly violate or willingly permit to be violated, any of the provisions of this title, and that he is the owner in good faith, and in his own right, of the number of shares of stock required by this title, subscribed by him, or standing in his name on the books of the association, and that the same is not hypothecated, or in any way pledged, as security for any loan or debt. The oath shall be taken before a notary public, properly authorized and commissioned by the State in which he resides, or before any other officer having an official seal and authorized by the State to administer oaths, except that the oath shall not be taken before any such notary public or other officer who is an officer of the director's bank. The oath, subscribed by the director making it, and certified by the notary public or other officer before whom it is taken, shall be immediately transmitted to the Comptroller of the Currency and shall be filed and preserved in his office for a period of 10 years."

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The next amendment was, on page 176, line 3, to strike out "20" and insert in lieu thereof "25," so as to read:

Books of paper or other material for children's use, printed lithographically or otherwise, not exceeding in weight 24 ounces each, with more reading matter than letters, numerals, or descriptive words, 25 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 176, line 8, at the beginning of the line, to insert the words "not specially provided for," so as to read:

Booklets, wholly or in chief value of paper, decorated in whole or in part by hand or by spraying, whether or not printed, not specially provided for, 15 cents per pound.

The amendment was agreed to.

The next amendment was, on page 176, line 10, to strike out "26" and to insert in lieu thereof "40," so as to read:

All post cards (not including American views), plain, decorated, or printed, except by lithographic process, 40 per cent ad valorem.

Mr. SMOOT. I move that "30" be substituted for "40."

The amendment as modified was agreed to.

The next amendment was, on page 176, line 18, to strike out "20" and insert in lieu thereof "25," so as to read:

Views of any landscape, scene, building, place, or locality in the United States, on cardboard or paper, not thinner than eight one-thousandths of 1 inch, by whatever process printed or produced, including those wholly or in part produced by either lithographic or photogelatin process (except show cards), occupying 35 square inches or less of surface per view, bound or unbound, or in any other form, 15 cents per pound and 25 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 176, line 20, to strike out the following: "Christmas and other greeting cards, printed lithographically or otherwise, or decorated in whole or in part by hand or by spraying, 30 per cent ad valorem," and to insert:

greeting cards, and all other social and gift cards, including those in the form of folders and booklets, wholly or partly manufactured, with text or greeting, 45 per cent ad valorem; without text or greeting, 30 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 177, line 5, before the words "per cent," to strike out the figures "23" and to insert "35," so as to make the paragraph read:

PAR. 1311. Photograph, autograph, scrap, post-card, and postage-stamp albums, and albums for phonograph records, wholly or partly manufactured, 35 per cent ad valorem.

Mr. SMOOT. I move that "30" be substituted for "35."

The amendment as modified was agreed to.

The next amendment was, on page 177, line 7, to strike out "60" and to insert "10 cents per pack and 20," so as to read:

PAR. 1312. Playing cards, 10 cents per pack and 20 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 1313, page 177, line 18, to strike out "23" and to insert "all the foregoing, 35," so as to read:

Press boards and press paper, all the foregoing, 35 per cent ad valorem.

Mr. SMOOT. I move to substitute "30" for "35."

The amendment as modified was agreed to.

The next amendment was, on page 177, line 21, to strike out "15" and insert "25."

Mr. SMOOT. I move to substitute "20" for "25."

The amendment as modified was agreed to.

The next amendment was, on page 177, line 22, to strike out "28" and insert in lieu thereof "35."

Mr. WALSH of Montana. This is quite a controversial item. The wisdom of the amendment proposed offers a very grave question, and I shall endeavor to state what it is about.

The stereotype mat or board is a paper product that is used in printing newspapers. Instead of the regular stereotype plate, which is taken from the type as it is set and from which the newspapers are printed, a paper board of peculiar structure is used, and the impression taken from the type, and that is used instead of the stereotype plate.

It is extensively used by the newspapers of the country, chiefly the newspapers of the smaller cities running in population from 5,000 to 50,000. It is not very extensively used by the metropolitan papers because it would not stand taking as many imprints as it is necessary to take for their use. It is used in towns of the size of Billings, in my State, for instance, and, as I said, in towns of from 5,000 to 25,000 or 30,000 people.

It was a German product. The method of producing the board from which a matrix is made was originated in Germany, and that country had a monopoly upon the manufacture of this particular product until some time during the war, when either the process which was in use in Germany was by some means or other learned, or another process perhaps equally effective was discovered and devised by an American institution, which is likewise a monopoly. There is just one company in the United States that produces this product. Its representatives told the committee that it is a secret process. That is the situation which presents itself. The question is whether the one American institution shall be given a monopoly of the sale of this particular product.

Newspaper associations throughout the country quite generally have protested against the imposition of this duty.

Mr. CALDER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from New York?

Mr. WALSH of Montana. I yield.

Mr. CALDER. The Senator said that this is a monopoly. Do I understand that the process under discussion is covered by patent rights?

Mr. WALSH of Montana. No; my understanding is that it is not patented, but it is manufactured by what representatives of the company say is a secret process. For a long time the American manufacturers have been endeavoring to determine the process of manufacture in Germany in the past, but without success. These people in some way or other, as I said, have either appropriated the German process or have devised a process of their own which is as effective as the German process.

Mr. CALDER. My understanding is that it is not a patented process, but that anyone can engage in the business if they learn how to do it. I have had letters from numerous publications in my State, newspapers which use this commodity, stating that they think the duty ought to be allowed.

Mr. WALSH of Montana. I have before me letters or copies of letters sent by various papers throughout the country; but of course things of that kind do not deceive the Senator from New York any more than they deceive me. We know how those things are secured. The newspaper associations are against it. Individual newspapers say that they would like to see the duty imposed. Some papers say so. The American Newspaper Association, for instance, have filed a protest against this particular duty, from which I read as follows:

The flong, or dry mat, employed by many small newspapers but seldom by the larger publications, is a sheet, composed largely of wood products, used to convey the impression of the type to the stereotype metal used on the printing press.

The Underwood tariff provides a duty of 25 per cent ad valorem on dry mats, or $0.019275 per mat.

The Fordney Act, paragraph 1313, Schedule 13, provides a duty of 28 per cent ad valorem, American valuation, of $0.0504.

There is but one American manufacturer of dry mats, the Wood Flong Corporation, of New York, whose present price is 18 cents per mat to all newspapers which use its mats exclusively in lots of 500 or more. Its price to occasional users is higher. During June, 1921, its price to occasional users in lots of 500 was 30 cents each, and in lots of 100, 35 cents each.

All dry mats used in this country other than those of the Wood Flong Corporation are imported from Germany, which enforces an export price of 25 cents per square meter, or $0.0771 per mat.

We are informed there are but two importers of dry mats, the W. B. Wheeler Corporation and H. Reeve Angel & Co., both of New York.

The former states its cost, delivered in the warehouse, is $0.1046, or, including selling cost, $0.1433, exclusive of overhead; the latter states its cost, under the present 25 per cent ad valorem duty, delivered New York, is approximately 11 cents, or, including overhead and selling cost, approximately 14 cents.

We are informed by these importers that they are unable to secure the price of 18 cents now paid for the American mat, and that therefore they must operate on a very close margin of profit to secure sales, and that only by largely increasing such sales, and thus decreasing the overhead average, may they secure even a fair profit under the present tariff.

Should the present duty of approximately 2 cents per mat be increased as provided by paragraph 1313, Schedule 13, of the Fordney Act to $0.0504, increasing the present cost by 3 cents, or should the present duty of approximately 2 cents be replaced by 4 cents, imports would cease, and the smaller newspapers, the main users of such mats, would be forced to purchase from the one domestic source of supply.

It is obvious that the present duty results in the 18-cent price now charged for the domestic mat. It is also obvious that every argument in favor of the free entry of newsprint and wood pulp applies equally to the free entry of dry mats.

The question presented is one of policy. What policy is to be represented in this particular duty? Are we going to give a monopoly by the imposition of this duty to the American producer of this commodity? Of course, if it were open to production anywhere—that is to say, if others might go into the business and produce a competing article—the price might be reduced, but the situation is as I have presented it. I can not understand that there is any reason why a duty as high as this should be imposed upon this mat. I propose accordingly what I think will give these people ample protection against foreign competitors and give the newspapers of the country an opportunity to get the thing at a fair price. I move that the rate in the amendment proposed by the committee of "35," in line 22, be reduced to "15."

Mr. FRELINGHUYSEN. Mr. President, this schedule relates to a duty on dry mats, sometimes called the flong. It is a species of pasteboard upon which the imprint of the type is taken and then it is stereotyped and forms a very efficient method for use by the smaller newspapers of the country for printing their papers.

There is in this country an industry called the Wood Flong Co. I believe it is the only industry making these mats or matrices, as they are called. The bill as it passed the House gave them 28 per cent on the American valuation. I asked the committee to increase that duty to 50 per cent, because as to the two importers in this country importing these matrices from Germany the price was 11 cents as against 18 cents, the lowest manufacturing sale cost of the Wood Flong Co. That rate was placed in the bill. Then I received a protest from certain of the newspapers in my State, who said that they thought the duty was too high. I asked then that it be reduced to 35 per cent, although I felt that if German importers were allowed to have full swing at the market it would simply mean that the American industry would be destroyed.

The president of this company called to see me and told me that the newspapers in my State did not understand the situation; that if the industry was not properly protected it would simply mean that the smaller American newspapers would be at the mercy of the importers, and that they could not afford to make these mats in this country for that price. I get my figures as to the imported cost from the process made by the American Newspaper Publishers' Association.

Mr. SIMMONS. Mr. President——

Mr. FRELINGHUYSEN. I shall be very glad to yield to the Senator when I finish my speech, unless the Senator wishes to ask a question.

Mr. SIMMONS. I simply wish to ask the Senator if he has any information which he could furnish the Senate as to the capitalization and profits made by the corporation. I am advised that they are making great profits.

Mr. FRELINGHUYSEN. I have not. I am interested in the principle of protecting an American industry and I have not looked into the question of profits. I have looked into the question of the production costs of the two articles, the German article and the American article.

I told the president of this corporation that if he could satisfy his customers that it was proper to have a duty of this character and would succeed in inducing those who purchase his products to support the duty, I, too, would support it. I have heard from one paper that was very vigorous in its protests against the 50 per cent rate. I have received from New Jersey a number of letters, a dozen or more from newspapers, all of the same purport. I have one from the Courier News, of Plainfield, N. J., a very prosperous paper. The letter comes from the owner, and in it he says:

On further consideration and consultation with others on the dry-mat schedule, concerning which we have previously written you, we think it only fair to you and the manufacturers of dry mats that we notify you of a change in our viewpoint. The Wood Flong Co. is the only maker of these mats in the United States at present. With a tariff providing sufficient protection to encourage profitable manufacture there would be others in this field. The mat—matrix or flong—is a peculiar composition of wood pulp, tissues, and various other substances united by a process which has taken many years to devise and to perfect. This is not a cardboard product, which is the cheapest form of paper making, but is the result of a complex and expensive process and is produced for one purpose only. The dry mat is the only real advance in the process of stereotyping made since stereotyping was invented in the early fifties. If, therefore, the Wood Flong Co. can not produce a mat at the very cheap rate at which German labor can produce a stereotype mat, we would think it only fair that sufficient protection be given the Wood Flong Co. until they have attained such economy of production as they feel will enable them to successfully hold their home trade.

Theirs is a new industry in our country. It will always employ a good class of skilled labor. It is a productive and essential enterprise making a necessity of daily life.

We were strongly opposed to making a prohibitive tariff in their favor and have so written you. We are not, however, opposed to a tariff giving the Wood Flong Co. sufficient protection, and we gladly withdraw our previous statement, as it has been shown that a higher rate is necessary and that a higher rate will not work a hardship upon their customers, the daily papers of the United States.

With kindest personal regards to yourself, I am,

Yours very truly,

CHARLES H. FROST.

I have another letter from the Bergen Record; also one from the Perth Amboy Evening News and several others which I shall not read. I understand the price which the Wood Flong Co. has been charging has been from 18 to 20 cents. I will read an excerpt from a letter from the Waterbury Republican:

I have never complained about dry mats. I found that when we started to use them in September, 1917, the former discrepancy in price between wet mats and finished dry mats had disappeared because, while tissues and matrix paper had jumped very much in price, your price on dry mats had apparently remained the same. From 1917 to the peak of the price you raised the price of dry mats from about 14 to about 20 cents, an increase of approximately 40 per cent. I do not know of any material or service used in the making of a newspaper which advanced in price less than this, with the possible exception of printing ink.

I find that the latest bill we have from you, dated November 2, is at 18 cents a mat, which represents an increase of less than 30 per cent over the price of the summer of 1917. I regard this as reasonable in view of the moderate increase that you made during the war and postarmistice period, which was undoubtedly necessary.

Here is another bit of testimony from the Paterson (N. J.) Call, which was the first paper in the United States to use dry mats, and with many others paid 25 cents each for them:

Our records show that our first shipment of dry mats was made on May 3, 1911, and the price paid was 25 cents each. At that time the Call began the use of dry mats, and since then has never used wet mats.

In view of the present price of the Wood dry mat, the 25-cent price which we paid in 1911 seems high, but the fact that the Call never discontinued the dry mat since the start proves that we considered it profitable to use, even at 25 cents.

Our present price is, therefore, 7 cents lower than the price charged by the Germans when in sole control of the American market.

In other words, when the Germans had an absolute monopoly of this market they charged 7 cents higher for mats than this American industry which has been established here and which is furnishing the newspapers with this necessity. The price of 25 cents which the Call paid when the Germans had a monopoly was 7 cents higher than the price now paid.

Mr. WALSH of Montana. Mr. President——

Mr. FRELINGHUYSEN. I yield to the Senator from Montana.

Mr. WALSH of Montana. The Senator from New Jersey has called our attention to what the Germans did when they had a monopoly of the market. Of course, it illustrates the evils of monopoly. Does not the Senator think that the American manufacturer will do exactly the same thing if he secures a monopoly?

Mr. FRELINGHUYSEN. I do not, Mr. President.

Mr. WALSH of Montana. I am glad to find such sublime confidence in the American producer as that exhibited by the Senator from New Jersey.

Mr. FRELINGHUYSEN. I have always sublime confidence in the fairness of American industry; and I also have confidence in the fact that if we furnish protection, establish an American industry, and control the market competition will exist here; and it will be a healthy American competition and not an unhealthy European competition.

The Senate may reduce this rate if it so wishes, but 35 per cent is an equalization between the import price and the present domestic selling price, which is lower by about 7 cents than the price which the Germans formerly charged. I asked for a 50 per cent duty, but the committee reduced it to 35 per cent. These newspapers using this product support the 50 per cent ad valorem rate; but the committee saw fit not to raise it, although I appealed to them to do so on the basis of the figures; but most certainly it will not be fair to this American corporation to reduce the rate below 35 per cent. That rate is fair; it will protect an American industry; and it has not been shown that it will create a monopoly. Most certainly if there is such great profit in this business other concerns will spring up under this protection, but surely it is not an argument to say that we are protecting an American monopoly against a German monopoly.

Mr. HARRIS. Mr. President, the Senator from New Jersey has stated that a German monopoly controlled this commodity before one American company entered upon its manufacture. That is true, but the American company, which is a monopoly, has under the existing 25 per cent rate been able to drive the German monopoly practically out of business in this country. Now, this one corporation, a monopoly, supplies 350 newspapers, which have gone to considerable expense on the promise that they may have dry mats at a certain price; 350 newspapers have gone to that expense, and the one American company has

practically shut out the German competition. Now, after getting these 350 papers to go to that expense, this company wants to get the present rate increased and then increase the price to the publishers.

I had a letter from Mr. Wood, the president of the company, as other Senators did, which was misleading. Evidently he tried to deceive us. I quote from his letter as follows:

It will be necessary for upward of 350 newspapers that now use our dry mats exclusively for all work to entirely reequip their plants at great expense and to largely increase their consumption of print paper by returning to the old wet-mat process.

The following are Georgia newspapers which already depend upon dry mats and will suffer—

Notice the word "suffer"—

if the altogether inadequate 35 per cent rate recommended by the Finance Committee is not increased to 50 per cent—

Although he has built up a complete monopoly on a 25 per cent duty.

Then he names the Georgia newspapers which will be injured if the rate is not increased.

Mr. President, the Georgia newspapers, without my writing them, heard of the propaganda of this corporation, and many of them wrote me. I will quote from the letters of some of the editors and owners of papers which this man had already written me were very much interested and would suffer if the rate was not increased. The first is from Mr. R. L. McKenney, owner and editor of the Macon News, one of the papers mentioned by Mr. Wood:

THE MACON NEWS,
Macon, Ga., July 5, 1922.

Hon. W. J. HARRIS,
United States Senate, Washington, D. C.

DEAR SENATOR HARRIS: It has been called to my attention that the Wood-Flong Corporation are still pursuing their efforts to get a high tariff placed on imported mats, and that a communication has been addressed to the United States Senators, naming a number of newspapers who are using their product, and that the importance of the high tariff being placed on foreign mats was "in the interest of these newspapers."

This letter is simply written for the purpose of reiterating my former position regarding tariff on foreign mats, as I feel that they should be placed on the free list, if possible.

I also quote from the letter of the editor of the Macon Telegraph, another paper which Mr. Wood said would suffer if the rate of duty was not increased:

I feel that the Wood Flong people are endeavoring to build up a monopoly in this country, and if they can protect their industry with the tariff that is already prohibitive, as a newspaper publisher I am in favor of going out of business, as far as dry mats are concerned. The Wood Flong product is no better than the imported mat, and if we afford them the protection they want, it means the newspapers in this country will be compelled to pay from 4 cents to 6 cents more than these mats are actually worth. I desire to enter my protest against any additional tariff on these mats.

In addition to the efforts these people have made to influence Congress in giving them undue protection, they have actually written to the stereotypers in the various newspapers asking that they refuse to handle any imported mats. I feel that this part of their propaganda is entirely out of order and seeks to destroy the newspaper business itself, rather than to protect their industry.

I quote next from a letter addressed to me by the owner and editor of the Daily Herald, of Albany, Ga., that newspaper being one of those mentioned by Mr. Wood and which he said was very much interested in the proposed increase in the rate of duty. Here is part of what the editor of the Albany Herald says:

This corporation induced newspaper publishers to put in the necessary equipment for using their mats, representing to us that it would be a permanent saving. Now that they have 350 or more of us hooked they seek a tariff protection that would enable them to increase the cost of their mats to more than what that of the wet-mat system was. It is unfair to those of us who have gone to the expense of equipping our plants for the use of the dry mats, and is in keeping with the general policy of monopolies in this country that are fostered by the iniquitous protective tariff system.

This is a simple proposition; one company has built up a monopoly under the 25 per cent duty; it has practically shut out foreign competition, as well as domestic, and this monopoly comes here and asks us to put a tax on the readers of 350 daily papers in order to pay additional dividends to this one company, a trust. If all Senators were present, instead of a very few in the Chamber at this time, and could hear the facts presented, there would be little doubt of the defeat of this proposal to increase the duty.

Mr. FRELINGHUYSEN. Mr. President, I do not think that the Senate wants to waste much time on this discussion. If Senators want to abandon the principle of protecting American industry they may vote for a reduction of the rate proposed. The rate should be 50 per cent in order to provide an adequate rate to cover the difference between the production costs here and in Germany.

The argument of the newspaper publishers in the South is a free-trade argument; but what does the Reynolds report show? The Reynolds report has been the textbook for both sides in the controversy over the tariff. I have here an item, 1313, representing a shipment of 1,000 sheets of stereotype matrices or boards. The figures show a foreign cost of $82.60; landing charges, $1.50; selling price of the imported article, $120. The selling price of the comparable domestic article is $200. So 108 per cent would be required to equalize the difference; and yet I have shown by the testimony of the Paterson, N. J., Call that the Wood Flong Co., this great monopoly, employing American labor, asking for protection against German competition, are selling their mats to the Paterson Call at 7 cents less than Germany sold them for when they had control of the market, and 15 cents less than Germany is willing to sell them for now.

On the basis of the record, on the basis of the comparative production costs, a rate of 50 per cent is justified, and 35 per cent is too low. The committee, however, has made that rate, and of course it has been reported to the Senate. It should not be reduced below that figure in all fairness to this American industry.

Mr. SIMMONS. Mr. President, I want to say to the Senator from New Jersey [Mr. FRELINGHUYSEN] and to other Senators that if we want further to strengthen and fortify the monopolies that have grown up under the present tariff rate, and to allow them further to advance their prices, the way to do it is to vote for this committee amendment.

SEVERAL SENATORS. Question!

The PRESIDING OFFICER. The question is on the amendment——

Mr. SIMMONS. Mr. President, I have not quite finished.

The PRESIDING OFFICER. The Chair was under the impression that the Senator had concluded.

Mr. SIMMONS. It does seem to be out of order for anybody to oppose protection asked by the distinguished Senator from New Jersey for industries in his State. It was out of order in the committee, I understand; and while the Senator got on the committee rather late, he succeeded in getting on the protected list about every industry in his State that was not already on it, and practically every one that was on it got its protection increased. He is a very industrious and a very persistent Senator. Next to the Senator from Idaho [Mr. GOODING] he is probably the rankest protectionist in this body. I think the Committee on Finance found that out after he became a member of it. We have been protecting practically everything in New Jersey; and I think right here, at the close of the protective provisions of this bill, we might give some little consideration to the question of whether we should further advance the rate in favor of this admitted monopoly—a monopoly that we can not find out anything about. It is about the closest-mouthed monopoly in the United States. The Tariff Commission does not seem to have been able to ascertain anything about it. It discusses what dry mat is; it tells us how it is made and how the newspapers use it; but when it comes to the production and the importations the commission was unable to get any information. The Senator from New Jersey seems to think that unless we give this concern in his State an increase in its protection it will go out of business altogether, and that the newspapers of the country will suffer by losing the opportunity to buy its products; and yet, when I asked him what were the profits of that institution, that monopoly, that closely owned, closely controlled, secretly controlled monopoly in his State, he could not tell me anything about them. No member of the committee can tell us anything about them. What the cost of production in this country is, nobody knows. Nobody is going to be allowed to know. What the capital of the concern is, nobody knows. The sponsor for this increase in the duty, the Senator from New Jersey, does not know. It is a secretly controlled, secretly operated monopoly.

Is there anybody upon this floor who will get up here and say that these people are not the sole producers of this product in the United States, that they do not enjoy an absolute and a complete monopoly under the 25 per cent duty in the present law, that they are not able now to dictate to every newspaper in this country what it shall pay, and, whenever they see fit to do so, that they are not able, under the present duty, to increase the price of their product? If there are any importations into this country, I have not heard of them. My information is that there are practically no importations into this country at this time, and that these people are holding up the newspapers of the country.

The Senator from Georgia [Mr. HARRIS] is not the only Senator who has had letters from newspaper men protesting against this increase in duty, protesting against the manner in which this monopoly treats them, protesting against the fact that by this duty they are made absolutely subservient to the wishes and the will and the avarice and the greed of this monopoly. Now, this man who will not tell what his profits are, who has

the newspapers in his power, who can advance his prices whenever he pleases, and who does advance them whenever he pleases and imposes such conditions upon his customers as he desires, comes here and tells us that unless he is permitted to increase his prices through the instrumentality of an advance in his protection, and still be secure from foreign competition, the newspapers will suffer. That is the same character of letter he wrote me. That is the same character of letter he has been writing to the newspapers, intimating that unless they helped him get this duty he would go out of business, and they would have to go back to the old wet-mat process.

Why will he have to go out of business, Mr. President, if we do not increase this rate? Has he not built up his business upon this rate? Has he not been able to maintain his monopoly upon this rate? Is he at present troubled with competition under this rate? I do not believe, so far as my information goes, that there is any monopoly in this country which has conducted a more insolent propaganda than this particular company has. I regard this man's statement to the newspapers of this country that unless they helped him, unless they withdrew their protests, and all that sort of thing, he would go out of business and leave them helpless, as insolent. Let him go out of business if he wants to. Nobody is asking him to stay in business; but, Mr. President, he will not go out of business as long as he has the present 25 per cent protective duty. He will continue in business. This corporation will continue a monopoly, controlling the trade in this country and fixing its prices as it has in the past.

Mr. President, we have given the newspapers of this country free print paper. On yesterday we voted to take off of chemically prepared wood pulp the duty proposed by the committee. The manufacturers of wood pulp in this country were demanding that duty. They were insisting upon that protection; and yet, Mr. President, what we did yesterday was to say that the newspapers of this country are performing a great public service; that they are the agents for the dissemination of information in this country; that they are the greatest single educational force in the United States to-day; and that they ought not to be fettered with high costs of their raw materials or their necessary equipment. That has been the policy of this Congress and of every former Congress of which I have been a Member. It is a policy to which I largely subscribe. If there is one thing in this world upon which I would not impose a protective duty, it is the instrumentalities of information and intelligence and the dissemination of thought.

Mr. FRELINGHUYSEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from New Jersey?

Mr. SIMMONS. I shall be through in one second.

Mr. FRELINGHUYSEN. I want to ask the Senator a question.

Mr. SIMMONS. Mr. President, while refusing protection to the many manufacturers of pulp in this country, to the many manufacturers of chemical pulp in this country, to the manufacturers of paper in this country, in the interest of the press of the country and in the interest of cheaper news and cheaper distribution of intelligence, shall we finally bow the knee to a single corporation located in the great State of New Jersey, the breeding place of the trusts of the United States? Shall we bow the knee to that corporation and say: "We will make you the single and only exception to the general policy of the Congress"?

Mr. FRELINGHUYSEN. Mr. President, I should like to ask the Senator a question.

Mr. SIMMONS. The Senator can ask it.

Mr. FRELINGHUYSEN. The Senator spoke of the great benefit to the public of these newspapers, and stated that newsprint paper was free and wood pulp was free. Did the Senator vote for the 25 per cent duty imposed on this product in the Underwood tariff bill?

Mr. SIMMONS. I presume I did, Mr. President; and when I did it I made a very great mistake, as I have discovered now. It was not a monopoly then, as it is now; and I will say, with the consent of the Senator, another thing. There are a great many duties in the Underwood bill that experience has shown were very much too high. They were higher than were necessary, and this is one that was higher than necessary, because in 13 years it has bred a trust and a monopoly in this country.

Mr. FRELINGHUYSEN. Mr. President, when the Senator voted for that duty, recognizing that an industry in this country should be protected, the mark in Germany was worth 23.8 cents. To-day it is worth one-seventh of 1 cent. That would seemingly justify a 10 per cent advance in the ad valorem duty imposed in this bill.

As far as New Jersey being the home of trusts is concerned, I think that is amply taken care of in the laws which have been placed upon the Federal statute books. New Jersey is proud of her industries and proud of the fact that she has a million wage earners; and I want to say that I stand here for their protection and a continuance of their employment, notwithstanding the free-trade theories of the Senator from North Carolina.

Mr. SIMMONS. I have no doubt that the Senator from New Jersey is proud of his trusts and proud of his monopolies. He has already told us that many times and he has especially emphasized it to-day.

Mr. WALSH of Montana. Mr. President, I want it perfectly understood that, so far as the case for the duty asked on this particular commodity is concerned, it rests entirely with the statement of Mr. Wood, who owns the corporation which produces this product, and if Mr. Wood is to be believed, his industry is gone now if you impose the duty that is proposed by the committee of 35 per cent. He said in a letter to the senior Senator from North Carolina [Mr. SIMMONS] under date of June 21, 1922, as follows:

> Unless stereotype dry mats, included in paragraph 1313 of the tariff bill now under consideration, are granted a rate of at least 50 per cent this company will be compelled to immediately go out of business, and the industry will be totally destroyed in the United States.

If that is the case, if Mr. Wood is entirely truthful and accurate in this statement, his industry is gone.

But upon what basis does he make any such statement as that? I have called the attention of the Senate to the fact that there is not an item in this paper schedule with reference to which American producers are in the slightest danger from any European competition, as shown by the actual figures, wherever there are any imports at all. We have not any information whatever with respect to the imports of this particular commodity, whether they are increasing or whether they are decreasing, whether they even exist or do not exist. Upon what basis does the Senator assert, as he has asserted upon this floor, that this industry must perish unless it gets a duty of 50 per cent? The manufacture of this particular paper product is practically the same as the manufacture of other paper products, of cardboard, of box paper, of wall board, and of all the various kinds of paper, with reference to which the American producer seems to have no difficulty whatever in competing with the German producer or with the producer anywhere in the world. What does he say about it? Let me call your attention to his brief. Mr. Wood appeared before the committee but practically submitted a brief in which he said as follows:

> The selling price of our dry mat to newspapers is 20 cents per mat, or sheet, and with present costs of labor and materials it has been most difficult for us to maintain this price.

That is all he said about what it cost him to produce a mat which he sells for 20 cents. But he gives us this further information:

> An investigation recently made in Germany shows that the export value of dry mats or flongs is placed at the equivalent of 25 cents United States money per square meter under the German law. A square meter of this material provides three flongs of newspaper page size.

He said further:

> The Germans have offered and are offering in their efforts to destroy us dry mats for as low as 8 cents each, with the result that unless proper protection is afforded us under the tariff measure now under consideration we will soon be forced out of business.

Bear in mind, the export price of the mat in Germany is 25 cents, and he sells the mat in this country for 20 cents, but he says the Germans are dumping this product on the market and selling it for less than the German cost of production. But, of course, that is a case which should be taken care of by a dumping clause.

Mr. FRELINGHUYSEN. The statement the Senator has made is in conflict with the brief of the American Newspaper Publishers' Association, who oppose this duty.

Mr. WALSH of Montana. I can not help that.

Mr. FRELINGHUYSEN. The American Newspaper Publishers' Association say that the selling cost in this country, plus the duty, is 14 cents.

Mr. WALSH of Montana. I am reading from Mr. Wood's brief.

Mr. FRELINGHUYSEN. I am reading from the brief of the American Newspaper Publishers' Association dated March 16, 1922.

Mr. WALSH of Montana. I am trying to tell the Senator of the evidence offered by those who are seeking this particular duty. It may be true, and it may be untrue. I am giving it to the Senate for what it is worth.

Mr. POMERENE. Mr. President, it has been stated on the one side that the newspapers generally were opposed to this increase in the duty on mats. On the other side of the Chamber it has been urged that the newspapers insist upon it. I can only speak for the newspapers in my own State from which I have heard, and without exception they are protesting against this increase in this rate, and I have had no communications to the contrary from that State. Every one of them is insisting, just as the Senator from Montana and the Senator from North Carolina have been urging, that this one firm at the present time has a complete monopoly of the production of these mats in this country, and it seems to me that anyone coming here and asking a gratuity from the Congress of the United States ought to be a little more liberal in the giving of information with respect to his business to the Congress so that they can act intelligently upon it.

Mr. WALSH of Montana. I have given the Senate practically all the information that was given to us by Mr. Wood.

In order to be entirely fair about the matter, I am going to withdraw the amendment which I proposed and substitute therefor "25 per cent," the present rate.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The question is on agreeing to the amendment offered by the Senator from Montana to the committee amendment.

Mr. WALSH of Montana. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. LODGE (when his name was called). I transfer my pair with the senior Senator from Alabama [Mr. UNDERWOOD] to the senior Senator from New York [Mr. WADSWORTH], and vote "nay."

Mr. McCUMBER (when his name was called). I transfer my general pair with the junior Senator from Utah [Mr. KING] to the junior Senator from Washington [Mr. POINDEXTER], and vote "nay."

Mr. NEW (when his name was called). I transfer my pair with the junior Senator from Tennessee [Mr. McKELLAR] to the junior Senator from Vermont [Mr. PAGE], and vote "nay."

Mr. OVERMAN (when his name was called). I transfer my pair with the senior Senator from Wyoming [Mr. WARREN], who is absent on account of sickness in his family, to the senior Senator from Virginia [Mr. SWANSON], and vote "yea."

Mr. ROBINSON (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Missouri [Mr. REED], and vote "yea."

Mr. SIMMONS (when his name was called). I transfer my pair with the junior Senator from Minnesota [Mr. KELLOGG] to the junior Senator from Rhode Island [Mr. GERRY], and vote "yea."

The roll call was concluded.

Mr. KENDRICK. I have a general pair with the Senator from Illinois [Mr. McCORMICK], which I transfer to the Senator from Montana [Mr. MYERS], and vote "yea."

Mr. HARRISON. I transfer my general pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Texas [Mr. CULBERSON], and vote "yea."

Mr. STERLING. I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Maryland [Mr. FRANCE], and vote "yea."

Mr. TRAMMELL. My pair, the senior Senator from Rhode Island [Mr. COLT], is absent, and being unable to obtain a transfer, I withhold my vote. If permitted to vote, I would vote "yea."

Mr. JONES of New Mexico (after having voted in the affirmative). The Senator from Maine [Mr. FERNALD] has not voted. I transfer my general pair with that Senator to the Senator from Nebraska [Mr. HITCHCOCK] and allow my vote to stand.

The roll call resulted—yeas 16, nays 27, as follows:

YEAS—16.

Ashurst	Jones, N. Mex.	Pittman	Sheppard
Harris	Jones, Wash.	Pomerene	Simmons
Harrison	Kendrick	Ransdell	Walsh, Mass.
Heflin	Overman	Robinson	Walsh, Mont.

NAYS—27.

Broussard	Gooding	New	Shortridge
Bursum	Hale	Nicholson	Smoot
Calder	Keyes	Norbeck	Spencer
Cameron	Lenroot	Oddie	Stanfield
Cummins	Lodge	Pepper	Sterling
Curtis	McCumber	Phipps	Willis
Frelinghuysen	McNary	Rawson	

NOT VOTING—52.

Ball	Fernald	McKellar	Smith
Borah	Fletcher	McKinley	Stanley
Brandegee	France	McLean	Sutherland
Capper	Gerry	Moses	Swanson
Caraway	Glass	Myers	Townsend
Colt	Harreld	Nelson	Trammell
Culberson	Hitchcock	Newberry	Underwood
Dial	Johnson	Norris	Wadsworth
Dillingham	Kellogg	Owen	Warren
du Pont	King	Page	Watson, Ga.
Edge	Ladd	Poindexter	Watson, Ind.
Elkins	La Follette	Reed	Weller
Ernst	McCormick	Shields	Williams

The PRESIDING OFFICER. On this question the yeas are 16, and the nays are 27. There is not a quorum present. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Harrison	Norbeck	Simmons
Broussard	Heflin	Oddie	Smoot
Bursum	Jones, N. Mex.	Overman	Spencer
Calder	Jones, Wash.	Pepper	Stanfield
Cameron	Kendrick	Phipps	Sterling
Cummins	Keyes	Pittman	Trammell
Curtis	Lenroot	Pomerene	Walsh, Mass.
Fernald	Lodge	Ransdell	Walsh, Mont.
Frelinghuysen	McCumber	Rawson	Willis
Gooding	McNary	Robinson	
Hale	New	Sheppard	
Harris	Nicholson	Shortridge	

The PRESIDING OFFICER. Forty-five Senators have answered to their names. A quorum is not present. The Secretary will call the roll of absentees.

The reading clerk called the names of absent Senators, and Mr. BORAH answered to his name when called.

Mr. FLETCHER and Mr. CAPPER entered the Chamber and answered to their names.

The PRESIDING OFFICER. Forty-eight Senators have answered to their names. A quorum is present. The Secretary will call the roll on the question of agreeing to the amendment of the Senator from Montana [Mr. WALSH] to the amendment of the committee.

The reading clerk proceeded to call the roll.

Mr. FLETCHER (when his name was called). I have a general pair with the senior Senator from Delaware [Mr. BALL], who is absent at this time. I am unable to obtain a transfer and therefore unable to vote. If privileged to vote, I would vote "yea."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. HARRISON (when his name was called). Making the same announcement as before, I vote "yea."

Mr. KENDRICK (when his name was called). Making the same announcement as to the transfer of my pair, I vote "yea."

Mr. LODGE (when his name was called). Making the same announcement as to the transfer of my pair as on the last vote, I vote "nay."

Mr. McCUMBER (when his name was called). Making the same transfer of my pair as before, I vote "nay."

Mr. NEW (when his name was called). Repeating the announcement of the transfer of my pair, I vote "nay."

Mr. OVERMAN (when his name was called). Announcing as before my pair and transfer, I vote "yea."

Mr. STERLING (when his name was called). Making the same announcement as before, I vote "nay."

Mr. TRAMMELL (when his name was called). I transfer my pair with the senior Senator from Rhode Island [Mr. COLT] to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

The roll call was concluded.

Mr. ROBINSON. Announcing the same transfer of my pair as on the last vote, I vote "nay."

Mr. SIMMONS (after having voted in the affirmative). I wish to announce the transfer of my pair with the Senator from Minnesota [Mr. KELLOGG] to the Senator from Rhode Island [Mr. GERRY] and allow my vote to stand.

Mr. CARAWAY. I have a general pair with the junior Senator from Illinois [Mr. McKINLEY]. He is absent. I am unable to obtain a transfer and therefore refrain from voting.

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Michigan [Mr. TOWNSEND] with the Senator from South Carolina [Mr. DIAL];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

The roll call resulted—yeas 18, nays 28, as follows:

YEAS—18.

Ashurst	Jones, N. Mex.	Pomerene	Trammell
Borah	Jones, Wash.	Ransdell	Walsh, Mass.
Harris	Kendrick	Robinson	Walsh, Mont.
Harrison	Overman	Sheppard	
Heflin	Pittman	Simmons	

NAYS—28.

Broussard	Frelinghuysen	McNary	Rawson
Bursum	Gooding	New	Shortridge
Calder	Hale	Nicholson	Smoot
Cameron	Keyes	Norbeck	Spencer
Capper	Lenroot	Oddie	Stanfield
Curtis	Lodge	Pepper	Sterling
Fernald	McCumber	Phipps	Willis

NOT VOTING—49.

Ball	France	McLean	Sutherland
Brandegee	Gerry	Moses	Swanson
Caraway	Glass	Myers	Townsend
Colt	Harreld	Nelson	Underwood
Culberson	Hitchcock	Newberry	Wadsworth
Cummins	Johnson	Norris	Warren
Dial	Kellogg	Owen	Watson, Ga.
Dillingham	King	Page	Watson, Ind.
du Pont	Ladd	Poindexter	Weller
Edge	La Follette	Reed	Williams
Elkins	McCormick	Shields	
Ernst	McKellar	Smith	
Fletcher	McKinley	Stanley	

The PRESIDING OFFICER. On the question the yeas are 18 and the nays are 28. There are present the Senator from Florida [Mr. FLETCHER] and the Senator from Arkansas [Mr. CARAWAY], who are paired but not voting. A quorum being present, the amendment of the Senator from Montana [Mr. WALSH] to the amendment of the committee is rejected. The question recurs on the amendment of the committee.

The amendment of the committee was agreed to.

The PRESIDING OFFICER. The Secretary will report the next amendment.

The READING CLERK. The next amendment of the Committee on Finance is, on page 177, line 23, where the committee proposes to strike out "part" and insert "value," so as to read:

Wall pockets, composed wholly or in chief value of papers, etc.

The amendment was agreed to.

The next amendment of the committee was, on page 178, line 4, where the committee proposed to strike out "26" and insert "all the foregoing, 40," so as to read:

Manufactures of paper, or of which paper is the component material of chief value, not specially provided for, all the foregoing, 40 per cent ad valorem.

Mr. SMOOT. I move to substitute "35" for "40."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee as modified.

The amendment as modified was agreed to.

Mr. SIMMONS. I wish the Senator from Utah would permit me merely to correct a statement which I made in some remarks previously delivered.

Mr. SMOOT. Certainly.

Mr. SIMMONS. I wish to state that I am advised I was mistaken in having said that the corporation controlling the dry-mat product of this country was a New Jersey corporation. I am told that it is a New York corporation, just across the border, and probably infected with the vices of New Jersey corporations.

FEDERAL COURT OF CONCILIATION.

Mr. SPENCER. Mr. President, I have drafted a bill to establish the Federal court of conciliation.

In this Government of ours we have the necessary tribunals to determine every controversy between individuals and between States; and yet the wonder of it is that when there come controversies or disputes between capital and labor or between the employer and the employee that may affect the very life of the Nation and of the Nation's industries we have absolutely no tribunal to act upon them.

I am very clear in my mind that every effort at voluntary arbitration, conciliation, and conference ought first to be tried; but when all these have been tried and there exist still disputes whose settlement can not be made by voluntary means, there ought to be some commission, or some tribunal, or some court, which, in the name of all the people, can determine the dispute when it reaches a point that threatens the very welfare of the Nation.

I ask unanimous consent to introduce that bill and to have it printed in the RECORD in 8-point type for the consideration of my colleagues in the Senate.

The bill (S. 3889) to establish the Federal court of conciliation was read twice by its title and referred to the Committee on the Judiciary; and it was ordered to be printed in the RECORD in 8-point type, as follows:

Be it enacted, etc., That there is hereby established a Federal court of conciliation (hereafter referred to as the court), to consist of three judges, to be appointed by the President by and with the advice and consent of the Senate; one of whom shall be designated by the President as presiding judge; each of whom shall possess the same qualifications as are or may be required by law of judges of the United States district court, except as to residence; hold their office during good behavior and receive the same compensation.

SEC. 2. The court shall sit at such places in the United States as may by it be determined or at which the court may be called to sit by the President of the United States.

SEC. 3. The court shall have jurisdiction to hear and determine controversies or disputes affecting the operation of interstate commerce as may be brought before it in the manner herein provided, and to enforce its decisions and findings as the judgment of other Federal courts are enforced.

SEC. 4. Whenever it shall be made to appear to the court by petition or otherwise, under such regulations and rules as may by the court be adopted and with power in the court to secure on its own motion or on the application of either side such expert advice in open hearing concerning the matters under consideration as it may desire, that there exists a controversy or dispute between employers and employees or between employees or between employers in connection with the transportation of commodities in interstate commerce or in connection with any industry whose product directly or immediately is essential to such transportation, and that in good faith, efforts have been made by one or both sides of such controversies to settle the same by conference, conciliation, voluntary arbitration, or otherwise, and such efforts have been unavailing, and that the disputes and controversies are of such a character and extent as to endanger the general welfare of the people of the United States, the court shall on its own motion or on the application of either side of such dispute or controversy, hear and determine the same and render such interlocutory orders or final decrees or judgment as the evidence may require and shall possess all necessary powers equitable or legal to adjudicate the dispute and to protect the interest of the parties thereto and to secure the continuity and efficiency of interstate commerce: *Provided*, That either party to the dispute or controversy may at any time upon permission of the court, or, as of right, after such party has in good faith complied with such order, judgment, or decree for a period of 30 days apply to the court for a modification or a reversal of said order, judgment, or decree, and be entitled to present evidence and reasons thereof which together with the original testimony in the case shall be considered by the court: *And provided further*, That no order, judgment, or decree shall require any individual man to work except when and where and under such conditions as he pleases.

SEC. 5. Appeals may be taken by either party from any order or judgment or finding of the court to the circuit court of appeals in the circuit wherein the finding of the court is made, and the judgment of the circuit court of appeals shall be final on such appeals unless in the judgment of the said circuit court of appeals a further appeal to the Supreme Court of the United States should be granted. Pending the appeal to the circuit court of appeals or to the Supreme Court the findings, orders, decrees, or judgment of the court shall be in full force and effect.

The appellate court to which appeals as herein provided for are taken shall advance such appeals to as prompt a hearing and determination as may be possible.

SEC. 6. The court shall have a seal, with such design as it may order; shall regulate its own terms of court; make rules for its government; regulate the practice before it; possess all the powers and rights with regard to its writs, process, practice, and the enforcement of its orders, decrees, and judgment as may be now or hereafter possessed by the United States district courts with regard to their practices, orders, decrees, or judgments.

SEC. 7. The court shall be furnished with such officers, equipment, and supplies as may be necessary.

SEC. 8. All acts or parts of acts inconsistent with any of the provisions of this act are hereby repealed.

ABANDONED COTTON ACREAGE.

Mr. HEFLIN submitted the following resolution (S. Res. 333), which was read, considered by unanimous consent, and agreed to:

Resolved, That the Secretary of Agriculture be, and he is hereby, authorized and directed to include in his September 1 cotton report an estimate of the acreage of cotton abandoned since June 25 up to August 25, 1922, and the acreage remaining in cultivation on the last-named date.

EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session, the doors were reopened; and (at 6 o'clock and 20 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Saturday, August 5, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate August 4 (legislative day of August 3), 1922.

AGENT BEFORE THE ARBITRAL TRIBUNAL.

Fred K. Nielsen, of Nebraska, now Solicitor for the Department of State, to be agent of the United States before the arbitral tribunal constituted under the special agreement of the 18th of August, 1910, between the United States and Great Britain for the arbitration of outstanding pecuniary claims in accordance with the provisions of that agreement and of the convention of The Hague of the 18th of October, 1907, for the specific settlement of international disputes.

MEMBER OF THE FEDERAL FARM LOAN BOARD.

John H. Guill, jr., of California, to be a member of the Federal Farm Loan Board, vice William H. Joyce, resigned.

UNITED STATES ATTORNEY.

D. Q. Morrow, of Ohio, to be United States attorney, southern district of Ohio, vice Thomas H. Morrow, appointed by court.

APPOINTMENTS IN THE REGULAR ARMY.

QUARTERMASTER CORPS.

To be major general.

Col. William H. Hart, Quartermaster Corps, to be quartermaster general for a period of four years from date of acceptance, with rank of major general, from August 28, 1922, vice Maj. Gen. Harry L. Rogers, Quartermaster General, whose term of office will expire on August 27, 1922.

ADJUTANT GENERAL'S DEPARTMENT.

To be brigadier general.

Col. Benjamin Alvord, Adjutant General's Department, to be assistant The Adjutant General for a period of four years from date of acceptance, with the rank of brigadier general, from August 16, 1922, vice Brig. Gen. James T. Kerr, Adjutant General's Department, to be retired from active service August 15, 1922.

POSTMASTERS.

ALABAMA.

Addie M. Cannon to be postmaster at Mount Vernon, Ala. Office became presidential July 1, 1922.

ARIZONA.

Catherine T. Dupen to be postmaster at Warren, Ariz., in place of J. M. Byrns, resigned.

CALIFORNIA.

Raymond P. Hawkins to be postmaster at Allegheny, Calif. Office became presidential July 1, 1922.

Frederic W. Stahler to be postmaster at Yorba Linda, Calif., in place of E. R. West, resigned.

COLORADO.

Robert B. Kerr to be postmaster at Stonington, Colo. Office became presidential July 1, 1922.

CONNECTICUT.

John E. O'Clare to be postmaster at North Grosvenor Dale, Conn., in place of C. A. Bonin, resigned.

FLORIDA.

Edward Roberts to be postmaster at Odessa, Fla. Office became presidential April 1, 1921.

ILLINOIS.

John R. Scroggin to be postmaster at Gardner, Ill., in place of L. G. Horrie. Incumbent's commission expired February 4, 1922.

Albert Weiland to be postmaster at Peru, Ill., in place of G. W. Halm. Incumbent's commission expired May 10, 1922.

IOWA.

Harry L. Emerson to be postmaster at Kenwood Park, Iowa. Office became presidential April 1, 1920.

Freda L. Thompson to be postmaster at Oto, Iowa. Office became presidential April 1, 1922.

Tibbals G. White to be postmaster at University Park, Iowa. Office became presidential July 1, 1922.

KANSAS.

Anna E. Waterman to be postmaster at Healy, Kans. Office became presidential July 1, 1922.

Thomas G. Armour to be postmaster at Hutchinson, Kans., in place of S. S. Graybill, resigned.

KENTUCKY.

Hiram H. Braden to be postmaster at Blue Diamond, Ky. Office became presidential July 1, 1921.

MASSACHUSETTS.

Albert H. Holoway to be postmaster at Bournedale, Mass. Office became presidential January 1, 1922.

Grace G. Kempton to be postmaster at Farnumsville, Mass. Office became presidential July 1, 1922.

Annie F. Corcoran to be postmaster at North Oxford, Mass. Office became presidential July 1, 1922.

Molly A. Gilman to be postmaster at Allerton, Mass., in place of M. A. Gilman. Incumbent's commission expired May 20, 1922.

MICHIGAN.

Minnie McGuineas to be postmaster at Elberta, Mich. Office became presidential April 1, 1922.

MINNESOTA.

Nettie Layng to be postmaster at Bruno, Minn. Office became presidential July 1, 1921.

Jennie L. Phillips to be postmaster at Clear Water, Minn. Office became presidential January 1, 1921.

William H. Wright to be postmaster at Montrose, Minn. Office became presidential April 1, 1921.

Chapin A. Farnham to be postmaster at Rockford, Minn. Office became presidential January 1, 1921.

Claire M. Peterson to be postmaster at Stanchfield, Minn. Office became presidential April 1, 1921.

Charles Olson to be postmaster at Sturgeon Lake, Minn. Office became presidential January 1, 1921.

Maggie N. Halgren to be postmaster at Wahkon, Minn. Office became presidential April 1, 1921.

Emory B. Linsley to be postmaster at Willow River, Minn. Office became presidential April 1, 1921.

NEW JERSEY.

Henry C. Straight to be postmaster at Morsemere, N. J. Office became presidential April 1, 1922.

Ada E. Holmes to be postmaster at Sayreville, N. J., in place of T. F. Dolan, removed.

NEW YORK.

Arthur N. Fero to be postmaster at Esperance, N. Y. Office became presidential July 1, 1921.

Francis E. San Jule to be postmaster at Hogansburg, N. Y. Office became presidential July 1, 1922.

Alexander Hicker to be postmaster at St. Bonaventure, N. Y. Office became presidential July 1, 1922.

Cornelius J. Carey to be postmaster at Newman, N. Y., in place of A. W. Wells. Incumbent's commission expired July 21, 1921.

William H. Young to be postmaster at Voorheesville, N. Y., in place of F. M. Joslin, declined.

William S. Elwyn to be postmaster at Woodstock, N. Y., in place of C. M. Park, removed.

NORTH CAROLINA.

Thomas R. Hundley to be postmaster at Draper, N. C. Office became presidential April 1, 1920.

Forney L. Abernethy to be postmaster at Mount Holly, N. C., in place of R. P. Gardner, resigned.

Simon S. Strother to be postmaster at Stantonsburg, N. C., in place of L. D. Williams, resigned.

OKLAHOMA.

Thomas J. McNeely to be postmaster at Goltry, Okla. Office became presidential April 1, 1921.

Governor Everidge to be postmaster at Fort Towson, Okla. in place of John Huskey. Incumbent's commission expired February 4, 1922.

OREGON.

Drusilla M. Crance to be postmaster at Cornelius, Oreg. Office became presidential January 1, 1921.

PENNSYLVANIA.

Frank Shupp to be postmaster at Shillington, Pa. Office became presidential January 1, 1921.

Isaac L. Shilling to be postmaster at Reedsville, Pa., in place of John C. Werts. Incumbent's commission expired January 24, 1922.

RHODE ISLAND.

Hilda S. Murray to be postmaster at Centerville, R. I. Office became presidential January 1, 1921.

SOUTH DAKOTA.

Hoyt S. Gartley to be postmaster at Nisland, S. Dak. Office became presidential July 1, 1920.

TEXAS.

Art E. Frieze to be postmaster at Silverton, Tex., in place of E. L. Cowart, resigned.

Ralph H. Kelly to be postmaster at Stanton, Tex., in place of L. H. Salter, resigned.

VIRGINIA.

James K. Carter to be postmaster at Clinchport, Va. Office became presidential January 1, 1921.

Louise J. Nottingham to be postmaster at Eastville, Va., in place of R. P. Custis, declined.

Annie G. Smith to be postmaster at Purcellville, Va., in place of Eugene Monroe. Incumbent's commission expired January 24, 1922.

WISCONSIN.

Winford Suits to be postmaster at Medford, Wis., in place of Franz Markus. Incumbent's commission expired January 24, 1922.

WYOMING.

Thomas B. Wright to be postmaster at Riverton, Wyo., in place of Nellie Gilbert, resigned.

James C. Hurtt to be postmaster at Sundance, Wyo., in place of H. M. Brown. Incumbent's commission expired June 3, 1922.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 4 (legislative day of August 3), 1922.

MEMBER OF THE FEDERAL BOARD FOR VOCATIONAL EDUCATION.

C. F. McIntosh to be a member of the Federal Board for Vocational Education for a term of three years from July 17, 1922.

SOLICITOR OF THE TREASURY.

Richard Randolph McMahon to be Solicitor of the Treasury.

COLLECTOR OF CUSTOMS.

S. M. Parker to be collector of customs, district No. 16, Charleston, S. C.

REGISTERS OF THE LAND OFFICE.

Earl B. Coffin to be register of land office, Susanville, Calif.

James Edgar Hays to be register of land office, Lincoln, Nebr.

PUBLIC HEALTH SERVICE.

Frederick A. Franke to be assistant surgeon.

POSTMASTERS.

KENTUCKY.

Everett Hickman, Burlington.
Eddie E. Shelton, Clay.
William M. Maffett, Cynthiana.
Andy M. Smith, McHenry.
Fountain S. Aynes, Pleasureville.
George V. Auxier, Russell.
Edith Ashby, Uniontown.

MAINE.

Luther C. Spiller, Mechanic Falls.
Reed H. Ellis, Rangeley.

MASSACHUSETTS.

Charles H. Spaulding, Lexington.

MINNESOTA.

Raymond R. Swanson, Bronson.
Gustof A. Johnson, Hallock.
Herman O. Hoganson, Perley.
James A. Christenson, Preston.
Thorvald H. Froslee, Vining.
William A. Clement, Waseca.

NEW MEXICO.

John A. Dickson, Fort Bayard.

NEW YORK.

Earl W. Kostenbader, Groton.
George A. Gardner, Newfield.

NORTH DAKOTA.

William S. Hancock, Edgeley.

OHIO.

Brice H. Murphy, Maynard.

PENNSYLVANIA.

Thomas V. Diffendafer, Millerstown.
Frank T. Stiner, Moylan.
Charles F. De Labar, Riegelsville.
Louis O. Mellinger, Slickville.

WITHDRAWALS.

Executive nominations withdrawn from the Senate August 4 (legislative day of August 3), 1922.

PROMOTION IN THE NAVY.

Ensign Rene F. A. Bucholz to be a lieutenant (junior grade) in the Navy, from the 7th day of June, 1922.

POSTMASTER.

James S. Young to be postmaster at Reedsville, in the State of Pennsylvania.

SENATE.

SATURDAY, *August 5, 1922.*

(Legislative day of Thursday, August 3, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. McCUMBER. Mr. President, I ask unanimous consent that when the Senate closes its session on this calendar day it recess until Monday at 11 o'clock a. m.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Is there objection? The Chair hears none, and it is so ordered.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. Inasmuch as the Senator from Mississippi [Mr. HARRISON] has given notice of his intention to discuss the sugar schedule this morning, I see no reason why we can not take up the sugar schedule and go right on with it after the Senator has discussed it. For that purpose I ask unanimous consent that the Senate proceed to the consideration of Schedule 5, and that in its consideration any amendment offered by the committee or by any individual Senator to the schedule may be considered.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota?

Mr. HARRISON. Personally I have no objection. Indeed, I should like to see that course pursued. But the Senator from North Carolina [Mr. SIMMONS], who is in charge of the bill on this side of the Chamber, is not here. He will probably be here in a moment, and I wish the Senator would withhold his request until that Senator comes in. There is just at this moment no minority member of the Finance Committee on the floor.

Mr. McCUMBER. I talked with the Senator from North Carolina yesterday, and he was very agreeable that these particular important matters should be taken up first and disposed of. I think this course will be very agreeable to him.

The PRESIDING OFFICER. The Chair will state that the Senator from North Carolina will enter the Chamber in about five seconds.

Mr. HARRISON. We can see about it then.

Mr. McCUMBER. Very well; we can consider it a little later.

Mr. SIMMONS entered the Chamber.

Mr. NICHOLSON. Mr. President, I would like to ask if the Senator from North Dakota [Mr. McCUMBER] will not have the time extended to some extent so that those of us who wish to discuss the sugar schedule, and who are not prepared at this time to discuss it, may be permitted to discuss the question, say, next Tuesday?

Mr. McCUMBER. I hope we will dispose of it before next Tuesday, but if we take it up this morning the Senator from Mississippi [Mr. HARRISON] desires to discuss it, and then the Senators from Louisiana, I understand, will go on with the discussion to-day, and the matter will probably go over until Monday. So we shall have time enough.

Mr. NICHOLSON. I did not anticipate that the discussion of the sugar schedule was to come before the Senate at this early date. It has not permitted Senators who are interested in the question to make the preparation they desire to make. For that reason I am asking now that those of us who are not prepared to take up the question before next Tuesday may be granted permission to debate it at that time.

Mr. WALSH of Massachusetts. Can not the Senator get ready by Monday?

Mr. NICHOLSON. There are some data from out of town, which I am trying to obtain, which may not be here Monday.

Mr. WALSH of Massachusetts. I hope we shall get down to business and dispose of some of the schedules once for all. If we take up the sugar schedule to-day, I hope that we will stick to it until we dispose of every amendment to it.

The PRESIDING OFFICER. The Senator from North Dakota asks unanimous consent that the sugar schedule, Schedule 5, may be taken up, and that the committee amendment and amendments offered by individual Senators to it may be considered.

Mr. SIMMONS. Mr. President, I was not here when this matter was brought up. I understand the request applies only to the sugar schedule?

Mr. McCUMBER. It applies to the sugar schedule, and I hope we shall be able to take up the other important ones in order.

Mr. SIMMONS. Is the Senator going to ask for a vote to-day?

Mr. McCUMBER. No; it would be impossible, because there are Senators who say they will not be prepared to discuss the schedule before Monday. However, there are a number of Senators who can discuss it to-day and who will probably take all day in its discussion.

Mr. SIMMONS. I have no objection. If insisted upon, I would not throw any obstacle in the way of taking it up and disposing of it to-day, but I think if we take it up for discussion it might be well, if the discussion is finished to-day, to let it go over until Monday, because I think the Senator from Rhode Island [Mr. GERRY] has prepared himself to discuss the sugar schedule to some extent, and I would like him to have the opportunity. However, I am so anxious, I want to say to the Senator, to get rid of these questions that I would undertake to satisfy the Senator from Rhode Island if it should become necessary.

Mr. McCUMBER. Discussion of the schedule will not be finished before Monday anyway, because other Senators have asked that it go over in order that they may be prepared to discuss it.

Mr. HARRISON. I have no objection to the request of the Senator from North Dakota.

Mr. McCUMBER. I hope we can have the agreement I have requested, and we can take care of the other matter.

Mr. WALSH of Montana. Would it not be wise to finish the schedule now under consideration before we go to the sugar schedule?

Mr. SMOOT. There is just one item remaining in that schedule, and that can easily be disposed of. The committee desires to secure some additional data.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota? The Chair hears none, and it is so ordered. The Senator from Mississippi [Mr. HARRISON] is entitled to the floor.

Mr. GOODING. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. GOODING. At this time I ask unanimous consent, out of order, to call up Senate Resolution 330.

The PRESIDING OFFICER. Under the rule the Chair can not recognize the Senator for that purpose while the Senator from Mississippi holds the floor.

Mr. GOODING. I understood the Senator from Mississippi yielded to me.

The PRESIDING OFFICER. Under the rule the Senator from Mississippi can not yield for that purpose.

Mr. HARRISON. I do not want to lose my right to the floor.

Mr. NICHOLSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Frelinghuysen	Lodge	Sheppard
Borah	Glass	McCormick	Shortridge
Brandegee	Gooding	McCumber	Simmons
Broussard	Hale	McLean	Smoot
Bursum	Harreld	McNary	Stanfield
Calder	Harrison	Myers	Sterling
Cameron	Heflin	Nelson	Townsend
Capper	Hitchcock	New	Walsh, Mass.
Caraway	Jones, N. Mex.	Nicholson	Walsh, Mont.
Culberson	Jones, Wash.	Oddie	Warren
Curtis	Kendrick	Overman	Watson, Ga.
Dillingham	Keyes	Phipps	Willis
Fernald	Ladd	Pomerene	
Fletcher	Lenroot	Ransdell	

Mr. CURTIS. I wish to announce that the following Senators are absent attending the funeral of the late Senator CROW:

The Senator from Pennsylvania [Mr. PEPPER], the Senator from Kentucky [Mr. ERNST], the Senator from Iowa [Mr. CUMMINS], the Senator from South Dakota [Mr. NORBECK], the Senator from Missouri [Mr. SPENCER], the Senator from Georgia [Mr. HARRIS], the Senator from Arkansas [Mr. ROBINSON], and the Senator from Florida [Mr. TRAMMELL].

The PRESIDING OFFICER. Fifty-four Senators have answered to their names. A quorum is present. The Senator from Mississippi will proceed.

Mr. HITCHCOCK. Mr. President, will the Senator from Mississippi yield to me?

Mr. HARRISON. I yield to the Senator.

Mr. HITCHCOCK. Some reference made yesterday by the Senator from Idaho [Mr. GOODING] to his ownership of sheep has suggested a few verses which I shall take the liberty of reading:

GOODING had eight thousand sheep,
Their fleece was white as snow.
And everywhere that GOODING went,
The sheep were sure to go.

They followed him by night and day,
Which was against the rule.
They filled the statesman with dismay,
Tossed high the wool schedule.

And when the people found it out
Their rage began a-waxing;
They knew the presence of those sheep
Meant heavy tariff taxing.

But if the wool on GOODING'S sheep,
To make cloth for those who wear it,
Won't grow unless we tax our folks,
Then they must grin and bear it.

But GOODING'S case is only one
Of many like abuses,
Of taxes that the tariff lays
For private, not public, uses.

Mr. HARRISON. Mr. President, there are certain articles which are imported into this country the duty on which approximately is reflected to the full extent in the cost to the consumer. One of those articles is sugar. I think that is conceded not only by sugar experts and refiners but by the champions of a sugar duty upon this floor. Indeed, it has been conceded by Republican leaders who have previously been authors of tariff bills. I desire to insert at this point what Mr. McKinley, on the floor of the House of Representatives, said on May 20, 1890, in presenting the so-called McKinley bill, upon that proposition. He said:

I would have preferred, Mr. Chairman, if the article of sugar could have been left in the tariff schedule upon the dutiable list. This, however, was not practicable in the presence of an almost universal sentiment in favor of the removal of the entire duty upon this article of universal family use.

Then, speaking in the same month, Hon. Nelson Dingley, the author of the so-called Dingley bill, made this observation:

The duty collected on sugar and molasses the last fiscal year was $55,975,610, or nearly 2 cents per pound. Adding to this the increased cost of 275,000,000 pounds of sugar produced in this country equivalent to the duty of 2 cents per pound and the duty imposed on these articles, was practically a tax of $63,500,000, or $1 per head on the people of this country.

Inasmuch as there is scarcely another article of common use not now on the free list which can not be produced or made here nearly or substantially to the extent of our wants, the transfer of sugar and molasses to the free list will afford conspicuous relief to the people of this country.

In the same debate the "sage of Danville," that splendid old Republican leader who presided over the House of Representatives for so long and whom, without respect to party alignment, men in both parties love—ex-Speaker JOSEPH G. CANNON—said:

Mr. Chairman, the placing of sugar on the free list will relieve each inhabitant, rich or poor, of $1 per annum of tax and at least 50 cents of extortion levied by the sugar refiners. The gentleman from California asks, Why give a pound to the producers of sugar in the United

States? Well, I answer my friend, I am not anxious to give a pound if you do not want it. My principal anxiety is to place sugar on the free list and relieve the people of this great burden of taxes.

On June 8, 1895, Senator William B. Allison, of Iowa, in speaking on the Senate amendment to the Wilson bill, said:

If I had my way, I would strike from this bill every vestige which provides a duty on sugar.

Mr. President, let me see what some of the sugar experts and the owners of large sugar interests say with respect to the tariff on sugar and how it affects the American user of sugar.

Mr. Wallace P. Willett, of the firm of Willett & Gray, reputed to be one of the greatest sugar statisticians in America, said:

All the analyses of changing from duty to free sugar show that whenever duty is taken off the cost of refining decreases, and when duty is added the cost of refining increases; but these analyses also show that whenever duty is taken off the consumer gets the full benefit of the amount of duty taken off and also a part of the lower cost of refining.

Mr. Henry C. Mott, buyer of raw sugar for the American Sugar Refining Co., has testified before congressional hearings that "the amount of duty is always charged to the consumer."

Mr. C. A. Spreckels, president of the Federal Sugar Refining Co., likewise has stated that—

to place sugar on the free list would reduce the price of sugar to the consumer by the amount of the duty.

Mr. Edwin F. Atkins, vice president American Sugar Refining Co., has testified that—

if we reduce the tariff on sugar, the effect will be to reduce the price of refined sugar practically by the amount of the reduction, always subject to the fluctuations of supply and demand for raw sugar.

Mr. Frank C. Lowery, an expert in the sugar business, asked as to whether or not the removal of the duty on sugar would guarantee the consumer the full benefit of such removal, replied:

Exactly, because then there would be no combination of dealers in this country, because they would have to compete with the dealers in other countries, and you can not get the dealers of the entire world into a combination.

Mr. Henry T. Oxnard, American Beet Sugar Refining Co., said that by—

admitting Hawaiian and Philippine sugar free the advantage was given to the Hawaiians and Filipinos rather than to anyone in the United States because the sugar people in Hawaii and the Philippines had simply increased their price just the amount of the duty removed.

Mr. President, I shall not, following that, read from the Republican campaign textbook and the Republican platform of two years ago, on which that great party went before the American people. Senators will recall that plank and what the Republicans promised to do not only with respect to decreasing the price of sugar to the consumer but with respect to decreasing the price of all other necessaries of life. Indeed, they inveighed against the high cost of living, and one of the promises they then made to the people above all others was that they would legislate to decrease the cost of living to them. Senators have heretofore seen the remarkable pamphlet—I have exhibited it upon the floor of the Senate, not in this debate but in other debates—which two years ago the Republican campaign committee had printed and distributed, especially dealing with sugar. I shall insert at this time in my remarks some of the passages from that remarkable document, merely to show that the Republicans promised to do everything within their power to bring sugar cheaply to the American consumer—

Those who hold in the hollow of their hands the supply of sugar know that the American people will buy it, no matter at what price it may be sold.

* * * * * * *

The results of this policy are painful in the extreme. Having in mind the total consumption of sugar in the United States, every time sugar is raised 1 cent per pound the American people are forced to take out of their pockets $90,000,000.

* * *

The poor, plundered citizen, struggling to feed and clothe his family, naturally complains of the high cost of living. But it is better to think than to complain. Consider.

Indeed, the Republican Party were trying to force upon his mind at that time that what they were interested in was to give to the American consumer sugar at a reasonable price.

Mr. President, the domestic producers have always claimed that any proposed tariff rate upon sugar was ruinously low. That contention has been made at every step of legislation pertaining to the sugar question. It was made when it was proposed to permit Porto Rican sugar to come in free; it was also made when it was proposed to admit Hawaiian sugar to come into this country free of duty. Likewise when it was proposed to admit Philippine sugar free that proposal was strenuously opposed and it was prophesied that ruin would be the fate of American sugar producers; and 20 years or more ago, when a preferential of 20 per cent was given to Cuba upon sugars imported into this country from that island, then again prophecies were made that it would be ruinous to the sugar manufacturers and refiners of this country. I propose to show that none of those acts has been ruinous, and that the rate carried in this bill is entirely too high. I propose also to discuss a little later on, as I go along, what is proposed to be done with this rate on sugar. It is stated that an amendment will be offered, and a sufficient number of Senators, it is alleged, are pledged, to put over a proposal to impose a duty of 2 cents on sugar from Cuba.

It is a remarkable occurrence, Mr. President, although dire predictions were made about the industry when the Underwood tariff bill a few years ago proposing to reduce the tariff on sugar to 1 cent a pound was enacted, that the industry continued to prosper and declare unusual dividends.

When the emergency tariff bill was passed in May of last year increasing the tariff on sugar 60 per cent and making the Cuban rate 1.60 cents per pound against the 1-cent rate under the Underwood-Simmons law it meant that on the 4,500,000 tons we use annually the added cost to the consumers of America would be approximately $90,000,000. I want to impress upon the minds of Senators the thought that when the increase to 1.60 cents was provided on Cuban sugar in the emergency tariff act the argument was made that Cuban sugar would sell at 2 cents a pound, which, with the 1.60 cents duty proposed by the then emergency tariff bill, would make the price in the United States 3.60 cents a pound duty paid, and such a price, it was claimed, was needed to protect our domestic industry. That was the argument and that was the reason advanced for the proposal to put the additional sixty one-hundredths cent upon the 1-cent-a-pound rate carried in the Underwood bill, namely, that the price of sugar in Cuba would go very low—down to 2 cents, it was predicted—and that the American sugar interests needed the 3.60 to protect their industry in this country.

It did temporarily go to 2 cents at that time; indeed, I think it went just below that, but only for a short time. I shall show, however, how conditions have changed so that the situation which confronted the sugar interests in America at that time and which prevailed in Cuba at that time does not to-day confront us in the consideration of this question.

Mr. NICHOLSON. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Colorado?

Mr. HARRISON. I would much prefer to wait until after I shall have finished, and then I will yield to any question. If, however, the Senator thinks it is better to ask the question now, I will yield.

Mr. NICHOLSON. I want to inform the Senator as to the reason why the price of sugar has advanced at this time. It is because of the fact that the American——

Mr. HARRISON. I am going to state that in the argument which I am about to make——

Mr. NICHOLSON. Will the Senator excuse me for just one moment?

Mr. HARRISON. And I am quite sure that then the Senator will concede that my statement is absolutely correct.

Mr. NICHOLSON. I want to give the Senator this thought, that the reason for the advance in the price of Cuban sugar at this time is that the American supply of beet sugar is off the market and wholly exhausted, and the Cubans, finding the American market stripped of its sugar, have raised the price, because they have no competition at this time.

Mr. HARRISON. I am coming to that proposition in a moment, and I am going to show that every reason argues against this increase at this time; that not only is the production of beet sugar in this country lower this year, according to the estimates, than it was last year and the year before but that the production of Cuban sugar is about normal; that the surplus which was piled up in Cuba and stored away at the time of the passage of the emergency tariff bill has now been sold and is not on the market; that there is now no reason for any high tariff; and that no duty at all is needed at this time to protect the beet-sugar interests of this country. I shall show further, as the Senator from Utah admits, that all that is needed is 1.4 cents, and if the position of the Senator from Utah is to be followed, and he has any influence on the other side, Senators over there will stand with him in his contention for 1.4 cents a pound on sugar as a sufficient protection for the sugar interests of this country.

Mr. SHEPPARD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Texas?

Mr. HARRISON. I yield.

Mr. SHEPPARD. What is the total increase proposed by the Senate Finance Committee?

Mr. HARRISON. The Underwood law carried, as the Senator is aware, a duty of 1 cent a pound on Cuban sugar. The emergency tariff bill last year increased it to 1.6 cents a pound. This bill retains on raw sugar from Cuba the same rate that was provided for in the emergency tariff bill. It increases the rate over the Underwood bill from 1 cent to 1.6 cents a pound; but it is proposed to offer an amendment, and if reports are true Senators to the number of over 50 have signed up to vote for it, to provide for 2 cents a pound on Cuban sugar.

Mr. SHEPPARD. The rate on Cuban sugar is 20 per cent lower than the rate on other sugar, is it not?

Mr. HARRISON. Absolutely. They get a preferential of 20 per cent.

Mr. NICHOLSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Colorado?

Mr. HARRISON. I yield.

Mr. NICHOLSON. The Senator from Mississippi states that a certain number of Senators here have "signed up" for a 2-cent duty. If such a situation exists on our side of the Chamber, I certainly know nothing about it.

Mr. HARRISON. I do not think they would let the Senator into a scheme like that. He is one of the few fellows they would not take in.

Mr. SMOOT. I have not heard of it.

Mr. BROUSSARD. Mr. President, if I may speak for this side, there are not a sufficient number——

Mr. HARRISON. I know that on this side none have signed up.

Mr. FRELINGHUYSEN. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from New Jersey?

Mr. HARRISON. Yes; I yield.

Mr. FRELINGHUYSEN. The Senator states that over 50 Senators have "signed up"——

Mr. HARRISON. I say it is a rumor that is afloat around here that they have signed up, or that a poll has been taken.

Mr. FRELINGHUYSEN. Oh, a rumor?

Mr. HARRISON. Yes. I will ask the Senator if he has not heard that that is a fact?

Mr. FRELINGHUYSEN. No; I have not.

Mr. HARRISON. It has not been discussed, and Senators have not in part agreed or have been polled that they would vote for an amendment making the duty on Cuban sugar 2 cents a pound?

Mr. FRELINGHUYSEN. No; I have not heard of it; and I think, in fairness to the Senators here who are trying to consider this question from the standpoint of fairness, that if the Senator makes a statement of that character he should give names, because it is a very serious charge.

Mr. HARRISON. The only reason why the Senator does not know about it is that he has not been here.

Mr. FRELINGHUYSEN. I have been here, sir, and I think that when the Senator impugns the motives of any Senator on this floor from the standpoint of a rumor he is unfair to his colleagues in this Chamber.

Mr. HARRISON. I am not impugning anybody's motive simply because he agrees to support a 2-cent amendment on sugar. If it is so wrong, if it is such a crime as the Senator thinks it is, he certainly ought not to vote for 1.6 cents a pound on sugar.

Mr. FRELINGHUYSEN. Why is the Senator making the charge, then?

Mr. HARRISON. I do not make it as a charge. I simply state that rumors to that effect are afloat. We hear it said every day that an amendment is going to be offered to increase a rate to a certain amount. There is nothing particularly in that proposition. The Senator should not become so much aroused. He has cast many votes during the consideration of the bill that perhaps were just as reprehensible and indefensible.

I can understand why certain Senators would be in favor of 2 cents as against 1.6 cents a pound. I do not see any reason why the Senator should become excited on that proposition.

Mr. FRELINGHUYSEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi further yield to the Senator from New Jersey?

Mr. HARRISON. I do.

Mr. FRELINGHUYSEN. The Senator is making an attack——

Mr. HARRISON. An attack? No, indeed. Wait until I shoot before the Senator jumps——

Mr. FRELINGHUYSEN. He is making an attack on those Senators who are standing for a certain rate of duty, and he charges that there is a rumor that Senators have "signed up" or formed a conspiracy for a higher rate of duty. I think that is in the nature of a charge, impugning the motives of Senators; but inasmuch as the Senator says that it is only a statement and it is only a rumor, I do not think it is very serious.

Mr. HARRISON. No; it is not particularly serious in the opinion of Senators over there. Their hearts are so hardened and their consciences so unmoved by any proposition, no matter how bad it might be, that merely to agree upon offering and standing for an amendment for 2 cents a pound on sugar ought not to ruffle your feelings at all. The Senator takes it too seriously. I do not know whether the Senator voted in the committee for 1.6 cents or not. I imagine that he did not, in view of what he says, because he says that it would be a conspiracy if Senators had signed up or had agreed to support a duty of 2 cents a pound on Cuban sugar. If he thinks that that is a conspiracy and that anyone who might state it as a rumor has made a very serious charge, impugning the motives of Senators, I take it that he did not vote in the Finance Committee for the 1.6 cents rate that was adopted by the committee. Did the Senator vote, may I ask, for the 1.6 cents?

Mr. FRELINGHUYSEN. I did.

Mr. HARRISON. All right. Now, Mr. President, I will pass from that.

Without discussing the merits of this claim, the fact is that Cuban sugar for a short time did sell for 2 cents a pound; but such a low price was only temporary, as I have stated. Prices followed the natural course, and last week sugar sold in Cuba in some instances at 3½ cents a pound. That price, with 1.6 cents duty, makes the duty-paid price in the United States 5.1 cents a pound, instead of 3.6 cents a pound, the price that it was claimed the domestic trade needed, the price that was said by those on the other side when the emergency tariff bill was up to be necessary to protect the sugar interests of America—namely, that the price in Cuba would go to 2 cents, and you needed 1.6 cents a pound protection, making the price of Cuban sugar 3.6 cents a pound, in order for the industry in this country to live; and yet if you put the price at which it sells to-day in Cuba at 3.5 cents and add even the 1 cent proposed in the Underwood bill you have 4.5 cents a pound, much more protection than you on the other side, when you passed the emergency tariff bill, said was needed to protect the sugar interests of America.

May I say in that connection, Mr. President, that that claim was made at a time when the cost of labor was higher than it is to-day? The Tariff Commission says that the cost of making sugar in the United States this year is from 5 to 10 per cent lower than the cost of making it last year in this country. If to the present price of sugar in Cuba—namely, 3.5 cents a pound—there should be added the duty of 2 cents that is suggested here, we would have a price range in America of over 2 cents a pound more than those who championed the emergency tariff bill said the sugar industry of America needed to sustain it.

Mr. NICHOLSON. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Colorado?

Mr. HARRISON. Yes; I yield to the Senator.

Mr. NICHOLSON. I take it that the Senator from Mississippi wants to discuss this question in an honest, straightforward way.

Mr. HARRISON. I thought I was doing that.

Mr. NICHOLSON. Yes; I say, I take it that the Senator is. Now, I take it that the information which the Senator is trying to convey in his speech is not correct—that is, it is correct from the Senator's viewpoint—but he will admit that while the sugar interests of the United States last year were producing sugar at the price the Senator mentions, every factory and every refinery was practically bankrupt, and likewise the farmers; so that it is not possible for sugar to be produced in the United States at the cost at which it was produced last year. The Senator will admit that the farmers have borrowed large sums of money, from seven to eight hundred million dollars. I doubt if there are any beet-sugar companies in the United States that were not compelled to mortgage their factories. I will admit that the cane-sugar factories made money on Cuban sugar.

Mr. HARRISON. I will say to the Senator that I have just stated that the cost of manufacturing sugar in the United States out of sugar beets this year is from 5 to 10 per cent lower than it was last year. I think the Senator will admit that.

Mr. NICHOLSON. I think probably that is true.

Mr. HARRISON. That is true; and the Senator ought to admit, because he was here and he heard the arguments proposed in putting over the emergency tariff bill, that the reason

for the increase of six-tenths of a cent a pound as an emergency measure was because it was predicted that Cuban sugars would drop to 2 cents a pound, and that 1.6 cents a pound protection was needed for the time in order to let the interest in this country survive; and notwithstanding that you have to-day in this country 2 cents more than that in order to protect the American interest you are yelling, pleading for still more protection against the American consumer.

Mr. NICHOLSON. Just a moment in reply to that statement. The Senator's statement is correct in part——

Mr. HARRISON. I am glad the Senator admits that much.

Mr. NICHOLSON. In this, that when the emergency tariff bill was passed there was a great quantity of home-produced sugar on the market. At that time, Cuban sugar was selling at the price which the Senator indicates; but after our supply of domestic sugar has been exhausted the Cuban comes on to the market with his sugar and raises the price. Hence, it seems to me that that in itself is a sufficient reason why we should have protection, in order to raise our sugar at home, and not be at the mercy of the Cuban sugar growers.

Mr. HARRISON. The Senator has made exactly the argument that I am going to show a little later on was made to certain officials of Cuba in order to get them to restrict their crop to two and a half million tons—something that no Senator here will dare to excuse—and that was the argument that was offered, not by the Senator, because he would not, but that subtle argument, that persuasive way of putting it, led the Cubans into the belief that it was the best thing for them to do. I will get to that point a little later on. That, perhaps, will be a little more interesting to some of the Senators. What I am discussing now are the facts, because the facts are not what the Senators on the other side of the Chamber want in dealing with this very important question.

Domestic sugar production is not an infant industry, but one of many years' standing that is thoroughly organized. It is in a position to serve the American people to advantage if not allowed to dictate its own terms to the disadvantage of the consumer as to other equally important industries. I could cite to the Senate the many large dividends that have been declared and the increase in the capital stock of the big refiners and the beet-sugar interests in America up until the late Great War broke out. I shall not, however, trespass too much upon the time of the Senate or the patience of Senators; but I am going to read some figures to the Senate to show how these poor little infant industries, these suckling babes who they say can hardly live on this enormous duty that they have already given to protect them, survived, prospered, and bled like leeches the American consumers in exacting from them high and conscienceless profits in the past, raising just when they desired it the price of sugar to the little babe that needed it or to the old woman who sought it or to the confectionery concerns that desired it in their business. It was in their power through this practice. They increased the price, and they made large profits; and I am going to show the Senator from Colorado, even though I can not reach his ears—he asks me a question, and then he leaves the Chamber, but I hope he can read it in the CONGRESSIONAL RECORD to-morrow—something about these little, petted infants that they say need protection.

Let us take first the American Beet Sugar Co., this little infant that is said to need some protection. It has capital stock of $20,000,000—$15,000,000 of common stock and $5,000,000 of preferred stock. In 1915 its net earnings were $1,424,000. It declared that year a dividend on its preferred stock of $300,000. It paid nothing on its common stock that year, but paid $300,000 on its preferred stock.

The interest on its preferred stock was 28 per cent and on its common stock 7 per cent. In 1916 its net earnings were $2,445,000. That year it declared a dividend on its common stock of $900,000 and on its preferred stock of $300,000. On its preferred stock it earned 48 per cent and on its common stock 14 per cent. Yet it is a little infant which needs more protection.

In 1917 it declared dividends on its preferred stock of $300,000 and on its common stock of $3,000,000. It earned dividends on its preferred stock of 97 per cent and on its common stock of 30 per cent.

Mr. NICHOLSON. What year was that?

Mr. HARRISON. That was 1917. In 1921 it declared a dividend on its preferred stock of $300,000. Yet they say the little infant needs some more milk.

Mr. STERLING. Mr. President, will the Senator state what percentage on the capital stock that dividend amounts to?

Mr. HARRISON. In 1921?

Mr. STERLING. In 1921.

Mr. HARRISON. Six per cent. I am sure there are farmers in the Senator's State and in Colorado, and other interests out there, that instead of making 6 per cent that year lost almost 50 per cent of the valuation of their holdings. I think it is remarkable that in 1921 an institution could have made 6 per cent when almost everbody else was losing money. But it was expected they would lose money, because the Republican Party came into control of the Government and confidence was shattered and general depression ensued.

Mr. STERLING. Will the Senator permit a suggestion?

Mr. HARRISON. Certainly.

Mr. NICHOLSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Colorado?

Mr. HARRISON. I yield.

Mr. NICHOLSON. The Senator has cited the profits made in 1916, 1917, and 1918 by the sugar companies. It is true that they made enormous profits. They were permitted at that time to profiteer at will. But when a change came over the situation of course their profits were reduced to normal.

Mr. HARRISON. Yes; and the Senator now wants to help them again to gouge and profiteer.

Mr. NICHOLSON. Not at all. I want to do something for the farmer.

Mr. HARRISON. I am going to show the Senator that he is not doing anything for the farmer.

Mr. NICHOLSON. I shall show that we are.

Mr. HARRISON. I am going to demonstrate to the Senator, before I shall have finished, that the House sought, for the first time when writing a tariff bill, to put a duty on sugar-beet seed. The Senator from Utah and the Finance Committee were generous in one thing. They showed wisdom in that particular. That is about the only instance I can recall where their hearts went out for the farmer. They did not ratify what the Ways and Means Committee of the House had done in that particular, by putting a duty upon sugar-beet seed. They took the duty off and put sugar-beet seed on the free list. But do you know what this concern, the American Beet Sugar Co., does? It sells to the American farmer at a higher price than is charged to the German farmer for sugar-beet seed. Not only that, they pay for beets a much lower price than is paid by the German sugar manufacturer, and, at the same time, they put in this bill no increased duty on sugar beets for the farmer. You are not looking after the farmer in the imposition of this higher rate; you are looking after the man who gouges the farmer.

The Utah-Idaho Sugar Co., a big company, is a remarkable concern. Let us see what they have done. That is the company in which, in a colloquy a few days ago, the Senator from Utah [Mr. SMOOT] said he had 440 shares.

Mr. SMOOT. Worth $3 and something a share.

Mr. HARRISON. On July 25 of this year, in a colloquy with Senator WALSH of Massachusetts, the Senator from Utah [Mr. SMOOT] said:

> I have 440 shares of Utah-Idaho Sugar Co. stock that I bought in the plant in Idaho years ago.

Let us see what that concern is doing. In May, 1917, a stock dividend of 150 per cent was paid on the capital stock of $10,000,000. The outstanding capital stock is $23,730,000.

Mr. CARAWAY. May I ask the Senator if, by paying that stock dividend, they did not avoid paying an excess-profits tax?

Mr. HARRISON. I presume they did. I expect they had some pretty good lawyers, and pretty good advisers, and pretty good trustees, who were advising that deal, and looking after the interests of that institution.

Let us take the Great Western Sugar Co. It operates 16 big sugar factories. Its capital stock, common, is $15,000,000, and its preferred $13,630,000. In 1916 it paid a dividend on its preferred stock of $954,000, and on its common stock of $1,050,000. In 1918 it declared a dividend on its preferred stock of $954,000 and on its common stock of $7,050,000. In 1921 this concern declared a dividend of $954,000 on its preferred and $2,662,000 on its common. It declared a dividend on its preferred of 7 per cent and on its common of 17½ per cent.

Mr. CALDER. Was that last year?

Mr. HARRISON. That was 1921. Yet this is a little, weak infant which needs milk.

Mr. CALDER. What company was that?

Mr. HARRISON. That was the Great Western Sugar Co.

Mr. NICHOLSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Colorado?

Mr. HARRISON. I yield, if the Senator can explain how they made so much under the circumstances.

Mr. NICHOLSON. I am perfectly willing to explain why they made so much. It was because the party which is not now in power permitted unconscionable profiteering. If the Senator at that time had had the interests of the farmer and of the consumer at heart, as he pretends to have to-day, would that have been permitted? He was not here at that time talking against unconscionable profiteering as he is to-day.

Mr. HARRISON. Before the Senator proceeds——

Mr. NICHOLSON. As to the Great Western Sugar Co., it is true that during the war they made the profits of which the Senator speaks. I do not deny that.

Mr. HARRISON. I read the figures for 1921.

Mr. NICHOLSON. Who are the owners of that Great Western Sugar Co. of which the Senator speaks? It is currently reported that it is largely controlled by refiners of cane sugar, who have a greater interest in Cuba than they have in this country.

Mr. HARRISON. The Senator a moment ago said that the reason why they were making such profits was that the Democrats had come into control, and I have just shown that that big profit was made in 1921, when the Republican Party controlled.

Mr. NICHOLSON. But there is a great difference between $2,000,000 and $7,000,000, which was paid on the common stock.

Mr. HARRISON. The Senator is a little inconsistent, but he is about as consistent as he generally is upon these big questions. Anyone who attempts to defend this iniquitous proposition will find himself in a hole. He will think he is going in when he is coming out, and he will get lost in the maze of what is being attempted. It is enough to cause one to lose his head.

Let us take the Amalgamated Sugar Co. It operates eight beet-sugar factories in Utah and Idaho. In 1917 its net earnings were $2,680,000. It declared a dividend of $698,000. In 1921 the amount of dividend that was paid was $394,000. It was doing pretty well. But it is a little infant, which needs a little more milk in the way of a larger tariff duty upon sugar.

Let us see what happened in addition to that. Prior to 1919 the only outstanding stock of the Amalgamated Sugar Co. was $5,824,000. At that time it was increased to $6,824,000, and $4,833,000 preferred was issued.

There is no use reading of these various big concerns which are making all this money at the expense of the American people, and which, if rumor is to be believed, have 52 Senators here who say they are going to vote for increasing the rate to 2 cents.

Mr. CARAWAY. Mr. President, I heard the Senator's statement awhile ago that there were 52 who had signed. I wonder if he was not mistaken. Was not a poll made of the Senate, and were there not 51 who agreed to stand for this plunderbund?

Mr. HARRISON. That is the rumor; whether it was 51 or 52 I do not know.

We have heard much recently from Senators on the other side against importers of this country making huge profits on certain articles imported from Germany. Let me give an illustration of profiteering upon the part of these interests for whom favoritism is sought in the sale and importation of their products.

For example, to-day the domestic price of Cuban sugar, that is, the price for which it is selling, is 3 cents, cost and freight; the duty is 1.50 and the insurance is 0.015, making a total of 4.615 cents. Raw sugars from the Philippines, Porto Rico, and Hawaii pay no duty, but sell on the duty-paid basis, that is, 4.615 cents. To this should be added the refiners' margin to cover cost and profit, which is approximately 1.265 cents. And to this should be added 2 per cent cash discount, making a total of 6 cents. That is the amount on which to-day's quotations for granulated sugar of 6 cents, as well as 2 per cent, is arrived at, and the sugar producer bases his quotations on the cane-sugar price.

Now, let us see, as to the export price. At the same net basis for granulated, that is, 5.88 cents per pound, deduct the drawback on refining, which is approximately 1.58 cents, and we arrive at the present quotation for export, 4.30 cents.

This is a sample of how the tariff is reflected in the price of domestic sugar, and from this it will be seen that when a refiner sells for export at 4.30 cents, his position and the raw-sugar producer's position are the same as though the sugar were sold in the domestic market at 6 cents cash less 2 per cent.

What about the German exporter who gets 4.45 cents per pound delivered at Hamburg, who is buying sugar that is grown on the same plantation, refined in the same American refinery as the sugar that is being sold in Chicago at 6 cents cash less 2 per cent. The only difference is that our protective tariff is reflected in the price the housewife in Chicago pays, while, of course, it is very probably not reflected in the price of sugar that has been exported. With this difference on the four and a half million tons of refined sugar that we will use this year our consumers are being taxed at the rate of $169,344,000 annually.

Mr. President, in the year 1920–21 in Cuba there was produced approximately 3,926,000 tons of sugar. Of beet and cane sugar there were produced that year 969,000 tons. In 1921–22 the amount was 911,000 tons. This year the beet sugar in the United States, according to the estimate of the Federal Tariff Commission, is 586,000 tons, a dropping off of over 300,000 tons, showing a shortage, a great shortage, according to the estimate, in the beet-sugar production in the United States this year. It will be noted, therefore, that if the other countries from which we get sugar yield approximately as much as they did last year there will be a shortage in the sugar production for this year, and that alone will necessarily cause an increase in the price of sugar.

But let me state further that Cuba this year shipped to the United States, up to July 1, approximately 2,645,592 tons. If her crop had been restricted to 2,500,000 tons, according to the letter which I hope the Senator from Utah [Mr. SMOOT] will produce before the debate to-day is over, with the 1,200,000 tons estimated was carried over, it would have given her a total this year of 3,700,000 tons, the entire supply being cleaned up practically by July 1. In other words, if the agreement that was suggested of limiting the production of sugar in Cuba to 2,500,000 pounds was carried out, there would now be such a shortage in this country that speculation would ensue and the prices would go sky high. There would be no curtailing it, no holding it down at all, no protection for the American consumer.

Mr. NICHOLSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Colorado?

Mr. HARRISON. Yes; I yield.

Mr. NICHOLSON. If the statement made by the Senator be correct, that the production of beet sugar in the United States has declined from 800,000 or 900,000 tons to about 500,000 tons, I think that the Senator will be fair enough to admit that the Cubans, realizing that fact and finding that the American consumers are entirely at their mercy, are now raising the price, and will continue to raise it, as they did in 1920, when they thought the American consumer could not obtain sugar anywhere else. They raised the price to 22 cents at that time. I think the Senator from Mississippi is making the very best possible argument in favor of protection for the American producer.

Mr. HARRISON. I am glad the Senator likes it. If he will stay with me, I will give him more of it, because I have some really good stuff to come a little later. I hope the Senator will continue to agree with me.

It is known that our importations from Cuba are on an average about 2,500,000 tons annually. We can not lose sight of the fact that, therefore, the increased tariff or any tariff will cost the American people twice the amount that will go into the Treasury. If it costs the American consumer $140,000,000 a year, it will mean that only $70,000,000 a year will go into the American Treasury. If we raise out of the sugar tariff $90,000,000 of revenue, it will cost the American consumer about $180,000,000.

The 10-year pre-war average selling price——

Mr. BROUSSARD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Louisiana?

Mr. HARRISON. I yield.

Mr. BROUSSARD. If the argument of the Senator is that the duty is added to the price, how can the Senator explain that when sugar was placed on the free list in 1890 the price of sugar went up and remained up until 1894, when there was a duty of 0.84 cent placed on the sugar, and then it went down and remained down as long as that duty remained on sugar? How can the Senator explain that when the emergency tariff law was enacted the price of sugar went down and has remained down ever since?

Mr. HARRISON. I do not know whether the Senator was here during the earlier part of my speech. I did not read from Democratic leaders in the past as to how the tariff rate affected it, but I did read from Republican leaders, from McKinley and Dingley on down to JOE CANNON and Allison, and I could have encumbered the RECORD with many other utterances of distinguished tariff leaders and experts in the Republican Party. But may I say to the Senator, of course, that the rules they laid down and the proposition that I am making that the duty on sugar is reflected to the American consumer apply when there are normal conditions, when there is approximately

a normal yield of sugar in the various countries from which we imported and in this country, namely, Porto Rico, Hawaii, Philippines, Cuba, and in our domestic cane-sugar and beet-sugar sections. Last year the emergency tariff bill was before the Senate for consideration, and that was the reason why Cuba paid the rate last year. That is very true. It was because of the enormous surplus that was on hand in Cuba at that time.

Mr. BROUSSARD. Then, if I understand the Senator, his statement that the duty is to be added to the price is not correct, since he now finds other reasons that affect the price.

Mr. HARRISON. The Senator certainly did not understand me. I said under normal conditions that was the universal rule. I produced the testimony of Republican leaders and experts on the tariff to show that. The reason why I say there is any exception to the rule is because there might have been abnormal conditions at that time. At this time, instead of there being a surplus in Cuba, from which country we get our enormous supply and which we are compelled to obtain, there is no surplus. In other words, there is, if anything, a shortage in Cuba at this time. There is a short crop in this country.

Mr. BROUSSARD. May I say to the Senator that I expect to follow him, and I want to say now that I expect to argue that at the time the expressions were given by the leaders to whom he referred the world market was Hamburg, but it is now New York, and that makes a difference. The freight and the cost, including the duty, must be added in order to bring the sugar to meet the world market at New York, and therefore the foreign producer must absorb the duty.

Mr. HARRISON. I hope the Senator from Louisiana, in whom I have such confidence and for whom I have such a high regard—in fact, it is so great and so constant that I almost love him—will not expect me to possess the logic or the superhuman force or the facts ever to convince him of the correctness of my view on the sugar question. That is an utter impossibility. I surrender to him now. I throw up the white flag. It is "out of the question." I give up.

Mr. BROUSSARD. I merely want to explain that I made this statement in order that the Senator might meet the argument at this time.

Mr. HARRISON. Now, Mr. President, going further, it is generally understood that on a proper basis of cost accounting it would take approximately 2½ cents f. o. b. Cuba to give the factories a fair return. At any rate, let us take that as a basis. Therefore, in determining where the domestic industry would stand in competition with Cuba, we can analyze the following figures, for example:

Cost f. o. b. Cuba	$0.035
Freight and insurance to refining centers	.0018
Present duty	.016
Refiners' cost and profit	.01
Making a total of	.0628

To the $0.0628 per pound should be added such protection, it matters not how insignificant, which the beet interests would receive through the freight rates—from seaboard points to the interior—giving them a minimum price of more than 6 cents to figure on. It will be seen, therefore, that it is reasonable to suppose that any beet-sugar factory that pays $5.50 per ton for sugar beets can make a reasonable profit at a great deal less than 6 cents per pound.

To put any industry on a cost-plus basis—that is, take any cost and simply add anything necessary for protection—will encourage inefficiency. Therefore, if you are going to have protection, we should determine a fair cost of production and put it up to the industry to manufacture at that figure.

Our trade with Cuba in 1920 amounted to $515,000,000. That was the value of our exports to Cuba. Since then naturally they have fallen off, but there is an enormous trade between the United States and Cuba. Indeed, Cuba obtains from our industries more of the things that she consumes and needs than from any other country. But we can not expect to maintain a trade balance with Cuba and to retain that sweet and pleasant trade relationship with that little country if we are going to erect against her chief product a wall so high that she can not pay us with it.

Mr. President, the Senator from Colorado [Mr. NICHOLSON] a moment ago said that this was in the interest of the American sugar farmer—and I imagine he wanted to include the laborer as well. It is quite true that there is a great deal of hand labor in the cultivation of sugar beets, and this is one reason why the American farmer, so accustomed to and fitted for extensive cultivation, does not take to it readily, although he is exceptionally well favored by climatic conditions and the quality of the soil.

Yet, as I have said, in the bill before the Senate, while it is proposed to levy this high and exorbitant tariff on sugar, it was proposed to levy a tariff on sugar-beet seed, the product he must have.

On sugar beets coming into this country in competition, under the arguments of Senators over there, approximately the same duty is levied as carried heretofore. In other words, they sought on many agricultural products to give him an increased protection which was in practically all instances fictitious and artificial and hypocritical; but the beet farmer, the man who actually raises the beets, the fellow who it is claimed the Senator wants these high duties in order to help, was overlooked in that particular.

May I suggest to the Senator from Colorado and to the Senate generally that under the Underwood bill the farmer in 1911 received for his beets $5.50 a ton. In 1912 he received $5.82; in 1913 he received $5.69; in 1914, $5.45; in 1915, $5.67. To-day, with the present high rate carried in the emergency tariff law, they offer him $5 to $5.50 for his beets. Why, only recently, if the report is correct, there was a general cut on sugar beets throughout the sugar-beet section.

Mr. NICHOLSON. Mr. President——

Mr. HARRISON. I yield to the Senator from Colorado.

Mr. NICHOLSON. The sugar contract has been changed so that the farmer is paid now based upon the saccharine content in the beet and the price of sugar. The price of sugar and the saccharine content of the beet are the basis of pay. So the information which the Senator from Mississippi has before him is rather misleading.

Mr. HARRISON. If it is misleading, the Tariff Commission misled me. I told them not to give me any of these "high-falutin" terms, but to give me something in dollars and cents, something that the average person can understand and appreciate. They gave me the information that there had been a cut in the price of beets, and that the price that the sugar beet manufacturers were offering to the beet farmer is from $5 to $5.50 per ton.

May I say, too, before I leave this point that I do not blame the committee for changing the measurements, and I do not blame the sugar manufacturers for employing another rule by which they may purchase the beets. It is the same operation that the Senator's crowd—I will not include him in it—the Senator's colleagues in writing the bill have attempted to apply. He will recall that the old obnoxious Schedule K, which stunk to high heaven, was changed in its name, but it did not remove the stench that attached to it. So the Senator's crowd, the beet manufacturers of the country, seek to change the measurements; they seek to give a price according to the amount of saccharine that is in the beets so that they can cover up that they are paying less to-day for their sugar beets to the American sugar beet farmer than they ever did before. While they are doing that, at the same time they have caused to be imposed a higher duty on Cuban sugars that are imported into this country.

Mr. NICHOLSON. Mr. President, if the Senator from Mississippi will once more yield, I desire to say that the Senator has failed to quote the price which the farmer, when sugar was selling at 22½ cents, received for his beets, namely, $12 a ton. Has the Senator that information before him?

Mr. HARRISON. I have not that information, but the Senator from Colorado may put it in, and I shall be glad to have it.

Mr. NICHOLSON. The Tariff Commission has that information, and it is a matter of general knowledge that the beet growers of the United States then received $12 per ton as the price for their beets.

Mr. HARRISON. That does not help the Senator's argument any.

Mr. NICHOLSON. Except to the extent that I am trying to convince the Senator and to show him that the price of beets is dependent upon the price of sugar to a great extent.

Mr. HARRISON. But I was trying to show to the Senator and to the Senate that the farmers, whom the Senator seeks to help, are to receive from the big interests, which are to be accorded the protection, less for their sugar beets this year than they received last year. The Senator from Colorado does not controvert that statement, and I do not blame him for not doing so.

Mr. NICHOLSON. I think the Senator should readily understand that is not correct.

Mr. HARRISON. The Tariff Commission, then, is not correct.

Mr. NICHOLSON. I can not help what statements have been made by the Tariff Commission relative to the question; but it is a generally known fact that the prices which the farmers obtained for beets last year and this year are relatively the same.

Mr. HARRISON. The Senator will have to fuss with some one else instead of me on that proposition.

Mr. President, I am now coming down to the proposition about which I wish Senators could hear the facts. Of course, if Senators wish to vote for this high rate without knowing what is behind it, without knowing the stain that will attach to this country in the imposition of this duty, well and good, they may do so; but I expect to lay before the Senate the facts that are connected with this sugar schedule; and if Senators vote for the amendment which is to be proposed making the duty 2 cents a pound on Cuban raw sugar or vote for the duty of 1.6, they will have to answer to their constituents in the coming election.

I expect to lay the facts before the Senate, even though some Senators will not remain and listen to the discussion, and, perhaps, will not do so because they might be led to violate—I will not say a pledge but the implied promise which they have made that they were going to vote for the 2-cent duty amendment when it is proposed. I say to the absent Senators, however, that they should be here and they should inform themselves about what has been happening in connection with the sugar question. One of the blackest pages that has been written in our relationship with Cuba has been written touching the sugar schedule. It is a proposition which calls for explanation, and the American people will not be satisfied until explanation is forthcoming.

I have shown, Mr. President, that when the emergency tariff bill was put through Congress the argument made and the reason given therefor was that the price of sugar in Cuba would go to 2 cents a pound, and that sugar growers here needed 1.6 cents protection, which made 3.6 cents, in order that the industry here should survive. I have also shown that to-day sugar is selling in Cuba for 3½ cents a pound, and even with the rate in the Underwood law of 1 cent a pound, that would make the price nearly 4½ cents a pound, giving nearly 1 cent more protection than the American sugar manufacturers said they needed last year in order to protect themselves.

Do you know, Mr. President, that immediately following the passage of the emergency tariff bill last year the people of Cuba were aroused, and they sent a commission to this country to protest against the very high rate imposed on sugar, namely, 1.60 cents? Do you know that they had a conference in this country in which protest was made against it, and that the representatives of this Government said to them when they made the protest, "If you will reduce the production of your crop of sugar to two and one-half million tons a year, it may be that then we can give you some relief"? Then the commission went back to Cuba and reported that fact to the President of that fine little island in the Antilles, and he informed the law-making body of Cuba of the suggestion that had come from Cuba's former mother country. They said in answer to his request, "We can not restrict the crop now; already contracts have been entered into and it is too late." They also said, "We have not received the suggestion in a thoroughly official form; you have heard it, but it has only been in conversations, and so forth." So for the time being production went on. In a little while, however, the Government of the United States appointed General Crowder to go to Cuba in order to help Cuba solve its economic problems. He worked among them, it is said, and the question of sugar was one of the problems which he took up. Then he went to the Cuban authorities with a letter which he had received and which evidently was an official letter, according to all the reports, although I do not know as to that. The letter, however, to General Crowder was from one high up in the legislative councils of this country, one who, after March 4, will occupy the highest position in this Chamber, so far as committee assignments are concerned, one who has been the champion of the imposition of sugar duties for many years upon the floor of the Senate, one who in a debate said he owned 430 shares of Utah-Idaho Sugar Co. stock, one who was the most influential personage and character in the writing of the pending tariff bill.

The senior Senator from Utah [Mr. SMOOT], the coming chairman of the Finance Committee of the Senate, wrote this letter to General Crowder, proposing that, if Cuba would reduce her crop to two and a half million tons, this country then would take under consideration the maintenance of or a reduction in the present rate on sugar. Let me read, Mr. President, in this connection what the American committee on Cuban emergency said about it:

> No formal proposal being received by the Cuban Government, the crop started with no restrictions, but about the middle of February this identical proposition was again brought to the attention of the Cuban Government; this time by what was tantamount to official action of the United States Government. The President of Cuba called a conference of the House and the Senate and laid the proposition before them.

Mr. Reubens, the chairman of the American committee on Cuban emergency, was interviewed on what happened after the President of Cuba notified General Crowder that the Smoot plan could not be met for 1922, as the crop was already in. Here is what he said:

> Here the matter stands, except that one outstanding fact has been admitted by this proposal to the Cuban Government, namely, that the offer to reduce the 1.6-cent rate on Cuban sugar to 1.4 cents in the permanent tariff is a frank admission that the former rate is too high and unnecessary as a permanent protection to American-produced sugars.

Mr. President, I have not that letter. I asked the Senator from Utah some weeks ago if he would produce the letter. He said he had the letter, and that it would be produced in due time. I am sorry that I have not that letter now in my possession in order that I might analyze its terms; but I have not. I will, however, if the Senator from Utah does not produce it at this time, assume to be correct the statement which has been made and universally accepted and carried in the press and reiterated by the Cuban authorities, namely, that the letter stated that if the Cubans would reduce their crop of sugar to two and a half million tons this year, a rate of 1.4 cents per pound upon Cuban sugar might be imposed by the Congress of the United States. I pause and await upon the Senator from Utah for a reply. Then I take it that that is practically the substance of the letter, unless the Senator now tells me differently.

> The impression thus created is most unfortunate. The Cuban Government having received a formal promise of a permanent rate of 1.4 cents, if the present crop were restricted, naturally was led to believe that the Congress of the United States would be ready to legislate to apply this rate.
>
> Unthinkable as the threat to raise the duty beyond the Fordney rate, not as a measure of protection to an American industry but as a punitive measure, permanent in character, for the failure of Cuba to accept at the eleventh hour a proposal which was not made until apparently too late for legal or practical acceptance.
>
> The Cubans have shown that they are disposed to accept the force of reason, but they would not be human beings if they were disposed to accept the reason of force. Attempted punitive measures will not aid American trade in Cuba.

Now I want to read what the Mercurio, one of the big papers in Habana, said about this proposition. This was on April 20 of this year. The Mercurio published this editorial on that date:

> The reports of the Cuban commercial commission attracted the attention of the Mercurio because the names of the American members were not mentioned in it. Therefore the Mercurio, always fighting to defend the interests of Cuban commerce and of the Cuban people, began a campaign of investigation.
>
> It first questioned members of the commission and published their replies as received. The first answers were courteous, but the Cuban commissioners thought themselves under obligations to withhold the names of the American members and therefore refused to furnish the Mercurio with the information. Dr. Gonzalo Freyre, although withholding the names, intimated that some one in the American Legation had worked to obtain the acceptance of the terms proposed by the Americans.
>
> Following this indication, the Mercurio sent reporters to Mr. Cable, the American chargé d'affaires; to the commercial attaché, and to General Crowder. Mr. Cable stated that the American Legation could not furnish such information; the commercial attaché said he knew nothing of the matter; General Crowder replied that because of the nature of his duty it was impossible for him to answer.
>
> The Mercurio interviewed Señor Geinbert and Señor Portuondo, but could not get the names of the Americans. At the last moment Doctor Ferrara sent a statement to the effect that the offer had been made by Senator SMOOT.
>
> The New York World, following this trail, has learned that Senator SMOOT made the proposition in a letter, and that General Crowder has done all that is possible to obtain the arrangements proposed by Senator SMOOT.

So, there you are. The representative of the American Government in Cuba, General Crowder, sent there to help them solve their financial and economic problems, is given a letter by the coming chairman of the Finance Committee to be used, I take it, as official to get the Cuban sugar-cane producers, backed by the Cuban Government, to reduce the production of sugar to two and one-half million tons this year on the condition that if they will do so this Government will reduce its rate on Cuban sugar from 1.6 cents a pound to 1.4 cents a pound.

Ah, Mr. President, if 1.4 cents a pound, according to the Senator from Utah, was sufficient permanent protection on Cuban sugars, provided just for this current year Cuba should reduce her crop to two and one-half million tons, how can you, may I ask the Senator from Colorado [Mr. NICHOLSON]—who is always fair and wants to do the right thing—how can you and your colleagues here vote for a tariff of 1.6 cents per pound as a permanent tariff duty in this tariff bill? Why did the Senator from Utah, in his letter to General Crowder, to be presented to the Cuban Government, say that 1.4 cents a pound would be sufficient in the permanent law

upon that one year's condition? Why do they seek now 1.6 cents a pound or 2 cents a pound?

Mr. POMERENE. Mr. President, may I ask the Senator to state, if he has the figures in mind, what the normal production in Cuba is?

Mr. HARRISON. For this year, I will say to the Senator, the estimate is about 3,800,000 tons. The sugar crop of Cuba is usually about 4,000,000 tons, roundly, I think.

This paper, the Mercurio, continues:

We applaud the work of the World and congratulate our northern contemporary for finishing so successfully the work we began here.

We must now conclude our labors, and to do so must study the status of General Crowder. The General, after having carried out the most difficult tasks for the United States during the war, came to Cuba to help us draft an electoral law. After a long time the law was completed, passed by Congress, and approved by the President. An election was afterwards held in Cuba, and the persons who General Crowder said were elected took possession of their offices, and apparently carried on the Government.

But General Crowder remained here and interested himself noticeably in Cuban political matters. He did not remain as minister or ambassador because such functionaries under the United States laws must be approved by the Senate. General Crowder was not accredited, because the credentials of a diplomat are public documents and must be delivered to the Cuban President publicly.

The Cuban people asked no questions because of their good breeding, but since the disclosures by the World we can not do otherwise than ask in what character General Crowder is here. As he is not a diplomatic officer he can not have greater rights in Cuba than any other American citizen. Nevertheless, he has intervened in the political administration and economic problems of this country and has tried to carry out an arrangement that would have been prejudicial to our country and our commerce, and he has not thought fit to declare publicly his participation in this project which would have injured Cuba so much.

The Washington Government can not lightly furnish excuses for all this which would have been so prejudicial to the Cubans. President Harding can not evade responsibility by declaring he never offered these conditions to the Cuban Republic. General Crowder is here as the personal representative of President Harding, therefore Mr. Harding must by his action prove he had no participation in all this.

As General Crowder is here as the personal representative of Mr. Harding, we ask Washington what is the legal status of this office which was unknown before President Wilson's administration? If General Crowder is here in a diplomatic capacity why was he not duly accredited in accordance with the American Constitution? If General Crowder is here, not as a diplomat but with other duties, we declare this is intervention in fact, and we ask for what legal cause the United States has taken action in the government of a friendly and peaceful nation.

Senator SMOOT may find favor with the voters of Utah but he would have difficulty in justifying his conduct before the consciences of the American and Cuban people. Senator SMOOT may say to his voters that he deceived General Crowder and the Cubans in order to protect the beet industry. Senator SMOOT may obtain the plaudits of the voters of Utah, but only at the price of General Crowder's reputation among Cubans.

The World's exposure will cause sad effects in our relations with the United States. We have always looked for fairness and always got it. We remember the times of Roosevelt and the "square deal" and we never had reason to be sorry for our confidence in the American Government. But Theodore Roosevelt is dead and, it seems, his principles exist no more.

Hereafter Cubans must assume an attitude of mistrust toward the Government which treats us so, not only to defend our interests but also to protect the American people, whom we love so well, from the irresponsible acts of their public officials who misrepresent them.

The Mercurio in making these statements is not anti-American. We have always tried to bring about the most complete harmony between the United States and Cuba, and to make closer the commercial relations between the two peoples. But in view of these disclosures the Mercurio, as a Cuban newspaper, steps forward to defend Cuban rights from aggressors, even though they are Americans, and declares itself ready to fight for the standard it has always upheld:

"Cuba for the Cubans."

Now, Mr. President, let me read from this great New York paper, whose special representative looked into the matter thoroughly, and see some more facts touching it. It says:

It was believed that the success of the Smoot scheme would have added a half cent a pound to the consumer and many millions of dollars to the holders of the surplus sugar.

Cuban statesmen, sugar producers, and newspapers know all about the Smoot-Crowder movement, but very little was said about it in the United States.

That is true. Cuba may have known about this letter from the Senator from Utah to General Crowder, our representative in Cuba, but in the United States, somehow or other, it was as secret as a blushing maiden's love.

The January number of the Economic Bulletin, of Cuba, recited part of the story of the negotiations to have the Cuban crop curtailed.

Let me read from that bulletin. It said:

"Toward the end of December after the hearings before the Finance Committee of the United States Senate on the sugar schedule," the Bulletin states, "negotiations were begun to reconcile the Cuban and United States beet-suger interests, and C. C. Hamlin, representing the latter, visited Habana and called a number of conferences with prominent sugar men, bankers, and General Crowder.

"The beet interests of the United States, speaking through Mr. Hamlin, proposed:

"1. A reduction of 33 per cent in this year's Cuban crop.

"2. A reduction of the duty on sugar in the emergency tariff and Fordney bill.

"3. The entry into the United States without the previous payment of duty of 1,000,000 tons of Cuban sugar for the purposes of being refined and exported to Europe.

"4. Financial assistance by American bankers for moving the Cuban crop.

"5. Regulation of the exportation of Cuban sugar to the United States.

"In order to discuss this plan, Señor Aurilio Portuondo, a recognized authority on Cuban sugar questions, was invited to Washington, where the negotiations were continued from January 11, Secretary Hoover, General Crowder, and Senator SMOOT participating in these pourparlers with the Cuban and beet-suger representatives.

"The plan upon which Mr. Hamlin had agreed with the Cuban interests at Habana was not accepted by the majority of the beet-sugar men * * * and consequently fell through.

"The division of the members of the United States Sugar Manufacturers' Association on the question of concessions to Cuba became pronounced, Mr. Havemeyer and others supporting Mr. Hamlin's proposals, but the majority and principally the eastern group, being irreconcilable and holding out the threat that if Cuba did not reduce its crop the duty on sugar would be raised to 2½ or 3 cents a pound.

Strong-arm tactics, indeed. Not satisfied with just 2 cents, the threat is made that 3 cents a pound might be imposed upon sugar from Cuba. Said this bulletin:

It is understood that Senator SMOOT does not support any increase of the duty of 2 cents—

The Senator from Utah is very generous in limiting it to 2 cents—

and in the conference held with General Crowder, Señor Portuondo, and Señor Despaigne on January 16 he expressed the opinion that if the Cuban crop was reduced by the enactment of law to that end the difficulties under which the industry is laboring would be solved.

Let me read that again:

It is understood that Senator SMOOT does not support any increase of the duty of 2 cents, and * * * he expressed the opinion that if the Cuban crop was reduced by the enactment of law to that end the difficulties under which the industry is laboring would be solved.

The conferences were suspended without any formal agreement being reached, it being understood, however, that if Cuba should agree to reduce its crop this year to two and a half million tons the duty on sugar, established by the emergency tariff and the Fordney bill, would be lowered to $1.75 per hundred pounds, making the duty on Cuban sugar $1.40 instead of $1.60 per hundred pounds.

When was a blacker page ever written in the legislative history of this country? When was a more inexcusable proposal made to another country with which we were on friendly terms? This bulletin continues:

It was after this that the famous Smoot letter offering a tariff rate of $1.40 for a reduction of crop to two and a half million tons was written.

Cuban sugar growers and handlers resented the proposition insisted on by the United States beet-sugar interests and Government officials.

Insisted on by the United States beet-sugar interests and Government officials of the United States.

Oh, I wish I could cut this bond which seems to tie the two together. Then, and not until then, will the American sugar consumer be able to get sugar at a fair and reasonable price. I continue reading:

Henry A. Rubino, vice president of the Miranda Sugar Co., denounced the "proposal by the United States" as unfair. In an interview February 23 he said:

"This proposal in substance would permit Cuban sugars to enter the United States at a tariff rate of 2 cents a pound, less a differential of 30 per cent, or 1.40 a pound net, provided that this 1.40 applies only to 2,500,000 tons and that Cuba agrees to limit its output to that number of tons.

"It is outrageous in peace times for one country to say to another how much or how little it shall produce."

He added that the United States "is attempting now to dictate the size and extent of this—the sugar—crop, and for what purpose?

"Its sole object is to give artificial protection to an American industry which at best can supply one-sixth of the American demand and solely to enable the producers of that sixth to escape financial ruin. The one-sixth is the beet-sugar industry of the United States."

Rubino charged that a beet-sugar lobby was behind the proposition made to Cuba. He asserted that the industry in the 16 States where the beet grows had collapsed and Congressmen were trying to save it.

Mr. President, that is not the worst of the story. I care not how black the ink may be that stains that page which I have revealed to the Senate; it is not as black as that which was used in what was to follow. When Cuba resented this proposal made by General Crowder, through Senator SMOOT, to have that Government restrict its crop to two and one-half million tons, upon the sordid consideration of a reduction of rates from 1.6 cents to 1.4 cents a pound, when it was turned down, these sugar-beet interests—these infants—which my friend from Colorado says need a little more milk to sustain them, which are just beginning to walk, and need more sustenance in the form of tariff protection, did not stop.

What did they do? The plan was to get together and do indirectly what Cuba had refused to do, and what the Congress had failed to do.

It is stated, and published in the press, that 12 of them formed what was known as a syndicate, each one of the 12 to put in about $1,400,000, and the syndicate was to give the sugar-beet interests of this country approximately $14,000,000; in other words, give to them the amount that an increase of 40 points in the tariff duty would amount to, and that $14,000,000 these beet-sugar interests were to extract from Cuban sugar

producers and pay over to the sugar-beet interests of the West, which seem to be crying out not only for the imposition of 1.6 cents a pound but who have laid the plan for 2 cents a pound on Cuban raw sugar.

I shall read to the Senate, in order to show that it is alleged that scheme was attempted to be put over, an alleged copy of the bill of exchange which was sent to each of those 12 people, with a memorandum, and if what is stated therein is true it is shown that there was a congressional arrangement back of the proposition.

Thwarted and defeated in their plan to have Cuba accept the Smoot proposal, these interests, apparently hungry to extract from the American sugar consumers larger profits, it is said joined in an infamous scheme to make the Cuban producer pay $14,000,000 over to the same interests who sought to be protected. I say Cuban interests to pay it. Why, of course, eventually it would come out of the American sugar consumer.

Mr. CARAWAY. Mr. President, do I understand that they were making the Cuban growers of sugar pay them in order to get a lower rate?

Mr. HARRISON. Absolutely.

Mr. CARAWAY. Selling legislation?

Mr. HARRISON. I do not know. This instrument which I am going to read says that a congressional arrangement backed them up, and it was to last until the Congress had put on the 40 points, which would have carried it to 2 cents a pound. Let me read. This is most interesting. It was carried on the front page of the New York World, one of the really great and reputable papers of the country:

These payments are to be made in 12 successive installments of $83,300 each, plus the final sum of $400, "for value received," as the note reads.

* * * * * * *

The increase in price of refined Cuban sugar is to be rebated to the refiners of American beet sugar, so that they will receive as much as they would have profited had the Cuban crop been restricted and the price of sugar gone up as a consequence of the resultant shortage.

* * * * * * *

Some of the largest refiners in the country received proposals in writing from the syndicate, which describes itself as "the United States and Cuban Sugar Producers' Agreement Syndicate (Inc.)," of No. 17 State Street, New York City, "Office of Henry W. Peabody & Co." The name of Alfred Grover is signed to the correspondence as "director" of the syndicate with the imposing name.

Mr. NICHOLSON. Mr. President——

The PRESIDING OFFICER (Mr. WILLIS in the chair). Does the Senator from Mississippi yield to the Senator from Colorado?

Mr. HARRISON. I will yield presently; not just now. I want to go ahead with my line of thought, and then I will yield.

Mr. President, if the answer should be made to this that nobody knows about it, the Congress could do no better than to adopt a resolution to investigate this matter, because here are alleged facts which have been published, and here is an alleged copy of the supposed bill of exchange, with a memorandum, with men's names, with offices designated, and if nobody knows anything about it there ought to be an investigation. If it is stated that nobody knows about it, there will be an investigation, if it is within my power to extract it from the Senate. Let us find out something about it.

Mr. NICHOLSON. Will the Senator yield?

Mr. HARRISON. Not just now. I will yield presently. I continue reading:

Grover in his communications to the refiners explained that $14,339,394 will represent the "one-fourth of the total sum received for the entire crop of beet and cane sugar last year." He outlined that this amount is to be raised through operations of the syndicate from American consumers of Cuban sugar through the additional to the sales price of four-tenths of a cent per pound—

There are the four points—

until the sum of $14,339,394 has been gathered and the distribution made to the beet-sugar and American cane-sugar producers.

Evidently only manufacturers of beet and cane sugar were to get the rake-off—

I might say, in this connection, that the facts show, so far as I have seen, that the cane-sugar people had nothing to do with the proposition—

because no mention is made in the syndicate's proposal of the farmer or the growers of sugar cane and sugar beets.

Mr. President, let me read a copy of the instrument itself upon which it is said this syndicate was founded:

United States and Cuban Sugar Producers' Agreement Syndicate (Inc.), 17 State Street, New York City, office of Henry W. Peabody & Co., March 30, 1922.

This letter is signed by the United States and Cuban Sugar Producers' Agreement Syndicate (Inc.), and in the letter it is said:

DEAR SIRS: Our beet-cane and Cuban sugar duty compromise: Under the terms of this congressional arrangement the beet and cane sugar producers of the United States, in lieu of the benefit of the additional duty on Cuban sugar, are to receive an amount out of the sale proceeds of Cuban sugar equal to one-fourth of the total sum received for the entire crop of beet and cane sugar last year.

The Cuban ambassador in Washington desired to arrange a guaranty for the $14,339,394 payable to the beet and cane sugar growers under the terms of the compromise, but it was found that the only people in a position to provide the source of the actual funds required were the American refiners of Cuban sugar.

Therefore this syndicate has been formed to carry out the guaranty and the payments of the compromise, and it has been found desirable to regard and accept the American refiners as the representatives of the producers of Cuban sugar, and by putting them in a joint account with the beet and cane growers pay the refiners $14,339,394, and in this way provide the financial consideration required to bring the payment to the beet and cane growers into immediate effect.

After conferring with the five refiners in this city—

This is a most remarkable document—

After conferring with the five refiners in this city it was decided to make the first payment to the 12 principal American refiners of Cuban sugar per the inclosed bill of exchange, the printed indorsement on the back of which covers the entire premises; and we are now engaged in the endeavor to have the whole of these 12 bills of exchange presented complete to each of you principal refiners on the 7th of next month, when, with the whole 12 bills completed, we can arrange to have them discounted at the expense of the syndicate, charging the cost of the discount to the general funds.

The $12,000,000 for which these 12 bills will be discounted will then leave a balance of $2,339,394 to the credit of the 12 refiners' account, and this credit balance will finally be allocated to the excess volume of sales over the average effected by the refiners.

The cash capital of the syndicate is $3,321,212 available for the syndicate's general purposes.

Listen to this:

We desire to point out to you that the 40 points on 1 cent per pound is practically a del credere commission of brokerage added to the variable market price of the sugar, primarily to enable us to guarantee and then pay $14,339,394 to the beet and cane growers in the terms of the congressional compromise and to fulfill our financial engagements with you and others under it.

Let me read it again:

We desire to point out to you that the 40 points—

That was the amount that they sought to raise—

on 1 cent per pound is practically a del credere commission of brokerage added to the variable market price of the sugar, primarily to enable us to guarantee and then pay $14,339,394 to the beet and cane growers in the terms of the congressional compromise and to fulfill our financial engagements with you and others under it.

They were going to take the foreign market price of sugar and add four tenths of 1-cent to it in order to raise the $14,335,000 and give it over to the sugar-beet interests of the country.

Mr. LODGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Massachusetts?

Mr. HARRISON. I yield.

Mr. LODGE. I merely wanted to inquire who signed the very interesting document which the Senator is reading?

Mr. HARRISON. This copy of the alleged letter is signed by the United States & Cuban Sugar Producers' Syndicate (Inc.), by Mr. Alfred Grover, and his office is 17 State Street, New York City, in the office of Henry W. Peabody & Co.—so the instrument states.

Mr. LODGE. Who is Mr. Grover?

Mr. HARRISON. If the Senator wants to know who Mr. Grover is and denies that which has been in the papers of the country, then we should pass immediately a resolution asking for an investigation of the whole matter, and particularly about Mr. Grover.

Mr. LODGE. I never heard of the document or this man. I should like to know who the syndicate is, who forms it, and what it has done. I rose merely to ask for information because I did not know anything about it. I should like to know who he is who signed the document. The Senator says he is willing to have him brought down here to find out who he is, but he does not state who he is.

Mr. HARRISON. I say to the Senator I do not know Mr. Grover nor the workings of this syndicate. I would be among the last to be on the inside and know anything about them.

Mr. SMOOT. Nor do I know Mr. Grover. I should like to know who he is.

Mr. LODGE. I should like to know who he is and who is behind the syndicate the Senator has mentioned. Who got the money?

Mr. HARRISON. The Senator has not been listening.

Mr. LODGE. I have been listening to the Senator.

Mr. HARRISON. And it does not interest the Senator at all?

Mr. LODGE. It would interest me if I thought it amounted to anything.

Mr. HARRISON. Of course some things, in the opinion of the Senator, amount to nothing that others think do. Will the

Senator join with me in passing a resolution asking for an investigation of the proposition?

Mr. LODGE. Of course if the Senator wants to investigate Mr. Alfred Grover——

Mr. HARRISON. It is not only Mr. Alfred Grover that I want investigated, but every interest that has tried to put over this alleged scheme. All of it from beginning to the end. If there is nothing to it, it should be known.

Mr. LODGE. Who are they?

Mr. HARRISON. Will the Senator join with me in asking for an investigation?

Mr. LODGE. I would ask for an investigation of the syndicate which the Senator has brought in.

Mr. HARRISON. And nothing else?

Mr. LODGE. Nothing else connected with what?

Mr. HARRISON. They charge that there is a congressional arrangement.

Mr. LODGE. Who charges it?

Mr. HARRISON. This correspondence states it.

Mr. LODGE. What correspondence?

Mr. HARRISON. I have presented copies of the instrument.

Mr. LODGE. Who constitute the concern?

Mr. HARRISON. I have given copies of the instrument itself, and I have given the name that is signed to it.

Mr. LODGE. The Senator has given the name of Alfred Grover. I never heard of it before and the Senator does not know who he is.

Mr. HARRISON. No; I am giving the facts as published.

Mr. LODGE. Who are these people?

Mr. HARRISON. If the Senator will stay with me, I will join with him in an investigation of the whole proposition. We can pass a resolution of investigation pretty quickly, and we will then know who they are and all about it.

Mr. LODGE. I will join with the Senator when he tells the Senate who Mr. Grover is and who is behind him.

Mr. HARRISON. Oh, yes; I thought the Senator would look for some hole to try to get out of.

Mr. LODGE. Oh, no; I am not doing that at all.

Mr. HARRISON. That is shown here, if the Senator will give me his attention. I will read the remarkable document, if the Senator will abide himself in patience for a time.

Mr. LODGE. The world is full of remarkable documents of no authenticity.

Mr. HARRISON. If the Senator will join with me in passing a resolution of investigation, we will find out who Mr. Grover is and all the other facts connected with this proposition.

Mr. LODGE. Very well.

Mr. HARRISON. I take it that is an answer that the Senator will join with me.

Mr. LODGE. Show us first who Grover is and who is behind him, and whether it is anything more than a printed scheme of irresponsible people.

Mr. HARRISON. The Senator would have me go to New York, get Mr. Grover, bring him down here, and make proffer of him to ascertain whether he had whiskers or not, and how large he is, and so forth?

Mr. LODGE. I would not have the Senator do anything today, except to show that he is not totally ignorant of the subject.

Mr. HARRISON. The Senator wishes I were.

Mr. SMOOT. Mr. President, I say to the Senator, never would I bring a question upon the floor of the Senate when I did not know the author of it. I do not know the author, and the Senator does not know the author.

Mr. HARRISON. It is published in a very responsible paper. I am laying the facts before the Senate, and if the Senator does not like the stain that seems to be——

Mr. SMOOT. There is no stain on me.

Mr. HARRISON. If he will join with me, we will investigate this proposition, because it is due the Senator. If there is no such fellow as Grover and no such scheme as this ever attempted and a newspaper published it, the Senator would have a libel suit against them in any court in the land.

Mr. SMOOT. If I took notice of all the charges in the papers and paid any attention to them, I would have little time to do anything else.

Mr. HARRISON. I think that is true

Mr. SMOOT. I want to say to the Senator I know of no syndicate. I never heard of any syndicate. I do not know this man Grover. If he has made some statement, I am not responsible for it, and no one else is responsible for it. I am just as clean as the Senator from Mississippi of doing wrong in this question. I want the Senator from Mississippi to be here when I read the letter, and I will show whether there was any agreement on my part or on the part of General Crowder as to what we would do or what Congress would do. I did not promise that Congress would do anything. I had no power to do it. I have promised no one what our Government would do. I had no power to do it.

Mr. HARRISON. No; I know the Senator had no power to do it.

Mr. SMOOT. And I have not done so.

Mr. HARRISON. I know the Senator had no power to do it, and I was surprised when I read these remarkable statements. Three or four weeks ago I asked the Senator if he would not produce the letter. Well, the letter has not been produced, and I wonder if he will not let me see it now?

Mr. SMOOT. When I speak upon the general question I will do it. I am not a demagogue. I do not try to bring questions before the Senate that I do not know anything about and that I would not stand back of. With all the regard that I have for the Senator and for every other Senator, I never would bring in here on the floor of the Senate a document that I knew nothing about and then try to blacken the character of another Senator. God help me, I hope that I may never live long enough to do such a thing. I say now that so far as I am concerned I can show the country that I am just as clean as I can be in everything I have said and done in this matter, and I am willing to have laid before the whole American people not only this but every other act of my life. I have never done anything that I have not been perfectly willing every living soul on earth should know all about.

Mr. HARRISON. Mr. President, that is what I know. I know the Senator would be very glad to remove anything that might attach to him in this matter, and that is why I would join with him. I knew he had no right to bind Congress on this proposition. I am glad the Senator said he would have no right to do it. He states that which we all know. But this thing looks very, very bad. It is just such occurrences when published in the press that destroy public confidence. If the Senator says that it is not true, that he did not write the letter——

Mr. SMOOT. I wrote a letter, but not the letter to which the Senator refers.

Mr. HARRISON. If the Senator did not write a letter in substance as I have stated, then, of course, that changes the whole complexion of the proposition. But he said he wrote the letter, he admits writing the letter. Here are some of the same interests headed by Mr. Grover, and copies of the correspondence have appeared in the papers, and yet the Senator has said that I am about to blacken his name. Now, the only place that we might assume that he got such an impression was that it was said this was the plan of the congressional arrangement. I do not know if there was any such arrangement. I do not know where Grover got the impression or how it appeared, but an investigation will disclose if it is not true that there was no congressional arrangement and the whole thing is unfounded and untrue.

Mr. SMOOT. I never would have taken the floor at all if the Senator from Mississippi had not, in speaking of this damnable thing, said that it cast reflections upon the Senator from Utah. I never would have taken the floor if he had not referred to me as he did.

Mr. HARRISON. Now, Mr. President, I shall proceed.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Idaho?

Mr. HARRISON. I yield.

Mr. GOODING. I might say that I had a communication of some kind or other from Mr. Grover, and I was a good deal——

Mr. HARRISON. Does the Senator from Idaho know Mr. Grover?

Mr. GOODING. I do not know him, but I did try to find out who he was. I went as far as I could. I found out that he was some crank without any responsibility at all, and was the laughingstock of everybody who knew anything about sugar.

Mr. HARRISON. That is one fact that ought to come out in the investigation so that we can remove all the implications carried in this article and interwoven in this question. So the Senator from Idaho, who is still trying to get an investigation about wool, I am sure will join with me in trying to get an investigation of the sugar proposition. We ought to have no trouble about this at all. If, as he says, Grover is crazy, then we can soon know; but I submit that the language of this bill of exchange and memorandum does not indicate the work of a crazy man.

Mr. NICHOLSON. Mr. President, will the Senator yield for a question?

Mr. HARRISON. I yield.

Mr. NICHOLSON. This remarkable document which has been read——

Mr. HARRISON. I have not finished reading it.

Mr. NICHOLSON. The remarkable document which is being read by the Senator from Mississippi purported to say that there were 12 different concerns interested in or represented at the meeting.

If Mr. Grover is a man of veracity and truth, why does not the Senator from Mississippi write to Mr. Grover and furnish us with information as to who the 12 parties were who were present at this conference? That is an easy thing for the Senator from Mississippi to do.

Mr. HARRISON. I am willing to do more than that. I am willing to have us get out such warrant as may be necessary, if he does not want to come down voluntarily, to bring him here and make profert of him, to get every incident and every detail connected with this alleged obnoxious scheme, so that we will know whether there is any truth in it or not. We will ascertain who, if anybody, is implicated. I take it from what the Senator said that he is willing to join with me in asking for this investigation.

Mr. LODGE rose.

Mr. HARRISON. Does the Senator from Massachusetts want to ask me a question?

Mr. LODGE. The Senator completely misunderstood my purpose, which was simply to try to get some information. I am not in favor, as at present advised, of increasing the duty over the amount recommended by the House. The Senator read here, and I listened to it, a very remarkable document. It seemed to be a paper of some importance, if the signers were of any consequence. It does not appear that the signer is of any consequence. We can not use the time of the Senate taking up everything that is offered by some crank.

Mr. HARRISON. Why, it does appear who the signer is.

Mr. LODGE. The only information we have is the man's name, and the Senator has declined to state who he is.

Mr. HARRISON. I do not know.

Mr. LODGE. No; the Senator does not know anything about it.

Mr. HARRISON. It was all published in the New York World, a very reputable paper.

Mr. LODGE. That proves nothing whatever.

Mr. HARRISON. Of course not to the Senator.

Mr. LODGE. Of course, any newspaper may publish a statement, and the newspaper may have been misled. Did the newspaper statement tell who Mr. Grover was?

Mr. HARRISON. The Senator knows a newspaper may state if there was such a thing or if there was a scheme; but when a newspaper states it as a scheme, and then produces a copy of the instrument, it is pretty strong evidence.

Mr. LODGE. If it gets some perfectly irresponsible persons to make such a statement and sign their names to it, it does not amount to anything.

Mr. HARRISON. Oh, yes.

Mr. LODGE. There is no difficulty in doing that.

Mr. HARRISON. If the Senator from Massachusetts will join with me, we shall find out all about Grover and all the details in connection with the matter.

Mr. LODGE. I am not going to join in wasting the time of the Senate.

Mr. HARRISON. We have wasted considerable time in other unimportant matters.

Mr. LODGE. We are wasting it now.

Mr. HARRISON. The Senator from Massachusetts does not want these facts.

Mr. LODGE. I do not care; if the Senator wants to go and investigate Grover, he may go and investigate him; but I think he ought to give the Senate something to go upon.

Mr. HARRISON. I am giving it to the Senator.

Mr. LODGE. The Senator is not. That is the trouble. We do not know who the man is.

Mr. HARRISON. I can not influence or have any effect on the Senator. When I try to lead him right on economic and political questions he is not amenable to reason.

Mr. LODGE. I am amenable to reason.

Mr. HARRISON. The Senator has become an irreconcilable, even on the League of Nations.

Mr. LODGE. Mr. President, I have tried to find out if I was right in my belief that the Senator from Mississippi knew nothing about the man whom he was quoting. I have proved that, and that is enough for me now.

Mr. HARRISON. I told the Senator——

Mr. LODGE. If the Senator wants to investigate Mr. Grover he may do so.

Mr. HARRISON. I have read the instrument that was written by the man; I have given the name of the syndicate that it was sought to form, the office address of the man, and I have read what purported to be a copy of the instrument that was published by one of the most reputable newspapers in this country. If that paper should publish something that was as untrue as the Senator suggests, the Senator knows that it would be subject to a libel suit.

Mr. NICHOLSON. Will the Senator from Mississippi yield to me?

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Colorado?

Mr. HARRISON. I yield.

Mr. NICHOLSON. I think, in view of the statement made by the Senator from Mississippi [Mr. HARRISON] as to those who are interested in the tariff on sugar and the suspicion that is now being cast upon the question before Congress and before the American people, that we are entitled to have an investigation; so I ask that an investigation be ordered and that Mr. Grover be asked to appear and present the documents of which the Senator from Mississippi speaks.

Mr. SMOOT. I, too, hope the Senator from Mississippi may secure an investigation.

Mr. HARRISON. That is splendid; that is the first time I have seen Senators on the other side of the Chamber get right in a long while. They are proceeding in the right direction now.

Mr. SMOOT. We are always right.

Mr. HARRISON. Of course, I hope that the iron does not get too hot; but it may before the thing is over.

Mr. LODGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Massachusetts?

Mr. LODGE. I should like to say one word.

Mr. HARRISON. I yield to the Senator.

Mr. LODGE. I have not the remotest interest in sugar of any kind or sort——

Mr. HARRISON. I know that.

Mr. LODGE. Beyond the fact that I wish to have imposed a duty upon sugar which will be proper and fair to the sugar grower and also fair to the people. I have no personal interest whatsoever in the sugar business.

Mr. HARRISON. I was not alluding to the Senator from Massachusetts or to any other Senator when I referred to the statement that these people are backed by a congressional arrangement. Simply because the Senator is the leader on the other side of the Chamber, I did not suspect that he was in it.

Mr. LODGE. As to the congressional arrangement, there was nothing of the sort. If the Senator from Mississippi wishes to investigate every irresponsible statement that is made by anybody who can get the money with which to print a circular, I have no objection, if the Senate so desires, but I think it would be empty nonsense.

Mr. HARRISON. Of course, the Senator from Massachusetts thinks that many things are empty nonsense, but the people of Massachusetts are interested in securing some sugar at a reasonable price, and the people of Massachusetts are also interested in a proposition that might be made by the coming chairman of the Finance Committee to a representative of this Government in Cuba to enter into an arrangement to curtail the production of this year's Cuban crop of sugar to two and a half million tons, upon the implied condition, as alleged, that we will reduce the tariff to 1¼ cents a pound. The people of Massachusetts also are interested if, after having failed in that, there was a syndicate attempted to be formed by these 12 refiners and large sugar interests to tax the American people in order to put into the pockets of these same sugar-beet interests $32,000,000. The Senator, even though he says it is nonsense, will, before we get away from this question, ascertain that the people of Massachusetts use sugar on their tables; that they sometimes give it to the little children, and also use it in the confectionery shops, and in many other ways. I had thought that the people of Massachusetts used a little sugar, even though we had passed the prohibition law.

Now, Mr. President, let me read further from this remarkable document:

> This del credere commission of 40 points of 1 cent per pound is relatively the same as though the amount of a brokerage were added to the variable price of the sugar, or the amount of a discount were deducted from its variable market price. Neither the brokerage added nor the discount deducted does more than affect the amount of the market price of the sugar to the extent of either, for neither fixes the actual amount of the market price of either the imported article or its manufactured product.
>
> Yours very truly,
>
> UNITED STATES & CUBAN SUGAR PRODUCERS' AGREEMENT SYNDICATE (INC.),
> ALFRED GROVER, *Director*.

The bill of exchange or promissory note inclosed with the letter reads:

UNITED STATES & CUBAN SUGAR PRODUCERS' AGREEMENT SYNDICATE (INC.).

BILL OF EXCHANGE FOR $1,000,000.

We promise to pay $1,000,000 to the order of ——— in 12 successive 30-day payments of $83,300 each, plus the final sum of $400, the said 12 payments being made by us for value received in accordance with the terms of the memorandum indorsed on the back hereof.

UNITED STATES & CUBAN SUGAR PRODUCERS' AGREEMENT SYNDICATE (INC.),
———, *Director*,
———, *Treasurer*.

Dated ———, 1922, at 17 State Street, New York City.

On the reverse side of the bill of exchange appeared the following in the form of a—

MEMORANDUM.

This bill of exchange is issued in accordance with the terms of the congressional compromise—

Congressional compromise—

between the beet and cane sugar producers of the United States and the producers of Cuban cane sugar and whereby a del credere commission of 40 points of 1 cent per pound is authorized to be added to the market price of all refined Cuban sugar and continued until 8,000,000,000 pounds have been sold in the United States, and the whole of the cash proceeds of the said 40 points of 1 cent per pound is paid to the order of the United States & Cuban Sugar Producers' Agreement Syndicate (Inc.), and the payees of this bill of exchange for the consideration set out therein hereby covenant with the said United States & Cuban Sugar Producers' Agreement Syndicate (Inc.) to add the said 40 points of 1 cent per pound to the market price of all the refined Cuban sugar sold by them from the date of this bill of exchange, and to pay to the order of the United States & Cuban Sugar Producers' Agreement Syndicate (Inc.) every successive 30 days from the said date all of the said 40 points of 1 cent per pound received by them as that part of the sale proceeds of all the refined Cuban sugar sold by them as their part of the said 8,000,000,000 pounds of refined Cuban sugar.

UNITED STATES & CUBAN SUGAR PRODUCERS' AGREEMENT SYNDICATE (INC.).

Mr. President, I am glad that the distinguished Senators on the other side think that that matter should be investigated. I agree with them thoroughly, and, if no other Senator will offer the resolution, I shall prepare one, in the hope that it may be passed, because if there is no person such as Grover, if Grover is a crazy man, if this concern is a fictitious concern and not incorporated, an investigation will disclose those facts. An investigation will further disclose, if Grover is a sane individual and there is such a concern as that mentioned, what big sugar interests were approached and what were the terms of the whole proposition. We can ascertain all the facts, and if there was no congressional arrangement that suggestion will be exploded; but if there was a congressional arrangement the country is entitled to know the truth, and we will find out the facts from the witnesses.

But, Mr. President, irrespective of this syndicate, which is alleged to have been formed and about which there has been much in the newspapers and which Senators seem to be very much riled and somewhat angry at me for having read, there is enough here, which has been admitted by the Senator from Utah, to influence every Senator on the roll call to vote at least for a rate of duty on sugar not greater than 1.4 cents. I have stated the arguments; it is useless to restate them. If, however, the Senator from Utah wrote the letter—and he says he did—and made the proposition that the Cuban producers should restrict their production this year to 2,500,000 tons, upon the condition that in the permanent tariff law to be written the rates on Cuban sugar should be 1.4 cents, then what reason is there to make it 1.6 cents? None in the world, and no man can argue to the contrary.

Mr. WALSH of Massachusetts. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Massachusetts?

Mr. HARRISON. I yield.

Mr. WALSH of Massachusetts. Is that the congressional promise referred to?

Mr. HARRISON. That was the letter that was written by the Senator from Utah [Mr. SMOOT] to General Crowder.

Mr. WALSH of Massachusetts. In other words, if there was a reduction in the production of sugar in Cuba there was to be an increase in the tariff duty levied by the Congress?

Mr. HARRISON. No. If there was a reduction for that year to 2,500,000 tons in Cuba, then in the permanent tariff law the rate on sugar would be lowered to 1.4 cents a pound; but if there was no arrangement as to the limitation of production the duty would be 2 cents a pound.

This attempted scheme to force upon Cuba the reduction of her sugar crop under the sordid promise of a reduced tariff is as unpardonable as it is inexcusable. What has come over the spirit of our dreams that would lead us now to oppress this fair maiden of the Antilles, for whom once we were willing, behind the rattle of guns and the beat of drums, to send forth our sons to lift the hand of Spanish oppression? In the name of humanity we opened up our Treasury and unstintingly gave in her behalf. The Stars and Stripes to those once oppressed and persecuted people has ever been emblematic of justice, fair play, and sympathy. What reason is there for us to drive from their bosoms that proud respect which our whole past history has won and endeared her to us? What has she done that we should now take the part of Spain and not only begin to oppress but to enslave her? Can they expect this once nurturing mother to have lost all sympathy and love for her child? Is this Government to be known among the nations of the world to possess no heart or soul? Have we become so commercialized and selfish and greedy that we would employ the giant's grip to strangle a baby? Is the Senator from Utah to receive allies in smearing a stain upon this Government that will obliterate those proud lines that were written in the blood of our brave heroes? Is there a Senator here who is willing to join in this conspiracy and indorse this scheme and drain the pockets of the masses in order to enrich a few already prosperous sugar barons? Is there a Senator within the sound of my voice, in view of these revelations, willing to join hands and add to the miseries of the American people, and by his act write an indorsement of this attempt to destroy the main industry of a people who have been dependent upon us? What would the lamented Roosevelt, whose gallantry was displayed in behalf of these people, think of such a scheme? Are the high lessons of courage and bravery and patriotic service exemplified on sea and land by Dewey and Sampson and Schley and Wood and Shafter and Joe Wheeler to be forgotten in this mad adventure to rob the many in order to benefit a few?

Oh, it is excellent to have a giant's strength,
But it is tyrannous to use it like a giant.

Mr. NICHOLSON. Mr. President, I insist that the Senator now demand the investigation which he has asked for.

Mr. HARRISON. The Senator will get it if he will just bide his time in patience. The Senator will have a good opportunity to vote for it.

Mr. NICHOLSON. I will vote for the investigation.

Mr. HARRISON. The Senator from Mississippi always is careful in the preparation of his resolutions. He does not draw them and offer them so quickly that they can be punctured with a lot of holes.

Mr. BROUSSARD addressed the Senate. After having spoken for some time,

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Does the Senator from Louisiana yield to the Senator from North Carolina?

Mr. BROUSSARD. The Senator from North Carolina has asked me to yield in order that he may present a matter to the Senate, and I shall be glad to do so on condition that I may resume the floor after it shall have been concluded and be permitted to continue my remarks.

Mr. SIMMONS. I desire to call from the table the unanimous-consent agreement proposed by myself on yesterday.

The PRESIDING OFFICER. The Senator from North Carolina asks that there be taken from the table the unanimous-consent agreement proposed by him on yesterday. Is there objection?

Mr. LENROOT. I have no objection to that.

Mr. SIMMONS. I merely wished to ascertain that there was no objection to my asking that the unanimous-consent agreement be taken from the table.

The PRESIDING OFFICER. There is no objection to the Senator's request.

Mr. LODGE. Submitting a request for unanimous consent is a matter of privilege, I think.

The PRESIDING OFFICER. The request for unanimous consent is now before the Senate.

Mr. SIMMONS. I put the request in the form of a unanimous consent to take from the table the proposal which I submitted on yesterday.

Mr. LENROOT. In order to clear up this matter, I will now object to the proposed unanimous-consent request of the Senator from North Carolina.

The PRESIDING OFFICER. The Senator from Wisconsin objects.

Mr. SIMMONS. The unanimous-consent agreement has already been read, and I will not ask that it be again read; but I ask that the unanimous-consent agreement proposed by myself on yesterday may be printed in the RECORD.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The proposed unanimous-consent agreement submitted by Mr. SIMMONS is as follows:

Unanimous-consent agreement proposed by Mr. SIMMONS in connection with H. R. 7456, the tariff act of 1922, viz:

It is agreed by unanimous consent, that not later than 10 o'clock antemeridian on the calendar day of Thursday, August 17, 1922, the Senate shall proceed to vote, without further debate and to the exclusion of all other business, upon any amendment that may be pending, any amendment that may be offered, any motion that may be made relative thereto, and immediately thereafter upon the bill (H. R. 7456) to provide revenue, and so forth, through the regular parliamentary stages to its final disposition.

That hereafter debate shall be confined to the question before the Senate or the bill itself, and no other business or irrelevant question or motion shall be entertained except by unanimous consent.

That upon the conclusion of the consideration of amendments to the schedule now before the Senate, the Senate shall proceed to the consideration of amendments pending or hereafter to be offered to the following paragraphs in the order named (the agreement heretofore made that committee amendments shall be first disposed of being hereby annulled), namely:

Paragraphs relating to sugar (Schedule 5).

Paragraphs relating to potash and bounty thereon (paragraphs 1635 and 1636) and white arsenic (paragraph 1).

Paragraphs relating to presidential powers (sections 315, 316, and 317).

Amendments to the Tariff Commission Act.

Paragraphs relating to hides, leather, boots, shoes, and leather goods (paragraphs 1427a, 1431, 1432, 1433, and 1435a).

That upon the conclusion of amendments to said paragraphs, or if the amendments to said paragraphs shall not be concluded prior to that time, after the hour of 11 o'clock antemeridian Saturday, August 12, 1922, no Senator shall speak longer than 15 minutes on any amendment or motion nor longer than 30 minutes upon the bill.

All questions of order under this agreement shall be decided by the Presiding Officer without debate.

Mr. McCUMBER. Now, Mr. President, I offer a proposed unanimous-consent agreement.

The PRESIDING OFFICER. The proposed unanimous-consent agreement submitted by the Senator from North Dakota will be read.

Mr. McCUMBER. I ask that the proposed unanimous-consent agreement submitted by me may be printed in the RECORD.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The proposed unanimous-consent agreement submitted by Mr. McCUMBER is as follows:

Unanimous-consent agreement proposed by Mr. McCUMBER in connection with H. R. 7456, the tariff act of 1922, viz:

It is agreed by unanimous consent, That not later than 10 o'clock a. m. on the calendar day of Thursday, August 17, 1922, the Senate shall proceed to vote, without further debate and to the exclusion of all other business, upon any amendment that may be pending, any amendment that may be offered, any amendment that may be made relative thereto, and immediately thereafter upon the bill H. R. 7456, an act to provide revenue, etc., through the regular parliamentary stages to its final disposition.

That hereafter debate shall be confined to the question before the Senate or to the bill itself, and no other business or irrelevant question or motion shall be entertained except by unanimous consent.

That upon the conclusion of the consideration of amendments to the schedule now before the Senate, the Senate shall proceed to the consideration of amendments pending or hereafter to be offered to the following paragraphs in the order named (the agreement heretofore made that committee amendments shall be first disposed of being hereby modified so far as such agreement affects those particular paragraphs and amendments thereto), namely:

Paragraphs relative to sugar, Schedule 5.

Paragraphs relative to potash and bounty thereon, being paragraphs 1635 and 1636, and white arsenic, paragraph 1.

Paragraphs relating to presidential powers (secs. 315, 316, 317).

Amendments to Tariff Commission act.

Paragraphs relating to hides, leather, boots, shoes, and leather goods (pars. 1427a, 1431, 1432, 1433, and 1435a).

That during the consideration of the aforementioned paragraphs no Senator shall speak more than once nor longer than one hour upon any one of such paragraphs or more than once nor longer than one hour upon any amendment thereto.

That upon the conclusion of amendments to said paragraphs, or if the amendments to said paragraphs shall not be concluded prior to that time—after the hour of 11 o'clock a. m., Saturday, August 12, 1922—no Senator shall speak more than once nor longer than 15 minutes on any amendment or motion nor more than 30 minutes upon the bill.

All questions of order under this agreement shall be decided by the Presiding Officer without debate.

Mr. LENROOT. Now I object to the unanimous-consent agreement proposed by the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from Wisconsin objects.

Mr. LENROOT. I ask, Mr. President, that the unanimous-consent agreement which I have heretofore offered be now taken from the table.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin to take from the table the request for unanimous consent submitted by him?

Mr. HARRISON. Let us have it read.

Mr. LENROOT. The request which I presented on yesterday has been printed, and its reading would be a mere formality.

Mr. HARRISON. Does it propose any definite date for a vote on the pending bill?

Mr. LENROOT. It does not.

Mr. HARRISON. When does it begin to apply, may I ask the Senator? On to-day?

Mr. LENROOT. It begins to apply immediately, but provides that debate on the bill shall after 11 o'clock a. m. on August 11 be limited to one hour.

The PRESIDING OFFICER. Is there objection to taking from the table the request for unanimous consent proposed by the Senator from Wisconsin? The Chair hears none.

Mr. HARRISON. Mr. President——

Mr. SIMMONS. Mr. President, I do not know what is the proposition.

Mr. HARRISON. I understood that there was going to be objection made to the request proposed by the Senator from Wisconsin.

Mr. LODGE. There will be.

Mr. LENROOT. There will be, if the Senator will have patience.

Mr. HARRISON. But the Chair stated that there was no objection.

Mr. LENROOT. That merely related to taking the request from the table.

The PRESIDING OFFICER. The Chair was merely putting the request to take from the table the proposal for unanimous consent submitted by the Senator from Wisconsin. Is there objection to taking from the table the request for unanimous consent submitted by the Senator from Wisconsin? The Chair hears none. Now, is there objection to that request?

Mr. LODGE. I object, as I did on yesterday.

The PRESIDING OFFICER. Objection is made by the Senator from Massachusetts.

Mr. LENROOT. Now, Mr. President, I ask unanimous consent that the proposed unanimous-consent agreement submitted by me may be printed in the RECORD.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The proposed unanimous-consent agreement submitted by Mr. LENROOT is as follows:

Unanimous-consent agreement proposed by Mr. LENROOT in connection with H. R. 7456, the tariff act of 1922, viz:

It is agreed by unanimous consent, That whenever the bill H. R. 7456, "An act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States," is before the Senate until the final vote is reached, debate shall be confined to the bill before the Senate, and no other business or irrelevant question or motion shall be entertained by the Chair unless, after a statement of the question, the unanimous consent of the Senate is given therefor.

That from and after the hour of 11 o'clock a. m. of the calendar day of Friday, August 11, 1922, no Senator shall speak in the aggregate more than one hour upon the bill, and any amendment or amendments offered thereto and motion or motions that may be made respecting the same.

That the Senate shall immediately proceed to the consideration of committee amendments to paragraphs 1427a and 1582 relating to hides, and 1431 relating to leather, and manufactures thereof. That upon the disposition of said amendments the Senate shall next consider committee and individual amendments to schedule 5, relating to sugar, molasses, and manufactures thereof.

The Senate shall next consider committee amendments to paragraph 1636, relating to potassium nitrate, and when disposed of the Senate shall consider the committee amendment designated as section 315.

After the disposition of the foregoing the Senate shall next proceed to the consideration of remaining committee amendments, and after the same have been disposed of individual amendments to the bill shall be considered and disposed of.

All questions of order under this agreement shall be decided by the Presiding Officer without debate.

Mr. McCUMBER. Mr. President, both the proposal offered by the Senator from North Carolina [Mr. SIMMONS] and the proposal offered by me contemplated a day certain when a vote should be taken upon the pending bill and all amendments. There has been objection to both of those propositions, mainly upon the ground that the objector did not desire to have a definite agreement entered into until the Senate had disposed of those paragraphs and the amendments thereto which might provoke considerable debate. To meet the wishes of Senators taking that view majority members of the Finance Committee and minority members of the Finance Committee have formulated a new proposal that will at least greatly facilitate the progress of the discussion of the bill, and which we believe in the end will bring about a final vote as early as that fixed in the proposed unanimous-consent agreements to which objection has been made. I therefore offer the request for a unanimous-consent agreement which I send to the desk and ask that it may be read.

The PRESIDING OFFICER. The Senator from North Dakota prefers a request for unanimous consent, which the Secretary will read.

The Assistant Secretary read as follows:

UNANIMOUS CONSENT AGREEMENT.

It is agreed by unanimous consent that the bill H. R. 7456 "An act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other pur-

poses," shall be kept before the Senate until the final vote is reached to the exclusion of all other matters, and the debate shall be confined to the question before the Senate or the bill itself, and no other business or irrelevant question or motion shall be entertained by the Chair unless, after a statement of the question, the unanimous consent of the Senate is given therefor.

That from and after the hour of 11 o'clock a. m. of the calendar day of Saturday, August 12, 1922, no Senator shall speak longer than 15 minutes on any amendment or motion and longer than 30 minutes upon the bill.

That upon the convening of the Senate upon Monday (calendar day August 7) the Senate shall proceed to the consideration of amendments hereafter to be offered to the following paragraphs and subjects in the order named (the agreement heretofore made that committee amendments shall be first disposed of being hereby modified so far as such agreement relates to said paragraphs), namely:

1. Paragraphs relating to sugar (Schedule 5).
2. Paragraphs relating to potash and bounty thereon (paragraphs 1635 and 1636) and the paragraph relating to white arsenic (paragraph 1).
3. Paragraphs relating to hides, leather, boots, shoes, and leather goods (paragraphs 1427a, 1431, 1432, 1433, and 1435a).
4. Paragraphs relating to presidential powers (sections 315, 316, 317) and amendments to the Tariff Commission act.

That during the consideration of the aforementioned paragraphs no Senator shall speak more than twice nor longer than one hour in the aggregate upon any one of such paragraphs nor more than twice nor longer than one hour in the aggregate upon any amendment thereto.

And that at not later than 2 o'clock p. m., Tuesday, August 8 (calendar day), 1922, the Senate shall proceed to vote without further debate upon any amendment that may be pending to the sugar schedule; and immediately thereafter the Senate shall proceed to consider and vote before recessing on the calendar day of August 8 on all amendments pending to paragraphs 1635, 1636, and paragraph 1 (potash and white arsenic); and immediately thereafter the Senate shall proceed to consider and vote before recessing on the calendar day of August 9 on all amendments pending to the following paragraphs: 1427a, 1431, 1432, 1433, and 1435a (hides, leather, etc.); and immediately thereafter the Senate shall proceed to consider and vote before recessing on the calendar day of August 11 on all amendments pending to sections 315, 316, and 317 (presidential powers) and the Tariff Commission act.

After the disposition of the foregoing the Senate shall next proceed to the consideration of remaining committee amendments, and after the same have been disposed of individual amendments to the bill shall be considered and disposed of.

All questions of order under this agreement shall be decided by the Presiding Officer without debate.

Mr. LODGE. Mr. President, I wish to suggest one trifling verbal change in the third line of the second paragraph. I think it should read "no Senator shall speak longer than 15 minutes on any amendment or motion, nor longer" instead of "and longer."

The ASSISTANT SECRETARY. It is proposed to strike out "and" and insert "nor."

The PRESIDING OFFICER. Without objection, the modification will be made.

Mr. LODGE. Mr. President, I desire to say merely a word. I was extremely anxious that we should have a date fixed for a final vote. It was for that reason that I objected to the request of the Senator from Wisconsin [Mr. LENROOT]; but the most important thing is to bring the tariff discussion to an end and take final action on the bill. The request for unanimous consent now proposed seems to me to meet the situation as well as may be done. It represents the labors of Senators on both sides of the Chamber. The details have been considered with untiring patience by the Senator from North Dakota [Mr. MCCUMBER], the Senator from North Carolina [Mr. SIMMONS], the Senator from Wisconsin [Mr. LENROOT], the Senator from Kansas [Mr. CURTIS], and my colleague from Massachusetts [Mr. WALSH]. I believe the proposed agreement provides for all the contingencies as well as may be done in an agreement which is necessarily somewhat elaborate in its provisions, and I sincerely hope it may be accepted by the Senate.

Mr. LENROOT. Mr. President, will the Senator yield for just a word?

Mr. LODGE. I yield.

Mr. LENROOT. I merely wish to state that I am very glad that the request for unanimous consent has been proposed, and, while I do not think we will reach a final vote as early as under the unanimous-consent agreement which I proposed, it does preserve all rights of Senators, and I am certain will bring us to an early vote upon the bill.

Mr. POMERENE. Mr. President, may I ask the Senator from Massachusetts one question?

Mr. LODGE. Certainly.

Mr. POMERENE. The proposal is evidently a modified form of agreement, and I have not had an opportunity to see it. I know from the reading of it that there are certain provisions with respect, for instance, to the sugar schedule, boots and shoes, and so on. Do I understand that the privilege will be accorded to Senators to offer amendments other than the committee amendments?

Mr. LODGE. I understand so. The only limitation is as to time.

Mr. POMERENE. Prior to the consideration of the other committee amendments?

Mr. LODGE. The enumerated amendments all come first.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from North Carolina?

Mr. LODGE. Certainly; I yield the floor to the Senator from North Carolina.

Mr. SIMMONS. Mr. President, I was greatly disappointed at the failure of our effort to secure a day certain for a vote upon this bill. I think from many standpoints that would have been most desirable; but all efforts in that direction—and we on this side of the Chamber were very persistent in our efforts—having failed and all hope of fixing a day certain for a vote having passed, I somewhat reluctantly entered into negotiations which have resulted in the agreement now proposed.

I do not regard this as the very best way of approaching this matter, and I am afraid that it will take a very much longer time to dispose of this bill under the agreement as now proposed than any of us now anticipate, but it is certain that it will substantially curtail debate, and that it will expedite final action on the bill in the Senate. It is the best that seems to be possible of accomplishment at this time, and therefore, after collaborating and conferring with my associates of the minority side of the committee, and also with the chairman and with his associates on the majority side of the committee, I have reached the conclusion that this is the best that can be done. I hope that no objection to it will be offered.

The PRESIDING OFFICER. The Chair desires to ask the Senator from North Dakota a question. The request reads:

That upon the convening of the Senate upon Monday (calendar day August 7) the Senate shall proceed to the consideration of amendments hereafter to be offered.

Does the Senator from North Dakota understand that amendments proposed by the committee, as printed now in the bill, are embraced under the term "amendments hereafter to be offered"?

Mr. McCUMBER. That would be my understanding. The amendments would have to be formally offered, and they may be those which have already been printed or those which may be offered on the spur of the moment.

The PRESIDING OFFICER. That was the Chair's construction, but he wanted to have it made plain. Is there objection?

Mr. HARRISON. Reserving for a moment the right to object, yesterday a report was made by the Committee to Audit and Control the Contingent Expenses of the Senate touching the Gooding resolution. Is it the purpose to take that up this afternoon? Of course, if this unanimous-consent agreement is entered into, that would preclude——

Mr. SIMMONS. That does not go into effect until Monday.

Mr. HARRISON. It goes into effect after Monday. This is Saturday.

Mr. BROUSSARD. Mr. President——

Mr. HARRISON. What I am getting at is this: If the Gooding resolution is not brought up this afternoon it could not be brought up Monday.

Mr. BROUSSARD. Mr. President——

Mr. HARRISON. It is the purpose, then, I take it, to have final action upon the Gooding resolution this afternoon?

Mr. LODGE. It could be brought up——

Mr. BROUSSARD. Mr. President, I think I have the floor. I yielded the floor for this purpose, but I want to finish my speech.

Mr. HARRISON. I am going to object to it for the present, then. I am merely trying to get the status; that is all. I do not want to object to this unanimous-consent agreement.

Mr. LODGE. Adopting this unanimous-consent agreement does not alter the status of the Gooding resolution at all. It could not be brought up in any event except by unanimous consent.

Mr. HARRISON. It could be brought up this afternoon, before the unanimous-consent agreement is entered into.

Mr. LODGE. Only by unanimous consent.

Mr. LENROOT. Only by unanimous consent; and this does not prevent that.

Mr. HARRISON. This unanimous-consent agreement, then, does not prevent unanimous consent being had?

Mr. LODGE. Certainly not.

Mr. HARRISON. May I ask the Senator from Massachusetts and others a further question? The Senator from Iowa [Mr. CUMMINS] was going to make a report to-day on a resolution that I offered on behalf of the Senator from Utah [Mr. KING]. It touched the inspection of boilers, locomotives, and so forth. It is a matter which, if it is going to be passed at all, probably should be passed right away. The Senator from Iowa

came to me about it yesterday. He was going to report it today, but he is in attendance upon the funeral of the late senior Senator from Pennsylvania, and I know that he is going to report it on Monday. Under this agreement, can it kindly be understood that he can report that resolution at that time?

Mr. LODGE. Certainly; it is open to offer it by unanimous consent, and under such circumstances and in the case of such a resolution I should not think there would be any objection. I take it that it is not a matter that is going to lead to debate.

The PRESIDING OFFICER. The Chair will read this part of the proposal:

> And no other business or irrelevant question or motion shall be entertained by the Chair unless, after a statement of the question, the unanimous consent of the Senate is given therefor.

Is there objection to the request of the Senator from North Dakota? The Chair hears none, and the agreement is entered into.

Mr. LODGE. I ask that a print may be made in bill form of the unanimous-consent agreement just entered into, so that it can be sent to other Senators.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. BROUSSARD. Mr. President——

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LENROOT. Mr. President, will the Senator from Louisiana yield for a moment?

Mr. BROUSSARD. I yield.

Mr. LENROOT. I ask unanimous consent, out of order, to make a favorable report from the Committee on Public Lands.

The PRESIDING OFFICER. Under the rule, the Senator can not yield for that purpose.

Mr. BROUSSARD. I withdraw, then, the permission granted.

Mr. HARRISON. May I ask the Senator if he will not permit me, if I can, under the rule, to present a unanimous-consent request to which I think there is going to be no objection?

Mr. BROUSSARD. I yield if I am permitted to do it.

The PRESIDING OFFICER. The Chair will call the Senator's attention to Rule VII:

> It shall not be in order to interrupt a Senator having the floor for the purpose of introducing any memorial, petition, report of a committee, resolution, or bill. It shall be the duty of the Chair to enforce this rule without any point of order hereunder being made by a Senator.

The Senator from Louisiana has the floor.

Mr. BROUSSARD resumed and concluded his speech, which is entire as follows:

Mr. BROUSSARD. Mr. President, I desire to direct my attention first to the very old argument that the duty is always added to the price. I am not one of those who contend that this principle does not apply to some articles which are contained in any tariff bill. We know, however, that there are certain articles that are produced and are used universally in the world, and those articles have a world market. In other words, there is one center at which the price of the article is fixed. It is called the ruling market. In the Southern States, the cotton-producing States, this principle is well recognized, because the quotations for cotton are always the Liverpool price, less the freight. We of Louisiana who produce sugar know this to be a fact, because, unlike the beet-sugar producers, we are compelled to sell our products to the American refiners, and although the American Sugar Refining Co. has one of its largest plants in the city of New Orleans, known as the Chalmette plant, which converts and refines practically all of the products of Louisiana, our price is the New York price, less the freight. So much is that the case, Mr. President, that in consulting with the various departments here in order to ascertain the cost of the freight on sugar from New Orleans to New York, the Department of Commerce informs me, in a letter which I have here, that they have no record of any shipment of raw sugar from New Orleans to New York; but they arrive at what they call a parity by locating one shipment to Boston, and thereby arriving at the cost of the freight from New Orleans to New York.

The point I wish to make, Mr. President, is that the articles which have a world value have their price fixed at one place, and immediately when an article establishes itself as an article universally used the price all over the world depends upon that market; and if any foreigner wishes to sell sugar in the country in which this central or world market is located, the producer or importer of that article must pay not only the freight but the duty in order to get that price.

I listened with attention to the numerous quotations used by the Senator from Mississippi from leaders, Democratic and Republican, in the past with reference to sugar, in which the position was taken that the duty was always added to the price; and it was for that reason that I called upon my good friend the Senator from Mississippi to explain why, when in 1890 under the McKinley bill sugar was placed on the free list and a bounty substituted therefor, notwithstanding the fact that the Cuban and the German and the French and the other foreign sugars were free to enter this country, notwithstanding the fact that all duties were removed, the price of sugar went up, and remained up until 1894, when the next tariff bill was passed, and immediately the price of sugar went down on an average for the life of that bill practically the same amount as the duty imposed under that bill. Then I asked him, further, how he could account for the fact that notwithstanding the fact that in March of last year we increased the Underwood duty by 60 per cent under the emergency tariff bill the results immediately thereafter showed that the price of sugar dropped, and has remained down ever since. It is such a question that it will demand some consideration of the subject to answer it, and my good friend made no effort to answer it except to say that there might be other conditions which affected the price.

That is partly the answer, Mr. President, because an article used universally has its price fixed absolutely by supply and demand; and whenever the annual product of that article exceeds the world demand the price will drop, and whenever it is short the price will go up. Anybody wishing to compete in this country must pay not only the freight, which is an element of cost, but the duty, which is another element of cost, just the same as is the freight; and we must remember that since the statements read by the Senator from Mississippi were made the world sugar market has been transferred from Hamburg to New York, and so it is in New York that the world price is fixed.

Anybody wishing to import sugar here must pay this duty. My good friend, in arguing in favor of the Cubans, flies in the face of every statement made before the Finance Committee. I have here the statements which are taken from the hearings; and at this stage, as I am about to quote from Mr. Atkins, who is connected with the refining interests of this country and is largely interested, besides, in Cuban sugars, I may state that the attitude and the position of the sugar producers of Louisiana has always been against the refining interests of this country—necessarily so, because until the State of Louisiana brought a suit to oust them from the State we were unable to secure fair treatment from them, as we had no other purchaser for our product. They not only imposed upon us the freight from New Orleans to New York, when they refined that sugar in New Orleans and distributed it from New Orleans, but they forced upon us many other impositions and acts of injustice. They claimed the right, for instance, to test our sugars, and, having no other purchaser, we were obliged to submit; and those things went on until the State of Louisiana instituted a suit to oust them.

I have here that petition, which recites all the activities of the American Sugar Refining Co. in trying to get control of the sugar interests and the sugar distribution of this country in order to mulct the American people. Anyone who understands the sugar situation in the United States sincerely regrets that such an estimable gentleman as my friend from Mississippi [Mr. HARRISON] and others here should, under the guise of charges made by irresponsible people, stand on the floor of the Senate and denounce the local or domestic sugar interests, when by doing so they are absolutely defending the American Sugar Refining interests.

Mr. President, in order to show the correctness of the proposition I have laid down, that the Cuban sugar must not only pay the freight but must absorb the duty, I wish to read now from statements all of which may be found in the hearings before the Finance Committee.

Mr. Atkins says:

> I am sure that our opponents will say that the producers have paid this additional duty, which I concede.

Here is an excerpt from the official Cuban memorandum to the Secretary of State. It contains this declaration:

> On May 27, 1921, Cuba was selling her sugar at 3.875 cents a pound. The emergency tariff act was signed by President Harding on the night of the 27th and went into effect on the 28th; immediately thereafter Cuban sugar depreciated to the extent of 60 cents per 100 pounds, which is exactly the difference between the old and the new tariff rate on sugar for Cuba, equivalent to about $2 per bag.

Here is a paper called the Czarnikow-Rionda Market Bulletin, I think published by the Rionda interests, or named after them. Here is what it says:

> The producer * * * is himself paying in great part the increased duty of 60 cents per 100 pounds imposed by the United States emergency tariff.

Here is one from Mr. Rubino, vice president of the Miranda Sugar Co In his Senate committee brief for the American sugar interests in Cuba Mr. Rubino says:

Since the enactment of the Fordney emergency tariff Cuban as well as full-duty sugars have sold on a price basis equivalent to free-duty sugars, and at no time has the increased tariff of six-tenths of a cent been borne by the American consumer. The increased tariff, therefore, has in all cases been borne by the Cuban producer.

Here is what the American producers of Cuban sugar, in their brief to the Finance Committee, say:

Under this act the producer in Cuba has been compelled to absorb this additional duty of 0.6 cent per pound. The day before this act was signed by President Harding Cuban sugars were selling at 3.875 cents and on the following day at 3.275 cents, or a decrease of 60 cents per hundred pounds. It is estimated that the coming into force of this act depreciated the value of the raw sugar made in Cuba about $35,000,000.

Here is what Mr. Rubino said, again, in his argument to the committee:

It is reasonably certain that any increased tariff will continue to be borne by the Cuban producer.

Mr. President, if we learn anything from political economy, we know that there are certain laws which trade must obey.

The cotton producer in the South must meet the obstacles which are in his way to landing his cotton at Liverpool, and that is his price, less the freight. Should he decline to accept the price at home, after the freight is deducted, his option is to send it to Liverpool, and rather than go to that expense and trouble he accepts the Liverpool price less the freight. I know it can not be challenged that the world price for sugar to-day is fixed at New York, and if you refuse to fix a duty on Cuban sugar which will bring a revenue to this Government you will be remitting to the Cuban people that amount of money, and when you do that I think it is clearly established that you will, if not destroy totally the domestic sugar producer in this country, leave in existence only the low-cost production. Therefore you reduce the production at home to that extent, and you put under the control, the whim, and the caprice of the American sugar refining interests and the Cuban producer the entire American market, which they may manipulate as they please.

If that question were challenged, I would like to make it the subject of a debate solely upon that issue. But as there are many other things to be considered in this discussion I shall pass it by. But I wish now to say again that the world market is New York, and that the price in New York is fixed upon the world's production, and not upon a duty, and when you impose a duty any sugars which enter the United States must absorb that duty.

This is so logical, it is so forcible, that everyone representing Cuban sugar production who offered an argument made that assertion, and must stand upon it, because any other would be incorrect.

I wish more Democratic Senators were here. Anybody hearing that would say, "Why does he want a duty if the price is fixed at New York? Why does he want a duty if the price does not depend upon the duty, but depends upon the world production?" That is a question which logically any intelligent human being who likes to consider a proposition fairly would put forward, and I am glad to meet it. I will explain it in this way: No matter what line of industry or what line of business you may select, it is inevitable that you have your high cost production and your low cost production. Start two brothers in the same town with the same opportunities, and one very soon will conduct his business more economically than the other. So it is in the sugar factories; so it is in running cotton plantations; so it is in operating sawmills, and in the cattle business.

Why do we want a duty, and why do we want a 2-cent duty against Cuba? As I stated before—and I do not believe it can be controverted—the price of sugar is fixed by the world production. It is admitted by everybody that the cost of Cuban production is less than the cost of American production. But in Cuba you have also your high cost production and your low cost production. Let us assume we have no tariff duty. The very lowest production here is still higher than the highest Cuban cost of production.

This article is affected by the world production and demand. The tariff is merely a forcing of the payment by the foreigner of an additional cost in order to enter the sugar here and to sell it. If he has no duty and there is an overproduction of sugar, what will become of the American producer? The low-cost producer in Cuba will put the high-cost producer in the United States out of business. The price will drop below the return required in this country to enable our producers to produce and to finish the article.

In conditions which are variable in all lines of industry, especially in the sugar business, we want such a tariff that, under extraordinary conditions unfavorable to us, we may be preserved, because we are adding the cost to this man. Under ordinary conditions, as I shall read from the Tariff Commission itself, anyone wishing to sell sugar in this market must not only pay the freight to bring it here but he must deliver it in New York without having any cost added by the man who buys it, and therefore he absorbs the duty. In other words, under normal conditions the foreigner absorbs the duty. When there is overproduction the domestic producer has the advantage and will not be destroyed.

In order to cover this proposition, I have here from the Reciprocity and Commercial Treaties, page 333, just exactly the line of my argument, because many Senators may think that my statements are not logical. I wish to read that, because I think it is very significant, and the only argument, as I take it, that we have to meet is the charge made by those who want a low duty, that the cost is added to the price.

I read now from page 333 of the Reciprocity and Commercial Treaties, published in 1919:

Chart III presents confirmatory evidence. In this chart there is shown by weeks, for the period from 1900 to the outbreak of the war in 1914, the relation of the New York price of 96 degrees centrifugal sugar to "Hamburg parity," or the equivalent, in cents per pound for 96 degrees centrifugal, after allowances have been made for the difference in grades, of the price at which 88 per cent analysis Hamburg beet sugar can be laid down in New York with the duty paid.

I wish to say this, that it was during the World War that the world market definitely shifted from Hamburg to New York, when there was so little sugar going to Hamburg for exportation, and all of it coming from the Western Hemisphere was marketed through New York. We maintained that supremacy, and New York is still and will remain the world market. So that when you go back of 1914 you have a condition which in a measure may justify some of the statements read by the Senator from Mississippi. I read further:

As long as there were substantial imports of European beet sugar the New York price of sugar was based on the Hamburg price—itself determined at London, the ruling market—and normally was approximately equal to Hamburg parity in New York. The freight from Hamburg to New York is generally about the same as the freight from Hamburg to London. If the customs duties of both countries be disregarded the London price would under these conditions be equal to the New York price. But the freight from Cuba to New York is substantially less than the freight from Cuba to London.

So that the Cuban finds it to his advantage to market here. It costs him less. I continue reading:

As a consequence, when the New York price was equal to Hamburg parity the New York bid for Cuban sugar f. o. b. Habana would be higher than the London bid.

In other words, the same offer would be more to the Cuban producer, because his freight was considerably less, which he absorbed, and he will absorb also the duty if we do not put a duty on this sugar, for the same reason. I continue reading:

Prior to 1903 it had been necessary every year, at least for many years, to import European beet sugar in order to meet the American demand. In 1903, on the other hand, the domestic production of cane and beet sugar, the imports from the favored possessions of the United States, and the Cuban exportable surplus were all unusually large and, together with the imports from Java and the British West Indies, were much more than sufficient to satisfy the American demand at a price equivalent to Hamburg parity. As a consequence, the American price fell below Hamburg parity. As has been indicated, a fall below Hamburg parity would result in the diversion of Cuban exports to London only if great enough completely to offset the advantages in regard to freight rates which the New York market offered compared with the London market for Cuban sugar. In the spring of 1903 this was the case—for the first time in 20 years—and as a consequence there were Cuban sales to London and there were practically no imports of beet sugar into the United States.

A fall in the price of sugar below Hamburg parity is not conclusive evidence, therefore, that the price of sugar to the American consumer is lower than it would have been in the absence of Cuban reciprocity. It may merely indicate conditions in the American market of supply in relation to demand which result in there accruing to the American consumer instead of to the Cuban producer the principal gain from the lower cost of transportation from Habana to New York as compared with the cost from Habana to London. In 1903 there were, as has been shown, some exports of sugar from Cuba to London. The average amount (0.36 cent) by which the New York price was below Hamburg parity from February to May, 1903, may be taken as approximately the maximum possible amount of excess of Hamburg parity over the New York price under equal tariff treatment of the European and Cuban sugar, and with shipping costs on the various trade routes remaining as they were in 1903. If the New York price had fallen below this point, Cuban sugar would have been diverted to London until the New York price rose again.

Under reciprocity, the New York price may fall to a point more than 0.36 cent below Hamburg parity, to the amount by which the duty on Cuban sugar is less than the duty on German sugar, i. e., 0.337 cent until March 1, 1914; 0.2512 cent since March 1, 1914. This makes the lowest possible New York price under Cuban reciprocity equal to 0.697 cent below Hamburg parity under the tariff acts of 1897 and 1909 and to 0.61 cent per pound since March 1, 1914, under the tariff act of 1913. Not until this point is reached will Cuban sugar be diverted to London. This statement, however, requires some

qualification. It is based on the assumption, as stated above, that freight rates and other expenses incidental to transportation have remained constant since 1903. In fact, these charges had increased even prior to the war, and in the years preceding the outbreak of the war the freight advantage in favor of Cuban sugar was somewhat over 0.36 cent per pound. The New York price under normal conditions could therefore fall below Hamburg parity prior to March 1, 1914, by somewhat over 0.697 cent and since March 1, 1914, by somewhat over 0.61 cent. During short periods of time, moreover, and especially if shipping conditions from Cuba to Europe should be unfavorable, the Cuban exporters would accept bids below what would be for them a profitable basis during longer periods. With the Cuban sales organization and shipping schedules adapted to the prospective marketing of the Cuban sugar crop in the United States, the sudden transfer to another market would always involve inconvenience and costs, and these considerations would lead to the acceptance by Cuban exporters of what might otherwise be considered unacceptable bids for their sugar. On the other hand, the New York bids are often out of harmony with the Cuban offers, and at such times the New York market quotations may be merely nominal, no business being done at the quoted prices. Nevertheless, the length of the period in 1910 during which the New York quotations were exceeded by Hamburg parity by approximately 0.90 cent indicates that with shipping costs as they were prior to the war, the New York price of sugar could fall below Hamburg parity by at least 0.90 cent per pound without diverting Cuban shipments to London.

I have here also something from the United States Tariff Commission, entitled "Refined sugar. Cost prices of present product." Here is the effect of the tariff on prices in dealing with sugar:

Of more importance to the consumer of sugar than the effect of the tariff upon the profits of refiners is the effect of the tariff upon the price of the sugar which he buys. It is hopeless to attempt to form a judgment on this point by a simple comparison of price statistics with rates of duty before and after a change in the tariff. Many other variable factors such as good or bad seasons, improved methods of production, combination or competition, political conditions, costs of transportation, discovery, invention, war, growth of population, changes in taste of consumers, changes in the quantity of circulating medium, all operate together with the tariff to affect price, so that the actual price is the resultant of all these interacting forces and does not indicate the isolated effect of any one of them. For example, by the act of 1890 the duty was lowered and the average price of refined sugar during the continuance of this act was lower than under the preceding act. On the other hand, by the act of 1894 the duty was raised, yet in spite of this the average price of sugar during the continuance of the act of 1894 was actually lower than during the continuance of the act of 1890.

I wish now to read from page 28 of the same pamphlet:

Similarly, when the duty is increased, foreign producers, until they have accommodated their supply to the new conditions may be compelled to bear in whole or in part the increased burden of the tariff. There is some evidence that this was the case immediately after the act of 1894. This act increased the duty from zero to about 0.84 of a cent per pound. Referring to the chart (fig. 1) it will be seen that the foreign price of raws immediately fell from 2.9 to 2.1 cents per pound, and remained low during the three years covered by this act. So considerable was the decline that the position of the consumer of refined sugar was actually improved, the average price being slightly less than under the preceding act under which sugar was admitted free. In 1897 the duty was still further raised, but this time no further decline in foreign price is observable. This was the period of the Spanish War, which presumably affected adversely conditions of production in Cuba, the chief source of supply, and so tended to keep up the foreign price.

I might say, and it is within the knowledge of everybody here, that we had the same experience under the emergency tariff law.

Mr. President, I desire now to call attention of the Senate to the rates under the Underwood law. That was the act of 1913. We had an effective duty against Cuba of 1 cent. By the way, Mr. President, I would like to state now that in discussing the effect of the duties or in discussing what duty should be imposed on sugar it is useless to consider any but the Cuban sugar. The Senator from Mississippi [Mr. HARRISON] wanted to know what we had done for Cuba. We have absolutely taken her under our protective system since 1903 by telling the world that we would give Cuban sugar a 20 per cent preferential. So that whatever rate we fix does not affect the supply of the Cuban sugar to this market, because no matter how we raise or lower the duty the preferential in favor of Cuba is always retained, and it assures the American market to the Cuban sugar producer. It is a great thing for Cuba. It is the one single crop that she raises, outside of tobacco, a little coffee, and other industries of small importance comparatively. When we made the treaty with Cuba we allowed her a preferential of 20 per cent of whatever rate we might fix. It is a fact that, except when Cuba stored away 1,500,000 tons of sugar in 1920 and tried to fleece the American public by holding it for 24 cents a pound, in recent years Cuba has supplied over 99 per cent of all the importations of sugar into this country. So when we speak of any duty at all it is useless to think of the duty which we fix for the world, because Cuba is entitled to 20 per cent reduction under that rate.

Under the Underwood law there was a 1-cent tariff effective against Cuba. Under the emergency tariff law we raised it to 1.60. The House passed the Fordney bill, which provided for a duty of 1.60, the same as the emergency tariff law. The Finance Committee of the Senate have reported the same duty. I have offered an amendment asking that the duty be increased to 2 cents per pound. I do not know what the Senator from Mississippi meant when he said there were 52 Senators who have signed an agreement to vote for it. I offered the amendment. I understand from the other side that they have not any signatures, and I know I could not get 10 on this side if I were to give away both of my hands. I am sorry to say it, but it is a fact that they would not vote for a 2-cent duty. So I think that the remarks of the Senator from Mississippi mean nothing.

I want to read into the record the different rates which have been imposed on sugar by both parties in the past. The 2-cent rate is not an excessive rate. I am not saying that merely because I believe it but because I have the records which will prove it. It is not an excessive rate even under the theory of those who do not believe in protection but are willing to accord to a home industry that amount of protection which will equalize the cost of production at home and abroad. That is all I am asking under the 2-cent rate, as I will demonstrate by figures from the Tariff Commission and from other sources.

In the time of George Washington, under the act of July 4, 1789, we had a tariff of 3 cents on loaf sugars, and in the act of 1790 a tariff of 5 cents a pound. In the act of 1794 the rate was the same as that of 1790, except on refined sugar, where we had an additional 4 cents, so that the refined sugar at that time had a duty of 9 cents. The rate on raw or loaf sugar, as they called it then, remained the same. It was not the loaf sugar of to-day. It was a rough loaf sugar. At that time Louisiana had not perfected the system which permits the manufacture of the present sugar-cane sugar all over the world. It was demonstrated as a practical proposition after that date.

In the act of 1800 the rate was one-half of 1 cent per pound. In the act of 1816 brown sugar was 3 cents, white clayed or powdered sugar 4 cents, lump sugar 10 cents, and loaf or candy sugar 12 cents.

In the act of 1816 brown sugar took a rate of 2½ cents and white clayed sugar 3½ cents. In the act of 1842 raw sugar and brown clayed sugar took a rate of 2½ cents, all other sugars not refined 4 cents, and refined sugar 6 cents.

The Walker tariff act of 1846 gave a rate of 30 per cent ad valorem on sugars of all kinds. The act of 1861 gave three-fourths of a cent on raw sugar, 2 cents on refined sugar, and 4 cents on refined sugar when tinctured, colored, or adulterated.

The act of 1862 gave the following rates: Sugars not above No. 12 Dutch standard of color, 2½ cents; sugars from No. 12 to No. 15 Dutch standard of color, 3 cents; sugars above No. 15 and not above No. 20 Dutch standard of color, 3½ cents; refined sugar and sugar above No. 20 Dutch standard of color, 4 cents.

In 1864 the duties were 3, 3½, 4, and 5 cents on the grades of sugar just named. In the Morrill Act of 1883 sugars not above No. 13 Dutch standard were 1.4 cents per pound; for each degree above 75° an additional four one-hundredths cent per pound; 96° sugar, 2.24 cents per pound; sugars above No. 13 and not above No. 16 Dutch standard of color, 2.34 cents; sugars above No. 16 and not above No. 20 Dutch standard of color, 3 cents; above No. 20 Dutch standard of color, 3½ cents.

The McKinley bill gave us free sugar and gave us a bounty in place of the duty. Then we had the other laws with which all of us are familiar.

I wish now to call attention—and I have the records here obtained from the Department of Commerce—to the duties imposed by foreign countries at this time on sugar. Argentina imposes a duty of 3.49 cents per pound; Belgium, 3.50 cents per pound.

Mr. SHEPPARD. Is the Senator speaking about refined sugar?

Mr. BROUSSARD. No; this is 96° test. I have all the various grades of sugars and the duty on each, but I am merely taking the 96° because it is to it that we are seeking to apply the rate in the pending bill.

Mr. SHEPPARD. These countries also impose duties on other types of sugar?

Mr. BROUSSARD. Oh, yes. Not only that, but the duties quoted by me do not carry what they call an additional duty, which is imposed in most countries. There are certain cases in which they impose other duties, due to treaties which they have with certain countries. Those are the preferred nations. I am taking the lowest duty.

Italy imposed a duty of 2.68 cents per pound; Norway, 3.19 cents per pound; Portugal, 11.76 cents per pound; Sweden, 12.119 cents per pound; France, 8.64 cents per pound; United Kingdom, 4.994 cents per pound; and Canada, 2.27 cents per pound. All these figures and the conversions are made by the

department. So a 2-cent duty is below any duty of any country I have read.

Mr. SHEPPARD. Can the Senator tell us whether these duties represent the policy of the countries in the past or whether the countries have lately increased the duties on sugars?

Mr. BROUSSARD. As is known, England was for many years a free-trade country, but to-day her duties on many articles are in excess of duties we are imposing in the pending bill. For instance, on this particular commodity her duty is two and one-half times what I am asking for. Her duty is 4.994 cents per pound, while I am asking only 2 cents per pound. Canada imposes a duty of 2.27, but she has many other items which must be considered before the collector finally determines the rate. I have taken duty on sugar of 96° test without any other additional basis. I thought that was sufficient.

Mr. KENDRICK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Wyoming?

Mr. BROUSSARD. I yield.

Mr. KENDRICK. I wish to ask the Senator whether, in some instances, the unusually high duties on sugar referred to in the table from which he has just been quoting were not imposed by Democratic administrations?

Mr. BROUSSARD. Some of them were.

I have a most interesting table which I think very valuable. My contention has been, and it has been the contention of the Louisiana sugar producers long before the beet-sugar industry ever developed in this country, that the small production of Louisiana sugar always forced the market down when we were ready to sell. We did not have enough sugar to compete with imported sugar all the year around. Due to our increased production, and mostly due to the increased production of the beet-sugar people, the refiner has been forced from the very beginning to reduce his margin or his charges for refining sugar. He finds, for instance, that the Central West or the middle section of the United States is almost entirely supplied with beet sugar.

Beet sugar is a finished product; it is the refined sugar; in other words, it competes with the American refiner's sugar, the trust article. If any Senator would like to know—and I am digressing now—to what methods the Sugar Trust resorted in order to crush the domestic industry, all he has to do is to apply to the Attorney General for a copy of the proceedings in the suit which was filed to dissolve the American Sugar Refining Co. Such action was taken by the Government, I think, following the action of the State of Louisiana against the American Sugar Refining Co. in our State. In those proceedings Senators will see the various schemes that the sugar refining company employed in order to destroy the domestic sugar industry. Due to the domestic industry, the refining companies have been forced to give up most of their differential in the cost of refining sugar. The table which I have here shows that. For instance, the table begins with figures for the year 1860. In 1860 the charge for refining sugar——

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Florida?

Mr. FLETCHER. If the Senator from Louisiana will yield just at that point, before taking up the subject with which he is about to proceed, I should like to ask him a question.

Mr. BROUSSARD. I am glad to yield to the Senator from Florida.

Mr. FLETCHER. Inasmuch as the Senator from Louisiana alluded a moment ago to the production of sugar in Louisiana, I desire to inquire of him whether the industry has advanced there; what its present condition is as compared to previous years; and also what its prospects are?

Mr. BROUSSARD. I am glad to answer the question of the Senator from Florida. The Senator from Florida has been here, I think, for many years. I desire to say that there is no industry in the world which has been subjected to so many reversals as has the sugar industry of this country. Whenever we have prepared to increase our production; when those engaged in that industry have, through thrift and economy and such encouragement as has been offered to the production of the cane, produced in one year nearly 600,000 tons; after we had built up the industry and were prepared to still further increase our production the Hawaiian Islands were annexed to the United States; then Porto Rico was annexed; then there was extended to the Philippines the right to export here 300,000 tons of sugar free of duty; then we made a concession to Cuba of 20 per cent; then came the tariff of 1913, which promised free sugar in 1916.

We can not build up an industry in spurts and jumps. A man will begin building a factory in Louisiana, say—and some of our plants are worth $300,000—and by the time he has half finished paying for the plant there is a change in the tariff or there is a new policy adopted by the Government which affects the price of sugar. The harm, however, lies not so much in the effect on the price, I will say to the Senator, but it demoralizes the man who finances the builder of the factory.

For instance, the Cuban agitation was first for annexation. Let us say that a bank in New Orleans had advanced $100,000 to an operator who wants the money to advance to the cane grower. He already owes the bank. Say there is a bad crop. There is an agitation carried on as to conditions affecting sugar—and the greatest propagandist that this country ever knew was the American Sugar Trust; they started the propaganda and the New York bankers joined in—and the New Orleans bank calls in this man and says, "Mr. Fletcher, we can not advance you more than about 25 per cent of what you need next year." The result is that there is a lack of confidence and an inability to carry on, and we are waiting from day to day for the final stroke. Then we are permitted to live again and once more to get on our feet. Then something else happens.

The possibilities, I will say to the Senator, in my State are great; the possibilities are also great in Texas and in the Senator's own State of Florida, where the soil on which sugar is grown is similar to that of Louisiana. We have produced in Louisiana as much as 600,000 tons of sugar in one year. We produced nearly 440,000 tons during the last year. If encouraged we can double that production; Texas can join us and Florida can join us. If we ever reach the point where we are determined to establish a domestic sugar industry here, it can be done. If we did it we would have competition in sugar; but I will say to the Senator from Florida, there is an absolute impossibility of competition if we destroy the domestic sugar industry. In that case there will be no competition at all.

In the suit against the refiners, as to the proceedings in which I have invited Senators to ask the Attorney General for a copy, the court rendered a decree only three months ago.

I have a copy of it here. Long ago the American Sugar Refining Co. came and said that they had complied with all of the prayers of the petition of the Attorney General. Then they got the Attorney General to file a motion in court asking that the suit be dismissed; but the Federal court in New York refused to dismiss it. It perpetuated the injunction and said, "You continue obeying the law, and if later you make a showing that you are carrying out what you say you are doing we shall remove the injunction." However, they are under injunction now. But these people have fought the case in court since 1914—for eight years. Now they say they have complied with the orders of the court. All we need to prevent the extravagant profits which have been disclosed during the discussion of the tariff bill is the enforcement of the antitrust law. But it is difficult to do it where three or four plants on the seacoast can do all the refining that this country needs.

Mr. President, in 1864 the refiner charged 5.375 cents per pound for the refining alone, which is what we in Louisiana call the laundering of sugar—just the washing. In other words, they were then charging more merely to refine the sugar than we can get for the finished product in Louisiana to-day.

In 1865 they charged 7.156 cents per pound; in 1866, 5.219 cents per pound; in 1867, 3.720 cents per pound; in 1868, 2.820 cents per pound; in 1869, 2.630 cents per pound. I do not wish to read all of the figures, for they are too numerous; but in 1871 the charge was 2.470 cents per pound; in 1877, 1.908 cents per pound; in 1879, 1.362 cents per pound; in 1882, 1.437 cents per pound; in 1884, 0.923 cent per pound; in 1885, 0.712 cent per pound; in 1893 they must have had an opportunity to increase the price, for they then charged 1.153 cents per pound. In 1895 the charge was 0.882 cent per pound; in 1899 the charge was reduced to 0.5 cent a pound for refining. That was due to the growth of the beet sugar in the West. So the figures run through the list. In 1913 the charge was 0.772 cent per pound.

Mr. RANSDELL. Mr. President, will my colleague permit me to interrupt him?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to his colleague?

Mr. BROUSSARD. I yield.

Mr. RANSDELL. If my colleague will permit me, I have before me a memorandum regarding the production of cane sugar in Louisiana, which contains some interesting figures which supplement what my colleague said in answer to the question of the Senator from Florida. Very briefly, the memorandum shows that in Louisiana in 1921 226,366 acres of sugar cane were harvested for sugar production; that the tillable area of land in the sugar-cane parishes of Louisiana amounts to 1,963,554 acres; and that there is an additional area of ap-

proximately 833,000 acres in the sugar parishes capable of drainage. Further, it is set forth that there is a possible production of 1,000,000 tons of sugar in Louisiana; that they ought to make at least 1,000,000 tons and could make a great deal more.

If the Senator has no objection, I will ask unanimous consent that the memorandum in full be inserted in the RECORD at this point.

Mr. BROUSSARD. I will be very glad to have it inserted.

The PRESIDING OFFICER. Without objection, the memorandum presented by the senior Senator from Louisiana will be printed in the RECORD.

The memorandum referred to is as follows:

MEMORANDUM REGARDING SUGAR CANE.

The final returns on Louisiana sugar and sirup, 1921, prepared by the Bureau of Markets and Crop Estimates of the United States Department of Agriculture, dated May 26, 1922, herewith attached, show that 226,366 acres of sugar cane were harvested for sugar production, 6,079 acres for sirup production, and 46,031 acres were reserved for seed, making a total of 278,476 acres in cane in 1921.

In the other table attached herewith, taken from the Government census of 1920, you will note that the tillable area of land in the sugar-cane parishes of Louisiana amounts to 1,963,554 acres, and that an additional area of approximately 833,000 acres in those parishes is capable of drainage, making a total possible tillable area in the sugar-cane parishes of Louisiana of 2,796,554 acres.

Considering the area devoted to sugar cane in 1921 as compared with the present tillable area in those parishes, we find that less than one-sixth of the present tillable area and less than one-tenth of the possible tillable area in these parishes was under cultivation for sugar cane last year. The cane grown in 1921 produced more than 324,000, or approximately one-third of a million, tons of sugar. If, therefore, the cane acreage in these parishes in Louisiana should be increased threefold, approximately 1,000,000 tons of sugar would be produced in Louisiana. At the same time the sirup production in those parishes might be increased from approximately 6,500,000 gallons to 20,000,000 gallons. This could be done without utilizing one-half of the present tillable area in the sugar-cane parishes and without bringing into cultivation any part of the area still capable of drainage.

This possible production of 1,000,000 tons of sugar does not take into account the possible increase in the yield of cane through the use of better cultural methods nor through the development of better sugar-cane varieties. It does not take into account the possible cane-sugar producing areas in Texas, Florida, and other Southern States. It would seem, therefore, that Louisiana alone is capable of producing at least 1,000,000 tons of sugar annually and that under suitable conditions all of the sugar-cane States could be depended upon to produce considerably more than that amount of sugar annually, not to mention the possible increased output of cane sirup.

Mr. BROUSSARD. Mr. President, the table to which I have referred bears out the statement which I am about to make that sugar is the one article of household consumption which has continually decreased in price. The table gives the figures as far back as 1860, but it is a fact that we may go further back than that and show the price-declining tendency. In 1866 it was 21.562 cents per pound; in 1867, 16.875 cents a pound; 1868, 16.32 cents per pound, indicating a decline in the price right along. In 1869 the price was 10.56 cents per pound; in 1870 it was 9.484 cents per pound; in 1879, 8.785 cents per pound; and so on down through the list. In the early nineties it was 4.346 cents per pound. During the period from 1895 to 1899 the average price was 4.5 cents. In the next decade it was slightly higher than 4.5 cents on the average, but, generally speaking, throughout the course of years there has been a gradual decrease in the price of this commodity; in other words, sugar has been costing less and less every year.

I wish to say, Mr. President, that both during the World War and after that war and at the present time, with the duty of 1.60 cents, which is denounced here, we are getting much cheaper sugar than any other country in the world to-day. However, as stated by the Senator from Mississippi, the price has recently gone up, because there is no local competition now, all of our domestic sugar having been consumed, and therefore we have to pay more for the imported sugar.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Florida?

Mr. BROUSSARD. I yield.

Mr. FLETCHER. Is it not true also that the crop is somewhat short in Cuba, so that the supply is more limited?

Mr. BROUSSARD. I will say to the Senator that during the latter part of last year the Cubans stored 1,500,000 tons of sugar—if I am correct about that, and I am nearly certain that I am—which they refused to sell to the American people for less than 24 cents. It was only when the administration here, through the Attorney General, availed themselves of certain importers—and the Senator will remember the De Ronde claim and another claim for sugars which the Government had asked them to go to Argentina to get—it was only when the Government broke that price that the bottom fell out of this fictitious value, and then the Cubans could not sell at all, because they had borrowed more money on this stored sugar from the New York bankers and the Canadian bankers than they could get on the market. Therefore the sugar was forced to remain there. Gradually they are letting it out, but there has been a surplus. I could not say whether there is any of that left or not, but I am under the impression that there must be.

Another thing: The beet-sugar grower may reduce his crop from year to year, and we in Louisiana may do it also, because in Louisiana our cane is planted, and from that we get what we call the seed cane. Then the following year we cultivate the rattoons. We work it two years.

The well-balanced farmer would have an equal quantity of rattoons to the plant cane so that if we wanted to shorten the crop for next year all that we would have to do would be to plant none this fall for next spring, and we would cut our crop next year. Those conditions, however, do not prevail in Cuba. They plant it, and that plant cane is good for 10 or 12 or 15 years. Now, who in Cuba will go and destroy these rattoons? As a matter of fact, that cane is better the third year than it was the first year, and it is less expensive to cultivate it, because they have only to weed it, and the first year or two the weeding of it is expensive, but after that, when the plants have continued from year to year to shade the ground, there are no more weeds. You could not induce one of those fellows to shorten his crop unless you should go over there and destroy it, and you have no interest in doing that because it would cost you or him something to destroy it, and if he did not work it he would do what he does every year anyhow. They do not work it. They do not cultivate it. Those are the conditions. The weather may affect it, but to my notion the statistics furnished there by the Senator from Mississippi, I think, are not correct.

Mr. President, I have here a table which shows the domestic production of sugar. I think it shows the most marvelous growth of any industry I ever saw—the best interest, for instance. It has multiplied in a very short period of years 1,800 per cent. It has had some reverses. When the agitation for the annexation of Cuba came up, and after that the Cuban treaty, there were something like 300 plants that were under construction or ready to begin construction, and some in various stages of completion were abandoned. There have been great setbacks; but I should like to show, and put in the RECORD, the production. This table gives the beet-sugar production, and then gives the Louisiana production separately. There you will see the various years, and if you follow the tariff acts and the agitation for annexation or for a treaty, which affects the sugar industry, you will see it reflected right here, not only in the Louisiana sugar, but in the beet sugar.

I ask permission to insert this table in the RECORD. (See Appendix A.)

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none.

Mr. BROUSSARD. We come down now to the point which I think would justify even a Democrat in voting for this duty, and that is the difference in cost of production in this country and in Cuba.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Florida?

Mr. BROUSSARD. I do.

Mr. FLETCHER. Before the Senator concludes I should be glad to hear him discuss also the effect of this duty as a revenue-producing factor; that is to say, to show that whatever duty we levy on sugar produces a definite revenue, and that revenue goes into the Treasury of the Government and not into the pockets of the producers.

Mr. BROUSSARD. Absolutely. I have demonstrated already that the consumer does not pay this duty. I think the Senator remembers that there was a duty on coffee some years ago, and we remitted that duty. In other words, we put coffee on the free list. What occurred? The Brazilian Government did not want the coffee producers to pocket the difference. What did they do? They put an export duty on coffee of exactly the same amount that we had formerly had on it, and that amount of money was transferred from the United States Treasury to the treasury of the Brazilian Government.

Mr. FLETCHER. I think they also organized a great trust, backed by the Government.

Mr. BROUSSARD. Yes; absolutely.

The amount of revenue that will be raised under this bill is very easy to determine. If you put a duty of 2 cents on it—I think we import between 2,225,000 tons and 2,500,000 tons of 2,000 pounds each, which, multiplied by 2 cents, would give the amount of money which the Government would receive. Here is the difference between the collection of that duty and the collection of any other: There are only a few ports where sugar is imported into this country. You can count them all on the

fingers of one hand. There is some sugar imported from countries located on the Pacific Ocean, imported into San Francisco. Then there are the ports of New Orleans and Savannah and Baltimore and Boston and Philadelphia and New York. I do not think much sugar is imported anywhere else, so that the cost of the collection of that duty is nominal.

For comparison of costs, reference made and figures used are from three recognized and accepted official Government sources and one Cuban statement:

(a) War Industries Board Bulletin 13, "Prices of sugar and related products," on page 5, says the pre-war cost in cents per pound at factory was, for Cuba, 1.45; Louisiana, 3.98.

(b) In the hearings before the Ways and Means Committee, January 18, 1921, Philip G. Wright, of the United States Tariff Commission, testified that the average pre-war costs in cents per pound were: Cuba, 1.70; domestic beet, 4.123 (raw basis, 3.492); Louisiana, 4.480. (By reference to Tariff Information, series 16, page 32, and Miscellaneous Series 53, by the Department of Commerce, it is clear that the figures used by Doctor Wright were for sugar delivered in United States, exclusive of duty.)

(c) Miscellaneous Series No. 53:

Average cost of production in cents per pound f. o. b. factory: Louisiana, 3.973; Cuba, 1.445.

Delivered in United States: Louisiana, 3.975; Cuba, 1.719 (exclusive of duty).

(d) In the Times of Cuba, June, 1921, issue, it says:

Cuba has made sugar profitably in former years as low as 1.50 cents a pound or less.

Analyzing these several independent sources, three of them official United States Government, the other Cuban and written in Cuba's interest, we find that to equalize costs we must have the following tariff rates as against Cuba:

War Industries Board—

Now I am giving the comparative costs of sugar from different sources, all of which bear out the request that we are making—

War Industries Board—	
Louisiana cost	3.98
Cuban cost	1.45
Tariff to equalize	2.53
Department of Commerce, Miscellaneous Series No. 53:	
F. o. b. factory, Louisiana	3.975
F. o. b. factory, Cuba	1.446
Tariff required	2.529
Tariff Commission, by Doctor Wright:	
Louisiana cost	4.480
Cuban cost	1.70
Difference	2.78
From this he makes deduction to equalize raws	.379
Tariff required	2.401
Times of Cuba:	
Cuban cost	[1] 1.50
Profit of	1.00
Sell at	2.50
War Industries Board—	
Louisiana cost	3.98
Profit	1.00
Sell at	[2] 4.98

So that, Mr. President, I think these figures clearly demonstrate that to equalize the cost of production here and abroad the rate proposed by the committee is totally inadequate, and that we should have not less than 2 cents protection.

Mr. SHEPPARD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Texas?

Mr. BROUSSARD. I do.

Mr. SHEPPARD. What does the committee propose?

Mr. BROUSSARD. One and six-tenths cents against Cuban sugar.

Mr. President, I have here another matter which I think those who are interested in giving a chance to the sugar industry may take into consideration. I have tried to ascertain the cost of transportation of sugar from New Orleans to New York, and then from Cuba to New York. For that purpose I had written to the division of operations, United States Shipping Board Emergency Fleet Corporation, for the information, and here is the letter. It is addressed to Mr. John M. Rogers, Washington, D. C.

DEAR SIR: With reference to your inquiry concerning ocean rates on sugar from Cuba, would advise that going rates are nominally as follows:

From north side Cuba to New York, 15 cents per 100 pounds.
From south side Cuba to New York, 17 cents per 100 pounds.
From north side Cuba to New Orleans, 13 cents per 100 pounds.
From south side Cuba to New Orleans, 15 cents per 100 pounds.

I have stated before, Mr. President, that when we market our sugar we sell it to the American Sugar Refining Co., who refine it. They allow us the New York price, less freight to New York, although that sugar never leaves New Orleans. It is manufactured there and then distributed from that point; but in order to show the disadvantages to which the Louisiana sugar producer is put, both by reason of the tariff and by reason of the internal conditions in this country, I wish to read now what is said with reference to the freight rate from New Orleans to New York, which is deducted from our price.

With regard to the rate on sugar from New Orleans to New York, such shipments are very infrequent, and it is therefore very difficult to say just what the rate is.

They have no rate for it.

For your information, however, the last record we have of a fixture from New Orleans shows 22½ cents per hundred pounds was paid to Boston, which would make the parity on New York 19½ cents. This rate was paid last December.

That is from the manager of the chartering department.

Mr. FLETCHER. That is the water rate?

Mr. BROUSSARD. Yes; that is the water rate. Senators will understand that this Cuban sugar pays 13 cents per hundred pounds freight rate to come into New Orleans. That is their transportation cost. Nineteen and one-half cents per hundred pounds for an imaginary freight expense is deducted from our price. But what is the additional transportation cost? For instance, I have here the commodity rates on sugar in barrels from the plantation to New Orleans. For instance, the rate for 70 miles is 27 cents per hundred pounds by the carload. So here is the disadvantage to which we are put; we have to pay the local transportation for a distance of, say, 70 miles—of course the other rates are greater, but I am coming to that—a rate of 27 cents, and then we have deducted 19½ cents from the New York price less the freight, whereas the Cuban is given this advantage in competing with American products produced by American labor, paying taxes to American institutions, and using American material, of landing his sugar in New Orleans at 13 cents. We are put in the almost ridiculous position of having sugar come in to compete with us at a cost of 13 cents a hundred pounds, while we must, for a distance of 70 miles, pay 27 cents plus 19½ cents per hundred pounds. I have here a list of the stations, with the rates all given, and it seems to me that something should be done to reduce these rates, because in all instances the foreign product reaches the home market here at a much less expense than the cost to the farmer less than a hundred miles away in marketing his product.

Mr. SHEPPARD. The Senator means, of course, that the freight rates should be reduced?

Mr. BROUSSARD. I think something should be done or, if we maintain those freight rates, if we do not reduce them to such an extent as will afford us relief, which would be impossible and at the same time maintain an American standard of living in the operation of these railroads, we should at least accord the American sugar producers the proper protection to protect them against the cheaper products of foreign countries coming here at much less freight cost.

That leads me to this thought, I will say to the Senator from Texas, that we voted here on restriction of immigration, and it was the unanimous thought of the Senate that we should limit the number of immigrants to 3 per cent of the nationals of any country already in the United States. I voted for that. There are some Senators on this side who voted that there should be no immigration at all, or only 1 per cent. The only justification we had for that was that we wanted to keep out of this country the cheapest labor, which was trying to find entrance into this country and compete and lower the standards of our employees. We did well to exclude them. But having adopted the policy of excluding them, if we do not protect American products, then we simply open the door to the capital of this country to do as they have done in Cuba. Americans claim they have now invested in Cuba $1,000,000,000 in sugar plantations and factories, and the cry is to save that $1,000,000,000 of investment, and they would have a very low rate. That money is invested in a foreign country, it employs foreign labor, it pays foreign taxes. The people about whom I am speaking live here, they enjoy the protection of our flag; and those who produce here in competition with the cheap foreign products must bear their burden in maintaining this

[1] Or less.
[2] Less 2.50 Cuban price, equals 2.48 tariff required to give Louisiana the same profit as Cuba. Therefore it is clear that Louisiana should have not less than 2.50 cents per pound tariff, Cuban basis, if her product is to meet the foreign sugar of Cuba on an equal basis in the American market.

Government which protects the foreign investor. A correct principle is, if you must keep out the immigrants—and I am for that, because I want to protect labor here—then we should put a duty on foreign products which are produced at a cost lower than that at which the home products can be produced.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Florida?

Mr. BROUSSARD. I yield.

Mr. FLETCHER. Let me see if I get the exact situation. The bill proposes a duty of 1.16 cents a pound. The act of 1913 gave 1 cent a pound, provided that in May, 1916, sugar should be free. Now, the Senator proposes a change from 1.16 cents a pound——

Mr. BROUSSARD. It is 1.60.

Mr. FLETCHER. The bill reads 1.16.

Mr. BROUSSARD. That is on 75° sugar; but there is an addition for every additional degree.

Mr. FLETCHER. Of 1 cent.

Mr. BROUSSARD. That is the scientific way of imposing a duty, because some of the sugars which come here are below 96 test, and, according to the experience of scientists, it has been demonstrated that a duty of 1.16 cents on 75° sugar, when the sugar is reduced in the process of manufacture to 96°, which is the standard test, will be equivalent to a duty of 2 cents a pound, which, when applied to Cuba, in whose favor there is a 20 per cent preferential, would mean a 1.60-cent duty. All tariff acts are written in that way, because one sugar house or factory in Cuba may send 80° sugar; another may send 75° sugar; another may send 93° sugar; and this was so framed, under the advice of the sugar division of the Bureau of Standards, as to be equivalent in every case to the basic duty of 2 cents.

Mr. FLETCHER. Then the rate in paragraph 501 would mean a duty of 2 cents a pound on the sugars we usually import?

Mr. BROUSSARD. Yes; and under the preferential of 20 per cent it would be equivalent to an effective rate as against Cuba of 1.60.

Mr. FLETCHER. What I am trying to get at is precisely what the Senator proposes to do, whether he proposes to strike out 1.16 or leave that as it is and change the other rate, or whether the Senator proposes any change at all.

Mr. BROUSSARD. I have an amendment to offer.

Mr. FLETCHER. The duty is 1.16 and the Senator has been arguing in favor of 2 cents.

Mr. BROUSSARD. Yes; 2 cents on 96° test.

Mr. FLETCHER. That would involve a change in these figures?

Mr. BROUSSARD. Yes.

Mr. SHEPPARD. May I suggest to the Senator from Florida that he is reading from the House text?

Mr. FLETCHER. Yes; that is correct.

Mr. SHEPPARD. The Senate Finance Committee has made a change, has it not?

Mr. BROUSSARD. No; the rate is the same; but I am proposing a change, which I will read now.

Mr. FRELINGHUYSEN. Mr. President, is not this the situation: The rate is 2 cents now, with 20 per cent preferential in favor of Cuba, making it 1.6 cents. The Senator is asking for 2½ cents, making it 2 cents?

Mr. BROUSSARD. Yes. This is my amendment: On page 95, line 18, after the word "degrees," to strike out "1.16" and to insert in lieu thereof "1.45"; and on line 20 strike out "four one-hundredths" and insert "five one-hundredths." When you reach a 96-degree sugar, then you will have a duty of 2½ cents, or, as effective against Cuba, of 2 cents.

Much has been said in the press about what a good customer Cuba is to us, and it has been argued that we should not hurt that market. I have here the Economic Bulletin of Cuba, published at Habana. This is the issue of March, 1922. Cuba imported in 1913 from the United States $75,288,000 worth.

Mr. SHEPPARD. Does that mean goods of all kinds?

Mr. BROUSSARD. Yes. The United States imported from Cuba $131,000,000 worth. I wish to insert this table in the RECORD. I think it gives the facts more plainly. (See Appendix B.)

The next table I have is entitled "Merchandise imported into and exported from the United States." It gives the excess of imports over exports, and the values. I ask to have this table inserted in the RECORD. (See Appendix C.)

Senators will find under this table the following conclusions: Reciprocity with Cuba became effective December 27, 1903. From 1904 to 1921, inclusive—and I wish the Senator from Florida would listen to these figures, because they are very interesting—the total imports to the United States from the island of Cuba amounted to $3,503,244,436. The total exports from the United States to the island of Cuba amounted to $2,240,443,630. The excess of imports over exports amounted to $1,268,800,806. The percentage of imports in excess of exports was 63.92 per cent. In other words, for every $100 worth of merchandise we bought from the island of Cuba she in return purchased from us $63.92 worth, leaving a balance of $36.08 against the United States and in favor of Cuba for each $100 worth of goods purchased by Cuba from us.

Mr. FLETCHER. May I ask the Senator if the table analyzes the character of the imports? I think they must be largely sugar and tobacco.

Mr. BROUSSARD. It is nearly entirely sugar. I have a table here showing the number of tons imported from Cuba covering the same period, and in 1896, previous to our treaty with them, we imported from Cuba 546,586 tons of sugar. At that time we were importing sugar from Germany, France, Spain, and other countries. To begin with, in 1901 we imported 549,702 tons.

To show the effect of the treaty, in 1902 we imported 492,108 tons, but in 1903, immediately after they prepared to increase their production, importations went up to 1,198,249 tons. During the year 1916 they had passed the 2,500,000-ton mark. That, I will again state, shows the great benefits of the treaty to Cuba, because it really puts her under the protective system of the United States and assures her the American market. There is no reason for them to complain when there is no proposition to reduce the preferential in favor of Cuba because, whether the rate be one-half cent or 1 cent or 1½ cents or 2 cents, under the treaty, which is the supreme law of the land, Cuba is still entitled to a 20 per cent preferential which insures her this market as against any other foreign sugar producer. It is merely interference on her part to come here and protest against what we are doing when we are according her a 20 per cent reduction over all other friendly nations in the world. It is intermeddling and should be resented.

I wish to call attention to the enormous amount of money invested in Cuban sugar properties by American capitalists. There is so much literature on the question that one hardly knows what to use. I have here a pamphlet which bears out all the testimony furnished by those who appeared on behalf of the Cuban producers and the American capital interested in Cuban production. They all agree as to the figures given here. I am reading from a pamphlet prepared by Mr. Palmer. It is taken from the hearings before the Finance Committee:

> In the following list of American-owned mills the "capacity" figures represent the approximate output of the largest campaign of each individual mill during the past five years, stated in tons of 2,000 pounds. Assuming that in their year of greatest production the 85 American-owned mills listed ran to capacity, they have a combined annual capacity of 3,116,942 pounds of sugar, equal to 70 per cent of the total amount of sugar produced in Cuba in 1918–19, the year of the island's greatest production.

So we see that all this agitation against the tariff in Washington really comes from Americans who refuse to establish their industries here, and thereby escape the payment of taxes here, escape the payment of transportation to the railroads here, escape the employment of labor which costs them more here, and escape the use of material which costs them more here. They simply go to a foreign country and invest to such an extent that they come back here and say, "For goodness sake, do not impose this rate." They do not say that we do not need protection, but they say, "If you do impose it, then you will destroy American capital invested in Cuba."

I continue reading from the pamphlet:

> Of the 85 American-owned mills, 49 are either owned outright by American seaboard sugar refining companies or are affiliated with them by interlocking officers and directors, as shown by Poor and Moody's manuals. These 49 mills have an average capacity of 47,572 tons per mill, a total of 2,331,033 tons, equal to 53 per cent of the total Cuban sugar production in 1920–21. The 36 American mills not affiliated with American sugar-refining interests have an average capacity of 21,831 tons. The output of the 113 Cuban and European owned mills in 1921 was 18,088 tons per mill.

So that we see that over 70 per cent of the sugar produced in Cuba is American owned. Seventy per cent of all the sugar produced in Cuba to-day is produced in mills owned by American capital. Of the 85 American-owned mills, 49 are owned by American seaboard refining companies. It can easily be seen, unless we afford proper protection to the domestic sugar industry here, that we already have a combination between the Cuban production and the seaboard refiners or the American Sugar Trust which will absolutely dictate the prices of sugar here.

Mr. OVERMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from North Carolina?

Mr. BROUSSARD. I yield.

Mr. OVERMAN. How many tons does it take to supply the demands of this country?

Mr. BROUSSARD. Nearly 5,500,000 tons.

Mr. OVERMAN. How much do the sugar producers of Louisiana and the beet-sugar producers supply?

Mr. BROUSSARD. Continental United States, with our insular possessions, can furnish one-half of that.

Mr. OVERMAN. And the other half comes from where?

Mr. BROUSSARD. It comes from Cuba. Cuba has a 20 per cent preferential, so that she has a protection under our system and is bound to get our market.

Mr. OVERMAN. So she furnishes the other half of our consumption of sugar?

Mr. BROUSSARD. She furnishes over 99 per cent of all the sugar importations of this country in the average year.

Mr. OVERMAN. Do we not get sugar from the Philippines and Hawaii?

Mr. BROUSSARD. Yes. When I said our insular possessions, I intended to include the Hawaiian Islands, the Philippines, Porto Rico, and the Virgin Islands.

Now, Mr. President, much has been said, and I know that some one will speak again with reference to the price which domestic sugar industry received in 1920. As the time is short for discussion, I do not think I shall have an opportunity to present the matter again. I shall, however, before taking that up discuss what I have always contended and what my people have always contended would be the result if we were to put such a duty on sugar as to destroy or limit the production of sugar to only a few low-cost producers in this country who may survive under a small duty.

I have here a copy of a memorandum which Mr. Hoover sent to the President on August 22, 1917. I shall read that to show, if we eliminate domestic production and thereby leave the market to the Cuban producer, already in alliance with the American Sugar Trust, what we would have to pay for sugar. In 1917 Mr. Hoover wrote the President as follows:

Certain Cuban sugar producers (who are out of our reach)—

Mind you, we were within reach in this country and our price was fixed. We did not wait until we were called in to have the price of our sugar fixed, but we came forward and asked for a reasonable price to be fixed. But these people were out of reach, Mr. Hoover said, because our profiteering laws did not apply to them.

Mr. Hoover said:

Certain Cuban sugar producers (who are out of our reach) have combined to force up the price of the remaining 1917 Cuban crop, prior to the new crop in December, and have lifted the price of raw sugar in New York from 5.9 cents in June to 7.5 cents, duty paid, on August 16, and this against a three-year pre-war average of 4.2 cents. The recent advance of 1.6 cents alone would represent an added tax upon the American people of over $30,000,000 by the end of December.

So that it will be seen, figuring from August 22, 1917, to the end of December, it is easy to ascertain that they would have actually forced the American people to pay over $90,000,000 to them during that year had they been able to control the market. But the beet sugar went out of the market about that time and immediately there was no more sugar selling in competition with them, and they raised the price 1.6 cents per pound. Senators can draw their own conclusions as to what they would have done if they had absolutely controlled the market.

In the same way all the connected facts show the pool which the Cuban sugar producers formed when they were holding back their 1920 crop in that year. Our 1919 crop was sold just before the pool was formed, and when our crop was out of the market, then the Cubans, who had offered to sell their whole output to the United States Government or to the Food Administration for 6.5 cents per pound, stood out for 24 cents per pound. These facts became known and were published in this country. All of the facts were published in the magazine called "Facts About Sugar" in New York in July, 1920. I wish to insert them in the RECORD, so as to show how they combined there to force the high prices for which the American people condemned the domestic producers, because the people believed that the domestic producers had also been profiteering to that extent. The United States Government knew that there was no more sugar in this country, because it had the right to prosecute the American producers for profiteering. They were forced to go to Argentina and to other countries to import sugar here in order to break that price. It is disclosed here that the Porto Ricans were asked to go into this combination, but as Porto Rico is American territory it appears that the Porto Ricans said, "We can not join this because it would be violating the law"; but the Cubans carried it out, for the reason that Mr. Hoover gave out in 1917 that they were out of the reach of American jurisdiction.

Mr. President, I have frequently heard some comment on the high prices which the consuming public paid in 1920 for sugar, and reference has frequently been made to the fact that the sugar producers of Louisiana got 17 cents for raw sugar and 18 cents for plantation granulated sugar. There was an investigation by a committee of Congress, and I hold in my hand all of the proceedings before that committee as well as the resolution which ordered the investigation. I shall read briefly from the letter of the Attorney General, addressed to the House of Representatives of the United States, under the resolutions adopted by the House. The Attorney General stated:

This implied a determination that, as a practical proposition—

Referring now to the Federal district attorney of New Orleans—

he might successfully contend in court, in the absence of particular circumstances, that a sale of sugar above a reasonable, fair maximum price for this year's Louisiana crop of sugar was an excessive price and therefore a violation of the Lever law. He had before him the fact that Louisiana sugar was selling in the open market at from 20 to 27 cents; that the crop was but 40 per cent of the normal, and that the price was rapidly mounting.

It was the opinion of the department that all these factors would be taken into consideration by the court in considering any prosecutions, and that prosecutions begun in disregard of such considerations would offer no prospect of eventual success.

Then follows the correspondence between the Attorney General and the United States district attorney at New Orleans. So that we see the facts not as the public have been led to believe. There was no law, agreement, or limitation as to what price the Louisiana sugar producers should get, except in case the producers agreed to a certain price, and the only law under which they might be prosecuted would be for profiteering; so that when the fact was submitted to the United States district attorney that the crop was only 40 per cent of normal, that the expense of producing that crop was more than the ordinary expense of previous years, even the war years, that sugar then was selling in the New Orleans market for from 22 to 27 cents when the district attorney reported to the Attorney General that he thought 17 cents for raw sugar and 18 cents for granulated sugar was a fair price for sugar, the Attorney General readily acceded to that; and I wish now to show that the Louisiana sugar producers did not profit by that year's crop even at that price.

You will find on page 2310 of the hearings the testimony of Mr. Joseph B. Chaffe, who testified as to the losses in the year 1920:

In 1920 our losses were rather heavy on cane, because our crops, like those of the beet people, were made on high prices for everything.

As to the details, each item of expense entering into the cost is shown here. We have here the figures showing the losses per ton on the crop of 1920. There are four plantations shown. In the year 1920 they lost all the way from $5.23 to $13 per ton on cane in the agricultural end. You must understand that that is the agricultural operation.

So Mr. Chaffe and others who appeared before the committee amply justified the district attorney in agreeing to a price of 17 and 18 cents a pound; and why the Louisiana sugar producers should be criticized for entering into that contract voluntarily when at that very time they could have disposed of their sugar at any price from 22 to 27 cents is beyond my understanding. It seems to me that our sugar producers should be commended for having accepted a price of 17 and 18 cents for sugars for which they were offered 22 to 27 cents per pound. They agreed to this price and lived up to it, some of them even going to the extent of canceling contracts which they had for the delivery of the sugar which they were then manufacturing.

I have only one other item that I wish to bring to the attention of the Senate; but before doing that, Mr. President, I wish to refer to a line of argument made by my friend the Senator from Mississippi [Mr. HARRISON] this morning as to the relative proportion of this duty extended to the cane growers. Our Louisiana contracts for the sale of sugar cane are based on a sliding scale. The grower is paid $1 per ton for each cent or fractional part of a cent for which sugar sells on the open market during that week. In other words, at the end of every week the average of the quotations of yellow clarified sugar is taken, and if that sugar averages for that week 4½ cents per pound the grower gets $4.50 a ton. If it sells on the average for 5 cents per pound, he gets $5 per ton. So that if it is argued that the tariff is reflected in the price of the sugar, then inevitably the producer must get his pro rata share of that increase due to the tariff.

It is a very fair contract, and one which has been in operation in the sugar-cane producing sections of this country for many years. The producer is just as much interested, therefore, in the adoption of a proper tariff rate on sugar as is the manufacturer, because he is not settled with on a flat basis per ton but on a sliding basis, wherefore he benefits by any condition which enhances the price of that sugar.

I have one other matter which I would like to submit which shows the conditions which exist in Cuba. It explains, to my mind, why Cuba produces such sugar. This is taken from Miscellaneous Series 53, Sugar Cane Industry, issued by the Department of Commerce in 1917. I want to read it. It is most interesting. It is as follows:

Table 217 shows the number and per cent of the agricultural workers by age groups. It is interesting to note that 18,238 persons, or 4.96 per cent, of those field workers were from 10 to 14 years of age, and that 16,385, or 4.45 per cent, were 65 years of age and over.

Then follows a table giving, according to ages, the number of people for each year. I ask that this table be inserted, as well as the next table. (See Appendix D.)

Table 218 shows the literary and conjugal conditions of the agricultural group, and from this it appears that 35.45 per cent were literate, while 64.55 per cent were illiterate. It also shows that 52.75 per cent were single, or with conjugal conditions unknown; 30.67 per cent were legally married; 13.85 per cent were persons living in a marital state without marriage; and 2.73 per cent were widows. Then follows the table which I have already obtained permission to insert.

In conclusion, some time ago there was a meeting here of what I think they call the Agricultural Congress, which convened in Washington. That congress represented all of the different agricultural pursuits, and among the various subcommittees appointed was a sugar committee. The sugar committee made a report, and I wish to read it because it was adopted afterwards by the entire congress which represented every agricultural element which consumes sugar, so that if it be charged that the subcommittee on sugar was partial to the industry, it certainly will be admitted that those who did not belong to that committee, and who represent the corn, the wheat, the cattle, the hides, the minerals, and other lines of endeavor in this country, certainly represented the consumers of sugar, and were not prejudiced in favor of sugar. Here is the resolution they adopted:

COSTS.

It is impossible, with the cost of production as it is in the United States, for the growers of either sugar cane or sugar beets to meet the costs of Cuba and other tropical countries.

PRICES.

The price of sugar depends upon the price the Cuban producer may charge, and as through cheaper labor he has greatly reduced his costs and increased his production until he can furnish all the sugar the United States can consume, it is necessary for a complete readjustment to be made of the conditions governing the agricultural position of this industry in this country.

It is the unanimous opinion of this committee that this readjustment must consist of a change in the tariff now in effect against tropical sugars.

READJUSTMENT.

To meet the competition of other crops and give adequate inducement to the American sugar farmer a tariff of $2 a hundred pounds must be levied against sugar coming from Cuba. Any reduction from this figure reduces directly the return from the farm.

From a study of the history of sugar production and consumption in this country we boldly affirm that this increased tariff will be for the benefit of the consumer of food in this country as well as the consumer of sugar, as it has been demonstrated more than once, and recently quite acutely that but for the competition of the American production the cost of sugar to the consumer would be considerably higher than when the source of supply was so restricted.

In addition to this, one of the lessons we learned from the war was that this country should be self-sustaining as far as its food supply is concerned, and right painfully all of us remember how we were seriously hampered because of a great shortage of this important food.

This congress, consisting entirely of people engaged in agricultural pursuits, have indorsed a duty of 2 cents on sugar, and I wish to say now that I shall call up my amendment and make an effort to have the Senate increase the duty on sugar to 2½ cents, the general tariff duty, effective against Cuba, 2 cents a pound.

APPENDIX A.

Production of sugar in the United States and islands now designated as noncontiguous territories, from 1854–55 to 1919–20 (in tons of 2,000 pounds).

Campaign year.	Beet sugar (refined).	Louisiana.[1]	Other Southern States.[2]	Porto Rico.	Hawaii.	Philippine Islands.[3]	Total.
	Tons.	*Tons.*	*Tons.*	*Tons.*	*Tons.*	*Tons.*	*Tons.*
1854–55		198,631	14,749	65,382	145	39,209	318,116
1855–56		127,304	11,000	91,840	277	53,065	283,506
1856–57		41,231	2,904	95,200	350	40,394	180,169
1857–58		154,047	7,151	77,777	602	30,081	269,658
1858–59		207,431	9,149	64,960	913	56,106	338,559
1859–60		127,019	5,767	63,840	722	61,457	258,805
1860–61		131,523	4,831	75,040	1,281	58,122	270,797

[1] Louisiana production 1854–55 to 1910–11, inclusive, from A. Bouchereau's Annual, 1911–1917. Subsequent years from Department of Agriculture Yearbook.

[2] Subsequent to 1903–4 includes Texas only.

[3] Exports from 1854–55 to 1903–9, inclusive. Production for subsequent years.

Production of sugar in the United States and islands now designated as noncontiguous territories, etc.—Continued.

Campaign year.	Beet sugar (refined).	Louisiana.	Other Southern States.	Porto Rico.	Hawaii.	Philippine Islands.	Total.
	Tons.	*Tons.*	*Tons.*	*Tons*	*Tons.*	*Tons.*	*Tons.*
1861–62		264,159	5,755	76,166	1,603	89,003	436,580
1862–63		48,420	3,100	70,560	2,646	82,682	207,408
1863–64		44,453	280	68,981	5,207	70,311	189,232
1864–65		5,971	200	70,980	7,659	60,321	146,079
1865–66		10,401	390	72,147	8,895	60,445	152,696
1866–67		23,603	3,750	76,416	8,564	71,163	183,944
1867–68	[1] 448	21,604	5,060	82,807	9,156	81,659	200,734
1868–69		47,731	2,375	91,280	9,151	75,867	227,352
1869–70		49,708	2,690	114,363	9,392	86,213	262,814
1870–71		84,413	4,713	115,700	10,880	96,412	312,566
1871–72		73,511	4,723	100,306	8,498	105,298	292,784
1872–73	560	62,598	4,743	98,156	11,565	98,478	276,100
1873–74	784	51,607	2,699	80,366	12,283	114,487	262,226
1874–75		67,312	3,868	80,783	12,541	139,099	303,715
1875–76	[1] 112	81,713	4,532	78,418	[2] 13,036	143,773	321,584
1876–77		95,314	4,344	60,821	12,788	134,935	317,314
1877–78		73,735	5,970	94,469	19,216	130,100	323,602
1878–79	224	119,738	5,701	85,580	24,510	148,595	384,348
1879–80	1,344	99,495	4,453	63,904	31,792	199,328	400,322
1880–81	560	136,512	6,160	69,121	46,894	233,044	492,291
1881–82	[1] 560	79,860	5,600	89,674	57,089	166,440	399,223
1882–83		152,507	7,840	86,948	57,910	237,255	543,039
1883–84	599	143,716	7,616	110,505	71,622	135,500	469,558
1884–85	1,067	105,697	7,280	78,400	85,679	234,560	512,683
1885–86	672	143,313	8,064	71,680	108,080	204,792	536,601
1886–87	896	90,561	5,079	96,320	105,400	197,474	496,730
1887–88	286	176,926	11,024	67,200	112,000	204,208	571,644
1888–89	2,084	162,263	10,115	69,440	134,400	241,324	619,626
1889–90	2,467	143,744	9,133	61,600	134,400	162,616	513,965
1890–91	3,874	241,744	6,840	95,000	140,000	183,488	631,946
1891–92	5,999	180,249	5,040	78,400	129,470	272,493	671,651
1892–93	13,469	226,034	5,600	56,000	156,800	288,456	746,350
1893–94	22,344	297,736	7,676	67,200	153,092	214,199	762,247
1894–95	22,503	355,383	9,283	58,800	147,502	254,547	848,018
1895–96	32,726	236,246	5,570	56,000	225,528	253,433	809,503
1896–97	42,040	315,850	6,238	64,960	251,124	222,767	902,979
1897–98	45,246	347,701	6,125	60,480	229,413	199,318	888,583
1898–99	30,368	274,972	3,855	60,285	[3] 282,808	94,608	752,896
1899–1900	81,697	164,824	2,270	39,200	289,544	71,860	649,395
1900–1	80,082	302,779	3,238	89,600	360,038	62,691	904,428
1901–2	184,606	360,277	4,948	[4] 168,152	355,661	108,682	1,116,326
1902–3	218,405	368,733	4,169	100,576	437,991	[5] 94,035	1,223,910
1903–4	240,604	255,893	22,176	138,096	367,475	95,989	1,120,203
1904–5	242,113	398,194	16,800	151,088	425,248	119,598	1,354,041
1905–6	312,921	377,161	13,440	214,480	429,213	142,697	1,489,912
1906–7	483,612	211,280	14,560	205,864	440,017	141,003	1,628,256
1907–8	463,628	343,755	13,440	230,095	521,123	159,541	1,731,582
1908–9	425,884	337,971	16,800	277,093	535,156	142,559	1,735,463
1909–10	512,469	333,129	11,200	346,786	517,090	[3] 168,254	1,888,928
1910–11	510,172	328,356	12,320	342,340	566,821	268,878	2,028,887
1911–12	599,500	352,874	8,000	371,076	595,258	276,126	2,193,834
1912–13	692,556	153,573	9,000	398,004	546,798	321,197	2,121,128
1913–14	733,401	292,697	7,800	351,666	617,038	381,870	2,384,472
1914–15	722,054	242,700	3,920	346,490	646,445	397,022	2,358,631
1915–16	874,220	137,500	1,120	483,590	593,483	386,116	2,476,029
1916–17	820,657	303,900	7,000	503,081	644,574	399,405	2,678,617
1917–18	765,207	243,600	2,240	453,796	576,842	474,743	2,516,428
1918–19	760,950	283,450	3,500	406,002	603,583	453,346	2,490,831
1919–20	726,451	115,590	1,125	485,071	556,871	234,456	2,119,564
1920–21 [6]	1,035,749	109,127	6,987	464,800	593,000	323,680	2,178,543

[1] Mean annual production; quantity varied from year to year between 336 and 560 tons. Mean annual production is included in the total in each year covered by brackets.

[2] Production uncertain; not exceeding quantity stated. Included in year's total as in footnote 1.

[3] Exports from 1854–55 to 1899–1900, inclusive. Production for subsequent years. Hawaiian sugar admitted to United States free of duty in 1876, Hawaii annexed to United States July 7, 1898.

[4] Porto Rican sugar admitted to United States at 85 per cent reduction May 1, 1900, and free of duty in 1901.

[5] Mar. 8, 1902, duty on Philippine sugar reduced to 75 per cent; Aug. 5, 1909, not exceeding 300,000 tons per annum admitted free of duty. Oct. 3, 1913, all sugar imported from Philippines admitted free of duty.

[6] Estimated. But Louisiana actually produced in 1921, 324,431 tons, as shown by report of Agricultural Department in statement issued May 6, 1922.

APPENDIX B.

Foreign trade of Cuba in calendar year 1921 compared with 1920, 1919, and 1913.

(Official figures obtained from the Cuban Treasury Department.)

IMPORTS, UNITED STATES DOLLARS.

	1913	1919	1920	1921
United States	75,288,000	271,506,080	404,385,767	265,548,658
Other American countries	10,529,000	26,730,907	36,435,831	23,391,239
Germany	9,674,000	197,499	2,879,504	5,374,980
Spain	10,033,000	15,947,350	27,974,309	13,654,172
France	7,322,000	9,929,253	16,879,245	9,356,096
United Kingdom	16,066,000	8,816,154	17,703,999	17,129,166
Other European countries	7,778,000	3,064,886	7,786,300	6,750,039
Other countries	3,443,000	20,438,510	42,973,717	15,231,749
Total imports	140,133,000	356,630,639	557,016,692	356,435,099

Foreign trade of Cuba in calendar year 1921 compared with 1920, 1919, and 1913—Con.

EXPORTS, UNITED STATES DOLLARS.

	1913	1919	1920	1921
United States	131,572,000	439,935,270	626,915,178	222,541,281
Other American countries	5,580,000	10,911,713	25,134,137	5,732,895
Germany	4,707,000	10,425		458,392
Spain	657,000	8,077,779	7,041,517	2,480,288
France	1,684,000	23,037,970	13,005,079	4,905,475
United Kingdom	18,427,000	82,521,328	98,354,736	27,232,572
Other European countries	1,204,000	6,650,689	17,961,254	4,441,235
Other countries	780,000	1,874,422	5,596,887	10,338,602
Total exports	164,611,000	573,019,596	794,008,788	278,130,740

The above figures do not include money.

APPENDIX C.

Merchandise imported into and exported from the United States and excess of imports or exports: Values, principal countries and by grand divisions, 1911 to 1920.

[From Commerce and Navigation of the United States, 1910.]

CUBA.

	Exports.			Imports.[1]			Per cent free.	Excess of exports or imports (—).
	Domestic.	Foreign.	Total.	Free.	Dutiable.	Total.		
Calendar year—	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*		*Dollars.*
1911	61,407,594	872,915	62,280,509	3,850,168	102,247,358	106,098,026	3.63	—43,817,517
1912	64,156,407	1,071,654	65,228,061	4,594,762	133,295,242	137,890,004	3.33	—72,661,943
1913	72,257,371	981,463	73,238,834	5,435,770	119,657,970	125,093,740	4.35	—51,854,906
1914	66,718,078	1,159,304	67,877,382	9,719,538	137,125,038	146,844,576	6.62	—78,967,194
1915	93,173,367	2,576,637	95,750,004	13,181,631	184,366,515	197,548,146	6.67	—101,798,142
1916	160,899,669	3,766,368	164,666,037	15,065,563	228,633,207	243,728,770	6.19	—79,062,733
1917	191,202,578	4,956,598	196,159,176	15,016,266	233,489,720	248,505,986	6.04	—52,346,810
1918	214,003,709	13,152,338	227,156,047	15,180,312	263,454,715	278,635,027	5.45	—51,478,980
1919	266,960,038	11,431,184	278,391,222	12,439,540	406,170,723	418,610,263	2.97	—140,219,041
1920	503,198,580	12,010,151	515,208,731	12,734,125	708,959,755	721,693,880	1.76	—206,485,149
1921	183,986,941	3,740,238	187,727,179	9,206,500	221,145,408	230,351,908	3.99	—42,624,729
Year ending June 30—								
1904	25,810,812	1,566,653	27,377,465	4,378,297	72,605,121	76,983,418	5.69	—49,605,953
1905	36,407,302	1,972,669	38,380,601	3,381,953	82,923,306	86,304,259	3.92	—47,923,658
1906	46,377,277	1,386,411	47,763,688	3,148,249	81,831,572	84,979,821	3.70	—34,067,884
1907	48,330,913	974,361	49,305,274	4,573,859	92,867,831	97,441,690	4.69	—43,562,557
1908	46,500,800	660,506	47,161,306	2,999,330	80,284,862	83,284,692	3.60	—33,123,556
1909	42,629,871	1,283,485	43,913,356	3,494,363	93,317,827	96,722,193	3.62	—49,404,471
1910	51,794,848	1,063,910	52,858,758	3,705,045	118,822,992	122,528,037	3.02	—69,669,279
Grand total			2,240,443,630			3,503,244,436		—1,262,800,806

[1] Statistical Abstract of the United States, 1920.

Excess imports from Cuba over exports to Cuba, 63.92 per cent.

APPENDIX D.

CONDITIONS IN CUBA.

TABLE 217.—*Farmers, planters, and farm laborers, by age groups.*

Ages.	Male.	Female.	Total.	Per cent of total.
10 to 14 years	18,049	189	18,238	4.96
15 to 19 years	53,553	532	54,085	14.70
20 to 24 years	64,034	319	64,353	17.49
25 to 34 years	84,824	456	85,280	23.18
35 to 44 years	60,976	471	61,447	16.70
45 to 64 years	67,319	824	68,143	18.52
65 years and over	16,066	319	16,385	4.45
Total	364,821	3,110	367,931	100.00

Table 218 shows the literacy and conjugal condition of the agricultural group, and from this it appears that 35.45 per cent were literate, while 64.55 per cent were illiterate. It also shows that 52.75 per cent were single or with conjugal condition unknown; 30.67 per cent were legally married; 13.85 per cent were persons living in the marital state without marriage; and 2.73 per cent were widowed.

TABLE 218.—*Literacy and conjugal condition of farmers, planters, and farm laborers.*

[From Miscellaneous Series 53, "The Sugar Cane Industry," issued by the Department of Commerce in 1917.]

Condition.	Male.	Female.	Total.	Per cent.
Literate	129,794	643	130,437	35.45
Illiterate	235,027	2,467	237,494	64.55
Total	364,821	3,110	367,931	100.00
Single and unknown	192,280	1,815	194,095	52.75
Married	112,613	240	112,853	30.67
Consensually married	50,100	853	50,953	13.85
Widowed	9,828	202	10,030	2.73
Total	364,821	3,110	367,931	100.00

Mr. BROUSSARD. Mr. President, I offer the amendment which I send to the desk and ask to have read.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The Secretary will state the amendment.

The ASSISTANT SECRETARY. In the sugar schedule, paragraph 501, page 95, line 18, after the word "degrees" strike out the figures "1.16" and insert in lieu thereof the figures "1.45," and in line 20, after the word "test" strike out the words "four one-hundredths" and insert in lieu thereof "five one-hundredths," so as to make the paragraph read:

PAR. 501. Sugars, tank bottoms, sirups of cane juice, melada, concentrated melada, concrete and concentrated molasses, testing by the polariscope not above 75 sugar degrees, and all mixtures containing sugar and water, testing by the polariscope above 50 sugar degrees and not above 75 sugar degrees, 1.45 cents per pound, and for each additional sugar degree shown by the polariscope test, five one-hundredths of 1 cent per pound additional, and fractions of a degree in proportion.

Mr. WILLIS. I ask unanimous consent to have printed in the RECORD and referred to the Committee on Finance a brief telegram embodying resolutions adopted by the Northern Ohio Druggists' Associat on.

There being no objection, the telegram was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

[Telegram.]

CLEVELAND, OHIO, *August 5, 1922.*

Hon. Senator WILLIS, of Ohio,
Washington, D. C.:

Whereas the retail druggists of the country recently have been charged on the floor of the United States Senate with profiteering; and

Whereas the Senate has defeated the embargo on German dyestuffs, chemicals, and medicinals; and

Whereas the Germans have driven American manufacturers from South and Central America since the late World War; and

Whereas under German monopoly before the war phenacetine, aspirin, veronal, trional, sulfonal, and similar products sold in the United States at $1 per ounce instead of $1 per pound as at present: Therefore

Resolved, That the Northern Ohio Druggists' Association urges the Senators and Representatives in Congress from this State to make adequate provision in the tariff revision bill, H. R. 7456, pending in the Senate, for the protection of American industries and consumers by incorporating the amendment now before the Senate Finance Committee, which would prohibit the importation of merchandise into the United States bearing any trade-mark, label, print, or other mark registered in the United States Patent Office and owned by any person domiciled in the United States, unless imported by such owner, provided the owner shall file with the Secretary of the Treasury a certified copy of the registration of the mark.

NORTHERN OHIO DRUGGISTS' ASSOCIATION,
W. F. HAGEMEISTER, *President.*
CARL FLANDERMEYER, *Secretary.*

Mr. HEFLIN. Mr. President, the afternoon Washington papers on yesterday had something to say about the appointment of a governor for the Federal Reserve Board.

The PRESIDING OFFICER. The Chair must call the Senator's attention to the first paragraph of the agreement which

has just been entered into, it being the duty of the Chair to enforce the agreement. It reads as follows:

It is agreed by unanimous consent that the bill H. R. 7456, "An act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes," shall be kept before the Senate until the final vote is reached, to the exclusion of all other matters, and the debate shall be confined to the question before the Senate or the bill itself; and no other business or irrelevant question or motion shall be entertained by the Chair unless, after a statement of the question, the unanimous consent of the Senate is given therefor.

Mr. HEFLIN. The Senator from North Carolina [Mr. SIMMONS] told me that the agreement would go into effect on Monday.

The PRESIDING OFFICER. That paragraph went into effect immediately upon its being entered into.

Mr. HEFLIN. I did not know that. If I had, I would not have consented to it. I accepted the statement of the Senator from North Carolina, and I am sure that he meant exactly what he said to me. I ask unanimous consent that I may proceed to discuss another subject.

The PRESIDING OFFICER. The Chair was about to suggest that the Senator make that request. The Senator from Alabama asks unanimous consent that he be allowed to proceed with a discussion not pertaining to the tariff bill. Is there objection? The Chair hears none, and the Senator will proceed.

Mr. HEFLIN. Mr. President, the article in the Washington Times said that Governor Harding would not be reappointed, and the Star carried an article to the effect that, from the information obtained, he would be reappointed. The Washington News expressed about the same opinion.

Mr. President, I am still hoping and believing that the President will not appoint him. If he does appoint him I shall make the best fight that I am capable of making against his confirmation, and I believe that there are enough Senators here free from Wall Street control to prevent his confirmation.

I do not know whether the President fully realizes the gravity of the situation that now confronts him or not. He has come to a point in his administration as the head officer of the Government where he must decide a great question—one that affects vitally the prosperity and happiness of the whole American people. The question is, How will he decide it? The honest business men of the country who understand his deflation record do not want W. P. G. Harding. The honest and unintimidated bankers of the country do not want him reappointed. The wage earners and farmers of the country do not want him reappointed. The doctors, lawyers, preachers, and teachers who know what his deflation policy has done to them and to the American people do not want him reappointed. The millions of people who were held up and literally robbed by the deflation conducted by Governor Harding do not want him reappointed. Who are they then that are using every means at their command to obtain indorsements for this deflationist and destructionist, Governor Harding, and trying to create the impression that there is a strong demand for his reappointment?

They are those who bought at a low figure Liberty bonds upon which loans were refused and then forced out of the hands of the people by deflation. They are those who made millions out of cotton forced by deflation upon the market and sold at a price far below the cost of production. They are those who made millions out of grain and cattle forced out of the hands of the farmers and cattlemen of the West at low and ruinous prices. They are those who made immense fortunes out of the misfortune and the misery produced by deflation. They are those who controlled the money supply and credit of the country to their own advantage and enrichment, and to the distress and impoverishment of millions of American people. They are the speculators and heartless financiers of Wall Street, whose subservient tool Governor Harding was and is.

Wall Street made hundreds of millions of dollars out of the deflation policy of Governor Harding, while that same policy was spreading distress and working ruin in my State and other sections of the country. In the face of these cruel and indefensible things done by the direction of Governor Harding, can it be possible that the President will consider for a moment the reappointment of such a man to continue at the head of our great Federal reserve banking system? God forbid!

Mr. President, on the 2d day of August I made a speech in the Senate in which I showed, by a letter from the governor of the Federal reserve bank at Atlanta, Mr. Wellborn, that that bank had charged a country bank in my State under Governor Harding's progressive-interest rate in 1920 a rate of interest reaching 87½ per cent. The notice of my speech went out through the Associated Press, I presume, and appeared in only two papers in all the South, I am informed—the Birmingham Age-Herald and the Mobile Register, both in my State. Why is it that such news is not sent broadcast the country over, so that the people everywhere may know what is being said now against Governor Harding as well as the things that are being manufactured for him? Can it be that there are those who wish to prevent such information from reaching into the other Southern States, where they are trying to deceive certain people into asking the President to reappoint this man? Is it possible that some thought that if they should obtain this information down there just now that it would interfere with their efforts to obtain indorsements with which they hope to deceive the President?

I have had the legislative reference of the Library of Congress go through the papers published in the South, and only two notices appeared of the speech which I made in this Chamber on the 2d day of August, in which I showed by the governor of the Atlanta bank himself that that bank had charged a bank in my State 87½ per cent. That notice sent merely said that "Senator HEFLIN claimed that he had the documents to prove his contention." I stated on the floor and read from the evidence that the governor of the board admitted it, and I printed it in the RECORD, giving the statement and the figures. Nobody can disprove that proposition.

Are the people to be kept in the dark and the President imposed upon in this fashion? Are the people whose battle I am fighting to be deprived of the charges and facts submitted here against the man who is trying to hold on to the position that he has used to their great detriment and injury? What is the duty of the President in the premises?

It is to refuse to be influenced and deceived by the men and the interests that made big money out of Governor Harding's deflation. He is not going to be deceived. He is not deceived. Scores of people have written to him. I have written him a rather lengthy letter, and if Governor Harding's appointment comes to this Chamber it will be discussed here by me and printed in the RECORD. I have written a letter to the Secretary of Agriculture appealing to him as the head of the great agricultural interests of the country to go, as a member of the Cabinet, and appeal to the President not to reappoint this man. I want the people of the West, the South, and all the country to know what Wall Street is undertaking to do in this matter at the Capital.

Mr. President, the people who subscribe for and support the newspapers are entitled to know what their public servants are saying here upon issues that affect them vitally. It is the duty of the newspapers to carry this news. We can at least put the truth in the CONGRESSIONAL RECORD. The special interests are powerless to blue pencil that. Beware lest the truth that I am putting into this RECORD to-day rise up to disturb and plague certain leaders of the Republican Party. The American people without regard to party refuse to remain silent and permit Wall Street to continue in control of the Federal reserve banking system. They are hoping and praying for deliverance from such a curse.

The Senator from Nevada [Mr. PITTMAN] put an article in the RECORD on the 2d of August saying that the four horsemen of the Harding administration are poverty, distress, disorder, and violence. Mr. President, practically all of them can be traced to deflation and the maladministration of our great banking system—deflation inexcusable and indefensible; deflation criminal and murderous; deflation inspired by a resolution passed through a Republican Senate and conducted by Governor Harding, of the Federal Reserve Board.

When this deflation drive commenced every freight train in the country was running, freight was moving, people had money to pay the freight rates charged then, and business was prosperous. But when the deflation policy struck they ceased to ship their products because the price in the market place did not warrant them in doing so. The producer was hurt, the shipper was hurt, the merchant and manufacturers were hurt. The traffic ceased and the railroads were hurt. When the purchasing power of the people of the South and West was destroyed the factories of the East and North closed because we could not pay for their goods. The stream of canceled orders that poured in upon manufacturer and wholesaler told how injurious the effect of deflation was to their business. So all the distress that came about when agriculture was stricken down, factories closed, and labor driven from employment was due to this murderous deflation policy, conducted by this same Governor Harding, whom the Star, the Republican newspaper of this city, tells us is to be reappointed. Does the President in the face of the distress, impatience, and unrest that confronts him in the country desire to aggravate and inflame them by reappointing the man who is detested, distrusted, and discredited by the rank and file of the American people?

Let me read an editorial from the Post-Express, of Rochester, N. Y.:

The Manufacturers Record, in a powerful editorial by Richard H. Edmonds, a publicist of notable ability, opposes the reappointment of Governor Harding, of the Federal Reserve Board, as the man who more than all others has brought that great and splendid banking system into disrepute. To save what is good in the system, what is bad must be eliminated; and he indicts Governor Harding for conspicuous inability, overmastering incompetence, and colossal blundering. No other country or century, he declares, shows a high financial official who so misconceived, misjudged, and inaccurately and inadequately assessed a serious situation and permitted it to exist and to grow worse. His arbitrary and artificial policy strangled national prosperity in critical years, forced down Liberty bonds, practiced usury and utilized the infamous graduated interest rate to ruin country banks, waged illegal war upon them, as the United States Supreme Court has declared, permitted great bank palaces to be erected out of enormous profits taken from stricken industry and brought the reserve system into such disrepute as made necessary a fight against its manifold exactions. The charge is directly made that this official has maladministered the system to the injury of the many in the interest of the favored few, that his policy is condemned by all other honest bankers who know the facts and dare to tell them, and that he is out of tune with everything the President and his financial advisers stand for and believe.

Mr. President, that is a strong indictment against Governor Harding. It represents in the main the feelings of millions of Americans. The closing line in the editorial says that he is not in harmony with what the President and his financial advisers believe in and stand for. It remains to be seen whether that is true or not. If the President reappoints him he says by that act that Governor Harding is satisfactory to him and that he condones what he has done and indorses his deflation record.

I said in my letter to the President, "I believe that you will agree with me that to reappoint him you must indorse and condone all that he has done through the deflation conducted by him." The minute he designates Governor Harding to succeed himself that minute every charge that I have made about certain influences being strong enough to keep him at the head of the Federal Reserve Board for the past two years is established before the country. I said here months ago that I could not understand why the President permitted him to remain at the head of our great banking system. Some of the President's friends said to me, "Why, his term has not expired." I replied that that was a rather feeble excuse, that "We had some men appointed by President Wilson, a United States marshal, or district attorney, one or the other, in Texas, and they asked for his resignation before his term expired. That has been done in other cases." So when the President made no effort to get rid of Governor Harding I understood that to mean that he was either satisfactory to the President or that some powerful influence was having him retained. And still some of my Republican friends said the President may let him serve his term out, but he will never reappoint him. Well, Mr. President, that phase of the question will soon be settled. Governor Harding's term of office expires next week. What will the President do? I have a stronger reason yet which I have not told the Senate as to why I do not believe that he will reappoint him, but I will tell it if Governor Harding should be reappointed. If the Star is correct that he is to be reappointed, then what I am relying on and what other Senators that I see around me are relying on has fallen down completely.

Mr. President, I read here on August 2 a statement from a Republican Member of Congress from the far West, Congressman SWING, of California, where he stated in the House of Representatives not long ago that he was present at a bankers' convention in southern California in the fall of 1920 when Governor Harding's deflation drive was on in earnest, and he said the vice governor of the Federal Reserve Bank of San Francisco came and addressed the convention, and told the bankers there assembled not to loan any money on farm products. He said, "It does not make any difference what the condition of the market is, do not loan any money on farm products. If you do, we will not rediscount your paper." What did that mean? That meant there just what it meant in the South—that people engaged in the business of agriculture were going to be denied every kind of financial aid and left defenseless in the hands of the speculators of Wall Street and Chicago. I sent the President my speech containing the statement of Congressman SWING showing how legitimate business in the agricultural West was denied the aid necessary to prevent business collapse and financial disaster. Will the President reappoint the man whose cruel deflation policy refused a helping hand to the American farmer, when the failure to give that aid meant the ruin of his business? I can not believe that he will.

Governor Harding's deflation policy permitted those who speculated in farm products to have all the money they wanted at about 6 per cent, but it shut the door in the face of the farmer and told him to throw his products on the market regardless of the price. "Won't you let us have money to hold our farm products" said the farmers, "until the price advances enough to cover the cost of production?" They said, "No; you must sell." They tied the farmer's hands and left him in the throes of financial distress, while the value of his products was ruthlessly destroyed by the flames of deflation.

Will the President disregard and offend the farmers and merchants and bankers in the agricultural sections by reappointing Governor Harding, the deflationist?

Now let me remind you of what happened in the South. September, 1920, the New York Commercial, among other things, said:

Governor Harding frowned upon the proposal that additional credits be provided as a means of holding cotton in warehouses beyond the usual marketing period in order to insure better prices.

Think of that, Senators! The cotton producers of the United States trying to obtain the loans necessary to save their business from ruin are told by Governor Harding that no help will be granted.

What did Congressman SWING say? He said that he heard the vice governor of the Federal Reserve Bank of San Francisco tell the bankers of southern California not to loan any money on farm products, and that if they did their paper would not be rediscounted. I have just reminded you of an instance where the governor of the board, W. P. G. Harding, frowned upon the farmers of the South who were begging him to extend the help necessary to prevent the destruction of their business.

Let us see what the New York cotton men said about that statement of Governor Harding's position. The New York Commercial in its cotton article on the same date said:

Many traders were inclined to sell the market after overnight consideration of the refusal of the Federal Reserve Board to help the cotton planters, as it is believed that this decision will effectually kill most of the holding movement because of the difficulty of financing the proposition.

When Governor Harding announced that he would not permit aid to be given to prevent the forced sales of cotton at destructive prices he tied a millstone about the neck of every cotton producer in the United States and threw him into the sea of mad speculation to be drowned.

Not only that, but Governor Harding's death sentence upon the business of the cotton producer carried with it destructive pains and paralysis to every other kind of legitimate business in the South. Will the President reappoint him in the face of such a record?

Money and credit are the lifeblood of business, and the Manufacturers' Record spoke the truth when it said "Governor Harding hoarded the Nation's lifeblood and would not let it circulate."

Now, what else? The editorial which I read a moment ago contained in the Manufacturer's Record speaks of the usurious interest rates charged. Here is what happened with regard to such interest at the outset. John Skelton Williams, then Comptroller of the Currency, said:

When I, as a member of the board, discovered that such rates were being exacted by the reserve banks I offered a resolution in the Federal Reserve Board to abolish the progressive rate and to limit interest to 6 per cent per annum.

Listen, Senators—

But my resolution was promptly voted down. I then offered another resolution urging that the interest be limited to 10 per cent, but that was not enough to satisfy insatiable greed, and it was also voted down.

Mr. President, it is so clear and plain that he who runs may read. That instead of using his position and power to save business, especially in the agricultural sections, Governor Harding deliberately planned the ways and means which destroyed that business.

He would not permit the Reserve Board to limit the rate of interest to 10 per cent, and yet his deflation policy refused to charge even as much as 8 per cent in New York City. At the same time, Mr. President, the progressive interest rate of 10, 15, 20, 30, 60, and as high as 87½ per cent was applied in the South and West. That was criminal discrimination against millions of people in the agricultural sections of the country. Will the President reappoint the man guilty of such cruel and reprehensible conduct?

A few days ago I read here excerpts from a statement of a cattle man in the West, in which he said that the eastern banks—Wall Street—called on the western banks; that the western banks were forced to call on the cattle men; that the cattle men were forced to sell their cattle; and that half the cattle industry was disposed of at ruinous prices under the deadly drive of deflation. Mr. President, what has this man done to entitle him to consideration at the hands of the President? He hails from my State.

I have previously stated, Mr. President, that there are many people in my State and elsewhere who believe—and I am one

of them—that the governor of the Federal Reserve Board was himself speculating in cotton at the time this deflation drive was on. I want to say to the Senate now if when cotton was 40 cents a pound, as it was when deflation commenced, he had sold 10,000 bales upon the exchange in New York, when cotton went down to 10 cents, he would have made $1,000,000 in that transaction alone.

Mr. President, is it not hard to understand why a man hailing from the South or from the West, when he saw ruin coming upon his people, would not do something to check it? What else but a selfish and questionable interest would prompt a man to continue to drive on and on under such dreadful conditions as he saw all over the cotton-growing States?

We do know that the deflation carried on by Governor Harding broke the price of cotton and that the price fell so rapidly that our people cried out "Help us, Governor Harding, to hold our cotton off the market until the price will cover the cost of production"; but as the New York Commercial said, Governor Harding frowned upon them and refused to grant their request.

That was the blow that broke the cotton farmer's back. After that those who speculated in cotton on the bear side of the market had nothing to do but watch their profits grow. Governor Harding had it in his power to aid the cotton farmers in holding their cotton until they received a price that would cover the cost of production, and he declined to do it. It was rumored here when President Harding went into office that if he did not permit Governor Harding to hold on to his office he could get a position paying $100,000 a year in New York. I do not doubt it in the least; but he is worth much more to that bunch up there where he is than he would be as a private citizen in any position in New York; right up here, at the head of this Reserve Board, he is worth more to Wall Street than he could be worth in any other position under the sun. They do not want him to give up control of the money supply of the country. He has done exactly wha they wanted done.

Mr. President, if his name does come here, I am going to submit some testimony from Hon. John Skelton Williams to the effect that while the presidential campaign was on in 1920 William Boyce Thompson, who was at that time the treasurer of the Republican National Campaign Committee, borrowed nearly $3,000,000 on a dummy note from a member bank in New York City.

That will be an interesting situation for the country to consider—that the President of the United States has appointed this man at the head of the Federal Reserve Board, when it is charged on the floor of the Senate that the bank in New York where the Wall Street manipulators profited billions by deflation is urging that Governor Harding be reappointed, when he knew that that loan was made and that it was not a straight deal and ought not to have been permitted. I call that to the attention of the President.

Should the man who permitted that crooked thing to be done in New York City and who, in denying loans to farmers, destroyed their business, even be considered for reappointment to such a high and responsible position? I want to read here a part of a statement made in the House of Representatives not long ago by Congressman TINCHER, a Republican from the State of Kansas. I want the President to know and the country to know what he said about Governor Harding and the deflation conducted by him. He said, speaking of the members of the Federal Reserve Board:

> They came to the House of Representatives and asked us for an amendment to the Federal reserve act permitting them to put in effect what they called a graduated scale of interest charges for the purpose of reconstruction after the war. I had the pleasure of opposing that on the floor of the House. What was the result of it? They started their deflation under the leadership of this man, Governor Harding, and they charged the member banks of my section of the country, who were loaning for agricultural purposes alone, as high as 60 per cent interest on the money, thus insuring to the country that they would destroy agriculture or have deflation, while at the same time in New York the Federal reserve bank was furnishing money for industry at 6 per cent.

There is your deflation producing business distress and disaster in Kansas while it makes men rich in New York. Mr. President, will the President of all the people use the power vested in him to continue longer such a man as Governor Harding at the head of the country's great banking system?

The country is in a state of great unrest. President Harding has an opportunity now to do something to quiet the nerves of the people by removing this man. I tell you, Mr. President, that if some Republican Senators will talk to President Harding as they have talked to me about the indictment which I have drawn against this man from time to time, I do not see how the President can give serious consideration to his reappointment.

I want to read excerpts from one of many letters just received by me:

> DEAR SENATOR HEFLIN: Let me congratulate you upon the splendid fight which you have been waging in behalf of a decent administration of our Federal reserve system. You have brought many serious accusations and charges against the management of the reserve system, and especially against W. P. G. Harding, its governor, and, as far as I can see, you have completely proven your case. If W. P. G. Harding had done nothing else than cause the 12 Federal reserve banks under his supervision and influence to disseminate and scatter broadcast more than 140,000 copies of a document containing numerous incorrect and misleading statements well calculated to deceive the uninformed as to the real truth regarding the mismanagement of the reserve system, he is deserving of prompt removal by the President. If some of the unfortunate debtors of the member banks whose paper had been discounted by the reserve banks had made statements of their financial condition one-half as untrue and as misleading as were the statements contained in the document gleefully scattered around by Governor Harding's influence, in the hope that it would whitewash or cover up his misdeeds and blunders, those debtors would be arrested for making fraudulent statements and would probably be put in prison.

And yet Governor Harding and those who profited by deflation have the unmitigated gall to ask the President to reappoint him.

Mr. President, the newspapers have not given as much publicity to the charges and criticisms made against Governor Harding as they should have done. I am getting letters from all over the country indorsing my position on Governor Harding and deflation. Wherever the CONGRESSIONAL RECORD goes I am receiving letters approving the fight that I am making for an honest administration of our great banking system.

Mr. President, if a one-sided arrangement is to be carried on by newspapers at the Capitol, how long will it be before the suggestion will be put into effect by the American people that a Government bulletin shall be sent out from this Capitol to give both sides of an issue each day, setting forth what the contention is of both Democrats and Republicans? Such a plan has been advocated by some Republicans and by some Democrats. Mr. Bryan has made such a suggestion. I have not gone that far, but if a large portion of the press is to be subsidized so that a man who makes a fight here is to have his utterances suppressed so that the people may not know what is going on, while a defense of the other side is to be plainly set forth and the effort made to discredit the man who is making the fight for the good of his country and decent government, something has got to be done to relieve the people from such a dangerous situation.

Mr. President, a large portion of our press is honest and clean; I praise it; it is to be commended; but there is a large portion of it that is corrupt and rotten. It can be bought just as a commercial commodity can be bought in the market place. Who is going to respect a press like that? Is it entitled to the respect of anybody? Why should we respect that portion of the press which is for sale and traffic to the highest bidder? Why should we countenance that portion of the press that is venal and corrupt? Governor Harding's deflation forces have done much to keep the people from knowing the truth about this thing.

Mr. President, I went out into one of the States campaigning in 1920. My friends on the Democratic ticket said, "You are going to have a fine crowd to-night; we could not get the publicity to which we are entitled; but we will have a good crowd, anyhow." I said, "Have you no Democratic newspapers here?" They answered, "No; not now; there were three newspapers here, two of them Democratic and one Republican, but the Republicans bought out the two Democratic newspapers about two weeks ago; they have all three of them now, and the Democrats have not any vehicle by which they can disseminate their news."

Mr. President, if we are going to have that condition in the country where the mighty rich can go out and silence these mouthpieces that carry information to the people there will be a social revolution in this country just as certainly as time rolls on. The people will not submit to it. They ought not to submit to it. I believe in a free press, a clean, honest, wholesome press. I do not believe in having our press trafficked with in that fashion.

I have received a lot of information along this line and a great many suggestions from people since I have been discussing it in this Chamber. You can tell from the results of the primary election in Missouri about how much influence some of the press have now. I understand that nearly every newspaper of any importance opposed the Senator who won the nomination in that State. The people just simply will not be influenced by a newspaper whose printing press is operated upon an auction block.

I could not prove it, but I am convinced by what I have seen that Governor Harding's deflation forces have spent money to have me attacked and criticized and the things that I have said suppressed.

I have said a great deal here about a publicity fund of the Federal Reserve Board and about a newspaper propaganda carried on by the board. The governor of the board gave out a statement the other day. He did not mention my name, but the press agents were kind enough to do it for him; those who fixed it up for him said that he said so-and-so, and while he did not call any names it was understood that he meant Senator HEFLIN. That is very kind. If I were to make a fling like that at some of them without speaking plainly and calling a spade a spade, they would say, "It is indefinite as to who Senator HEFLIN had in mind."

The governor of the Federal Reserve Board is doing his best to hide his deflation guilt by trying to keep the truth from the people. I am convinced that Governor Harding has used funds collected from the system to suppress my statements regarding him and deflation, and I am firmly of the opinion that he has used such a fund to have me assailed and criticized by certain newspapers.

President Harding has a great many vexing problems pressing upon him, but he has not a question before him now that is more far-reaching in its importance than the one that I am discussing. He is called upon to decide between the bond sharks and money changers of Wall Street, the men who made millions through deflation, and millions of patriotic Americans who were pillaged and plundered by deflation.

What will the President do?

Mr. President, if he should send in the name of Governor Harding, I do not believe that he can be confirmed. Knowing, as I do, this man's record in conducting his murderous deflation policy I have no hesitancy in saying that any man in this Chamber who votes for his confirmation deserves to be defeated and ought to be defeated. Mr. President, if the spirits of the dead who were driven to suicide under Governor Harding's deflation drive could speak they would plead with the President not to appoint this man. If the spirit of Buck Mitchell, a deceased banker in my State, could speak, he would protest against the reappointment of Governor Harding. He went down to death because of the destructive deflation drive of Governor Harding. Across the line in the State of Georgia is the grave of Lige Lewis, a banker, who succeeded Speaker Crisp and served in the House of Representatives five or six terms. Governor Harding frowned upon the cotton farmers of Georgia, refused them aid, and waved the wand of destructive deflation, and Lige Lewis killed himself in the gloom and despondency thus created. It is claimed that the number of suicides caused by deflation runs into the thousands. I have informed the President in a general way how I and others felt about Governor Harding and his record. I felt that I should bring certain matters to the attention of the President.

That is not all, Mr. President. The public is going to know who votes for the confirmation of this man if his name does come to the Senate. I am going to ask unanimous consent that his nomination be considered in the open Senate, if it does come up. Still, I do not believe that the President is going to send it up. I still have a reason for that back in my head. I will not refer to it now, except to say that I do not believe yet that the President will reappoint him. I can not believe that those who sat back here during the war and made hundreds of millions out of the Government and whose greed was not satisfied when the war was over, and who then started this deflation drive, and made hundreds of millions more, will now be permitted to have their way in securing the reappointment of Governor Harding.

Mr. President, I want to read a line here from the president of the British Banking Reform League, Mr. Arthur Kitson, in acknowledging receipt of one of John Skelton Williams's addresses on the deflation policy of the Federal Reserve Board, which had been sent him by his request. In his letter to Mr. Williams, Mr. Kitson said:

> I agree with all that you have written. We have been experiencing the same troubles in this country that you have had in the United States, and from identically the same cause. Our treasury officials, under the influence of the big money lenders, undertook to deflate our currency.

That is what has happened over here, and he says they are suffering from the same thing.

> The public stopped buying—

That sounds just like the story of deflation here—

> business collapsed, firms closed their doors, and we have at the present time the greatest roll of unemployed that we have ever had since the "hungry forties." * * *

Neither free traders nor tariff reformers seem to have understood that that period of social misery was directly attributable to the Government's contraction of the money supplies.

Mr. President, how many times have I said on this floor that our troubles were caused by contraction of money and deflation of credit? That is what the president of the Banking Reform League of London has to say about it. Now, let me read a line from what Sir Reginald McKenna said:

> Let us look at the policy of monetary deflation to be obtained by a high bank rate and a restriction of credit. Let us suppose that it were practicable by this process to bring prices permanently down to the pre-war level. What sort of charge would our national debt then mean to us? It ranks to-day at £9,700,000,000, mostly borrowed when money was worth very much less than before the war. With prices back to their former level the true burden of the debt would be more than doubled, or in other words, the creditor would receive a huge premium at the expense of the debtor.

Do you get that, Mr. President? Sir Reginald McKenna says that by deflation they doubled the war debt of Great Britain; and what have they done here? Instead of our debt being $25,000,000,000 it takes twice as much to pay it as before deflation, from two to four times as much of our products, so our debt is more than doubled by deflation. That is what deflation has done for us in the United States.

The editor of the Clarion, of London, commenting on this statement, said:

> Thus, in Mr. McKenna's opinion the Government policy now being carried out by the banks—the policy of reducing the supply of money for industry—

Listen, Senators—

> will inevitably result in the robbery of the majority of the people for the benefit of a few rich men; second, an unbearable rate of taxation; third, widespread unemployment.

We have that. Look at the unrest about us. Look at the closed industries. Look at the army of the unemployed. Look at the distress among the farmers of the country. Look at the crippled and broken cattle industry of the land. Look at the army of bolsheviks increasing every day, with trouble on every hand, and then these deflation vampires who have fattened upon the substance of the people go to the President and ask him to reappoint this man who conducted the deflation that caused all this trouble, and whose continuance in office would keep the spirit of strife, distress, and unrest in the country.

Many a banker has been induced to indorse this man who in his heart wants to see him driven from power. I know a Senator in this body who wrote back to a banker who asked him to indorse Governor Harding and told him that he did not want him reappointed, whereupon the banker wrote him that the Senator's position was satisfactory to him.

I reminded the Senate the other day of an old fellow who came here from the West with a petition asking one of his Senators to go with him to see the President about reappointing Governor Harding, and this Republican Senator said, "I will go with you, but I am not in favor of the President reappointing him." The old fellow said, "I am not, either." Think of that. Did you ever see such a situation? Talk about dragging banks into politics. Why, old Biddle in Hickory Jackson's day was a mere piker compared to this man Harding in the business of dragging our banking system into misuse and disrepute.

In the Bible the story goes that Jonah was the disturbing element and the ship would not go right until they cast him overboard. The President of the United States can not and will not hold the confidence of the American people if he puts the stamp of his approval upon this man at the head of the Reserve Board. The minute the President signs his name to the appointment that minute he sanctions all the long list of wrongs and crimes that trail in the record of Governor Harding. If he is reappointed I expect to keep that record before the Congress and the country.

If the President wants to gain favor with the masses of the people, he must do one thing certain, and that is to put this man out. Senators will remember when Joshua went with his army and attacked and took the city of Jericho, they got the largest collection of golden treasure that they had hitherto taken, and it was so fascinating, so seductive in its charm that Achan, a trusted leader and warrior, stole from the collection a large and beautiful wedge of gold and hid it in his tent.

A few days thereafter Joshua sent out his spies to spy out the city of Ai. They came back and reported that 3,000 men were enough to take it. They went up against the King of Ai and, to the utter surprise and astonishment of Joshua, his soldiers fled, many of them being slain in the conflict, and the King of Ai was triumphant. Joshua, in humiliation, rent his clothes, put dust upon his head, and fell upon his face in front of the Ark of the Lord, and God told him that there was something wrong in the tents of Israel. God told him that some one in his camp had broken the covenant. All but one

had put the collection taken at Jericho in the treasury of the house of the Lord.

Joshua called his trusted leaders before him one by one, and when Achan appeared before him guilt was upon his face and Joshua accused him. He said, "I have it in my tent." They went and found it hid in his tent and restored it to its rightful place, and Achan was removed from his position of trust. He was not only put out of authority and out of the army but he was stoned to death by Joshua's men.

Does the President wonder why the people are downcast and low-spirited? Does he wonder why there has been so much distress and suffering in the land? If so, I will tell him that there is something wrong in his official camp. The covenant with the people has been broken. Their treasure has been hid in Wall Street. We provided gold upon which to issue money to answer the needs of the people and one of your trusted officials has hoarded it and would not let it circulate, and he would not issue money upon it, and the people have protested and rebelled against his continuance in office over them. Let me say to President Harding: You will not gain favor with these people, things will not go right, and prosperity will not come in your administration until he who hid and hoarded the Nation's golden treasure in time of national distress and need is driven from authority in our financial affairs. The poet spoke truly when he said:

Hoarded wealth forever rotted;
Unused strength forever failed;
These two have wrecked
The proudest ships of state that ever sailed.

If Governor Harding is reappointed there will be no cessation in the discussion of this subject. The truth of it must be known; it shall be known to the people. This crime must be condemned; it shall be condemned. Every State in this Union will have to pass upon it in 1924. Will Senators, then, say that they indorse deflation, or will they say that they condemn the monstrous and murderous thing? Where are you going to stand then? Governor Harding and his deflation henchmen can not stifle the truth and hide their crime in that critical hour. If the President reappoints him he indorses all that he has done. If you vote for his confirmation you become a party to his crimes.

How can you look the voter in the face this fall and ask him to vote to send you back to the Senate, where you used your position to keep in control of our great banking system the man who maladministered it, who perverted it from the ends of its institution, and who conducted it in such a way as to make it an instrument of torture, oppression, and plunder?

I have told the Senate of the tactics employed by Governor Harding to get the progressive interest rate amendment through Congress, of what he told Senator SMITH, of South Carolina, who opposed it, and others, that he intended to apply it only to New York and other big cities that were draining the money out of the agricultural sections, and that the progressive interest rate never would be applied at all in the agricultural sections.

I have shown you that when he got permission to apply the progressive interest rate, as he said, to big cities that wanted money for speculative purposes, that he never applied it at all to New York City, Boston, or Philadelphia, but did apply it to the agricultural sections, where he promised he would never apply it.

I have shown you that he permitted interest rates to be charged in the agricultural sections ranging from 10, 15, 30, 60, and 87½ per cent, and I have shown you by the statement of the governor of the Federal Reserve Bank of Atlanta, the bank that serves my State and other States in that section, that he came to Washington in 1920 and tried to get Governor Harding to permit the bank at Atlanta to be excused from applying the progressive interest rate, and Governor Harding declined to do it. It was after that that the bank at Atlanta charged a bank in Alabama that was aiding cotton farmers and merchants a rate of interest reaching up to 87½ per cent. I have shown you that Governor Harding's deflation drive in 1920 permitted one big speculative institution in New York City to borrow at one time twice as much money as all the Federal reserve banks were lending at that time on agricultural and live-stock paper to all 9,000 member banks in the whole United States.

I have shown you that while he was denying loans outright to the people in the agricultural sections he was furnishing all the money desired for speculative purposes in the big cities of the East.

Mr. President, I want to read again in the hearing of Senators what Mr. Lincoln said about deflation:

Any movement to artificially deflate before the debt can be paid, to change the medium of circulation upon which the debt was contracted, would be a crime.

Governor Harding did that very thing, and he is guilty of a crime, according to the definition of the lamented and martyred Lincoln. Yet they are asking the Republican President of to-day to reappoint him, when he is guilty of such a crime.

Continuing, Mr. Lincoln said:

I warn the American people not to permit a repetition of the crimes of history. Following great periods of inflation, if drastic artificial deflation is attempted, disastrous results must follow. I warn them not to permit the money powers to take advantage of the condition of the people. I warn them not to permit high and usurious rates of interest, contraction of the currency, or any change in the circulating medium that will affect the debt contracted until it has been discharged.

Governor Harding and his deflation henchmen did everything that President Lincoln said should not be done. Usurious interest rates were charged; the currency was contracted and credits deflated, while the cry of business distress and financial disaster was heard throughout the country.

Mr. President, I have said that that deflation policy was born in Wall Street and christened by a resolution passed through the Senate in 1920 and carried out by Governor Harding, who had fallen under the influence of the big bankers and speculators of New York. I have said that it was inexcusable and indefensible, and that it robbed the many for the benefit of the few. I said that it was a crime against legitimate business and a crime against the country, and I reaffirm it all to-day.

When I think of how Governor Harding with his murderous deflation swept through the South and West, leaving ruin in its wake, I recall what John said in the book of Revelations:

And I looked, and behold a pale horse; and his name that sat upon him was Death, and Hades followed with him.

Mr. President, in this instance deflation was the pale horse, Governor Harding the death that sat upon him, and the distress and misery produced and the destruction of the prosperity and happiness of millions of people was the hades that followed with him. I saw him approach prosperous industrial establishments and the hum of whirling wheels was hushed and happy wage earners were driven by the tens of thousands from their employment as the doors closed in the gloom of business despair. I saw him riding through the agricultural regions and once buoyant, enterprising farmers quailed and trembled as the value of their farm products perished in his presence. I saw him among the cattlemen of the West, and the live-stock industry fell down and all but perished.

I saw him in the towns and cities, and the cry of business distress was heard on every hand. Five hundred thousand ex-service men who fought to save the Nation in the hour of its peril could find no means of support. This and more I saw, but I must close. In the name of right and justice and in the name of plundered millions I call upon the President to cast this man overboard. If he will do that, millions of people will lift up their voices and out of millions of grateful hearts will exclaim:

The pale horse and his rider are cast into the sea,
All praise to Jehovah, His people are free.

INVESTIGATION OF INTERESTS IN TARIFF LEGISLATION.

Mr. GOODING. Mr. President, out of order I ask unanimous consent to call up Senate Resolution 330.

The PRESIDING OFFICER. Out of order the Senator from Idaho asks unanimous consent to call up Senate Resolution 330. Is there objection?

Mr. SMOOT. The Senator from New York [Mr. CALDER], who was compelled to leave the city a short time ago, just before leaving asked me if I would not, for him, object to the consideration of the resolution for the consideration of which the Senator from Idaho now asks unanimous consent, if it came up after his departure. I promised him to do so, and, therefore, I shall object.

The PRESIDING OFFICER. Objection is made.

Mr. LODGE. Mr. President, I move that the Senate proceed to the consideration of executive business.

Mr. HARRISON. I dislike to suggest the absence of a quorum.

Mr. LODGE. The Senator is perfectly welcome to do so, for that will answer the purpose just as well.

Mr. HARRISON. The object I have is to offer a resolution. The Senator said when we were discussing a certain matter affecting the sugar schedule that he was willing such a resolution should be offered, and now I desire to ask unanimous consent to offer it and to have it read and printed. I thought it was agreed that I should do so.

Mr. LODGE. I have no objection, of course, to the Senator having his resolution printed, but I can tell him now that I

have been looking up Mr. Grover and his syndicate to some extent, and I have obtained sufficient information, I think, to show that the syndicate never existed, although Mr. Grover does exist. Whenever the matter comes up I shall produce what I have discovered, but I can not permit the resolution to be taken up now and I shall object to its being taken up.

Mr. HARRISON. But the Senator will allow me to offer the resolution and have it read to the Senate, will he not?

Mr. LODGE. I have no objection to the resolution being read; but it will go over under the rule.

Mr. HARRISON. I ask unanimous consent to offer the resolution and that I may have it read.

The PRESIDING OFFICER. If there is no objection, the resolution will be read.

Mr. HARRISON. The resolution does not apply only to Mr. Grover, but it seeks information as to other matters. I should like to have the resolution read.

The PRESIDING OFFICER. Is there objection to the presentation of the resolution?

Mr. LODGE. I do not object to the resolution being presented.

Mr. SMOOT. I have no objection to the resolution being read.

Mr. LODGE. But I do not propose that it shall now be taken up.

The PRESIDING OFFICER. The Chair hears no objection to the presentation of the resolution.

Mr. HARRISON. I presume the Senator from Massachusetts has no objection to the resolution being presented?

Mr. LODGE. I have no objection to the resolution being read, but I do object to its being taken up.

Mr. HARRISON. I ask that the resolution may be read.

The PRESIDING OFFICER. The Chair did not understand the Senator from Mississippi to ask that the resolution be considered.

Mr. SMOOT. The Senator asked that he might present the resolution and have it read.

The PRESIDING OFFICER. The resolution will be read.

The principal legislative clerk read the resolution (S. Res. 334), as follows:

Whereas it has been charged in the public press of the country that an official of the United States undertook to negotiate an agreement with the Cuban sugar producers, or with the Cuban Government, or with some agency representing such interests, to restrict the production of sugar in Cuba for the current year to 2,500,000 tons, or thereabouts, upon condition that the Congress of the United States would reduce the duty upon raw sugars imported into the United States from Cuba to 1¼ cents per pound; and

Whereas it has been further charged in the public press that certain interests concerned in the importation of Cuban sugar into the United States associated themselves under the name of the United States & Cuban Sugar Producers' Agreement Syndicate (Inc.), of which one Alfred Grover was a director, which organization had for its purpose the accumulation of a fund of approximately $14,000,000, to be contributed by the interests so associated on the basis of one-fourth of 1 cent per pound upon all raw sugar imported by them from Cuba, such sum to be paid to the producers of cane and beet sugar in the United States upon some arrangement or agreement involving the fixing of a rate of duty on Cuban sugar in the pending tariff bill: Therefore be it

Resolved, That a committee composed of five Senators, to be appointed by the President of the Senate, three from the majority and two from the minority, is hereby authorized and directed to make an immediate investigation in order (1) to determine the accuracy of such charges, (2) to obtain and preserve all available facts and information relating to such charges, and to the forming of such syndicate, and (3) to ascertain the authority, if any, such official or officials of the United States had to propose, enter into, or conclude such alleged arrangement or agreement. Such committee shall report as expeditiously as possible the names of all persons, corporations, or associations in any manner related to, involved in, or connected with such arrangement or agreement, the measures and methods adopted by such person, corporation, or association, to effectuate the purpose of such arrangement or agreement, together with such recommendation as such committee deems advisable. Such committee is authorized to send for persons and papers, to administer oaths, and to employ stenographers to report such hearings at a cost not exceeding $1.25 per printed page, the expense of such investigation to be paid from the contingent fund of the Senate.

Mr. HARRISON. I ask unanimous consent for the immediate consideration of the resolution.

The PRESIDING OFFICER. The Senator from Mississippi asks unanimous consent for the present consideration of the resolution. Is there objection?

Mr. LODGE. Mr. President, it is too late to discuss the resolution now. I object.

The PRESIDING OFFICER. Objection is made.

Mr. LODGE. At some future time I shall show—for I think I have enough evidence to show—that no such syndicate as that referred to in the resolution ever existed. I think the whole thing is perfectly baseless. At this hour, however, I am not going to discuss the resolution. It is sufficient for the present to object to the consideration of the resolution.

Mr. HARRISON. Does the Senator from Massachusetts think that the statement contained in the first clause of the preamble of the resolution is also baseless?

Mr. LODGE. I do not think there is anything in it at all, if the Senator must know my opinion.

Mr. HARRISON. I am glad to have the Senator give his views on the matter.

The PRESIDING OFFICER. The resolution will lie over under the rule.

Mr. GOODING. Mr. President, I rise to a question of personal privilege. My character has been attacked in the Senate, and I have offered a resolution. I ask the privilege of making a statement. I shall be forced to suggest the absence of a quorum unless I may be permitted to make a brief statement.

Mr. LODGE. Of course, if the Senator suggests the absence of a quorum that will conclude the proceedings. I shall not make any objection, of course, if the Senator desires to discuss a question of personal privilege.

The PRESIDING OFFICER. The Senator from Idaho asks unanimous consent to make a statement on a question of personal privilege. Is there objection? The Chair hears none.

Mr. GOODING. Mr. President, I have been held up to ridicule and scorn by a resolution which has been submitted by the junior Senator from Arkansas [Mr. CARAWAY]. I wish to say that I am not only a grower of wool but I am a grower of wheat and of practically all farm products. If I have violated my oath of office as a Senator by voting for duties on agricultural products and defending them on this floor, I want to know it; and if the resolution which I have submitted is not acted on favorably when the opportunity again offers to have it considered, I am going to demand an investigation for myself. I am determined to ascertain once and for all whether a man who grows agricultural products in this country can, without a violation of his oath, sit in this body and defend the interests of his State and of agriculture generally. That is all the statement I care to make at this time; but I want to have that question settled once and for all, because other revenue measures may come before the Senate for consideration, and I want to know what my rights are on the floor of the Senate. If I have violated my oath of office, I am willing to resign, as I have said before on other occasions.

Mr. LODGE. Mr. President, I withhold temporarily my motion that the Senate proceed to the consideration of executive business.

PETITIONS.

Mr. WILLIS presented petitions of sundry citizens of Cincinnati, Ohio, praying that only a moderate duty be imposed in the pending tariff bill on light-weight kid gloves, which were refered to the Committee on Finance.

TARIFF BILL AMENDMENT.

Mr. CALDER submitted an amendment intended to be proposed by him to House bill 7456, the tariff bill, which was referred to the Committee on Finance and ordered to be printed.

THOMAS W. WILLIAMS.

Mr. NEW, from the Committee on Military Affairs, to which was referred the bill (S. 267) for the relief of Thomas W. Williams, submitted an adverse report thereon, which was agreed to, and the bill was indefinitely postponed.

LANDS IN FORT SABINE MILITARY RESERVATION, LA.

Mr. LENROOT. I ask unanimous consent from the Committee on Public Lands and Surveys to report favorably, without amendment, the bill (H. R. 10517) providing for the confirmation of title of certain purchasers from the State of Louisiana of lands formerly included in the Fort Sabine Military Reservation, in Cameron Parish, La., now abandoned. I submit a report (No. 845) thereon.

The PRESIDING OFFICER. Is there objection to receiving the report? The Chair hears none, and the report is received.

Mr. RANSDELL. Mr. President, I ask unanimous consent for the immediate consideration of the bill just reported by the Senator from Wisconsin. I am sure it will require no debate. It relates to a local matter in Louisiana. The bill has passed the House and has been unanimously reported by the Senate Committee on Public Lands.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

Mr. OVERMAN. I ask that the bill may be read.

The PRESIDING OFFICER. The bill will be read.

The bill was read, as follows:

Be it enacted, etc., That, subject to the provisions of this act, the title of all persons who prior to January 1, 1909, purchased from the State of Louisiana any lands formerly included in what was known as the Fort Sabine Military Reservation, in Cameron Parish, in the State of Louisiana, established by Executive order of December 20, 1838, and abandoned March 25, 1871, pursuant to the act of Congress of February 24, 1871 (16 Stats. L., p. 430), shall be confirmed and validated against any claim or interest of the United States: *Provided*, That satisfactory evidence of such purchase with description of the

lands claimed by each applicant, in accordance with the system of United States public-land surveys, be submitted to the Secretary of the Interior within six months from and after the approval of this act: *Provided further*, That patents shall issue to such purchasers and shall inure to the benefit of their heirs, assigns, or devisees to the same extent and as if such purchasers had secured full title from the State of Louisiana through such purchasers: *And provided further*, That section 32, in township 15 south, range 15 west, Lonisiana meridian, used by the United States for lighthouse purposes, shall be excepted from the provisions hereof.

SEC. 2. That the lands within the limits of such abandoned military reservation not affected by the foregoing provisions of this act shall be disposed of under the provisions of the act approved July 5, 1884 (23 Stat. L., p. 103).

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

PROOFS IN PUBLIC LAND CASES.

Mr. JONES of New Mexico. I ask unanimous consent for the present consideration of the bill (S. 3103) to amend section 2294, United States Revised Statutes, relating to homesteads.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read as follows:

Be it enacted, etc., That section 2294, Revised Statutes of the United States, as amended by the act of March 11, 1902 (32 Stat. p. 63), and the act of March 4, 1904 (33 Stat. p. 59), be amended to read as follows:

"SEC. 2294. That hereafter all proofs, affidavits, and oaths of any kind whatsoever required to be made by applicants and entrymen under the homestead, preemption, timber-culture, desert-land, and timber and stone acts, may in addition to those now authorized to take such affidavits, proofs, and oaths be made before any United States commissioner or commissioner of the court exercising Federal jurisdiction in the Territory or before the judge or clerk of any court of record in the county, parish, or land district in which the lands are situated: *Provided*, That in cases where because of geographic or topographic conditions there is a qualified officer nearer or more accessible to the land involved, but outside the county and land district, affidavits, proofs, and oaths may be taken before such officer: *Provided further*, That in case the affidavits, proofs, and oaths hereinbefore mentioned be taken outside of the county or land district in which the land is located, the applicant must show by affidavit, satisfactory to the Commissioner of the General Land Office, that it was taken before the nearest or most accessible officer qualified to take such affidavits, proofs, and oaths; but such showing by affidavit need not be made in making final proof if the proof be taken in the town or city where the newspaper is published in which the final proof notice is printed. The proof, affidavit, and oath, when so made and duly subscribed, or which may have heretofore been so made and duly subscribed, shall have the same force and effect as if made before the register and receiver when transmitted to them with the fees and commissions allowed and required by law. That if any witness making such proof, or any applicant making such affidavit or oath, shall knowingly, willfully, or corruptly swear falsely to any material matter contained in said proofs, affidavits, or oaths, he shall be deemed guilty of perjury, and shall be liable to the same pains and penalties as if he had sworn falsely before the register. That the fees for entries and for final proofs when made before any other officer than the register and receiver shall be as follows:

"For each affidavit, 25 cents.

"For each deposition of claimant or witness when not prepared by the officer, 25 cents.

"For each deposition of claimant or witness prepared by the officer, $1.

"Any officer demanding or receiving a greater sum for such service shall be guilty of misdemeanor and upon conviction shall be punished for each offense by a fine not exceeding $100."

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

EXECUTIVE SESSION.

Mr. LODGE. I renew my motion that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened; and (at 5 o'clock and 30 minutes p. m.) the Senate, under the order previously made, took a recess until Monday, August 7, 1922, at 11 o'clock a. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 5 (legislative day of August 3), 1922.

COLLECTOR OF INTERNAL REVENUE.

Arnold J. Hellmich to be collector of internal revenue, first district of Missouri.

REGISTER OF THE LAND OFFICE.

Harry B. Drum to be register of the land office at Billings, Mont.

UNITED STATES MARSHAL.

Harry S. Hubbard to be United States marshal, district of Porto Rico.

PROMOTIONS IN THE ARMY.

Earl Hamlin DeFord to be captain, Air Service.

Walter Raymond Peck to be first lieutenant, Air Service.

Robb White, jr., to be chaplain with the rank of captain.

POSTMASTERS.

CALIFORNIA.

Irene Beckley, Grimes.
Bertha E. Kelley, Palms.

COLORADO.

Sylvester E. Hobart, Nunn.

CONNECTICUT.

Joseph H. Derenthal, Madison.

ILLINOIS.

Ulysses G. Stutzman, Carlock.
Lester Cromwell, Momence.
Daisy A. Nieman, Philo.

INDIANA.

George W. Shively, Winona Lake.

KANSAS.

Joseph B. Dick, Ellinwood.
Charles I. Zirkle, Garden City.

MAINE.

Lloyd A. Harmon, Clinton.

MASSACHUSETTS.

Louise S. Snow, Middleton.
Annie E. Cronin, North Wilmington.
Myra G. Jordan, West Upton.
Mabel Holt, Wilmington.

MICHIGAN.

Flora Van Zinderen, Grandville.
Helen B. Martin, Indian River.
Grace M. Miller, Union City.

NEVADA.

Helen M. Willis, Ruth.

NEW JERSEY.

Henry R. Parvin, Ramsey.

OHIO.

Joseph Jameson, Lorain.

OKLAHOMA.

Charles M. Henry, Carmen.
Simpson B. Richards, Waynoka.

OREGON.

George D. Wood, Brookings.
Charles B. Wilson, Newberg.
Grant L. Grant, Riddle.
Henry E. Grim, Scappoose.

SOUTH CAROLINA.

Dan K. Dukes, Orangeburg.

WASHINGTON.

Frank Morris, Bordeaux.
Raymond M. Badger, Winthrop.

SENATE.

MONDAY, *August 7, 1922.*

(Legislative day of Thursday, August 3, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, the pending question being on the amendment of Mr. BROUSSARD to paragraph 501.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Borah	Dillingham	Kendrick	Nicholson
Brandegee	Frelinghuysen	Keyes	Norbeck
Broussard	Gerry	Ladd	Oddie
Bursum	Gooding	Lodge	Overman
Calder	Hale	McCumber	Phipps
Cameron	Harreld	McLean	Pittman
Capper	Harris	McNary	Pomerene
Caraway	Harrison	Moses	Rawson
Culberson	Heflin	Myers	Reed
Cummins	Jones, N. Mex.	Nelson	Sheppard
Curtis	Jones, Wash.	New	Shortridge

Simmons	Stanley	Underwood	Watson, Ind.
Smith	Sterling	Wadsworth	Willis
Smoot	Sutherland	Walsh, Mass.	
Spencer	Townsend	Warren	
Stanfield	Trammell	Watson, Ga.	

Mr. LADD. I was requested to announce that the junior Senator from Illinois [Mr. MCKINLEY] is detained at a hearing before the Committee on Agriculture and Forestry.

The PRESIDENT pro tempore. Sixty-one Senators have answered to their names. There is a quorum present.

Mr. SMOOT obtained the floor.

Mr. HARRISON. Mr. President, I desire to ask unanimous consent to call up the resolution (S. Res. 334) which I offered late Saturday afternoon touching the sugar investigation.

Mr. SMOOT. I object.

The PRESIDENT pro tempore. Objection is made.

Mr. NICHOLSON. Will the Senator from Utah yield for a moment?

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Colorado?

Mr. SMOOT. I yield, but I do not want it taken out of my time.

Mr. NICHOLSON. No; it will not be taken out of the Senator's time. On Saturday there was a resolution introduced by the Senator from Mississippi [Mr. HARRISON] which contained certain statements and allegations concerning the sugar schedule which is now to be considered by this body. There were very serious charges contained in the article read by the distinguished Senator from Mississippi. Now he has asked for an investigation, and, under the unanimous-consent agreement, he is denied the right to have the investigation take place. I for one feel that we should not proceed——

Mr. SMOOT. Mr. President, I do not want to have this taken out of my time.

Mr. NICHOLSON. Just a minute. I for one feel that we should not proceed with the consideration of the sugar schedule until the charges contained in the article read by the Senator from Mississippi have been investigated, and I therefore move that the sugar schedule be temporarily laid aside until the investigation is made.

The PRESIDENT pro tempore. The Chair is constrained to hold that the motion is not in order.

Mr. SMOOT. We are proceeding under the unanimous-consent agreement now, and the motion is not in order.

Mr. NICHOLSON. I am not asking for unanimous consent; I made a motion.

Mr. SMOOT. Mr. President, I do not yield for this purpose.

Mr. HARRISON. Was the point of order made?

The PRESIDENT pro tempore. The Chair holds that the motion is not in order at this time. The Senator from Utah has the floor, and he will proceed.

Mr. SMOOT. Mr. President, on account of the limited time allotted me to speak upon this great question I want now to state that I shall decline to be interrupted. I want it so that what I have to say may be stated in regular order, and therefore I feel that it is my duty to give notice now that I do not intend to yield for any question.

I want the Senate and the country to know that the propaganda which has spread from one end of the country to the other is a continuation of the fight against the domestic sugar industry by the sugar refiners. They are back of it all, and since their evidence was given before the Hardwick committee of the House of Representatives, in which they all declared themselves unalterably opposed to domestic sugar production, they have made up their minds that they will never be contented until they destroy the production of sugar in the United States. Later in my remarks I shall call attention to who they are and why they are doing it.

In passing, I wish to say that five of the sugar refiners of the country to-day control companies in Cuba which produce the greater bulk of all the sugar produced in that island.

Mr. President, if they succeed in their fight, which they nearly did in January of this year, the American people will pay dearly for it. If I had the time to-day I should like to present the history of the industry and show to the Senate and the country that every time the sugar refiners of the country find a short crop of sugar in the United States, their profits have been unconscionably large. The extra cost to the American consumer directly and indirectly in 1911 was as much as would have been required to build all the beet-sugar factories in the United States.

Mr. President, what do we see to-day? I received this morning the American Sugar Bulletin, dated August 4, 1922, in which it is stated that raw Cubans opened on Thursday at 3¾ cents, cost and freight. Why is this price? Simply because the domestic sugar has all been disposed of. That happens every year. So long as the refiners have it in their power, through the production of sugar in Cuba by themselves, to lower the price of sugar whenever the domestic sugar comes upon the market, they are going to do so. By reason of the conditions following the war they thought that last year was the time for them to throttle the sugar industry of America. They cut the price of sugar down to 1.67 cents a pound, knowing full well that that meant absolute financial ruin to every sugar producer in the United States, following a year of unheard-of losses in that industry. In my statement to-day I shall name the dates and the prices and show just what brought those conditions about.

This propaganda had its origin with the refiners. As I have said, they have always been enemies of the domestic industry. Their position is easily understood. Every ton of beet sugar which is produced means one ton less for them to refine; and the competition of beet sugar prevents their control of prices and markets so long as that product is upon the market.

Recently this propaganda of the refiners has been taken up by another group of men who have been seeking the same end but for different reasons. I speak of certain national bankers, promoters, and speculators who extended unwarranted credit on Cuban sugars at war prices and who took advantage of the sugar boom to expand Cuba's production of sugar beyond all reasonable limits and to foist upon the American public tens of millions of dollars of sugar stock, on the glowing promise that war-time prices and profits would continue indefinitely. These companies are "war babies," so called, in the fullest sense of the term. Now these gentlemen ask that we kick our own children out of their own house and make way for theirs.

Mr. President, in America we can reach and control monopolies within our boundaries, but beyond those boundaries we are powerless to do so. It is not necessary to indulge in speculation or in theory to establish this fact with respect to sugar. Recent history tells us what could and doubtless would be done in this direction were the domestic industry destroyed. We entered the World War in April, 1917; on August 10 of that year the food control act went into effect. The domestic crop of sugar had been marketed and the country had to look solely to Cuba for its supply. On August 22 in a memorandum to the President calling attention to the difficulties surrounding him Mr. Hoover, who had been appointed food administrator, said:

> Certain Cuban sugar producers, who are out of reach, have combined to force up the prices of the remaining 1917 Cuban crop, prior to the new crop in December, and have lifted the prices of raw sugar in New York from 5 cents a pound to 7½ cents, duty paid, on August 16, and this against a three-year pre-war average of 4½ cents. The recent advance of 1.6 cents alone would represent an added tax upon the American people of over $30,000,000 by the end of December of that year.

Soon after this the producers of sugar in the United States and its possessions voluntarily placed the output in the hands of Mr. Hoover at a price 1¾ cents below the price of Cuban sugar. By reason of this control of this crop, then in the making, and because of the ability of the Government to regulate shipping, the Food Administrator was able to purchase the 1918 Cuban crop and thereby supply our people with sugar at a reasonable figure, so long as this sugar lasted.

In 1918 Attorney General Palmer succeeded Mr. Hoover, and while still regulating the price of the domestic product, he refused to purchase the 1919 Cuban crop. What happened in 1920 and the early part of 1921 constitutes one of the most fantastic episodes of the history of speculation in a food necessity. A world shortage of sugar was heralded, although none existed, and raw sugars advanced rapidly.

Mr. President, I remember appearing before the Committee on Agriculture and Forestry of the Senate when the question of the amount of sugar in the world was under consideration. I then made the statement that there was no shortage; that there was a visible supply of sugar sufficient to furnish sugar for the whole world; but we then found the refiners down here before the committee testifying that there was a shortage of sugar in the world. They did so for no other reason than to advance the price of sugar to the American people and to insure unconscionable profits to themselves.

Raw sugars advanced rapidly until they reached the unheard-of price of 23 cents a pound, while in the East, where Cuba supplies the market, granulated sugar sold as high as 35 cents a pound. During this period the manufacturer of beet granulated sugar was receiving from 10 cents a pound to 12 cents a pound for his product. It has been estimated by reliable authority that this debauch of speculation and manipulation cost the American consumer some $600,000,000, and, from what I know of the situation, it is my opinion that this estimate is conservative.

Were the speculators in Cuban sugar satisfied with this stupendous price? Not at all. They saw no top, and held their supplies off the market for still higher prices. In the late spring of 1921 the bubble burst, and Cuba awakened to the fact that, while she was holding back her supply, 800,000 tons of full duty paid sugar from 44 countries had found their way into our market. This sugar Cuba could have supplied, and, if she had, there would have been no situation such as developed in the latter part of 1920 and the fore part of 1921. Had she done so at the price allowed by the Attorney General to Louisiana for her crop, which was from 5 to 7 cents above that which the producers of beet sugar were allowed, she would have had some $400,000,000 of American money with which to meet her obligations here and to maintain her financial house in good order at home. As it was she went into the grinding campaign of 1922 with a carry over of 1,200,000 tons, and during the month of January Cuban raw sold c. i. f. at New York as low as $1.67 per hundred pounds. It was this surplus which demoralized the sugar industry. Cuba not only pulled down her own house but destroyed that of her neighbor as well.

The control of the price of beet sugar by the Attorney General was not relinquished until August, 1920. The manufacturers were about to enter upon their manufacturing campaign at the instance of the Government. In the spring of that year they had contracted with the growers of beets to pay $12 per ton, which was more than twice the pre-war price. The sugar-beet crop was probably the only profitable one which the farmer produced in 1920; but the sugar-beet manufacturers, caught in the Cuban jam, were compelled to market their output at a loss estimated at $50,000,000 or more; some were forced to the brink of bankruptcy, and all were compelled to exercise their credit to the limit. Owing to the Cuban surplus the 1921–22 crop of beet sugar was then being marketed at a loss, in many cases, and, in all, at a ridiculous low margin of profit under the present tariff of 1.6 cents on Cuban sugar.

The control of the sugar necessary to supply our needs by those who, to repeat the words of Secretary Hoover, "are out of our reach." cost the American consumer some $50,000,000 in 1917 and $600,000,000 in 1920 and 1921.

In continental United States 700,000 acres of our best agricultural lands are devoted to the production of sugar beets; 100,000 farmers are engaged in growing them; 85.000 field workers, and 35,000 mill operators are employed in the industry. They give to our people a war ration of sugar which can always be depended upon; they furnish the competition which is necessary to prevent monopoly and insure reasonable prices to the consumer; they have introduced the element of crop rotation, which is so necessary to our agriculture; they keep at home millions of dollars which would otherwise be sent abroad to pay for foreign supplies. It is hardly fair, therefore, to ask that this industry be destroyed to cover Cuba's economic blunders. The American Congress should never again place it in the power of any set of men to monopolize a great food necessity, fix its price, and control its distribution.

Mr. President, I referred to the testimony before the Hardwick committee in 1912. I wish Senators would take that testimony and begin with the testimony of Mr. Claus A. Spreckels, winding up with Mr. Lowery's testimony, the stool pigeon of Mr. Spreckels, he that constituted the whole of the "Wholesale Grocers' Association of America" when the last tariff bill was up and the same class of propaganda was being spread from one end of the country to the other. It developed in the testimony that Mr. Spreckels furnished every dollar of the money for the propaganda, that Mr. Lowery was the only member of it, and he was the person that spread broadcast, under the name of the "Wholesale Grocers' Association of America," the lies that were so prominently printed from one end of this country to the other.

Who are the members of this American Committee on Cuban Emergency? Have you traced them back? Do you know who is the power behind the throne? Do you know who is furnishing the money? The great refiners of the eastern coast, with no other view than to destroy the beet industry and the cane industry within the confines of our own country.

Who are the American producers in Cuba? I have here a recapitulation, and if there is any doubt about it I will put in the RECORD the name of every company that I refer to in this recapitulation; but I have not the time now, nor do I desire to publish it in the RECORD unless somebody wants it.

Here is a recapitulation showing the producers of Cuban sugar, showing who is interested in this American Committee on Cuban Emergency:

Group 1. The American Sugar Refining Co. have two mills. They produce 224,000 tons of sugar a year.

Group 2. The W. J. McCahan Sugar Refining & Molasses Co. have 21 mills, producing 972,800 tons of sugar per year.

Group 3. The National Sugar Refining Co., with 14 mills, producing 630,100 tons of sugar in Cuba each year.

Group 4. The Pennsylvania Sugar Co., with six mills, producing 210,135 tons of sugar per year.

Group 5. The Revere Sugar Refining Co., with two mills, producing 160,000 tons of sugar per year.

Group 6. The Warner Sugar Refining Co., with four mills, producing 134,000 tons of sugar per year.

The total of the Cuban production by these six sugar refineries of the United States is 2,331,033 tons per year.

Group 7, concerns independent of the United States sugar refining companies, although their offices are located in New York, produce 785,909 tons, making a grand total of 3,116,942 tons.

Who produces the other small amount? A few Cubans with small mills, producing all the way from 25 tons up to 150 tons; and I want to say that not only was the object in January, 1922, when I wrote the letter to General Crowder, to destroy the industry in the United States but at the same time to crush to death every small producer of sugar in Cuba. Not one of them was to escape. These companies, together with the men in Wall Street, were not only to control the sugars of Cuba but they were to control or destroy the sugars produced in this country, and yet we find the Senator from Mississippi here pleading their cause, asking that they be given a chance to rob the American people as they have! He did not refer in his speech on Saturday to the fact that the price of raw Cuban sugars, since the local production had been absorbed, had increased from 1¼ cents a pound to 3¼ cents a pound. Who gets it? Directly and indirectly the refiners get it. They have contracts made for all the sugar produced in Cuba at these ridiculously low prices; and now the refiners, not satisfied with a reasonable profit, ask that the American people be mulcted from now on, since the local sugar is off the market, 2 cents a pound on every pound of sugar imported into the United States!

Mr. President, at this time I desire to place in the RECORD a list of the American producers of Cuban sugar, and then the Senate can find out just what is produced outside of this—a quantity this year that will amount to just a few hundred thousand tons—and yet they are so greedy that they wanted to kill them and the whole American industry!

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

GROUP I.

Mills owned outright by the American Sugar Refining Co., 117 Wall Street, New York:

Central Cunagua Co.: Capital, $15,000,000. (Cuban Corporation, all stock owned by A. S. R. Co.)

Central Cunagua, Moron, Province of Camaguey; 291,000 acres; output, 112,000 tons.

Central Jaronu, Moron, Province of Camaguey; output, 112,000 tons.

GROUP II (RIONDA GROUP).

Mills owned outright or affiliated with the W. J. McCahan Sugar Refining & Molasses Co., 101 South Front Street, Philadelphia, and 112 Wall Street, New York:

Cuba Cane Sugar Corporation: Incorporated in New York, 1915; 112 Wall Street, New York; capital, preferred, $50,000,000; common, 916,667 shares, no par value. W. E. Ogilvie, president; Regino Truffin, Alfred Jaretzki, Frederick Strauss, and B. B. Rionda, vice presidents; H. F. Kroyer, secretary and treasurer. Acreage, 747,800; output, 714,800 tons.

Centrals:	Output (tons).
LaJulia, Duran, Province of Havana	34,000
Alava, Banaguises, Province of Matanzas	53,000
Conchita, Union de Reyes, Province of Matanzas	30,000
Feliz, Union de Reyes, Province of Matanzas	24,000
Mercedes, Guareiras, Province of Matanzas	60,000
San Ignacio, Agramonte, Province of Matanzas	18,000
Santa Gertrudis, Banaguises, Province of Matanzas	33,000
Socorro, Pedroso, Province of Matanzas	60,000
Soledad, Jovellanos, Province of Matanzas	23,000
Lequeitio, Cartagena, Province of Santa Clara	26,000
Perseverancia, Real Campina, Province of Santa Clara	26,000
Lugareno, Lugareno, Province of Camaguey	48,000
Jagueyal, Jagueyal, Province of Camaguey	61,000
Moron, Pina, Province of Camaguey	102,000
Stewart, Stewart, Province of Camaguey	84,500
Violeta, Aguada de Pasajeros, Province of Camaguey	32,000

Cuban Commercial & Industrial Co.: Incorporated in New Jersey, 1901; 112 Wall Street, New York; capital, $450,000. B. B. Rionda, president; R. Zevallos, secretary.

Central San Vicente, Jovellanos, Province of Matanzas; output, 20,000 tons.

Francisco Sugar Co.: Incorporated in New Jersey, 1899; 112 Wall Street, New York; capital, $1,000,000.

Central Francisco, Francisco, Province of Camaguey; output, 75,000 tons.

Manati Sugar Co.: Incorporated in New York, 1912; 112 Wall Street, New York; capital, preferred, $5,000,000; common, $15,000,000. Regino Truffin, president; Manuel Rionda, Frederick Strauss, Alfred Jaretzki, William P. Phillips, Higinio Fanjul, vice presidents; E. D.

de Uhurran, vice president and general manager; M. R. Angulo, secretary; M. E. Rionda, treasurer.

Central Manati, Manati, Province of Oriente; acreage, 276,060 acres; output, 90,000 tons.

Tacajo Sugar Corporation: 112 Wall Street, New York.

Central Tacajo, Tacajo, Province of Oriente; output, 33,000 tons.

Tuinucu Sugar Co.: Incorporated in New York; 112 Wall Street, New York; capital, $500,000.

Central Tuinucu, Tuinucu, Province of Santa Clara; acreage, 11,400; output, 40,000 tons.

GROUP III (HOWELL-POST GROUP).

Mills owned outright or affiliated with the National Sugar Refining Co. and the Colonial Sugars Co., 129 Front Street, New York. (Twenty-five per cent of the stock of the National owned by American Sugar Refining Co.)

Cuban-American Sugar Co.: Incorporated in New Jersey, 1906; 129 Front Street, New York; capital, preferred, $10,000,000; common, $10,000,000. James H. Post, president; T. A. Howell, vice president; H. W. Wilmot, vice president; John Farr, vice president; J. H. Land, treasurer; W. J. Vreeland, secretary. Acreage, 570,950; output 395,920 tons.

Centrals:	Output (tons).
Mercedita, Cabanas, Province of Pinar del Rio	28,000
Tinguaro, Tinguaro, Province of Matanzas	59,400
Constancia, Abreus, Province of Santa Clara	37,520
Unidad, Unidad, Province of Santa Clara	30,240
Chaparra, Chaparra, Province of Oriente	109,760
Delicias, Delicias, Province of Oriente	140,000

Also operates two refineries.

Atlantic Fruit Co.: Incorporated in Delaware in 1912; 129 Front Street, New York; capital, 1,300,000 shares, no par value; N. A. MacLeod, president; T. O. Muller, vice president and treasurer; Thomas A. Howell, director.

Central Tanamo, Cayo Mambi, Province of Oriente; 178,000 acres; capacity, 25,000 tons; new mill will grind in 1922.

Central Alto Cedro Co.: Incorporated in Cuba in 1918; 129 Front Street, New York; capital, $2,960,000; Andres S. Duany, president; Thomas A. Howell, vice president; Hubert Edson, treasurer; Antonio A. Duany, secretary; A. Kirstein, jr., assistant treasurer; Howard J. Pullum, auditor. Under management of West India Sugar Finance Corporation, 129 Front Street, New York.

Central Alto Cedro, Mareane, Province of Oriente; 16,000 acres; output, 36,000 tons.

Central Cupey Sugar Co., S. A.: Incorporated in Connecticut in 1915; 129 Front Street, New York; capital, preferred, $600,000; common, $1,000,000; T. A. Howell, president; H. W. Wilmot, vice president; H. J. Pullum, treasurer; L. D. Armstrong, secretary; A. Kirstein, jr., assistant secretary and treasurer. Under management of West India Sugar Finance Corporation, 129 Front Street, New York.

Central Cupey, Cupey, Province of Oriente; 19,442 acres; output, 33,600 tons.

Guantanamo Sugar Co.: Incorporated in New Jersey in 1905; 129 Front Street, New York; capital, 300,000 shares, no par value; J. H. Post, president; George R. Bunker, vice president; O. G. Sage, vice president and general manager; G. H. Bunker, secretary and treasurer; 56,147 acres; output, 66,080 tons.

Centrals:	Output (tons).
Isabel, Guantanamo, Province of Oriente	19,040
Los Canos, Guantanamo, Province of Oriente	19,040
Soledad, Guantanamo, Province of Oriente	28,000

New Niquero Sugar Co.: Incorporated in New York in 1905; 129 Front Street, New York; capital, preferred, $1,000,000; common, $500,000; James H. Post, president; Ricardo Narganes, jr., vice president and general manager; Aurelio Narganes, assistant general manager; A. B. Vanderkeef, secretary and treasurer.

Central Niquero, Niquero, Province of Oriente; 57,500 acres; output, 30,000 tons.

Palma Soriano Sugar Co.: Incorporated in Cuba in 1919; 129 Front Street, New York; capital, preferred, $1,140,000; common, $1,560,000; Thomas A. Howell, president; Henry W. Wilmot, vice president; Howard J. Pullum, treasurer; Juan A. Lliteras, secretary; A. Kirstein, jr., assistant secretary and treasurer. Under management West India Sugar Finance Corporation, 129 Front Street.

Central Palma, Palma, Province of Oriente; 14,600 acres; output, 43,500 tons.

GROUP IV (ATKINS GROUP).

Mills owned outright or affiliated with the Pennsylvania Sugar Co., 1037 North Delaware Avenue, Philadelphia. Controlled by E. F. Atkins & Co., 10 Broad Street, Boston; 111 Wall Street, New York.

Caracas Sugar Co.: Incorporated in Cuba in 1919; 10 Broad Street, Boston; capital, $5,000,000; E. F. Atkins, president; E. F. Atkins, jr., vice president; Antonio S. de Bustamante, jr., secretary; L. F. Hughes, treasurer.

Central Caracas, Sta. Isabel de las Lajas, Province of Santa Clara; 25,000 acres; output, 41,000 tons.

Punta Alegre Sugar Co.: Incorporated in Delaware in 1915; 10 Broad Street, Boston; capital, $12,000,000; E. F. Atkins, president; C. B. Wiggin, vice president; E. L. Ponvert, vice president; W. C. Smith, vice president and assistant secretary; R. W. Atkins, treasurer; 196,226 acres.

Centrals:	Output (tons).
Florida, Florida, Province of Camaguey	44,000
Punta Alegre, San Juan, Province of Camaguey	55,000
Trinidad, Trinidad, Province of Santa Clara	20,833

San Augustan Sugar Co.: 10 Broad Street, Boston.

Central San Augustan, Lajas, Province of Santa Clara; output, 25,800 tons.

Soledad Sugar Co.: 10 Broad Street, Boston.

Central Soledad, Cienfuegos, Province of Santa Clara; output, 23,500 tons.

GROUP V.

Mills owned outright or affiliated with the Revere Sugar Refining Co., 15 Broad Street, Boston:

United Fruit Co.: Incorporated in New Jersey in 1899; 131 State Street, Boston; capital, $150,000,000; estimated investment in Cuban sugar mills and plantations, $20,000,000; acreage, 278,615; A. W. Preston, president; M. C. Keith, first vice president; William Newsome, C. H. Ellis, V. M. Cutler, vice presidents; P. K. Reynolds, assistant to president; B. W. Palmer, secretary; Cecil B. Taylor, treasurer.

Central Boston, Banes, Province of Oriente; output, 80,000 tons.

Central Preston, Preston, Province of Oriente; 127,789 acres; output, 80,000 tons.

GROUP VI.

Mills owned outright or affiliated with the Warner Sugar Refining Co., 79 Wall Street, New York:

Miranda Sugar Co.: Incorporated in Cuba; 79 Wall Street.

Central Miranda, Miranda, Province of Oriente; output, 25,000 tons.

Central Palmarito, Bayate, Province of Oriente; output, 7,000 tons.

Compania Azucarera Andres Gomes Mena.

Central Amistad, Guinas, Province of Habana; output, 45,000 tons.

Central Gomez Mena, San Nicolas, Province of Habana; output, 57,000 tons.

GROUP VII.

Mills not reported as owned by or affiliated with United States sugar refining companies:

The Baragua Sugar Co.: Incorporated in Delaware; Pittsburgh, Pa.; capital stock authorized, $7,500,000; preferred, 125,000 shares, no par value; James D. Callery, president; J. R. McCune, W. C. Douglas, M. N. Ballard, vice presidents; Lloyd W. Smith, secretary and treasurer; Joseph L. Dunn, assistant secretary and treasurer.

Central Baragua, Baragua, Province of Camaguey; output, 70,000 tons.

Caribbean Sugar Co.: Post-office box 2259, Boston.

Central Macareno, Manopla, Province of Oriente; output, 13,000 tons.

Cape Cruz Co.: 138 Front Street, New York; Horace Havemeyer, Charles J. Welch.

Central Cape Cruz, Ensenada de Mora, Province of Oriente; output, 20,000 tons.

Central Armonia Co.: Bolondron, Province of Matanzas.

Central Armonia; output, 14,666 tons.

Central Cuba Sugar Co.: Incorporated in New Jersey.

Central Cuba, Pedro Betancourt, Province of Matanzas; output, 31,669 tons.

Central Flora, Guira de Macurigues, Province of Matanzas; output, 17,216 tons.

Central Saratoga, Bolondron, Province of Matanzas; output, 8,438 tons.

C. A. Central Habana; Hoyo Colorado, Province of Habana.

Central Habana; output, 14,600 tons.

Central Hormiguero Co., S. A.: 69 Wall Street, New York.

Central Hormiguero, Paradero Hormiguero, Province of Santa Clara; output, 42,500 tons.

Central Sugar Corporation: Incorporated in New York in 1916; 43 Exchange Place, New York; capital, preferred, $3,000,000; common, 80,000 shares, no par value; C. J. Welch, president; J. H. Pardee, vice president; T. W. Moffat, secretary and treasurer.

Central Fe, Salamanca, Province of Santa Clara; output, 32,000 tons.

Central Teresa Sugar Co.: Incorporated in Maryland in 1919; Munsey Building, Baltimore, Md.; capital, $3,500,000; A. W. Gieske, president; H. A. Tingley, vice president; E. E. Wells, secretary and treasurer; James R. Biggar, general manager.

Central Teresa, Ceiba Hueca, Province of Oriente; 23,600 acres; output, 13,000 tons.

Cia. Central Araujo.

Central Araujo, Manquito, Province of Matanzas; output, 24,500 tons.

Colorados Sugar Co.: 49 Federal Street, Boston.

Central Colorados, Omaja, Province of Oriente; new; will grind in 1922.

Constancia Sugar Co.

Central Constancia, Encrucijada, Province of Santa Clara; output, 20,000 tons.

The Cuba Co.: Incorporated in New Jersey in 1900; 52 William Street, New York; capital, preferred, $8,000,000; common, $8,000,000; Horatio S. Rubens, chairman of board; H. C. Lakin, president; W. V. Griggin, vice president; William H. Baker, secretary; H. W. Snyder, treasurer; acreage, 300,000.

Central Jatibonico, Jatabonico, Province of Camaguey; output, 44,000 tons.

Central Jobabo, Jobabo, Province of Oriente; output, 54,500 tons.

Cuban-Canadian Sugar Co.: 68 William Street, New York.

Central Rio Cauto, Rio Cauto, Province of Oriente; output, 30,000 tons.

Cuban Sugar Mills Co.: Los Palacios, Province of Pinar del Rio.

Central La Francia; output, 12,570 tons.

Ermita Sugar Corporation:

Central Ermita, Ermita, Province of Oriente; output, 20,000 tons.

Fidelity Sugar Co.:

Central San German, San German, Oriente; output, 16,250 tons.

Hershey Corporation: Incorporated in Delaware; 339 Sixth Avenue, New York City.

Central Hershey, Station Cruz del Norte, Province of Havana; output, 32,500 tons.

Central Rosario, Aguacate, Province of Havana; output, 16,250 tons.

Hires Sugar Co.:

Central Dos Rosas, Cardenas, Province of Matanzas; output, 11,000 tons.

Lapaz Sugar Co.:

Central Por Fuerza, Calimete, Province of Matanzas; output, 15,000 tons.

Loft, George W.:

Central Dulce Nombre, Macagua, Province of Matanzas; output, 8,000 tons.

Mapos Sugar Co.:

Central Mapos, St. Spiritus, Province of Santa Clara; output, 6,000 tons.

Matanzas-American Sugar Co.: Incorporated in Delaware, 1915; 43 Exchange Place, New York; capital, preferred, $1,000,000; common, $2,000,000. J. H. Pardee, president; R. B. Marchant, H. P. Dubois, Pedro Urquiza Y Bea, vice presidents; T. W. Moffat, secretary and treasurer.

Central Jesus Maria, Benavides, Province of Matanzas; output, 18,000 tons.

North American Sugar Co.:

Central Narcisa, Yaguajay, Province of Santa Clara; output, 40,000 tons.

Peterson, Barker & Gill:

Central Gerardo, Bahia Honde, Province of Pinar del Rio; output, 8,300 tons.

Central San Ramon, Mariel, Province of Pinar del Rio; output, 13,000 tons.

Rio Cauto Sugar Co.: 500 Broadway, New York.

Central Jibacoa, Calicito, Province of Oriente; output, 25,000 tons.

Santa Ana Sugar Co.: 129 Front Street, New York.

Central Station Ana, Auza, Province of Oriente; output, 13,300 tons.

Central Hatillo, San Luis, Province of Oriente; output, 16,250 tons.

Santa Cecilia Sugar Corporation: Incorporated July, 1917; 115 Broad Street, New York. C. B. Goodrich, president; R. L. Dean, vice president and treasurer; R. H. Caplan, secretary and assistant treasurer.

Central Santa Cecilia, Guantanamo, Province of Oriente; output, 15,500 tons.
Santa Clara Sugar Co.: Cienfuegos, Santa Clara.
Central Juragua; output, 11,400 tons.
Santa Maria Sugar Co.: 2 Rector Street, New York.
Central Santa Maria, Guantanamo, Province of Oriente; output, 10,000 tons.
Washington Sugar Co.:
Central Washington, Hatuey, Province of Santa Clara; output, 27,500 tons.

RECAPITULATION.

	Mills.	Tons of 2,000 pounds.
Group I. American Sugar Refining Co.	2	224,000
Group II. W. J. McCahan Sugar Refining & Molasses Co.	21	972,800
Grop p III. National Sugar Refining Co.	14	630,100
Group IV. Pennsylvania Sugar Co.	6	210,135
Group V. Revere Sugar Refining Co.	2	160,000
Group VI. Warner Sugar Refining Co.	4	134,000
Total	49	2,331,033
Group VII. Independent of United States sugar refining companies	36	785,909
Grand total	85	3,116,942

Mr. SMOOT. We had before the Finance Committee Mr. Atkins, followed around by Mr. Lowery, telling what to say. Wherever he went, Lowery was there. Whenever he made a misstatement to the committee Lowery corrected him. He represented the sugar refiners of this country. What did he say in his testimony before the Hardwick committee?

Mr. MADISON. You stated a moment ago, Mr. Atkins, or this morning, that you decidedly opposed going into the beet-sugar business. What was the reason for that?

Mr. ATKINS. The beet-sugar business was a competitive business. It produced in the western territories, where our market lay. That is, I say "our market"—I mean the market of the refiners, the various refiners. As that industry grew—and I foresaw that it would grow rapidly—I believed that it would reduce the volume of business not only of the American Sugar Refining Co. but of all the refiners on the Atlantic coast; and although we had millions of dollars invested in the business there we were building up a competitive business, one that would compete with ourselves, and one which was bound to get away from us; we could not control it in the end. I say "we"—I had no connection whatever with it; that was simply a business man's opinion.

Why, Mr. President, so determined were they that they should control the sugar production in the United States that they began to secure control of these industries so that they could compel the American people to pay an unconscionable profit not only during the time that the domestic sugar was on hand but also when it was disposed of. They were not satisfied with 9 months of robbery; they wanted 12 months of it. The establishment of the sugar industry in the United States during the three months that they had their product on the market has saved to the American people millions if not billions of dollars more than ever the duty amounted to.

Mr. President, do Senators want to feed this monster? If they do not want to check it, let them place such a duty upon sugar that the American industry can not live. I know that the American companies are in straitened circumstances. I know that they did not have enough assets to borrow the money to pay for the beets last year. I know that the War Finance Corporation advanced to them $4 a bag upon their sugar to pay the farmers for the beets, and I know that when that sugar came upon the market they did not get the $4 a bag which they had to pay for the beets. I wish the American people understood the situation, Mr. President. The Senator from Mississippi would not be standing upon this floor pleading for the monster as he has been pleading if he understood it.

Let us see about the history of the transactions in sugar during the war.

American producers of sugar in Cuba, most of them connected with our seaboard refiners, boast that they have invested over a billion dollars in the Cuban sugar industry and since 1914–15 have increased the Cuban output from 2,900,000 to 4,400,000 tons, or practically enough to supply the entire United States requirements of 4,600,000 tons. To dispose of this enormous product to best advantage they now wish to supply the entire United States market, but to do this they first must put a quietus on the United States domestic and insular production of 2,480,000 tons. To accomplish this object they are flooding the country with elaborate propaganda directed not only against any increase in the United States rate of duty on Cuban sugar but advocating a decrease in the rate from 1.6 cents to 1 cent per pound.

THE CUBAN DIFFERENTIAL.

Inasmuch as under the reciprocity treaty Cuba enjoys a percentage preferential, the higher the duty the greater the preferential. Under the present duty of 2 cents per pound Cuba enjoys a preferential of 20 per cent, or 40 cents per hundred, while if the duty were raised to 2½ cents per pound the preferential would amount to 50 cents per hundred, and if reduced to 1½ cents per pound it would amount to only 30 cents per hundred. But as a 2½-cent duty would mean prosperity while a 1¼-cent duty would mean disaster to the domestic sugar industry, the American investors in Cuba are for a 1¼-cent rate of duty, and they feel that now is the time to strike and utterly destroy the domestic industry.

THE RECENT RISE IN THE PRICE OF SUGAR.

It should be borne in mind that the recent rise in the price of sugar has benefited few, if any, of the domestic producers, for it did not come until their product had been sold. As long as they have no sugar to sell, it would profit them nothing if sugar were a dollar a pound. As is the usual custom, as long as domestic sugar is on the market, say, from October to March, the Cubans force the price down and the seaboard refiners reduce their margin between raw and refined, with the object of making the domestic producer sell his product at the lowest possible price. And then when the domestic producers are out of the market the Cuban producers put up their price, the seaboard refiners increase their margin, and if on their earlier sales they have lost anything they speedily make it up, and meanwhile they have injured their severest competitor. If there were no domestic sugar, there would be no such seasonal depression in the price of the imported product.

CONDITION OF THE DOMESTIC INDUSTRY.

As a result of this studied policy on the part of the seaboard refiners and their Cuban mills and of the over speculation and production in Cuba, the domestic sugar industry, both beet and cane, is in a deplorable financial condition, all of the producers having been compelled for two years past to sell sugar at a loss, usually of 1 to 2 cents per pound below the actual cost of production. They have used up their cash reserves and most of them are in the hands of their bankers, from whom they have borrowed to the limit. Unless relief comes soon in the shape of a high enough duty to make it impossible for the exploiters of Cuba to continue seasonal selling of sugar below the cost of American production, a large portion of the present owners will be ruined, the factories will be closed down 12 months out of the 12, the American people will be at the absolute mercy of the very men who two years ago, when they found we had no sugar, pegged their price at the unconscionable figure of 24 cents per pound.

REASONS FOR PRESENT CONDITION OF DOMESTIC INDUSTRY.

The present deplorable condition of the domestic sugar industry is due to a combination of circumstances covering a considerable period of time.

The industry was built up under a protective tariff, the rates of which the best economic experts had figured out in 1897 to be just sufficient to encourage a reasonable rate of expansion. The industry grew by leaps and bounds—more than 600 per cent in five years, when the frightened refiners set about and secured a reduction of 20 per cent to Cuba, which immediately checked the growth of the domestic sugar industry and stimulated that of Cuba. Again, in 1914, the duty on sugar was reduced, this time 25 per cent, and during all this time the industry, with the exception of a few companies, has had a struggle for bare existence.

REGULATION OF DOMESTIC SUGAR INDUSTRY BY FOOD ADMINISTRATION.

In 1917, after we had entered the World War and when sugar refined from Cuban raws was selling at 8½ cents in New York, the Food Administration exacted from the domestic beet and continental cane sugar producers an agreement that they would market their entire 1917–18 crop at not to exceed 7½ cents per pound less 2 per cent, or 7.1 cents net. Food Administrator Hoover since has stated publicly that this action of the domestic sugar producers saved the American people from $25,000,000 to $30,000,000, but it meant that while other American manufacturers were earning and setting aside reserves for a rainy day the American producers of sugar were selling at or near the bare cost of manufacture.

The country was zoned and the Government distributed the product. All through the year 1918 the domestic producers of sugar were compelled to sell their product on one side of an imaginary line for less than the Cuban product was allowed to be sold on the other side of the same line. In other words, beet sugar producers were compelled to sell their product in Youngstown, Ohio, for considerably less money than the refiners got for their Cuban sugar in Pittsburgh.

In 1919, to secure a supply of raw material, the beet sugar manufacturers were obliged to raise the price of beets nearly $3 per ton and were compelled by the Food Administration

to market their product at not to exceed 8.82 cents per pound. All opportunity to reap more than a minimum profit was denied them.

GOVERNMENT PURCHASE OF CUBAN SUGAR.

Meanwhile our Government purchased the 1918–19 Cuban crop of sugar at 1.94 cents per pound above the 1914 Cuban price and their 1919–20 crop at 2.94 cents above their 1914 price, the Cuban producers thus reaping enormous profits. New areas were planted to cane, new mills were erected, old ones were reequipped with new machinery, and the output of the island was increased by more than 50 per cent.

With the scarcity of sugar in the world's markets in 1919 the Cubans began to mark up the price, which reached 12½ cents by the end of the year and a few months later it rose to 24 cents.

REGULATION OF PRICE OF BEET SUGAR IN 1920.

Notwithstanding the fact that since 1914 the average price of beets in the United States had gone from $5.45 to $11.74 per ton, our Government compelled domestic beet sugar to be sold at not to exceed 10½ cents and later at not exceeding 12 cents less 2 per cent, during which period Cuban sugar was allowed to be sold at any price the producers could exact, and did sell in our markets at twice as much per pound as did domestic sugar. As a result the Cuban producers waxed rich beyond the dreams of avarice, while American producers were compelled to sell at or near cost.

DOMESTIC PRODUCTION DECREASES.

During the entire period while the American Government was enriching the sugar producers of foreign countries not one act of encouragement was extended to its domestic producers. On the contrary, so drastic were the restrictions placed upon them that instead of expanding and thus helping to fill the gap the domestic crop of beet sugar declined from 874,000 tons in 1915–16 to 726,000 tons in 1919–20.

CUBA FORMED POOL TO EXACT 24 CENTS FOR HER SUGAR.

The average f. o. b. New York price of 96° raw sugar in 1914 was 2.74 cents per pound, equal to 2.56 cents f. o. b. Cuba. In 1917 the United States and the Allies purchased the 1917–18 Cuban crop at 4½ cents per pound f. o. b. Cuba, an advance of 75 per cent above the average price they received in 1914.

In 1918 the United States Government purchased the Cuban 1918–19 crop at 5.5 cents per pound, an advance of 114 per cent above the price they received in 1914.

In 1919 the best offer the Cubans would make was 6½ cents per pound, or an advance of 153 per cent above the average price they received in 1914, and the United States Government declined to pay this price. What a horrible condition resulted from the refusal to produce!

In 1920 the price of raw sugar rapidly rose and by the middle of June reached 18½ to 19 cents, or six times the average price the Cubans received for their 1914 crop. But so rapacious were they that with a million tons of sugar on hand, and believing we were unable to secure sugar from any other country, the Cuban producers met on June 30 and formed a pool under the terms of which they agreed not to sell us or anyone else a pound of sugar under 24 cents, an advance of 837 per cent above the average price they sold their crop for in 1914. During the period of extortionate sugar prices there was no domestic beet sugar on the market, and had there been, under the regulations of the Attorney General, it could not have been marketed above 12 cents less 2 per cent, or 11¾ cents per pound, or less than one-half the price of refined sugar that the Cubans charged for raw sugar f. o. b. Cuba.

UNITED STATES GOVERNMENT BREAKS CUBAN POOL.

The United States Government scoured the world for sugar, and 800,000 tons were brought in at 15 to 18 cents per pound, or 50 per cent more per pound than domestic producers were allowed to charge for their product a few months before. As a result of these imports, sugar prices went to smash, the Cuban pool dissolved, and Cuba was left with a million and a half tons of unsold sugar. The further result has been that with this extra 800,000 tons of sugar brought in from all over the world and with a surplus in Cuba hanging over the market, the price of sugar has been from 1 to 2 cents per pound below the domestic cost of production.

COST OF CUBA'S SUGAR POOL.

Cuba's 1920 sugar pool cost the American people several hundred extra millions of dollars. Our purchases of sugar in that island alone in 1920 cost us an average of 11.6 cents per pound, or a total of $669,000,000, and in addition to this our sugars from other countries cost us $340,000,000, or over a billion dollars paid to foreign countries for this one article of food which can and should be produced at home.

CUBA DEFEATS OBJECT OF EMERGENCY TARIFF.

With the collapse of the pool sugar fell to unprecedentedly low prices. In an effort to prevent the utter ruin of American sugar producers Congress in the emergency tariff bill of May, 1921, raised the duty on sugar from 1½ cents to 2 cents, which, under the 20 per cent reciprocity treaty, gave Cuba a rate of 1.60, as compared with 1 cent, and raised her differential from 25 cents to 40 cents per 100 pounds.

But anxious to dispose of their surplus stock and determined to deprive the domestic sugar industry of the relief intended, the American producers of sugar in Cuba and the seaboard refiners so reduced their price and their margin that their average price for 60 days after the bill went into effect was $1.35 per hundred less than it was for 60 days prior to the passage of the bill that increased the duty 59 cents per hundred. Whether it be in increasing the price of sugar 800 per cent above normal when only the Cubans have sugar to sell, or in decreasing the price to a point below the cost of production in order to ruin the United States domestic sugar industry, the American producers of sugar in Cuba and our seaboard refiners are equally conscienceless.

The operating losses of the domestic beet-sugar companies last year were stupendous, as is shown by their annual reports. That of the American Beet Sugar Co. shows an operating loss of $2,157,875.86; of the Amalgamated Sugar Co.—referred to as a company which "wanted a little more milk"—$5,129,507.18. If I had the time I could tell of the struggle they had to keep out of the hands of a receiver. At a meeting held one night it was decided that unless action could be had through a certain New York banker, whose name I will not mention, that company would go into the hands of a receiver the next day. And now the Senator from Mississippi thinks it "wants a little more milk." The annual report of the Utah-Idaho Sugar Co. shows a loss of $5,862,765.96; of the Michigan Sugar Co., $423,319.17; and so on down the line. Surpluses have been used up, working capital has disappeared, and they have borrowed to the limit from local and far-away banks. Some have managed to float bond issues of from half a million to several million dollars. Several were prevented from going into the hands of receivers by borrowing some $9,996,000 from the War Finance Corporation. Several have gone into the hands of receivers, and the owners will lose their investments. Some have not yet made final payment on their last year's beet crop.

These are the financial conditions which represent all but a very few of the domestic beet-sugar companies. In the face of this, how is the present industry to revive and how can new capital be expected to flow into the expansion of the industry unless an adequate rate of duty be provided in the forthcoming tariff bill?

Beets are a competitive crop and unless the price of sugar during the marketing season is high enough to enable the factories to pay a sufficient price to the farmers to induce them to supply the necessary beet acreage the factories can not operate to capacity, if at all. A recent report of the Department of Agriculture shows that our farmers have planted 176,400 less acres to beets in 1922 than they planted in 1921, and they estimate that instead of producing a million tons of beet sugar, as we did last year, we will produce only 657,000 tons—a falling off of 343,000 tons. Two more years of equal decrease in production and the domestic beet-sugar industry would cease to exist.

Mr. President, I have heard it often stated upon the floor that the duty placed upon sugar immediately was passed on to the consumer of the country in the amount of the added duty. Is that so? Let us take the facts—not windjamming but the facts.

We will begin with the Wilson-Gorman law. It was effective in imposing a duty on sugar of 40 per cent ad valorem on August 28, 1894. Up until August 23 sugar was free. On August 28, five days afterwards, when the Wilson law imposed upon sugar a duty of 40 per cent ad valorem, what happened? New York in-bond price of raw sugar per hundred pounds on the 23d of August was $3.55 a hundred. On August 28, the day that the 40 per cent ad valorem rate of duty went into effect, the New York in-bond price of raw sugar per hundred pounds was $2.68, not $3.75. The New York duty-paid price of raw sugar per hundred pounds was $3.75. The refiner's margin was 85 cents. The New York wholesale price of granulated sugar per hundred pounds was $4.60.

On August 30, 1894, the New York in-bond price of raw sugar per hundred pounds was $2.68; United States duty per hundred pounds, being 40 per cent, was $1.05; New York duty-paid price of raw sugar per hundred pounds $3.75. The refiners' margin was 97 cents.

The New York wholesale price of granulated sugar was $4.72, being 12 cents more than $4.60, and the refiners took 8 cents of that in profits for refining.

Now I have taken two months preceding and two months following the enactment of the Wilson law imposing a 40 per cent duty upon sugar. What was the result? The average for the whole two months was as follows: New York in-bond price of raw sugar per hundred pounds $3.27; United States duty per hundred pounds, nothing; United States duty-paid raw sugar per hundred pounds $3.27; refiners' margin 98 cents; New York wholesale price of granulated sugar $4.25.

When the 40 per cent ad valorem duty was imposed, during the next two months the averages were as follows: New York in-bond price of raw sugar per hundred pounds $2.64; United States duty per hundred pounds $1.05; New York duty-paid price of raw sugar $3.69; refiners' margin 81 cents; New York wholesale price of granulated sugar $4.50 or 25 cents higher on the average than the two months preceding when sugar was free.

Next we come to the Dingley Tariff Act. In 1897 the Dingley Act became effective on July 24, imposing a duty of 96° sugar of $1.685 per hundred pounds. Now let us see what happened. On May 27, 1897, the New York in-bond price of raw sugar per hundred pounds was $2.32; United States duty per hundred pounds 92 cents; United States duty-paid price of raw sugar $3.25; refiners' margin 98 cents; New York wholesale price of granulated sugar per hundred pounds $4.23.

On July 22, the day the prices were quoted before the enactment of the Dingley law in which there was an increase, it will be found that the New York in-bond price of raw sugar per hundred pounds was $2.58; United States duty per hundred pounds $1.08; United States duty-paid price of raw sugar $3.62; refiners' margin $1.03; New York wholesale price of granulated sugar per hundred pounds $4.66.

Then the duty was raised to $1.68½ per hundred pounds, and what happened? Five days following that the price of raw sugar in New York in bond was $2.06, not $2.58. The duty was $1.68, not $1.03. The New York duty-paid price of raw sugar per hundred pounds was $3.75, where previously it had been $3.62½. Now we begin to see where the profits are. The refiners' margin was $1.03 then, where the refiners' margin previously had been 97 cents. The New York wholesale price of granulated sugar per hundred pounds was $4.66. The Dingley law, under the increase in duty from 40 per cent to $1.68½ per hundred pounds, brought the price up to $4.72, or 6 cents higher than it had been the week before.

Taking the averages, what do we find? During the whole two months preceding and the whole two months following the difference in the wholesale price of granulated sugar per hundred pounds was the difference between $4.46 and $4.75, or 29 cents per hundred pounds.

But let us not stop at that. The Underwood law became effective on March 4, 1914, reducing the duty on Cuban sugar from $1.384 to $1.01 per hundred pounds. What was the result? On February 26, 1914, the New York in-bond price of raw sugar per hundred pounds was $2.04; United States duty per hundred pounds, $1.34; New York duty-paid price of raw sugar per hundred pounds $3.39; refiners' margin, 53 cents. Just notice that, Mr. President—53 cents. As soon as the Underwood law was enacted, it went to 91 cents within a week. The New York wholesale price of granulated sugar per hundred pounds was $3.92.

Now, what was it on March 5? On that day the New York in-bond price of raw sugar per hundred pounds was $2; United States duty per hundred pounds, $1.01; New York duty-paid price of raw sugar per hundred pounds, $3.01; refiners' margin, 91 cents; New York wholesale price of granulated sugar per hundred pounds, $3.92. Who got the difference? Did the consumer get it?

The PRESIDENT pro tempore. The Chair desires to make an announcement. The Senator's hour has expired. The Chair probably should have made the suggestion or the decision he is about to make before the Senator from Utah began, but the Chair will make it now.

Under a ruling made by a former President of the Senate in the case of a unanimous-consent agreement, which limited the time upon an amendment and also the time upon the bill itself, the President of the Senate at that time ruled that when an amendment is pending a Senator may not take the time allotted to him for a discussion of the bill itself.

The Chair finds it utterly impossible to apply that rule to the provisions of the unanimous-consent agreement under which we are now acting contained in lines 18 to 22 of page 2 of the agreement, and the Chair will hold that a Senator may address the Senate upon any of the paragraphs mentioned in the unanimous-consent agreement at any time he desires to do so while that paragraph is under consideration.

It is perfectly obvious that the Senator from Utah has been addressing himself to the paragraph and not to the amendment which is pending. His hour has expired upon the paragraph and the Chair feels that it is due to the Senate to make the announcement that the Senator from Utah may continue for another hour, but he must confine himself to the amendment which is pending.

Mr. SMOOT. I ask unanimous consent that I may be given another hour to speak as I wish.

The PRESIDENT pro tempore. Is there objection?

Mr. HARRISON. I have no desire to object, I will say to the Senator from Utah, but I should like to get the parliamentary situation. What amendment is now pending?

The PRESIDENT pro tempore. The amendment offered by the Senator from Louisiana [Mr. BROUSSARD].

Mr. BROUSSARD. That amendment, I submit, covers the entire question. I think it changes every rate in the paragraph. I do not think the Senator from Utah should be limited as to the latitude of his talk so long as he talks about the rates on sugar.

Mr. SMOOT. I ask unanimous consent that I may proceed.

The PRESIDENT pro tempore. The Senator from Utah asks unanimous consent to discuss the pending paragraph for how long?

Mr. SMOOT. I shall try to get through in an hour.

The PRESIDENT pro tempore. Is there objection?

Mr. GERRY. Reserving the right to object, I should like to make a parliamentary inquiry. I want to know if I understood the Chair correctly. Does the Chair rule that the Senator from Utah has spoken one hour on the pending paragraph and not on the amendment, and that only one hour is allowed on the pending paragraph?

The PRESIDENT pro tempore. He has spoken one hour on the paragraph but not on the amendment.

Mr. GERRY. Then the Senator from Utah is allowed one hour on the paragraph and one hour on the amendment. Is that correct?

The PRESIDENT pro tempore. That is correct. The unanimous-consent agreement so provides.

Mr. SMOOT. I have asked unanimous consent of the Senate that I might proceed. I think I can get through in an hour or a little longer.

The PRESIDENT pro tempore. The Senator from Utah asks unanimous consent that he may proceed with the discussion of the paragraph for one additional hour.

Mr. GERRY. That will give the Senator from Utah three hours.

The PRESIDENT pro tempore. If the Senator from Utah desires thereafter to discuss the amendment, he would be permitted to discuss it for an hour.

Mr. SMOOT. I think I can get through in an hour.

The PRESIDENT pro tempore. Is there objection?

Mr. JONES of New Mexico. May I inquire if the Senator from Utah could now use one hour of the time allotted for the discussion of the bill?

Mr. SMOOT. No. I am discussing the paragraph, I will say to the Senator.

The PRESIDENT pro tempore. The unanimous-consent agreement, as the Chair has suggested, for the consideration of the Senate, relates to the paragraph and not to the bill as a whole.

Mr. SMOOT. It relates to the paragraph.

Mr. JONES of New Mexico. I was just wondering if, under the unanimous-consent agreement, the Senator from Utah might consume one hour upon the bill?

Mr. SMOOT. I do not want to consume one hour on the bill.

Mr. JONES of New Mexico. I should like to inquire if an additional hour might not be allotted to the Senator from Utah in that way?

Mr. SMOOT. That would not be in accordance with the unanimous-consent agreement.

The PRESIDENT pro tempore. The Senator from Utah, under the unanimous-consent agreement, may not discuss the bill at this time at all.

Mr. SMOOT. No; I am required under the agreement to discuss the pending paragraph.

Mr. JONES of New Mexico. I am perfectly willing to grant unanimous consent for the Senator from Utah to proceed, for he is discussing a very interesting subject, and I want to hear him.

Mr. SMOOT. I thank the Senator from New Mexico.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Utah for unanimous consent to

continue his discussion of the paragraph for one hour? The Chair hears none, and the time of the Senator from Utah for the discussion of the paragraph is extended for one hour.

Mr. SMOOT. Now let me proceed to show the effect on the price of sugar of the ratification of the reciprocity treaty.

On December 24, 1903, the New York in-bond price of raw sugar was $1.87½; United States duty per hundred pounds $1.68¾; the New York price, duty paid, on raw sugar per hundred pounds was $3.56; the refiners' margin was 80 cents.

Mark how the price rose immediately following the going into effect of the Cuban reciprocity treaty. The New York wholesale price of granulated sugar per hundred pounds was $4.36.

Mr. POMERENE. Mr. President, I should like to ask the source of the Senator's figures.

Mr. SMOOT. The figures are taken from the published statements of Willett & Gray, which are furnished to all the world. On December 23, 1903, the Cuban reciprocity arrangement became effective reducing the duty on 96° sugar to $1.348 per hundred pounds, and on December 31, one week after the quotations above, after the Cuban reciprocity treaty had gone into effect, the New York in-bond price of raw sugar was $2.12, not $1.87½; United States duty per hundred pounds was $1.348, not $1.68¾; the New York price duty paid on raw sugar per hundred pounds was $3.47, and not $3.56. The refiner's margin was 84 cents, not 80 cents.

The New York wholesale price of granulated sugar per hundred was $4.31 instead or $4.36, or 5 cents a hundred pounds difference. Who got it? Did the American consumer? We all know that he did not.

So, Mr. President, all of our tariff bills and the changes in the tariff rates on sugar prove beyond question that wherever a duty is raised the price of Cuban sugar declines and wherever the rate is reduced the price of Cuban sugar increases. When I say increases or declines, the difference all goes back, directly or indirectly, to the refiner. Do not think that the American consumer is going to get it. History proves otherwise.

Mr. President, I have here a petition addressed to the Congress of the United States, signed by the Utah State Farm Bureau. I do not wish to take the time to read it, but I ask that it may be printed in the RECORD without reading.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The petition referred to is as follows:

MAY 11, 1922.

To the Congress of the United States of America:

The undersigned, representing the majority of the sugar-beet growers of Utah, earnestly appeal to your honorable body for a tariff of at least 2 cents per pound on imported sugar from Cuba in order that the beet-growing industry might be preserved.

BEET-SUGAR MAKING—AN AGRICULTURAL INDUSTRY.

In considering the importance to Utah, as well as Idaho, Colorado, and other beet-producing States, of an adequate tariff on sugar, it should be borne constantly in mind that the beet-sugar industry is essentially an agricultural one; that the farmers are the class most vitally concerned in its welfare; that the growers of beets are the real producers of the Nation's supply of this domestic product. As pioneers in the introduction of the beet-sugar industry in the United States, the farmers of these Western States have learned from experience the economic value of the sugar-beet crop.

The issue is perfectly clear. For the beet-sugar industry to continue its important service to the farmers and to the consuming public of the United States it is imperative that such tariff protection be provided as will permit the domestic industry to meet the competition of foreign sugars produced at extremely low cost under conditions of labor which no enlightened citizen of this country would for any length of time endure.

THE FARMERS' CASE.

The position of the operators of the beet-sugar factories and of the domestic cane interests has been presented to the Senate Finance Committee in the hearings on the sugar schedule. But the interests of the farmers in the matter have been but barely touched upon. It is the case of the farmers that most concerns us here.

Upwards of 10,000 farmers are engaged in the production of sugar beets in Utah alone. Their income from the beets they produced in 1921 was $6,841,000. The United States Department of Agriculture reports show that Utah produced 155,755 tons of sugar made from 1,152,000 tons of beets ground by 18 factories—the largest number operating in any one State in the Union.

BEETS AND THE WESTERN FARMS.

The money paid to the farmers for their beets is but one part of their income from this crop. We Utah farmers know from experience the truth of the statement made to the Senate committee by W. D. Lippitt, general manager of the Great Western Sugar Co., in which he declared, in substance:

"It is of vital importance to the Western States that the foodstuffs they produce be transported in concentrated form. Huge quantities of western farm products can be economically marketed in the food-consuming centers of the East only by being transformed into live-stock products.

"An average acre of sugar beets produces 2,500 pounds of pure, white granulated sugar, constituting a human food 100 per cent of which is digestible. Utilizable on the farm and constituting excellent food for live stock are the plant tops, the residual pulp, and the molasses.

"Properly fed to live stock in a balanced ration, the mere by-products from an average acre of sugar beets will produce approximately 300 pounds of meat in addition to the production of a ton and a quarter of sugar from the same acre. The by-products alone of an acre of sugar beets will produce as much human food in the form of meat as will the entire product of an acre of corn.

"Many exhaustive and careful investigations have shown convincingly that there is no other crop grown on a commercial scale in the United States that produces the surplus food per acre that the sugar beet does, taking into account both the sugar and the various by-products properly utilized.

"This is a startling and comprehensive statement, but the fact has long been, and is to-day, recognized and taken advantage of by Germany and other countries of continental Europe. The value and adaptability of the sugar beet crop to American agriculture must be obvious to anyone. It is almost inconceivable that the American Government will fail to shape its tariff policy to protect the industry in the present crisis."

BY-PRODUCTS ARE VITAL.

The proper use of beet by-products enters into the farm economy and fertilization of all our beet-growing districts. It is one of the most valuable assets of the dairy and live-stock business in these States.

To western farmers, especially those on irrigated lands, the sugar beet crop is their most important product. And even the western farmer who, though remote from the seat of tariff making in Washington, has watched the precarious downward course of the industry for the past two years knows full well that this vital part of his agricultural economics is doomed without adequate protection.

SUGAR'S SOCIAL CONTRIBUTION.

The charge of selfishness is made by certain interests against the plea of our people for protection. But we have "our all" in our farms, and we have given to these farms years of toil that mean much to us. The beet-sugar industry has aided materially in building up communities that are models of American life that other parts of the country might well pattern after. And in building up this industry we have created one of the most important phases, not only of western agriculture, but of western commerce.

JUSTICE ONLY IS ASKED.

We believe that Congress will recognize these facts; that they will listen to the voice of the western farmer in this crisis and will see to it that a tariff is imposed upon imported sugar sufficiently high to insure the manufacturers of domestic beet sugar a selling price for their product which will enable them to pay the farmers a reasonable price for the beets grown, based on the selling price of sugar, which is the form of contract we now grow beets under—a price which will return to the farmer a fair compensation for his labor, and an American wage for the extra labor which he is compelled to hire in the production of this crop.

Respectfully submitted.

UTAH STATE FARM BUREAU,
By EPHRAIM BERGESON, *President.*

Mr. SMOOT. I wish I had the time to read the petition, for the picture it presents is perfect as to the effect the decrease in the duty or even the maintenance of the present rate of duty will have upon the homes and communities which have been built up around the domestic sugar industry. They plead to Congress for a 2-cent rate of duty against Cuban sugar; and I say now to the Senate that unless that rate is given the sugar industry can not grow. It may live; the Great Western Co., of Colorado, whose stockholders own more stock in Cuban sugar than they do in the Great Western, can live, but the great bulk of the sugar plants in the United States will not be able to live; and there will be little chance for the cane-sugar producers to exist.

I plead with the Senate to take this great industry out of the hands of the refiners and give the sugar producers a rate which will prevent the refiners killing them off; for, just as sure as the sun rises to-morrow morning, unless we do, the refiners in the end are going to destroy or control this domestic industry, all of the companies engaged in the domestic sugar industry being financially weak.

I wish to say to the Senator from Mississippi [Mr. HARRISON] that I am not pleading for this duty because I own 440 shares of Utah Co. stock. The offer for that stock on the Salt Lake City market to-day is $3 a share. Is there anyone in all the United States who will think because I have $1,300 in sugar stock that my action will be in any way controlled by that fact?

Great stress was laid upon the profits being made by the domestic sugar factories on Saturday last by the Senator from Mississippi. He said that the dividends of the Great Western Co. amounted to $300,000, but when the Senator from South Dakota asked him what rate of interest that represented upon its capital he said 6 per cent. I have some figures, Mr. President, over which the Senator from Mississippi could roll his tongue. They begin with the profits made by the American Sugar Refining Co. Let us see how they run in that instance. That company makes a greater profit in the interest on loans and deposits than any sugar factory in the United States makes all told. In 1913 they made $4,184,988.71; in 1914, $6,139,389.96; in 1915, $6,184,720.69; in 1916, $13,703,443.56; in 1917, $14,212,789.21; in 1918, the year in which the war closed, they made $12,589,486.85; in 1919 they made $15,250,519.12. I have not the time to give the figures as to all of the refiners, but they disclose that the profits which have been made by the most profitable sugar manufacturing company in the United States look like a half pint of cold water in comparison with a bucket of milk, and not a drop, as the Senator from Mississippi suggested on Saturday.

The Senator from Mississippi is very solicitous about the beet grower, not that he cares anything about him, but it was for political effect. He says that the beet grower is not dissatisfied; that the beet grower will not get any more; that it will all go to the sugar manufacturer. Mr. President, I have a copy of a sugar-beet contract entered into by beet growers and a sugar company, and, as I stated the other day, the price which they get for their beets is based upon the price which sugar brings in the New York market. The American beet grower is at the absolute mercy of the refiner. He tells the producer of sugar every day what he shall sell his sugar for, and not only that but he has compelled a trade arrangement under which cane sugar sells for 20 cents per 100 pounds more than beet sugar. Senators may ask why does the beet-sugar manufacturer agree to such an arrangement. It is because he is helpless. We know that that power can destroy the industry; it is in their hands; and unless we get the rate of duty of 2 cents against Cuban sugar, I wish to say now that I doubt very much whether anyone is going to risk any more money in the extension of the sugar business in this country.

Mr. President, if every sugar plant in the United States were closed to-morrow, within two months the American consumer would pay more on account of the advance in price of sugar than the cost in the beginning of the sugar plants and the profits which they have made. There is no telling how much further it would go; but I know that the price would go just as high as the people of this country who purchase sugar would stand.

We are pleaded with that we ought to have a love for Cuba, our little sister. I think that we ought to treat Cuba right; I think that we ought to treat every country right. We have given Cuba a preferential rate of 20 per cent, but at the very first opportunity Cuba had to show her love for America she raised the price of her sugar 889 per cent.

The first time that she had a chance to show her appreciation for what we have given her—namely, we gave her the American market for all of her sugar, cutting out every other country in the world—she laid tribute, together with the refiners of this country, of over $600,000,000 annually upon the sugar consumers of the United States.

Mr. President, I have here a statement showing the prices at the different dates, and the increases that were made during the war period. I have not the time to read it. I ask that it be printed with my remarks without reading.

There being no objection, the statement referred to was ordered to be printed in the RECORD, as follows:

RANGE OF CANE-SUGAR PRICES IN 1920.

On September 23, 1919, the United States Government relinquished its control of the price of foreign raw sugar. Up to that time the refiners had been paying $7.28 per hundred for Cuban raws, duty paid, and the selling price of the refined product made therefrom was $8.82 per hundred pounds net cash. All of the crop of Cuban sugar harvested the preceding season was under contract and there was no raw sugar to be purchased by the refiners for prompt delivery when they were permitted to enter the open market on September 23, 1919. They, however, very promptly began to buy futures for delivery after the Cubans began making their crop about December 15, 1919. Though this crop had been offered to the United States Government the preceding summer (July, 1919) at 7 cents per pound, the Cubans did not hesitate to advance the price of their raws even before they began to manufacture the same in December, 1919. By January 15, 1920, the duty-paid price of Cuban raws had advanced to $13.04 per hundred pounds. By April 1 the price was $14.04 per hundred pounds. By April 15, $19.06 per hundred pounds. By the middle of May it had advanced to $20.06 per hundred pounds. The peak price was reached May 19, 1920, when the Cubans sold at $23.07 per hundred pounds. These exorbitant prices led our Government to undertake the purchase of full duty-paying raw sugar wherever it could find it in the markets of the world. By this means the corner in Cuban raws was broken with the Cubans still having some 500,000 tons raws, which they were holding for $30 per hundred pounds. By the middle of June the duty-paid price of raws had dropped in New York to $18.06 per hundred pounds. By the last of July there was a further decline to $16.30 per hundred pounds. By the last of August the price had dropped to $12.04 per hundred pounds. And when beet sugar came on the market the middle of October the duty-paid price of raw sugars in New York had dropped to $7.75 per hundred pounds, since which time there has been a steady decline in the price of raw sugar until it reached the bottom early in January, 1922, when the duty-paid price of Cuban raws was $3.35 per hundred, or $1.75 per hundred pounds delivered in bond at New York.

Coincident with the fluctuation in the price of raw sugar during the year 1920, there was a corresponding fluctuation in the price of refined sugar made from such imported foreign raws. The middle of January the refiners' price of refined sugar was from 15 cents to 16 cents per pound. By the latter part of April it had advanced so that the quotations were from 16 cents to 22½ cents per pound. The peak price of refined sugar was in the latter part of May, 1920, when it was quoted as high as 26½ cents a pound by one of the eastern refiners. The New York prices of refined sugar ranged from 21 cents to 22½ cents per pound from the latter part of May until the latter part of August. Many buyers by that time had become loaded up with imported raw sugar which the consumer was using in the raw state, and this sugar was thrown onto the market and offered as second-hand sugar at considerably below the refiners' price. This forced the refiners to steadily drop their prices until, when beet sugar came on the market the middle of October, 1920, they were quoting refined at from 11 cents to 12 cents per pound. Within the next month it had dropped to 9½ cents per pound. There was a further steady decline until by January, 1922, cane sugar was offered freely at from $4.80 to $4.90, New York base price.

The beet-sugar manufacturers did not participate in any of the high prices prevailing during 1920. The Government continued to regulate the price of beet sugar until August 26, 1920, the prices ranging from 10 cents a pound to a maximum of 12 cents a pound, the ultimate consumer buying such beet sugar at 15 cents per pound. The entire crop of beet sugar made east of the Missouri River went into consumption by April 1, 1920. The factories in the Rocky Mountain States retained enough of their sugar for their local consumption until midsummer of 1920, but sold their output at not to exceed 12 cents per pound.

The injustice to the beet-sugar manufacturer did not merely extend to the limitation of his prices for the output of sugar made from the beets harvested the fall of 1919. While the control over beet sugar was being maintained by the United States Food Administration until August 26, 1920, it was necessary to determine the terms of the beet contract which the beet-sugar companies should offer to the farmer in the winter of 1919–1920. The Government took a hand in fixing the price to be paid for beets to be planted in the spring of 1920, and the price then determined, largely through the Government's activities, was the highest price ever paid for beets either in this country or abroad. Under it beet-sugar companies paid the farmers from $12 to $12.50 per ton for the beets planted the spring of 1920 and harvested the fall of that year. The sugar made from these high-priced beets was marketed during the season beginning October, 1920, long after the Government had ceased to control the price of either foreign or domestic sugar. The beet-sugar factories received an average of only about 6 cents per pound for the sugar made from the $12 to $12.50 beets grown the summer of 1920. Considerable of that sugar was carried over into the late summer and early fall of 1921 and netted the factories only about $4 per hundred pounds.

Mr. SMOOT. When the Cuban representative was before the Finance Committee pleading that the rate on sugar should not exceed 1 cent per pound it developed that in Cuba the wage paid to men was 65 cents a day—not 8 hours a day, but 12 hours a day; not in cash, not a dollar of cash. It was in store pay; and the poor fellow, after receiving his 65 cents a day, has to go to the store and purchase goods upon which God only knows what profit was made; and we are asked now that our American laboring men and women shall compete with such conditions as those. Our labor costs are higher, our taxes are higher, our fuel and other supplies are higher, our freights are higher. When the refiners ship their sugar from New York to Chicago they have to pay but 68 cents a hundred pounds. When Utah ships her product to Chicago she has to pay 77 cents a hundred pounds; so we are discriminated against all along the line.

Mr. LODGE. Mr. President, may I ask the Senator a question?

Mr. SMOOT. Yes.

Mr. LODGE. Does Cuba sell her whole crop here?

Mr. SMOOT. Ordinarily she sells it all here; but during the last war years her product was so huge that she increased it until she raised 3,900,000 tons of sugar, and if she had sold her sugar at a reasonable price at the time the Cuban pool was organized she never would have had 1,200,000 tons hang over; but she forced the United States to go to all parts of the world to get sugar. We broke the Cuban pool, and that was the only way to do it. We imported into this country over 800,000 tons of sugar and left that amount of sugar in the hands of the Cuban producers.

Mr. LODGE. Do they sell anything now elsewhere?

Mr. SMOOT. They are doing so at this time; and when I reach that part of the subject I will take it up.

Mr. LODGE. I wanted to know what price they were getting abroad—whether they were selling below the New York rate, or above it.

Mr. SMOOT. They are refining it in bond, and, of course, they do not have to pay duty. In my letter to General Crowder I referred to that subject, and I want to say that I have done everything I could and I am willing to do everything I can to encourage the exportation of Cuban sugar to foreign countries. As far as I am concerned I am willing to repeal that part of our law requiring the rebate of all but 1 per cent of duty paid on Cuban sugar that comes into this country for refining, to be exported. I am willing that it shall be financed, and that the Government shall assist in doing it, and in my letter to General Crowder I covered that point exactly.

Mr. LODGE. Did the Senator cover the point of the price at which it is sold in other markets?

Mr. SMOOT. No; I have not covered that in my letter; I say the question of assistance.

Mr. LODGE. I want to know whether Cuba sold at a lower or a higher price in foreign markets.

Mr. SMOOT. I do not think she does.

Mr. LODGE. She does not do what? Does the Senator mean that she sells at the same price?

Mr. SMOOT. I think it is about the same price.

I now want to call the attention of the Senate to the rates of duty imposed upon sugar by foreign countries. Senators, I want you to listen to these rates:

Argentina, $3.36 per hundred pounds of refined sugar.
Australia, $1.30 per hundred pounds.
Belgium, $3.50 per hundred pounds.
Brazil, $6.61 per hundred pounds.
Canada, our neighbor of the north, $2.39 per hundred pounds.
Czechoslovakia, $2.39 per hundred pounds.
Denmark, $1.22 per hundred pounds.
France, $8.64 per hundred pounds.
Greece, $4.10 per hundred pounds.
Italy, $2.68 per hundred pounds.
Japan, $2.79 per hundred pounds.
Mexico, $3.39 per hundred pounds.
Spain, $15.75 per hundred pounds.
Sweden, $1.22 per hundred pounds.
United Kingdom, $5.58 per hundred pounds.

Ah, Mr. President, Great Britain during this war has passed through an experience that she is going to correct for the future. But a few days ago she repealed her excise tax of 57 cents a hundred pounds upon sugar, but she still keeps a duty of $5 per hundred pounds upon sugar coming into England. Not only that, the English Government but a short time ago gave $250,000 toward the establishment of a beet-sugar factory in Great Britain. That factory is located at Kelham, and the policy of the British Government from now on is going to be not only to impose upon sugar a duty of $5 a hundred pounds but the Government itself is going to assist Englishmen to build factories so that they can produce sugar and not be at the mercy of sugar-producing countries in time of war as she was during the recent war.

Mr. President, on Saturday the Senator from Mississippi made this statement:

> Then he went to the Cuban authorities with a letter which he had received and which evidently was an official letter, according to all the reports, although I do not know as to that. The letter, however, to General Crowder was from one high up in the legislative councils of this country, one who, after March 4, will occupy the highest position in this Chamber, so far as committee assignments are concerned, one who has been the champion of the imposition of sugar duties for many years upon the floor of the Senate, one who in a debate said he owned 430 shares of Utah-Idaho Sugar Co. stock, one who was the most influential personage and character in the writing of the pending tariff bill.

Further he said:

> I say to the absent Senators, however, that they should be here and they should inform themselves about what has been happening in connection with the sugar question. One of the blackest pages that has been written in our relationship with Cuba has been written touching the sugar schedule. It is a proposition which calls for explanation, and the American people will not be satisfied until explanation is forthcoming.

Mr. President, the Senator from Mississippi had reference to myself. I have nothing whatever to conceal. The whole world may know every action that I have taken and every word that I have written. I have no apology to offer, and I want to say to the Senate now that if circumstances and conditions in the future were the same as then, I would do again the same thing that I did then; and I want now to state briefly to the Senate what those conditions were.

The great banks of New York had advanced to the Cuban growers, I am informed, 2 cents per pound on all of their prospective production of sugar.

Mr. DILLINGHAM. When was that?

Mr. SMOOT. In the fall of 1920. Sugar began to drop, and when the domestic sugar crop produced from contracted beets came on the refiners, knowing the financial condition of the sugar companies of the United States, deliberately went about to destroy the American industry.

The price of sugar declined until it reached $1.67 a hundred. The bankers sent a committee to Cuba, headed by Mr. Morrow, the representative of the Morgan interests in New York, to investigate the whole sugar situation. It was reported that there were 1,200,000 tons of sugar carried over; that the crop for this year would be 3,500,000 tons. The banks had advanced 2 cents a pound upon it. The sugar delivered in New York was less by far than they had advanced on it. Mr. Morrow reported to the bankers that the best way to clean the whole business up was to throw the 1,200,000 tons of sugar on the market and let it bring whatever it would.

I knew, as every other man who was acquainted with the sugar industry knew, that such action would carry that sugar to at least a cent a pound. All of the beet-sugar interests had to pay for their sugar beets at that time. They had gone to the War Finance Corporation. They had borrowed $9,900,000 to pay the farmers for the beets, or $4 a hundred pounds of sugar placed in their warehouses. They had borrowed all they could; individuals had put up all the security they had; organizations had pledged their credit for what they had borrowed to meet the losses of the year preceding, and the money powers of Wall Street, the refiners, saw a chance to give a deathblow to the sugar producers of this country.

Men saw all they had about to be swept out of existence. They could not pay for the beets they had contracted for. They appealed to me and asked if I would not assist them in securing assistance from the War Finance Corporation, and I did so, and all honor to the War Finance Corporation; they did everything in their power and ran a great chance of never getting the money back. They never would have gotten their money back if there had not been a move made which resulted in stopping the movement to throw 1,200,000 tons of sugar upon this market.

Señor Portuondo and General Crowder called at my office on January 24, 1922. I never asked the señor to come to my office. I know of nobody who ever asked him to come to the United States. He did not intimate to me that anyone had. I met him but once in my life, and that was in my office, on January 24, 1922, with General Crowder. He stated to me that the Cuban situation was desperate; that something had to be done in order to save the small Cuban planters. Ah, the refiners were then taken care of. He was the first man from Cuba who said aught to me about it, and he said he thought the thing to do was to restrict the Cuban crop to 2,500,000 tons. He said he did not know whether his Government would do it or not; he could not say; but something had to be done.

I told him I was not only interested in seeing that the small planter in Cuba was not destroyed—for I knew the power that was back of this whole thing—but I was interested to see that the sugar industry of the United States should not be wiped out entirely. I knew what it meant. It meant destruction not only to the sugar industry in my State, it meant absolute ruin to nearly every bank in the State. It meant that we would have to start all over again in the western country. No blow could have been directed which, if carried out, would have had more dire results, and if it had been carried out there would not have been a single sugar-producing concern in the United States which would have survived, not one.

Mr. HARRISON. Mr. President, I do not want to interrupt the Senator——

Mr. SMOOT. Please do not. Let me go on. I have only a little more to say. I have nothing to tell but the simple story. I am not talking for politics. I am not standing here upon the floor appealing for political advantages or anything else. I want the truth, the whole truth, and nothing more.

Mr. HARRISON. May I say to the Senator—and if he does not wish to be interrupted, I do not want to interrupt him——

Mr. SMOOT. If I had more time——

Mr. HARRISON. I will ask unanimous consent that the Senator may have just as long as he wants.

Mr. SMOOT. The señor said, "We think that the emergency tariff rate is too high. We do not object to the rate if you will only increase the 20 per cent preferential to 30 per cent. What we want more than anything else is that the preferential be increased from 20 per cent to 30 per cent." How cunning these refiners are. Of course, if they can get the preferential up to 30 per cent, that is just 10 per cent more they would put in their coffers.

I told him that, as far as I was concerned, that was out of the question, that I would oppose it and fight it as long as I had power to do so. Remember, Mr. President, never in any conversation or in any letter have I pledged anyone but myself to do anything.

When we finished the discussion of the increase in the preferential, and he became convinced that there was no use whatever in carrying on the conversation on that subject further, the question of the rate came up. I told him I knew the situation. I told him I felt that there was a sword hanging over the head of the sugar industry of this country, and I knew there was a power which could clip the cord at any time, and death would come to the industry.

I was willing to do anything for temporary relief. Sugar was selling at about $1.67. If the Senator from Mississippi had seen every industry in his State likely to be destroyed, I wonder if he would have done less than I did.

The señor then said, "Can we not, then, have a reduction to $1.35?" I said, "No." He said, "What about $1.40? The industry can not get along with that rate. Then there is nothing to be done. I guess we will have to let things take their course. I suppose we can stand it if you can, and we can not say anything more."

General Crowder discussed the question, and we were not there more than three-quarters of an hour, all told. I told General Crowder that on account of the critical condition in which

we found ourselves, if Cuba—as the señor had proposed—would limit her crop to 2,500,000 tons I knew the price of sugar would immediately rise, and I would take chances to save the industry, even though temporarily, in the United States, and that I would support a $1.40 rate on Cuban sugar.

It was one chance for the industry. It was one more chance for the people of the West, and I had absolute confidence that Congress would act later if it became absolutely necessary. But in order to meet that crisis at the time, I did say this to General Crowder:

DEAR GENERAL CROWDER: I hope that you will lay before the President of Cuba my attitude toward the sugar industry both of Cuba and of the United States.

Mr. Babst, of the American Sugar Refining Co., is doing all he can to arrange matters so as to export at least 500,000 tons of sugar to Europe. I have agreed to do all in my power to secure the passage of a joint resolution authorizing Cuban sugar to come into the United States without a cent for duty, providing it is refined in bond and shipped to any country outside of the United States. This will do away with the financing of sugar in bond and assist the refiners greatly in securing a foreign market for Cuban sugars.

I am sure that the limitation of the Cuban crop of sugar for the present year to 2,500,000 tons will be the solution of the problem, not only for Cuba but for the United States as well. So sure am I of this that I think that it would be wise to have incorporated into the pending tariff bill a rate of duty of 1¼ cents per pound, which would make the duty on Cuban sugar 1.4 cents per pound.

I am sure that Hon. Eugene Meyer, of the War Finance Corporation, is ready to assist in financing the sugar refiners in their exportation of sugar to foreign countries.

I shall be delighted to hear from you as quickly as possible after your arrival in Cuba, advising me of the result of your conference with the President. I have had the sugar schedule in the pending tariff bill passed over until I hear definitely from you.

Yours sincerely,

Mr. POMERENE. Mr. President, may I ask the date of the letter?

Mr. SMOOT. January 30, 1922. Mr. President, the Senator from Mississippi is perfectly willing to read newspaper clippings. He referred to one here on Saturday. In the same identical issue was published a denial by the President of Cuba of any effort on the part of anybody to bind the Government of the United States upon any question. Here is the statement of the President of Cuba, published in the same paper, almost alongside of the statement to which the Senator referred on Saturday, but he did not call attention to this:

CUBA'S PRESIDENT MAKES SUGAR DENIAL.

HABANA, April 30.—A statement given out at the palace last evening bearing the signature of President Zayas declares that the Cuban Government never has received any official suggestion from the United States Government with regard to a proposal involving the reduction of the Cuban sugar crop in return for a lower tariff rate on Cuban sugar entering the United States.

Any move the Cuban Chief Executive made to better the Cuban sugar industry, the statement continues, was made voluntarily and not in response to foreign suggestion.

The proposition never came from us. The proposition came from Cuba. God forbid that I should ever try to blacken the name or character of an individual even for political reasons.

Why, Mr. President, at that time when General Crowder was here we had an unparalleled surplus of some 1,200,000 tons unsold old crop sugar which had accumulated in the hands of the old Cuban syndicate while the arrival of the new crop was at hand. This surplus had been financed with some 400 different banks on notes coming due, whose margins had mostly run off. Finance for the Cuban producers during their harvest in January to April was disorganized by the financial collapse in Cuba the previous summer. The wholesale traders in the United States, together with the European buyers, were delaying purchase in expectation of collapse and liquidation. Prices fell at one moment to 1.67 cents per pound c. i. f., and threatened to go lower. This was below the cost of producing 60 per cent of the world's sugar, and, if continued, meant a decrease in production and famine prices in 1923. All this came just at the moment when contracts had to be arranged for the sugar then ready to harvest, both domestic and Cuban. Thus not only was our own agriculture jeopardized, but also hundreds of small Cuban and Porto Rican producers were about to be pushed to the wall.

Mr. President, if I saved the industry to this country, if I even had a small fraction of a part in doing so, I thank God for it. Yet, "This is one of the blackest pages in the history of our country," said the Senator from Mississippi. Following that statement the Senator from Mississippi said there was a still blacker page.

Mr. HARRISON. May I ask the Senator, before he proceeds, if Mr. Herbert Hoover also signed that letter which the Senator had?

Mr. SMOOT. He did not.

Now, Mr. President, let us see that blacker page and see what there is in it. To save time I am going to ask to have printed in the RECORD without reading the statement made by the Senator from Mississippi on Saturday, the part that I have marked.

The PRESIDING OFFICER (Mr. TOWNSEND in the chair). Without objection it is so ordered.

The matter referred to is as follows:

In a little while, however, the Government of the United States appointed General Crowder to go to Cuba in order to help Cuba solve its economic problems. He worked among them, it is said, and the question of sugar was one of the problems which he took up. Then he went to the Cuban authorities with a letter which he had received and which evidently was an official letter, according to all the reports, although I do not know as to that. The letter, however, to General Crowder was from one high up in the legislative councils of this country, one who, after March 4, will occupy the highest position in this Chamber, so far as committee assignments are concerned, one who has been the champion of the imposition of sugar duties for many years upon the floor of the Senate, one who in a debate said he owned 430 shares of Utah-Idaho Sugar Co. stock, one who was the most influential personage and character in the writing of the pending tariff bill.

* * * * * * *

I say to the absent Senators, however, that they should be here, and they should inform themselves about what has been happening in connection with the sugar question. One of the blackest pages that has been written in our relationship with Cuba has been written touching the sugar schedule. It is a proposition which calls for explanation, and the American people will not be satisfied until explanation is forthcoming.

Mr. SMOOT. Now, who is Mr. Alfred Grover? The Senator from Mississippi should have known. He saw what the New York World said. He quoted from the World. He knew that the Baltimore Sun had made a statement in relation to this scheme that he called so black. He knew that the New York Times on May 2 had an article headed "$32,000,000 sugar plan repudiated." He knows that in the Journal of Commerce on May 3 there were headlines "Refiners repudiate sugar syndicate." He knows that other papers of the United States made statements repudiating it. In the Baltimore Sun the headlines were as follows:

Carey belittles sugar scheme—Says price-fixing plan is vagary of economic madman—Knows nothing of sponsor—Sponsor of proposition spent several weeks in Washington without result.

After the Senator had made his statement I telephoned to Mr. Palmer, representing all the American beet-sugar growers, and asked if he knew a person by the name of Alfred Grover. He said: "Yes he came into my office once. After talking with him I thought that he was a little off. He wanted me to present to the beet-sugar producers of the country a pool proposition. I told him I would not even think of presenting it, that I had no time to waste with him, and I invited him out of my office." The representative of the cane-sugar producers of the country had a similar experience with him. Oh, Mr. President, to what will we descend for political purposes?

Mr. HARRISON. Mr. President, may I ask the Senator why he objects, then, to an investigation under my resolution which will repudiate all these facts?

Mr. SMOOT. There is nobody, Mr. President, not even the Senator from Mississippi, who believes that story. What is the use of spending the time of Senators and the money of the Government to laud some madman and help him get his name in print? It is silly.

The statement quoted by me was made in the Senate last Saturday by the self-appointed collector of sensational newspaper reports, presenting them to the Senate without knowing whether there was one word of truth in them, for the purpose of blackening the characters of public-spirited men who have been the means of establishing a great industry in this country, and through that industry thousands upon thousands of happy homes have been established, waste lands made productive, thriving towns, with their schools, churches, and public buildings, created.

Mr. President, wind-jamming, whether in the Senate or elsewhere, never created a happy home; political demagoguery never gave a day's work to a laboring man. Shame on the Senator presenting to the Senate a scheme of some dreamer or stock-jobbing schemer that was never considered favorably for one moment by any American sugar producer, but, on the contrary, was turned down most emphatically and promptly. The New York papers published statements to this effect, but the Senator from Mississippi evidently did not take notice of them, for to do so would not have served his purpose and would have prevented him from making a sensational speech in the Senate and claiming as a basis for it a report printed in a great metropolitan newspaper. It would have forever robbed him of being the distinguished Senator who discovered the scheme that formed what he designated "the blackest pages in our country's history." If the Senator

lived a thousand years, and each day made a speech similar to that he delivered last Saturday, it would not create a happy home, redeem one acre of waste land, erect one public building, nor make one person the better for having heard or read it.

Senator, for the future turn your powers and abilities to something better. There is more real pleasure and happiness in creating, building, helping, than in carping criticism, tearing down, and knocking.

Mr. HARRISON. Mr. President, whose advice is that?

Mr. SMOOT. That is my advice to the Senator from Mississippi.

Mr. President, I ask unanimous consent that the diagrams on the wall, to which I have referred in the course of my discussion, may be printed in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The tables referred to are as follows:

The Wilson tariff and the price of sugar.

	New York in bond price of raw sugar per 100 pounds.	United States duty per 100 pounds.	New York duty-paid price of raw sugar per 100 pounds.	Refiners' margin.	New York wholesale price of granulated sugar per 100 pounds.
June 28, 1894	$3.125		$3.125	$0.855	$3.98
July 5, 1894[1]	3.125		3.125	.855	3.98
July 12, 1894	3.180		3.180	.800	3.98
July 19, 1894	3.125		3.125	1.105	4.23
July 26, 1894	3.125		3.125	1.105	4.23
Aug. 2, 1894	3.125		3.125	1.225	4.35
Aug. 9, 1894	3.375		3.375	1.095	4.47
Aug. 16, 1894	3.500		3.500	.970	4.47
Aug. 23, 1894	3.750		3.750	.850	4.60
Average	3.27		3.27	.984	4.25
Aug. 30, 1894[1]	2.680	$1.07	3.750	.97	4.72
Sept. 6, 1894	2.680	1.07	3.750	.97	4.72
Sept. 13, 1894	2.680	1.07	3.750	.97	4.72
Sept. 20, 1894	2.680	1.07	3.750	.79	4.54
Sept. 27, 1894	2.680	1.07	3.750	.66	4.41
Oct. 4, 1894	2.680	1.07	3.750	.60	4.35
Oct. 11, 1894	2.680	1.07	3.750	.60	4.35
Oct. 18, 1894	2.500	1.00	3.500	.85	4.35
Oct. 25, 1894	2.500	1.00	3.500	.85	4.35
Average	2.64	1.056	3.694	.81	4.50

[1] Aug. 28, 1894, Wilson bill effective, imposing sugar duty of 40 per cent ad valorem.

DISTRIBUTION OF $1.056 DUTY IMPOSED.

After adding a duty of $1.056 per 100, the New York wholesale price of granulated sugar increased only 25 cents per 100, 80.6 cents per hundred, or 76.3 per cent of the entire duty, being absorbed by the foreign producers and American refiners.

The Dingley tariff and the price of sugar.

	New York in bond price of raw sugar per 100 pounds.	United States duty per 100 pounds.	New York duty-paid price of raw sugar per 100 pounds.	Refiners' margin.	New York wholesale price of granulated sugar per 100 pounds.
May 27, 1897	$2.331	$0.929	$3.250	$0.980	$4.230
June 3, 1897	2.364	.946	3.310	.920	4.230
June 10, 1897	2.500	1.000	3.500	.970	4.470
June 17, 1897	2.500	1.000	3.500	.970	4.470
June 24, 1897	2.500	1.000	3.500	.970	4.470
July 1, 1897	2.500	1.000	3.500	.970	4.470
July 8, 1897	2.500	1.000	3.500	1.090	4.590
July 15, 1897	2.589	1.036	3.625	.965	4.590
July 22, 1897	2.589	1.036	3.625	1.035	4.660
Average	2.485	.994	3.478	.986	4.460
July 29, 1897[1]	$2.065	$1.685	$3.750	$0.970	$4.720
Aug. 5, 1897	2.065	1.685	3.750	.970	4.720
Aug. 12, 1897	2.065	1.685	3.750	.970	4.720
Aug. 19, 1897	2.065	1.685	3.750	.970	4.720
Aug. 26, 1897	2.065	1.685	3.750	.970	4.720
Sept. 2, 1897	2.065	1.685	3.750	.970	4.720
Sept. 9, 1897	2.190	1.685	3.875	.945	4.820
Sept. 16, 1897	2.190	1.685	3.875	.945	4.820
Sept. 23, 1897	2.255	1.685	3.940	.880	4.820
Average	2.114	1.685	3.798	.954	4.750

[1] July 24, 1897, Dingley bill effective, imposing duty on 96° sugar at $1.86½ per 100 pounds.

DISTRIBUTION OF 69.1 CENTS ADDITIONAL DUTY.

After increasing the duty 69.1 cents per hundred, the New York wholesale price of granulated sugar increased only 29 cents per 100, 40.3 cents per hundred, or 58.3 per cent of the entire duty, being absorbed by the foreign producers and American refiners.

The Underwood tariff and the price of sugar.

	New York in bond price of raw sugar per 100 pounds.	United States duty per 100 pounds.	New York duty-paid price of raw sugar per 100 pounds.	Refiners' margin.	New York wholesale price of granulated sugar per 100 pounds.
Jan. 2, 1914	$1.882	$1.348	$3.230	$0.690	$3.920
Jan. 8, 1914	1.882	1.348	3.230	.690	3.920
Jan. 15, 1914	1.942	1.348	3.290	.630	3.920
Jan. 22, 1914	2.007	1.348	3.355	.565	3.920
Jan. 29, 1914	2.132	1.348	3.480	.440	3.920
Feb. 5, 1914	2.132	1.348	3.480	.440	3.920
Feb. 11, 1914	2.132	1.348	3.480	.440	3.920
Feb. 19, 1914	2.072	1.348	3.420	.500	3.920
Feb. 26, 1914	2.042	1.348	3.390	.530	3.920
Average	2.025	1.348	3.37	.658	3.920
Mar. 5, 1914[1]	2.000	1.01	3.010	.910	3.920
Mar. 12, 1914	1.940	1.01	2.950	.872	3.822
Mar. 19, 1914	2.000	1.01	3.010	.763	3.773
Mar. 26, 1914	1.940	1.01	2.950	.823	3.773
Apr. 2, 1914	1.940	1.01	2.950	.823	3.773
Apr. 8, 1914	1.910	1.01	2.950	.755	3.675
Apr. 16, 1914	1.970	1.01	2.980	.695	3.675
Apr. 23, 1914	2.000	1.01	3.010	.725	3.735
Apr. 30, 1914	2.030	1.01	3.040	.695	3.735
Average	1.970	1.01	2.980	.785	3.765

[1] Mar. 1, 1914, Underwood bill effective, reducing duty on Cuban sugar from $1.348 to $1.01 per 100 pounds.

DISTRIBUTION OF 33.7 CENTS REMISSION OF DUTY.

After lowering the duty another 33.7 cents per 100, the New York wholesale price of granulated sugar declined only 15¼ cents per 100, 18.2 cents per 100, or 54 per cent of the entire reduction, being appropriated by American refiners.

Cuban reciprocity treaty and the price of sugar.

	New York in bond price of raw sugar per 100 pounds.	United States duty per 100 pounds.	New York duty-paid price of raw sugar per 100 pounds.	Refiners' margin.	New York wholesale price of granulated sugar per 100 pounds.
Oct. 15, 1903	$2.190	$1.685	$3.875	$0.675	$4.550
Oct. 22, 1903	2.190	1.685	3.875	.675	4.550
Oct. 29, 1903	2.190	1.685	3.875	.625	4.500
Nov. 5, 1903	2.125	1.685	3.810	.690	4.500
Nov. 12, 1903	2.125	1.685	3.810	.690	4.500
Nov. 19, 1903	2.065	1.685	3.750	.700	4.450
Nov. 27, 1903	2.065	1.685	3.750	.610	4.360
Dec. 3, 1903	2.005	1.685	3.690	.670	4.360
Dec. 10, 1903	1.940	1.685	3.625	.735	4.360
Dec. 17, 1903	1.940	1.685	3.625	.735	4.360
Dec. 24, 1903	1.875	1.685	3.560	.800	4.360
Average	2.064	1.685	3.749	.691	4.44
Dec. 31, 1903[1]	2.122	1.348	3.470	.840	4.310
Jan. 4, 1904	2.122	1.348	3.470	.840	4.360
Jan. 7, 1904	2.122	1.348	3.470	.840	4.360
Jan. 14, 1904	2.002	1.348	3.350	1.010	4.360
Jan. 21, 1904	1.962	1.348	3.310	1.050	4.360
Jan. 28, 1904	1.962	1.348	3.310	1.050	4.360
Feb. 4, 1904	2.002	1.348	3.350	.910	4.260
Feb. 11, 1904	2.002	1.348	3.350	.910	4.260
Feb. 18, 1904	2.002	1.348	3.350	.910	4.260
Feb. 25, 1904	2.027	1.348	3.375	.885	4.260
Average	2.033	1.348	3.380	.925	4.31

[1] Dec. 27, 1903, Cuban reciprocity effective, reducing duty on 96° sugar to $1.348 per 100 pounds.

DISTRIBUTION OF 33.7 CENTS REMISSION OF DUTY.

After lowering the duty 33.7 cents per 100, the New York wholesale price of granulated sugar declined only 13 cents per 100, 20.7 cents per 100, or 61.4 per cent of the entire reduction, being appropriated by American refiners.

Mr. McCUMBER. Mr. President, I shall condense into five minutes the one-hour speech which would be allotted to me, if Senators will allow me to do so now. There is not a pound of sugar produced in my State. The sugar industry is a very important industry in several States of the Union. I feel, therefore, under the unanimous-consent agreement, that the time which is allotted to the discussion of the sugar schedule should be given, as far as possible, to those Senators representing the States in which the sugar industry is an important factor in their industrial life. But, Mr. President, I think I would be derelict in my duty as chairman of the Finance Committee if I failed to take notice of the remarks of the Senator from Mississippi [Mr. HARRISON], and especially to

note some of the matters which were printed by him in the RECORD the other day.

I do no injustice to any member of the Committee on Finance when I say that the Senator from Utah [Mr. SMOOT] has a greater practical and technical knowledge of the more important schedules of the tariff bill, and especially of the cotton, the woolen, and the chemical schedules, than any other Senator upon the committee or of any other Senator in this body. As an indefatigable worker, as a studious Senator, one who works every minute for long hours every day, I think I but speak the voice and express the sentiment of every Senator upon the committee when I say that the Senator from Utah has no peer in the United States Senate. His sterling integrity in the presentation and consideration of the various items of the tariff bill, his candor and fairness and honesty in the discussion of them, will be acknowledged by every member of the committee, Democrat and Republican alike; and I know that every member of the Committee on Finance agrees with me that any insinuation or suggestion coming from any source which challenges the honesty or the integrity or the fairness of the Senator from Utah demands condemnation from all those who know him.

Mr. President, I know the situation that faced the sugar industry in Utah in the year 1920; I realize the situation that was then faced by the Senator from Utah. He saw a great industry, one of the most important in his State, being driven into bankruptcy; he saw every bank in that State threatened with the necessity of closing its doors; he saw the trail of misery which he keenly understood would follow the consummation of the purpose to destroy the beet-sugar industry in the State of Utah and the result which would ensue to the banks that had been giving that industry credit. It was, therefore, but natural that, as a representative of that great State and its interests, he should lend an ear to any honorable suggestion coming from Cuba or elsewhere, the result of which would be to save his State from ruin. I think any of us would have done likewise had we seen and understood the situation as he saw and understood it.

I think the Senator from Utah has explained honorably, fairly, and fully every insinuation and every charge made against him in the press; and I know I voice the sentiment of those Senators who have worked with him for many years in defending him against any challenge of his honesty or his integrity or his fairness in dealing with this or any other great national question.

Mr. HARRISON. Mr. President, I am sure that the Senator from North Dakota would not put me in the attitude of questioning the honesty or integrity of the distinguished Senator from Utah [Mr. SMOOT]. I know of no Senator for whom I have a greater degree of fondness. I like him very, very much. I appreciate his sterling qualities. I know that he is very industrious, most able, and because of his long experience he is a most valuable Member of the Senate. However, Mr. President, we are here considering a proposition of laying a duty of 2 cents a pound upon sugar imported from Cuba, that being, as I understand, the amendment to be offered by the Senator from Louisiana [Mr. BROUSSARD].

Then, too, we are to vote as to whether or not we shall retain the 1.6 cents a pound as carried in the House bill, which is incorporated in this paragraph. There will also be amendments offered to reduce the duty to 1.4 cents a pound and to 1 cent a pound. I was discussing those propositions so that the country might know and Senators might have the facts before them as to the attitude of the coming chairman of the Finance Committee, who will succeed the distinguished Senator from North Dakota on the 4th of March next year, and what he thought of the proposition of placing a duty of 1.4 cents a pound on Cuban sugar in the permanent tariff law. He stood for it; he said that he would use his good offices in having it placed in the permanent tariff law.

The condition, it is quite true, was that Cuba for this year was to produce only 2,500,000 tons of sugar; but the agreement said nothing about what was to be done this coming year and the year following; in other words, for one year, namely, this year, it was agreed that if Cuba should cut her production to 2,500,000 tons there would be written into the permanent tariff law a duty of 1.4 cents a pound on raw sugar coming in from Cuba. That was to be the permanent duty. So I was discussing the question as to whether or not the Senator from Utah would have ever suggested such a proposition if he had not thought that rate had been sufficient in the years to come to protect the sugar-beet interests of this country.

All I did on last Saturday was to show these facts. I did not have the letter and I have never been able to see the letter nor to hear it read until to-day. I called for it a month or six weeks ago. The Senator from Utah, however, was very courteous and kind. He said he would not let me have it that day, but that in the course of time we should all know what the contents of the letter were. I had heard that the letter proposed to the Cuban producers through General Crowder that if Cuba would restrict her crop to 2,500,000 tons this year the Senator from Utah would use his good offices to make the rate 1.4 cents a pound. The Senator from Utah to-day in reading the letter reaffirms everything that I stated on last Saturday touching the letter. So there is nothing in conflict about it, there is little difference between us, except that I did not know the letter contained the further proposition that he would try to see that legislation was passed by Congress permitting sugar to come in from Cuba in bond, so that it might be shipped right out to Germany or England or somewhere else with the 99 per cent drawback. I presume, although I do not know—and that is why I wanted to ask the Senator a question when he was speaking—that he introduced a bill to carry out that proposition. I am wondering now if the Senator from North Dakota, the chairman of the committee, knows whether any bill to that effect has been introduced and referred to the committee.

Mr. MCCUMBER. Mr. President, I will state that it is not necessary to introduce such a bill, because that may now be done under the present law.

Mr. HARRISON. It may be done under the present law. The Senator from Utah was mistaken, then, when he thought that it would take additional legislation, because the letter, as I heard it read, said that he would try to secure the enactment of legislation by Congress to carry out that suggestion. So, Mr. President, in the Senator's letter he reaffirms everything that I stated last Saturday touching its contents.

I know that the Senator from Utah is greatly interested in his people, who are interested in sugar and in beet production—I do not mean personally; I care nothing about that—but it was a strange admission which the Senator from Utah made this morning in his speech. He said that the industry was in such dire distress that when its representatives came to see him he went with them to see Eugene Meyer, jr., head of the War Finance Corporation, and used his influence to get Mr. Meyer to loan over $7,000,000 to these interests; but he said then that he felt the Government might lose it unless some legislation could be enacted or some agreement entered into which would protect them against the sugar that would come in from Cuba. That is a pretty strong admission.

The Senator from Utah says that it was not officially done. However, Mr. President, General Crowder is the representative of this Government to Cuba, sent there to aid and assist Cuba in working out her economic problems. He came here and saw the Senator from Utah, so the Senator from Utah says, conferred with him, and finally got him to write the letter.

The Senator also said that the letter contained the statement, "I have the sugar schedule in charge as a member of the Finance Committee, and I will hold it up until I hear from you, after you have consulted with the President of Cuba."

Mr. President, thus is the chapter written, and I shall leave it. If Senators want to vote for a tariff rate of 2 cents a pound on sugar, if they want to vote for a rate of 1.6 cents a pound on sugar, let them do so; but I say to them when they do it they are voting in the teeth of the statement by the Senator from Utah [Mr. SMOOT] that a rate of 1.4 cents would be written in the permanent law or that it would be in the permanent law if it was in his power to bring it about, provided that the production of Cuban sugar were restricted to two and a half million tons this year.

So far as the Grover letter is concerned, I stated in my speech on last Saturday that it was published in the newspapers. I read a copy of the whole instrument; I said I did not know anything about Grover, but I gave his address. I do no know anything about the outcome of the scheme, but I said then it was a damnable scheme, and I doubted if he could get anybody to go into it. However, the thing that struck me in it was that he said that there was a "congressional arrangement" to back it up, and so I offered the resolution.

The Senator from Massachusetts [Mr. LODGE], the leader on the other side, and the Senator from Utah [Mr. SMOOT] and other Senators over there promised me that if I would offer a resolution providing for an investigation so that the country could have the facts, so that if anything smeared their names it might be cleared away, but, notwithstanding that promise, when I offered the resolution last Saturday objection came from the other side, and when this morning as soon as the Senate convened I again offered the resolution for an investigation, the Senator from Utah himself made the objection. I now offer the resolution again and ask for its immediate consideration.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll and the following Senators answered to their names:

Ashurst	Hale	Moses	Smoot
Ball	Harris	New	Spencer
Borah	Harrison	Nicholson	Stanfield
Brandegee	Heflin	Oddie	Sterling
Broussard	Jones, N. Mex.	Overman	Sutherland
Bursum	Jones, Wash.	Pepper	Swanson
Calder	Kendrick	Phipps	Townsend
Cameron	Keyes	Pittman	Trammell
Capper	Ladd	Pomerene	Underwood
Caraway	Lenroot	Ransdell	Wadsworth
Curtis	Lodge	Rawson	Walsh, Mont.
Dillingham	McCormick	Reed	Warren
Fletcher	McCumber	Sheppard	Watson, Ga.
Frelinghuysen	McKinley	Shortridge	Willis
Gerry	McLean	Simmons	
Gooding	McNary	Smith	

The PRESIDING OFFICER. Sixty-two Senators having answered to their names, a quorum is present. The question is on the unanimous-consent request of the Senator from Mississippi [Mr. HARRISON].

Mr. CURTIS. Mr. President, at the request of the Senator from Utah [Mr. SMOOT] I object.

The PRESIDING OFFICER. Objection is made.

Mr. GERRY. Mr. President, I intend to show that the duties fixed under the bill on this schedule were fixed at a time when there was an entirely different condition in the sugar market and that the conditions now are not what the beet-sugar industry expected them to be for the summer of 1922.

I shall first take up and give the different duties.

Under the Dingley and Payne-Aldrich bills the duty on sugar was 1.68 cents per pound. Upon the Cuban sugar that would equal 1.34 cents per pound, as Cuba, under her treaty with us, has a 20 per cent differential in her favor. In other words, Cuban sugar comes into this market 20 per cent cheaper than sugar from any other foreign country. Under the Underwood bill the duty was 1.25 cents a pound on full-duty sugars, and on the Cuban sugar it was 1 cent. Under the Fordney bill, which is the one now under consideration, the Senate committee made no changes in the rates fixed in this schedule and assess a duty of 2 cents per pound, which on Cuban sugar would be 1.6 cents per pound.

The Senator from Louisiana [Mr. BROUSSARD] has offered an amendment, which I understand is the amendment pending before the Senate, making the duty 2½ cents per pound. This would mean that the Cuban sugar would have to pay 2 cents per pound, a very large increase over the rate carried by the pending bill.

Mr. President, I intend now to take up briefly the amount of sugar consumed in this country and where it comes from.

It used to be estimated that the United States consumed 4,500,000 tons of sugar annually. That amount has been increased until the United States this year is consuming at least 5,000,000 tons. Of that amount, the Tariff Commission estimates for the year 1921–22 are to the effect that Louisiana would produce 238,393 tons.

Mr. BROUSSARD. Mr. President, is that for 1920 or 1921?

Mr. GERRY. For 1921–22.

Mr. BROUSSARD. I will ask the Senator if that estimate was not made before the end of the year?

Mr. GERRY. When does the Senator mean—before when?

Mr. BROUSSARD. I mean, before the crop was harvested.

Mr. GERRY. Before July 1?

Mr. BROUSSARD. We harvest from October 15 to the 1st of January, approximately. If it was made during this year, it was merely an estimate.

Mr. GERRY. I can only state that the estimate I have is dated May 9, 1922. Exactly when the sugar is coming in I do not know; but I will say to the Senator that after I have given my figures it is my intention to state—and I think probably the Senator will agree with me—that these estimates, in my opinion, are too large.

Mr. BROUSSARD. They are too small in the case of my State. I shall get the proper figures and produce them here.

Mr. GERRY. I shall be very glad if the Senator will put them in. I tried to get correct estimates, but for some of the countries I think that they are too large.

Mr. President, Texas furnishes 2,920 tons. The beet industry is estimated here at 911,190 tons. This would make a total for domestic sugar of 1,397,313 tons. Besides the domestic sugar that I have mentioned there are certain other sugars that come in from other countries free of duty—Porto Rico, 395 tons; the Hawaiian Islands, 480,000 tons; the Virgin Islands, 5,000 tons; and the Philippines, 276,000 tons. These estimates are all given in long tons, and the total is 2,308,503 tons.

From further information that I have received I believe that the beet-sugar industry in the United States will produce probably nearer 800,000 than 900,000 tons; but in any case, roughly speaking, the United States will produce less than half of the sugar that it will consume. It will import something like 2,700,000 tons in order to make up the deficit.

Whatever can be said about a duty not being effective on a commodity, I do not believe it can be contended for one moment that a duty is not effective in raising prices if the commodity is one which the home market can not supply the demand for. I think the tables presented to-day by the Senator from Utah are interesting, as showing conclusively that when the sugar duties were lowered the price of sugar went down, and I intend later to say a few words about the theory which he propounded this morning on that subject.

The beet-sugar interests of this country have always contended, and I think quite naturally, for a protective tariff on sugar. They claimed, first, that it was an infant industry. Probably when they started making that claim it was, and their contention was sound; but that can not be said of it now.

The first beet-sugar factory in this country was started by a man called Edward Lee Church, at Northhampton, Mass., in 1838. The State of New York at one time gave bounties, and the industry was then started there, but when it ceased to give bounties the industry died.

The beet-sugar industry has grown from small beginnings, when Doctor Wiley took an interest in it, in the nineties, until to-day it is a very large industry, producing something less than one-fifth of the sugar we consume. It is located in something like 17 States of the Union and has large factories in California, Nevada, Utah, Colorado, Idaho, Michigan, and other States.

When it was first suggested that sugar should come in from the Hawaiian Islands and the Philippine Islands free of duty there was a hue and cry by the beet-sugar interests that it would kill that industry in this country. The same argument was used in regard to Porto Rican sugar. But it did not happen. Hawaiian, Porto Rican, Philippine, and Virgin Island sugar comes in free of duty, and it has not injured the beet-sugar industry here.

Hawaiian and Philippine sugar is marketed on the Pacific coast, and comes in closer competition with the beet-sugar industry than any other sugar, and yet it has had practically no effect in injuring the industry.

Mr. President, when the sugar schedule was being considered the beet-sugar people came before the Finance Committee and contended that they would have to meet a 2-cent raw Cuban sugar; that the then quoted price on beet sugar was $4.80, and that if the Cuban sugar came in at 2 cents it would drop to $3.80; that the average cost of producing beet sugar from this crop was estimated at 16 of the largest factories at $5.19 a hundred pounds for the territory west of the Missouri River. For the territory east of the Missouri River the cost might be a little higher. I am quoting from page 2279 of the hearings held by the Finance Committee. At the present time, according to the last quotation I have, dated July 27, Cuban sugar is not selling at 2 cents, but the 96° centrifugal is 3.75 cents c. i. f. The centrifugal, duty paid, is 5.36, and the refined granulated is 6.90 to 7.

The average total cost of production for the factory, as estimated by themselves—and we know they are not giving themselves the worst of the argument—is 5.42 cents per pound on the average. If we take the 6.90 minus the usual 2 per cent trade discount, it would leave 6.78. Deduct from that 5.42, the factory cost of production, and we have 1.34, the margin which the factory now has over their cost of production. If from that 1.34 we deduct 0.6 of a cent, we get 0.74 of a cent, or the margin which the beet-sugar people would have under the Underwood rate. Instead of their having to meet in competition sugar selling for 2 cents a pound, they are meeting granulated sugar which is selling at 6.90 or 7 cents a pound.

These figures I have given of the cost of production of the beet-sugar industry are entirely figures of the factory, of the manufacturers themselves, as I have already stated.

The committee did not attempt in any way to examine into the cost of production. There is nothing in the hearings at all to show really accurately what the cost of production was. They simply called in a manufacturer and asked him what it cost him to manufacture sugar, and he gave them his estimate. They did not go into the capitalization of the corporations, they did not go into the amortization that was being made, or the surplus that was being built up, or the wages that were being

paid to labor. So I think that when I state these figures, 5.42, as the cost of production for the beet-sugar industry, I am certainly not doing the industry any injustice, and probably the actual cost of production is a great deal lower.

Mr. BROUSSARD. Mr. President——

The PRESIDING OFFICER (Mr. ODDIE in the chair). Does the Senator from Rhode Island yield to the Senator from Louisiana?

Mr. GERRY. I would like to finish the statement, then I will yield.

Mr. BROUSSARD. Just along this line.

Mr. GERRY. Very well; I yield.

Mr. BROUSSARD. I call the Senator's attention to the fact that on Saturday I furnished estimates of the cost of production here and in Cuba from the War Industries Board, the Department of Commerce, Miscellaneous Section No. 53, from Doctor Wright, of the Tariff Commission, and from the Times of Cuba, one of the leading papers there. That shows an average of over 2½ cents difference in the cost of production in favor of Cuba according to these various departments.

Mr. GERRY. I do not think the Senator's statement is any answer to my argument whatsoever. I am quoting figures as to what the sugar is selling for on the market in the United States to-day, and I have shown that the price is above what the beet-sugar people claim they can manufacture sugar for.

Mr. BROUSSARD. If the Senator will permit, that occurs every year. Just as soon as Louisiana sugars and the beet sugars are sold out the American Sugar Refining Co., being the only people who can sell sugar here, raise their prices, and so it is to-day; but if you put this tariff duty on it would not affect the price at all.

Mr. GERRY. The Senator interrupted me before I had an opportunity to go further into this matter, and I will have more to say about it. I know the Senator's argument, that a tariff does not raise the price of sugar, but I also know that the Senator from Louisiana is as much in favor of increasing the price of sugar as is the Senator from Utah. He is in favor of a 2.5-cent rate on sugar instead of the 2-cent rate fixed under the bill.

I will now go on with the testimony before the committee in regard to the beet-sugar industry. It developed in the hearings that a ton of beets—and the Senator from Utah [Mr. SMOOT] is my authority for this statement—would produce 233 pounds of sugar, and that they were paying a minimum price of $6 a ton for the beets. It develops that since the time of the hearing the factories are no longer paying $6 a ton for the beets, but that the minimum price has in many cases dropped to $5 a ton. This means that the beet cost in the manufacture of sugar would be 2.14 instead of 2.57 cents per pound of sugar. This in some degree accounts for the figures which I have just given and which I understand were very carefully ascertained by the Tariff Commission, showing that the beet-sugar industry can produce at 5.42, as the cost of the beet is 55 per cent of the cost of production.

Mr. President, when the beet-sugar producers and manufacturers were coming before the committee and clamoring for this tariff they were figuring on a tremendous surplus of sugar. They figured that Cuba had carried over from the preceding crop at least 1,400,000 tons and the crop of 1921–22 was estimated at 3,600,000 long tons, and after allowing for Cuban consumption this would leave 4,850,000 tons.

The beet sugar and Louisiana cane sugar crop expected to be remaining at the beginning of January was approximately 750,000 long tons. The crops of Hawaii, Porto Rico, and the Virgin Islands were estimated at 825,000 tons. The proportion of the Philippine crop likely to come into this market was placed at 100,000 tons. This makes a total from domestic sources of 1,675,000 tons. In addition there was a proportion of the 1922–23 crop of Louisiana and of beet sugar to be counted as available for consumption before the end of the year, estimated at somewhere near 500,000 tons. This made a grand total of about 7,000,000 tons theoretically available in the United States market during the coming year.

On the basis of the probable consumption of 4,500,000 tons, this forecast indicated a possible surplus at the end of the year of 2,500,000 tons, less whatever amount Cuba might be able to sell in other countries. Naturally, being faced with this surplus, the sugar interests in the country became panicky and wished to place a tariff on the statute books that could protect them. They succeeded in getting a 1.6-cent duty in the emergency tariff law, which is the same as proposed in the pending bill. I am speaking now of the Cuban duty. They were demanding very urgently that this was not enough and that it ought to be a 2-cent duty, and they are still asking for it. They were not satisfied to leave it as a temporary tariff to meet a temporary condition. They insisted that it should go into a permanent law, so that it should not only protect them now but that they should reap that rich harvest in the future. The Finance Committee of the majority on the other side of the Chamber very graciously acquiesced in their demands.

Now, Mr. President, let us see what the actual conditions are. I am quoting now from a publication known as Facts About Sugar, which is published weekly by the Domestic Sugar Producers (Inc.), and which therefore can not be considered partisanly in favor of any proposition that would decrease the cost of sugar in this country.

The Cuban crop was found to be 200,000 tons more than was originally figured. In other words, the 1921–22 crop was 3,800,000 tons instead of 3,600,000 tons. Up to the 1st of July Cuba had shipped to this country a trifle less than 2,650,000 long tons and had shipped to markets other than the United States nearly 1,000,000 long tons of raw sugar, while the United States had shipped to foreign countries the equivalent of over 650,000 tons of Cuban raws in the form of refined. Cuba's balance, therefore, can be hardly more than 1,200,000 long tons of sugar on hand. Within the same period more than two-thirds of the season's production in Hawaii and Porto Rico has been brought to the mainland and passed into distribution and over 100,000 tons of Philippine and full-duty sugars have been marketed here. For the remainder of the year we may expect to receive from Hawaii and Porto Rico 165,000 long tons and from the Philippines 60,000 long tons. To this may possibly be added 25,000 tons from the next Hawaiian crop, making the receipts from these sources 250,000 tons. On the basis of the acreage sown, the beet sugar during the next campaign is not likely to exceed 700,000 long tons, of which possibly one-half will become available before the end of September. If growing conditions in Louisiana remain favorable, 200,000 tons may be contributed from that source. This would bring the total domestic supply to 900,000 tons. In other words, the United States has been consuming sugar, taking into account the amount that is refined and shipped abroad, at the rate of 600,000 tons a month. For the remaining six months of the year only 275,000 tons a month, which is less than the consumption for the corresponding period in recent years, will be necessary in order to use up the entire available supply.

I quote from this publication in conclusion:

> It means that the sugar production is back on a stable and profitable basis much earlier than could have been anticipated six months ago and that it gives every promise of continued activity and sustained prosperity for the next several seasons at least.

Mr. President, the sugar situation has righted itself without any artificial stimulation. The great surplus of sugar which was terrifying the domestic manufacturers is rapidly disappearing, and it looks, from what I have just read, as if the supply would not be able to meet the demand in the next six months, taking into consideration the fact that in the summer time great quantities of sugar are used for canning, soft drinks, and other purposes of that sort.

When the Senator from Utah [Mr. SMOOT] was so anxious about the condition of the sugar market and was consulting, as he stated to-day, with General Crowder and Mr. Meyer, hoping that Cuba would limit her output to 2,500,000 tons, it was fortunate indeed that the plan did not go through, for it is perfectly apparent now that if it had been adopted there would have been a tremendous deficiency in the sugar market, and we would have gone back to the excessively high prices of sugar which existed in 1920. We would have gone back to those conditions, and the poor people of the country would have had another burden placed upon them, another increased cost added to the already high cost of living, and on one of the commodities which they all must use.

Mr. President, if we study the world sugar conditions it seems rather extraordinary that the sugar producers in this country should have been quite so scary as they appeared to be. The total production of cane sugar in 1913–14 was 9,831,536 long tons, and of beet sugar 8,634,992 long tons, making an aggregate production of 18,436,478 long tons; in other words, in 1913–14 the world was consuming, roughly, one and a half million more tons of sugar than was produced in 1921–22, for the estimates for that period indicate that the world's production will only be 16,916,270 tons.

Mr. President, it seems to me that anybody who studies the conditions as they actually exist will come to the conclusion that the beet-sugar industry is able to produce profitably not only under the present duty but under the duty which was provided by the Underwood-Simmons law.

I have here a statement which I shall review briefly, and then I shall ask unanimous consent that it may be printed in the RECORD, showing the profits of some of the large beet-sugar companies as bearing on the question how much they really need protection.

Mr. President, the contention when the emergency tariff act was passed, and when the pending bill was passed in the other House, and taken up by the Finance Committee of the Senate, was that the beet-sugar industry was suffering from very hard times and that Congress must do something in order to save its life. That also was the contention of the Senator from Utah [Mr. SMOOT] to-day. I think, however, I have demonstrated that, in spite of the dark prophecies, the condition of that industry is such that it has nothing to fear but increased dividends. The American Beet Sugar Co. in 1915 had net earnings of one million four hundred and twenty-four and odd thousand dollars; its preferred stock paid a dividend of 28 per cent, and its common stock paid a dividend of 7 per cent. I am quoting now from Moody's Analyses of Investments. In 1916 the net earnings had increased to $2,445,000; in 1919 they were $1,200,000 and over; in 1920 the net earnings were $2,425,000; in 1918 they paid 62 per cent on the preferred stock and 18 per cent on the common stock; in 1920 they paid 48 per cent on the preferred stock and 14 per cent on the common stock; yet, after corporations making these large profits for the last five or six years, the beet-sugar people claim that they must have the proposed high rates of duty if these poor weaklings are to survive, although the American Beet Sugar Co. have a capitalization of $5,000,000 preferred stock and $15,000,000 of common stock. The Utah-Idaho Sugar Co.'s net earnings in 1915 were $1,129,000; in 1916 they were six million four hundred and forty-five and odd thousand dollars. In 1920 the company did not report their net earnings, but the rate of dividends paid in 1915 was 11 per cent; in 1916 it was 12 per cent; and in many other years it was 9 per cent.

On May 17, 1917, however, a stock dividend of 150 per cent was paid on the capital stock of $10,000,000, and the present outstanding capital stock is $23,730,000.

The Great Western Sugar Co. has a capital of $13,630,000 preferred stock and $15,000,000 common stock. Its net earnings are not reported, but its preferred dividends have been 7 per cent and its common dividends 5 per cent, 7 per cent, and so on. The Amalgamated Sugar Co. has a capital of four million eight hundred and odd thousand dollars preferred stock and over $6,000,000 common stock, making a total capital stock of over $10,000,000. Its net earnings in 1916 were $1,857,000, and in 1917 they were $2,680,000. It has paid 12 and 13 per cent dividends. Prior to 1919 its outstanding stock was $5,824,400 of common. Since that time the common stock has been increased to $6,824,400 and $4,833,300 of preferred stock was issued. Apparently as the net earnings increased the capital stock was increased.

The Holly Sugar Co. has a capital stock of $3,300,000, and the Union Sugar Co. a capital of $2,530,000. I ask unanimous consent that the statement from which I have quoted may be printed in the RECORD in connection with my remarks.

The PRESIDING OFFICER. Without objection, the statement will be printed in the RECORD.

The matter referred to is as follows:

Statement showing profits and dividends of certain beet-sugar companies west of Mississippi River.

AMERICAN BEET SUGAR CO.

(Owns and operates six beet-sugar factories in Colorado, California, and Nebraska.)

Capital stock:
Preferred $5,000,000
Common 15,000,000

Year.	Net earnings.	Amount of dividends paid.		Earned on stock.	
		Preferred.	Common.	Preferred.	Common.
				Per ct.	*Per ct.*
1915	$1,424,654	$300,000		28	7
1916	2,445,190	300,000	$900,000	48	14
1917	4,882,980	300,000	3,000,000	97	30
1918	3,135,188	300,000	1,200,000	62	18
1919	1,200,740	300,000	1,200,000	24	6
1920	2,425,000	300,000	1,200,000	48	14

(Moody's Analyses of Investments, 1921, p. 1413.)

UTAH-IDAHO SUGAR CO.

(Owns and operates 15 beet-sugar factories in Utah, Idaho, and Washington.)

Year.	Net earnings.	Amount of dividends paid.	Rate dividends paid.
			Per cent.
1915	$1,129,906	$566,984	11
1916	3,365,600	1,039,470	12
1917	6,445,202	1,133,967	9
1918	1,525,449	1,937,336	9
1919	978,290	2,136,371	9
1920	(1)	(1)	.....

[1] Not reported.

On May 17, 1917, stock dividend of 150 per cent was paid on capital stock of $10,000,000. The present outstanding capital stock is $23,730,000.

(Moody's Analyses of Investments 1921, pp. 1712–1713.)

GREAT WESTERN SUGAR CO.

(Owns and operates 16 beet-sugar factories in Colorado, Nebraska, Montana, and Wyoming.)

Capital stock:
Preferred $13,630,000
Common 15,000,000

Year.	Net earnings.	Amount of dividends paid.		Rate dividends paid.	
		Preferred.	Common.	Preferred.	Common.
				Per ct.	*Per ct.*
1915	Not reported.	$954,100	$750,000	7	5
1916	do	954,100	1,050,000	7	7
1917	do	954,100	5,550,000	7	37
1918	do	954,100	7,050,000	7	47
1919	do	954,100	7,050,000	7	47
1920	do	954,100	7,050,000	7	47
1921	do	954,100	2,662,500	7	17½

Calculated from rate of dividends paid. (Moody's Analyses of Investment, 1921, p. 210.)

AMALGAMATED SUGAR CO.

(Owns and operates eight beet-sugar factories in Utah and Idaho.)

Capital stock:
Preferred (issued July, 1919) $4,833,300
Common 6,284,400

Year.	Net earnings.	Amount of dividends paid.	Rate of dividends paid, common.
			Per cent.
1916	$1,857,595	$665,172	13
1917	2,680,755	698,928	12
1918	1,422,214	698,928	12
1919	389,267	204,732	3
1920	329,633	386,664	[1]8

[1] Preferred.

Calculated from rate of dividends paid. (Moody's Analyses of Investments, 1921, pp. 1412–1413.)

Prior to 1919 the only outstanding stock was $5,824,400 common. At that time this was increased to $6,824,400, and $4,833,300 preferred was issued.

UNION SUGAR CO.

(Operates one factory at Batteravia, Calif. Outstanding capital stock, $2,530,000.)

Year.	Net earnings.	Dividends paid.
		Per cent.
1915	$413,525	8
1916	912,586	11
1917	944,977	24
1918	494,857	24
1919	626,414	16.8
1920	926,887	16.8

Mr. BROUSSARD. Mr. President——

Mr. GERRY. I yield to the Senator from Louisiana.

Mr. BROUSSARD. I know nothing of the beet-sugar companies; but I should like to ask the Senator whether any of the corporations to which he has referred have any accumulated surplus or undivided profits? If they have, of course, it would reduce the percentage of dividends.

Mr. GERRY. I know no more than what I have stated. All I did was to go to Moody's Manual for the facts which I have stated. The committee absolutely did nothing to ascertain the financial condition of these companies. As I have already said,

they did not try to determine what the cost of production was; they simply, according to the testimony in the record, accepted the statements of the men interested in beet-sugar manufacture. It also seems apparent that as the net earnings, as I have said, increased, they promptly increased their capital stock.

Mr. BROUSSARD. Which means that they permitted the profits to be reinvested.

Mr. GERRY. Possibly so, or they paid them in stock dividends.

Mr. BROUSSARD. Mr. President, I was moved to ask the question for the reason that I have in mind a small bank in my little town, which has a capital of $50,000, a surplus of $500,000, and undivided profits of $137,000. They have been passing by their dividends and permitting the accumulation of the surplus and undivided profits, but notwithstanding the value of the stock it is difficult to sell it on the market, although it declares 70 per cent dividends on the $50,000 capital, and which is less than the average man is satisfied to receive for the $1,400 it costs. Those who control the bank, however, have passed up the dividend for years, until they have accumulated the profit I have indicated. So that the percentage of dividend does not indicate anything, unless the capital, the undivided profits, and surplus are also stated.

Mr. GERRY. As I said before, if the committee had gone into the matter in the way I wish they had, we probably would have had a great deal more light on the subject, but not having any other information I simply took the figures furnished by Moody's manual.

Mr. President, these corporations that I have referred to are very successful, and they are to be congratulated on being so. Everybody, I feel sure, is glad of the success of their industry, but what the public objects to is their continual contention that they can not carry on their industry without a high protective duty and that they will be on the verge of bankruptcy unless this proposed duty be granted to them.

I submit that the figures I have just put in the RECORD prove that this is not the case. This industry has been painted as a great industry for the farmer as doing much for western lands and doing much for the little homesteader—in other words, as being of great value to the small American family—and naturally everybody is kindly disposed toward anything that helps out the small family in making a living. Unfortunately, however, from my studies of this industry I find that those rosy pictures painted by those interested in the beet-sugar industry are not entirely correct. In many fields where the best is harvested, foreign labor is employed; Mexicans and Russians are brought in; much of the labor is transient. Many do not make homes, and those that do are not making them altogether under the best conditions.

The Children's Bureau has a very interesting pamphlet showing the school conditions that existed in certain counties in Colorado, where it was found that children were not attending the schools properly; that out of 980 children from 9 to 16 years of age, 40 per cent were from one to seven years below the normal grades of their age. The report shows an average of 9 to 10 hours and even more as a working day for children between the ages of 8 and 13 years; that the children are employed in thinning the beets; that their parents reaped quite a profit from their industry, with the result that they kept their children away from school. The school statistics were appalling; as soon as the beet season commenced these children were dragged away from school and employed by their parents in the field; that if a man had a large family of children he was able to take sometimes as many as 20 or 25 acres of beets to cultivate, and that the children were growing up with very little education.

That is not all, however, Mr. President. These children, on an examination by one of the child-labor committees, were found to be physically injured by this very heavy work of topping and attending to the beets and the very long hours that they worked. They suffered from postural deformities and malpositions, apparently due to strain, and that was shown to be the case with 70 per cent of more than a thousand children who were examined by a physician. This was caused, it was thought, by the lifting of heavy weights and the stooping required in topping. Thus not only were these children kept from school but they were also physically injured.

I have here some photographs, if any Senator cares to see them, of the children working in the beet fields. I know that no Senator would be in favor of any such use of children as that.

Mr. SMOOT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from Utah?

Mr. GERRY. In a minute. I feel sure that in the States in which this occurs some legislation ought to be passed in order to prevent it.

Now I yield to the Senator from Utah.

Mr. SMOOT. I have seen those photographs, and one of them shows the children pulling up the beets. Of course, the Senator knows that nobody pulls the beets—men or anybody else. They are plowed. Nobody could pull the beets, and whoever took those photographs had a special occasion arranged for the purpose of taking them. I want to assure the Senator from Rhode Island that they are untrue. They do not show the practice in the beet fields in the West.

The only work that a child does in a beet field, and very few of those, is to thin the beets. They do not have to stoop over. They have overalls, and they walk on their knees. A child can do it much easier than a man and better than a man. A child can thin a row of beets quicker and better than a man or a woman can. They are not hurt at all. It is the easiest sort of work, and it has been a godsend to lots of those children to keep them off the street outside of school hours. They have had a way of making a little money, and I know of hundreds and thousands of them who have started bank accounts who never would have had a cent to their names otherwise. If there is nothing else in the beet industry, that one thing has had a wonderful influence in giving employment to the children for about one month in the year—not to exceed a month in the year, and not all day, but only a few hours each day—in thinning the rows of beets.

That is all that a child does in the beet fields; I care not what photographs may be taken to show alleged conditions existing. Those photographs, purporting to show a condition that does not exist, must have been prepared for the occasion.

The PRESIDING OFFICER. The Chair will announce that the Senator's hour has expired.

Mr. GERRY. The Senator from Rhode Island is talking on the amendment of the Senator from Louisiana [Mr. BROUSSARD]. I understand that a Senator has one hour on the schedule and one hour on the amendment.

Mr. President, the Senator from Rhode Island did not base his statement entirely on the photographs. The Senator from Utah very likely knows conditions in Utah, but the fact remains that I hold in my hand here a child-labor bulletin, published by the National Child Labor Committee, showing conditions in the beet industry. It states, and I think accurately—it gave the statistics—that children were employed for long hours in Colorado, and not only that but their school attendance was extremely poor, and that, as I have already stated, the children were years behind their grades in school. I do not believe that the National Child Labor Committee was engaged in a propaganda without foundation. I believe they were trying to do good, and I do not think there is a question, and I do not think it can be disputed, that in certain States child labor is employed in the beet industry in a way that is detrimental to future citizens and in a way that should be remedied by State legislation.

There is another feature of the sugar duty. I refer to our relationship with Cuba, and what it means to us both politically and commercially.

After the Spanish-American War we entered into a treaty with Cuba, as I have already stated, by which Cuban sugar received the benefit of a 20 per cent differential in the duty. At the present time the United States receives the benefit of a 30 per cent differential on the commodities that we ship to Cuba, and Cuban imports from this country have grown to a tremendous degree. She was our largest purchaser of hogs, lard compounds, canned sausages, rice, potatoes, beans, onions, brass pipe and fittings, railway passenger cars, cement, calcium carbide, medicinal and pharmaceutical preparations, shoes, harness, saddles, etc. She ranked second in the purchase of cattle, horses, mules, pickled pork, sausage other than canned, poultry, cheese, sweetened condensed milk, cocoa, prepared chocolate, corn, manufactures of asbestos, commercial automobiles and parts, railway freight cars, lubricating greases, automobile tires, electrical machinery, office furniture, railway car wheels and axles, locomotives, boiler tubes, pumps, builders' hardware, galvanized sheets, and so forth.

In 1920 we sold $515,000,000 in commodities in Cuba and bought $720,000,000 from her. The balance of trade is not as much against us as it looks, for a great part of that is offset by the freight and the payment from Cuban industries to American stockholders.

In 1920 the truck-garden products which Cuba bought from the United States amounted to $85,000,000, the dairy products to $15,000,000, over $60,000,000 worth of meat products, and

$93,000,000 of cotton. If we try to strangle Cuba's buying power by putting excessive duties on her main industry, the raising of sugar, we will not only unstabilize conditions in the island, we will not only create financial havoc and unrest among the people—and there are no people in the world we want to be friendlier with or for whom we have more sentimental attachments—but we will also be cutting off our own noses, in a financial way, and dealing a great blow at the farming industry, other than that interested in sugar. In 1919 the United States furnished 78 per cent of all Cuban imports. Last year Cuba rose from seventh to fourth place among our customers.

In regard to the Louisiana sugar, where producers always are demanding a heavy duty, which is so strongly advocated by my colleagues from that State, my contention is—and I am going to be quite frank about it—that the Louisiana sugar industry is practically a hothouse industry; that sugar in order to mature properly really requires 24 months, and very often in Louisiana, on account of the climate, it can not get 12 months, so much of the crop is lost. I believe it would be cheaper for the American people to take Senator Thomas's advice and do what he said in a speech delivered in the Senate in connection with the emergency tariff bill, which I quote. He said:

> I want to say, as I have already said, that it has cost the people of the United States, since the beginning of the sugar industry in Louisiana, many times more than the value of the entire product. We have been protecting it for nearly a century, and when we have not protected it we have paid it a bounty, and still it is about to be ruined; and it will always be in that condition so long as it is possible to secure from the Government of the United States the levy of duties upon the consumer to keep it alive. To my mind it would be better to-day if the United States Government should pay to the people of Louisiana interested in the sugar business the value of their land and their crops, plus 10 per cent, and abandon the business than to continue this constant exaction on the consumers of millions upon millions of dollars from their pockets to the end that it may continue.

That was also practically the idea of former President McKinley when he was in favor of a bounty upon sugar instead of a duty.

I wish now to refer to what these Fordney duties will cost the American consumer and discuss that question very briefly. The total consumption of sugar in the United States at the present time, as I have already shown, is more than 5,000,000 tons annually. The cost to the people of the United States by the increased duty of 1 cent over that of the Underwood law—in other words, the cost to the American people that the Broussard amendment would entail, would be $110,000,000, without the usual pyramiding which always occurs. This would add $100,000,000 more.

If the House provision is sustained the additional cost to the American people will be something over $66,000,000.

If the beet production of the United States, figured at 900,000 tons, received the advantage of this 1-cent duty provided by the Broussard amendment it would have an advantage of $20,000,000, and if the Fordney rate were agreed to it would have an advantage of $12,000,000.

The per capita consumption of sugar is about 100 pounds. That is, an increase of 1 cent per pound in the duty is an additional tax of about $1 per annum for every person in the United States and a total tax of $2 per capita per annum.

We will have to decide whether we want to vote to-morrow to place this heavy burden on the people of the country, when they are already suffering from the bad financial conditions which now exist. We will be increasing a burden upon one of the greatest necessities of life, and one which hits every man, woman, and child, and we will be doing it in spite of the fact that the industry at the present time needs no such change.

I have already shown that it can exist on sugar selling at 5.42 cents; that the present price of granulated sugar is 6.90 to 7 cents; that even with the Underwood-Simmons duty they would have a sufficient margin of profit; and with the conditions which exist in the sugar market to-day, the decreasing surplus and the increasing demand, sugar will undoubtedly go higher, and more and more of a burden will be placed on the backs of the people.

An additional increase of six-tenths of 1 per cent, as I have already stated, means adding over $60,000,000 to the high cost of living. If you make it 2 cents, it will be $110,000,000, and even the figures the Senator from Utah has given are in answer to the argument that an increase of duty does not increase the price of the commodity. The Senator from Utah argued this morning that while a lowering of the duty lowered the cost of the commodity, it did not lower it as much as the amount of the duty.

I submit that if we can lower the cost of living by lowering any duty on a commodity, such as sugar, even a small amount, we will have done much, and that if it is not lowered the full amount of the duty on account of some combination—and that, I infer, was the suggestion hinted at by the Senator from Utah—then we should investigate those conditions.

I know that in my own State, Rhode Island, and in fact throughout New England, the people in great numbers are out of work; there has been a disastrous strike going on; many of them are in want, and at a time like this, to increase their burdens seems to me absolutely indefensible.

It will not, I contend, destroy the beet-sugar industry of the West if the Underwood-Simmons rate is reenacted, but it should give relief to the people of this country. It is for that reason that I am so strongly advocating the amendment that I send to the desk. I ask to have the amendment printed and pending, so that I can call it up at the proper time.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

Mr. GERRY. I will state that the amendment is simply to substitute the rates in the Underwood-Simmons law for those now proposed by the committee.

Mr. TOWNSEND obtained the floor.

Mr. WATSON of Indiana. Mr. President, will the Senator yield to me for a moment, not to take the Senator's time?

Mr. TOWNSEND. If it does not come out of my time, I yield.

Mr. WATSON of Indiana. May I ask unanimous consent, without coming out of the time of the Senator from Michigan, for the present consideration of a resolution which I wish to report from the Committee on Interstate Commerce?

The PRESIDING OFFICER. Is there objection to the request of the Senator from Indiana?

Mr. SIMMONS. What is the resolution?

Mr. JONES of Washington. Mr. President, I want to suggest that the Senator can not yield for that purpose under the rules.

Mr. WATSON of Indiana. If that be the ruling of the Chair, I want to know about it. This is a resolution from the Interstate Commerce Committee with reference to the investigation of the condition of the engines of the country, but I do not want to take the Senator from Michigan off the floor nor interfere with his speech. If that be the ruling of the Chair, of course I shall abide by it.

The PRESIDING OFFICER. The Chair recognizes the Senator from Michigan.

Mr. WATSON of Indiana. Very well.

Mr. BROUSSARD. Mr. President, will the Senator yield to me? I want to put in the RECORD a figure with reference to the production of Louisiana sugar in 1921.

Mr. TOWNSEND. I am coming to that subject myself, and the Senator could put it in at that time, but I have no objection to his asking to have something inserted in the RECORD now.

Mr. BROUSSARD. I just want to state that the production in Louisiana in 1921, according to the figures given out by the Department of Commerce, was 324,421 tons, which was not high.

Mr. GERRY. The estimates I gave were for the year 1921–22.

Mr. BROUSSARD. This is for the season of 1921–22.

Mr. McCUMBER. Mr. President, I make the point of order that under the unanimous-consent agreement the Senator from Michigan can not yield the floor in this way.

The PRESIDING OFFICER. The Senator from Michigan has the floor and will proceed.

Mr. TOWNSEND. Mr. President, I am a protectionist believing in the theory that those things which can and ought to be produced in the United States should be encouraged to such production by a duty which measures at least the difference in the cost of production here and abroad. To me there is no better example of the needs and benefits of a protective-tariff duty than sugar. It is a necessity. The late war showed that the United States was practically helpless to supply the sugar wants of the people, and hundreds of millions of dollars were extorted from American citizens for even a limited amount of this life essential. It is my contention, sir, that the United States has the land and the facilities for producing all of the sugar that we need here. It has been clearly demonstrated that this can be done. It is my further contention that it is the part of wisdom and patriotism that our people should produce the sugar that they need. The very life of a nation may depend upon its ability to get sugar and in time of war it may not be able to obtain it outside its own confines, hence the imperative necessity that a nation be self-sufficient to its needs for sugar.

I propose briefly and within the hour which is allotted me to give my reasons for the imposition of a rate of 2 cents per pound on 96° Cuban sugar.

THE MOBILIZATION AND DEMOBILIZATION OF THE SUGAR INDUSTRY.

In the fall of 1917 the United States Government, acting through Food Administrator Hoover, assumed the control of the marketing and distribution of sugar in the United States.

As far as the foreign sugar was concerned this was accomplished by negotiations with Cuba, the principal source of such supply. Under the terms agreed upon the Allies purchased the entire output of Cuban sugar at a fixed price and distributed the crop under regulations determined by a joint commission of the allied powers. In the United States the Food Administration controlled not merely the price which was to be paid for raw sugar but also allotted such sugar to the different refiners and regulated the charge which the refiners could make for turning the raw sugar into refined sugar. The Food Administration also regulated the gross profit which the wholesaler and retailer might charge for their services, thus determining directly the price which the ultimate consumer should pay for the finished product. A little later in the war the Food Administration also determined the sugar ration which each individual was permitted to use.

In the matter of control of the domestic sugar and more particularly the beet sugar, the Food Administration fixed the price which the beet-sugar manufacturer should charge for his finished product (granulated sugar), the areas in which such sugar should be marketed, and the customer to whom it should be sold. The beet-sugar manufacturer was not permitted to ship sugar except upon orders received by the Government officials, which orders specified the name of the purchaser, the amount to be shipped, the price to be charged, and the routing by which the shipment was to be made.

This complete control of the domestic product lasted during the beet-sugar season beginning in the fall of 1917 and the season beginning in the fall of 1918. In the season beginning with the fall of 1919 the control of the beet-sugar crop was modified to this extent: Mr. Hoover had resigned as food administrator and the Attorney General had assumed his duties as food administrator. Acting under the law governing profiteering the Attorney General still fixed the price at which sugar could be sold and determined, by request, the territory in which it should be marketed. He did not, however, select the customers to whom it should be sold.

As a direct corollary to the control of the price and distribution of beet sugar the Government exercised, although somewhat indirectly, control over the price which the beet-sugar manufacturer should pay the farmer for his beets. This could not be done with the beets harvested in the fall of 1917, as the beet price had been determined the winter before. The control was, however, complete in this respect concerning the beets planted in the spring of 1918 and the spring of 1919.

When the Government assumed the control of the sugar industry in the fall of 1917 the price fixed for beet sugar was $7.25 per 100 pounds. A little later in the season the price was raised to $7.35 per 100 pounds. At that time the price of cane sugar was about $9 per 100 pounds. The usual difference between cane and beet sugar is from 10 cents to 20 cents per 100 pounds. During the season beginning the fall of 1918 the price fixed for domestic sugar was $9 per 100 pounds, which price was maintained during the season. During the season beginning the fall of 1919 the price fixed for beet sugar early in the season was $10 per 100 pounds. It was afterwards changed to $10.50 per 100 pounds, then to $11 per 100 pounds. and finally, in the latter part of the season, to $12 per 100 pounds. All beet sugar made during the first two years was sold at the price fixed by the Government. During the third season there were a few instances where beet-sugar manufacturers broke over the regulations and sold a portion of their product at more nearly the current market price. The amount of beet sugar thus sold at a higher price was not even 1 per cent of the beet-sugar output and such infractions were dealt with by the Attorney General under the profiteering law. The excuse for such infractions of regulations during the third year of Government control was that while the Attorney General, acting as food administrator, was holding the price of beet sugar at from 10 to 12 cents per pound he was permitting the Louisiana cane sugar to be sold at 17 cents and 18 cents per pound. Further, that foreign sugar was being brought into the country and sold, first hand, at approximately 25 cents per pound.

In the summer of 1919 the Cuban planters tendered to the United States, acting through our Sugar Equalization Board, the crop of Cuban sugar to be manufactured the winter of 1919–20 at 7 cents per pound. The majority of the Equalization Board recommended that the sugar be purchased at this price. The administration did not, however, accept the offer, and it was subsequently withdrawn, whereupon, in September, 1919, the United States Government relinquished all control of foreign raw sugar and advised the American refiners that they were free to purchase their raw sugar in the markets of the world without restriction as to price. The Government still continued its attempt to regulate the refining charge which the refiners might make, and also the gross profits of the jobber and retailer, but this was, however, unsuccessful, as the price of raw sugar steadily rose and it was impossible to trace the identity of raw sugar through the refining process and subsequent marketing transactions. Very soon the price of foreign sugar increased enormously and by the late spring of 1920 the Cubans were charging the American refiners 23 cents per pound for their sugar. To break this price the Food Administration undertook to bring into the country full duty paying sugar, and raw sugar was brought in from 41 different countries, with the result that the Cuban price was broken, but not before the ultimate consumer was paying from 30 to 35 cents per pound for his sugar made from imported raws.

Cuba was left with some 500,000 tons of her sugar on hand upon which the banks of Cuba and some banks in the United States had loaned 15 cents per pound. The result was financial disaster to Cuba. Every bank in that island, with the exception of the branch banks of certain United States banks, failed. This 500,000 tons of Cuban sugar upon which the banks had loaned 15 cents per pound was ultimately sold at from 4 to 5 cents per pound. It has been estimated by Government officials that the people of the United States during the first half of the year 1920 paid for their foreign sugar nearly $600,000,000 more than they would have paid had the United States Government accepted the offer made by the Cubans in the summer of 1919, when they tendered their crop at 7 cents per pound.

During all these months while the people of this country were paying from 30 to 35 cents per pound for their foreign sugar the price of the domestic beet and cane crop was regulated by the Government. As stated before, Louisiana was permitted to sell her crop at from 17 to 18 cents per pound, while the price of domestic beet crop was held at from 10 to 12 cents per pound. In order that the domestic crop might last as long as possible the country was zoned and no beet sugar—except a comparatively small amount distributed by the Sugar Equalization Board—was sold east of Pittsburgh and Buffalo or south of the Ohio River. Even by thus husbanding the domestic beet crop that sugar east of the Mississippi was exhausted by March or April of 1920. While it lasted the ultimate consumer was paying for such domestic sugar from the retail grocer not to exceed 15 cents per pound. East of the Buffalo-Pittsburgh line the ultimate consumer was paying much more for his foreign sugar. Beet sugar lasted in the Western States a little longer but it was sold while it lasted at the Government price of from 10 to 12 cents per pound. When this beet sugar was finally exhausted we had the orgy of high sugar prices throughout the length and breadth of the country, and our people were generally paying from 30 to 35 cents per pound for refined sugar and were glad to get imported raw sugar from the four corners of the world at 25 cents per pound. Ultimately the corner in sugar was broken in the late summer. In August, 1920, the Government withdrew all control of the beet-sugar prices and from that time on there has been unrestricted competition in the selling of sugar. When beet sugar came on the market in the fall of 1920 it was sold generally at 10 to 11 cents per pound, declining steadily until the spring of 1921, when there was a slight flurry in the market caused by an attempt on the part of the Cuban Government to control the price and distribution of Cuban crops through a committee appointed by the Cuban Government under decree issued by the President of that Republic in February, 1921. This control proved abortive and with the exception of the flurry in the early spring of 1921 the market has steadily declined until in the fall and winter of 1921–22 the New York price of cane granulated sugar was $4.90 per hundred pounds, less 2 per cent for cash, or practically $4.80 per hundred pounds, with Cuban raw sugar selling at from $1.75 to $1.94, delivered in bond at New York.

The relinquishment of the control of beet sugar in August, 1920, worked a great hardship on the domestic beet-sugar industry, as the Government had practically fixed the price of beets planted in the spring of 1920 and to be harvested in the fall of that year. This price was the highest in the history of the industry. Under the price fixed by the Government for this crop of beets the manufacturers were obliged to pay the farmers in the fall of 1920 from $12 to $12.50 per ton for their beets. The sugar made from these beets was sold during the season beginning in the fall of 1920 at an average of about 6½ or 7 cents per pound, whereas to have justified the price paid for the beets the sugar should have been sold at at least 10 cents per pound. Some of the factories were unable to dispose of their entire output before beginning manufacturing in the fall of 1921 and actually sold the balance of the crop made from $12 beets at a price which netted the factories but $4 per hundred for such sugar.

The effect of this method of demobilization of the beet-sugar industry was very disastrous. The loss entailed upon the domestic sugar industry up to January 1, 1922, by virtue of the plan of demobilization, with the resultant demoralization of the sugar market, has been the net loss to the beet-sugar industry of about one-third of the $200,000,000 capital invested in that industry.

The experience of the United States in trying to control in time of war a necessary food product like sugar should thoroughly convince the country that it is not safe to depend entirely upon foreign supply. In the first place such supply might be cut off entirely in time of war. This objection would apply with equal force if we should depend upon the supply of sugar produced in our insular possessions. In the second place, when we depend upon a foreign supply our experience demonstrates that it is impossible effectually to regulate the price of such supply, especially during the periods of mobilization and demobilization. We can not always depend upon the friendly attitude of the Government controlling such foreign supply, and, Mr. President, I submit that we ought not to consent to depend upon such foreign control. Neither of these objections holds with reference to a supply of sugar produced within the borders of continental United States. Such a supply is always subject to the absolute control of our Government so far as price, distribution, and marketing are concerned and can not be disturbed by foreign invasion, for the area of production is in the central part of the country. Moreover, if we still maintain our hundred beet-sugar factories with their organizations intact and their beet-growing farmers interested in the business, it is possible, in case of a protracted war, to increase the output of domestic beet sugar at least 50 per cent by simply encouraging the farmers to raise more beets. This would give our people a war ration of sugar even if all foreign sugar and sugar production in our insular possessions were cut off entirely from our market. No fiscal legislation should be passed which would close our beet-sugar factories or cut down our annual output of beet sugar below 1,000,000 tons, which amount is practically one-quarter of our annual consumption of sugar in peace times. To reduce our output below this figure is not only to run an unnecessary war risk but is also to remove from our market the best balance wheel serving to regulate the price of sugar in time of peace.

Mr. President, the raising of sugar beets in the United States is directly in the interest of agriculture. Many of the Senators who are opposing a proper protective tariff on sugar are expressing their extreme friendship for agriculture; and yet I shall show the number of people who are interested in the growing of sugar beets, that it is a great industry, and that its possibilities are unlimited. It is a farmer's product; it contributes to the welfare of the country. The beet-sugar industry should not be destroyed or its growth even retarded by the competition which is furnished by organized capital contributed by people who are not interested in farming or in agriculture, and I think I shall be able to show before I conclude that that class of people are controlling not only sugar production but also sugar prices and distribution, and are influencing this legislation. In my judgment the situation may be summed up in this way: The struggle on the floor of the Senate to-day is a contest between the great sugar refining interests of the East and that which are already absorbing the sugar lands of Cuba and are in control of the sugar output, on one side, and the American sugar-beet growers and sugar producers here in our own country on the other.

Mr. GERRY. Mr. President——

Mr. TOWNSEND. I yield to the Senator from Rhode Island.

Mr. GERRY. Does not the Senator from Michigan think that the consumer is involved at all?

Mr. TOWNSEND. Indeed I do think the consumer is involved; I am not overlooking that fact; but I think that the sugar refineries have no regard whatever for the good of the consumer. They are evidently exploiting Cuba and free or insufficiently protected sugar will destroy American competition and then God have mercy on the consumer. They have never shown the least sympathy for the sugar user; every time the domestic product has been disposed of, the price of foreign sugar has been increased and they have more than recouped the losses which they sustained during the time when they were cutting the price of the domestic product for the purpose of eliminating American production.

The Government reports covering several years prior to our entering the World War show that the amount paid by the beet-sugar factories to the farmers for beets constitutes from 52 per cent to 58 per cent of the total cost of producing sugar. The average of these figures is 55 per cent. For several years to come the costs of manufacture, including transportation, labor, fuel, taxes, and insurance, will average higher than during the years covered by the above-mentioned Government reports. It is fair to assume that for several years to come the amount paid the farmer for his beets will represent not more than 50 per cent of the total cost of producing beet sugar in the United States.

The minimum price for which the farmer will grow the necessary amount of beets to produce a million tons of sugar is $6 per ton. This was the general price in 1916 and 1917, and as far back as 1912 the factories were paying the farmer $5.65 per ton for his beets. It is unreasonable to suppose that with the increased agricultural costs the farmer will grow beets in the future at less than $6 per ton.

The Government reports above referred to show that the average extraction per ton of beets is 240 pounds granulated sugar. When the factories pay the farmer $6 per ton, delivered at the railroad station, for his beets they are paying that amount for the 240 pounds extractable sugar in the beets; that is, they are paying the farmer at the rate of $2.50 per hundred pounds for the extractable sugar in the beets. If such payment represents 50 per cent of the total cost of producing beet sugar in the United States, then the total cost of producing such sugar will be $5 per hundred pounds, or 5 cents per pound. This is a careful estimate of the average cost of production for the next few years. Those factories which are able to get an extraction of more than 240 pounds per ton of beets will be able to reduce this figure somewhat. The opportunity for such increased extraction is not, however, as great as formerly, owing to the fact that the sugar-beet seed which is now being imported from Germany is not of as high a quality as that which was imported before the war. Only a comparatively small amount of the beet seed now used is raised in the United States; but I desire to state that, due to the action of Congress in making appropriations for the Department of Agriculture, we are rapidly producing American sugar-beet seed, and there is every reason to believe that within a short time we will have produced a sufficient quantity to meet the needs of this great industry in the United States.

The following are the high and low prices of 96° Cuban sugar, delivered in bond at New York, for a period of 12 years preceding the war, as given by Willett & Gray, the quotations being the net cash price per hundred pounds:

Year.	Highest.	Lowest.
1902	$2.31	$1.565
1903	2.225	1.815
1904	3.50	1.97
1905	3.875	2.06
1906	2.73	2.00
1907	2.59	2.03
1908	3.125	2.31
1909	3.09	2.25
1910	3.09	2.44
1911	4.60	2.06
1912	3.44	2.41
1913	2.44	1.875

The crop of sugar which Cuba is now making will be produced at a less cost than any previously made. This is primarily owing to two reasons: First, her improved factories as compared with pre-war conditions, which factories enable her to get better extraction; second, labor cost is less than ever before since Cuban independence. There is abundant Government testimony to show that Cuba will produce at least 2,000,000 tons of sugar this season at a cost of not to exceed $1.50 per 100 pounds, and that an additional million tons can be produced at a cost of from $1.75 to $2.25 per 100 pounds. The freight rate from Cuba to New York is back to pre-war conditions.

In view of all the facts in the case it can be safely stated that the in-bond net cash delivered price of Cuban sugar at the port of New York for some time to come will range from $2 to $2.25 per 100 pounds, which prices will afford many of the Cuban mills an ample profit.

In making this statement I am not saying what the refiners of New York will sell the finished product for to the consumer. The range between the price paid by the refiner for raw sugar and the price which they receive from the public for refined sugar is very great. At times it is unconscionable, and yet his friends here are either consciously or unconsciously aiding him to destroy his American competitors and thus allow him to practice all the time what he now does a part of the time. Sir, if I am not without common sense or ordinary reason, inadequate protection of a necessity of life which our country has ample agricultural possibilities to produce, not

only in sufficient quantities to supply the needs of its own people but for export as well, is an impeachment of statesmanship and patriotism. Why, when agriculture is suffering from unprofitable production, rob it of one of its most profitable products? Beet sugar is an infant industry. Its possibilities are unbounded. When other nations are protecting their sugar industries with duties in excess of the highest which anyone has proposed for ours, should we hesitate to impose a sugar duty barely sufficient to enable it to exist?

The figures published by Willett & Gray show the following difference between the duty-paid price on raws and the New York net cash price for refined during the years enumerated:

	Cents per 100 pounds.
1910	78. 0
1911	89. 2
1912	87. 9
1913	77. 2
1914	86. 9
1915	91. 7
1916	107. 6

It is fair to assume that the refiner's costs of operation are now greater than they were before the war. A $1 margin between raw and refined is reasonable. It must be remembered that the lower the price of raws the lower the necessary margin between raw and refined, on account of the fact that the 7 pounds lost in the act of refining is of less value with cheap raws than with expensive raws.

If to the probable average New York in bond price of Cuban raws, namely, from $2 to $2.25 per hundred pounds, we add $1 per hundred pounds to the refiner's margin and a $2 per hundred pound duty effective against Cuban raws, we will have as the New York price of refined sugar a quotation of from $5 to $5.25 per hundred pounds. Beet sugar is sold at about 20 cents per hundred pounds less than cane sugar. This would make the effective New York basis for beet sugar to range from $4.80 per hundred pounds to $5.05 per hundred pounds. Remember, the probable cost of beet sugar is $5 per hundred pounds.

It will thus be seen that the minimum duty to be imposed upon Cuban raws is $2 per hundred pounds. Under such a duty the beet-sugar factories can pay the farmer $6 a ton for his beets and can produce granulated beet sugar at $5 per hundred pounds. Such a tariff will equalize the difference in cost of production between the average Cuban sugar and the average beet sugar and will undoubtedly allow the best mills in Cuba and the best situated beet-sugar factories in the United States to make some profit. Any reasonable tariff must be based on average costs and not on the highest or lowest cost sugars in either country.

I am going to print, with the permission of the Senate, Mr. President, a table prepared by a Member of the House of Representatives [Mr. MARTIN]. In a speech delivered in the House of Representatives July 11, 1921, Representative MARTIN stated that the effective sugar tariffs then in force in different countries were as follows, the rates quoted being in dollars per 100 pounds of sugar:

England	$5. 574
France	6. 128
Japan	3. 392
Austria	2. 39
Italy	2. 00
Netherlands	4. 103
Hungary	2. 39
Denmark	1. 216
Canada	1. 93
Spain	2. 276
Czechoslovakia	1. 216
Germany	2. 03

Since the date of Representative MARTIN's speech several of these tariffs have been materially increased, notably that of Canada, which is now, I think, $2.39. I understood the junior Senator from Louisiana [Mr. BROUSSARD] on Saturday to say that the Canadian tariff is now $2.35. I may be mistaken, and he may be right; but that is immaterial.

The United States Department of Commerce has recently compiled data showing that in most countries of the world the tariffs have been increased since the war from 50 per cent to 600 per cent. For data concerning these increases I refer to an article in the Literary Digest of January 7, 1922, on page 74. I have not verified that with any statistics from the department.

In the face of such a general trend toward higher tariffs it is unwise to consider as a fetish the schedules in the Dingley tariff bill and the Payne-Aldrich tariff bill. Certainly it is common sense to appreciate the fact that in these post-war times the United States has the highest scale of wages in the world, and also that it has the highest-valued currency in the world. All civilized peoples are trying to sell their products in American markets for American dollars.

The conditions confronting Congress in the consideration of the present sugar schedule are different from the conditions confronting Congress in the consideration of any previous sugar schedule. From the passage of the McKinley bill to the passage of the Underwood bill the annual output of Cuban sugar, plus the annual output of our domestic sugar, was less than the annual consumption of sugar in the United States. This situation is now entirely changed. Cuba is producing 4,000,000 tons of sugar annually. The duty-free sugar of continental United States and its insular possessions now amounts annually to 2,000,000 tons. These 6,000,000 tons of sugar are competing for the market of the United States, which can consume only about 4,000,000 tons of sugar annually. Last year our consumption was only 4,100,000 tons.

These two sources of supply have competed for the United States market since our Government relinquished the control of sugar in August, 1920. During the 15 months that elapsed from that time up to January 1, 1922, there accumulated a surplus of 1,200,000 tons unsold Cuban sugar, and nearly as much unsold domestic sugar. In round numbers, the surplus of these two stocks on January 1, 1922, was 2,000,000 tons. The financial results of such competition have been disastrous both to Cuba and the United States, and for several months in the winter of 1921 and 1922 sugar was selling at much less than the cost of production.

Every bank in Cuba, with the exception of the branch banks of certain banking institutions of the United States, has become insolvent and closed its doors. Millions of dollars' worth of American goods shipped to Cuba are unpaid for. The wage rate on Cuban plantations has dropped to 40 cents per day. Coupled with this financial and social disaster there was threatened revolution, intervention, and annexation. In the United States fully half the sugar properties of Louisiana have passed into the hands of receivers or are on the verge of receivership; 15 of the 106 beet-sugar factories in the United States were closed down before the crop harvested in the fall of 1921 was manufactured. Most of the beet-sugar factories that manufactured the crop of 1920 and the crop of 1921 lost heavily both seasons. I understand that many of the factories which operated in the fall of 1921 are not operating now. All beet-sugar factories in the United States hesitated last spring to put out contracts to their farmers for growing beets this season. All have waited to see what Congress will do with the sugar tariff. The price which factories could offer to farmers was not sufficient to encourage them to grow beets in sufficient quantities for the profitable operation of the factories. Fully one-third of the $200,000,000 invested in the beet-sugar factories of the United States has been wiped out by the last two disastrous seasons.

Mr. President, I have not been in the Senate Chamber all of the time. I do not know whether or not reference has been made by any Senator to an alleged report sent out by the Great Western Sugar Co. I have heard that such a report has been sent out and that it showed a satisfactory condition of that company. I do not know, and I do not desire to speak with any certainty in reference to rumors which have come to me, as to what relation, if any, the Great Western Sugar Co. has with the refiners of the East and the West. I do know that attempts have been made in the past by these refineries to absorb the beet-sugar interests of our country. They could well afford to buy and close them. I do not know just what particular benefits or advantages surround this particular company which have enabled it, I understand, in the past to handle its business with greater profit than those engaged in the business elsewhere in the United States.

I do know that the sugar factories of the United States generally, more than 90 per cent of them, have had most disastrous years, that they are laboring under great troubles now, and that they have not been able during the last year to enter into contracts for sugar beets to supply sufficiently their activities during this fall and winter. I do know that the report of the Michigan Sugar Co., which company generally is perhaps one of the most successful of the beet-sugar factories, shows a much better condition than the reports of nearly all of the other factories engaged in the business. I have here two reports of the Michigan company, one for the fiscal year ending June 30, 1921, and the other for the fiscal year ending June 30, 1922, and I desire to insert them in the RECORD at this point.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

REPORT OF THE DIRECTORS OF THE MICHIGAN SUGAR CO.

SAGINAW, MICH., *September 1, 1921.*

To the stockholders:

The annexed balance sheet gives the financial condition of the company for the fiscal year ended June 30, 1921.

Respectfully submitted.

For the board of directors.

F. R. HATHAWAY, *Treasurer.*

Michigan Sugar Co. balance sheet, June 30, 1921.

ASSETS.

Property account:			
Land, buildings, machinery, and equipment:			
Manufacturing plants		$7,336,046.17	
Weighing stations and equipment		132,909.61	
Rolling stock, factory tools, stable, and other movable equipment		304,970.04	
Total plant equipment		7,773,925.82	
Farm real estate		188,987.53	
			$7,962,913.35
Good will, trade names, etc			3,742,924.32
Total property investment			11,705,837.67
Investment in other companies (at cost)			1,074,240.42
Current assets:			
Inventories of products and supplies on hand:			
Granulated sugar	$3,403,633.56		
By-products	450,968.13		
Process stock	18,320.09		
Beet seed	481,846.69		
Materials and supplies	622,876.01		
		4,977,645.38	
Accounts receivable	310,001.76		
Bills receivable	293,480.28		
		603,482.04	
Advance payments on beet-seed purchases and other contracts		5,526.86	
Deferred installments on land-sales contracts		55,679.03	
United States Government securities—bonds		175,083.60	
Cash in banks and on hand		265,956.19	
			6,083,373.10
Deferred charges to future operations			288,840.89
			19,152,292.08

LIABILITIES.

Capital stock:			
Issued and outstanding:			
6 per cent cumulative preferred—370,350 shares		$3,703,500.00	
Common—747,110 shares		7,471,100.00	
			11,174,600.00
Current liabilities:			
Bills payable		3,266,000.00	
Accounts payable, including local taxes not due		76,433.01	
			3,342,433.01
Reserve for depreciation			1,512,796.63
Surplus:			
Balance July 1, 1920	$3,868,942.85		
Add: Amount of adjustment of Federal taxes for previous years	36,778.12		
Unused 1920 reserve for fire insurance	350,000.00		
Unused balance of reserve for depreciation of United States Liberty bonds	28,620.50		
Unused portion of reserve for repairs previous to 1921	92,588.14		
		4,376,929.61	
Deduct: Dividends paid:			
Preferred	222,210.00		
Common	597,688.00		
Adjustment of discount on Canadian exchange year ending June 30, 1920	11,250.00		
		831,148.00	
Balance		3,545,781.61	
Less operating loss for year ending June 30, 1921		423,319.17	
Balance June 30, 1921			3,122,462.44
			19,152,292.08

Board of directors: Henry M. Butzel, Detroit, Mich.; Charles H. Hodges, Detroit, Mich.; F. R. Hathaway, Detroit, Mich.; Benton Hanchett, Saginaw, Mich.; Lewis H. Jones, Detroit, Mich.; Willis T. Knowlton, Saginaw, Mich.; Gilbert W. Lee, Detroit, Mich.; George V. N. Lothrop, Detroit, Mich.; George B. Morley, Saginaw, Mich.; James B. Peter, Saginaw, Mich.; John H. Qualman, Saginaw, Mich.; Guy W. Rouse, Grand Rapids, Mich.; William H. Wallace, Saginaw, Mich.; Charles B. Warren, Detroit, Mich.; R. N. Wallace, Saginaw, Mich.

Officers: Charles B. Warren, president and general counsel; George B. Morley, first vice president; Gilbert W. Lee, second vice president; William H. Wallace, third vice president and general manager; F. R. Hathaway, secretary-treasurer; H. M. Sullivan, assistant secretary; H. L. Berdan, assistant treasurer; R. N. Wallace, assistant general manager; Charles W. Bradford, comptroller; R. J. Baird, auditor.

President's, secretary's, treasurer's, and sales offices: Union Trust Building, Detroit, Mich.

General manager's and purchasing offices: Eddy Building, Saginaw, Mich.

REPORT OF THE DIRECTORS OF THE MICHIGAN SUGAR CO.

SAGINAW, MICH., *July 24, 1922.*

To the stockholders:

The annexed balance sheet gives the financial condition of the company for the fiscal year ending June 30, 1922.

Respectfully submitted.

For the board of directors.

F. R. HATHAWAY, *Treasurer.*

Michigan Sugar Co. balance sheet June 30, 1922.

ASSETS.

Property account:			
Land, buildings, machinery, and equipment—			
Manufacturing plants		$7,418,132.15	
Weighing stations and equipment		116,408.64	
Rolling stock, factory tools, stable and other movable equipment		299,976.95	
Total plant equipment		7,834,517.74	
Farm real estate, including land held for sale		176,297.80	
			$8,010,815.54
Good will, trade names, etc			3,742,924.32
Total property investment			11,753,739.86
Investment in other companies (at cost)			1,074,240.42
Current assets:			
Inventories of products and supplies on hand—			
By-products	$60,207.11		
Process stock	15,004.13		
Beet seed	260,525.50		
Materials and supplies	447,742.14		
		$783,478.88	
Accounts receivable	29,302.45		
Bills receivable—Trade	52,126.47		
Bills receivable—Due from subsidiary company	242,000.00		
		323,518.92	
Land contracts receivable		63,302.79	
United States Government securities—Bonds		175,083.60	
Cash in banks and on hand		293,570.89	
Accrued interest receivable		4,727.75	
			1,643,682.33
Deferred charges to future operations			170,355.22
			14,642,017.83

LIABILITIES.

Capital stock:			
Issued and outstanding—			
6 per cent cumulative preferred—370,350 shares		$3,703,500.00	
Common—747,110 shares		7,471,100.00	
			11,174,600.00
Current liabilities:			
Accrued taxes (not due)			55,028.58
Reserve for depreciation			1,512,766.55
Surplus:			
Balance July 1, 1921		3,122,462.44	
Deduct: Dividends paid—			
Preferred	$55,552.50		
Common	74,711.00		
Loss on sales and inventory of finished products carried over from previous year	214,706.62		
Operating loss for year ending June 30, 1922	877,869.62		
		1,222,839.74	
Balance June 30, 1922			1,899,622.70
			14,642,017.83

DETROIT, MICH., *July 20, 1922.*

THE PRESIDENT AND BOARD OF DIRECTORS,
Michigan Sugar Co., Detroit, Mich.:

We have examined the books and accounts of the Michigan Sugar Co. for the year ending on June 30, 1922, and certify that the attached balance sheet is correctly prepared therefrom.

We have satisfied ourselves that only actual additions and extensions have been added to the property accounts during the year. No specific provisions for depreciation of the manufacturing plants have been made since June 30, 1920, but the maintenance and repair expenditures

during this two-year period have been very heavy. Repair expenditures necessary to put the plants into operating condition for the coming season are being treated as applicable to the business for the year ending June 30, 1923. Depreciation has been provided to June 30, 1922, on the other properties of the company.

Physical inventories of the materials and supplies on hand, taken at the close of the manufacturing season and valued at cost or market, whichever was lower, have been adjusted by subsequent receipts and issues to and including June 30, 1922. The inventories of products are based upon recent physical inventories valued at approximate market prices and the inventories as a whole have been certified by the responsible officials to be correct.

The investments in other companies are stated upon the annexed balance sheet at the cost of acquisition, without adjustment to the relative book values, and have been confirmed by an inspection of the stock certificates and notes receivable.

We have verified the cash and securities owned by actual inspection or by certificates from the depositaries and have satisfied ourselves that full provision has been made for bad and doubtful accounts and notes receivable, and for all ascertained liabilities with the exception of a possible additional assessment for Federal income and profits taxes.

Subject to the foregoing, we certify that the balance sheet is, in our opinion, properly drawn up so as to show the true financial position of the company on June 30, 1922.

PRICE, WATERHOUSE & CO.,
Public Accountants.

Board of directors: Henry M. Butzel, Detroit, Mich.; Charles H. Hodges, Detroit, Mich.; F. R. Hathaway, Detroit, Mich.; Benton Hanchett, Saginaw, Mich.; Lewis H. Jones, Detroit, Mich.; Gilbert W. Lee, Detroit, Mich.; George V. N. Lothrop, Detroit, Mich.; George B. Morley, Saginaw, Mich.; James B. Peter, Saginaw, Mich.; John H. Qualman, Saginaw, Mich.; Guy W. Rouse, Grand Rapids, Mich.; R. N. Wallace, Saginaw, Mich.; William H. Wallace, Saginaw, Mich.; Charles B. Warren, Detroit, Mich.

Officers: Charles B. Warren, president and general counsel; George B. Morley, first vice president; Gilbert W. Lee, second vice president; William H. Wallace, third vice president and general manager; F. R. Hathaway, secretary-treasurer; H. M. Sullivan, assistant secretary; H. L. Berdan, assistant treasurer; R. N. Wallace, assistant general manager; R. J. Baird, auditor.

President's, secretary's, treasurer's, and sales offices, Union Trust Building, Detroit, Mich.

General manager's and purchasing offices, Eddy Building, Saginaw, Mich.

Mr. TOWNSEND. The Cuban sugar costs much less to produce than does the sugar made in the United States or its insular possessions. Unless there is an adequate tariff the Cuban sugar will ultimately entirely supplant our domestic product. Cuba is now producing annually as much sugar as we consume each year. Even if our domestic crop is not enlarged, every ton of Cuban sugar brought into this country in excess of from 2,000,000 to 2,100,000 tons will supplant just so much domestic crop; and I want to repeat that this will all be done for the benefit of the great refining companies located in the United States, who are coming to own the sugar lands in Cuba and who furnish the market for the product of the producers on Cuban land which they do not own. Even on this basis no provision is made for the increase in our domestic crop. Congress must decide whether our domestic crop shall be allowed to increase to take care of our increased consumption, or whether it shall be forced to remain at a stationary figure, or whether it shall be curtailed in order to permit Cuba to market a greater amount of her crop in the United States, or whether the domestic crop shall be destroyed entirely in order to find a market within the United States for the entire output of Cuban sugar, which output now enjoys a 20 per cent preferential tariff. The responsibility for this decision rests squarely on the shoulders of Congress. The only way to protect our domestic sugar industry is by an adequate tariff imposed on Cuban sugar. Such a tariff, as has been previously explained, is $2 per hundred pounds of 96° sugar.

Mr. President, at the risk of legitimate criticism that I am repeating myself, I desire again to say that at this time of agricultural depression we can not afford to make the burdens of agriculture heavier. The raising of sugar beets has been generally a profitable enterprise for the farmers of this country—that is, the farmers in the region of the 106 beet-sugar factories of the United States. The raising of sugar beets is not only profitable because of the ready money which it brings to the farmer for his beets, but the growing of the beets themselves is a benefit to the land upon which they grow. The tops, in the form of a by-product that is left with the farmer for feed, are of great value to him. So, if it is true that the present situation in Cuba—the ownership of its land and the control of the sugar by the great sugar-refining companies of the United States—is going seriously to affect the growing of sugar beets in the United States or the production of cane sugar in Louisiana and other Southern States, then it seems to me that it is the part of wisdom and patriotism to lay aside all notions of partisanship and vote for a measure which evidently is in the interest of the farmers and all other people of this country.

I have received, I have no doubt, petitions with more than 1,000 names from farmers in the State of Michigan asking me to exert my influence for the purpose of securing a 2-cent rate of duty on Cuban 96° raw sugar. I am doing that not only because they ask it but because I believe that it is right, and because I do not believe that it means an additional burden upon the people of the United States. It will mean a better average price than the lowest price that comes when beet sugar is on the market; but it will not be a burden to the consumer of sugar when we take into consideration the fact that these refiners, when the beet sugar is off the market, invariably raise the price of sugar, and that increase in price generally comes in the summer and fall. It comes at a time when our people require the most sugar—in the canning and preserving season—and our sugar is off the market then. The people have to have sugar. There is but one place outside of domestic production to go for it, and that is to the refiners who own and control the sugar of Cuba.

There are at present 106 beet-sugar factories in the United States. These factories are distributed among 17 States of the Union, as follows:

California	13
Colorado	18
Idaho	9
Illinois	1
Indiana	1
Iowa	3
Kansas	1
Michigan	17
Minnesota	1
Montana	1
Nebraska	5
Nevada	1
Ohio	5
Utah	19
Washington	3
Wisconsin	5
Wyoming	3

The company investment in lands, buildings, and machinery is about $200,000,000. The working capital, either owned by the companies or borrowed from banks, is about $100,000,000. Very few of the beet-sugar companies own lands for raising beets. Fully 95 per cent of the beets raised each year are grown by farmers under contracts made from year to year with the sugar companies. The acreage planted annually for beets ranges from 800,000 to 900,000. At $150 per acre, this represents real estate valued at $120,000,000 to $135,000,000, which figure makes no allowance for the investment in farm machinery to cultivate the crop. When it is considered that any given field produces a crop of beets but once in four years under the crop-rotation plan, it will be seen that the value of the land devoted periodically to the production of sugar beets is fully $500,000,000.

In the fall of 1921 there were harvested in this country 7,500,000 tons of sugar beets, or an average of about 9½ tons per acre, the season's yield being slightly below the normal yield for the country of about 10 tons per acre. Engaged directly in the growing and handling of the crop were 100,000 farmers, 85,000 field workers, and 35,000 mill operatives. The crop was produced almost entirely by growers and under contract entered into with the manufacturing companies in the winter of 1920–21. These companies paid the growers for beets in the fall of 1921 about $50,000,000, and in addition to the expenditure for beets approximately an equivalent amount was paid for operating supplies, labor, and railroad freights, the bulk of this money being distributed in the various territories in which the mills were operated.

The universal custom in writing beet contracts is for the sugar company to guarantee the farmer a minimum amount per ton for his beets, with the proviso in the contract that if the price of sugar advances above a certain figure the farmer shall participate in such improvement in the price. The usual division of such advance is about 50–50 between the farmer and the sugar company. This gives the farmer a guaranteed minimum price for his crop.

Sugar beets are the only farm produce which is universally sold direct by the farmer to the ultimate consumer without the intervention of any middleman. This insures the farmer the maximum returns for his crop.

Fully 75 per cent of the beets are grown within a radius of 20 miles of the factory, and scarcely any of them are grown more than 40 miles from the factory. No other crop is marketed with such great economy of transportation costs. The establishment of a beet-sugar factory literally makes a market for this farm product at the farmer's nearest railroad station. It is the universal custom that the beet-sugar factory pays the freight. The 10 tons of beets raised per acre stand a short railroad haul of from 6 to 40 miles. From those 10 tons of beets there is produced 2,400 pounds of sugar, which sugar must be shipped to the consuming markets. It will thus be seen that less than one-eighth of the crop produced on the farm must stand the long haul. It is this economy in transportation which

has given the beet-sugar industry such a hold upon the sparsely populated farming districts of the West. When the Colorado or Nebraska farmer raises wheat or potatoes, the entire tonnage of his crop must be shipped to Chicago or beyond; whereas when he raises a crop of beets, the entire tonnage must be shipped simply to the near-by sugar factory and the outgoing sugar tonnage from the factory to Chicago and beyond is less than one-eighth of the tonnage produced upon the farm.

The following data are taken from Willett & Gray's Weekly Statistical Sugar Trade Journal:

Year.	United States beet sugar production (long tons, 2,240 lbs. each).	Cuban production (long tons, 2,240 lbs. each).
1911–12	541,101	1,895,984
1912–13	624,054	2,428,537
1913–14	655,298	2,597,732
1914–15	646,257	2,592,067
1915–16	779,756	3,007,915
1916–17	734,577	3,023,720
1917–18	682,857	3,446,083
1918–19	674,892	3,971,776
1919–20	652,957	3,730,077
1920–21	969,419	3,936,040
1921–22	900,000	.....

Beet-sugar manufacturing season begins in California about August 1, in the other beet districts about October 14, and lasts approximately 120 days. The Cuban manufacturing season begins about December 15 and lasts until the following June, with some factories continuing until September.

Beet-sugar factories in operation in the United States.

	Number of factories.		Number of factories.
1896–97	7	1909–10	65
1897–98	9	1910–11	63
1898–99	15	1911–12	67
1899–1900	31	1912–13	73
1900–1901	34	1913–14	71
1901–2	39	1914–15	60
1902–3	44	1915–16	67
1903–4	53	1916–17	74
1904–5	51	1917–18	91
1905–6	53	1918–19	89
1906–7	63	1919–20	90
1907–8	63	1920–21	97
1908–9	63	1921–22	91

United States sugar consumption.

Year.	Long tons, 2,240 pounds each.	Pounds per capita.
1910	3,350,355	81.6
1911	3,351,391	79.2
1912	3,504,182	81.3
1913	3,743,139	85.4
1914	3,760,827	84.39
1915	3,801,331	83.83
1916	3,658,007	79.34
1917	3,638,599	78.53
1918	3,495,606	73.36
1919	4,067,671	85.43
1920	4,084,672	86.56
1921	4,107,328	84.47

Average New York net prices of cane sugar.

Year.	Duty-paid price 96° raw sugar.	Average net cash price granulated sugar.	Refiners' margin per 100 pounds.
			Cents.
1910	4.188	4.972	78.4
1911	4.453	5.345	89.2
1912	4.162	5.041	87.9
1913	3.506	4.278	77.2
1914	3.814	4.683	86.9
1915	4.642	5.559	91.7
1916	5.786	6.892	107.6
1917	6.228	7.663	143.5
1918	6.447	7.834	138.7
1919	7.724	9.003	127.9
1920	12.326	.....	.....
1921	4.763	6.207	144.4

It will be noticed that the last above table is incomplete for the year 1920. This is owing to the fact that on September 23, 1919, the United States Government relinquished its control of the price of foreign raw sugar. Up to that time the refiners had been paying $7.28 per hundred for Cuban raws, duty paid, and the selling price of the refined product made therefrom was $8.82 per hundred pounds net cash. All of the crop of Cuban sugar harvested the preceding season was under contract and there was no raw sugar to be purchased by the refiners for prompt delivery when they were permitted to enter the open market on September 23, 1919. They, however, very promptly began to buy futures for delivery after the Cubans began making their crop about December 15, 1919. Though this crop, as I have said, had been offered to the United States Government the preceding summer—July, 1919—at 7 cents per pound, the Cubans did not hesitate to advance the price of their raws even before they began to manufacture the same in December, 1919. By January 15, 1920, the duty-paid price of Cuban raws had advanced to $13.04 per hundred pounds. By April 1 the price was $14.04 per hundred pounds. By April 15, $19.06 per hundred pounds. By the middle of May it had advanced to $20.06 per hundred pounds. The peak price was reached May 19, 1920, when the Cubans sold at $23.07 per hundred pounds. These exorbitant prices led our Government to undertake the purchase of full duty-paying raw sugar wherever it could find it in the markets of the world.

By this means the corner in Cuban raws was broken with the Cubans still having some 500,000 tons raws, which they were holding for $30 per hundred pounds. By the middle of June the duty-paid price of raws had dropped in New York to $18.06 per hundred pounds. By the last of July there was a further decline to $16.30 per hundred pounds. By the last of August the price had dropped to $12.04 per hundred pounds. And when beet sugar came on the market the middle of October the duty-paid price of raw sugars in New York had dropped to $7.75 per hundred pounds, since which time there has been a steady decline in the price of raw sugar until it reached the bottom early in January, 1922, when the duty-paid price of Cuban raws was $3.35 per hundred pounds, or $1.75 per hundred pounds delivered in bond at New York.

Coincident with the fluctuation in the price of raw sugar during the year 1920 there was a corresponding fluctuation in the price of refined sugar made from such imported foreign raws. The middle of January the refiners' price of refined sugar was from 15 cents to 16 cents per pound. By the latter part of April it had advanced so that the quotations were from 16 cents to 22⅜ cents per pound. The peak price of refined sugar was in the latter part of May, 1920, when it was quoted as high as 26¼ cents a pound by one of the eastern refiners. The New York prices of refined sugar ranged from 21 cents to 22½ cents per pound from the latter part of May until the latter part of August. Many buyers by that time had become loaded up with imported raw sugar, which the consumer was using in the raw state, and this sugar was thrown onto the market and offered as secondhand sugar at considerably below the refiners' price. This forced the refiners to steadily drop their prices until, when beet sugar came on the market the middle of October, 1920, they were quoting refined at from 11 cents to 12 cents per pound. Within the next month it had dropped to 9¼ cents, and there has since been a steady decline until January, 1922, cane sugar was freely offered in New York at $4.90 per hundred pounds, which price is subject to 2 per cent discount for cash, making about $4.80 per hundred pounds net.

The beet-sugar manufacturers did not participate in any of the high prices prevailing during 1920. The Government continued to regulate the price of beet sugar until August 26, 1920, the prices ranging from 10 cents a pound to a maximum of 12 cents a pound, the ultimate consumer buying such beet sugar at 15 cents per pound. The entire crop of beet sugar made east of the Missouri River went into consumption by April 1, 1920. The factories in the Rocky Mountain States retained enough of their sugar for their local consumption until midsummer of 1920, but sold their output at not to exceed 12 cents per pound.

The injustice to the beet-sugar manufacturer did not merely extend to the limitation of his prices for the output of sugar made from the beets harvested the fall of 1919. While the control over beet sugar was being maintained by the United States Food Administration until August 26, 1920, it was necessary to determine the terms of the beet contract which the beet sugar companies should offer to the farmer in the winter of 1919–20. The Government took a hand in fixing the price to be paid for beets to be planted the spring of 1920 and the price then determined, largely through the Government's activities, was the highest price ever paid for beets either in this country or abroad. Under it beet-sugar companies paid the farmers from $12 to $12.50 per ton for the beets planted the spring of 1920 and harvested the fall of that year. The sugar made from these high-priced beets was marketed during the season begin-

ning October, 1920, long after the Government had ceased to control the price of either foreign or domestic sugar. The beet-sugar factories received an average of only about 6 cents a pound for the sugar made from the $12 to $12.50 beets grown the summer of 1920. Considerable of that sugar was carried over into the late summer and early fall of 1921 and netted the factories only about $4 per hundred pounds.

Mr. President, I need add nothing to what I have said, nor will I further occupy the time of the Senate in urging upon its Members the necessity of protecting properly what I regard as a most legitimate and necessary industry in the United States. This is, I repeat, a proper subject for protection, and the question before us now is what rate of protection is required in order that this industry may not only continue as it is, but that it may be induced to expand until it will finally supply all the sugar which the United States needs, thus furnishing an increased means of income to the farmers of the country, protecting our own people in case of war, and against the extortion of the sugar refining companies, which have never manifested any interest in the people generally? I believe that rate of duty is $2 per hundred pounds on 96° Cuban sugar.

Some months ago I heard that some people had proposed that Cuba limit her sugar production in order that the refiners who had loaded up with Cuban sugar might save themselves from losses and as compensation therefor Congress would not raise our tariff on sugar. But I gave no credit to the rumor. I condemned the proposition then as I do now. It is my duty to legislate for our country, and that is what I am proposing to do now. I am more interested in the people of the United States than I am in a few who would exploit them.

Mr. McCUMBER. I offer an amendment to paragraph 1635, which with paragraph 1636 form the potash paragraphs. I ask that the amendment may be printed and lie on the table.

The PRESIDENT pro tempore. The amendment will be printed and lie on the table.

INSPECTION OF LOCOMOTIVE BOILERS.

Mr. WATSON of Indiana. I ask unanimous consent for the immediate consideration of Senate Resolution 327, submitted by the Senator from Mississippi [Mr. HARRISON] for the Senator from Utah [Mr. KING], and referred to the Committee on Interstate Commerce. I report it from the committee favorably with an amendment.

Mr. JONES of Washington. Let the resolution be read.

The Assistant Secretary read the resolution (S. Res. 327) which had been reported from the Committee on Interstate Commerce with an amendment, on page 1, line 9, after "1915," to strike out the words "requiring the regular inspection of the boilers of locomotives," so as to make the resolution read:

Resolved, That the Interstate Commerce Commission is hereby required and directed to report to the Senate whether or not the provisions of the act entitled "An act to promote the safety of employees and travelers upon railroads by compelling common carriers engaged in interstate commerce to equip their locomotives with safe and suitable boilers and appurtenances thereto," approved February 17, 1911, and the amendment to said act approved March 4, 1915, is being violated; and if so, to report the extent of such violation and to report specifically whether inspection of locomotive boilers is presently being made in all Federal locomotive boiler inspection districts and upon the roads of all common carriers engaged in interstate commerce as required by said act.

The PRESIDENT pro tempore. The Senator from Indiana asks unanimous consent that the report may be received and that the resolution may be considered. Is there objection?

The Senate, by unanimous consent, proceeded to consider the resolution.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the committee.

The amendment was agreed to.

The resolution as amended was agreed to.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. WILLIS. Mr. President, there has been some controversy in the Senate and in the country as to the bearing the duty on raw wool would have on the price of clothing. I think it is only fair that a statement on that subject which has been prepared by the Wool Marketing Department of the American Farm Bureau Federation should be so published that the public may have the benefit of it. I therefore ask unanimous consent that the statement of the American Farm Bureau Federation be printed in the RECORD at this place, in the regular RECORD type.

There being no objection, the matter was ordered to be printed in the RECORD in 8-point type, as follows:

THE WOOLGROWERS' ANSWER TO THE CLOTHING AND CLOTH MANUFACTURERS' ATTACK ON WOOL TARIFF.

"In view of the widespread agitation now being instigated by certain clothing and cloth manufacturers concerning proposed duties on raw wool in the pending tariff bill, a few of which are reproduced here, these facts are presented with a view of correcting erroneous statements that are carelessly being circulated either through ignorance of facts or by a desire to deceive the consuming public and lead them to think that the tariff on raw wool, which has been in effect for over one year, will be the means of greatly increasing the cost of clothing to the consumer. These vicious attacks are made by large clothing manufacturers of 'ready-to-wear' clothing and spread broadcast among their retailers with suggestions that they be run as paid advertisements in their local papers, thereby seeking to mold public sentiment through circulation of such malicious statements against the wool tariff.

"The woolgrowers have not only carefully considered the proposed rate of duty but also the method of applying it, bearing in mind that they as a group are not only producers but consumers. Applying the duty upon the clean yield or the scoured content of grease wool has been recommended by the present Tariff Commission and also the Tariff Commission of 1910, and is stated to be the most scientific and equitable method of applying a duty on wool, simply because the clean yield is always the price-regulating factor. The clean yield is what the manufacturer pays for. Inasmuch as this differs greatly in different grades it is easy to understand that this would be the proper basis upon which to apply a duty.

"We stand for a square deal for agriculture and the woolgrowers. If the difference in cost of production of foreign and domestic product is to be the measure that fixes duties upon manufactured articles then the farmer and woolgrower should be accorded the same degree of protection. But the woolgrowers have not even asked a duty equivalent to the difference in cost of production of foreign and domestic wools, as will be seen in accompanying paragraphs.

"This propaganda against woolgrowers and agriculture is not only being promoted by a small group of clothing manufacturers but also by a small fraction of woolen manufacturers, who do not speak for the majority. You are asked:

"1. In the name of justice to the woolgrowers and agriculture to give the truth herein set forth as wide publicity as possible in your local papers, in your farm-bureau papers, in State daily papers, etc.

"2. Let your Senators and Representatives know that you stand for a square deal for agriculture. There is a group of Senators and Representatives that are representing the agricultural industry as it never was represented before. Let them know you are back of them. Select the publicity best suited to your locality.

ACCUSATIONS OF CLOTHING AND CLOTH MANUFACTURERS.

"1. That the proposed tariff of 33 cents per clean pound will increase the cost of suitings made from all wool from $4 to $5 each and on overcoats $7.50.

"2. They state tariff on wool will add (variously stated) from $150,000,000 to $361,000,000 to the annual clothing bill of the consumers.

WOOLGROWERS' ANSWERS.

"It requires 9.8 pounds of grease wool to manufacture cloth for an all-wool suit of clothes. Nine and eight-tenths pounds at 20 cents, the average price received by growers for 20,000,000 pounds of 1921 pooled wools, would be $1.96, the total amount received by grower for wool required to manufacture a choice suit, providing only virgin wool is used. Much of the 1921 clip was sold on a market protected by an emergency tariff, which is higher than the proposed tariff schedule.

"The total value of the 1921 domestic clip, estimated at 280,000,000 pounds at 20 cents, which was the average price per pound received by the woolgrower, amounts to only $56,400,000, and the estimated value of the 1922 clip of 260,000,000 pounds at 33 cents after the tariff has been in effect for over one year, would only be $85,800,000; then, how can the

ACCUSATIONS OF CLOTHING AND CLOTH MANUFACTURERS—CON.

"3. That the proposed duty of 33 cents per clean pound content is 83 per cent higher than the rates in the old Payne-Aldrich bill, which provided 11 cents per grease pound duty.

WOOLGROWERS' ANSWERS—CON.

woolgrower and the tariff be responsible for $150,000,000 to $361,000,000 increase in clothing values when the total amount of money received by the woolgrowers for their clip is considerably less than half of the estimated increase to the consumer by reason of the tariff, as set forth in the clothing manufacturers' advertisement?

"The provisions of the Payne-Aldrich bill of 11 cents per grease pound duty on wool and the manufacturers' compensatory duty of 44 cents per pound of cloth and an ad valorem duty in addition thereto, have been in effect the majority of the time for 50 years. This relation between the grease duty and the manufacturers' duty is based on a 4 to 1 ratio, or on an estimate of 33⅓ pounds of clean wool from 100 pounds of grease wool. This is the ratio that has been used by the manufacturers and is also the ratio the woolgrowers used in arriving at the 33 cents per clean pound duty, and upon this estimated shrinkage the 33 cents per clean pound is exactly equivalent to the 11 cents per grease pound of the old Payne-Aldrich bill, so where is the 83 per cent increase in the present rates over those that have been in effect the majority of the time for 40 or 50 years?

MANUFACTURERS SEEK TO DENY WOOLGROWERS' PRIVILEGE ADVOCATED AND ENJOYED BY THEMSELVES.

"The theory upon which the present tariff bill is being prepared and the one upon which the manufacturers have based their argument is that the rates of duty shall be equal to the difference in the cost of production of foreign and domestic articles. This is the basis upon which in the proposed tariff clothing manufacturers are allowed a duty on 'clothing of every description wholly or in chief value of wool valued at not more than $4 per pound, 33 cents per pound and 45 per cent ad valorem.' The woolgrowers are not even asking as much as the difference in cost of production of foreign and domestic wools. This would amount to approximately 18 cents per grease pound, as was indicated by recent testimony before the Senate Finance Committee by special representatives to Argentina of the United States Tariff Board. The manufacturers are advocating the difference in the cost of production rule as governing the amount of duties upon their products, but seeking to deny the woolgrowers the same privilege they enjoy.

NO RELATION BETWEEN WOOL TARIFF AND RETAIL PRICE OF CLOTHING.

"For a number of years preceding May 27, 1921, the date upon which the present wool tariff became a law, wool was on the free list, while clothing was protected by the relative high duty of 35 per cent ad valorem. No complaint was heard from the manufacturers then because they had a special advantage over the producer. Let us see how it worked out. The average wholesale price of clothing in the year 1920 under free wool was 302 per cent of normal values, using wholesale prices of 1913 as 100 per cent (United States Department of Labor Bureau), while at the present time, or after the tariff on raw wool has been in effect over one year, the wholesale price of clothes has been reduced to 182 per cent of 1913 values. In other words, wholesale values of clothes have been reduced 120 per cent since the tariff on wool was placed, which shows conclusively that there is little or no relation between the tariff on raw wool and the price of finished product to the consumer, and demonstrates again the fallacy of the argument of the clothing manufacturers.

"The statement that domestic wools are not suited for use in the manufacture of better grades of clothing is propaganda pure and simple, as any reliable woolen manufacturer will frankly state. In many cases the domestic wool is preferable.

CONDITION OF DOMESTIC WOOL INDUSTRY.

"The number of sheep in the United States has decreased approximately 10,000,000 head in the last 10 years, and in 1920 163,000,000 pounds more wool were imported into this country than in 1910, which shows the rapid decline of the domestic sheep and wool industry. The woolgrowers are not seeking to impose a tax on the consuming public, but demand equal protection for the wool-growing industry to that accorded the manufacturers of our products. For a certain group of manufacturers to assail protection accorded one industry, which is established by the same principle, namely, 'difference in the cost of production of foreign and domestic,' that they themselves staunchly uphold in fixing duties upon their products strongly savors of an attempt to secure special favors.

WHY WOOL SCHEDULE IS ATTACKED.

"There can be only one object in attacking the tariff on wool as is being done by clothiers and a small group of manufacturers and speculators. They are not advocating lowering proposed or existing rates on the commodities they manufacture, which were made on the same basis and theory as duties on wool. Therefore, it must be construed to be an attempt to maintain the advantage over the producer which they have had the majority of the time for 50 years in tariff laws. Shall one tremendous industry prosper at the expense of another much smaller? The answer is no."

Mr. McCUMBER. I ask unanimous consent that when the Senate closes its session on this calendar day it recess until to-morrow at 11 o'clock.

Mr. JONES of New Mexico. I ask the Senator from North Dakota to withhold his request for just a moment, until I can confer with him.

Mr. McCUMBER. Very well; I withhold the request.

Mr. GERRY. I offer the following amendment to the pending amendment of the Senator from Louisiana [Mr. BROUSSARD], and I ask that it be printed.

SEVERAL SENATORS. Let it be read.

The PRESIDENT pro tempore. The Secretary will state the amendment to the amendment.

The ASSISTANT SECRETARY. It is proposed to strike out of the pending amendment, on line 3, the figures "1.16" and insert in lieu thereof the figures ".71," and to strike out in the same amendment, in line 6, the words "five one-hundredths" and to insert in lieu thereof the words "twenty-six one-thousandths."

Mr. GERRY. I will state that these are simply the rates found in the Underwood law.

The PRESIDENT pro tempore. The amendment to the amendment will be printed.

Mr. McCUMBER. Mr. President, I will change my request for unanimous consent so as to provide that when the Senate closes its session on this calendar day it shall take a recess until to-morrow at 10 o'clock.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. JONES of New Mexico. I ask unanimous consent that, beginning at 10 o'clock to-morrow, I may be permitted to address the Senate upon a subject other than that which may then be before the Senate. My discussion, of course, will be upon the pending bill. It is on a matter which was overlooked when the unanimous-consent agreement was entered into yesterday.

Mr. SMOOT. For how long does the Senator intend to address the Senate?

Mr. JONES of New Mexico. For about one hour.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from New Mexico? The Chair hears none, and it is so ordered.

Mr. RANSDELL. Mr. President, sugar is by all odds the best of our revenue producers. Hence a duty on sugar is justifiable from the most extreme Democratic viewpoint so long as we continue to impose import duties for the purpose of raising revenue. From the earliest period of our national history until to-day there has been a duty on sugar except during the years 1891 to 1895, when the McKinley tariff was in effect, and in lieu of a protective duty on sugar a bounty of 2 cents a pound was paid to American producers.

Mr. SHEPPARD. Will the Senator give those dates again?

Mr. RANSDELL. The dates were July 1, 1891, to July 1, 1895, during which time a bounty of 2 cents a pound was paid on sugar and there was no duty except on sugar above No. 16 Dutch standard of color, on which there was a duty at that

time of one-half cent per pound. Sugar was absolutely free except as to that small duty above No. 16 Dutch standard, and in lieu of a duty, as I said, there was a bounty of 2 cents per pound.

Mr. SHEPPARD. What was the amount of the Dutch standard sugar as compared with the total?

Mr. RANSDELL. I can not answer that question.

Under President Madison, brown sugar, which must have been the same as the 96° test sugar of the pending bill, had a duty of 3 cents, which was reduced to 2½ cents under President Andrew Jackson and the same under President Tyler. Under President Grant the duty on sugar was 2 cents to 3.25 cents, according to grade. Under the Morrill law, during the Presidency of Mr. Arthur, 96° sugar had a duty of 2.24 cents. Under the Dingley law, when McKinley was President, 96° test sugar had a duty of 1.685. Under the Payne-Aldrich law the duty was the same as under the Dingley law on 96° test sugar, but Cuban reciprocity of 20 per cent reduced the duty on the Cuban sugar under that law to 1.348.

Under the Simmons-Underwood law 96° test sugar from Cuba was 1.004 and from other foreign countries 1.1256. The free-sugar clause was repealed on April 27, 1916. I might add that I predicted its repeal when we had the Simmons-Underwood law under consideration. I undertook the rôle of prophet and stated at that time that sugar never would go on the free list, and circumstances showed I was a true prophet.

It never did become actually free. The emergency tariff act of May 27, 1921, imposed a duty of 1.6 cents on sugar, which is the present duty effective against Cuba, 2 cents a pound being the duty on sugar from other countries.

I now wish to present some figures showing that sugar has always been a very effective revenue producer. The first available data that we have on the subject is for 1821, at which time the duty collected on sugar was $1,202,102. It thereafter increased steadily. I shall give the returns by decennial periods, beginning with 1870, when the duty amounted to $36,819,041. In 1880 it was $39,739,306; in 1890, $53,985,874; in 1900, $57,417,772; in 1910, $52,810,995; and in 1920, $78,663,291.

During the eight years of President Wilson's administration the revenue derived from sugar by calendar years was as follows:

In 1913, $53,134,244. Pay attention to this, Senators. That amounted to 17 per cent of the total duty collected on all importations of merchandise from abroad.

In 1914 the duty collected on sugar was $61,508,851, which was 21.68 per cent of all the duties collected that year.

In 1915 the sugar duty was $49,525,673, which was 24.05 per cent of the total import duties.

In 1916 the sugar duty was $55,795,563, being 26.6 per cent of all the import duties.

In 1917 the duty collected on sugar was $55,382,140, which was 24.99 per cent of all duties collected.

In 1918 the duty on sugar was $48,980,573, being 27.12 per cent of all duties collected.

In 1919 it was $68,510,967, or 28.85 per cent, and in 1920 it was $78,663,291, or 23.74 per cent, of all duties collected.

The average collections on the importations of sugar, Mr. President, during the eight years of President Wilson's incumbency were $58,938,925, more than 25 per cent of all revenue collected from taxes on imports.

The percentage of revenue derived from sugar as compared with all other imports—and this is what I am trying to impress upon Senators, that sugar is the best of all revenue producers, and has been from the beginning of this Government—was not as great prior to the Wilson administration, but very high, ranging from 19.33 per cent in 1870 to 21.75 per cent in 1880, 23.83 per cent in 1890, 25.03 per cent in 1900, 16.17 per cent in 1910, and 23.74 per cent in 1920. There is no article on which imports are collected that is at all comparable to sugar in the amount of revenue derived therefrom. If we are going to continue to raise money for the purpose of carrying on our Government by imposing duties on importations, then I say there is no article which compares with sugar. It is the best of all, brings more money, and is more easily collected on than any other. If the rate on sugar in the pending bill is raised to 2.5 cents on full-duty countries and 2 cents as to Cuba, it should produce at least twice as much as the 1-cent duty under the Wilson administration, or an average of about $118,000,000 a year. These facts prove beyond question that sugar is the ideal revenue producer.

Now, Mr. President, from the viewpoint of many good Democrats, and certainly as a matter of equity, there should be such a rate of duty on sugar as will place the American producer on fair terms of equality with his principal foreign competitor, the Cuban producer of sugar. This, of course, is on the assumption that sugar can be produced under fairly good conditions in this country. As to beets, the late Mr. James Wilson, when Secretary of Agriculture in 1909, issued a very interesting statement entitled "The Beet Sugar Industry in the United States," which was published as Senate Document No. 22, Sixty-first Congress, first session. In this he said that 274,000,000 acres in the United States have soil and climatic conditions adapted to satisfactory beet culture, and concluded his general discussion in these words:

> I estimate that if the beet sugar were grown throughout those portions of the United States adapted by nature and with the aid of irrigation to its culture, with a system of rotation including the cultivation of the beets every fourth year, 15,000,000 tons of beet sugar could be produced in the United States annually, or more than the world's total production of sugar at the present time.

He was speaking of the year 1909.

It thus appears that we could readily produce a great deal more beet sugar in the United States than is needed for our total consumption of about four and one-half million tons at the present time.

Louisiana has produced sugar from cane for over a century and a quarter, and less than one-tenth of her available sugar area is cultivated in sugar cane. The United States Department of Agriculture estimated that in 1920 there were in the 22 sugar-producing parishes of Louisiana a total of 2,976,782 acres in farms, of which 1,896,885 acres were improved, and the area estimated to have been planted in cane in 1920 was 299,000 acres. The State's normal production of sugar is from 250,000 to 300,000 tons, though the crop of 1920 was only 169,270 tons, which in 1921 rose to 324,431 tons.

The Louisiana area cultivated in cane could easily be quadrupled and a crop of at least 1,000,000 tons a year for that State assured if we had stable laws maintaining a duty of at least 2 cents a pound on sugar imported from Cuba. Without such a duty, Mr. President and Senators, the Louisiana sugar industry is going to languish in the future as it has in the past; it is not going to be a success. It can not be a success without a duty of at least 2 cents a pound on sugar imported from Cuba.

Exact data as to the possibilities for cane-sugar cultivation in Florida are not available, but I hold in my hand a very interesting letter, which is dated the 3d of this month, from Mr. Jules M. Burguieres, a prominent citizen of that State. Before reading it I should like to ask the Senator from Florida [Mr. FLETCHER] if he knows Mr. Burguieres and whether he is a responsible and reliable man, whose statements may ordinarily be depended upon?

Mr. FLETCHER. Mr. President, the Senator from Louisiana propounds a very definite question, and I have no hesitation in answering it. I have known Mr. Burguieres for some time. We in Florida esteem him as a very valuable citizen and his standing is of the highest character. There can be no question about his integrity and his responsibility. We also regard him as a man of most excellent judgment, and particularly well informed on the sugar situation. We believe that he understands that industry from the growing of the cane to the manufacturing of the sugar. He knows the kind of land which will successfully produce sugar cane; he knows the possibilities of the industry in Florida and also in Louisiana, where, I believe, he formerly lived. We consider him as a citizen who is thoroughly responsible and reliable in every way and a man, I repeat, of the highest standing and character.

Mr. RANSDELL. I thank the Senator from Florida for his good opinion of Mr. Burguieres, who was formerly one of the most honored citizens of Louisiana. I now wish to read a few words from his letter to me, which, as I have stated, is dated the 3d of this month, from West Palm Beach, Fla. He says:

> It is now eight years since I have been here, and my investigations in sugar and my plantings have proven beyond doubt that we have a great deal of land adaptable to sugar-cane cultivation which will yield a good sugar content.
>
> That land located east and south of Lake Okeechobee and southwest of Lake Okeechobee is the land best adapted, in my opinion, to sugar cultivation in Florida. Not all of the land in that area would be sugar land. I figure that there are probably two and one-half million acres that could be devoted to sugar, but on account of the considerable vegetable production, etc., not more than one-half, probably, in time would be devoted to sugar cultivation. In other words, I think we can have somewhere from a million and a quarter to a million and a half acres actually producing cane, which should make the production from a million and a half to 2,000,000 tons of sugar. All this presupposes a reasonable protection being given to the industry. Every now and then we see Chinese labor going through our own country in bonded railroad cars to work in Cuba. What we want is protection necessary to protect ourselves against the products of cheap labor in a foreign country and protect us also against other economic situations in other countries.
>
> Just at this present time there are about 8,000 acres planted in sugar cane in this lower Florida peninsula. The Pennsylvania Sugar Co., in the rear of Miami, has some 3,200 acres in cane planted, and they contemplate planting about 2,000 acres more. The planters around

Moore Haven have planted on the southwest shore of Lake Okeechobee about 2,000 acres in cane. The Florida Sugar & Products Co., at Canal Point, on the southeast shore of Lake Okeechobee, together with planters in that territory, have and expect to have shortly about 2,500 acres in cane. There are other small plantings here and there. Cane planting has been held up, principally because there have been no sugar mills. There have been numerous small power mills making sirup.

There is at present practically completed one sugar mill of 400 tons of cane per day capacity, which will grind cane at Canal Point, on the southeast shore of Lake Okeechobee, this coming winter. The Pennsylvania Sugar Co. expect to have their big 1,000-ton mill completed by next February. All the foundations have been completed for same. This mill is located 16 miles northwest of Miami. The Moore Haven Sugar Co. have a 100-ton sugar mill which made sugar last year, and I understand they are about to convert this into a larger mill for grinding more cane next season.

I have been making tests of cane and growing same for the last seven years in Palm Beach County. I have also made other observations in all the other counties adjacent. My conclusions lead me to the belief that we can have a splendid production, but we should have a sensible policy of protection for this industry, which is merely in its infancy. I have written to both Senators FLETCHER and TRAMMELL lately, asking them to give this situation their support. The agricultural interests of the United States need necessary protection, and an economic study of the situation will enable all Senators to appreciate that fact. I know I need not go very much further into this necessity for protection with you, as you are thoroughly posted in the matter. It is my belief that Florida can produce a million and a half tons of sugar, and probably more. The Everglades drainage district was a real problem to solve, but we have solved it these last few years.

I wish I would have the pleasure of having you at some time see this remarkable country. Senator FLETCHER has no doubt talked to you about it. With best wishes, I am,

Yours very sincerely,

JULES M. BURGUIERES.

Mr. President, I wish to say, in connection with Mr. Burguieres's testimony, an examination of the map will show that the great areas in the State of Florida south of Lake Okeechobee, where he says the sugar lands lie, are fully 300 miles south of the sugar section of Louisiana, and hence nothing like so much subject to cold and the untoward conditions which affect sugar growing in Louisiana. There is no reason why under proper encouragement Florida should not raise at least a million and a half to two million tons of sugar, as indicated by Mr. Burguieres.

Mr. FLETCHER. Mr. President, may I interrupt the Senator?

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Florida?

Mr. RANSDELL. I will be very glad to yield.

Mr. FLETCHER. The statement I am about to make is rather confirmatory of that made by the Senator from Louisiana. Within the last few years a Pennsylvania company have gone into what was originally a part of the Everglades, land which has been reclaimed, just north and west of Miami, and they have now planted something like 5,000 acres in sugar cane. Their holdings run into two or three hundred thousand acres. They are developing that industry to a very great extent in that vicinity, which is at the south end of the Everglades proper. Then, on the shores of Lake Okeechobee, in the southwest portion of the lake, a sugar mill is going up near Moore Haven, and the industry is progressing very rapidly there. At the southeast portion of Lake Okeechobee, at a place called Canal Point, which is not far from West Palm Beach and close to the interests of Mr. Burguieres, another sugar mill is about completed and the industry is fairly well started there, with prospects of attracting very considerable interest in the whole Everglades region. It is believed that those Everglades lands are peculiarly well adapted to the production of sugar cane and that the industry will prosper there.

Mr. RANSDELL. I thank the Senator for that contribution to my speech. I now wish to refer for just a moment, Mr. President, to Texas. I have no exact data as to Texas, the Empire State of the Union, when it comes to area and a wonderful State in every way; but beyond any question there is a vast area along its coastal plain and in the vicinity of the Rio Grande, far south of the sugar area of Louisiana, where climatic conditions are more favorable to this product of warm countries than they are in Louisiana. I am convinced, from my knowledge of the situation and the best information obtainable, that Texas could produce considerably more than 1,000,000 tons of cane sugar every year if an effort were made along that line and encouragement were afforded toward that end.

Hence, considering the beet-sugar situation with its possibilities of 15,000,000 tons per annum, as stated by ex-Secretary Wilson, Louisiana, with easily 1,000,000 tons; Florida, with 1,500,000 to 2,000,000 tons, as stated by Mr. Burguieres; and Texas, with a possibility of more than 1,000,000 tons, it is perfectly apparent that the United States does not need to depend upon any foreign land for this essential of life—sugar. We can produce and should produce in our own country all of the sugar that we need.

Then it goes without saying that in our island possessions, Porto Rico, Hawaii, and the Philippine Islands, sugar is a natural crop; it is indigenous almost to those islands. I assume that Hawaii and Porto Rico have about reached the maximum of sugar production under normal conditions, unless their lands are fertilized very much more heavily than at present; but there is an unlimited possibility of sugar production in the Philippine Islands.

Mr. John M. Rogers, special representative in this city of the American Cane Growers' Association, brought to my attention a very interesting fact connected with sugar which I should like to call to the notice of my colleagues in the Senate. It is that the per acre farm value of sugar beets and sugar cane is greater than for any other farm crop listed, except sweet potatoes, Irish potatoes, and tobacco. I am not aware that that fact is generally known; certainly it was not known to me until I began this study. That means that the grower and the laborer who do the actual cultivating of sugar cane and sugar beets receive more per acre for their labor; or, to put it another way, the farmer is required to cultivate fewer acres of sugar beets or sugar cane than of any other crop, with the exceptions noted, to receive the same cash return. Since the Department of Agriculture has not in all years reported the per acre value of sugar cane, the per acre value of sugar beets, which is officially reported, will be taken as the per acre sugar crop value, applying the beet value to the cane, though it is well recognized that the per acre value to the farmer who raises the crop is greater in the case of sugar cane than in the case of sugar beets. Fortunately, the Department of Agriculture does report the per acre value of sugar cane for the year 1919. For that year the per acre value of sugar-beet land is given as $108.83, while the per acre value of sugar-cane lands is given as $147.84, and for the State of Florida the Fourteenth Census of the Department of Commerce gives the sugar-cane value per acre as $202.54. But waiving the added strength that would give, my statement of the value of the sugar crop, both beet and cane, will be based on the per acre value of sugar beets, and, further, not to take advantage of justifiable figures, sugar-cane acreage and values of cane used exclusively for sirup making will be excluded. If these were added, both the acreage and the farm value would be materially increased.

I now present a table, which I will ask to insert in my remarks without reading, showing a number of farm crops, fair per acre value, and other points that are interesting in this connection.

The PRESIDENT pro tempore. In the absence of objection, it will be so ordered.

The matter referred to is as follows:

Per acre value of farm crops for the year 1919.

Product.	Per acre farm value.	Farm value per million acres.	Acres required to equal 1,000,000 sugar beets.	Acres in 1919 each crop.	Acres beets or cane required to equal in value each total crop.
Sugar beets and sugar cane	[1] $108.83	$108,830,000	1,000,000	[2] 1,173,455	1,173,455
Potatoes	144.54	144,540,000	752,940	3,952,000	5,207,572
Sweet potatoes	135.10	135,100,000	805,551	1,042,000	1,293,524
Hay	32.54	32,540,000	3,344,500	56,552,000	16,908,955
Corn	38.52	38,520,000	2,825,259	100,072,000	35,420,499
Wheat	27.76	27,760,000	3,920,753	72,308,000	18,442,375
Oats	21.02	21,020,000	5,129,876	41,835,000	8,155,167
Rye	16.81	16,810,000	6,474,122	1,103,000	170,370
Barley	27.10	27,100,000	4,015,867	7,198,000	1,792,397
Buckwheat	30.26	30,260,000	3,596,497	739,000	205,477
Rice	104.58	104,580,000	1,040,538	1,091,800	1,049,164
Peanuts	65.04	65,040,000	1,673,277	1,256,000	750,623
Beans (6 States)	50.93	50,930,000	2,117,220	1,002,000	520,491
Cloverseed	42.40	42,400,000	2,566,768	843,000	328,429
Kafirs	32.80	32,800,000	3,317,987	5,031,600	1,516,280
Cow peas	14.76	14,760,000	7,305,555	1,453,000	198,889
Cotton	50.71	50,710,000	2,142,177	33,595,000	15,689,089
Flaxseed	21.47	21,470,000	5,059,613	1,572,000	310,695
Tobacco	296.90	296,900,000	363,180	1,910,800	5,261,303

[1] Cane for sugar, $147.

[2] Only cane and beets harvested for sugar making counted. The actual acreage in sugar crops harvested was—beets, 692,455; cane for sugar only, 179,909, which for cane was only a half crop. The total cane acreage for sugar and sirup was 461,000 acres—in eight States, 1,173,455 cane and beets.

Mr. RANSDELL. I wish to add that this table and these data show that 71 per cent of the cost of cane is returned to the farmer who grows the cane; 71 per cent of it goes back to the man who digs it out of the soil by the sweat of his brow.

What amount of duty is necessary to make sugar production profitable in continental United States? Bulletin 13 of the War Industries Board, entitled "Prices of Sugar and Related Products," also the testimony of Mr. Philip G. Wright, of the United

States Tariff Commission, before the Ways and Means Committee on the 18th of January, 1921, also Miscellaneous Series No. 53 of the Department of Commerce, and the June, 1921, issue of the Times, of Cuba, show that the State of Louisiana should have not less than 2½ cents a pound tariff, Cuban basis, if her product is to meet the sugar of Cuba on a equal basis in the American market; and what is true of Louisiana is true of Florida and Texas, so far as the production of cane sugar is concerned. There should be, to give them reasonable protection, a duty effective against Cuba of 2½ cents per pound—not 2 cents, as proposed in this bill. They should have 2½ cents per pound to place them upon terms of parity, upon terms of fair equality with the Cuban producer, if we can believe the testimony of the War Industries Board and Mr. Wright, of the Tariff Commission, and the Department of Commerce, and the great Cuban newspaper, the Times. They all fix it at this rate, giving reasons in detail—though I am not going to bother the Senate with these details now—figures which show that Louisiana would have to receive 2½ cents per pound to be put on terms of parity with Cuba.

In regard to beets, I believe from the investigation I have been able to make that they have a slight advantage over Louisiana cane in the cost of their production. I am inclined to think that beet sugar can be made slightly cheaper than cane sugar in the United States; but beyond question beet sugar, in order to compete on anything like parity with Cuban sugar, must have a duty of not less than 2 cents per pound effective against Cuba.

Why should the great mass of Americans who consume sugar, the 110,000,000 people in this country who eat sugar, consent to pay a duty of 2 cents a pound on it? That is a pertinent question. Why should they do it? I will answer, first, because we have to pay taxes to keep up the Government. We have to devise some means for paying the taxes to keep the wheels of government moving, and I have shown that the duty on sugar is the best revenue producer we have ever yet devised, so far as our imports are concerned. I have shown that we actually collected over $58,000,000 a year from a duty of 1 cent a pound on sugar during the eight years of the Wilson régime. The tax on sugar is the easiest of all taxes, it seems to me, to pay. It reaches the babe in the cradle and the old man on the verge of the grave. You are paying it for 365 days in the year when you eat your meals and drink your coffee and tea and other things that come on your table. You do not realize that you are paying it; but you have to pay taxes in some shape, form, or fashion; and a tax like this, which would not amount, even at the price of 2 cents a pound, to more than $1.90 cents per capita for every person in the United States, is an easy tax; it is not onerous; it is a tax which no one should complain of.

Mr. FLETCHER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Florida?

Mr. RANSDELL. I yield to the Senator from Florida.

Mr. FLETCHER. May I suggest to the Senator another thought which impresses me? I am not committing myself to the proposed amendment, now; but, in reference to this matter of revenue, it is estimated in some quarters—and I think there is a very sound basis for that estimate—that under many of the provisions of this bill and almost every highly protective measure the people pay about a dollar for about 4 cents that the Treasury gets. In other words, the protection is piled up and added to and increased to the consumer on nearly all the articles in this bill, so that the consumers of the country are paying twenty-six times as much money as goes into the Treasury of the Government on most of these items. In the case of sugar, however, I believe it is quite true—so far as I can judge, it is pretty well established—that the tax that is paid is the amount of the duty, and that amount goes into the Treasury of the Government and is not passed on and piled up and increased to others. In other words, the duty that is paid on sugar is a tax, we will concede, upon the consuming public, but it is a tax practically every dollar of which is paid into the Treasury.

Mr. SIMMONS. Mr. President——

Mr. RANSDELL. Pardon me one moment, Mr. President. The Senator's statement about that, in my judgment, is absolutely correct. A tax of 2 cents a pound on sugar goes to the Treasury of the United States. If we import under that tax 2,000,000 tons we know that we are going to get 2 cents a pound on that 2,000,000 tons. We know absolutely what we are going to get.

The Senator from Utah [Mr. SMOOT] in a very forceful manner to-day presented an argument and charts to show that the duty of 2 cents a pound is not passed to the consumer. He showed that when the duty was raised, the price of sugar was not raised in proportion. Some of it, of course, is added to the price which the consumer pays; but the great cry before us on the part of the refiners is that this increased price will be paid by the poor Cuban, and they mean, of course, the poor refiner. The consumer does not pay all of this increased price; but, as the Senator from Florida well says, on most of the commodities in this bill, when we establish a high rate of duty, that increased price is passed on to the consumer, and frequently it is doubled and trebled and quadrupled.

Mr. FLETCHER. Mr. President——

Mr. RANSDELL. I yield again to the Senator from Florida.

Mr. FLETCHER. May I suggest that even if this increased price of sugar passed to the consumer, it is not doubled and trebled and repeated; it is not pyramided to the consumer.

Mr. RANSDELL. It certainly is not.

Mr. FLETCHER. He does not pay any more than the duty, if he pays that.

Mr. RANSDELL. It certainly is not doubled or trebled or quadrupled. If he pays more, he does not pay any more than the actual amount of the duty itself.

I now yield to the Senator from North Carolina, if he wishes to interrupt me.

Mr. SIMMONS. Mr. President, I may have misunderstood the Senator from Florida. Of course, whenever a duty is imposed and there are imports, the whole amount of the duty that is paid on those imports has to go into the Treasury; and the whole amount of the duty on sugar that is collected at the customhouse, as in every other case, will necessarily go into the Treasury; and as we import probably a little bit more sugar than we produce in this country, more than half of the sugar will pay this tax at the customhouse. If that is what the Senator meant to say, of course I agree with him.

Mr. FLETCHER. What I meant to say was that, assuming that the tariff was a tax and was passed on to the consumer, in the instance of sugar the consumer was not called on to pay three and four and five times the amount of the duty, as in the case of most of the protected items in the bill.

Mr. SIMMONS. Undoubtedly the tax which is paid upon the imported part of the sugar that we use is passed on. When it is refined, of course I do not know, I can not tell, how much more is added and passed on. If it were consumed by the people without further manipulation, then probably no part of that duty would be passed on except such as the seller, the vendor of it, might see fit, in a spirit of thrift, to add to his ordinary profits. The trouble comes, however, with the part of the sugar that we do not import. The amount of tax that we levy against the imported article in the case of sugar and in the case of wool and in the case of all articles that are upon the same general basis of importation as compared with production is added to the price of the domestic product when that product is sold in the open markets of the country.

Mr. RANSDELL. I can not agree with the statement made by the Senator from North Carolina. I do not think the facts in regard to sugar show that an amount equivalent to the duty is passed on to that portion of the sugar which is produced in America; and I refer both the Senator from North Carolina and the Senator from Florida to the very able and interesting discussion of that very point brought out this morning by the Senator from Utah [Mr. SMOOT].

The consumer in America naturally wishes to buy in a competitive market rather than in one controlled by a big trust of sugar refiners, who conceal their unlawful acts through their holdings of Cuban sugar lands, and sugar mills, and sugar production in a foreign land where our antitrust laws do not reach.

There are 189 cane-sugar factories in the State of Louisiana. There are 89 beet-sugar factories in the United States, and in the whole Union there are only 20 refineries, two of which are on the Pacific coast, and devoted almost entirely, if not quite so, to refining sugar from Hawaii, and perhaps a little from the Philippines. So practically we are reduced to 18 refineries, located along the Atlantic coast, and one or two on the Gulf. It is perfectly easy and feasible for 18 powerful corporations to get together on some basis of combination with regard to their operations in foreign lands. I hope and believe that we can prevent effective trusts and combinations of the 18 refineries, in so far as their activities in America are concerned. But it is perfectly feasible for those refineries, which control more than 60 per cent of the Cuban output of sugar, to regulate the price thereof in Cuba. What is easier for those refineries, in case they drive the beet and cane sugar producers out of the market, than to say to their Cuban mills, "We want the price at which you sell to us, the American refiners, this year put up 1 cent, or 2 cents, or 3 cents." Of course there

will be a very small margin charged on the refining cost; there will be no combination in America, so far as the refineries are concerned. They would be very careful not to violate the antitrust laws of this country; but they would fix the prices from Cuba, through their control of 60 per cent of the Cuban production, so as to effectively raise the price of sugar very materially to the American consumer.

Mr. GERRY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Rhode Island?

Mr. RANSDELL. I yield.

Mr. GERRY. I would like to ask the Senator if it is not true that when there was a large surplus of sugar on hand in Cuba, and sugar was at such a high price, sugar then came in from all parts of the world and broke the market?

Mr. RANSDELL. That is true.

Mr. GERRY. In other words, the Cuban supply was unable to control the American market?

Mr. RANSDELL. That is true, and that proves absolutely the force of my argument. I am glad the Senator brought that out; I was just going to say that in my next sentence. I was going to tell how these Cubans—ostensibly Cubans, poor fellows—are controlled absolutely by our refiners, Americans who have expatriated a billion dollars of good, hard American money and put it into Cuba, and are now crying out for us to treat their billion dollars with just as much consideration as we treat the billion or more dollars invested in beet sugar in Louisiana, Florida, and Texas sugar, in Hawaiian, Porto Rican, and Philippine sugar.

These people are the very men who put up the price of sugar in Cuba in 1920. They put it up to 24 cents a pound. They controlled the situation there. They tried to make the American consumer pay 24 cents a pound; and how did we stop it? There was no sugar in Louisiana to stop it. We had a little dab of it there, and the Attorney General agreed with the Louisiana producers that they might sell that very small amount of their crop at 17 to 18 cents. He did that because they had not made a third of a crop, and because even at 17 to 18 cents there was a very heavy loss on their part. But the Cubans with a tremendous yield, with plenty of sugar on hand, tried to sell to us, not at 17 to 18 cents as Louisiana did, but at 24 cents, and we called their bluff by importing from foreign lands, largely from Java, 800,000 tons of full-duty sugar, and they would not put the price down until under Government initiative we did bring in a lot of it, and then the price went to pieces not only for the Cubans but for American producers of sugar also.

Mr. GERRY. Does not the fact remain that the price was broken by the importation of foreign sugar, and the Cuban supply was unable to control the American market?

Mr. RANSDELL. Yes; the price was broken by the importation of 800,000 tons of foreign sugar. The Government was obliged to do it, and all this foreign sugar had to pay 20 per cent more duty than that which came in from Cuba. The Cuban has a wonderful advantage over any other foreigner. If the duty on sugar is 2½ cents to the man from Java or Mexico or Honduras, or from any other country, it is only 2 cents to a man from Cuba. By the way, a good deal of sugar is being produced in several of the countries I have named. Some of my friends have immense holdings in Mexico. If we impose a duty, in order to make it effective at 2 cents against Cuba we must impose a duty of 2½ cents against the Mexican sugar, the Honduras sugar, and the sugar from all other countries. There is a difference in favor of Cuba of half a cent a pound, which frequently amounts to the difference between profit and loss. The Cuban has an enormous advantage, and the only way we could overcome that when he tried to hold up this country was to import 800,000 tons of sugar from Java and other lands at full duty, not at 1 cent per pound, as the Simmons-Underwood law of that date provided for the Cuban, but 1½ cents per pound.

That was the situation. Do we want to return to that? Do we want these refiners to hold us up? Oh, no, Mr. President; the people of the United States want cheap sugar. I would like to see them have reasonably cheap sugar, and the only way they are going to get it is to maintain a competitive market. The only way they are going to get it is to encourage to a greater extent than now exists the production of sugar in Louisiana, Florida, and Texas, and in the beet-sugar States, and to maintain in full force and effect the production of sugar in Porto Rico, Hawaii, and the Philippines.

A combination among all these sugar growers is wholly impractical. The 180 sugar factories in Louisiana can not combine with the 80 beet factories in such a way as to put up the price, especially when we have our antitrust laws to protect us. Two hundred and seventy-eight factories never did form a combination for any such purpose as that. But 18 refineries, as I have shown—18 powerful corporations—already own and control enough land in Cuba, according to the testimony of Mr. Hy A. Rubino, to produce 8,188,000 tons of sugar. That is what they own now. I do not say they are producing that much, but they own land enough to produce 8,188,000 tons of sugar, and, according to the best evidence we have, they control at least 60 per cent of all the sugar raised in Cuba.

Mr. WILLIS. Mr. President, if the Senator has not already referred to it in his very instructive address, will he state what percentage of the actual production in Cuba is now controlled by American capital and American sugar refiners?

Mr. RANSDELL. The evidence will be put in a little more fully than I can give right now, but I understand that American capital controls to-day about 60 per cent of all the sugar raised in Cuba.

Mr. WILLIS. They are the "Cubans" who are making the most of the outcry?

Mr. RANSDELL. They are the people making the noise. The testimony of this Mr. Rubino before the Senate Finance Committee—page 2198, hearings—shows that they have sufficient land in Cuba to produce 8,188,000 tons, and his evidence also shows that there are other American holdings in Cuba not connected with the refiners, not allied with them in any way, not associated with them, whose land, in addition to that of the refiners, would produce about 2,782,000 additional tons of sugar. So that if the lands now owned and controlled by Americans or their allied interests were worked to their capacity there would be a Cuban production of American-owned sugar of 10,970,000 tons. In other words, these refiners and their allies have gotten hold of the Cuban industry, and they are trying to make it appear that they are good, patriotic citizens; that they must be looked after, and their investments must be cared for.

On that point I would like to ask Senators if they feel like taking care of an investment which expatriates itself? Let us assume that these investments were made in Germany or China, for instance, rather than in Cuba. These men say they have $1,050,000,000 invested in Cuba. Let us assume that that $1,050,000,000 were invested in China or in Germany. Will you please tell me how much revenue could be collected from that investment, how many schools kept up, how many roads maintained, how many churches supported, how many cities and towns built up, how much civilization created and made part and parcel of our great Government out of this $1,050,000,000 invested in China or Germany? All we could get out of those foreign investments would be probably a little income tax on the returns which these expatriators were willing, out of a sensitive conscience, to make to our revenue officers.

But what about the $1,050,000,000, in round numbers, invested in sugar in Louisiana, in the beet-sugar States, in Porto Rico, in Hawaii, in the Philippines, all American investments, all American countries, maintaining American institutions, paying honor to the American flag, paying American taxes? Is there any comparison between the two?

Do not understand me, Senators, as saying one word against Cuba. I glory in the act of our Government in giving freedom to Cuba from the oppression of Spain. I have often spoken of it as the most altruistic and magnificent act in the history of this or any other country. There is nothing comparable to it, and I am anxious and willing to help Cuba in every way. I want all investments of American money in Cuba to receive the same recognition from the Cuban laws and the same benefit as Cuban investors receive from their laws. But I do not want those investments treated better in America than American investments in America are treated, and that is what these people desire.

Restating my proposition, we must maintain competition in the production of sugar in this country if we hope to have reasonable prices for it. I say to you, Senators, that the consumer is a man of all men interested in a 2-cent duty, because the 2-cent duty means such a development of the sugar industry in the cane and beet sugar sections of our land that we will have a great number of American citizens competing with each other in the good old-fashioned American way for the business, and that is what we all want, I take it.

To my mind the best proof that sugar in America has not enough protection to make it attractive is the fact that $1,000,000,000 of our good American money has been invested in Cuban sugar. This billion dollars, as I said awhile ago, is crying aloud for lower duties on sugar regardless of its effect on our investments in sugar in the United States.

Mr. President, there is a vast difference to the general business of America and the money disseminated among our people in sugar produced here and that imported. Miscellaneous Series

No. 53 of the Department of Commerce, to which I alluded a moment ago, shows that in order to produce a ton of raw cane sugar in the State of Louisiana there is money paid to the farmer for his labor and to the factory for its cost to the extent of $79.56. Let me repeat that. To produce a ton of sugar in Louisiana there must be paid out in expenditures of every kind and sort $79.56. For beet sugar it is about the same, or perhaps a fraction lower. But what about a ton of Cuban sugar that is imported, let us say, in a good American ship at a cost of $3 a ton freight charge from Habana to New York? The ship gets $3 a ton out of it. The refiner pays out for labor to refine that sugar, to put it in shape so that we can use it on our tables, $6.72. In one instance, to get the sugar in shape to consume, in Louisiana and the beet-sugar region, $79.56 is expended in this country, and in the other instance only $6.72 is paid out to American labor by the refiners.

Mr. SIMMONS. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from North Carolina?

Mr. RANSDELL. I am delighted to yield to the Senator.

Mr. SIMMONS. In view of the vast difference in the cost of producing sugar here and in Cuba, the Senator said that we should encourage the industry in this country and after a while Americans would begin to compete with themselves and supply the market. Will we ever be able to supply the market at a price even approximating the price at which Cuba can produce this article?

Mr. RANSDELL. I am not certain that we can produce sugar at as low as Cuba in cost. I do not believe we can. I am quite sure that it can not be produced as cheaply in Louisiana, the State I represent in part and love with my whole heart. I do not believe we can raise it there as cheaply as we can in Cuba, but I believe in the southern portion of Florida and in the southwestern portion of Texas sugar can be raised relatively as cheaply as it can in Cuba. I believe under improved farming conditions beet sugar can be produced a great deal cheaper than it ever has been produced. I call the attention of the Senator from North Carolina to the fact that a great deal of the agricultural industry and prosperity of the great country we know as Germany was due to her beet sugar. Germany favored sugar in every way. She even paid an export duty on sugar, but she derived wonderful benefits from her cultivation of sugar beets. She planted the beet crop, as I understand, every fourth year, and cultivation of beets there resulted in a great fertilizing of the soil, as the Senator from Michigan [Mr. TOWNSEND] stated to-day. It resulted in great improvement of agriculture generally and was a wonderfully profitable thing to the German Empire, although they never did produce the sugar as cheaply as Cuba. Even if we can not raise it as cheaply as Cuba—and I do not believe we can—we can make it a very profitable industry in this country, and if it ever gets on its feet it will stay on its feet.

Mr. SIMMONS. I was not discussing the beet-sugar problem with the Senator. The beet-sugar problem of Europe is a hothouse problem, and nothing but a hothouse problem. Whatever development was obtained there was the result of bounties granted by the State, and it became such an abuse and so oppressive that they had a convention and decided to measurably stop that process, and to-day the beet-sugar industry of Europe is in a state of decadence.

But it is not that that I want to discuss with the Senator. I wish to ask the Senator this question, because I think it logically grows out of his statement. If I understood his statement a little while ago, it was to the general effect that it costs something over $70 to produce a ton of sugar——

Mr. RANSDELL. Seventy-nine dollars and fifty-six cents according to the Department of Commerce.

Mr. SIMMONS. Then he stated that Cuban sugar could be put upon the market for $3 plus some other figure which he stated.

Mr. RANSDELL. Oh, no; the Senator misunderstood me entirely.

Mr. SIMMONS. I hope I did misunderstand the Senator from Louisiana.

Mr. RANSDELL. The Senator certainly did misunderstand me. I do not see how so smart a man as the Senator from North Carolina could have misunderstood such a simple statement. I said that in order to produce a ton of sugar in the State of Louisiana, according to the Department of Commerce, there would have to be paid out to the farmer who produced the cane and to the factory which turned it into sugar $79.56. I did not state what it would cost to produce the sugar in Cuba. I did not go into that, but I did say that the refinery in this country which took the raw Cuban sugar and washed the molasses out of it and made it an edible product paid out in labor for the process of cleansing that sugar $6.72. That is what I said. I was trying to lead the Senate to understand that when a ton of sugar is made in America we get out of the transaction $79.56. When we bring a ton of sugar from Cuba all that American labor and American enterprise get out of the transaction is $6.72 paid by the refinery.

Mr. SIMMONS. That is for conversion?

Mr. RANSDELL. Yes; that is the proposition.

Mr. SIMMONS. Then I did not understand the Senator. Will the Senator tell us what it costs to produce a ton of sugar in Cuba as compared with what he said it costs to make a ton of sugar in Louisiana?

Mr. RANSDELL. I can give that to the Senator. The figures are as follows: The cost to produce a ton of sugar in Cuba is $28.92, as compared with $79.56 in this country.

Mr. SIMMONS. Now, I want to ask the Senator another question. He said that we ought to stimulate the production of sugar cane and beet sugar in this country, if we can; and he is talking about cane sugar, as I understand it.

Mr. RANSDELL. Yes.

Mr. SIMMONS. The Senator said that if we would stimulate it we would find ultimately that we would produce enough in this country to supply our own demands. If the time should come when we produced enough in this country, under the impetus of this stimulation, to supply the demands of the market, would there not be the same difference in the cost of production in this country and Cuba that there is now? Will we not have to continue to the end of time, in order to protect ourselves against Cuban competition, to pay the same bonus in order to continue to keep the industry alive?

Mr. RANSDELL. I do not think we will have to do anything of the kind. I believe if we would ever get the industry on a good sound basis in this country, so that we would produce, say, 4,500,000 or 5,000,000 tons of sugar, getting the business well established and thoroughly going, that it would be self-sustaining. Of course, sugar will always be produced possibly more cheaply, I have no doubt, somewhat more cheaply, in Cuba than in this country; but sugar is not a hothouse plant in America, I will say to the Senator. It can be made, and it will be made if we ever get it thoroughly started.

Mr. SIMMONS. But the Senator states that the cost of production in this country is something like three times as much as the cost of production in our neighboring country just across the water; and the question which interests me is, after years of artificial stimulation, when we have by that process of annual bounties brought the sugar production of this country up to the point where it supplies the demand, whether we will not have to continue that process, and when we stop that whether we will be able to produce sugar as cheaply as Cuba, and whether the industry would not under those circumstances go all to pieces at once.

Mr. RANSDELL. In answer to that question I will say to the Senator frankly that I do not believe we can produce sugar in this country as cheaply as it can be produced in Cuba; but if the Senator had heard the first part of my remarks he would bear in mind that I said we are obliged to raise taxes by some means, and even if we continue indefinitely a duty on sugar and Cuba still is sending to us—not as much, perhaps, as she does now, but a very considerable portion of what our people consume—we will be getting revenue from that source which will form a very just and proper part of the revenue of our country.

Mr. BROUSSARD. Will my colleague permit me an interruption?

Mr. RANSDELL. I very gladly yield to my colleague.

Mr. BROUSSARD. I gathered from the statement of the Senator from North Carolina that when he voted for a 1-cent duty upon sugar in the Underwood-Simmons law he was totally unjustified in doing so?

Mr. SIMMONS. I have said nothing of that kind.

Mr. BROUSSARD. I know the Senator did not say so, but I stated that I gathered that as a natural conclusion from the statement he had made.

Mr. SIMMONS. How could the Senator from Louisiana gather that from my statement when I was simply asking the senior Senator from Louisiana whether he thought we should ever be able to build up the sugar industry in this country to a point where we could compete with Cuba or where we could give to the people of this country sugar at a price anywhere near equaling or approaching the price that Cuba could give it to them for and whether in his opinion——

Mr. BROUSSARD. If we should destroy the American production of sugar, what does the Senator think we should have to pay for sugar?

Mr. SIMMONS. I said that——

The PRESIDENT pro tempore. The Chair reminds the senior Senator from Louisiana that the colloquy is wholly within his control.

Mr. BROUSSARD. I do not care to interfere further.

Mr. RANSDELL. Then, Mr. President, I will proceed, though I wish to be just as courteous as possible.

Mr. SIMMONS. If the senior Senator from Louisiana will yield for that purpose, I have not any objection to discussing the matter.

Mr. RANSDELL. I was stating, Mr. President, that a ton of sugar in this country would cause on the part of the people who made the cane and those who ran the factory and ground up the cane an expenditure of $79.56. Let us see what that means. A million tons of sugar which we produce in the United States, a million times $79.56, or $79,560,000, so that every million tons of sugar that we produce in the United States causes an expenditure in the agricultural sections of nearly $80,000,000. If we buy that sugar in Cuba and bring it over to this country and have it refined here, we then pay out in America $6.72 a ton, as I have before shown; multiply that by a million and Senators will see that we have a very different result. It is $6,720,000 in that instance as against nearly $80,000,000 in the other.

Do Senators want to encourage an enterprise in this country which will build up a wonderfully successful form of agriculture? As I have shown, we get more money per acre for producing sugar than for producing any other farm product with the exception of sweet potatoes, Irish potatoes, and tobacco. Do Senators wish to build up a form of agriculture in America which will be very successful and profitable and pay enormous sums of money to our own farmers and manufacturers, or do they want to build up Cuba? Do they want to build up a foreign land? I have always believed in America for Americans, Mr. President. I believe in looking after American institutions first, especially if along with my attempt to look after American institutions I can give the consumers of sugar a cheaper product than they ever would receive if we should get into the merciless hands of the refiners of sugar. Everyone who has ever studied this subject closely agrees that if we permit the sugar business to get into the hands of the refineries they will fix any price upon it they see fit. So we should by the imposition of this duty be giving, first, a good big revenue to carry on the Government—anywhere from $120,000,000 to $140,000,000 a year of revenue—and we should be giving cheaper sugar to the consumer because of the effective competition growing out of the great American industry being divided up among so many sources, as I have attempted to show.

Mr. President, there has been a great deal said in the argument—and I am not going to elaborate it—about the burden which a duty of 2 cents a pound would impose upon the American people. The refiners have been putting out their propaganda to that effect, and then, in the very next breath, they say that we are ruining poor, downtrodden, oppressed Cuba. In one breath we are adding 2 cents a pound to the American consumer of sugar because of the proposed duty, and in the next breath the Cuban producer pays the freight, pays the duty of 2 cents a pound. They have got to take one horn of the dilemma or the other.

I am frank to say that, as representing in part the State of Louisiana, I expect the price of sugars to go up somewhat in proportion, although not absolutely in proportion, to the increased duty of 2 cents, and I expect the people of my State to produce more sugar; I expect the industry to grow throughout the land.

Mr. President, I have occupied the time of the Senate longer than I anticipated. I now ask to publish in 8-point type, without reading, an interesting article prepared for me by Mr. Sidney Ballou, who represents Hawaiian interests in this country. It is entitled "Cuban sugar in war time."

The PRESIDENT pro tempore. Without objection, it will be so ordered.

APPENDIX.

CUBAN SUGAR IN WAR TIME.

(By Sidney Ballou.)

"Those interested in the production of Cuban sugar are conducting a vigorous and well-organized publicity campaign against the domestic industry and in favor of a lower tariff on their product. Among the claims made the following is prominently featured: 'Experience during the recent war showed the complete assurance with which the United States can rely on Cuba for immediate supplies of sugar.'

"It is difficult to believe that the memory of the American public is so short that this statement will be accepted at its face value. Cuban sugar was largely controlled from the United States during the war, but in the absence of such control, and sometimes in spite of it, the supply was undependable and subject to combination and control over which we had no jurisdiction.

FALL OF 1917.

"The food control act went into effect August 10, 1917. On August 22 Mr. Hoover, in a memorandum to the President outlining his problems, made the following statement:

"'Certain Cuban sugar producers—who are out of our reach—have combined to force up the price of the remaining 1917 Cuban crop, prior to the new crop in December, and have lifted the price of raw sugar in New York from 5 cents in June to 7.5 cents, duty paid, on August 16, and this against a three-year pre-war average of 4.2 cents. The recent advance of 1.6 cents alone would represent an added tax upon the American people of over $30,000,000 by the end of December.'

"As soon as the domestic crop came on the market the beet-sugar producers, together with the cane-sugar producers of Hawaii and Louisiana, entered into a voluntary agreement by which the entire western half of the country was supplied with refined sugar on a basis of 7.25 cents. At the same time the eastern seaboard, dependent upon Cuban sugar, was paying 8.40 cents.

"In spite of this disparity the supply of Cuban sugar promptly ran out and the eastern refineries were obliged to close for the lack of supplies. The Franklin refinery at Philadelphia closed on September 15, Arbuckle in Brooklyn on September 19, Colonial refinery on October 4, followed by the others in rapid succession. By October 24 all the sugar refineries in the United States were closed except one belonging to the American, and four refineries which were being supplied by Hawaiian raw sugar.

"The shortage which followed in the eastern States was most acute and was the subject of senatorial investigation. Mr. E. D. Babst, president of the American, testified that it was a shortage of supplies in no way due to the Food Administration. Mr. C. A. Spreckels, of the Federal, endeavored to lay the blame on an agreement signed by the refineries on October 10 after a majority of the refineries had closed, whereby the refiners agreed not to pay more than 6.90 for raw sugar. At any rate, there was no supply of Cuban sugar available at a price far in excess of what domestic producers were willing to accept for a similar grade and the country suffered accordingly.

1918 AND 1919.

"The entire Cuban crop of 1918 was purchased by the United States and its allies at a price of 4.60 f. o. b. Cuba, although the Cuban representatives requested 5.25 cents. As Bernhardt remarks in his Government Control of Sugar, 'The tremendous increases in the Cuban crops which have followed this action are testimonials to the sound judgment displayed at that time by the Food Administration officials.' It can hardly be doubted that the voluntary agreement of the domestic producers to take a 7.25 price for refined sugar had a considerable effect on the negotiations. The price finally agreed upon worked out into a price of 7.45 for that year. The Cuban crop of 1919 was likewise purchased at a price, necessitated by advance in costs, of 5.50 f. o. b. Cuba. The corresponding refined price in the United States was 9 cents.

OFFER OF THE 1920 CROP.

"In August, 1919, the Cuban committee offered to negotiate for the sale of the 1920 crop. No price was named, but it is generally understood and accepted that at that time they would have asked 6.50 f. o. b. Cuba, or an advance of a full cent on the preceding year's price. This offer was referred to President Wilson, from whom the most energetic representations of the Sugar Equalization Board failed to obtain any response whatever. By September 23 the price of sugar had advanced, the Cuban committee confessed that they could no longer control the action of the Cuban producers and their offer was withdrawn.

FALL OF 1919.

"With advancing prices and the prospect of the relinquishment of control at the end of the year, the fall of 1919 again demonstrated how little we could depend on Cuban sugar in time of stress. Again all Cuban sources of supply mysteriously dried up and the country suffered another acute shortage. The United States was divided into zones, the Hawaiian and beet-sugar production taking care of the entire country as far east as Buffalo and Pittsburgh and the Louisiana supply being allocated to the South. The eastern refiners, who are wont to

boast that they have refining capacity enough to supply the entire United States, were left only a narrow strip along the Atlantic seaboard, and here the famine was most acute. On several occasions domestic beet sugar was called upon to relieve particular cases of distress even within the eastern refiners' zone.

"There was no blame attached to the eastern refiners except in so far as they attempt to make the country believe that they 'produce' sugar. Their production was in a foreign country, where, except for their own holdings, it was entirely beyond their control.

THE YEAR 1920.

"With all official control ended, the Cuban producer was free to demonstrate 'the complete assurance with which the United States can rely on Cuba for needed supplies.' The result is history. At the first sign of advancing prices the Cubans began to hold their sugar for an exorbitant price. It has since been demonstrated that there was plenty of sugar available. Mr. E. F. Atkins has testified to the following condition of things as reported by him to the Attorney General at the time:

"'I said, "Mr. Palmer, I have just come from Cuba. I can assure you that there is no real scarcity of sugar." I said that there was sugar enough in Cuba to run the United States through into the next beet crop in October, and this was early in June. He said, "How do you know that?" "I have seen the sugar in Cuba. I know that there is a large stock of sugar in the interior of Cuba that never has been reported." They only reported the stocks in the ports.'

"Failing for the third time its supply of Cuban sugar, the United States began to import sugar from all over the civilized world. When, on the 1st of July, the price began to show signs of breaking, the Association of Hacendados and Colonos met in Havana and took steps to form a combination to prevent the price of raw sugar dropping below 24 cents. The arrival of over half a million tons which had been ordered from other countries, however, forced a disastrous break in the price, left the Cubans with an accumulated surplus, and unable to repay the banks the money they had borrowed to enable them to hold it. From the debacle which ensued Cuba is still suffering, but is blaming her troubles solely upon a subsequent increase in the American tariff.

"Lest it be thought that this picture is overdrawn, we will let Cuba's own spokesman make his own explanation, bearing in mind, however, that the Attorney General allowed Louisiana sugar to be sold at 17 and 18 cents solely upon the showing that an almost complete crop failure necessitated that price, a condition in no wise applicable to Cuba.

"Mr. Horatio Rubens testified before the Senate Finance Committee, as follows:

"'I am trying to disclose, Senator, if I may, that the Cubans, who may have made a mistake, and probably did, some of whom were naturally overambitious, had the same example, as was shown you to-day, of the fixation of price by the Attorney General in the case of Louisiana at 17 to 18 cents and the banner of speculation was nailed to the foremast of the vessel. So that my plea is: Please do not blame the Cubans entirely for the very natural assumption that when in November or December of the year previous to their making their crop Louisiana was authorized to charge 17 to 18 cents, so it was no marvel that finally in May and June the raw sugar went up to 23 cents.'

"This must be accepted as the best explanation Cuba is able to give.

THE YEAR 1921.

"The outstanding event of the year 1921 was far less spectacular than that of the preceding years, but is equally significant. It was the appointment of a sugar finance committee with authority to sell the entire Cuban crop at prices which it might fix. This was backed by legislation and decrees of the Cuban Government, so that eastern refiners could not even get the sugar of plantations in which they were interested unless previously contracted for, except on the terms and at the prices fixed by the committee.

"As market conditions went the attempted control harmed no one but Cuba itself. While avowing a determination to follow the law of supply and demand the ideas of the committee were so frequently above the market price that everyone else sold their sugar just under the umbrella so obligingly held. One of the most notable mistakes of the committee was immediately subsequent to the increase in duty by the emergency tariff act. The committee held to its previous cost and freight price of 3.875 cents for six weeks without a sale, waiting for some one to 'add the tariff to the price,' before it realized that added costs are not recoverable in a supply and demand market and dropped its price by the full amount of the added duty with an intervening market decline besides.

"While under conditions as they existed the absolute control of the crop by one seller did no material damage, it is particularly significant as showing what is likely to happen at any time this country is induced to place reliance upon Cuba to any greater degree than at present for its needed supplies of sugar."

Mr. PHIPPS. Mr. President, I intend to occupy the time of the Senate for but a few minutes to state my own experience and observation as to the development of the beet-sugar industry in Colorado and adjoining States. In Colorado, with its 14 operating factories, we find communities that look upon sugar beets as their backbone crop, their cash reliance, because it is a cash crop; they are paid in cash promptly upon the delivery of their product. Not only that, but they also participate in the profits which are realized by the sugar factories over and above the agreed rate per pound which those factories receive for their output.

I have never interested myself in the sugar business. I was strongly tempted to do so at one time. Going back to the year 1913, I well remember that I was solicited to take a strong interest in the sugar industry of Colorado. Investigation at that time, however, disclosed that the rate of protection under the act of 1909 was $1.685 per 100 pounds on raw sugar, but the act of 1913 had been passed, and, upon its taking effect, the rate was reduced to $1.348, with a further proviso that on March 1, 1914, it would be again reduced to $1.01, and that on May 1, 1916, sugar should be admitted into the United States free of all duty. Mr. President, I could from the data given me and which I collected demonstrate that with a fair rate of protection the beet-sugar industry was an attractive proposition, but when the rate was cut in a short period of time from $1.685 to $1.01 the margin of profit largely disappeared, and with a further threatened menace of that small duty being removed and sugar being put upon a free basis there was no inducement to me to invest my money in the beet-sugar industry.

I have never owned a share of sugar stock or any other form of security of a beet-sugar company in the United States. I have been interested in a Cuban enterprise which as a corollary has a production of cane sugar, and I believe to-day I have some stock and also some bonds in sugar mills in Cuba.

Mr. President, the farmers of the western section of the country under present prices of sugar, with existing tariff rates, can hardly expect to receive much, if anything, over $5 per ton for their sugar beets. That is not a remunerative rate to them. They will not develop the industry, increase their production, and plant new acreage at that price; they can not afford to do so; they can not secure labor that will enable them to produce beets and deliver them to the factory at $5 per ton and make a fair living out of the business.

The existing rate under the emergency tariff law has fixed the price for sugar beets for the current year. If that rate is to be continued as now proposed, there is no hope for the farmer; there is no encouragement to him; no inducement to him to plant additional acreage to sugar beets, although the acreage is there available and the labor is at hand.

Mr. President, with a fair rate of duty—not less than 2 cents per pound—against Cuban sugars, there is no question, in my mind, that the farmer can receive at least $6 a ton for his sugar beets; that he will be able to operate his farm at a profit; that his laborers will be well paid; and that it will mean increased prosperity and the further development of the great western section of the country.

The building of additional factories does not alone affect the district in which they are located, but it means increased business to the producing factories and mills of the East; it means an assurance to us that, with an increased output in our own country of sugar made from beets, we will not be dependent upon Cuba alone for our supply; and it will mean, when the business has been properly and thoroughly developed, that never again will we be subject to the menace of a holdup on the part of the producers of Cuba or any other country such as we experienced in 1918–19.

Mr. President, I feel entirely free to vote on the sugar schedule in this bill, as it would appear that I may be voting against what might be my own selfish interests, on account of my ownership of securities in Cuban sugar enterprises and the fact that I own none whatever in America. I want to say, however, that were conditions reversed, and were I the owner of stocks and bonds in American sugar enterprises, I should feel just as free as I do now to exercise my right as a Senator to vote on these sugar schedules. I should feel that my vote should be influenced only in case some special feature of the bill related to the one single company in which I owned a personal interest;

but if that section of the bill related to the general industry in which I might have an ownership in one particular company, I should feel that it was my right—and not only my right, but my duty to the citizens of Colorado, whom I represent in part—to vote in their interest for an increase to 2 cents as against Cuban sugars under this schedule.

Mr. CALDER. Mr. President, following exhaustive public hearings and much discussion the Finance Committee adopted the tariff of 2 cents per pound on imports of raw sugar, which was the rate in the bill as it came from the House. Owing to the preferential of 20 per cent granted imports from Cuba this rate amounts to 1.6 cents per pound on raw sugar from Cuba. A tariff of 1.6 cents per pound on raw sugar is, to say the least, high enough. It certainly should not be increased beyond that, to 2 cents per pound on Cuban sugar and 2½ cents per pound on sugar imported from all other places. Personally I urged the Finance Committee to adopt an even lower rate on this necessity of life, and I feel that any increase would be entirely unjustified and would be resented by the American people.

From the standpoint of needed revenue the tariff rate of 1.6 cents per pound on Cuban sugar will produce a great sum. More than 3,000,000 tons of Cuban sugar will be imported this year. At 1.6 cents per pound, or $32 per ton, this amounts to a tariff revenue of $96,000,000. This additional tax on a necessity of life comes out of the pockets of the American consumer. To increase this rate to 2 cents per pound will add approximately $25,000,000 to $30,000,000 to the cost of living of the American people directly, without in any way assisting in producing additional sugar from the cane fields of Louisiana or the beet fields of the West. This also involves a still higher price on all sugar produced locally, and simply means that millions of dollars will be handed over in excess profits to the beet-sugar factories. A tariff revenue of approximatey $100,000,000 on this necessity of life would seem to be sufficient, and to go beyond that would simply mean extortion. From the standpoint of protection the rate proposed by the House and concurred in by the Finance Committee, namely, 1.6 cents, is more than ample. In fact it is the highest ever placed on this commodity. It is 30 cents a hundred higher than the Payne law and 60 cents higher than the Underwood Act.

During the time the bill was under consideration by the Finance Committee there were conferences of beet-sugar producers of the United States, Cuban representatives, and representatives of the United States Government. This was during the winter and the first part of the year. At that time the beet-sugar producers knew that Cuba had in stock about 1,200,000 tons of the preceding crop.

They knew that Cuba was in dire straits financially. They feared that this store would be "dumped" on the market of the United States at a ruinous figure, and that this would depress the price that beet sugar and cane sugar produced in the United States would bring. Then they feared also that Cuba would produce a very large crop this year, which would also be "dumped," and they saw their market for beet sugar disappearing. That was their state of mind at that time. They were apprehensive lest their efforts would go for naught, and to hear some of them talk one would imagine they feared they would almost have to give their sugar away.

Animated by this idea, it was proposed on behalf of the beet-sugar interests that the Cuban Government should limit the season's crop of sugar to two and a half million tons. It was argued that this total, together with the 1,200,000 tons in storage in Cuba, would be sufficient for the year when supplemented by the sugar crop of the United States producers.

As a matter of cold business, it was held that the crop limitation on Cuba would be profitable all around, because it would tend to prevent an oversupply of sugar and keep up the price.

At that time, although the beet-sugar producers put on long faces and predicted the ruination of their industry, they made the suggestion that they would agree not to oppose a tariff of 1.4 cents per pound on sugar imported from Cuba.

One and four-tenths cents per pound suggested by the United States industries, when the outlook, they professed, was very dark, mind you, would be enough to give them the protection that they felt the American industries required. That rate is even lower than the rate included in the bill now before us, and represents a vast difference below the 2-cent rate now proposed.

There was a condition, however, to this offer. It was that the Cubans limit this season's crop to two and a half million tons. If Cuba would do that the price of 1.4 cents per pound would be ample for the purpose of protection. It would seem to me that it would be ample under any condition. If the beet-sugar producers could get along with 1.4 cents in January they can get along with that for all the time to come. In some manner, however, there crept into these discussions a sinister note. It became rumored that unless Cuba would agree to limit the crop the tariff would be fixed at a higher rate than 1.4 cents, and it might go up to 2 cents or 2½ cents as a sort of retaliation for the refusal of Cuba to comply with the demand of the local sugar interests.

At that time the argument was not that this high rate was required for protection, but that it would be imposed to the injury of Cuba. Of course, such a suggestion was received with surprise by Cuba, a country which we freed from foreign domination at great cost of men and treasure, and which is at the present time our ward among the nations. It was shocking to the sense of fair play of the American people.

Cuba was unable either officially or unofficially to comply with the demand for crop limitation, and let us see what has happened since.

The present emergency tariff rate on Cuban sugar is 1.6 cents. Under that rate there has been no dumping of Cuban sugar nor the ruination of the American beet-sugar industry. The beet-sugar crop of the United States has been sold out completely, to the profit, if not the complete satisfaction, of the beet-sugar interests. It is all gone. Cuba has sold to this country since the first of the year more than two and one-half million tons of this season's crop. She has sold practically all of the surplus remaining from last year of 1,200,000 tons, and yet this country is still buying sugar.

Had the limitation of two and one-half million tons been made effective in Cuba, the United States would now be confronted with a sugar shortage; and where would we turn for the requirements of the consumers in this country for the remainder of the year had the crop limitation been adopted? There would now be a mad scramble in the market of the world for sugar, and prices would have gone very high again at the expense of the American consumer.

Under the circumstances, we may be thankful that the crop-limitation plan was not accepted by Cuba. Under the circumstances, it is claimed there is no justification for increasing the tariff beyond the present rate, for no additional protection is needed, and the only real beneficiaries would be the speculators who have stocks of sugar on hand on which they would profit by a big rise in prices.

To increase the tariff by 2 cents a pound on raw sugar imported from Cuba, and 2½ cents per pound on sugar from other countries, would inevitably increase the price of sugar by at least 1 cent a pound to every housewife and family in the United States.

Sugar is now being landed in this country at from 3¼ to 3⅜ cents a pound, without duty. It is sold at wholesale at 7 cents per pound.

Mr. GOODING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Idaho?

Mr. CALDER. I do.

Mr. GOODING. How does the Senator account for granulated sugar selling for 7 cents a pound at the present time? It is true that we are eating Cuban sugar now, I believe; but I will say to the Senator that the average price of sugar grown on the American farm, produced by American labor, and refined in American factories, was 5 cents a pound.

Mr. CALDER. When was that?

Mr. GOODING. That was this year. All the beet sugar sold for an average price of 5 cents a pound. Now, the American people are paying 7 cents a pound for Cuban sugar, or, in other words, it is costing them something over a quarter of a million dollars a day to eat Cuban sugar.

Mr. CALDER. The Senator knows that the beet-sugar crop was short this year. He knows that the beet-sugar crop is sold. He knows that Cuba is the only country within reasonable sailing distance of this country that has sugar to sell to us, and the Cubans have the market to themselves. If we had limited the sugar crop, if we had permitted them to raise only 2,500,000 tons this year, where would we be to-day? We perhaps would be paying 10 cents a pound, because of the limitation of the crop, for the sugar required to take care of our needs.

Mr. GOODING. The Senator has been very frank. That is exactly the situation. Cuba has a monopoly of the American market, and there is not any scarcity of sugar in Cuba. The crop of this year is the greatest that they have ever produced, almost enough for the entire consumption of the American people. It merely shows what happens every time a foreign monopoly has control of American markets. It is the old, old story, without any exception to the rule.

Mr. CALDER. Mr. President, when the sugar produced in America was sold and Cuban sugar was the only sugar available for our consumption here, of course the price went up. It is perfectly natural. Then, besides, we have a rate of 1.6 cents per pound upon sugar, as I have already pointed out, the highest rate ever voted by the American Congress, in the present emergency tariff bill. But, Mr. President, sugar is now being landed in this country, as I said a moment ago, at 3¼ to 3½ cents a pound, and this is nearly 2 cents a pound more than it was sold for in January of this year.

Mr. GOODING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York further yield to the Senator from Idaho?

Mr. CALDER. Certainly.

Mr. GOODING. Does not the Senator think the Americans who own sugar plantations in Cuba are profiteering at the present time when they charge 7 cents a pound for granulated sugar?

Mr. CALDER. I think the Senator is mistaken in the statement that the Cubans are charging, in Cuba, 7 cents a pound.

Mr. GOODING. No, Mr. President——

Mr. CALDER. Cuban sugar is being laid down in New York to-day for about 3¼ cents a pound without the duty paid. When you add the duty of 1.6 cents to that you get something like 5¼ cents a pound, or a little over that; and then the sugar is being sold wholesale in New York not by the Cubans but by the American refiners, who are paying for the refining and then adding a cent more for a profit. I make no apologies or excuses for these refiners who are charging a cent profit, but they are doing that because the crop is limited.

I make the point that it would have been more costly if Cuba had agreed to the proposition of the beet-sugar interests that they limit their crop.

Mr. GOODING. Mr. President, if it had been possible to enter into a contract with Cuba, it would not have affected this year's crop at all; it would have affected only next year's crop; and the point I want to make with the Senator is that it is not Cuba we should discuss; let us not discuss Cuba at all, because 85 per cent of all the sugar produced in Cuba is by American capital. It is not Cuba at all; it is Americans who now are selling to the American people the sugar they have grown in Cuba by contract coolie labor, shipped in there under bond, 40,000 of them on the island to-day, increasing at the rate of 8,000 per year. So it is said, and that testimony can be found in the hearings before the Finance Committee. With that kind of labor producing sugar in Cuba, the American people are paying something over a quarter of a million dollars a day for Cuban sugar. I have the exact figures, which I will put into the RECORD to-morrow. I had not intended discussing this question to-night. There is no question about growing sugar in America. When he was Secretary of Agriculture Secretary Wilson said that we could grow enough sugar here for the entire world; and of course we can, but we can not grow it in competition with coolie labor sent to Cuba in bond.

No American industry can develop under such competition as that, I do not care whether it is the sugar industry or anything else. The old question comes up, Are we going to give agriculture in this country a chance to live and develop? I do not care to make any further argument on the point now.

Mr. CALDER. I am in thorough accord with the Senator's views in that regard. I have voted for every rate in this bill providing for an increase in the duties on farm products. I have gone through with the committee on every proposition affecting farm products. I follow the judgment of the committee in this; they have recommended that a rate of 1.60 is enough on sugar to warrant its production here. This is a protective rate. It is 30 cents a hundred pounds more than was allowed in the Payne Act and 60 cents a hundred pounds more than in the Underwood Act. I believe it is sufficient. If I did not think it was, I would vote for a higher rate. It is 90 per cent ad valorem based on the price Cuban sugar was sold for in January of this year. It is 45 per cent ad valorem based on the price of Cuban sugar to-day. But, Mr. President, I wish to conclude my remarks.

The increase in the tariff would seem, from the foregoing plain statement of facts, to be unjustified; would increase the wholesale price to at least 8 cents per pound; and the people would have to pay 9 cents per pound, with little benefit to the American farmers or to American industry.

RECOGNITION OF THE LITHUANIAN REPUBLIC.

The PRESIDENT pro tempore laid before the Senate a telegram from sundry citizens of Waukegan and North Chicago, Ill., which was ordered to lie on the table and to be printed in the RECORD, as follows:

[Western Union telegram.]

WAUKEGAN, ILL., *August 7, 1922.*

Honorable Members of the Senate of the United States of America, Washington, D. C.:

We, American citizens of Lithuanian descent of Waukegan and North Chicago, Ill., at a mass meeting held in commemoration of the recognition of Lithuania by the United States of America, hereby wish to express our strengthened loyalty and our sincere gratitude to you for the recognition of the Lithuanian Republic.

JOHN B. KRIS,
SAM GLASS,
MATH BUDRUNAS,
Committeemen.

PETITIONS AND MEMORIALS.

Mr. LODGE presented a resolution of the congregation of the First Congregational Church of Greenfield, Mass., favoring an amendment of the Constitution prohibiting polygamy, which was referred to the Committee on the Judiciary.

Mr. WARREN presented resolutions of the Board of Trustees of the City of Rawlins and the Board of Commissioners of Carbon County, both in the State of Wyoming, protesting against attempts to permit the Southern Pacific Co. to retain control of the Central Pacific Railway, etc., which were referred to the Committee on Interstate Commerce.

Mr. WILLIS presented the petition of Alliance Lodge, No. 178, Brotherhood of Railroad Trainmen, of Alliance, Ohio, praying for the repeal of title 3 of the transportation act of 1920, and that the Railroad Labor Board may be supplanted by the Board of Mediation and Conciliation, which was referred to the Committee on Interstate Commerce.

REPORTS OF COMMITTEES.

Mr. WADSWORTH, from the Committee on Military Affairs, to which was referred the bill (S. 3408) to amend section 126 of the national defense act, approved June 3, 1916, as amended, reported it without amendment and submitted a report (No. 846) thereon.

Mr. STERLING, from the Committee on Civil Service, to which was referred the bill (H. R. 11212) to amend an act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920, reported it with an amendment and submitted a report (No. 847) thereon.

FUNERAL EXPENSES OF THE LATE SENATOR CROW.

Mr. CALDER, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution 332, reported it favorably without amendment, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay, from the miscellaneous items of the contingent fund of the Senate, the actual and necessary expenses incurred by the committee appointed by the President pro tempore in arranging for and attending the funeral of the Hon. WILLIAM E. CROW, late a Senator from the State of Pennsylvania, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WADSWORTH:

A bill (S. 3890) to amend an act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended by the act of June 4, 1920; to the Committee on Military Affairs.

By Mr. SHORTRIDGE:

A bill (S. 3891) to further amend section 4756 of the Revised Statutes; to the Committee on Naval Affairs.

A bill (S. 3892) authorizing the State of California to bring suit against the United States to determine title to certain lands in Siskiyou County, Calif.; to the Committee on the Judiciary.

By Mr. STANFIELD:

A bill (S. 3893) granting a pension to Rebekah M. Presley; to the Committee on Pensions.

By Mr. FRELINGHUYSEN:

A bill (S. 3894) for the relief of the De Kimpke Construction Co., of West Hoboken, N. J.; to the Committee on Claims.

A bill (S. 3895) for the relief of Benjamin H. Richardson; to the Committee on Naval Affairs.

A bill (S. 3896) fixing the grade upon retirement of certain officers who served in the war with Spain, the Philippine insurrection, or the Boxer rebellion, and the war against Germany; to the Committee on Military Affairs.

RETIREMENT OF NAVAL AND MARINE RESERVE FORCE OFFICERS.

Mr. SHORTRIDGE submitted an amendment intended to be proposed by him to the bill (H. R. 7864) providing for sundry matters affecting the Naval Establishment, which was referred to the Committee on Naval Affairs and ordered to be printed.

WHAT THE UNITED STATES HAS DONE FOR THE INDIAN.

Mr. SPENCER. I ask unanimous consent to have inserted in the RECORD in 8-point type a short article on what the United States has done for the Indian, written by Mr. H. O. Bishop. It contains a great deal of information on the Indian question.

There being no objection, the article was ordered to be printed in the RECORD in 8-point type, as follows:

[From the National Republican, August 5, 1922.]

WHAT UNCLE SAM'S DONE FOR THE INDIAN—THE GOVERNMENT, AS SOME THINK, MAY HAVE DONE TOO MUCH, BUT CERTAINLY HAS NEVER DONE TOO LITTLE FOR THE RED MAN.

(By H. O. Bishop.)

The other day I was strolling past the huge gray building known as the Interior Department, which is presided over by Albert B. Fall, Secretary of the Interior, when my attention was attracted by a dozen or more husky Indians coming out of the main entrance. They did not look stolid and solemn as I had supposed full-blooded Indians always looked. They were smiling and chatting to each other in a most friendly and contented sort of fashion. One large specimen of "the first families of America" nonchalantly extracted a Perfecto from his vest pocket and, striking a match on the front of the building, fired it up and puffed on it with apparently as much joy and contentment as "Uncle JOE" CANNON gets out of his choicest ones. As I stood there watching the delegation slowly amble toward the White House I was accosted by a woman who bore all the marks of a discontented "high brow." She wanted to know if I didn't think it a shame and an outrage the way the Government of the United States had treated the poor downtrodden Indians of the country. I timidly replied that I had always been under the impression that the Government had been more than generous in promoting the welfare and looking after the interests of the red man. She dismissed me with a withering glare and started up the street murmuring something that I didn't quite hear—perhaps it was best that I didn't.

FIRST-HAND INFORMATION.

"Well," I said to myself, "just what has been done for the Indian?" I decided then and there to get some first-hand information upon the subject. Entering the big Interior building I went to the third floor, where Charles H. Burke, Commissioner of Indian Affairs, has his office. Burke was formerly a member of Congress from South Dakota, and served for a number of years as the chairman of the Committee on Indian Affairs. This experience, together with his residence in one of the Indian sections of the country, gives him unusual knowledge of the Indian situation. I told him about the little incident with the lady down in front of his building and smilingly asked, "How about it?"

"With all due respect to the lady, and others of her misguided and misinformed ilk, I am obliged to say that she does not know what she is talking about," was his quiet reply. "I wonder if that lady knows," he continued, "that from the year 1872 up to this time this Government has spent a little more than $400,000,000 in educating and promoting the general welfare of the Indians, and that in this good year of 1922 we are spending more than $10,000,000 on them." Then looking me squarely in the eye, he made this earnest and significant statement: "No other Government in the history of the world has treated a dependent people more liberally than the Government of the United States has treated the Indians of this country."

How I did wish that I had interviewed Burke before coming in contact with that discontented and fault-finding soul down in front of the building!

After chatting with Commissioner Burke for half an hour he introduced me to E. B. Meritt, the assistant commissioner, and the heads of important divisions. From these capable and energetic men I gathered many interesting facts concerning the Indians and what has been and what is being done in their behalf. I was amazed to learn, for instance, that the Indians under Federal jurisdiction have their reservations in practically every State west of the Mississippi River. Like the average citizen I had not the remotest idea as to how many Indians there are in the country. Inquiry developed the fact that according to the latest reports there are 312,381 Indians under Government supervision in the United States, consisting of 165,031 full bloods and 147,350 mixed bloods. The Indian problem is perhaps the most human problem with which the Government has to deal, for it touches human life at almost every point of contact.

FOR CHILDREN AND ADULTS.

Broadly speaking, the work of the Government for the Indians is divided into two main branches: First, the education of the Indian children; and, second, the promotion of industrial activities among the adults. The Indian Service has about 5,500 employees at the different agencies and schools, and 260 in the Washington office.

For the education of the Indian children the Government maintains three kinds of schools: First, the day schools; second, the reservation boarding schools; and third, the nonreservation boarding schools. Last year there were 158 day schools with 5,296 pupils; 60 reservation boarding schools with 9,179 pupils; and 18 nonreservation boarding schools with 9,372 pupils; besides which there were 33,250 Indian pupils in the public schools, 5,530 in mission schools, and 137 in private schools, making a total of 62,764 Indian children in schools of all classes.

Half the day is devoted to theoretical classroom work, and the other half to manual training for the boys and the domestic arts for the girls. The Government teaches the Indian boys useful trades by which to earn their living, and trains the girls to be home makers. Not long ago former President Eliot, of Harvard, said that the Indian schools had the best curricula of any in the United States. Hundreds of Indian boys and girls, after graduating from the Government schools, have taken their places in various walks of life alongside the whites.

The Indian boys and girls go about their school work eagerly. They are hungry for the attainment of knowledge and the art of doing something worth while. The girls quickly emerge from the pathetically primitive and insanitary methods of housekeeping of their mothers and grandmothers and remodel home life along the lines of their white neighbors. They also take especial delight in learning all the details of dressmaking and millinery. Girls that formerly were content with arraying themselves in blankets are now clothed in artistic home-made gowns and millinery that would be creditable in any town in the country. They soon become exceedingly proficient in athletics, such as tennis and basket ball. Many girls are given training in the hospitals and develop into splendid nurses. The boys take to the learning of trades with the same avidity that a duck takes to water. They are given courses in painting and decorating, printing, blacksmithing, and various other trades that will fit them for self-supporting careers in after life.

A COMPLEX PROBLEM.

A few citizens of the country realize what a complex problem the education of the Indian youth is. The Indians are distributed throughout more than one-half of the States. Some of them group themselves within limited areas, while others live as individual families scattered over large territories. Some are non-English speaking people, just emerging from a life of ignorance and superstition, while others are almost ready to take up the full duties of citizenship. In fact, there are all classes and conditions between the almost untouched Apache and the independent Navajo of the Black Mountains of Arizona, and the intelligent, ambitious, forward-looking Cherokees, Choctaws, and Chippewas. This makes a complex and varied system of schools necessary.

In the early days everything was given gratuitously to the Indians, but the policy now is to furnish free supplies only to the old, sick, and indigent, as every able-bodied Indian is expected to support himself and family by his own efforts. In 1915 free rations were issued to 16,916 Indians. In 1921 the number had been reduced to 11,082, all the others supporting themselves.

Many of the reservations seem best adapted to the live-stock industry, and the Government is doing everything it can to encourage the Indians along this line. It employs for this purpose 100 stockmen. In 1921, 44,847 Indians engaged in this industry, owning stock worth $30,000,000. The Government furnishes high-grade sheep, cattle, and horses for upbreeding the quality of the Indian stock. The small Indian pony is being bred with large horses more suitable for agricultural work. The old-time Indian cattle made up mostly of hide and horns are being graded up until they are now on a par with the profitable herds of experienced white stock raisers. Sheep that formerly were small and produced very little meat or wool have been bred up until they look like an entirely different breed. The pure-blood breeding animals for this development it should be remembered, are furnished by the Government through the Bureau of Indian Affairs.

INDIAN AGRICULTURE.

Many of the reservations contain large areas of good farming land. The Government employs 250 practical farmers to in-

struct the Indians in modern agriculture. In 1921, 48,962 Indians cultivated 890,700 acres of land and produced crops worth nearly $12,000,000.

The Government has constructed extensive irrigation systems on many of the reservations in the arid sections of the West. In 1921 there were 5,371 miles of main and lateral ditches on various reservations, with 607,044 acres within service of ditches. To June 30, 1921, the total expenditures for Indian irrigation projects, including construction and maintenance charges, were nearly $22,000,000.

It has been found that the spirit of competition is a strong incentive to success among the Indians. Agricultural fairs are held in the fall of each year on many of the reservations, at which the Indians display farm products and live stock in competition with each other, premiums being given for the best exhibits. Most of the fairs are managed by the Indians themselves, under the supervision of the superintendent, which furnishes them with practical experience in business organization.

The Indians also exhibit at county and State fairs, sometimes in open competition with the whites, where they have won numerous prizes. Several years ago an Indian won first prize on wheat at the South Dakota State fair over all comers.

Encouragement is given to these industrial displays and cooperation is sought from county and State agricultural associations. It is believed that such occasions may be the means of diverting the interest of the Indians from so-called Wild West shows and sensational round-ups, which offer little aside from old-time feats of barbarity that have no elevating effect upon the spectators but tend to impress the Indian that these performances receive popular approval.

THE TIMBERLANDS.

Some of the reservations contain large areas of valuable timber, estimated to be worth over $73,000,000. The Government operates 59 sawmills on different reservations for the manufacture of lumber, a large part of which is used in the construction of modern homes for the Indians. In 1921, 44,195 Indian families resided in permanent homes, and only 10,946 families in tents, tepees, and so forth.

On a large number of the reservations the Government operates mills for the manufacture of flour from grain produced by the Indians.

If an Indian desires to farm and has not the necessary implements or the money to buy them, the Government will purchase such articles for him from funds authorized by Congress under what is known as the reimbursable plan, which has been in operation about 10 years, the total expenditures amounting to over $4,000,000.

Many of the older Indians support themselves by engaging in the original native industries, such as the manufacture of baskets, pottery, beadwork, and Navajo rugs and silverware. In 1921, 26,949 Indians produced such articles worth nearly $2,000,000.

A large number of the Indians support themselves by outside employment wherever they can get it, just like the whites. In 1921, 25,323 Indians earned in that way over $4,000,000. The service employs a man, himself an Indian, who does nothing else but travel about the country in the vicinity of the reservations and elsewhere in order to find work for Indians off the reservations and to see that they obtain fair wages and proper treatment. The Indian is no longer a liability but a distinct asset to the industrial and economic life of the country.

The United States is the greatest trust company in the world; it administers individual and tribal Indian property worth $761,000,000.

The Government looks after the health of the Indians. It operates 81 hospitals and employs 148 physicians for this purpose. The death rate among Indian children under 3 years of age has been materially reduced within the past few years, and the ravages of tuberculosis greatly lessened. A force of field matrons is maintained, who visit the Indian women at their homes and give them advice and help in the preparation and serving of food, housekeeping, the care of children and of the sick, and other important information.

PROBLEM OF HEALTH.

Commissioner Burke is particularly interested in maintaining and improving the health of the Indians. It is a tremendous problem, however. As the line of progress advances society in favored communities seeks more and more to advance itself through appeals to all agencies that may offer protection and contribute to its welfare. The time has come when preventive medicine, with its coadjutants, philanthropy and social uplift, must be applied to the solution of the health problem of the Indian Service. Heredity, which may be defined as the genetic relation between successive generations, is now recognized as an important factor of preventive medicine. Its laws should be taught in the Indian school, particularly with regard to their application to health. Education and environment have but limited power to improve an imperfect basis of human life, but diseases and impairments that can not be cured may be prevented.

The physician, as well as the sanitarian, is helpless in the presence of many deplorable conditions, both in the individual and in society at large, which are inherited from ancestors—conditions which might have been prevented, but can never be entirely remedied when they exist. Dr. Oliver Wendell Holmes said more than a half century ago that the time to begin the training of a child is a hundred years before its birth. The best protection that one can have against disease is inherited vital energy manifesting itself in healthy organic cells that will respond to every favoring force of habit, environment, education, and training that may encompass them, while at the same time offering stern resistance to all inimical influences and factors that beset them.

The Indian Service countenances no fads and trusts no fanciful theories; its policy is to make use of all scientific knowledge which it can command to secure to future generations of Indians the best of all birthrights—the right to be well born and to possess sound minds in sound bodies.

If medical service for the Indians consisted only of the dispensing of medicine to those who are ill, the duties would be very simple, notwithstanding their importance. But the Indian medical service is a social uplift service allied inseparably with its educational and industrial activities.

MUST BE TAUGHT.

The present administration is seeking to discourage a perfunctory response to duty and to foster a real, live, purposeful policy and determination to restore to a race its pristine health and virility by means of the application of the laws of preventive medicine, operating through education, social uplift, and constructive science, as applied to nutrition, hygiene, and the relations of all the agencies under control that may improve or impair the racial qualities of future generations of Indians, either physically or mentally. The purpose of the Indian Service is to bring about gradual and permanent improvement in the physical, mental, and moral nature of every Indian who may be influenced by the factors and conditions that promote favorable change. The hope of the Indian race lies in the children, and what we wish to appear in them must be taught in their schools.

The Indians are subject to the same diseases as white people. They have more trachoma and perhaps more tuberculosis, but there are fewer venereal diseases, less diphtheria and scarlet fever, and, as a rule, pneumonia is not so prevalent among them as it is among the whites. The problems of treatment and care of the Indian, however, differ in many respects from the treatment of white people. Tact and knowledge of Indian nature, with experience in the use of preventive measures, are as essential to the success of the service physician as an intimate understanding of medicine and surgery, and in this direction he is greatly aided by the efficient field matron whose duties closely relate her to the Indian family, especially the mothers and daughters, and who in her work for the improvement of home conditions is often able to locate many cases of disease and by skillful sympathy obtain the consent of the patient for medical treatment.

At last reports there were 153,373 citizen Indians and 105,000 church members, 198,841 Indians wear modern clothes, 133,193 speak English, and 91,331 read and write English.

The Government welcomes missionaries on the reservations, 627 of whom are working among the Indians at the present time.

THE INDIAN WAR RECORD.

The Indians made a splendid war record. Ten thousand of them served in the Army and 2,000 in the Navy. An Indian was the first American soldier to cross the Marne. Another, Walter G. Sevalia, of Brule, Wis., was one of the hundred American soldiers decorated by General Pershing for conspicuous bravery in action. He swam the Meuse River and the Est Canal under heavy fire, carrying pontoon cables, and after being severely wounded reached headquarters with an important message. Probably no more brilliant instance is recorded than that furnished by Pvt. Joseph Oklahombi, full-blooded Choctaw, of the One hundred and forty-first Infantry, of Bismarck, Okla., who received the croix de guerre under order of Marshal Petain. The order follows: "Under a violent barrage dashed to the attack of an enemy position, covering 210 yards through barbed-wire entanglements. He rushed on machine-gun nests, capturing 171 prisoners. He stormed a strongly held position containing

more than 50 machine guns and a number of trench mortars. Turned the captured guns on the enemy, and held the position four days, in spite of a constant barrage of large projectiles and gas shells. Crossed 'no man's land' many times to get information concerning the enemy and to assist his wounded comrades."

In view of the foregoing facts and statements it would seem that Uncle Sam is doing a big and highly commendable work among our red brothers. There are many students of the Indian question who believe the Government is doing too much rather than too little for the Indian and that he has been rendered too dependent by benevolent paternalism. At any rate there is no rational cause for the boohooing of the paleface sob sisters.

RECESS.

Mr. McCUMBER. I move that the Senate take a recess, the recess being under the unanimous-consent agreement until 10 o'clock a. m. to-morrow.

The motion was agreed to; and (at 5 o'clock and 50 minutes p. m.) the Senate, under the order previously entered, took a recess until to-morrow, Tuesday, August 8, 1922, at 10 o'clock a. m. to-morrow.

SENATE.

TUESDAY, *August 8, 1922.*

(Legislative day of Thursday, August 3, 1922.)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDENT pro tempore. The pending question is upon the amendment proposed by the Senator from Rhode Island [Mr. GERRY] to the amendment of the Senator from Louisiana [Mr. BROUSSARD] to paragraph 501. Unanimous consent has been given the Senator from New Mexico [Mr. JONES] to address the Senate upon questions involved in the bill other than the pending paragraph. The Senator from New Mexico will proceed.

Mr. JONES of New Mexico. Mr. President, a few days ago I offered an amendment to this tariff bill which, in effect, is a substitute for all the bill after the enacting clause. And I desire to discuss briefly the reasons for offering this amendment and its provisions.

The bill now before the Senate has been under discussion for about three and a half months. The circumstances under which it was prepared have been disclosed and its general tendencies developed. In my judgment, the time has arrived when we are justified in making a general survey of the situation and calmly considering whether or not the bill as it has been framed should become law.

A tariff is a tax levied upon commodities which are imported into the United States, and any tariff law affects the welfare of a nation in at least four of its most important economic factors. These factors are (1) the Federal revenue, (2) prices to the consumer, (3) effect on domestic industry, and (4) effect on international trade. They are so related that in the consideration of any one of them neither of the others should be ignored and can not be ignored without serious and harmful results. If a large amount of revenue is to be obtained from the taxes on imports, and that object be the principal purpose in the consideration of a tariff law, the general tendency will be (a) to raise the prices of commodities to the consumer, (b) to aid domestic industry whose products compete with imported commodities, and (c) to restrict international trade. If the law be framed with chief reference to the consumer, its tendency will be (a) to reduce the revenue, (b) to reduce aid to domestic competitive industry, and (c) extend international trade. If the law be framed for the chief purpose of granting aid to competitive domestic industry, its general tendency will be (a) to decrease the revenue, (b) increase prices to the consumer, and (c) to restrict international trade. If the bill be framed with chief reference to promoting international trade, its general tendency will be (a) to decrease the revenue, (b) lower prices to the consumer, and (c) to decrease the aid granted to domestic industry.

In the early years of the Republic the amount of tax levied upon imports was relatively small. A tax of 5 or 10 per cent was considered substantial. After the War of 1812 the duties were increased from time to time and reached a point where they became the subject of political controversy. It may be said, however, that at no time prior to the Civil War did duties upon imports upon an average reach the height which was established during our Civil War and which has since, under all tariff laws, been maintained. The tendency of every Republican tariff law since the Civil War has been to increase the duties, and the present bill as it passed the House contains rates of duty which are by far the highest ever proposed in any previous bill. The Finance Committee of the Senate has made some radical reductions from the rates in the bill as it came from the House, but the rates as presented by the Finance Committee to the Senate are upon the average higher, and in numerous instances much higher, than rates which have ever appeared in any tariff law.

It follows, therefore, that the general tendencies of a tariff law upon the economic welfare of the Nation will be intensified and operate to a greater degree than ever before if this bill should become law. In these circumstances it is our duty as legislators to give the greatest possible consideration to what we are doing.

I desire to suggest some of the innumerable questions which should be considered in tariff legislation in connection with each of the major economic factors before mentioned.

I. Our Government requires revenue much beyond any amount dreamed of prior to the recent World War. According to the last report the Treasury of the United States is facing a very substantial deficit during the present fiscal year. A budget law has been passed for the purpose of balancing for fiscal years the estimated receipts and expenditures of the Government. If this purpose shall be accomplished it is necessary to know in advance how much revenue will be derived from the various sources. Before any estimate can be made with reasonable accuracy as to the amount of revenue which will be derived from tariff taxation answers must be found to many questions which naturally arise. Among these are: (a) Will foreign countries continue to produce commodities for export to the United States at the present rate, or will such production be increased or decreased? (b) Will the proposed rates of duties decrease or increase imports? (c) To what extent could domestic producers realize reasonable profits after reducing prices below the point of foreign competition? (d) Will the duties increase or decrease prices in the United States so as to affect the quantity of consumption, and, if so, to what extent? (e) Are the duties so high as to prohibit importation and thus produce no revenue?

II. A tax upon imports affects the consumer by increasing the prices of the commodities which he must buy. If he purchases an imported article on which a tax is levied the tax is necessarily added to the price which the importer has paid for the foreign commodity and, of course, must ultimately be borne by the consumer. If the tax is imposed upon commodities which are produced in the United States it enables the American producer to increase his price by the amount of the duty above the price which could be asked if no duty were imposed and still compete on equal terms with the importer. If the duty be so high that the American producer can sell his products for less than the foreign cost plus the duty it enables him to raise his price to a point just below competitive prices and the increased cost to the consumer will be paid in the form of additional profit to the American producer and the Federal Treasury derives no revenue.

From the consumers' point of view two great questions of public policy present themselves. Having in mind that revenue derived from this source is derived by taxation upon the things consumed by the people and, in the main, upon the things which the people must have in order to provide food, clothing, and shelter, and that this tax will not be borne in proportion to the ability to pay taxes, the question of public policy necessarily arises as to what proportion or how much of the Federal revenue should be raised by means of a tariff. In the second place, to the extent that domestic producers are enabled by reason of the tariff to increase their prices and their profits, the question arises how far the Government is justified, through taxation, in permitting domestic producers to increase their prices and profits at the expense of the consumers of those products. If prices are increased, there will be fewer people able to buy, and this ratio is governed by the amount of the increase of prices. Consideration, therefore, should be given to this question of decreasing consumption because of inability to buy. During the discussions of this bill flippant references have frequently been made to the smallness of the amount by which prices of commodities will be increased in some instances under this proposed bill. I beg to remind Senators that however small the increase of price may be, to many it means inability to obtain the article

at all. We should not and must not ignore the fact that there are thousands and hundreds of thousands of people, even in this great and prosperous Nation of ours, who do and must consider the expenditure of each and every penny which they may be able to obtain. The extent of the sacrifices and suffering which this bill will entail should receive the most careful inquiry and the most conscientious consideration.

III. The next economic factor to which I call attention is that of the effect of this bill on domestic industry. As to any commodity which would be imported into the United States in the absence of a tax upon the importation there can be no such thing as a "free trade tariff." If there be no article produced in the United States which is comparable, or may be substituted, the tax is added to the price and the trade restricted by the lessened demand at the increased price. If there be produced in the United States articles which are comparable, or which may be substituted, the American producer is enabled to increase his prices, and whatever the amount of the tax may be it operates as a protection to the American producer. In this connection many questions arise: (a) Are antiquated and inefficient methods subsidized and are development and progress discouraged? (b) Will undue profits be exacted from the consumer? (c) Will the organization of monopolies be encouraged? (d) At what point shall infant industries be considered as having attained their majority? (e) What are the industries with quantity production, efficient organization and management, and advanced processes which no longer need protection? (f) What are the "key" industries which must be maintained regardless of cost? (g) To what extent shall our population be encouraged to live in congested manufacturing centers; and (h) to what extent are we justified through taxation in rendering aid to specific and special industries?

IV. The importance of the foreign trade of the United States does not seem to have impressed itself upon the country to the extent which it demands. The Department of Commerce, under date of May 22, 1922, published a table showing the imports and exports of 20 countries for the calendar years 1913, 1920, and 1921. For the gold-standard countries the original figures for 1913 have been converted into dollars at par and those for 1920 and 1921 have been converted at the average rate of exchange. Following the table just referred to is another table showing the total foreign trade, imports and exports combined, of 20 countries in 1913, 1920, and 1921. These 20 countries are the most important foreign-trade countries in the world. It will be observed that in 1913 the United States was third in the list of these foreign-trade countries, including both imports and exports; in 1920 it was first, and in 1921 it was second. In the last-named year the United Kingdom carried on 23.8 per cent of the foreign trade of all these foreign countries combined and the United States 22.11 per cent. In the previous year, 1920, the foreign trade of the United States was more than one-fourth of all these 20 countries combined. Even prior to the World War, in 1913, the United States was second as an exporting nation, and since the war is by far the largest exporting nation in the world. These tables are worthy of careful examination, and I ask that they may be inserted as a part of my remarks without reading.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

Imports and exports of 20 countries for the calendar years 1913, 1920, and 1921.

Countries.	Imports.			Exports.			Relation to 1913.			
							1920		1921	
	1913	1920	1921	1913	1920	1921	Imports.	Exports.	Imports.	Exports.
	1,000 dollars.	*1,000 dollars.*	*1,000 dollars.*	*1,000 dollars.*	*1,000 dollars.*	*1,000 dollars.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
United States	1,792,596	5,278,481	2,509,148	2,484,018	8,228,016	4,485,031	294	331	140	181
Canada	659,904	1,193,550	715,972	460,519	1,163,602	731,390	181	253	108	159
Argentina	478,859	774,612	463,550	500,988	913,389	490,500	163	182	97	98
Brazil	326,865	470,664	221,627	318,518	394,530	224,235	144	124	68	70
Uruguay	52,076	79,531	65,263	70,839	74,119	48,050	153	105	125	68
Belgium	894,865	954,653	748,440	701,475	653,285	531,639	107	93	84	76
Denmark	229,234	511,706	290,978	193,306	309,495	264,198	223	160	127	137
Finland	95,619	139,982	77,392	78,126	112,960	73,130	146	145	81	94
France	1,625,317	3,513,305	1,755,633	1,327,882	1,893,404	1,606,870	216	143	108	121
Germany	2,563,185	1,708,722	1,062,684	2,403,142	1,206,902	858,292	67	50	41	36
Netherlands	1,568,917	1,146,988	733,767	1,232,303	585,636	460,829	73	48	48	37
Sweden	226,872	679,194	285,406	219,049	466,914	247,322	299	213	126	113
Switzerland	358,887	710,117	390,020	264,659	553,439	305,959	198	209	109	116
United Kingdom	3,741,048	7,081,747	4,182,713	3,089,353	5,706,084	3,118,686	189	185	112	101
British India	584,465	1,256,309	729,673	797,116	1,134,559	590,669	215	142	125	74
Japan	363,622	1,176,685	778,805	315,281	981,367	604,475	324	311	214	192
Australia	380,541	546,217	463,714	360,387	495,185	476,178	144	137	122	132
New Zealand	105,372	227,270	165,379	103,579	167,739	170,849	216	162	157	165
Egypt	137,551	380,009	218,867	158,620	330,646	167,682	276	208	159	106
Union of South Africa	187,471	342,261	191,984	140,977	175,829	107,046	183	125	102	79
Total (20 countries)	16,373,266	28,172,063	16,070,961	15,220,126	25,546,600	15,563,060	172	168	98	102

Total foreign trade (imports and exports combined) of 20 countries in 1913, 1920, and 1921.

Countries.	Total foreign trade.			Share of the total of the 20 countries.			Relation to 1913.	
	1913	1920	1921	1913	1920	1921	1920	1921
	1,000 dollars.	*1,000 dollars.*	*1,000 dollars.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
United States	4,276,614	13,506,497	6,994,179	13.54	25.14	22.11	316	164
Canada	1,120,423	2,356,642	1,447,362	3.55	4.39	4.57	210	129
Argentina	979,845	1,688,001	954,110	3.10	3.14	3.02	172	97
Brazil	645,383	865,184	445,862	2.04	1.61	1.41	134	69
Uruguay	122,915	153,650	113,253	0.39	0.29	0.39	125	92
Belgium	1,596,340	1,607,938	1,280,079	5.05	2.99	4.05	101	80
Denmark	422,540	821,201	555,176	1.34	1.53	1.75	194	131
Finland	173,745	252,942	150,522	0.55	0.47	0.47	146	87
France	2,953,199	5,406,709	3,362,503	9.35	10.06	10.63	183	114
Germany	4,966,327	2,915,624	1,920,976	15.72	5.43	6.07	59	39
Netherlands	2,801,220	1,732,624	1,214,596	8.87	3.23	3.84	62	43
Sweden	445,921	1,146,108	532,728	1.41	2.13	1.68	257	119
Switzerland	623,546	1,263,556	695,985	1.97	2.35	2.20	203	112
United Kingdom	6,830,401	12,787,831	7,301,399	21.62	23.80	23.08	187	107
British India	1,381,581	2,390,928	1,320,342	4.37	4.45	4.17	173	96
Japan	678,903	2,158,052	1,383,280	2.15	4.02	4.37	318	204
Australia	740,928	1,041,402	939,892	2.34	1.94	2.97	141	127
New Zealand	208,942	395,029	336,198	0.66	0.73	1.06	189	161
Egypt	296,171	710,655	386,549	0.94	1.34	1.22	240	131
Union of South Africa	328,448	518,090	299,030	1.04	0.96	0.94	158	91
Total (20 countries)	31,593,392	53,718,663	31,634,021	100.00	100.00	100.00	170	100

Mr. JONES of New Mexico. Even prior to the World War in 1913 the United States was second as an exporting nation, and since the war is by far the largest exporting nation in the world.

I have also a table prepared by the Department of Commerce showing the exports and imports of the United States by great groups in per cent of total. These statistics are given for the years 1910 down to and including the first four months of 1922. I am sure that the agricultural producers and also the manufacturers will be deeply interested in a study of these tables. Special attention is called to the fact that the item marked "Foodstuffs in crude condition and food animals" comprises the least, and the item "Manufactures ready for consumption" comprises the largest single share of our export trade to-day, whereas in normal pre-war years such manufactures were second to "crude materials." The increasing surpluses produced by our manufacturing industries must be turned to foreign markets, and this is being done at a rate which would seem to indicate that our commercial history will be following along the same path as that of England about a hundred years ago, when her industrial expansion during the rise of the factory system in the Napoleonic war period resulted in compelling her to seek out every foreign market for her surpluses. I ask that the table may be inserted as a part of my remarks without reading.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The table referred to is as follows:

Exports and imports by great groups in per cent of total.[1]

	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922 (4 months).
EXPORTS (DOMESTIC MERCHANDISE).													
Crude material for use in manufactures	33.10	35.41	33.31	30.13	34.03	18.80	12.55	11.76	15.37	20.78	23.15	22.47	24.34
Foodstuffs in crude condition and food animals	6.42	5.13	4.60	7.49	5.90	18.66	8.91	8.54	6.42	8.75	11.36	15.81	10.78
Foodstuffs partly or wholly manufactured	15.16	14.01	14.69	13.23	12.59	16.74	14.02	11.85	19.76	25.32	13.82	15.29	16.83
Manufactures for further use in manufacturing	15.66	15.35	16.04	16.83	16.06	13.10	15.40	19.13	20.58	11.90	11.86	9.13	12.89
Manufactures ready for consumption	29.19	29.72	30.98	31.97	31.11	29.73	46.77	47.25	37.43	33.08	39.66	37.12	34.99
IMPORTS (FREE AND DUTIABLE).													
Crude material for use in manufactures	36.37	33.48	33.63	35.04	33.42	34.38	43.17	41.73	41.76	42.88	33.19	34.01	35.35
Foodstuffs in crude condition and food animals	9.30	11.87	13.93	11.68	13.09	13.38	11.46	12.62	12.65	13.97	10.94	12.12	11.52
Foodstuffs partly or wholly manufactured	11.66	11.26	11.86	10.72	12.02	17.07	14.14	12.91	12.91	14.23	23.46	14.70	13.48
Manufactures for other use in manufacturing	18.31	18.84	17.77	19.27	16.86	14.17	16.24	17.96	18.36	15.62	15.20	13.71	15.93
Manufactures ready for consumption	23.62	23.67	21.78	22.51	23.72	20.04	14.19	14.19	13.67	12.66	16.61	24.66	23.16

[1] Fiscal years, specie values to and including 1918; subsequently calendar years.

Mr. JONES of New Mexico. It is really astonishing to know how many and how varied are the industries of the country which are vitally interested in securing a market for their surplus products. The foreign commerce department of the Chamber of Commerce of the United States, in a pamphlet discussing "Our world trade in 1921," has prepared a table showing the total production in the United States according to the latest available figures, and the exports of a considerable number of the chief products of the United States. The table also shows the percentage of the total production of the several commodities which were exported during the year following that for which the total production was ascertained. I ask leave to have this table inserted in the RECORD as an appendix to my remarks without reading. (See Appendix B.)

It is both important and interesting to know with what countries our foreign trade is carried on. An article by Mr. Roorbach, chief of the Bureau of Research, Department of Commerce, recently discussed the subject "Europe and the development of American foreign trade." He presented some statistics which I believe to be very useful in the consideration of this question at the present time. One table gives the trade of the United States with Europe, both imports and exports, for the years 1910–1920, inclusive, comparing the same with the total imports and exports of the United States. This table I ask to be inserted in the RECORD without reading.

The table referred to is as follows:

TABLE V.—*Trade of the United States with Europe, 1910–1921.*

Year.	Exports.			Imports.		
	Total (millions of dollars).	To Europe.	Percentage to Europe.	Total (millions of dollars).	From Europe.	Percentage from Europe.
1910	1,710	1,136	65.10	1,557	806	51.76
1911	2,013	1,308	63.84	1,527	768	50.30
1912	2,170	1,342	60.87	1,053	819	45.57
1913	2,428	1,479	59.98	1,813	892	49.25
1914	2,329	1,486	62.96	1,894	895	47.29
1915	2,716	1,971	71.21	1,674	614	36.70
1916	4,272	2,999	69.21	2,197	616	28.04
1917	6,227	4,324	68.75	2,659	610	22.96
1918	5,839	3,732	63.04	2,946	411	13.97
1919	7,750	5,187	65.50	3,904	750	19.22
1920	8,080	4,466	54.27	5,278	1,227	23.26
1921	4,485	2,364	52.70	2,509	765	30.50

Mr. JONES of New Mexico. Mr. Roorbach also furnishes a table regarding this trade by groups of commodities, which I ask also to be inserted in the RECORD without reading.

The table referred to is as follows:

TABLE VI.—*Trade of United States with Europe, by groups of commodities, average 1910–1914.*

IMPORTS.

	Total (millions of dollars).	From Europe (millions of dollars).	Per cent of group total from Europe.	Per cent of all imports from Europe.
Crude materials	580	217	37.4	26.4
Foodstuffs	397	101	25.4	12.2
Manufactures	696	506	72.7	61.4
EXPORTS.				
Crude materials	701	593	84.4	44.2
Foodstuffs	421	300	71.4	22.3
Manufactures	995	438	44.0	33.5

Mr. JONES of New Mexico. The discussion of these tables by Mr. Roorbach is so illuminating that I ask that the same may be printed in the RECORD in 8-point type as a part of my remarks without reading.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

DEPENDENCE OF THE UNITED STATES ON EUROPE.

"The dependence of the United States upon Europe as a market has always been similar to that of the rest of the world. This country has looked to Europe both as a market for goods and as a means of furnishing facilities for financing and transporting such goods not only to Europe but to all other parts of the world as well. Table V gives the total values of American export and import trade, the amount with Europe, and the percentage that the trade to Europe bore to our total trade.

"In the year 1913–14, 62.8 per cent of American exports went to Europe, although there had long been a gradual decrease in the relative importance of the European export market for the United States. In 1880 Europe took over 86 per cent of our exports; in 1890, 80 per cent; in 1900, 74.6 per cent; in 1910, 65.1 per cent. In spite of this decrease in relative importance the absolute values of our exports to Europe were constantly increasing before the war, and Europe has continued by far the most important of our export markets.

"After the outbreak of the war the importance of Europe in our export trade increased, both in actual and relative value, reaching 71.2 per cent of our export trade in 1915, 69.2 per cent in 1916, and 68.7 per cent in 1917. This increase, of course, was a result of large shipments of war supplies to Europe. Following the armistice, however, the proportion of our exports to Europe rapidly declined. In 1921, only 52.7 per cent of our

total export trade found its destination in Europe, as compared with 60 to 65 per cent before the war. Although this was still a very large proportion of our exports, Europe is now far less important relatively than ever before as a market for American goods.

"In the import trade, Europe, preceding the war, supplied the United States approximately 50 per cent of the total. As in the case of exports, there was before the war a gradual but a steady decrease in the proportion of goods bought from Europe. In 1880 we received 55.5 per cent of our imports from Europe; in 1890, 57.1 per cent; in 1900, 51.8 per cent; and in 1914, 47.3 per cent. During the war, however, imports from Europe dropped to unprecedentedly low volumes, as well as to low percentages of total trade. In 1918, less than 14 per cent of our total imports were from Europe, and even the actual value of imports in that year was less than half the value of the imports in 1914. With the signing of the armistice, imports from Europe rapidly increased, but in 1921 the proportion was still far below pre-war levels—only 30.5 per cent. Even the absolute value of imports from Europe in 1921, in spite of inflated prices, was much less than the value of imports in 1914. This inability of Europe to sell to the United States means, of course, that Europe is less able to buy from the United States and that the United States' most important market for exports must remain greatly curtailed as long as this condition exists.

EUROPE AS A MARKET FOR AMERICAN MANUFACTURES.

"Table VI shows the trade of the United States with Europe by groups of commodities for the years 1910–1914.

"Contrary to the general impression, exports of American manufactured goods to Europe constituted a very large proportion of our trade with that continent. The trade of the United States with Europe differs in one important respect from the trade of most other sections of the world with Europe. Most of the other non-European countries are chiefly dependent on Europe as a market for foods and raw materials. The United States, being the largest manufacturing country in the world, depends upon Europe, not only as a market for foods and raw materials, but for manufactured goods as well. And manufactures are the largest element in the United States export trade, and the most rapidly growing group of our exports. During the five years preceding the war exports of manufactured goods to Europe amounted to $438,000,000, constituting 33½ per cent of our total export trade to Europe and 44 per cent of our total export of manufactures. During this same period foodstuffs exported amounted to $300,000,000, or 22.3 per cent. Crude material exports were valued at $593,000,000, or 44½ per cent of our exports to Europe. When it is recalled that manufactured goods make up by far the largest proportion of American exports, and that Europe absorbs 44 per cent of this important group, the dependence of the United States upon Europe as a market not only for our exports in general, but for our manufactures, becomes evident. Europe is by far our most important market not only for foodstuffs and crude materials, but for fabricated materials as well. It should be noted in this connection that 'foodstuffs' imports includes both crude foodstuffs and manufactured foodstuffs. If we should include the manufactured foodstuffs with other manufactured goods, we would find that approximately 50 per cent of American manufactured products are exported to Europe.

"The importance of Europe as a market for American manufactured products is even more clearly indicated when we consider the chief groups of articles which make up our export of manufactured goods. To enumerate only a few of our important manufactures may be interesting. In the year 1913–14 60.3 per cent of American exports of agricultural implements was sent to Europe; 17.1 per cent of electrical machinery and appliances; 72.6 per cent of cash registers; 62.9 per cent of adding machines; 46 per cent of sewing machines; 72.7 per cent of typewriters; 80.9 per cent of tools; 2 per cent of all other machinery, including metal working, textile, mining, and other types of machinery. Iron and steel manufactures other than machinery also depended upon Europe to a very large degree for markets. Of such highly fabricated articles, for example, as pipes and fittings, Europe took 20.8 per cent of our exports; 9.3 per cent of structural iron and steel; and 28.6 per cent of miscellaneous iron and steel manufactures.

"Even in such highly specialized goods as scientific instruments and apparatus, Europe took 39.8 per cent of our exports; 41.2 per cent of our musical instruments went to Europe; 58.5 per cent of motor cycles; 36.9 per cent of automobiles. It is rather surprising that in the group of chemicals, drugs, dyes, and medicines, 26.7 per cent of our large exports went to Europe. Paint exports to Europe constituted 38.8 per cent of our total trade in that commodity; glass and glassware, 17.5 per cent; rubber goods, 41.8 per cent; leather manufactures, 25 per cent; paper and paper manufactures, 18 per cent; cutlery, 32.4 per cent; clocks and watches, 36.2 per cent. In fact, a list of our most important exports of manufactured goods shows, with few exceptions, that Europe was the dominating market.

EXPORT OF EUROPEAN MANUFACTURES TO UNITED STATES.

"Imports of manufactured goods from Europe during the period of 1910 to 1914 constituted 61.4 per cent of our total imports from Europe. This was 72.7 per cent of the total import of manufactured products of the United States. Since Europe's chief export to the United States has been and must continue to be manufactured goods, the revival of Europe's ability to manufacture and to sell those manufactured goods in the United States is not only one of the indispensable requisites for the revival of European prosperity but also a very important factor in improving economic conditions in the United States. Before the war European-United States trade was resting largely on the exchange of Europe's manuafctured goods for goods manufactured in the United States as well as for foodstuffs and raw materials. Before the war American exports of manufactures to Europe were growing more rapidly both in quantity and in relative proportion to our total trade than any other group.

"At the same time—and largely making it possible for our exports of manufactured goods to Europe to develop—Europe was sending manufactures to the United States. Whatever interferes with Europe's ability to export manufactures to the United States must inevitably prevent the United States from exporting to Europe. Europe must depend on manufactured goods to pay her imports. She has comparatively little exportable surplus of other goods. To that degree, therefore, that the manufacturing industry of the United States depends on foreign markets for its full revival, it must largely depend upon the revival of European manufactures.

"Europe's ability to buy is largely conditioned by her ability to sell; and she must sell manufactures—the material she has in largest surplus to sell. Since the export of manufactured goods constitutes the most important and the most rapidly growing part of American export trade, and since Europe is and long has been the principal market for those manufactures, there is a vital relation between the development of American trade and American industry to supply that trade and the development of Europe's manufacturing industry.

"But not only will the revival of manufacturing industry in Europe stimulate directly the trade of the United States with Europe; it will also stimulate United States trade with other parts of the world. Other sections of the world are depending in large degree for their revival upon the resumption of manufacturing in Europe, making it possible for European countries to buy raw materials and foods which the rest of the world has to sell and upon the selling of which world prosperity so largely depends."

Mr. JONES of New Mexico. Much has been said in recent years regarding our trade with Latin America. It is an interesting fact that the supremacy of the United States in Latin American trade was already assured before the war. We lead both England and Germany in the export trade to the 20 Republics in Latin America, and our imports from these Republics nearly equaled the combined purchases of the United Kingdom and Germany. Since the war our position has been materially strengthened, but perhaps the most important thought is that even before 1914 our supremacy was clearly established. The Department of Commerce has prepared some statistics showing the competition in Latin American trade. The table of these statistics I ask may be inserted in the RECORD as a part of my remarks without reading.

The table referred to is as follows:

Competition in Latin American trade.

IMPORTS INTO LATIN AMERICA.

	1913		1920	
	United States currency.	Per cent.	United States currency.	Per cent.
Total from all countries	$1,283,703,000	100	$2,679,579,000	100
United States	310,717,000	24	1,332,449,000	50
United Kingdom	304,843,000	23	440,400,000	16
France	176,896,000	14.5	117,921,000	4
Germany	284,439,000	22	64,528,000	2

EXPORTS FROM LATIN AMERICA.

Total to all countries	$1,535,467,000	100	$3,238,102,000	100
United States	463,869,000	30	1,643,287,000	51
United Kingdom	317,892,000	21	347,457,000	11
France	130,296,000	9	201,575,000	6
Germany	192,938,000	12.5	53,217,000	2

Mr. JONES of New Mexico. From July 4, 1789, the date of the first tariff act of the United States, down to the year 1842 the balance of trade was against the United States. We were then a young country and dependent to a considerable extent upon foreign countries for the means of our development. Since the tariff act of August 30, 1842, down to the present time the balance of trade under each tariff act has been in favor of the United States. I ask to have inserted as an appendix to my remarks a table showing the balance of trade from the beginning of the Republic down to and including the calendar year 1921. (See Appendix B.)

Prior to the World War we were a debtor Nation, and the balance of trade in favor of the United States was settled by sending abroad our commodities in payment of interest, expenses of tourists abroad, and other items which will occur to all. Foreign countries were glad to get commodities from us in payment of our indebtedness to them. For the years 1914 down to and including 1921 the average annual balance of trade in our favor has been $2,563,792,677, making a total for these years of more than $20,500,000,000. About one-half of this balance of trade was adjusted by the amount of the loans from the United States to foreign Governments during and since the war. Much the greater portion of American securities which were held abroad prior to the war have been resold in the United States. The American Red Cross and other philanthropic organizations contributed large sums in aid of foreign nationals. Immigrants in the United States remitted very substantial sums to their relatives in foreign countries. Since the war there has been a large investment of private American capital in foreign securities. Our manufacturers and others engaged in exporting American products have been and are carrying large unfunded accounts. Such methods have made it possible to finance our foreign trade.

The Federal Reserve Board has prepared an estimated international balance sheet for the years 1919 down to June, 1922. On the creditor side of this sheet is shown the excess exports of merchandise and other net exports amounting to the total sum for the period of $10,491,000,000. On the debtor side of this sheet appear the items by which the account is balanced. Special attention is called to the fact that notwithstanding our imports of gold and silver United States currency, payments by the United States Government on account of international loans, private investment of American capital abroad, American securities resold to the United States, immigrants' remittances, relief furnished by the Red Cross and other organizations, and tourists' expenditures, there is a credit balance which is carried by our merchants, manufacturers, and bankers to the extent of $2,809,000,000. I ask that this balance sheet may be printed in the RECORD as a part of my remarks without reading.

The table is as follows:

Estimated international balance sheet of the United States.

[In millions of dollars.]

Items.	1919	1920	1921	January to June, 1922.	Total January, 1919, to June, 1922.
UNITED STATES, CREDITOR.					
Excess of exports over imports of merchandise	4,016	2,949	1,976	401	9,342
Net exports of gold and silver	441	.....	.....	.....	.....
Net exports of Federal reserve notes	91	103	.....	.....	194
Net interest payments receivable	80	125	200	125	510
Net ocean freight payments receivable	220	140	65	20	445
Total	4,828	3,317	2,241	546	10,491
UNITED STATES, DEBTOR.					
Net imports of gold and silver	.....	70	679	116	424
Net imports of United States paper currency	.....	.....	125	50	175
Net international payments of United States Government	2,375	305	18	.....	2,698
Net private investment of American capital abroad	300	235	500	650	1,685
American securities resold to United States	150	125	50	25	350
Immigrants' remittances and relief	600	700	400	200	1,900
Tourists' expenditures	50	150	150	100	450
Total	3,475	1,585	1,922	1,141	7,682
Net additions to unfunded credit balance of the United States	1,353	1,732	319	[1] 595	2,809

[1] Excess of debits over credits.

Mr. JONES of New Mexico. If we are to continue exports how shall the accounts be liquidated? During the war and since, foreign countries have been sending us all the gold they could spare, and this country now has nearly one-half of all the gold in the world. We also own about one-half of the diamonds in the world. Art treasures and even heirlooms from foreign countries have been sold in the United States in large quantities.

Almost every day we hear of some foreign government putting up its tariffs and otherwise raising obstacles against the influx of American commodities. We hear much of retaliatory measures taken by foreign countries and contemplated by them, induced largely by the pendency of the tariff bill which is now being considered in the Senate. Should we not weigh all these problems which so directly involve the welfare of the United States and concerning which the passage of the proposed tariff law is such an important factor?

Many of the problems which I have suggested gave us little concern prior to the World War. Tariff making, while complex, was relatively simple compared with present problems. We now have to think of unstable governments, unstable exchange, general business depression throughout the world, the World War debts, changes in industry, new industries, new markets, our increased development, our merchant marine, and our balance of trade. We are now in a new era, fraught with many and varied problems of world economics and world civilization. We can not live in the past, but must live in the present and make our plans for the future.

Under these conditions the present tariff bill is presented. No one can measure its effect. Notwithstanding the Tariff Commission has rendered useful service and done all that could have been expected of it with the meager appropriations allotted, with its limited authority, and the war conditions which have prevailed since its organization, relatively little of the necessary information has been furnished or is presented in connection with the bill. Apparently no thought was given by the framers of the bill to many of the questions which I have suggested or to others which must occur to any student of the subject. Doctor Taussig, a Republican and a great economist, in his Tariff History of the United States, tells us something of how the Payne-Aldrich law of 1909 was framed. He says:

> The whole situation was one too familiar in our tariff history; the details of legislation had been virtually arranged by persons having a direct pecuniary interest in the outcome, and having also the closest relations with the legislators controlling the outcome. Even though there was no corruption—and there is no ground for suspecting anything more than generous contributions to party chests—the outcome was much the same as if there had been corruption. It illustrates once more how radically bad was the method by which the details of our tariff legislation were settled.

My mind adverted to the above passage from Doctor Taussig by reason of the remarks made in the Senate on July 28 in the discussion of this bill by the great and venerable Senator from Minnesota [Mr. NELSON], who said:

> I had hoped, Mr. President, that protection would not run mad, as it has done. I have sat here quietly. I have voted for many schedules here that I felt were entirely unjustified, hoping against hope that there would be a modification, but every once in a while it seems that the Finance Committee meet, and they come in here with their program for an increase or a change. They get new light as a result of new hearings. I never in all my life saw such a swarm of men as were around the Finance Committee while they had this bill before them. Day after day they came there with their handbags. They swarmed in the corridors, and the bill indicates that most of them got their work in well.
>
> I am very sorry that the committee have gone to such extremes as they have.

Mr. President, prior to the World War there was a growing sentiment demanding that the tariff should be taken out of politics and that tariff making should be based upon scientific principles. Since the war a change in the system of tariff making has become a matter of vital necessity. I do not believe that it is possible to lay down any iron-clad rules of universal application for the making of what might be called a scientific tariff, but I do believe that a situation can be brought about which will to a large extent get the tariff out of politics.

During the course of the present debate there have been proposed in the Senate methods of revising the tariff that differ radically from the method that has prevailed in the past, including the preparation of the present bill. They may be taken as indicating a widespread belief in Congress and in the country that the old method can not effect and continue for a reasonable length of time to maintain a proper adjustment of the tariff to the country's commercial and industrial needs. The reasons for this belief need not be discussed here. The nature and causes of the defects in the old method are obvious and are freely admitted by thoughtful men of all parties and all interests.

The new methods that have been brought forward, all purporting to "take the tariff out of politics" and to provide for a ready and accurate adjustment of duties under any general

policy that Congress may determine, are alike to the extent that they include as the central and dominating feature a provision for fixing duties on the basis of the difference between domestic and foreign production costs.

There is no doubt that this theory of tariff making has won a wide acceptance in the United States. From the point of view of the protectionist it is moderate, it is fair, it provides for as much protection as domestic industries need, and for no more, and it would fix rates at that competitive point where a substantial revenue would be secured for the Government. But it is only a theory, owing in part to the difficulties in the way of its practical application and in part to the fact that in many cases other matters must be considered in addition to production costs before rates of duty can be made to conform to the best interests of the country as a whole.

Without undertaking an exhaustive discussion of this theory some of the difficulties met in efforts to apply it may be mentioned.

First among these is the fact that for the overwhelmingly greater part of the articles that enter into commerce the exact costs of production can not be ascertained in a reasonable time and at a reasonable expense. There are, indeed, some industries with simple processes resulting in a single product whose costs are readily found; and there are in many industries a few exceptional plants with a scientific organization and a well devised system of accounting where costs may be allocated to the different products with a fair degree of accuracy. But these are not representative of the great body of producers in any country. In modern industry most processes result in a number of joint products and by-products, and the costs incurred can be distributed among them only by arbitrary allocation. To the producer this is a matter of relatively little importance as the total cost and the total yield are what concern him. But to the tariff maker it is a matter of vital importance if the exact cost of an article is to determine the duty on it. This is as true of many agricultural operations as it is of manufacturing. When the cattleman, for example, delivers his animals for slaughter he does not know and he does not care how much of the costs which he has incurred should be imputed to the hide and how much to the carcass. Clearly any cost allocation among these products of the industry is purely arbitrary. This is well illustrated by the studies of the cost of wool growing made by the Tariff Board during President Taft's administration, and by the present Tariff Commission. The former Tariff Board made the most extensive and careful investigation of the conditions and the costs of sheep husbandry that was ever undertaken. But its method of determining what part of the costs should be imputed to wool and what part to mutton and lamb has not been generally regarded as satisfactory. That method consisted in deducting from the total costs incurred on a flock all the receipts for sheep and lambs sold, and then dividing the balance by the number of pounds of wool produced. This made it appear in some cases where there were large sales of lambs that the wool had cost actually less than nothing. The fallacy of this method of cost distribution seems self-evident.

The present Tariff Commission, therefore, after ascertaining total costs allocated them to wool and to lambs in proportion to the cash receipts of the producer from these two sources. This method is open to the objection that the number and price of lambs may rise or fall, and thus receipts from this source may grow or decline without corresponding changes in the case of wool. Under such a system of accounting when a good lamb crop is sold at a favorable price the cost of production of wool goes down and that of lambs goes up, while a poor lamb crop and a low price by a curious paradox would greatly reduce the cost of growing lambs and increase the cost of growing wool. To the sheep raiser it is a matter of no practical importance how much of the costs should be theoretically imputed to one of these joint products and how much to the other. But when a duty is to be placed on each of them and those duties are to be based on the cost of production it becomes a matter of vital importance. An arbitrary method of cost allocation such as was used by the Tariff Board or by the Tariff Commission gives results that are sufficiently accurate for most business purposes but surely are not exact enough to serve as the sole basis for levying duties.

The difficulties thus arising in the case of a relatively simple pastoral industry are multiplied many times in the more complicated organization that distinguishes most branches of manufacturing. Men who are at all familiar with accounting methods know that they vary widely from plant to plant. The costs of certain processes and products shown on the books of one establishment frequently differ by 50 per cent or more from the costs shown on the books of another. It is true that much of the trouble arising from this fact would be removed if and when a uniform system of accounting could be imposed on all producers of a particular article. But aside from the time, the cost, and the doubtful success of efforts to do this, it would frequently show misleading results. For example, what is the chief product of one plant is often the by-product of another, and no uniform system of finding costs could be fairly applicable to both. The business policy of going concerns in our established industries, the size, the organization, the construction, the degree of dependence on allied branches, show an infinite variety, and yet all must be given consideration in their accounting. It is not too much to say, therefore, that the forcing upon them of any uniform system would upset and seriously endanger the prosperity of many hitherto successful establishments.

It should be remembered, furthermore, that to all the troubles of whatever nature arising in the study of domestic costs there are added others yet more serious when a study is attempted of costs abroad. Government agents may be empowered to demand from domestic producers statements, access to books and accounts, and information of any conceivable kind. But from foreign producers only such information may be procured as is published, as can be deduced from a general investigation of an industry, or as good will and the hope of trade benefits may induce producers to furnish. It can scarcely be supposed that British, German, Japanese, or any other foreign manufacturers would afford to American investigators information which might lead to heavier duties on their products, and which would frequently expose their most intimate trade secrets. This is borne out by the experience of all who have attempted foreign investigations. It follows that statements of foreign costs are estimates that at best must lack in precision and exactness.

In view of these facts is it safe to rely exclusively upon cost difference as the sole measure of duties? Is it not necessary to check cost investigations and to supplement them by investigations of other trade conditions? That they are helpful, and always desirable, in making a tariff is undoubtedly true. But it is equally true that they are not sufficient by themselves.

A second difficulty in applying this theory is found in the fact that however exact our knowledge of costs may be, it is enough to show that they differ widely from plant to plant and from time to time. For example, a report of the Tariff Commission shows that beet sugar, one of the relatively few articles for which exact costs can be learned, is produced in this country at very different costs, rising from a total of $63.58 a ton for one factory to a total of $155.36 for another; and this wide divergence does not appear to be exceptional. Similar divergencies, though seldom so great, persist in all fields of production. Now, what figure among so many are we to take as the "domestic cost of production"?

It is obvious that the higher the figure taken the larger will be the percentage of protected establishments in industry. But the most ardent protectionist would hardly urge a duty high enough to protect producers whose high costs are due to unwise location, inadequtae equipment, extravagant methods, or poor management. Neither would the average cost always prove to be the right one; for it might well subject to destructive competition a half or more of those engaged in the industry, among them in many cases deserving men whose high costs are due to experiment, research, and innovations that contribute most to progress. In short, even when exact costs of production are ascertained they are found to vary between wide extremes, and serious matters of general economic welfare and of public policy are involved in determining just what figures between these extremes are to be taken as the "domestic cost" and the "foreign cost" of production.

There is a third difficulty which has been suggested a number of times in the present debate, and that is the difference in the cost of production in a given foreign country as compared with the cost of production of other foreign countries. It is evident that if the tariff should be fixed so as to equalize the difference of the cost of production in the foreign country of lowest cost it would amount to an embargo against other countries having higher cost.

At the present time domestic costs are unstable and some foreign costs are violently and rapidly changing. How should we deal with such conditions?

Without enumerating further difficulties in applying the suggested theory of tariff making, is it not clear enough from what has been said that duties can not be fixed by a simple mathematical measure; that we should not give too strict and

literal an interpretation to the proposition that duties shall be based on the difference in costs of production in this country and abroad? What those who advocate this theory really have in mind is the general thought that when foreigners contributing to our markets enjoy advantages over Americans engaged in an established, reputable, and desirable industry, those advantages should be offset by a duty on their products. This is a broader and a much more feasible proposition. To give it application, however, requires investigation, and the investigation should not and can not be limited to costs.

In any attempt to apply the rigid rule of difference in cost many other questions arise. A choice must be made between many domestic costs and many foreign costs for the same product and great discretion is needed in making that choice as a basis for duties. A wise decision is impossible without a careful investigation of the organization of industries, their methods and processes and their general efficiency. To protect antiquated processes and obsolete equipment would be to subsidize stagnation and to put a premium on inefficiency. Unless the organization of the industry, the degree of interlocking control, the possibility of monopolistic tendencies are known, it is impossible to determine whether domestic competition has a normal influence in keeping down costs and stimulating improvements. No mere ascertainment of costs without due regard to these things can be considered sufficient for determining the tariff.

Again, it is as important to analyze the nature of the costs incurred in production as it is to ascertain their total amount. It is hardly too much to say that in all nations at the present time the regulation of industry and trade at least pretends to keep in view before everything else the necessities of the laboring classes who constitute the greater part of the population. Therefore the rates of wages in industries, the ratio of labor costs to total costs of production and the probable effect on wages of changes in duties are considerations both of economic and of political importance. The distribution of costs, therefore, as among the labor employed, the material used, the overhead and fixed charges and other items of varying importance must be examined with intelligence and impartial judgment before the point is fixed that should be taken as the basis for duties.

Any discussion of the difference in cost of production for the purpose of tariff legislation is necessarily restricted to commodities having at least a substantial degree of comparability. Last year the Congress appropriated $100,000 for the purpose of comparing prices in the United States of domestic and foreign products. An attempt was made in a thorough way to obtain the desired information, and we have had placed before us the Reynolds report, showing what information was gathered. From this report it appears that not more than 25 per cent of the prices obtained were prices of comparable articles, although the prices of such articles were what was being sought. There were such differences in class, kind, quality, and design as to destroy their comparability. No one has suggested how an investigation of the difference in cost would suggest the rates of duty which should be imposed upon works of art, literary productions, diamonds, and innumerable articles which do not compete with articles of domestic production.

Another matter of vital concern is the degree to which an industry is capable of supplying the needs of the people to a reasonable amount and at reasonable prices. It is possible—and indeed some examples have been brought forward in the present debate—to turn out in this country a limited amount of more or less exotic products. Industries of this character, started sometimes as an experiment, tempt men to make permanent investments and devote labor to producing articles at a great cost that it would have been better for them and for the country if they had never tried. They can be continued in business only at the expense of the public in the form of high prices that have to be kept up permanently by shutting out foreign supplies through the help of the tariff. If such an industry is truly an "infant industry" and shows promise of future growth sufficient to supply the market at reasonable prices, the question of equalizing its costs with foreign costs by means of a duty may be fairly considered. But surely the present capacity of the industry and its future possibilities should be carefully investigated before its products are given a heavy duty that must always remain as a perpetual burden on the public. It might be invidious in the present connection to mention by name some industries of this character, but examples must occur to all who have followed the present debate.

Again, there are certain industries for which our supply of raw materials are known to be limited in amount. It is possible by means of heavy duties to hasten the exploitation of these materials, and thus in a few years to denude the country of supplies that in time of war or other emergency would be vitally necessary. Previous to the recent war "conservation" was a popular word in our language. Have we forgotten all that it connotes, and are we willing by equalizing foreign and domestic costs in these industries of limited supply to stimulate exploitation and to weaken the Nation's future strength? Surely, before fixing such a duty a wise public policy demands a careful investigation of industrial capacity as emphatically as of industrial costs.

And now it may be asked whether any investigation on which a tariff is to be based can be considered as complete unless it has given attention to prices. In view of the inexactness of our knowledge of costs, particularly of foreign costs, is it not necessary to check what we do know by a comparison of prices? Is there any other way to discover the practice of "dumping," to which men of all parties are equally opposed? Above all, is it not here that the interests of the consumer deserve and demand attention? The numerous reasons for supplementing an investigation of costs by an investigation of prices seem too obvious to require discussion.

Attention also should be directed to the fact that there are some industries that altogether, regardless of cost, it is contrary to public policy and the good of the country that our people should maintain, while on the other hand, equally regardless of cost, there are some that the interests of the public welfare require us to foster. In the first group are some industries so notoriously harmful that they are actually prohibited by law. But in addition to these there are others that cater mainly to frivolous and extravagant tastes, sometimes even to demoralizing habits or to physical or social excesses, though not in such obvious and large degree as to make them amenable to the law. Such industries divert labor and capital from other more useful enterprises, and it can hardly be claimed that they are all equally entitled to aid at the hands of the Government. Should not these facts be given consideration as well as the costs at which the products of such industries are turned out? In the other group are all those industries that every country must maintain to defend its independence against aggression. This group includes also what recently it has become common to style "key" industries. No one is opposed to maintaining such industries, whatever their costs may be. But there is room for serious disagreement as to just what is a "key" industry and as to just how necessary some other industry actually may be to the preservation of our safety.

This disagreement can be removed only by a broad and painstaking examination of the nature of the industry involved, its significance for naval and military operations, the degree to which its products are essential for the prosperity of other industries, and in general the importance of the part it plays in the smooth functioning of the Nation's whole industrial system.

Any tariff law framed solely upon the basis of the difference in cost of production has and can have but one object in view; that is, the granting of aid to domestic industry and totally ignoring whatever effect such action would have upon the Federal revenues, our international trade, and the cost of living. As has already been shown, these are such important factors in our present economic life that they can not be ignored without baneful results to our future welfare and prosperity.

Enough has been said to show how much more than the cost finding alone is involved in making the tariff. Wide, careful, and thoroughly unprejudiced and impartial investigation is required, and by its results vital questions of public policy are to be determined.

Who shall make the investigation, and who, using the results, shall determine the matters of policy? Common sense tells us, and experience has fully proved, that Congress can not make the investigation that is necessary. Time and labor and the special aptitude for work of this kind has not in the past been sufficiently available in Congress, whose Members have too many other duties to be able to devote themselves exclusively to this exacting task. It seems unavoidable that the investigation should be intrusted to a commission adequately equipped to conduct it.

But a commission should not be empowered itself to fix the rates of duty in the tariff law. Aside from the doubtful constitutionality of intrusting this power to a commission under any kind of limitations, too much is involved in tariff making for which Congress only and wholly is responsible to justify its delegation to any other agency, even to the Chief Executive himself. We must not forget that the power to make a tariff

is the power to tax. And it is much more than that. What I have said has been said in vain if it is not clear that tariff making involves vital matters of public policy which Congress would be derelict to its duty if it be turned over for settlement to any other agency whatsoever.

The proper course, then, is that the results of the investigations should be reported to Congress. But the reports should be in such form as to make it possible for Members of Congress to understand and to use them. Nothing is more apparent than the utter and wasteful futility of the thousands upon thousands of pages of Government reports coming to every Congressman because it is physically impossible for him to glance through them even if he devoted to it every waking hour of the day. The Tariff Commission's report should begin with a statement of the rate of duty which it would recommend. It should then adduce in language as clear and concise as possible the evidence collected by its investigation which, in its opinion, proves that the rate named should be adopted. The nature of such evidence would necessarily differ in different cases, but whether it is sufficient or not must be left for Congress to decide. The report should also set forth such pertinent facts, uncovered by the investigation, bearing upon organization, efficiency, and other relevant matters as should be given consideration in determining duties. But while such in general should be the nature of the commission's reports, they need not be cast in a mold so hard and fast as to limit the freedom necessary to make a full and true exposition of all relevant facts and any questions of public policy which may be involved.

With facts thus presented in an intelligible and concise manner, facts ascertained after thorough investigation, it would be possible for Congress to legislate on the tariff with a feeling of confidence that it knows what to expect from any action that it may take.

Mr. President, such a plan might not remove tariff making entirely from politics, but it would provide information which would enable any Congress to frame an intelligent tariff law upon any theory which it might adopt. Moreover, it is my judgment that most of the controversies which have arisen in the past regarding tariff legislation have arisen because of the lack of definite information as to facts and as to consequences. No one will openly advocate the creation of monopolies through tariff legislation, and, on the other hand, no one will openly advocate the destruction of any industry which is being prosecuted in a proper way and for the benefit of our country. Furthermore, what the business world needs more than anything else is a feeling of security. Frequent changes of duty, "tinkering with the tariff," slight changes made merely to effect a theoretically perfect adjustment, are apt to do more harm by upsetting calculations and business commitments than they can possibly do good by promoting a minor sort of abstract justice. As changes arise in the fields of industry and commerce, or as other exigencies may occur that render some of the duties fixed in the law no longer applicable to the altered conditions, the machinery should be provided whereby the Congress could intelligently change the law for a definite and fixed purpose. There has also been some demand for what is called a flexible tariff. For the reasons which I have heretofore given, I know of no advisable way of bringing about flexibility other than through action by the Congress from time to time when it shall be made to appear, after full investigation as heretofore discussed, that such changes are necessary.

For the purpose of removing the tariff from politics as far as possible and to prevent the enactment of a general revision of the tariff laws without definite information as to the reasons for such changes or the effects of such changes, and for the purpose of avoiding a general disturbance of business by a general revision of the tariff at this time, a few days ago I offered the amendment which is a substitute for this bill. This amendment is a revision and extension of the powers now conferred by law upon the Tariff Commission. All Senators have been furnished with a copy of the amendment, and I therefore ask that it may be printed in 8-point type as an appendix to my remarks without reading.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See Appendix C.)

Mr. JONES of New Mexico. I deem it unnecessary to discuss at this time the detailed provisions of this amendment. I feel certain, however, that if it be adopted the Tariff Commission will have full power and authority to make such investigations, such analyses, and such reports as I have indicated to be necessary to the intelligent understanding and enactment of tariff legislation by the Congress. I believe it is generally agreed that the Tariff Commission has been seriously hampered in its work by reason of insufficient funds. I have therefore provided for an increase of the present appropriation for the Tariff Commission from $300,000 to $1,000,000 per annum.

It is generally conceded that the present bill is unsatisfactory and it does not appear that there is any necessity for its passage. During the war some foreign countries, notably those of South America and Australia, were not able to obtain transportation for their commodities and a large surplus was accumulated. Those countries in the main were producers of agricultural products. When the channels of trade were opened after the war those surplus products sought markets wherever they might be found. Much of them were brought to the United States and thereby contributed largely to the demoralization of prices for our domestic agricultural products. A situation was presented which demanded and received appropriate action by the Congress in the enactment of what is known as the emergency tariff law. I assisted in framing and passing that law and it has been made permanent legislation. It will stand until it is repealed. That law placed a substantial duty upon all agricultural products, with few exceptions, and in my judgment it is far better for the agricultural interests of the country to let the law remain as it is rather than accept the unjustified provisions of the bill which we are now discussing. From a purely selfish standpoint except as to a very few items the agricultural interests of the country will secure no substantial additional advantages under the proposed bill if it should become law. Under the provisions of this bill the duties upon wool and wheat are reduced below the rates of the present law. The bill as it came from the House provided for a greater reduction than that adopted by the Senate. The rates of duty upon cattle in the bill as it came from the House are less than the present law. The rates fixed by the Senate, while changed from ad valorem to specific, are substantially the same.

The tariff upon sugar, corn, and beans as now provided by this bill as it passed in the House and was recommended to the Senate is the same as under the present law. It will thus be seen that upon the principal agricultural products there is no substantial advantage to be gained by the enactment of the pending bill into law. There are considerations, however, which demand the attention and are of great concern to the agricultural interests of the country. The duties upon manufactured products have been increased far beyond the provisions of the present law. The chairman of the Finance Committee [Mr. McCUMBER], in referring to this matter, on July 12 said:

> Notwithstanding the fact that rates are higher upon agricultural products than ever before, those rates do not anywhere nearly measure up to the duties which are given for the protection of manufactured articles other than agricultural.

There are now no imports of agricultural products of such quantity as to affect the prices of American commodities. The importations of frozen meats to the United States have ceased. Of such importations which caused so much concern soon after the termination of the war, more than 60 per cent were reexported. They were not of such kind and quality as to be acceptable to the American consumers. The prices of meat products in recent months have been increasing. The real concern, therefore, of the agricultural producers should be directed to the high prices which are being charged and will be charged for manufactured products if the present bill should become law. While according to the latest reports animal products are but little higher in price than prior to the war, while corn is lower in price than prior to the war, the average prices of all commodities, including these low-priced farm products, is more than 50 per cent above the pre-war prices.

It is my contention that the manufacturers of the country are not justified in generally insisting upon higher duties than under existing law. It appears that wholesale commodities, other than farm products, are now, or were in April of this year, 72 per cent higher than prior to the war. A comparative table showing the valuations of the prices of wholesale commodities down to and including April of this year as compared with the prices of farm products, and showing the purchasing power of the farmer's dollar, appeared in The Producer for July, 1922. This table should receive careful consideration by any manufacturer who is seeking to have the duties upon his products raised and which he expects to sell to the farmers and other consumers of the United States. According to this table, in April of this year the price of all farm products was only 15 per cent above the 1913 price, while the price of all wholesale commodities was 72 per cent above the pre-war price and the farmer's dollar was only worth 67 cents. Mr. President, I ask that this table be printed as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Price of farm products.	Wholesale commodities.	Purchasing power of farm products.
1913	100	100	100
1914	106	96	110
1915	102	96	106
1916	118	122	96
1917	185	168	110
1918	208	188	111
1919	216	205	105
1920	203	260	78
1921	108	178	61
1922—			
January	96	171	56
February	106	170	63
March	114	171	67
April	115	172	67

Mr. SIMMONS. Mr. President, I am very much interested in the table, but I do not know that I caught the significance of it. As I understood the table it shows that farmers' prices have advanced 15 per cent.

Mr. JONES of New Mexico. In April of this year farmers' prices on an average were 15 per cent above 1913 prices.

Mr. SIMMONS. The pre-war prices?

Mr. JONES of New Mexico. The pre-war prices.

Mr. SIMMONS. How about the prices of other commodities?

Mr. JONES of New Mexico. The prices of other commodities were at that time 72 per cent above the 1913 prices.

Mr. SIMMONS. The date from which the Senator calculated the farmers' prices was August?

Mr. JONES of New Mexico. I calculated from 1913, but the present prices were figured from April of this year.

Mr. SIMMONS. That is a little bit more than a year after the emergency tariff law went into effect.

Mr. JONES of New Mexico. It is, and even at that time the farmer's dollar was worth only 67 cents. The prices of manufactured articles are still so much higher than the prices of agricultural products that it leaves the farmer's dollar, measured by his products, worth only 67 cents.

Mr. SIMMONS. I suggest to the Senator that if he could get the figures showing the advances in the farmers' prices, if any, over the pre-war prices, on May 27, 1921, when the emergency tariff act was passed, and the advances in other prices up to that date over the pre-war prices, his table would be exceedingly illuminating.

Mr. JONES of New Mexico. This table includes that. It takes in the year 1913 and every year since that date, down to and including the month of April of this year.

Mr. SIMMONS. I shall be very much interested in examining it.

Mr. JONES of New Mexico. I am sure the Senator will, and it will be found very illuminating to anyone who desires to be informed on this subject.

There has been much depression in industry in the United States, as there has been all over the world. But there is no sufficient evidence to show that any industry in the United States is being seriously affected by reason of importations. Moreover, world prices and conditions are such that the industries are not and can not be menaced by importations. We have index tables for the principal countries of the world from which we might expect competition. While, as I have stated, the prices of manufactured products in the United States are far above pre-war prices, we find that in Canada, England, France, and Japan, after making allowance for exchange, prices are much more above the pre-war prices than they are in the United States.

Mr. SIMMONS. That is one thing I have asserted heretofore, that prices in other countries have advanced equally as much as prices in this country have advanced, if not more; but that has been denied vociferously on the other side of the Chamber.

Mr. JONES of New Mexico. I get my information from official sources, gathered by the Department of Commerce.

Mr. SIMMONS. I am not calling into question the Senator's data. I think they are absolutely correct. I was simply calling attention to the fact that, largely to meet the exigencies of the situation, I suppose, the other side have been calling those figures into question.

Mr. JONES of New Mexico. I think the Senator has very accurately diagnosed the situation.

The Federal Reserve Bulletin for February, 1922, discusses the foreign trade of England and contains a statement showing the percentage deficiency of quantity in 1921 compared with 1913. This statement gives the names of the commodities whose export value exceeded £5,000,000 in 1913. The result appears that of such commodities exported in 1921 there was an average decrease of 53.9 per cent. Mr. President, I ask that this table, which is very short, may be inserted at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Commodities whose export value exceeded £5,000,000 in 1913.

Percentage deficiency of quantity in 1921 compared with 1913:	
Food, drink, dutiable	—48.4
Coal	—75.9
Earthenware, glass, abrasives, etc	—49.2
Iron and steel, and manufactures thereof	—64.7
Nonferrous metals, and manufactures thereof	—33.2
Cutlery, hardware, implements, and instruments	—53.3
Machinery	—25.9
Cotton yarns and manufactures	—60.3
Woolen and worsted yarns and manufactures	—49.5
Manufactures of other textile materials	—63.1
Apparel	—70.8
Chemicals, drugs, dyes, and colors	—60.3
Vehicles (including locomotives, ships, and aircrafts)	—21.1
Total, all classes	—53.9

Mr. JONES of New Mexico. Reference has often been made during the discussion of this bill to competition from Germany, and it must be apparent to all those who have listened to this discussion that this bill was framed with German conditions furnishing the chief excuse for many of the proposed increased duties. It is a fact, however, that Germany in the last eight months of 1921 exported only 40 per cent of the tonnage shipped during the corresponding period of 1913. During the same period the total production in Germany was only 60 per cent of that for the corresponding period prior to the war. It is also established by official reports that only 7.1 per cent of the exports from Germany reached the shores of the United States. This ratio is precisely the same as the figures given for the per cent of Germany's total exports to the United States in 1913. Moreover, every day we read of conditions in Germany which indicate almost a total collapse of German industry.

Mr. SIMMONS. I hope the Senator will pardon me, but he is discussing a matter which I think has not been sufficiently developed, and I am very glad he is developing it, and is now fortifying his position by the citation of official data. Did the Senator give the percentage of German exports which come into the United States?

Mr. JONES of New Mexico. Only 7.1 per cent of the total German exports reached the United States in 1921, and the same percentage of those exports reached the United States in 1913.

Mr. SIMMONS. The Senator probably has answered, by his table, what that 7 per cent amounted to in dollars.

Mr. JONES of New Mexico. In some of the tables which I previously introduced to be printed in the RECORD I have given a statement of the classes of these commodities imported and exported from this country.

Mr. SIMMONS. My recollection is that the total for the year 1921 was something around $80,000,000.

Mr. JONES of New Mexico. The Senator is quite right. The total exports from Germany to the United States during 1921 were only a little more than $80,000,000, while our exports to Germany for the same period were nearly $400,000,000.

Anyone who is familiar with world conditions, including the conditions in the United States, must realize that no benefit may be expected, but in all probability there will be many baneful results from a general upward revision of the existing tariff laws. Until the recent strikes we were reading every day of increased activity in substantially all the manufacturing industries. Unemployment was continually decreasing. This increased activity, however, was due principally to the increased demands of the American consumer.

The time had come when the consumers of America were compelled to buy in order to meet their necessities. There is little hopeful prospect, however, that our export trade will revive in the near future. Of course, foreign countries will continue to purchase to a limited extent things produced in the United States which they must have in order to sustain life. But the ability of foreign countries to buy from the United States is relatively exhausted. We have their gold, their diamonds, their art treasures, and even their heirlooms. Their ability to obtain credits in the United States is about exhausted. Obstacles in the way of laws and regulations are continually being raised in foreign countries against imports from the United States. The quantities of farm products as

well as manufactured products in the United States which must find markets abroad in order to permanently revive the industry of the United States have been heretofore shown.

Apparently no intelligent consideration was given to these matters by the Finance Committee. The chairman of the Finance Committee, in reporting this bill to the Senate, suggested that the farmers of this country should quit growing the products of which the United States produces a surplus. He advised the wheat growers to stop raising wheat and to raise flax. That admonition, of course, was intended to embrace every industry in the United States which was producing a surplus. It is only upon the theory of the isolation of this country from world trade that this bill can be supported.

Mr. President, a great many of the criticisms which I have made of this bill have been supported by a number of Republican Senators and in the editorials of all the leading newspapers of the country. I have prepared some excerpts from the remarks of Senators and these editorials with a few explanatory comments. I ask that these excerpts, editorials, and brief comments may be printed in the RECORD, without reading, immediately after the conclusion of my remarks, in 8-point type.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See Appendix D.)

Mr. JONES of New Mexico. Mr. President, I submit that in all history of tariff legislation there can be found no instance where a tariff bill, during its consideration, received such universal condemnation as has the bill now under consideration. Generally speaking, its active support outside of Congress comes from only those who are obsessed by unreasoning fears and who hope to derive some individual pecuniary gain. The general welfare of the country is ignored. After careful study of the bill and the conditions of industry in the United States and abroad, I am deeply convinced that the passage of the bill will be productive of harm to the individuals and industries, not only of the State which I in part represent but of all the States comprising this Republic. If the amendment which I propose be adopted, and its provisions carried out, any cases of emergency which exist or may arise will be reported to the Congress on the first Monday of next December.

It is widely believed that this bill, after it passes the Senate, will meet an ignominious demise in conference and never become law. The House of Representatives established its rates in the bill on a basis radically different from that proposed in the bill before the Senate. It would seem that there is much reason for the prophecy of the failure of the bill in conference. If it should not fail in conference, the result would be an unwise departure even from the obnoxious methods employed in any previous tariff legislation. The ad valorem rates provided by the House of Representatives are based upon American valuation, while such rates in the Senate are based upon foreign valuation. It has been stated on the floor of the Senate by the chairman of the Finance Committee, and in this I believe he is probably correct, that in such a case every ad valorem rate which may be fixed in the bill by the Senate will be subject to revision by the conferees and without any limitation. If the conferees should finally agree and the bill be reported to the Senate, our parliamentary rules would prohibit any action upon any separate item or items in the bill, and it would have to be accepted or rejected as a whole. The parliamentary procedure in the House of Representatives would be substantially the same. It is evident, therefore, that as to its most important features the bill would be the product of the secret sessions of the conference committee, governed by considerations and influences which no one can foretell.

I appeal to Senators who are supposed to favor the passage of the bill to calmly and conscientiously consider the bill in all its angles before casting their vote. It is my firm conviction that with conditions at home and abroad uncertain, unstable, and ever changing we should not disturb our existing tariff laws as a whole. Let us provide adequate funds for the use of our Tariff Commission. Let it have an opportunity to make scientific studies of any industries which are reasonably supposed to demand a modification of the existing tariff law. Let that commission make its report, containing a finding of facts and recommendations. Any such report prepared as is provided for in the amendment which I have proposed would, in my judgment, be acceptable to the Congress and meet with little opposition. In my judgment there would be manifested little, if any, partisanship in the consideration of such a report. This procedure would result so far as may be in a "scientific tariff" and meet the heartfelt wish of all of us who want "to take the tariff out of politics."

APPENDIX A.

Balance of trade under tariff acts from act of July 4, 1789, to and including the year 1921 of the act of October 3, 1913.

Act of—	Fiscal years.[1]	Imports.	Exports.	Annual average excess imports.	Annual average excess exports.
July 4, 1789	1790	$23,000,000	$20,205,156	$2,794,844	.....
Aug. 10, 1790	1791–1792	60,700,000	39,785,139	10,467,430	.....
May 2, 1792	1793–1794	65,700,000	59,153,297	3,273,351	.....
June 7, 1794	1795–1812	1,523,538,964	1,213,983,049	17,197,551	.....
July 1, 1812	1813–1816	295,114,274	169,261,253	31,464,253	.....
Apr. 27, 1816	1817–1824	686,533,674	608,707,242	9,728,304	.....
May 22, 1824	1825–1828	349,308,444	331,720,223	4,397,055	.....
May 19, 1828	1829–1832	249,589,837	314,695,705	8,723,533	.....
July 14, 1832	1833	106,118,311	90,140,433	17,977,878	.....
Mar. 2, 1833	1834–1842	1,218,445,645	1,060,257,281	17,576,485	.....
Aug. 30, 1842	[2] 1843–1846	349,333,077	423,681,648	.....	$18,589,643
July 30, 1846	1847–1857	2,336,430,244	2,512,765,551	.....	16,030,451
Mar. 3, 1857	1858–1861	1,170,440,593	1,330,901,092	.....	40,115,125
Mar. 2, 1861	1862	178,330,200	227,558,141	.....	49,227,941
July 14, 1862	1863–1864	526,488,602	502,355,587	.....	2,933,402
June 30, 1864	1865–1870	2,176,889,958	2,193,871,147	.....	2,830,198
July 14, 1870	1871–1872	1,059,359,997	1,068,317,296	.....	2,978,944
June 6, 1872	1873–1883	6,235,725,983	7,313,389,153	.....	97,969,379
Mar. 3, 1883	1884–1890	4,738,262,722	5,080,073,791	.....	45,973,010
Oct. 1, 1890	1891–1894	3,112,621,836	3,388,236,021	.....	118,904,046
Aug. 27, 1894	1895–1897	2,280,107,204	2,688,900,689	.....	136,164,495
July 24, 1897	1898–1909	11,881,155,035	17,964,899,699	.....	498,645,389
Aug. 5, 1909	1910–1913	6,482,467,103	8,322,439,209	.....	459,998,026
Oct. 3, 1913	[3] 1914–1921	24,205,272,824	[4] 44,715,614,243	.....	2,563,792,677

[1] Fiscal years ending Sept. 30 prior to 1843.
[2] From 1844 to 1918, fiscal years ended June 30.
[3] Calendar year after 1918.
[4] Exports, 1914–1921, as follows:

1914	$2,329,684,025
1915	2,716,178,465
1916	4,272,177,579
1917	6,227,164,050
1918	5,838,652,057
1918 (6 months ending Dec. 31, 1918)	3,122,533,666
1919 (calendar year)	7,749,815,596
1920 (calendar year)	8,080,490,821
1921 (calendar year)	4,378,923,024

Imports contain gold and silver from 1790 to 1842, inclusive.
Exports contain gold and silver from 1790 to 1872, inclusive.

APPENDIX B.

TABLE 20.—*Quantity comparison of production and exports of important commodities.*

[Production statistics are from Census of Manufactures for 1919, except where otherwise stated. Exports are for fiscal year ending June 30, 1920.]

Commodity.	Unit	Production.	Exports.	Per cent exported.
Motor cycles	Number	50,000	35,000	59.3
Rosin	Barrels	2,270,000	1,322,000	58.2
Unmanufactured cotton [1]	Bales	11,900,000	6,915,000	58.1
Copper [2]	Pounds	[3] 1,286,000,000	[4] 692,232,000	53.8
Rice [1]	Bushels	42,800,000	22,900,000	53.5
Rye [1]	....do	88,900,000	[4] 41,500,000	46.7
Leaf tobacco [1]	Pounds	1,455,000,000	648,000,000	44.5
Lubricating oils	Gallons	819,000,000	336,113,000	41.0
Petroleum residuum	....do	126,000,000	50,273,000	39.9
Illuminating oil	....do	2,305,000,000	915,138,000	39.7
Turpentine spirits	....do	19,270,000	7,461,000	38.7
Naphthas other than gasoline	....do	533,000,000	184,762,000	33.4
Sulphur [2]	Tons	1,191,000	393,000	33.0
Condensed, evaporated, and powdered milk	Pounds	2,214,000,000	710,533,000	32.0
Zinc spelter [2]	Tons	416,000	129,000	31.0
Starch	Pounds	783,500,000	237,600,000	30.3
Binder twine	....do	229,500,000	59,472,000	25.9
Steel rails	Tons	2,160,000	554,000	26.4
Wheat [1]	Bushels	994,000,000	[5] 219,900,000	22.5
Iron and steel wire	Tons	1,225,000	285,000	23.3
Cotton waste, including rags and chippings	Pounds	337,000,000	74,389,000	22.1
Lime acetate	....do	152,000,000	32,885,000	21.6
Refined sugar	....do	7,045,000,000	1,444,031,000	20.5
Cotton hosiery	Dozen pairs	60,500,000	12,305,000	20.5
Railway cars	Number	165,000	32,000	19.6
Commercial automobiles	....do	126,000	24,000	19.0
Tin plates, terne plates, and taggers' tin [6]	Pounds	2,573,000,000	457,897,000	17.8
Linseed, cottonseed, and corn oil cake and meal	Tons	2,013,000	351,000	17.4
Barley [1]	Bushels	161,000,000	[5] 27,600,000	17.1
Structural iron and steel	Tons	2,255,000	340,000	15.1
Iron and steel sheets and plates	....do	6,675,000	1,100,000	14.7
Fuel and gas oil	Gallons	4,772,000,000	686,000,000	14.4
Cotton cloths	Square yards	6,233,000,000	867,000,000	13.9
Wire nails	Tons	587,500	80,000	13.6

[1] Production data from United States Department of Agriculture.
[2] Production data from United States Geological Survey.
[3] Smelter output.
[4] Ingots, plates, wire, etc.
[5] Includes flour.
[6] Production data from Statistical Abstract of United States, 1920.

TABLE 20.—*Quantity comparison of production and exports, etc.*—Contd.

Commodity.	Unit.	Production.	Exports.	Per cent exported.
Fertilizers	....do....	8,291,000	1,129,000	13.6
Rubber boots and shoes	Pairs	75,000,000	9,900,000	13.2
Iron and steel bars and rods	Tons	6,828,000	731,000	10.7
Dressed-weight meats [1]	Pounds	22,573,000,000	2,264,000,000	10.0
Gasoline	Gallons	3,637,000,000	295,000,000	8.1
Passenger automobiles	Number	1,553,000	116,000	7.5
Cast-iron pipe	Tons	628,000	47,000	7.5
Leather boots and shoes	Pairs	274,000,000	20,000,000	7.4
Soap, except toilet and fancy	Pounds	2,228,000,000	156,000,000	7.0
Ropes, cables, and cordage	....do....	225,600,000	15,600,000	6.9
Anthracite coal [2]	Tons	79,000,000	4,700,000	6.0
Pianos and organs	Number	368,700	22,000	6.0
Bituminous coal [2]	Tons	409,000,000	23,000,000	5.6
Staves	Number	1,475,000,000	80,790,000	5.5
Lumber	Board feet	34,550,000,000	1,752,000,000	5.1
Printing paper	Tons	2,076,000	96,000	4.6
Hydraulic cement	Barrels	80,778,000	3,180,000	3.9
Linseed oil	Gallons	32,400,000	1,136,000	3.5
Oats [3]	Bushels	1,232,000,000	[5] 45,000,000	3.4
Cotton yarns	Pounds	625,000,000	20,000,000	3.2
Butter	....do....	938,500,000	27,156,000	2.9
Iron ore [2]	Tons	60,000,000	973,000	1.6
Corn [3]	Bushels	2,859,000,000	[4] 16,700,000	.6

[1] Production data from United States Department of Agriculture.
[2] Production data from United States Geological Survey.
[3] Includes oatmeal and rolled oats.
[4] Includes corn meal.

APPENDIX C.

Amendment intended to be proposed by Mr. JONES of New Mexico to the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, viz: Beginning on page 1, strike out all of said bill after the enacting clause and insert in lieu thereof the following:

"That sections 702, 703, 704, 705, and 709 of Title VII of the act of Congress approved September 8, 1916, entitled 'An act to increase the revenue and for other purposes,' be, and the same are hereby, amended to read as follows:

"'SEC. 702. That it shall be the duty of said commission:

"'(a) To investigate the administration and fiscal and industrial effects of the customs laws of this country now in force or which may be hereafter enacted, the relations between the rates of duty on raw materials and finished or partly finished products, the effects of ad valorem and specific duties and of compound specific and ad valorem duties, all questions relative to the arrangement of schedules and classification of articles in the several schedules of the customs laws, and, in general, to investigate the operation of customs laws, including their relation to the Federal revenue, and their effect upon the export commerce, the industries, and labor of the country.

"'(b) To investigate the tariff relations between the United States and foreign countries, commercial treaties, preferential provisions, economic alliances, the effect of export bounties and preferential tariff and transportation rates, the volume of importations and exportations compared with domestic production and consumption, and conditions, causes, and effects relating to competition of foreign industries with those of the United States, including dumping and unfair competition.

"'(c) To investigate, as hereinafter provided, as fully as may be practicable the industries in the United States which are or may be affected by the imposition of or exemption from customs duties. In the case of each industry so investigated it shall give consideration to the organization and capitalization; the methods, processes, and efficiency of production; the sources and costs of materials, the costs of conversion, so far as they may be ascertained and all other costs incurred in production; the rates of wages, and the ratio of labor costs to the total cost of production; the methods used and the expenses incurred in preparing for market, distributing, and selling the products of the industry and the wholesale and export prices of such products in domestic and in foreign markets; the degree to which the capacity of the industry enables it to meet the needs of domestic consumers and to produce a surplus for export; the nature of any obstacles that may exist in the way of the prosperity and further expansion of the industry; and any reasons peculiar to the industry for granting or withholding by the Government of aid in the form of bounties, subsidies, embargoes, customs duties, or in any other form.

"'(d) To investigate in foreign countries as fully as may be practicable the conditions under which industries that do or may compete with the industries of the United States are prosecuted in such foreign countries in the same manner and to the same extent as provided in the preceding paragraph (c) for the investigation of the conditions under which industries are prosecuted in the United States.

"'SEC. 703. It shall be the duty of the commission to make such analyses of the import trade of the United States as may be necessary to show what imports by reason of their nature, quality, class, and variety compete with and what imports supplement in the domestic markets the identical, comparable, or other products of any industry established in the United States; to ascertain the expenses incident to transporting, distributing, and selling in the domestic markets articles of foreign origin that compete with any product of any industry in the United States and the wholesale and export prices at which such articles are sold in the country of origin and in the United States.

"'SEC. 704. (a) It shall be the duty of the commission to report to Congress annually on the first Monday of December hereafter any case or cases arising through changes in industrial or commercial conditions in the United States or in foreign countries which render it advisable that any rate of duty on imported articles under then existing law should be removed, raised, or lowered by a substantial amount. In connection with any such case so reported the commission shall state the reasons and the facts on which such reasons are founded which, in its judgment, make it desirable that Congress should remove, raise, or lower the rate of duty under then existing law.

"'(b) As a part of any report made to Congress in pursuance of paragraph (a) of this section, the commission shall recommend the rate or rates of duty which in its judgment should be fixed by law; and in connection with each rate so recommended the commission shall set forth in such detail as may be necessary the facts upon which it bases its conclusions; and shall point out the reasons of public policy which make it desirable that Congress should fix such rate.

"'(c) It shall be the duty of the commission to report to Congress on the first Monday of December of each year hereafter a statement of the methods adopted and all expenses incurred and a summary of all reports made during the year.

"'(d) In case of disagreement among the commissioners as to any report, finding, or conclusion authorized or directed under the provisions of said Title VII as amended by this act, separate reports by any one or more of the commissioners expressive of their views shall be made with respect to the matter in disagreement.

"'SEC. 705. That the commission shall put at the disposal of the President of the United States, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate, whenever requested, all information at its command and shall make such investigations and reports as may be requested by the President or by either of said committees or by either branch of the Congress.

"'SEC. 709. That there is hereby appropriated for the purpose of defraying the expenses of the establishment and maintenance of the commission, including the payment of salaries herein authorized, out of any money in the Treasury of the United States not otherwise appropriated, the sum of $1,000,000 for the fiscal year ending June 30, 1923, and for each fiscal year thereafter a like sum is authorized to be appropriated.'"

APPENDIX D.

WHAT SOME REPUBLICAN SENATORS AND EDITORIALS HAVE SAID.

In the St. Louis Globe-Democrat of July 2 Senator CUMMINS, of Iowa, is quoted as saying: "This is the most inopportune of all times I have ever known to enact a general revision of the tariff law. The information that is necessary is not at hand, and even if it were at hand at this moment we could not depend upon it as a basis for action to-morrow or next month or six months hence."

After paying a glowing tribute to the ability and worth of the distinguished Senator from Iowa, the great Missouri newspaper says:

"The position he takes as to tariff legislation is that which this paper has held ever since the tariff revision was proposed, and it is the position declared by the Republican Party in its platform in 1920. 'The uncertain and unsettled condition of international balances,' said the platform, 'the abnormal economic and trade situation of the world, and the impossibility of forecasting accurately even the near future, preclude the formation of a definite program to meet conditions a year hence.'

"We can now no more forecast even the near future than we could then," continues the St. Louis publication. "The Finance Committee, it is true, claims to have drawn away the veil that separates ordinary mortals from the coming years, and has

legislated on what is to come as well as on what is. But obviously Senator CUMMINS has little faith in the prescience of his colleagues, having learned by long association that they are of the same clay as himself, and he does not pretend to be a soothsayer."

Among the Republican Senators, Mr. TOWNSEND, of Michigan, occupies a place of distinction. He, like many of his colleagues on the other side of the House, takes the position that the present is an inopportune time to frame a tariff bill. In his speech delivered in this Chamber June 24, the senior Senator from Michigan said:

"I recognize the fact that this is the most unfavorable time imaginable to revise the tariff. Not only are all world industrial conditions abnormal, all values changing almost daily, exchanges fluctuating with the rising and setting of the sun, reconstruction going on in nearly every country in the world, but since the House passed this bill the total changes in all conditions which affect values have made it almost impossible to use the House bill except as a glossary of titles, and at the rate the Senate is moving this measure will become ancient by the time it is allowed to pass. That conditions will continue to change there can be no doubt."

I call attention to the able speech of the Senator from Nebraska [Mr. NORRIS] delivered in this Chamber on May 18 of this year. In that address Senator NORRIS said, among other things:

"Mr. President, I realize the difficulty that the committee has been under in drafting this bill. There is no man here who has had more sympathy than I have had for them in the work that is before them, and no man more willing to testify to their earnestness and their diligence in working on this bill. The difficulty was that they were up against an impossibility in trying to draw a bill along protective lines. With the disjointed condition of the world to-day I think it is an impossibility to draw a tariff on protective lines. With the changes that are going on all over the world, and that we know are continuing to go on, and that we want to go on until the world gets back to a normal condition, we can not expect to draft a tariff law to-day, even if we could draw one on scientific lines, that would not be out of joint to-morrow."

Earlier in the same address the Senator from Nebraska warns his colleagues that the bill will not suit the farmers of the Nation. He says:

"Mr. President, we can not defend a bill built on these principles. You may get the votes and put it through, but I warn you that we will be the sufferers. It almost commences to look as though this side, which was organized to protect the farmer, have some kind of a deal with somebody else by which they say, 'We will vote for everything you ask.' Strength is given to that kind of a proposition from the fact that there is, as a rule, nobody here."

During a speech by the Senator from Nebraska on May 12 of this year, the senior Senator from Idaho [Mr. BORAH] interrupted to state among other things that he was willing to postpone consideration of the measure. On that occasion Senator BORAH remarked:

"Let me say another thing while I am in this controversy. I do not think there are any facts to be had upon which to base an intelligent tariff bill at this time. That is my opinion."

"The answer to that is that they should not pass the bill," suggested Senator HITCHCOCK. Whereupon Senator BORAH said:

"I would unhesitatingly vote to postpone consideration of the bill and to take care of the situation, as far as I think it needs to be taken care of, by a simple addition to the emergency tariff law. I do not know where we could get any facts as to the cost of production abroad. I have not been advised of such facts. I do not see how it is possible to secure them. The facts that would be available to-day would be utterly swept away to-morrow by the conditions throughout the world. I do not believe it would be possible to make a tariff law of permanent worth under such conditions."

Replying to another question by Senator HITCHCOCK, the Senator from Idaho said:

"I frankly confess that I do not know what the difference is in the cost at home and abroad, and I am in exactly the same boat as every other Senator in this Chamber, so far as being able to determine the question. There are no facts presented and there are no facts to present."

The able chairman of the Finance Committee [Senator MCCUMBER] said in a speech in this Chamber on April 20 last:

"We have often been advised, and the advice is well founded, that of all times in our history this is the very worst time in which to formulate and put into effect a new tariff measure. * * * Heretofore we have had comparatively little difficulty in applying as the standard of measurement in fixing our rates the difference between the domestic and foreign costs of production. These differences for the most part have been reasonably stable and certain, but since the 11th day of November, 1918, we have lived in a new world. Old landmarks have been swept away. Old guides have become misleading."

The junior Senator from New Jersey [Mr. EDGE] told us in a brief address on July 11 of this year that he believed Congress to be at best poorly equipped for the service of drawing a permanent tariff bill at this time.

"At best, because of lack of technical knowledge, Congress is poorly equipped, and, anyhow, there are too many other problems the solution of which Congress demands at our hands. I freely admit my lack of knowledge as to the wisdom of many of the schedules I have voted on during the consideration of this measure. * * * Again, may I repeat, with all due respect, that this Congress, or no other Congress, is equipped to enact scientific tariff schedules, and that to properly serve the country they must be flexible."

Senator FRELINGHUYSEN, of New Jersey, is apparently not fully assured of the wisdom of definitely revising the tariff at this time. He would at least make provision for the revision of the work of Congress by some other agency. The following, quoted from his speech in the Senate July 11, is at least significant:

"Personally, while fully subscribing to the policy of protection as measured by an honest difference between the cost of production at home and abroad plus a reasonable profit, I recognize that the problem is more involved to-day than at any time in the history of the country. I recognize fully the fact that trade can not alone go in one direction; that if we sell we must buy; and that to-day the European countries can hardly reimburse us through any other agency than by an exchange of goods. I believe that such exchange should be encouraged, and encouraged on a much larger scale than trade reports register at the present time.

"I recognize that embargoes and too heavy duties operate against a correction of this condition; but I recognize likewise that positive and distinct discrimination should be made by us as to what commodities we will permit to make up the volume of our imports and those that it is inimical to our domestic interests to encourage. I feel that Congress is hardly equipped clearly to balance the necessity of these discriminations, and it makes me all the more positive that other agencies, purely American agencies, must be employed."

In a recent speech Senator LA FOLLETTE said:

"In my opinion it is impossible at this time to undertake a study of the difference in cost of production. So we have before us at this time as much as the present Tariff Commission could do. There are a large number of surveys in the different industries, showing what they are doing in other countries in the way of production, such information as they could gather over the years they have been at work. But I undertake to say that the fact that it is impossible to make this scientific study is the best reason in the world why this Finance Committee should never have undertaken to make a complete revision of the tariff at this time."

Many editorials from the leading Republican papers of the country are constantly appearing condemning the provisions of this bill. In fact, I can not call to mind any newspaper in the country—Republican, independent, Democratic, or commercial—which is ardently supporting the bill. Many of these editorials have been printed in the RECORD from time to time, and I do not recall that the proponents of this bill have brought forward any editorials of recent date commending it.

That the present bill does not meet the approval of Republican newspapers is made clear by the opinions which I quote from publications in widely separated parts of the country. The Kansas City Star, which has never seen its way clear to give enthusiastic support to any but the Republican Party, has this to say of the bill:

"The Senate Republican leaders are beginning to doubt the wisdom of passing the tariff bill before the congressional elections in the face of evidence furnished by recent primaries that the bill is extremely unpopular; knowledge comes, but wisdom lingers usually until it is too late."

The New York Herald, owned by that loyal and virile Republican, Frank Munsey, in its issue of July 5 has this to say of the tariff:

"The tariff changes that nearly all of us supposed were immediately necessary to ward off imminent foreign menace have not proved the only thing that could save the day. Far from it, the day has been saved, and well saved, with no new tariff law at all except the emergency tariff provisions hurriedly enacted more than a year ago.

"And with the country now so much stronger and sounder in economic health than it was two years ago and one year ago,

with its enterprise so much more confident and its incentive so much more eager to press on in its present national aspect, it is not creditable that the country will not give a good account of itself in the next several months without any complete revision of the tariff, if it can not have complete revision that is sound in economics and right for the American people. There is no shadow of a doubt that the country, having gone so far, can go further and go in spirit to get the tariff that is right.

"But it is unsafe for Congress to assume that the country would view with courage a revolutionary tariff threatening to increase the public's living costs inordinately and to renew the economic horrors of inflation. It is an unsafe gamble for Congress to assume that the American people would indorse at the November elections a hurried, imperfect, scrambled, wretched tariff in which nobody really believes.

"The American people do not want the tariff which is now before Congress. They do not want any new tariff that is not right. They are willing to wait a while longer for what they do want—a tariff that is right. The American people will not meekly suffer a tariff mistake. The present majority may not survive a tariff mistake."

It is pleasant to be able to obtain such substantial Republican indorsement for delay and such unequivocal support for my statement that the country is not threatened with ruinous foreign competition.

On July 7 of this year the New York Tribune, whose Republicanism has not in a generation been doubted, warns Congress to "Have a care."

"There is no reason for passing a complicated, highly technical, and confessedly faulty tariff bill at this session," says the Tribune. "No harm can come from fuller study and more intelligent drafting or from waiting until economic conditions at home and abroad can be better established. Yet some in Congress talk as if the country were clamoring for tariff legislation and did not care much what it got in that line only so it got something quickly."

The Tribune complains that the authors of the tariff are trying to protect special groups of producers instead of viewing the matter from the broad standpoint of national policy or national necessity. In this connection the great New York publication says:

"None of the founders and great exponents of the protective system ever dreamed of employing protection except for national purposes or ever laid duties except with the hope of enabling the domestic producer to dispense after a time with anything like prohibitive rates. The authors of the Fordney and McCumber bills have evidently been parceling out protection for the benefit of individual producers and groups of producers rather than with a proper regard for the ultimate effects of those duties on the country as an economic whole."

After declaring that, in its judgment, the senior Senator from Massachusetts [Mr. LODGE] would welcome postponement of the bill, the Springfield Republican remarks:

"The Senate leaders would serve their party best at this time by frankly scrapping the tariff legislation, which can not now be enacted into law before October, a month before election. All indications are that prices will rise in the autumn, as they already have on woolen goods, and the price movement would be a political burden for Republican candidates."

On May 20 the Chicago Tribune, in a brief editorial, quotes from an address by the President to the Chamber of Commerce of the United States. In that speech the President said, "I realize we can not sell abroad unless we buy. Let us sell to the world the things we produce and which they do not, and let us buy the things they produce and we do not." Approving these words, the Tribune comments:

"They are sound observations. Such is the reasoning of the best economists on tariffs and trade since tariffs and taxes were first conceived. But they are not being applied in the making of the present tariff bill at Washington. That bill has been prepared largely through the influence of various private interests, each appearing in committee and arguing for a tariff which would protect its particular commodity and develop its particular business, regardless of the effect of that duty upon international trade or the advantage of the country as a whole."

If the Tribune is correct in its diagnosis of the present bill, it is difficult to see how, if it gets through Congress, it will receive Executive assent.

In the Boston Transcript, one of New England's foremost Republican papers, appears the following editorial comment. I quote from the edition of May 25:

"But the farmer will be blind to his most important interests if he fails to see that he will be unfavorably affected by a tariff policy which makes it difficult for Europe to continue to buy its customary quantity of food products in the United States. If he can not find a ready market for his surplus wheat, the price is bound to go down, and this can not be changed by an appeal to the soundness of the protective principle or a reference to prosperous periods under high protection. During these periods we were a debtor Nation; the balance of trade was against us. To-day we are the great creditor Nation of the world and there is a heavy balance in our favor. This makes all the difference in the world. We must permit Europe to pay out by selling to us, or we must invest heavily in European securities. That is what Europe did when the case was reversed. Nothing but the most superficial knowledge of everyday economics could suggest any other view."

I find in an earlier issue of the New York Tribune, published May 27 of this year, the following recommendation:

"The Senate can do the Republican Party and the country a service by postponing tariff legislation until conditions clear up and the Republic's real interest in the venture which Mr. FORDNEY and Mr. MCCUMBER have in hand can be more satisfactorily determined. There is no rush for an upward balancing of rates, which may do more harm than good. The situation in commerce and industry, both here and abroad, is unstabilized. More than that, the Fordney-McCumber bill is an undigested bill. It lacks the scientific character which an after the war tariff bill, breaking new ground, ought to have."

The Ohio State Journal, independent, usually Republican, of Columbus, Ohio, in its issue of May 27 of this year makes the following observations:

"There seems to be little or no sentiment for the pending tariff bill except such as comes from the specific business interests which hope to profit financially by it. All the great Republican and independent newspapers, so far as our observation goes, are against the bill in anything like its present form. The realization seems to have come to the general public that it would be an absurdity, to put it mildly, to erect a higher tariff wall than we have ever had around the country at a time when what our producers need is a wider market, when what our consumers need is employment and reasonable cost of living, when what our Treasury needs is interest on our European loans, not to mention some of the principal. If commercial isolation was good for us in the old times, when Europe prospered and owed us nothing, surely it can not be good for us now, when European industry is more or less paralyzed and mortgaged to us. When a man owes you money you do not attempt to curtail his business so that he can not pay you."

My attention has again been called to editorial comment in the Chicago Tribune. On June 1 that paper said:

"The tariff makers are working in exactly the old logrolling methods which have been operative for decades. One man desiring a high tariff on a certain commodity, regardless of the effect upon the country as a whole, agrees with another man desiring a high protective tariff on another commodity, regardless of its effect upon the public, that each will support the other's demands. They do so; the tariff is fixed on these commodities and the public is ignored. Other men agree on other commodities with similar results. The result is a tariff of exploitation rather than of protection. If such a bill is passed and becomes a law it will not do the Republican Party any good at the coming elections. Each interest which is so advanced may cast a grateful ballot at the coming election, but even so they will be in the minority compared to the mass of voters who get high prices without high wages out of the arrangement."

This is the newspaper which did such yeoman service for the majority party two years ago.

The Chicago News, an independent newspaper, which during national election campaigns is invariably with the Republican Party, has the following editorial comment in its issue of June 14 of this year:

"There is significance in the implied admission that the pending tariff bill will increase prices all along the line and arouse widespread dissatisfaction and resentment. If the bill were sound, no such effects would follow. Besides, what necessity is there for protective duties so high as to advance commodity prices that in many instances are still inflated?"

Approving the advice given the Republican Members of Congress by the New York Tribune, the Springfield (Mass.) Republican in its issue of June 23 remarks:

"The New York Tribune speaks with the wisdom of a political sage in advising Congress to adjourn and go home before passing the tariff bill."

The Brooklyn Eagle, an independent newspaper, says in its issue of June 5 of this year:

"Why is it that so many good Republican newspapers throughout the country are jumping on the tariff bill as establishing a measure of protection which, in their judgment, the country does not need?"

The Indianapolis News, an independent publication, which gave strong support in the primaries to the junior Senator from Indiana, and usually leans strongly in the direction of the Republican Party, says editorially on June 15 of this year:

"The idea of throwing a tariff sop to the farmers to reconcile them to schedules which exceed all the needs of protection and afford to those favored an opportunity to make enormous profits is ingenious, but as the farmers long ago ceased to buy gold bricks they now naturally reject sops and are not flattered by the offering."

"The country needs a tariff revision which takes fully into account the change which has occurred in our economic status," observes the New York Tribune of May 22 of this year. "We have become a creditor nation. The age of isolation has passed. Protection must assume a modified and more scientific form. Mr. FORDNEY'S statesmanship of 25 or 30 years ago, sound enough then, is too unsophisticated now. The tariff he has drawn is not suitable to large classes of American producers and manufacturers, and is opposed to the interest of most consumers." In another issue, June 22, the same paper calls the tariff bill a very bad bargain.

"What our farmers and our manufacturers need now is the least restricted markets for their products it is possible to have," remarked the State Journal, of Columbus, Ohio, on May 6. "What the great mass of our consumers want is work together with a lowering cost of living. What Europe is in desperate need of is a chance to resume industry, sell goods, recuperate her strength, and pay her debts. These ends, infinitely more important than the advancement of the supposed interests of some comparatively small favor-seeking American group, would not be enhanced by a high tariff, but rather defeated by it."

The Washington Star, which has pretty consistently supported the present administration and the majority party in Congress, speaking of the tariff in its issue says:

"The fact of the matter is that neither its friends nor its enemies can be sure of the bill in action. Conditions everywhere, at home and abroad, are such that the ordinary bases of action have disappeared. Tariff revision now and tariff revision which took place in 1913, with the World War coming between the two dates, are horses of another color."

On March 17 of this year the New York Tribune characterizes the bill as "rash and inopportune."

"Why should Congress hurry the tariff along?" the distinguished New York Republican organ asks. "The time isn't ripe yet for a permanent revision. From a political viewpoint a revision made just before a congressional election means almost certain defeat for the party in power in the House. The country as a whole is not greatly interested in tariff revision at present. It is much more interested in an economic settling down."

The New York Herald in its editorial columns of March 22 carries the caption "Our foreign trade blowing up."

"The country," says the Herald, "is losing its export business, first, because the goods it wants to sell abroad are for the most part too dear to find any buyers in competitive foreign markets where other producers can sell for less than we can because they produce for less than we do. This country is losing its export business, secondly, because foreign producers, even when our prices are right for the goods we offer abroad, can not buy from us if they can not pay us."

Criticizing the heavy tariff on gloves provided for in the present bill, the Christian Science Monitor remarks:

"During many years the American manufacturers of gloves were given the benefit of protective duties, but they utterly failed to produce the light-weight leather gloves of the style and finish that the American women were accustomed to wear. In view of this failure, there is absolutely no reason why Congress should impose a heavy burden of higher prices for gloves bought by the women of the United States."

Sustaining my contention that the most important matter to be considered at the present time is how we are to obtain and improve foreign markets, the Indianapolis News makes the following suggestions in its issue of April 17 of this year:

"A decline in foreign trade, if severe, involves economic prostration in several basic industries and widespread suffering among the people. To belittle the importance of foreign markets is therefore to proclaim one's ignorance of modern economic conditions and one's indifference to the country's vital needs."

Mr. GERRY. Mr. President, I send to the desk certain amendments and ask that they may lie on the table so that they can be called up at the appropriate time.

The PRESIDENT pro tempore. The proposed amendments will lie on the table. The question is upon the amendment proposed by the Senator from Rhode Island [Mr. GERRY] to the amendment offered by the Senator from Louisiana [Mr. BROUSSARD].

Mr. GERRY. Mr. President, I wish to say a few words in regard to some of the amendments which I have sent to the desk.

The PRESIDENT pro tempore. The Senator from Rhode Island can not discuss the amendments at this time.

Mr. GERRY. I should like to ask the Chair when the Senator from Rhode Island will have the opportunity to discuss the amendment? The vote will take place not later than 2 o'clock.

The PRESIDENT pro tempore. The Senator has stated that correctly. The unanimous-consent agreement provides that discussion must be confined to the pending paragraph, either the sugar paragraph as a whole or to the pending amendment. The Senator would not be within the rule if he were now to discuss amendments which are not pending.

Mr. GERRY. The Senator understood that under the pending unanimous-consent agreement a Senator was allowed to take one hour on the schedule and an hour on each amendment. The Senator spoke yesterday an hour and a half and, therefore, would have half an hour on the general paragraph if he cared to discuss that.

The PRESIDENT pro tempore. The present occupant of the chair was not in the chair at that time.

Mr. GERRY. The Senator is very sure he did not take longer than that time, but he only wishes to take about five minutes now on the schedule.

The PRESIDENT pro tempore. The Senator addressed the Senate for an hour and a half. What part of that time did he consume upon the paragraph as distinguished from the amendment?

Mr. GERRY. It is a little hard for the Senator to determine. He was discussing practically the first amendment which came up in relation to paragraph 501. He thinks it is fair to say that the Senator took an hour on the amendment to paragraph 501 anyway.

The PRESIDENT pro tempore. The Senator now desires to take half an hour upon the paragraph?

Mr. GERRY. The Senator will not take as long as that. He will not take longer than three or four minutes.

The PRESIDENT pro tempore. The Senator from Rhode Island will proceed.

Mr. GERRY. Mr. President, as typical of the sugar schedule I want to call attention to two or three rates contained in it. In paragraph 503, for example, in the committee amendment, there is put into effect a new method of assessing the sugar content. I think the method adopted by the committee was sound and probably more accurate, but it makes it rather difficult to determine how much higher the rate is than it was under the Underwood law. However, I have sent to the desk an amendment which I shall call up later, and which I believe will give an example of how the paragraph and other paragraphs of the bill are formed and compare with the Underwood rate.

This paragraph, like every other paragraph in the schedule, is a great deal higher in its rates than the Underwood-Simmons rates. For example, in paragraph 504 the pending bill fixes a rate of 4 cents on maple sugar and maple sirup, while under the Underwood-Simmons law these commodities were taxed at 3 cents. There is no real reason for adding this tax, except for the purpose of giving additional higher prices to certain favored corporations or industries. The amount imported is negligible and the revenue derived from it would be very small. I hope when it comes to the vote that the Senate will refuse to accept the House provision and will go back to the lower rate. I also hope that they will go back to the lower rate on dextrose sirup, which is grape sugar. They have increased that rate from one-eighth of a cent to one-half cent per pound.

Now, let me take another example of how the rates have been increased, apparently with no idea of raising any large amount of revenue, but simply for the purpose of looking after certain industries that wanted to be favored. Paragraph 505 has a long list of commodities, such as adonite, arabinose, dulcite, galactose, inosite, and so forth. The duty fixed in the pending paragraph is 50 per cent ad valorem. Under the Underwood Act the rate was 15 per cent ad valorem. Most people reading over the paragraph would not know what these things are nor their uses. Under the Underwood law they were contained in the general chemical schedule, as I have said, at 15 per cent ad valorem, with the exception of salicin, used in the cure of rheumatism, which is found on the free list. The general character of these articles on which the tax is assessed can be briefly explained as follows:

Adonite is found in the sap of the Adonis vernalis. It has never been prepared in any quantity and only for experimental purposes.

Arabinose does not occur to any extent in the free state. It can be easily made from gum arabic and cherry gum. It is probably used to a slight extent as a medicine and for experimental purposes.

Dulcite (dulcitol) is made from Madagascar manna and from d-galactose. It is used in cases of diabetes.

Galactose occurs very rarely in the free state. It can be easily made from lactose and also from raffinose and certain gums and pectins. It is used as a test for the functual activity of the liver.

Inosite is found as the methyl ester in the muscles of animals and in plants. It can be made from an extract of walnut leaves. It is probably only used in experimental work.

Inulin is a variety of starch found in the dahlia, sunflower and chicory. It has been used to prepare fructose and medically in cases of diabetes.

Levulose (fructose) very rarely occurs alone, but usually with glucose. It can be made from inulin and from invert sugar.

Mannite (mannitol) is found in manna, in the sap of the larch, also in leaves, fruits, and fungi. It is made from manna. It has been used as a laxative and in cases of diabetes.

Talose has only been made synthetically from d-talonic lactone and from d-galactose. It has probably only been used experimentally.

Tagatose has only been made synthetically from d-galactose. It also probably has been used only experimentally.

Ribose has been prepared synthetically from ribonolactone and from adonite.

Melibiose has been prepared from raffinose.

Dextrose (glucose of over 99.7 per cent) occurs in many fruits and unripe grains. It is made easily by the hydrolysis of starch and cellulose. It has been used (in this very pure condition) as a culture media for bacteriological work.

Mannose occurs to a slight extent in many plants. It is easily made from ivory nuts. It has probably only been used experimentally and medically.

Melezitose occurs in manna from the larch and from Douglas fir. It is prepared from this manna.

Raffinose occurs in sugar-beet molasses and in cottonseed meal. It can be easily recovered from either. It is probably only used experimentally and medically.

Rhamnase (probably rhamnose) occurs as a glucoside in plants. It can be made from Persian berries.

Salicin is quite a well-known drug. It occurs in willow bark and has been extracted therefrom. It has been used in cases of fever and rheumatism.

Sorbite (sorbitol) does not occur in free state. It can be obtained synthetically from glucose. It also can be prepared from mountain-ash berries. It is used experimentally to obtain sorbose.

Xylose is obtained from wood gums which are found in the bark, roots, and leaves of plants. Often the hulls of cotton seed and oats are used for its preparation. It has probably been only used experimentally.

Mr. President, it seems to me that it would not be wise for Congress to place such a high tax as 50 per cent ad valorem on these commodities, thereby penalizing articles which are mostly used by scientific men in their experiments or are used for medicinal purposes in the treatment of diseases which are largely prevalent and which it is so important that the people shall be treated for at the lowest cost. I think this section of the schedule is typical of the manner in which the bill in its entirety has been drawn.

The PRESIDENT pro tempore. The question is on the amendment proposed by the Senator from Rhode Island [Mr. GERRY] to the committee amendment.

Mr. SIMMONS obtained the floor.

Mr. NICHOLSON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Colorado?

Mr. SIMMONS. I yield to the Senator from Colorado. I simply took the floor because I knew the Senator from Colorado desired to speak, and I noticed that his attention was diverted for a moment.

Mr. NICHOLSON. I thank the Senator from North Carolina for his courtesy.

The PRESIDENT pro tempore. The Chair recognizes the Senator from Colorado.

Mr. NICHOLSON. Mr. President, before taking up the discussion of this question I wish to make my position clear. There has been a great deal of talk concerning the personal interest of Members of this body in the production of sugar, in sugar refining, and in the production of other commodities, and, in order that there may be no doubt as to my personal position, I desire to state to the Senate for its information that I am not directly or indirectly interested in an acre of land in the United States which produces a ton of sugar beets or sugar cane, nor do I own any interest in any factory or refinery in the United States which produces a pound of sugar. I am the owner of stock in a plantation and mill in Cuba which produces and ships raw sugar to the United States for refining and marketing. I wholly disregard my connection with the Cuban interests, and my only concern at this time is to legislate for the best interests of the people of my own State and every other sugar-producing State in the Union. In making this statement I do not wish to be understood as indicating that if I were interested in the domestic sugar industry I would withhold my vote or change my attitude in the least, for if a measure is good for the country at large it is good whether I am or am not financially interested in the industry affected.

I am especially interested in the development of the beet-sugar industry because of the fact that it is due to the development of this industry that, while during the past several decades the prices of all other agricultural products have greatly increased, the price of sugar has been greatly decreased. In 1840, when practically all of the sugar of the world was produced from cane, the New York wholesale price of granulated sugar was over 11 cents per pound and the sugar was of an inferior grade as compared with the sugar of to-day; so that the people are indebted to the sugar-beet growers of the Temperate Zone for the reduction in the price of sugar which has gradually taken place. The production of sugar beets since that time has steadily increased until at the commencement of the great World War there was produced from sugar beets 50 per cent of the world's entire sugar requirements. From this can be readily seen the great importance of the continued development of the beet-sugar industry and the necessity, especially on the part of the United States, for the production of increased quantities of sugar beets.

There is no country on the face of the earth which has such a large acreage available for the production of sugar beets as has the United States. The question of the possible beet-sugar area of the United States arose in this body in 1909, and on April 8 of that year the Senate passed a resolution calling upon the Secretary of Agriculture—the Hon. James Wilson, of Iowa—for data on this subject. Section 6 of the resolution reads as follows:

The methods which have been pursued by the Department of Agriculture in order to determine the beet-sugar area in the United States; also, what States are now known to be adapted to the culture of sugar beets; also, what amount of beet sugar could be produced annually in the United States.

I desire to read from page 27 of the Secretary's reply to the resolution:

POSSIBILITIES OF BEET-SUGAR PRODUCTION IN THE UNITED STATES.

NATURAL CONDITIONS.

In regard to the possibilities of beet-sugar production in the United States, conditions of soil and climate naturally deserve to be considered first. In another part of this report I have given a brief summary of "the methods which have been pursued by the Department of Agriculture in order to determine the beet-sugar area of the United States." I have also commented on the work of a similar character performed by the State agricultural experiment stations and by private individuals and associations. A map has been prepared, and is presented herewith, showing not only the theoretical sugar-beet belt but the actual location of every factory established in the United States since the period of successful operation began. A glance at this map reveals the enormous possibilities for the further development of the industry. In order to give more definite expression to these possibilities I submit the following data:

The theoretical sugar-beet belt lies between the isotherms of 69° and 71° F. for the three months of June, July, and August, as determined by a study of climatic data for a long period of years. The possibility of growing beets of satisfactory quality within this belt has been determined not only by a great number of experiments but by actual production for factory use. By the same means it has also been demonstrated that satisfactory beets can be grown in large areas adjacent to and removed from this belt. A careful determination made in the Bureau of Soils of this department indicates that the sugar-beet belt—bounded by the isotherms indicated above—contains a total area of 428,000 square miles, or 274,000,000 acres. As this belt extends across the country from ocean to ocean, it is evident that its western third contains large areas of land that are either mountains or arid and unirrigable, and such areas must be eliminated from consideration. No attempt has been made to estimate the available acreage of lands lying outside this theoretical belt. To say that such lands are more than sufficient to make up for the mountainous and arid lands eliminated from the belt is certainly a conservative estimate. We are therefore justified in saying that the total area having soil and climatic conditions adapted to the production of satisfactory sugar beets is at least 274,000,000 acres. Of course, a large part of this area is occupied by woodlands, permanent pastures, cities, and villages, farm homes, roads, rivers, etc.; and considerable areas are too rough or too swampy for cultivation. It is neither possible nor necessary in this discussion to determine exactly what part of this area is at present actually improved. It is certain that the percentage of cultivated ground is large and, moreover, that it is steadily increasing and will continue to increase so long as the density of population increases.

Perhaps our capacity for producing beet sugar can be shown most clearly by considering the beet acreage necessary to produce the sugar which we now import from foreign sources.

During the past five years our average production of beets per acre has been 10 tons and the average extraction of sugar by the factories 12 per cent. The average production of sugar per acre has therefore been 2,400 pounds, or 1¼ short tons. During the fiscal year 1907–8 we imported from strictly foreign sources—not including the island possessions of the United States—1,666,795 short tons of sugar.

To have produced this sugar at the average rate of 1¼ tons per acre in 1907 would have required 1,389,000 acres of sugar beets. In other words, if our beet acreage for 1907 had been increased by 1,389,000 acres, yielding at the average rate for the past five years, and we had possessed factories to work up the beets, we would have produced enough sugar to supply the entire home demand.

Dividing now the 274,000,000 acres lying within and adjacent to the sugar-beet belt, having soil and climatic conditions adapted to the production of satisfactory beets, by 1,389,000 acres, we find the quotient to be 197. If, therefore, beets had been grown on only 1 acre out of every 197 acres of the adapted area, the beets produced would have yielded enough sugar to replace all the foreign sugar we used. Speaking in round numbers, we would at the present time have to grow beets on only one two-hundredth part of our demonstrated sugar-beet area—in addition to the area already in use—to make this country self-sustaining in the matter of sugar. If we suppose but one-fourth of the sugar-beet area to be actually devoted to crops, the growing of beets on but 1 acre out of every 50 tilled acres would enable us to stop using foreign sugar.

The consumption of sugar has been increasing very rapidly in the United States. It has in fact doubled in a period of 20 years. While consumption can not be expected to increase so rapidly in the future, it is not unreasonable to suppose that it may double again in the next 30 or 40 years. From the figures already given it appears safe to say that our sugar-beet area is sufficient easily to take care of such an increase in consumption. When we consider that the production of cane sugar in our Southern States is likely to increase, and that a large increase of cane sugar may confidently be expected from Hawaii, Porto Rico, and the Philippines, it is evident that the meeting of future demands will bring no greater difficulties than those involved in supplying our present needs.

If, therefore, the possibilities of beet-sugar production in the United States are to be judged solely from natural conditions of soil and climate, I believe it is perfectly safe and conservative to estimate that we can produce beet sugar enough, along with the cane sugar produced in the South and in our insular possessions, to supply the entire home demand of the present and of the future.

But I would not be understood to mean that the foregoing statement indicates the limit of possibilities. The production indicated above should by no means exhaust the possibilities of the area outlined, and I believe that area can be vastly increased. I estimate that if the sugar beet were grown throughout those portions of the United States adapted by nature and with the aid of irrigation to its culture, with a system of rotation including the cultivation of the beet every fourth year, 15,000,000 tons of beet sugar could be produced in the United States annually, or more than the world's total production of sugar at the present time.

I now send to the desk and ask that the Secretary read a copy of a letter addressed by me to the present Secretary of Agriculture, Hon. Henry C. Wallace.

The PRESIDENT pro tempore. Without objection, the Secretary will read the communication.

The Assistant Secretary read as follows:

JULY 8, 1922.

Hon. HENRY C. WALLACE,
Secretary of Agriculture, Washington, D. C.

DEAR MR. SECRETARY: On account of the great bearing the beet-sugar industry has on the prosperity of all farming communities where it is established, I am much interested in seeing that industry prosper and expand.

I had been led to believe we had ample territory where soil and climatic conditions were especially favorable for producing high-grade beets to produce all the sugar we consume, but one of the witnesses before the Finance Committee intimated that such was not the case.

In order that I may be able to take this matter up intelligently, I shall appreciate it very much if you will advise me whether or not you consider there is enough first-class sugar-beet acreage in the United States, which, if planted to beets and with the possible expansion of cane-sugar production in the Southern States, would enable us with our insular product to take care of our own sugar requirements.

Any other information you can give me along this line will be highly appreciated.

Sincerely yours, SAMUEL D. NICHOLSON.

Mr. NICHOLSON. Mr. President, I now desire to read the reply of Secretary Wallace to the letter just read by the Secretary:

DEPARTMENT OF AGRICULTURE,
Washington, August 5, 1922.

Hon. SAMUEL D. NICHOLSON,
United States Senate.

DEAR SENATOR: Replying to your letter of July 8, there seems to be no question but that we have in the United States an abundance of sugar-beet land, which, along with the cane-sugar land, can be made to produce all of the sugar needed to meet our home requirements.

During the past five years the average consumption of sugar in the United States was about 4,853,000 short tons yearly.

Our beet-sugar production has been increasing at the rate of about 40,000 short tons per year. During the five-year period 1917–1921 the continental United States produced annually 872,424 short tons of beet sugar and 231,236 short tons of cane sugar. During the same period we received from Hawaii, Porto Rico, and the Philippines average yearly shipments of 1,079,846 short tons. Thus our total home and island production equals 2,183,506 short tons annually, or nearly 45 per cent of our total consumption. At this rate of production, therefore, we need about 2,669,885 short tons in addition to our home production of cane and beet sugar.

In 1921 our sugar-beet acreage was about 814,988 acres. It is estimated that there are 200,000,000 additional acres of excellent sugar-beet land in the States of the Northwest and about 45,000,000 acres in States not now producing sugar beets, all of which, under favorable conditions, can be brought into satisfactory production. It seems reasonable to say, therefore, that we can add 245,000,000 acres to our sugar-beet acreage.

Most of the cane sugar in the United States is produced in Louisiana, 226,366 acres of sugar cane having been harvested in that State for sugar production in 1921. This was less than one-sixth of the present tillable area in those parishes in which sugar cane is grown and less than one-tenth of a possible tillable area in those parishes, having in mind the area which is capable of drainage. A conservative statement, therefore, would be that it should be possible to produce a million tons of cane sugar in Louisiana.

The foregoing gives the basis in answering your question as to whether or not it is possible for the United States and her insular possessions to produce sufficient sugar to meet our needs. Under conditions which have prevailed during the past 25 years there has been a gradual increase in our sugar production. This increase can, of course, be accelerated by favorable economic conditions. This all involves a matter of public policy, and should have full consideration in connection with the formulation of a national agricultural policy for the United States.

In considering this matter the character of the beet crop and its relation to soil fertility, as well as the effect upon the land of the sort of cultivation given and the value of beet tops, beet pulp, and beet molasses for live-stock feeding purposes should, of course, be given due weight.

This whole question offers a tempting field for discussion, but I believe that in the foregoing I have answered the question asked in your letter.

Very truly yours, HENRY C. WALLACE, *Secretary.*

It is my belief that, if a proper survey were made, it would be found that in the State of Texas, which is about the size of the German Empire before the World War, and which empire produced in the neighborhood of 3,000,000 tons of sugar annually, a like result could be obtained if the land in Texas adapted to the production of sugar cane were planted to this crop. The area of Texas is 167,866,600 acres, so that only one out of every 56 acres would be required to equal the German production of sugar, namely, 3,000,000 tons.

It is estimated that in Cuba there is under cane cultivation an area of approximately one and a half million acres, which produce a crop of 4,000,000 tons annually. I am given to understand that in the Florida everglades there is an area of approximately 4,000,000 acres which, when drained, is adapted to sugar-cane cultivation, or enough acreage to produce far more sugar than the amount produced in Cuba.

I have very briefly endeavored to show the possibilities of the production of beet and cane sugar in the continental United States, but this subject could be very much enlarged upon did time permit.

Mr. President, I think it a fair conclusion that had it not been for the development of the beet-sugar industry, thus giving us two sources of sugar supply, the world would be paying far more per pound for its sugar than it is to-day. Not only did the discovery that sugar could be produced commercially from beets greatly enlarge the sugar-producing area of the world but prior to that time the cane-sugar production of the Tropics, produced by slave labor, was most primitive and wasteful. From the outset the production of sugar from beets was under highly scientific methods, evolved by the world's leading chemists, and gradually the scientific knowledge developed in the beet-sugar industry has been applied to the cane-sugar industry of the Tropics, until to-day their primitive mills and wasteful processes have given way to the scientific successes which first developed the beet-sugar industry and their modern mills are as extensive as are the beet-sugar factories.

Back in 1840, when the Tropics, after centuries of continued cane-sugar production, had reached a world output of 1,288,000 tons, the newly created beet-sugar industry produced 51,500 tons, or only 3⅞ per cent of the total. In that year the average wholesale price of raw sugar in the United States was 11¼ cents per pound. Our total consumption then amounted to only 120,000 tons, of which about one-half was produced in Louisiana and the other half was imported from the Tropics, mainly from Cuba.

Mr. President, we all know that the wonderful progress made in the methods of producing sugar has been duplicated in the production of other farm crops through the invention of the reaper, the mowing machine, the drill, the corn planter, and a multitude of other farm implements. Of course, while the other farm costs of production have decreased, the price of labor has steadily increased, both on beet and nonbeet farms.

Mr. President, I want to show you that of all the foodstuffs upon which reliable data is to be obtained, running back as far as 1840, sugar is one of the four items which has declined in price, and the decline in the price of sugar is far greater than in any of the other three. These figures from 1840 to 1890 are taken from the Aldrich report of the Senate Finance Committee, published in 1893. Quarterly prices for each year are given, and the yearly figures I will use are secured by taking an average of all the prices for each year. The prices from 1900 to 1921 are from the reports of the United States Department of Labor, and the figures cover 21 food commodities.

The quotations show that of the 21 food commodities, 17 have increased in price all the way from 16 to 186 per cent, with an average increase of 45.22 per cent. Bread has gone up 122 per cent, butter 160 per cent, cheese 126 per cent, eggs 121 per cent, ham 122 per cent, while raisins top the list with an increase of 186.1 per cent.

On the other hand, the price of coffee has declined 25 per cent, corn meal 26 per cent, mutton ninety-five one hundredths of 1 per cent, and sugar 44.8 per cent.

Practically every other food commodity the wage earner purchases has gone up nearly 50 per cent, while sugar can be purchased at about one-half of what it was selling for 80 years ago.

Mr. President, if the price of sugar had kept pace with the price of other food commodities, sugar now would be selling regularly for 16 cents a pound instead of 6.2 cents, the average price during 1921.

So, Mr. President, the consumers of sugar have nothing to complain of. Their only complaint on the price of sugar was the price in 1920, which was due not to our domestic producers, who had no sugar to sell, but to the exploiting New York-Cuban producers, who, having a million tons of sugar in the warehouses, formed a pool to bleed us and agreed among themselves not to sell an ounce of their great stores of this article at less than 24 cents a pound for raw sugar f. o. b. Cuba.

Mr. President, I have here a table giving the average yearly price of each of these commodities, by decades from 1840 to 1921, and, without objection, will have it printed with my remarks.

The PRESIDENT pro tempore. Without objection, it will be so ordered.

The matter referred to is as follows:

Wholesale prices of foodstuffs.
(By decades, 1840–1921.)

	1840	1850	1860	1870	1880	1890	1900	1910	1921	Per cent increase.
Beans, per bushel	(1)	(1)	$1.906	$2.498	$1.775	$2.175	$2.087	$2.399	$3.102	62.7
Bread, per pound	(1)	$0.033	.04	.06	.05	.05	.032	.04	.078	122.8
Butter, per pound	$0.16	.1675	.1875	.347	.2925	.2175	.225	.301	.417	160.6
Cheese, per pound	.09	.0662	.0962	.1437	.1187	.0953	.113	.157	.294	126.6
Eggs, per dozen	(1)	(1)	.1621	.3125	.1663	.19	.198	.326	.359	121.4
Flour, per barrel	[2] 5.56	[2] 5.59	8.06	9.25	5.90	6.037	4.65	3.35	8.326	49.7
Lard, per pound	.0956	.0681	.1125	.1437	.075	.0581	.069	.125	.111	16.2
Bacon, per pound	.08	.045	.086	.1425	.0688	.0536	.075	.133	.1343	67.8
Beef (ribs), per pound	(1)	(1)	.1425	.25	.16	.16	(1)	(1)	.213	49.4
Ham, per pound	.12	.0645	.0833	.205	.0991	.1083	.103	.164	.267	122.5
Lamb, per pound	(1)	(1)	.1125	.185	.1312	.1316	(1)	(1)	.205	82.2
Salt pork, per barrel	14.666	10.906	17.908	27.937	18.312	12.032	12.507	23.738	26.662	82.2
Milk, per quart	(1)	(1)	.05	.0675	.0337	.0475	.027	.037	.0645	29
Raisins, per box 20 pounds [3]	1.356	2.737	2.493	3.10	2.312	2.35	1.521	1.324	3.88	186.1
Rice, per pound	.0303	.0315	.0459	.079	.0725	.0556	.055	.055	.044	45.2
Onions, per 100 pounds [4]	(1)	(1)	1.04	2.878	1.89	1.97	1.471	1.796	2.438	134.4
Potatoes, white, per bushel	(1)	.725	.5071	.766	.468	.86	.374	.428	1.074	48.1
Average increase in price of 17 commodities										45.22
Coffee, per pound	.0948	.095	.1308	.10	.1512	.1956	.082	.095	.072	—24
Meal (corn), per 100 pounds	1.626	1.585	2.092	2.627	1.645	1.371	1.012	1.542	1.193	—26.6
Mutton, per pound	(1)	(1)	.105	.18	.1325	.1425	.073	.101	.104	—.95
Average decrease in price of 3 commodities										17.18
Sugar, per pound [5]	.1125	.0912	.0978	.1351	.098	.0627	.0532	.0497	.062	—44.8

[1] No data.
[2] From 1889 American Almanac.
[3] Prior to 1922 "London Layer," 1921 "Coast seeded."
[4] Converted from barrels to 100 pounds on basis of 55 pounds per bushel, 3 bushels to barrel.
[5] From United States Statistical Abstract.

NOTE.—Except as indicated by footnotes the prices for 1840 to 1890, inclusive, are from volume 2 of the 1893 Aldrich report of the Committee on Finance, and cover prices of such principal food commodities as also have been given for subsequent years by the United States Department of Labor. Prices for 1900 to 1921 from Bulletin No. 269 and February, 1922, Monthly Labor Review of the United States Department of Labor.
The above tabulation comprises the average of 1,100 quotations.

Mr. NICHOLSON. These individuals who had unconscionably profiteered on sugar in 1920 are the same people who are now shedding crocodile tears as to the price the poor laboring man will have to pay for his sugar if we enact a tariff bill which will protect the domestic sugar industry.

Mr. President, whenever the sugar tariff is being discussed we hear a lot about increasing the cost of the wage earner's breakfast table by increasing the duty on sugar. Opponents to the duty on sugar point to the fact that next to Great Britain we consume more sugar per capita than do the people of any other great nation. They say, with truth, that we consume one-fifth of all the sugar produced in the world, and from this they draw the conclusion that even a slight rise in the price of sugar pinces a material extra burden on every wage earner and farmer in the Nation. Let us consider this matter for a moment in connection with actual figures and see where we land—see just what figure the price of sugar cuts in the poor man's food budget.

During the past 10 years our average annual consumption of sugar has been 82¼ pounds per capita, or 411¼ pounds a year for a family of five. This is a large amount of sugar, and if the housewife purchased that amount of sugar at the corner grocery, her sugar bill at 6 cents per pound would amount to $24.67 per annum—not a very great sum with which to load the family budget.

But, Mr. President, the housewife does not purchase this amount of sugar. Over two-thirds of our entire consumption is used in the manufacture of confectionery, soft drinks, condensed milk, jams, jellies, preserves, and innumerable other products, the prices of which are not influenced by the price of sugar they contain, be it ever so great. Of all these articles, confectionery perhaps contains the greatest proportion of sugar, and who will say that when he pays 50 cents or 75 cents or $1.50 for a pound of choice candy, he would pay a cent a pound less or a cent a pound more, depending upon whether sugar was selling at 5 cents or 6 cents or 7 cents per pound.

From 12,000 families scattered throughout the Union, our Department of Labor has ascertained that the average amount of sugar purchased by these wage earners' families is 147 pounds per annum, which, at the normal price of 6 cents per pound, costs the total sum of $8.82. Thus, for less than the compensation received for two days' toil, the skilled mechanic is able to supply his family with all the sugar it purchases in a whole year. The wage earners' normal sugar bill amounts to less than a penny a meal for his entire family, an infinitesimal sum, which brings more pleasure to each member of his household than does any other article he purchases.

Far be it from me to wish to burden the farmer or wage earner, but to talk about an increase of 1 cent a pound in the price of sugar as being an additional burden under which he would have to stagger is nonsense. An increase of 1 cent per pound in the price of sugar would cost the wage earner the sum of $1.47 a year, less than what he spends in one evening to take his family to the movies.

Mr. President, it is the increase in price of other commodities which cuts a figure with the wage earner's annual budget. Let us consider some of these increases and see how small the wage earner's sugar bill is in comparison. From 1913 to 1919 the price of milk advanced 6.6 cents per quart, and as the average wage earner's family consumes 337 quarts of milk a year, the increase alone in the size of his milk bill was equivalent to an increase of 15 cents per pound in the price of all the sugar he purchased.

Mr. President, when sugar goes up a cent a pound the newspapers are filled with harrowing tales of how greatly the rise affects the wage earner, but when butter goes up we hear little or nothing about it; yet the increase in the United States of the price of butter from 1913 to 1919 represented to the working man two and one-half times as much additional outlay as the total cost of all the sugar purchased for his entire family in 1913. The increased cost of his eggs in 1919 as compared with the cost of the same quantity in 1913 amounted to twice the cost of all the sugar the wage earner's family purchased in 1913.

The extra amounts the wage earner had to pay for his milk, his butter, his bread, or his eggs in 1919, because of their increase in price since 1913, each and every one of them amounted to more than his entire 1919 sugar bill, in which year his sugar averaged to cost him 11.3 cents per pound—about twice its normal price. And the excess money he had to pay and did pay for these four articles of food because of their increase in price amounted to $82.83. With sugar at the abnormal price of 11.3 cents per pound, this excess amount the wage earner had to pay for four food commodities because of their advance in price would pay the wage earner's entire sugar bills for five years.

Why, Mr. President, to say nothing about the beef and mutton and bacon and ham and other meats the working man consumes, he pays out as much money, mostly in the winter, for pork chops alone as he pays out for sugar during the entire year.

In 1919, 12,096 wage earners' families made monthly reports of their purchases to the United States Department of Labor. They reported on 46 separate and distinct articles of food, for which their total payments averaged $467.38 per family. One of the 46 articles purchased was sugar, for which they paid an average of 11.3 cents per pound, or about double its normal price and nearly twice what it has been since selling for. But even though paying this abnormal price for sugar, the wage earner's annual sugar bill amounted to only $16.61, or less than 3½ per cent of what he expended for the 46 articles of food mentioned.

Mr. President, an increase of 40 cents per hundred pounds in the cost of the wage earner's purchases of sugar would increase the family expense only 1 cent per week, and to consider the size of his sugar bill as a prime factor when legislating for the purpose of building up and expanding this great national industry would be equivalent to considering the cost of the shoe blacking for the officers' shoes as a prime factor when appropriating a hundred million dollars for a Navy with which to defend our country. It is a mere flyspeck on our cost of living. The cost of shoes to the farmer and wage earner, as compared with the price he paid for them before the World War, has been tripled, so that they now pay as much extra money for one pair of shoes as their entire family sugar costs for the whole year. The wife of the farmer or workingman who purchases a few yards of calico paid 6½ cents a yard in 1915. In 1920 the same goods cost her 26 cents per yard. The gingham for her apron cost her 8 cents a yard in 1915; in 1920 it cost her 33½ cents per yard. Her muslin has gone up from 10.8 cents to 46½ cents a yard. Clothing has advanced 350 per cent. All of these articles are largely produced by the Atlantic coast manufacturers, a great many of whom are opposing the increase of 40 cents per hundred pounds now asked for in the duty on sugar. If the refiners and exploiters of Cuban sugar estates have really the interest of the American farmer and wage earner at heart as much as they would have us believe, why do they not call attention to these exorbitant advances which are making greater inroads upon his pocketbook than the price of sugar, and which are so essential to the comfort of himself and family?

Mr. President, although we are next to the greatest sugar-consuming people in the world and absorb one-fifth of all the sugar produced in the world, whether the farmer or wage earner secured his sugar at normal cost or for nothing it would have no appreciable effect on his cost of living.

I have here a tabulated statement giving the average quantity, average price per unit, and total average cost per family of 46 articles of food consumed by 12,096 wage earners' families in 1919, together with the price paid per unit in 1913, so far as given by the Department of Labor. With the consent of the Senate I will have it appear in my remarks, for it covers more fully the point I have just been trying to set forth in a few words.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

The cost of living.

[Average price per unit in 1913 and average price per unit, quantity consumed, and total expenditures of 12,096 wage earners' families in 1919. Compiled from Bulletins No. 269 and No. 270 and Mimeograph Sheet No. 1018 of the United States Department of Labor.]

Article.	Unit.	Average price per unit.		Quantity consumed per family, 1919.	Total family expenditure, 1919.	Percentage increase in price per unit, 1913–1919.
		1913	1919			
Sirloin steak	Pounds	$0.254	$0.417	32	$13.34	64.1
Round steak	do	.223	.389	32	12.45	74.4
Rib roast	do	.198	.325	31	10.08	64.1
Chuck roast	do	.160	.270	31	8.37	68.8
Plate beef	do	.121	.202	23	4.65	66.9
Pork chops	do	.210	.423	36	15.23	101.4
Bacon	do	.270	.554	17	9.42	105.2
Lamb	do	.189	.365	8	2.92	93.1

The cost of living—Continued.

Article.	Unit.	Average price per unit.		Quantity consumed per family, 1919.	Total family expenditure, 1919.	Percentage increase in price per unit, 1913–1919.
		1913	1919			
Ham	Pounds	$0.269	$0.534	22	$11.75	98.5
Hens	do	.213	.411	23	9.45	93.0
Salmon (canned)	do	[1]	.331	9	2.98	.....
Milk (fresh)	Quart	.089	.155	237	32.24	74.2
Milk (evaporated)	do	[1]	.160	77	12.32	.....
Butter	Pound	.383	.678	66	44.75	77
Oleomargarine	do	[1]	.413	16	6.61	.....
Nut margarine	do	[1]	.357	6	2.14	.....
Cheese	do	.221	.406	12	4.87	83.7
Lard	do	.158	.369	34	12.55	133.5
Crisco	do	[1]	.363	9	3.27	.....
Eggs, strictly fresh	Dozen	.345	.628	61	38.31	82
Bread	Pound	.056	.100	531	53.10	78.6
Flour	do	.033	.072	264	19.01	118.2
Corn meal	do	.030	.064	54	3.46	113.3
Rolled oats	do	[1]	.087	41	3.57	.....
Corn flakes	do	[1]	.282	7	1.98	.....
Cream of wheat	do	[1]	.145	7	1.02	.....
Macaroni	do	[1]	.194	23	4.46	.....
Rice	do	.087	.151	35	5.29	73.6
Beans, navy	do	[1]	.126	22	2.77	.....
Potatoes	do	.017	.038	704	26.75	123.5
Onions	do	[1]	.074	66	4.88	.....
Cabbage	do	[1]	.059	65	3.84	.....
Beans, baked	do	[1]	.176	7	1.23	.....
Corn, canned	do	[1]	.192	10	1.92	.....
Peas, canned	do	[1]	.191	10	1.91	.....
Tomatoes, canned	do	[1]	.162	16	2.59	.....
Sugar	do	.055	.113	147	16.61	105.5
Tea	do	.544	.701	8	5.61	28.9
Coffee	do	.298	.433	40	17.32	45.3
Prunes	do	[1]	.252	11	2.77	.....
Raisins	do	[1]	.184	9	1.66	.....
Bananas	Dozen	[1]	.383	11	4.21	.....
Oranges	do	[1]	.532	7	3.72	.....

[1] Not reported separately in 1913.

Average percentage increase in price, 28 commodities, 1913–1919, 85.5.

Mr. NICHOLSON. Mr. President, I have stressed the cost of sugar to the farmer and laboring man in order to counteract the misleading propaganda with which the seaboard refiners and Cuban exploiters are flooding the country in their effort to prejudice the minds of the general public, and the wage earner in particular, in which effort they are leaving no stone unturned, their object being to destroy our domestic sugar industry.

People are apt to think of sugar primarily because of its pleasant taste, rather than because of its actual food value. There are few who realize that sugar contains far more actual nutriment than any other article appearing on the average American table. In order to more fully set forth the nutriment contained in a pound of sugar as compared with the nutriment in the other articles appearing on the average table, I have obtained from the Department of Labor a statement which is rather illuminating to say the least.

This statement shows that in order to obtain from bacon the same nutriment contained in a pound of sugar costing 6.8 cents, the consumer has to pay 27 cents, or a difference of 20 cents; for the same nutriment in leg of lamb as to be found in a pound of sugar he has to pay 66 cents, or 59 cents more; for the same nutriment in bread as to be found in a pound of sugar he has to pay 14 cents, or fully twice as much; for the same nutriment in butter as to be found in a pound of sugar he pays 25 cents, or almost four times as much; for the same nutriment in sirloin steak as to be found in a pound of sugar costing 6.8 cents, he pays 70 cents, or 63 cents more than he pays for the same nutriment in sugar; for the same nutriment in ham that he gets from a pound of sugar he pays 55 cents, or practically eight times as much; for the same nutriment in eggs as he obtains from a pound of sugar he pays 93 cents, or almost fourteen times as much.

I ask the Senator from Idaho what duty has been placed upon dried eggs?

Mr. GOODING. Eighteen cents.

Mr. NICHOLSON. A duty of 18 cents has been voted by the Senate upon dried eggs, and yet we find men in this body who refuse to grant the farmer a duty of 2 cents a pound on sugar.

In my estimation, the information set forth in these statements is most valuable, and I, therefore, ask unanimous consent to have the letter from the Labor Department, with accompanying statements, printed in the RECORD as part of my remarks.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington, July 31, 1922.

Hon. SAMUEL D. NICHOLSON,
Room 245 Senate Office Building, Washington, D. C.

MY DEAR SENATOR NICHOLSON: In response to your request I am forwarding you a statement showing the average price per pound, calories

per pound, cost of 1,000 calories, calories per $1, and cost equivalent to cost of 1 pound of sugar, and for a number of specified articles.

The prices per pound given in the second column are the average for the year ending June 30, 1922, of the prices in the 51 cities from which the Bureau of Labor Statistics secures retail prices. The calories per pound in the third column are those furnished you by the Bureau of Chemistry of the United States Department of Agriculture. The subsequent columns of the table are simple computations from the data given in the second and third columns.

I am inclosing also the wholesale prices for the articles named for the year ending June 30, 1922. These are not, strictly speaking, averages for the United States, but are averages of the market price in the cities from which the bureau secures quotations. For example, the prices for sugar and mutton are New York prices; the prices for pork (bacon) and ham are Chicago prices. The prices for bread, butter, and eggs are average quotations from several cities. The articles named in this list do not correspond exactly with the articles named in the retail price list but are the nearest to those articles for which the bureau has prices. You will understand, of course, that our wholesale price figures are for a general purpose and indicate the trend of prices and have no direct relation to our retail prices of foodstuffs which are carried as a part of our cost of living investigation. In other words, it is not possible in most cases to relate directly our wholesale prices with our retail prices and the bureau never attempts to do so.

I should think the table of calories based upon retail prices would serve your purpose better than the wholesale prices. I am returning you herewith your letter from the Agricultural Department. We were unable to add the item of fish, as the only fish we carry is canned salmon.

If I can be of any further service to you let me know.

Sincerely yours,

ETHELBERT STEWART,
Commissioner of Labor Statistics.

Average wholesale prices of selected commodities for the fiscal year ending June 30, 1922.

	Average price.
Sugar, granulated, in barrels, per pound, New York	$0.053
Pork, cured (bacon), per pound, Chicago, average of rough and short clear sides	.129
Mutton, dressed, per pound, New York	.109
Bread, before baking, per pound, weighted average price	.072
Butter, creamery, extra, per pound, weighted average price	.402
Beef, loins, fresh, per pound, average of New York and Chicago price	.251
Hams, smoked, loose, per pound, Chicago	.277
Eggs, fresh, per dozen, weighted average price	.360

Average price per pound, calories, etc., of specified articles of food in the United States for the year ending June 30, 1922.

Article.	Price per pound.	Calories per pound.	Cost of 1,000 calories.	Calories per $1.	Cost equivalent to cost of 1 pound of sugar.
Sugar	$0.068	1,860	$0.037	27,353	$0.068
Bacon, sliced	.395	2,685	.147	6,797	.270
Leg of lamb	.348	975	.357	2,802	.660
Bread	.091	1,205	.076	13,242	.140
Butter	.482	3,605	.134	7,479	.250
Sirloin steak	.372	985	.378	2,648	.700
Ham, sliced	.490	1,670	.293	3,408	.550
Eggs (47 cents per dozen)	.316	635	.498	2,009	.930

Mr. NICHOLSON. Mr. President, we have a good example of what the difference between a $1.60 and a $2 rate of duty to Cuba means to the domestic sugar industry. In 1897 Congress decided that we should have a domestic sugar industry which would supply us with all of our sugar, and to create that industry it levied a duty of $1.68½ on raw sugar. We then had only four struggling little beet-sugar factories in the whole United States—three in California, one in Utah, and two in Nebraska.

Immediately the Dingley tariff bill was passed capital began to build more factories, and in 1902 we had 44 factories. Mr. Havemeyer, of Sugar Trust fame, became scared, and he set the wheels in motion which resulted in the Cuban reciprocity treaty which reduced the duty to Cuba 33⅓ cents per 100 pounds. Meanwhile, to remove some of the strongest opposition to the treaty, which had held it up for a year, he purchased a large interest in several beet-sugar companies, which accounts for his son and the Sugar Trust being interested in them to-day.

Mr. President, according to the published report of the Department of Agriculture, at the time the Cuban reciprocity treaty was adopted we had 86 projected new beet-sugar factories in the United States, to cost $49,000,000:

Two were to be located in Arizona, to cost	$1,500,000
Five were to be located in California, to cost	3,500,000
Seven were to be located in Colorado, to cost	5,000,000
One was to be located in Indiana, to cost	1,000,000
Six were to be located in Iowa, to cost	3,500,000
One was to be located in Idaho, to cost	500,000
Twenty-eight were to be located in Michigan, to cost	14,900,000
Five were to be located in Minnesota, to cost	2,400,000
One was to be located in Montana, to cost	500,000
Two were to be located in New York, to cost	1,500,000
One was to be located in New Jersey, to cost	500,000
Two were to be located in North Dakota, to cost	1,000,000
Three were to be located in Ohio, to cost	1,350,000
One was to be located in Oregon, to cost	500,000
One was to be located in Pennsylvania, to cost	500,000
Two were to be located in South Dakota, to cost	1,000,000
Three were to be located in Utah, to cost	2,500,000
Ten were to be located in Wisconsin (4 plants; Racine), to cost	6,350,000
Two were to be located in Wyoming, to cost	1,500,000

Mr. President, when that treaty was adopted reducing the duty on Cuban sugar 33⅓ cents per 100 pounds every one of those 86 projects except 6 were abandoned, and most of them never have been revived. As a result of tinkering with the sugar tariff in the 19 years since that treaty was adopted we have only built 62 factories, or 24 less than the number we had projected 19 years ago.

Mr. President, that is what 33 cents a hundred means when it comes to building up a great national industry. Are we going to leave the duty at $1.60 for the benefit of a few Sugar Trust and Cuban sugar-producing men, or are we going to add 40 cents a hundred to it and build up another great home industry?

Mr. President, I desire to call the attention of Senators to a preferential tariff existing between Australia and South Africa, which tariff provides for a differential in favor of sugar produced by white labor as against sugar produced by black labor. I quote from the United States Tariff Commission on Colonial Tariff Policies, page 785, as follows:

> The "color line" in sugar duties: The "color line" drawn with regard to the duties on South African sugar was an interesting feature of the South African agreement. Cane sugar under the general Australian tariff was dutiable at 6s. per hundredweight, but under the agreement with South Africa discrimination was made between sugar "produced solely by white labor" and sugar "produced wholly or partly by black labor," a preferential rebate of 2s. per hundredweight being granted to the former, whereas to the latter a rebate of only 1s. per hundredweight was granted.
>
> This discrimination was due to the influence of the Labor Party, which has always opposed the grant of preference to British colonies and possessions that rely upon colored labor for the carrying on of their industries. During the debate on the preference resolutions of 1904 Mr. Watson, the leader of the Labor Party, upon being asked whether he would allow India to share in an Australian preference, replied, "No; except in regard to such products as tea I would not give any preference to products made by Asiatic labor which would come into competition with the products made by white people, though I am prepared to give such a preference to the products of the white labor of Great Britain."

But, Mr. President, the American farmer and the American laborer find themselves producing domestic sugar in competition with the black labor of the Tropics, which is the cheapest labor in the world. No laborer in the world can live as cheaply as does the laborer engaged in the production of sugar in the Tropics.

Is it fair to ask the farmers and laborers of this country, where production costs in all lines of human endeavor are much higher than in the Tropics, to produce sugar in competition with what is practically slave labor in order that the seaboard cane sugar refiners, with their enormous plantations in Cuba, may be permitted to make outrageous profits as soon as they find that the supply of domestic sugar has been absorbed by the consumer?

Let us see how the laborer engaged in the production of sugar in the Tropics lives, or rather exists: His habitation is the rudest kind of a hut, consisting of four poles stuck in the ground, with a roof of palm leaves, and this is his sole protection from the elements. His food consists of plantains, fish, and the milk of goats, which only the fortunate few possess. The clothing of himself and family is the scantiest and shoes are unknown. Surely no Member of this body is desirous of seeing the American farmer or laborer brought to this most degraded and semi-barbarous condition.

Do we find any protest against the proposed tariff coming from the American farmer or laborer? Certainly not, because they fully realize that if they have to produce sugar in competition with the slave labor of the Tropics it means the lowering of the standard of living of the American farmer and American laborer.

Is there any sane man or woman who believes that there is not a greater difference than 2 cents a pound between the cost of producing sugar in the Tropics and the cost of producing it in the United States?

But if the domestic production of sugar were discontinued and we had to rely on that produced by the black labor of the Tropics, it would not be long before the American consumer would be paying the price for sugar he used to pay before American domestic sugar became a factor to be reckoned with in competition with the sugar produced in the Tropics, the price paid by the American consumer at that time being from 11 cents to 15 cents per pound for a very inferior article.

The experience we had immediately after the World War should be a lesson to us. At that time the Atlantic coast cane-sugar refiners, with their plantations in Cuba, thought they had us by the throat and were holding us up for 24 cents a pound for sugar. Did we find the Atlantic coast refiners at

that time issuing propaganda calling attention to the enormous price the American farmer and laborer was compelled to pay for his sugar? No; they were as silent as the Sphinx of Egypt on this question.

I have received a great many letters concerning this question and desire to quote part of a letter received by me from Mr. A. R. Peck, of the Anaheim Sugar Co., Los Angeles, Calif.:

A careful analysis of the cane-sugar situation will disclose the fact that probably 60 per cent of the production of raw sugar in Cuba is in the hands of the New York cane refiners or people closely allied with them. It is therefore not surprising that they should protest against any duty on sugar which is sufficient to properly protect the beet-sugar industry of this country.

I happen to be quite closely allied with one of the cane-sugar refiners in New York and know from conversations had with him that any movement in Washington intended to give adequate protection to the beet-sugar industry is extremely distasteful to him.

But, Mr. President, they are not satisfied with control of the sugar plantations in Cuba, but are now trying to lay their slimy hands on the domestic production of sugar. They have acquired large interests in some of the American beet-sugar companies, but, because of the cheaper cost of production in Cuba, they are enabled to make greater profits than in domestic production, and their desire now is to destroy this struggling American industry.

Of the numerous articles which delight the brain through the sense of taste, how many are made palatable and attractive through the admixture of sugar?

Mr. President, sugar represents more of comfort and ministers more to the simple delights of home than does any other single product. Truly it has been said that of all the articles that have been accounted luxuries, sugar is nearest to a prime necessity. Whatever political economists may say as to the size of our sugar bill, if the joy of life be considered, it is money well expended. And, Mr. President, there are no "choice cuts" in sugar, no expensive grades which only the rich can afford to purchase. Whether it grace the banquet table of the palace or the frugal meal of the hovel, sugar is of the same purity, sweetness, and snowy whiteness, and its cheapness in price places it within the reach of the humblest working man, be it on the far-away ranch or in the crowded city.

No American citizen who has pride in his country should object to an adequate tariff that will enable us to produce at home all of our requirements of this necessary and pleasurable article of food.

Mr. President, I desire to call attention briefly to the following changes which have taken place since the enactment of the Dingley tariff bill, which imposed a duty on sugar of 1.685, which rate was continued in the Payne-Aldrich bill, and the duty imposed by the Underwood tariff bill, which was 1.25. Since that time the farmer has to pay twice as much for his coal as he did at that time; he pays twice as much for his shoes as he did at that time; he pays twice the price for his clothing as he did at that time; and the great World War has imposed upon him an enormous burden of taxation which will go on from generation to generation. The people of the Tropics have to contend with none of these burdens placed upon the American farmer by the World War. If Senators wish to be honest with themselves they can readily come to the conclusion that the increase we are now asking for as between the duty in the Payne-Aldrich bill and the Underwood bill is justified from every viewpoint.

Mr. President, I have some letters that I desire to have placed in the RECORD. Among others, I have a letter from the Farmers' Sugar Co. of Ohio, written by C. H. Allen, a perfect stranger to me. The junior Senator from Ohio [Mr. WILLIS] is present, and he might be able to give us some information as to the writer and his reliability.

Mr. WILLIS. Mr. President, in answer to the inquiry directed to me, I can say with reference to the witness to whom the Senator refers that I know him very well. He is a prominent business man in Ohio and has been actively connected with the sugar industry of that State for many years. He is now president of the Farmers' Sugar Co., of Defiance, Ohio, and is a very reliable citizen.

Mr. NICHOLSON. I ask permission to send the letter to the Secretary's desk and have it read in full.

The PRESIDENT pro tempore. Without objection, the communication will be read as requested.

The Assistant Secretary read as follows:

THE FARMERS' SUGAR CO.,
OFFICE OF THE PRESIDENT,
Defiance, Ohio, July 15, 1922.

Hon. SAMUEL NICHOLSON,
Washington, D. C.

MY DEAR SENATOR NICHOLSON: Your letter of the 8th was received in my absence, and I did not get to see it until to-day. It would have been answered before this if I had not been out of town.

I have just wired you, of which the inclosed is a copy.

I can not understand how any man who has made any study at all of the sugar business in America, and who has any knowledge of the possibilities of our American soil and of our American farmers, could possibly intimate that beet-sugar production could not be materially increased without being "hothoused" by means of a tariff higher than the people ought or would stand for.

Either that man has obtained his information regarding these subjects from hearsay, from gossip in Pullman cars, or in and with groups of people interested in "killing" the business in this country, or else he is simply ignorant of what he is talking about. Let us hope the latter is the case.

I have traveled over practically all that part of the United States west of the State of Ohio where beets are grown, excepting the State of California. I have done this in an agricultural way, making speeches through Ohio, Indiana, Iowa, the Dakotas, Idaho, Oregon, Colorado, Washington, and I do not know how many other States, keeping myself thoroughly informed regarding agricultural conditions and possibilities. That was my business. And I can tell you truthfully the present beet-sugar interests are only an infant to what it might become. We have more land suitable for beet-sugar culture than any country on the globe, with possibly the exception of Russia; we have more intelligent farmers than any country on the globe; and why we should not use every means at our command to obtain superiority in the production of a crop that has been proven over and over again to have been of the greatest benefit to all the citizens of the country who have persevered in its culture is beyond me.

I can only attribute it to ignorance, lack of knowledge, and general indifference to the future welfare of those who are to come after us and take up our burdens.

You people of the valleys of the Rocky Mountains have shown a little quicker appreciation of the values of such crops as sugar beets and alfalfa; you have had a little more courage in branching out; you have been progressive, not so afraid to take a chance, and you have succeeded, and it is greatly to your credit and we all honor you for it (I am writing now as an agriculturist), but such a man as you mentioned who appeared before the Senate Finance Committee and made such a ridiculous statement must not think that all the soil and all the intelligence respecting the growing of beets and kindred crops lies in Colorado and the adjoining States.

Iowa alone has enough suitable land; it has the climate and the very best and most intelligent farmers I know of, who, if encouraged and instructed, can grow more sugar than Colorado and Utah combined. This is just one State in the Middle States of this country, and there are more like it.

I could say practically the same thing of Minnesota and South Dakota, to say nothing of Wisconsin, Michigan, and Ohio.

In Ohio two years ago, when the price of sugar raised the price of beets grown on the farm—this is governed to a great extent by the tariff—to such a point that farmers made more money growing them than growing the other crops, so many farmers tried to get contract to grow beets we did not have near factories enough. We could have filled three other factories if we had had them, greatly to the benefit of the farmers, the business men, the laborers, and everybody in the State.

We have in Ohio five factories using the product for the factories of 35,000 acres. If we would increase these to 15 factories, we could use the beets from only 105,000 acres.

I know northwestern Ohio, where these factories are; I know the land, I know its possibilities, I have traveled over its roads, on the trolleys crossing it, over the railroads that link it to Indiana on the west and Michigan on the north.

I have studied its geology, its history, analyzed its soil, know its virtues and its failings, know what its soil has done in the past, and I believe I am as able to judge what it will do in the future as any man living in it. I know its extent and I know the people who live upon it, and when I state we have at least 2,000,000 acres that will produce beets, and we are only using 35,000 acres in that valuable crop now, you will certainly pardon me for feeling a little sorry for the man who thinks we would have to hothouse sugar to produce it in this country.

One of the great troubles in the question of tariff on sugar is the supposition that it benefits the manufacturer of sugar rather than the man or men who run the threshing machine used in threshing the sugar from the beets.

Sugar is grown, never made. It is an agricultural question, pure and simple. Any tariff made protects the farmer.

I wonder if people ever realize that we would never have had any sugar produced from beets at all if it had not been for protection to the farmer until he was able to learn how to produce this valuable crop. Some people seem to think this should be done in a year, or at least before the next congressional election. It took Germany 50 to 75 years of a settled policy to learn how to make the most of their valuable discovery of sugar-beet raising.

If they gained by it, if they brought prosperity to their country by its use, if it paid, would it not be a good thing if we took advantage of their experience?

There is one other thought that has been uppermost in my mind for a long time when it comes to this question of tariff on sugar. I mentioned it in my testimony before the Senate Finance Committee last December, and I refer you to that for particulars.

I have heard men engaged in the sugar-manufacturing business give their testimony before committees time and again, trying to prove—and I think easily doing it—the impossibility of competing with Cuba without protection, as if this Nation should take particular care of the business they were engaged in.

If there is no higher reason than what they give, their business should go down.

The American people are not going on year after year taxing themselves for the benefit of a few individuals.

If the sugar business is to live in this country, it must live because it will in the end benefit all the people, not just a portion of them.

This brings us to the reasons for a protective tariff against free trade, and we are right into politics, and there sugar will be as long as these two questions are before the American people.

I have already written too long a letter, but I got started and could not quit. Kindly pardon me for the same.

I am sending you under another cover a late copy of the Sugar Journal, which has two articles written by myself that may further give you my views—one on page 10, the other on page 14.

This is the only copy I have, but San Francisco is so far away that I am willing to part with it if you can gain any information that may be of use to you.

Yours very truly,

C. H. ALLEN.

Mr. NICHOLSON. Mr. President, I desire to quote for the RECORD a paragraph from a report made by the Baragua Sugar Co., as follows:

Net profits of the property, before depreciation and income taxes but after inventory adjustments, for the last five years, have averaged $2,030,772 per year, or more than six times annual interest charges on these bonds. Even in the calendar year 1921 such net profits were over $1,003,000.

I will send to the desk the letter inclosing the Baragua Sugar Co. announcement, and also the announcement itself, and ask that they may be inserted in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

THE HOLLY SUGAR CO.,
OFFICE OF THE PRESIDENT,
Colorado Springs, Colo., July 28, 1922.

Hon. SAMUEL D. NICHOLSON,
Senate Building, Washington, D. C.

DEAR SENATOR: The inclosed shows profits of a Cuban sugar property located on the east end of the island, and 1921 profits were under an emergency tariff of 1.60, and demonstrate what a small company in Cuba can do under a tariff resulting in United States beet-sugar growers and factories experiencing very substantial losses.

Very truly yours,

A. E. CARLTON.

(New issue.)

$4,500,000 BARAGUA SUGAR CO. (COMPANIA AZUCARERA BARAGUA), SUBSIDIARY OF PUNTA ALEGRE SUGAR CO., FIRST MORTGAGE 15-YEAR 7½ PER CENT SINKING FUND GOLD BONDS.

[To be dated July 15, 1922. (Closed mortgage.) To mature July 15, 1937.]

Interest payable January 15 and July 15 without deduction for normal Federal income tax up to and including 2 per cent. Pennsylvania and Connecticut 4 mills taxes and also the Massachusetts income tax not in excess of 6 per cent annually will be refunded by the company on appropriate request. Coupon bonds in denominations of $1,000, $500, and $100, interchangeable, registerable as to principal only. Redeemable in whole or in part at 110 and accrued interest on any interest date to and including July 15, 1928, the premium thereafter decreasing one point for each year or fraction thereof. The Chase National Bank, of the city of New York, trustee.

An annual sinking fund of $225,000 in cash or bonds at face value is provided commencing July 15, 1923, total payments aggregating 70 per cent of the par value of this issue. Bonds will be drawn by lot and called for the sinking fund at the current redemption price if not purchasable at or below this price.

Capitalization:

First (closed) mortgage 7½ per cent bonds, this issue	$4,500,000
Capital stock, 110,250 shares ($50 par)	5,512,500

Mr. Edwin F. Atkins, president of the Punta Alegre Sugar Co., summarizes as follows his letter to us:

"Compania Azucarera Baragua (translated Baragua Sugar Co.) is being incorporated under the laws of Cuba and will succeed to the ownership of the fixed assets of the present Baragua Sugar Co., a Delaware corporation. The entire capital stock of the new company will be acquired by the Punta Alegre Sugar Co.

"The property is a self-contained, low-cost sugar producer, including a modern mill with a daily capacity of 5,000 tons of cane; over 42,000 acres of land in Camaguey Province owned in fee, approximately 19,000 acres controlled through lease, and about 10,000 additional acres from which the cane is under contract; 110 kilometers of standard-gauge private railroad; adequate rolling stock, and a private seaport.

"It is estimated that in normal years the port facilities alone will result in a saving in shipping costs in excess of the interest on this bond issue as compared with costs if dependent upon public carriers.

Net profits of the property, before depreciation and income taxes but after inventory adjustments, for the last five years have averaged $2,030,772 per year, or more than six times annual interest charges on these bonds. Even in the calendar year 1921 such net profits were over $1,003,000.

"Net tangible assets of the company as shown on its projected balance sheet will be over $2,270 per $1,000 bond and have recently been appraised as having a value in excess of this figure.

"The present advantageous arrangement for marketing the sugar of the Punta Alegre Sugar Co. through E. Atkins & Co. is available to the new company."

Application will be made to list this issue on the New York and Boston Stock Exchanges.

The legal proceedings in connection with this issue are being passed upon by Messrs. Chadbourne, Babbitt & Wallace, of New York City, for the bankers, and Messrs. Root, Clark, Buckner & Howland, of New York City, for the Punta Alegre Sugar Co. in conjunction with Claudio G. Mendoza, Esq., of Habana, Cuba, for the bankers and the Punta Alegre Sugar Co. jointly. Interim certificates of the Chase National Bank, of the city of New York, or temporary bonds will be issued pending delivery of bonds in definitive form.

We offer these bonds when, as, and if issued and received, and subject to the approval of counsel.

Price 100 and interest yielding 7½ per cent.

HAYDEN, STONE & CO.
BROWN BROS. & CO.
HARRIS, FORBES & CO.

(Statements contained herein are not guaranteed, but are based upon information which we believe to be accurate and reliable and upon which we have acted in the purchase of these bonds.)

Mr. NICHOLSON. I should also like, with the consent of the Senate, to have inserted in the RECORD a letter from Dr. Harvey W. Wiley, formerly head of the Bureau of Chemistry of the Department of Agriculture. I also send to the desk a letter from the United States Sugar Co., of Milwaukee, Wis., which is all contained in one page; a letter from the Columbia Sugar Co., of Bay City, Mich., all of which is contained in one page; a letter from the Holly Sugar Co., of Colorado Springs, Colo.; a communication from the Wyoming Sugar Co., of Ogden, Utah; a communication from the Michigan Sugar Co., of Detroit, Mich.; a communication from the Larrowe Construction Co., of Detroit, Mich.; a communication from the Garden City Co., of Garden City, Kans.; a communication from the Utah-Idaho Sugar Co., of Salt Lake City, Utah; and a communication from the Minnesota Sugar Co., of Minneapolis, Minn., all of which I desire may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The communications referred to are as follows:

GOOD HOUSEKEEPING,
BUREAU OF FOODS, SANITATION, AND HEALTH,
Washington, D. C., July 17, 1922.

Hon. SAMUEL O. NICHOLSON,
United States Senate, Washington, D. C.

DEAR SENATOR: The question which you raise in regard to the area suited to the culture of beets is one of great practical interest. During my service in the Bureau of Chemistry I made very extensive investigations of the influence of climate, and especially of temperature, upon the sugar content of sugar beets and of sweet corn. Altogether about 50,000 analyses were made of sugar beets grown in various portions of the United States. A summary of the results of this extensive work was published as Bulletin No. 52, revised, United States Department of Agriculture, Division of Chemistry, issued in 1899. Of this bulletin, I regret to say, I have only one copy; but I am sure you would be able to get it or borrow it from the librarian of the Department of Agriculture, or you may probably get it from the Superintendent of Public Documents.

I found the greatest factor in the production of sugar was the temperature, especially during the three growing months of June, July, and August. In all parts of the United States where the mean temperature for those three months is 70° F. I found the richest sugar beets were grown. With this data I constructed a prospective map of the areas in which sugar beets of this high degree of richness could be produced. This map also contains, in the form of red dots, the locations of the successful sugar-beet factories in the United States. You will be surprised to see how nearly contained in the mapped area are all the successful sugar factories which were in operation at that time. I have no map of the additional factories erected since then, but I believe they will all be found approximately in or near the area predicted.

Of course, all parts of this area are not suitable for the cultivation of sugar beets. Some parts of this area are mountainous and not tillable; others are in an arid region, where water of irrigation is not available. Still others are in arid regions where irrigation has been practiced. In the eastern portion of the United States this area is located where severe winters are likely to occur and thus interfere with the harvesting and storage of beets. I am prepared to say, however, without hesitation, that sufficient area suitable in every respect to the culture of sugar beets may be found in the places indicated in this map, near or adjacent thereto, which if devoted to the growth of sugar beets would supply the needs of the whole world.

The cultivation of the sugar beet is a good example of intensive agriculture, because, while it pays the farmer to produce 15 tons per acre, it does not pay him to produce 5 tons per acre. If, moreover, by intensive agriculture he can raise the yield to 20 or 25 tons per acre, the farmer's profit will be all the greater.

I feel certain that by reason of the work done by the Division of Chemistry that many millions of dollars have been saved that otherwise would have been given over to the attempted cultivation of sugar beets to areas where the sugar content would have been too low to compete with really good beets.

In addition to this information in Bulletin No. 52 I published a series of separate investigations on the influence of environment on the composition of the sugar beet, which are contained in Bulletins 64, 74, 78, 95, and 96 of the Bureau of Chemistry. I regret I do not have reprints of these, but I am sure you can get them in the manner suggested above for Bulletin 52. You will find them full of very useful information in view of the problem which you are now studying.

I appreciate very much your generous reference to the value of my work in promoting what I consider to be one of the greatest industries of this country and one capable of almost illimitable extension.

Yours very truly,

H. W. WILEY.

UNITED STATES SUGAR CO.,
Milwaukee, Wis., July 10, 1922.

Hon. SAMUEL D. NICHOLSON,
United States Senate, Washington, D. C.

DEAR SIR: I inclose herewith copy of my telegraphic reply to your letter of July 8.

From my actual knowledge of the soil and climatic conditions in Wisconsin and Minnesota, in which States we operate, I feel justified in stating that the production of beet sugar could be increased to five or ten times the greatest output of any year if capital could be assured of a protective tariff covering the difference in cost of production attributable to the higher scale of wages paid in the United States. The same rate of expansion, no doubt, could be had in nearly all of the western and northern States where sugar beets are now grown.

As you well know, the general scale of wages has not declined to anywhere near pre-war rate, which is reflected in the higher cost of coal and all other supplies and railway freights, hence the industry must have at least 2 cents a pound protection on Cuban sugar.

Yours truly,

J. S. LAWSON, *President.*

COLUMBIA SUGAR CO.,
Bay City, Mich., July 11, 1922.

Hon. SAMUEL D. NICHOLSON,
United States Senate, Washington, D. C.

DEAR SIR: We are in receipt of your wire relating to the duty on sugar from Cuba and replied thereto to the effect that in our opinion a 2-cent duty on sugar from Cuba would stimulate the beet-sugar industry in this country to such an extent as would soon result in a production of sugar equivalent to a war ration and eventually our entire requirements.

You undoubtedly have the statistics showing the growth of the beet-sugar industry during periods of a favorable tariff. There is absolutely no reason why these same results should not be repeated under a tariff of 2 cents on sugar from Cuba. For statistics covering these questions we would refer you to Mr. Truman G. Palmer, 901 Union Trust Building, Washington, D. C. You may perhaps be familiar with the fact that Mr. Palmer is the statistician for the United States Sugar Manufacturers' Association and has an enormous amount of material bearing on every phase of the sugar industry.

We would call your attention to the recent increases in the price of sugar. They have been brought about by Cuba owing to the fact that she is to-day the dominant factor in the world's sugar market and holds what amounts to practically a corner on sugar. In 1919 and 1920, when Cuba thought she occupied a similar position, we saw her push the prices up to an intolerable point. She is now repeating this in a milder way, of course. Beet sugar always sells from 10 to 40 points below the price of the eastern seaboard refiners, is equal in quality in every respect to cane sugar, and could save the sugar consumers of the country a tremendous amount of money if put in a position to do so by an adequate and permanent tariff against Cuba. We regard 2 cents as such a tariff.

Appreciating your efforts in the behalf of this tariff and wishing you all success, we remain,

Yours very truly,

E. WILSON CRESSEY,
Secretary and General Manager.

—

THE HOLLY SUGAR CO.,
OFFICE OF THE PRESIDENT,
Colorado Springs, Colo., July 29, 1922.

Hon. SAMUEL D. NICHOLSON,
Senate Building, Washington, D. C.

MY DEAR SENATOR: My attention has recently been called to an optimistic circular issued by one of the beet-sugar companies, which is marketing some of its preferred stock.

The apparent prosperity of this company is based on the payment of $5 per ton to the beet growers, resulting in 30 per cent decrease in acreage for the current year and anticipated decrease of more than 50 per cent next year, as a farmer can not raise beets on such a contract.

The conditions therein set forth do not at all represent the situation of the industry generally.

The well-founded opinion of the beet-sugar industry, whose owners are not in any way interested in the Cuban sugar industry, is that the purpose of the circular is largely, if not wholly, to adversely influence Congress on the sugar tariff.

In 1888 the sugar-refining industry on the Atlantic seaboard, as result of competition in the control of powerful financial interests, approached bankruptcy. The elder Havemeyer then formed the Sugar Trust and gathered in the bankrupt concerns.

Present antitrust laws, perhaps, require a little different method, but do not prevent the same results.

To-day the domestic sugar industry is facing extinction. The inclosed annual report of the Holly Sugar Corporation is fairly representative of the financial condition and operating results of the average beet-sugar company in the United States. With one exception no company made a better showing and many are in more difficult situation. Without exception the beet growers' position is equally unfortunate.

If the United States is without domestic production of sugar the consumer will of necessity pay a price limited only by the avarice of the Cuban producers. Seventy-two per cent of the entire Cuban production is controlled by the Atlantic seaboard refiners and capitalists.

The beet-sugar company owned and controlled jointly by the younger Havemeyer and the American Sugar Refining Co. is of small value compared with the vast interests involved in their ownership of foreign cane sugars. The present situation does not involve the absorption of the bankrupt, beet-sugar companies, but crushing them and placing the American sugar-consuming public at the mercy of the owners of the Cuban sugar production. Beyond the control and regulation of the laws of the United States, the added cost to the American consumer might easily be $1,000,000,000 a year.

The emergency tariff of 1.60, or practically 1 cent per pound above the pre-war duty, does not permit the payment to the beet grower of an adequate price, or one which will permit him to continue production. If we are to have a substantial domestic production of, say, 1,500,000 tons (less than one-half of our requirements if the duty-free product of our insular possessions is included) it is necessary to have a protective tariff of 2 cents on importations from Cuba, as without such a tariff the grower can not grow the necessary beets.

Very truly yours,

A. E. CARLTON.

—

WYOMING SUGAR CO.,
Ogden, Utah, July 15, 1922.

Hon. SAMUEL D. NICHOLSON,
United States Senate, Washington, D. C.

DEAR SIR: I am pleased to acknowledge receipt of your letter of July 8, but feel that I am unable to furnish you with all of the information you desire, as my experience in the beet-sugar industry has been confined to the State of Wyoming, our factory being located at Worland, Washakie County, Wyo.

At the present time there are only three sugar mills in the State of Wyoming, all of these mills having been built since 1915. Due to the war conditions, the subsequent inflation and deflation, the development throughout the entire State has been very slow, due principally to the fact that the migration of new farmers into the State has been practically nil, for reasons which are directly attributable to the three causes above mentioned.

Conditions in the State of Wyoming, particularly in the northern, north central, and eastern sections, are very adaptable to the culture of sugar beets, and with the natural land development, it will only be a matter of time until the State of Wyoming will produce as much beet sugar as the State of Colorado, and it will not require any more protection through a tariff than does the industry of Colorado, Utah, and Idaho. It is estimated that the Big Horn Basin alone has a million acres that eventually will be put under irrigation, not to mention the future possibilities of the Riverton and Lander section, in which at the present time the United States Reclamation Service has under construction a very large irrigation tract.

My personal opinion is that the State of Wyoming offers greater opportunity for the development and expansion of the beet-sugar industry than any of the other States in the intermountain section. Conditions in Wyoming are just as favorable for cultivation of sugar beets as in any State in the West, and I see no reason why it would require a hothouse duty to properly develop this industry.

I am inclined to question the fact that we could produce enough sugar within the United States to supply our entire requirements, although it may be possible. I do feel, however, that it would be an easy matter to produce at least 50 per cent of our national requirements.

In concluding I would like to state that in my opinion it is of the utmost importance that we receive a duty of 2 cents against Cuba, and it should be definitely borne in mind that the benefits derived through this increased protection will almost wholly go to the farmers, viz, that it will make it possible to pay them a higher price for their beets, which, in turn, would mean a material increase in acreage. The problem confronting the beet-sugar companies to-day is the fact that they have not been able to offer a beet contract with a sufficient guaranty to make the raising of sugar beets profitable to the farmers. I do not believe that we can expect the farmers to raise beets in future years on the pre-war prices, as their cost of production has materially increased.

If there is any further information I can give you, I should be very glad to have you call upon me.

Yours very truly,

J. M. ECCLES.

—

MICHIGAN SUGAR CO.,
Detroit, Mich., July 12, 1922.

Hon. SAMUEL D. NICHOLSON,
United States Senate, Washington, D. C.

DEAR SIR: Your letter of the 8th instant addressed to the general manager of the Michigan Sugar Co., Mr. W. H. Wallace, has been handed me for reply, as Mr. Wallace is now away on his vacation.

Permit me first to express our thanks for the earnest efforts you are making to secure a 2-cent duty on sugar imported into the United States from Cuba. We certainly appreciate the work you are doing and shall be glad to render you any assistance in our power.

I am thoroughly satisfied, and so is Mr. Wallace, that if we could have a 2-cent duty against Cuba the result in Michigan would be that we would double the output of beet sugar in this State. It is possible that there would not be very many new factories built. There is, however, room for one or two more in the Upper Peninsula. The great increase in Michigan that would result from a 2-cent duty on Cuban sugar would be that the 17 factories now in the State would be able to pay a sufficient sum for beets to induce the farmers to raise a full crop for each one of the 17 factories. At present we are skimping along on about 60 per cent to 65 per cent of a normal acreage. Unless we can pay more for beets next season the acreage in Michigan will be still less next year than this. If we could get a 2-cent duty against Cuba and pay the farmers a price for their beets that would compete with the prices that they are receiving for their other farm crops every factory would get a run of from 100 to 120 days, which, as I say, would virtually double the output of beet sugar in the State of Michigan. You must understand that we are differently situated in Michigan than in some of the Western States in that the farmers here are engaged in general farming, whereas in Colorado the range of their farm products is limited. In Michigan we must compete with the price of beans, peas, wheat, corn, oats, rye, chicory, potatoes, fruits, and hay. All these farm products now command a good price, and all of them, thanks to the Senate, will be protected by a good duty with resultant good price in the future. Under such circumstances you can readily see that sugar must be protected with a corresponding duty in order that the factories can pay the corresponding price for beets that farmers obtain for their other crops. Please remember also that every beet contract put out by the factories in Michigan carries a provision whereby the factory guarantees a minimum price for beets and gives the beet grower the advantage of any increase in the price of sugar above the minimum sugar price named in the contract. In other words, all beet contracts are participating contracts, the farmer thus getting his full share of the duty imposed on sugar.

Relative to your other inquiry concerning territory in the United States adapted to beet culture, will say that the Department of Agriculture some years ago, in reply to a resolution passed by the Senate, gave the information that the extent of land in this country adapted to beet culture was sufficient to raise more sugar than the entire world consumes. You can get this report from the Department of Agriculture by sending a request to the Secretary of Agriculture. I think also that Mr. Truman G. Palmer, of 901 Union Trust Building, Washington, can give you the definite reference to the name and number of the report.

There is certain beet area of the United States not yet developed that has come under the careful examination of the officials of our company. I am referring now more particularly to the following areas:

Ohio has but 5 factories. She has a splendid beet district capable of supporting fully as many factories as Michigan.

Wisconsin has 4 or 5 factories. She can easily support as many as Michigan.

Minnesota has but one factory. She can easily have a dozen.

Iowa has plenty of splendid territory for supporting a dozen or 15 factories.

South Dakota is situated in the same way.

I am not so familiar with the undeveloped area in the Western States. In my own mind I am thoroughly satisfied that if we could be assured that there would be a 2-cent duty on Cuban sugar for the next several years, we would have a wonderful development of the beet-sugar industry in the United States and would soon place this country in a position where it would be absolutely independent for a sufficient quantity of sugar to constitute a war ration of at least 2,500,000 tons. Of course, there are areas to produce much more sugar than this 2,500,000 tons, but I am trying to confine my statement of the case to the probable increase that would take place within the next few years if we could have this 2-cent duty against Cuba assured for a few years.

Trusting that the above will give you our views of the situation, I am,

Yours respectfully,

F. R. HATHAWAY,
Secretary-Treasurer.

—

LARROWE CONSTRUCTION CO.,
Detroit, Mich., July 18, 1922.

Hon. SAMUEL D. NICHOLSON,
United States Senate, Washington, D. C.

DEAR SIR: Your letter of July 8, addressed to Mr. J. E. Larrowe, vice president of the Northern Sugar Co., has just been received in this office, having been forwarded from Minneapolis, to which place your letter was originally addressed. While Mr. Larrowe is the vice president of the Northern Sugar Corporation, his own place of business

is located here in Detroit. Mr. Larrowe to-day is in Denver, Colo., and in view of the apparent urgency of your request, we telegraphed Mr. Larrowe the gist of your letter, and while we are not sure that our telegram will reach him before he leaves Denver, yet we hope that we have succeeded in reaching him.

The writer's personal opinion, based on the talk we have heard in sugar circles and amongst construction men, is that a 2-cent duty on Cuban sugar and 2½ cents against the rest of the world would work wonders toward the development of the domestic beet-sugar industry, particularly if there was no immediate likelihood of the duty being rescinded by a succeeding Congress. Of course, as you undoubtedly know, what has hindered the domestic beet-sugar industry more than anything else has been the uncertainty surrounding it, as men with money hesitate about going into some business that is a football of politics. Give the beet-sugar people an assurance that the tariff will not be changed for at least 10 years, and I think that you would see a wonderful development in the business.

Very truly yours,

CHARLES STAFF, *Secretary.*

—

GARDEN CITY, KANS., *July 15, 1922.*

HON. SAMUEL D. NICHOLSON,
Washington, D. C.

DEAR SIR: Upon my return home from a short absence I find yours of the 8th instant.

I am glad to give you facts in reference to our sugar mill, and will show you why we can not successfully operate without sufficient protection, and the circumstances that govern our business substantially exist and are operative with all other beet-sugar mills.

Our factory operated its first campaign in the winter of 1906–7, and has been in continuous operation since. We are equipped with electric power—have a Steffens process and a pulp drier—this being so constructed that we save all there is to save in the original beet, and we produce the sugar under these circumstances as cheaply, or more so, than the average factory.

We are particularly fortunate in our location as to sales of our product, being able to sell our sugar on a short haul, within the boundaries of our own State. Under these circumstances we should have been prosperous under the existing tariff, but we have not been, and even at that believe we are still to the good as compared with several of the companies who are in the hands of their bankers.

Had it not been for the extreme optimism and generosity of our stockholders, we, too, would to-day be operating, if at all, under a receiver.

Since the year one all beet-sugar companies have pursued the very unbusinesslike policy of contracting for their beet acreage upon a flat price per ton, this being the only crop a farmer raises that he has been able to contract at a stated price, irrespective of the market value of the refined products made from the beet. Naturally, if the value of the refined product were low the factory stood the loss, which fact can be fully demonstrated by citing the year 1920.

Our own company, as well as practically every beet-sugar company in the United States, contracted during the fall of 1919 and early spring of 1920 with the beet grower on the basis of $12 a ton flat for the beets to be grown during the season of 1920 and to be delivered during the fall of 1920.

During the season, while these beets thus contracted for were growing, the price of sugar dropped by leaps and bounds, until by harvest time these $12 beets were actually worth barely $5 per ton.

This caused enormous losses to every company that issued such contracts, and is the primary cause of our own company getting down to business tactics, and we are now issuing what is known as the "sliding-scale" contract—a contract wherein we pay the beet grower a full value and no more for his beets. This contract is based on two points, namely, the sugar content of the beet and the market price of the sugar made from that beet.

This is the only true and business method of purchasing the raw product. By this method the sugar mill is protected, but the beet grower is now put up squarely against the value of sugar, as he will no longer be paid, as in the past, more than his beets are worth. He will not grow these beets unless he can do so at a profit to himself, which he can not to-day, with his still excessive cost of living, labor, and freight rates. In our own experience our acreage has been cut 50 per cent, and unless this is remedied we will have to automatically close our factory from lack of raw material with which to operate it.

It has taken this long letter to arrive at the following facts:

1st. Sixteen years of experience, during which time we have so reduced our assets that we are practically bankrupt to-day, have proven beyond dispute that we can not continue to pay the grower more than his beets are worth;

2d. The grower, by the evidence of our shrunken acreage, will not grow these beets unless he can do so at a profit; and

3d. Our growers can not produce these beets on the present market price of sugar at a profit, and the present price of sugar is protected by our present tariff.

It is our candid opinion that if the tariff be placed at not less than 2 cents on Cuban sugar this increase will provide the necessary margin of profit to enable the grower to get back again to his old acreage basis.

There are so many facts and arguments as to the reasons why a farmer should grow beets, with which the farmer is fully conversant, that he will grow them, and continue to do so from year to year, unless the growing of same is an actual, direct loss to him.

Very truly yours,

F. A. GILLESPIE,
Treasurer Garden City Co.

—

UTAH-IDAHO SUGAR CO.,
Salt Lake City, Utah, July 18, 1922.

SENATOR SAMUEL D. NICHOLSON,
United States Senate, Washington, D. C.

DEAR SIR: Please pardon delay in replying to your letter of July 8, but our agricultural superintendent has been out of the city most of the time since your letter was received, and I was desirous of getting his views before replying to your communication. Realizing that the sugar schedule may be considered almost any day, I wired you last night as follows:

"Answering your letter of 8th, my knowledge of conditions not only in intermountain and Pacific Coast States, but in other parts of country where sugar is produced, warrants statement that possibility of expansion of beet-sugar industry is very much underestimated. The primary difference between the cost of sugar produced from beets grown on American farms and cane sugar manufactured from the raw product obtained from countries where exceptionally low labor cost prevails is approximately 2 cents per pound. A stable tariff policy based upon that figure against Cuban sugar would, in my opinion, insure those engaged in producing domestic sugar sufficient protection to enable them to pay the farmer a price for beets comparable with that obtained for other crops. Such a stabilized policy would speedily bring about a very large increase in the production of domestic sugar, eventually supplying largely, if not altogether, our country's needs. As the value of sugar beets as a rotating crop is fully recognized by all scientific agriculturists, any added acreage planted to beets means increased fertility of the soil."

Supplementing this message, I have before me a communication, dated July 12, from Mr. Mark Austin, general agricultural superintendent of the Utah-Idaho Sugar Co., reading as follows:

"I have carefully read the Senator's letter of July 8, relative to the growing of sugar beets for the production of sugar and his remarks with reference to the tariff.

For your information, will say that 30 years' experience in Colorado, Utah, and Idaho has convinced me that the sugar beet is not a "hothouse" variety of plant but a very dependable product, and its continued cultivation means very much to the farmers. All sections of the country should have at least one cultivated staple crop to which a part of the lands may be planted in rotation with other crops, and the beet is an ideal plant for such purpose, as it calls for deep plowing, intense cultivation, and roots very deep into the soil; furnishes an abundance of cattle and sheep feed in the shape of pulp, sirup, and beet tops, making it possible to feed more live stock on the farm, thereby producing a better market for hay, grain, and other crops. A variety of feed that will produce meat and dairy products is always desirable if one hopes to bring about profitable farming.

Another thing, there is no other crop that I know anything about that tends to produce the desired fertility in our soil, thereby maintaining and in many cases increasing the yield of cereals and other products.

With respect to the area where sugar beets can be successfully grown, this is very difficult of determination, since it depends on irrigation, rainfall, etc., but it is a fact that beets have been successfully grown in many States of the Union and can be successfully produced under irrigation in almost any of the territory west of the Missouri River where the altitude does not exceed 6,000 feet. I heard the late James Wilson, when he held the post of Secretary of Agriculture in President McKinley's Cabinet, say that, after a careful survey of soil suitable for sugar beets had been made by his department, in his opinion there was sufficient land under irrigation, or susceptible to irrigation, to produce all the sugar required in the United States.

As to how fast or how far the beet-sugar business will expand, that is impossible to say; but of one thing I am certain, it can never expand under a free-trade or low-tariff policy. All of the expansion that has marked the progress of the sugar-beet business has been under a protective tariff.

My experience with the farmers has taught me that under present conditions they can not successfully raise beets and sell them for less than $6 per ton. As an evidence of the truthfulness of this statement I need only cite our experience of this year. Under our profit-sharing contract the farmer is guaranteed a minimum price of $5 per ton. When the contract was made the price of sugar was very low, hence he was impressed with the idea that $5 per ton would be all that he would get out of his beets. As a result the acreage sown this year in the Utah and Idaho territory is nearly 30 per cent less than it was during the previous year.

I am satisfied that if sugar-beet raising can be stabilized and the farmer convinced that he would get a fair return from his beets every year increased acreage would result, the factories would have full in place of partial runs, cost of beets and factory expense would be reduced, and the business would be more firmly established.

This condition, however, can only be brought about by an adequate tariff provision, such as proposed by the representatives of the beet-sugar industry before the Senate Committee on Finance, December 19 and 20, 1921.

Now, my dear Senator, I do not know that I can add very much to what Mr. Austin has said in his letter on this question. The United States Department of Agriculture, in its report of the beet-sugar production by States for 1920–21, shows a total area harvested as follows:

	Acres.
California	122,813
Colorado	219,847
Idaho	45,810
Michigan	149,559
Nebraska	72,296
Ohio	49,199
Utah	112,567
Wisconsin	20,686
Other States	79,559

Or a total of 872,376 acres. The same States during the season 1910–11 planted 898,029 acres, and 10 years prior thereto, viz, 1900–1901, 132,000 acres. The yield per acre has increased from 1901, when it was 6.15 tons, to 9.80 tons in 1920–21.

To my mind this proves conclusively that the beet-sugar business has been on the upgrade during practically all of that period. There was only one break, which occurred at the time when our Democratic friends essayed to put sugar on the free list, when the acreage dropped from 580,066 acres harvested in 1913–14 to 483,400 acres in 1914–15. When the figures for 1921–22 are available they will doubtless show decreased planting as compared with 1920–21, due to the inability of the producers to pay a fair and reasonable price for beets on account of the prevailing low price for sugar.

If there are any other features of the business on which I can enlighten you I will be very glad to serve you.

I am inclosing you herewith a copy of the Utah-Idaho Sugar Co.'s contract with the farmers, which shows in detail the profit-sharing plan that has been in vogue in this territory during the past two years.

I am also inclosing you a sample of a circular letter recently issued to the growers, which is required under their contract as a matter of information.

Yours very truly,

J. H. LOVE.

—

MINNESOTA SUGAR CO.,
Minneapolis, Minn., July 22, 1922.

HON. SAMUEL D. NICHOLSON,
United States Senate, Washington, D. C.

DEAR SENATOR NICHOLSON: Mr. James E. Larrowe, of Detroit, Mich., referred your inquiry regarding the prospects for establishing the beet-sugar industry in Minnesota and Iowa to me.

After 15 years' experience in the beet-sugar industry in Michigan I came to this section two years ago to assist in extending, if possible, the beet-sugar industry here.

There is great need of establishing the beet-sugar industry in northern Iowa and Minnesota. This territory has been proved, without a doubt, to be one of the best sections in this country for growing beets of good quality and of the average tonnage per acre. Minnesota has shown exceptionally high quality in sugar content; Iowa not quite so high but has grown a larger tonnage per acre. There has come to the farmers in this section the realization that their crops must be rotated, that they must do more intensive farming, and that they must have a root crop. Not only is this necessary from a financial point, but this rotation with a root crop is necessary in order to bring back the production of other crops to the point where they can bring better returns than they are now making on the grain crops.

It is the one popular note to-day with the farmers and the business organizations of this country, that of rotating crops and interjecting a root crop and increasing the dairy business, which goes hand in hand with the beet-sugar industry.

You will note the attached clippings from the Minneapolis Journal and the Minneapolis Tribune of last week, bringing out their interest in the extension of the beet-sugar industry.

As to increasing the beet-sugar production in this country, we will say from experience and careful investigation that the State of Minnesota and the northern half of Iowa alone could and should establish at least ten to a dozen beet-sugar factories. They have the soil and the climate, and I am of the opinion that they will sustain, in due time, a larger number of beet-sugar plants. We must have a tariff sufficient to protect us against Cuban sugars, and I doubt very much if there will be any extension to speak of under the present tariff of $1.60 against Cuba. The extension of the industry in this country will be slow, if any, under the present tariff of $1.60 against Cuba. We should have 2 cents against Cuba and 2½ cents against the world. There is no doubt but that we could in a few years double the production of beet sugar in this country, and it should be done. The farmers need the industry, but they can not produce the beets at the prices they have had to produce them at in the past without running a risk of losing money, and that is the reason the industry will not be extended under the present tariff. Quite naturally some of the beet-sugar companies now established would not be in favor of increasing the plants in this country; nevertheless we greatly feel the necessity of more plants in this section of the country.

In December, 1921, Mr. W. P. Hogarty, said to be one of the best authorities on agricultural conditions and the beet-sugar industry in this country, gave a lengthy address before the Commercial Club in Billings, Mont., which was printed, and no doubt could be secured from the secretary of the Rotary Club of Billings, and which contains more valuable information and data which would be helpful to you in building up your argument for the extension of the industry than any document I can refer you to at this time. Mr. Hogarty is now the general manager of the Great Western Sugar Co. for that district, and I quote a paragraph as follows, which answers your inquiry, about as we look at it, with reference to the extension of the industry:

"Here as elsewhere in this country the American farmer is in competition with the foreign producer of sugar. If the price of the sugar of this country can be kept such that the American beet grower can profitably grow this crop, the future of the industry is assured. With about 100 beet-sugar factories in this country, producing sugar from 875,000 acres of beets, the industry could expand to produce all of our consumption, and 500 factories of the present average capacity would be required and the acreage in sugar beets would amount to 4,000,000 acres. The benefits from such a reality would be far-reaching to the farmers of this country. Is it not worth believing in and making it not only our State aim but our national aim as well?"

If there is any further information we can give you to assist you in your argument for the extension of the industry, we will be pleased to do so.

Very truly yours, H. A. DOUGLAS, *President*.

Mr. SIMMONS. Mr. President, it is not my purpose to discuss the details of this proposition, but only to place certain data in the RECORD and to discuss a few of the fundamentals of the question which is now before the Senate. I shall not desire to occupy more than 15 or 20 minutes, and I wish to say now that if there is any Senator who desires to make a set speech, I am perfectly willing to yield to him, provided I may have 15 or 20 minutes left before the time set for a vote.

Mr. GOODING. Mr. President, I intend to occupy about 10 minutes only, but I am in no hurry, and I will wait until the Senator from North Carolina concludes.

Mr. McCUMBER. Mr. President, will the Senator yield to me in order that I may send to the desk an amendment and ask to have it printed?

Mr. SIMMONS. Certainly.

Mr. McCUMBER. I send to the desk a proposed amendment to the pending bill and ask that it may be printed.

The PRESIDENT pro tempore. Without objection, the proposed amendment will be printed and lie on the table.

Mr. SIMMONS. Mr. President, on yesterday during the delivery of the speech made by the Senator from Louisiana [Mr. RANSDELL] he stated that the cost of producing a ton of sugar in Louisiana was $79.56. Upon his making that statement I interrupted him, and I wish to read briefly extracts from the colloquy between him and myself:

Mr. SIMMONS. In view of the vast difference in the cost of producing sugar here and in Cuba, the Senator said that we should encourage the industry in this country and after awhile Americans would begin to compete with Cuba and supply the market. Will we ever be able to supply the market at a price even approximating the price at which Cuba can produce this article?

The Senator answered that question satisfactorily. He was then asked by me to state the cost of producing sugar in Cuba, which I said I had not quite understood. He replied:

I can give that to the Senator. The figures are as follows: The cost to produce a ton of sugar in Cuba is $28.92, as compared with $79.56 in this country.

Mr. SIMMONS. Now, I want to ask the Senator another question. He said that we ought to stimulate the production of sugar cane and beet sugar in this country, if we can; and he is talking about cane sugar, as I understand it.

Mr. RANSDELL. Yes.

Mr. SIMMONS. The Senator said that if we would stimulate it we would find ultimately that we would produce enough in this country to supply our own demands. If the time should come when we produced enough in this country, under the impetus of this stimulation, to supply the demands of the market, would there not be the same difference in the cost of production in this country and Cuba that there is now? Will we not have to continue to the end of time, in order to protect ourselves against Cuban competition, to pay the same bonus in order to continue to keep the industry alive?

Mr. RANSDELL. I do not think we will have to do anything of the kind. I believe if we would ever get the industry on a good, sound basis in this country, so that we would produce, say, 4,500,000 or 5,000,000 tons of sugar, getting the business well established and thoroughly going, that it would be self-sustaining. Of course, sugar will always be produced, possibly more cheaply, I have no doubt somewhat more cheaply, in Cuba than in this country; but sugar is not a hothouse plant in America, I will say to the Senator. It can be made, and it will be made if we ever get it thoroughly started.

Mr. SIMMONS. But the Senator states that the cost of production in this country is something like three times as much as the cost of production in our neighboring country just across the water; and the question which interests me is, after years of artificial stimulation, when we have by that process of annual bounties brought the sugar production of this country up to the point where it supplies the demand, whether we will not have to continue that process, and when we stop that whether we will be able to produce sugar as cheaply as Cuba, and whether the industry would not under those circumstances go all to pieces at once.

I have read that, Mr. President, because it is with reference to that aspect of this question that I especially desire to speak to-day.

It is contended or admitted by the proponents of this duty that the cost of producing a ton of cane sugar in this country at the present time is three times, or very nearly three times, as great as the cost of producing a like ton of sugar in Cuba. The question therefore is, in view of the experience of the past with reference to the cost of producing sugar in this country and Cuba, Can we reasonably hope that we ever will reach the point in this country under any conditions whatsoever as to the domestic production of sugar where we will be able to bring the cost of production in this country to anything like the level of its cost in Cuba? And if we shall not be able to do that, when by artificially stimulating this industry we have reached the point where it is producing enough annually to supply the domestic demand, if at the end of that time it is found that the relative cost of producing sugar in this country and Cuba is the same as now, will we not have to continue indefinitely to sustain our industry, although it has been established by artificial processes up to the point of producing our whole supply, by an annual bounty or subsidy or protective tariff tax equal to the difference between the cost of production here and in Cuba?

If that will be necessary, Mr. President, after we have fostered this industry to the point where it supplies the total domestic demand, then we will either have to see all of these immense contributions of the people to this industry go for naught, or we will have to continue to require the people of this country to pay for their sugar practically three times the actual value of that sugar, measured by the world price of it.

The theory of protection has always been, when applied to an infant industry, that it should receive nourishment from the Government, contributions from the people, to enable it to stand upon its feet against foreign competition until it had had ample time to establish itself, to attain its maturity, and then these large contributions were to cease. That has been the theory. Another theory of protection has been, as I have understood it—I mean the Republican theory—that an industry was entitled to protection upon the idea that it would not advance the cost, or, if it would advance it at all, only temporarily, to the American consumer, but that ultimately it would reduce that cost by bringing about sharp domestic competition. Advancing from that position, the Republican theory has been that when an industry is established, when it has been placed upon its feet and has become self-sustaining in the sense that it can produce all that the domestic market requires or the major part of the domestic demand, it is not entitled to further protection unless the price at which it sells its product to the American people is a reasonable price, considered in connection with the world level of prices in that industry.

I take it that no man in his senses in this country has ever openly advocated that we should continue to foster and encourage and stimulate an industry when it has been demonstrated that that industry can not exist in this country unless it is permitted to charge the people of this country three times or two times or one and a half times or one and a quarter times more than the people of this country could buy that product for from some other country. That sort of a tariff would be abso-

lutely oppressive. After we have put this sugar industry upon its feet, after we have stimulated it to the point where it can supply the entire domestic market, if then the conditions of competition between this country and Cuba are of such a character that the domestic producers can not sell their product to the American people with a profit without charging them from two to three times as much as they could buy that product for from Cuba, I say it would be oppression to continue to require the people to buy the domestic product and keep this weakling upon its feet.

Accepting for the purposes of the argument the figures of the senior Senator from Louisiana [Mr. RANSDELL] that at this time, 1922, the cost of producing a ton of cane sugar in this country is $79.56, as against $28.92 in Cuba, is there any reason based upon the present conditions for us to assume that, if we build up this industry further by largesses greater than we have ever given to them before, so that they can produce the whole amount needed to supply the American market, we will then be better able to compete with Cuba? Can we then sell sugar to the American people at a reasonable profit at a slight advance upon the foreign price, or will we always have to tax the American people so as to measure the difference between the cost of production here and the cost of production in Cuba? That is the question I raise.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER (Mr. LADD in the chair). Does the Senator from North Carolina yield to the Senator from Idaho?

Mr. SIMMONS. Yes; I yield to the Senator.

Mr. GOODING. I want to say to the Senator from North Carolina that just as long as labor is employed in Cuba for 60 cents a day, just as long as coolie labor from China is imported into Cuba under bond and worked as slaves, just that long, if we are going to grow sugar in this country, will there have to be a duty. When the price of labor in Cuba comes up to the standard of America, when the price of labor in other foreign countries comes up to our standard, we will not need any protection, but until it does we will have to have protection to grow sugar or to grow anything else in America.

Mr. SIMMONS. Mr. President, I expected that the Senator would answer just as he has answered me; but I want to say that there is not a thing in the answer, because the difference in the cost of production of sugar in this country and the cost of production of sugar in Cuba is not the result of difference in labor costs here and in Cuba.

Many years ago, before the war, when the Cuban treaty was pending here, I had occasion to investigate this matter thoroughly, and I found that it was admitted in those discussions that the difference between the labor cost in Cuba and in this country was slight. It is slight to-day, but even if it were as large as the Senator contends, it is not the difference in labor cost that brings about this difference in the total cost of production. There is nothing in the answer of the Senator.

Mr. GOODING. Mr. President——

Mr. SIMMONS. Mr. President, I do not want to yield any further. I understand the Senator's position thoroughly. I do not want to take much time, because I want other Senators to have ample time.

Mr. President, the real truth about the cane-sugar situation can not be found in a study of the difference in the labor costs in the two countries, although that may be a factor which enters into the problem. I have not said the labor costs are absolutely on a parity.

Mr. BROUSSARD. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Louisiana?

Mr. SIMMONS. I will yield for a question.

Mr. BROUSSARD. I merely want to call the Senator's attention to the fact that in the hearings, page 2311, the testimony of Mr. Joseph B. Chaffe shows that the labor cost in Louisiana is 52 per cent of the total cost.

Mr. SIMMONS. Mr. President, I have somewhere a statement of the wages paid in Louisiana, and I will attempt to find it in a few moments. The same story has been told for years that we must encourage the production of sugar in this country, and if we would encourage the production of sugar in this country by protective duties it would very soon attain to proportions where it could supply the domestic demand. The sugar industry in Louisiana is a century old, I think, and it has had lots of tariff nourishment at times. Instead of this industry expanding to meet the constantly expanding demands of the American people, the reverse is true.

Before I get to that I want to read from the Summary of Tariff Information as to the wages paid in the American cane-sugar industry. It gives the annual average wage in continental United States as $670; in the beet-sugar industry, $826; in the cane industry, $430. That is the average wage paid in the cane industry of Louisiana, according to the Tariff Commission. I do not recognize in that these great, enormous, staggering wage rates which it is claimed are the result of protection and an illustration of the high standard of wages paid to the American laborer. That is about $40 a month, a little over a dollar a day. Protection certainly has not won for the workers in the cane fields of Louisiana the high wages about which we have heard so much.

This same authority gives the value of the cane sugar produced as $18,947,683 and the total wages paid $1,561,376, or less than 10 per cent of the total value of the product.

Mr. GERRY. Mr. President, I would like to call the Senator's attention to the fact that in the beet-sugar industry, in many cases, Mexicans and Russians were brought in to take out the sugar, and not only that, but in certain States child labor was used.

Mr. SIMMONS. In the beet-sugar industry the average wage was $826. That average is a little higher than in the cane-sugar industry. I suppose it requires a little higher class of labor.

I only laid stress upon that in answer to the junior Senator from Idaho. I repeat, I do not think the labor cost enters very largely into the great difference between the cost of production here and abroad. It is a slight element. I suppose probably in Cuba they pay a little less than $480 a year in the cane fields, but only slightly less.

Mr. GOODING. Mr. President, will the Senator yield?

Mr. SIMMONS. Yes; I yield.

Mr. GOODING. I want to call the Senator's attention to the fact that we have a different class of labor in the North and in the West——

Mr. SIMMONS. Mr. President, I am talking about cane sugar.

Mr. GOODING. I am talking about sugar in general.

Mr. SIMMONS. I can not discuss two things at one time. I am talking about cane sugar, and when I was comparing wages in this country and in Cuba I was comparing wages in the cane industry and I only mentioned the other incidentally.

Mr. GOODING. Laborers in Louisiana receive twice as much as laborers in Cuba receive. I do not know what the coolies are paid, but there are 40,000 of them down there.

Mr. SIMMONS. I have not the Cuban figures, but I did investigate the subject several years ago, and there is not much difference in the wages paid in the two countries. The Senator will not be able to show that there is much difference. Again, the coolie labor is found to be very inefficient and expensive labor. That is not the trouble.

When I was interrupted by the page bringing me the figures I had sent for, and I returned for that reason to the subject I had been discussing before that, I was saying that the cane industry in Louisiana was a century old; that it had been stimulated for many years in the past with protection, except probably for a little while, when a bounty was paid them, and the same story we hear to-day was sung then. I have been in the Senate nearly 22 years, and whenever this subject has come up the same story we have heard to-day has been sung, with variations, it is true, but always to the same general effect, "If you will just give us protection enough, we will in a reasonably short time expand our operations, and we will be able to supply the American market, and you will not have to continue to buy sugar from Cuba."

In the face of that it is a rather remarkable coincidence that with all the protection we have given this industry during the last 20 years or more instead of increasing its production and meeting the American requirements it has been rather diminishing its output. In 1902 the production of sugar in Louisiana amounted to 728,000,000 pounds. Then it ran on increasing until in 1905 the production was 784,000,000 pounds; in 1908, 788,000,000 pounds; in 1909, 828,000,000 pounds. In 1910 it was 750,000,000 pounds. Then it fell in 1913 to 305,000,000 pounds. In 1914 it was 601,000,000 pounds; in 1915 it was 495,000,000 pounds; and in 1916, under the stimulus of the war, with high prices and great demand, it fell down to 277,000,000 pounds. In 1917 it was 621,000,000 pounds. In 1918 it was only 487,000,000 pounds; in 1919 it was 561,000,000 pounds; and in 1920, with sugar at its maximum price, it was 241,000,000 pounds.

That is the industry which is telling us to-day that if we will increase their protection 100 per cent their capacity for expansion and growth and development is such that they will very soon be able to supply the domestic market, together with the aid of the beet producers in this country.

Why have they not expanded, and why have they not been able to meet the Cuban situation any better than they have? I said it was not labor trouble. The Louisiana industry is

really an artificial industry. It is a hothouse industry, and that is due not to causes which can be controlled by man or by legislation; it is due to natural causes over which we and the producers of Louisiana have no control.

The trouble is that the seasons down there are not long enough for the juices of the cane to mature as they should, and the slightest frost affects the juice to such an extent that it can not in many instances be converted into sugar at all. I am told that it is a common sight, in passing through Louisiana in the fall, to see thousands of acres of sugar cane let go to waste as not being worth cutting because of an early frost.

Again, Mr. President, that is a natural thing which can not be controlled. Our climate is not as well suited to the sugar industry as the Cuban climate, just as the climate of this section of the country is not as well suited to the growth of certain plants as the South, as even the State which I represent, which is one of the most northern of the Southern States. The plant may grow. The plant may under certain very favorable and exceptional circumstances mature fruit. But the plant is always in danger of destruction by reason of the rigor of the seasons, a danger from which it is exempt in the South. So in Louisiana the plant is always in danger of a blighting frost, and this frost comes with frequency, and that is the reason why in the annual output of the Louisiana fields we observe such variation in the amount of production, running from 700,000,000 or 800,000,000 pounds down to 200,000,000 or 250,000,000 pounds. It is the effect of the frost in many instances and in most instances. It is not because it is not as profitable in one as in another year. It is not because the price of sugar is not as good in one year as it is in another. The great variations in production which I have shown by reading the table, and as would be very manifest to anyone who studied the table, show the effect of the natural impediment to the successful production of this commodity in competition with a country which God has made exactly adapted and suited to its production, both in climate, in soil, and in season.

Now, Mr. President, another matter that is natural and can not be controlled by human agencies is the fact that it requires a large proportion each year of the crop to seed the next year's crop, in Louisiana sugar cane being an annual crop, while in Cuba and other more favored countries one planting suffices for 12 to 15 or even more years. I do not remember now to have heard that question raised in the discussion, but in former discussions it has been raised in this Chamber. The loss to the Louisiana producer growing out of the fact that every year it takes such a large part of his crop to provide the plants for the seeding, or whatever it may be called, for the next year, was quite important. I can not describe the process technically, because I have not been in Louisiana and know nothing about it except what I have read.

But my understanding is that it is entirely different in Cuba. They plant there and the plant reproduces itself without any other planting for 10 to 15 years, thereby, of course, enormously reducing the cost of producing sugar cane and sugar. Every farmer knows that one of the chief expenses in the cultivation of his crop is the breaking and preparation of the land for planting the seed and the planting of his new crop. They have no trouble of that sort in Cuba. The plant is cut and springs up again from the stalk, as I understand it; that is, the roots send out new shoots from which the next crop is made.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Ohio?

Mr. SIMMONS. I yield.

Mr. POMERENE. In support of the statement just made by the Senator, I may say that when a special committee was sent to Santo Domingo we were advised there by native Dominicans that in the southern part of the Dominican Republic there were large sugar plantations which they had harvested from 15 to 20 years continuously without replanting. One of the leading Dominicans told us that in the northern part of the island he knew of a plantation which had been harvested for 32 years successively without replanting.

Mr. SIMMONS. That is without cost in those countries, whereas in Louisiana every year it takes a part of the crop, as I understand it, to pay the cost of preparing for the next crop.

Mr. BROUSSARD. Mr. President——

Mr. SIMMONS. I am perfectly willing to have the Senator from Louisiana explain that as to his State, although I have taken more time than I intended.

Mr. BROUSSARD. The Senator is entirely in error. We never plant more than once in two years, and in many cases we grow it three years without replanting. I have seen it grown as much as four years without reseeding. We could grow the cane just as they do in Cuba, but we find it more profitable after the second year to replant, unless the ratoons are very good.

Mr. SIMMONS. Is that what they call the new shoots?

Mr. BROUSSARD. Yes; ratoons. There are two reasons for that. The first is that we want the rotation of crops. We put in corn and cowpeas, to be followed by cane. We have found that if we proceeded by planting the cane and cutting the crop from year to year, the crops would be poorer and poorer until they would be practically valueless. We always make two crops and then have a replanting, although in many cases it is allowed to remain three years and four years, and there are some places where cane has been growing for 25 years without replanting.

Mr. SIMMONS. I do not want to take too much time on that. It may be that one year, as I have stated, is not correct. However, that was my information. It may be that they can go along without planting it oftener than once in two years, but they can get along in Cuba by planting it once in 10 or 15 years or even longer. That is a tremendous natural advantage that nobody is responsible for and which can not be overcome by legislation or by tariff protection.

The question is, under those circumstances, if we are able to produce sugar in this country, cane sugar we will say, together with beet sugar, to the point where cane sugar supplies one-half or one-third and the beet sugar supplies the remainder necessary to meet our domestic demands, with cane sugar laboring under the natural handicaps to which I have referred and which we can not correct by legislation and for which we can only compensate by subsidies or bounties, will cane sugar be in any better position then to compete with Cuba than now? Will not these natural handicaps make it impossible then and will we not have, therefore, indefinitely to call upon the people each year to pay into the pockets of the producers of cane sugar in this country a sum twice as great, probably, as the amount for which the sugar which they buy sells for in the markets of the world?

If that is so, we are doing a vain and foolish thing to undertake by artificial means to foster this industry when we know in the light of the facts that there are no circumstances or conditions under which it will ever be able to produce sugar for less than twice the price that it can be produced for in Cuba, and therefore never able to compete with Cuba to give the American people sugar at a reasonable price. All these protective duties are based upon the theory that the American people are not to be charged, as a result of them, an unreasonable price. Are we not doing a vain and foolish thing to continue this process?

Mr. President, I said I would not take long, but I have gone into the matter and taken longer than I expected. If there is any other Senator who wants to speak and I am trenching upon his time, if he will say so I shall conclude within five minutes. [After a pause.]

Mr. President, with reference to beet growing, I do not claim to know very much about the growing of beets in this country. All I know about the industry is what I have been told and what I have gathered out of official documents and literature which I have read upon the subject. A statement which was somewhat amazing to me was made here the other day by the Senator from Michigan [Mr. TOWNSEND], who comes from a beet-growing State. He told the Senate the other day in his advocacy of the encouragement of the sugar-beet industry that it was not only a valuable product for food purposes but that it is very helpful to the land, that it is a great land improver, and that we ought to encourage it for that reason, because if there is anything we needed more than another in this country it is the improvement of our soil. I agree with the Senator about that proposition, but my information is that just the reverse is true, that the beet draws heavily upon the soil and exhausts it; that, as a matter of fact, it is one of the greatest potash absorbers in the world; that if there is potash in the land, unless the crops are rotated, probably not using the beets oftener than once every four years, they will exhaust the potash in the land and impoverish it. For that reason I am told that Germany has been able more successfully probably than any other European country to cultivate the sugar beet, because she had her own inexhaustible supply of potash, a thing that the beet plant seems to especially love and feed upon.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Utah?

Mr. SIMMONS. I yield.

Mr. SMOOT. I do not know who gave the Senator the information, but the fact is just the reverse. Every bulletin issued by the Government and everyone who has studied the question a moment claims that the beet crop causes the least drain upon land of any crop grown. All the writers claim that it is un-

necessary to have a rotation of crops so long as the beets are grown upon the land. I will say to the Senator from North Carolina that I know of lands in the State of Utah where for 25 years they have never grown anything but sugar beets, and that without a thing in the way of fertilizer except through the irrigation they get.

Mr. SIMMONS. I know of lands in the South that have been growing cotton for 40 years, but I know they would not grow cotton at all unless we practically renewed the soil by putting plant food there.

Mr. SMOOT. But in the case I speak of there is no fertilizer added to the land or used on the land.

Mr. SIMMONS. I do not regard the point as essential at all. It was so stated, and I was amazed to hear it, because I understood the Senator from Louisiana [Mr. RANSDELL] in his speech to refer to a document issued by the Secretary of Agriculture—I believe Senate Document No. 22, Sixty-first Congress, first session—in which it was recommended that other crops be rotated, with the beets used every fourth year.

Mr. SMOOT. The fact is that they will resuscitate the land.

Mr. SIMMONS. Very well. That is probably what it was meant for. Then the Senator from Michigan was right and I am wrong about it. I do not profess to know anything about it; but I talked with an expert from the Treasury Department, and he thought the Senator from Michigan was wrong, and so I said so.

Even the Agriculture Department admits that only one crop of beets should be taken from the land in four years; that the other three years should be used in preparing the land for that crop by growing clover, peas, or some other improving crop. Does not this show that the beets are a hard crop on the land?

Mr. TOWNSEND. Mr. President, if the Senator from North Carolina admits that, of course I have nothing further to say. I wish to add, however, that the sugar beets obtain their sugar largely from the atmosphere. That is a scientific fact. The beets are cultivated and they are a direct benefit to the land. That fact has been proven, and their cultivation is recommended by every scientific man who has studied the question. I do not care further to interrupt the Senator from North Carolina.

Mr. SIMMONS. If the Senator from Michigan will pardon me, I do not wish to prolong the time, and I am not making any controversy with him. He knows more about the subject than I do. I accept his statement in reference to it entirely. It makes no difference, however, as to the point that I am going to make. The sugar is a pure carbohydrate, drawing nothing from the soil, but the beet pulp is rich with salts drawn from the soil.

Mr. President, I am deeply interested in the beet-sugar industry. We all have been deeply interested in it. The people of Europe are deeply interested in it; indeed, they are more deeply interested than are we. Europe has exploited the beet-sugar industry to a greater extent than have we in this country. I am satisfied, however, Mr. President, that the statistics show that the beet-sugar industry, when brought in competition by a free and open market with the cane-sugar industry and its product, can not live. I am therefore sure that the beet-sugar industry in this country, and, indeed, the beet-sugar industry throughout the entire world, is in a state of decadence instead of a state of development; that it can not live, except through a governmental bounty, as against competition with cane sugar, and that that fact has been thoroughly demonstrated.

I wish to ask the attention of what few Senators happen to be in the Chamber to the fact, as to the consumption of sugar, that, in 1900, of the total consumption of the world 64.7 per cent was beet sugar. The reason for this was that the various beet-sugar producing countries of Europe were vying with one another for the markets of the world. In order to stimulate the industry—and when I finish this statement, Mr. President, I will bring my remarks to a close—these sugar-producing countries of Europe granted bounties on the export of beet sugar while retaining prohibitive duties on the importation of sugar. Due to this England was enjoying granulated sugar at the price of about 2 cents below the cost of production where the same sugar was produced. This condition eventually became unbearable. After this artificial stimulation of the beet-sugar industry by all the beet-growing countries of Europe by enormous bounties and by prohibitive tariffs, Mr. President, what happened?

In 1902 the sugar-producing countries of Europe, as a result of this situation, called a convention at Brussels. We have heretofore heard a good deal of the Brussels convention. It was a convention called to consider the unbearable situation which had grown out of the attempt to stimulate and foster the beet-sugar industry by every country in Europe producing that product by large bounties and prohibitive tariffs. That convention was called to consider the effect of that policy upon the countries concerned in the production of beet sugar and the countries concerned as customers in the purchase of the product. The convention met at Brussels. After several failures to come to an agreement it was finally agreed that all export bounties should be abolished.

This decree went into effect in Europe in 1904; and what resulted, Mr. President? The beet-sugar industry was producing 64.7 per cent of all the sugar consumed in the world when fostered by those subsidies and bounties, but when they were repealed in 1904 what happened?

The result was that the world's consumption of beet sugar fell from 64.7 per cent to 51 per cent in 1905. In 1912 the decline had gone on until the world's consumption of beet sugar had fallen to 42 per cent of the total sugar consumption. Then we had the great World War, necessarily interfering with the production of this sugar. However, in 1920, year before last, the total consumption of beet sugar was only 21½ per cent of the world's consumption of all sugar.

That is the history of the beet-sugar industry in the world. It grew to enormous proportions under governmental bounties and subsidies. These gratuities of Government, these contributions by the people of the world, enabled the beet-sugar industry to overcome the difficulties of competing with cane sugar, which is indigenous to many of the great islands of the sea. As soon, however, as that prop was removed from beet sugar in Europe—not altogether, but so far as the bounties were concerned—beet sugar in Europe was, in a measure, put upon a basis of competition with cane sugar. In less than 20 years we have found that the production of beet sugar has fallen from 64.7 per cent of the world's consumption until to-day the production of beet sugar constitutes only 21½ per cent of the world's consumption of all sugars.

If these figures do not establish that this is a hothouse industry, that this is an industry which can not live against its competitor—namely, cane sugar—without the help of Government, without the contributions of all the consumers of sugar in the various nations of the world, then, Mr. President, it seems to me to be impossible to establish that or any other proposition which is based upon statistics and upon actual happenings in connection with the prosecution of an industry.

So I come back to my original proposition, Mr. President, and I say that if we shall stimulate the beet industry, if we shall stimulate the cane industry, if we shall give them all the protection of which they shall have need in order to enable them, in an incredibly short time if necessary, to supply the whole domestic demand for sugar, will we not have to continue that process of subsidizing the industry to the end of time, indefinitely, forever? So long as the American Government exists and the people eat sugar and Cuba lives and produces sugar, will we not have to continue it indefinitely, and, although the industry may be ever so flourishing, although it may be able to supply the entire demand of America, the minute we withdraw this protection and these bounties, will the industry be able to stand for a day in the face of Cuban competition? No, Mr. President, the facts, the statistics, the experience here and in Europe, in the world at large, show that it will not; that there can be no competition with Cuba on the part of the cane producers of Louisiana, the beet producers of the West, or the beet producers of Europe unless Government shall step in and by subsidies and bounties to some extent equalize not the difference in labor cost here and in Cuba, for that has very little to do with it, but the differences that grow out of the natural handicaps of both the cane and beet-sugar producers in America in competing with the sugar produced from cane in Java, in the Philippines, in Cuba, and in other islands of the sea where God has provided the conditions under which cane grows, while denying to this country and Europe, where the effort has been made to produce beet sugar and cane sugar the same advantages of soil and climate and season.

Mr. GOODING. Mr. President, it is not my intention to take up more than a few brief moments on this schedule. I discussed it at some length a few days ago, and it has been so ably discussed by the Senator from Utah, the Senators from Louisiana, the Senator from Michigan, and the Senators from Colorado that it seems to me that about everything has been said that can be said in the interest of a great industry.

I want to say to the Senator from North Carolina that just as long as the peasants of a foreign country are satisfied with a little in this life, just as long as they are willing to live under the same roof with the animals that they use upon their farms, just as long as the mother takes her babe out into the fields and tills the soil, just as long as there is selfishness in humanity that goes abroad and gets control of great in-

dustries and exploits the poorly paid labor of Europe and then comes back into America and exploits the American people where it has a monopoly, just that long will we have to have a protective tariff that makes up the honest difference in the cost of production in this country and abroad, or we can not maintain the American Government.

From a democratic point of view we can not do much in America. In the great State of Louisiana they have frost and everything else that goes to destroy the cane industry down there. The wool industry is only a pioneer industry. With the settlement of this country it must pass away. The hemp industry passed away simply because we did not give it proper protection; and if we listen to our Democratic friends there is not anything that we can do in America quite as well as they can do it in other countries. God forbid that the time will ever come in America when we shall be forced to do it as cheaply in this country, and when our people must accept the mere pittance that is paid to labor in foreign countries. It will not be America any longer if that time comes. We will have a condition here worse than that of slavery.

That time never can come, however. There is too much intelligence and too much independence here in America for labor to permit itself to be forced down to accept the measly pittance that is paid to the peons of Mexico and other foreign countries where, with a depreciated currency to-day, they are working for one-tenth or one-twentieth, if you please, what we are working for here in America. Germany has been forced to raise her tariff laws that were passed before the war 65 times over—65 times higher, if you please—as measured by the depreciated mark of to-day; Austria, 200 times over; France, 10 times over; Belgium, through her system of coefficients and multipliers, several times over. So it goes all along down the line, and here we are haggling over proper protection to a great industry!

The protectionist in America, regardless of whether he is a Republican or a Democrat, has never asked to place a duty on those things that we do not produce in America. We never have hothoused anything in this country. Coffee has been free for many years. Tea has been free. We buy 85 per cent of all the rubber of the world, and that is free. We permit the world to ship into this country every year nearly a billion dollars' worth of different commodities and products that are on the free list. We place protective duties only on the products that can be developed or grown or produced in America, whether they are products of agriculture, mining, or manufacturing. We do not go beyond that; and the protectionist, regardless of whether he is a Republican or a Democrat, is a protectionist because he believes in protection to American industries and American labor, and because he believes that through protection we can collect more revenue than can be collected from a Democratic revenue law that in some cases is so low that very little revenue is collected from it.

Mr. President, I think we all must understand that we have reached a period in the history of the world when there is combination, organization, and centralization everywhere. There is no exception to that rule. In this country capital has been organized for years. Is there a Senator here who is so far behind the times that he does not know that we have had a Sugar Trust in America for many a long year, and that that Sugar Trust has gone down into Cuba, bought the raw sugar land, developed sugar plantations, largely with coolie labor that has been brought here under bond and a 5-year contract and shipped through our own country in cars with doors locked and windows fastened and taken over to Cuba to work in the sugar plantations to compete with American labor and the American farmer?

What has happened? The question simply comes to this, Mr. President: Are we going to permit the sugar industry to exist in America, or are we going to turn it over to the selfish interests of this country, that are more dangerous to this form of government than such men as Bill Haywood or Eugene Debs, or such women as Kate Richard O'Hare, who said that the mothers who sent their boys to the war were no better than brood sows on a North Dakota farm?

Let me show you what they are doing and what we are paying for Cuban sugar at the present time, and what we have paid in the past.

Mr. GERRY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Rhode Island?

Mr. GOODING. Yes; I yield.

Mr. GERRY. The Senator has been discussing labor conditions in Cuba. I know nothing about them; but from a perusal of the testimony before the Finance Committee it seems to me very conclusively proved that the beet-sugar industry also imported foreign labor to harvest its crops.

Mr. GOODING. I think it is true that we had some Mexican labor during the war, but I want to say to the Senator that they were paid American wages, $2.50 a day.

Mr. GERRY. But they did not hire American labor.

Mr. GOODING. They hired American labor, and they always do when they are able to get American labor; but during the war, when 4,000,000 boys answered their country's call, it became necessary to permit some Mexicans to come into this country and work in the beet fields.

Mr. GERRY. And since that time they were brought in.

Mr. GOODING. Not to my knowledge.

Mr. GERRY. Yes.

Mr. GOODING. But if so, they were paid an American wage.

Mr. GERRY. Mr. President——

Mr. GOODING. I can not yield further to the Senator because I have promised the Senator from Ohio [Mr. WILLIS] to yield the floor. He wants to take up a little time, and I want to get through.

Mr. GERRY. I shall be glad to have the Senator get through, if he will yield——

Mr. GOODING. No; I refuse to yield further, Mr. President.

Everybody knows about the measly pittance that is paid in Cuba. Mr. Rogers, who represents the cane-sugar industry, testified before the Finance Committee that he saw these laborers going through New Orleans in trainloads, and that there are 40,000 of them on the island at the present time, and that about 8,000 a year are being shipped into Cuba. That is the condition that you would have the American laborer and the American farmer compete with.

I am sorry that I have so little time, Mr. President, and have to hurry; but this question has been thoroughly discussed, and I am sure anything I may say will not add much to it.

I have here the sugar prices beginning with the 26th of June, 1914, and ending with the 23d of June, 1915. I shall not take time to read all the weekly prices of sugar; but on June 26, 1914, the price of granulated sugar in New York was $4.30 a hundred pounds. I think it has been explained very fully that the cane sugar produced in America and the beet sugar produced in this country are off the market along in March, and for that reason Cuba monopolizes the market after that time. The American product is off the market simply because we have not provided in this country for carrying over the raw sugar; and the sugar hardens in hot weather, especially in this damp climate, and for that reason it must be disposed of. There is no question that the American beet grower and cane grower by carrying their raw sugar over for a time and providing for it can supply the American needs for sugar the year around if we will give them an opportunity.

On June 26 granulated sugar in New York was $4.30 a hundred.

I will jump up now to August, when the American people are using the greatest amount of sugar, when the farmer's wife is canning, and the great canning plants all over the country are active and using the largest amount of sugar. Then is when Cuba is getting in its work. The price on August 6 was $7.50.

August 13, $7.50.

August 20, $7.50 again.

Then it drops down to $7 on September 3, and it jumps up again to $7.25 on September 10; but as soon as the domestic sugar comes on the market watch the change.

The first domestic sugar begins to appear on the market in November and December.

On the 3d of December, 1914, the price of granulated sugar in New York was $5.10.

On the 30th of December it was $4.95.

So it goes on down until we reach March, when it commences to climb up again, to $5.75, and goes on up until it reaches $6 again in May and in June.

In June it was $6.10 again. Then is when we are eating Cuban sugar.

Here is what I want to call the Senator's attention to more especially at this time to show how beautifully they work the game—and there is not any question that it is a game, and a most dangerous one for this Republic.

On January 5, 1922, refined sugar was selling in New York at $4.90 a hundred. I am going down to February; and I will not read each weekly quotation, because I have not time, but I will ask that these tables may all be placed in the RECORD.

On February 2 refined sugar was selling in New York at $5.10.

On February 23 it was selling at $5.10.

On March 2 it was selling at $5.20.

I have a letter, which is in the RECORD, which I put in a few days ago, from Mr. Hathaway, who is interested in sugar factories in Michigan and Ohio, who says that the average price paid for beet sugar this year was 5 cents a pound.

Now, watch the sugar market climb when we are eating Cuban sugar:

On April 6 refined sugar was worth $5.50 a hundred in the New York market.

On May 11 it was worth $5.40.

On June 1 it was worth $5.70.

On June 15 it was worth $6.

On June 29 it was worth $6.20.

On July 6 it was worth $6.20.

To-day it is worth $7, or 2 cents a pound more, if you please, than we paid for American sugar, grown by American labor, and refined in American factories built by American money.

I do not know why we should be so alarmed about taxing the American people to protect an industry. In America we collect less revenue from imports than is collected by any country in the world. Great Britain has a duty of 24 cents a pound on tea and collects a tax of $2 per capita. She collects a tax on cocoa of 27 cents per capita, on coffee of 7 cents per capita, and on sugar of $4.78 per capita.

The total customs receipts from imports for 1922 were $14.78 per capita in the United Kingdom; in France, $8.96 per capita; in Canada, our neighbor, $11.90 per capita from imports alone, while under the pending bill we will collect $3.29, according to the estimates made, which is a little more than we have collected under any revenue bill we have ever passed.

So it is just a question of whether we are going to protect the American people. That is all there is to this question. The protectionist who did not take into consideration the interests of the consumers would not be a good American citizen. American labor and American consumers are the ones who must be first considered in framing a protective tariff bill, and who has ever considered them better than the protectionist, I care not whether he is a Republican or a Democrat? In all the duties we have asked for imposts the highest duty ever asked on imports was $3.29 in America per capita.

Mr. LENROOT. Will the Senator yield just for a question?

Mr. GOODING. I yield for a question. I can not yield for any discussion.

Mr. LENROOT. Does the Senator take the position that the duties collected measure the amount of protection afforded?

Mr. GOODING. Do I take that position?

Mr. LENROOT. Yes.

Mr. GOODING. That the duties collected measure the amount of protection or the cost to the American people?

Mr. LENROOT. Do they measure the amount of protection afforded?

Mr. GOODING. My position on the tariff question is this: That without exception, whenever proper protection has been given to any industry in America, it has always meant cheaper products, farm products or manufactured products, I care not what it is, and there is no better example of that than in the case of the manipulation of Cuba to-day with the sugar industry. Simply because the American people are eating Cuban sugar they are paying something over $300,000 a day more than they paid when they were eating American sugar. Does that answer the Senator's question?

Mr. LENROOT. No; not at all. I asked the Senator whether he thought that the amount of duties collected measured the amount of protection afforded.

Mr. GOODING. I answer the question by saying that there is no exception to the rule, and that we have reached the period in the history of this country and the whole world when there are trusts and combinations in everything, and there is not an importer who comes into this country, I care not what he brings, but who takes every penny the traffic will bear from the American people. That is the history of protection all the way through.

I know the Senator would not take into consideration the difference between the freight rates from the West at the present time and what they were before the war, would not take into consideration the difference in the cost of producing a pound of sugar to-day and before the war. You can not drive the American labor down the way they have driven the slaves down in Cuba, and I think that is all it means, that and nothing more.

God forbid that the time will come when labor will not be organized in America to defend their rights. I wish I had more time, because I would like to discuss this question with the Senator.

Mr. LENROOT. Will the Senator yield for just one more question?

Mr. GOODING. Certainly.

Mr. LENROOT. Not having answered the question I propounded, I would like to ask the Senator this, if he could get the duties on the imports as high as he would like them, there would be no revenue whatever from those imports, would there?

Mr. GOODING. Mr. President, the history of the protective tariff has always been that we have received greater revenues when we have had high protective duties than at any other time, because the American people were more prosperous, they were the best buyers in the world all the time. That is the history of protection. But we have reached a different period in the history of America. Almost every country in the world has an embargo against us, with the exception of England, and her duties as against Germany are twice what ours are, on an average.

I want to tell the Senator that we have reached the period in the history of this country when the one great question of all is to find employment for our own people. Three million five hundred thousand men are out of employment, with the harvest in full swing.

You will be protectionists in the near future. Do not make any mistake about that. If you are going to maintain the American standard of living, it can be done only through the great principle of protection. I never want to see my people in this country reduced to the condition of peasants of foreign countries, and God forbid that that time may ever come.

Mr. President, I have here a number of telegrams, which I ask to have printed in the RECORD, together with the tables to which I have heretofore referred.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

MATHEWS, LA., *August 5, 1922.*

Senator FRANK R. GOODING,
Washington, D. C.:

The chief people here who are making a fight against the domestic sugar industry are men like Mr. Edwards Atkins and other New Yorkers who have placed extremely large sums of money in foreign countries—Cuba, especially—and they are now endeavoring to injure and stifle the competition of our domestic industry. Won't you please forcibly show the Senate that if our capitalists were to do as Mr. Atkins and others have done—and that is transfer their capital to foreign countries, to the detriment of American producers—that the United States would soon become an industrial desert and that production in this country would absolutely cease. Wishing you every success in your efforts to get a fair living tariff on farm products and thanking you on behalf of millions of farmers, sugar producers, and myself, I am,

Yours truly,

E. F. DICKINSON.

—

BROUSSARD, LA., *August 7, 1922.*

Hon. FRANK R. GOODING,
Washington, D. C.:

You have my indorsement in your commendable work as chairman of the agricultural bloc. The necessity of a 2-cent protective tariff against Cuba is unquestionable. It requires such a tariff to earn a reasonable return on the money we have invested in farming. It is lamentable to think that Washington hesitates to protect its domestic producers against foreign interests. Can such delay be satisfactorily explained. Kindly accept my thanks and appreciation of your good work, which I hope will force the recognition which the American farmer justly deserves.

EUGENE LABBE.

—

MATHEWS, LA., *August 4, 1922.*

Senator FRANK R. GOODING,
Washington, D. C.:

The absolute necessity for a good, decent tariff on American industries of all descriptions is absolutely needed. Sugar especially needs a good protective tariff, and I wish to thank you very much for your efforts in our behalf.

CATHERINE PLANTING & MANUFACTURING CO.,
C. S. MATTHEWS, *President.*

—

MATHEWS, LA., *August 4, 1922.*

Senator FRANK R. GOODING,
Washington, D. C.:

On behalf of myself and many thousands of people who depend on the sugar industry in Louisiana I wish to thank you for your ardent efforts in our behalf for a fair and satisfactory protective tariff on sugar.

E. F. DICKINSON (INC.),
E. F. DICKINSON, *President.*

—

SALT LAKE CITY, UTAH, *August 5, 1922.*

Senator FRANK R. GOODING,
Care United States Senate, Washington, D. C.:

Beet-sugar producers generally heartily indorse your tariff stand, believing such action to be most beneficial not only to our domestic industries but also to American people, and do not hesitate to say that recent attacks upon your position are unwarranted and should fail because of the insincerity behind them.

S. H. LOVE,
President United States Sugar Manufacturers' Association.

—

NEW ORLEANS, LA., *August 5, 1922.*

Senator FRANK R. GOODING,
United States Senate Office Building, Washington, D. C.:

As a sugar and rice producer I heartily approve and commend your efforts in our behalf and in behalf of all similarly situated in the fight you are making for a protective tariff, without which our industry could not survive.

J. B. LEVERT.

LOCKPORT, LA., *August 4, 1922.*

Senator FRANK R. GOODING,
Washington, D. C.:

Your efforts for fair tariff on sugar greatly appreciated. Many thanks.

BARKER & LEPINE.

—

RACELAND, LA., *August 4, 1922.*

Senator FRANK R. GOODING,
Washington, D. C.:

Please do your utmost for tariff protection on all American industries, industrial and agricultural, and especially on sugar. A great many of our Louisiana sugar planters are in hands of receivers, and unless adequate tariff protection is secured many more will share a similar fate.

SIMON ABRAHAM CO.

—

NEW ORLEANS, LA., *August 5, 1922.*

HON. FRANK R. GOODING,
United States Senate Office Building, Washington, D. C.:

We have followed carefully the wonderful fight you are making in your support of proper tariff for the agricultural industries of the United States, and we, as producers of sugar cane from the soil and manufacturers of sugar therefrom, wish to congratulate you and to assure you that unless the Representatives and Senators from the South and the West vote for proper tariffs on agricultural products we can not expect our industries to live and prosper in competition with like industries in foreign countries. Our southern and western agriculturists have not had a fair showing in the past. We are with you, Senator Gooding, and we wish you success.

THE J. M. BURGUIERES CO. (LTD.).

—

NEW ORLEANS, LA., *August 5, 1922.*

Hon. FRANK R. GOODING,
United States Senate Building, Washington, D. C.:

Permit me to encroach on your valuable time to express my appreciation and thankfulness for your continued wise and splendid efforts in behalf of all American agricultural products and especially for the cane-sugar industry, which is essentially agricultural, producing on the same farms or plantations raw material, sugar cane, and the finished product—direct-consumption sugar and sirups and molasses. The farmers' advocate is seldom popular except with his own clients and is often subjected to unmerited criticism, and we have been truly fortunate in having so able and willing a friend at court as yourself, and the agricultural bloc is to be congratulated on the earnestness and fearlessness of its leader in prosecuting its fight for proper recognition of the producers from the soil in the pending tariff bill.

JOE B. CHAFFE.

—

NEW ORLEANS, LA., *August 5, 1922.*

Hon. FRANK R. GOODING,
United States Senate Office Building, Washington, D. C.:

As growers of sugar cane and representing many cane growers from whom we purchase cane which we manufacture into sugar-cane products, we wish to assure you of our entire approval of your splendid work as an individual Senator and as chairman of the agricultural bloc in behalf of our industry and to express our sincere thanks and appreciation of same and to ask for continuation of your unselfish efforts in behalf of all American agricultural products.

LAUREL GROVE CO.

—

NEW ORLEANS, LA., *August 5, 1922.*

Hon. FRANK R. GOODING,
United States Senate Office Building, Washington, D. C.:

We are fully mindful of the fight you are making for a sufficient tariff on all agricultural products. We of the South can not expect to maintain our agricultural industries in competition with cheap, low-standard labor of foreign countries, and therefore we believe the entire South is fighting for its very existence in demanding adequate tariff protection. We are producers of sugar cane and sugar in large quantities and your success in your fight will mean that our industry will be saved.

J. N. PHARR & SONS (LTD.).

—

LOCKPORT, LA., *August 5, 1922.*

Senator FRANK R. GOODING,
Washington, D. C.:

Your efforts on behalf of the farming interests of this country are splendid, and we thank you. Sugar raised in the United States needs and must have a good protective tariff. Thank you for your help in this matter.

M. P. HERNANDEZ,
Cashier People's Bank of Lockport.

—

LOCKPORT, LA., *August 4, 1922.*

Senator FRANK R. GOODING,
Washington, D. C.:

We favor protective tariff on sugar. Will greatly appreciate anything you will do to secure it.

BANK OF LOCKPORT.

—

MATTHEWS, LA., *August 4, 1922.*

Senator FRANK R. GOODING,
Washington, D. C.:

The farming fraternity of the United States is under a debt of gratitude to you for your efforts in their behalf. This is especially so of the sugar, rice, and other agricultural interests of Louisiana. Your assiduous efforts on our behalf is more appreciated than words can tell. We thank you very much.

E. ROGER CO. (INC.).

—

RACELAND, LA., *August 4, 1922.*

Senator FRANK R. GOODING,
Washington, D. C.:

Never in the history of our country has a tariff on our industries been as necessary as at present. May we count on your assistance in procuring the proper protection for sugar, wool, and all industries of our country, thereby gaining the grateful thanks of our farmers? Many thanks.

RACELAND BANKING ASSOCIATION.

MATTHEWS, LA., *August 4, 1922.*

Senator FRANK R. GOODING,
Washington, D. C.:

Now, more than ever, if American industries are to get on their feet and go ahead for the welfare of the country a good protective tariff is needed on everything. Sugar, as raised in the United States, has fierce competition by those who are interested in stifling or stopping its production. Many, many thanks for your kindly help in giving us a decent tariff.

LOCKPORT CENTRAL SUGAR REFINING CO.,
J. T. BADEAUX, *President.*

—

HOUMA, LA., *August 7, 1922.*

Hon. FRANK R. GOODING,
United States Senate Office Building, Washington, D. C.:

We, the undersigned, cane growers and farmers, have followed with a great deal of interest your splendid stand and leadership personally and as chairman of the agricultural bloc in the matter of proper tariff protection on all farm products, and especially those of the South which have heretofore had so little consideration at the hands of the national lawmakers of the country. We emphatically approve and indorse your course, and trust that you will continue same with the same untiring effort that has characterized your movement up to date, for which we express our thanks and appreciation.

ERNEST ELLENDER.
WALLACE ELLENDER.
S. P. GUIDRY.
A. P. VIGUERIE.
A. C. VIGUERIE.
C. J. CHAMPAGNE.

—

BRECKENRIDGE, MICH., *August 8, 1922.*

Hon. GOODING,
Washington, D. C.:

I am very anxious for the duty on sugar.

CHAS. E. WATSON, *Farmer.*

—

BRECKENRIDGE, MICH., *August 8, 1922.*

Hon. GOODING,
Washington, D. C.:

I am interested in farm bloc; also duty on sugar. I am with you.

S. A. HOOKS, *Farmer.*

—

Range of cane sugar prices from June 23, 1914, to June 23, 1915.

	New York cane quotation.	San Francisco cane quotation.
1914.		
June 26	$4.30	$4.50
July 9	4.30	4.50
July 16	4.40	4.50
July 23	4.40	4.50
July 30	4.40	4.50
Aug. 6	5.00	4.70
Aug. 13	7.50	7.00
Aug. 20	7.50	7.50
Aug. 27	7.00	7.00
Sept. 3	7.00	7.00
Sept. 10	7.25	7.00
Sept. 17	7.25	7.25
Sept. 24	6.25	6.75
Oct. 1	6.50	6.75
Oct. 8	6.25	6.50
Oct. 15	6.00	6.25
Oct. 22	6.00	6.25
Oct. 29	5.75	6.05
Nov. 5	5.00	5.25
Nov. 12	5.10	5.25
Nov. 19	5.10	5.35
Nov. 25	5.10	5.35
Dec. 3	5.10	5.35
Dec. 10	5.10	5.35
Dec. 17	4.85	5.20
Dec. 23	4.85	.....
Dec. 30	4.95	5.20
1915.		
Jan. 7	4.95	5.20
Jan. 14	4.95	5.20
Jan. 21	4.95	5.30
Jan. 28	5.05	5.30
Feb. 4	5.35	5.50
Feb. 10	5.75	6.00
Feb. 18	5.75	6.00
Feb. 25	5.75	6.00
Mar. 4	5.75	6.00
Mar. 11	5.75	6.00
Mar. 18	5.90	6.00
Mar. 25	5.90	6.15
Mar. 31	5.90	6.15
Apr. 8	5.90	6.15
Apr. 15	5.90	6.15
Apr. 22	5.90	6.15
Apr. 29	6.00	6.15
May 6	6.00	6.25
May 13	6.00	6.25
May 20	6.00	6.25
May 27	6.00	6.25
June 3	6.10	6.35
June 10	6.10	6.35
June 17	6.10	6.35
June 23	6.10	6.35

Price quotations on Cuban raws and refined sugar, New York.
[96° centrifugal.]

	Cuban raw.	Refined.
1922.		
Jan. 5	$3.42	$4.90
Jan. 12	3.54	4.90
Jan. 19	3.67	4.90
Jan. 26	3.86	5.10
Feb. 2	3.73	5.10
Feb. 9	3.67	5.00
Feb. 16	3.73	5.00
Feb. 23	3.86	5.10
Mar. 2	3.79	5.20
Mar. 9	3.86	5.30
Mar. 16	3.98	5.20
Mar. 23	4.11	5.50
Mar. 30	3.86	5.50
Apr. 6	4.11	5.50
Apr. 13	3.58	5.50
Apr. 20	3.92	5.40
Apr. 27	4.11	5.30
May 4	4.01	5.40
May 11	3.98	5.40
May 18	4.04	5.50
May 25	4.17	5.60
June 1	4.23	5.70
June 8	4.61	6.00
June 15	4.48	6.00
June 22	4.86	6.20
June 29	4.73	6.20
July 6	4.99	6.20

Lowest quotation for year $3.42 on January 3.
Sugar at present time $7 per hundred.

Total and per capita revenue derived from imports in the countries named for the latest year for which the figures are available.

Country.	Year.	Total receipts.	Population.	Per capita.
United States	1921	$292,397,349	105,710,620	$2.76
United Kingdom	1922	682,052,720	42,767,530	14.78
Canada	1922	104,420,541	8,769,489	11.90
France	1921	360,880,770	41,500,000	8.69
Germany	1922	1,047,200,000	62,000,000	16.89
Argentina	1920	70,526,398	9,000,000	7.83
Chile	1920	52,377,367	3,870,023	13.53

It is estimated that the per capita revenue under the finance bill will be $3.29.

Revenue derived from duties on imports of tea, coffee, cocoa, and sugar into France for the fiscal year ended March 31, 1920.

Article.	Duty (pound).	Receipts.	Per capita tax.
Sugar	2⅞ cents	$86,962,304	$1.62
Coffee	20 cents	37,719,648	.90
Cocoa	....do	9,549,412	.235
Tea	35 cents	672,384	.015
Total		114,903,748	2.77

Population, 1921	41,500,000
Total customs receipts from imports, 1921	$360,880,770
Per capita total receipts	$8.69

Revenue derived from duties on imports of tea, coffee, cocoa, and sugar into the United Kingdom for the fiscal year ended March 31, 1921.

Article.	Duty (pound).	Receipts.	Per capita tax.
Tea	24 cents	$86,150,710	$2.00
Cocoa	10 cents	9,854,512	.23
Coffee	12 cents	3,018,837	.07
Sugar	6 cents	204,338,709	4.48
Total		303,462,765	6.78

Population, 1922	42,767,530
Total customs receipts from imports, 1922	$632,052,720
Per capita total receipts	$14.78

Revenue derived from duties on imports of tea, coffee, cocoa, and sugar into Canada for the fiscal year ended March 31, 1921.

Article.	Duty (per pound).	Receipts.	Per capita tax.
Tea	10 cents	$2,570,840.74	$0.29
Coffee	5 cents	538,551.11	.06
Cocoa	35 per cent	184,355.72	.02
Sugar	2 cents	8,150,797.60	.92
Total		11,444,185.17	1.29

Population, 1922	8,769,489
Total customs receipts from imports	$104,420,451
Per capita total receipts	$11.90

Mr. WILLIS. Mr. President, I am a protectionist, and I shall continue to be so unless I am argued out of it by some of the extreme arguments of my fellow protectionists. I have only a very few minutes and shall take that time in explaining an amendment which I propose to offer.

The bill as it was reported from the committee, and the bill as it passed the House, provided a rate of $1.60 against Cuban sugar and $2 as against the world. The amendment which has been offered by the Senator from Louisiana [Mr. BROUSSARD] provides $2 against Cuba and $2.50 as against the rest of the world. I am frank to say that I am very much in favor of the sugar industry. Ten years ago, in another legislative body, at the other end of the Capitol, I did what I could do to foster that industry. I believe in the industry, because I believe in building up my own country, but I do not believe that we ought to adopt excessive rates in this item or any other.

In the State of Ohio we have 5 great sugar factories located at Paulding, Fremont, Findlay, Ottawa, and Toledo, but there is not entire unanimity of opinion as to what the rates ought to be in order to afford the necessary protection. I have presented petitions from some Ohio producers who think the rate ought to be $2 as against Cuba. Some others do not ask that.

After the amendment offered by the Senator from Rhode Island [Mr. GERRY] shall have been voted on, if it is voted down, I shall then offer an amendment to the amendment offered by the Senator from Louisiana so as to provide for the striking out of 1.45 in line 3 and inserting in lieu thereof 1.2. The effect of that, if it is adopted, will be to provide a rate of $1.80 as against Cuba and $2.25 as against the rest of the world.

Why will I offer that amendment? I have listened to most of the arguments and have read all of the hearings, and in my opinion the advocates of the $2 per hundred rate as against Cuba have not made out their case that that amount is necessary. But I am not certain that the 1.60 rate provided in the bill is a sufficient rate of protection, and therefore I shall offer this compromise amendment.

But I say, Mr. President, that the farmers who actually produce the sugar in our State are by no means unanimous upon this point. Ohio, as I have said, is interested in the sugar business. There are five factories in Ohio, which, of course, do not rank with those in California and Colorado in the quantity production of sugar. They produce some 30,000 tons. Now, I want to state what the farmers of Ohio say about this, not referring to petitions, but speaking of personal letters which have come to me, written out in longhand by farmers I know.

Here is one written from Custer, Ohio. The writer says:

I am a landowner, a farmer, a citizen of Ohio, and ask that you use your influence against any reduction in the present rate on sugar.

A farmer at Holgate says:

As a sugar-beet grower, a farmer, and a citizen of your district, I appeal to you to take no action that will reduce the present tariff on sugar.

A producer of sugar at Belmore reports:

As a farmer, may I appeal to you to take a firm stand against any reduction in the tariff rate on sugar. We have grown a heavy tonnage of sugar beets in this district for a number of years and are afraid a reduction in tariff would hurt the industry.

A farmer from Lime City says:

I am a farmer in a sugar-beet territory and I understand there is a movement to cut the tariff on sugar. If such is the case, would you kindly use your influence to prevent such action on the part of Congress?

Another, writing from New Bavaria, says:

It has come to my notice through some of the newspapers that there is some talk of reducing the present tariff on sugar. Please use your influence against any such action, as we farmers of northwestern Ohio want to grow beets, which is one of our best crops, and a reduction in the present tariff rate on sugar would have a tendency to close the beet-sugar factories of Ohio and thus prevent us from growing the most profitable crop.

And so on. There are several letters which I shall not take the time to read. That is the purport of them. They are protesting against any reduction in the rate and are not asking for an increase, and I call the attention of Senators to the fact that the bill carries a rate even higher than that provided in the emergency tariff law. When that was passed it was thought that rate was sufficient. You heard no clamor in the country for a higher rate. What has taken place since then to make so much higher a rate necessary?

The committee rate comes to us, in a way, with the stamp of approval upon it. In the first place it is the rate in the present law. In the second place it is the rate which the House has fixed. But I am willing to concede something, because exact information as to production costs is not obtainable, and therefore I shall propose this amendment.

Mr. POMERENE. Mr. President, may I ask if the Senator has heard from any farmer in Ohio who asked for an increase in the rate?

Mr. WILLIS. Only by way of petition. I say to my colleague that some petitions have come, signed by a good many farmers, some of them asking for the 2-cent rate as against Cuba; but the letters I have, in the cases where farmers have taken the pains to write, are protesting against a reduction of the tariff.

I say this, in conclusion, that the rate fixed in the bill is the rate in the present law. I suggest to my associates on this side of the aisle that I am as deeply interested in the sugar industry as any one of them; I want it to be maintained in this country, but if you shall place the rate so high that there will be a revulsion of feeling amongst the American people, you will destroy the sugar industry and will lead eventually to free trade in sugar, which I think ought not to be, because free trade in sugar would destroy a great American industry and leave consumers at the mercy of the refiners. I am willing that our sugar supply should be furnished by Cuba and America, including Hawaii, Porto Rico, and the Philippines. I do not desire that Cuba and the refiners should have a monopoly, as they would have if our beet-sugar and cane-sugar industries are killed by free trade. Therefore, first, I think, the amendment offered by the Senator from Rhode Island should be voted down, and if it is voted down, I then shall offer an amendment which I hope will be adopted.

Mr. WALSH of Massachusetts. Mr. President, as the objections to the high and unjustifiable duty proposed on sugar have been so well and fully presented and the time for debate is about to expire, I ask unanimous consent to insert in the RECORD some communications, editorial comments, and statements which represent, in the main, my views on this subject.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

BEET-SUGAR INDUSTRY.

The beet-sugar and other domestic interests have told the Senate Finance Committee of their deplorable financial condition, stating that many of them will be forced into bankruptcy if no relief is given them. The statement of their financial condition is no doubt a correct one, but their losses have not been incurred in operations, but are, rather, due to the enormous shrinkage in their inventory values. In this they are no exception to other manufacturing companies.

During the past years, under 1 cent protection against Cuba, these beet companies, as well as those of Porto Rico and Hawaii, have prospered and paid very satisfactory returns to their stockholders, and with a return to normal conditions a reduction of production, which will be forced through low prices, and a material increase of consumption, which will be expected for the same reason, there is every probability that the beet-sugar companies of the West will rapidly recover.

When the first of these beet-sugar companies were organized many years ago, preferred stock was issued for their cost and common stock, as a bonus, for a like amount. This was to attract investors and induce them to incur the risk of a new enterprise.

In course of time, under an ample protection, surplus earnings accumulated until the water was all squeezed out of their capitalization and liberal dividends were paid. In the case of the Great Western, of Colorado, these were at the rate of 47 per cent for a number of years; besides this, a very considerable amount was put into new construction to prevent others from entering the field.

As time went on the success of the Great Western and other companies under skillful management attracted competition and all have spread out beyond their legitimate territories in order to enlarge their market, this at the expense of their net earnings, for the longer the haul the greater freight rate to be deducted from their sales. Now these companies are short of capital, and dividends paid by them to their stockholders can not be recalled.

I use the Great Western as an illustration, a company which is well known and has been well managed. Its history in a great measure is that of all.

Now these beet-sugar companies of the West and Central West feel the need of an extended market. They can not go to the Pacific coast, as that is already occupied. Their only outlet is to the Atlantic or Gulf. In order to overcome freight on a long haul, they are asking increased duties on Cuban sugars to check their flow westward, at least beyond the Chicago line, for they realize that only in two ways can this be done—either by increased freight rates or an increased tariff.

The trouble at the present time is not any need of further protection, as costs in all countries are declining, but it is the question of overproduction and money already invested in further construction work undertaken or planned. Plans for new factories have been made by the Great Western, Utah-Idaho, and Amalgamated Beet Companies, as well as some smaller companies, but these are generally held up owing to present lack of funds.

The same is happening in Cuba and elsewhere, but work on new plants has necessarily been suspended or abandoned for the same reason.

The sugar industry in all countries is at a low ebb and Government intervention is sought to further check it. It will check itself if not interfered with through exhaustion of resources, both cash and credits; if artificially checked, the result would, in my opinion, be to encourage all, upon a higher market, to produce beyond requirements.

The claim of the great importance of the sugar beets as an agricultural crop can not be sustained; in fact, it is one of the least important to the country of all our agricultural crops, as shown by the Statistical Abstract of the United States of 1920, from which the following figures were taken:

Crop acreage, 1919.

Sugar beets	692, 453
Potatoes	8, 952, 000
Sweet potatoes	1, 042, 000
Hay	56, 552, 000
Corn	100, 072, 000
Wheat	72, 308, 000
Oats	41, 835, 000
Rye	1, 103, 000
Barley	7, 198, 000
Buckwheat	739, 000
Rice	1, 091, 800
Peanuts	1, 256, 000
Beans (6 States)	1, 002, 000
Clover seed	843, 000
Kafirs	5, 031, 000
Cowpeas	1, 453, 000
Cotton	33, 566, 000
Flaxseed	1, 572, 000
Tobacco	1, 910, 800

It will be noticed that the cultivation of sugar beets is insignificant compared with that of Irish potatoes, or even sweet potatoes of the South, and that the acreage devoted to peanuts is almost double that devoted to sugar beets; even kafir corn, a minor crop but little known in the eastern part of the United States, as well as buckwheat, far exceed in importance the sugar beets, the beet acreage in 1920 being two-tenths of 1 per cent of the crop area of the country.

With these facts before them, the beet-sugar manufacturers are pushing forward the farmers for special protection against all other interests, although when the Fordney rates were assured the manufacturers reduced contracts for sugar beets 50 per cent, thus taking the protection for themselves to the detriment of the farmer.

When the rates against Cuban sugar were increased by the Fordney tariff 60 per cent, and now amount to very nearly 100 per cent ad valorem, the rate upon the sugar beets was left as before, at 5 per cent ad valorem. This to the benefit of sugar factories of Michigan and Wisconsin, located near the Canadian line that they might bring their beets in from Canada and have this advantage over other competitors.

As has always happened during any tariff discussion, the Louisiana interests are loud in their cries for Government aid, but it should be remembered that the States of Louisiana and Texas combined produce but about 5 per cent of the requirements, and their great difficulty consists of climatic conditions.

The only interest that has not been heard by the Senate Finance Committee is that of the consumer, including the farmers of the entire country, who pay a great part of the sugar tax for the benefit of a comparatively small number of farmers in the beet-producing States.

—

[From the New York Evening Post, June 17, 1922.]

THE INCREASE IN NEW SUGAR DUTY TO COST CONSUMERS $60,000,000 YEARLY—PEOPLE TO PAY DUTY IN INCREASED PRICES—MANUFACTURER OF CUBAN PRODUCT SAYS PROTECTION IS NOT NEEDED—HOW BEET-SUGAR INTERESTS OF THE WEST SHOWED POOR BUSINESS JUDGMENT.

(By Edwin F. Atkins, manufacturer of Cuban sugars and member of E. Atkins & Co.)

The consumption of sugar in the United States for the year 1921 amounted in round figures to something more than 4,000,000 gross tons, of which about one-half was furnished by so-called domestic producers, free of duty, including as domestic production the sugar of our insular possessions, i. e., Hawaii, Porto Rico, and the Philippine Islands. Of this about one-half was produced within our borders, i. e., beet sugars and Louisiana and Texas cane sugars.

Up to the time of the enactment of the emergency tariff rates the rate of duty upon imported sugar was 1.26 cents per pound. Under our reciprocity treaty with Cuba, allowing 20 per cent rebate upon Cuban sugars, these were admitted at a duty of approximately 1 cent per pound. Cuba supplies very nearly all of the foreign imported sugars, and is almost entirely dependent upon her sugar industry. The emergency tariff increased the duty on Cuban sugars from 1 cent per pound to 1.6 cents, an increase of 60 per cent.

It has been the claim of the extreme protectionists that the foreign producer, and not the domestic consumer, would pay this increase in duties, and this claim was partly borne out by the fact that immediately after the passage of the emergency tariff act the f. o. b. prices of Cuban sugars at once dropped to the extent of this increased duty.

Where a country is dependent upon importations for half of its supply it is obvious that in times when the world's production exceeds consumption, the foreign producer, in order to reach our market and sell in competition with duty-free sugar, would have to absorb this increase in the duties, but when consumption exceeds production conditions are changed and consumers then would have to pay the duty.

FURTHER PROTECTION NOT NEEDED.

After the crop of 1921 Cuba carried over some 1,200,000 tons of the previous crop, for which there was at the time no apparent market. Besides this Cuban stock there was a further accumulation in the United States of beet and other sugars, making a carry-over of nearly 2,000,000 tons, and prices in consequence began to drop rapidly. During this process of deflation, losses upon the inventory stocks in the hands of producers, importers, refiners, distributors, and consumers were enormous. It is to recoup themselves from these losses that the beet-sugar producers are anxious to secure an increase of tariff against Cuban sugars, as they do not need further protection to put them on a parity with Cuba in producing.

It is held by the opponents of the Fordney bill that a protection of 1 cent a pound is ample, representing as it does 33 per cent to 50 per cent of the value of the raw sugars in Cuba at normal prices. The Cuban sugars, when refined, have to seek an outlet largely in the Middle West and in the great competitive markets of Chicago and St. Louis, where they have to be sold in competition with beet sugars. In addition to the duty of 1 cent per pound the beet sugars have a further protection of railroad freights. To form a correct idea of relative costs of cane and beet sugars in these markets, freight from the Atlantic and Gulf ports as well as from Colorado and other places of origin should be added to the factory costs, and it will be shown that as a rule the beet-sugar sellers there have an advantage over eastern refiners.

OTHER SUGAR INTERESTS SUFFERED.

It is claimed by the extreme protectionists and domestic producers that higher duties are essential to the maintenance of their industry to avoid destruction, but an examination of financial conditions shows that the beet-sugar companies have not been the only ones to suffer, and that nearly all the large sugar companies, producers in Cuba and Porto Rico, as well as the refiners, during the past year have had to raise new

working capital to cover losses sustained during this period of deflation. An examination of the listing on the New York Stock Exchange of new bonds of sugar companies will confirm this.

The beet-sugar companies after exhausting their resources at their local western banks, and not finding it easy to place securities in the East, appealed to the Government for aid to help carry their inventory stocks, and obtained many millions of dollars as loans from the War Finance Commission, which went largely to sugar companies in Utah, Idaho, and other far Western States, owned or controlled by the Mormon Church, of which Senator SMOOT is the acting head in its financial matters.

Senator SMOOT is one of the most influential members of the Senate Finance Committee, and the member to whom sugar-tariff questions are always referred. He is an extreme protectionist, particularly upon the sugar tariff, and is using all his influence to raise the Fordney sugar rate of 1.6 cents on Cuban sugar to 2 cents per pound, apparently with the expectation of offsetting the losses of the beet-sugar producers by increasing prices to the United States consumers. In this policy Senator SMOOT has the backing of the farm bloc, and, as he is a member of the Republican National Committee, he naturally has great weight in the Senate.

While all the domestic sugar interests are working together for the highest possible duties they can obtain, they are not all in accord with the extreme views of the protectionists in regard to the sugar tariff. Recently one of the prominent producers of Hawaii, well known in sugar circles and highly respected, expressed the following opinion in the Honolulu Advertiser:

"The higher rate for which western beet men have been striving is more protection than the industry needs, and, if enacted, would undoubtedly lead to a reopening of the subject at the next session of Congress. The entire sugar industry suffered severe losses in the recent deflation, and what other industry did not? I do not believe that the American consumers ought to be taxed to make good the beet-sugar men's losses, which is what the enactment of the maximum duty would amount to. Other industries have had to take their losses and no exceptions ought to be made in favor of the beet people."

One of the largest distributors of both cane and beet sugars throughout the West recently made the following admission in one of his trade circulars:

"Another factor that reduces the consumption is the huge cost of sugar through ridiculous taxation."

This man is widely known throughout sugar circles and his opinion always carries weight. Besides being a distributor he is president of a well-known beet-sugar company.

BAD JUDGMENT CAUSED LOSSES.

The losses which the beet-sugar people have suffered are due largely to error of judgment. Three factories were built in the State of Washington, but the farmers there would not raise sugar beets, owing to the fact that they required much more labor than other farm crops and that wheat was much more profitable. The beet people also found that the local market for refined sugar was so limited that they could not dispose of the product of these factories without paying freight for 1,500 to 2,000 miles. In consequence only one of these three factories has been operated. It is obvious that an advance in tariff rates is essential for those interests in order to offset their freight rates.

Some of these beet-sugar companies did not market their sugars wisely when they had opportunity, but borrowed money and held the sugars for higher prices, which caused them heavy losses.

An argument constantly put forward by the beet-sugar producers is that they need higher duties and higher prices in order to maintain the standard of living of the American laborer. It is a well-known fact which can not be disputed that very few American laborers are employed in the beet fields, Japanese being largely employed in California, Mexicans in the Southwest and Colorado, and Russians and Poles in Michigan and other States. Recent investigations have emphasized the deteriorating effects of the prevalence of child labor in the beet fields.

SAYS CONSUMERS MUST PAY.

The effect of a continuance of the Fordney emergency sugar rates will be to add about $60,000,000 to the cost of sugar to consumers. Sugar is already the highest-taxed article on our list, and eventually the tax is taken out of the pocket of the consumer for the benefit of domestic producers (principally beet-sugar producers) if the consumer must pay the tax, as is the object of the bill, or if the producer pays the tax to keep the price of Cuban sugars down to so low a figure that they can not cover average costs, and so bring about a scarcity and raise prices at the expense of the consumer.

It would and already has caused the loss of much of our export business to Cuba, which has been one of our best customers, and to whom we supplied two years ago some 76 per cent of her requirements; it would greatly increase the requirements for working capital of the refiners, and millions of dollars tied up in drawbacks against exports, which are not collectible for 90 days after shipment, and increase in many ways the cost of refining, always at the expense of the consumer; moreover, the duty is not required to cover increased cost to domestic producers, as past losses are not a legitimate charge against future costs.

—

BOSTON, *December 14, 1921.*

Hon. DAVID I. WALSH,
Senate Chamber, Washington, D. C.

DEAR MR. WALSH: As a member of the Senate Finance Committee I take the liberty to address you in relation to the proposed tariff on sugar, as provided for in the Fordney rates.

This organization through a period of 10 years of exceptionally hard work and the great expense of covering the island of Cuba with traveling representatives and maintaining a large distributing stock in Habana have been able to build up a very satisfactory volume of business with the largest interests on the island, and we are confident that if the proposed sugar tariff is made effective it will serve to destroy the Cuban sugar industry and damage to some extent the good will between our connections and ourselves and seriously affect our business. It will have a tendency to knock down what we have been so many years building up, and may we ask that you lend your influence to defeat this measure on the proposed tariff act.

Yours very truly,

A. J. TOWER CO.,
EDWARD W. SWAN,
Vice President.

CAMBRIDGE, MASS., *December 21, 1921.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: We have become convinced that any extension of the destructive 60 per cent increase in the tariff rates on Cuban sugar or any increase in the former rate of 1 cent a pound, under which the domestic industry prospered, would be an act destructive of the good will for United States trade with Latin-America, and, in addition, would destroy the Cuban market for American goods, in which market we have sold $1,693,977,391 worth of goods in the past 10 years; and so we earnestly protest against the imposition of any increase in the tariff on Cuban raw sugar, and trust that you also agree and will favor the business interests of the country by voting against an increase in the tariff rates on Cuban sugar or any increase in the former rate of 1 cent a pound.

Yours very truly,

WHITTEMORE BROS. CORPORATION.

—

EVERETT STATION, BOSTON, *December 17, 1921.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: We have just received a letter from our distributors in Cuba, in which they state that American business men have invested in Cuba over one thousand million dollars, while the investment in sugar in Louisiana is only seventy million. Cuba buys from the United States over five hundred million and is therefore a very desirable market and is a natural export for American goods, but if the Fordney bill is going to put such a duty on raw sugar that the Cubans can't sell their sugar here and have to sell it to Europe, their business will go to Europe and the United States will lose this $500,000,000 worth of business.

The people in Cuba, of course, are very much exercised over the Fordney bill. Our agents there say so much so that a monster parade against the Fordney bill will take place on the 18th day of December, and they claim that Americans living in Cuba will march with the Cubans. It is not an anti-American parade, as some American newspapers have insinuated, but an anti-Fordney bill parade.

It seems to us here in Boston that, while we believe in tariff bills, it is not necessary to put an exorbitant tariff on raw sugar. While we do raise considerable sugar in this country, we believe that a high tariff would be simply putting money into the American producers' pockets, and keeping the Cuban sugar out of here would drive away their other business. Treat the Cubans fair and give them a chance, and they will buy a great many more goods from us than we can ever think of buying from them.

Trusting you will consider this letter when the Fordney bill comes up and do anything you can to defeat an unfair tariff on raw sugar, we remain,

Very truly yours,

BOSTON VARNISH CO.,
J. B. LORD, *President.*

—

SALEM, MASS., *January 11, 1922.*

Hon. DAVID I. WALSH,
Washington, D. C.

DEAR SIR: A very serious question is now before the Senate and Congress, viz, a tariff of 2 cents a pound on Cuban sugar, which, if carried, would ruin Cuba and destroy the best market in the world for our manufactured goods. During the war the United States insisted on Cuba increasing her supply of sugar.

The sugar industry in Cuba is very largely financed by American capital, which is now invested to the extent of many millions of dollars. It is claimed that 70 per cent of the investment in sugar plants in Cuba is owned in the United States. In addition to this the Cuban merchants who are dependent on this industry owe to merchants, manufacturers, and banks in the United States many millions of dollars, a large portion of which will be lost if this bill is passed. It seems incredible that our legislators would consider passing a bill that would bring such calamity on the merchants, manufacturers, banks, and investors in the United States who are so vitally interested.

We must beg that you use your powerful influence to save the country from making so grave an error and cause such enormous loss to American interests. Many other arguments could be urged, such as the probability of a revolution in Cuba caused by unemployment, which would mean that the United States would have to intervene at heavy expense to us, but surely no other arguments are needed than those mentioned, and we depend upon you to work to our best interests.

Very truly yours,

BELL BROS. CO.

—

BOSTON, *February 10, 1922.*

Senator D. I. WALSH,
Washington, D. C.

MY DEAR SENATOR: To protect an American industry which many believe to be uneconomic, we are imposing, under the Fordney tariff, a tax upon Cuban exporters which threatens their very existence. It seems to me that we can not continue this tariff without injuring our own interests, not only as investors and traders in Cuba but also as the principal consumers of Cuba's chief products.

Figures which I believe to be reliable show that American capital invested in Cuba in the sugar business amounts to $1,000,000,000, whereas the entire investment in the sugar industry in the United States is less than two hundred millions.

We are importing sugar at the rate of nearly 7,000,000,000 pounds a year—practically all of it from Cuba. Our own production of cane and beet sugar amounts to less than two and a half billion pounds. Since we can not produce the sugar we consume, the high import duties will in time bring higher prices, which will have to be met by American consumers.

Aside from these economic considerations, it seems to me that this tariff wall is likely to place such a burden upon Cuba as to menace all American business in that country and to impoverish the Cuban people. That will mean enormous losses to manufacturers and bankers in the United States.

We have, as a Nation, followed a course of paternal friendliness toward Cuba heretofore. The Fordney tariff, to my mind, is treachery to one of our good friends among the small nations.

I hope you will vote to kill this measure as uneconomic and mischievous.

Very truly yours,

WALWORTH MANUFACTURING CO.,
HOWARD COONTS, *President.*

WESTFIELD MASS., *December 7, 1921.*

Senator DAVID I. WALSH,
Washington, D. C.

DEAR SENATOR WALSH: Our company has enjoyed a considerable business with various accounts in Cuba and is vitally interested in the maintenance of this business. We realize that with an attempt to put into force a decided advance in duty on Cuban sugar there must be some line of reasoning in its favor.

On the other hand, we have no means of being entirely familiar and can for this reason simply indicate to you our sincere desires that a plan be worked out that will make it possible for us to continue to do business with that country.

We are basing our opinion largely on the personal pleas of several of our largest accounts in that country who apparently feel that such a tariff measure as is being considered at the present time will be next to calamity for the sugar interests in that country.

We would like you to feel, therefore, that our interests, as we can see them, would support a tariff such as has previously been in force in Cuba.

Yours very truly,

WESTFIELD MANUFACTURING CO.,
N. R. CLARKE, *Assistant Secretary.*

—

PITTSFIELD, MASS., *December 8, 1921.*

Hon. DAVID I. WALSH,
Senate Chamber, Washington, D. C.

MY DEAR SENATOR WALSH: American firms in the past 10 years have sold in Cuba more than $1,600,000,000 of American goods manufactured in American mills by American workers. Applying the principle of protection of American industry to this situation, it would seem that protection means not only protection of American markets against foreign competition but also protecting the foreign markets for our goods against other foreign competition.

If Cuba can not continue to sell her sugar to us at a reasonable profit, she will, of course, not sell her sugar to us, but will sell it in any other market that proves profitable. In driving her sugar out of our markets we are driving our goods out of her markets.

Like other nations, where Cuba sells she will buy, and where she can not sell she can not buy.

In view of this situation, it is inconceivable that Congress will persist in enacting the 60 per cent increase in the tariff on Cuban raw sugar which was enacted in the emergency tariff act and which stands in the way of an early recovery of economic stability in Cuba. American firms, like ourselves, who have unpaid accounts in Cuba and who have in the past enjoyed a satisfactory market for their goods in the island, feel that persistence of Congress in the course adopted by the House of Representatives in the passage of the permanent tariff bill will mean an act detrimental to the best interests of American firms and American workers.

We urge you to seriously consider this point of view in connection with the enactment of the permanent tariff bill.

Yours very truly,

E. D. JONES & SONS CO.,
E. A. JONES, *Treasurer.*

—

BATES & BACON EXPORT CO.,
Attleboro, Mass., October 14, 1921.

The Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

SIR: Congress has already passed the emergency tariff bill, which levies a duty on Cuban sugar equivalent to an increase of 60 per cent over the previous tariff and the Fordney bill, which has already passed the House of Representatives, is designed to make permanent this increase.

As one of your constituents, the Bates & Bacon Export Co. wishes to register its emphatic protest against the perpetuation of this increase in the tariff on Cuban sugar and to request that you do everything humanly possible to have it stricken from the Fordney bill when it comes to conference.

Our corporation is organized exclusively for the foreign sale of jewelry and maintains its own branch offices in various foreign cities, including Habana, and during the year 1920 our sales in Cuba were approximately $400,000.

The purchasing power of Cuba is in direct proportion to its profitable sale of raw sugar which, as you know, is the principal industry of the island. If the sugar mills are forced to shut down, as many of them have been during the present year, because of their inability to produce and sell sugar at the prevailing prices, such action will throw tremendous numbers of Cuban laborers out of employment, cut off their buying power, and automatically such action will cut off the selling possibilities of merchants in all lines through the Republic.

If the sugar producers in Cuba are unable to sell their product to the United States, their principal market, on account of the greatly increased duty provided by the Fordney bill, the investments of American capital in the sugar industry in Cuba, amounting to more than a billion dollars, will be seriously jeopardized and American business with Cuba will be almost entirely wiped out until other world markets for Cuban sugar can be found or until such time as Cuba has established a new industry in some other line which will bring in an equivalent income to that heretofore enjoyed from sugar.

We have already seen the results of the increased duty on Cuban cigars, and while the action taken by Congress may be highly satisfactory to the American cigar manufacturers, the fact remains that the American lovers of good Cuban cigars are obliged to content themselves with the inferior products of the imitative manufacturers in this country.

There is no doubt that the American producers of sugar would be happy to see the increased duty on Cuban sugar perpetuated, but I believe that we as a Nation should look with broader vision upon matters of such importance. The increase would benefit the growers of American sugar and their employees, but it would be tremendously injurious not only to the Cuban producers of sugar and to the American capital interested therein but to every manufacturer and merchant in the United States who has, or has had, any business dealings whatever with customers in Cuba.

We ourselves have considerable money tied up in accounts receivable from Cuban customers, and I believe that I am safe in saying that every American exporter to Cuba is in the same position. Our Cuban customers have told us very plainly that if the proposed increase is made permanent many merchants in Cuba will find it absolutely necessary to go out of business, as the buying power of the working class, upon which they depend, will be too small to pay even the overhead expenses.

Cuba has not yet recovered from the effects of the moratorium established a year ago, and many American exporters have accounts receivable still on their books for 1920 business which they will find themselves unable to collect on account of their Cuban customers going into "suspension of payment" if the increased duty becomes permanent.

Ever since the United States Government was instrumental in obtaining Cuba's freedom from Spain it has been our boast that we always give Cuba the "most-favored-nation" treatment and that we afford her practically the same opportunities as are given to the States of our Union for the development of her industry and commerce.

We are counting absolutely upon you to do everything humanly possible to prevent the emergency increase from becoming permanent, and this corporation would appreciate a statement from you as to where you stand in this matter of such vital importance to the industry and commerce of your State.

Very truly yours,

CHARLES JENKINSON, *Treasurer.*

—

E. ATKINS & CO.,
Boston, June 6, 1922.

Hon. DAVID I. WALSH,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR WALSH: Regarding sugar-tariff rates, which affect the whole country, one of the prominent sugar men of Hawaii, who is well known to me, recently expressed his views, as per copy of newspaper cutting which I inclose. This man, Mr. Tenney, realizes the danger of increased beet-sugar production in the United States, taking away his market on the Pacific coast and forcing the surplus of the Sandwich Islands to be shipped at very high freight rates, either rail or water, to Chicago and even to markets on the Atlantic coast. To this point I have frequently called attention in the past. All this would eventually be paid by the consumer.

One of the beet-sugar manufacturers, who handles large quantities of both cane and beet sugars, and himself a president of some of the minor beet-sugar companies and a strong advocate of high duties and supporter of the Fordney tariff, recently expressed his views in the weekly circular of his firm. Probably this crept into the circular without the knowledge or approval of the senior partner, who is a warm personal friend of mine and a good Republican:

"Another factor that reduces the consumption is the huge cost of sugar through ridiculous taxation."

Yours very truly,

E. F. ATKINS.

—

[From the Honolulu Advertiser, April 25, 1922.]

MIDDLE ROAD BEST IN SUGAR TARIFF, SAYS E. D. TENNEY.

Commenting on recent Associated Press dispatches from Washington announcing that Senator SMOOT and other Republican leaders were willing to carry the fight for the emergency sugar tariff rate to the floor of the Senate, E. C. Tenney, president of Castle & Cooke, said yesterday that the middle course is the better. The higher rate for which western beet men have been striving is more protection than the industry needs, he declared, and if enacted would undoubtedly lead to a reopening of the subject at the next session of Congress.

"The entire sugar industry suffered severe losses in the recent deflation, as what other industry did not?" he said. "I do not believe that American consumers ought to be taxed to make good the beet-sugar men's losses, which is what the enactment of the maximum duty would amount to. Other industries have had to take their losses, and no exception ought to be made in favor of the beet people."

—

NEW YORK, *July 14, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: The public prints are carrying articles, some stating that the American Sugar Refining Co. is endeavoring to secure a higher duty on sugar and others that it is making efforts to secure a lower import duty on sugar.

In view of this publicity, we wish you to know that we have taken no part, directly or indirectly, in the matter of the pending sugar duty. As is well known, this company has investments both in the foreign and in the domestic sugar fields.

Very respectfully yours,

THE AMERICAN SUGAR REFINING CO.,
EARL D. BABST, *President.*

—

E. ATKINS & CO.,
New York, July 14, 1922.

Senator DAVID I. WALSH,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: In connection with this tariff question, I wonder what Senator SMOOT would have to say when faced with these facts:

Mr. FORDNEY increased in the emergency bill the tariff on sugar 60 per cent, making the Cuban rate 1.60 cents per pound, as against the 1-cent rate in the Underwood bill. Increasing the price of sugar this way means on the 5,000,000 tons we use annually an added cost to the consumer of $37,000,000.

This was done on the plea that Cuba, on account of her large carryover, would have to sell raw sugars at 2 cents per pound, which with 1.60 cents duty would make the price in the States 3.60 cents per pound duty paid, and such a price, it was claimed, was needed to protect our domestic industry. Without discussing the merits of this claim, the fact is Cuban sugar for a short time did sell at 2 cents per pound, but such a low market could only be temporary, and prices, following the natural course, have reacted so that last week sugar sold at 3½ cents per pound, which with 1.60 cents duty makes the duty-paid price 5.10 cents, instead of 3.60 cents, the price it was claimed the domestic trade needed. If the Underwood rate of 1 cent per pound on Cuban sugar was to-day in effect the duty-paid price would be 4½ cents per pound, or still nearly 1 cent per pound above the price domestic producers claimed they must have.

What possible argument can there be for maintaining the 60 cents per hundred increase effective in the emergency tariff and intended to be made permanent in the Fordney-McCumber bill?

In order to advance the price of sugar Senator SMOOT, through General Crowder, was making every effort in January to have Cuba restrict her crop to 2,500,000 tons, and Cuba was told that if she could do this the domestic sugar interests would consent to the tariff rate being reduced from 1.60 cents to 1.40 cents. Anyone familiar with conditions

in Cuba would know that this was not a practical suggestion, and to show how impractical it was from a supply standpoint I would point out that Cuba this year shipped up to July 1, 3,589,000 tons.

Had her crop been restricted to 2,500,000 tons, which with the 1,200,000 tons she carried over would give her a total of 3,700,000 tons, the entire supply would have been cleaned up by July 1. We would have nothing to fall back on for the balance of the year and speculation would now be rampant.

I suppose these facts will be met not with argument, but with the usual rot about some one "trying to ruin the domestic industry." Their predictions of ruination have never been realized. The domestic interest was to be ruined when years ago Hawaiian sugars were to be admitted free, and again when duty was removed from Porto Rico sugars. This cry was repeated when the product of the Philippines had free entry, and a tremendous cry of distress went up when the Underwood bill was passed and the tariff rate on sugar was reduced to 1¼ cents per pound, making the Cuban rate 1 cent per pound. Yet the domestic industry prospered enormously under the tariff rate, notwithstanding the frightful blunders and complete lack of thrift. I inclose herewith a statement of dividends paid by certain beet-sugar companies during the time the Underwood bill, which was the lowest protective tariff for many years, was in effect.

Yours very truly,

E. ATKINS & Co.

Statement showing profits and dividends of certain beet-sugar companies west of Mississippi River.

AMERICAN BEET SUGAR CO.

(Owns and operates six beet-sugar factories in Colorado, California, and Nebraska.)

Capital stock:
Preferred $5,000,000
Common 15,000,000

Year.	Net earnings.	Amount of dividends paid.		Earned on stock.	
		Preferred.	Common.	Preferred.	Common.
				Per ct.	*Per ct.*
1915	$1,424,654	$300,000	.....	28	7
1916	2,445,190	300,000	$900,000	48	14
1917	4,882,980	300,000	3,000,000	97	30
1918	3,135,188	300,000	1,200,000	62	18
1919	1,200,740	300,000	1,200,000	24	6
1920	2,425,000	300,000	1,200,000	48	14
1921	133,509	300,000	.....	6	.....

(Moody's Analyses of Investments 1921, p. 1413.)

UTAH-IDAHO SUGAR CO.

(Owns and operates 15 beet-sugar factories in Utah, Idaho, and Washington.)

Year.	Net earnings.	Amount of dividends paid.	Rate of dividends paid.
			Per cent.
1915	$1,129,906	$566,984	11
1916	3,365,600	1,039,470	12
1917	6,445,292	1,133,967	9
1918	1,523,449	1,937,336	9
1919	978,290	2,136,371	9
1920	(1)	(1)	9
1921	1,417,840	1,423,800	.....

[1] Not reported.

On May 17, 1917, stock dividend of 150 per cent was paid on capital stock of $10,000,000. The per cent outstanding capital stock is $28,730,000.

(Moody's Analyses of Investments 1921, pp. 1712–1713.)

GREAT WESTERN SUGAR CO.

(Owns and operates 16 beet-sugar factories in Colorado, Nebraska, Montana, and Wyoming.)

Capital stock:
Preferred $13,630,000
Common 15,000,000

Year.	Net earnings.	Amount of dividends paid.[1]		Rate of dividends paid.	
		Preferred.	Common.	Preferred.	Common.
				Per ct.	*Per ct.*
1915	Not reported.	$954,100	$750,000	7	5
1916	....do.....	954,100	1,050,000	7	7
1917	....do.....	954,100	5,550,000	7	37
1918	....do.....	954,100	7,050,000	7	47
1919	....do.....	954,100	7,050,000	7	47
1920	....do.....	954,100	7,050,000	7	47
1921	....do.....	954,100	2,662,500	7	17½

[1] Calculated from rate of dividends paid. (Moody's Analyses of Investments, 1921, p. 210.)

AMALGAMATED SUGAR CO.

(Owns and operates 8 beet-sugar factories in Utah and Idaho.)

Capital stock:
Preferred (issued July, 1919) $4,833,300
Common 6,284,400

Year.	Net earnings.	Amount of dividends paid.[1]	Rate of dividends paid, common.
			Per cent.
1916	$1,857,566	$665,172	13
1917	2,680,755	698,928	12
1918	1,423,214	698,928	12
1919	389,267	204,732	3
1920	329,633	386,664	[2] 8
1921	.....	394,359	.....

[1] Calculated from rate of dividends paid. (Moody's Analyses of Investments, 1921, pp. 1412–1413.)
[2] Preferred.
Prior to 1919 the only outstanding stock was $5,824,400 common. At that time this was increased to $6,824,400 and $4,833,300 preferred was issued.

HOLLY SUGAR CO.

(Preferred stock, 1921, $3,800,000 outstanding; 58,000 shares common stock, no par value.)

Year.	Net profit.	Dividends paid.	Rate of dividend earned, preferred.
			Per cent.
1917	$1,874,478	$381,170	36.3
1918	1,196,955	297,210	.....
1919	483,794	276,500	.....
1920	(1)	.....	.....
1921	[2] 404,812	231,000	.....

[1] Not reported.
[2] From annual report of company for year ending Mar. 31, 1921.

UNION SUGAR CO.

(Operates one factory at Batteravia, Calif. Outstanding capital stock, $2,530,000.)

Year.	Net earnings.	Dividends paid.
		Per cent.
1915	$413,525	8
1916	912,585	11
1917	944,977	24
1918	494,857	24
1919	626,414	16.8
1920	926,887	16.8

Mr. GERRY. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Frelinghuysen	Moses	Spencer
Ball	Gerry	Myers	Stanfield
Borah	Glass	Nelson	Stanley
Brandegee	Gooding	New	Sterling
Broussard	Harreld	Nicholson	Sutherland
Bursum	Harris	Norbeck	Swanson
Calder	Hedin	Oddie	Townsend
Cameron	Jones, N. Mex.	Overman	Trammell
Capper	Jones, Wash.	Pepper	Underwood
Caraway	Kendrick	Phipps	Wadsworth
Colt	Keyes	Pomerene	Walsh, Mass.
Culberson	Ladd	Ransdell	Walsh, Mont.
Cummins	Lenroot	Rawson	Warren
Curtis	Lodge	Reed	Watson, Ga.
Dillingham	McCormick	Sheppard	Watson, Ind.
Edge	McCumber	Shortridge	Willis
Ernst	McKinley	Simmons	
Fletcher	McLean	Smith	
France	McNary	Smoot	

The PRESIDENT pro tempore. Seventy-three Senators have answered to their names. There is a quorum present.

Mr. McCUMBER. Mr. President, I ask that the pending amendment may be reported.

The PRESIDENT pro tempore. The Secretary will state the pending amendment.

The READING CLERK. The pending amendment is the amendment offered by the Senator from Rhode Island [Mr. GERRY] to the amendment of the junior Senator from Louisiana [Mr. BROUSSARD] to strike out in the pending amendment, in line 3, the figures "1 45/100" and insert in lieu thereof the figures "71/100."

Mr. SIMMONS. I ask for the yeas and nays.

Mr. GERRY. The whole amendment has not been reported. I think it would save time to treat it as one amendment.

The PRESIDENT pro tempore. The Senator from Rhode Island asks unanimous consent that the two amendments which he has offered to the amendment of the Senator from Louisiana may be considered as a single amendment. Is there objection? The Chair hears none. The Secretary will report the entire amendment.

The READING CLERK. The Senator from Rhode Island [Mr. GERRY] offers an amendment to the amendment proposed by the junior Senator from Louisiana [Mr. BROUSSARD] to strike out, on page 95, line 18, the numeral "1 16/100" and insert in place thereof the numeral "71/100," and on line 20, after the comma, strike out the words "four one-hundredths" and insert in lieu thereof the words "twenty-six one-thousandths."

The PRESIDENT pro tempore. The Senator from North Carolina demands the yeas and nays. Is the request seconded?

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. EDGE (when his name was called). I have a general pair with the senior Senator from Oklahoma [Mr. OWEN]. I transfer that pair to the junior Senator from Vermont [Mr. PAGE] and vote "nay."

Mr. UNDERWOOD (when Mr. HARRISON's name was called). The junior Senator from Mississippi [Mr. HARRISON] is unavoidably absent. If present and not paired he would vote "yea."

Mr. JONES of New Mexico (when his name was called). On this schedule my general pair with the Senator from Maine [Mr. FERNALD] is released, and I am therefore at liberty to vote. I vote "nay."

Mr. McCUMBER (when his name was called). Transferring my general pair with the junior Senator from Utah [Mr. KING] to the junior Senator from Washington [Mr. POINDEXTER], I vote "nay."

Mr. NEW (when his name was called). Transferring my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Delaware [Mr. DU PONT], I vote "nay."

Mr. GERRY (when Mr. PITTMAN's name was called). I wish to announce that the Senator from Nevada [Mr. PITTMAN] has again been called from Washington on account of illness in his family. I ask that this announcement may stand for the day.

Mr. SIMMONS (when his name was called). I have a general pair with the junior Senator from Minnesota [Mr. KELLOGG]. I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. TOWNSEND (when his name was called). I have a pair with the junior Senator from South Carolina [Mr. DIAL] which I transfer to the junior Senator from Maryland [Mr. WELLER] and vote "nay."

Mr. WATSON of Indiana (when his name was called). I transfer my general pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the senior Senator from Maine [Mr. FERNALD] and vote "nay."

The roll call was concluded.

Mr. CARAWAY. I wish to announce the unavoidable absence of my colleague [Mr. ROBINSON]. I will let this announcement stand for the day.

Mr. HALE. I have a general pair with the senior Senator from Tennessee [Mr. SHIELDS]. I am unable to obtain a transfer of that pair. If permitted to vote, I would vote "nay."

Mr. CURTIS. I wish to announce that the junior Senator from West Virginia [Mr. ELKINS] has a general pair with the junior Senator from Mississippi [Mr. HARRISON]. I ask that this announcement may stand for the day.

Mr. SUTHERLAND (after having voted in the negative). As I have a general pair with the senior Senator from Arkansas [Mr. ROBINSON], and being unable to secure transfer of my pair, I withdraw my vote.

The result was announced—yeas 19, nays 52, as follows:

YEAS—19.

Ashurst	Harris	Reed	Swanson
Caraway	Heflin	Sheppard	Underwood
Culberson	Myers	Simmons	Walsh, Mass.
Gerry	Overman	Smith	Walsh, Mont.
Glass	Pomerene	Stanley	

NAYS—52.

Ball	Cummins	Harreld	McCumber
Borah	Curtis	Jones, N. Mex.	McKinley
Brandegee	Dillingham	Jones, Wash.	McLean
Broussard	Edge	Kendrick	McNary
Bursum	Ernst	Keyes	Moses
Calder	Fletcher	Ladd	Nelson
Cameron	France	Lenroot	New
Capper	Frelinghuysen	Lodge	Nicholson
Colt	Gooding	McCormick	Norbeck
Oddie	Rawson	Stanfield	Wadsworth
Pepper	Shortridge	Sterling	Warren
Phipps	Smoot	Townsend	Watson, Ind.
Ransdell	Spencer	Trammell	Willis

NOT VOTING—24.

Dial	Hitchcock	Newberry	Robinson
du Pont	Johnson	Norris	Shields
Elkins	Kellogg	Owen	Sutherland
Fernald	King	Page	Watson, Ga.
Hale	La Follette	Pittman	Weller
Harrison	McKellar	Poindexter	Williams

So Mr. GERRY's amendment to Mr. BROUSSARD's amendment was rejected.

The PRESIDENT pro tempore. At this point the Chair desires to make a statement with regard to the unanimous-consent agreement. If the agreement were literally construed, no other amendment could now be voted upon, inasmuch as the agreement declares that "the Senate shall proceed to vote without further debate upon any amendment that may be pending to the sugar schedule." The Chair believes, however, that it was the intent of the Senate that those words should include amendments that may be offered. If any Senator desires to question the ruling of the Chair upon the matter, it can be done in a very few moments.

Mr. McCUMBER. I ask unanimous consent that the Chair give to the unanimous-consent agreement that construction, in order that the paragraph referred to may include amendments pending and amendments that may be offered.

Mr. UNDERWOOD. Of course, it is understood that that will apply to all other paragraphs which may come up for consideration.

The PRESIDENT pro tempore. The Chair will so construe the agreement with regard to all the paragraphs similarly situated.

Mr. McCUMBER. That was the understanding.

Mr. WILLIS. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The ASSISTANT SECRETARY. The Senator from Ohio proposes to amend the amendment offered by the Senator from Louisiana, as follows: In line 3 of the amendment offered by Mr. BROUSSARD, strike out "1 45/100" and insert in lieu thereof "1 2/10."

Mr. WILLIS. On that I ask for the yeas and nays.

Mr. SMOOT. Why not have a vote upon the whole amendment, because both affect the rate?

The PRESIDENT pro tempore. The Chair desires to remind the Senate that proceedings hereafter upon this paragraph must be without debate.

Mr. BRANDEGEE. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Connecticut will state the inquiry.

Mr. BRANDEGEE. If the amendment offered by the Senator from Ohio [Mr. WILLIS] should be agreed to, fixing the rate at 1.20 cents, the amendment providing for a duty of 2 cents could not be offered, could it?

The PRESIDENT pro tempore. The Chair will not conclude itself in regard to the inquiry, but it is the opinion of the Chair that such an amendment could not be offered.

Mr. BRANDEGEE. I agree with the interpretation of the Chair. I simply wish to vote intelligently. If I should vote for the 1.20-cent rate that would settle it, and I could not vote for the 2-cent rate.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Ohio [Mr. WILLIS] to the amendment of the Senator from Louisiana [Mr. BROUSSARD] on which the yeas and nays are demanded.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. EDGE (when his name was called). I have a general pair with the Senator from Oklahoma [Mr. OWEN], who is absent. I am informed that were he present he would vote as I propose to vote. Therefore I shall vote. I vote "nay."

Mr. HALE (when his name was called). Transferring my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Vermont [Mr. PAGE], I vote "nay."

Mr. McCUMBER. (when his name was called). Transferring my general pair as on the previous vote, I vote "nay."

Mr. NEW (when his name was called). Repeating the announcement which I made on previous votes as to the transfer of my pair, I vote "nay." I ask that this announcement of the transfer of my pair may stand for the day.

Mr. SIMMONS (when his name was called). Making the same announcement as to my pair and transfer as upon the previous vote, I vote "yea."

Mr. STERLING (when his named was called). I have a general pair with the Senator from South Carolina [Mr.

SMITH]. Not being able to procure a transfer of that pair, I am compelled to withhold my vote. If at liberty to vote, I should vote "nay."

Mr. SUTHERLAND (when his name was called). I have a general pair with the senior Senator from Arkansas [Mr. ROBINSON]. I am absolutely unable to secure a transfer of that pair, and I therefore am obliged to withhold my vote. If permitted to vote, I should vote "nay."

Mr. WATSON of Georgia (when his name was called). I have a general pair with the Senator from California [Mr. JOHNSON], which I transfer to the Senator from Nevada [Mr. PITTMAN] and will vote. I vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before in reference to my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. UNDERWOOD. I desire to announce that the junior Senator from Mississippi [Mr. HARRISON], who is necessarily absent, if present would have voted "yea" on the pending amendment.

Mr. LODGE. Mr. President, I desire now to make an announcement which I should have previously made. The senior Senator from Maine [Mr. FERNALD], who is necessarily absent, has a general pair with the senior Senator from New Mexico [Mr. JONES]. If present and able to vote on the present vote and the preceding vote, the Senator from Maine would have voted "nay."

The result was announced—yeas 22, nays 48, as follows:

YEAS—22.

Ashurst	Harris	Reed	Underwood
Caraway	Heflin	Sheppard	Walsh, Mont.
Culberson	Ladd	Simmons	Watson, Ga.
Dial	Myers	Stanley	Willis
Gerry	Overman	Swanson	
Glass	Pomerene	Trammell	

NAYS—48.

Ball	Edge	Lodge	Pepper
Borah	Ernst	McCormick	Phipps
Brandegee	Fletcher	McCumber	Ransdell
Broussard	Frelinghuysen	McKinley	Rawson
Bursum	Gooding	McLean	Shortridge
Calder	Hale	McNary	Smoot
Cameron	Harreld	Moses	Spencer
Capper	Jones, N. Mex.	Nelson	Stanfield
Colt	Jones, Wash.	New	Townsend
Cummins	Kendrick	Nicholson	Wadsworth
Curtis	Keyes	Norbeck	Warren
Dillingham	Lenroot	Oddie	Watson, Ind.

NOT VOTING—25.

du Pont	Kellogg	Page	Sutherland
Elkins	King	Pittman	Walsh, Mass.
Fernald	La Follette	Poindexter	Weller
France	McKellar	Robinson	Williams
Harrison	Newberry	Shields	
Hitchcock	Norris	Smith	
Johnson	Owen	Sterling	

So the amendment of Mr. WILLIS to the amendment of Mr. BROUSSARD was rejected.

Mr. GERRY. I offer the amendment to the amendment, which I sent to the desk, and I ask for its immediate consideration.

The PRESIDENT pro tempore. The amendment which is proposed by the Senator from Rhode Island to the pending amendment will be stated.

The ASSISTANT SECRETARY. In line 2 of the pending amendment it is proposed to strike out the numeral "1 16/100" and to insert in lieu thereof the numeral "77/100," and on line 5 of the same amendment to strike out the words "four one-hundredths" and to insert in lieu thereof the words "three one-hundredths."

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the Senator from Rhode Island [Mr. GERRY] to the amendment of the Senator from Louisiana [Mr. BROUSSARD].

Mr. GERRY and Mr. SIMMONS called for the yeas and nays, and they were ordered.

The reading clerk proceeded to call the roll.

Mr. EDGE (when his name was called). On this amendment I am not positive as to how the Senator from Oklahoma [Mr. OWEN], with whom I am paired, would vote. Being unable to secure a transfer of the pair, I withhold my vote. If permitted to vote, I should vote "nay."

Mr. McCUMBER (when his name was called). Transferring my pair as on the previous vote, I vote "nay."

Mr. SIMMONS (when his name was called). I transfer my pair as on the previous vote, and vote "yea."

Mr. STERLING (when his name was called). Transferring my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Maryland [Mr. WELLER], I vote "nay."

Mr. SUTHERLAND (when his name was called). Making the same announcement as before, I withhold my vote. If permitted to vote, I should vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. HALE. Making the same announcement as before with regard to my pair and its transfer, I vote "nay."

Mr. UNDERWOOD. The Senator from Mississippi [Mr. HARRISON], who is necessarily absent, would on this question if present vote "yea."

The result was announced—yeas 21, nays 50, as follows:

YEAS—21.

Ashurst	Glass	Reed	Underwood
Caraway	Harris	Sheppard	Walsh, Mass.
Culberson	Heflin	Simmons	Walsh, Mont.
Dial	Myers	Stanley	
Fletcher	Overman	Swanson	
Gerry	Pomerene	Trammell	

NAYS—50.

Ball	France	McCumber	Rawson
Borah	Frelinghuysen	McKinley	Shortridge
Brandegee	Gooding	McLean	Smoot
Broussard	Hale	McNary	Spencer
Bursum	Harreld	Moses	Stanfield
Calder	Jones, N. Mex.	Nelson	Sterling
Cameron	Jones, Wash.	New	Townsend
Capper	Kendrick	Nicholson	Wadsworth
Colt	Keyes	Norbeck	Warren
Cummins	Ladd	Oddie	Watson, Ind.
Curtis	Lenroot	Pepper	Willis
Dillingham	Lodge	Phipps	
Ernst	McCormick	Ransdell	

NOT VOTING—24.

du Pont	Johnson	Norris	Shields
Edge	Kellogg	Owen	Smith
Elkins	King	Page	Sutherland
Fernald	La Follette	Pittman	Watson, Ga.
Harrison	McKellar	Poindexter	Weller
Hitchcock	Newberry	Robinson	Williams

So Mr. GERRY's amendment to the amendment of Mr. BROUSSARD was rejected.

The PRESIDENT pro tempore. The question now is upon the amendment proposed by the Senator from Louisiana.

Mr. REED. I ask that the amendment be stated.

Mr. SIMMONS. I ask for the yeas and nays.

The PRESIDENT pro tempore. The yeas and nays are demanded. Is there a second?

The yeas and nays were ordered.

The PRESIDENT pro tempore. The Secretary will state the pending amendment.

The ASSISTANT SECRETARY. On page 95, line 18, after the word "degrees," it is proposed to strike out "1 16/100" and to insert in lieu thereof "1 45/100"; and on the same page, in line 20, after the word "test," to strike out "four one-hundredths" and insert in lieu thereof "five one-hundredths."

The PRESIDENT pro tempore. On the amendment the Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. EDGE (when his name was called). On this amendment I am informed that my pair, if present, would vote as I propose to vote. Therefore I vote "nay."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. McCUMBER (when his name was called). Transferring my general pair as on the previous vote, I vote "nay."

Mr. SIMMONS (when his name was called). Making the same announcement as before, I vote "nay."

Mr. STERLING (when his name was called). Making the same announcement as before, I vote "yea."

Mr. SUTHERLAND (when his name was called). Making the same announcement as before and stating that I am unable to secure a transfer, I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

The roll call was concluded.

Mr. SUTHERLAND. I am advised that my pair, the Senator from Arkansas [Mr. ROBINSON], if present, would vote as I expect to vote on this matter, and I therefore feel released from my pair. I vote "nay."

Mr. CURTIS. I desire to announce that the Senator from West Virginia [Mr. ELKINS] has a general pair with the Senator from Mississippi [Mr. HARRISON], and that the Senator from California [Mr. JOHNSON] has a general pair with the Senator from Georgia [Mr. WATSON].

Mr. UNDERWOOD. I desire to announce the unavoidable absence of the junior Senator from Mississippi [Mr. HARRISON], and to state that if present and not paired he would vote "nay" on this question.

The result was announced—yeas 35, nays 37, as follows:

YEAS—35.

Ball	Gooding	Moses	Shortridge
Brandegee	Harreld	Nelson	Smoot
Broussard	Jones, N. Mex.	New	Spencer
Bursum	Jones, Wash.	Nicholson	Stanfield
Cameron	Kendrick	Norbeck	Sterling
Capper	Ladd	Oddie	Townsend
Curtis	McKinley	Phipps	Warren
Dillingham	McLean	Ransdell	Watson, Ind.
Ernst	McNary	Rawson	

NAYS—37.

Ashurst	Frelinghuysen	McCumber	Swanson
Borah	Gerry	Myers	Trammell
Calder	Glass	Overman	Underwood
Caraway	Hale	Pepper	Wadsworth
Colt	Harris	Pomerene	Walsh, Mass.
Culberson	Heflin	Reed	Walsh, Mont.
Cummins	Keyes	Sheppard	Willis
Dial	Lenroot	Simmons	
Edge	Lodge	Stanley	
Fletcher	McCormick	Sutherland	

NOT VOTING—23.

du Pont	Johnson	Norris	Shields
Elkins	Kellogg	Owen	Smith
Fernald	King	Page	Watson, Ga.
France	La Follette	Pittman	Weller
Harrison	McKellar	Poindexter	Williams
Hitchcock	Newberry	Robinson	

So Mr. BROUSSARD's amendment was rejected.

Mr. SMOOT. Mr. President, on line 18 I move to strike out "1 16/100" and insert in lieu thereof "1 25/100," and on line 20 I move to strike out "four" and insert "five." The rate will be 1 84/100.

The PRESIDENT pro tempore. The question is upon the amendment proposed by the Senator from Utah, which will be stated.

The ASSISTANT SECRETARY. On line 18, page 95, at the end of the line, it is proposed to strike out "1 16/100" and to insert in lieu thereof "1 25/100," and on line 20 it is proposed to strike out "four one-hundredths" and to insert "five one-hundredths."

Mr. SMOOT and Mr. SIMMONS called for the yeas and nays, and they were ordered.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. EDGE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. McCUMBER (when his name was called). Again transferring my pair as on the previous vote, I vote "nay."

Mr. STERLING (when his name was called). Making the same announcement as before, I vote "yea."

Mr. SUTHERLAND (when his name was called). Making the same announcement as before, it being stated that my pair if present would vote as I expect to vote on this question, I feel released, and therefore vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "yea."

The roll call was concluded.

Mr. SIMMONS. Making the same announcement as on the previous vote, I vote "nay."

Mr. CURTIS. I desire to announce the following general pairs:

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON]; and

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON].

Mr. UNDERWOOD. I desire to announce the unavoidable absence of the junior Senator from Mississippi [Mr. HARRISON], and to state that if present and not paired he would vote "nay" on this question.

The result was announced—yeas 37, nays 35, as follows:

YEAS—37.

Ball	Harreld	New	Stanfield
Brandegee	Jones, N. Mex.	Nicholson	Sterling
Broussard	Jones, Wash.	Norbeck	Townsend
Bursum	Kendrick	Oddie	Wadsworth
Cameron	Ladd	Phipps	Warren
Capper	McKinley	Ransdell	Watson, Ind.
Curtis	McLean	Rawson	Willis
Dillingham	McNary	Shortridge	
Ernst	Moses	Smoot	
Gooding	Nelson	Spencer	

NAYS—35.

Ashurst	Fletcher	Lodge	Simmons
Borah	Frelinghuysen	McCormick	Stanley
Calder	Gerry	McCumber	Sutherland
Caraway	Glass	Myers	Swanson
Colt	Hale	Overman	Trammell
Culberson	Harris	Pepper	Underwood
Cummins	Heflin	Pomerene	Walsh, Mass.
Dial	Keyes	Reed	Walsh, Mont.
Edge	Lenroot	Sheppard	

NOT VOTING—23.

du Pont	Johnson	Norris	Shields
Elkins	Kellogg	Owen	Smith
Fernald	King	Page	Watson, Ga.
France	La Follette	Pittman	Weller
Harrison	McKellar	Poindexter	Williams
Hitchcock	Newberry	Robinson	

So Mr. SMOOT's amendment was agreed to.

Mr. GERRY. I offer the amendment which I sent to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 96, beginning with line 13, strike out all of paragraph 503 and insert in lieu thereof the following:

PAR. 503. Molasses and sugar sirups not specifically provided for testing not above 48 per cent total sugars, 15 per cent ad valorem; testing above 48 per cent and not above 56 per cent total sugars, 2½ cents per gallon; testing above 56 per cent total sugar, 4½ cents per gallon.

Mr. BROUSSARD. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state his inquiry.

Mr. BROUSSARD. I desire to inquire whether or not we have acted upon this paragraph before? My recollection is that we passed upon it.

Mr. SMOOT. We have passed on the paragraph. It has been agreed to.

Mr. LODGE. It was agreed to in Committee of the Whole.

Mr. SMOOT. It is not open to further amendment.

Mr. GERRY. I understood that it was passed on as far as committee amendments were concerned. I asked the Senator from Utah at that time if there was any opportunity to offer individual amendments to it.

The PRESIDENT pro tempore. The Senator from Louisiana has submitted an inquiry to the Chair, and the Chair rules that the amendment offered by the Senator from Rhode Island is in order. The question is upon agreeing to the amendment.

The amendment was rejected.

Mr. GERRY. I offer another amendment, which I send to the desk.

The PRESIDENT pro tempore. The Secretary will report the amendment.

The ASSISTANT SECRETARY. On page 96, line 20, the Senator from Rhode Island proposes to strike out "4" and to insert in lieu thereof "3"; and in line 22, to strike out "1½" and to insert in lieu thereof "1¼," so that if amended that portion of the paragraph would read:

PAR. 504. Maple sugar and maple sirup, 3 cents per pound; dextrose testing not above 99.7 per cent and dextrose sirup, 1¼ cents per pound.

The PRESIDENT pro tempore. Without objection, the two amendments will be treated as a single amendment. The question is upon agreeing to the amendment.

The amendment was rejected.

Mr. GERRY. I offer another amendment, which I send to the desk.

The PRESIDENT pro tempore. The Secretary will report the amendment proposed by the Senator from Rhode Island.

The ASSISTANT SECRETARY. In paragraph 505, page 97, line 8, the Senator from Rhode Island proposes to strike out the numeral "50" in the House text and to insert in lieu thereof the numeral "15."

Mr. GERRY. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WALSH of Montana. I ask that the paragraph be read as proposed to be amended.

The PRESIDENT pro tempore. The Secretary will read as requested.

The Assistant Secretary read as follows:

PAR. 505. Adonite, arabinose, dulcite, galactose, inosite, inulin, levulose, mannite, d-talose, d-tagatose, ribose, melibiose, dextrose testing above 99.7 per cent, mannose, melezitose, raffinose, rhamnose, salicin, sorbite, xylose, and other saccharides, 15 per cent ad valorem.

The yeas were ordered, and the reading clerk proceeded to call the roll.

Mr. EDGE (when his name was called). I have a general pair with the senior Senator from Oklahoma [Mr. OWEN], and not being able to secure a transfer and not knowing how he

would vote, I withhold my vote. If permitted to vote, I would vote "nay."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. McCUMBER (when his name was called). Transferring my general pair as on the previous vote, I vote "nay."

Mr. SIMMONS (when his name was called). Making the same announcement as before, I vote "yea."

Mr. STERLING (when his name was called). Making the same announcement as before, I vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON], and

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON].

Mr. SUTHERLAND. I transfer my pair with the senior Senator from Arkansas [Mr. ROBINSON] to the senior Senator from Maryland [Mr. FRANCE] and vote "nay."

Mr. UNDERWOOD. The junior Senator from Mississippi [Mr. HARRISON] is unavoidably absent. If present and not paired, he would vote "yea."

The result was announced—yeas 21, nays 48, as follows:

YEAS—21.

Ashurst	Glass	Reed	Underwood
Caraway	Harris	Sheppard	Walsh, Mass.
Culberson	Heflin	Simmons	Walsh, Mont.
Dial	Myers	Stanley	
Fletcher	Overman	Swanson	
Gerry	Pomerene	Trammell	

NAYS—48.

Ball	Ernst	McKinley	Rawson
Borah	Frelinghuysen	McLean	Shortridge
Brandegee	Hale	McNary	Smoot
Broussard	Harreld	Moses	Spencer
Bursum	Jones, Wash.	Nelson	Stanfield
Calder	Kendrick	New	Sterling
Cameron	Keyes	Nicholson	Sutherland
Capper	Ladd	Norbeck	Townsend
Colt	Lenroot	Oddie	Wadsworth
Cummins	Lodge	Pepper	Warren
Curtis	McCormick	Phipps	Watson, Ind.
Dillingham	McCumber	Ransdell	Willis

NOT VOTING—26.

du Pont	Hitchcock	Newberry	Shields
Edge	Johnson	Norris	Smith
Elkins	Jones, N. Mex.	Owen	Watson, Ga.
Fernald	Kellogg	Page	Weller
France	King	Pittman	Williams
Gooding	La Follette	Poindexter	
Harrison	McKellar	Robinson	

So Mr. GERRY's amendment was rejected.

The PRESIDENT pro tempore. Does any Senator desire to offer an amendment to Schedule 5, the sugar schedule? If not, no further amendment will be received to that schedule, and the Senate will proceed with the consideration of paragraph 1635.

Mr. McCUMBER. To that paragraph I offer an amendment, which I send to the desk.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The ASSISTANT SECRETARY. In paragraph 1635, page 230, the Senator from North Dakota proposes to strike out all of the House text after the word "for" in line 6, down to and including the word "duty" in line 14, and to insert in lieu thereof, on page 286, after line 16, the following new section:

SEC. 321. (a) That the Secretary of the Treasury is authorized and directed to pay to any person producing and selling within the United States between October 1, 1922, and October 1, 1927, crude potash produced from domestic brine or minerals, or from waste or by-products of domestic manufactures, a bounty on the actual potash (potassium oxide) content, as follows:

Two and one-half cents for each pound so produced and sold during the year ending October 1, 1923;

Two and one-half cents for each pound so produced and sold during the year ending October 1, 1924;

Two cents for each pound so produced and sold during the year ending October 1, 1925;

One and one-half cents for each pound so produced and sold during the year ending October 1, 1926; and

One cent for each pound so produced and sold during the year ending October 1, 1927.

For the purposes of this section any such potash produced and sold between October 1, 1922, and October 1, 1927, but not sold in the year in which produced shall be regarded as produced in the year in which it is sold.

(b) The Secretary of the Treasury is authorized to prescribe rules and regulations and to issue orders for the filing, proof, and payment of claims for a bounty, including the examination and production of books, accounts, records, and memoranda. Any person who refuses or fails to comply with any such rule, regulation, or order shall not be entitled to such bounty.

(c) Any person who, knowing that he is not entitled to a bounty under the provisions of this section, files a claim for or receives any money upon a claim for a bounty, or who makes a false statement or representation in relation to any such claim, or to the payment of any such bounty with intent to defraud the United States, shall upon conviction thereof be punished by a fine of not more than $5,000 or by imprisonment for not more than five years, or by both such fine and imprisonment.

(d) There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this section.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the Senator from North Dakota.

Mr. McCUMBER. Mr. President——

Mr. UNDERWOOD. Mr. President, will the Senator allow me to ask him a question?

Mr. McCUMBER. Certainly.

Mr. UNDERWOOD. I had not seen the amendment before. I understand that it proposes to strike out of the bill the tax feature relating to potash and to put potash on the free list with a bounty.

Mr. McCUMBER. Yes.

Mr. UNDERWOOD. Not having seen the proposition, I desire to ask——

Mr. McCUMBER. The amendment has been printed for a number of days, I will state to the Senator. It was printed on August 3 and has been lying on the table ever since.

Mr. UNDERWOOD. It just had not come to my attention. Will the Senator allow me to ask him a question before he proceeds?

Mr. McCUMBER. Certainly.

Mr. UNDERWOOD. By inserting the provisions with reference to the bounty in the free-list sections of the bill, the Senator then concludes it will put potash on the free list?

Mr. McCUMBER. It will put potash on the free list.

Mr. UNDERWOOD. In the amendment, which I now have before me, I do not see anything which indicates that potash will go on the free list, because it is not named, as the amendment that I have merely begins—

SEC. 321. (a) That the Secretary of the Treasury is authorized—

And so forth.

Mr. McCUMBER. Paragraph 1635 is the free-list paragraph.

Mr. UNDERWOOD. I understand.

Mr. McCUMBER. Therefore, if we strike out the provision which begins in line 6 and ends in line 14 on page 230, we have left "potassium chloride or muriate of potash, potassium sulphate, kainite, wood ashes and beet-root ashes, and all crude potash salts not specially provided for." That means that all of those are on the free list.

Mr. UNDERWOOD. I understand that those are in the bill now.

Mr. McCUMBER. Yes.

Mr. UNDERWOOD. I merely wanted to be informed. Therefore, a vote against the present amendment would not be a vote against leaving potash on the free list, but it would be merely a vote against the bounty. Is that correct?

Mr. McCUMBER. I can not say that it is exactly correct. There can be any number of motions made. The first motion is simply to provide for a bounty by striking out the proviso in lines 6 to 14, inclusive, which, if it is carried, would leave potash on the free list with a bounty.

Mr. UNDERWOOD. But if the amendment is not agreed to it would leave potash on the free list without a bounty.

Mr. McCUMBER. No; it would leave it with a proviso.

Mr. LODGE. The present proviso would leave a duty on it.

Mr. McCUMBER. The motion is to strike out and insert.

Mr. FLETCHER. The question ought to be divided.

Mr. LENROOT. Mr. President, I would like to ask the Senator from North Dakota if he would not be willing to have the question divided. I understand the rule says such a question can not be divided, but it can be done by unanimous consent. Let us vote first upon the question of striking out the proviso and then upon the question of the substitute.

Mr. LODGE. Why does the Senator say the question can not be divided?

Mr. LENROOT. The rule says a motion to strike out and insert can not be divided.

Mr. LODGE. That is true.

Mr. UNDERWOOD. I hope the request of the Senator from Wisconsin will be agreed to.

The PRESIDENT pro tempore. Senators will be in order. Not more than one Senator will speak at the same time.

Mr. McCUMBER. Mr. President, if I have the floor, let me suggest that I thought there would be possibly no objection to the motion to strike out the proviso in lines 6 to 14, inclusive, as the first motion. We can vote on that motion without a roll call, I believe, and then we can determine whether we will insert the proviso for a bounty.

Mr. SIMMONS. That is the only fair way to do it.

The PRESIDENT pro tempore. The Chair desires to know what the understanding is.

Mr. McCUMBER. I simply desire to divide the amendment into two parts. The first part of it is to strike out the proviso, and we will vote on that first; and then vote upon the insertion of the matter which I have sent to the desk.

The PRESIDENT pro tempore. It is so understood, and the Chair will so consider it. The Secretary will state the first part of the amendment.

The ASSISTANT SECRETARY. In paragraph 1635, page 230, beginning in line 6, strike out the proviso down to and including line 14, as follows:

Provided, That for a period of five years beginning on the day following the passage of this act there shall be levied, collected, and paid on the actual potash (potassium oxide) content of all the foregoing a duty of 2½ cents per pound for the first two years; 2 cents per pound for the third year; 1½ cents per pound for the fourth year; and 1 cent per pound for the fifth year: *Provided further*, That thereafter the said potash content shall be free of duty.

Mr. McCUMBER. I think that can be voted on without a roll call.

The PRESIDENT pro tempore. The question is upon agreeing to that portion of the amendment.

Mr. LODGE. Let us have the yeas and nays.

Mr. SIMMONS. I do not believe we need the yeas and nays. I think everyone favors that.

Mr. LODGE. I think we had better have the yeas and nays. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. OVERMAN. Mr. President, I ask that the letter which I hold in my hand from a prominent citizen of North Carolina in regard to the potash question, a very able and interesting communication, be placed in the RECORD.

The PRESIDENT pro tempore. Without objection, the request is granted.

The letter is as follows:

WINSTON-SALEM, N. C., *July 10, 1922.*

Hon. LEE S. OVERMAN,
United States Senate, Washington, D. C.

DEAR SIR: I am coming to you in behalf of the proposed legislation which has a very important bearing on the fertilizer industry, namely, that involving tariff on imported potash salts. I believe I speak the mind of the agricultural class when I tell you that any tax that would be the means of their fertilizers costing them more than at present would be a distinct burden, especially as I feel that there is no class of our people who have suffered more in the last several years than the farmers of the South, especially so with those in the cotton belt.

As I understand it, this tax proposes to put a tariff on imported potash salts equivalent to $50 per ton for the first and second years, $40 for the third year, $30 for the fourth year, and $20 for the fifth year. It has been estimated that this would mean an additional cost to the farmers in the five years of between fifty and fifty-five millions of dollars, and I certainly do not believe that the farmers in the country are in a position to stand this tax at this time.

I suppose you are aware of the fact that approximately 75 per cent of the fertilizer used in the United States annually is consumed in the territory south of the Mason and Dixon line and east of the Mississippi River, or, I might say, in the Southeastern States. This is the section that has been particularly hard hit among the agricultural people, and I can speak very feelingly of their slow recovery, as I, like a large number of other fertilizer companies, am still carrying a tremendous amount of money over from the 1920 business, when the depression first hit our people. I certainly feel that these farmers of the South are entitled to get back on their feet before added burdens are put upon them, and I sincerely hope that you share this view; and it will be certainly most pleasing to see that you would oppose any such measure that would put an import tax on raw potash that is now being brought in from Europe.

With expressions of high esteem, believe me,

Respectfully yours,

UNION GUANO CO.,
W. H. MASLIN, *President.*

The PRESIDENT pro tempore. The yeas and nays have been ordered on the first part of the amendment proposed by the Senator from North Dakota [Mr. McCUMBER], which is to strike out the proviso in paragraph 1635, which has been read.

The reading clerk proceeded to call the roll.

Mr. EDGE (when his name was called). I understand that my pair, the Senator from Oklahoma [Mr. OWEN], if present would vote as I propose to vote. Therefore I am at liberty to vote. I vote "yea."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "yea."

Mr. JONES of New Mexico (when his name was called). I understand that my pair, the senior Senator from Maine [Mr. FERNALD], would vote on this question as I shall vote. I vote "yea."

Mr. McCUMBER (when his name was called). Transferring my pair as on the previous vote, I vote "yea."

Mr. STERLING (when his name was called). Making the same announcement as before, I vote "yea."

Mr. SUTHERLAND (when his name was called). I understand that my pair, the senior Senator from Arkansas [Mr. ROBINSON], if present would vote as I shall vote. Therefore I feel at liberty to vote. I vote "yea."

The roll call was concluded.

Mr. WATSON of Georgia. I transfer my pair with the senior Senator from California [Mr. JOHNSON] to the senior Senator from Nevada [Mr. PITTMAN] and vote "yea."

Mr. UNDERWOOD. The Senator from Mississippi [Mr. HARRISON] is unavoidably absent. If present and not paired he would vote "yea" on this question.

The result was announced—yeas 66, nays 1, as follows:

YEAS—66.

Ashurst	Gerry	McLean	Stanfield
Ball	Glass	McNary	Stanley
Brandegee	Gooding	Moses	Sterling
Bursum	Hale	Myers	Sutherland
Calder	Harreld	New	Swanson
Cameron	Harris	Nicholson	Townsend
Capper	Heflin	Oddie	Trammell
Caraway	Jones, N. Mex.	Overman	Underwood
Colt	Jones, Wash.	Pepper	Wadsworth
Cummins	Kendrick	Phipps	Walsh, Mass.
Curtis	Keyes	Pomerene	Walsh, Mont.
Dial	Ladd	Rawson	Warren
Dillingham	Lenroot	Reed	Watson, Ga.
Edge	Lodge	Sheppard	Watson, Ind.
Ernst	McCormick	Simmons	Willis
Fletcher	McCumber	Smoot	
Frelinghuysen	McKinley	Spencer	

NAYS—1.

Shortridge

NOT VOTING—28.

Borah	Harrison	Nelson	Poindexter
Broussard	Hitchcock	Newberry	Ransdell
Culberson	Johnson	Norbeck	Robinson
du Pont	Kellogg	Norris	Shields
Elkins	King	Owen	Smith
Fernald	La Follette	Page	Weller
France	McKellar	Pittman	Williams

So the first part of Mr. McCUMBER's amendment was agreed to.

The PRESIDENT pro tempore. The question is upon agreeing to the second part of the amendment offered by the Senator from North Dakota [Mr. McCUMBER], which the Secretary will state.

The ASSISTANT SECRETARY. On page 286, after line 16, insert a new section to be known as section 321.

Mr. McCUMBER. Mr. President, the amendment has already been read in full.

There are a few pertinent facts which I think ought to be entered in the RECORD upon the provision which is now pending. The first of those pertinent facts is that prior to the World War we produced practically no potash in the United States. We ought to remember that. Prior to the war potash was selling for about $40 a ton; but, being unable to produce it, when the war came we were at the mercy of the potash producers of the world outside the United States. The result of that merciless situation was that potash rose from $40 a ton to more than $500 a ton; and in the pending tariff bill the question is presented to the Senate whether or not we wish again to put the country in that condition at any time in the future or whether we shall take any steps whatever to develop that industry in the United States.

I call attention to the fact that the potash salts in which we are principally interested are kainite, muriate, and sulphate. The muriate and sulphate contain about 50 per cent of potash while the kainite contains about 16 per cent of potash. In 1918 the United States, with the encouragement which we had during the war, produced 50,000 tons of potash. On the basis of the 1918 production of 50,000 tons, the proposed bounty of 2½ cents per pound for the first year, 2½ cents a pound for the second year, 2 cents a pound for the third year, 1½ cents a pound for the fourth year, and 1 cent per pound for the fifth year will amount to the following sums:

The first year it would be $2,500,000; the second year $2,500,000; the third year $2,000,000; the fourth year $1,500,000; and the fifth year $1,000,000, or a total of $9,500,000, which the American people would be called upon to pay in cash for the benefit of the producers of potash.

The war price of potash was $4.50 per unit of 20 pounds—I take the average war price—or $450 per ton. The 1921 price was $1.80 per unit of 20 pounds, or $180 per ton. Mr. President, I think it not uninteresting to note the effect of the war on prices, on importations, and the building up of the potash industry in the United States. I will take the year 1915. The production for that year in this country was 4,374 tons of crude potash. In 1918 we had increased our production from 4,374 tons to 207,686 tons, the available content of potash of which was 54,803 tons.

Mr. FLETCHER. Mr. President——

Mr. McCUMBER. I yield to the Senator from Florida.

Mr. FLETCHER. The Senator from North Dakota has stated the fact that we were producing 54,803 tons of potash in this country. I wish he would state where we are producing it and how it is being produced in the United States.

Mr. McCUMBER. We are producing it mostly in the West—in Nebraska, in Utah, and in California. I understand that about half of the production came from Nebraska in 1918. I desire, Mr. President, to insert in the RECORD the table which is found on page 16 of the United States Tariff Commission Survey A–16.

The PRESIDENT pro tempore. Without objection, permission is granted.

The table referred to is as follows:

Potash produced and sold in the United States, 1915–1919.

Year.	Number of producers.		Production.[2]		Sales.[1]		
	Total.	Exclusive of producers of wood-ash potash.	Crude potash.	Available content of potash (K_2O).	Crude potash.	Available content of potash (K_2O).	Value f. o. b. plant.
			S. tons.	*Short tons.*	*S. tons.*	*Short tons.*	
1915[3]	5	5	4,374	1,090	4,374	1,090	$342,000
1916	70	25	35,739	9,720	35,739	9,720	4,242,730
1917	95	46	126,961	32,573	126,961	32,573	13,930,577
1918	128	77	207,686	54,803	140,343	38,580	15,839,618
1919[4]	77	45	119,736	32,418			

[1] Production and sales were practically the same from 1915 to 1917, and no distinction was made between them.

[2] Although no production was reported from wood ashes, it is probable that an appreciable quantity of potash was produced from that source in 1915.

[3] Supplied by the United States Potash Producers' Association.

Mr. FLETCHER. I desire to make one further inquiry of the Senator. What I had in mind was the effort which was being made to produce potash from some kind of seaweed, some vegetable of some kind or other, on the Pacific coast.

Mr. SMOOT. From kelp.

Mr. McCUMBER. There is no production of any importance from that source.

Mr. FLETCHER. I desire to ask the Senator from North Dakota if that effort has been a success, or whether that method of producing potash is still being prosecuted?

Mr. McCUMBER. I presume the Senator from Florida refers to the attempt to produce potash from kelp?

Mr. FLETCHER. Yes.

Mr. McCUMBER. I notice that the quantity produced from kelp in 1916 was 1,850 short tons—a very small amount.

Mr. President, taking muriate of potash—and I have stated that the important classes are muriate, sulphate, and kainite—in 1909 we imported free of duty 132,734 tons of muriate of potash. The importations grew up to 1914, when they amounted to 234,855 tons. Then came the war, and in 1916 we imported 2,126 tons of this potash to supply the entire American demand; in 1917 we imported 606 tons; and in 1918, 506 tons. The price continued to increase as the importations grew less. In 1909 the value per unit was $35.85; in 1917 it had jumped to $288.45 per unit. I will ask to insert the table relating to muriate of potash found on page 31 of the Tariff Information Surveys, A–16.

The PRESIDING OFFICER (Mr. WADSWORTH in the chair). Without objection, it is so ordered.

The table referred to is as follows:

Imports for consumption.

POTASH, MURIATE OF.

Fiscal year.	Rate of duty.	Quantity (tons).	Value.	Value per unit of quantity.
1909	Free	132,740	$4,758,906	$35.85
1910	do	174,935	5,640,541	32.24
1911	do	191,324	6,449,575	33.71
1912	do	216,101	7,235,728	33.48
1913	do	199,854	6,737,757	33.71
1914	do	234,855	7,925,781	33.75
1915	do	102,882	3,660,333	35.58
1916	do	2,126	460,883	216.78
1917	do	606	174,806	288.45
1918	do	506	168,979	263.38
1919	do	1,677	201,307	120.04

Mr. McCUMBER. Again, Mr. President, taking sulphate of potash, we find that in 1909 the quantity that was imported for consumption was 27,239 tons; in 1917 it dropped to 656 tons; and in 1918 to 136 tons. It will be noted that while in 1909 the unit value was $42.17, in 1919 the unit value had advanced from $42.17 to $170.10.

I ask that the table on page 43, relating to "Imports for consumption of potash, sulphate of, crude or refined," may be printed in the RECORD.

The PRESIDING OFFICER (Mr. BRANDEGEE in the chair). Without objection, it is so ordered.

The table referred to is as follows:

Imports for consumption.

POTASH, SULPHATE OF, CRUDE OR REFINED.

Fiscal year.	Rate of duty.	Quantity (tons).	Value.	Value per unit of quantity.
1909	Free	27,239	$1,148,607	$42.17
1910	do	37,963	1,399,915	36.90
1911	do	47,441	1,952,370	41.15
1912	do	45,134	1,853,235	41.05
1913	do	42,877	1,798,399	41.94
1914	do	7,596	315,029	41.47
1914	do	37,389	1,572,462	42.06
1915	do	21,705	1,071,623	49.37
1916	do	2,427	197,806	81.50
1917	do	656	20,538	31.30
1918	do	136	19,837	145.86
1919	do	137	23,304	170.10

Mr. McCUMBER. In the year 1909 we imported 344,525 tons of the kainite; in 1916, after the war broke out, we imported 64 tons; and in 1917 and 1918 we did not import a single ton, but the price was $5.73 in 1909, and in 1916 it advanced to $28.04 per unit. Now, I ask that the table on page 45 may also be inserted.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table referred to is as follows:

Imports for consumption.

KAINITE.[1]

Fiscal year.	Rate of duty.	Quantity (tons).	Value.	Value per unit of quantity.
1909	Free	344,525	$1,974,165	$5.73
1910	do	479,241	2,268,363	4.82
1911	do	586,474	2,637,105	4.49
1912	do	479,817	2,400,589	5.00
1913	do	466,184	2,149,689	4.61
1914	do	526,112	2,579,619	4.90
1915	do	79,124	444,996	5.62
1916	do	64	1,795	28.04
1917	do			
1918	do			

[1] Entered in 1909 as "Kieserite," kyanite, or cyanite, and kainite.

Mr. McCUMBER. The committee was faced with this situation—a simple one, which any Senator can easily understand—if we raised the duty on potash undoubtedly it would be carried on to the consumer; but, while the consumers are paying the proposed bounty for a few years—I will not say how many, but under the provisions of the amendment as it was proposed the bounty will cease to be paid after five years—we would be developing an industry in the United States which would operate as a lever, at least, to preserve our own prices to some extent and to protect us against the possibility of another war, which would result in raising the price from $40 a ton to more $500 per ton. The committee, desiring both to assist the farmer in securing his potash at as reasonable a rate as possible and without raising that rate, agreed finally to place potash upon the free list and to recommend a bounty, as we did under the McKinley bill on sugar, for the purpose of developing the industry in the United States. It will be an investment, but, Mr. President, I think it will be a good investment, and therefore I support the provision.

Mr. OVERMAN. Mr. President——

Mr. McCUMBER. I yield to the Senator from North Carolina.

Mr. OVERMAN. I should like to inquire if the Senator's committee has estimated the amount of money that will be required to pay this bounty?

Mr. McCUMBER. Oh, yes; I gave it.

Mr. OVERMAN. I did not hear it.

Mr. McCUMBER. The estimate is two and a half million dollars the first two years, $2,000,000 the next year, $1,500,000 the next year, and $1,000,000 the next year, on the basis of 50,000 tons of production.

Mr. OVERMAN. I thank the Senator.

Mr. McCUMBER. That would make $9,500,000 that the American public would pay out of the Treasury for these five years in an attempt, possibly an experiment, to determine

whether or not we could so develop that industry that in all probability it would meet to a great extent the demands in the United States.

Mr. STANLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Kentucky?

Mr. McCUMBER. I yield to the Senator from Kentucky.

Mr. STANLEY. Suppose this industry does develop under the stimulus of this bounty, and produces not 50,000 but 200,000 tons of potash, what then? I see that we imported, in 1920, 120,000 tons of one form of potash, 15,000 tons of another, and 372,000 tons of another. Suppose that we produce 100,000 or 150,000 tons of potash, then the bounty would be three times the amount of the estimate, would it not?

Mr. McCUMBER. Yes; it would be if we produced that amount within those years; but the Senator notes, of course, that the bounty is fixed on a descending scale, and in order to get that higher bounty the amount that the Senator suggests would have to be produced between the first year and the second year, and I think that is an impossibility.

Mr. STANLEY. The first year the bounty is 2 cents a pound, is it not, on all potash produced?

Mr. McCUMBER. Two and a half cents a pound.

Mr. STANLEY. Suppose we produced 100,000 tons the first year?

Mr. McCUMBER. My statement is that I think that is an impossibility. I do not think we can reach a production beyond 50,000 tons. It is the opinion of the experts that we probably will not go, at least, very much beyond that.

Mr. STANLEY. Why do they estimate 50,000 tons?

Mr. McCUMBER. When we were not importing any at all, the highest production was about 54,000 tons.

Mr. STANLEY. When potash was worth four or five hundred dollars a ton?

Mr. McCUMBER. Yes.

Mr. STANLEY. Your estimate is, then, that no process has yet been developed which will produce potash in any great amount commercially within the cost of the potash imported from Germany under normal conditions?

Mr. SMOOT. Mr. President, I would not want to say that. I think that after they get in operation, and get established, more than likely they can. I will say to the Senator that down in Marysvale, Utah, we have mountains of it in the alunite mines there. There is no limit to it—simply mountains of it for miles and miles and miles—and they are beginning now to work it again.

They began during the war to work that ore; they also began on the south side of the lake, and on the north side of the lake; but they did not get the plants built until the war ceased, and until all demand for the potash had ceased. Without this bounty or a duty to enable them to get started, there would be no earthly use of their going to the extent of even completing their plants at an expense, I should say, of between ten and fifteen million dollars to establish this industry in the different parts of the West. They are lying there idle. There is not a single plant operating in the United States to-day. There is over $30,000,000 invested now, but, as I say, the plants are lying there uncompleted. They started to build, but the plants are uncompleted. They never ran any time at all.

Mr. STANLEY. Suppose we give them this duty, and they complete their plants: Will they produce potash then as cheaply as we can import it?

Mr. SMOOT. They can, with this bounty. If they do not, at the end of the term of the bounty they lose what they have invested; that is all.

Mr. STANLEY. Is there any well-established estimate as to the cost of producing a ton of potash at the end of two or three years compared with the cost of the foreign product?

Mr. SMOOT. If the system works out as they anticipate, I have not any doubt but that they can produce it from the waters of Salt Lake, and from the salt beds of Nevada, and also from the mountains of alunite that they can work and that they have already worked during the war. I have not any doubt about it at all.

Mr. STANLEY. The Senator has not any doubt about their producing potash as cheaply as it can be produced in Germany?

Mr. SMOOT. I do not know about producing it as cheaply as it can be produced in Germany.

Mr. STANLEY. Or within $24 a ton as cheaply?

Mr. SMOOT. Oh, yes; there is not any doubt about that.

Mr. OVERMAN. Some of the potash produced during the war was sent through the country to the farmers and destroyed their crops.

Mr. SMOOT. That was the potash from Searles Lake, where the first shipments had borax in them. I have the Government report upon it. That happened only just one year, and that was because of the fact that in refining the potash that year the borax was not taken out, and it did burn the crops in some cases a great deal.

Mr. OVERMAN. It destroyed the crops.

Mr. SMOOT. That, however, has all been corrected; and that only happened at one place in the United States, namely, Searles Lake, near where the greatest borax deposits in the world, I suppose, are located.

Mr. OVERMAN. In what State?

Mr. SMOOT. In California. The borax became a part of the deposits of potash there, and when they first produced potash they did not take out the borax, and they sold the potash with the borax in it, and when it was mixed for fertilizer it hurt the crops wherever it was put upon the ground; but that has all been done away with.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield; and if so, to whom?

Mr. McCUMBER. I yield to the Senator from Kentucky, and then to the Senator from Ohio.

Mr. STANLEY. I have one other question. Have they estimated the maximum output of the plants in which this $20,000,000 has been invested?

Mr. SMOOT. There is more than that invested.

Mr. STANLEY. Do they know about the number of tons of potash that they can produce if the plants were completed and operating?

Mr. SMOOT. The plants completed cost a little over $30,000,000. They were in operation during the war to their full capacity and produced 54,000 tons of potash; but, in addition to those plants that were operating, there are these other plants, on which I think at least $10,000,000 has been spent, that are in course of erection. They are not completed and never have produced potash in commercial quantities. They have produced it in a little testing plant there, so as to show that it really can be done; but as far as the product in the soil or the mountains in one case is concerned, and the product in the water and in the brine in the other, with the Searle Lake deposits, the Agricultural Department say that there is not any question but that they have a hundred years' supply for this country known to-day.

Mr. STANLEY. Did the experts make any estimate of the cost per ton of converting these deposits into potash by this means?

Mr. SMOOT. I will say to the Senator that that can not be well done with the new deposits. Improvements have to be made. I have not any doubt, before they can compete with the German product; but the men are perfectly willing to put in their money if they have this bounty for five years, and if they can not do it in that time they will have to lose all that they have to put in.

I want to say to the Senator that the opposition to the House provision of a duty came from the farmers of the country. Mr. Gray Silver was very much opposed to it and so were the representatives of all the other farm organizations. They are not opposing a bounty, because they want to be free from a condition that is existing to-day that I shall bring to the attention of the Senate. I want to read the contracts that Germany and France to-day are compelling the potash purchasers in America to sign. Germany takes contracts for 75 per cent of all that is consumed in this country; France takes contracts for the other 25 per cent. Their contracts are, word for word, alike and they will not sell a single pound of it unless the American purchasers sign contracts for the whole amount.

Mr. REED. Mr. President——

The PRESIDING OFFICER (Mr. WADSWORTH in the chair). Does the Senator from North Dakota yield to the Senator from Missouri?

Mr. McCUMBER. Yes.

Mr. REED. It appears, then, that France and Germany have no difficulty in getting together when it is a case of skinning America in a commercial transaction.

Mr. SMOOT. I will say to the Senator that I want to put copies of both of those contracts into the RECORD——

Mr. REED. I hope the Senator will.

Mr. SMOOT. And I want the Senate to read each contract, and I will read here the papers where the announcement was made that an agreement had been made between Germany and France for furnishing potash to this country.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. The Senator from North Dakota has the floor.

Mr. McCUMBER. I will yield for a moment to the Senator from Ohio, and then I desire to close my very brief statement on this subject.

Mr. POMERENE. Mr. President, I voted in favor of free potash. I feel that these fertilizers ought to be free to the agricultural interests of the country. I know, of course, something about the meager deposits that there are in Nebraska and Utah, and perhaps California. I do not think it has been demonstrated as yet that there is a sufficient quantity there to make the potash commercially profitable to produce. The same situation existed as to ferromanganese, tungsten, and other alloy metals. I think it was perfectly clear from the debates on the floor of the Senate that such ferromanganese and tungsten as we had, as well as the other alloy ores, are low-grade ores. There is a very great deal of uncertainty as to whether they can ever be produced from our deposits in commercially profitable quantities. Now, the question that occurred to me was this:

Why do you adopt the policy of a tariff to encourage the production of ferromanganese and tungsten, and then, when it comes to potash, discard the protective theory entirely and adopt the bounty system of encouraging production? If the one scheme is advisable as to the ores that are used for alloys, why not in the other; or, if the bounty system is advisable when it comes to potash, why not as to the other?

Mr. McCUMBER. I think the Senator fully understands the "why" of it, just exactly the same as we understood the "why" and the "wherefore" when we put a bounty upon sugar in the McKinley tariff bill. We did not want to raise the price of sugar to the public. We did want to develop the sugar industry in the United States. We regarded that as something of a national matter, and so we said in the McKinley bill that we would not impose that extra hardship upon the American people of paying the greater price, at least not upon all of them, but would make it a great national project, and would experiment with the raising of beet sugar in the United States. If it was a success, then we would lower our bounties, or take them away in time.

In this case we are faced with the problem of whether we shall continue to purchase all of our potash abroad, and be entirely dependent upon a foreign supply, or whether we are willing to pay the cost of the experiment; and I will say that, so far as I am concerned, I think it is more or less in the experimental stage. I think, however, we can produce it in sufficient quantities. The question is not so much a question of quantity and production, as it is a question of freight rates from the fields of production to the principal fields of consumption. I think we can produce the quantity.

Mr. POMERENE. With all due respect to my good friend, I do not think he has answered my question. Whether I accept it or not is a different proposition, I know what the argument was in favor of the sugar bounty. I can understand that if that is accepted, you want to apply it to potash, and so forth; but my question was why you want to have a different scheme when you come to ferromanganese?

Mr. McCUMBER. For one thing, we want to develop the industry. Assuming that is what we are after, I will answer the Senator. The only way we can develop the industry is either by a duty upon the product which will afford protection, or by a bounty. Let us suppose that the tariff proposition would be voted down—and we are satisfied that it would be voted down—then we are driven to the other method, if we desire to have the protection.

There is a difference between a thing of that kind and taxing the steel companies by a duty. The Senator can easily understand that the Senate and the House of Representatives might be induced to vote for a bounty on the production of an article, but would not be willing to vote for a tariff duty to be paid entirely by the agriculturists; and if it were a question whether the duty would be paid by the steel people, they might not be willing to do it. That is a fair statement of the case.

Mr. POMERENE. I am not clear about it.

Mr. McCUMBER. I think the Senator is.

Mr. POMERENE. It is not quite a fair statement to say that the burden is on the steel people. In one sense of the word, it is; they must pay this increased price. But that is passed on to the consumer.

Mr. McCUMBER. Sometimes. It depends.

Mr. POMERENE. It was conceded here in the course of the argument, I think, that the duty on the alloys would add $10,000,000 per year to the cost of steel to the consumers. I think those figures were generally admitted here. I was trying to get some reason which would satisfy my mind as to why the one system was adopted in one instance and another in the other. I want it distinctly understood that I am in favor of placing all of these fertilizers on the free list. I think the more we encourage the fertilizers to come in the more benefit we will be conferring on the farming interests of the country. I have not any doubt about that.

Mr. McCUMBER. The Senator is satisfied of one thing—that the Senate did vote to put a duty on ferromanganese?

Mr. POMERENE. I think it did.

Mr. McCUMBER. Suppose that instead of that duty we had proposed to give a bounty equal to that duty. The Senator knows just as well as I do that we could not have carried that through. It is not a question as to why we adopted this system.

Mr. POMERENE. I can settle that with entire satisfaction to myself, at least so far as my own vote is concerned. I do not think it has been demonstrated that you have deposits of ferromanganese or tungsten in this country which can be produced in commercially profitable quantities. Of course, I have no personal knowledge on this subject, and I am dependent on what the steel interests say with regard to it. They are convinced that such deposits do not exist, or, at least, that they have not been discovered in such quantities as will justify an attempt to produce them in this country. That is the situation.

The Senator from Utah has made the statement that the Agricultural Department said they thought there were vast quantities of this potash out in the West. It may be that they have eyes with which they can see into the interior of the earth and tell how much there is or how much there is in solution in water, or something of that kind. It may be that they have that power. We had predictions, 40 or 50 years ago, that by this time the coal deposits of this country would be exhausted. That was the wisdom of the day. That was departmental wisdom. Perhaps we have some more departmental wisdom; I do not know.

Mr. McCUMBER. I answered the question which the Senator propounded to me, and answered it fully. It does not make any difference whether the Senator agrees with me or not; he asked me why we adopted one course in one instance and another course in the other instance, and I say, frankly, it was so as to get the provision through. We hope to be able to give a bounty. We did not have much hope of carrying the provision for a protective tariff. We may be in error in both cases. But that was the theory, and the only theory, on which we abandoned the general tariff duty and adopted the proposition for a bounty.

Mr. POMERENE. The reason does not seem to satisfy my mind, but I certainly do appreciate the Senator's candor.

Mr. REED. Mr. President——

Mr. McCUMBER. I yield to the Senator from Missouri. I want to finish, however, in just a moment.

Mr. REED. If the Senator from Utah is going to discuss this question, I will wait, because I think he is perhaps going to answer the matter I was going to inquire about, and I will not take the Senator's time.

Mr. McCUMBER. I wanted to answer just one proposition with reference to the prospects of production in the United States.

The Senator from Ohio thinks that there is no method by which the geological surveys can form a fair estimate of the quantity, at least that in sight. The Senator knows that this product is found in old lake bottoms. It is very easy to determine, by sinking wells in different parts of a lake, the depth of it and how far down you can go and still have this product before you get to the original bottom of the lake, and therefore I think it quite a simple process of determining the number of cubic yards in a lake's bottom and the quantity of potash that may be extracted therefrom.

I want to read just a paragraph or two from the Survey of the Tariff Commission, from the same pamphlet from which I read a short time ago. On page 7 it is stated:

> Before the outbreak of the war there was practically no potash produced in this country. The domestic production during the war has been developed until in 1918 the output from all sources was about 54,000 short tons of actual potash (K_2O), or about 20 per cent of our normal pre-war consumption. About one-half of the domestic production in 1918 came from the saline lakes in Nebraska. The estimated productive capacity of the domestic industry in 1919 was 100,000 short tons of actual potash, but because of the uncertain market the actual production amounted to only 32,418 tons.

I especially call attention to this:

> It is estimated that the resources of the Nebraska lakes will be depleted in about 10 years at the rate of the 1918 production. Searles Lake, in California, is estimated to contain as much as 20,000,000 tons of actual potash.

The Senator from Utah undoubtedly is well informed as to the probabilities of securing potash in large quantities in his own State, and I will leave to him to discuss that feature of the case. The only question before us, really, is whether we want to try this experiment of developing the industry in the

United States and are willing to pay this much for that experiment. I believe it would be money well invested; but, after all, it is a question fraught possibly with some uncertainty.

Mr. LENROOT. Mr. President, I sincerely hope that the Senate will not adopt this amendment and embark upon the sea of bounties. If it does, if the door shall be here opened, as is proposed by the committee, the Treasury of the United States will have to be enlarged, because there will be demands for bounties similar to that which is here proposed from every quarter, from every part of the country.

If the precedent be set here to-day, we will have in the future pork-barrel bills composed of bounties compared to which river and harbor bills, which have been criticized severely in the past, will seem like nothing.

I am amazed that the committee, this committee which has under its care the protection of the Treasury of the United States, should bring to the Senate this proposition, and especially with so little foundation in merit. The chairman of the committee very frankly states that the only reason they have proposed this bounty was that they knew that the Senate would vote down a tariff rate upon this potash. That means that the chairman of the committee was satisfied that a majority of the Senate would be of opinion that the farmer, who utilizes this fertilizer, was not sufficiently interested in American production to be willing to pay the increased price of the fertilizer in order to secure it, and I think the chairman was correct in that estimate of the Senate, because I do not believe that the farmers of America are willing to pay the rates proposed in this bill in order to secure possible American production of this particular fertilizer. The chairman seems to be of the opinion that while the farmers who utilize the product would not be willing to pay the increased price of it the American people as a whole, who will not be directly interested in or benefited by it, would be willing to pay it out of the Treasury of the United States. That is the position the chairman of the committee occupies.

Mr. McCUMBER. Mr. President, if the Senator will allow me, the chairman of the committee does not occupy the position that the people of the United States are not directly interested in the preservation of an industry of this kind.

Mr. LENROOT. No; but the farmer whose success depends upon having fertilizer is not sufficiently interested, the chairman thinks, to pay the increased rate himself, and I agree with him. If the farmer is not sufficiently interested, why does the Senator think that the people of the United States as a whole are willing to do what the farmer himself would not be willing to do?

Oh, the chairman of the committee said it is only $9,500,000; $2,000,000 the first year, $2,000,000 the second year, and so on, and at the end of five years it will cease. What are the facts? He said we need it in case we should get into war again so that we would not be in the same predicament we were in during the last war. But about 50 per cent of this bounty, according to the report of the Tariff Commission, will go to the producers in Nebraska. The Tariff Commission have reported, and the chairman read the report, that the source in Nebraska will be entirely exhausted in 10 years, so that we would pay them $1,000,000 a year for four or five years; and the proposition is, therefore, to maintain an industry in Nebraska that has to go out of business in 10 years anyway.

Then we come to the only other known sources of supply, which are Searles Lake in California, and Salduro Salt Marsh in Utah, according to the report of the Tariff Commission. I will ask the Senator from Utah [Mr. SMOOT] what the freight rate is on this commodity from Utah to the South or Atlantic coast points, if he can tell me.

Mr. SMOOT. Mr. President, I will say to the Senator that I can not say definitely now, but I will look it up and tell the Senator before he concludes, if possible.

Mr. LENROOT. I would like to have it in the RECORD, because the committee has said that in five years the bounty shall no longer continue. The use of the fertilizer to-day is in the Central West, east of the Mississippi River, the Atlantic Coast States, and the South. Will the chairman of the committee say to the Senate how he expects Searles Lake, in California, or Salduro Marsh, in Utah, to compete with Germany at the end of five years with potash on the free list, paying the freight rate upon the commodity from Utah and California to the place where it is used? Of course that is a question that can only be answered in one way, and that is that after the bounty ceases, if it does cease, there will be no further market in the East for the Searles Lake and Utah product, and we will again depend upon Germany; but in the meantime the Treasury of the United States will have been drained of $9,500,000.

Then again, who will be the beneficiaries of the bounty? According to the report of the Tariff Commission there are two companies operating on Searles Lake and only two. They have all the deposits there.

Mr. SIMMONS. Mr. President——

Mr. LENROOT. I yield to the Senator from North Carolina.

Mr. SIMMONS. May I say to the Senator, before leaving the point he was just now discussing, that as I understand the data which I have here, of the total amount of potash consumed in the United States about 64 per cent is consumed in the States east of the Mississippi River and in the State of Maine.

Mr. LENROOT. Now, of course, at the end of five years, unless the bounty is again continued, the German potash will again supply that 64 per cent. That is inevitable. So far as the remaining 36 per cent is concerned, the potash that will be utilized in the Rocky Mountain States, they will have that market without the bounty and without a tariff rate because the freight rate, which is a bar against them sending their product to the Atlantic Coast States, will likewise operate as a bar against German potash entering the Rocky Mountain States, and for the same reason.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Ohio?

Mr. LENROOT. I yield.

Mr. POMERENE. If the bounty is to be for the direct benefit of the farmer, why would it not be wise for the Treasury of the United States to pay directly to the farmer so much per pound for every pound that he uses instead of giving it to the companies which are producing the potash?

Mr. LENROOT. I shall not undertake to answer that question. I want to come back to the Nebraska situation: The chairman of the committee has said that we need the production so that in case of war, if any war occurs again, we will have a supply of our own. If that be true we had better save that 10 years' supply in Nebraska and not exhaust it now, so that in case we do get into another war we will have the supply there that would be near the territory where it would have to be used—nearer than Utah or California. So that from the Senator's own standpoint, if we want to look out for the farmer in the future, let us not utilize the small supply we have that is now anywhere near the place where it could be used.

Coming back again to the question of who would be the beneficiaries of this bounty there are two companies that have all of the Searles Lake supply in California, which the Tariff Commission says amounts to something like 20,000,000 tons. One of the companies, I happen to know, was organized while potash was upon the free list, or at least became active during that time. Senators will remember that company was before the Congress of the United States, interested in legislation that would permit them to secure those deposits by leases. They went on before the war came on. They are going on to-day and they will have a limited market, of course, for whatever they can produce. That will be an increasing market, as fertilizer is required in that particular territory. But this bounty would be a gift to that company of 2½ cents per pound, or $50 a ton for every ton that they produce, without any resulting benefit to the American people or to the farmer. Does anyone suppose that company, with its 2½ cents a pound bounty, would sell its fertilizer to anyone in California or in the Rocky Mountain States for any less sum because they had secured $50 a ton out of the Treasury of the United States? They would get all they could, of course, and they would ship it as far east and as far west as they could meet German competition, and no farther.

As to the Utah company of the Salduro Salt Marsh, the Tariff Commission speaks of one plant that has possibilities and that will be the beneficiary of the bounty. Then the Tariff Commission speaks of three small companies trying to secure potash from the waters of Salt Lake, but up to this time they have not been very successful.

So, Mr. President, the $9,500,000 will go to three or four companies in California and Utah, and such production as there may be in Nebraska, which the Tariff Commission has said in any event will be exhausted inside of 10 years.

Mr. President, I am not going to make any argument upon the constitutionality of this provision except to say that in the sugar bounty case, which has been referred to, the Supreme Court of the United States, in the case of Field against Clark, expressly declined to rule upon the constitutionality of the sugar bounty because it said it was not necessary to the decision of that case, but I shall read just a paragraph:

> Appellants contend that Congress has no power to appropriate money from the Treasury for the payment of these bounties, and that the provisions for them have such connection with the system established by the act of 1890 that the entire act must be held inoperative and void.

The question of constitutional power thus raised depends principally, if not altogether, upon the scope and effect of that clause of the Constitution giving Congress power "to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States." (Article I, sec. 8.) It would be difficult to suggest a question of larger importance, or one the decision of which would be more far-reaching. But the argument that the validity of the entire act depends upon the validity of the bounty clause is so obviously founded in error that we should not be justified in giving the question of constitutional power, here raised, that extended examination which a question of such gravity would, under some circumstances, demand.

Later on the question came before the court in various forms. Senators will remember that Congress renewed the bounty for an additional year and that was sustained, the court said, upon the moral obligation that the sugar growers, by reason of the existence of the act, had been induced to make great expenditures, and that would be sustained irrespective, the court said, of whether the original act was constitutional or not.

So I say that we have a very grave constitutional question here, but we have a graver question of policy. I sincerely hope that the Senate of the United States, especially in times like these, with the burdens of taxation which are so great that there is criticism all over the country with reference to them, is not going to open the door here as is now proposed by the Committee on Finance by taking $9,500,000 out of the Treasury of the United States and by that action invite every special interest from one end of the country to the other to come to the Finance Committee of the Senate in the future and ask for bounties for their products such as they will have given to the potash industry.

Mr. SMOOT. Mr. President, I wish that each Senator had read in detail the testimony which was taken by the Finance Committee. If Senators had done so I think that those who are interested in seeing that America has potash for her agricultural necessities would decide that some action on the part of Congress must be taken if the agricultural interests of the United States are to keep out of the clutches of two powerful syndicates, one in Germany and the other in France, both working in complete harmony to control the potash which is produced in all the world.

Not only that, Mr. President, but the fertilizer manufacturers in this country are working hand in glove with those two syndicates. The vice president of the Virginia-Carolina Chemical Co., Mr. S. D. Crenshaw, who is interested in potash mines in Germany, testified before the Committee on Finance. In the report on the fertilizer industry issued in 1916 by the Federal Trade Commission, the Virginia-Carolina Chemical Co. is stated to be the owner of 50 per cent of the Gewerkshaft-Einigkeit, located at Fallersleben, Germany, and owning German potash mines. The Virginia-Carolina Chemical Co. is also stated to be the owner of 90 per cent of the Chemical Works-Schonebeck (Ltd.), situated at Schonebeck, Germany, and engaged in the chemical manufacturing business. Mr. Crenshaw was interested in having free potash, not, of course, for his financial benefit; oh, no; but for the benefit of the dear farmer. I wish Senators knew what his company has been doing to the farmer; not what the company charged for the potash alone, but what they charged for the other elements of which the manufactured fertilizer is composed.

H. A. Houston, a witness heard by the Finance Committee on the subject of potash, is the head of the German Kali Works, a corporation incorporated in 1909 under the laws of New York, and the recognized American branch of the German potash trust, or Kalisyndikat. The German Kali Works have acted as the propaganda agents in this country of the German syndicate, and Mr. Houston's duties have involved the dissemination of German propaganda with reference to German potash salts and experimentation looking to the increased use of German potash in the United States. The German Kali Syndicate has been back of recent propaganda designed to influence the farmers of the United States against American potash on the ground that the quality of American material was not up to the standard.

When Mr. Crenshaw was before the committee he stated that he represented 34 of the fertilizer manufacturers of the United States. In answer to questions which were asked him by members of the committee it developed that he had entered into a contract with the German producers which bound the fertilizer manufacturers of this country to buy from the German syndicate at least 75 per cent of all the potash they use for making fertilizer. In that contract, Mr. President, it is also provided that if they buy more than the 75 per cent they get certain discounts. I asked him to have sent to the committee a copy of the contract and the names of those who signed it, or of those in whose behalf he signed. A copy of that contract will be found on page 4731 of the hearings before the Finance Committee of the Senate in the volume covering the free list.

Mr. SIMMONS. May I ask the Senator from Utah what is the price named in the contract to which he has just referred? I understand those to be contracts between American importers and German and French producers.

Mr. SMOOT. Does the Senator wish me to take up the time of the Senate to read it?

Mr. SIMMONS. No; I merely wish to know the prices.

Mr. SMOOT. As to that I will read from the contract as follows:

Schedule 1, minimum purchases on 75 per cent basis: Muriate of potash 80–85 per cent, basis 80 per cent K. C. L.

In bags of 200 pounds even weight the price is $30.60, while in bulk the price is $29.17.

Then, I will say to the Senator, the strength of each of the various grades is given here. I will ask that the table may be inserted in the RECORD, so that Senators may examine it and see exactly what it is.

There being no objection, the table was ordered printed in the RECORD, as follows:

	In bags of 200 pounds even weight.	In bulk.
Schedule 1, minimum purchases on 75 per cent basis:		
Muriate of potash 80–85 per cent, basis 80 per cent K. C. L	$30.60	$29.17
Sulphate of potash 90–95 per cent, basis 90 per cent K_2SO_4	40.05	38.92
Double manure salt 48–53 per cent, basis 48 per cent K_2SO_4	20.47	19.35
Manure salt 30 per cent, basis 30 per cent K_2O	14.40	13.27
Manure salt 20 per cent K_2O	8.32	7.20
Kainit 12.4 per cent K_2O	4.05	3.82
Schedule 2, minimum purchases on 100 per cent basis:		
Muriate of potash 80–85 per cent, basis 80 per cent K. C. L	29.70	28.57
Sulphate of potash 90–95 per cent, basis 90 per cent K_2SO_4	38.70	37.57
Double manure salt 48–53 per cent, basis 48 per cent K_2SO_4	19.80	18.67
Manure salt 30 per cent, basis 30 per cent K_2O	13.95	12.82
Manure salt 20 per cent K_2O	8.32	7.20
Kainit 12.4 per cent K_2O	4.72	3.60

Mr. SIMMONS. That price is not based upon the potash content?

Mr. SMOOT. Yes; the price is based upon the potash content. The price of $29.17 per 200 pounds in bulk is on a basis of 80 per cent K. C. L.

Mr. SIMMONS. That is the price of the foreign article?

Mr. SMOOT. I am quoting the prices at which the foreign manufacturers are selling potash to buyers in this country.

Mr. SIMMONS. The figures do not represent the potash content in the article, but refer to the degree of strength of the article.

Mr. STANLEY. The article which is quoted at a price of $29.17 would contain about 17 per cent of potash.

Mr. SMOOT. I can not tell from this table just what the strength is, but I have read the manner in which the quality of the potash is designated.

Mr. SIMMONS. That is about 80 per cent.

Mr. SMOOT. It reads: "Basis 80 per cent K. C. L."

Mr. SIMMONS. At a price of $29.17.

Now, does not the Senator from Utah think, in view of the fact that what he quotes is the selling price in a foreign country, that we ought to pay a bounty, if we are going to pay a bounty, of 2½ cents per pound, which would be $50 a ton?

Mr. SMOOT. The price I am quoting is at the mines in Germany and for basis 80 per cent K. C. L., and I can not tell the Senator what it is going to cost to get it here.

Mr. SIMMONS. Water freight rates are not very high.

Mr. SMOOT. They are not so high as railway freights, I am quite sure.

Mr. SIMMONS. The point I am making is that the bounty proposed is practically twice as much as the price in the foreign country free on board.

Mr. SMOOT. That is abroad, but not twice as much.

Mr. SIMMONS. Yes; abroad.

Mr. SMOOT. The bounty of 2½ cents, I will say to the Senator, is on the potash content itself. The fertilizer usually manufactured contains only about 4 per cent of potash. It is true that fertilizer used for tobacco and potatoes has sometimes a potash content as high as 8 per cent; so that in a ton of fertilizer, on the basis of 4 per cent, there would be about 80 pounds of potash; so that a bounty of 2½ cents a pound, the rate for the first year, would be just $2 a ton.

Mr. SIMMONS. But if the Senator will pardon me, the foreign purchase is of salts which contain 80 per cent of pure

potash, and the proposed bounty is 2½ cents a pound upon the pure potash.

Mr. SMOOT. No, not on pure potash; and that is the rate for the first year.

Mr. SIMMONS. Of course, if it contained 100 per cent of potash the foreign article would be raised one-fifth in price, but the price would not go much beyond $35 a ton at best.

Mr. STANLEY. Does the Senator mean a long ton?

Mr. SIMMONS. No; a short ton.

Mr. SMOOT. Two thousand pounds.

Mr. SIMMONS. I should like to have the Senator give us his views as to why we should give a bounty very much more than the total cost of the foreign article abroad for the purpose of stimulating the industry in this country.

Mr. SMOOT. The prices abroad, as the Senator must know, are exceedingly low to-day. There were great quantities of potash held in this country for over a year, and there was so little call for it during that particular year, as the Agricultural Department states, that in 1921 it was forced upon the market and sold for almost any kind of price that could be obtained.

Mr. POMERENE. The Senator is not complaining about that, is he?

Mr. SMOOT. I am not complaining about that. There is quite a history attached to it, which, if I had the time, I could recite.

Mr. KENDRICK. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Wyoming?

Mr. SMOOT. I yield.

Mr. KENDRICK. I should like to ask the Senator if he can tell us how the price of potash to-day compares with the pre-war price?

Mr. SMOOT. Mr. President, the prices are so fluctuating I can not remember the prices for the various years, but the prices at present are lower than any I can remember, even lower than those prevailing before the war.

Mr. KENDRICK. Can the Senator tell us whether there has been any domestic production of potash since the decline in the price? Has not that decline had the effect of putting all our manufacturers of potash out of business?

Mr. SMOOT. The contracts to which I have referred, I will say to the Senator, were made before all ceased operations. When those contracts were made there was no need of a plant in the United States making any potash, no matter what the price, for the contracts provided that all the purchases should be made from foreign companies for the 34 companies.

Mr. KENDRICK. I ask the question, because my impression is that the decline in price closed up all of our potash plants in the West.

Mr. SMOOT. Yes; not only because of the decline in price but because of the contracts which were made. In the same hearings we find that under the peace treaty certain potash mines formerly owned by Germany were turned over to France, and now there are agreements fast and hard that Germany shall supply 75 per cent and France 25 per cent. The contracts are almost word for word the same, and they could not have been drawn in that way unless there had been an understanding between the producers of potash in Germany and the producers of potash in France. They got together that close, and those contracts have been made and they have been signed, and the RECORD shows the names of the fertilizer manufacturers that have entered into those contracts.

Mr. STANLEY. Those were contracts dividing the amount sold in this country between those two competing concerns?

Mr. SMOOT. The German contract is for 75 per cent and the French contract is for 25 per cent.

Mr. STANLEY. That is, the contracts provide that purchasers in this country shall take one-fourth from France and three-fourths from Germany?

Mr. SMOOT. That is the program.

Mr. STANLEY. That is just a division of output among themselves.

Mr. SMOOT. Among themselves.

Mr. STANLEY. That does not affect us, one way or the other.

Mr. SMOOT. Not at all, with this exception: If they can destroy all of the potash production in the United States, what will be the contract price next year? These contracts are only for one year.

Mr. STANLEY. Do those contracts provide that the purchasers here shall take 100 per cent of their demands from Germany and France—25 per cent from Germany and 75 per cent from France?

Mr. SMOOT. Seventy-five per cent from Germany and 25 per cent from France.

Mr. STANLEY. And if they purchase potash elsewhere, they can not get potash from Germany and France?

Mr. SMOOT. They would not allow any to be sold to them elsewhere.

Mr. STANLEY. They sell to this country only on condition that we purchase our entire needs from those two sources. Is that it?

Mr. SMOOT. Yes; and I have here the list of the names of the signers of the contracts. I can put them into the RECORD without reading, or I can read them.

Mr. STANLEY. What I am coming to is this: If they can enforce a contract of that kind, prohibiting certain distributors of potash from purchasing elsewhere than from these mines in France and Germany, what is the use of our offering bounties to concerns that can not find a market?

Mr. SMOOT. Mr. President, all that is produced in the United States, of course, will be sold to the other few fertilizer manufacturers of the country, or directly to the farmers, if they want it; but what the committee thought was this: Knowing what has taken place this year, knowing that the trade has been divided between the two countries, knowing that Germany would not sell that potash unless we agreed to take 75 per cent of all of the potash used by these companies from Germany, knowing that they had contracts with France for the other 25 per cent, and knowing that the contracts were almost word for word the same in the two countries, there is only one conclusion to draw, and that is that they are going to close up all of the potash mines in the United States, and that is what they have done. Not one of them is operating.

Mr. KENDRICK. In other words, the purpose was to leave us just as dependent upon those countries as we were before the war?

Mr. SMOOT. Yes; absolutely. Not only that, Mr. President, but do not think for a minute that this contract has been made for 10 years at these prices. It is only for one year. What will be the demand of those producers next year? Suppose we are not producing any potash in this country, and suppose that all of the plants have gone to wrack and ruin—and it will not take many years for them to do so—at what price do you think you are going to buy potash from Germany and France next year with an agreement of that kind?

Mr. KENDRICK. Mr. President, will the Senator yield?

Mr. SMOOT. Yes; I yield.

Mr. KENDRICK. I have no doubt the Senator is fully informed as to the supply of potash in the country, but in any event the amount is entirely unlimited, as nearly so as can be imagined. In my State alone it is estimated that in one place there is a sufficient supply to furnish the world with potash for 180 years.

Mr. SMOOT. Let me say to the Senator that we have enough in Utah, at Marysvale, in those alunite deposits, to furnish the world with potash for I do not know how many years.

Mr. SIMMONS. Mr. President, may I ask the Senator one question? In what form is that potash in Utah?

Mr. SMOOT. It is found in ore in the mountains; in fact, it is a mountain of ore. It can be mined the same way as you would remove a mountain in one place and put it somewhere else, and in the transfer you take out the potash.

Mr. SIMMONS. Is it in the form of a salt?

Mr. SMOOT. No; it is not a salt. That found around and in the Salt Lake is extracted from a salt brine.

Mr. SIMMONS. What is it?

Mr. SMOOT. It is a potash ore called alunite.

Mr. SIMMONS. What are the other contents of the ore?

Mr. SMOOT. I can not say. Perhaps it is dirt, perhaps talc, or some other material that it is mixed with.

Mr. SIMMONS. What per cent of it is potash?

Mr. SMOOT. That I do not know.

Mr. SIMMONS. How does the Senator know whether or not it is there in commercial quantities?

Mr. SMOOT. I know it is there in commercial quantities, because it has been produced, and a mill was started and was running until the low price interfered with its operation.

Mr. POMERENE. Mr. President, if it is in such vast quantities in the form of a salt, why in the world are we trying to extract it from the water, from the lakes, and so forth?

Mr. SMITH. Mr. President, if the Senator will allow me, it is not in the form of a salt. It is in rock formation, a whole mountain of it.

Mr. SMOOT. Potash has been extracted for a number of years in a small way.

Mr. SMITH. I know it has, but not in anything like commercial quantities——

Mr. SMOOT. Oh, yes.

Mr. SMITH. And not in any way to compete with the cheap form of potash known as German kainite. That does not need any treatment at all. It is taken right out of the mines and simply ground and shipped to the agriculturists throughout the country. I myself have been a large user and importer of potash in the form of what we call kainite, and I was a little surprised to see that the Tariff Board calls attention to that form of potash. It is taken out and shipped without any treatment, without any evaporation or any processing at all, except just to break up the lumps in which it occurs. One German geologist estimates that there is enough available right there to last the world, at the rate of 5,000,000 tons a year, for 600,000 years. Of course, those are big figures. There is no place upon the face of the earth that can compete with that kind of a deposit; and if we put a bounty or a tariff on the production of potash in this country it means that the farmers of this country who are dependent upon that one ingredient that is not found outside the red lands of the Piedmont regions of the country, will have to burden themselves with whatever tax is imposed, either in the form of a tariff or a bonus, in order to procure the necessary crops in this country.

Mr. SMOOT. If they mine that the same as they do copper at the Utah copper mines, and handle it in the way that they extract copper, Germany will have no advantage at all in lifting her ore a thousand feet or more.

Mr. POMERENE. Mr. President, let me ask the Senator a question. Does the Senator really think we ought to adopt this bounty system now, so far as potash is concerned?

Mr. SMOOT. The only reason why I would support the bounty for the few years that are proposed is because I want to see those establishments within the next five years demonstrate whether or not they can make enough potash in the United States to supply the demands of the United States. If they can, I want to say to the Senator now that the payment of this bounty would be the cheapest possible thing for the American people.

Mr. POMERENE. Mr. President, the Senator has just given to the Senate absolute assurance that there are deposits of potash in Utah sufficient to supply the farming communities of this country for hundreds of years. He does not seem to have any doubt about that; so it would seem to me that there is not any necessity for this bounty for the next three or four or five years.

Mr. SMOOT. The Senator knows that these German and French producers control the industry of the whole world; and does the Senator think for a moment that they are going to allow any industry to be established in the United States that is going to interfere with them if they can help it?

Mr. POMERENE. Mr. President, I have not a great deal of detailed knowledge on that subject, but I do know that it costs them just as much to get potash from the Atlantic coast into the interior of the country as it costs the people westerly to get it to the place where it will be consumed.

Mr. SMOOT. I think when it runs through a mill, and the pure potash is extracted, the freight rate is not going to have the disadvantages that the Senator thinks.

Mr. POMERENE. This freight rate is a very peculiar thing. It is a dreadful burden in certain instances and no burden at all in other instances, as it would seem.

Mr. SMOOT. I suppose the Senator is referring to magnesite. That is a heavy earth and shipped by the ton.

Mr. POMERENE. In what form does potash exist in these mountains in Utah?

Mr. SMOOT. I have already stated that. It is in the form of a mineral in the earth that forms the mountains.

Mr. SMITH. It is in the form of rock, is it not?

Mr. SMOOT. Sometimes it is in the form of rock and sometimes it is in loose deposits—in fact, the whole mountain contains potash.

Mr. SMITH. Mr. President, if the Senator will allow me——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from South Carolina?

Mr. SMOOT. I do.

Mr. SMITH. This German potash has been coming to the United States ever since we began to use commercial fertilizers, and the price of it in this country, except during the period of the war, when we had an embargo on German potash, was in a way negligible.

Mr. SMOOT. It was not so when a few years ago before the war some Americans went to Germany, because the price of potash had risen so high, and purchased two mines in Germany, and then they found out that the German Government would not allow them to export it. The Senator must remember the action that President Roosevelt took at that time.

Mr. SMITH. But, Mr. President, in the spring of this year German kainite, which during the war and during the embargo went to almost fabulous prices for the potash contained in the kainite——

Mr. SMOOT. They had an embargo on it.

Mr. SMITH. Oh, I understand; but I want to call the Senator's attention to the fact that this spring it could be sold on the market for about eleven or twelve dollars a ton, which was back to the pre-war price. It was offered freely all through the South Atlantic States, or at least in my State, at practically the pre-war price, in any quantity that you desired to get, and that was already available for fertilizer purposes.

Right in this connection, let me say that I was interested in listening to the Senator a moment ago when he spoke about the fertilizer companies using this ingredient and then charging a high price for the balanced fertilizer. The truth of the matter is that nearly all the farmers who use the potash use it directly from the ship. I do not suppose there are more than 10 per cent of the farmers of the South Atlantic States but that use their potash—either the muriate, which runs 25 to 30 per cent, or the kainite, which runs about 12½ to 15 per cent—just in the form in which it is imported; that is, in the South Atlantic States. I suppose more backward people——

Mr. POMERENE. For cotton?

Mr. SMITH. For tobacco, for potatoes, for truck of all sort; the fact of the matter is, for general agricultural purposes. There is what is called the balanced fertilizer. That is where the factory will put it up in the form of these mixed ingredients, three of them—the ammonia, or, in other words, potash, and phosphoric acid, and nitrate; but most of them buy their ingredients. For instance, they get cottonseed meal for their nitrogen content, or blood and tankage, or they will use nitrate of soda, and buy the muriate of potash or the kainite and the phosphoric acid, what they call acid phosphate. They take those and mix them in just whatever proportions they see fit. The phosphoric acid comes directly from the mines where they crush the rock and treat it with the sulphuric acid to produce phosphoric acid, and then they get their kainite direct from ship side and their nitrate of soda direct from ship side, and, of course, there are vast quantities of the fertilizer mixed for the convenience of individuals. They mix it for them, sometimes, according to order.

The PRESIDENT pro tempore. Will the Senator from Utah permit the Chair to make an observation?

Mr. SMOOT. Certainly.

The PRESIDENT pro tempore. It may be believed by Senators that this question can be debated by any Senator for two hours. That is not the opinion of the Chair. No Senator can speak more than one hour upon it.

Mr. SMOOT. Mr. President, I am perfectly aware of that, and I do not want to take the full hour, although half of my time has been taken up by others.

The story told by the Senator from South Carolina is a beautiful one. Everybody knows that the fertilizer manufacturers of this country use the great bulk of potash shipped into this country. There may be a farmer, like the Senator from South Carolina, who mixes it himself; but everybody knows that the American fertilizer manufacturers put the potash into fertilizer. I think there is generally four units of potash in a ton of fertilizer.

Mr. SMITH. Mr. President, the Senator certainly has misrepresented the facts, unintentionally, of course.

Mr. SMOOT. No; I have not misrepresented the facts.

Mr. SMITH. I do not know about the Senator's section of the country, where they do not, perhaps, use it at all; but I am right in the center of the fertilizer-using district of America, and I state here that up to the time of the war the farmers mixed practically 70 per cent of their fertilizer; and they have done so since the war.

Mr. SMOOT. Mr. President, potash which comes into the United States from Germany is under contract with the fertilizer manufacturers of the United States. They do not bring potash in here to sell. They bring potash into the United States to mix into fertilizer, and then they sell the fertilizer.

Mr. SIMMONS. Mr. President, I would like to ask the Senator a question.

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from North Carolina.

Mr. SMOOT. Yes; I yield.

Mr. SIMMONS. During the war we developed factories for the manufacture of potash, and made somewhere between forty and fifty thousand tons a year. That was under the protection of the embargo.

Mr. SMOOT. Germany embargoed it. None of it came out of Germany.

Mr. SIMMONS. During the war there was practically an embargo on it, and under the operation of the embargo we developed that industry. When the embargo was taken off and German competition restored, as I understand the Senator, many of these factories closed up and went out of business.

Mr. SMOOT. They have not gone out of business——

Mr. SIMMONS. They have stopped operations.

Mr. SMOOT. They have stopped operations.

Mr. SIMMONS. Suppose we start them into operation again by allowing them a bounty of $50 a ton, and, under the stimulus of that bounty, they build up quite an industry here during these five years you propose to give them that bounty. Just as in the case of the embargo, at the end of the five years German competition will be opened up again, we will assume. Does the Senator have any apprehension that those factories will again close, again go out of business, and all the bounties we have paid for the purpose of developing this industry go for naught——

Mr. SMOOT. No; I do not think that.

Mr. SIMMONS. Simply because they could not stand up against German competition then, any more than they can stand up against German competition now?

Mr. SMOOT. There is quite a difference between an industry that is wholly developed and one that is just starting. It is easier for the German cartel to kill an industry in its infancy, before it can get started, than if it allows it to get started and get upon its feet. As far as I am concerned, I want to say now that if this bounty is granted—and I would not vote for a general bounty—and that industry can not be established and stand upon its feet at the end of five years, I never shall say another word in advocacy of a bounty.

Mr. TOWNSEND. Mr. President, why did the committee fix the rate at 2½ cents per pound?

Mr. SMOOT. Because of the fact that to get started and established, it will take a greater protection at the beginning to put them on their feet than when they have successfully established and perfected their plants and organization.

Mr. TOWNSEND. How did the committee fix upon the original rate of 2½ cents?

Mr. SMOOT. That is the rate the House fixed; they claimed that if they were given that rate they could meet the competition of Germany under conditions existing then.

Mr. POMERENE. Mr. President, I want to ask the Senator a question. The process by which they produce this potash——

Mr. SMOOT. From a salt brine in most cases.

Mr. POMERENE. From the brine, are well deterimined and defined?

Mr. SMOOT. We have what is termed "an unlimited supply."

Mr. POMERENE. What I am getting at is that the processes have been well determined——

Mr. SMOOT. No; not the processes. The product is well defined.

Mr. POMERENE. I am talking about the processes. That is what I am trying to get at. Does the Senator think that the present processes are not profitable?

Mr. SMOOT. Take the plant at the north end of the lake at Salt Lake City, for instance. They barely got their mills started, their ponds perfected, before the present prices prevented them from operating. The process is to extract the potash by separating it from the salt after the sun has evaporated the water.

The first process they had was not a success. They secured chemists who had had experience with this product in a foreign country. They just got a new process started, and never worked it to any extent before the present condition came about, and they had to close down.

If they can not in five years develop a process which will separate the potash from the salt profitably, so that they can ship the pure potash itself, then they are not going to make a success of it, and if they are willing to spend their millions of dollars in order to further try, with a view of furnishing potash to consumers, the committee feel they ought to be encouraged to the extent of the bounty granted in the bill.

Mr. POMERENE. I asked my question for two purposes, and the one the Senator has answered. But the other purpose was this: We provided for the appointment of a commission to estimate and determine the damages which were sustained by those who had gone into the development of these alloy ores, and, as I recall, it covered potash, too?

Mr. SMOOT. It did not cover potash in the condition in which it is made from the lake, and only in cases where they were directed by the officials of the Government to undertake it.

Mr. POMERENE. But some of them were directed. Were these companies of which the Senator speaks in that number?

Mr. SMOOT. They were not. The Salduros Co. started with a view of establishing a permanent business. They spent about $12,000,000 at the south end of the lake. They have never made any claim against the Government of the United States.

Mr. POMERENE. Then it must be true that they went into it as an enterprise of their own?

Mr. SMOOT. They did.

Mr. POMERENE. And now we are expected to help them along by this bounty?

Mr. SMOOT. It is not only helping them; it is providing for the production of potash in America, which will regulate somewhat in the future the price at which potash shall be sold in the United States. That is all there is to this proposition.

I think I stated before that the farm organizations of the country are against the duty upon potash.

Mr. POMERENE. I agree with them.

Mr. SMOOT. Evidently the Senator does. I knew that without having him say so.

Mr. POMERENE. I wanted to impress it upon the Senator.

Mr. SMOOT. If there is no potash produced in the country, and two syndicates in the world control all the output of potash which will be used in this country and the world; when that condition arises what is the farmer going to pay for his potash? All there is for the Senate to decide is whether they want to say now to all of the potash producers in the United States, "Scrap all your machinery. Don't think of your investments hereafter. They are lost." Or say, "You have thirty to forty million dollars invested. You claim that if we give you time you will produce potash at the end of five years in competition with Germany, and if you can not do that at the end of five years all that you have invested will be lost, and you will take it the same as any other loss you have sustained in any other line of business."

If it were only for the protection of the men who had put their money into the enterprise and lost it, Congress should not act in a case like that. If that were all there was to it, nobody would be here asking that a bounty be given on this product. That is not what the bounty is for. The bounty is for the purpose of demonstrating to the people of the United States and to the consumers of potash that if time is allowed American producers can compete with the German and the French syndicates.

Mr. President, this aid was given to the sugar industry, and it was given to the production of other things in the United States, and I am in hopes that it will be given to potash. But I want to say frankly I could not be induced to put a dollar into a potash plant with the feeling that there is against the industry and the belief that we can depend entirely upon Germany and France for our supplies. But that is for the Senate to say.

Mr. POMERENE. Does the Senator feel that at the expiration of the time for which the bounty is to be given they will not ask for any further bounty?

Mr. SMOOT. I do, because they say they have no intention of doing so; and not only that, but in the meantime, if they can not produce it as cheap and make a profit, they will not want to operate longer. Men will not operate at a loss; that is, for very long. They can do it for this year, or two years, or three years, if there is some prospect of success in the future; but if there is not, men are not going to operate very long at a loss.

Mr. REED. Mr. President, I should like to ask the Senator a question.

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Missouri?

Mr. SMOOT. I was through, I will say to the Senator, but I shall be glad to answer his question.

Mr. REED. I have been compelled to be out of the Senate during nearly all the Senator's remarks and he may have covered the question. If so, I am not going to ask him to repeat it. The Senator called my attention to the fact that there appears to be some sort of mutuality of interest between American importers and the foreign holders of these deposits.

Mr. SMOOT. Yes.

Mr. REED. Has the Senator spoken of that?

Mr. SMOOT. I have covered it.

Mr. REED. Very well; I shall not ask the Senator to repeat it.

Mr. SMOOT. I call the Senator's attention to the fact that the very man, Mr. A. D. Crenshaw, who appeared as a witness before the committee, is vice president of the Virginia-Carolina Chemical Co., which owns works in Germany. He is the man who made the deal for the 34 fertilizer manufacturers of the United States that they should take 75 per cent of the potash they use in the manufacture of fertilizer in the United States from Germany. The record also shows that the same contract

was made by the same 34 people with the French syndicate, almost word for word, for the other 25 per cent. In other words, it means that those 34 manufacturers of fertilizer in the United States are not going to buy one pound of potash from any producer in the United States.

Mr. REED. May I ask the Senator whether he does not think a situation of that kind ought to be dealt with by a direct statute?

Mr. SMOOT. I think something ought to be done in a legislative way. If not, just as soon as they scrap the potash plants in the United States—and if they do not scrap them, time will do it in a very few years, indeed, because the machinery would deteriorate more while lying idle than it would if it were in operation—the American people will pay whatever these two great syndicates dictate.

Mr. REED. I am not passing on the question. I may say by way of parentheses that I regret the agreement to vote on the schedule, as I understand, to-night. Is not that the agreement?

Mr. SMOOT. That is the unanimous-consent agreement, I will say to the Senator.

Mr. REED. I would like to ask if we can not by unanimous consent modify the agreement so that we may have a little more time to discuss this item. I think it is very important. I, of course, have been away, and I have no right to ask any indulgence, but it seems to me, if the Senator has described the situation accurately, as I believe he has, that the bill ought to carry with it a positive enactment of law which will reach the sort of combination he has spoken of, if it is not already covered by the antitrust statute.

Mr. SMOOT. In the hearings I called attention to that fact when Mr. Crenshaw testified. I will say to the Senator, however, there is no need of getting unanimous consent to-night, because when the bill reaches the Senate it will be open to amendment at that time.

Mr. SIMMONS. It will be open to amendment when we arrive at the 11th or 12th of August.

Mr. SMOOT. That is also true.

Mr. REED. But we must vote on this question to-night, and I do not like to vote on it before I have time to go into it thoroughly. As I said, I have no right to ask the Senate to delay because of my prolonged absence. I would like to say that it is utterly wrong in principle and the thing, in my judgment, is intolerable that American dealers should be permitted to sign contracts with foreign producers which exclude or have a tendency to exclude American producers from the market. That is a trust practice in its worst form.

My judgment is that any American manufacturer who will do it ought to be sent to jail for a good, long term, because he is not only cornering American trade and depressing competition but he is doing it in the interest of foreign producers as against all American producers. I think a practice of that kind, when it affects a product so essential to the farmers of a considerable portion of the United States, is something which is deserving of passing notice in this body.

Mr. SMOOT. In the hearings before the committee, on page 4730, when Mr. Crenshaw was before the committee, I made this statement:

SENATOR SMOOT. I desire at this place in the record to have a copy of the contract put in, because I think the committee will find out that it evades all of our antidumping laws.

Mr. CRENSHAW. It does; that is, it provides for the Germans to pay it.

SENATOR SMOOT. It evades all the antidumping laws we may pass. It evades all of the laws passed against combinations or trusts, and I want it to go into the record. I want the American people to understand what these people that are talking against an American industry are undertaking to do with a foreign country. I have no more to say right at this time, but I will when I go onto the floor of the Senate, perhaps.

I ask that the contract of the American Agricultural Chemical Co. and others with the Deutsches Kalisyndikat, G. m. b. H., dated September 28, 1921, with the terms, may be printed in the RECORD. I also ask that the contract of the American Chemical Co. and others with the Societe Commerciale des Potasses D'Alsace, dated November 17, 1921, may be printed in the RECORD.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The contracts referred to are as follows:

Contract of the American Agricultural Chemical Co. and others with Deutsches Kalisyndikat, G. m. b. H., dated September 28, 1921.

Agreement, made this 28th day of September, A. D. 1921, by and between Deutsches Kalisyndikat, G. m. b. H., Berlin, a corporation of Germany, herinafter called the "seller," party of the first part, and the American Agricultural Chemical Co., Virginia-Carolina Chemical Co., International Agricultural Corporation, Armour Fertilizer Works, Swift & Co., F. S. Royste Guano Co., Arkansas Fertilizer Co., Baugh & Sons Co., Berkshire Fertilizer Co., Caraleigh Phosphate & Fertilizer Co., Darling & Co., E. Rauh & Sons Fertilizer Co., Federal Chemical Co., F. W. Tunnell & Co., Georgia Fertilizer & Oil Co., G. Ober & Sons Co., Griffith & Boyd, Gulf Fertilizer Co., I. P. Thomas & Sons Co., Miller Fertilizer Co., Mutual Fertilizer Co., Olds & Whipple, Piedmont-Mount Airy Guano Co., Read Phosphate Co., Reliance Fertilizer Co., Richmond Guano Co., Robertson Fertilizer Co. (Inc.), Rogers & Hubbard Co., Smith Agricultural & Chemical Co., Southern Fertilizer & Chemical Co., W. B. Tilghman Co. (Inc.), Wuichet Fertilizer Co., Wilson & Toomer Fertilizer Co., York Chemical Works, a group hereinafter called the "buyer," as several parties of the second part, the individual members of which group are hereinafter sometimes called "participants"; and

Whereas the participants desire to purchase potash salts from the seller and avail themselves of the highest discounts, as shown by schedules hereinafter set forth; and

Whereas no one of the participants desires to purchase sufficient quantities to entitle it to the highest discount named hereinafter; and

Whereas the participants, by uniting their purchases under this contract, are able to buy at least the quantity which carries the highest discount, as shown by schedules hereinafter set forth; and

Whereas seller is willing to give a discount to the participants making up a group of buyers under this contract on the basis of aggregate quantity purchased.

Now, therefore, for value received, and each in consideration of the agreements by the other herein set forth, the parties agree with each other as follows:

ARTICLE I.—TERM.

The term of this contract shall be from the date hereof to and including April 20, 1922.

ARTICLE II.—QUANTITIES.

Each participant agrees to purchase from the seller at least 75 per cent of its entire purchases of potash salts for the term hereof at the prices set forth in Schedule 1 of Article III hereof, subject to the conditions, discounts, and limitations hereinafter set forth.

The buyer has the right, through S. D. Crenshaw and H. H. Lippincott, to notify the seller within two weeks from the date hereof, by a writing, mailed or delivered to seller at 42 Broadway, New York City, of its intention to purchase from the seller 100 per cent of the entire purchases of the participants of potash salts for the term hereof, in which event each of the participants agrees to purchase from the seller 100 per cent of its entire purchases, and in such event the prices shall be the lower prices set forth in Schedule 2 of Article III of this contract. Whenever notice is required in this contract notice by registered mail or delivery is sufficient.

Each participant agrees that the 75 per cent of its purchases which it is obligated to purchase hereunder shall be a minimum of the number of tons (of 2,000 pounds each) K_2O which is set opposite its name at the end of this article under the caption of "Minimum purchases on 75 per cent basis," it being understood that the remaining 25 per cent may be purchased by participants from any American or foreign sources. Each of the participants further agrees that if it elects to purchase 100 per cent of its entire purchases, such 100 per cent shall be a minimum of one and one-third times the number of tons (of 2,000 pounds each) K_2O which is set opposite its name under the caption of "Minimum purchases on 75 per cent basis," and the seller agrees to sell such minimum quantities which each of the participants is obligated to take.

Seller further agrees to sell to each of the participants, in addition to such quantities, additional quantities not in excess of 33⅓ per cent of such quantities as such participants shall require.

The seller also agrees to sell to each of the participants any further quantities required by them, provided that at the time of the delivery of shipping instructions and during five days thereafter the exchange rate of the German mark shall be not higher than 1.35 cents per 1 mark. If any participant shall through the operation of the condition contained in the preceding sentence not be entitled to receive from the seller the full percentage of its purchases which it has agreed to purchase from seller, it shall be free to purchase such additional quantities from other sellers.

Minimum purchases on 75 per cent basis.

	Tons.
The American Agricultural Chemical Co	10,000
Virginia-Carolina Chemical Co	6,000
International Agricultural Corporation	3,375
Armour Fertilizer Works	2,000
Swift & Co	4,500
F. S. Royster Guano Co	2,000
Arkansas Fertilizer Co	49
Baugh & Sons Co	1,500
Berkshire Fertilizer Co	150
Caraleigh Phosphate & Fertilizer Co	165
Darling & Co	75
E. Rauh & Sons Fertilizer Co	38
Federal Chemical Co	169
F. W. Tunnell & Co	592
Georgia Fertilizer & Oil Co	235
G. Ober & Sons Co	150
Griffith & Boyd	272
Gulf Fertilizer Co	400
I. P. Thomas & Sons Co	529
Miller Fertilizer Co	182
Mutual Fertilizer Co	37
Olds & Whipple	200
Piedmont-Mt. Airy Guano Co	413
Read Phosphate Co	165
Reliance Fertilizer Co	12
Richmond Guano Co	38
Robertson Fertilizer Co. (Inc.)	100
Rogers & Hubbard Co	188
Smith Agricultural & Chemical Co	150
Southern Fertilizer & Chemical Co	50
W. B. Tilghman Co. (Inc.)	338
Wuichet Fertilizer Co	113
Wilson & Toomer Fertilizer Co	1,275
York Chemical Works	220
Total	35,680

It is understood that the above minimum quantities include deliveries of potash salts since June 1, 1921.

ARTICLE III.—*Price and payment.*

	In bags of 200 pounds even weight.	In bulk.
Price schedule No. 1:		
Muriate of potash, 80-85 per cent, basis 80 per cent K. C. L.	$37.00	$35.75
Sulphate of potash 90-95 per cent, basis 90 per cent K_2SO_4	47.50	46.25
Double manure salt 48-53 per cent, basis 48 per cent K_2SO_4	25.75	24.50
Manure salt 30 per cent, basis 30 per cent K_2O	19.00	17.75
Manure salt 20 per cent, basis 20 per cent K_2O	12.25	11.00
Kainit 12.4 per cent K_2O	8.50	7.25
Price schedule No. 2:		
Muriate of potash 80-85 per cent, basis 80 per cent K. C. L.	36.00	34.75
Sulphate of potash 90-95 per cent, basis 90 per cent K_2SO_4	46.00	44.75
Double manure salt 48-53 per cent, basis 48 per cent K_2SO_4	25.00	23.75
Manure salt 30 per cent, basis 30 per cent K_2O	18.50	17.25
Manure salt 20 per cent K_2O	12.25	11.00
Kainit 12.4 per cent K_2O	8.25	7.00

Per 2,000 pounds net weight in good order ex-vessel Boston, New York, Philadelphia, Baltimore, Norfolk, Wilmington (N. C.), Charleston, Savannah, Brunswick, Fernandina, Jacksonville, Tampa, Mobile, Pensacola, New Orleans, Galveston, St. John (N. B.), or Halifax (N. S.), provided quantities ordered for each respective port are sufficient to obtain freight room at reasonable freight rates.

Freight: Freight to be deducted from the invoice and paid by participants on discharge at port of destination in accordance with charter party and/or bill of lading.

Analysis and weight: Participants agree to accept seller's weights, tares, and analyses; seller agrees to furnish certificates of analyses for potash salts packed in bags and certificates of analyses and of weights for potash salts in bulk.

If manure salt 20 per cent shall test by seller's analysis more than 20 per cent K_2O, or kainit 12.4 per cent more than 12.4 per cent K_2O, such excess is free of charge; but if the two above-mentioned grades shall test by seller's analysis less than 20 per cent and 12.4 per cent K_2O, respectively, then seller agrees to make a pro rata allowance.

If participant shall at any time with reason claim that an error in weight or in analysis has been made, seller agrees through its New York office to give the matter its prompt attention and proper consideration and to adjust the same without unreasonable delay.

Payment: The amount of each invoice, less freight, shall be paid by each of the participants in cash in New York City. Each participant shall, within 14 days after the date of this contract, furnish to seller a detailed estimated statement of quantities and grades of potash salts constituting the minimum quantity of K_2O which it shall at the time be obligated to take hereunder, and shall within said 14 days furnish to seller a confirmed irrevocable letter of credit on a New York City bank or banker to be approved by seller, to continue in effect until final payment for such minimum quantity, at the following rates per ton of 2,000 pounds of potash salts, so specified, as per following schedules, to wit:

	In bags of 200 pounds even weight.	In bulk.
Schedule 1, minimum purchases on 75 per cent basis:		
Muriate of potash 80-85 per cent, basis 80 per cent K. C. L.	$30.60	$29.17
Sulphate of potash 90-95 per cent, basis 90 per cent K_2SO_4	40.05	38.92
Double manure salt 48-53 per cent, basis 48 per cent K_2SO_4	20.47	19.35
Manure salt 30 per cent, basis 30 per cent K_2O	14.40	13.27
Manure salt 20 per cent K_2O	8.32	7.20
Kainit 12.4 per cent K_2O	4.05	3.82
Schedule 2, minimum purchases on 100 per cent basis:		
Muriate of potash 80-85 per cent, basis 80 per cent K. C. L.	29.70	28.57
Sulphate of potash 90-95 per cent, basis 90 per cent K_2SO_4	38.70	37.57
Double manure salt 48-53 per cent, basis 48 per cent K_2SO_4	19.80	18.67
Manure salt 30 per cent, basis 30 per cent K_2O	13.95	12.82
Manure salt 20 per cent K_2O	8.32	7.20
Kainit 12.4 per cent K_2O	4.72	3.60

Each participant shall, within 40 days after the date of this contract, furnish to seller a detailed revised and corrected statement of quantities and grades of potash salts constituting its minimum tonnage of K_2O, and the total amount of the letter of credit issued as above provided shall be readjusted accordingly.

Whenever any participant shall have paid for the aggregate minimum tonnage of K_2O which participant is obligated to purchase under this contract, said letter of credit shall be released and seller agrees to notify the bank or banker to that effect.

Whenever credits thus established by any participant shall have been exhausted or so released, such participant shall thereafter, either before or at the time of delivery of shipping orders, furnish additional like letters of credit covering quantities so ordered at the above rates per ton of 2,000 pounds of potash salts.

Seller agrees to deliver in exchange for payment seller's invoice, consular invoice, certificate of analysis, certificate of weights (for crude salts only), bill of lading, and charter party (if any). In case any of the foregoing documents are delayed and not obtainable on the day of presentation to the New York bank or bankers, seller will present invoice and delivery order and proof of arrival of steamer at port of destination, and agrees and guarantees to furnish the foregoing documents as soon as they come to hand, and in any event within 21 days, and each of the participants agrees to instruct its bank or banker accordingly. Each of the participants, however, shall have the right to give seller a bank acceptance maturing four months from the date of presentation of documents or delivery order and bearing interest at the rate of 6 per cent per annum in lieu of cash; and in such a case seller agrees to repay to such participants one-half of 1 per cent for the bank-acceptance commission. Seller agrees, if so desired by any participant, not to present the documents to the New York bank or bankers before the steamer has arrived at port of destination.

ARTICLE IV.—SHIPMENT.

Shipments are to be made according to shipping instructions to be delivered to seller at 42 Broadway, New York, N. Y., at any time during the term hereof. Each of the participants agrees to order shipments as early as possible. Goods shall be ordered in quantities of not less than 200 tons of bulk goods and/or 50 tons of bag goods to a shipment. Seller agrees to make prompt shipments at such times as participants shall direct.

Seller agrees to pay a discount of 1½ per cent (to be calculated on the prices set forth in the schedules in Article III) on all shipments ordered by any participant prior to October 15, 1921, for September/October shipment, 1921. This discount is to be deducted from each invoice.

Seller has the right to make deliveries ex-store Atlantic and Gulf ports in place of shipments from abroad, and in that case the term "ex-store" shall be equivalent to the term "ex-vessel," provided that cost shall be not greater to the participants at their respective works than if delivered ex-vessel, and in such case seller shall furnish public sworn weighers' weights and analysis certificate of Stilwell & Gladding of sample drawn by public sampler, or certificate of any other reputable chemist selected by seller and approved by participant.

Discharge of goods: Participants shall receive potash salts as per bill of lading and charter party (if any) as soon as steamer is ready to discharge, after having secured proper berth, in northern ports as fast as steamer can discharge; in southern ports, south of Baltimore, at the rate of not less than 400 tons of 2,240 pounds each per day, Sundays and holidays excepted and weather permitting. On shipments to southern ports seller agrees to stipulate in charter parties that the steamer shall discharge at two wharves as designated by respective participants, provided there is a sufficient depth of water at such wharves. If possible, seller shall also stipulate for discharge at a third wharf, but in such a case participant shall pay the expense of removal of the steamer from the second to the third wharf. Any lighterage at port of discharge is for participants' account, but participants guarantee only 19½ feet of water at Wilmington, N. C., Charleston, and Savannah, and only 20 feet at Mobile, Ala. Seller shall provide in charter party that respective participants shall have privilege of stevedoring at current rates of port.

ARTICLE V.—DISCOUNTS.

QUANTITY DISCOUNT.

Seller represents to buyer that its scale of quantity discounts is:

	Tons K_2O.
1 per cent upon purchases of	1,000
3 per cent upon purchases of	5,000
5 per cent upon purchases of	10,000
8 per cent upon purchases of	20,000
10 per cent upon purchases of	30,000

Inasmuch as the total minimum quantities which participants are obliged to take hereunder which include the quantities heretofore purchased by the participants since June 1, 1921, from the seller under contracts whereby the seller agreed to protect the participants against any subsequent decline in price, aggregate in excess of 30,000 tons, seller agrees to give participants a quantity discount of 10 per cent (to be calculated on the prices set forth in the schedules in Article III). This discount shall be deducted from each invoice.

Seller agrees not to give to any other buyers of potash salts in the United States (Atlantic and Gulf ports) and/or Canada any higher discounts for the respective quantities than above stated or any lower prices or better terms than herein contained.

SPECIAL DISCOUNT.

Seller further agrees to pay a special discount of 2 per cent (to be calculated on the prices set forth in the schedules in Article III) on all quantities of potash salts sold hereunder which shall be resold by any participant to dealers and/or consumers in unmixed form. Any participant making such resales shall upon furnishing to the seller an affidavit of the total tonnage of each grade of such sales, be entitled to receive such discount within 60 days after April 30, 1923.

SEPARATE DISCOUNT.

Seller agrees to pay to any of the participants a separate discount of 1 per cent (to be calculated on the prices set forth in the schedules in Article III) on all deliveries made to such participants, provided:

(1) Such participant shall state in its price lists that potash salts can now be had in all required quantities, and that it is advisable to buy mixed goods containing as high a percentage of potash as is suitable to the respective crops; and

(2) Such participant shall instruct its selling organization and salesmen to sell and recommend mixed goods containing as high a percentage of potash as is suitable to the respective crops.

Any such participant shall, upon furnishing to seller an affidavit stating that it has fully complied with the above conditions, be entitled to receive such discount within 60 days after April 30, 1922. Failure of any participant to comply with such conditions shall not deprive any other participant of its right to such separate discount.

ARTICLE VI.—PROTECTION OF PARTICIPANTS.

In case seller during the term of this contract shall sell to any purchaser of potash salts in the United States to or through Atlantic and Gulf ports and/or Canada any grade or grades of potash salts, whether mentioned in this contract or not, at lower prices and/or allow or pay to any such purchaser higher discounts or better terms than those named in this contract, then and in such event, such lower prices and/or higher discounts and/or better terms shall also apply to this contract with retroactive effect as though such lower prices and/or higher discounts and/or better terms had originally been contained in this contract; provided that nothing herein contained shall preclude the seller from selling to other groups of buyers and allowing discounts on the basis of

the aggregate purchases of such groups under contracts containing similar provisions to those of this contract.

In the event that potash salts should be offered to any participant at lower net prices than those named in this contract, such participant shall be entitled to buy such salts, provided:

(1) That the quantity so offered to such participant shall be bona fide and substantial, aggregating approximately 1,000 tons K_2O.

(2) That notice of the net price at which such potash can be purchased shall have been given to the seller in New York, at 42 Broadway, and the seller shall not within five days thereafter have notified the participant that it intends to meet such lower price by reducing the prices named in this contract to such price offered to the participant.

In case the seller should elect so to reduce the net prices specified in this contract, such reduction shall apply to all participants and to all quantities not yet shipped to the participants, during the entire remainder of the term of this contract. No quantity discount from such reduced prices shall be allowed.

In the event that the seller should not elect to reduce its prices for the remainder of the term of the contract to meet the prices offered to any participant, then any such participant shall have the right on notice to the seller given to it in New York, at 42 Broadway, to cancel and to terminate so much of the contract as shall cover so much of the grade of potash salts for which such offer at a reduced price has been received and accepted, and which reduction of price the seller is unwilling to meet as above set forth.

In the event that the seller should determine not to reduce its prices, but to permit any participant to purchase such salts at such reduced prices from other sellers, it shall not in any wise affect the right of such participant or of any other participant to receive the quantity discount of 10 per cent to which each participant is entitled hereunder, and each participant shall be entitled to receive such discount notwithstanding it shall make such purchases from other sellers of potash salts.

In the event that seller shall not reduce its price in the event of a lower price being offered to any participant, and shall permit such participant to purchase potash salts from others as herein provided, seller agrees immediately to notify the bank or banker issuing the letters of credit hereinabove referred to that the credit of such participant has been reduced by an amount to be determined by multiplying the number of tons (of 2,000 pounds) of the grade of potash salts as to which the contract is so canceled by the rate applicable to the grade as specified in the table of rates set forth in this contract above in paragraph entitled "Payment."

In the event that seller shall reduce its price to meet the prices offered by others, seller agrees immediately to notify the bank or banker issuing the said letters of credit of such reduction of price and of the corresponding reduction in the liability of each and every participant under said letters of credit to an amount to be computed as follows: The tonnage of each grade which such participant shall at the time still be obligated to purchase shall be multiplied by the reduced price applicable; from each such sum thus obtained there shall be deducted an amount equal to the number of tons (of 2,000 pounds each) of such grade multiplied by $2.70.

The prices named in Article III and the discounts named in Article V of this contract shall also apply to all quantities received or ordered by participants since June 1, 1921, and such quantities shall be deemed to be included within the terms and conditions of this contract.

The seller further agrees that if the prices in Article III shall hereafter be reduced, as above provided in the first paragraph of Article VI, such reduced prices shall then be applicable to the purchases referred to in the preceding sentence.

In the event of war, revolution, fire, flood, strike, accident, or any other contingencies beyond the control of the participants happening to such number of the factories owned and operated by any participant or its branches that the operation thereof shall be interfered with or interrupted in such manner as to prevent such participant from using all the merchandise agreed to be purchased by it under this agreement, such participant has the right to cancel such portion of this contract as may be affected thereby by giving notice to the seller in New York to that effect, provided said goods shall not have been shipped or vessels to carry the same shall not have been chartered prior to notice being given to seller of the existence of such impediments. Such cancellation shall not deprive the participant so canceling, or any other participant, of the quantity discount which it is entitled to hereunder.

ARTICLE VII.—PROTECTION OF SELLER.

In case of war, revolution, fire, flood, strikes, accidents, or any other contingencies beyond the control of the seller happening to such number of the mines or works represented by it as to make impossible the production or transportation of the goods herein described, seller shall have the right to cancel this contract with reference to the shipments which may be so affected or to make these shipments after the said impediments and contingencies shall have been removed, provided the respective participants who shall have ordered such shipments agree thereto. Should seller notify any participant that it is prevented from making deliveries in case of war, etc. (as above), such participant shall have the right to buy the quantities so affected from other sellers of potash salts. The quantity discount to which the participants are entitled hereunder shall not be reduced because of such cancellation and such purchases from other sellers of potash salts.

Each participant agrees expressly to use or sell potash salts bought from seller under this contract only in the United States, Canada, Cuba, and Porto Rico. Shipments to Cuba and Porto Rico may be ordered direct to those countries by participants at the same prices and discounts named in this contract except as to difference in freight. Deliveries of mixed fertilizer goods containing potash may be made to any country.

This contract embraces only shipments of potash salts to Atlantic and Gulf ports of the United States and Canada.

This contract further embraces only shipments of potash salts for agricultural purposes. Shipments for chemical purposes are excluded from this contract, but seller agrees to bind such buyers as buy potash salts for chemical purposes not to resell them for agricultural purposes.

ARTICLE VIII.—TAXES AND DUTIES.

Seller hereby assumes and agrees to pay any tax or duty which may be imposed or assessed by the German Government in any way affecting deliveries under this contract. However, if the German Government shall impose or assess any new tax or duty, seller shall have the right or option to cancel any unshipped part of the contract, except as to the minimum quantities which each participant shall be then obligated to take hereunder.

Seller hereby also assumes and agrees to pay any tax or duty affecting deliveries under this contract which may be imposed or assessed by the United States Government under the antidumping act of 1921 or any amendment thereto which may be hereafter enacted, provided, however, in case of such amendment seller shall not be required to pay any tax or duty in excess of amount of tax payable under existing provisions.

On the other hand, each of the participants hereby assumes and agrees to pay any other tax or duty which may be imposed or assessed by the United States Government and/or any war-risk insurance affecting deliveries to it under this contract. However, if the United States Government shall impose or assess any additional tax or duty, each participant shall have the right or option to cancel any unshipped part of the contract except as to the minimum quantity which each participant shall be then obligated to take hereunder and except as to any quantity for which steamers have already been chartered.

ARTICLE IX.

It is hereby expressly provided, anything herein contained to the contrary notwithstanding (subject to the provisions of Art. VI hereof), that in case any participant shall have failed prior to April 1, 1922, to have given to the seller shipping orders or instructions for the full amount of the minimum quantities which it is obligated to purchase set opposite its respective name, that seller shall have the right nevertheless to ship to such participant a quantity of K_2O equal to the difference between such minimum quantity and the quantity for which shipping instructions or orders shall have been so given to the seller. Such quantity of K_2O shall be distributed in any grades whatsoever that the seller may select and shall be shipped to such participant at the port nearest to its factory, and the seller shall be authorized to draw drafts for the purchase price of such potash shipments under the said letter of credit given by such participant under the terms of this agreement, and upon receipt of the documents as hereinbefore provided the bank shall pay such drafts for shipments made under the terms of this paragraph in all respects the same as if the shipments had actually been directed by the participant.

ARTICLE X.

This agreement may be executed in several counterparts.

In witness whereof seller has caused these presents to be executed in its behalf by its managers, W. Forthmann and H. Duehrssen, thereunto duly authorized, and each of the buyers has caused these presents to be executed in its behalf by its officers thereunto duly authorized the day and date first above mentioned.

Executed and delivered in the presence of—

DEUTSCHES KALISYNDIKAT G. m. b. H.

By ——— ———

And ——— ———

—

Contract of the American Agricultural Chemical Co. and others with Societe Commerciale des Potasses D'Alsace, dated November 17, 1921.

Agreement made this 17th day of November, A. D. 1921, by and between Societe Commerciale des Potasses D'Alsace, a body corporate of France, hereinafter called the "Seller," party of the first part, and the American Agricultural Chemical Co., Virginia-Carolina Chemical Co., International Agricultural Corporation, Armour Fertilizer Works, Swift & Co., F. S. Royster Guano Co., Arkansas Fertilizer Co., Baugh & Sons Co., Berkshire Fertilizer Co., Carleigh Phosphate & Fertilizer Co., Darling & Co., E. Rauh & Sons Fertilizer Co., Federal Chemical Co., F. W. Tunnell & Co., Georgia Fertilizer & Oil Co., G. Ober & Sons Co., Griffith & Boyd, Gulf Fertilizer Co., I. F. Thomas & Sons Co., Miller Fertilizer Co., Mutual Fertilizer Co., Olds & Whipple, Piedmont Mount Airy Guano Co., Read Phosphate Co., Reliance Fertilizer Co., Richmond Guano Co., Robertson Fertilizer Co. (Inc.), Rogers & Hubbard Co., Smith Agricultural Chemical Co., Southern Fertilizer & Chemical Co., W. B. Tilghman Co., Wuichet Fertilizer Co., Wilson & Toomer Fertilizer Co., York Chemical Works, who are to purchase from seller not less than 12,500 tons of potash salts (K_2O) as hereinafter provided, together with the following-named persons, who are to purchase additional quantities of potash salts (K_2O) as hereinafter further provided: The Acme Manufacturing Co., A. D. Adair & McCarthy Bros., Anderson Fertilizer & Oil Co., Capital Fertilizer Co., Grasselli Chemical Co., Hubbard Fertilizer Co., Meridian Fertilizer Factory, Savannah Guano Co., Southern States Phosphate & Fertilizer Co., Tupelo Fertilizer Factory, Pelham Fertilizer Co., Charles W. Priddy & Co. (Inc.), a group hereinafter called the "Buyer," as several parties of the second part, the individual members of which group are hereinafter sometimes called "participants"; and

Whereas the participants desire to purchase potash salts from the Seller and avail themselves of the highest discounts, as shown by schedule hereinafter set forth; and

Whereas no one of the participants desires to purchase sufficient quantities to entitle it to the highest discount named hereinafter; and

Whereas the participants, by uniting their purchases under this contract, are able to buy at least the quantity which carries the highest discount, as shown by schedule hereinafter set forth; and

Whereas seller is willing to give a discount to the participants making up a group of buyers under this contract on the basis of aggregate quantity purchased:

Now, therefore, for value received and each in consideration of the agreement by the other herein set forth, the parties agree with each other as follows:

ARTICLE I.—TERMS.

The term of this contract shall be from the date hereof to and including April 30, 1922.

ARTICLE II.—QUANTITIES.

Each participant severally agrees to purchase from the seller, and the seller agrees to sell to each participant, the number of tons (of 2,000 pounds each) of K_2O which is set opposite the name of each participant at the end of this article under the caption "Quantities," at the prices set forth in the schedule in Article III hereof, subject to the conditions, discounts, and limitations hereinafter set forth.

Seller further agrees to sell to each of the participants, in addition to such quantities, additional quantities, not in excess of 33⅓ per cent of such quantities, if any of such participants shall at any time or times during the term hereof so desire.

The seller also agrees to sell to each of the participants any further quantities required by them, provided that at the time of the delivery of shipping instructions and during five days thereafter the exchange rate of the French franc shall be not higher than 7.7 cents, per 1 franc. If any participant shall, through the operation of the condition contained in the preceding sentence, not be entitled to receive from the seller such additional purchases which it has agreed to purchase from seller, it shall be free to purchase such additional quantities from other sellers.

	Tons of 2,000 pounds.
The American Agricultural Chemical Co	8,240
Virginia-Carolina Chemical Co	2,140
International Agricultural Corporation	1,185
Armour Fertilizer Works	714
Swift & Co	1,620
F. S. Royster Guano Co	820
Arkansas Fertilizer Co	17
Baugh & Sons Co	540
Berkshire Fertilizer Co	54
Caraleigh Phosphate & Fertilizer Co	60
Darling & Co	27
E. Rauh & Sons Fertilizer Co	13
Federal Chemical Co	60
F. W. Tunnell & Co	263
Georgia Fertilizer & Oil Co	28
G. Ober & Sons Co	154
Griffith & Boyd	98
Gulf Fertilizer Co	144
I. P. Thomas & Sons Co	395
Miller Fertilizer Co	66
Mutual Fertilizer Co	13
Olds & Whipple	25
Piedmont Mt. Airy Guano Co	148
Read Phosphate Co	59
Reliance Fertilizer Co	27
Richmond Guano Co	13
Robertson Fertilizer Co. (Inc.)	36
Rogers & Hubbard Co	72
Smith Agricultural Chemical Co	54
Southern Fertilizer & Chemical Co	27
W. B. Tilghman Co. (Inc.)	121
Nuichet Fertilizer Co	41
Wilson & Toomer Fertilizer Co	158
York Chemical Works	97
Total	12,529
The Acme Manufacturing Co	30
A. D. Adair & McCarty Bros	27
Anderson Fertilizer & Oil Co	48
Capital Fertilizer Co	27
Grasselli Chemical Co	65
Hubbard Fertilizer Co	540
Meridian Fertilizer Factory	30
Savannah Guano Co	27
Southern States Phosphate & Fertilizer Co	80
Tupelo Fertilizer Factory	32
Pelham Fertilizer Co	27
Chas. W. Priddy & Co. (Inc.)	75
	953
Total	13,482

It is understood that the above quantities include deliveries of potash salts since June 1, 1921.

ARTICLE III.—*Price and price schedule payment.*

	In bags of 200 pounds even weight.	In bulk.
Muriate of potash 80/85 per cent, basis 80 per cent K. C. L.	$37.00	$35.75
Manure salt 20 per cent, basis 20 per cent K_2O	12.25	11.00
Kainit 14 per cent, minimum K_2O	9.43	8.18

Per 2,000 pounds net weight in good order ex-vessel Boston, New York, Philadelphia, Baltimore, Norfolk, Wilmington, N. C., Charleston, Savannah, Brunswick, Fernandina, Jacksonville, Mobile, Pensacola, New Orleans, Galveston, St. John, New Brunswick, or Halifax, Nova Scotia, provided quantities ordered for each respective port are sufficient to obtain freight room at reasonable freight rates.

FREIGHT.

Freight to be deducted from the invoice and paid by participants on discharge at port of destination in accordance with charter party and/or bill of lading.

ANALYSIS AND WEIGHT.

Participants agree to accept seller's weights, tares, and analyses; seller agrees to furnish certificates of analyses for potash salts packed in bags and certificates of analyses and weights for potash salts in bulk.

If manure salt 20 per cent shall test by seller's analysis more than 20 per cent K_2O, or kainit 14 per cent more than 14 per cent K_2O, such excess is free of charge, but if the two above-mentioned grades shall test by seller's analysis less than 20 per cent and 14 per cent K_2O, respectively, then seller agrees to make a pro rata allowance.

If participant shall at any time, with reason, claim that an error in weight or in analysis has been made, seller agrees, through its New York agent, to give the matter its prompt attention and proper consideration and to adjust the same without unreasonable delay.

PAYMENT.

The amount of each invoice, less freight, shall be paid by each of the participants in cash in New York City. Each participant shall, within 14 days after the date of this contract, furnish to seller a detailed estimated statement of quantities and grades of potash salts constituting the minimum quantity of K_2O which it shall at the time be obligated to take hereunder, and shall within said 14 days furnish to seller a confirmed irrevocable letter of credit on a New York City bank or banker to be approved by seller, to continue in effect until final payment for such minimum quantity, at the following rates per ton of 2,000 pounds of potash salts, so specified, as per following schedule, to wit:

Schedule.

	In bags of 200 pounds even weight.	In bulk.
Muriate of potash 80/85 per cent, basis 80 per cent K. C. L.	$30.60	$29.47
Manure salt 20 per cent K_2O	8.32	7.20
Kainit 14 per cent K_2O	5.79	4.66

Each participant shall within 30 days after the date of this contract furnish to seller a detailed revised and corrected statement of quantities and grades of potash salts constituting its tonnage of K_2O, and the total amount of the letter of credit issued as above provided shall be readjusted accordingly.

Whenever any participant shall have paid for the aggregate tonnage of K_2O, which participant is obligated to purchase under this contract, said letter of credit shall be released and seller agrees to notify the bank or banker to that effect.

Whenever credits thus established by any participant shall have been exhausted or so released, such participant shall thereafter, either before or at the time of delivery of shipping orders, furnish additional like letters of credit covering all additional quantities so ordered at the above rates per ton of 2,000 pounds of potash salts.

Seller agrees to deliver in exchange for payment: Seller's invoice, consular invoice, certificate of analysis, certificate of weights (for crude salts only), bill of lading, and charter party (if any). In case any of the foregoing documents are delayed and not obtainable on the day of presentation to the New York bank or bankers, seller will present invoice and delivery order and proof of arrival of steamer at port of destination and agrees and guarantees to furnish the foregoing documents as soon as they come to hand, and in any event within 21 days, and each of the participants agrees to instruct its bank or banker accordingly. Each of the participants, however, shall have the right to give seller a bank acceptance maturing four months from the date of presentation of documents or delivery order and bearing interest at the rate of 6 per cent per annum, in lieu of cash; and in such a case seller agrees to repay to such participants one-half of 1 per cent for the bank-acceptance commission. Seller agrees, if so desired by any participant, not to present the documents to the New York bank or bankers before the steamer has arrived at port of destination.

ARTICLE IV.—SHIPMENT.

Shipments are to be made according to shipping instructions to be delivered to seller's agents, H. J. Baker & Bro., at 81 Fulton Street, New York, N. Y., at any time during the term hereof. Each of the participants agrees to order shipments as early as possible. Goods shall be ordered in quantities of not less than 200 tons of bulk goods and/or 50 tons of bag goods to a shipment. Seller agrees to make prompt shipments at such times as participants shall direct.

Seller has the right to make deliveries ex-store Atlantic and Gulf ports in place of shipments from abroad, and in that case the term "ex-store" shall be equivalent to the term "ex-vessel," provided that cost shall be not greater to the participants at their respective works than if delivered ex-vessel, and in such case seller shall furnish public sworn weighers' weights and analysis certificates of Stillwell & Gladding of sample drawn by public sampler, or certificate of any other reputable chemist selected by seller and approved by participant.

DISCHARGE OF GOODS.

Participants shall receive potash salts as per bill of lading and charter party (if any) as soon as steamer is ready to discharge after having secured proper berth, in northern ports, as fast as steamer can discharge; in southern ports south of Baltimore at the rate of not less than 400 tons of 2,240 pounds each per day, Sundays and holidays excepted and weather permitting. On shipments to southern ports seller agrees to stipulate in charter parties that the steamer shall discharge at two wharves as designated by respective participants, provided there is a sufficient depth of water at such wharves. If possible, seller shall also stipulate for discharge at a third wharf, but in such a case participant shall pay the expense of removal of the steamer from the second to the third wharf. Any lighterage at port of discharge is for participants' account, but participants guarantee only 19½ feet of water at Wilmington, N. C., Charleston, and Savannah, and only 20 feet at Mobile, Ala. Seller shall provide in charter party that respective participants shall have privilege of stevedoring at current rates of port.

ARTICLE V.—DISCOUNTS.

QUANTITY DISCOUNT.

Seller represents to buyer that its scale of quantity discounts is:
1 per cent upon purchase of 1,000 tons K_2O.
3 per cent upon purchase of 5,000 tons K_2O.
5 per cent upon purchase of 10,000 tons K_2O.
10 per cent upon purchase of 12,500 tons K_2O.

Inasmuch as the total minimum quantities which participants are obligated to take hereunder, which include the quantities heretofore purchased by the participants since June 1, 1921, from the seller aggregate in excess of 12,500 tons, seller agrees to give participants a quantity discount of 10 per cent (to be calculated on the prices set forth in the schedules in Article III). This discount shall be deducted from each invoice.

Seller agrees not to give to any other buyers of potash salts in the United States (Atlantic and Gulf ports) and/or Canada any higher discounts for the respective quantities than above stated or any lower prices or better terms than herein contained.

SPECIAL DISCOUNT.

Seller further agrees to pay a special discount of 2 per cent (to be calculated on the prices set forth in the schedule in article 3) on all quantities of potash salts sold hereunder which shall be resold by any participant to dealers and/or consumers in unmixed form. Any participant making such resales shall, upon furnishing to the seller an affidavit of the total tonnage of each grade of such sales, be entitled to receive such discount within 60 days after April 30, 1922.

SEPARATE DISCOUNT.

Seller agrees to pay any of the participants a separate discount of 1 per cent (to be calculated on the prices set forth in the schedule in article 3) on all deliveries made to such participants, provided (1) such participant shall state in its price that potash salts can now be had in all required quantities, and that it is advisable to buy mixed goods containing as high a percentage of potash as is suitable to the respective crops; and (2) such participant shall instruct its selling organization and salesmen to sell and recommend mixed goods containing as high a percentage of potash as is suitable to the respective crops.

Any such participant shall, upon furnishing to seller an affidavit stating that it has fully complied with the above conditions, be entitled to receive such discount within 60 days after April 30, 1922. Failure of any participant to comply with such conditions shall not deprive any other participant of its rights to such separate discount.

ARTICLE VI.—PROTECTION OF PARTICIPANTS.

In case seller during the term of this contract shall sell to any purchaser of potash salts in the United States to or through Atlantic and Gulf ports and/or ex-warehouse and/or Canada any grade or grades of

potash salts, whether mentioned in this contract or not, at lower prices and/or allow or pay to any such purchaser higher discounts or better terms than those named in this contract, then and in such event such lower prices and/or higher discounts and/or better terms shall also apply to this contract with retroactive effect as though such lower prices and/or higher discounts and/or better terms had originally been contained in this contract, provided that nothing herein contained shall preclude the seller from selling to other groups of buyers and allowing discounts on the basis of the aggregate purchases of such groups under contract containing similar provisions to those of this contract.

In the event that potash salts should be offered to any participant at lower net prices than those named in this contract, such participant shall be entitled to buy such salts, provided (1) that the quantity so offered to such participant shall be bona fide and substantial, aggregating approximately 1,000 tons K_2O; (2) that notice of the net price at which such potash can be purchased shall have been given to the seller's agents in New York, H. J. Baker & Bros., at 81 Fulton Street, or to the seller at its office at 25 West Forty-third Street, and the seller shall not within five days thereafter have notified the participant that it intends to meet such lower price by reducing the prices named in this contract to such price offered to the participant.

In case the seller should elect so to reduce the net prices specified in this contract, such reduction shall apply to all participants and to all quantities not yet shipped to the participants, during the entire remainder of the term of this contract. No quantity discount from such reduced prices shall be allowed.

In the event that the seller should not elect to reduce its prices for the remainder of the term of the contract to meet the prices offered to any participant, then any such participant shall have the right on notice to the seller's agents given to them in New York, at 81 Fulton Street, to cancel and to terminate so much of the contract as shall cover so much of the grade of potash salts for which such offer at a reduced price has been received and accepted, and which reduction of price the seller is unwilling to meet as above set forth.

In the event that the seller should determine not to reduce its prices, but to permit any participant to purchase such salts at such reduced prices from other sellers, it shall not in any wise affect the right of such participant or of any other participant to receive the quantity discount of 10 per cent, to which each participant is entitled hereunder, and each participant shall be entitled to receive such discount notwithstanding it shall make such purchases from other sellers of potash salts.

In the event that seller shall not reduce its price in the event of a lower price being offered to any participant, and shall permit such participant to purchase potash salts from others as herein provided, seller agrees immediately to notify the bank or banker issuing the letters of credit herein above referred to, that the credit of such participant has been reduced by an amount to be determined by multiplying the number of tons of 2,000 pounds of the grade of potash salts as to which the contract is so canceled by the rate applicable to the grade as specified in the table of rates set forth in this contract above in paragraph entitled "Payment."

In the event that seller shall reduce its price to meet the prices offered by others, seller agrees immediately to notify the bank or bankers issuing the said letters of credit of such reduction of price and of the corresponding reduction in the liability of each and every participant under said letters of credit to an amount to be computed as follows: The tonnage of each grade which such participant shall at the time still be obligated to purchase shall be multiplied by the reduced price applicable; from each such sum thus obtained there shall be deducted an amount equal to the number of tons of 2,000 pounds each of such grade multiplied by $2.70.

The prices named in Article III and the discounts named in Article V of this contract shall also apply to all quantities received or ordered by participants since June 17, 1921, and such quantities shall be deemed to be included within the terms and conditions of this contract.

The seller further agrees that if the prices in Article III shall hereafter be reduced, as above provided in the first paragraph of Article VI, such reduced prices shall then be applicable to the purchases referred to in the preceding sentence.

In the event of war, revolution, fire, flood, strike, accident, or any other contingencies beyond the control of the participants happening to such number of the factories owned and operated by any participant or its branches, that the operation thereof shall be interfered with or interrupted in such manner as to prevent such participant from using all the merchandise agreed to be purchased by it under this agreement, such participant has the right to cancel such portion of this contract as may be affected thereby, by giving notice to the seller's agents in New York to that effect; provided said goods shall not have been shipped or vessels to carry the same shall not have been chartered prior to notice being given to seller's agents of the existence of such impediments. Such cancellation shall not deprive the participant so canceling or any other participant of the quantity discount which it is entitled to hereunder.

ARTICLE VII—PROTECTION OF SELLER.

In case of war, revolution, fire, flood, strikes, accidents, or any other contingencies beyond the control of the seller happening to such number of the mines or works represented by it, as to make impossible the production or transportation of the goods herein described, seller shall have the right to cancel this contract with reference to the shipments which may be so affected or to make shipments after the said impediments and contingencies shall have been removed, provided the respective participants who shall have ordered such shipments agree thereto. Should seller notify any participant that it is prevented from making deliveries in case of war, etc. (as above), such participant shall have the right to buy the quantities so affected from other sellers of potash salts. The quantity discount to which the participants are entitled hereunder shall not be reduced because of such cancellation and such purchases from other sellers of potash salts.

Each participant agrees expressly to use or sell potash salts bought from seller under this contract only in the United States, Canada, Cuba, and Porto Rico. Shipments to Cuba and Porto Rico may be ordered direct to those countries by participants at the same prices and discounts named in this contract, except as to difference in freight. Deliveries of mixed fertilizer goods containing potash may be made to any country.

This contract embraces only shipments of potash salts to Atlantic and Gulf ports of the United States and Canada.

This contract further embraces only shipments of potash salts for agricultural purposes. Shipments for chemical purposes are excluded from this contract, but seller agrees to bind such buyers as they buy potash salts for chemical purposes not to resell them for agricultural purposes.

ARTICLE VIII.—TAXES AND DUTIES.

Seller hereby assumes and agrees to pay any tax or duty which may be imposed or assessed by the French Government in any way affecting deliveries under this contract. However, if the French Government shall impose or assess any new tax or duty, seller shall have the right or option to cancel any unshipped part of the contract, except as to the minimum quantities which each participant shall be then obligated to take hereunder.

Seller hereby also assumes and agrees to pay any tax or duty affecting deliveries under this contract which may be imposed or assessed by the United States Government under the antidumping act of 1921 or any amendment thereto which may be hereafter enacted; provided, however, in case of such amendment seller shall not be required to pay any tax or duty in excess of amount of tax payable under existing provisions.

On the other hand, each of the participants hereby assumes and agrees to pay any other tax or duty which may be imposed or assessed by the United States Government and/or any war-risk insurance affecting deliveries to it under this contract. However, if the United States Government shall impose or assess any additional tax or duty each participant shall have the right or option to cancel any unshipped part of the contract except as to the minimum quantity which each participant shall be then obligated to take hereunder and except as to any quantity for which steamers have already been chartered.

ARTICLE IX.

It is hereby expressly provided, anything herein contained to the contrary notwithstanding (subject to the provisions of Article VI hereof), that in case any participant shall have failed prior to April 1, 1921, to have given to the seller shipping orders or instructions for the full amount of the quantities which it is obligated to purchase set opposite its respective name that seller shall have the right nevertheless to ship to such participants a quantity of K_2O equal to the difference between such minimum quantity and the quantity for which shipping instructions or orders shall have been so given to the seller. Such quantities of K_2O shall be distributed in any grades whatsoever that the seller may select, and shall be shipped to such participant at the port nearest to its factory, and the seller shall be authorized to draw drafts for the purchase price of such potash shipments under the said letter of credit given by such participant under the terms of this agreement, and upon receipt of the documents as hereinbefore provided the bank shall pay such drafts for shipments made under the terms of this paragraph in all respects the same as if the shipments had actually been directed by the participant.

ARTICLE X.

Whereas seller recognizes an obligation to the participants following (but to no participant other than those named): The American Agricultural Chemical Co., Armour Fertilizer Works, International Agricultural Corporation, F. S. Royster Guano Co., Swift & Co., Virginia-Carolina Chemical Co., Acme Manufacturing Co., A. D. Adair & McCarty Bros., Anderson Phosphate & Oil Co., Arkansas Fertilizer Co., Baugh & Sons Co., Berkshire Fertilizer Co., Capital Fertilizer Co., Caraleigh Phosphate & Fertilizer Co., Darling & Co., Federal Chemical Co., Georgia Fertilizer & Oil Co., Grasselli Chemical Co., Griffith & Boyd Co., Gulf Fertilizer Co., Meridian Fertilizer Factory, Miller Fertilizer Co., Mutual Fertilizer Co., G. Ober & Sons, E. Ruah & Sons Fertilizer Co., Read Phosphate Co., Reliance Fertilizer Co., Richmond Guano Co., Robertson Fertilizer Co., Rogers & Hubbard Co., Savannah Guano Co., Smith Agricultural Chemical Co., Southern Fertilizer & Chemical Co., Southern States Phosphate & Fertilizer Co., I. P. Thomas & Sons Co., W. B. Tighman Co., (Inc.), Tupelo Fertilizer Factory, Wuichet Fertilizer Co., York Chemical Works, Chas. W. Priddy & Co. (Inc.), growing out of last year's business with them by which the seller has agreed to refund 6,023.42 metric tons of K_2O to said participants in proportion to the quantities of potash taken by them in 1920–21, and the seller hereby agrees with each of such participants, but only if participants shall make purchases of potash salts from seller as hereinafter set forth to deliver to each of such participants in proportion to the amounts set after their names hereafter in this article, free of cost, in good order, ex-vessel, at any of the ports named in article 3 hereof which may be designated by the participants, provided the quantities for each respective port are sufficient to obtain freight room at reasonable freight rates, the following amounts of K_2O of the grades specified by the participants:

1. During 1922–23 a total tonnage free of cost of K_2O equal to 10 per cent of the purchases by each of such participants during such year not in excess of the amounts hereafter set opposite the names of such participants.

2. If any such participant shall not purchase during 1922–23 the full amount hereafter set opposite its name, it shall then be entitled to a tonnage free of cost during the year 1923–24 consisting of a total tonnage of K_2O equal to 10 per cent of such portion of the amount hereafter set opposite its name as it shall not have purchased during 1922–23, and as it shall purchase during 1923–24: *Provided, however*, That the total tonnage free of cost during 1923–24 which any participant shall be entitled to hereunder shall in no case exceed 2.5 per cent of the amount hereafter set opposite its name, even though such 2.5 per cent shall be less than 10 per cent of its purchases during 1923–24, and it shall have no right in or claim to any balance remaining and to which it shall not have become entitled by reason of its purchases made as aforesaid. The failure of any participant to purchase during the periods mentioned in this article the quantity of K_2O set opposite his name shall not in any wise prejudice the right of the other participants to receive the said free tonnage.

Seller agrees to quote as low net prices for K_2O as the lowest net prices at which such grades of potash salts shall be offered to any participant by any seller outside of the United States, it being also understood that in computing such net prices the K_2O to be delivered free of cost as hereinbefore provided shall not be taken into consideration.

If for any reason whatsoever no contract shall be entered into between the parties for the year 1922–23 and for the following year of 1923–24, the obligation of the seller shall be a continuing one and the said participants shall be entitled to receive the free-of-cost tonnage to the extent and upon the terms and conditions hereinbefore set forth, upon the entering into of contracts between the parties hereto for the purchase of K_2O whenever such contracts may be entered into.

The amount of tonnage which is the basis of computing the amount of free tonnage to which each of such participants shall be entitled is as follows:

	Metric tons.
American Agricultural Chemical Co	12,305.90
Armour Fertilizer Works	4,151.40
International Agricultural Corporation	7,947.10
F. S. Royster Guano Co	4,966.00

	Metric tons.
Swift & Co	3,397.00
Virginia-Carolina Chemical Co	7,860.60
Acme Manufacturing Co	214.20
A. D. Adair & McCarty Bros	894.60
Anderson Phosphate & Oil Co	643.50
Arkansas Fertilizer Co	639.90
Raugh & Sons Co	1,947.50
Berkshire Fertilizer Co	150.70
Capital Fertilizer Co	473.90
Caraleigh Phosphate & Fertilizer Co	347.80
Darling & Co	247.20
Federal Chemical Co	491.10
Georgia Fertilizer & Oil Co	1,127.90
Grasselli Chemical Co	529.60
Griffith & Boyd Co	581.60
Gulf Fertilizer Co	108.70
Meridian Fertilizer Factory	659.20
Miller Fertilizer Co	237.20
Mutual Fertilizer Co	858.40
G. Ober & Sons Co	380.30
E. Raub & Sons Fertilizer Co	425.50
Read Phosphate Co	789.70
Reliance Fertilizer Co	581.90
Richmond Guano Co	1,221.90
Robertson Fertilizer Co	496.90
Rogers & Hubbard Co	136.80
Savannah Guano Co	621.00
Smith Agricultural Chemical Co	75.40
Southern Fertilizer & Chemical Co	1,016.00
Southern States Phosphate & Fertilizer Co	111.60
I. P. Thomas & Sons Co	876.20
W. B. Tilghman Co. (Inc.)	785.30
Tupelo Fertilizer Factory	287.70
Pelham Fertilizer Co	260.90
York Chemical Works	405.70
Charles W. Priddy & Co. (Inc.)	981.80
Total metric tons	60,234.20

if seller should fail to meet competitors' prices (as aforesaid) and for this reason.

It is agreed that in the event that contracts between the seller and such participants shall not have been entered into and the seller shall sell to other persons in the United States potash salts at net prices equal to or lower than those offered by any seller outside of the United States, then the seller shall be obligated to deliver to each such participants the free of cost tonnage of K_2O hereinbefore referred to, even though no contract for the sale of K_2O shall be entered into between the seller and such participants, in such event each of such participants shall be entitled to obtain delivery from the seller of tonnage of K_2O free of cost to which it is entitled as hereinbefore provided, in manner following: Not exceeding 75 per cent thereof during the first year and not exceeding 25 per cent thereof during the second year succeeding such sale to other persons in the United States.

It is further agreed that if the seller shall enter into any contract or arrangement with any other foreign producers by which directly or indirectly the marketing of the product from the seller shall be pooled or an agreement made for its disposition in connection with the products of such other foreign competitors in such a manner that the seller shall be unable to sell to participants as contemplated, before the participants shall have received the free-of-cost tonnage to which they are entitled to hereunder, then the seller agrees that it shall be obligated to deliver to each such participant the free-of-cost tonnage of K_2O hereinbefore referred to, even though no contracts for the sale of K_2O shall be entered into between the seller and such participants. In such event each of such participants shall be entitled to obtain delivery from the seller of tonnage of K_2O free of cost to which it is entitled as hereinbefore provided in manner following: Not exceeding 75 per cent thereof during the first year and not exceeding 25 per cent thereof during the second year succeeding the entering into such contract or arrangement with such other foreign producers.

ARTICLE XI.

This agreement may be executed in several counterparts.

This contract shall be binding on such of the parties hereto who execute the same, even though all of the parties named as several parties of the second part shall fail to execute the same: *Provided, however*, That a sufficient number of parties of the second part mentioned on page 1 who are to purchase from seller not less than 12,500 tons execute this contract so that the total quantities set opposite the names of such parties so executing under Article II hereof shall at least equal an aggregate of 12,500 tons.

Seller agrees that all details in the performance of this contract in its behalf may be arranged by participants through seller's agents, H. J. Baker & Bro.

This contract shall be binding on the successors and assigns of the parties hereto.

In witness whereof seller has caused these presents to be executed in its behalf by its director Gustave Lenable, thereunto duly authorized, and each of the buyers has caused these presents to be executed in its behalf by its officers thereunto duly authorized the day and date first above mentioned.

Executed and delivered in the presence of

SOCIETE COMMERCIALE DES POTASSES D'ALSACE,
By ——— ———, *Director*.

The words "the above quantities include" having been restored, the words "shall be adjusted as to prices, terms, and conditions of this contract" on page 4 having been stricken out, the words "which include the quantities heretofore purchased by the participants since June 1, 1921, from the seller," on page 5, having been restored, and the words "the seller should fail to meet competitors' prices (as aforesaid) and for this reason" having been inserted at the top of page 17 before execution by participants, and such changes having been made by cable authority from Mr. Lenable.

H. J. BAKER & BRO.,
For SOCIETE COMMERCIALE DES POTASSES D'ALSACE.

Mr. SHORTRIDGE. Mr. President, I appreciate the hour and the desire of Senators to proceed to a vote. The facts as applicable to this question have been very fully stated by different Senators. I should be very glad indeed if all the Senators were familiar with the facts as they were developed before the committee and as they are authoritatively stated by the various briefs and documents which were submitted. Much now has by consent been carried into the RECORD, and I hope that before the matter is finally disposed of each and every Senator, quite regardless, quite indifferent to political affiliations, will familiarize himself with those records. I say that very earnestly, indulging myself in the belief or the thought that Senators will come to the conclusion that the American industry needs the aid which is here proposed to be given.

If, Mr. President, posterity shall take any note whatever of this day's transaction in this body, it will be seen that I stood here solitary and alone in voting against substituting a bounty for a tariff. In very brief words, I desire to say that I think a mistake was made in abandoning a principle in which I believe. I firmly believe that the industry should be encouraged, should be developed, so that we may be independent of foreign nations in times of peace, commercially and economically, and certainly in time of danger, if danger shall ever threaten or come upon us.

So, believing that the industry should be encouraged not for the immediate benefit of those directly engaged in it but for them and the whole country, and with great deference to others for whose opinions I have genuine, not feigned, respect, I thought and think that the proper way to protect and encourage the industry was by way of a tariff; wherefore I voted against attempting to substitute a bounty instead of a tariff duty. In the wisdom of the Senate, however, they have turned from the protective theory or method, and it is for us to determine whether we shall adopt the bounty system for the limited period of five years.

I listened, though at a distance and with some difficulty, to the Senator from Utah [Mr. SMOOT] when he said that, given this bounty, if within a five-year period the industry had not become, so to speak, self-sustaining and able to compete with the foreigner or unable to sustain itself in competition, he would never vote to continue this method of aid or assistance. I want to say for myself that I do not anticipate five years and commit myself to what I shall then do. I reserve for myself always the right to shape my conduct according to the exigencies of the times. I hope that the Senator from Utah may be here five years from now in the full vigor of his great intellect. Anticipating that time, it might well be that he and every one of us would not only wish to give this aid but increase it; for we would not desire nor would any of these patriotic Senators around about me desire that our country should once more become dependent upon a foreign enemy.

Mr. SMOOT. By that time we shall know whether a bounty will accomplish the object or whether we shall have to come to protection.

Mr. SHORTRIDGE. We might then turn from bounty to protection; but, in any event, with great respect—and I do not say this to embarrass any Senator or to get into controversy on a collateral thought—I do not think it wise or the part, pardon me, of a statesman to commit himself to an act to occur possibly in the distant future.

Much has this day been said here in regard to this industry; I need not repeat it. I could detain Senators for hours in stating what the record discloses; but I think there is an erroneous idea abroad in the land, perhaps it is entertained here, that the deposits of potash in my State of California are limited. Those deposits are inexhaustible. The evidence of that would be all conclusive before any court, before any tribunal whose ministers would be governed by the evidence. We could prove beyond reasonable doubt that with modern inventions and the use of modern machinery the deposits—to use that word—in California are practically inexhaustible; that they would certainly not be exhausted for 100 years; and that there is a quantity there sufficient, if developed, to supply America for probably 100 years.

Mr. REED. Mr. President——

The PRESIDENT pro tempore. Does the Senator from California yield to the Senator from Missouri?

Mr. SHORTRIDGE. Certainly.

Mr. REED. Will the Senator tell us whether the deposit to which he refers is rich enough so that it may be successfully worked?

Mr. SHORTRIDGE. My answer is "yes," but it can not be worked in competition with foreign trusts or combinations that would temporarily depress prices, in order to put us out of business, and would then hold us at their mercy.

Mr. REED. At what price can potash be produced there?

Mr. SHORTRIDGE. I have not the exact figures in my mind in relation to that, I will say to the Senator from Missouri.

Mr. REED. Can it be produced at the present market prices?

Mr. SHORTRIDGE. I should doubt that very much.

Mr. REED. For how much above the present market price can it be produced?

Mr. SHORTRIDGE. I am not, on my feet, able to answer the Senator's question and state the exact figures.

Mr. REED. Why can it not be produced as cheaply as it can be produced in Germany?

Mr. SHORTRIDGE. Because of the cost of labor, broadly speaking.

Mr. REED. What proportion of the cost of the finished product is labor?

Mr. SHORTRIDGE. The cost of producing it might be said to commence, as I do commence, with the capital invested; thence on down through all the processes to its completion.

Mr. REED. What I am trying to get at is whether, if this industry is thoroughly established, it is then going to be able to operate and to produce as cheaply as we can buy abroad and make a reasonable profit, or whether it has got to be fed with a spoon forever?

Mr. SHORTRIDGE. I do not propose to feed that or any other industry with a spoon.

Mr. REED. Well, with a scoop shovel, I presume.

Mr. SHORTRIDGE. Nor with a scoop shovel; but, answering the distinguished Senator, who comes back with laurels upon his brow——

Mr. REED. I am merely trying to get information.

Mr. SHORTRIDGE. I will give the Senator my theory as to how we propose to help this industry, as I would help every other industry, whether it be in California or in Missouri. I am not here saying that we ever can carry on this industry in the United States in direct competition with like industries in foreign countries. I say that in respect to hundreds of industries in America; I say it in respect to the rice industry, the sugar industry, the bean industry, the citrus fruit industry, and many other industries of field and shop that I could name. We differ, perhaps, radically as to these theories. As for me, I think—and I venture to add, "I think I know"—that the prosperity of a great industry in Missouri—and there are reasons not now disclosed why I feel very kindly toward that State—would be of benefit to my State of California or to my native State of Iowa, just to the north of Missouri. I think it is to our interest, and, as American Senators, we should strive by all legal means to build up industries in America, to multiply them, to diversify them, so that all men, women, and also children of proper age, shall find employment; for without employment at reasonably remunerative wages there are want and misery and tears and suicide; but when the people of Missouri, or of North Dakota, or of Utah, or of my own dear, incomparable State of California are all employed, all engaged in legitimate labor, then prosperity goes laughing through the fields and through the shops; then happiness is in the hearts of men; women sing, children laugh, and fathers are proud and happy.

I believe it is my duty to aid this industry by way of tariff, or in this instance by way of a bounty. I am familiar with the geography and topography and the geology, and so forth, of my State. I know that in this industry there have already been invested millions of capital; that it has heretofore employed many men in profitable labor. I know that now for reasons which have been stated all is paralysis. I know that merchants, Democrats and Republicans, and men of other type politically, all join in calling upon me to aid this industry. I speak their matured mind, not their selfish, narrow, unpatriotic mind.

Mr. REED. Mr. President——

Mr. SHORTRIDGE. I will ask the Senator to pardon me for a moment. In a communication which I have here, and which, if time permitted, I would gladly read, because it is a splendid and logical argument, addressed to me by the Inyo Chemical Co., its president speaks of "pioneers and patriots." They were, indeed, pioneers and patriots in the development of this important American industry. I ask consent, Mr. President, that the letter may be printed in the RECORD without reading.

The PRESIDENT pro tempore. The Senator has a right to read it.

Mr. SHORTRIDGE. I will not take the time to read it. Perhaps, however, having said so much concerning it, reading a paragraph or two may not be uninteresting to Senators. I speak with a certain degree of embarrassment because of the hour and of the desire of the Senate to speed on its work, but I hope Senators will indulge me. The writer of the letter says—and I address myself to the intellect of those who listen—

> It has been repeatedly stated that America can not compete with Germany in the production of potash and other chemicals. These statements have been so numerous and so forceful and insistent that even the best friends of American industry have come to believe they are true.
>
> The Inyo Chemical Co. is the owner of a potash deposit situated in Deep Springs Valley, Inyo County, Calif. This company has been carrying on a system of exploration, development, and scientific research for a period of four years. The best engineers, chemists, and scientists available have been giving profound and careful thought and study to the problems that have to do with quantity, quality, and economic reclamation of the chemicals looked up in the vast storehouse of this deposit.

Here [exhibiting], Senators, are some pictures illustrative of Searles Lake and of the deposits referred to in the letter from which I am now quoting.

> Therefore, when we come to you and say that American producers of potash and other chemicals can compete with Germany or any other country in the world we have positive experience and facts back of our statements.
>
> First, let me say that scientific exploration of this property began as early as November, 1917, and that since that time we have been constantly engaged in exploration, development, and construction. We have had a corps of chemists and engineers working almost constantly since that time.

I will read from another paragraph of the letter:

> Experiments in connection with this plant, which was of the capacity of about one-half ton per day and built only for experimental purposes, extended into 1921. We are now engaged in building a 10-ton unit for the production of high-grade potash, carbonate of soda, and borax.
>
> Right here let me say that all the natural potash brines so far discovered in the United States, including the lakes in Nebraska and California, contain valuable by-products in the form of carbonates and sulphates, and that the brines of the potash lakes of California contain an added chemical in the form of borax. It has been stated that the presence of these chemicals is detrimental to the potash. I am about to say to you positively that all the various chemicals in the potash brines of the California lakes can be separated, and that instead of the other chemicals being a detriment the by-products that can be reclaimed from the potash brines of California will eventually be made to pay the entire cost of production.

Mr. REED. May I ask the Senator to read the last sentence again?

Mr. SHORTRIDGE. I will read it with pleasure.

> I am about to say to you positively that all the various chemicals in the potash brines of the California lakes can be separated, and that instead of the other chemicals being a detriment the by-products that can be reclaimed from the potash brines of California will eventually be made to pay the entire cost of production.

Mr. REED. That seems to answer my question as to whether or not this could ever be made an industry to stand on its own feet.

Mr. SHORTRIDGE. It might be so, Senator.

Mr. REED. That would seem to indicate it.

Mr. SHORTRIDGE. It would so indicate unquestionably. If they succeed along the lines this writer points out, this industry will be self-sustaining in the years to come.

I turn now particularly to that part of the letter dealing with the investments made there, why, and when—but first this paragraph:

> In connection with this propaganda relative to a $34,000,000 duty, permit me to direct your attention, first, to the fact that before the war our total importation of potash from Germany amounted to about $18,000,000 per year, not to exceed $20,000,000 at any time, and on which importation German producers nor American importers paid not one cent. Next, let me call your attention to the fact that due to the necessity of war with Germany, American patriots and pioneers invested in property, plants, machinery, communities, etc., approximately $50,000,000. This investment of $50,000,000 at its best can not produce more than 20 per cent, or one-fifth, of the potash required for consumption in the United States, therefore it is safe to say that in order to produce all the potash that will be required for United States consumption it will eventually mean an investment of five times that amount, or $250,000,000.

I am sure Senators follow the thought of the writer—that up to the date mentioned $50,000,000 were invested, which, he argues, had been sufficient by way of development to produce approximately one-fifth of the consumption in America, and the thought he advances further is that with the industry growing and developing, by the investment of five times that amount there would be an investment of $250,000,000, which, wisely administered, would furnish the supply for the American demand; but he states that to follow it by this further thought, which struck me as quite intelligent, and, I think, logical:

> In an article which I wrote in 1919 I estimated that it would require $360,000,000 in investments to produce all the potash consumed in this country within 10 years after the war. Now let me call your attention to an item of taxation—

I pause here. I think it is nine and a half millions that this bounty provides for, is it not?

Mr. SMOOT. A total of that amount.

Mr. SHORTRIDGE A total of nine and a half millions over a period of five years; and while it is quite true, as the Senator from Wisconsin [Mr. LENROOT] with some vehemence remarked, that this Nation is staggering under the burden of taxation, I do not think its back will break by reason of imposing nine and a half millions additional during the coming five years.

This writer says, however—and I repeat—

Now let me call your attention to an item of taxation: The $50,000,000 invested by American potash pioneers and patriots was not exempt from taxation. The industry was employing many people and building up new empires, yet they were expected to pay not only the Federal taxes but also the State, county, and other taxes that are spread upon the tax rolls. I don't know what the total in percentage on the investment would be, but it is safe to figure a gross of 5 per cent to cover all the various taxes which an American farmer, manufacturer, or business man must pay in order to maintain our several governments, build roads, harbors, etc. Therefore the amount that would have to be paid by an industry with a total investment of $250,000,000 would actually amount to $12,500,000 per year, and an industry of this magnitude would, in its various ramifications of employees, subindustries, consumption of supplies, fuel, etc., maintain a still larger investment that must also pay taxes.

Perhaps I can not emphasize his thought by any words of my own; but I gather from the writer and I submit to the Senate that if we should invest, if you please, if the Government should invest nine and a half millions in this enterprise, if you may so call it, and it should result in investment of two hundred and fifty or three hundred and sixty-odd millions, it would bring about investments and taxable properties which through taxes would repay many, many times over the investment of nine and a half millions. That is one thought which I think, while not of course determinative of the problem, is worth consideration.

Mr. TRAMMELL. Mr. President——

The PRESIDENT pro tempore. Does the Senator from California yield to the Senator from Florida?

Mr. SHORTRIDGE. Certainly; with pleasure.

Mr. TRAMMELL. Does the writer give any information there indicating that the maintenance and the fostering of this industry will bring about a reduction in the price of potash to the producers of this country, passed on, of course, to the consumers? Is there any hope for the producers, the farmers of the country, that they will get potash cheaper on account of the Government fostering this industry?

Mr. SHORTRIDGE. I think so; for if our industry is put out of business, and the German and the French producers of potash, which manifestly are trusts or combinations, control the situation, we will have higher prices, unless science shall make some great and miraculous discovery.

Mr. TRAMMELL rose.

Mr. SHORTRIDGE. May I go on just a little further, by the Senator's leave, to answer him? However, I stand ready for another question.

Mr. TRAMMELL. I was going to ask why, then, in anticipation of somebody else's advance of prices, we should take action here that will result in an immediate advance of prices in order to try to foster the industry in this country?

Mr. SHORTRIDGE. I do not think it would follow; but if it did, temporarily, for the ultimate good I would favor it.

Responding to the thought of that question, I say to the Senator from Florida that that same thought is involved in every item in this tariff bill. Why, Senators, I come from California. We look out upon the Pacific Ocean, the greatest ocean on earth. The ocean was once regarded as a barrier and a protection for a nation. We now know that the ocean is an avenue of approach. We look across there to the Islands, to Hawaii, and on to the Philippines, and to Japan, and to China, and farther on to India. We have in California an American type of civilization, men and women from every State in the Union, the pioneers of '49, who came, indeed, from Florida and Maine—brave men, courageous women.

They went around the Horn in small sailing vessels or across the Isthmus with the dangers of natives and of miasma, or across the plains with Indians to fight and the wild forces of nature; but they carried civilization there; they carried the Christian religion there; they carried the American flag there, and there they have builded the great Commonwealth of California. Our schools, colleges, universities, our fields, our factories, all are there as the result of the brave men and the braver women who crossed to that favored land. I say this not merely to pay tribute to the State I love, but to emphasize that we can not compete with the oriental. The American farmer, with wife, with children of his affection, with schools and colleges, with our type and standard of civilization, can not compete with the Japanese or with the Chinese coolie. We can not do it. You may say, then, let us perish. No, no; I know you will not say that. I know you love that State as you do your own. We are American Senators here, and our hearts are big enough to hold in loving care every State in this Union. We can not compete with the Chinese or the Japanese in our own fields, nor can we compete with the product of their labor when that product is produced yonder in Japan, or in China, or in Mongolia, or in Manchuria, or in farther India. We can not do that.

But you say, "Well, how can Government help?" Government can help, as every nation knows, as every statesman ought to realize, by imposing appropriate and adequate tariff duties upon the products of foreign countries, whereby we derive revenue for our own Government and protection to our own people. It is not a theory. It is in many instances a concrete, tragic fact. Therefore when I am asked the question, "Can we ever produce as cheaply as the foreigner?" I answer you, "I do not think we can." We never can compete here in America, with our type of civilization, with the poor, the downtrodden, the oppressed, the miserable, the unhappy peoples of many of the lands of the earth.

Ah, you may say to me that we should endeavor to do so; that God made us of one blood; that whether we be Hottentots or Shakespeares we are brothers. I do not know how you feel about this. Loving all mankind as I do, hating none, not desiring to injure any people on this earth, nevertheless I think of my own country and our people first; and in everything, in every bit of legislation affecting our domestic affairs or affecting our foreign relations I have in mind always, first and forever, the welfare, the dignity, the honor, the glory of our Nation and the happiness of our people.

My fellow Senators, this potash industry very directly affects California. There are more than two companies interested. There are many companies interested in this industry. The deposits, to come back to that thought, are said to be almost inexhaustible. Millions of dollars have been invested in machinery, in appliances, in the starting and the development of this industry, and, as has been stated, they are idle to-day, and the men of California, quite regardless of politics, quite regardless of partisanship, indifferent to that phase of this matter, are unanimous in saying that this industry is of vast importance to the State and needs aid from the Government.

Mr. REED. How many men does it employ?

Mr. SHORTRIDGE. At present very few.

Mr. REED. How many men has it employed since the period of building the works outside of the construction of the works?

Mr. SHORTRIDGE. Directly and indirectly, I would safely say thousands.

Mr. REED. I mean, now, outside of the construction of the works, how many did it employ in the manufacture or production of potash?

Mr. SHORTRIDGE. In carrying supplies, in erecting machinery——

Mr. REED. I said excluding the construction of the works.

Mr. SHORTRIDGE. The Senator can not force my answer.

Mr. REED. I am not trying to force an answer.

Mr. SHORTRIDGE. I do not know, on the spur of the moment, the exact number of men immediately employed in and about the works, but there is hauling and teaming and all sorts of labor. Probably other Senators can furnish the definite information.

Mr. REED. The Senator will understand that when I speak about employment in the works, I mean how many men are employed in this industry outside of the matter of constructing the buildings. Of course, the construction of the plant is one thing. When that is done, it is over. With the plant constructed, how many men were employed at any one time in the works; I mean by that haulers, teamsters, and everything that goes with it.

Mr. SHORTRIDE. I will not undertake to answer when the figures are not definitely in my mind, but I promise the Senator that I will look up the data and endeavor to answer him and the Senate before the matter is disposed of. There was some reference in this letter, I think, to the fact that this one company in its preliminary stages had employed several hundred.

With the indulgence of Senators, I will presume to read a little further from this letter.

However, the above will illustrate the point that I want to bring out, namely, that if the potash industry of this country is developed to an extent that it will produce all the potash consumed in the United States, it will pay into the treasuries of our various governmental departments $12,500,000 per year. Therefore, if the industry is not developed and the potash, which is an absolute necessity, come in free of any kind of taxation, that $12,500,000 per year must be paid by other industries, farmers, merchants, manufacturers, and citizens.

When one looks at the propaganda, such as the clipping above, made for the purpose of deception—false, dishonorable, and misleading—he wonders how long the American people will stand for this sort of thing.

If importations of potash paid 25 per cent ad valorem duty that would only be paying $4,500,000 per year on the total amount of potash consumed per year previous to the war.

I read another paragraph:

We have had war. Every American citizen is being called upon to pay taxes. Why should we permit the foreigner to take advantage of our fine roads, harbors, and other facilities for making sales and de-

sliveries of their product without asking him to pay, with reasonable equality, the same proportion that our own citizens are asked to pay for these facilities and advantages?

I have here a letter addressed to me by the West End Chemical Co., which presents the views of that company, with which I agree, and I ask permission that it may be carried into the RECORD. (See Appendix.)

I also have a letter from the Western Industries Co., with headquarters in San Francisco, upon the same subject, and from which I will venture to read one paragraph:

Our plant, if it could be operated to capacity, would give steady employment to over 100 men and would turn out 600 tons of potash per month. It and similar other plants throughout the country are lying idle or working on very limited capacity. We all need all of the protection we can get if we are to remain in the field against foreign importation.

I have here also a respectful letter addressed to me by the Whitney Chemical Co., of San Francisco, from which I take the liberty of reading one short paragraph:

There has been a great development in this industry on the Pacific coast in the last few years as a by-product of the salt plants and a duty such as proposed in this bill is essential to the industry. We sincerely hope you will support the duty on these products, and we will be pleased to give you any further information if you wish.

We have in that State the county of San Bernardino, in so-called southern California. I read a telegram addressed to me by the board of supervisors of that county. It reads:

SAN BERNARDINO, CALIF.

Senator SAMUEL SHORTRIDGE,
Washington, D. C.:

Millions of dollars are invested in this county in potash. The successful operation of the potash industry depends entirely upon the temporary protection given in the proposed tariff bill. We request your influence to retain potash schedule in proposed House bill.

BOARD OF SUPERVISORS SAN BERNARDINO COUNTY, CALIF.

I happen to know, I think personally, each and every member of that board. They are high-class men. They are not grafters; they are not dreamers; they are practical men, representative men, chosen by the people of the county to speak for them in domestic matters, and they express these thoughts.

I trouble you with saying this in the hope that Senators of Democratic faith may see that this is, if you will and if you choose to so call it, an exception to your fundamental views upon tariff. Very reputable, very honorable Members of the Senate, for reasons sufficient to them, have voted, generally speaking, against the bill as proposed by the committee. On the other hand, for reasons which to them seemed good and all sufficient, they have voted for tariff duties on certain imported articles. All who listen know to whom I refer. I have no criticism but high praise for such Senators, and I am hoping that Members on the Democratic side of the Chamber, where I have the honor temporarily to stand, will see in this industry such merit as will persuade them that it will be wise and proper to give this temporary assistance or aid.

In so doing, they do not stultify themselves, not at all. The Senator from Alabama [Mr. HEFLIN] did not stultify himself nor do himself any dishonor when he voted for a tariff duty on certain products of his State, and I can say the same of other Senators—the Senator from Wyoming, the Senators from Louisiana, the Senators from Arkansas, the Senator from Montana, the Senator from New Mexico, and Senators from other States. For reasons good and sufficient, they did as they did, and I am hoping that in respect to this industry, which so vitally concerns the people of my State and I think almost as vitally concerns the people of every State—for we are one Nation, not 48 States—I am hoping that this industry will be supported and aided, if you please, not forever, as some might think, but for the temporary period of five years, at a total cost to the Government of $9,500,000.

It will not bankrupt Uncle Sam. While I believe in curtailing expenses, in cutting down expenses, in lopping off many unnecessary offices, and decapitating a great many unnecessary officers, this is an instance where I think it will be helpful not only to Nebraska, to Utah, to California, but, in the larger view, helpful to America to incur expenses. I never again wish to see my country dependent upon any foreign country for any article which by our labor and genius we can produce, whereby American men and women may receive profitable employment. I never wish to see my country dependent and terror-stricken in time of war.

God grant that war may never come again to this Republic, a prayer which I think every good man and every Christian mother utters every day and every hour; but the ways of Providence are mysterious, beyond our comprehension, and it may be that our Nation, righteous as it is, and smitten with a love of peace, shall again be embroiled in danger. I do not say this in fear or trembling, but as a precaution against dependency on foreign and possibly hostile nations. In time of peace or war we should, I submit, accord this protection and aid and assistance to this important American industry.

APPENDIX.

INYO CHEMICAL CO.,
San Francisco, Calif., December 30, 1921.

Hon. SAMUEL M. SHORTRIDGE,
United States Senate, Washington, D. C.

DEAR SIR: As Senator from the great State of California and a representative of the people of California and the United States I am sure you will be interested in having before you some facts about the chemical industry and the potash industry of the United States that are not generally known.

It has been repeatedly stated that America can not compete with Germany in the production of potash and other chemicals; these statements have been so numerous and so forceful and insistent that even the best friends of American industry have come to believe they are true.

The Inyo Chemical Co. is the owner of a potash deposit situated in Deep Springs Valley, Inyo County, Calif. This company has been carrying on a system of exploration, development, and scientific research for a period of four years. The best engineers, chemists, and scientists available have been giving profound and careful thought and study to the problems that have to do with quantity, quality, and economic reclamation of the chemicals locked up in the vast storehouse of this deposit. Therefore when we come to you and say that American producers of potash and other chemicals can compete with Germany or any other country in the world we have positive experience and facts back of our statements.

First let me say that scientific exploration of this property began as early as November, 1917, and that since that time we have been constantly engaged in exploration, development, and construction. We have had a corps of chemists and engineers working almost constantly since that time.

In 1919 about 5,000 gallons of brine of the Deep Springs Valley Lake was sent to the laboratories of the University of Michigan, where experiments were made under the direction of our engineers.

In 1920 we built a complete plant on the property for the purpose of making potash and extending experiments in a practical way. The results of the work in this plant were an unqualified success in that the crude potash produced by the plant showed an analysis of 98 per cent pure potassium chloride, and that by a very simple and inexpensive process other chemicals contained in the brine could be reclaimed in a high state of purity in addition to the unprecedented high grade of the crude potash.

Experiments in connection with this plant, which was of the capacity of about one-half ton per day and built only for experimental purposes, extended into 1921. We are now engaged in building a 10-ton unit for the production of high-grade potash, carbonate of soda, and borax.

Right here let me say that all the natural potash brines so far discovered in the United States, including the lakes in Nebraska and California, contain valuable by-products in the form of carbonates and sulphates, and that the brines of the potash lakes of California contain an added chemical in the form of borax. It has been stated that the presence of these chemicals is detrimental to the potash. I am about to say to you positively that all the various chemicals in the potash brines of the California lakes can be separated and that instead of the other chemicals being a detriment, the by-products that can be reclaimed from the potash brines of California will eventually be made to pay the entire cost of production.

We have a process whereby the borax is separated from the potash by the simplest possible method, and at an infinitesimal cost. We have also discovered in our research work a process for reclaiming the sodium carbonate, which can be readily converted into sodium bicarbonate and soda ash.

The other constituents of the California brines are principally sodium sulphate and common salt. These may also be separated in a high state of purity and can be made available for market when freight rates will permit.

Please keep in mind the presence of valuable by-products in the potash brines of California and at the same time take note that the potash salts from German mines do not contain valuable by-products. Also please note that while the crude potash as manufactured by the Inyo Chemical Co. is 98 per cent potassium chloride, equal to 61.7 per cent potassium oxide, the German crude potash salts run from 12 to 20 per cent potassium oxide, or K_2O.

It has been unfortunate that the high price of potash during the war and the absolute necessity for this product at that time stimulated the building of large and expensive plants for the purpose of getting a production, no matter what the cost, because it was not then a question of quality but one of quantity. The word had gone out that the country must have potash at any cost and the pioneers and patriots got busy. The result was the investment of a large capital in plants to produce potash that were not only expensive to build but also inefficient to operate. Therefore when the war ended and our ports were thrown open and foreign-produced potash permitted to come in without any taxation whatever the pioneers and patriots who saved the country during the war were asked to continue paying their taxes on a basis of war-time investments, with the result that an industry with a total investment of $50,000,000 has been throttled.

Fortunately, or unfortunately, the Inyo Chemical Co. did not have available funds to build a large plant promptly upon the discovery of the immense deposit in Deep Springs Valley; we have therefore been compelled to proceed slowly and give our available funds to research and scientific work.

I can say to you without reservation that the results we have achieved can be achieved in the same proportion by other potash producers in the State of California. I can say to you positively from scientific explorations made in the Deep Springs Valley and Searles Lakes that there is a supply of potash in these two lakes sufficient to supply the entire United States for more than a hundred years. It only remains for the legislators of this country to become possessed of a knowledge of the true facts in order that this immense wealth which has laid dormant for so many years becomes available and a part of the trade, commerce, and vitality of our own people.

The following is a clipping which I received in the mail from one of my friends in Boston yesterday:

[From the Bridgeton Evening News, Wednesday, December 7, 1921.]

SAVE DOMESTIC POTASH BY CLAPPING A $34,000,000 DUTY ON ITS IMPORTATION FROM ABROAD AND LET THE CONSUMING PUBLIC GO HANG IS THE NEWEST ALTRUISTIC PIECE OF LEGISLATION.

"Here he is again. Little old Mr. Special Interest is out in the legislative limelight waving the flag and calling for protection for another war-time baby. We're great protectionists. We'll just naturally protect anything with the old high tariff. Going to slap it on importation of potash now. That will save the domestic industry—maybe.

"That's one side. When you slap a $34,000,000 duty on something somebody has to pay. This time it's the farmer first and then the consuming public. The farmer has been battling with unequal price levels, and then with high freight rates. Just as he begins to see the markets ahead along comes a little scheme to add about $3 to the cost of production on every acre of his ground. He can't pay it, so he'll quit using potash. Presto—no potash, poor crops—the public pays.

"How do they do it? A little group, these domestic potash producers, but they've pushed their duty through the House in the Fordney tariff bill, and now it's up to the Senate.

"The best the domestic industry can produce is less than one-fifth of the country's demand for potash, but they're going to shove a $34,000,000 bump in front of the farmer's market truck. That's the spirit. No one ever heard of bringing down the cost of living by sonking a duty on potash when potash is one of the three necessary ingredients of fertilizer, and fertilizer is imperative for good crops. Watch potatoes, cotton, fruit, beets, tobacco, and a lot of other commodities soar if the potash duty goes over. Who cares? We've saved another war-time baby, and one that realized handsome profits in its time, too."

In connection with this propaganda relative to a $34,000,000 duty, permit me to direct your attention, first, to the fact that before the war our total importation of potash from Germany amounted to about $18,000,000 per year, not to exceed $20,000,000 at any time, and on which importation German producers nor American importers paid not one cent. Next let me call your attention to the fact that due to the necessity of war with Germany, American patriots and pioneers invested in property, plants, machinery, communities, etc., approximately $50,000,000. This investment of $50,000,000 at its best can not produce more than 20 per cent, or one-fifth, of the potash required for consumption in the United States; therefore it is safe to say that in order to produce all the potash that will be required for United States consumption, it will eventually mean an investment of five times that amount, or $250,000,000. In an article which I wrote in 1919 I estimated that it would require $360,000,000 in investments to produce all the potash consumed in this country within 10 years after the war.

Now let me call your attention to an item of taxation; the $50,000,000 invested by American potash pioneers and patriots was not exempt from taxation. The industry was employing many people and building up new empires, yet they were expected to pay not only the Federal taxes but also the State, county, and other taxes that are spread upon the tax rolls. I don't know what the total in percentage on the investment would be, but it is safe to figure a gross of 5 per cent to cover all the various taxes which an American farmer, manufacturer, or business man must pay in order to maintain our several governments, build roads, harbors, etc. Therefore the amount that would have to be paid by an industry with a total investment of $250,000,000 would actually amount to $12,500,000 per year, and an industry of this magnitude would, in its various ramifications of employees, subindustries, consumption of supplies, fuel, etc., maintain a still larger investment that must also pay taxes.

However, the above will illustrate the point that I want to bring out, namely, that if the potash industry of this country is developed to an extent that it will produce all the potash consumed in the United States, it will pay into the treasuries of our various governmental departments $12,500,000 per year. Therefore, if the industry is not developed and the potash, which is an absolute necessity, comes in free of any kind of taxation, that $12,500,000 per year must be paid by other industries, farmers, merchants, manufacturers, and citizens.

When one looks at the propaganda, such as the clipping above, made for the purpose of deception—false, dishonorable, and misleading—he wonders how long the American people will stand for this sort of thing.

If importations of potash paid 25 per cent ad valorem duty, that would only be paying $4,500,000 per year on the total amount of potash consumed per year previous to the war.

I ask of you in all fairness, why should any commodity, no matter what it is, whether we can produce it in this country or not, come into the United States without paying, as near as can be, the same rate of taxation imposed upon our own citizens—farmers, manufacturers, and merchants?

Taxes are assessed and paid in proportion to the facilities and advantages furnished by the Commonwealth. If there are no facilities, the taxes should be proportionate, e. g., if you enjoy concrete roads, you expect to pay taxes proportionate to the advantages.

The Hottentot of Timbuctoo is the man John Stuart Mill had in mind when he wrote that celebrated chapter on international free trade, because the Hottentot has no fine roads, harbors, facilities, advantages, or taxes, and therefore the importer to such a country is not getting "something for nothing," and consequently is entitled to free entry.

We have had war. Every American citizen is being called upon to pay taxes. Why should we permit the foreigners to take advantage of our fine roads, harbors, and other facilities for making sales and deliveries of his product without asking him to pay, with reasonable equality, the same proportion that our own citizens are asked to pay for these facilities and advantages?

In conclusion, let me say to you that if the legislators of the United States Senate and House of Representatives will put a duty on potash and other chemicals that are now being imported into the United States sufficient to cover all the taxes that would be paid by these industries when in operation we will furnish to the American farmer and to other American industries potash at a lower price than they have ever purchased it heretofore.

Neither the American farmer nor the American statesman need have any fear as to the ultimate outcome.

I am attaching hereto some cuts and photographs that will give you some idea of the magnitude of the Deep Springs Lake deposit. The Searles Lake deposit, on which four plants were built, is many times larger than this one.

Thanking you in advance for any interest you may see fit to take in giving the information which I hand you to your friends and colleagues, I am,

Yours very truly,

H. W. CARR,
President Inyo Chemical Co.

SAN FRANCISCO, CALIF., *July 18, 1921.*

Hon. SAMUEL MORGAN SHORTRIDGE,
United States Senate, Washington, D. C.

DEAR SIR: We wish to urge your support of the Fordney tariff bill as applying to magnesium chloride and potash.

There has been a great development in this industry on the Pacific coast in the last few years as a by-product of the salt plants, and a duty such as proposed in this bill is essential to the industry. We sincerely hope you will support the duty on these products and we will be pleased to give you any further information if you wish.

Yours very truly,

WHITNEY CHEMICAL CO.,
LESLIE D. WHITNEY, *President.*

—

WESTERN INDUSTRIES CO.,
San Francisco, Calif., July 13, 1921.

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SIR: The present tariff bill which is under discussion before the House carries the following duties on potash materials of interest to us:

"Potassium chloride or muriate, potassium sulphate, kainit, wood ashes and beet-root ashes, and all crude potash salts not specially provided for for a period of five years beginning on the day following the passage of this act there shall be levied, collected, and paid on the actual potash (potassium oxide) content of the foregoing a duty of 2½ cents per pound for the first two years, 2 cents per pound for the third year, 1½ cents per pound for the fourth year, and 1 cent per pound for the fifth year, and thereafter free of duty.

"Potassium bichromate, 2½ cents per pound."

We would like your active support on the above duties.

We were the first concern in the United States to develop a potash supply after the German supply was cut off during the war.

We have over $200,000 invested in the potash department of our plant.

Our plant, if it could be operated to capacity, would give steady employment to over 100 men, and would turn out 600 tons of potash per month. It and similar other plants throughout the country are lying idle or working on very limited capacity. We all need all the protection we can get if we are to remain in the field against foreign importation.

Sincerely,

K. S. MARYANSKI,
Assistant Secretary.

—

OAKLAND, CALIF., *July 13, 1921.*

Hon. SAMUEL MORGAN SHORTRIDGE,
United States Senate, Washington, D. C.

DEAR SIR: There is now pending before the House of Congress a permanent tariff bill, which, if passed, will establish a duty on potash ranging from 2½ cents per pound the first year to 1 cent per pound the fifth year and thereafter duty free.

We believe you are well informed regarding the potash industry and the hardships and vast expenses entailed in locating deposits in America at a time when it was vital to the interest of the entire country that potash be found here on account of the foreign supply being cut off and our crops and lands suffering for lack of it when so much depended on those crops.

Due largely to conditions caused by the present rates of foreign exchange and to the differential of labor rates, foreign labor is obtainable at a rate of approximately 50 cents (American money), whereas, as you know, rates in this country are many times in advance of that amount, it is prohibitive to try and compete with the foreign market without some protection by tariff.

This company entered the search for potash at the time it was so greatly needed, and we have established a very large plant at Searles Lake in the Mojave Desert in California for the reclaiming of potash from the salt brine of the lake. We have spent a million dollars in developing a process of refining that has now reached the point where we feel certain of being able to produce potash in competition with the foreign market if given the very small protection for the short time called for in the bill now pending.

There are many other companies besides ourselves that put forth their millions in money as well as their time and effort to aid their country in the time of need, and there are many thousands of people whose investment and living is dependent on the continued operation of the industry.

We feel certain that you will give this potash tariff your deep consideration, and that you will vote for its passage.

Very truly yours,

WEST END CHEMICAL CO.,
NORMAN P. ELLIS, *Acting Secretary.*

Mr. SIMMONS. Mr. President, I know every Senator is extremely anxious to dispose of this paragraph to the end that we may proceed to the consideration of the other paragraphs which we must finish, under the rule, before we recess this afternoon. This is no time, therefore, for discussion. I think the subject has been pretty well covered by the debates which we have had.

I have here certain data, with comments, furnished me by experts of the department. I ask unanimous consent to incorporate them in the RECORD at the close of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SIMMONS. Mr. President, I simply want to say this and nothing more. I should have liked to discuss the question rather fully because it is an important one. It has been said that we will only have to pay $9,500,000 during the five years. That depends upon the amount of fertilizer potash that is made. I anticipate that with the $50 per ton bounty potash will be made in the United States not for the potash but in order to get the bounty. In that way a large amount will be made, and in the end, instead of $9,500,000, we may have to pay out of the Treasury many times that sum.

The proposition of giving bounties is to my mind always obnoxious. It is one of the most evil suggestions that has been

made in connection with our legislation. I think it is indefensible whenever applied, but when we apply that principle to the creation and fostering and nourishment and development of an industry when we know, after we shall have spent millions of dollars in bounties to put it upon its feet, that as soon as those bounties are withdrawn the industry will necessarily fall to pieces because it can not for natural reasons compete with a like industry in a foreign country, it is doubly obnoxious. That is the character of industry we are now proposing to foster with a bounty. During the war, under the influence of the embargo, the industry did develop, but developed very slowly. Although the price was very high, still it developed very slowly. At the end of the war the bounty was withdrawn and the factories were practically closed.

Those who had entered into it had gone out of business. They made large profits while in business during the war because of the high prices prevailing while the embargo was in force. Now we are proposing to give that industry for five years a further practical monopoly and practical embargo upon their products in America; that is to say, we are proposing to subsidize them to the extent of $50 a ton for their fertilizer, nearly twice the price of the foreign product.

At the end of the five years, just as surely as I stand here, if that bounty shall be withdrawn, the industry that we shall have developed will go to pieces in the face of the foreign competition—and why? It must be apparent to Senators on both sides of the Chamber, from the facts which have developed in the discussion, that it is absolutely impossible for us to make in the United States, by artificial means and by expensive processes, a potash that can be sold in competition with the potash that is found abroad in inexhaustible quantities in the soil and needs only to be dug up, as we would dig up sand. So it is proposed to build up an industry with foreknowledge that as soon as we get it built up and withdraw the fostering care that builds it up it will go to wreck again and that all the money we shall have invested in building it up and developing it will be thrown away and the American people who will have gone down into their pockets to furnish the bounties will have nothing to show for the money that has been legislated out of their pockets into the hands of these people.

APPENDIX.

POTASH.

USES.

About 95 per cent of all potash is used for fertilizer purposes. It is used principally in the growing of cotton, tobacco, potatoes, citrus fruits, and garden truck.

MARKET.

The principal market is located in the South Atlantic States, which consume over half of the annual yearly consumption in the United States.

FOREIGN RESOURCES.

Prior to the war Germany held an almost complete monopoly on the world's trade in potash. This monopoly was made possible by the possession of the only known large deposits of soluble potash salts, located near Stassfurt and in Alsace. With France now in possession of Alsace sharp competition between these two deposits for the world's trade in potash may be expected.

DOMESTIC PRODUCTION.

Before the outbreak of the World War there was practically no potash produced in this country. The domestic production during the war has been developed until in 1918 the output from all sources was about 54,000 short tons of actual potash (K_2O), or about 20 per cent of our normal pre-war consumption. About one-half of the domestic production in 1918 came from the saline lakes in Nebraska.

DOMESTIC CONSUMPTION.

For several years before the outbreak of the war the imports of potash salts averaged about 1,000,000 tons. This quantity represents a normal pre-war consumption of approximately 270,000 short tons of actual potash (K_2O). Over 99 per cent of this import came from Germany.

FUTURE OF AMERICAN POTASH INDUSTRY.

It is questionable if the recovery of potash on the present scale from the natural brines of Nebraska and California, from kelp, and from the leucite hills of Wyoming can be continued after the resumption of foreign competition. The raw materials are not as suitable for cheap production of potash as are the minerals of the Stassfurt, Germany, and Alsace, France, deposits. The American sources are far from the chief markets—South Atlantic States—which places them at a large disadvantage in regard to freight rates.

NEED OF POTASH.

Potash is essential to the growth of all plants. In the United States the cotton crop needs and has in the past taken by a substantial margin more commercial potash than any other crop. A large proportion of the cotton-growing area is greatly benefited by its use. The lack of potash in the soil can not be compensated for by the addition of other fertilizers.

IMPORTS.

The imports into the United States of potash salts for several years prior to the outbreak of hostilities had averaged about 1,000,000 tons, valued at a little less than $15,000,000. The actual potash (K_2O) content of these salts from 1906 to 1914, in short tons, were as follows:

1906	155,974
1907	144,351
1908	136,057
1909	173,220
1910	279,780
1911	274,446
1912	253,678
1913	270,720
1914	207,089

DOMESTIC PRODUCTION COMPARED WITH IMPORTS.

A comparison of the yearly production of potash during and since the World War with total imports in short tons were as follows:

Year.	Domestic production.	Imports for consumption.
1914	.....	207,089
1915	1,000	48,867
1916	9,720	7,885
1917	32,578	8,100
1918	54,803	7,957
1919	32,474	39,619
1920	48,077	224,792
1921	10,171	81,017

All the above are official Government figures.

PRESENT CONDITION OF AMERICAN POTASH INDUSTRY.

By the end of 1920 many of the domestic producers of potash had closed their plants and at present the industry is at a standstill. Quoting from "Potash in 1921," by M. R. Nourse, in "Mineral Resources of the United States" (Geological Survey), "The general business depression, the peculiarly disorganized condition of the fertilizer business, the high freight rates, and the low price of foreign potash are given by former producers of domestic potash" as the causes for the rapid decline of the industry in the United States.

DOMESTIC CONSUMPTION.

In the following table are given for the years 1913 to 1921 the total consumption of fertilizer in the United States, the total potash (K_2O) used, the average percentage potash content in the fertilizer, and the increased cost which an addition of 2½ cents per pound would entail on the potash actually consumed:

Year.	Fertilizer sold in United States.	Potash consumed.	Average potash.	Total increased cost, at 2½ cents per pound.	
				On potash actually consumed.	If 5 per cent potash content were used.
	Short tons.	*Short tons.*	*Per cent.*		
1913	6,544,340	273,124	4.2	$13,655,700	$16,380,850
1914	7,240,320	178,610	2.5	8,930,500	18,100,800
1915	5,573,200	60,204	1.1	3,010,200	13,933,000
1916	5,390,540	17,605	.3	880,250	13,476,350
1917	6,203,540	40,673	.6	2,033,650	15,516,350
1918	6,756,740	62,780	.9	3,138,000	16,891,850
1919	6,891,320	61,034	.9	3,051,700	17,228,300
1920	7,654,220	247,252	3.2	12,362,600	19,135,550
1921	4,500,000	71,997	1.6	3,599,850	11,250,000

From the preceding table it can be readily seen that during the World War the use of potash in fertilizer was curtailed to such an extent that the productivity of our soil was necessarily considerably diminished. From an average of over 4 per cent in 1913, the potash content in the fertilizer fell to three-tenths of 1 per cent in 1916. If there had been a duty of 2½ cents per pound on potash imported in 1913 an additional cost would have resulted to the farmer of over $13,500,000, and in 1920 of over $12,000,000. If, during these nine years, 5 per cent potash had been used in the fertilizer (a normal need) the increased cost at 2½ cents to the American farmer would have averaged yearly about $15,750,000.

FARM EXPENDITURES FOR FERTILIZER.

The following table shows the expenditures by the farmers of this country, according to the United States Census Office, for 1909 and 1919 for fertilizers, and several leading States:

	1919		1909	
	Value.	Per cent of total, United States.	Value.	Per cent of total, United States
Total for United States	$326,399,800	.....	$114,882,541	.....
South Carolina	52,546,795	16.1	15,162,017	13.2
North Carolina	48,796,694	14.9	12,262,533	10.7
Georgia	46,196,434	14.3	16,860,149	14.7
Virginia	17,277,705	5.3	6,932,455	6.0
Other South Atlantic States	20,882,549	6.4	8,407,976	7.3
Total South Atlantic States	185,700,177	57.0	59,625,130	51.9
Total southern east of Mississippi River	211,177,032	64.7	72,526,369	63.1
Maine	7,759,067	2.4	4,039,479	3.5

It can be readily seen from the preceding table that the Southern States are the dominant factor in the fertilizer of the country. The South Atlantic States in 1909 consumed by value about 52 per cent, and in 1919 57 per cent, of the total of the country, and the Southern States east of the Mississippi River purchased 63 per cent in 1909 and 64.7 per cent in 1919.

POTASH CONSUMPTION BY STATES.

The latest available figures for a normal year of potash consumption are for 1910, which are as follows:

State.	Potash consumption.	Per cent potash content in fertilizer.	Fertilizer consumption.	Per cent of United States consumption of potash.	Cultivated acres.	Pounds of potash consumed per 100 acres cultivated.
	Short tons.		*Short tons.*			
North Carolina	28,909	4.1	630,095	10.0	5,737,037	1,007.8
Maine	8,334	6.4	116,085	2.8	1,588,065	1,049.6
Florida	15,086	7.8	172,641	5.4	1,223,078	2,466.9
New Jersey	9,234	6.9	120,000	3.3	1,114,903	1,656.5
Massachusetts	4,408	6.1	64,000	1.6	654,844	1,346.3
Connecticut	2,925	6.5	40,000	.1	534,846	1,093.8
South Carolina	42,706	3.6	1,048,806	15.3	5,152,845	1,657.6
Georgia	44,650	3.5	1,134,000	16.0	9,662,383	924.2

The preceding table gives an idea of the high percentage of potash contained in the fertilizers consumed in some of the Eastern States where intensive cultivation is engaged in, running as high as 7.8 per cent in Florida, 6.9 per cent in New Jersey, 6.5 per cent in Connecticut, and 6.4 per cent in Maine. For 1910 the total fertilizer consumed in the entire country was over 6,000,000 tons, which contained about 280,000 short tons of pure potash, which averaged therefore nearly 4.6 per cent content of potash.

PRICES.

Prices of imported and domestic potash (pure K_2O) for comparative purposes are rather difficult to obtain, as the price depends somewhat upon the grade and amount of potash contained in the potash salts. The figures given below were obtained from "Mineral Resources of the United States" (Geological Survey), and the prices are per unit (20 pounds) of potash (K_2O):

Year.	Imported—Average price at point of origin for year.	Domestic—Average sales price f. o. b. plant for year.
1913	$0.52	
1914	.53	
1915	.77	$3.14
1916	2.62	4.37
1917	3.75	4.29
1918	4.50	4.11
1919	1.46	2.31
1920	1.71	1.80
1921	1.21	1.02

Since the middle of 1921 to the middle of 1922 the prices of imported potash have decreased from 20 per cent to 50 per cent. The prices quoted above are for potash which is to be used chiefly for fertilizers. With the prices of foreign-bought potash back to the pre-war levels the proposed duty of 2½ cents per pound or 50 cents per unit of 20 pounds will mean an ad valorem equivalent of nearly 100 per cent.

PRICES OF IMPORTED POTASH VERSUS DOMESTIC FREIGHT RATES.

Allow me to quote from the hearings of 1922 before the Senate Finance Committee (p. 4740) regarding the discussion with Mr. S. D. Crenshaw, of Richmond, Va., representing the National Fertilizer Association, as follows:

"Senator JONES. What is your contract price for the German potash per unit? What does it amount to?

"Mr. CRENSHAW. The price of muriate of potash is $37 per ton for 50 units.

"Senator JONES. How much would that be per unit?

"Mr. CRENSHAW. From that has to come off discount, making it $31.04, divided by 50. That is 63 and a fraction over—between 63 and 64 cents a unit.

"Senator JONES. Then you get potash here almost for the cost of transportation?

"Mr. CRENSHAW. That is what I say is one of the difficulties of the western producers.

"Senator JONES. The western producer never could get rid of this freight charge.

"Mr. CRENSHAW. Of course, he can hope to have a reduction in it.

"Senator SMOOT. Were the prices you quoted on the product delivered here, or are they German prices?

"Mr. CRENSHAW. Delivered in United States ports.

"Senator MCLEAN. Is the supply in Germany inexhaustible?

"Mr. CRENSHAW. Absolutely, Senator.

"Senator MCLEAN. Of course, if that were true they would have an incentive to sell all that they can and at a fair profit."

Mr. Crenshaw continues: "Freight from the Nebraska lakes, which run from 22 per cent to 25 per cent K_2O content, to main fertilizer consuming points is $15 to $16 a ton, or 60 cents a unit (20 pounds), of pure potash. From California freight on 32 per cent K_2O was $23.25 per ton, or 70 cents per unit, of potash." Thus we can get potash delivered at American ports almost as cheap as the cost of transportation from Nebraska and cheaper than from California.

DIFFICULTY WITH AMERICAN POTASH.

I wish to quote from a brief filed by Mr. J. D. Cameron Bradley, vice president of the American Agricultural Chemical Co., during the Senate hearings of 1922 (p. 4725):

"I do not believe that this country can successfully compete with German or French potash unless actual deposits of potash salts are discovered. The potash produced from the Nebraska lakes is low grade and inferior in quality to the German article either for direct application or for use in mixed fertilizers. The California product contains a certain amount of borax, which is deleterious to plant life, and this company is unwilling to risk its use. Other companies who have used it have suffered heavy losses in consequence of the borax injuring the crops. It is now claimed that the amount of borax has been reduced to a safe percentage, but of this fact we are not as yet sufficiently convinced to risk using it in our fertilizers.

"I can not believe that Congress will consent to levy a tax upon the products of the soil and indirectly upon the very sustenance of every citizen."

Allow me to quote again from Mr. Crenshaw, of Richmond, Va., regarding the many practical reasons that militate against American potash:

"No producer in America can furnish kainit, which is the form of potash salt that is most largely used by the American farmers in an unmixed state. The muriate of potash (K_2O content about 50 per cent) produced from the largest American source—Searles Lake, Calif.—still bears the prejudice of the consumer and the fear of the fertilizer manufacturer as to the use of it, because of experiences with it in the past, when they produced a muriate of potash so high in borax as to injure crops and cause innumerable damage suits that cost many fertilizer manufacturers immense sums. The product of the Nebraska lakes is good for its grade, except for the fact of its being so alkaline as to prevent practically the use of certain important ammoniates in manufacturing complete mixed goods, because it causes loss of ammonia."

Boiled down, the essence of the facts is:

"(1) In spite of five years of war, which gave the American producers a monopoly, and which they exercised to arbitrarily charge the highest prices obtainable, even to the extent of six or seven times the pre-war and present prices of potash—say, approximately $4.50 per unit—they were never able to produce the equivalent of over 54,000 tons of pure potash in any one year. Therefore, I repeat, there is no reason to expect that they can produce the normal American requirements at present prices even plus proposed tariff, say, about $1.10 per unit, when they could not produce more than about 25 per cent of the normal American requirements with prices practically four times as high.

"(2) Should the farmers of this country be taxed a sum estimated by American producers at approximately $54,000,000 in the effort to nurture a war-time business baby to self-supporting manhood, when it looks hopeless to successfully accomplish this?

"(3) Much propaganda has been published to the effect that the present price of German potash is due to the low value of the German mark, but the fact is that many years ago, when the German mark was normal, we made a contract for German potash at about 30 per cent lower than the present prices.

"(4) In May, 1920, some fertilizer manufacturers bought the equivalent of about 12,500 tons of pure potash from certain American producers at what they claimed to be cost prices, because they stated that bankruptcy would otherwise result to many of them, and, furthermore, that they had worked out in research laboratory new methods to reduce their costs and save by-products that made it certain they would be able to meet foreign competition as to price. Now, 19 months later, instead of having fulfilled their prophecies, they ask for tariff protection for five years at the expense of the farmer.

"(5) The use of potash is not confined to farmers who grow any single crop or to any special section of our country. The interest is identical with growers of potatoes in Florida, the Carolinas, Virginia, New York, Maine, Michigan, etc. The same is true of producers of wheat, corn, etc., whether North, South, East, or West. Florida citrus fruits would reach you in poorer condition unless the grove owners feel that potash prices not only justify their using it, but using it in the form of sulphate. Without potash especially the sandy lands of the South can not produce normal yields of cotton. The tobacco crops of Florida, the Carolinas, Pennsylvania, Connecticut, Massachusetts, Wisconsin, Kentucky, Porto Rico, etc., are all dependent on potash. Porto Rico could not successfully grow sugar cane without it. Peaches, apples, strawberries, vegetable crops, wherever grown, require it.

"(6) Certain forms of potash much used and desired in the United States can not be produced in this country.

"(7) One of the difficulties of the American production is that the freight rates from producing to consuming points average some 40 to 50 cents per unit of potash, or nearly as much as the cost of foreign potash delivered at American ports."

INADEQUACY OF AMERICAN SUPPLY OF POTASH.

Quoting again from Mr. Crenshaw, on page 4739 of the Senate hearings, as follows:

"Mr. CRENSHAW. I said that the representatives of the American potash producers met November 14, 1921, when I had an interview with them. I have already told you that I asked them to please make a showing as to what the possible production in America would be at the end of a five-year tariff protection. They promised to give it to me, as I have stated, but I have never heard from them since.

"Senator SMOOT. They may do it at this hearing.

"Mr. CRENSHAW. One minute. At the same interview I asked them what was the productive capacity of the United States——

"Senator SMOOT. To-day?

"Mr. CRENSHAW. In the next year, and here it is. This is a memorandum that I dictated after our meeting was over. All this is in tons of K_2O. They estimated that Trona could produce 20,000 tons; Salduro, 10,000 tons; what we call the Nebraska Lakes, 12,500 tons; the Alunite of Utah, 6,000 tons; the United States Alcohol Co., 3,000 tons; the cement companies, 3,000 tons; the beet-sugar companies, 5,000 tons; the West End Chemical Co., at Searles Lake, 1,500 tons, making a total of 61,000 tons. That, they say, is their ability to produce now."

In the Senate hearings before the Finance Committee, on pages 4747–4749, we have the statement of Hon. JOHN S. BENHAM, a Representative in Congress from the State of Indiana:

"Representative BENHAM. I represent the fourth district of Indiana in the House, and when not acting as a Member of Congress my most serious business is agricultural pursuits.

"During probably 10 years prior to my becoming a Member of the Sixty-sixth Congress my main business was buying run-down, worn-out farms that nobody wanted and attempting to refertilize them, repair buildings, and, in short, I was something of a doctor of sick farms. I relied on two agencies—the very liberal use of potash and, of course, the use of clover. I have made quite large use also of commercial fertilizer rich in this one element, potash, and using from a few pounds of potash per acre up to 100 pounds, owing to the crop I wanted to produce, the condition of the soil, and the time I had for building up the farm.

"The whole delegation from Indiana in the House, including myself, are high protectionists. I do not need to give out any family secrets. I am speaking on the potash question from the standpoint

of a high protectionist for all promising American industries. However, the element potash is protected at the rate of 25 per cent ad valorem in the chemical schedule, which we agriculturists do not oppose.

"I am speaking against the tariff on agricultural potash, because I do not believe—I have seen no evidence, no statistics anywhere that makes me believe—that it is or is likely to become a promising American industry."

I do not find any evidence of any single year where the American producers have produced more than one-eighth of the amount demanded and needed. The largest amount produced in any one year in the United States was about 54,000 tons. On the other hand, 375,000 tons have been used by the American farmer, and a vastly greater amount is now needed, owing to the fact that not enough potash was used during the war.

EFFECT OF PROPOSED RATE UPON FARMER.

Hon. JOHN S. BENHAM continues:

"The tariff of 50 cents a unit would be a burden on the American farmer of from 50 cents to $50 per acre.

Allow me to add also from the hearings on page 4752 the statement of Dr. Frank App, representing New Jersey Federation of County Boards of Agriculture and New Jersey State Grange, Trenton, N. J.:

"The tomato farmer finds it very hard on him because he is usually not so large a farmer, but it means $20 per farm for the tomato grower who grows the normal amount in the tomato section. And the same is true of sweet potatoes. They use about the same amount for sweet potatoes, or $20 for a man who grows the normal acreage. The farmer opposes the tariff as it exists, first, because of the excessive cost to the farmer when you are charging him about $12,500,000 to $15,000,000 for protection to an industry to the extent of $2,500,000—in other words, you are not only protecting the man who is going to make the potash, but you are also charging over and above that quite a large amount—and, second, because of the poor distribution, as the man who grows potatoes and other vegetables pays an excessive amount of this tariff."

It may also be interesting to note the increased cost to several of the chief fertilizer consuming States which the duty of 2½ cents per pound would entail. Using consumption figures of a normal year—1910—before the war, this duty would cost both Georgia and South Carolina over $2,000,000 each, North Carolina nearly one and one-half million dollars, Alabama over a million, etc. These increased costs will be borne first by the American fertilizer manufacturer, then by the farmer, and lastly by the American consumer. It has been figured that for the entire country the increased duty would be over $14,000,000.

FINAL.

In conclusion allow me to mention again Hon. JOHN S. BENHAM, on page 4750 of the hearings, as follows:

"In the hearings before the Ways and Means Committee of the House the potash producers and the potash distributors in America were heard. They presented their case very well, indeed. The farmers who are paying the bills directly were not for any considerable length of time heard. The people who finally pay the bills, the 100,000,000 Americans who are interested in both the price and the quality of the fruits, the grains, and vegetables have not been heard. It is a well-known fact that not only are fruits and vegetables produced much more cheaply by the use of potash, but their keeping qualities are very much improved.

"I had thought just a little of telling some secrets, and yet I think possibly it is not desirable to do so. I should like to state only this: We agriculturists of the House had the understanding, after a talk with one of the members of the Ways and Means Committee, that this element in which we were interested was to be on the free list. We learned later on that there was a tariff of 2½ cents per pound, or $50 per ton. We then asked that this one item be submitted to a vote of the House, and that request was refused.

"I have only this one request to make, that the Senate return this bill to the House in a shape that will allow the rank and file of the Members of the House to have a square vote as to whether this item shall or shall not be taxed."

Mr. STANLEY. Mr. President, I simply wish to make one statement to the chairman of the committee. It would be a pity not to let the committee complete the iniquity. The only iniquitous thing they have left out of this tariff bill is a bounty. They have embargoes, they have indefensible duties. If they can just get a bounty there will be nothing abominable left out, and for the sake of symmetry I am almost hoping they will do it.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the Senator from North Dakota [Mr. MCCUMBER].

Mr. REED. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. HALE (when his name was called). I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Maryland [Mr. WELLER], and vote "yea."

Mr. LODGE (when his name was called). I have a general pair with the Senator from Alabama [Mr. UNDERWOOD], and I withhold my vote.

Mr. MCCUMBER (when his name was called). Transferring my pair as on the previous vote, I vote "yea."

Mr. SIMMONS (when his name was called). I wish to state that I have a general pair with the junior Senator from Minnesota [Mr. KELLOGG]. I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK], and vote "nay."

The roll call was concluded.

Mr. EDGE. I transfer my pair with the senior Senator from Oklahoma [Mr. OWEN] to the senior Senator from Minnesota [Mr. NELSON], and vote "nay."

Mr. SUTHERLAND. Transferring my pair with the senior Senator from Arkansas [Mr. ROBINSON] to the Senator from Vermont [Mr. PAGE], I vote "yea."

Mr. FLETCHER (after having voted in the negative). I have a general pair with the Senator from Delaware [Mr. BALL], who is absent. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and let my vote stand.

Mr. GERRY. I wish to announce that the junior Senator from Mississippi [Mr. HARRISON] is unavoidably absent. If present and not paired, he would vote "nay."

I also wish to announce the necessary absence of the senior Senator from Alabama [Mr. UNDERWOOD]. He is paired with the senior Senator from Massachusetts [Mr. LODGE]. If present and voting, the Senator from Alabama would vote "nay."

The result was announced—yeas 30, nays 32, as follows:

YEAS—30.

Brandegee	Frelinghuysen	McKinley	Shortridge
Bursum	Gooding	McLean	Smoot
Calder	Hale	McNary	Spencer
Cameron	Jones, N. Mex.	Moses	Stanfield
Colt	Kendrick	New	Sutherland
Curtis	Keyes	Pepper	Warren
Dillingham	Ladd	Phipps	
Ernst	McCumber	Ransdell	

NAYS—32.

Ashurst	Gerry	Oddie	Sterling
Borah	Glass	Overman	Swanson
Capper	Harris	Pomerene	Townsend
Caraway	Heflin	Reed	Trammell
Cummins	Jones, Wash.	Sheppard	Wadsworth
Dial	Lenroot	Simmons	Walsh, Mass.
Edge	McCormick	Smith	Walsh, Mont.
Fletcher	Myers	Stanley	Willis

NOT VOTING—33.

Ball	Hitchcock	Nicholson	Shields
Broussard	Johnson	Norbeck	Underwood
Culberson	Kellogg	Norris	Watson, Ga.
du Pont	King	Owen	Watson, Ind.
Elkins	La Follette	Page	Weller
Fernald	Lodge	Pittman	Williams
France	McKellar	Poindexter	
Harreld	Nelson	Rawson	
Harrison	Newberry	Robinson	

So Mr. MCCUMBER's amendment was rejected.

The PRESIDENT pro tempore. Is there any further amendment to be offered to paragraph 1635? If not, the Secretary will report the amendment in paragraph 1636.

The READING CLERK. On page 230, paragraph 1636, the committee proposes to strike out "cyanide" and insert "nitrate or saltpeter, crude," so as to read:

PAR. 1636. Potassium nitrate or saltpeter, crude.

Mr. MCCUMBER. Mr. President, I assume there will be no objection to the amendment. We have put cyanide potassium on the free list, and this puts potassium nitrate or saltpeter, crude, on the free list.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the committee.

The amendment was agreed to.

The PRESIDENT pro tempore. Is there any further amendment to be offered to the paragraph 1636? If not, the Senate will proceed to consider paragraph No. 1.

Mr. MCCUMBER. Mr. President, the only question is on lines 24 and 25, near the bottom of page 2, which read:

Arsenious acid or white arsenic, 2 cents per pound.

SEVERAL SENATORS. Vote!

Mr. SMITH. What is the amendment, Mr. President?

The PRESIDENT pro tempore. The Chair desires to observe that the unanimous-consent agreement relates to amendments hereafter offered. Does any Senator desire to offer an amendment to paragraph No. 1?

Mr. SMITH. Yes, Mr. President; I desire to offer an amendment striking out the Senate committee amendment on line 25 providing for a duty of 2 cents a pound on white arsenic. The House provided a rate of 25 per cent ad valorem, but the Senate has agreed to the committee amendment imposing a duty of 2 cents per pound. I am not going to take the time of the Senate to argue all the reasons why the provision should be stricken out. I merely wish to state the main facts in reference to the matter.

White arsenic is the basis of what is known as calcium arsenate, which is used for the destruction of insects which prey upon the field and the garden crops of this country, and the forests as well; on our fruits and vegetables as well as other growing crops such as potatoes, tobacco, and, latterly, the great cotton crop of this country.

The supply of this article is absolutely inadequate; the need of it is absolutely imperative. The potato growers of the East and South, and of the whole Atlantic seaboard—in fact, of the whole country—are dependent upon this ingredient for the control of the potato bug; the fruit growers of the country are absolutely dependent upon it for the protection of their orchards; the growers of field crops are absolutely de-

pendent upon it for protection against the unprecedented ravages of insects. In view of the fact that there is not enough of this article produced, possibly, in the world to meet the crying demands, why the Congress should place upon it a duty of 2 cents a pound and retard its importation from abroad, when it is an imperative necessity, passes my comprehension.

I may say in conclusion, Mr. President, that the bulk of this article which is produced in this country is a by-product from the refining and smelting of certain ores such as lead, zinc, and copper. The fact of the matter is that in this country if there is an article that should be placed upon the free list, that should be brought into this country from every known source, it is this ingredient. It is, therefore, monstrous to propose that just now, while the country is suffering, perhaps, more from the inroads of insects than ever before in its history, we should impose an additional burden on those who are striving to produce our food.

I have certain letters here before me now from different agricultural organizations in reference to this subject. One of them is from an agent of the Department of Agriculture who is supervising the field work at Tallulah, Ala., calling attention to the fact that the need of this article is so very great and the supply so small that a large part of the cotton crop will suffer because of its lack, not from boll weevil alone but from the caterpillar that is now ravaging it, a misfortune which occurs from year to year.

I think if the Senate wishes to go on record as lending whatever legitimate aid may be rendered by the Congress of the United States to the struggling farmers of the country, it should not only vote to place this article upon the free list but should use every method within its power to procure an adequate supply of this ingredient.

Mr. President, I hope that the Senate will not agree to the Senate committee amendment, but will allow this article to go upon the free list. I ask for the yeas and nays on my amendment.

The PRESIDENT pro tempore. The Chair desires to suggest that he is inclined to believe that the vote by which the amendment of the committee was adopted must be reconsidered before the amendment proposed by the Senator from North Carolina may be received.

Mr. SIMMONS. I ask unanimous consent that the vote by which the committee amendment was adopted be reconsidered.

Mr. McCUMBER. There is no objection to that.

The PRESIDENT pro tempore. The Senator from North Carolina asks unanimous consent that the vote by which the amendment on page 2, line 25, providing a duty of 2 cents per pound on white arsenic, may be reconsidered. Is there objection? The Chair hears none. Does the Senator from South Carolina propose to strike out the words—

Arsenious acid or white arsenic 2 cents per pound?

Mr. SMITH. I move to strike out the Senate committee amendment inserting the words "2 cents per pound."

Mr. WILLIS. What would be the effect of that amendment if it should be agreed to?

Mr. SMOOT. The duty of 25 per cent ad valorem will remain.

The PRESIDENT pro tempore. The Chair does not understand exactly how the clause would stand should the amendment of the Senator from South Carolina be agreed to.

Mr. SMITH. I merely wish to have a vote on the Senate committee amendment. Later, in the Senate, there will be a motion made to strike out the duty of 25 per cent ad valorem. All I desire now is to have a vote against the Senate committee amendment providing for a duty of 2 cents a pound.

The PRESIDENT pro tempore. The question is on the motion of the Senator from South Carolina [Mr. SMITH].

Mr. SMITH and Mr. HEFLIN called for the yeas and nays.

Mr. WILLIS. Mr. President, I rise to a parliamentary inquiry. Is the question upon agreeing to the Senate committee amendment, or what is the question?

The PRESIDENT pro tempore. The question is upon the amendment proposed by the Senator from South Carolina, which is to strike out the words "2 cents per pound" in line 25, on page 2.

Mr. SMITH. Mr. President, then those in favor of striking out the words will vote "yea." I move to strike out the words "2 cents per pound."

The PRESIDENT pro tempore. The Chair assumes that Senators know that.

Mr. McCUMBER. Mr. President, we do not as yet know what the Senator's motion is.

Mr. WADSWORTH. Mr. President, I think the Presiding Officer has recognized me. As I understand, the Chair has just announced that the pending question is whether or not the words "2 cents per pound" shall remain in the bill.

Mr. SMOOT. That is as I understand it.

The PRESIDENT pro tempore. The attention of the Chair was diverted for a moment. Will the Senator from New York please restate his question?

Mr. WADSWORTH. I understand that the question has been stated to this effect, whether or not the words "2 cents per pound," in line 25, shall remain in the bill.

Mr. CURTIS. Mr. President——

Mr. SMITH. Mr. President, I should like to state my proposition clearly.

Mr. WADSWORTH. Just a moment. I wish to inquire——

The PRESIDENT pro tempore. The Senate will be in order.

Mr. WADSWORTH. A parliamentary inquiry. If the words "2 cents a pound," as proposed by the committee, are not agreed to, that will leave the language reading:

Arsenious acid or white arsenic, formic acid, 4 cents per pound.

What becomes of the first semicolon, in line 25, after the word "pound"?

The PRESIDENT pro tempore. It is not for the Chair to construe the effect of the amendment.

Mr. SMITH. The amendment I proposed was simply to strike out the committee amendment at the beginning of line 25, inserting the words "2 cents per pound."

Mr. SMOOT. That has not been agreed to as yet.

Mr. WADSWORTH. We have reconsidered that.

Mr. SMOOT. We have reconsidered it.

Mr. WADSWORTH. So those words are not now in the bill.

The PRESIDENT pro tempore. The Chair desires to say that if any Senator shall raise the point of order the Chair will be constrained to hold that the amendment is not in order. The proper proceeding is to disagree to the Senate committee amendment.

Mr. SMITH. Very well; that is all right.

Mr. WADSWORTH. I rise to another parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WADSWORTH. If the Senate committee amendment is disagreed to, how will the bill then read?

The PRESIDENT pro tempore. The Secretary will state how the bill would then read.

The reading clerk read as follows:

Arsenious acid or white arsenic, formic acid, 4 cents per pound.

Mr. WADSWORTH. Then, if the Senate committee amendment is rejected the rate will be double that suggested by the committee.

Mr. LENROOT. Exactly.

The PRESIDENT pro tempore. The Chair does not understand the Senator to propound that as a parliamentary inquiry.

Mr. WADSWORTH. I state it as a fact, then.

Mr. SIMMONS. Mr. President——

Mr. SMITH. There is a semicolon which divides the two clauses. If it were in order, were the bill in the Senate, I would move to strike out the clause "arsenious acid or white arsenic, 2 cents per pound." Then, if the motion were agreed to, it would automatically go to the free list.

Mr. LENROOT. The Senator may make such a motion now.

Mr. SMITH. If I may do that now I will amend my amendment by moving to strike out the words "arsenious acid or white arsenic, 2 cents per pound," in line 24 as I a part of line 25.

The PRESIDENT pro tempore. The Chair desires to suggest to the Senator from South Carolina that the words "2 cents per pound" are not in the bill.

Mr. LENROOT. May I suggest that if the Senate committee amendment shall be disagreed to and the Senator from South Carolina then moves to strike out the words "arsenious acid of white arsenic," he will accomplish what he desires.

Mr. SMOOT. Or, if the Senator from North Carolina will simply withdraw his request to reconsider and leave the provision just as it was originally agreed to by the Senate, the Senator from South Carolina can then move to strike out the clause, and it will all go out.

The PRESIDENT pro tempore. The question is upon agreeing to the committee amendment.

Mr. SIMMONS. Mr. President, as the Chair puts the question, as I understand, we are to vote upon agreeing to the committee amendment which imposes a duty of 2 cents per pound upon white arsenic. I think that is correct.

Mr. McCUMBER. Question!

Mr. LENROOT. May I make a parliamentary inquiry?

The PRESIDENT pro tempore. The Senator will state it.

Mr. LENROOT. What is the state of the record at the present time? What is the question?

The PRESIDENT pro tempore. The state of the record at the present time is that the vote by which the committee amendment was agreed to has been reconsidered.

Mr. SMITH. Let me make a parliamentary inquiry. If the request for unanimous consent to reconsider shall be withdrawn, then the words will be in the bill, because the Senate will have acted upon it, and then it will be in order for me to move to strike out the whole clause.

Mr. SMOOT. That is what I said.

The PRESIDENT pro tempore. The Chair is of the opinion that it would be in order.

Mr. SMITH. Very good; then, I ask the Senator from North Carolina to withdraw the request to reconsider the vote whereby the committee amendment was agreed to inserting the words "2 cents per pound," and then let me move to strike out the whole clause, and we will have a direct vote as to whether or not white arsenic will go on the free list.

Mr. SIMMONS. Mr. President, I should like to inquire of the Senator from New York what he meant when he said a little while ago that if we struck out the words "2 cents per pound" it would double the rate.

Mr. WADSWORTH. I meant to say that the committee amendment inserts the words "2 cents per pound." If that amendment is disagreed to, the remaining language of the bill will then be "arsenious acid or white arsenic, formic acid, 4 cents per pound."

Mr. LODGE. There is no doubt of that.

Mr. WADSWORTH. So that the rate will be double that now provided by the committee.

Mr. SIMMONS. The proposition now is to strike out the whole clause.

Mr. WADSWORTH. That was not the question pending at the time I made my observation.

Mr. SIMMONS. I withdraw my request for unanimous consent to reconsider the vote whereby the committee amendment was agreed to.

Mr. SMITH. I move to strike out on lines 24 and 25——

The PRESIDENT pro tempore. The Chair suggests that there must be something more than the withdrawal of the request to reconsider the vote. The Senate has reconsidered the vote, and that action must be rescinded before the suggestion of the Senator can be entertained.

Mr. LENROOT. The easiest way is to disagree to the committee amendment, and then let the Senator from South Carolina move to strike out the words "arsenious acid or white arsenic."

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee. [Putting the question.] The Chair is in doubt. Those in favor of the amendment will rise, and stand until they are counted.

Mr. SMOOT. Mr. President, there is no need of having a division. If we are going to have a division, let us have the yeas and nays. It seems to me that if we will agree to the committee amendment, leaving the provision exactly as it was, then the Senator from South Carolina may move to strike it all out, and, if the motion to strike out is agreed to, white arsenic will necessarily go to the free list. What is the use of having a roll call?

Why does not the Senate agree now to the committee amendment, and then let the Senator from South Carolina move to strike it all out, including the semicolon?

Mr. SMITH. If that will expedite matters, let us do that, and get some action on it. We could have withdrawn the unanimous consent. If that is all right, let us do that, though I am not going to agree——

Mr. WALSH of Montana. I object.

Mr. McCUMBER. Mr. President, the question before the Senate now is on agreeing to the committee amendment. I ask for the yeas and nays on whether or not we shall agree to the committee amendment. Let us vote.

The PRESIDENT pro tempore. The yeas and nays are demanded on the committee amendment. Is the demand seconded?

The yeas and nays were ordered.

Mr. FLETCHER. Mr. President, I want to make a parliamentary inquiry. If the committee amendment is agreed to, will it then be in order to move to strike out the words "arsenious acid or white arsenic, 2 cents per pound"?

Mr. LODGE. It will be in order in any event.

Mr. SWANSON. Mr. President, do I understand that the Senate amendment reduces the rate from 4 cents to 2 cents?

Mr. LODGE. No.

Mr. FLETCHER. It does not reduce it at all.

The PRESIDENT pro tempore. The question is upon the committee amendment.

Mr. FLETCHER. Mr. President, I asked the Chair that parliamentary question because on the answer to it depends how I shall vote on this proposition. I want to vote for the committee amendment provided I have the opportunity to vote for the proposed amendment afterwards.

The PRESIDENT pro tempore. The Chair already has expressed the opinion that if the committee amendment is agreed to the entire clause can then be stricken out upon motion.

Mr. SIMMONS. Mr. President, I suggest that we have a viva voce vote on agreeing to the committee amendment. I hope the committee amendment will be agreed to, and then that we will vote to strike it out.

The PRESIDENT pro tempore. The Secretary will call the roll. The Senator from North Dakota has asked for the yeas and nays and the demand has been seconded, and unless that demand is withdrawn the roll must be called.

Mr. McCUMBER. Mr. President, the yeas and nays have been ordered, and I should like to have the roll called.

Mr. LODGE. On what?

Mr. McCUMBER. On the committee amendment.

Mr. SIMMONS. Mr. President, I want to say to the Senator from North Dakota that my understanding was that we were not to have any practical division in agreeing to the committee amendment; that it would be agreed to, and then we would have a roll call on a motion to strike it out.

Mr. McCUMBER. The reason I asked for a vote was to get the matter settled——

Mr. SIMMONS. This will settle it.

Mr. McCUMBER. And that seems to be the only method of settling it.

Mr. SIMMONS. I think on a viva voce vote we will all agree to the committee amendment, and then the Senator can move to strike it out.

Mr. McCUMBER. I will withdraw the request for the yeas and nays.

The PRESIDENT pro tempore. The demand for the yeas and nays is withdrawn. The question is upon agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. SMITH. Now, Mr. President, on line 24, after the semicolon, I move to strike out the words "arsenious acid or white arsenic," and on line 25, "2 cents per pound" and the semicolon.

The PRESIDENT pro tempore. The Secretary will state the amendment offered by the Senator from South Carolina.

The READING CLERK. On page 2, lines 24 and 25, it is proposed to strike out "arsenious acid or white arsenic, 2 cents per pound."

Mr. SWANSON. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. EDGE (when his name was called). I transfer my general pair with the Senator from Oklahoma [Mr. OWEN] to the Senator from Maryland [Mr. FRANCE] and will vote. I vote "nay."

Mr. FLETCHER (when his name was called). Making the same announcement as before as to my pair and its transfer, I vote "yea."

Mr. GLASS (when his name was called). I transfer my general pair with the Senator from Vermont [Mr. DILLINGHAM] to the Senator from Nevada [Mr. PITTMAN] and will vote. I vote "yea."

Mr. JONES of New Mexico (when his name was called). I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Arizona [Mr. ASHURST] and will vote. I vote "yea."

Mr. LODGE (when his name was called). I have a general pair with the Senator from Alabama [Mr. UNDERWOOD] and withhold my vote.

Mr. McCUMBER (when his name was called). Transferring my pair as on the previous vote, I vote "nay."

Mr. SIMMONS (when his name was called). I am advised that my pair, the junior Senator from Minnesota [Mr. KELLOGG], if present would vote as I shall vote. Therefore I vote "yea."

The roll call was concluded.

Mr. HALE. Making the same announcement as before, I vote "yea."

Mr. SUTHERLAND. Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. GERRY. I desire to announce that the Senator from Alabama [Mr. UNDERWOOD] is necessarily absent, and is paired with the Senator from Massachusetts [Mr. LODGE]. If the Senator from Alabama were present he would vote "yea" on this question.

I also desire to announce that the Senator from Mississippi [Mr. HARRISON] is necessarily absent, and is paired with the Senator from West Virginia [Mr. ELKINS]. If present the Senator from Mississippi would vote "yea" on this question.

The result was announced—yeas 29, nays 25, as follows:

YEAS—29.

Capper	Harris	Ransdell	Townsend
Caraway	Heflin	Reed	Trammell
Cummins	Jones, N. Mex.	Sheppard	Walsh, Mass.
Dial	Jones, Wash.	Simmons	Walsh, Mont.
Fletcher	Keyes	Smith	Willis
Gerry	Lenroot	Stanley	
Glass	McKinley	Sterling	
Hale	Overman	Swanson	

NAYS—25.

Ball	Edge	McNary	Stanfield
Brandegee	Ernst	Moses	Sutherland
Bursum	Frelinghuysen	Oddie	Wadsworth
Calder	Gooding	Pepper	Warren
Cameron	Kendrick	Phipps	
Colt	McCormick	Shortridge	
Curtis	McCumber	Smoot	

NOT VOTING—41.

Ashurst	Hitchcock	New	Robinson
Borah	Johnson	Newberry	Shields
Broussard	Kellogg	Nicholson	Spencer
Culberson	King	Norbeck	Underwood
Dillingham	Ladd	Norris	Watson, Ga.
du Pont	La Follette	Owen	Watson, Ind.
Elkins	Lodge	Page	Weller
Fernald	McKellar	Pittman	Williams
France	McLean	Poindexter	
Harreld	Myers	Pomerene	
Harrison	Nelson	Rawson	

So Mr. SMITH's amendment was agreed to.

Mr. SMITH. Now, Mr. President, if it is in order, I should like to move to add, on page 209, as paragraph 1506, "arsenious acid or white arsenic."

Mr. SMOOT. Mr. President, will not the Senator put it as paragraph 1513a, following "sulphide of arsenic," so that we will have them together?

Mr. SMITH. I have no objection to that. On page 211, just add the words "arsenious acid or white arsenic."

The PRESIDENT pro tempore. The Chair is of the opinion that that can be done only by unanimous consent. The Chair does not mean that the motion must be assented to unanimously, but the Senate can not take up the free list until the Senate gives unanimous consent.

Mr. SMITH. I ask unanimous consent that it be done.

The PRESIDENT pro tempore. Is there objection? The Chair hears none. The amendment offered by the Senator from South Carolina will be stated.

The READING CLERK. On page 211, after line 17, it is proposed to insert a new paragraph, paragraph 1513a, to read:

Arsenious acid or white arsenic.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment offered by the Senator from South Carolina.

The amendment was agreed to.

Mr. McCUMBER. I ask unanimous consent that when the Senate closes its session on this calendar day it recess until to-morrow at 11 o'clock.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

PETITIONS AND MEMORIALS.

Mr. LADD presented a resolution adopted by the Wisconsin State Federation of Labor, at Milwaukee, Wis., favoring the recognition of the present Soviet Government of Russia and the making of a trade agreement with such Government restoring facilities for communication and commerce between the United States and Russia, etc., which was referred to the Committee on Foreign Relations.

He also presented resolutions adopted by the North Dakota Pharmaceutical Association, at Fargo, N. Dak., favoring inclusion in the pending tariff bill of a prohibition against the importation of merchandise bearing any trade-mark, label, print, or other mark, registered in the United States Patent Office and owned by any person domiciled in the United States unless imported by such owner, provided the owner shall file with the Secretary of the Treasury a certified copy of the registration of the mark, which were referred to the Committee on Finance.

He also presented a resolution adopted by the Mandan Federated Shop Crafts, of Mandan, N. Dak., favoring the prompt taking over and operation by the United States of the railroads and coal mines so as to safeguard the welfare, comfort, and safety of all the people, which was referred to the Committee on Interstate Commerce.

Mr. EDGE presented resolutions adopted by an executive meeting at Jersey City, N. J., of the National Disabled Soldiers' League of New Jersey, protesting against the enactment of legislation incorporating the Disabled American Veterans of the World War, unless the wounded, gassed, and disabled soldiers, sailors, marines, and nurses of the National Disabled Soldiers' League are accorded the same privilege, which were referred to the Committee on the Judiciary.

FRANK AYERS.

Mr. CALDER introduced a bill (S. 3897) for the relief of Frank Ayers, which was read twice by its title and referred to the Committee on Pensions.

CARE FOR DEPENDENT CHILDREN.

Mr. CALDER introduced a bill (S. 3898) to provide home care for dependent children, which was read twice by title.

Mr. CALDER. Mr. President, this bill provides home care for dependent children in the District of Columbia. It is in line with legislation in many of the larger and more progressive States in the Union. Under its terms a mother having a child dependent upon her for support who is unable without aid to maintain a suitable home and provide proper care for such child shall be given a monthly allowance by the District of Columbia in a sum deemed necessary.

In many States where orphan asylums and charitable organizations took these children in their care the State usually allowed a certain sum to provide for them. Under this system the child remains with its mother, to be brought up under proper home environment. In New York State, where this new system has been in effect for a number of years, it has worked splendidly. It not only tends to the contentment of the mother, but it is of the greatest value for the future of the child. In New York to-day there are very few orphan asylum children.

This measure is of such great importance to the future of our District children that I am hopeful the chairman of the committee to which I ask that this bill be referred may give it his attention at the earliest possible moment.

I move that the bill be referred to the Committee on the District of Columbia.

The motion was agreed to.

EXECUTIVE SESSION.

Mr. LODGE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 6 o'clock and 50 minutes p. m.) the Senate, under the order previously entered, took a recess until to-morrow, Wednesday, August 9, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate August 8 (legislative day of August 3), 1922.

COAST AND GEODETIC SURVEY.

Robert Winn Byrne, of Ohio, to be aid with relative rank of Ensign in the Navy in the Coast and Geodetic Survey, vice C. K. Green, promoted.

COAST GUARD.

Lieut. (junior grade) Charles G. Roemer to be a lieutenant in the Coast Guard of the United States, to rank as such from July 10, 1922, in place of Lieut. Frank L. Austin, retired.

This officer has passed the examination required by law.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY.

AIR SERVICE.

First Lieut. John Ferral McBlain, Cavalry, with rank from July 2, 1920.

PROMOTIONS IN THE NAVY.

Capt. George W. Williams to be a rear admiral in the Navy from the 3d day of June, 1922:

The following-named commanders to be captains in the Navy from the 3d day of June, 1922:

Franck T. Evans.	Hayne Ellis.
Ward K. Wortman.	Ernest J. King.
Charles R. Train.	Alfred G. Howe.
Byron A. Long.	Allen Buchanan.
Daniel P. Mannix.	

The following-named lieutenant commanders to be commanders in the Navy from the 3d day of June, 1922:

Chester H. J. Keppler.	Augustin T. Beauregard.
John H. Hoover.	Claud A. Jones.

Lieut. Robert H. English to be a lieutenant commander in the Navy from the 11th day of February, 1922.

Lieut. Thomas L. Gatch to be a lieutenant commander in the Navy from the 3d day of June, 1922.

Lieut. (Junior Grade) Hugh St. Clare Sease to be a lieutenant in the Navy from the 1st day of July, 1920.

Lieut. (Junior Grade) Sidney B. Blaisdell to be a lieutenant in the Navy from the 19th day of April, 1922, to correct the date from which he takes rank as previously nominated and confirmed.

Ensign Gerald L. Schetky to be a lieutenant (junior grade) in the Navy from the 1st day of July, 1920.

The following-named ensigns to be lieutenants (junior grade) in the Navy, from the 7th day of June, 1922:

Moultrie Moses.	Raymond W. Holsinger.
William L. Eagleton.	Herbert P. Schubert.
Eugene T. Aldridge.	Harold E. Peifer.
Selden Chapin.	Alexander J. Couble.
William A. Rice.	Frederick B. Kauffman.
Herbert L. MacBride.	Frederick W. McMahon.
Thomas B. Brittain.	Royal W. Abbott.
John E. Whelchel.	Robert H. Hargrove.
Jerome F. Donovan, jr.	Samuel H. Arthur.
Roy W. M. Graham.	Maurice E. Browder.
Forrest M. O'Leary.	Thomas H. Binford.

Civil Engineer George A. McKay to be a civil engineer in the Navy with the rank of captain, from the 2d day of December, 1921.

Boatswain Frederick B. Webber to be a chief boatswain in the Navy, to rank with but after ensign, from the 16th day of December, 1921.

Gunner George H. Kellogg to be a chief gunner in the Navy, to rank with but after ensign, from the 3d day of December, 1921.

POSTMASTERS.

CONNECTICUT.

Harry N. Prann to be postmaster at Centerbrook, Conn. Office became presidential July 1, 1922.

Howard A. Middleton to be postmaster at Broad Brook, Conn., in place of A. W. Tyler, removed.

FLORIDA.

William W. Rees to be postmaster at Tavares, Fla., in place of O. E. Hannah, resigned.

ILLINOIS.

Louis R. Kelly to be postmaster at Duquoin, Ill., in place of M. C. Cook, resigned.

Kelly A. Cardiff to be postmaster at Hoopeston, Ill., in place of William Finley, resigned.

INDIANA.

Fred D. Price to be postmaster at Plymouth, Ind., in place of L. G. Harley, removed.

IOWA.

Ralph M. Tyler to be postmaster at Ladora, Iowa, in place of R. N. Seydel, deceased.

MAINE.

Velorus T. Shaw to be postmaster at Prouts Neck, Me. Office became presidential January 1, 1922.

MINNESOTA.

Margaret E. Gillespie to be postmaster at Carlton, Minn., in place of M. E. Gillespie. Incumbent's commission expired April 16, 1922.

Arch Coleman to be postmaster at Minneapolis, Minn., in place of E. A. Purdy, resigned.

Otis T. Wentzell to be postmaster at Moorhead, Minn., in place of E. L. Flaten. Incumbent's commission expired August 7, 1921.

MISSOURI.

Emmet L. Gaffney to be postmaster at Craig, Mo., in place of W. H. Hambaugh, resigned.

Addie Erwin to be postmaster at Thayer, Mo., in place of W. D. Meeke. Incumbent's commission expired January 24, 1922.

NEW HAMPSHIRE.

Bertrand N. Hill to be postmaster at Dixville Notch, N. H. Office became presidential January 1, 1921.

Herbert E. Walbridge to be postmaster at Enfield, N. H., in place of G. H. Laffee. Incumbent's commission expired March 16, 1921.

NEW JERSEY.

Frederick R. Dixon to be postmaster at Bellemead, N. J. Office became presidential January 1, 1922.

Charles H. Updike to be postmaster at Trenton, N. J., in place of E. F. Hooper, resigned.

NEW YORK.

Charles A. Van Sise to be postmaster at Syosset, N. Y. Office became presidential July 1, 1922.

Henry W. Koster to be postmaster at Narrowsburg, N. Y., in place of J. E. Purcell. Incumbent's commission expired July 3, 1920.

NORTH CAROLINA.

John G. Frazier, jr., to be postmaster at Guilford College, N. C. Office became presidential October 1, 1920.

NORTH DAKOTA.

Elvin J. Elstad to be postmaster at Rugby, N. Dak., in place of J. F. Tibbs, resigned.

OKLAHOMA.

Frederick W. Hunn to be postmaster at Crowder, Okla. Office became presidential October 1, 1920.

Charles F. Rice to be postmaster at Texola, Okla. Office became presidential July 1, 1920.

Everette L. Richison to be postmaster at Bokoshe, Okla., in place of B. B. Woodward, resigned.

William W. Wagner to be postmaster at Orlando, Okla., in place of I. W. Bebout, removed.

PENNSYLVANIA.

Margaret E. Warnock to be postmaster at Darlington, Pa. Office became presidential April 1, 1921.

Mark M. Merritt to be postmaster at Granville Summit, Pa. Office became presidential April 1, 1921.

Ralph H. Scott to be postmaster at Conway, Pa., in place of H. J. Bock, resigned.

George F. Carling to be postmaster at Sayre, Pa., in place of Daniel Clarey. Incumbent's commission expired February 4, 1922.

TENNESSEE.

William A. Langley to be postmaster at Petros, Tenn. Office became presidential January 1, 1921.

Clarence V. Gwin to be postmaster at Hartsville, Tenn., in place of R. E. Cullom, resigned.

TEXAS.

Willie L. Gottschalk to be postmaster at Gulf, Tex. Office became presidential April 1, 1920.

Albert T. Cook to be postmaster at Manor, Tex., in place of A. F. Loftis. Incumbent's commission expired January 24, 1922.

Hugh G. Koether to be postmaster at Shiner, Tex., in place of Edmund Herder, resigned.

UTAH.

Frank Beesley to be postmaster at Eureka, Utah, in place of T. L. Sullivan, removed.

WEST VIRGINIA.

Woodford G. Whitman to be postmaster at Monaville, W. Va. Office became presidential July 1, 1922.

WISCONSIN.

Charles S. Brent to be postmaster at Oconomowoc, Wis., in place of J. F. Flanagan. Incumbent's commission expired January 24, 1922.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 8 (legislative day of August 3), 1922.

AGENT BEFORE THE ARBITRAL TRIBUNAL.

Fred K. Nielsen to be agent before the Arbitral Tribunal.

PROMOTIONS IN THE NAVY.

To be commander.

Matthias E. Manly.

To be lieutenant commanders.

Harry H. Forgus.	Glenn B. Strickland.
Jay K. Esler.	Donald C. Godwin.

To be lieutenants.

Julius C. Delpino.	John N. Walton.
Edward Sparrow.	

To be lieutenants (junior grade).

Edward Sparrow.	Herbert C. Rust.
Matthias B. Gardner.	Rene F. A. Bucholz.
Richard B. Tuggle.	Charles B. McVay, 3d.
Van Fitch Rathbun.	Richard H. Cruzen.

To be surgeon.

John Buckley.

To be passed assistant dental surgeons.

Eric G. Hoylman.
Joseph A. Kelly.

To be paymasters.

Ernest H. Barber.
Oscar W. Leidel.
Herman G. Bowerfind.
John J. Gaffney.
Richard S. Robertson.

To be chief boatswains.

Edwin W. Hill.
William A. James.
John A. Pierce.
William R. McFarlane.
James Roberts.
Eugene J. Frieh.
Julius G. Sanders.
Charles A. Dannenmann.
Andrew N. Anderson.
Thomas M. Buck.
William Martin.

To be chief gunners.

Charles A. Kohls.
Daniel McCallum.
Robert Semple.
Jesse J. Alexander.

To be chief machinists.

Cyrus S. Hansel.
Ernest J. Leonard.
Alfred E. Raue.
Albert H. Mellien.

POSTMASTERS.

ALABAMA.

Levi A. Knapp, Auburn.
Charley N. Thompson, Piedmont.

COLORADO.

Robert B. Kerr, Stonington.

IOWA.

Arthur Ingraham, Conesville.
Blinn N. Smith, Coon Rapids.
Ralph K. Russell, Cushing.
Harry L. Emerson, Kenwood Park.
Arvin C. Sands, Mallard.
Freda L. Thompson, Oto.
Ferdinand J. Ruff, South Amana.
Tibbals G. White, University Park.

KANSAS.

Anna E. Waterman, Healy.
Thomas G. Armour, Hutchinson.

MICHIGAN.

Minnie McGuineas, Elberta.

OKLAHOMA.

John W. Bishop, Fairview.
Governor Everidge, Fort Towson.
Thomas J. McNeely, Goltry.

TEXAS.

Art E. Frieze, Silverton.
Ralph H. Kelly, Stanton.

SENATE.

WEDNESDAY, *August 9, 1922.*

(Legislative day of Thursday, August 3, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Ernst	McKinley	Shortridge
Ball	Frelinghuysen	McLean	Simmons
Borah	Gerry	McNary	Smith
Brandegee	Glass	Moses	Smoot
Broussard	Gooding	Myers	Spencer
Bursum	Hale	New	Sterling
Calder	Harreld	Newberry	Sutherland
Cameron	Harris	Norbeck	Townsend
Capper	Heflin	Oddie	Trammell
Colt	Jones, Wash.	Overman	Wadsworth
Culberson	Kendrick	Pepper	Walsh, Mass.
Cummins	Keyes	Pomerene	Warren
Curtis	Lodge	Ransdell	Watson, Ga.
Dial	McCormick	Rawson	Watson, Ind.
Dillingham	McCumber	Sheppard	Willis

Mr. CURTIS. I wish to announce that the Senator from Minnesota [Mr. NELSON] is absent on account of a death in his family.

Mr. GERRY. I wish to announce that the junior Senator from Mississippi [Mr. HARRISON] is unavoidably absent.

The PRESIDENT pro tempore. Sixty Senators have answered to their names. There is a quorum present.

Mr. STERLING. I submit an amendment intended to be proposed to section 315 of the pending bill, which I ask may be printed and lie on the table.

The PRESIDENT pro tempore. The amendment will be printed and lie on the table. The Senate under the unanimous-consent agreement will proceed to the consideration of the committee amendment, being paragraph 1427a on page 192, which will be read.

The ASSISTANT SECRETARY. On page 192, after line 2, the committee proposes to insert a new paragraph to read as follows:

PAR. 1427a. Hides of cattle of the bovine species, raw or uncured, or green or pickled, 2 cents per pound; dried, 4 cents per pound.

Mr. WALSH of Massachusetts. Mr. President, my objections to the levying of a duty upon hides and the consequent levying of compensatory and protective duties upon leather, boots and shoes, and other leather manufactures, briefly stated, are as follows:

First. The benefit to the cattle raiser is negligible, as the duty on each hide, even if effective in increasing the price of cattle, will amount to only 1.65 per cent of the value of the animal.

Second. Whatever benefit will inure to any individual or group of individuals by reason of a duty on hides will be chiefly to the packers, as they handle 65 per cent of the domestic hide production, which also constitutes the best quality.

Third. The benefit to the farmer from the tax on hides by the possible insignificant increase in the value of cattle which he may receive through the generosity of the packers will be more than offset by the increased cost which he will have to pay for boots and shoes, harness, and other leather manufactures.

Fourth. The domestic manufacturer of boots and shoes has absolutely no foreign competition; therefore a protective duty on boots and shoes, except for the duties on hides and leather, is unnecessary and will be ineffective. Of course, the duty on hides will increase the cost of production, which the consumer will have to pay.

Fifth. The increased cost of boots and shoes and other leather manufactures by reason of the duty on hides will result in reducing and restricting the expanding export business developed by shoe and leather manufacturers.

Sixth. The increased cost to the consumer and purchaser of shoes and other leather products will result in an unnecessary and indefensible drain of $110,000,000 on the public for the benefit of the few engaged in the packing business.

Seventh. Many of the progressive farm organizations and practically all manufacturers of boots and shoes desire and have petitioned for free hides, leather, and boots and shoes.

Eighth. It will tend to break up if not destroy the independent tanning industry and extend the packers' growing monopoly of the tanning business.

Ninth. The general public welfare would seem to dictate a policy of free hides, free leather, and free shoes.

Mr. President, two-thirds of the domestic hides are marketed by the packers, and these so-called packer hides are of the better grade because of the more efficient manner in which they are removed. The packers do not buy hides from the cattle raisers. They buy cattle on the hoof, and hides are one of the by-products.

The amount which packers charge up as the proportion for hides in estimating the cost of cattle is an average of 11 per cent. A duty of 2 cents per pound on hides at a price of 14 cents per pound is equivalent to 15 per cent ad valorem, and can only increase the price of cattle on the hoof 15 per cent of 11 per cent, which is 1.65 per cent of the total value of the cattle.

In view of the fact that the duty will amount to such an insignificant increase in the value of the cattle, it is almost certain that it will not be reflected in an increased price of cattle to the cattle raiser. Even if fully reflected it would only amount to an average of $1.35 per head of cattle at an average price of $80 a head.

It is very certain, however, in view of the large volume of hides controlled by the packers, that the duty will be reflected in the increased price of hides to the tanners and manufacturers.

It would seem, therefore, that the argument that the farmer will receive an increased price for his cattle—and it is the only argument advanced in favor of the tariff on hides—is most fallacious. Indeed, many progressive and well-informed farm-

ers, fully realizing the effect of a protective duty on hides, do not favor such a tax.

It may be urged that the packers have large packing plants in South America, and because they import hides they will not receive any special benefit from this duty. The fact is that the packers import only a minor portion of the total volume of hides that are imported. As they control about two-thirds of the entire domestic production, the best class of domestic hides, it can be easily seen that they are in a position to make the duty effective by increasing the domestic price to the amount of the tariff. Whatever duty they will be obliged to pay upon their imported hides will be more than offset by the increased price of the domestic hides. Indeed, rather than the farmer receiving any benefit from the increased price of domestic hides, the packers will be in a position to use the increased revenue on the domestic hides to offset the duty which they will be obliged to pay on their imported hides.

Under all the circumstances it does not seem possible that the cattle raiser will receive by reason of a duty on hides any appreciable increase in the price of cattle which he sells to the packers.

But assuming that he does, in view of the fact that the farmer must buy for himself and family boots, shoes, harness, and other manufactures, how is a duty upon hides, which at most will only increase the price of cattle 1.65 per cent, going to be of any permanent benefit to him?

COST OF DUTY TO THE PUBLIC.

Mr. President, the duty on cowhides affects several branches of the leather industry—the shoe industry and leather used in harness, bags, upholstery, and belting. Experts of the Tariff Commission (see Appendix A) have estimated that the proposed duty of 2 cents per pound on hides will result in an increase of 25 cents per pair in the price of shoes made of cowhide in upper and sole and an increase of 15 cents per pair in the price of shoes made with uppers of leather other than cowhide, and not therefore dutiable, but with cowhide soles, heels, and welts, which are dutiable.

According to the census of 1919 the production of shoes included 107,359,294 pairs made of cowhide uppers and soles, which at an increased cost of 25 cents per pair would amount to $26,839,824 to the consumer. The census for the same year records a production of 214,718,589 pairs made with uppers of leather other than cowhide but with cowhide soles, heels, and welts, which at an increased cost of 15 cents per pair would amount to $32,207,788 to the consumer. Adding these two amounts together, we find that the total annual cost of the duty on hides—based upon the production of 1919—would be to the ultimate consumers of shoes $59,047,612.

Since about 6 per cent of the shoe output of this country is exported, it would be more accurate to deduct 6 per cent of this amount, or $3,542,856, leaving a remainder of $55,504,755 as the annual increased cost of shoes to the American public as a consequence of the proposed duty on hides.

But it must be borne in mind that the Senate bill levies duties also on leather of various kinds, other than cowhide leather, which, if effective, will make the cost of these leathers higher to the manufacturers of shoes than those made chiefly of cowhide.

Thus, Mr. President, when we have been talking about the increased cost of 25 cents per pair on shoes by reason of the duty upon hides we have had in mind only shoes made chiefly of cowhides.

When we come to consider the cost to the consumer of shoes made chiefly of kid, Russia calf, patent colt, patent calf, and kangaroo we must add the protective duty levied upon the various kinds of shoe leathers, and that means that on shoes the uppers of which are made of these skins and whose soles are made from cowhides the protection which the manufacturer is given is 6 cents per pair, while the materials bear a duty as follows:

In shoes made of—	Cents.
Patent colt	34
Patent calf	40
Russia calf	24
Kid	33
Kangaroo	35

I have stated heretofore that shoes the uppers of which are made chiefly of cowhides are in value about one-third of the total production, but in pairs amount to fully one-half.

It is to be noted, therefore, that fully one-half of the shoes in use by the American people will bear a tax to the consumer, if the duties on leather are effective, much greater than 25 cents per pair, and probably will average 40 cents per pair, as stated by Congressman HAWLEY, Republican member of the House committee that drafted this bill.

In view of this exposé, how absurd is the claim that a protective tariff is for the benefit of the workingmen of America, when the leather used by the shoe manufacturers bears a tax of from 24 to 40 cents per pair and the finished shoe can be imported for a tax of only 6 cents.

The duty upon harness and saddlery in the pending bill is 35 per cent ad valorem. Harness is made entirely of cowhides and so is a great part of saddlery. The combined production is estimated as valued at $84,000,000 in 1919, and on this amount the duty of 35 per cent in the pending bill will increase the cost of harness and saddlery about $29,400,000.

The domestic production of miscellaneous leather goods in 1919 was valued at $53,000,000, and at a 40 per cent duty, as provided in the pending bill, the increased cost would be $21,200,000.

Therefore, the aggregate cost to the public of the duties on hides, leather, boots, and shoes will be about $110,000,000 without any allowance being made for the increase by reason of the duty on leathers other than that of cowhide. Estimating the farming population at about 30 per cent, the portion which the farmers will have to pay will be $33,000,000, again excluding the increased cost of those shoes made of leather other than cowhide.

On the other hand, what can the farmers at most hope to receive from the increased costs which the public will have to pay? There are slaughtered annually about 12,000,000 cattle, of an average value of $80 per head, making a total value of $960,000,000 received by the cattle raisers. An increase of 1.65 per cent in the price of cattle to the cattle raisers, assuming they will receive the full benefit of the proposed duty on hides, will amount to $15,840,000, and of course only a small percentage of the farmers of the country are engaged in the raising of cattle.

Thus we find that the farmers, who can only hope to receive at the most $15,840,000 in increased prices for their cattle as a result of the proposed duties, are certain to be taxed considerably more than $33,000,000 for the leather products they require.

THE FINANCE COMMITTEE'S ESTIMATE INCORRECT.

Mr. President, of course this estimate will be questioned; in fact, on May 17, in addressing the Senate, the Senator from North Dakota, chairman of the Senate Finance Committee, made the following astounding statement:

> Mr. President, there is one thing in relation to the tariff upon hides which the American people generally do not understand. * * *
> There is a general impression that if a duty of 2 cents per pound on raw hides or 4 cents per pound on dried hides shall be imposed the price of all shoes will thereby be increased. The country does not generally understand that the shoes that the American people wear are not made of cowhide; nothing but the heels and soles are of cowhide. * * *
> I think that practically 99 per cent of the shoes that are made and worn in the United States have for their uppers calfskins or some other material. The only part that is taxed or affected by reason of the tariff is the sole and the heel; and I do not think that that will, as a rule, add more than 8 cents on a pair of shoes—

And so forth.

It seems incredible that the chairman of the Finance Committee would make such a statement in the light of the well-known and easily obtainable facts. He evidently is wholly misinformed on this subject. Of course, such a statement repudiates and invalidates the whole hide and leather schedule of this bill. If the information on which the committee acted is that the duties levied on hides and leather will affect only the uppers of 1 per cent of the shoes manufactured in this country, it is evident that the committee did not write the leather schedule, or if they did they did it without obtaining any accurate information as to the very great extent and importance of the use of cowhides in the manufacture of shoes.

It seems almost asinine to have to controvert such a statement, for, in addition to this duty on hides, the paragraph levying duties upon leather fastens a tax upon every pair of shoes made in America.

The duty upon hides affects chiefly shoes made of cowhide, which constitute over one-half of the total production, instead of 1 per cent; but the leather duties will put a tax upon every kind of leather, which, of course, means that the shoe manufacturers will have to pay more for every kind of leather used in shoes if the duties become effective.

If the Senator doubts my statement about the crass inaccuracy of his statement as to the general use of cowhide for uppers, I could submit letters from leading manufacturers (see Appendix B), numerous references and discussions of the subject by the Tariff Commission, and an authoritative statement from the Tanners' Council, which represents the active members of the leather trade, giving accurate figures showing the various kinds of leather produced in the country during the six months from October 1, 1921, to April 1, 1922.

These figures show that there was made during that period and used in the United States—exports having been deducted—

194,209,557 feet of leather made from cowhides and 168,315,049 feet of leather made from calf, kip, veal, kid, and goat skins. Over 54 per cent of the leather made was cowhide.

THE DUTY ON SHOES AN ABSURDITY.

The absurdity of a protective tariff on boots and shoes based upon the theory of meeting the difference between the manufacturing costs in America as compared with the foreign manufacturing costs, which is claimed by Republicans to be their theory of protection, can be fully appreciated when we realize that there is practically no importation of boots and shoes made of cattle hides. Indeed, we are exporting very heavily, for we are making shoes so cheap and so superior in America that we are meeting all foreign competition.

The shoe and leather industry originated and developed in New England and has proved one of the greatest steps forward, industrially, that has characterized this era of industrial progress. Perhaps many of this body have not in mind the fact that until New England inventive genius developed the modern shoemaking machinery the old-fashioned hand methods of making shoes prevailed throughout the world. When the "forty-niners" left the East for the gold fields of California shoes were being made everywhere substantially as they were being made when Columbus discovered America. The process was so slow and expensive that very few of the people were properly shod. The making of shoes by machinery in large factories as now conducted in all the advanced countries of the world is wholly the result of American initiative and American invention, and the cradle of the art was in Plymouth County, Mass.

In consequence of the achievement of these American shoemakers the people of the United States have been better shod and at a less cost—though during and following the war the prices became exorbitant—than any people in the world, and to-day the manufacturing countries of the Old World have adopted our methods and our machinery and are sharing in the blessings that have been provided for them by the shoemakers of New England.

At the present time the New England method of making shoes has spread itself very generally over the whole country.

Shoes are now manufactured in many different States, Pennsylvania, Ohio, Missouri, Wisconsin, and New York being the largest producers outside of New England, so that it is true that, while every part of the country is interested to oppose this mischievous tax, to New England and the shoe and leather industries centered there it is of supreme importance. Besides supplying the home market, the manufacturers of shoes and leather in all sections of the country have built up a very considerable export trade in their commodities. At this time, when some exchange of goods with our foreign neighbors seems to be absolutely essential to the welfare of the world, anything that interferes with the business already established or hinders its development is clearly against public policy and should not be encouraged. That the proposed tax on hides will produce this result is beyond question.

THE SHOE INDUSTRY UNEXCELLED IN EFFICIENCY.

Mr. President, the shoe industry in the United States leads the world in efficiency, in quality, and in volume of output.

The points of leadership in the shoe industry in the United States may be summarized as follows:

1. Better machines.
2. Leadership in styles.
3. Superior organization.

The foreign industry's only advantage is its lower wage scale. But shoe operatives in the United States are admittedly much more efficient than labor in foreign factories.

It is not out of place to call attention at this time to the fact that there is probably no industry in this country outside of some branches of the steel industry where higher wages are paid.

Census statistics indicate that wages in the shoe industry are among the very highest paid in the country. It is also undisputed that women operatives in the shoe factories are paid higher wages than in any other industrial occupation in which women are employed.

The hours of labor, sanitary conditions, and general living conditions in the communities where the shoe industry exists are unexcelled in any other industrial community.

It is significant that this industry has, with practically no tariff protection, developed into one that provides more comforts and better conserves the health of its operatives and pays much higher wages than the industries which have enjoyed for years high protection.

It is also to be noted that the absence of protective duties has kept the industry upon a strictly competitive basis and, unlike many other industries, free from monopolistic control.

TAX ON HIDES WILL DESTROY FOREIGN MARKET.

Shoes can not be made from taxed hides as cheaply as from free hides. The foreign markets for shoes which have recently been acquired by our New England merchants and manufacturers were formerly in the possession of the English and German manufacturers. The ease and completeness with which they will recover these markets if we tax our manufacturers out of the business is not a pleasant thing for the American people to contemplate. At a time also when industries are idle, many of our people are unemployed, and the public generally is refusing to buy in normal quantities to meet the necessities of life, for the reason that prices are still too high to correspond with their income, it is a very serious matter to levy a tax which will increase the cost of shoes for every family in every community and in every State in the Union.

This tax, if levied, would increase the cost of the manufacturers' raw material by approximately thirty millions of dollars. I am figuring that the imported hides, amounting to millions of pounds, would, of course, pay the tax, while the holders of hides in this country would naturally market them on the basis of the foreign price with the duty added. There can be no question as to this result. This is what the tax is put on for. The proposers of this tax claim that by it they can increase the price of hides, and so make the animal bearing the hide of greater value to the farmer. I believe this theory is a mistaken one, and the tax will ultimately result to the farmer's disadvantage; but assuming they are correct, it is clearly beyond dispute that they are going to increase the cost of the raw material of the shoemaker by many millions of dollars.

It is obvious, then, that in addition to the loss to our merchants of their export business the people of the country must be taxed many millions for their boots and shoes. A share of this amount added to the daily cost of living of every family and bearing more heavily on the poor than on the rich creates a condition which the Senators advocating this bill will have hard work to justify. They should show first that it protects some struggling infant industry that without its help would perish. They can show no such thing. No man in this country ever embarked in the business of raising or producing hides. Hides are the by-product of the cattle-raising industry.

Mr. President, the proposal to tax hides is an imposition on the American public. By this duty the leather industries of the country would be seriously crippled, the workmen of the country would be deprived of needed employment, and the people of the country would sustain a tremendous loss through their family expenses, and all for the benefit of some intangible, unknown beneficiary. Such a proposition is so uneconomic as to be preposterous and does not deserve the serious consideration of this body.

Mr. President, a protective duty levied for the benefit of the manufacturer of boots and shoes is camouflage. It can not be effective. It is a fake. There are no imports and the domestic business is on a competitive basis.

The duty on hides, however, will be effective. It will be effective first to the manufacturer who will have to pay more for the hides that are used in the manufacture of shoes and ultimately it will be effective to the consumer when he purchases shoes; it will also be effective in crippling the tanning industry.

Instead of levying an ineffective protective duty for the alleged benefit of the manufacturers, if Congress really wanted to help the shoe industry it would provide for free hides and lower the duties on the other materials used in the manufacture of shoes instead of placing a duty on hides and increasing all other duties.

EFFECT ON TANNING INDUSTRY OF DUTY ON HIDES.

Mr. President, the tanning industry, which this duty on hides will seriously affect, is divided into two groups, (1) the packer tanners and (2) the independent tanners.

The independent tanning industry is one of the oldest industries of this country. The industry has been so well managed and has progressed to such an extent that we have developed a very extensive export trade of tanned leather, especially kid. The reputation of the American tanning industry for superiority of workmanship has become recognized throughout the world, and this has been due to the initiative and enterprise of the independent tanners.

It is estimated that there are about 700 of the so-called independent tanning establishments scattered throughout the country, principally located in the vicinity of Chicago and the Atlantic seaports. Most of them are small concerns employing comparatively few employees; but among them are two large companies that have been organized by combining smaller concerns. These two companies—the American Hide & Leather Co., which tans upper leather, and the United States Leather Co., which tans sole leather—are in active competition with each

other and all other tanners. Throughout the entire industry there is genuine competition without any suspicion of combining to control prices or to stifle competition.

About 15 years ago the packers of Chicago entered into the business of tanning hides, which was undertaken to give them a more complete control of the hide market; that is, when they could not obtain a price as high as they thought they should receive they could tan the hides. This branch of the packers' business has rapidly developed owing to the packers' control of the tanners' raw material. The hides that are taken off in their own establishments can be tanned or sold as best suits their interest, while the independent tanner must go into the market and buy either the high-priced hides from the packers or buy the inferior hides from the local cattle slaughterers. It is apparent, therefore, that the packer tanners have a decided advantage by reason of having control of the higher grades of raw material.

To what extent the packers are able to influence and control the tanning business can be appreciated when we understand that 60 per cent of the hides produced in America are taken off by the packing houses. In addition to this their subsidiary agencies throughout the country buy hides that are taken off locally. The advantage of the control of this raw material has enabled them to expand rapidly and extensively their tanning industry. It is estimated that they now tan at least 50 per cent of the heavy leather of the country and from 20 to 30 per cent of the lighter leathers used for uppers.

The brief of the National Boot and Shoe Manufacturers' Association on "Free hides in relation to leather and shoe industries" confirms these assertions:

> Very briefly stated, the situation is this: The packer comes into the possession of his hides when he buys his animals for beef, and the price paid for the hides is, of course, the same as paid for the remainder of the carcass. The price of the complete animal is invariably less than the price of the hide. Consequently, if steers are bringing 12 cents a pound on the hoof, the hide costs the packer 12 cents, while the market price of the hide at that moment may be 16 cents, and the independent tanner must purchase it at 16 cents. If the packer sees fit to charge up these hides to his own tanneries or tanning accounts, he can charge them at any price he sees fit, and the loss, if any, in the price of the hide may be distributed over the price of the other parts of the animal where competition may not at the moment be so close. Under such conditions the temptation to manipulate the market is irresistible.
>
> If prices of hides are low and the demand inactive, the packer can dispose of his hides readily to his own tanneries and stock the tanneries of other tanners who will tan for him at a fixed price per pound. When trade becomes more active and there is a demand for hides, he can put up his price and force his competitor, the independent tanner, to pay materially more than his hides stand him in his own tanneries. When the leather is finished he can undersell his competitor and make a round profit on the transaction, while the situation of his competitor, as far as profit is concerned, is hopeless.

The Federal Trade Commission, speaking on this subject, said:

> This situation raises a serious question as to how far this extensive encroachment on a basic industry in which they virtually control the raw material is safe for the public interest. They can place every tanner using the more desirable grades of hides, particularly the heavier hides, in a position of paying the price that they may ask or of taking the risk of encountering further competition in the leather industry from them. They may not be able to put a tanner out of business at once, but they have the power to do it if they are so disposed.

Mr. President, the development of the tanning business among the packers has been so great that it is safe to say that in the year 1921 an independent tanner could hardly be found who was not tanning hides for the packers.

In addition to this very great advantage enjoyed by the packer tanners over the independent tanners, the levying of a tariff duty on hides will still further handicap, if not ruin, the independent tanners.

The packers will not be injured by the tariff, because they never buy hides and will not have to pay any duty. The independent tanners buy all of their hides and will have to pay the world price plus the duty.

The only way the packer can be affected would be by a reflection of the duty upon hides in increasing the price of cattle; but as the packer controls the price of cattle on the hoof, the levying of a tariff duty would be without effect so far as he is concerned.

Will the producers benefit by this duty upon hides? This question has been discussed pro and con and many divergent opinions have been expressed, but the best answer can be found in the brief of the American Farm Bureau Federation, filed with the Senate Finance Committee (page 4491 of the hearings):

> Cattle production needs stimulation, but the increased return from 15 per cent on 6½ per cent of the weight of the animal is so small as to be of no importance as a means of increasing cattle production. The cost to consumers of leather products would more than offset the increased return to hide producers even if all the increased price was passed on to the producers, of which there is no assurance. Therefore we believe that hides, leather, and leather products should remain on the free list.

As evidence that there is and has been in the past no genuine competition between packers in fixing the price of cattle, the report of the Federal Trade Commission for 1919 or the revision of that report for 1921 may be cited, wherein it was demonstrated that packers fixed prices at the different yards and that the prices were all uniform.

It requires no mental acumen to understand that the effect of levying the proposed duties upon hides means a death blow to the independent tanning industry and another step to extend and stabilize the packers' monopoly by clinching their hold upon the tanning industry and consequently placing the American leather industry at their mercy.

RAMIFICATIONS OF PACKERS IN CONTROLLING THE MARKET PRICE OF CATTLE AND SHEEP.

There is a growing belief in the country that the packers have been loaning large sums of money to sheep and cattle raisers through the commission dealers that buy the cattle and sheep from the raisers for the packers. Evidence is available that this method is in operation between the packers and sheep raisers, and there is little doubt but that the same method is being practiced in the cattle industry.

To what extent the American public is at the mercy of the packers can be appreciated when we realize that their ramifications run from the financing of the stock raisers to the marketing of the tanned hides to the shoe and leather industries of the country. Indeed they have even gone so far as to threaten to go into the manufacture of shoes and other branches of leather manufacturing.

Are the representatives of the American people to aid the Packers' Trust to strangle all the tanning, leather, and other kindred industries of this country by levying tariff duties on hides? Is there to be no check placed on the tendrils of this octopus reaching out to destroy or corral all the little tanning and leather plants located in all parts of the country?

The survival of the independent tanning industry and the independent leather manufacturers of this country depend more than anything else upon the privilege of purchasing hides and leather wherever they please, in a free, open, and competitive market. The placing of a protective tariff duty on hides, plus the other advantages which the packers enjoy by reason of their control of the domestic supply of hides, will put the packers in an impregnable position to create a tanning and leather goods monopoly. A vote for a duty on hides is a vote for the packers—a vote against the interest and prosperity of the tanning, boot and shoe, and leather industries as heretofore conducted, and an invitation to the packers to exploit, crush, and destroy the numerous small and independent industries competing with each other in the tanning of hides and manufacture of leather products.

EFFECT ON SHOE INDUSTRY OF DUTIES ON OTHER LEATHERS.

Mr. President, it is apparent from an examination of the duties levied in the Senate bill on the various kinds of leather and the compensatory and protective duties levied in the interest of the shoe manufacturer, as well as the statement made by the chairman of the committee in discussing the tariff on hides, quoted above, that the committee was without any accurate information or specific knowledge of the boot and shoe industry.

The only duty levied for the benefit of the manufacturer of boots and shoes is as follows:

> Boots and shoes, made wholly or in chief value of leather made of hides of cattle of the bovine species, 12 cents per pair and 5 per cent ad valorem; all other boots and shoes made wholly or in chief value of leather, not specially provided for, 6 cents per pair.

This means that the heavier shoes, worn largely by workmen and mechanics, are protected in proportion to the duty on the material from which they are made, but the duty of 6 cents per pair on all other shoes covers the shoes made of calf, kid, patent leathers, kangaroo, and other kinds of fine upper leathers from which the more expensive shoes are made and in which the labor cost is very great. These shoes are protected by a tariff of but 6 cents per pair, which we assume is compensatory for the increased cost to the manufacturer because of the increased cost the hide tax puts upon the sole leather used in this class of shoes.

It is to be noted, however, that shoes made of patent colt, patent calf, Russia calf, kid, kangaroo, are given no compensatory duty except in so far as the 6 cents per pair covers the compensatory duty by reason of the duty on the cowhide used in the soles.

Yet the Senate bill, in addition to a duty levied upon cowhides in the sole, fixes a duty upon all other kinds of skins used in the manufacture of shoes when they are imported as leather.

These duties levied on finished leathers other than cowhide would, if effective, increase the cost of this class of shoes from 18 cents per pair to 34 cents per pair.

In other words, the manufacturer of shoes made of these leathers must bear a protective duty ranging from 18 cents to 34 cents and no compensatory duty at all has been provided.

Of course, the manufacturer will not suffer unless serious foreign competition develops, but his cost of production will be increased and he will pass this cost on to the consumer.

It would seem as if what I have already said would be sufficient to consign this entire schedule to oblivion, but unfortunately this is not the end.

An examination of the bill shows a long list of articles used in the manufacture of leather and shoes on which existing tariff rates have been increased. Included in this list are the hides and leather to which I have already referred, but, in addition, there are many other items, such as cotton drilling, rubber heels, shoe pegs, shoe buttons, cement, etc.

TARIFF DUTIES INCREASED UPON MATERIALS USED IN MANUFACTURE OF SHOES.

Mr. President, the shoe industry is another illustration of the extent the industries of the country are to be burdened by increased tariff duties upon materials used in manufacturing their finished product.

Fifty commodities used in the manufacture of shoes are taxed. Twenty-five of these commodities have heretofore been on the free list, but under the pending bill are to be placed upon the dutiable list. The rates on 25 other articles used by shoe manufacturers which are already on the dutiable list have been increased on the average of 92 per cent, three rates have been increased 200 per cent or more, eight rates have been increased 100 per cent or more, and eight have been increased between 50 and 100 per cent, leaving only six increases of 50 per cent or less.

In view of these increased duties on the materials necessary in the manufacture of shoes, who dares to predict what will become of this industry? Surely the export business will disappear, for the foreign trade will not pay the advance in prices necessitated by the increase in the cost of production; and of course the price of shoes in this country will be very materially advanced.

The following table contains some of the principal materials used in the manufacture of shoes and indicates the increased rates of duty levied in the pending bill:

Increase of tariff duties upon materials used in manufacture of shoes.

Commodity.	Senate rate.	Present rate.	Increase over present rate.	Per cent of increase.
Sole leather	3 cents per pound and 5 per cent ad valorem.	Free	3 cents per pound and 5 per cent ad valorem.	Removed from free list.
Calf and veal skins, tanned and dressed.	15 per cent ad valorem.	do	15 per cent ad valorem.	Do.
Patent, of cattle hides.	7½ cents per square foot and 15 per cent ad valorem.	do	7½ cents per square foot and 15 per cent ad valorem.	Do.
Patent, not of cattle hides.	5 cents per square foot and 15 per cent ad valorem.	do	5 cents per square foot and 15 per cent ad valorem.	Do.
Upper leather, n. s. p. f., of cattle hides.	2½ cents per square foot and 15 per cent ad valorem.	do	2½ cents per square foot and 15 per cent ad valorem.	Do.
All other upper leather, n. s. p. f.	15 per cent ad valorem.	do	15 per cent ad valorem.	Do.
Cotton drilling	20 per cent	10-12½ per cent	7½-10 per cent.	75-100.
Heels, wood	25 per cent ad valorem.	15 per cent ad valorem.	10 per cent ad valorem.	66⅔.
Heels, rubber	do	10 per cent ad valorem.	15 per cent ad valorem.	150.
Shoe pegs	do	15 per cent ad valorem.	10 per cent ad valorem.	66⅔.
Blackings, paste, and polish.	do	do	do	66⅔.
Shoe buttons	45 per cent ad valorem.	do	30 per cent ad valorem.	200.
Leather welting	40 per cent ad valorem.	30 per cent ad valorem.	10 per cent ad valorem.	30.
Shoe-machine needles.	$1.15 per 1,000 and 40 per cent ad valorem.	Free	$1.15 per 1,000 and 40 per cent ad valorem.	Removed from free list.
Cement	20 per cent ad valorem.	10 per cent ad valorem.	10 per cent ad valorem.	100.
Cut shoe stock, leather (box toes, heels, counters, shanks, soles, etc.).	5 per cent in addition to the duty on the leather from which it is cut.	Free	5 per cent	Removed from free list.
Cod oil	12½ cents per gallon.	do	12½ cents per gallon.	Do.

Increase of tariff duties upon materials used in manufacture of shoes—Continued.

Commodity.	Senate rate.	Present rate.	Increase over present rate.	Per cent of increase.
Menhaden oil	5 cents per gallon.	3 cents per gallon.	2 cents per gallon.	66⅔.
Sod oil	do	do	do	66⅔.
Degras, crude	½ of 1 cent per pound.	½ of 1 cent per pound.	½ of 1 cent per pound.	100.
Currier's knives and shoe knives.	3 cents, 10 cents, or 20 cents each and 55 per cent ad valorem.	25 per cent ad valorem or 30 per cent ad valorem.		90.
Castor oil	4½ cents per pound.	12 cents per gallon.	24 cents per gallon.	200.
Cottonseed oil	2 cents per pound.	Free	2 cents per pound.	Removed from free list.
Linseed oil	3½ cents per pound.	10 cents per gallon.	13 cents per gallon.	130.
Extracts	25 per cent ad valorem.	Free	25 per cent ad valorem.	Removed from free list.
Hides of cattle, green or pickled.	2 cents per pound.	do	2 cents per pound.	Do.
Hides of cattle, dried.	4 cents per pound.	do	4 cents per pound.	Do.

CONCLUSION.

Mr. President, if you think the manufacturers of boots and shoes are deceived or misled by the picayune protective duty you propose to levy upon boots and shoes, and will accept without a protest the high duties on the materials they use, you evidently have not a very high estimate of their intelligence and spirit.

If the interest of the domestic consumer does not concern Congress may I again urge that we do nothing here to destroy the large export business which has been built up by this industry—an export business amounting during the first nine months of 1921 to about $22,000,000.

How little this industry needs protection from foreign competition may be fully comprehended when we realize that forty-four times as many shoes are exported as the total importation which was less than $500,000 in value in 1919 as compared with a total domestic production of over $1,000,000,000.

Of course, the higher the cost of production the less likely the American manufacturers will be able to increase, or indeed hold, their former export business.

Mr. President, the manufacturers of shoes very frankly and, I believe, patriotically ask that they be given free hides in order to further expand and develop the shoe industry. They ask for no protective duty. Above and beyond the interest of the manufacturers or packers or cattle raisers is the American public, and they unhesitatingly and emphatically demand that no duty be levied on hides, leather, or boots and shoes.

Mr. President, I ask unanimous consent to insert as an appendix to my remarks, in 8-point type, a memorandum showing the additional cost of boots and shoes, and so forth, if the proposed duty on hides shall be adopted; and also certain letters bearing upon the subject under discussion.

The PRESIDENT pro tempore. Without objection, it is so ordered.

APPENDIX A.

MEMORANDUM PREPARED BY EXPERTS SHOWING THE ADDITIONAL COST OF BOOTS AND SHOES DUE TO THE DUTY ON HIDES, DUTIES ON TANNING MATERIALS, AND ADDITIONAL INTEREST CHARGES FOR CARRYING HIDES AND TANNING MATERIALS AT HIGHER PRICES.

The number of boots, shoes, and slippers made in the United States in 1919 was 330,644,202 pairs. Of this number, 8,566,321 pairs were slippers. Deducting the number of slippers, the total number of boots and shoes was 322,077,881 pairs. It is estimated that of this number one-third had uppers made of cowhide leather. The data given by the Census Bureau did not show the cost of the different kinds of material which go into the manufacture of boots and shoes; consequently the estimate is based on the census figures for the upper leather manufactured in this country in 1919. The units of quantity are not all the same, and therefore the value of the leather produced was taken as the basis of the proportion. The total value of all kinds of upper leather made in 1919 was $425,768,151. The value of upper leather made of cowhide, the greater part of which was the so-called "side upper leather," was $142,276,588, of 33 per cent of the value of all the upper leather made.

The duty on green hides has been fixed at 2 cents per pound under the present bill. The compensatory duty on shoes made in chief value of cowhide has been placed at 12 cents a pair, because it takes about 6 pounds of hide to produce the leather used in making one pair of shoes. The compensatory duty on

shoes made in chief value of leather other than cowhide has been placed at 6 cents a pair. The value of the upper is usually about the same as the value of the sole, including the inner sole, welt, and heel. The compensatory duty on shoes made in chief value of leather other than that made of cowhides is compensatory for the increased price of the sole due to the duty on cattle hides.

The average hide which is used for shoe leather weighs about 60 pounds green. The additional cost per hide on account of the duty should therefore be figured at $1.20. Since 6 pounds of hides are necessary to make one pair of shoes, on the average, the number of pairs which can be obtained from a hide is 10. The additional cost per pair would therefore be 12 cents, the amount fixed as compensatory duty. It is true that only the better part of the hide can be used for soles and in the case of the lighter cowhides for uppers, but the offal—i. e., waste parts from around the edge of the hide—can be used for inner soles, heels, and so forth. All parts of a hide are therefore suitable for some part of a shoe. The cutters of boot and shoe stock utilize every part of the hides which they cut. It is accurate to say, for example, that a thousand pairs of shoes can be made from a hundred hides. It is just as nearly correct to figure in this way as it would be to figure the cost of first-class soles or uppers and to deduct therefrom the amount received for the offal.

We have as a basis, therefore, an additional cost of 12 cents per pair of shoes with both the upper and sole made of cowhide and 6 cents per pair as additional cost on account of the duty on shoes with only the soles made of cowhide. A certain amount must be added to this for the additional interest charge for carrying the hides, leather and shoes at higher prices. The hide will cost $1.20 more on account of the duty. The tanner carries the hide in stock for about six months before he sells it in the form of leather. The interest on this additional cost, figured at 6 per cent per year, is $0.036. He must sell the leather therefore for $1.236 extra. Every leather merchant to whom he sells leather must figure interest for six months, at the same annual rate, because leather is usually carried for that length of time before it is made into shoes. This makes the additional cost to the shoe manufacturer $1.273. The shoes are usually carried in stock by manufacturer or dealer for six months before being sold to the consumer, entailing another interest charge. The additional cost of the hide when it is finally sold to consumers in the form of shoes is therefore $1.31. The additional cost on account of the duty alone has already been figured at $1.20, so that the extra amount due to the interest is $0.11, or 1.1 cent per pair on shoes made entirely of cowhide and fifty-five one-hundredths of 1 cent per pair on shoes which have soles of cowhide and uppers of some other kind of leather.

The interest element must also be considered in connection with the cost of tanning materials. The tanning materials used in the manufacture of sole leather cost about 3½ cents per pound of leather. This includes the tanning extract, oils and greases, and necessary dyestuffs—which are not used in the manufacture of sole leather but are used in the making of most kinds of upper leather. Oils, greases, and tanning extracts were free under the act of 1913. Oils and greases, such as are used in manufacturing leather, are dutiable under paragraphs 49 and 50 of the present bill at 20 per cent ad valorem. The duty on tanning extracts is 25 per cent ad valorem under paragraph 36. The duties on the different kinds of dyes vary considerably, but on some kinds is considerably in excess of 100 per cent.

There are 8 square feet of upper leather in the average pair of shoes; at 2 cents per square foot the cost of the materials in the uppers of a pair of shoes would be 6 cents. There are 2 pounds of leather in the outer and inner soles, heels, and welts of the average pair of shoes. Army field shoes and heavy working shoes weigh about 4 pounds per pair. At 3½ cents per pound of leather, the cost of the tanning materials in the soles of the average pair of shoes is 7 cents. Adding together the 6 cents for the uppers and the 7 cents for the soles, the total value of the tanning extracts, oils, greases, and dyestuffs in a pair of shoes is 13 cents. The cost of these materials will be increased about 25 per cent by the duties mentioned above, or 3¼ cents per pair of shoes. This increase is the same on shoes with uppers made of cowhide as on shoes with uppers of some other kind of leather.

Adding together the 12 cents additional cost per pair of shoes with uppers of cowhide due to the duty of 2 cents per pound on hides, the 1.1 cents on account of interest charges for carrying leather and shoes, the hides at higher prices, and the 3¼ cents per pair on account of the duties on tanning materials, and the result is 12.35 cents additional per pair. Adding to the original 6 cents per pair on shoes with uppers of other than cowhide leather the fifty-five one-hundredths of 1 cent per pair for interest charges and 3¼ cents per pair for additional costs of tanning materials, the result is 9.8 cents additional cost per pair.

It is a well-known fact that the prices of shoes are increased by gradations in which multiples of 5 cents are frequently used, the cheaper shoes usually increasing about 5 cents, 10 cents, or 15 cents per pair and the better shoes by 20 cents or 25 cents or more per pair. It is not probable, therefore, that shoes made of cowhide would increase by exactly 16.35 cents per pair, or that shoes with uppers made of leather other than cowhide would increase by exactly 9.8 cents per pair. It is more likely that shoes of the first-named variety would increase 25 cents per pair and shoes of the second-named variety would increase by about 15 cents per pair. There are certain other elements of cost which have not been included, as, for example, increased interest charges for carrying tanning materials at higher prices, increased cost of thread due to high duties, and so forth.

If the 107,359,294 pairs of shoes made chiefly of cowhide were to be increased in price by 25 cents per pair, the additional price per year paid by consumers would be $26,839,824. If the 214,718,587 pairs made in chief value of leather other than cowhide—that is, having cowhide soles, heels, and welts and uppers of calfskin, goatskin, and so forth—were to be increased in price by 15 cents per pair, the additional cost to the consumers would be $32,207,788. Adding these two amounts together, we find that the total annual cost of the duties to consumers of shoes would be $59,047,612.

Since about 6 per cent of the shoe output of this country is exported, it would be more accurate to deduct 6 per cent of this amount, or $3,542,856, leaving a remainder of $55,504,755 as the increase in annual cost. If the shoes made in chief value of cowhide leather should be increased in price only 20 cents per pair and the balance of the domestic production only 10 cents per pair, after making deduction for the 6 per cent of the output which is exported, the total increase in cost to consumers would be $40,367,095.

APPENDIX B.

INTERNATIONAL SHOE CO.,
St. Louis, Mo., June 5, 1922.

MR. CHARLES H. JONES,
The Commonwealth Shoe & Leather Co., Boston, Mass.

DEAR MR. JONES: As you know, our company manufactures a general line of shoes, both dress and work shoes, for men, boys, women, girls, and children. Our production is probably the most representative in America to meet the universal demand and consumption of shoes.

We are operating a large number of factories and seven tanneries, three of which are upper leather, four sole leather. These tanneries are operated exclusively on cowhides.

Based on our actual upper-leather requirements for last week, which was a normal week with all of our factories in operation, our consumption of upper leather was as follows:

	Per cent.
Cowhides (sides)	53
All other upper leathers	47

Estimating that outsoles, insoles, counters, heels, etc., require footage equal to that consumed in uppers, the percentage of shoes made from cow and steer hides or cattle hides weighing more than 25 pounds would be approximately—

	Per cent.
Cowhides	77
All other leathers	23

I hope the above figures may be of service to you.

Yours truly, F. C. RAND.

FARM BUREAU FEDERATION BRIEF.

In the last paragraph of this brief, found on page 4493, they sum up the situation in the following words:

"Cattle production needs stimulation, but the increased return from 15 per cent on 6½ per cent of the weight of the animal is so small as to be of no importance as a means of increasing cattle production. The cost to consumers of leather products would more than offset the increased return to hide producers even if all the increased price was passed on to the producers, of which there is no assurance. Therefore we believe that hides, leather, and leather products should remain on the free list."

THE COMMONWEALTH SHOE & LEATHER CO.,
Boston, April 25, 1922.

HON. DAVID I. WALSH,
Washington, D. C.

DEAR MR. WALSH: You probably have in mind the many and somewhat bitter attacks that have been made on the shoe and leather industry in consequence of the high price of shoes during the war. I know of no subject that has been more seriously misrepresented. Shoes were high, of course, but not as high in proportion as most other commodities.

If you wish to enlarge somewhat upon the fairness with which the shoe manufacturers of New England have treated the public during the boom in prices which occurred in 1918 and 1919 it would be well to point out that the finished calfskins, which are used very largely for the uppers of men's and women's medium and fine shoes, increased in price from 30 cents per foot in 1914 to $1.50 per foot in July, 1919. The high price amounted to five times the normal price.

You will also find that the average price of Chicago native steer hides for the entire period when the tariff was on before, namely, from 1897

to 1908, was 12.7 cents per pound. These were quoted in August, 1919, at 54.3 cents per pound, the high price being four and one-half times the average price for the whole tariff period.

At the same time you may state that shoes advanced in no case beyond three times their normal price; that is, a man's fine shoe that sold at retail for $5 was sold for a very brief period at $15. This was the extreme advance on any class of shoes, so far as I have ever heard. Men's working shoes advanced to twice their normal price, from $2.50 to $5, so that if the facts were fairly appreciated it would be seen that hides, which have been characterized by the Finance Committee as the "farmer's finished product," advanced in a much greater percentage than the finished shoes of the New England manufacturer. And still the Congress has passed exclusively for the benefit of the farmer an emergency tariff bill, and is now considering a schedule on agricultural products calling for protection, ranging from 28 per cent on wheat up to 45 per cent on corn, and similar rates on all other grains, as well as heavy duties on fresh beef, live sheep and goats, fresh mutton and lamb, butter, milk, beans, potatoes, flaxseed, and everything else the farm produces.

The claim will probably be made that the farmer was hard hit and suffered more than other classes of producers. Neither is this, I believe, borne out by the facts. The enormous number of failures in business, together with the statements continually being filed, of the largest manufacturers and producing companies, showing losses of millions and millions of dollars in consequence of the sudden shrinkage of values, is a complete and sufficient answer to this claim.

It appears from the publications of the leading mercantile agencies that the failures in the shoe and leather trades have increased enormously. The month of January is the critical month in each year.

In 1918 there were 101 in January; 1919, 51 in January; 1920, 53 in January; 1921, 353 in January; and 1922, 626 in January.

It will appear from this that there have been more failures in January, 1922, in the shoe and leather industry than in the whole four previous years. Among the larger manufacturers there were embarrassments reported for January in 1918 amounting to 33; in 1919, 18; in 1920, 38; in 1921, 86.

This again tells its own story.

The shoe and leather trade, in consequence of conditions for which it was in no way responsible, has suffered as severely as the farmer.

There is no community in which there is not some business wreck, brought about by present conditions; and still our wise lawmakers in the Finance Committee propose to put a tax on our hides, an additional tax on tanning materials, a tax on leather of all kinds, and protection of 6 cents a pair on men's fine shoes, on which the labor cost in this country will amount to between $1.20 and $1.75. One of the most ardent advocates of protection in the shoe trade, when he saw that schedule, remarked, "To hell with their protection; I would rather have everything free."

It is obvious that such a protective duty as that on the only class of shoes that is at all likely to come into this country is so ridiculously inadequate as to be ludicrous. It seems as if the Finance Committee had deliberately tried to penalize the only American industry that has produced for the American people cheaper goods and better goods than can be bought abroad, and has asked no corresponding protective duties.

Yours very truly,

CHAS. H. JONES.

P. S.: I have asked Mr. E. A. Brand, secretary of the tanners' council, to inform you in relation to the increased duty on tanning materials.

—

THE NATIONAL SHOE TRAVELERS' ASSOCIATION (INC.),
Boston, Mass., April 12, 1922.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

MY DEAR SENATOR: We wish to call your attention to the proposed duty of 15 per cent on hides, and wish to express our opinion on the same to the extent that we feel it will be detrimental to the interest of the shoe industry and thereby increase the cost of footwear to the public.

For that reason we would be pleased if you would give this your positive attention, that the same be not favorably passed through any influence of yours.

Very truly yours,

T. A. DELANY, *Secretary.*

—

LYNN, MASS., *March 29, 1922.*

Senator DAVID I. WALSH,
Senate Office Building, Washington, D. C.

DEAR MR. SENATOR: I am instructed to inform you that this organization is strongly opposed to proposed duty of from 15 per cent to 20 per cent ad valorem on the hides of cattle imported from foreign countries. We believe that this country will never produce sufficient hides for its tanning industry and that the imposition of any duty on hides places upon the American tanner a serious handicap in his competitive buying of foreign hides with the tanners of other nations. We further believe that such a duty will seriously and injuriously affect our commerce with foreign nations, particularly those of South America, and largely decrease our export trade. It will have a tendency to destroy the business of independent tanners and throw the control of the tanning industry of the country into the control of the large packers. In our judgment, it will not result in any perceptible added price to the farmer for his cattle but will result in a largely increased price which he will have to pay for the various leather products which he himself uses. We still further believe that it will inflict upon the American public a substantial increase not only in the cost of shoes but all other leather products, and bearing in mind how closely Massachusetts is allied with both shoes and leather, we hope you can see your way clear to oppose any effort to place a duty on hides.

Very truly yours,

LYNN CHAMBER OF COMMERCE,
W. H. DAY, Jr., *Secretary.*

—

NORTH ABINGTON, MASS., *March 30, 1922.*

Senator DAVID I. WALSH,
Washington, D. C.

MY DEAR SENATOR WALSH: It is disappointing that we feel it necessary to take up your time with matters of legislation, but we can not help feeling that the tariff bill, relative to hides and skins, is merely a project to favor especially the packing interests and to raise the price to the public on shoes and manufactured leather goods.

Shoe manufacturers have been cutting every possible point for the purpose of putting shoes on the market at a low price and many of them have lost very heavily, cutting into their surplus and capital in an endeavor to get their prices down to where the public felt they should be.

Very few people have suffered due to the fact that hides of cattle have come into this country free, but millions of people have profited because the free hides of cattle made it possible for them to obtain cheaper footwear.

We feel that we can compete with foreign markets in supplying this country with boots and shoes with hides of cattle on the free list, and the 10 per cent duty on boots and shoes made wholly or in chief value of leather made from hides of cattle of the bovine species would not in any way compensate for the duty on the hides of 15 per cent.

Paragraph 1601, which places boots and shoes not made from hides of cattle of the bovine species on the free list, makes it very probable that boots and shoes made from hides of cattle will be so doctored that it will be impossible to tell them from the other boots and shoes upon their entry into this country, and consequently there will be a tremendous amount of fraud practiced in introducing boots and shoes made from hides of cattle.

As this appears to be an attempt at class legislation, may we urge you to protest vigorously against the passage of the bill in question?

With many thanks in advance for your courtesy, may I remain,

Very truly yours.

AUSTIN S. KIBBEE,
General Manager of Lewis A. Crossett Co.

—

BOSTON, *April 22, 1922.*

Hon. DAVID IGNATIUS WALSH,
United States Senator from Massachusetts,
Washington, D. C.

DEAR SIR: I beg your indulgence in calling your attention to the proposed hide duty of 15 per cent, which I understand is proposed to incorporate into the new tariff bill. The writer believes beyond doubt that this is most unjust and that the only one that will benefit by the imposition of such a duty will be the large slaughterhouses who, the writer has not the slightest doubt, will immediately advance their prices very materially when such a law might become in force and that inevitably it must advance the cost of shoes and all articles in which leather is used in the manufacture.

It appeals to the writer as strictly a class legislation in favor of a few and distinctly against the interest of the country and the public as a whole, and the writer earnestly hopes that you will use your influence to defeat the same.

Hoping you may give this communication your favorable consideration, I beg to remain,

Yours respectfully,

T. F. RUSSELL CO.
T. F. RUSSELL.

—

BROCKTON, MASS., *April 5, 1922.*

Hon. DAVID I. WALSH,
United States Senator, Washington, D. C.

DEAR SENATOR: It has come to the attention of the shoe workers of the city of Brockton that there is a possibility of the Senate imposing a tax on hides in the tariff bill now pending before the Congress of the United States. Shoe manufacturers in Massachusetts have consistently opposed a duty on hides, believing that such action would constitute a serious handicap to the shoe industry of this section.

Anything that affects shoe production and burdens it in any way seriously affects the standard of home living of workers engaged in the shoe industry of Massachusetts. For many years employer and employee have joined in opposing a duty on hides, believing that such a tax would prove harmful to the best interests of each. Employers' associations in the shoe industry and labor organizations among the employees have believed in the wisdom of opposing such action for many years. They have merged their opposition to such a measure on the ground that it would prevent the best progress and development of the shoe industry in this State.

Convinced of the wisdom of these reasons, we urge you to exercise your great influence in preventing the fixing of a tariff duty on raw hides.

The Joint Shoe Council No. 1, of the Boot and Shoe Workers' Union, of Brockton, represents 13,000 men and women employed in the shoe factories of this city. Its action on this matter is distinctly representative and it is authorized to speak with authority on questions of this kind. At its meeting held on April 5, 1922, it was unanimously voted to ask you to place your vote and influence on record against the imposition of a tariff tax on raw hides.

Very truly yours,

PATRICK O'BYRNE, *President.*
JAMES O'CONNELL, *Secretary.*

—

BOSTON, MASS., *March 11, 1922.*

Hon. DAVID I. WALSH,
Washington, D. C.

DEAR SIR: Representing the center of the world's leather market, you have no doubt given thoughtful consideration to the pending tariff legislation affecting this industry.

Without going into details as to the extremely difficult period that tanners are going through to-day, we are writing just to emphasize the importance of you, as a Senator, taking a definite stand for free hides when that item of the pending tariff bill arises in the Senate.

The tariff on hides is but a repetition of former attempts to close the world's markets to our industry and penalize the consuming public. Refer, if you will, to Blaine's letter to Hon. William McKinley, dated April 10, 1890, on this question, which to our mind is an intelligent review of the situation even as it exists to-day. Remember, also, the measures to which ex-President Taft was forced.

Is President Harding to find himself confronted with making decisions on vital issues, such as this, because Members of the Senate are not willing to take an open stand. We think there are men of broad vision in the Senate, unblinded by the plea of private interests for tariff or profit to the few, who will strongly support a measure of profit to no one group but of benefit to the entire Nation.

The tanning industry believes you to be the man to take the lead in a clear-cut, intelligent fight to place hides on the free list. Tariff on hides means the complete elimination of independent tanners in this country and the control of the leather industry by the packers. This can not be denied. Are you willing this should happen?

You men in Congress, representing this Nation, are passing through a period when individual, group, sectional, and party interests must be submerged by measures of national and world benefit. The industries of the United States now as never before depend on the continuous exchange of merchandise in the world's markets unhampered by tariff. The world economic conditions demand this, and shutting this country up behind a high tariff wall is but postponing the world adjustment for which there is such a dire need.

Review the past few years and imagine, if you can, the detriment to the tanning industry which would have resulted with a hide tariff excluding us from operating in the world's hide markets. These markets must be kept open, in which to obtain our raw materials and in which to sell our finished product. We as an industry are willing to compete with the world's tanners when able to operate in an open market, and we firmly take our stand for free hides, free leather, and free shoes.

It behooves you to give this serious thought, and as our representative from this district, we request from you a definite statement as to the exact stand you are planning to take on this issue.

Yours very truly.

KISTLER LESH & CO. (INC.).
H. FREDERICK LESH, *President.*

—

BOSTON, MASS., *September 2, 1921.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR MR. WALSH: Free hides are essential to the life of the independent tanners. An import duty on hides would not do justice to the best interests of the public for the reason that it would reflect in increased costs of finished leather, shoes, and harness.

The hide market is world wide in scope. In the United States the slaughter of cattle hides does not exceed 50 per cent of the requirements of the domestic tanners. The remaining 50 per cent must be imported, and should therefore be admitted free of duty. A duty on hides will not help the farmer. A tariff on hides could not make cattle raising more profitable in this country; instead, it will allow the domestic packer to increase the price of his hides. Independent tanners are finding it difficult to get their supply of hides at home so they are compelled to go into foreign markets for a large percentage of their supplies, inasmuch as tanning packers use a large portion of their own hides. Now, if the independent tanners have to pay a duty on hides they can not compete with tanning packers, and it is then just a question of time until all small tanners have to go out of business. Free hides are, therefore, the only salvation of the independent tanner.

Two-thirds of all the domestic hides that go to the tanners come from the slaughterhouses of the packing concerns.

Hides are a basic raw material, and it must be remembered that hides are a by-product and cattle are not raised for the hides they will produce and the farmer will not receive one cent more for his cattle due to a duty being put on hides.

A tariff on cattle hides is economically unsound.

When we set up a tariff of this kind we protect only the packer; in short, a tariff on cattle hides is fundamentally wrong and against the best interests of this country inasmuch as the public would be taxed with this additional burden in the finished product. At this time the whole Nation is looking for relief from excessive high prices.

We summarize briefly why hides should be free:

a. Hides are a by-product; a 2,000-pound steer yields a 60-pound hide.
b. Cattle are bought and sold on the basis of beef value.
c. Higher prices for hides never have caused higher prices for cattle.
d. Tariff on hides would not protect the farmer.
e. Tax hides and shoes will cost more.
f. Domestic supply of hides is 50 per cent too small.
g. Tanners import 50 per cent of the hides they tan.
h. Foreign hides needed to keep tanners and shoe factories running.
i. Sixty-six per cent of the domestic hides are produced by packing concerns, 34 per cent by farmers.
j. Hide tax will help nobody, but hurt everybody.

We sincerely trust that you will agree with our position and that we will have your assistance in this important matter. We would like to have an expression from you as to your position in this respect.

Very truly yours,

LEAS & MCVITTY CO.,
JAMES P. MAHER, *Manager.*

During the speech of Mr. WALSH of Massachusetts,

The PRESIDENT pro tempore. The time of the Senator from Massachusetts has expired.

Mr. McCUMBER rose.

Mr. WALSH of Massachusetts. Does the Senator object to my continuing?

Mr. McCUMBER. Oh, no.

Mr. WALSH of Massachusetts. I will say to the Senator that I desire to discuss two paragraphs together so that I need not take the floor later. Of course, I can, if desired, stop now and when the paragraph on leather and boots and shoes is reached renew my discussion, but I thought it would save time and be more enlightening to the Senate to discuss the duty on hides and leather and boots and shoes at one time, because they are all interlocked. It is possible to have all the discussion take place at one time and then have a vote on the two paragraphs, one following the other.

I intend at the proper time to make a motion to put hides upon the free list. I think the best way, however, is to have a vote upon the committee amendment and, if that is rejected, place hides upon the free list. That is the simpler and better way. The test vote is whether or not the Senate proposes to accept the committee amendment. I can now discuss the second paragraph. I ask unanimous consent that I may be permitted to make my argument now on paragraph 1431.

Mr. McCUMBER. I think there can be no objection to the Senator discussing one paragraph right after the other and taking an hour on each if he so desires.

The PRESIDENT pro tempore. The unanimous-consent agreement provides——

Mr. WALSH of Massachusetts. I do not want to press the matter, but I do not see why it is not going to expedite business to discuss together two or three paragraphs, rather than have one paragraph taken up at a time and spend an hour on it and then have another paragraph come up, and have the discussion largely repetition. The purpose I have in mind is to confine my whole discussion to these two paragraphs and then not say anything more and have the vote upon them. You can not discuss hides without discussing leather and you can not discuss leather without discussing boots and shoes and the duties upon them.

The PRESIDENT pro tempore. The Senator from Massachusetts will appreciate, however, the very difficult position in which the Chair is placed. A unanimous-consent agreement has been entered into which it is impossible literally to enforce, so the Chair is doing the best he can to give the unanimous-consent agreement a reasonable interpretation.

Mr. WALSH of Massachusetts. I ask unanimous consent that I may proceed at this time to discuss paragraph 1431 under the rule.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

Mr. McCUMBER. I understand, of course, that the Senator from Massachusetts may occupy an hour in the discussion of any one of these paragraphs, but after they shall have been discussed, if we give unanimous consent to go from one to the other and for the Senator to discuss them consecutively it will not be granting to the Senator an extra hour on these schedules.

The PRESIDENT pro tempore. The Chair can not anticipate that contingency. The Senator from Massachusetts asks unanimous consent——

Mr. WALSH of Massachusetts. Of course, I can pursue this course: There are five paragraphs, and I can take an hour on each paragraph and go over the same thing again and again. It seems to me that these paragraphs align themselves into two natural divisions—hides and leather and boots and shoes being in one class, and, second, gloves, harness, and other leather goods—and that, therefore, two arguments would cover the entire subject. Gloves involve an entirely different question from hides; they are made from a leather which is entirely different from cowhide leather. I will try to save time by arguing the two paragraphs on hides and leather at once, and then, so far as I am concerned, I shall say nothing further.

The PRESIDENT pro tempore. The matter is not open to debate. The Senator from Massachusetts asks unanimous consent that he may discuss at this time paragraph 1431, as the Chair understands. Is there objection? The Chair hears none. The Senator from Massachusetts has now an hour on paragraph 1431.

Mr. WALSH of Massachusetts. I appreciate the courtesy extended me by the Senate, but I am not going to take an hour. I shall be able to finish in 15 minutes, I am sure.

After the speech of Mr. WALSH of Massachusetts,

Mr. McCUMBER. Mr. President, I find it exceedingly difficult to follow the Senator from Massachusetts [Mr. WALSH] in his discussion of any of these schedules. I have no difficulty in finding from the Senator's argument what he is against; but what I should like to ascertain, if possible, is what he is for.

The Senator recognizes the necessity of raising funds to meet the appropriations that are made each year by Congress. I know of nothing that has been proposed that the Senator does not object to. I wish he would suggest in some of his arguments just how he would raise the funds to carry on the Government of the United States. He has told us how to tear down a structure. He has not informed us how to erect one. He has shown us what he considers defects in this bill. He has shown no real remedy for those defects.

I will admit that every tax is onerous. I will admit that every tariff is an imposition upon the public, who have to pay that tariff in some form; but I really would like to find some way in which we could carry on the Government without any taxation and without levying any duties. In every one of the schedules the Senator from Massachusetts has followed one line of philosophy, and that has been that if we levy a duty at the source, of course it is reflected many times over before the article upon which the duty is imposed reaches the ultimate consumer, and therefore, if we collect one dollar in duty, it is reflected in three or four or five dollars to the ultimate consumer.

Mr. President, is not that true if you levy a tariff for revenue only? Is not the philosophy exactly the same, and is not the Senator driven by his process of consideration to the ultimate

result that there should be no duty levied upon any article for revenue or for any other purpose? Where there is one importer of fabrics there are 10,000 people who must buy those fabrics; where there is one importer of the raw material there are 10,000 people who must purchase that raw material; and therefore the Senator would be forced by the logic of his own arguments to vote against a tariff duty upon any product. He would be compelled to favor a direct sales tax, so that whatever is paid is paid by the ultimate consumer and is paid but once; or, in lieu of that, he would have to go to the system of direct taxation, and the Senator is not in favor of any of them. Consequently, I am at a loss to know what he is in favor of as a means of raising revenue to carry on the Government.

The Senator's argument is like a double-edged sword. He says that the price of a steer is not affected whether there is a duty on the hide or whether there is not any duty; that the producer of the steer is at the mercy of the packer. Following the line of his argument, a packer will pay just as much for a steer without a hide as he will pay for one with a hide. Following the philosophy of his argument, a packer will pay just as much for a steer that has not a pound of tallow inside of him as he will pay for one that has 50 pounds of tallow inside of him. There is nothing in the argument that the farmer will get no benefit. If the duty has the effect of raising the price of raw hides 2 cents per pound in the United States, the farmer will get on the average $1.35 more than he is getting now for a hide.

I am not arguing what effect the duty is going to have upon the price of shoes or harness, but simply the one question, first, Will the farmer get a benefit? If he gets no benefit, it will be because the importer absorbs the added price of the hide by reason of the tariff, that is all; and if that be true, then we get the revenue from the foreign importer, and we are paying nothing for it. I will go further than that, however, and admit that it will undoubtedly to some extent raise the price of the hide.

Now, Mr. President, I want to consider the question of whether or not the duty on hides will affect the price of a pair of shoes. Of course, while there are comparatively few men who skin steers, there are 110,000,000 people in the United States who wear shoes; and if we are to adopt the philosophy of the Senator from Massachusetts we should give no tariff upon hides, and under the same principle we should have no duty for revenue or otherwise upon any article which is consumed by a greater number than the same article is produced by in the United States.

I want, first, to call attention to the fact, which most people do not understand, that a calfskin is not a hide according to the construction that has been given for many years to the hide schedule. If a hide weighs more than 25 pounds it is a cowhide. If it weighs less than that it is a calfskin, and does not come under the definition of hides.

Mr. LODGE. The Senator has referred to revenue. I just want to inquire of him if any estimate has been made of the amount of revenue on hides? Of course, he would have to take also the estimate of the revenue on boots and shoes.

Mr. McCUMBER. We would simply have to get the number of pounds, and I have not it here, to determine just what the revenue would be upon the hides which are imported into the United States. About 55 per cent of all of the hides that are used in the United States, both calfskin and otherwise, are produced here, and about 45 per cent are imported.

Mr. LODGE. The Senator puts the importations as high as that?

Mr. McCUMBER. That is the Tariff Commission's report.

Mr. LODGE. That ought to be correct, of course.

Mr. McCUMBER. About 45 per cent. The expert informs me that it would amount to about $15,000,000 in duty.

Let us remember, second, that the shoes which are worn by the American people are not all composed of cowhide. Probably ninety-odd per cent of them, at least, have uppers of calf, and the rest is sole leather, which is made of hides.

The leather in a pair of shoes will not amount to more than 1.5 pounds for the soles and 1.3 pounds for the other parts of the heavier leather that is used; so that not more than 2.8 pounds of the leather that goes into an ordinary pair of men's shoes will bear this taxation of 2 cents per pound. That will bring it, when we have carefully considered the number of pounds of the raw hide that will make the 2.8 pounds of leather, to about 6 cents, a little less than 6 cents on a pair of shoes.

Does anyone having a sane mind and knowing anything about the retail price of shoes believe for a single moment that this matter of duty of 6 cents upon the leather which goes into those shoes is going to fix the price of the pair of shoes just 6 cents higher than it otherwise would be? If you will get the profits in the manufacture of a pair of shoes you will find that that 6 cents is absorbed many, many times over. It will not affect the price. What will affect the price? Ability to purchase. What will the trade stand? So much for a pair of shoes. When they get too high, people will wear their old shoes a little longer, and then the price of shoes has to come down, or there will cease to be a lively and a healthy movement in the shoe line. That is true of every other product. To show you that it is measured by the ability of the public to pay rather than the mere cost of the leather that is in those shoes, or the cost of the hides, let me call your attention to the fact that in 1919—I think that was the high point—when raw hides were worth about 19 cents a pound, shoes, of course, went up very high. The price fell to 12 cents per pound, practically the pre-war price; but has anyone bought a pair of shoes at the pre-war price? Hides have gone down, and gone down to about pre-war prices, but we all know that shoes have not gone down to anywhere near pre-war prices.

Mr. LENROOT. Does the Senator think that other costs of production have gone down to pre-war figures?

Mr. McCUMBER. Not quite.

Mr. LENROOT. Anywhere near?

Mr. McCUMBER. Yes; as to some things. In the production of a pair of shoes, nearly everything is machinery. The machinery has not raised its scale of wages. The man who operates one of a dozen machines which are grinding out ready-made shoes may have had his wage raised to some extent, but the machine producing those shoes has not raised its wage one penny, and the principal item in the cost of making shoes is not the labor but the material from which they are made.

Mr. LENROOT. Does the Senator take the position that the cost of production has nothing to do with the price of the product?

Mr. McCUMBER. The Senator should not ask me a question of that sort.

Mr. LENROOT. The Senator stated, as I understood him, that the price paid by the consumer depended wholly upon ability to pay, and if that be true, does the Senator take the position that the cost of manufacturing shoes might be one-quarter what it is to-day, and yet the price of the shoes to the consumer be the same?

Mr. McCUMBER. Mr. President, I do not know, and the Senator does not know, whether they would be sold at a lower price than the present price if it cost a half or a quarter to produce them what it does to-day. I assume the price would go down the same extent if they could be produced for such an abnormally low price. But I do say that if you reduce the cost of producing your shoes 10 per cent to-day the price to the final purchaser will not go down 10 per cent. I think I can make that figure 20 per cent and say it would not affect the retail price of a pair of shoes, and that is what the purchaser is interested in.

I have here a statement which I want to read into the RECORD. It is a very careful estimate by an expert of the Government of the effect of a tariff of 2 cents a pound upon the raw hide, the green hide, and it is definitely and fully worked out for the purpose of determining whether or not it increases the price of a pair of shoes, as stated by the Senator from Massachusetts. It was given in evidence but a very short time ago that a farmer in the State of Idaho, whose Senators must be acquainted with the facts, took the hide of a steer to market and got for it half the price he had to pay for a pair of shoestrings made out of leather. This statement reads:

METHOD OF DETERMINING THE COMPENSATORY DUTY ON BOOTS AND SHOES.

From data submitted by a prominent tanning company with a cut-stock department the estimate of average number of pairs of soles for shoes per whole hide is 35. On the basis of average weights and yield of domestic and foreign green and dry salted hides the average weight of sole leather per hide is approximately 40 pounds. This would give an average of 1.2 pounds of outer sole leather per pair of shoes.

The average amount of upper leather per pair of shoes is 3½ feet for men's shoes and 3 feet for women's shoes. In addition to the sole leather and upper leather other leather is required for welting, insoles, counters, etc. This other leather represents on an average from 20 to 25 per cent of the total leather of a shoe.

Another large manufacturer figures on about 3¼ feet of upper leather and 2½ pounds of sole leather for men's work shoes and makes no extra allowance for welting, insoles, counters, etc. Upper and sole leather figures are supposed to be large enough to take care of the remainder.

On the basis of 85 square feet of upper leather per 100 pounds of hides or skins and assuming 3¼ feet of upper leather necessary for one pair of men's shoes, 3.8 pounds of green hides would be necessary for uppers. Then, taking 1.2 pounds of outer sole leather, on the basis of 80 per cent yield, the amount of green hide necessary for the sole would be 1.5 pounds. As the sole and uppers represent 80 per cent of the total hides and skins in a shoe, the total amount of raw stock for the entire shoe would be the equivalent of 6⅝ pounds of green hides or skins. This may be taken for a man's ordinary shoe. To average men's, women's, and children's high and low cut shoes together, 6 pounds would probably be a fair figure for all the hides or skins in a pair of shoes.

Leather and raw stock necessary to make one pair of men's shoes.

Kind.	Amount of leather.	Yield of leather from 100 pounds green hides or skins.	Amount of raw hides or skins.
			Pounds.
Upper	3½ square feet	85 square feet	3.8
Sole	1.2 pounds	80 pounds	1.5
Welting, insoles, counter, etc.	20 to 25 per cent of total required, or about 1.3 pounds.		1.325
Total			6.625

So the sole leather which would go into that pair of shoes would amount to 2.8 pounds, with a calfskin upper, and at 2 cents per pound the duty would amount to the enormous sum of a little less than 6 cents upon a pair of shoes.

We have some evidence upon the subject of the change of a rawhide into a pair of shoes which I think ought to go into the RECORD. I will quote from a statement of Frank B. McClain, vice president of the National Livestock Exchange, Chicago, Ill. He said:

Take the subject of leather goods, for instance. A pair of shoes for his 4-year-old child costs him more than he receives for the hide of a 1,300-pound steer that he slaughters for his family use or divides the carcass of with his neighbor.

Senator MCCUMBER. That hide will make how many pairs of those shoes?

Mr. MCCLAIN. The hide of a 1,300-pound steer when green will weigh 75 pounds. When salted and ready for the tanner the same hide will weigh 65 pounds and will make from 40 to 45 pounds of finished leather. A pair of shoes for a 4-year-old child will weigh (made of leather) not more than 6 ounces.

Senator MCCUMBER. About 3 or 4 ounces?

Mr. MCCLAIN. Certainly not more than 6 ounces.

Take the cost of a set of harness for one horse. Why, it represents the value of the hides of a fair-sized drove of steers. Is there any equity in that?

Mr. Chairman and gentlemen of the committee, I do not believe that what has come to be called "normalcy" or "dawn of the new day" can be or will be arrived at until the dollar of the farmer buys as much of the things he must have as the dollar that buys from him the things that he produces.

That is a pretty good philosophy, but we have never yet followed it in the United States.

Therefore, to correct social and economic ills we must have a common denominator; we must put producers of all commodities essential in our living on a parity, whether that commodity comes from the soil, the loom, the lathe, the furnace, or the factory.

All of the arguments for and against placing hides on the free list can be stated concisely. On the one hand we have far more than a million live-stock producers urging a duty on hides. On the other hand we have perhaps a thousand manufacturers of shoes requesting that hides be placed upon the free list, in order, no doubt, that they may continue their plundering practices of 1919 and 1920, which practices embraced the manufacturer, the jobber, and the retailer alike and were a "stick up," compared with which train robbery was equally respectable, more hazardous, and less profitable. They were not content to be Robin Hoods and take only from the rich or well-to-do; instead, they were Captain Kidds and plundered all, taking their toll even on the footwear of the day laborer's little children.

Then, again, we have that vast army composed of the general public, who are the consumers. If the result of placing hides on the free list would be giving the consumer cheaper footwear, the argument of the live-stock producers might have less effectiveness, but experience has demonstrated that cheap hides do not mean cheap shoes. As proof of this, I submit to you gentlemen that hides are to-day and have been throughout the year 1921 not only down to pre-war prices but actually below pre-war prices.

I do not want to bore you with statistics, nor will I submit to you evidence from sources prejudiced against the hide, leather, and shoe business; instead, I will present the statement of a publication which is certainly favorable to the leather and shoe business, because it is their trade organ, and the name of that publication is the Hide and Leather Journal. The said Hide and Leather Journal, under date of August 20, 1921, presents the following comparisons in hide prices during the weeks ending August 20 in each of the 10 years from 1912 to 1921 (which table of prices I submit as part of my remarks).

Without reading them, because they are further commented upon, I ask to have these two tables inserted as a part of my remarks at this point. They will be found in the tariff hearings at pages 4461 and 4462.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Comparative prices of Chicago packer hides for 10 years, week ending August 20.

[Hide and Leather, Chicago, August 20, 1921.]

	Spready steers.	Heavy native steers.	Heavy Texas steers.	Light Texas steers.	Extra-light Texas steers.	Butt brands.
	Cents.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
1912	21 -22	19½	17½	17½	16½-16½	17½
1913	19½-20½	19	18½	18½	17½-17½	18 -18½
1914	21½-22½	21	20	19½	19	19½-20
1915	27 -28	27	23½-23½	23	22½	23½

Comparative prices of Chicago packer hides for 10 years, etc.—Continued.

	Spready steers.	Heavy native steers.	Heavy Texas steers.	Light Texas steers.	Extra-light Texas steers.	Butt brands.
	Cents.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
1916	27 -28	25½-26	23½	23½	23½	23½
1917	34 -35	30 -34	32 -32½	29	26 -27	31 -31½
1918	31	30	28	27	24	28
1919	54	52 -53	48	48	50	48
1920	39 -40	28 -29	25 -27	24 -26	23 -25	23 -24
1921	17½	14	14	13	12	13½

OUT OF SALT.

	Colorados.	Branded cows.	Heavy native cows.	Light native cows.	Native bulls.	Branded bulls.
	Cents.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
1912	17	17	17½-18	17½-17½	15 -15½	12 -13
1913	17½-18	17½	18	18	15½	14 -14½
1914	19½	18½-19	19 -19½	20	15½-17	15½-16
1915	22½	22½-22½	26	25	21 -21½	16½-17
1916	22½-22½	23½	25	24½-25	22	17 -18
1917	30 -30½	26½-27	29 -33	29 -32	27 -28	23 -23½
1918	27	23	28	24	21½	19½
1919	48	50	53	61	43	41
1920	22 -23	22 -23	30 -32	25	23 -24	18 -20
1921	12½	11	13	12	8½	6½

Comparative prices of Chicago country hides for 10 years, week ending August 20.

[Hide and Leather, Chicago, August 20, 1921.]

	Heavy steers.	Heavy cows.	Buffs	Extremes.	Bulls.	Branded hides.	Calf-skins.	Kips.
	Cents.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
1912	15 -15½	15½-15½	15½-15½	15½-16	12½-12½	12½-13	18½- 22	16½-18
1913	15½-16	15½-16	15½-16	16 -16½	13½-14	13½-15	17½- 22	15½-18
1914	16 -17	16½-17	17 -17½	18½	13½-14½	14 -17	20 - 25	18½-19½
1915	20 -20½	19 -20	19 -19½	19½-20½	17	17 -17½	20 - 25	19½-23
1916	20 -20½	19 -19½	19½	21 -22½	17½-18	17½-18½	29 - 38	22 -28½
1917	26 -28	24 -26	24 -26	22 -27	21 -21½	20 -21	30 - 45	27 -42½
1918	28	25½	22	22	17	15 -16	34 - 44	24 -27
1919	42 -45	40 -42	40 -43	50 -53	32 -34	36 -38	70 -100	50 -67½
1920	19 -20	16 -20	14 -20	14½-21	15 -16	12 -13	20 - 37½	15 -30
1921	7½- 8	7 - 7½	6 - 7	9½-10½	4½- 5	4 - 5	14 - 20	12 -17

Mr. MCCUMBER. I read further:

Senator MCCUMBER. Do you desire to make the table you submit from the Hide and Leather Journal part of your testimony and have it inserted in the record?

Mr. MCCLAIN. I do; and in connection with the same, let me call to your attention that in 1912—

That was before the war—

heavy steer hides sold at 19½ cents; in 1913 they sold for 19 cents; in 1914 they sold for 21 cents; in 1915 they sold for 27 cents; in 1919 they sold for 53 cents; and to-day, in 1921, the maximum price at which they are selling is 14 cents.

That is, as against 19½ cents in 1912 and 1913.

Let me further call your attention that in 1912 light native cowhides sold at 17½ cents; in 1913, 18 cents; in 1914, 20 cents; in 1915, 25 cents; with the price steadily increasing each year until 1919, when they sold for 61 cents; and to-day the maximum price at which this same grade of hides is selling is 12 cents per pound. (These prices apply, of course, to salted hides.) Are shoes lower in price than they were in 1912, 1913, 1914, or 1915? It goes without saying that the answer is "No." On the other hand, hides are lower and very much lower, as the statement of the Hide and Leather Journal sets forth. What, in the name of God, I ask, do they make shoes from? Do they make them from wall paper, burlap, or leather, or what? If they make them from leather, and they tell us they do—the wearing qualities of some of them seem to indicate they don't—the public certainly are justified in securing shoes for less than the prices at present charged for them.

I admit that there has been a reduction in the price of shoes to the public during the present year as compared with the prices of 1920. Manufacturers and retailers tell us that the reduction in prices has been 40 per cent, but investigation seems to indicate that the statement of the manufacturers and the retailers in this matter is somewhat exaggerated.

Again he was asked:

Senator MCCUMBER. Assuming that there are 2½ pounds of leather in a pair of men's shoes, to what extent would a 30 per cent tariff on hides—

That is double what the tariff is now—

increase the price of that pair of shoes? Have you made any computation of that?

Mr. MCCLAIN. It is not hard to figure out, taking the weight of finished leather that a 65-pound or 70-pound salted hide will yield and divide the same with the average weight of a pair of men's shoes, and as well with the average weight of a pair of women's shoes, which, of course, will be lighter in weight than the shoes of the male.

Senator MCCUMBER. The object of my question is to ascertain whether there would be enough in the tariff you suggest to increase the cost of a pair of shoes 5 cents?

Mr. MCCLAIN. Hardly that much on children's shoes.

Senator McCUMBER. I have made such estimates myself, and I do not think there would be a difference of more than 4 to 5 cents.

Mr. McCLAIN. A tariff of 30 per cent on hides would not increase the cost of a pair of adult's shoes (averaging men's shoes and women's shoes) more than 7 cents.

Now, if we cut that in two, his average estimate would be about 3½ cents on a pair of shoes.

Now, Mr. President, it seems to me, taking into consideration the state of agriculture in this year of 1922, taking into consideration the very bad conditions of the cattle raiser, when he is buying everything at a cost ranging from 50 to 150 per cent higher than he paid in 1912 and is selling the hides on his cattle for not more than 75 per cent of what he received in 1912, that the American people can well assist him, if this will assist him, in getting the little $1.35 more for the hide of a 3-year-old steer, even though it does load upon the American public an additional cost of 3½ cents upon a pair of children's shoes or the enormous sum of 6 cents upon a pair of men's shoes.

The PRESIDING OFFICER (Mr. BROUSSARD in the chair). The question is on agreeing to the committee amendment on page 192 proposing to insert paragraph 1427a.

Mr. WALSH of Massachusetts. On that I ask for the yeas and nays.

Mr. JONES of New Mexico. Mr. President, the paragraph which we are now discussing is 1427a. It levies a duty of 2 cents per pound upon green or pickled hides of cattle and 4 cents per pound upon dried hides. The modesty of this duty must be apparent to everyone.

We have just listened to a very learned address from the Senator from North Dakota [Mr. McCUMBER], the chairman of the committee, in which he has described to us the very small amount by which the price of shoes should be approximately increased by reason of this very small tariff upon hides. I should be astonished, when the vote is cast upon this paragraph, if anyone who has heretofore been voting for duties upon imported articles should cast his vote against this paragraph. Not a single argument has been made in favor of a single duty in the bill which can not be applied to this paragraph. That it is an essential industry no one can deny. That the industry is in a depressed condition no one can deny. That the supply of animals to produce the food for this country is at the present time just about the number required to meet the necessities of the country no one can deny. The relative supply is decreasing from day to day. The time was when this country was a great exporter of beef products. That time is just about disappearing. There are small importations of meat into this country, but the supply of beef cattle is constantly on the decrease. Just prior to the war, in 1913 and 1914, according to the report of the Tariff Commission, we had just about reached the point where this country would have to import beef if it met the supply demanded by our consumers. During the war, owing to the necessities and the increased prices of meat, the number of beef cattle in this country increased, but since that time the number in this country has decreased about 2,000,000 head.

While the population of the United States has been increasing the relative or proportionate number of beef cattle has been decreasing. We have not now a sufficient number to meet the demands of the American people for beef. The industry, of course, must be considered as a whole. The hide is just as much a part of the producer's product as is the meat. There can be no question about that. It is true that one could not grow the hide without growing the meat. On the other hand, one could not grow the meat without growing the hide.

Mr. President, recognizing this as an essential industry, one which must be carried on for the good of the country, then let us apply to that industry the same principles which have been applied from time to time by everyone who has been supporting the duties in this bill. Time and again we have been told that we should impose a duty upon an essential industry equal to the difference between the cost of production in the United States and abroad. If we examine that question we find that in this instance the duties are not only justified but, if anything could be said against them, they are decidedly too low.

In the first place, during the last 10 years the cost of production of beef cattle in the United States has greatly increased. The cost of land, the cost of pasture, the cost of labor, the cost of everything which the producer must buy has increased, and the business to-day is almost in the throes of desperation. I do not believe there is a cattleman in the United States who is making any considerable profits at the present time. The western ranges have been disappearing; the lands have gotten into private ownership; taxation has increased; and every cost which the producer must incur has greatly risen during the last 8 or 10 years, and is continually increasing.

The hides which are brought into this country from abroad, chiefly from Argentina and other South American countries, come to us from ranges which cost the producer but little. No one has undertaken to state upon the floor that there is not a vast difference between the cost of the production of meat products and hides in the United States and in Argentina. So we have these elementary principles admitted: First, that this is an important industry; and, second, that there is a vast difference in the cost of production here and abroad. Many times we have heard it argued here that those are the only elements which should be taken into consideration in levying a tariff. It is admitted by Senators; and if we are going to put a tariff upon other articles for those reasons, I would ask anyone who has supported those taxes why he does not support this?

It is not a question here of whether there shall be free trade generally, whether there shall be a tariff for revenue or a tariff for protection; but the pending bill is based—at least, it is so pretended—upon the principles which I have stated. If Senators are going to apply them to the great bulk of the articles which are produced in the United States, I ask why they should not be applied in this case?

Merely to give a little idea of the state of the industry, I will now read a couple of paragraphs from a speech made by the Senator from Wyoming [Mr. KENDRICK] on June 28 last, in which he said:

> In 1900 we had 50,000,000 beef cattle. In 1910 we had 41,000,000, and because of the increased activity and encouragement that producers had to redouble their efforts contingent upon the war and after the war, there was an increase of about 2,000,000 head, making 43,000,000 in 1921. These figures are better understood when we consider them in connection with the fact that during the intervening time from 1900 to 1920, as I recall the figures, our population had increased about 20,000,000, which suggests a very much smaller per capita supply of beef products. In 20 years we had increased our population 20,000,000 people and we had decreased our number of beef cattle about 7,000,000.
>
> As another illustration of how the industry has been affected by the reconstruction period, I want to give a few figures in reference to the decline in the value of the product. In 1921 the meat animals, as marketed through the central markets of the country, returned to the producers $1,968,000,000 as against $2,913,000,000 in 1920, showing a shrinkage in the income of live-stock producers of nearly $1,000,000,000 that year. The cattle producers contributed about $447,000,000, swine producers $460,000,000, and the sheepmen $37,000,000.

There is not any doubt about the facts. There is no question here about prices. Time and again we have levied duties under the present bill upon hundreds and thousands of articles the prices of which to-day in the American market are 50 per cent and sometimes 100 per cent higher than those which obtained prior to the war. In fact, as I stated on yesterday, the average prices to-day of manufactured articles in the United States are 72 per cent above the prices of 1913. When we come to the prices of beef and hides we find that as to meat the price is but little above the pre-war price. When we take the price of hides, however, we find that it is away below the pre-war price. If anything could be said in favor of levying additional duties or of levying duties at all upon the products which are selling 72 per cent above the pre-war prices, I ask Senators how they can justify themselves in refusing to vote for a duty upon an essential commodity which is selling for one-third less than it was prior to the war?

Mr. President, I have listened with attempted patience to the argument which has been advanced as to the increase of prices on finished articles as a reason for not imposing this duty. It must be apparent to everyone that the increase would be small, but I agree that there would be an increase. However, is not that true of every other article mentioned in this bill on which a tariff has been levied? The duties on clothing, glassware, earthenware, chemicals, paints, metals, and all classes of metal production have been increased. Why was that done? Because it was either desired to increase the price or else maintain a high price which already existed. How can anybody justify his action who has voted for such duties upon all those products and then turn around and vote against a little insignificant duty upon hides?

The Senator from New Jersey has insisted here day after day upon high duties upon everything produced in his State by manufacturers. He has done so because he hoped to increase prices or maintain existing prices.

Mr. FRELINGHUYSEN. Mr. President——

Mr. JONES of New Mexico. I should like to ask the Senator or anybody else who is going to vote against the duty on hides how he can reconcile his vote, which I understand he will cast, upon this subject with his vote upon the others?

Mr. FRELINGHUYSEN. Mr. President——

The PRESIDING OFFICER (Mr. CAMERON in the chair). Does the Senator from New Mexico yield to the Senator from New Jersey?

Mr. JONES of New Mexico. I am glad to yield.

Mr. FRELINGHUYSEN. Mr. President, the Senator is unfair when he states that I have asked for higher duties on the products of New Jersey simply because I wished the industries of that State to make excessive profits. That is not true. I have insisted on proper rates, as I believed them to be, in order that the industries might be properly protected, not that they might make extortionate profits; and there is nothing in my attitude on this floor or in the committee which would merit such a conclusion by the Senator, and he knows it.

Mr. JONES of New Mexico. Mr. President, may I ask the Senator from New Jersey, then, if he thinks that this would be an unwise duty to put on hides?

Mr. FRELINGHUYSEN. Mr. President, I do not think a duty on hides will help in any way whatsoever the raiser of cattle or live stock. I do not believe that hides enter to any extent into the return to the farmer. The question as to hides is one that relates, in my opinion, entirely to the meat products, and I do not believe a duty on hides will benefit the farmer in the slightest degree.

Mr. JONES of New Mexico. Mr. President, the Senator will have a very difficult task to convince the farmers of the country of the reasonableness of what he has just said. I think I may state, also, that in many instances under this bill we have been told that the prices would not be increased, and that the producers would not get the benefit, but Senators have insisted upon the duty just the same.

Mr. President, what the Senator from New Jersey has just said is undoubtedly intended to embody the argument which has been made here regarding the control of this product by the packers of this country. I wish to say that if it is controlled by the packers, that situation should be dealt with in an entirely different manner. If there is a trust here which controls the meat product, the meat supply, the hide supply, the Attorney General should be advised of it; it should be dealt with under the antitrust laws of the country; but no man can stand on this floor and sustain the argument that in the absence of a trust the producer will not get the benefit of a duty on hides.

Mr. LENROOT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Wisconsin?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. LENROOT. I should like to ask the Senator, then, if he is as willing to vote for a high duty on a product that is controlled by a monopoly as he is for a product that is independently produced? He says that the remedy is in another direction.

Mr. JONES of New Mexico. Mr. President, I have made no statement that I intended, at least, to be understood in that way; but what I have said is that in this bill we are not legislating with respect to monopolies. It is absolutely denied that there is any monopoly.

Mr. LENROOT. But in the consideration of a duty, does the Senator take no account whatever of the fact, if it be a fact, that a commodity is controlled by a monopoly in this country?

Mr. JONES of New Mexico. Mr. President, that is, of course, a hypothetical question; and I am very glad to say that if I knew that there was a monopoly that controlled any product I would not be in favor of increasing the duty upon the article produced by such a concern.

Mr. LENROOT. But the Senator has just said that if the beef packers are able to get all the benefit, and not give the producer any of it, that is a matter to be dealt with in another direction. If it is true of the beef packers, why is it not true of every other monopoly?

Mr. JONES of New Mexico. I do not say it is true of the meat packers. I have not made that statement, and I do not believe that the Senator from Wisconsin believes that that is the fact. I ask the Senator from Wisconsin if he believes that there is a packers' trust in this country?

Mr. LENROOT. I was simply calling attention to the Senator's argument. Referring to the statement of the Senator from New Jersey that the cattle growers receive no benefit from the duty because of the beef packers, the Senator said in response to that that if that be true the beef packers should be dealt with in another way; and if the beef packers should be dealt with in another way, why should not any other monopoly be dealt with in another way, having no relation to tariff rates? I do not agree with either statement, of course.

Mr. JONES of New Mexico. Mr. President, that raises purely a hypothetical question which I do not care to dwell upon and take time in discussing.

Mr. LENROOT. If the Senator will yield again, I should like to ask him a question growing out of his question to the Senator from New Jersey.

Mr. JONES of New Mexico. I gladly yield.

Mr. LENROOT. Does the Senator from New Mexico indorse the Republican theory of protection?

Mr. JONES of New Mexico. Mr. President, I think that is wholly aside from this question.

Mr. LENROOT. Oh, I think that is a fair question.

Mr. JONES of New Mexico. I will state to the Senator that I do oppose the Republican theory of protection, if this bill is an expression of it.

Mr. LENROOT. The Senator has voted for high protective duties for the products of his own State. He has voted generally, I think, against protective rates for other products. I think that is a fair statement, is it not?

Mr. JONES of New Mexico. I do not think it is.

Mr. LENROOT. I wish to be entirely fair to the Senator.

Mr. JONES of New Mexico. In all of the amendments I have proposed to this bill the Senator must have observed one thing—that I never proposed a single amendment or advocated a single measure which, in my judgment, would have injured any of the essential industries of this country.

Mr. LENROOT. That is quite aside from the question; but the question I wanted to ask the Senator was this: Suppose he had been successful in reducing all other rates to the level of the Underwood law, but had been successful in increasing all rates which he favored, would he then vote for the bill?

Mr. JONES of New Mexico. I certainly would have.

Mr. LENROOT. So, then, the Senator would vote for protection to his own industries which he would deny to others?

Mr. JONES of New Mexico. Mr. President, the question was broad and my answer was equally broad, and, I think, unfortunately so. There are many duties in the Underwood bill, in the existing law, which are too high, and which are not needed by any of the industries for any kind of reasonable protection.

Mr. LENROOT. I agree with the Senator upon that. May I then put the question in another way? If the Senator could reduce all duties that he thinks ought to be reduced, and yet increase upon the basis of a protective principle the rates upon hides, upon wool, and upon other things that the Senator has voted for, would he then vote for the bill?

Mr. JONES of New Mexico. I will answer the Senator in this way: If I could have the arrangement of the rates, I certainly would vote for the bill; and I want further to state that there is no such thing as a free-trade tariff. Any tariff is an obstruction, pro tanto, upon imports, and where there is a similar commodity produced in the United States it is, pro tanto, a protection to that industry; and under the existing law, the so-called Underwood-Simmons law, the tariffs are levied in great measure, I would say to the greater extent, upon articles which are produced in the United States and which compete with foreign articles, and in every such case that duty is a protective tariff, if you enjoy that phrase better than any other. It can not be escaped; and when the time came that this country took off its duties upon tea and coffee and other articles which were not produced in the United States and retained them upon articles which were produced in the United States in competition with foreign articles the idea of a tariff solely for revenue disappeared.

Mr. LENROOT. Mr. President, may I ask the Senator another question?

The PRESIDING OFFICER. Does the Senator from New Mexico further yield to the Senator from Wisconsin?

Mr. JONES of New Mexico. I yield.

Mr. LENROOT. Would the Senator vote in favor of a rate of duty upon a given article which would produce the largest amount of revenue from that article?

Mr. JONES of New Mexico. If the Senator will do me the honor to read the address which I delivered in the Senate yesterday morning, I think a great many of the questions that apparently are troubling him now will disappear.

Mr. LENROOT. Mr. President, I want to say that my questions were propounded in the hope that we would be able to welcome the Senator from New Mexico to the Republican theory of protection, but from the Senator's answers I am very much afraid that he is against the Republican theory of protection generally but is in favor of it for the industries of his own State.

Mr. JONES of New Mexico. If the Senator will do me the honor to read the address which I delivered yesterday morning I think he will discover that it is my opinion that the Republican Party has no theory of protection. The Senator will discover that there is no single theory of protection running

through this bill. When the very first item in the bill came up for consideration that fact was made perfectly apparent. You talk about a tariff levied for protection on the theory of the difference in the cost of production at home and abroad. I say that you have not applied that doctrine to more than a very infinitesimal number of the items mentioned in this bill. You have no theory of protection, if this bill is an expression of what you think that theory is.

The Senator from Wisconsin time and again has stated on this floor as to many items that they did not conform to the Republican theory of protection.

Mr. LENROOT. Mr. President, will the Senator yield further?

Mr. JONES of New Mexico. I gladly yield.

Mr. LENROOT. The Senator certainly has not understood, from any question I asked, that I was defending the rates in this bill. I was talking about the different theories, the Republican theory and the Democratic theory of tariff duties.

Mr. JONES of New Mexico. I assumed that the Senator from Wisconsin represented and expressed what he thought was the Republican theory of protection.

Mr. TRAMMELL. Mr. President, will the Senator yield?

Mr. JONES of New Mexico. I yield.

Mr. TRAMMELL. Did not the Senator from Wisconsin also say, some two or three weeks ago, that unless the bill was re-formed he would not vote for it?

Mr. JONES of New Mexico. I believe I remember that statement made by the Senator from Wisconsin.

Mr. LENROOT. I did not catch the statement of the Senator from Florida.

Mr. TRAMMELL. I understood the Senator from Wisconsin to say, in discussing the bill here some two or three weeks ago, that if it was not re-formed he would not support the bill.

Mr. LENROOT. The Senator correctly understood me. I did state that.

Mr. JONES of New Mexico. Mr. President, after we heard that theory announced—the difference in the cost of production at home and abroad—the Senators supporting this bill were forced to abandon it and say that they had never attempted to ascertain the cost of production at home or abroad as to a single item in the bill. That is your supposed Republican protective theory; but there is a confession from every Senator on the other side of the Chamber that that theory has not been applied to the rates in this bill, and I imagine the Senator from Wisconsin is going to vote for it with all of the iniquities which he himself has pointed out.

After being driven from the theory of the difference in the cost of production at home and abroad, they then undertook to tell us something about difference in prices, and they sent out the Reynolds commission to ascertain that difference in prices. They came back here and reported that as to a number of items the price of the foreign article in this market was higher than the price of the domestic article; but, notwithstanding that, you proceeded to increase duties upon them. Where is your Republican theory of protection as manifested in this bill?

But, Mr. President, what I wanted to emphasize was this: Whatever theory of this bill may be adopted by any individual supporter of the bill, whatever your theory may be, I ask you how you can apply it and not put a duty on hides. No one on the other side of the Chamber has yet undertaken to answer that question, and I submit there will be no satisfactory answer to it from any side of this Chamber.

Senators talk about increased costs. Do you not increase the costs of everything else? Do you hesitate to admit that? If the purpose, as I have said, is not to increase prices or maintain increased prices, then I ask you what in the name of heaven are you doing this thing at all for?

Mr. President, I did not intend to discuss this question at any considerable length. It seems to me that a simple, short statement would convince any man who expects to vote for this bill on its final passage that there should be a tariff duty on hides. A number of different theories have been stated, but I submit that any theory of protection, whatever it may be, upon which any Senator expects to vote for this bill, if applied to this item, will force that Senator to vote for a duty on hides.

As to the producer of hides, you have increased the duties upon substantially everything he must buy. You have increased them upon all of his hardware, you have increased them upon his tableware, upon his kitchen ware, upon his clothing of every conceivable kind, class, or design. You do not hesitate to do that. Clothing they must have, as well as shoes. I ask, what difference does it make if you raise the price of the clothing which covers the body and contend that the shoes which cover the feet should not meet with like treatment? In discussing the duties on a number of articles it has been said that the amount was small, and that was given as an excuse for levying duties. I remind Senators that, measured even by that statement, they will have to put a duty on hides.

Mr. President, I do not know what the vote upon this item is going to be, but I do ask those Senators who expect to vote for the bill how they are going to reconcile their consciences to voting against this paragraph.

Mr. LENROOT. Mr. President, I do not expect to occupy very much time in the discussion of this amendment, but I do want to say a few words preliminarily with reference to the attitude of Senators upon the other side of the aisle.

I want to commend the Senator from New Mexico for his frankness in stating the position he occupies upon this bill, and I wish that other Senators who, like himself, have voted for high duties upon the products of industries in their own States and voted against protective duties throughout the rest of the bill would be as frank as he has been. I have thought, from the Senator's statement, that the inevitable conclusion was that he had discarded the doctrines of the Democratic Party of either free trade or a tariff for revenue, and that he really and sincerely believed in the Republican theory of a protective tariff.

I asked the Senator whether he would vote for the bill if he could get a decrease in all of the duties in this bill against which he had voted and could get an increase in all of the duties for which he had voted, those duties being based upon a protective theory, and he said yes. Of course, that meant just one thing, that the Senator from New Mexico was a Republican, upon the protectionist doctrine, for industries in his own State, but that he was a tariff-for-revenue Democrat for the industries of every other State. No other conclusion was possible.

Mr. JONES of New Mexico. Mr. President, of course I am in the Senate Chamber, and I should not sit quietly by and permit the remarks of the Senator from Wisconsin to pass without some reply.

Mr. LENROOT. I yield for that purpose, because I do not wish to be unfair to the Senator from New Mexico.

Mr. JONES of New Mexico. I should not be considered as acquiescing in the statement the Senator has made, and I want to disclaim any acquiescence in his conclusions as to what my position is.

Mr. LENROOT. We will let it go at that. Other Senators, like the Senator from New Mexico, have defended their votes for rates even higher than those proposed by the Committee on Finance itself upon the statement that industries in their own States were vitally involved, and they have attempted to excuse themselves by saying that if we were going to have the theory of protection in this bill, they proposed to have that theory uniform and vote for protective duties for their own industries, but that they intended to vote against the bill.

What I want to commend the Senator from New Mexico for is that he has been franker than his Democratic colleagues, and he has honestly stated that if he could get protective duties for his own State and Democratic duties for other States, he would vote for that kind of a bill.

Mr. JONES of New Mexico. Mr. President, I desire again to dissent from the statement the Senator from Wisconsin has made. I have said nothing which was at least intended to even imply or hint at the statement which the distinguished Senator has just made.

Mr. LENROOT. Did not the Senator state, in response to my question, that if this bill carried the duties which he has been voting for—like the proposed duty upon wool, like the proposed duty upon hides, and the duties upon certain minerals the Senator has voted for, if I recollect correctly—and if he could have his way with reference to lowering duties throughout the rest of the bill, he would vote for the bill? Did he not state that to me?

Mr. JONES of New Mexico. I think that is substantially what I said.

Mr. LENROOT. Then there is no disagreement between us.

Mr. JONES of New Mexico. If you will let me write the duties in the bill I shall vote for it.

Mr. LENROOT. Very well, then. But the Senator has justified voting for high duties on the products of industries in his own State because he said the Republicans were voting for high duties upon other products, and if they were going to do that in the case of other products he was justified in doing it for his own State. Now he says that if we wipe out all those high duties for other States, and will give him his high duties

for his own State, then, instead of voting against the bill, he will vote for it. I do not think there can be any misunderstanding between us, and I understand that there are about 18 Democratic Senators who occupy exactly that position. All I ask is that if a Democratic Senator stands for protective duties for industries in his own State he should stand for protective duties on industries of other States; that is all.

Mr. JONES of New Mexico. Mr. President, I simply reply by making practically a restatement of what I said in my opening remarks, that whenever a tariff duty is levied upon any article imported into the United States, and a comparable article is produced in the United States, that duty is, pro tanto, a protective tariff.

Mr. LENROOT. Exactly; I agree with the Senator to that extent.

Mr. JONES of New Mexico. As to every item in the existing law putting a duty upon any importations, where there is a comparable article produced in the United States, it is a protective law.

Mr. LENROOT. Exactly; to that extent. The Senator must also agree, however, that the higher the rate the less the revenue, in a great many cases, and that if you are standing upon the Democratic theory, you can not go beyond a rate which will produce the greatest amount of revenue from the given commodity.

Mr. JONES of New Mexico. Mr. President, I would like to remind the Senator of one other thought in connection with his question. He has referred to the rates in the existing law. In a general answer to the Senator's inquiry some little time ago I said that I would support the present rates, and my answer, of course, was a general answer, based upon the proposition that under the existing law there is not a single industry in the United States which is being injured to any measurable extent by importations from abroad.

Mr. LENROOT. Under the Underwood law?

Mr. JONES of New Mexico. Yes; under the present law. I ask the Senator to point to a single industry in the United States of any material consequence which is being injured to-day by reason of extensive imports.

Mr. LENROOT. Mr. President, surely the Senator from New Mexico, having made a thorough study of the pending bill, must have forgotten this morning all of his previous studies, because a most cursory examination of imports and exports and the reports of the Tariff Commission must convince any Senator, Democrat or Republican, that there are many industries in the United States which are being seriously injured by reason of excessive imports, and in some cases factories are entirely closed down.

Mr. JONES of New Mexico. Of course, we can not settle the question here and now, but I want to have it go out as my statement, after all the study I have made of this question, that the statements of the Senator from Wisconsin are unjustified by the facts.

Mr. LENROOT. Mr. President, I hold in my hand a pair of German gloves, which are being imported into this country to-day for half of what they can be made for, and the factories in this country are closing down. Does the Senator take into account any such evidence as that?

Mr. JONES of New Mexico. I did not understand to what article the Senator refers.

Mr. LENROOT. I hold in my hand a pair of ladies' gloves, the invoice price of which is $3.56 a dozen pair, or about 30 cents a pair. Does the Senator seriously say that the importation of that glove is not interfering with or injuring American industry?

Mr. JONES of New Mexico. Mr. President, the story about gloves is somewhat lengthy, but the Senator upon examination of the question will find that it does. I do not know the class of glove he has exhibited, but I assume it is a high-grade glove.

Mr. LENROOT. It is.

Mr. JONES of New Mexico. I do not know where it was made.

Mr. LENROOT. It was made in Germany.

Mr. JONES of New Mexico. With regard to that high-grade kid glove made in Germany, the facts are that in this country we have never been able to produce that quality of kid glove at a reasonable price.

Mr. WADSWORTH. Mr. President, will the Senator from Wisconsin permit me to answer the Senator from New Mexico?

Mr. LENROOT. Certainly.

Mr. WADSWORTH. I have in my hand two pairs of the very kind of glove which the Senator from Wisconsin has exhibited, and which are made in this country.

Mr. JONES of New Mexico. Oh, yes; they are made here, but I said at a reasonable price.

Mr. WADSWORTH. The Senator probably forgets that men's gloves have had a higher rate of protection than women's gloves. If the same rate of protection were given to women's gloves that is given to men's gloves, we could make the women's gloves here just as well. When a higher protection was given to men's gloves, we showed our ability to make them and reduce the price. With the same tactics employed with reference to women's gloves, they could be made here as well as the men's gloves and the price would be reduced accordingly. We have never had a chance to make the women's gloves.

Mr. LENROOT. Mr. President, I know the Senator from New Mexico made that general statement in good faith, but I know that if he will refresh his recollection and study, as I know he has studied, the imports, he will remember that there are many articles as to which the imports are very excessive and where the American industry, unless they have some relief, will be very seriously injured. I think I can fairly say that because, Republican as I am, I have stood upon this floor, and propose to stand here until the tariff bill has been finally disposed of, fighting against what I believe to be excessive rates.

Mr. JONES of New Mexico. Mr. President, another point which should not be overlooked in this connection is the fact that the pair of gloves which the Senator produced came from Germany. We all know that, owing to the rapid decline in the gold value of the German mark, many shipments of commodities from Germany were made at excessively low prices.

But I want to remind Senators that if the tariff bill is to be framed upon conditions in Germany the foundation is one of sand. Everybody knows that Germany is in an industrial collapse; that she has not since the war been able to produce more than 60 per cent of what she was producing prior to the war, and her exports are only 40 per cent, and that of those exports altogether there came to the shores of America only 7.1 per cent. Yet because of that unfortunate condition in Germany it is proposed to disturb business industries of whatever character all over the United States. The Republicans have built up these duties by reason of that unstable, uncertain foundation which is claimed to exist in Germany.

Mr. LENROOT. All I have to say in response to that suggestion is that if a man dies of a disease he is not very much interested in the post-mortem to ascertain what caused his death.

Now, Mr. President, to get down to the question before the Senate, the Senator from New Mexico [Mr. JONES], in opening his remarks, stated that whatever contention might be made as to whether the farmer would receive the benefit from a tariff on hides, the fact was that the farmers were all insisting upon having it. The largest farm organization in my section of the country is the American Farm Bureau, and I am going to read the closing paragraph of their brief submitted to the Finance Committee wherein they said:

> The cost to consumers of leather products would more than offset the increased return to hide producers even if all the increased price was passed on to the producers, of which there is no assurance. Therefore, we believe that hides, leather, and leather products should remain on the free list.

The American Farm Bureau is a very respectable farm organization with a very large membership. It does happen, I know, to be constituted almost wholly of small farmers and perhaps has no membership of the large cattle growers, with their thousands and thousands of cattle.

Now, Mr. President, I am opposed to the duty on hides, first, because I am convinced that so far as the average farmer is concerned, if there be any benefit accruing to the farmer——

Mr. BURSUM. Mr. President——

Mr. LENROOT. Just a moment. If there be any increase in the price of hides the cost to the farmer in the shoes and leather products that he must buy will be very much greater than any possible increase in price that he may receive for his hides.

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from New Mexico?

Mr. LENROOT. I yield.

Mr. BURSUM. The Senator from Wisconsin stated that some farm bureau favors free hides. May I ask the Senator what farm bureau that was?

Mr. LENROOT. I quoted from a brief filed with the Senate Finance Committee by the American Farm Bureau Federation, of which Mr. Howard is president, and of which Mr. Gray Silver, whom I think every Senator knows, is secretary, having headquarters in Washington. It is perhaps the most active farm organization that there is in looking after the interests of the farmers in legislation.

Mr. BURSUM. We have a farm bureau in my State, and no such request has been made by it.

Mr. LENROOT. That may be; but this is the national federation about which I am talking. I am not talking about some little organization that the Senator may have in New Mexico.

Mr. BURSUM. If the Senator please, I would advise him that New Mexico is a part of the Union.

Mr. LENROOT. I understand that; but there are more members of this farm bureau in one county in my State than there are in the entire State of New Mexico.

Now, Mr. President, I want to ask the Senator from New Mexico, if I may trespass upon his good nature, whether he is in favor of the proposed 5 per cent duty upon shoes?

Mr. BURSUM. Is the Senator inquiring of me?

Mr. LENROOT. Yes. Is the Senator from New Mexico in favor of the committee amendment imposing a 5 per cent duty upon shoes?

Mr. BURSUM. I will say to the Senator from Wisconsin that for the present it would be advisable to stick to the subject pending. We are just now discussing the duty on hides.

Mr. LENROOT. So the Senator from New Mexico declines to answer whether he is in favor of the 5 per cent duty upon shoes which is proposed by the committee.

Mr. BURSUM. Whenever we get to that proposition and the matter is up for action, the Senator from New Mexico will not hesitate to state his position.

Mr. LENROOT. But the Senator declines to express himself upon that subject now. I commend the Senator from New Mexico for his discretion because I understand very well that the reason why the 5 per cent duty is proposed upon shoes, in addition to the compensatory duty, is the hope of those back of the proposition, representing primarily the cattle range States, that they will be able to get the votes of New England Senators for a tariff upon hides in return for their votes for a 5 per cent duty upon shoes. The Senator from New Mexico well understands that if he should say now at this stage of the controversy that he is opposed to a 5 per cent protective tariff upon shoes he would not be nearly so likely to get the votes of New England Senators for a tariff upon hides. So I commend his discretion.

Mr. JONES of New Mexico. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from New Mexico?

Mr. LENROOT. I yield.

Mr. JONES of New Mexico. The Senator was rather criticising some of us for voting because our constituents live in a cattle-raising State.

Mr. LENROOT. No; the Senator misunderstood me. I did not. What I have criticized was voting on one principle for industries that the Senator's constituents wanted and voting upon another principle against duties that other constituents want. That was my criticism.

Mr. JONES of New Mexico. The Senator from Wisconsin has just referred to the fact that a farm bureau of his State does not want a duty on hides. I ask him upon what principle he is voting against the duty on hides?

Mr. LENROOT. If the Senator will have just a little patience, I assure him he will find out. I referred to the National Farm Bureau, with organization headquarters in Washington, which, representing the national organizations, took its position before the Finance Committee. Now, answering the Senator's question, I am opposed to the duties upon hides, first, because, so far as the average farmer is concerned, so far as 99 per cent of the farmers of America are concerned—conceding for the moment that the duty would increase the price of hides—the price that they will have to pay for shoes and other leather products which they must buy will be a great deal more than the benefit they will receive from a tariff upon hides.

Mr. POMERENE. Mr. President——

Mr. LENROOT. I yield to the Senator from Ohio.

Mr. POMERENE. The Senator has indicated that if this duty were placed on hides, of course it would tend to increase the cost of shoes to the consumer. I agree with that proposition. Has the Senator's investigation gone to the extent that he would be willing to make a statement as to what the average increase would be per pair of shoes?

Mr. LENROOT. I shall go into that later. If I do not remember it, I shall be obliged to the Senator if he will call my attention to it later, because I intend to discuss that subject very briefly.

In the second place, Mr. President, I am opposed to this duty because I am satisfied that the chief beneficiaries will be the packers of the United States and not the farmers, nor even the cattle growers; that there will be no substantial increase in the price which the cattle grower, even of the range States, will receive for his cattle.

I am opposed to it, in the next place, because, giving this benefit to the beef packers of Chicago, the inevitable result will be to drive out of business the independent tanning industry of the country and concentrate it in the hands of the beef packers of the United States, who to-day have a very large control of it.

Mr. STANFIELD. Mr. President——

Mr. LENROOT. I yield to the Senator from Oregon.

Mr. STANFIELD. I should like to ask the Senator from Wisconsin what per cent of the hides the so-called Packers' Trust controls?

Mr. LENROOT. About 65 per cent, I am told.

Mr. STANFIELD. Does the Senator think the other 35 per cent would enter into combine with the packers and that the packers would receive all the benefits of the duties on hides?

Mr. LENROOT. In the first place, as the Senator knows, the country hides are inferior in quality. I think he will agree with me on that as a general rule.

Mr. STANFIELD. The country hide?

Mr. LENROOT. Yes; which represents the other 35 per cent.

Mr. STANFIELD. The Senator is undoubtedly aware that outside of the so-called packers' combine, which is composed of four or five of the principal packing concerns, there is over 40 per cent, although the Senator said 35 per cent, of the industry in the hands of others not associated with the so-called packers' combine, if there be such a thing.

It is a well-known fact, I wish to say for the enlightenment of the Senator, that every time there is a fluctuation in the price of the by-products of the slaughterhouse, the by-products of cattle, sheep, and hogs, the live-stock market fluctuates proportionately, so that if hides go up, live stock goes up; if wool goes up or sheepskins go up, the live-stock market goes up proportionately.

Mr. LENROOT. I am not going to enter into that field of controversy with the Senator. The Senator does know that practically every farm organization of the United States has asserted time and time again that the beef packers control the price and pay the farmer, pay the cattle grower, pay the sheep grower such prices as they choose to pay. It is absolutely under their control.

Mr. STANFIELD. I do not believe that the investigations have revealed such a condition as that.

Mr. LENROOT. I say I am not going to get into that field of controversy now. I simply make the statement, to which the Senator must agree, that that has been the position of the farm organizations.

Mr. STANFIELD. I can not agree with that, because so far as the live-stock organizations of the United States are concerned, 75 per cent of them are on record as saying that such a condition does not exist.

Mr. LENROOT. Mr. President, that may be so of late——

Mr. STANLEY. Will the Senator yield to me?

Mr. LENROOT. No; I wish to finish my statement. But a couple of years ago and for many years prior to that time I was very closely concerned with reference to that very subject. We have a National Livestock Association, and I talked with their president here year after year, and the members of that association did not agree with the statement which has been made by the Senator from Oregon.

Mr. STANFIELD. I will say, then, that the Senator probably refers to one of the so-called national live-stock organizations, for the National Wool Growers' Association have always been on record denying that such a condition existed; the Northwestern Cattle Growers' Association have always been on record to the same effect and have always indorsed resolutions of that tenor whenever the question was presented.

Mr. LENROOT. Yes; but there has been a very thorough investigation, as the Senator knows, by committees of this Congress. I wish to say to the Senator that some of the methods which were pursued in order to secure testimony favorable to the packers were not very creditable. However, I am not going into that now, for my time is running, and I have only a few moments remaining.

Mr. STANFIELD. Right in line with that thought I want to make one further remark, and that is that the packers, to whom the Senator clearly refers, are the largest importers of hides of any of those who are concerned in the leather business; so that if there is anyone, it seems to me, who would be interested in free hides it is the packer, because he surely would want to bring his products from his slaughter and packing houses in South America, Australia, and New Zealand into the United

States free of duty. It is only consistent and reasonable that he should.

Mr. LENROOT. When the packer, utilizing 65 per cent of the hides that are produced in this country, can add 2 cents a pound to their price, he can well afford to pay the additional duty on the 35 or 40 per cent of imported hides, or even on all the imported hides; but to a very large degree the importers are the independent tanners, and not the packers.

Mr. STANFIELD. I should like to remark to the Senator that the outside leather is largely controlled by the so-called large packers. That the Senator must admit. Does he mean to say that the large packers turn their hides over to the independent tanners when they are engaged in the leather business, as he has asserted here? Is it reasonable that they would do such a thing?

Mr. LENROOT. I have not the time to go into the question of the control of the tanning industry by the packers. My time is running short; I can not go into that. But I do give it as my profound conviction that the duty that is proposed here upon hides will drive the independent tanners out of business in the United States and concentrate control in the packing industry.

Mr. President, I have wondered why it was that the committee in reporting their amendment imposing a duty upon hides were not content to provide merely a compensatory duty on boots and shoes—and that I shall speak of in a moment—but they also gave a 5 per cent ad valorem protective duty. When one looks at the imports of boots and shoes and examines the exports of boots and shoes there can be but one conclusion, and that is that 5 per cent ad valorem duty was put on there as a bait to get votes for the tariff upon hides. I wish to call attention to the fact, because I want to know from the committee before this debate is concluded how they justify putting a 5 per cent protective duty upon boots and shoes.

Our total imports of boots and shoes for 11 months ending in May, 1922, amounted to 118,000 pairs, valued at $558,000. For the 11 months ending in May of 1921 there were 203,000 pairs imported, valued at $775,000. In 1921 our exports of children's shoes amounted to 2,000,000 pairs, valued at $3,340,000; our exports of men's shoes during the same period amounted to 5,173,000 pairs, valued at $16,319,000; our exports of women's shoes during the same period were 1,767,000 pairs, valued at $5,016,000, or a total export of over $25,000,000, as against imports of a little over half a million dollars; and yet the committee have proposed a duty of 5 per cent ad valorem upon shoes.

Mr. STANFIELD. Does not the Senator think that that was a poor method of attempting to trade for votes? If the shoe manufacturer does not need the duty, why would the New England Senators or Senators from other shoe manufacturing States vote for a duty on hides?

Mr. LENROOT. I think they used very poor judgment, because I do not believe they caught the New England Senators in their attempt.

Mr. STANFIELD. Does the Senator think that they would have listened to the importunities of the cattle-growing sections and the farming sections if they had made such a proposal as that to them?

Mr. LENROOT. Well, Mr. President, I am reminded of a statement which Senator Aldrich made in the consideration of the Payne-Aldrich bill. I am afraid I have it not at hand; but he very frankly stated that in order to get the duties for New England that he wanted he had agreed with western Senators to stand for a duty on hides; that, although he thought it was wrong, it was necessary to make that combination. I am afraid there are some people who thought that such a combination could be made now.

Mr. STANFIELD. I do not believe the Senator——

Mr. LENROOT. I do not mean that in the sense of being corrupt or anything of that kind, of course not; but the Senator knows as well as I do that there does exist on the floor of the Senate this feeling, "I have got to vote for duties which another Senator wants, even though I believe they are too high, in order to get the duties that I want for the industries of my own State." Does the Senator deny that?

Mr. STANFIELD. Yes; I do. I believe that it is the opinion of the consistent protectionist that the protective tariff is not a local question, and that if he is going to be a consistent protectionist, he must grant protection to the industries or producers of another section whose interests are different from those in his section.

Mr. LENROOT. I agree as to that.

Mr. STANFIELD. To that extent, I think there are those who subscribe to the interpretation suggested by the Senator; but they do not vote simply for duties on the products of their own sections; they are beyond voting merely for protection for localities.

Mr. LENROOT. But does the Senator think it is right for a Senator if he believes a proposed duty involving another State than his own is too high that he should vote for that duty because he fears if he does not there will be retaliation upon him?

Mr. STANFIELD. No; I do not believe that is right, and I do not believe that such a condition as that exists here at this time.

Mr. LENROOT. The Senator has not been very familiar with the conditions in the Senate during the past few months if he does not know that condition does exist.

Mr. GOODING. Mr. President, I think, in all fairness——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Idaho?

Mr. LENROOT. I yield.

Mr. GOODING. I think, in all fairness, that the Senator ought to name those Senators who have taken that position, and not make his statement general.

Mr. LENROOT. I am not going to name them.

Mr. GOODING. It is, I think, due to Senators here that the Senator from Wisconsin should give the names, because it seems to me that there has been one thing clearly demonstrated here, and that is that there never has been any understanding between what is called the tariff bloc of the Senate and the Committee on Finance.

Mr. LENROOT. I am not charging that there has been any such agreement.

Mr. GOODING. But it has been charged upon this floor.

Mr. LENROOT. I have not charged it.

Mr. GOODING. It seems to me that time after time the votes have demonstrated that there is no truth in that charge.

Mr. LENROOT. I want to say that the Senator from Idaho is not one of the men to whom the statement I have made could possibly refer, because there has not been any duty which has been proposed during this entire debate that was too high to suit the Senator from Idaho.

Mr. GOODING. Mr. President, I want to say in that respect that the Senator is entirely correct.

Mr. LENROOT. Certainly; I knew I was correct.

Mr. GOODING. I do not believe that, based on foreign valuation, this bill is going to afford, so far as that is concerned, the degree of protection which should be afforded to some of the industries of this country.

Mr. LENROOT. I knew I was correct.

Mr. GOODING. The Senator is absolutely correct.

Mr. LENROOT. So the Senator is completely absolved from any possible imputation that he has been voting high duties because he was afraid that he would not get the duties that he thought he ought to have in his own State. The sky is the limit for the Senator from Idaho.

Mr. President, I said to the Senator from Idaho that I would discuss to some extent what the cost of this duty would be to the consumer, and I am going to try to be extremely conservative. In the first place, the chairman of the committee stated that the leather which is the product of hides now under controversy only entered into the soles and the heels of shoes. Mr. President, I can not put it in the RECORD, I am sorry to say, but I hold in my hand something like a dozen samples of leather that are the product of these hides. They are split leathers in many cases. Here is a leather [exhibiting] which any Senator would be perfectly willing to buy and as to which he would make no complaint if he found that leather in a very expensive shoe that he wore. It is not true that this kind of leather goes only into soles and heels; on the contrary, it is true as to practically all of the heavy working shoes used by the farmers of the United States in their daily work and by other laboring men that the heels, the soles, the uppers, and all the rest of the shoe are made of the leather which is produced from these hides.

Let us see what the judgment of the committee itself is upon the question of the cost to the consumer by reason of this duty upon hides. For the purpose of this argument, Mr. President, I am going to take the judgment of the Finance Committee, and let us see where we will land.

The Finance Committee, in the amendment that is pending, proposes that there shall be levied upon boots and shoes, made wholly or in chief value of leather made of hides of cattle of the bovine species, a duty of 12 cents per pair. That is the judgment of the Finance Committee as to the compensatory duty that must be allowed the manufacturer of the shoe wherever that shoe is made wholly of this kind of leather—12 cents a pair. The junior Senator from North Dakota [Mr. LADD],

in a speech made some time ago, very erroneously assumed that the compensatory duty that might be provided, whatever it was, would be the extra charge paid by the consumer. Of course, there is not a Senator but that knows that is not true. Assuming the case of a heavy workman's shoe made altogether of this kind of leather, the committee says the manufacturer must have a compensatory duty of 12 cents a pair. Very well. Then the cost of that shoe to the manufacturer has been increased 12 cents, certainly, on each pair. The manufacturer must have his profit, must he not? That 12 cents a pair is a part of the manufacturer's cost of production. What is a reasonable profit for the manufacturer? I am going to be just as conservative in my estimates as one can possibly be, so that no Senator can rise upon this floor and say that I have placed my estimates too high. We will give the manufacturer a profit of 10 per cent. That would bring this duty upon hides—1.2 plus 12—to 13.2 cents, would it not? Now we will assume that it does not go to a jobber at all—which is not a fair assumption, but I am giving the estimate as low as it possibly can be made—but it goes directly to the retailer. I think it is generally admitted that the retailer's margin will run around 50 per cent—not his profit, but his margin, out of which he has to pay all his overhead expense, the cost of running his business, and his profit. Fifty per cent of 13.2 cents is 6.6 cents. That brings us up to 20 cents on a pair of these heavy, cheap workmen's shoes that the farmer uses and that the laboring man uses. I am sure no one will contend that that is too high an estimate.

Mr. GOODING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Idaho?

Mr. LENROOT. I do.

Mr. GOODING. I am going to contend that it is entirely too high. An addition of 50 per cent every time a merchant turns over a pair of shoes—and he turns over his capital in some cases, I think, several times a year—is entirely too high, unreasonably high. It can be properly called, in my estimation, profiteering.

Mr. LENROOT. Does the Senator say that the retailer does not mark up his goods 50 per cent?

Mr. GOODING. I think in some cases he does; I think maybe that is true; and in some cases 100 per cent; and I notice that some of the department stores mark them up 3,000 per cent.

Mr. LENROOT. Who pays that—the consumer?

Mr. GOODING. I do not think there is any question of doubt about the consumer paying it; but you are not going to charge it up to the farmer, are you?

Mr. LENROOT. Who is talking about charging it up to the farmer? I am talking about what this is costing the consumer.

Mr. GOODING. We are discussing now the duty on hides.

Mr. LENROOT. Yes; and I am talking about what a duty on hides will cost the consumer. Does the Senator from Idaho understand that?

Mr. GOODING. Thoroughly.

Mr. LENROOT. Very well. Does the Senator deny that it will cost the consumer at least 20 cents a pair?

Mr. GOODING. I will agree with the Senator that it may cost him that, but it ought not to; and if the Senate will do its duty and stop profiteering in this country the consumers will not have to pay the prices that they are paying for the necessities of life.

Mr. LENROOT. The Senator can make himself a public benefactor, and monuments will be erected to his memory in generations to come, if, after we have concluded the consideration of this tariff bill, he can devise legislation and get it through the Congress of the United States that will stop profiteering in the United States.

Mr. GOODING. I will say to the Senator that I shall be glad to help try, and I know I shall have the Senator's assistance.

Mr. LENROOT. The Senator certainly will. If he can devise a way to do it he will have my cordial cooperation.

Mr. GOODING. I would suggest to the Senator that we start in and fill what penitentiaries we have in America, and build a few more and fill them up, and we will stop it very quickly.

Mr. LENROOT. Yes, Mr. President; but, unfortunately, Senators can not fill penitentiaries.

Mr. GOODING. They can make laws that will fill them.

Mr. LENROOT. It requires juries of the United States, composed of citizens of the United States, to find men guilty, before penitentiaries can be filled.

Mr. President, I think it will have to be conceded, therefore, that the very least the consumer will have to pay upon a rough working shoe is 20 cents a pair by reason of this proposed duty upon hides.

In the testimony of Mr. Frank B. McClain, vice president of the National Live Stock Exchange, Chicago, he said:

> The question of a tariff on hides not only has direct relation to the ranchman with his tens of thousands of head of cattle, but, as well, has relation to the small farmer who keeps only one cow for his family use.

This gentleman, when he made that statement, spoke more truly than he realized. It has a relation to the farmer who has only one cow. It is the farmer who has only one cow that will contribute to the packers of the United States for this duty that is proposed upon hides.

That is his relationship to it; and let us assume, Mr. President, that there is a farmer, and that he has more than one cow, and that he himself slaughters one "critter" a year. The Senator from North Dakota said that he expected that the benefit upon an average hide would be $1.20. Let us assume that. Let us assume that a farmer with a wife and five children does slaughter a cow, sells the hide, gets $1.20 more for it, and for that family of six he has to buy two pairs of heavy shoes a year, or 12 pairs of shoes, that cost him 20 cents a pair more. For a benefit of $1.20, the amount by which you increase the price of his hide, he has paid $2.40 in the increased price of his shoes; and that is a farmer, Mr. President, who, we assume, does have a hide to sell. What will you say of the millions who do not have a hide to sell?

Mr. BURSUM. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from New Mexico?

Mr. LENROOT. I do.

Mr. BURSUM. How does the Senator make out that the average increase will be 20 cents a pair?

Mr. LENROOT. Was the Senator in the Senate Chamber when I was stating how I arrived at that figure?

Mr. BURSUM. Yes.

Mr. LENROOT. If I did not make the Senator understand that, it would be hopeless for me to try to make him understand it.

Mr. BURSUM. Certainly that would not hold good with children's shoes. The Senator knows very well that children's shoes and ladies' shoes are not, as a rule, made out of cowhide. There is very little of that class of material in that kind of shoes; and in the case of the farmer who had a half dozen children, they would not likely be all grown-up men. If they were, they would probably be out at work for themselves.

Mr. LENROOT. Is the Senator familiar with the committee amendment?

Mr. BURSUM. Reasonably so, I think.

Mr. LENROOT. Does the Senator know that the committee amendment reports a compensatory duty of 12 cents a pair upon all shoes—men's, women's, and children's—made of leather from hides?

Mr. BURSUM. I understand that thoroughly.

Mr. LENROOT. Does the Senator think the committee was wrong in reporting that duty?

Mr. BURSUM. We have not gotten to that yet. It may be wrong, and it may not be wrong. Anyway, it does not necessarily imply that it would mean a raise of 12 cents. It does not necessarily imply that it would mean a raise of 20 cents. If we have competition in this country in the manufacture of these shoes the law of competition should apply, and if the shoes do not contain any of the leather contained in cowhides, why should they be entitled to a compensatory duty?

Mr. LENROOT. Does the Senator contend that the heavy working shoe, used by the mass of the people of this country, which the farmer uses in his daily work around the farm, is not made of this kind of leather?

Mr. BURSUM. Some of them are; yes.

Mr. LENROOT. Does the Senator say that the farmers of this country in their work upon the farm use shoes like the Senator wears?

Mr. BURSUM. Well, we have different kinds of farmers.

Mr. LENROOT. Yes; that is just the point, Mr. President. We have the kind of farmer that may have a thousand head of cattle that wears shoes like the Senator from New Mexico and I wear all the time and buys only one or two pairs a year. Then we have the real farmer, who does the work himself upon the farm, with his wife and five children, who may have one hide to sell during the year, but who has to buy a dozen pairs of shoes during the year, most of them heavy shoes. Those are the two kinds of farmers we have. I am rather

looking out for the real farmer and not for the farmer that wears only the kind of shoes that the Senator from New Mexico speaks of.

Mr. GOODING. Mr. President, will the Senator yield?

Mr. LENROOT. Yes; I yield.

Mr. GOODING. I do not understand that the committee amendment provides a duty of 12 cents a pair on all kinds of shoes. Does the Senator understand it that way? That is not the intention of the committee, I am quite sure.

Mr. LENROOT. Twelve cents a pair on all shoes made of this kind of leather.

Mr. GOODING. Yes; of cowhide.

Mr. LENROOT. I said that.

Mr. GOODING. I did not understand the Senator to put it quite that clearly.

Mr. LENROOT. If I did not, I beg the Senator's pardon.

Mr. GOODING. Then the Senator figured it out on the basis of six in a family; and, as has been well stated by the Senator from New Mexico [Mr. BURSUM], the wife, at least, on the farm will not wear cowhide shoes, nor the babies, nor the children.

Mr. LENROOT. No part of the children's shoes is cowhide?

Mr. GOODING. Possibly the heel.

Mr. LENROOT. Well, there is no use in discussing it with my friend from Idaho.

Mr. STANFIELD. Mr. President——

Mr. LENROOT. I yield to the Senator from Oregon.

Mr. STANFIELD. I should like to ask the Senator from Wisconsin if it is his idea that the manufacturer is going to attach the duty of 12 cents a pair on these shoes; and if so, how does he reconcile that with the statement he made a moment ago that our importations of shoes of that kind were negligible?

Mr. LENROOT. Mr. President, I assume that when the Senate Finance Committee give a compensatory duty, as they did upon shoes, the assumption is that will be attached, because in so far as they are imported it must be attached, because it is a part of the cost.

Mr. STANFIELD. But the importation is so small.

Mr. LENROOT. Oh, no; the importation is not small. The importation is from 35 to 40 per cent of our whole consumption.

Mr. STANFIELD. On the hides, yes; but I am speaking of the compensatory duty on shoes. Of course, the manufacturer will pass on the duty on hides.

Mr. LENROOT. That is all the compensatory duty is for.

Mr. STANFIELD. Yes; but the Senator added that to the duty on the hides—12 cents per pair.

Mr. LENROOT. Yes.

Mr. STANFIELD. It does not amount to that much.

Mr. LENROOT. Then the committee is wrong if it does not. I am not. I am taking the judgment of the committee as to what the duty should be.

Mr. STANLEY. Mr. President, we can not hear the Senators.

Mr. LENROOT. The Senator from Oregon says the actual compensatory duty does not amount to 12 cents a pair. I have said that I have tried to be so conservative that I have taken the judgment of the committee.

Mr. STANFIELD. The chairman of the committee made the statement that it was 12 cents a pair on all shoes.

Mr. LENROOT. Made altogether of this kind of leather.

Mr. BURSUM. Made out of cowhide.

Mr. LENROOT. Out of cowhide; yes.

Mr. STANLEY. Mr. President, I do not wish to ask a question, but I want to get this point clear, because I am following the Senator with a great deal of interest. As I understand, this is a duty upon hides of the bovine species. It applies to a calfskin just as much as to a cowhide?

Mr. LENROOT. No; I believe there has been a construction that it does not include calfskins.

Mr. GOODING. Skins weighing less than 25 pounds are classed as calfskins and would not be dutiable under this act.

Mr. LENROOT. Mr. President, a calfskin is not known as a hide, but as a calfskin.

I see that my time has almost expired. I feel very deeply upon this. I believe that this duty, if it is carried into this bill, will injure every farmer in the United States, except possibly the man who has immense herds of cattle. That is the only class of people it can possibly benefit, and the benefits even to that class are doubtful in the extreme. So far as 99 per cent of the farmers of the United States are concerned, if this tariff on hides is carried into the law it will, in my judgment, cost them each year more than twice as much as any possible benefit they may receive from this tariff, and therefore I shall vote against the amendment.

Mr. LODGE. Mr. President, as a protectionist I am in favor of protection without any regard to locality whatever, and I certainly should not attribute to any of my fellow Senators any desire to sacrifice one part of the country to another, because I have no desire myself for anything of that kind. But this question that is before us to-day is one affecting a great national industry. Cattle are not raised alone on the great ranges of the West; they are raised also by farmers who are scattered from the Atlantic to the Pacific. Boots and shoes are worn by everybody. Therefore the question involved here is as extensive as the boundaries of the Nation.

Everyone who has ever given any attention to a tariff, whether it is a tariff for revenue only with incidental protection, or a protective tariff with incidental revenue, knows that there is a frequent interlocking and crossing of different products; that is, that the finished product of one producer may well be the basic material of another producer. I think I may say that it is obvious, and must be accepted by everybody, that if you leave the most highly finished article in any industry free of duty, and impose a duty on the basic material used in that industry, the days of that industry are numbered. It will be taxed out of existence, and I do not know that anybody ever proposes that.

There are other cases which are more difficult, cases in which the finished product, the highest product, has a protection by duties, and must have protection if it is to compete, under the American scale of wages, with the foreign manufacturer, and not infrequently those industries feel that the basic materials which they are obliged to buy ought to come in without duty. That has always seemed to me an illogical and unfair proposition, though I think it has come before all of us many times in our experiences.

Then there is the third situation, where the maker of the most highly finished product in the industry is entirely content that his product should receive no protection at all, provided he can have his basic material free of duty. I think that is both a logical and a reasonable proposition.

The Senator from Montana [Mr. WALSH] stated that the other day very tersely in speaking of newsprint paper, that as the manufacturer of newsprint had no protective duty he came within the general class of industries making highly finished products, which asked for no protection themselves, and therefore were entitled to be relieved of duties on the basic materials of their industry.

The basic material of an industry—for, strictly speaking, there is no such thing as a raw material—is one man's finished product which is used by another man in a much more highly manufactured product; but where the makers of the highest product of the industry, as I have said, are willing and content to have their production unprotected by duties, I think they are entitled to have their basic materials free.

A manufacturer has no right to ask that everything that goes out of his factory shall be protected and that nothing that comes into it should bear a duty, but the man who is willing, as the maker of the highest product, to say, "All that goes out of my factory may go out unprotected by tariff duties, and I ask that everything that comes into it may also be unprotected by tariff duties," makes a fair proposition, and that is the case we are now discussing in regard to hides.

If I thought that a duty on hides would be of any material benefit to the farmer I should be very slow and very reluctant to refuse to impose a duty; but hides are a by-product. Cattle are not raised for their hides, and it is difficult for me to see how the farmer can get any benefit from a duty on hides. The statement of the Farm Bureau Federation which has been read here concludes by giving the reasons, and then says, "Therefore we believe that hides, leather, and leather products should remain on the free list," is pretty good testimony as to the feeling of the farmers. The farmers in my State, of course, are all small farmers. We have dairy farms and what are called truck farms. I have yet to hear a suggestion from one of them that they desire a duty on hides or that they think there is any benefit to them in it.

Cattle are sold by weight. The hide, I believe, is about 6½ per cent of the total weight of the animal. The average farmer would get nothing, and the small farmers, perhaps with only two or three cows each, would in the aggregate probably have more cattle than all the great cattle raisers in the country.

Who would get the benefit of the duty, if there is a benefit in it? Obviously it would come to those persons who possess the hides after they have been taken from the dead animals. So far as I can learn, the large majority of those hides pass into the hands of the packers. Those engaged in the next stage of the industry are the heavy leather tanners, and I

judge of what their feeling is about it by the statement they have made in their brief here signed by 40 great firms, which is as follows:

> The American tanner believes that the reciprocal duty should be placed on leather to protect against the dumping of foreign leather in this country, but so absolutely essential does the independent tanner regard free hides as necessary to his continued existence, that to continue to have free hides he will accept free leather.

He would rather have the danger and risk which come from having free hides than to take the certainty of loss which he sees in the other direction, and he feels also that he would be deprived not only of the control of the domestic hides, which has already passed to the packers, but he would likewise be deprived of any relief such as he can get from the imported hides.

The hide passes from the tanner into very many articles which are made from leather, but chiefly into boots and shoes. The manufacture of boots and shoes happens to be a very large industry in my State and in some of the other New England States. It is also a very large industry in New York. It is not confined to the East at all. I think the third State in the manufacture of boots and shoes is Missouri, which produces about 100,000,000 pairs annually. It is an industry which has spread halfway across the continent.

I am not going to waste time going over the number of people employed, but, as a rule, a shoe factory is a small factory. They are not great concerns. Most of them have very moderate capital, and there are no combinations among them. The number of operatives employed is very large.

I will also say, in passing, as I am speaking of the character of these factories, that in a somewhat varied experience of tariff making this is the only industry from which I have received strong resolutions in regard to the effect of the tariff from the men who work at the bench, and those so engaged in this industry have appealed to me in regard to this matter of a duty on hides even more than the manufacturers have. They feel keenly the importance of this duty and the injury it would be to them if imposed.

Now, let me say further that we import, I think, about one-third of the hides used in the country, a very large amount. It was stated to-day by the Senator from North Dakota [Mr. McCUMBER]—I do not think this is at all an essential part, because I think the subject is too serious to be decided by the amount of revenue—that the amount of revenue to be derived from the importation of hides would be about $15,000,000. I find that in 1920 the number of dried hides imported, which would bear a 4 per cent duty, were 59,000,000 pounds, in round numbers, and the green hides, which would bear a 2 per cent duty, were 216,000,000 pounds, in round numbers. Upon that basis the total revenue would be $6,680,000. That would be the revenue if we had next year the imports that we had in 1920.

Taking the actual figures for the first nine months of 1921 and estimating the remaining three months on the average, there were 12,000,000 pounds of dried hides imported, which, with a 4 per cent duty, would yield $497,000. There were 171,000,000 pounds of green hides, which would yield $3,430,000, and the total revenue would thus be $3,927,000. So that the revenue is by no means as serious as the Senator from North Dakota seemed to think.

It is also to be noted that the price of hides fluctuates enormously because, owing to the imports of 30 per cent, the domestic prices are affected by the world's price. I have here a table which I have had prepared, very simple in its nature, showing the prices of hides running from April, 1921, to July, 1922. I wish I might have it printed, because, like all graphic presentations, it is illuminating. The cattle and beef prices are shown to run almost together, the fluctuations being very similar and quite moderate in range. When we come to hides there are enormous variations, showing a very great fluctuation in the prices of hides and that they are not governed by the price alone in this country.

Mr. WADSWORTH. The price of hides is not governed by the price of cattle, I may suggest to the Senator.

Mr. LODGE. That is very true. It is shown that the price of hides is not governed by the price of cattle or by the price of beef. They have another and different range of prices which is all their own.

Now I have gone as far as the maker of the boots and shoes, which are the principal leather product. I have shown what can be said in one word, that they are all content that there should be no protective duty on their products at all, but they ask in return that the principal basic material of their industry shall come to them free. We are unable to supply them from our own resources. We must buy hides in order to maintain the industry which produces $501,000,000 worth of boots and shoes in a year.

Now I go a step further, to the consumer of boots and shoes. The consumer of boots and shoes, of course, lives all over the country and in every part of it. I think we may say as Americans that the habit of wearing boots and shoes is almost universal in this country. I was anxious to see what part of the leather which is used for boots and shoes or for footwear would come from hides affected by this duty or from other hides. I have here certain figures in that regard, the best I could get, made up by the tanners' council in June, 1922. Of course they can show, with more accuracy than anybody else, what their own production is. Of the heavy cowhide upper leather there were 163,000,000 feet; cowhide patent sides, 38,000,000 feet; calfskins, 59,000,000 feet; kip and veal, 23,000,000 feet; kid and goat, 112,000,000 feet. I have given only the round figures. Then they give the exports, which I shall not repeat. One hundred and fifty-seven million feet of heavy cowhide upper leather is used in the United States and will produce in round numbers 63,000,000 pairs of shoes. Of the cowhide patent sides, 36,000,000 feet used in the United States will produce 13,000,000 pairs of shoes. In all, this would mean 76,319,000 pairs of shoes. The calfskin, kip and veal, kid and goat produced altogether only 58,000,000 pairs of shoes.

The figures in detail are as follows:

Statement showing production, exports, and consumption of leather and hides.

[From the Tanners' Council, June, 1922.]

Leather and hides.	Quantity.	Feet.	Feet exported.	Used in United States.	Pairs of shoes.
Heavy cowhide, upper leather	8,185,581 sides, average 20 feet	163,711,620	5,854,445	157,857,175 feet will produce	63,142,870
Cowhide, patent sides	2,380,691 sides, average 16 feet	38,091,050	11,738,674	36,352,382 feet will produce	13,176,191
Total					76,319,061
Calfskins	5,903,630 skins, average 10 feet	59,036,300	10,915,703	72,620,488 feet will produce	16,343,535
Kip and veal	1,311,105 skins, average 18 feet	23,599,890			6,047,347
Kid and goat	24,948,469 skins, average 4½ feet	112,268,110.5	21,573,549	90,694,561.5 feet will produce	30,277,824
Total					58,668,706
Grand total					134,987,767

Mr. McCUMBER. Mr. President, will the Senator inform me whether the figures he has quoted of the importations of the cowhides mean that all of those went into the manufacture of shoes?

Mr. LODGE. These are not importations.

Mr. McCUMBER. They are figures of production?

Mr. LODGE. The production of the tanners in the United States.

Mr. McCUMBER. What proportion of those went into the manufacture of shoes, I mean? Of course, we have covers for automobiles and many other things in which we use the split leather.

Mr. LODGE. Certainly. They are giving only the amounts of shoe leather of the different grades. If the Senator wants more details, I shall give the exact figures from one of the biggest factories in the country.

Mr. McCUMBER. The details, if the Senator will allow me, do not explain it very well to us.

Mr. LODGE. They give the proportion of leather used for shoes. Now, I may show from a practical case just what proportion they do use in the shoes. I intend to give that with reference only to one great manufacturing company.

Mr. McCUMBER. When the Senator gives that, I should like to ask him an explanatory question.

Mr. LODGE. I quote now from a letter which was given to me, signed by Mr. F. C. Rand, of the International Shoe Co., of St. Louis, in reply to a letter from a friend of mine, as follows:

As you know, our company manufactures a general line of shoes, both dress and work shoes for men, boys, women, girls, and children. Our production is probably the most representative in America to meet the universal demand and consumption of shoes.

We are operating a large number of factories and seven tanneries, three of which are upper leather, four sole leather. These tanneries are operated exclusively on cowhides.

Based on our actual upper-leather requirements for last week, which was a normal week with all of our factories in operation, our consumption of upper leather was as follows: Cowhides (sides), 53 per cent; all other upper leathers, 47 per cent.

Estimating that outsoles, insoles, counters, heels, etc., would require footage equal to that consumed in uppers, the percentage of shoes made from cow and steer hides, or cattle hides weighing more than 25 pounds, would be approximately: Cowhides, 77 per cent; all other leathers, 23 per cent.

That is the proportion in the use of cowhides and the other skins and hides in the boot and shoe industry.

Mr. McCUMBER. That would carry the idea, if the Senator will allow me, that of a given number of feet of cowhides only a certain number go into the manufacture of shoes. Now, the Senator knows, as I do, that the cowhide is split into one or two parts, and in the uppers, instead of there being a duty of so much per pound, if it is cut in three parts or split into three parts, the duty in fact would be only equivalent to one-third upon the split leather that goes into the uppers. I am informed by the experts that not to exceed 10 per cent of the uppers are of the full thickness of the cowhide.

Mr. LODGE. Of course, the principal use of the heavy hides is in the soles and heels, but a major proportion of the uppers are made also from cowhide. I did not say the full duty on the cowhide must be assessed on the split portions. I know very well that the duty is assessed on the entire hide.

As to the figures which I have given from the tanners' council they simply classify as to the number of pairs of shoes that their tannery output would produce and give substantially the same proportion that is given here. The author of the letter, Mr. Rand, from whom I have quoted, is an actual and very large manufacturer. He uses in the manufacture of the most varied products of shoes of all kinds 77 per cent of cowhide to 23 per cent of all other leathers. Therefore, the principal leather used in the manufacture of boots and shoes was what the bill terms "bovine hides."

Of course, if the duty goes on the hide there must be a compensatory duty, and the Committee on Finance have admitted that. They have made a very elaborate and, I have no doubt, very carefully prepared schedule of duties on the manufactured article. If the hide duty goes on it is only the fairest and simplest justice, unless we wish to destroy this great industry, that those who make the shoes and boots and the other articles of leather should have a compensatory duty. Of course, the Committee on Finance have recognized that principle. As tariff experts they know a great deal about it, and they see that must be done. They have given on shoes, as the Senator from Wisconsin pointed out, 12 cents a pair, which is a compensatory duty, and 5 per cent, which is a very moderate protective duty under the circumstances.

I do not need to go into the other question. If we are going to put a duty on hides, it would not be of any benefit to those who seek it if we by so doing did not raise the price of the hides. If we thus raise the price of hides, we must expect to add the compensatory duty upon the boots and shoes and all other manufactures of leather.

Mr. President, to come back to where I started. When the workers in an industry, which includes not only the boot and shoe makers and other workers in leather but also the tanners, who fill the intervening stage, when all these people so deeply interested think it more important to their industry than any protection they can receive to have their basic material free, I think they are entitled to have it free.

We are the master makers of boots and shoes in the world. We have a great export trade, the amount of which I have roughly figured here, amounting to $30,000,000 a year in boots and shoes. The importation is trivial. I think it is only some $400,000. Of course, if the basic material of the shoemakers is increased in value their product will also be increased in value, and they will suffer both in the market of the world, where the competition is keen, but we shall also endanger the great export trade. They will suffer, too, from the fact that the duty will tend to drive the foreign hides away from this country and give better opportunity for competition to the makers of boots and shoes and other leather products elsewhere.

Mr. President, the key of this whole situation, to my mind, speaking as a protectionist, is that this great industry asks no protection; it asks no duties; it asks no favors; but asks only to be allowed to buy its basic material in the open markets of the world. Those who tan the leather and perform that essential part in the production of leather work of all kinds also ask to have this market in order that they may not be driven out of business and completely absorbed by the packers, who necessarily have the greatest supply of hides and who inevitably will benefit by the proposed duty more than will anybody else.

Mr. POMERENE. Mr. President, I have understood that the slogan of the shoe manufacturers of the country is "Free hides, free leather, and free shoes." I believe they are right; I believe in their slogan. I am going to vote for free hides and free leather and free shoes.

The senior Senator from Massachusetts [Mr. LODGE] has pointed out the extent of this industry in Massachusetts. In the manufacture of shoes Massachusetts leads the country. There are several other States whose shoe industry exceeds that of Ohio, but it is a very substantial industry also in Ohio, and it means a vast deal to the 6,000,000 people who live in that State. The people of Ohio are very greatly exercised about this matter. I have here, though I am not going to take time to refer to them, probably 150 letters, most of them from retail shoe dealers, and, with all due respect to the fine mathematical analysis which has been made by members of the Finance Committee touching the effect of this tariff on hides on the manufactured product, I am prone to believe that the retailers of Ohio also know something about that subject.

There has been this peculiar condition affecting the shoe trade in Ohio and elsewhere. Everyone recognizes that, due to the war, hides were bought in vast quantities by the manufacturers and the tanners, and, I think, by the Government as well. In any event, great purchases were made due to war conditions. These purchases abnormally increased the price of the hides and the price of shoes. When the reduction in the price of hides came, of course that could not be transferred immediately to the leather which had already been manufactured or to the shoes which had already been manufactured. The retail establishments were filled with high-priced shoes at the time when these reductions in the price of hides took place. Prices of shoes kept up. It may be that they were kept up unduly, but I personally know, from conversations with many of the retail dealers, that they deplored the high prices of shoes. Bankruptcy confronted them if prices were reduced to normalcy at once.

I know, too, that for months past, if not for a year past, efforts have been made to reduce these prices. Now comes an effort to increase the duty on hides, to increase the duty on manufactured leather and on shoes. What effect is it going to have on the price of shoes generally throughout the country? I have no doubt that the increase in price of shoes, due to these tariff duties, is going to be very substantial; and where is it going if the duty of 2 cents is imposed on rawhides or 4 cents on dried hides? The Summary of Tariff Information, which we have before us, indicates the yearly production of hides in this country to be about 12,000,000 hides annually.

Mr. BURSUM. Twelve million hides?

Mr. POMERENE. Yes.

Mr. BURSUM. The hides produced annually amount to nearly 800,000,000 pounds.

Mr. POMERENE. I am speaking of the hides; I will get to what the Senator suggests in a moment. These hides average about 50 pounds per hide, which means about 600,000,000 pounds of hides produced in this country each year. At 2 cents a pound, that means $12,000,000 increase on hides alone. The same authority tells us that about 60 per cent of the hides produced in this country are produced by the packers; so that $7,200,000 of this duty which we are placing upon hides is going directly to the packers as the principal beneficiaries of it.

Mr. STANFIELD. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from Oregon?

Mr. STANFIELD. I should like to ask the Senator if the farmer, and not the packer, is not the real producer of the hides? The packer is simply interested in their conversion as a by-product.

Mr. POMERENE. Oh, Mr. President, who is producing the hides for the sake of the hides? What farmer is? Who is benefited by it? Who when he raises his steer and slaughters it is thinking of the price that he is going to get for the hide? Who is thinking of the tariff on the hair that is on the hide? The packers are very greatly interested. The farmer who may have one or two hides a year is only incidentally interested, if he is not wholly indifferent to the subject.

Mr. STANFIELD. Surely the Senator understands that every day the live-stock market is made up from the reports of the hide market and the dressed-meat market and other by-

products markets of the beef animal and the probable effect of the available supply of animals offered for slaughter.

Mr. POMERENE. Mr. President, I understand the position of the Senator, and, with all due respect, I do not think the Senator is interested in the average farmer.

Mr. STANFIELD. I must take exception to that statement, because I most assuredly am. Even from the standpoint of my own welfare I am interested in the farmer, because that is my principal business.

Mr. POMERENE. I think that is true. However, every time the tariff comes up here there is something said in behalf of the farmer and the little fellow back in the country, but no account is taken of the shoes that his family wear; that is not thought of. The farmer thinks more about the price of shoes than he does about the hide.

The Senator from Wisconsin has shown that one of the great national farm organizations is in favor of free hides. That is also my information. And, Mr. President, one of the members of the Finance Committee has suggested that there could not be possibly an increase of more than 6 or 7 cents per pair of shoes due to this duty. I know that is the method of calculation when we try to show the infinitesimal effect of some tariff duties that can not be otherwise defended; but everyone knows that a tariff on hides is only a part of the initial cost, and that every time the hide changes hands, from the raw material to the finished product, the cost is pyramided the same as any other cost.

Mr. BURSUM. Mr. President——

Mr. POMERENE. I will yield in a moment.

Mr. President, the Senator from Wisconsin has pointed out what this increase means. There is a duty of 12 cents per pair provided in the pending amendment on the finished product, and 5 per cent ad valorem on all shoes made out of the hides of cattle of the bovine species, and on "all other boots and shoes, made wholly or in chief value of leather, not specially provided for, 6 cents per pair."

I am not prepared with the figures to say just how many pairs are produced. I feel perfectly clear that there are consumed by the people of this country at least two pairs of shoes per year, and many who are doing heavy work out in the fields, on the highways, and in the factories are obliged to buy more than two pair of shoes per year. The school children in their play wear out often more than two pairs per year. Assume, for the sake of the argument, that the average increase is only 12 cents a pair; in the State of Ohio we have about 6,000,000 people, and two pairs per man, woman, and child would make 12,000,000 pairs, and 12 cents per pair would mean $1,440,000 increase in the shoe bill of the State of Ohio alone.

I wish I were able to understand what this modern Republican theory of a protective tariff is. I confess that I am not able to understand it. I thought when I came to the Senate that I understood what the fathers of protection claimed for it. The lamented McKinley, whose name is attached to one of the great tariff bills of the country, was the prince of protectionists in his time. Secretary James G. Blaine was a Republican and a protectionist; and yet, when the McKinley bill was before the Congress and William McKinley was chairman of the Ways and Means Committee and James G. Blaine was Secretary of State, under date of April 10, 1890, he wrote this letter:

> DEAR MR. MCKINLEY: It is a great mistake to take hides from the free list, where they have been for so many years. It is a slap in the face to the South Americans, with whom we are trying to enlarge our trade. It will benefit the farmer by adding 5 to 8 per cent to the price of his children's shoes. It will yield a profit to the butcher only, the last man that needs it. The movement is injudicious from beginning to end, in every form and phase. Pray stop it before it sees light. Such movements as this for protection will protect the Republican Party into a speedy retirement.
>
> Yours hastily, JAMES G. BLAINE.

Mr. President, other bills have been passed by Republicans and by Democrats alike, when in control, placing hides and the finished leather products, such as shoes, on the free list. Now, it comes to the point where, no matter what the effect may be upon world trade or upon our manufacturers here in this country or upon the consumers in this country, we are going to have these extraordinarily high protective rates placed upon the statute books. In the language of at least one Senator, and I think—I hope, at least—he stands alone upon this subject, he would place the tariff wall so high that no goods of any kind could get into this country.

With a billion and a half to two billions of surplus farm products seeking a world market each year, with two and a half to three and four billions of surplus manufactured products seeking the foreign markets of the world, think what the effect will be if we are to adopt a tariff so high that no one can trade with us. What is the effect going to be? We speak of low prices of farm products. If this kind of a theory is to be carried out we will drive the price of farm products lower than they ever were before because we will not be able to find a market for our surplus.

Mr. President, if the farmer were producing hides as a principal business I could understand how some defense could be made of this tariff duty on hides; but that is not the situation. The farmer, when he kills a steer on his farm, does it for the meat that it produces, not for the hide. I am not suggesting that he is not entitled to a reasonable price for the hide. He is, and I want him to have it; but when it comes to a point where for the benefit principally of the packers of the country we levy a duty which gives them $7,200,000 out of $12,000,000 increase in price, I think it is time that we pause.

Mr. STANFIELD. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from Oregon?

Mr. POMERENE. I yield.

Mr. STANFIELD. In the opinion of the Senator, will the duty on hides be a benefit or a disadvantage to the South American holder of hides?

Mr. POMERENE. If the South American hides can be brought into this country he gets the benefit of the market; the tanner gets the benefit of it; the shoe manufacturer gets the benefit of it; the consumer gets the benefit of it. Only about 60 per cent of the hides which we consume in this country are produced in this country.

Mr. STANFIELD. I am referring to the South American hides.

Mr. POMERENE. Oh, yes; there will be some incidental benefit, and there will be a benefit to us when we can sell our shoes in the South American trade.

Mr. STANFIELD. My question was, Will the tariff be a benefit to the owner of the South American hides before they enter this country?

Mr. POMERENE. The Senator means the tariff that is placed on hides here?

Mr. STANFIELD. If it shall be placed, yes; will it be beneficial or detrimental?

Mr. POMERENE. Why, of course, it is not going to benefit him.

Mr. STANFIELD. It is going to be detrimental to him, then?

Mr. POMERENE. To some extent, possibly. In other words, to the extent that a tariff duty is placed upon the importation of hides it is going to contract his market.

Mr. STANFIELD. Mr. President, undoubtedly the Senator from Ohio is aware that the output of South American hides is controlled by the great American packers that he maintains are instrumental in having this duty placed upon hides.

Mr. POMERENE. Oh, now, the Senator is in love with the packer, and he is passing a law here which is for his benefit directly and for the benefit of the other man only indirectly.

Mr. STANFIELD. I am attempting to show that the Senator from Ohio is not consistent in his arguments here.

Mr. POMERENE. It is the Senator from Oregon who is not consistent.

Mr. STANFIELD. On the one hand, the Senator from Ohio says the duty is detrimental to him. I say that he controls the South American hides, and I want to say to the Senator and to the other Members of the Senate that if there is any man in America who wants free hides it is the packer who wants free hides. There is a reason why he should want them, and that is the reason, and I say that the arguments of the Senator from Ohio are inconsistent.

Mr. POMERENE. And the Senator from Oregon wants to place a duty of 2 cents per green pound of hides on the 60 per cent of the 12,000,000 hides that are produced by the packer in this country; but he keeps that argument in the background, because it would not be consistent with his position that he loves the dear farmer, and wants this duty for the benefit of the dear farmer.

Mr. STANFIELD. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Ohio further yield to the Senator ffrom Oregon?

Mr. POMERENE. Yes; I yield.

Mr. STANFIELD. The Senator from Oregon maintains that the beef market or the live-stock market changes as the hide market and as the skin market in the United States change. I maintain that the difference in the price of hides is passed on to the grower of the live stock. I do not agree with the Senator from Ohio that the hide is the product of the packer. It is the product of the live-stock producer. The packer, the very man that the Senator says wants it, I know does not want it. I know that he wants free hides, because he controls the world's output of hides. That is why he wants free hides.

Mr. WALSH of Massachusetts and Mr. STANLEY addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Ohio yield; and if so, to whom?

Mr. POMERENE. I yield first to the Senator from Massachusetts.

Mr. WALSH of Massachusetts. Mr. President, when I was addressing the Senate a short time ago the Senator from Idaho [Mr. GOODING] interrupted me and challenged the assertion I made that the packers were importing hides from South America. I said they were importing them in substantial quantities. He said that was not so; that they are importing very, very few hides. His correction was a proper one, because the importation of hides from South America by the packers is very insignificant. The tanners of America to-day are buying their hides not from packers but from all over the world and from independent concerns other than the South American packers; so that the packers of South America are importing very few hides. My authority is the Senator from Idaho [Mr. GOODING], also the experts of the Tariff Commission, whom I only yesterday asked to look up this matter, and also manufacturers who have made a survey of the question. So that the Senator from Oregon finds himself alone in that proposition.

Mr. STANFIELD. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from Oregon?

Mr. POMERENE. First, I ought to yield to the Senator from Kentucky. I will yield to the Senator from Oregon in a moment.

Mr. STANLEY. Mr. President, in the light of the investigation which was made by the Federal Trade Commission, their sweeping finding, and the statement universally made on the floor of the Senate when the packers' bill was up—a bill which I did not support—an assertion now that the packers would not get the benefit of any accretion in the value of hides is utterly untenable. It would be just as sensible to attempt to benefit the pork raiser by putting a tax on bristles as to attempt to pass this benefit through the packers to the raiser of beef.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from Idaho?

Mr. POMERENE. I first yield to the Senator from Oregon; then I will yield to the Senator from Idaho.

Mr. STANFIELD. Mr. President, for the enlightenment of the Senator from Massachusetts, as well as the Senator from Ohio, I want to say that it is a well-known fact that the American packers control the slaughtering business of South America, and largely control that of Australia. It is a matter of common knowledge.

Mr. WALSH of Massachusetts. They do not import hides in large quantities. I think the Senator from Idaho [Mr. GOODING] will agree with me in that statement. I ask him now if he did not say to me to-day on the floor that the importation of hides by the packers was insignificant?

Mr. GOODING. I understand that the packers do not import any hides. That is my information. At least, I have that information from manufacturers and other sources.

Mr. STANFIELD. I think the Senator from Idaho will admit that they control the hides of South America, because they do the slaughtering in South America. That is generally well known.

Mr. POMERENE. We will allow the two great protectionists of the Senate to settle their differences upon that subject. I yield now to the senior Senator from Idaho.

Mr. BORAH. Mr. President, yesterday I received a letter from a very large farmer in my State, part of which I had intended to read in some remarks that I intended to make myself; but will the Senator permit me, in connection with this question, to read a paragraph from that letter?

Mr. POMERENE. I shall be very glad to yield to the Senator for that purpose.

Mr. BORAH. He says:

> It seems to us farmers who really farm that we are paying too much for the protection we are getting in the tariff bill you fellows are passing. I can explain by the tariff on hides. We did not think you folks would be ignorant of how that tariff would work. The real farmer will never get any benefit from that duty. The fellows at Chicago and Omaha either skin the steer or skin the fellow who does skin him. They are the ones who take off the hides, and they control the price of all other hides.
>
> I have been raising a few cattle for 30 years. I am not an expert, because I know the facts; but when it comes to the leather and shoes, then we will feel the effect of the duty. They will charge us more for shoes and tell us, whether it is true or not, that "It is because you farmers would have a duty on hides"—a duty which does not help us. We would rather not give the shoe people an excuse for charging us more for our shoes, and leave off the duty on hides. It is all bunk. It does not help the farmer.

Mr. POMERENE. Mr. President, I assume from what the Senator's correspondent says that the letter was written by a farmer who farms a farm, and not by a farmer who farms farmers.

Mr. BORAH. This man has been a farmer, to my knowledge, for a good many years, and farms a farm.

Mr. POMERENE. He has evidently learned in the school of experience.

Mr. STANFIELD. He may be a free trader.

Mr. POMERENE. He may not be a protectionist. He may be midway between the two; but I do not understand that the saints are all limited to those who believe in sky-high rates of duty. Neither do I think the sinners are all in that crowd who believe in a moderate tariff. I do not think that either side has a monopoly of wisdom or a monopoly of patriotism.

Mr. President, I was informed just a few minutes ago that it appeared in these investigations that the packers in the country had in stock a very large quantity of hides. Of course, if we place this duty upon the importation of hides the packers are going to be the beneficiaries, not only on account of the increased price of the hides they will produce hereafter but on this great stock of hides they now have in their possession. But I guess I should not even refer to that, because this duty is for the interest of the farmers!

For the reasons thus stated, I am unalterably opposed to this duty upon hides.

Mr. STANLEY. Mr. President, I fear the Senator from Wisconsin [Mr. LENROOT] did the Senator from Idaho [Mr. GOODING] a grievous injustice. He said the Senator from Idaho never got a duty high enough. I was surprised to see, in as dependable a paper as the New York Times of August 9, that the Senator from Idaho had voted for free white arsenic. I could hardly believe my eyes.

Mr. GOODING. The Senator need not believe his eyes, if he thinks it was the junior Senator from Idaho who voted for free arsenic. I did not.

Mr. STANLEY. I could not believe it when I read it in the paper, but it is here.

Mr. GOODING. The Senator can be assured that I did not vote for free arsenic.

Mr. WALSH of Massachusetts. The Senator from Kentucky owes an apology to the Senator from Idaho.

Mr. GOODING. Yes; and I demand it at once.

Mr. WALSH of Massachusetts. The Senator from Idaho has not voted that anything should be on the free list.

Mr. STANLEY. It is a mistake of the New York Times in referring to Senator GOODING.

Mr. BURSUM. Mr. President, the information given by the experts who have spoken to-day as to what is healthy and beneficial for the farmers is very interesting. The attitude taken by Senators on this floor with reference to a duty on hides, taking into account the States which they represent, would suggest that the idea of Hancock was not so far off after all, when he said that the tariff was a local issue. It seems to make a good deal of difference as to whose ox is gored.

I believe in the policy of protection. I believe that protection is right; that it is right for every section of the country and for every industry of the country whenever that industry requires protection in order to maintain the standard of American living in this country and to make ends meet. If it is proper to impose protective tariff duties on the manufacturer's goods, certainly it ought to be proper to impose protective duties on the basic products upon which the manufacturing industries depend, if those products are in need of protection, if the cost of production here as compared with the cost of production in foreign countries makes protection necessary in order to permit these industries to live.

I can not agree with some of the statements made here with reference to the reflection of the duty in the prices of the products so protected; that is to say, that if we impose a duty of 2 cents on green hides, it will not benefit the farmer or the producer of those hides. Certainly we expect that the duty will be reflected to a very large extent. Otherwise there would be no benefit derived by anyone.

I can not agree with the proposition that the packer takes for himself and puts into his own pocket whatever increase might be brought about in the value of hides by reason of this duty. There is no industrial institution in this country I know of which is more scientific in the handling of cattle, sheep, hogs,

and live stock of all kinds and by-products than the packing institutions of this country; and the prices and value of the by-products, as far as I have been able to observe, have invariably had a bearing on the value of the live stock sold on the market.

I know that in the case of lambs the value of the wool would have a great deal to do with the market value of the lambs. Whether or not a lamb was shorn would have a great deal to do with the value of the lamb upon the market.

The same rule must apply with reference to cattle. During the war there were times when hides were worth as much as 50 cents a pound, so a 60-pound hide would cost $30. I can not conceive how anyone could pretend that such a hide was not a very substantial factor in arriving at the market value of the animal from which it was taken. Of course it is. There can be no question about it.

The Senator from Wisconsin [Mr. LENROOT] laid great stress on the compensatory duties which would be levied, stating that the imposition of a 2-cent tariff duty would mean an additional cost of 12 cents, being the compensatory duty allowed for each pair of shoes imported, and he pyramided the profits of the manufacturers, the jobbers, and the retailers, and brought the total increase in the cost up to 20 cents a pair. I submit that it is very unfair to undertake to say that because of this compensatory duty there would be an increase on each pair of shoes sold in this country amounting to 20 cents a pair.

A compensatory duty is not allowed except upon imports. Our imports of shoes will not amount to exceed 5 per cent of the total consumption of shoes in this country. Our production, I understand, is something over a billion dollars. The imports are about $500,000,000. Therefore, even if all those shoes were made chiefly from the hides of cattle, the compensatory duty could not possibly amount to more than 5 per cent of the total consumption, and it is not at all likely that any large percentage of the imports would be confined to shoes manufactured from the hides of cattle. It is very likely that a large percentage of those shoes might be ladies' shoes, made out of kid, morocco, or some other kind of leather, which would be entitled to no compensatory duty.

Then, again, the tariff duty which is paid is not wasted. The duty which would be imposed upon the imports of hides, taking as a basis the importations for 1921, which I am advised are about 255,000,000 pounds, would amount to $5,100,000, approximately. That money would go into the Treasury to defray the expenses of the Government. The duty is carried on to the consumer, and the consumer pays his pro rata of the expenses of the Government. Certainly the Government must derive the revenues to pay its expenses from some source, and what fairer method is there than to prorate the duty to the whole country, and what fairer method is there than to extend that expense of the Government to the consumer, who certainly enjoys the benefits? A great deal may be said about methods and means of levying taxes without reaching the consumer. No such method has ever been devised, and no such method will ever be devised, it matters not in what form you apply the tax.

A great deal has been said about the consumer being taxed and taxed and taxed. I submit that a producer is a consumer; that nearly all producers are consumers, and any producer who is not a consumer must be a middleman, who lives off his wits, who lives by dealing in the products of the real producer, and he is not an element of production nor does he contribute to the country's wealth. He might be described in many instances as a drone. There are all kinds of producers—producers of cattle, producers of sheep, producers of coal, producers of shoes, producers of steel, and producers of all sorts of farm products. All of these producers are consumers. If we are to have a well-balanced condition in this country we must permit every class of industry to enjoy the benefits of a relative purchasing power of his production to enable him to get along and make ends meet and live. Mr. President, I submit that the duty imposed is a very moderate one. It is not a high duty. It is lower than other duties which we have heretofore had.

There is another phase of the proposition to which I wish to direct attention. It is not only a question of whether or not we are going to afford protection to the raiser of cattle to enable him to get along, but the Nation has an interest in this great industry. There are certain essential industries which no government can afford to do without or permit to perish, because to do so would be dangerous to the peace of the country. No country can get along without meat, wool, cotton, or sugar. Those articles are just as necessary and essential for national defense as the most modern weapon that human ingenuity has been able up to the present time to devise. If we were to be dependent entirely upon foreign countries for the production of hides, if we had no home supply, another story might and would be told as to the prices which the consumer would be obliged to pay. The only safe course for the country and for the consumers of the country is to preserve the home industries so as to guarantee to the people a reasonable competition and thereby keep in check and within the bounds of reason prices to be charged the consumers.

This is not a large duty. It will probably add from 6 to 10 cents a pair on certain kinds of shoes. Other classes of shoes will not be affected by the duty. I do not believe that the duty would be reflected in the price of shoes. My observation during these years while we have had cheap hides, subjected to a demoralized market, has been that shoes have been higher. They are higher to-day than at any time in the history of the country except the period during the war. With all the modern machinery and with the ability, as has been stated upon this floor, of the shoe manufacturers of the country to supply the markets of the world, why is it that shoes are higher to-day than at any time in our history except during the war? Why, Mr. President, a good pair of men's shoes to-day will cost in the neighborhood of $12 at almost any retail store. A pair of lady's shoes will cost almost as much, if not more. It can not be said that the tariff has any effect on that price, because there is no tariff. Why is it?

It has been said on the floor of the Senate by the distinguished junior Senator from Massachusetts [Mr. WALSH] that there is no monopoly in the shoe-manufacturing business. That may be true. There may be no monopoly so far as ownership is concerned, but I say that there never was a better organized institution in the country than the manufacturers of shoes and the retail dealers in shoes. They are all organized—organized with an understanding as to prices, as to credits, as to methods. Annual conventions and semiannual conventions are held, and there is the closest cooperation among all the agencies which come within the lines of the shoe industry whose members are members of the organization and working with an understanding, if not an agreement. That, to my mind, accounts to some extent for high prices.

The duty is small. It is 2 cents a pound on green hides and 4 cents on dried flint hides. Four cents on dried flint hides is the equivalent practically of 1¼ cents on the green. The flint hides are produced mostly by small farmers and by ranchmen and by country butchers. The duty can not possibly, under any arrangement, exceed the compensatory duties which were allowed by the Finance Committee, and would not in any event affect more than 5 per cent of the total consumption of the country. It could not amount to more than 12 cents per pair of shoes. Yet a propaganda has been carried on, from the manufacturers to the jobbers and to the retailers all over the land, misrepresenting the effect of the duty, and plainly stating that in the event of the adoption of the duty it would increase the cost of shoes $2.50 a pair, or twelve times the amount which is claimed by opponents of the bill upon this floor. That shows the kind of organization that has been behind the opposition to this schedule. The Senator from Utah [Mr. SMOOT] corrects me and states that I should have said fifty times the amount.

Mr. SMOOT. Two dollars and fifty cents a pair would be fifty times 5 cents.

Mr. BURSUM. Yes. The statement which I made was that it was twenty-five times the amount, which it was claimed by the opponents of the measure upon the floor of the Senate is the amount by which the price would be affected. The propaganda has been unfair in the extreme, with no rule of reason and no basis in truth or fact. Advantage has been taken by the manufacturers and through their organizations to line up the retail dealers all over the land to send form letters of protest to Senators. That is the kind of opposition the duty on hides has had to contend with. When we had a duty on hides under the Dingley law shoes were much cheaper than they are now. If the duty causes the high prices why did it not affect prices at that time?

Mr. President, while there is probably no monopoly in the form of a single ownership, yet, in my opinion, there is a monopoly on the machines which are used in the manufacture of shoes, and that monopoly is so manipulated as virtually to constitute a monopoly in the manufacture of shoes all over the country. We bought shoes cheaper when they were made by hand than we can buy them now with all the modern machinery.

Now, there is another angle to this matter which ought to be of great concern to the Nation as a whole, and that is that we should be in such position as to rely upon having an adequate supply of beef and meat in the country. I read from page 4466 of the tariff hearings a statement by Mr. Zimmerman, of Somerset, Pa. Among other things, Mr. Zimmerman said:

Another comparison may be effective: Twenty years ago we had 50,585,777 beef cattle with a population of about 76,000,000; at present we have 35,424,458 with a population of about 105,000,000, which is increasing in the same ratio as beef production is diminishing. While population has increased 40 per cent beef production has decreased 30 per cent. Had the beef-cattle supply of the country kept pace with population increase we would now have 70,000,000 instead of 35,000,000 head.

In other words, in order to have a normal supply of cattle at this time we ought to have double the number which we now have in the country. Unless encouragement is given which will permit the grower to continue the industry, to continue to raise cattle, the supply is bound to diminish.

Mr. President, we adopted a duty of 2 cents per pound on live cattle. What an inconsistency it is to say that if we bring in a hide upon the cow or steer we pay 2 cents, but if we bring the hide in separately it comes in free. This policy seems to me to be inconsistent. Hides are the finished product of the farmer just as much as is any other manufactured product the finished product of the manufacturer.

To my mind the proposed duty is reasonable; it is just, it is modest, and it is desired by the farmer. I do not agree with the statement made by the Senator from Wisconsin [Mr. LENROOT] that all the farmers of the country are in favor of free hides. My observation would not justify such a conclusion; and I know that is not the case in my State. In my opinion the duty is necessary; it is an element of protection to the benefit of which the farmer is entitled. The hide is just as much a part of the actual value of a live steer as is the beef; and it is just as much entitled to a duty as is any article of leather which is produced by the manufacturer of saddlery, of harness, or of suit cases, or of gloves. If the producer of the so-called raw material is not entitled to the benefits of a protective duty in proportion to the difference between his cost of production and the cost of the production of the imported article, then certainly the manufacturer can not be entitled to any greater privilege. If it is fair and just to give a protective duty to the manufacturer, it is fair to give that same duty, in proportion to his requirements, based upon the same principle, to the farmer.

I say, Mr. President, if we are going to impose a tariff duty for the benefit of the manufacturer of leather goods, of whatever kind or character they may be, we should give a proportionate duty to the producer of the basic material from which those manufactures are derived. If we are not going to protect the producer, then we ought to be consistent in principle. If we are going to have free hides, let us have free valises; let us have free harness; and let us have free leather goods of every kind and character.

Mr. STANFIELD. Mr. President, I do not wish to take up the time of the Senate in making a speech on the pending subject. The Senator from New Mexico has covered it in a very comprehensive way from my viewpoint; but I desire to say that I can not understand how any Senator here who is a consistent protectionist can justify himself in voting for protection for one industry and refuse to give it to another industry. I maintain that this duty if not for the benefit of the American farmer is at least a protection for the cattle producers; and I wish to say to Senators here that the tariff difference on the value of the hide will at times represent the difference between a profit and a loss in the cattle industry. For the last two or three years the live-stock producer has been losing money; cattle production on the ranges has been at a loss.

The Senator from Ohio [Mr. POMERENE] stated that this tariff would be for the benefit of the packer and would not be passed on to the cattle producer. It is just as fair to presume that a difference in the value of the carcass of the meat is not reflected to the cattle producer; and we know that that is not the case. In order to show the inconsistency of his statement, he maintains that this duty would be detrimental to the owners of hides in South America or in some other foreign countries. As I stated at the time, it is well known that the American packers—the small group of packers, the minority group of packers—are in control of the slaughtering of live stock in South America. Therefore, if it would be detrimental to their interests in South America how is it going to be of concern to them that there shall be a duty on hides in order that they might make a profit on perhaps 40 per cent of the hides which they control in America? It is not reasonable.

I do not believe that any Senator who believes in protection, if he should vote against this proposed duty, could square his act with the policy that he represents. I am not surprised at the attitude of certain Senators here who are opposed to this duty, because they have shown a number of times—I refer to Republican Senators—that they are not consistent protectionists; that they are apparently in favor of protection for products that directly concern the locality in which they are interested or in which their constituencies are directly interested.

The propaganda and the contention to the effect that the imposition of the duty will affect the consumer of shoes is not reasonable. We all know that, so far as the retailer of shoes is concerned, the difference of 12, 14, or 15 cents on a pair of shoes is not material to him; nor does it affect the consumer. The retailer can increase or decrease to this extent the price without any material effect to his business. We know that is true. Of course, in the aggregate Senators may show that the figures are large, but that same method of illustration may be applied to protection on every article on which we have placed a protective duty.

To Senators on the other side of the Chamber who believe in a tariff for revenue only I wish to say that this is a duty for which they may consistently vote, for it is a revenue tariff. It will yield a revenue. Hides will be imported here, for the proposed duty is not prohibitive. It may be placed on a basis where it is purely a revenue proposition.

I therefore sincerely trust that every Senator here who believes in a protective tariff, who believes that an industry which needs protection is entitled to protection, may see his way clear to vote for this small duty of 2 cents a pound on green hides.

Mr. GOODING. Mr. President, I am quite sure that at this time it is proper for me to make my position on the tariff question a little clearer, possibly, than I have made it in the past. I have always believed in the great principle of protection, but I never occupied the position that I do to-day, where in discussing the bill which is before the Senate I have taken the position that the duties could not be too high, and that many of the schedules are entirely too low. I have, however, been discussing a bill which provides for the levying of duties on the basis of foreign valuation. If this bill had provided for the American valuation, some of the duties might have been too high to suit me, for I have never yet found myself in an unreasonable position in life. After studying the conditions prevailing in the world as a result of the great World War and realizing that, through the depreciation of foreign currency, labor in some countries is working for almost nothing at all as compared with the wage paid to labor in this country as measured by the gold standard, I do not know how we can properly protect labor in America when we permit imports to come into this country based on the depreciated currency of many of the countries of the Old World.

The senior Senator from Utah [Mr. SMOOT] placed in the RECORD a few days ago a most remarkable document, setting forth a signed contract between the proprietors of textile mills in Germany and their employees, according to which, using the price paid in American mills as a basis and figuring that price at 100 per cent, labor in the textile districts of Germany would receive 1,000 per cent below what we pay here in America. I have placed in the RECORD on different occasions the prices paid for labor in Germany in the principal trades and industries, and all the way through the average is from ten to fifteen times less than we pay labor in this country.

Germany in order to protect her own industry against her own depreciated currency has found it necessary to increase her protective tariff rate 65 times over pre-war duties; Austria in order to protect herself and her industries against the depreciated value of the krone has been forced to increase her protective duties 200 times; and France has protected her industries by a system of coefficients or multipliers, so that in some cases the duty in France has been increased 10 times as against the depreciated currencies of other countries. We, however, refuse to take that situation into consideration at all.

Tell me, if you please, Mr. President, with an average duty on manufactures in this bill of only 35 per cent and with labor in some foreign countries receiving a thousand per cent less than the wages paid similar labor in America, what protection does this bill provide to the manufacturers of this country, when we consider the difference in the cost of production in Germany or any other country with depreciated currency and cost of production here?

I hope that I am needlessly alarmed over the industrial conditions which exist in America; I hope that those who have given service here in the Senate for so many years are right and that I am entirely wrong, but I do not see how it is going to be possible to start any industry in America at the present time, with a protective duty based on foreign currencies that are not worth in some cases the paper on which they are printed. It seems to me, Mr. President, if I can see the situation clearly, that we are facing a new world, with entirely new conditions.

The greatest question that confronts any country at any time, whether it is a new country or an old country, is that of finding employment for its own people. One-half of all the German people before the war were employed in preparing for the greatest struggle that humanity has ever known. England was build-

ing a great navy. France was building a navy and developing an army. Our own country was building a great Navy. Japan also was in a mad race, trying to keep pace with this country and the rest of the world in building her navy and extending her army. Now the world is on a peace basis. England is scrapping some of her great weapons of destruction. We are scrapping our Navy and Japan likewise is reducing her navy, and we have reduced our Army in this country in the last year something like 75,000. As I see it, the great question before the American people is to find employment for our own people.

That condition confronts every country on earth to-day. Besides the world being on a peace basis, new inventions are being discovered that are making inroads on labor. Every industry in America is overdeveloped. There is not an exception to that rule in the great industries, at least. I placed in the RECORD only a few days ago a report from the Department of Labor which showed that in the coal mines alone from 250,000 to 300,000 men were employed that were not needed at all; that the steel industry, the boot and shoe industry, and, in fact, every other industry is overdeveloped, and that not over half the men employed in those industries are needed, if they are to be given full-time employment. Study as I pleased, I could not find a single great industry in America but that is overdeveloped, and in some cases can supply the needs of the world. I do not believe it is possible to find employment for our own people except through a high protective duty, following along the lines other countries have followed.

If all the ports of the Old World were still wide open to the American manufacturer and the American people, I would not take the position that I do to-day. I want to say to the Senator from Ohio that some of the South American countries have an embargo against shoes—Chile especially. In others the duties are so high that they practically act as an embargo. Germany has a license system, an embargo on all articles that her people can manufacture for their own use. That country is closed to the industries of this country, or at least to our manufactures. France has the coefficient system of multipliers, so that she has practically an embargo on many of the manufactured articles. Sweden has increased her duties five times over pre-war levels. Spain has materially increased her duties, practically placing an embargo, the same as other countries, on those articles that her people can manufacture for themselves.

Poland has a complete embargo on articles that can be manufactured at home. Ecuador has an embargo on shoes. Belgium has increased her duties from 100 to 300 per cent. Italy has an embargo against many of the articles manufactured in the United States or any other country on earth. Austria has increased her duties two hundred times. Switzerland has an embargo against all articles that can be manufactured at home. Canada has protected herself against the depreciated currency of foreign countries. We are practically the only country left on earth that has not taken some action toward protecting her manufacturing industries. England has a protection as against Germany of 59 per cent. Twenty-six per cent of this is arranged for in the reparation act on all imports from Germany into Great Britain, and with 33⅓ per cent for what England calls her key industries she has a protection of 59 per cent, which is nearly twice the average duty that we give manufacturers here in America.

There is one thought that controls me on the tariff question. It is not a question of protection to the farmer. It is not a question of protection to the manufacturer or to any other industry. It is the one thought of the greatest possible development of all of our industries here in America. With 3,500,000 men out of employment tell me how it is possible, unless through a protective tariff, for us to start the wheels of industry in America?

It has been shown, through exhibits that were shown here in the Senate, that from 2,000 to 3,000 per cent is charged by our great department stores as a profit on imported articles over the price that is paid in foreign countries. Will a 35 or a 50 or a 60 per cent duty on foreign valuation protect the American manufacturer? When Senators here discuss a question and say that there are no imports of a certain manufactured article I want to tell you that the industry that is manufacturing that particular article here is running at full speed. I know that American labor is employed in that particular industry manufacturing for the needs of America. That is why I stand in the position that I do to-day.

In my judgment, as I have said before, as far as protection is concerned to many of our great industries this bill, with its foreign valuation, will not be worth the paper that it is written on. I hope I am all wrong; God knows that I am sincere in the position I take; but I believe that unless something is done in some way or other to start the wheels of industry in this country and give the labor of this country an opportunity to work we are going into the winter with 6,000,000 or 8,000,000 men unemployed.

Mr. Hearst said, in an editorial:

> Better have a tariff with graft and everything that goes with it than to have millions of unemployed in the country. Better pay $25 or $100 for protection to give the laboring man employment than to throw our ports open to foreign countries, and give foreigners employment and an opportunity to work for the American people.

Mr. President, again I want to say that with the world on a peace basis there is not work in the world to-day for all the peoples to do. It is just going to be a question of what country is going to find employment for its own people. These Old World countries that have had serious labor conditions to meet for many, many years are protecting their laborers by practically putting an embargo on those things that they can manufacture for themselves.

Again, Mr. President, let me say that we are no longer a new country. Nowhere in the great West is there a single homestead left for the homesteader where it is safe for him to take his family and try to make a living, and there is no opportunity to relieve the congested conditions of the great cities by people going out upon the farms. This talk about "back to the farm" is filled with irony and sarcasm. The farmers of this country for the last two years have lost billions of dollars in the prices they have been forced to accept for their farm products. There is no chance for a movement of back to the farm. In fact, in 1920 there were a million men, women, and children who left the farms because they could not make a living. So unless we do something to create employment in America, tell me what the winter is going to bring forth! I am not able to tell you. It looks dark to me, and I hope that I am entirely wrong.

I send to the desk a letter that I am going to ask to have read. Mr. Thomas G. Clarke, the president of the National Print Cutters' Association of America, brought into my office some time ago a print roller for printing wall paper. He told me one of the saddest stories that I have listened to in many a long day. I asked him to write me a letter, telling me the story of his industry.

The PRESIDENT pro tempore. If there be no objection, the Secretary will read the letter.

The Assistant Secretary read as follows:

> EXECUTIVE COUNCIL
> NATIONAL PRINT CUTTERS' ASSOCIATION OF AMERICA,
> *Philadelphia, May 17, 1922.*
>
> HON. FRANK R. GOODING,
> *United States Senate, Washington, D. C.*
>
> DEAR SIR: In accordance with my promise to you, I am herewith sending you a statement of facts as they relate to print cutting and proposed new tariff.
>
> Print cutting for wall paper is rated as one of the highest skilled trades in the United States, being tedious, exacting, and all hand-work, but as this work can be imported, it has never been paid in proportion to the skill required.
>
> Five years of apprenticeship must be served, and few men are finished workmen in that time.
>
> We had for a number of years an agreement with the wall-paper printers whereby they would use only union-made prints, but being hard pressed by the manufacturers of wall paper to get a satisfactory contract on September last, they agreed to eliminate the union-made print clause in their contract, which placed us at the mercy of foreign labor.
>
> The wall-paper manufacturers' committee before the Ways and Means Committee pleaded for an adequate tariff on wall paper, as without it they could not continue in business and compete with the foreign wall paper, and feelingly referred to the American workman the trade employed who had to have wages in proportion to American standard of living. Notwithstanding this plea, hundreds of print rollers have been contracted for and imported to this country for the new-season line.
>
> American cutters receive 80 cents per hour, or $38.40 per week, and in Germany, at the present rate of exchange, the weekly wage is less than $2.50. You can readily see that the proposed tariff of 45 per cent ad valorem, on page 37, paragraph 392, is insufficient and will not help us at all. We should have at least 75 to 100 per cent ad valorem, American valuation, to save us from annihilation, as 45 per cent of our members are over 50 years of age and can hardly at this late day earn enough at some other business even for a bare living.
>
> The wages of print cutters, averaging on the output of wall paper of the entire trade, amounts to approximately one-tenth of a cent on a roll of wall paper, so you can see that the consumer will get no benefit from cheap German print cutting, but the manufacturers will have greater profits to divide.
>
> The improved patterns are having the words "made in the U. S. A." placed on it so that it will print on the margin of the paper. We have refused to fashion the letters in brass, as we consider this a misrepresentation, but the manufacturers are having castings made for this purpose.
>
> When war was declared with Germany all print cutters who were eligible went into the service. Those who were too old gave their sons. After our contract expired with the manufacturers the entire trade, with exception of those too old and feeble, whole-heartedly used their skill in Government work, where men who really could use tools were needed as much as the young men on the battle field. Every dollar we could spare we invested in Liberty bonds.
>
> I do not mention these facts with a desire to boast of the virtues of the print cutters. On the contrary, it was our great privilege to do everything in our power for the honor of our country, and should the

occasion again arise we would just as gladly do the same for this "our country."

The war is over and imperialism has been defeated, but as far as we are concerned, unless we have an adequate tariff, Germany will have won the war, for we will be enslaved and pauperized.

Our case is absolutely a plea for protection to American workmen. We have the manufacturers with one hand reaching out for the protection they must have and with the other trying to strangle the print cutters by sending their work to Germany.

The only people who will profit will be the German print cutter and his ally, the American manufacturer. We only ask that we be given the right to earn a decent living for those depending on us. I am,

Sincerely yours,

THOMAS G. CLARK,
National President.

Mr. GOODING. That is just the story of what is going to happen to a great many of our industries. This is not a large industry. It employs only about 500 men, as I understand it, but it is highly skilled work, and unless it is properly protected it is going to pass out of existence and be lost entirely to this country. What is true of this trade must of necessity be true of others. American labor can not live on the wages they pay in Germany. So it is this case and many others, as I have been studying the great tariff question at this time, which have led me to believe that the pending bill, with its foreign valuation, as far as protection to American labor is concerned, is absolutely worthless.

I am not going to take up a great deal of time, because nothing I am going to be able to say is going to change a single vote. The die is cast, as far as the duty on hides is concerned, and I know it is late, and before we can possibly get through with this schedule it is going to be well into the night. We must finish before we can recess, because there are other important rates to be considered in this schedule besides the duty on hides.

I know of no industry in America which during my lifetime has had the struggle the cattle growers of this country have had. I especially speak for the small man, the cattle grower with 20, 50, 100, or 200 head. The cattle growers of the West in a large measure are made up of small herds. In the early history of the range we had a few great cattle growers, and we have some to-day, of course, down in Texas; but in the West generally the cattle growers are small cattlemen.

No class of citizens in America have given so much and received so little for their labor as the small cattle growers. I know a great many of them in my State who have been struggling along for more than a third of a century. It has been a fight all the time to keep the wolf from the door. Market prices would increase so that the business looked prosperous, then reverses came, and there were low prices again, and the little bands of cattle remained about the same as they were 30 years or more ago, and they had to struggle all the time for existence.

The cattlemen received fairly good prices during the war, and then came the winter of 1919, and in a great many cases in Montana and in my own State if the cattlemen had given the cattle away at the beginning of the winter they would have been in better condition financially when spring came, after they had paid the winter feed bills, where in some cases they were forced to pay as high as $50 a ton to save their live stock. One of the hardest winters we have ever known swept over the West that year.

For the cattle grower of this country there is never a holiday; Sunday is never a rest day. Eternal vigilance must be the watchword all the time, regardless of the weather and regardless of how fierce the blizzard is. In bad weather the herds must have the closest attention.

It seemed to me when the cattlemen were satisfied with the little protection of 2 cents a pound on the green hide and 4 cents on the dried hide, equivalent to a 15 per cent ad valorem duty, and the manufacturer was given protection, that the country would accept it without question.

There has been a good deal said about the farmer not being in favor of a duty on hides. I have not found that farmer. There may be some farmers who are not. I do know of free-trade farmers. I have known men in the sheep business who voted for the Democratic Party when they knew that free trade meant absolute destruction of their industries. I presume there are farmers who would not change their politics to save a great industry. But that principle exists only among farmers. I have not found a manufacturer in America anywhere who ever took such a position as that. They all want protection; and they want high protection and, besides, they want free raw material. They want the farmer to slave for them; but if there is a manufacturer in America who is not asking and demanding protection I have not found him. It is simply because he has studied the question a little better than the farmer has, in my judgment.

Last winter the President, after discussing the needs of agriculture, believing something might be done for it, advised the Secretary of Agriculture to call a national meeting, and the national agricultural conference was held here February 23–27, 1922, and beyond a doubt those who were invited were representatives of agriculture, as far as the Secretary of Agriculture could accomplish that result, for no one will deny that the Secretary of Agriculture is a friend to agriculture, doing all he can to assist it. This is a part of a resolution adopted in their proceedings:

On meat and meat products, 20 per cent ad valorem, with a minimum of 4 cents per pound; live cattle, 30 per cent ad valorem; hides, dry, 6 cents per pound; green, 3 cents per pound, with an ad valorem minimum of 20 per cent; wool used for clothing or wearing apparel purposes in whatever form, imported, 33 cents per pound of clean content; mutton, 3 cents per pound; lamb, 5 cents per pound; live sheep, $2 per head.

If we have had a representative gathering of farmers within the last year, who had a right to speak for the great agricultural interests, it seems to me this conference, called at the suggestion of the President, was that body; and that is the last word.

I have a copy of a report from an employee of the Tariff Commission, which is in the hands of the printer at the present time. It may not be strange that this report is in the hands of the printer at this time, but I have a very good reason to believe that no friend of the farmer can remain long in the employment of the Tariff Commission if the present members of that branch of the Government know it. That is a pretty strong statement to make, but I make it advisedly.

This report relates to the production of cattle hides in America and their effect upon the shoe industry.

In the year 1914 we produced 695,748,000 pounds of cattle hides.

Calfskins, of an average of 10 pounds each, were produced to the number of 46,614,000 pounds.

Of sheepskins, averaging 4 pounds each, there were produced 80,842,000 pounds.

Of horse and colt skins, of an average weight of 30 pounds to the skin, there were produced 30,000,000 pounds.

We imported in the same year 351,232,000 pounds of cattle hides, 110,134,000 pounds of calfskins, 101,065,000 pounds of sheepskins, 20,058,000 pounds of horsehides, 29,000,000 pounds of buffalo hides, 147,000,000 pounds of goatskins, and 1,000,000 pounds of kangaroo skins. I will just read the millions and put the table in the RECORD. Of all other hides and skins, exclusive of furs, there were imported 6,000,000 pounds.

In 1920 we produced in this country 781,000,000 pounds of cattle hides, 96,000,000 pounds of calfskins, 63,000,000 pounds of sheepskins, 30,000,000 pounds of horsehides. We imported for that year 334,000,000 pounds of cattle hides, 52,000,000 pounds of calfskins, 112,000,000 pounds of sheepskins, 21,000,000 pounds of horsehides, 20,000,000 pounds of buffalo hides, 150,000,000 pounds of goatskins, 1,000,000 pounds of kangaroo skins, and 7,000,000 pounds of other hides and skins.

So the total production of those hides and skins in this country was 972,321,000 pounds, and we imported 520,923,000 pounds. So it will be seen that our production in this country is almost double our imports.

Mr. President, much has been said about what the effect of this duty of 2 cents a pound on green hides and 4 cents a pound on dry hides is going to be. Of course, it is all speculation. I know of no better way, however, of judging the future than by the past, going back to see what the effect of the duty on hides was under the Dingley law. This is the report of a representative of the Tariff Commission who said:

Prior to 1897 cattle hides were free and leather and shoes were dutiable. By the act of 1897 cattle hides were made dutiable at 15 per cent ad valorem.

Using average yearly wholesale prices gathered by the Bureau of Labor Statistics, it appears that the price of sole leather and work shoes did not increase relatively as much as the price of cattle hides. The average yearly wholesale price for cattle hides in 1896 was $0.0811 per pound. In 1899, two years after the enactment of the duty, the price was $0.1235, an increase of $0.0424. In 1896 the price of oak sole leather was $0.2925 per pound; in 1899 it was $0.3358, an increase of $0.0433. In 1896 the price of men's brogan split leather work shoes was $0.9938 per pair; in 1899 it was $0.9375, a decrease of $0.0563. During the entire period that the Dingley Act was in effect green hides increased $0.0525 per pound, sole leather increased $0.0875 per pound, and work shoes $0.1416 per pair.

That was the effect of the Dingley bill. There is a lot of very valuable information, and it is regrettable that it has not been in the hands of every Senator. I am not going to say there was a conspiracy to keep it out of the hands of Senators, but I shall have something more to say about the Tariff Commission before we close the debate here on the tariff bill.

I ask unanimous consent that the report to which I have referred and from which I have briefly quoted may be printed in the RECORD, and with this request I shall conclude my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

THE PROPOSED DUTY ON CATTLE HIDES.

1. Domestic production and imports.
2. The relation of the price of hides to prices paid for live cattle.
3. The effect of the duty on hides under the Dingley Act on prices of sole leather and shoes.
4. Prices of hides, leather, and shoes from 1910 to 1922.
5. The United States export trade in leather and leather products, 1890–1922.
6. The estimated financial results of a duty on hides.
7. Duties on hides, leather, and shoes since 1894.

Domestic production and imports of hides and skins.

(Converted to a green basis, 1 pound of dried equals 2 pounds of green.)

1914	Domestic production (estimate).	Imports.
	Pounds.	*Pounds.*
Cattle hides (55-pound)	695,748,000	351,232,000
Calfskins (10-pound)	46,614,000	[1] 110,134,000
Sheepskins (4-pound)	80,842,000	101,065,000
Horse, colt, ass (30-pound)	30,000,000	20,058,000
Total	853,204,000	582,489,000

[1] Includes kipskins.

	Pounds.
Buffalo hides	29,162,000
Goatskins	147,925,000
Kangaroo and wallaby skins	1,332,000
All other hides and skins (exclusive of furs)	6,180,000
Total	767,088,000

1920	Domestic production (estimated).	Imports.
	Pounds.	*Pounds.*
Cattle hides (55-pound)	781,702,000	334,475,000
Calfskins (10-pound)	96,628,000	52,035,000
Sheepskins (4-pound)	63,991,000	112,523,000
Horse, colt, ass (30-pound)	30,000,000	21,890,000
Total	972,321,000	520,923,000

	Pounds.
Buffalo hides	20,727,000
Goatskins	150,074,000
Kangaroo and wallaby skins	1,389,000
All other hides and skins (exclusive of furs)	7,000,000
Total	700,113,000

THE RELATION OF THE PRICE OF HIDES AND DRESSED BEEF TO LIVE CATTLE.

The relative values of dressed meat, hides, and other by-products may vary considerably from time to time, according to the changing supply of and demand for the respective products. However, in order to give a rough indication of a normal situation it may be said that the meat packer obtains about 79 per cent of his total returns of the beef-packing end of his business from the dressed-meat carcass, 11 per cent from the hide, and about 10 per cent from a large number of minor products, such as tallow, oleo oil, stearin, casings, and the like.

A study made by the Tariff Commission of average yearly wholesale prices for a period of five years (1912–1916) covering green, salted, packers' heavy, native steer hides, good to choice steers, and good native steer carcass beef, all in the Chicago market, brought out the fact that while the price of dressed carcass beef in the Chicago market increased but 8.8 per cent the price paid for live cattle increased 14.3 per cent. (Table 1.) This was made possible only through the rise in price of hides, which was 48.9 per cent, and the increase in price of tallow, oleo oil, stearin, and other by-products.

A similar study for a period of nine years (1908–1916) brought out the same relationship. In this instance the price of dressed beef increased 31.4 per cent, the price of live cattle 60 per cent, and the price of hides 95 per cent. For the 14-year period (1906–1919) the price of dressed beef increased 122 per cent, the price of live cattle 192 per cent, and the price of hides 193 per cent.

In the long run, therefore, higher hide prices, like higher beef prices—only to a lesser extent—means that higher prices can be paid for live cattle. Though temporary or short-time variations, due to local or other factors, may cause the price of hides to move one way and the price of live cattle in the opposite direction, nevertheless over a long period the two price curves show a fairly close relation. (A depression in the hide market such as has occurred during the past year is reflected in a reduction in the price of live cattle or in increase in the selling price of the dressed meat, or sometimes both. Conversely, an increase in the price of hides means a lowering of the selling price of dressed beef or an increase in the price paid the producer for the live animal, or both.) On the basis of yield a 1,000-pound steer of fair average quality will yield about 550 pounds of dressed carcass and 60 pounds of green hide. An increase of 1 cent per pound in the price of hides is equal to a credit of about 12 cents per 100 pounds on the dressed beef or 6 cents per 100 pounds on the live weight. (C. V. Whalin, United States Bureau of Markets.)

Briefly, there appears reason to believe that on the whole competitive buying in the live-stock markets has forced the packers to pay the true market value for live cattle purchased and for the hides they carry. Competition among live-cattle buyers and hide sellers thus quickly tends to correct any apparent discrepancies which may occasionally exist between the values of hides and live cattle. It therefore seems probable that in the long run packers would be compelled by competition to add a duty to the price paid for live animals, getting this addition back when hides or leather are sold. It thus would appear that both packer tanners and independent tanners would be affected by a duty and that virtually the only effect on independent tanners would be the larger credits needed to carry stocks of higher-priced hides.

TABLE 1.—*Average yearly prices of hides, live cattle, carcass beef, 1908–1921.*

[Chicago market.]

Year.	Hides—Green, salted, packers' heavy, native steers.		Live cattle—Steers, good to choice.		Carcass beef—Good native steers.	
	Per pound.	Relative to 1913.	Per pound.	Relative to 1913.	Per pound.	Relative to 1913.
1908	$0.134	72.6	$0.060	70.5	$0.105	81.3
1909	.165	89.6	.065	75.9	.110	64.6
1910	.155	84.1	.070	82.5	.115	89.1
1911	.148	80.3	.067	79.1	.112	86.6
1912	.176	95.7	.084	98.8	.133	102.6
1913	.184	100.0	.085	100.0	.130	100.0
1914	.196	106.7	.090	106.2	.136	105.3
1915	.242	131.6	.087	102.3	.129	99.5
1916	.262	142.4	.096	112.5	.138	106.7
1917	.327	178.0	.128	150.6	.167	167.2
1918	.301	163.8	.164	193.1	.221	170.9
1919	.393	213.8	.175	205.7	.233	180.2
1920	.312	169.6	.148	174.1	.230	176.9
1921	.139	75.5	.087	102.3	.163	125.4

THE EFFECT ON THE PRICES OF LEATHER AND SHOES AS A RESULT OF A DUTY OF 15 PER CENT ON CATTLE HIDES UNDER THE ACT OF 1897.

Prior to 1897 cattle hides were free and leather and shoes were dutiable. By the act of 1897 cattle hides were made dutiable at 15 per cent ad valorem. (See Table 6 for complete statement of duties.)

Using average yearly wholesale prices gathered by the Bureau of Labor Statistics and given in Table 2, it appears that the price of sole leather and work shoes did not increase relatively as much as the price of cattle hides. The average yearly wholesale price for cattle hides in 1896 was $0.0811 per pound. In 1899, two years after the enactment of the duty, the price was $0.1235, an increase of $0.0424. In 1896 the price of oak sole leather was $0.2925 per pound; in 1899 it was $0.3358, an increase of $0.0433. In 1896 the price of men's brogan split-leather work shoes was $0.9938 per pair; in 1899 it was $0.9375, a decrease of $0.0563.

During the entire period that the Dingley Act was in effect green hides increased $0.0525 per pound, sole leather increased $0.0875 per pound, and work shoes $0.1416 per pair.

It requires approximately 1¾ pounds of green hides to make 1 pound of oak sole leather. Then, multiplying the increase in hide price of $0.0525 per pound by 1¾, the result is $0.07875. The actual increase in sole-leather price was $0.0875 per pound, or $0.00875 more than accounted for by the increase in price of hides. But there was also a duty of 20 per cent ad valorem on sole leather. If the average value of $0.30 per pound were multiplied by 20 per cent, the increased price due to the duty would be $0.06 per pound if the duty were wholly effective. It is unlikely that it was fully effective.

Computations.

Price of cattle hides, 1908	$0.1336
Price of cattle hides, 1896	.0811
Increase in hides	.0525
Price of sole leather, 1908	.3800
Price of sole leather, 1896	.2925
Increase in sole leather	.0875

One and one-half pounds of hides equals 1 pound of sole leather.
Then, 1¾ pounds multiplied by $0.0525 equals $0.07875.
Difference between $0.0875 and $0.07875 equals $0.00875.
Duty on sole leather, average value of $0.30, at 20 per cent equals $0.06, or the possible justifiable difference between the increased price of leather and the increased price of hides, yet this difference was only $0.00875.

Then, again, with men's work shoes, it requires 6 pounds of green hides to make a pair, about 3 pounds of which are for sole leather and the balance for upper leather. Upper leather increased in price as well as sole leather, but as statistics are not available for upper leather only sole leather will be included. This, of course, presents only part of the case, but is sufficient to show the trend.

Multiplying the increase in hide prices of $0.0525 by 3 pounds of sole leather the increase in shoes would have been $0.1575. Yet the increase was $0.1416, or $0.0159 less.

Computation.

Price of cattle hides, 1908	$0.1336
Price of cattle hides, 1896	.0811
Increase in hides	.0525
Price of shoes, 1908	1.1334
Price of shoes, 1896	.9938
Increase in shoes	.1416

Three pounds of sole leather multiplied by $0.0525 equals $0.1575.
Difference between $0.1575 and $0.1416 equals $0.0159.
If the 25 per cent duty on shoes were effective, a difference of about $0.29 more than is shown here would have been justifiable, yet the shoes did not even increase the full amount of the hide increase by $0.0159.

During this 13-year period it would appear that (1) there was little if any pyramiding of the prices of leather and shoes as a result of the duty on cattle hides, and (2) other factors are instrumental in determining the price of leather and shoes than the hide cost.

Using average prices for the period 1890–1899 as equaling 100, the relative changes in prices of the three products are as follows:

	1895	1908
	Per cent.	*Per cent.*
Cattle hides	86.6	142
Leather	87	113
Shoes	100.4	114.8

TABLE 2.—*Average yearly wholesale prices of hides, sole leather, and shoes, 1890–1910.*

Year.	Green salted packers' heavy native steers hides (Chicago).		Oak sole leather (Boston).		Men's work shoes (Boston).[1]	
		Per cent.		*Per cent.*		*Per cent.*
Average, 1890–1899	$0.0937	100	$0.3363	100	$0.9894	100
1900	.0933	99.6	.3771	112.1	1.0500	106.1
1901	.0951	101.5	.3679	109.4	1.0500	106.1
1902	.0870	92.8	.3421	101.7	1.0375	104.9
1903	.0749	79.9	.3483	103.6	1.0125	102.3
1904	.0641	68.4	.3279	97.9	.9688	97.9
1905	.1028	109.7	.3421	101.7	.9813	99.2
1906	.0811	86.6	.2925	87.0	.9938	100.4
1907	.0996	106.3	.3079	91.6	.9500	96.0
1908	.1151	122.8	.3213	95.5	.9125	92.2
1909	.1235	131.8	.3358	99.9	.9375	94.8
1900	.1194	127.4	.3608	107.3	.9375	94.8
1901	.1237	132.0	.3525	104.8	.9438	95.4
1902	.1338	142.8	.3800	113.0	.9313	94.1
1903	.1169	124.8	.3742	111.3	.9250	93.5
1904	.1163	124.4	.3450	102.6	.9250	93.5
1905	.1430	152.6	.3663	108.9	1.0042	101.5
1906	.1548	164.7	.3796	112.9	1.2542	126.8
1907	.1455	155.3	.3821	113.6	1.2729	128.7
1908	.1336	142.6	.3800	113.0	1.1354	114.8
1909	.1647	175.8	.4125	122.7	1.2000	121.3
1910	.1549	165.0	.4146	123.3	1.375	115.0

[1] Brogans of split leather.

PRICES OF HIDES, LEATHER, AND SHOES FROM 1910 TO 1922.

Prices given in Table 3 are in a period of free hides. They are largely the story of prices during the pre-war and war period. In the main hide prices increased faster at the beginning of the war and declined greater and quicker in 1921. While hides are now beginning to rise slightly, leather and shoes are still slightly declining.

TABLE 3.—*Average yearly wholesale prices of hides, sole leather, and shoes, 1910–1922.*

	Green salted packers' (Chicago).		Oak sole leather, (Boston).		Men's work shoes (Boston).[1]	
	Heavy native.	Steer hides.	Heavy native.	Steer hides.	Heavy native.	Steer hides.
		Per cent.		*Per cent.*		*Per cent.*
1911	$0.148	80.3	$0.388	86.5	[2]$0.853	76.7
1912	.176	95.7	.415	92.6	[2].988	88.9
1913	.184	100.0	.449	100.0	1.112	100.0
1914	.196	106.7	.471	105.0	1.152	103.5
1915	.242	131.6	.504	112.4	1.265	113.7
1916	.262	142.4	.640	142.5	1.322	118.8
1917	.327	178.0	.831	185.2	1.504	135.2
1918	.301	163.8	.796	177.4	1.509	135.6
1919	.393	213.8	.913	203.5	1.967	176.8
1920	.312	169.8	.856	190.7	[4]2.598	192.9
1921	.139	75.6	.548	122.1	[4]1.951	144.8
1922 [3]	.149	81.0	.515	114.7	[4]1.645	122.1

	Computed to correspond with previous shoe given of new brand.	Actual figures.	Relative price.
			Per cent.
1919	$2.381	$1.967	176.8
1920	2.145	2.598	192.9
1921	1.610	1.951	144.8
1922 (5 months)	1.358	1.645	122.1

[1] Split seamless Creedmoor, one-half double sole.
[2] Computed for 1913 figure, with the percentage figure given.
[3] Average for 5 months January–May, 1922.
[4] Shoe changed to tanned grain blucher.

UNITED STATES EXPORT TRADE IN LEATHER AND LEATHER PRODUCTS, 1890–1922.

Since 1890 the value of our export trade in leather and leather products has steadily increased. In the period of the duty on hides (1897–1907) there is no indication that our export trade was affected. Average annual exports for the five-year period 1895–1899 were valued at $19,920,000. About one-half of this period hides were free. In the next five-year period (1900–1904) average value of exports increased to $30,122,000. In the five-year period 1905–1909 average annual exports were $41,555,000. In these two last periods hides were dutiable. It appears that if the leather industries were handicapped they were successful in overcoming the difficulties. (See Table 4.)

The table below summarizes the export trade of all leather and leather products by five-year periods and gives the percentage increase over each previous period.

5-year periods.	5-year average value of annual exports.	Per cent increase over preceding.
1890–1894	$12,800,000	
1895–1899	19,920,000	55.6
1900–1904	30,122,000	51.2
1905–1909	41,555,000	37.9
1910–1914	57,707,000	36.5
1915–1919	140,997,000	144.4
1920–21 [1]	195,004,000	38.6

[1] 2-year period.

TABLE 4.—*Value of leather and leather products exported from the United States, 1890–1922 (all fiscal years).*

1890	$12,439,000
1891	13,279,000
1892	12,085,000
1893	11,912,000
1894	14,283,000
Five-year average, $12,800,000.	
1895	15,614,000
1896	20,243,000
1897	19,161,000
1898	21,115,000
1899	23,468,000
Five-year average, $19,920,000.	
1900	27,293,000
1901	27,924,000
1902	29,799,000
1903	31,616,000
1904	33,980,000
Five-year average, $30,122,000.	
1905	37,937,000
1906	40,645,000
1907	45,477,000
1908	40,739,000
1909	42,976,000
Five-year average, $41,555,000.	
1910	52,647,000
1911	53,673,000
1912	60,757,000
1913	63,893,000
1914	57,566,000
Five-year average, $57,707,000.	
1915	120,727,000
1916	146,704,000
1917	153,710,000
1918	100,881,000
1919	182,964,000
Five-year average, $140,997,000.	
1920	291,801,000
1921	98,208,000

Two-year average, $195,004,000.
July, 1921, to April, 1922 (10 months), $47,340,000.

TABLE 5.—*Estimated financial results of a duty on hides.*

	Pounds.
Domestic production of cattle hides	700,000,000
Cattle hides imported for consumption	300,000,000
Total (about 9½ pounds per capita)	1,000,000,000

On the basis of duty of 2 cents per pound for green hides and 4 cents per pound for dried—

(a) The returns to the producers would be, assuming the increase of the full amount of the duty was reflected in increased prices paid for live cattle and hides, $14,000,000.

(b) The cost to the farmer and his family (30,000,000 people), at 12 pounds per capita (30 per cent higher than average), $7,200,000. While the price might be increased the full amount of the duty, the price of any commodity depends upon the demand and supply of that commodity. It is conceivable that a slackened demand might decrease the above figure, or in times of great industrial prosperity increase it.

(c) The cost to all consumers of the country, at 9½ pounds per capita, $19,000,000.

(d) The revenue to be derived by the Government would be on 300,000,000 pounds, $6,000,000. No allowance is made for disbursements due to the drawback provision.

TABLE 6.—*Duties on hides, leather, and shoes since 1894.*

Act of—	Cattle hides.	Leather.		Shoes.
		Sole.	Upper (dressed).	
1894	Free	10 per cent	20 per cent	20 per cent.
1897	15 per cent	20 per cent	20 per cent	25 per cent.
1909	Free	5 per cent	20 per cent	15 per cent.
1913	Free	Free	Free	Free.
1922 (proposed)	Green, 2 cents pound; dried, 4 cents pound.	3 cents pound, 15 per cent.	2½ cents square foot, 15 per cent.	(1)

[1] Of cattle hides only, 12 cents pair plus 5 per cent. All other, 6 cents pair.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

Mr. CURTIS. Let it be reported.

The ASSISTANT SECRETARY. On page 192, after line 2, the committee proposes to insert a new paragraph, as follows:

PAR. 1427a. Hides of cattle of the bovine species, raw or uncured, or green or pickled, 2 cents per pound; dried, 4 cents per pound.

Mr. WALSH of Massachusetts. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. LODGE (when Mr. FERNALD's name was called). The Senator from Maine [Mr. FERNALD] is absent on account of illness. If present, he would vote "nay." He has a general pair with the Senator from New Mexico [Mr. JONES].

Mr. HALE (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. SHIELDS]. I am informed that if present that Senator would vote as I shall vote. Therefore I am at liberty to vote. I vote "nay."

Mr. UNDERWOOD (when Mr. HARRISON's name was called). The junior Senator from Mississippi [Mr. HARRISON] is necessarily absent. He is paired with the junior Senator from West Virginia [Mr. ELKINS]. If present and permitted to vote, the Senator from Mississippi would vote "nay."

Mr. JONES of New Mexico (when his name was called). I have a general pair with the Senator from Maine [Mr. FERNALD]. I am advised that on this question he would vote "nay." I transfer my pair with that Senator to the Senator from Nevada [Mr. PITTMAN]. If the Senator from Nevada were present, he would vote "yea." I vote "yea."

Mr. NEW (when his name was called). I have a general pair with the junior Senator from Tennessee [Mr. MCKELLAR]. On this question I have been assured that he would vote as I shall vote. I therefore feel at liberty to vote. I vote "nay."

Mr. SIMMONS (when his name was called). I transfer my general pair with the junior Senator from Minnesota [Mr. KELLOGG] to the senior Senator from Texas [Mr. CULBERSON] and vote "nay."

Mr. SUTHERLAND (when his name was called). I have a general pair with the senior Senator from Arkansas [Mr. ROBINSON], who is absent. I understand if he were present he would vote as I expect to vote on this question, and I therefore feel at liberty to vote. I vote "nay."

Mr. WATSON of Indiana (when his name was called). I have a general pair with the senior Senator from Mississippi [Mr. WILLIAMS]. I am unable to secure a transfer and therefore withhold my vote. If I were permitted to vote, I should vote "yea."

The roll call was concluded.

Mr. MCCUMBER. I have a general pair with the junior Senator from Utah [Mr. KING]. I am unable to secure a transfer of that pair and therefore withhold my vote. Were I permitted to vote, I should vote "yea."

Mr. EDGE. I have a general pair with the senior Senator from Oklahoma [Mr. OWEN]. I am informed that if he were present he would vote as I propose to vote, and I am therefore at liberty to vote. I vote "nay."

Mr. JONES of Washington (after having voted in the affirmative). The senior Senator from Virginia [Mr. SWANSON] is necessarily absent. I am paired with that Senator for the afternoon. Being unable to secure a transfer, I withdraw my vote.

Mr. MCKINLEY (after having voted in the affirmative). I have a general pair with the junior Senator from Arkansas [Mr. CARAWAY], who is absent. I am unable to obtain a transfer of that pair, and therefore withdraw my vote.

Mr. JONES of New Mexico. I wish to announce that the Senator from Nevada [Mr. PITTMAN], to whom I transferred my pair, is absent on account of illness in his family.

Mr. MYERS (after having voted in the negative). I transfer my pair with the Senator from Connecticut [Mr. MCLEAN] to the junior Senator from Tennessee [Mr. MCKELLAR] and allow my vote to stand.

Mr. CURTIS. I wish to announce that the senior Senator from Minnesota [Mr. NELSON] is absent on account of a death in his family.

I also wish to announce the following general pairs:

The junior Senator from West Virginia [Mr. ELKINS] with the junior Senator from Mississippi [Mr. HARRISON]; and

The senior Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON].

Mr. LODGE. I wish to announce that the senior Senator from Minnesota [Mr. NELSON], whom I am informed would vote "yea," is paired with the junior Senator from Maryland [Mr. WELLER], who would vote "nay"; and that the Senator from Washington [Mr. POINDEXTER], who would vote "yea," is paired with the Senator from Vermont [Mr. PAGE], who would vote "nay."

The result was announced—yeas 26, nays 39, as follows:

YEAS—26.

Ashurst	Fletcher	McNary	Shortridge
Broussard	Gooding	Nicholson	Smoot
Bursum	Harreld	Norbeck	Stanfield
Cameron	Jones, N. Mex.	Oddie	Sterling
Capper	Kendrick	Phipps	Warren
Curtis	Ladd	Ransdell	
Ernst	McCormick	Sheppard	

NAYS—39.

Ball	Gerry	New	Stanley
Borah	Glass	Newberry	Sutherland
Brandegee	Hale	Overman	Townsend
Calder	Harris	Pepper	Trammell
Colt	Heflin	Pomerene	Underwood
Cummins	Keyes	Rawson	Wadsworth
Dial	Lenroot	Reed	Walsh, Mass.
Dillingham	Lodge	Simmons	Walsh, Mont.
Edge	Moses	Smith	Willis
Frelinghuysen	Myers	Spencer	

NOT VOTING—30.

Caraway	Johnson	McLean	Shields
Culberson	Jones, Wash.	Nelson	Swanson
du Pont	Kellogg	Norris	Watson, Ga.
Elkins	King	Owen	Watson, Ind.
Fernald	La Follette	Page	Weller
France	McCumber	Pittman	Williams
Harrison	McKellar	Poindexter	
Hitchcock	McKinley	Robinson	

So the amendment of the committee was rejected.

Mr. LODGE. Mr. President, I suppose it would be now in order to move to place on the free list the articles covered by paragraph 1427a, which reads:

Hides of cattle of the bovine species, raw or uncured, or green or pickled, 2 cents per pound; dried, 4 cents per pound.

Mr. SMOOT. Not only that one amendment but about four other changes will have to be made, three of them relating to articles which go on the free list. Then, of course, we shall take up the others when the paragraphs are reached.

Mr. LODGE. The articles embraced in this clause should be placed on the free list.

Mr. SMOOT. If the Senator will allow me, I will move the amendments in their order.

Mr. LODGE. Very well; but hides will be placed on the free list?

Mr. SMOOT. They will be placed on the free list, I will say to the Senator.

The PRESIDENT pro tempore. Under the unanimous-consent agreement the Senate now proceeds to the consideration of paragraph 1431, on page 195.

Mr. SMOOT. Mr. President——

The PRESIDENT pro tempore. The Chair desires to remind the Senator from North Dakota that under the unanimous-consent agreement whatever amendment is desired to be offered to that paragraph must now be offered.

Mr. MCCUMBER. I think the idea is to disagree to the committee amendment there.

The PRESIDENT pro tempore. The committee amendment will be stated.

The ASSISTANT SECRETARY. The committee proposes to strike out paragraph 1431, as printed in the House bill, as follows:

PAR. 1431. Chamois skins, pianoforte, pianoforte action, player-piano action leather, enameled upholstery leather, and glove leather, finished, in the white or in the crust, 20 per cent ad valorem.

And in lieu thereof to insert:

PAR. 1431. Band, bend, rough, and sole leather, 3 cents per pound and 5 per cent ad valorem; belting and harness leather, 4 cents per pound and 5 per cent ad valorem; calf and veal skins, tanned or tanned and dressed, 15 per cent ad valorem; patent, japanned, varnished or enameled leather, made of hides of cattle of the bovine species, 7½ cents per square foot and 15 per cent ad valorem; patent, japanned, varnished or enameled, not made of hides of cattle of the bovine species, 5 cents per square foot and 15 per cent ad valorem; chamois skins and glove leather, finished or unfinished, or in the white or in the crust, 20 per cent ad valorem; pianoforte, pianoforte-action, and player-piano-action leather, 20 per cent ad valorem; skins for morocco, tanned but unfinished, 5 per cent ad valorem; upper leather, finished, not specially provided for, made of hides of cattle of the bovine species, 2½ cents per square foot and 15 per cent ad valorem; all other upper leather, finished, not specially provided for, 15 per cent ad valorem; leather cut into shoe uppers, vamps, soles, or other forms suitable for conversion into manufactured articles, shall pay a duty of 5 per cent ad valorem in addition to the duty imposed by this paragraph on leather of the same character as that from which they are cut; case, bag, strap, upholstery, fancy, bookbinders', and all other leather, not specially provided for, made of hides of cattle of the bovine species, 25 per cent ad valorem; not made of hides of cattle of the bovine species, 15 per cent ad valorem; leather shoe laces, finished or unfinished, 50 cents per gross pairs and 10 per cent ad valorem; boots and shoes, made wholly or in chief value of leather made of hides of cattle of the bovine species, 12 cents per pair and 5 per cent ad valorem; all other boots and shoes, made wholly or in chief value of leather, not specially provided for, 6 cents per pair.

Mr. SMOOT. I now desire to ask unanimous consent to turn to the free list and to perfect the bill as to items on the free list. Then we shall know just exactly what action has been taken by the Senate in reference to the free list proper.

Mr. UNDERWOOD. As I understand, the purpose is that hides are to be put on the free list, as are boots and shoes?

Mr. SMOOT. Boots and shoes and two or three other items.

Mr. WALSH of Massachusetts. Does the Senator from Utah intend that all of the items in paragraph 1431 shall go on the free list?

Mr. SMOOT. No; I will say to the Senator.

Mr. LODGE. We ought to act on these various items and select those which are to be placed on the free list.

Mr. SMOOT. I do not think there will be any objection in having the articles to which I refer placed on the free list, but it makes no difference. It may be done either one way or the other.

The PRESIDENT pro tempore. Under the unanimous-consent agreement nothing can be considered at this time save paragraph 1431.

Mr. SMOOT. That is true; nothing save that paragraph may be considered except by unanimous consent. Now, Mr. President, in paragraph 1431 I ask that the committee amendment may be disagreed to. If that is done it will leave the House paragraph just as it originally was, reading as follows:

PAR. 1431. Chamois skins, pianoforte, pianoforte-action, player-piano-action leather, enameled upholstery leather, and glove leathers, finished, in the white or in the crust, 20 per cent ad valorem.

Mr. WALSH of Massachusetts. I have no objection to that.

The PRESIDENT pro tempore. The Chair will assume that the amendment printed in the bill has been offered, although the RECORD does not show that that has been done up to this time.

Mr. LODGE. It is a committee amendment?

Mr. SMOOT. It is a committee amendment, and I ask that it be disagreed to.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

Mr. WALSH of Massachusetts. If we disagree to the committee amendment the House clause will then remain?

Mr. LODGE. Yes.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment printed in the bill proposing to substitute a new paragraph for paragraph 1431.

The amendment was rejected.

Mr. SMOOT. On page 197, paragraph 1432, line 4, before the words "per centum," I ask to substitute the numeral "50" for the numeral "60." That is the paragraph covering bags, baskets, belts, satchels, cardcases, pocketbooks, and so forth.

The PRESIDENT pro tempore. The modification of the committee amendment proposed by the Senator from Utah will be stated.

The ASSISTANT SECRETARY. On page 197, line 4, before the words "per centum," it is proposed to strike out the numeral "60" and in lieu thereof to insert the numeral "50."

Mr. WALSH of Massachusetts. I should like to ask the Senator from Utah if he offers the amendment which he has proposed as a substitute for the committee amendment?

Mr. SMOOT. I desire to modify the committee amendment by the substitute which I have stated, proposing, on page 197, line 4, before the words "per centum," to strike out the numeral "60" and to insert in lieu thereof the numeral "50."

Mr. WALSH of Massachusetts. Then, I move, on page 197, line 1, to amend the committee amendment by striking out the numeral "40" and inserting in lieu thereof the numeral "35."

The PRESIDENT pro tempore. The amendment proposed by the Senator from Massachusetts is not now in order. The Chair desires to remind the Senator from Utah that there is no provision for 60 per cent in the paragraph to which he refers. The provision of the House bill is for 30 per cent, and that is the provision upon which the Senate is now acting.

Mr. SMOOT. Mr. President, of course——

Mr. WALSH of Massachusetts. I rise to a point of order.

The PRESIDENT pro tempore. The Senator from Massachusetts will state his point of order.

Mr. WALSH of Massachusetts. I understood the Senator from Utah to offer a substitute for the amendment of the committee in line 4, on page 197.

Mr. SMOOT. That is true.

Mr. WALSH of Massachusetts. So that the committee amendment——

The PRESIDENT pro tempore. The committee amendment is not before the Senate; it has never been offered, and has not as yet been acted upon by the Senate.

Mr. WALSH of Massachusetts. We have been proceeding in this manner heretofore.

The PRESIDENT pro tempore. The Chair overrules the point of order.

Mr. WALSH of Massachusetts. The committee have been substituting amendments for the committee amendments as originally reported.

Mr. SMOOT. There are two other amendments in that paragraph.

The first amendment in paragraph 1432 is on page 196, line 23, to insert the words "not jewelry." Is there any objection to that?

Mr. WALSH of Massachusetts. None at all.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. SMOOT. Then, on page 196, at the beginning of line 24, the next committee amendment is to strike out the words "not jewelry."

The PRESIDENT pro tempore. The next committee amendment will be stated.

The next amendment of the Committee on Finance was, on page 196, at the beginning of line 24, to strike out the words "not jewelry."

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDENT pro tempore. The next committee amendment will be stated.

The ASSISTANT SECRETARY. On page 197, line 1, before the words "per cent," the Committee on Finance propose to strike out the numeral "25" and to insert the numeral "40."

Mr. WALSH of Massachusetts. Now I move to amend the committee amendment by inserting the numeral "30" instead of "40" on line 1, page 197.

Mr. SMOOT. On that I ask for the yeas and nays.

Mr. WALSH of Massachusetts. I should like to address the Senate very briefly on my amendment to the committee amendment.

Mr. McCUMBER. Of course, the question is open to discussion before a vote is taken. The committee has had no opportunity to go into the question of just what the rate should be, in view of the fact that hides have been placed on the free list. Of course, that will necessarily carry with it the leather which would properly, for the most part, go upon the free list, and, inasmuch as the 40 per cent rate was based upon the assumption that the leather would be dutiable, and the Senator from Massachusetts has moved to reduce it, as I understand, to 30 per cent——

Mr. WALSH of Massachusetts. That is my motion.

Mr. McCUMBER. I think that should be done, and, without speaking for the committee, I should vote for that reduction.

Mr. WALSH of Massachusetts. Then probably we can dispose of the amendment immediately by a viva voce vote.

Mr. McCUMBER. Certainly.

Mr. JONES of Washington. Mr. President, I understand the House bill was framed on the theory that hides would be on the free list. As I understand, the committee has not considered what the effect would be upon these rates under the amendment which we have just adopted putting hides on the free list. Why should we not go back to the House rates in view of the circumstances?

Mr. McCUMBER. Mr. President, the House rates are based upon the American valuation at the time they were imposed. In this instance the House rate would be higher than the 40 per cent rate proposed on the foreign valuation.

Mr. SMOOT. It would be 40 per cent.

Mr. McCUMBER. It would be equivalent at least to 40 per cent, and I think a little more on some articles. I think the 40 per cent should be reduced to 30 per cent.

Mr. SMOOT. I agree with the Senator from North Dakota.

Mr. WALSH of Massachusetts. Then we can dispose of the matter by a viva voce vote.

The PRESIDENT pro tempore. The question is on the amendment proposed by the Senator from Massachusetts to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. SMOOT. Mr. President, I desire to substitute the numerals "45" for the numerals "60," in line 4, page 197.

Mr. WALSH of Massachusetts. I think the committee ought to make the rate "40"; I was going to move to make it "35."

Mr. SMOOT. I will remind the Senator that the duty proposed is on fancy articles, such as bags fitted with traveling,

bottle, drinking, dining or luncheon, sewing, manicure, or similar sets.

Mr. WALSH of Massachusetts. They are largely luxuries.

Mr. SMOOT. Absolutely; and they ought to pay 45 per cent.

Mr. WALSH of Massachusetts. I will not contest the question.

SEVERAL SENATORS. Vote!

Mr. SMOOT. Mr. President, there is one amendment in the paragraph before the amendment in line 4. I refer to the amendment striking out the word "and" in line 3.

Mr. FLETCHER. And substituting the word "or."

The PRESIDENT pro tempore. The amendment will be stated.

The ASSISTANT SECRETARY. On page 197, line 3, after the word "manicure," it is proposed to strike out the word "and" and to insert the word "or."

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SMOOT. Now, Mr. President, I move to modify the committee amendment in line 4 by striking out "60" and inserting "45."

The PRESIDENT pro tempore. The amendment as proposed to modify will be stated.

The ASSISTANT SECRETARY. On page 197, line 4, before the words "per centum," it is proposed to strike out "80" and insert "45," so as to read:

any of the foregoing permanently fitted and furnished with traveling, bottle, drinking, dining or luncheon, sewing, manicure or similar sets, 45 per cent ad valorem.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment as modified at the request of the Senator from Utah.

The amendment as modified was agreed to.

The PRESIDENT pro tempore. The next amendment will be stated.

The ASSISTANT SECRETARY. The next amendment is in paragraph 1433, relating to gloves made wholly or in chief value of leather——

Mr. WILLIS. Mr. President, I recognize the requirements of the unanimous-consent agreement, but I call attention to the fact that the Senator from North Dakota [Mr. LADD], who has an amendment to offer to this paragraph, has just been called from the Chamber. He will return as soon as he can within the next few minutes.

Mr. SMOOT. I think there will be discussion on this paragraph, so that he will have ample time to return.

Mr. WILLIS. I merely make the suggestion in order that the rights of the Senator from North Dakota may not be foreclosed.

Mr. FLETCHER. Mr. President, on this subject, pending the offering of the amendment by the Senator from North Dakota, I have a communication—and I presume nearly every Senator has received a copy of it, or a similar communication—which I wish to submit. Of course, we have very largely to depend upon others for our facts in connection with this bill. I am not personally acquainted with the facts, and I do not know how accurate the statement is, but it is a statement made by those engaged in the business. The communication is dated August 2, 1922, and the writer says:

THE ASSOCIATION OF GLOVE IMPORTERS,
New York, August 2, 1922.

Hon. DUNCAN U. FLETCHER,
United States Senate, Washington, D. C.

DEAR SIR: I would ask your attention to the inclosed reprint of recent article and of an editorial published in the Journal of Commerce and Commercial Bulletin, of New York, both relating to the proposed rates on women's leather gloves as provided for in paragraph 1433 of the pending tariff bill. The article was prepared by the president of this association, Mr. Thomas R. Lewis.

This article shows clearly, and with respect to evidence submitted to the Committee on Finance of the Senate (referred to on page 4 of the inclosed reprint), that the proposed duties would be prohibitive as to the importation of women's lightweight leather gloves made of leather which has been dyed by the process of brushing, and that such gloves can not be manufactured successfully in the United States.

The result of the adoption of the committee rates would be that the women of the United States would be unable to obtain the lightweight leather gloves which to them are articles of apparel positively necessary for certain seasons and occasions. They would be compelled to use the heavier gloves made of leather which has been dyed by the process of dipping, instead of the lighter gloves made of brushed leather to which they have become accustomed and which are the only gloves suited to their needs at the seasons and occasions referred to.

It is certain that to adopt the committee rates and compel the American women to buy an article they do not want and at the same time pay much higher prices for it would bring intense resentment and strong persistent protest from the women who buy gloves. It has never been considered that the principle of protection to American industry calls for prohibition of the importation of articles that can not be produced in the United States and wherein consequently there is no American industry to protect. The object of such prohibitive duties could only be to drive the American people into the use of some other and less desirable substitute. I would respectfully submit that such a proceeding would be an abuse and distortion of the principle of protection, and that the infliction of such an injury upon the American women at this time, when they are demanding lower prices, would go far toward discrediting and breaking down the doctrine of protection.

Yours very truly,

A. J. F. GOESSLING, *Secretary.*

I submit a brief upon this subject, which is not very lengthy, and ask that it be also printed in the RECORD.

I shall not take the time now to discuss the matter further, except to call attention to the imports and exports as showing the state of the industry.

In the Summary of Tariff Information it is stated that—

Leather gloves may be dress gloves, work gloves, or automobile gloves—now almost an independent branch of the industry. Work gloves are "block-cut" with dies of approximate measurements; dress gloves are "table-cut"—that is, the skin is manipulated to the sizes that will stretch to desired widths when drawn on the hand. The dress gloves made here are "broad-cut"; the imports, principally in the lighter weight, fit more exactly. Most dress gloves were formerly made of imported sheep and lamb skins but are now made principally from domestic raw materials. Mocha skins, extensively used, are practically all dressed and finished here. Work gloves are from domestic materials—cowhide, horsehide, and sheepskin, or of canvas or canton flannel reinforced with leather.

Schmaschen gloves are cheap dress gloves made of the skins of stillborn—or sometimes of very young—lambs.

The production in this country of leather gloves and mittens in 1914 is given as 3,082,376 dozen pairs, valued at $20,296,558. Without giving all the figures, in 1919 the total number of dress gloves, street gloves, mittens, and gauntlets was 1,227,284 dozen pairs, valued at $24,563,017; of working gloves, 2,388,419 dozen pairs, valued at $20,268,760. The number of all leather gloves produced was 3,615,703 dozen pairs, worth $44,831,777.

As to imports—

In 1914 about $8,000,000 of a total of $9,000,000 value came from Germany and France. Of the men's gloves imported in the years 1919 and 1920, England sent amounts valued at $104,754 and $485,122, respectively. During the war period imports of women's and children's schmaschen gloves decreased. In 1918 none was received from Germany and Belgium and but small quantities from France and Italy. In 1920, however, Germany sent gloves to the value of $170,890, which was a large proportion of the total. Imports of women's and children's gloves, not schmaschen, less than 14 inches in length, came largely from France. In 1920 the United States imported a value of $8,796,004 from that country, $1,615,900 from Germany, $1,061,374 from Italy, over $750,000 from Belgium, and almost the same amount from England.

The imports are given here, showing that they are not very important as compared with our domestic production.

In my judgment, those duties are entirely too high, if any duties at all should be imposed. I am inclined to think that these gloves ought to go on the free list.

I shall not take up time in discussing the matter any further. Have I permission to have this brief inserted, Mr. President?

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

[Reprinted from the Journal of Commerce and Commercial Bulletin of New York, May 8, 1922.]

PROHIBITIVE TARIFF ON MANY CLASSES OF GLOVES—WOMEN'S AND CHILDREN'S LEATHER GLOVES CAN NOT BE MANUFACTURED IN THE UNITED STATES.

(By Thomas R. Lewis, president of the Association of Glove Importers of the United States.)

The tariff bill (H. R. 7456), as reported to the United States Senate by the Committee on Finance, provides for rates of duty on leather gloves which are as follows:

Men's gloves, not over 12 inches in length, $5 per dozen pairs.

Women's and children's gloves, not over 12 inches in length, $4 per dozen pairs.

For each inch in length in excess thereof, 50 cents per dozen pairs.

In addition thereto, on all the foregoing the following cumulative duties:

When lined with cotton, wool, or silk, $2.40 per dozen pairs.

When lined with leather or fur, $4 per dozen pairs.

When embroidered or embellished, 40 cents per dozen pairs.

Provided, that all the foregoing shall pay a duty of not less than 60 nor more than 70 per cent ad valorem.

Thomas R. Lewis, president of the Association of Glove Importers of the United States, says:

"The domestic manufacturers of leather gloves are chiefly located in Gloversville and neighboring towns in Fulton County, N. Y. They supply practically all of the heavy working gloves and from 85 to 90 per cent of the men's leather gloves sold in the United States, and also command the market in about the same proportion in women's and children's leather gloves made of leather which has been dyed by the process of dipping or plunging. These are known as Cape and Mocha gloves and are well distinguished in the trade from the women's gloves made from the lighter and more delicate skins, which can be dyed only by the process of brushing.

"Women's and children's light-weight leather or kid gloves can not be successfully manufactured in this country, and the greatest fault of the above provisions in the pending tariff bill as reported to the Senate is that they will establish practically an absolute embargo upon the importation of gloves that women in moderate circumstances all over the country find it necessary to have and which can not be produced here. Unless these provisions are amended the result will be that women and children will be compelled to use heavier and less suitable leather gloves, at much higher prices, in place of the imported

light-weight kid gloves which they have been accustomed to wear for certain seasons and circumstances, because of the greater delicacy of texture, style, and finish of these light-weight gloves.

"The lightweight kid gloves are necessities for women and children, and this was recognized at the time of the enactment of the war revenue act of 1918, when, notwithstanding the extraordinary need for revenue, which led to taxes on sales of luxuries wherever possible, no such luxury tax was put on women's kid gloves. The present need for revenue from tariff duties has been sacrificed in the matter of gloves for the purpose of forcing the women of the United States to go without the lightweight kid gloves heretofore imported from France and other countries and to pay tribute to a few manufacturers in one county of one State.

IMPOSSIBILITY OF MANUFACTURING HERE THE LIGHTWEIGHT KID GLOVES FOR WOMEN.

"These few manufacturers have had the benefit of high protective duties continually for many years, and during the war were favored by conditions which curtailed the importation of women's kid gloves, but they have completely failed to manufacture the lightweight leather gloves of the style and finish that American women insist upon wearing, and it is thoroughly well known in the glove trade that such gloves can not be made in this country, and that this fact has been conclusively established by the unsuccessful outcome of a number of attempts.

"V. Perrin & Co., the largest manufacturers of leather gloves in the world, with factories in France, Canada, and the United States, and with a large production in the United States of women's gloves made of leather dyed by dipping, have not been able to produce here any appreciable quantity of women's gloves made of the lighter leather dyed by brushing, even when importations from France were impossible because of war conditions. The well-known wholesale dry goods company, Mills & Gibb, established a factory in Fulton County, N. Y., during the war for the purpose of making women's lightweight kid gloves, and after a large expenditure of money were obliged to discontinue the attempt because the product could not be made satisfactorily. Testimony of these facts was submitted to the members of the Senate Finance Committee at Washington.

WHY THEY ARE MADE SUCCESSFULLY ABROAD.

"Such gloves are made successfully in certain foreign countries, France especially, because the lightweight skins have been obtainable there for many generations and greater skill and care have been developed in the labor of dyeing and handling the skins and making the gloves. In France all the work incident to the making of women's kid gloves is the result of the experience of a great many years. The industry is for the most part a village industry, carried on largely by the same families generation after generation, a great deal of the work being done in the homes of the people.

"Years of such training are required before the most careful labor can acquire the skill necessary for making lightweight gloves. Our labor in the United States has never developed the patience and skill necessary to make such gloves. In fact, skilled artisans have been brought into this country from France at various times to make from imported skins the same sort of gloves they made in their native country, but the result has been that, away from the habits and customs of their native villages, they could not maintain their former skill and and care and could not make gloves of the desired quality here because of lack of collaboration by different allied operators, such as exist only in centers where the industry originated and where it constitutes the livelihood of a large percentage of the inhabitants.

FRANCE IN NEED OF AMERICAN PRODUCTS.

"In a great many States in our country factories and workers are in complete or partial idleness because there is not a sufficient demand for the machinery or other articles which they produce. France needs and would buy a great deal more of such articles if she could only pay for them, but France can only pay for goods produced here by sending to us certain goods produced there. If our tariff law prohibits the importation from France of gloves for women such as can not be produced here, it is not protection to a competing American industry, which does not exist, nor to American labor, which is not now employed in such industry.

"Prohibiting the importation of women's lightweight leather gloves is beyond anything like protection. It is simply giving a license to Mr. Littauer and his favored friends to make the women in all parts of the United States pay enormously higher prices for gloves of heavier texture. It will make these favorites of the legal embargo very much richer, and all this will be paid for by the millions of women who now find it very difficult to provide themselves and their children with necessities, and by the hard-pressed workers in the many factories which ought to sell more of their products to France, and would do so if they could get fair play.

THE HIGHER PRICES THAT AMERICAN WOMEN MUST PAY.

"If the Littauer glove rates are enacted, the women's kid glove known as P. K. 2-clasp, now retailing at $3.50 per pair, must be advanced in price not less than $1.25 per pair. The existing rate of duty is $2.25 per dozen. The Littauer duty would be $10.27 per dozen, or almost five times the present duty, and the increase in the duty over the present rate would be 356 per cent.

"Similarly, the women's 16-button mousquetaire glove, now retailing at $6 per pair, must be advanced in price by $2.50 per pair, and hence be sold at retail for $8.50 per pair. The existing rate of duty is $4.50 per dozen. The Littauer duty would be $19.53 per dozen, an increase over the present rate of 334 per cent.

"It is well known that women will not and can not pay such high prices for gloves, and the sale of the imported gloves will be practically prohibited. This is Mr. Littauer's purpose. He and the other manufacturers will then advance the prices of their gloves to the limit. The effect of this upon the public mind when it happens can be well understood in advance. This outrageous imposition for Mr. Littauer's advantage is to be perpetrated upon the millions of women buyers at a time when they need and are urgently asking for lower prices for gloves, and when all the women have votes in addition to the votes of the men folks of their households, who are also demanding that the cost of living be brought down.

AD VALOREM DUTIES ON GLOVES ARE IMPRACTICABLE.

"The Littauer duties as written into the pending bill, quoted above, contain a provision that the gloves as designated shall pay a duty of not less than 60 nor more than 70 per cent ad valorem. This provision is the joker, and in addition to the lack of a reasonable classification permitting the importation of the brushed leather (light weight) kid gloves will make the Littauer schedule most completely prohibitive and establish the domestic monopoly sought. Moreover, it will place the glove schedule again on an ad valorem basis rather than a specific basis. This will bring serious administrative difficulties. The Government, in addition to the loss of revenue through the prohibition of importations, will have to contend with expensive disputes about values.

"Ad valorem duties on leather gloves were tried out thoroughly a number of years ago and found to be entirely impracticable. Since the leather in the gloves is a natural product that is constantly varying and fluctuating in quality and value, it is not possible to closely and fairly determine the actual value of the gloves. The efforts to collect ad valorem duties resulted in so much confusion and difficulty, with expensive and vexatious litigation, that the appraisers and collectors of customs about 25 years ago demanded that the duties be changed from ad valorem to specific rates. This was done, and specific rates have prevailed ever since under the Dingley and Payne-Aldrich tariffs, as well as under the existing tariff law, and have been entirely successful.

"I believe I can say without fear of contradiction that when the leather-glove duties were under consideration by the Senate Finance Committee it developed that practically all the members of that committee, as well as the Treasury experts and customs appraisers who were assisting the committee, were convinced that it would be entirely impracticable to apply ad valorem duties to leather gloves.

"In this matter of leather gloves, of which I am speaking, there is no opposition on our part to duties which shall be fully protective to the established American industry. What we are contending against is an indefensible abuse that is sought to be committed in the name of a protective tariff, and which, if it should be consummated, would discredit and injure the protective system and the great political party that champions it.

"In this paragraph on leather gloves, ad valorem duties should be stricken out and specific rates imposed. An amendment has been proposed providing for rates on men's gloves, and women's and children's gloves made of leather dyed by the process of dipping or plunging, protecting the American manufacturer in a far greater measure than in the Payne-Aldrich tariff, known to be the highest in the history of our country. A separate rate has been proposed for women's and children's gloves that can not be produced here, so that it will be possible for the lightweight kid gloves to come into this country, thereby yielding revenue for the United States Treasury. The public welfare calls for such an amendment, which has been introduced in the Senate by Senator LADD, of North Dakota, a prominent and very able Republican, who is a leading advocate of a protective tariff that will be just and well balanced."

—

[Editorial reprinted from the Journal of Commerce and Commercial Bulletin of New York, May 12, 1922.]

TARIFF JOKERS—No. 5.

The tariff bill (H. R. 7456), as reported to the United States Senate by the Committee on Finance, provides for rates of duty on leather gloves which are as follows:

Men's gloves, not over 12 inches in length, $5 per dozen pairs.

Women's and children's gloves, not over 12 inches in length, $4 per dozen pairs.

For each inch in length in excess thereof, 50 cents per dozen pairs.

In addition thereto, on all the foregoing, the following cumulative duties:

When lined with cotton, wool, or silk, $2.40 per dozen pairs.

When lined with leather or fur, $4 per dozen pairs.

When embroidered or embellished, 40 cents per dozen pairs.

Provided that all the foregoing shall pay a duty of not less than 60 nor more than 70 per cent ad valorem.

In this paragraph, which has formed a bone of contention for years past, there now reappears an old, familiar friend. This is found in the final clause respecting an ad valorem rate to be charged upon "all the foregoing." The joker quality of it lies in the fact that inasmuch as it applies to all gloves, including those that are competitive and those that can not be produced at all in this country and are not classified in such a way as to permit proper grouping, it provides a prohibitive tariff rate. The increase in rate, if made effective, is reckoned by experts as about 334 per cent over existing levels.

It was the glove schedule which turned the stomach of President Taft just at the last moment when the conference committee was in final session over the Payne-Aldrich tariff in 1909. He sent back—so it was then asserted—the projected duties which contained a joker of this same sort for revision, with a stern message which portended a veto if the offending provision were not modified. Will President Harding do likewise if this joker holds its own up to the last?

Mr. CALDER. Mr. President, do I understand that we are now considering paragraph 1433?

The PRESIDENT pro tempore. The Senate is now considering paragraph 1433.

Mr. CALDER. I submit an amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The Secretary will state the amendment offered by the Senator from New York.

The ASSISTANT SECRETARY. At the end of the paragraph it is proposed to insert——

Mr. CALDER. Mr. President, I send that amendment to the desk to be read. I will offer it after the other amendments are acted on.

The ASSISTANT SECRETARY. At the end of paragraph 1433 it is proposed to insert the following:

Gloves made wholly or in chief value of leather made from horsehides, pigskins, and cattle hides of cattle of the bovine species, excepting calfskins, whether partly or wholly manufactured, 25 per cent ad valorem.

Mr. McCUMBER. Mr. President, the Senator has suggested waiting until we pass upon the other amendments; but inasmuch as the rule which provides that by unanimous consent the committee amendments shall be first considered has been suspended by this unanimous-consent agreement, I can see no rea-

son why the Senator can not immediately offer that amendment and have it considered and voted on now.

Mr. CALDER. Very well, Mr. President. I offer the amendment which has just been read.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from New York.

Mr. WADSWORTH. Let it be stated.

Mr. CALDER. Mr. President, may I make an explanation of its provisions, after which it can be stated again?

Mr. WALSH of Massachusetts. I think the Senator ought to give some explanation of the amendment.

Mr. CALDER. Mr. President, the House bill would carry a rate of 38½ per cent on these working gloves. The Senate Finance Committee determined that that rate would be too high, and for that reason I have offered this amendment.

These gloves are work gloves. We manufacture practically all of them here. Not very many are imported. The record, however, shows that in 1918 $1,500,000 worth were imported. Since then the imports have been negligible.

Mr. McCUMBER. Mr. President, I notice that the glove which the Senator has in his hand is the ordinary workmen's glove, used upon the farm and used generally by laborers.

Mr. CALDER. Yes.

Mr. McCUMBER. I will ask the Senator whether that is not practically the only workmen's glove that is made in the United States for workmen? In other words, they are not made out of cowhide?

Mr. CALDER. No.

Mr. McCUMBER. And they are not made out of any hide other than that which is specified in the Senator's amendment?

Mr. CALDER. That is correct. I may say that workmen's gloves made of leather of this character are worn generally in the United States and Canada and in no other country. There is a Canadian duty of 45 per cent against them. They are made in Canada as well as here, and the committee believes that 25 per cent would be ample protection for them.

Mr. REED. Mr. President, if these gloves are used by workmen, and if there are very few imported, and if we are furnishing free skins and free hides, why should they not be put on the free list, instead of bearing a 25 per cent duty?

Mr. McCUMBER. Mr. President, they are not made out of hides of cattle. They are not made out of hides which are placed upon the free list.

Mr. REED. What is the duty on the hides that they are made out of? I can not tell; I can not see the gloves from here.

Mr. SMOOT. Mr. President, glove leather is dutiable at 20 per cent ad valorem. I do not know whether it is this leather or not, though.

Mr. WADSWORTH. Glove leather bears a duty of 20 per cent ad valorem.

Mr. CALDER. These gloves are made from horsehides, pigskins, and cattle hides of cattle of the bovine species.

Mr. REED. Are we not putting those hides on the free list? Do we not propose to put them on the free list?

Mr. CALDER. Yes.

Mr. REED. Very well. Then the Senator from North Dakota was mistaken.

Mr. CALDER. I am under the impression that these skins are on the free list.

Mr. President, as I said a moment ago, these gloves are worn in this country and in Canada. They are not used to any great extent outside of North America. People in Europe do not use gloves at their work. The manufacture of these gloves here is very large. Canada has a duty of 45 per cent against our gloves coming into their country; and it seemed to the committee that at least, with that condition prevailing, we should have a duty here of 25 per cent.

It is true that not very many of these gloves have come in from Europe, hardly worth keeping a record of; but they can come in.

Mr. REED. If I understand the Senator correctly, Canada has a 45 per cent duty on these gloves.

Mr. CALDER. Yes.

Mr. REED. Because Canada has a 45 per cent duty against our gloves being shipped there, what reason is that for our putting a duty of 25 per cent on gloves of the same character being shipped in here? I can not get the logic of that. If we are able to make these gloves and ship them to Canada in competition with the world, in competition with the Canadian manufacturers, so that they feel it necessary to put a 45 per cent duty on them to protect the Canadian industry against our manufacturers, that is pretty nearly conclusive evidence that our manufacturers need no duty at all.

Mr. CALDER. I will say to the Senator that there is no record that we ship any into Canada.

Mr. REED. They may not be shipped into Canada.

Mr. CALDER. It is a fact, too, I will say to the Senator, that these gloves are not generally worn except in Canada and in our own country.

Mr. REED. Very well. I do not care where they are worn. The point I am making is this:

The Canadian statesmen have thought that we could make these gloves and ship them into Canada, where they are worn; and in order to protect their own manufacturers against American competition, against competition with the outside world, they put on a 45 per cent duty. If that argues anything, it is that we can make these gloves, and we can send them to Canada, and we can compete with the Canadian manufacturers, unless they put on a heavy duty to keep us out. That is a very sound argument against the necessity of any duty at all in this country.

The Senator says that these gloves are worn by workmen, and he corrects the statement of the Senator from North Dakota that none of the hides out of which they are made are on the free list, because a large part of them are made from the hides of cattle; so we put the hides on the free list for these gentlemen. They are already able to compete in Canada with the Canadian manufacturers. Why should we now impose a 25 per cent duty when every penny of it would have to be paid by the American laborer who wears these workmen's gloves? I protest against it. I say they should go on the free list, just the same as it is understood we are going to put shoes on the free list. Let us have something that somebody who works with his hands can get without paying a tax to benefit some manufacturer who is already able to compete in Canada to such an extent that they require a 45 per cent duty up there to protect them against that competition.

Mr. CALDER. The record does not show that any of these gloves are sent to Canada. The committee thought that the imposition of a duty of 45 per cent against us by Canada prevented their exportation into Canada.

Mr. REED. Does not the Senator understand that if that duty were taken off we would be able to send those gloves to Canada and compete?

Mr. CALDER. Undoubtedly.

Mr. REED. Then there is no use quibbling about whether they have been sent in or not. If we are able to ship them to Canada and sell them there without any protection, why should we not sell them in the United States without any protection?

Mr. CALDER. Mr. President, the Senator knows that with the cheap labor of Europe and the fact that large quantities of gloves come over from Europe it would be perfectly simple for the European glove manufacturer to begin the manufacture of these gloves in Europe and dump them all here. It seemed to the committee and seemed to me that 25 per cent was a moderate rate, and one to which the manufacturing interests of our country are entitled.

Mr. REED. The Senator has just said they do not make them in Europe. Now he says they may make them in Europe.

Mr. CALDER. I did not say that; I said they did not wear them in Europe.

Mr. REED. They do not make them in Europe, and the imports are negligible. Now the Senator wants a 25 per cent duty to protect an American manufacturer so that he can mulct the American laborer on these gloves to the extent of 25 per cent. At the same time, he tells us that the American manufacturer could sell them in Canada, in competition, of course, with the Canadian manufacturer and with the outside manufacturer, if it were not for a 45 per cent duty. In other words, we are asked to tax the American laboring man on his gloves; for the benefit of whom? Plainly, for the benefit of the glove manufacturer and nobody else. It seems to me that it is about time we took some of the burdens off of the people who toil. It is understood we are going to take the duty off shoes. Why put a duty on a thing a man wears on his hands made out of leather, and put the thing he wears on his feet, which is made out of leather, on the free list? Let us give our American workingmen, who have to have these gloves to protect their hands in the winter season, a glove that is untaxed. Why put on a duty of 25 per cent for the benefit of the manufacturer, which, when it gets around to the workingman, will increase the cost of his glove at least 40 or 50 per cent?

Mr. NICHOLSON. Mr. President, in regard to the character of gloves the Senator from New York has been discussing, I want to inquire whether they are made from leather

produced from the hides which have been placed upon the free list?

Mr. REED. Partly.

Mr. NICHOLSON. And the Senator from New York voted to put hides on the free list, did he not?

Mr. CALDER. I did.

Mr. NICHOLSON. How can he justify asking for a tax on gloves made from hides which he voted to place on the free list?

Mr. GOODING. Mr. President, I believe it is definitely understood that shoes are going to be put on the free list, as are harness, which the farmer uses, of course. I understand that is going to be done, and I think it should be done. But I believe it would be a very serious mistake to put gloves on the free list.

The shoe and glove industries in this country occupy entirely different positions. I think it can be said that the shoe industry has been developed up to a higher standard than it has been in any other country. I venture the assertion that within two years the shoe manufacturers of this country will come to Congress on their knees begging for protection. The glove industry, to my mind, is, as I said before, in an entirely different position, and if we put gloves on the free list it would destroy the industry. I do not believe it could exist. I do not care whether gloves are made out of cowhide or what they are made out of, I think we must save that industry, or we will only increase the unemployment in America. I hope Senators on this side who believe in protection will stand by this industry, which needs protection.

Mr. McCUMBER. Mr. President, I want to ask the Senator from New York [Mr. CALDER] a question. The question I asked him a short time ago, observing that he had in his hands several different makes of gloves, none of which were cowhide and all of which were workingmen's or workingwomen's gloves, was whether or not cowhide was used in the manufacture of any of those workingmen's gloves. The Senator spoke, possibly without due consideration, and said "no," as I understood him. A little further investigation into the matter, however, discloses the fact that there are more gloves made in the United States out of cattle hide than out of any of the other hides. Inasmuch as the hides of the kind which the Senator has presented to us are on the dutiable list, bearing 20 per cent ad valorem, I would dislike to say that we will levy a duty of 20 per cent ad valorem upon the raw material without giving any compensatory duty upon the manufactured glove itself.

But inasmuch as the Senator himself has taken the position that there ought to be no duty, either upon the hides or upon leather, I assumed, naturally, that he would take the position that there should be no duty upon the gloves manufactured from that leather, and I suggest to him that he divide his amendment in two parts, at least, so that he may ask the compensatory duty of 25 per cent on those gloves made of pigskin, horse skin, and buckskin, of the working-glove variety, and cut out cattle-hide gloves. I think we can all vote for the amendment then, and we can allow these people who want to make shoes and who want to make gloves out of cowhide, and want everything free, to have it just as they want it, both for the shoes and for the gloves.

Mr. CALDER. Mr. President, I will withdraw this amendment temporarily until I can find out just what is the proportion of these gloves made of cattle hide.

Mr. McCUMBER. I call the Senator's attention to page 1173 of the Summary of Tariff Information, which will give him that information.

Mr. WALSH of Massachusetts. Mr. President, there is just one way to make progress, if we want to dispose of this schedule to-night, and that is to take up the committee amendments to this paragraph in their order and then consider amendments from the floor. I intend now to discuss the whole paragraph and to do so as briefly as possible.

Mr. President, paragraph 1433 provides the rates on leather gloves. Let us consider the rates and their probable effect. An examination of this part of the bill shows that the rates have been increased to a point never before reached in the history of American tariff laws, and when we make such a statement it is worthy of attention, because this is a class of articles which has certainly not been slighted in the distribution of tariff favors.

Generous ad valorem rates on leather gloves were provided by tariff laws previous to 1890, but the McKinley bill passed in that year marks the beginning of even higher protection to the leather glove industry. Even previous to 1890 the glove manufacturers could not claim that theirs was a neglected industry, so far as the tariff was concerned, because we find that as far back as 1842 the tariff law divided leather gloves into five different classes and levied specific rates of duty ranging from 50 cents to $1.25 per dozen pairs. By the McKinley law a combination of specific and ad valorem rates were levied. The duty on men's gloves was $1 per dozen pairs plus 50 per cent ad valorem and the duties on women's and children's gloves were $1.75 to $3.25 per dozen pairs plus 50 per cent ad valorem. Additional specific duties were placed on lined gloves, on embroidered gloves, and on gloves sewed with various fancy seams.

It is not my purpose to enter upon an exhaustive discussion of the tariff history of leather gloves. I may summarize that history by saying that the tendency of these rates has been continually upward, with the exception of the Underwood tariff.

Under the Dingley Act of 1897 the basic rate on women's sheep and lamb skin gloves was $2.50 per dozen pairs and on women's kid gloves $3 per dozen pairs. The basic rate on men's gloves was $4 per dozen pairs. These rates were increased by extra duties on lined gloves, on embroidered gloves, and on gloves sewed with various fancy seams.

The rates imposed by the Payne-Aldrich Act were practically the same as those under the Dingley Act. The Underwood rates were substantially lower than these. Under that law the basic rate on women's gloves was $2 and on men's gloves $2.50. The extra duties also were less than those of the Payne-Aldrich law. Now the present bill proposes to carry the protection to a higher point than ever before enjoyed by the industry.

Upon what theory, Mr. President, can the advocates of such a measure justify the continual advance of rates? Here we have an industry which was established in this country at a very early date and which has been continually growing and taking advantage of one of the best markets for gloves, if not the best, in the world, and yet they ask for protection which only the most ardent Hamiltonian could justify for the weakest of struggling infant industries.

The proviso in this paragraph practically makes the rate not less than 60 per cent and not more than 70 per cent ad valorem. Turning to the statistics in regard to pre-war importations, we find that the average rate collected on imports of leather gloves was about 45 per cent (equivalent ad valorem rate). It is true that during the war the price of gloves increased to such an extent that the ad valorem rate collected on gloves fell to 11 per cent in 1918. Since that time the price of gloves has gone down so that the equivalent ad valorem rate has increased slightly.

Mr. President, instead of returning to the pre-war rates, however, the framers of this bill propose to carry the rates upward from the rate of 12.41 per cent, which the Tariff Commission's report shows was collected in the calendar year 1921, to a minimum of 60 per cent.

If any such increase can possibly be justified, extraordinary conditions must be shown to exist. Do we find any such state of affairs? The average value of imports for consumption prior to 1914 was between $7,000,000 and $8,000,000, the number of dozen pairs averaging about 1,200,000. In no year since the close of the war has the quantity of imports been as great as the pre-war average. In 1921, 911,238 dozen pairs were imported. This is the largest quantity imported in any year since the war. If we should use only the figures for value of imports, the situation might seem to be alarming for the domestic producer, as the value in 1920 was approximately $14,000,000 and in 1921 it was $15,000,000, but when we put these figures beside the quantity of imports we see that the situation can not be serious.

We have heard a great deal about the ruin which threatens the glove industry of this country because of the importation of the French and German gloves at the low rates of exchange. This fails to materialize when we consider the figures that have just been quoted. The value per dozen pairs of leather gloves imported in 1920 was $15.82 and in 1922, $14.36, whereas the average value per dozen pairs before the war was about $6.50. Does this look like ruinous competition for the American manufacturers? Less gloves imported than before the war and the value more than twice as great!

The ratio of imports to production in 1914 was 46 per cent based on value and 47 per cent based on quantity. In 1919 it was only 10 per cent based on value and 11 per cent based on quantity. The value of the domestic output increased from $20,296,558 in 1914 to $44,831,177 in 1919 and the number of dozen pairs from 3,082,316 to 3,615,703 in the same period. The rate of increase in the production of dress gloves and that of working gloves was about the same.

Mr. President, we have heard a great deal of complaint about the paralyzed condition of the leather glove industry in Fulton County, N. Y., but we have likewise heard reports of stagnation of industry in many lines and many places through-

out the country, and we have no proof whatever that conditions have been worse in that locality or that industry than they have been elsewhere.

We have reports to the effect that the domestic glove manufacturers have more business in sight than at any time for many months past, and we may safely conclude that this industry has not been any more seriously affected by the industrial depression than any other industry, and that, in common with others, it is now improving.

What the proposed rates of duty would do to the wholesale and retail trade in gloves is very graphically described in a circular which has been distributed throughout the country by the Association of Glove Importers of the United States. This circular is entitled "Glove Prohibition."

The glove industry of this country is more highly localized than almost any other American industry. In 1919 the State of New York produced about $26,000,000 worth of the leather gloves out of a total production of about $45,000,000. Fulton County, N. Y., is the center of the industry, and the cities of Gloversville and Johnstown are of particular importance.

The figures for local production in 1919 are not available, but in 1909 Fulton County, N. Y., produced about 55 per cent of the valuation of the total output of the United States.

Protective tariff rates on a commodity made within such narrow geographical limits affords a wonderfully instructive example of protection of the few at the expense of the public at large.

Importations of gloves are almost altogether of women's and children's dress gloves. The producers of men's gloves, both the working and dress varieties, have the domestic market almost entirely to themselves. In 1914 the domestic manufacturers produced 81 per cent, on the basis of value, of the women's and children's dress gloves used in this country. In 1919 much more than one-half, on the basis of value, of the women's and children's gloves worn in this country were produced here. This in spite of the claims of the manufacturers that the importation of cheap foreign gloves has increased since the war.

The actual figures are:

Valuation of women's and children's dress gloves.

	1914	1919
Manufactured in the United States	$8,963,170	$10,333,121
Total importations of all gloves	9,366,899	6,162,848

We must bear these figures in mind when the claim is made that the post-war condition of the women's dress-glove industry is worse than the pre-war condition. On the contrary, our domestic manufacturers appear to be better situated than they were before the war.

This is the crux of the whole debate over the tariff on leather gloves. Advocates of high protection admit that the men's working glove industry does not need protection, and also that the men's dress-glove industry controls the American market and fears little from foreign competition. They do, however, assert that higher rates of protection are needed to build up the women's dress-glove industry, and allege that this branch of the glove industry has been neglected because in the past it has not received as high rates of duty as the men's glove branch of the business.

The imported gloves are of a different character from those made in this country. The foreign gloves, especially those made in France, are of lighter weight and are manufactured more largely by hand processes and from leather which has the dye brushed on the surface, as distinguished from those made in America which are of leather dipped in the dye.

Glove operatives have been brought from France to this country for the purpose of employing them in the manufacture of dress gloves of the same character as those made in France, but it has been found that under American conditions, and removed from the environment and traditions of their native land, they do not produce the same kind of work. Practically all of the glove dealers of this country are of the opinion that American manufacturers can not produce, even if they were granted prohibitive duties, the same kind of gloves that we import.

If these rates are put into effect, therefore, the American woman will be deprived of the privilege of wearing the fine, high-grade gloves which she now uses for formal occasions.

If the claim is made that importers have been taking enormous profits on the gloves which they have lately brought in, I would ask in turn how it happens that they have not imported larger quantities of gloves? I have already shown that the importations have been smaller in quantity since the war than they were before the war. The answer which I gave to this question is that the demand for gloves in the American market has been so great that quantities brought in have been rapidly absorbed at prices fixed more by the demand than by the cost abroad.

Mr. President, if the advocates of this bill believe that the prices of gloves are too high they should take steps to prevent profiteering; the passage of this bill will merely put the stamp of Government approval on the high prices now being paid and will give the manufacturers a chance to profit instead of the importers. What we desire is a reasonable price to the consumer without profiteering by either importer or manufacturer.

Mr. WADSWORTH. Mr. President, does the Senator notice that the House provided, however, that all the foregoing gloves named in this paragraph shall pay a duty of not less than 37½ per cent ad valorem, which was based on the American valuation, which if translated into foreign valuation would read 100 per cent?

Mr. WALSH of Massachusetts. Yes; and I have shown and will again prove before I get through that this rate is based upon the value of gloves which are now coming to this country; that the rate is 10 or 11 per cent ad valorem, and it is proposed to make the minimum here 60 per cent. It is purposed to increase the duty upon gloves by 500 or 600 per cent.

Mr. WADSWORTH. Does the Senator still say that the rate in the Senate committee amendment is higher than the rate in the bill as it passed the House?

Mr. WALSH of Massachusetts. I say that the rates upon gloves by the pair are higher, and that the proviso which attempts to make a minimum and maximum ad valorem rate makes the Senate committee rate higher than the House rate. I consider 37½ per cent, based upon the foreign valuation——

Mr. WADSWORTH. It is not; it is based upon the American valuation.

Mr. WALSH of Massachusetts. I beg the Senator's pardon. The House rate is based upon the American valuation, and 37½ per cent based on the American valuation is not more than 60 or 70 per cent based upon the foreign valuation.

Mr. WADSWORTH. I think the Senator can be shown that it equals 100 per cent based on the foreign valuation.

Mr. WALSH of Massachusetts. It depends on the kind of glove. The gloves coming into this country this duty will affect are fancy gloves, women's gloves, kid gloves. There are practically no importations of men's gloves. There is no competition with the glove industry of this country from abroad, except in one class of gloves, the fancy kid glove, and it competes with the American industry in this particular: The dye on the foreign glove is put on the leather with a brush. In the case of the American glove the leather is dipped in the dye, and for that reason the foreign glove is preferred, brings a higher price, is more in demand, and is not competing with the domestic glove, but supplemental to the domestic production.

But it is only the expensive, high-class glove. The American manufacturers control the market of the cheaper kid glove, and the only reason they are asking for a protective-tariff duty is that they can, with the proper rates, be able to make gloves similar to those made abroad, and they can keep out of this country a large number of fancy kid gloves which are imported, if they are given a higher duty.

That is the only tariff issue here. There is not a tariff issue in so far as men's gloves are concerned, because there is no competition. There is not a tariff issue in so far as women's cheap gloves are concerned, because there is no competition. The only tariff issue is this: Can we, by levying a very high duty upon kid gloves, make it possible for the domestic manufacturer to compel the American women to buy domestic gloves? The importations are heavy. Can the domestic manufacturer corral that business by putting upon the market a glove which will outsell the imported glove? They can not do it. It has been tried. The most skilled glove makers of Europe have been imported into these factories and have been put to work. They have tried in various ways to make a glove as fine and as high class as the European glove. I notice the Senator from New York smiles.

Mr. WADSWORTH. I most certainly do. I anticipate the same old story, that the glove can not be made in this country; but I happen to have some in my desk made in this country as fine as were ever made.

Mr. WALSH of Massachusetts. Then I will ask the Senator why there are so many importations into this country?

Mr. WADSWORTH. They can not be made here in competition with German gloves of the same type, which are made and turned out at the German factory for 18 cents a pair, and for

which $2.25 a pair is charged in the department stores of this country, because they have a monopoly.

Mr. WALSH of Massachusetts. Now let us follow up that statement. In 1914 the importations of women's gloves into this country were $9,000,000 worth. In 1919 the importations were $6,000,000 worth. There are not as many gloves imported at 8 cents a pair or 10 cents a pair from Germany to-day as there were in 1914. The Senator can not produce the statistics to show it. If the gloves were being sold at that ridiculously low price, nothing could stop the American market from being flooded. There are less gloves imported to-day than at any time during the war or the period previous to the war.

But let us see just what the importations are. The framers of the bill propose to increase the rate from 12.41 per cent, which the Tariff Commission report shows was collected in the calendar year 1921, to a minimum of 60 per cent. In other words, the value of the imports and the amount collected by the Government show that the duty averaged 12.41 per cent ad valorem. Yet the pending bill proposes to place a minimum of 60 per cent on the very same gloves. I say there is no evidence of a distressed condition of the business in this country to justify such a substantial increase and such a substantial change.

Mr. President, the value per dozen pairs of leather gloves imported in 1920 was $15.82 and in 1922 it was $14.36, whereas the average value per dozen pairs before the war was about $6.50. I call the attention of the Senator from New York to these figures. The average value of a dozen pairs of gloves imported into this country in 1922 was $14.36, while the average value in 1921 was $15.82. The average value before the war was $6.50. Now, where is the proof of all his talk about kid gloves being bought in Germany for 8, 10, 15, or 20 cents a pair? Of course it can not be substantiated. All the statistics available show that there are less imports now than before the war and show that the price of the foreign glove is higher than before the war.

Now, I am not going to spend any more time arguing the question.

I want to call attention to a circular which has been sent broadcast and which is issued by the association of glove importers, dated New York, April 21, 1922. It states that women's piqué two-clasp gloves, now retailing at $3.50 per pair, bear a duty at the present time of $2.25 per dozen, but under the pending bill would bear a duty of $10.27 per dozen, an increase over the present rate of 356 per cent; that women's 16-button gloves, retailing at $6 per pair, bear a present rate of duty of $4.50 per dozen, while the rate named in the bill is $19.53 per dozen, an increase over the present rate of 334 per cent.

Mr. SHORTRIDGE. Mr. President, may I ask the Senator a question?

Mr. WALSH of Massachusetts. Certainly.

Mr. SHORTRIDGE. Does the Senator vouch for the accuracy or truthfulness of that statement?

Mr. WALSH of Massachusetts. I will be very frank with the Senator. I submitted them to an expert of the Tariff Commission.

Mr. SHORTRIDGE. Does he know everything?

Mr. WALSH of Massachusetts. I have found those men honest. I have found them honorable. I have found them fair. I have found them just. I have found them unwilling to do more than answer one's questions directly yes or no and to give no opinion, but I have found them, when they were asked a frank question, to make a frank, honest answer, and I believe the man who gave me that information knew what he was talking about. I believe the figures I have given here confirm it. The present ad valorem rate is about 11 per cent. The bill, if the Senator can read English, provides that the minimum shall be 60 per cent. How much of an increase is that? It is between five and six hundred per cent.

Mr. SHORTRIDGE. I am not much of a mathematician, but——

Mr. WALSH of Massachusetts. That confirms the amount stated in the circular.

Mr. SHORTRIDGE. What did the expert say?

Mr. WALSH of Massachusetts. He said he could not dispute these figures.

Mr. SHORTRIDGE. But he did not confirm them.

Mr. WALSH of Massachusetts. Is not that confirming them?

Mr. SHORTRIDGE. No.

Mr. WALSH of Massachusetts. All right, then. But I say that the present ad valorem rate upon the gloves is 11 per cent, and the language in the bill calls for a minimum of 60 per cent. I ask the Senator, who surely has some knowledge of mathematics, what increase in rate that is?

Mr. SHORTRIDGE. I shall figure that out presently. Has the Senator any information with regard to the glove industry as it is carried on in California? I note that he mentioned New York. I rose immediately for that purpose.

Mr. WALSH of Massachusetts. No; but I know if there is in California any glove industry its interests will be fully and ably protected by the Senator from California. I have not any doubt we will hear from it before the debate ends.

May I ask the Senator whether he disputes the correctness of the figures given in the circular to which I have referred?

Mr. SHORTRIDGE. I have proof to dispute them.

Mr. WALSH of Massachusetts. What figures will the Senator give?

Mr. SHORTRIDGE. I shall take that up presently.

Mr. WALSH of Massachusetts. How can a Senator get up on the floor of the Senate and say that a statement is false without being able to say why it is false and give some explanation for his assertion?

Mr. SHORTRIDGE. If the Senator puts the question so directly, I answer that I have the courage to stand up and dispute the accuracy of the figures and the deductions therefrom.

Mr. WALSH of Massachusetts. I do not think any Senator can substantiate a position by simply denying an assertion made by somebody else, without some proof as to his knowledge of the facts upon which the statement is based.

Mr. SHORTRIDGE. Nor can any Senator justify himself in affirming and reaffirming the accuracy of figures when he himself is unable to demonstrate their correctness.

Mr. WALSH of Massachusetts. Does the Senator mean to say I have not demonstrated the correctness of them?

Mr. SHORTRIDGE. I have heard no demonstration.

Mr. WALSH of Massachusetts. I have read to the Senate the imports into this country. I have stated the amount of duty collected, and that it represented an ad valorem of 11 to 14 per cent upon gloves that came in. I have said that the bill provides a minimum ad valorem rate of 60 per cent.

Mr. WADSWORTH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from New York?

Mr. WALSH of Massachusetts. I yield.

Mr. WADSWORTH. Why does not the Senator tell the Senate that, with the exception of the Underwood law, the four preceding tariff laws carried in excess of 50 per cent ad valorem, including the Wilson Democratic tariff law?

Mr. WALSH of Massachusetts. My information is that the maximum heretofore was 45 per cent. Perhaps the Senator is right.

Mr. WADSWORTH. The Senator is mistaken. It was 50 per cent ad valorem.

Mr. WALSH of Massachusetts. I am now criticizing the present amendment. I am not now comparing the proposed rate with previous laws.

Mr. REED. Mr. President, may I have the indulgence of the Senator from Massachusetts to inquire of the Senator from New York what difference it makes as to the justice of the pending tariff bill what amount was named in some other law some years ago? What does that prove?

Mr. WADSWORTH. If the Senator from Massachusetts will permit me, I can answer that.

Mr. WALSH of Massachusetts. I am glad to permit the Senator to answer it.

Mr. WADSWORTH. Under the other laws, even including the laws prior to the McKinley law—the McKinley law, the Wilson law, the Dingley law, and the Payne-Aldrich law—the average rate on men's gloves has been 61 per cent ad valorem and on women's gloves a minimum of 48 to 50 per cent ad valorem. That built up a tremendous industry in men's gloves and reduced the price of gloves to the consumer in that period. We have never been able to build up or hold the industry in women's gloves. The Underwood law meant ruin for both.

Mr. REED. Were they ruined under the Underwood law?

Mr. WADSWORTH. In my own time I shall describe conditions which exist at the factories and in the homes where the gloves are made.

Mr. REED. I understood the Senator to say the gloves could be made in Germany for 18 cents a pair.

Mr. WADSWORTH. Eighteen cents a pair. I have the gloves and I have the record of the whole transaction from the door of the German factory to the retail store in the United States.

Mr. REED. The Senator said they are sold in this country at $2.25.

Mr. WADSWORTH. Yes; per pair.

Mr. REED. Does it not occur to the Senator that that is about the best argument in the world for opening the door and letting the people get the gloves at a decent price?

Mr. WADSWORTH. And give the importers 300 per cent profit and a monopoly of the business? That would close the doors of the American factories and put the American employees on the streets.

Mr. REED. If the American factories have been open with this protection——

Mr. WADSWORTH. They have had no protection on gloves.

Mr. REED. They had it under the previous law.

Mr. WADSWORTH. I am speaking now with reference to the Underwood law.

Mr. REED. In their previous condition, if the American factories had this protection, so that the American woman was not compelled to pay $2.25 for a 15-cent pair of gloves——

Mr. WADSWORTH. Eighteen cents.

Mr. REED. Or an 18-cent pair of gloves, then it is perfectly patent that they have not been cutting down the price. It is perfectly obvious that the whole thing is a farce; and the lower——

Mr. WADSWORTH. I agree with the Senator that it is a farce. It is a farce resulting from giving other people an absolute monopoly of our market. It will happen every time that is done.

Mr. REED. Now the Senator speaks of an absolute monopoly. Does he know of any combination among the importers of gloves?

Mr. WADSWORTH. I know there are no women's gloves to amount to anything sold in this country except those coming from abroad, and that is an importers' monopoly.

Mr. REED. Is that a monopoly among the importers or a monopoly among the retail or wholesale dealers of the United States?

Mr. WADSWORTH. The retail dealers can not get their gloves in any quantities except from the importers, and they charge high prices, of course. The importer adds 200 per cent to the landed cost; and he charges that to the retailer.

Mr. REED. The importer adds 200 per cent and keeps the market at this enormously high level and yet the American can not manufacture and sell in competition after the goods have been advanced 200 per cent by the foreign importers—or 2,000 per cent, which was it?

Mr. WADSWORTH. I said 200 per cent.

Mr. REED. An advance from 18 cents to $2.25 is about 2,000 per cent, is it not?

Mr. WADSWORTH. The 18 cents is the original factory cost. The Senator must not draw his conclusion from that. Eighteen cents is the wholesale price at the German factory door. There are insurance and transportation and the Underwood duty and the interest and landing charges to be added.

Mr. REED. How much is the present Underwood duty?

Mr. WADSWORTH. Two dollars a dozen pairs on women's gloves, which figures out on the present value 11 per cent ad valorem. The Senator from Massachusetts confirms that.

Mr. REED. If the Senator will pardon me, then we come to this proposition: A glove is manufactured in Germany for 18 cents——

Mr. WADSWORTH. I am speaking of the German gloves which are much higher than the French gloves.

Mr. REED. The gloves come to this country, according to the Senator, and they pay $2 a dozen tariff duty, which is equivalent to about 100 per cent on their manufactured cost. Then, after that has taken place, somebody here who controls the foreign market adds 200 per cent more. With all that added, he tells us we have got to raise the tariff so that our domestic manufacturer may compete, although his gloves have already now had about 300 per cent added to their original cost. That is a demonstration, absolutely conclusive, that we have not any business to make these gloves in this country at all, for an article that costs us three times as much to make here as it does to make it abroad and is not an infant industry and still can not compete is clearly maintained at an expense that is unwarranted under any theory of protection that was ever advanced even by Dingley.

Mr. WADSWORTH. Has the Senator from Missouri ever studied the history of the tariff on men's gloves?

Mr. REED. I do not need to study that. I am discussing this proposition.

Mr. WADSWORTH. But the same principle applies. Has the Senator ever studied anything about the tariff on gloves? If he has—and I do not mean to ask an impertinent question——

Mr. REED. I have not studied the tariff on gloves, for I am not here to make an argument for any particular or special manufacturer.

Mr. WADSWORTH. Neither am I.

Mr. REED. I do not think the Senator is.

Mr. WADSWORTH. However, the Senator from Missouri is making an argument; but if he had studied the history of the tariff on gloves, he would have found that as soon as the American manufacturer was put in a position to compete with the foreigner in the manufacture of men's fine gloves the price of men's gloves in this country was reduced 75 per cent in one year, and a better glove was given to the consumer.

Mr. REED. Well, I should want to look into that matter very seriously.

Mr. WALSH of Massachusetts. Mr. President, I do not wish to prolong the debate. I simply intended to call attention to what seem to be the excessive rates that are proposed in this amendment and to present such facts as seem to me would indicate that they are not justified. Of course, there is little prospect of getting any action here in favor of reducing them. Whatever concessions that may be made will be merely trifles, for that is about all that has been conceded, even when a strong case has been made out against proposed rates.

The Senator from New York [Mr. WADSWORTH], in his colloquy with the Senator from Missouri [Mr. REED], has called attention to the fact that women's and children's gloves are not produced in large quantities in this country. I now call attention to the fact that in 1914 the domestic manufacturers of gloves produced 31 per cent, on the basis of the value, of women's and children's dress gloves which were worn in this country; in 1919 much more than one-half, on the basis of value, of women's and children's gloves which were worn in this country were produced here. Instead of the claim of the manufacturers that importations of foreign gloves had increased since the war being true, as a matter of fact, there has been a decrease in the importations from foreign countries.

Now let me sum up what I have said. First of all, there is no tariff question here in regard to men's gloves; there is no tariff question in regard to women's and children's gloves except as to the finer and higher class of gloves. So far as they are concerned, the present price of such gloves is three times more than it was before the war. The foreign gloves were then $6 per pair compared with $16; that is, the present price of the foreign gloves is two and a half times more than it was before the war, while the importations are less than before the war.

Everybody concedes that this domestic industry has passed through a period of depression, as has every other industry; but there is no depressed condition and there is no situation here which justifies an increase of 200, 300, and 400 per cent duty upon gloves.

Mr. President, that is all I care to say upon this subject, except that I desire to offer amendments as we reach the various items of this paragraph.

Mr. WADSWORTH obtained the floor.

Mr. REED. If the Senator will pardon me a moment, I desire to say that this is a very important item of the schedule; it is covered by the unanimous-consent agreement; and I was wondering what the disposition of the chairman of the Committee on Finance would be with reference to modifying the unanimous-consent agreement and allowing us to have a part of to-morrow to consider this matter instead of sitting here late to-night?

Mr. McCUMBER. Mr. President, we could not modify this part of the unanimous-consent agreement without modifying all of the clauses of the unanimous-consent agreement relating to other matters. I think if Senators will take their time and discuss the subject and not each one discuss the matter in another's time until one can not tell who is properly speaking and who is not, we shall be able to dispose of this subject entirely and finish it before 9 o'clock to-night.

Mr. REED. I merely make the suggestion to the Senator that all that is necessary is to modify the unanimous-consent agreement by pushing the work over one day.

Mr. McCUMBER. But that might be disagreeable to Senators who consented to the unanimous-consent agreement who are not now here. I think we can get through with the subject to-day.

Mr. LADD. Mr. President——

Mr. WADSWORTH. I yield to the Senator from North Dakota in order that he may offer an amendment to the pending bill.

Mr. LADD. Mr. President, I desire to offer an amendment to the bill, beginning on page 197, line 17, and striking out from line 17 down to line 23, inclusive, and inserting in lieu thereof the matter which I have marked and which I now send to the desk. After the Senator from New York [Mr. WADSWORTH] shall have concluded, I desire to be heard on the subject.

Mr. WALSH of Massachusetts. Let the Secretary state the amendment.

The PRESIDENT pro tempore. The Secretary will state the amendment proposed by the Senator from North Dakota [Mr. LADD].

The ASSISTANT SECRETARY. On page 197, line 17, beginning with the word "Provided," it is proposed to strike out the remainder of the paragraph and to insert in lieu thereof the following words:

Provided further, That glove tranks, with or without the usual accompanying pieces, shall pay 75 per cent of the duty provided for the gloves in the fabrication of which they are suitable: *Provided further*, That women's and children's gloves not specially provided for, made wholly or in chief value of leather, whether wholly or partly manufactured, not over 14 inches in length, the lengths stated in each case being the extreme length when stretched to their full extent, shall pay $2.50 per dozen pairs; for each inch in excess thereof, 25 cents per dozen pairs: *Provided further*, That in addition thereto, on all of the foregoing there shall be paid the following cumulative duties: When lined with cotton, wool, or silk, $2.40 per dozen pairs; when lined with leather or fur, $4 per dozen pairs.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the Senator from North Dakota.

Mr. WALSH of Massachusetts. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Massachusetts?

Mr. WADSWORTH. I yield.

Mr. WALSH of Massachusetts. I desire to ask the Senator from North Dakota a question. Has not the Senator repeated some of the language which is used in the text in paragraph 1233 previous to line 17?

Mr. LADD. I have not. I have used in part the same language as that beginning in line 17.

Mr. WALSH of Massachusetts. As I heard the amendment read, there seems to be a conflict in the rates and in the language and a repetition of what appears above it in the paragraph.

Mr. WADSWORTH. Mr. President, I hope I shall not detain the Senate long; I certainly do not want to do so; but I wish to refer to some matters which I think ought to be of interest.

The glove industry in the United States had its inception in the year 1790, when a group of people were brought from Scotland, at the instance of one of the pioneers in what was then the Colony of New York. They were glove makers, living in Perthshire, in Scotland. At that time gloves were made in the homes of the people engaged in the work, and I may say that a very large percentage of gloves now are made in the same way. The impression seems to prevail that gloves are solely made in factories, but as a matter of fact a large portion of the work is done in the homes of the people who have grown up in the business for generations. The glove makers from Perthshire, in Scotland, settled in what is now Fulton County, N. Y., and named the town Perth. From that little center has grown this industry, spreading to-day over four counties, and, of course, at this time including places far removed from the State of New York, but in that neighborhood alone 40,000 people are dependent upon the prosperity of the glove industry.

Apparently the value of the industry in America generally was early recognized, for many years prior the enactment of the McKinley bill, in 1890, gloves carried an ad valorem duty of 50 per cent. We hear very loud cries about a duty of 60 per cent to-day, with wage costs more than double those of that era; but for many years before the McKinley bill was passed gloves carried a duty of 50 per cent ad valorem.

During those early generations the gloves made were largely the coarse or workman's gloves. No effort was made in those early days to make what is now known as the fine glove either for men or for women, the demand for such a glove not having become so widespread as it has in more recent years.

There was no distinction in the early days made between men's gloves and women's gloves in the matter of the tariff. The first gloves which became known as fine gloves and which began to command good prices were men's gloves made in England very largely, and in some other European countries.

They began exporting prior to 1890 a quantity of men's fine gloves. Senators can certainly recollect that prior to that time a pair of men's fine gloves could not be purchased in the United States except of foreign manufacture, and that prior to 1890, when the first change was made, a decent pair of men's gloves cost $2.50 at our own retail stores, and the foreigner had almost a complete monopoly of that production.

In the McKinley bill for the first time an effort was made to encourage the production of men's fine gloves in this country. The McKinley bill, as I recollect, continued the 50 per cent ad valorem duty on all gloves, but also provided a specific duty of $1 a dozen pairs on men's fine gloves, making an equivalent total ad valorem of something like from 60 to 62 per cent.

What was the result? I know that our Democratic friends have always contended that a procedure such as that would raise the price of gloves affected. It had exactly the opposite effect. Within 18 months the American industry making men's fine gloves got on its feet, and with typical American genius and with the sharpest kind of competition among American producers they put as fine a men's glove upon the market as the foreigner had ever produced, and even better, and instead of the American consumer paying $2.50 a pair for men's fine gloves, within 18 months he was paying only $1.50 a pair for an even better glove. So we built up the men's fine glove business in this country. Step by step we beat the foreigner at his own game and reduced the price of gloves to the people.

The McKinley bill was succeeded by the Wilson tariff bill, passed when Grover Cleveland was President, under Democratic auspices. The Wilson bill continued substantially the same duties on gloves, and the American industry continued to thrive and to grow.

The Wilson bill was succeeded by the Dingley bill, and the Dingley bill continued substantially the same duties upon gloves—about 60 per cent on men's fine gloves, and about 50 per cent, the old, unchanged rate, on women's fine gloves. We were not making women's fine gloves all through that period of years. We could not do it in competition with the foreigner; but with 10 per cent added to the original men's glove schedule, making it 60 per cent instead of 50 per cent—the women's glove schedule—we did succeed in making the men's gloves and reducing the price at the same time that we were building up a great industry.

The Payne-Aldrich bill came along and made no substantial change, averaging about 48 to 50 per cent for women's gloves and about 60 per cent for men's gloves, and still the men's glove industry grew. We had never made to any extent the women's fine gloves. The importers during all those years swore that they could not be made in this country. They had lost their enormous profits on the men's gloves which they had been bringing in; they had seen the American industry develop, and they had seen the price of men's gloves go down. They have all these years clung to their contention that we were not capable of making women's fine gloves in this country, because the women's glove is the one thing left to them where they have an absolute monopoly, which I think I can demonstrate; and, having the monopoly, they have always charged whatever price they pleased. It is true, as the Senator from Missouri has stated, that they have boosted that price away up, having a monopoly; but the instant any American tries to come in they put the price away down again and kill him before he can start. That has been the history time and time again; and as soon as they have killed the American manufacturer up goes the price again. It is the same old story when the foreigner has the monopoly.

Along came the Underwood bill and completely and drastically reversed the tariff policy so far as gloves were concerned, and cut the duties away down. Shortly after the passage and taking effect of the Underwood bill, however, the war came along, and we lived for a considerable period behind what was the equivalent of a tariff barrier, an insurmountable wall. There was the chance for the American manufacturer to try his luck at making the women's fine gloves which it had been said he never could make, and he proceeded to do it.

Mr. BURSUM. Mr. President——

Mr. WADSWORTH. I yield.

Mr. BURSUM. I think the logic of the Senator's argument about gloves should apply to hides also. Does not the Senator think so?

Mr. WADSWORTH. No; I do not.

Mr. BURSUM. Why not?

Mr. WADSWORTH. I am speaking of a manufactured product, not a raw material. There is a very different question involved.

Mr. BURSUM. The hide is the finished product of the farmer.

Mr. WADSWORTH. I do not want to argue hides on the glove schedule. The leather of which these gloves are made does not come from cowhides at all. It comes from kids and lambs and calfskins—mostly kids and lambs.

The American manufacturer found, as he knew all the time, that he could make the women's gloves, and he proceeded to do it. Of course, wages during the war went soaring to untold heights and so did all manufacturing costs, all supplies, overhead, and everything else, and the prices of gloves went soaring upward, no more so, however, than the prices of any other articles in general use by the people. That condition lasted to and including 1919. Then the effects of the war began to wear off, and the German and the Frenchman, who are the largest producers of women's fine gloves, began to resume business.

Since that time the importations of women's fine gloves from Germany and from France have mounted by leaps and bounds, until in 1921 they aggregated 991,000 dozen pairs. Those importations absolutely destroyed the industry in this country.

I want to read something from the center of this industry—a petition gotten up by the ministers in Gloversville, N. Y., after this condition had overtaken our industry. Mind you, these people who are affected have been glove makers, or their ancestors have, for generations back, since 1760. They make a large portion of these gloves in their homes, and the dealers and heads of the industry send wagons about and pick up the gloves from the homes, where they are made largely by the women in the family. Other portions of them, of course, are made in the factories. I read this to show what happened to American working people as the result of a foreign monopoly:

At a meeting of the Ministers' Association of Gloversville, N. Y., and vicinity, held on Monday, June 5, acting entirely on our own initiative and without suggestion of any kind from the outside, a committee was appointed to respectfully call your attention to some pertinent facts relative to the glove situation.

This petition was addressed to some officials in the city.

We do not profess any expert knowledge regarding either the tariff or the American-valuation plan, but we are closely in touch with the economic conditions of Fulton County. For over a year the manufacture of gloves has been at a standstill. The last winter has been one of unusual suffering because of the lack of work. Funds were raised by popular subscription to alleviate the distress, a larger amount being required than ever before in the history of the community. Our churches have been overtaxed in trying to help needy families. The glove shops are now idle, and until something definite is decided about the tariff the suffering will remain acute. In behalf of the 40,000 people who are largely dependent on the glove industry, in behalf of those whose capital is invested in the leather and glove business, we plead for immediate relief and a tariff that will enable us to sustain the industry and furnish employment to the men and women of the county.

Mind you, not only had the women's glove business been utterly destroyed but the men's glove business had been brought to the brink of destruction at the same time under the Underwood rates, which, as has been related upon the floor this afternoon, amount to only 11 per cent ad valorem.

Mr. McCORMICK. Mr. President——

Mr. WADSWORTH. I yield to the Senator.

Mr. McCORMICK. Has the Senator made allusion, or does he purpose to make allusion, to the number of small companies engaged in this industry?

Mr. WADSWORTH. The business is scattered among a large number of small companies. There are over 200 concerns making gloves. The number approaches 300.

Mr. McCORMICK. If I remember rightly, there are over 200 concerns making gloves, among which half a dozen, not more, are capitalized for $1,000,000, according to Dun and Bradstreet.

Mr. WADSWORTH. I think the Senator is substantially correct.

Mr. McCORMICK. They are all small enterprises.

Mr. WADSWORTH. Of course, the Senator knows that whenever a glove schedule is discussed here the name of a certain ex-Congressman is always dragged into it, and it is charged and alleged that he is a lobbyist and that he is working for his own pocket all the time and that of no one else. The truth of this matter is that that certain ex-Congressman is not engaged in this business and has not been for years.

Mr. CALDER. The Senator means the kid-glove business?

Mr. WADSWORTH. Yes; I do. The business is scattered among a large number of small concerns.

Now let us see if this destruction or near destruction of the American industry by the underbidding of the foreigner has been of any benefit to the American consumer.

Here is a lady's glove from Germany. It is a brushed glove. In other words, the dye or coloring matter applied to the leather is applied with a brush on one side of the leather. There is no mystery about it. It can be done by any skilled workman. This is the kind of glove which the importers who are hanging on to this monopoly and these 300 per cent profits insist can not be made in this country. This glove, however, was made in Germany. I have here the complete record from the German factory door to the retailer's counter of the transaction in which this glove was involved, but I can give a transcript of it without reading the record. It would be rather difficult for me to do so, because a good deal of it is expressed in German marks, and expressions and phrases are used with which I am not entirely familiar, but which are European in their origin, and especially German.

There was paid to the German manufacturer for a dozen pair of these gloves 575 marks, which is $2.16 for a dozen pair. That is about 18 cents a pair. That is the figure I gave a little while ago to the Senator from Missouri. Eighteen cents a pair is what the German manufacturer sold this glove for at his factory door. Carry that figure in your heads, Senators. The duty under the Underwood law was $2 a dozen pair. The landing charges were 36 cents a dozen pair, so that the cost delivered, duty paid, to the importer at New York was $4.52 a dozen pair. The importer who imported this glove, or the lot of gloves of which this glove was one, thereupon sold that dozen pair, which had cost him $4.52, for $13.50. His gross profit—not his net profit but his gross profit—on a dozen pair of gloves which cost him $4.52 was $8.98. Here is where the American consumer begins to get it when the foreigner has a monopoly. This same lot of gloves of which this glove was one was thereupon sold over the counter at retail at $2.25 a pair. The glove left the German factory at 18 cents, and Americans are paying these exorbitant prices to what amounts to a foreign monopoly, paying through the nose, because there is no competition in this country against it, and American men and women in the glove industry are being fed by public subscriptions, begged for by the ministers of the churches!

Mr. REED. Mr. President, will the Senator yield for a question?

Mr. WADSWORTH. I yield.

Mr. REED. Does the Senator want us to understand that the foreign market is so controlled that only particular people can buy there?

Mr. WADSWORTH. Anybody can buy these gloves in Germany, and I will say very frankly to the Senator that some of the glove-making concerns in this country, having lost their business and still being burdened with an overhead, although their men are walking the streets, in order to carry the burden of overhead in part, at least, and struggle along, hold their sales organization, and wait for relief, have themselves gone to Germany and bought some of these gloves, brought them here, and sold them in competition with the importers. In other words, we are driving our own manufacturers out of the business of employing American labor here in the United States, compelling them to go to Germany and to France to buy gloves made there and to bring them here and sell them. That is the situation.

What does this bill provide? It provides for a minimum of 60 per cent ad valorem. That was the rate on men's fine gloves for 23 years prior to the enactment of the Underwood law. The amendment now proposed by the committee provides, in effect, that women's fine gloves shall bear approximately the same rate, and if we agree to that we will put that end of the business on its feet and we will read the same history of it a year or two from now as we can read now in connection with the men's glove industry. They will meet the foreigner with competition and they will compel him to slash these outrageous prices. It will inject new life into the American industry, and before long American women will be buying fine gloves at a lower price than they are paying to-day, and they will be American made. That is exactly what happened, I will say to the Senator from Missouri, in the case of men's gloves.

Mr. REED. Are the factories in New York, where the ministers have gotten up this petition, engaged in making women's fine gloves?

Mr. WADSWORTH. No; they can not make a glove.

Mr. REED. What kind of gloves had they been making?

Mr. WADSWORTH. They had been making them during the war. That is the only time they ever had a chance to make them.

Mr. REED. What were these people who are now out of employment doing before the war?

Mr. WADSWORTH. They were making men's gloves.

Mr. REED. Are they still making men's gloves?

Mr. WADSWORTH. At about 30 per cent of their capacity. The Underwood law nearly killed them in that.

Mr. REED. The Underwood law has pretty nearly killed them in the making of men's gloves? I am speaking now of men's fine gloves.

Mr. WADSWORTH. I am not speaking of the working gloves at all.

Mr. REED. Has two-thirds of the consumption in this country been imported any time since the war?

Mr. WADSWORTH. I have not the figures of the importations of men's gloves. I can give the importations of women's gloves. I only know that the industry is flat on its back and that gloves are pouring into this country.

Mr. REED. Other industries are flat on their backs also.

Mr. WADSWORTH. Not to the extent I have noticed in the glove industry.

Mr. REED. The price of these men's fine gloves did not stay at a dollar and a half during the war?

Mr. WADSWORTH. No; during the war everything went up. Wages went up and everything else went up. But prior to

the war you could get a pair of men's fine gloves for $1.50, American made. That glove was protected by an ad valorem equivalent of something like 60 per cent. Before it had that protection you had to pay $2.50 for a glove not quite as good and foreign made.

Mr. REED. And substantially the same drop in prices occurred in the case of every manufactured article during the same period, did it not?

Mr. WADSWORTH. It did not, by any means, occur in the case of all manufactured articles. I bought a good many manufactured articles. I know in that same period the price of clothing went slowly up, and I know that the price of farm machinery went slowly up. It had been going up for years.

Mr. REED. The price of farm machinery was controlled by the Harvester Trust.

Mr. WADSWORTH. Not at all; it was before the Harvester Trust was formed.

Mr. FLETCHER. Mr. President, I want to ask the Senator when the petition which set forth the conditions was drawn up?

Mr. WADSWORTH. A year ago.

Mr. FLETCHER. Up to that time the industry was fairly prosperous, was it not?

Mr. WADSWORTH. It was prosperous during the war.

Mr. FLETCHER. But before the war?

Mr. WADSWORTH. Yes; it was prosperous in the production of men's gloves before the war.

Mr. FLETCHER. So that the Underwood law could not be charged with the responsibility of the destruction of the business.

Mr. WADSWORTH. Absolutely. The Underwood law is now in normal operation, which it was not during the war, and with the Underwood law in normal operation the industry is killed. This amendment from the Finance Committee is, in effect, to restore to men's gloves the duty which they carried for 23 years and to put women's gloves on the same basis; that is all. I have here two pairs of women's gloves. [Exhibiting.] One of them is a brushed glove, made as a sample merely to show that it can be done. They are not being made commercially. This is a very fine kid glove, hand embroidered, with the dye brushed into the leather. Here is a white kid glove, as fine a glove as can be found anywhere, made just as a demonstration. It is in these types of gloves that the foreigner has an absolute monopoly, and is bleeding the American consumer at the rate of 300 per cent and more gross profits.

Mr. LENROOT. Before the Senator takes his seat I would like to ask him a question. I understand the men's glove industry is much more firmly established than the women's glove industry?

Mr. WADSWORTH. Prior to the war the men's glove industry in the United States manufactured from 80 to 85 per cent of the men's gloves consumed in the United States. That great success dated from the passage of the McKinley law in 1890.

Mr. LENROOT. It is true that the imports of women's and children's gloves are very large?

Mr. WADSWORTH. Yes; they are large.

Mr. LENROOT. But the imports of men's gloves, even under the present law, are not very large.

Mr. WADSWORTH. No; not as large in proportion.

Mr. LENROOT. Then why did the committee propose a higher specific duty upon men's gloves than upon women's gloves when the importations of women's gloves are very much larger than those of men's gloves?

Mr. WADSWORTH. The specific duty seems to have been arranged in that way in the tariff laws for years back. I notice the Underwood law carries $2.50 on men's gloves and $2 on women's gloves.

Mr. LENROOT. Is not the duty reversed from what it ought to be? In other words, should not the women's gloves carry the higher duty?

Mr. WADSWORTH. It depends on what the equivalent ad valorem would be. I think you will find that $5 on the men's gloves is no higher, in the equivalent ad valorem, than $4 on the women's gloves. They are balanced in that way. The new element in this amendment is the limitation of 60 per cent ad valorem. It provides that the duty shall not fall below 60 per cent ad valorem, and 60 per cent ad valorem was the average rate of duty paid on men's gloves for twenty-odd years before the Underwood law was enacted.

Mr. WILLIS. Before the Senator from New York takes his seat I want to ask him a question. I dislike to read a letter to him, but I do not know enough about this business to ask the question intelligently, and I do want the benefit of the Senator's information. I want to read a paragraph from a letter which has come to me from a gentleman who says he is a manufacturer of gloves. He says:

> During the war, when importations of the women's lightweight leather gloves were practically impossible in any volume, we established a factory in Johnstown, Fulton County, N. Y., expressly for the purpose of making such gloves—

This is what he says about it. I want the Senator's opinion. He states this as a fact—

> Nevertheless we were obliged to discontinue our attempt to make these lightweight gloves after every possible effort during a considerable period of time and with a large expenditure of money.

Then he goes on and assigns as a reason this situation:

> The reasons for this inability to produce these articles here were found in our experience, as in that of others, to lie in the peculiar difficulties of tanning, dyeing, and handling the lighter and more delicate skins. In France and other European countries where such gloves are made successfully the children in the villages where the gloves are made grow up with an intimate knowledge of the skins and how to handle them. This knowledge is handed down from generation to generation, and the skins are supplied from their neighborhoods; and with this near-by source of supply and early-acquired knowledge and skill these European villagers work continuously all their lives in producing the same line of gloves. This goes on, generation after generation, and in each of the various processes, the tanning, dyeing, sewing, etc., which go to make up the completed article. It is the intensive study and care in all the little details of a delicately constructed article, patiently applied from youth to age and handed on. Our labor in this country will not and can not obtain or apply any such knowledge and skill and does not have the patience or desire to acquire it. It is not a question of wages. In our attempted manufacture of these gloves we paid the highest wages and had the most skillful labor, but the desired result was not obtainable. The fact is that the making of such gloves positively requires the inherited and established conditions of the European villages referred to, and such conditions can not possibly be reproduced here.

He makes the argument that in this country our people, not having grown up to this character of business, do not have the skill, and therefore that these gloves can not be made here. What does the Senator say to that? I am not asking the question argumentatively, but purely for information.

Mr. WADSWORTH. Well, I do not know who the writer is.

Mr. WILLIS. I will hand the letter to the Senator.

Mr. WADSWORTH. I have been assured by many glove manufacturers that they can do it, and they have handed me the gloves they have made, and I hand them to the Senator. I would say that they are very fine gloves.

Mr. WILLIS. They are very fine gloves.

Mr. WADSWORTH. This is very interesting, but the letter is not signed.

Mr. WILLIS. This page is attached to it. I do not know the gentleman. He says he is one of the Senator's constituents. It may be that he is an importer. I do not know him at all.

Mr. WADSWORTH. I recognize the name as that of a prominent importing concern.

Mr. LADD. Mr. President, a short time ago I sent to the desk an amendment to strike out, beginning with line 13 on page 197, down to and including line 23 in paragraph 1433, and substituting therefor the paragraph which I sent to the desk. I am not interfering with the tariff proposed on those gloves which are produced in this country, but what I am objecting to, and what seems to me unfair and unjust, is the heavy tariff tax that is proposed to be put on those gloves which have never been made commercially in this country and have never been successfully introduced, although large amounts of money, I am told, have been expended in trying to develop that industry.

That these gloves are not on sale in this country to any extent would be indicated from an affidavit which I have here, which was secured from the woman at Woodward & Lothrop's, in this city, who for the past 15 years has been the buyer of gloves for that company, and she states that during that entire time there have never been offered to her, or to Woodward & Lothrop, American-produced gloves of the types included in that portion of the paragraph I have asked to have amended. Without reading it, I ask that it be included as a part of my remarks.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

> CITY OF WASHINGTON,
> *District of Columbia, ss:*
>
> Stella G. Fischer, being duly sworn, deposes and says as follows:
>
> 1. That she is buyer of gloves for Woodward & Lothrop, of Washington, D. C., and has been assistant buyer and buyer of gloves for the said firm for about 15 years.
>
> 2. That she is familiar in her experience with the two kinds of women's leather or kid gloves which are known to the trade, and that these are the dipped gloves, which are made of leather which has been dyed on both sides by dipping or plunging the leather into a receptacle holding the dye, and that such gloves are made of the heavier skins; and that the other kind of women's and children's leather gloves known to the trade are made of lightweight skins, considerably lighter than the heavier skins above mentioned, and that these lighter skins are dyed by having the dye applied on one side by a brush.

3. That the gloves made of dipped leather are practically an American product, and that the brushed gloves are a European product; and that in all her experience she has never known of the lightweight brushed gloves being manufactured in the United States, and that she has not at any time been shown samples for purchase or been offered such brushed gloves of American manufacture, and that all the lightweight or brushed leather gloves that she has bought in her experience as a buyer have been of foreign manufacture, and that she has always been informed during her experience as a buyer of gloves, and believes, that such gloves can not be manufactured successfully in the United States, and have never been obtainable in any commercial quantities; and that she has been repeatedly informed and believes that all attempts to manufacture such gloves in the United States have been entire failures.

4. That in her experience the women who buy gloves insist upon having the lightweight brushed gloves for many occasions, and can not be satisfied with the heavier dipped gloves as a substitute; and that higher prices for the brushed gloves would have the effect of forcing the women who buy gloves to use the heavier, dipped gloves against their will.

STELLA G. FISCHER.

Sworn to and subscribed before me this 4th day of August, A. D. 1922.

[SEAL.] RICHARD O. MULLIKIN,
Notary Public.

Mr. LADD. In this particular instance I want to call attention to the gloves as imported. Those which are 12 inches cost abroad at this time $16.87, I am informed. The landing charges are 84 cents, the present rate of duty is $2.25, while the proposed duty of a minimum of 64 per cent would make $10.12, or an increase of 349 per cent.

The long gloves which I show [exhibiting] cost $20.63 per dozen, the landing charges are $1.03, the present rate $4.50, the proposed rate $12.37, making them cost laid down here $34.03. The rate asked is an increase of 174 per cent. These gloves are sold at retail at $4.50 at the present time, and would be sold at nearly double that under the proposed rate.

I was informed that a large firm of importers, also manufacturers, of gloves in New York City, not being able to secure the gloves during the war, expended considerable amounts of money in trying to develop the manufacture of gloves of the same type in this country during the war when they had a complete monopoly of the trade. They state in their letter to me, which I ask to be incorporated in the RECORD as a part of my remarks, that they found it impossible to compete with the European gloves or to produce them in a satisfactory manner in this country, for the reason that the gloves produced here were not of the same quality because of the lack of skill in handling; that they did not stretch in the same way and did not wear as well, and were unsatisfactory to the women; and therefore they were obliged to discontinue the manufacture of them, as they could not compete after the war with the foreign gloves. I ask that the letter be inserted as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 16, 1922.

Hon. E. F. LADD,
United States Senate, Washington, D. C.

DEAR SIR: We wish to add our commendation to the amendment which you have introduced to paragraph 1433 of the tariff bill now pending in the Senate (H. R. 7456). Your amendment relating to leather gloves very well meets the practical requirements of the situation and provides a proper and necessary classification for women's lightweight leather gloves which long experience has proven can not be made successfully in this country. Your amendment provides for very high protective duties (all that anyone could possibly ask for, and much higher than the corresponding rate in the former Payne-Aldrich tariff) on all the kinds of leather gloves which American manufactures are able to produce commercially in the United States, namely, men's gloves and the women's gloves made of leather which has been dyed by the process of dipping or plunging; and at the same time provides for adequate duties, not too high to prohibit importations, of the sort of women's gloves which can not possible be made here successfully, but which the women of the United States demand for certain seasons and occasions, namely, gloves made from the lighter and more delicate skins which can be dyed only by the process of brushing. You are thus protecting completely every American industry engaged in producing leather gloves, and permitting importations (to yield needed revenue to the Government) of the class of gloves not produced or capable of being produced here.

We know thoroughly from our own actual experience that it is not possible to produce here in any appreciable quantity the women's leather gloves made of the lighter leather (kid) which must be dyed by the process of brushing. We have been for many years wholesale dealers in men's and women's gloves of all kinds, domestic and imported. During the war when importations of the women's lightweight leather gloves were practically impossible in any volume, we established a factory in Gloversville, Fulton County, N. Y., expressly for the purpose of making such gloves, from the lighter skins which must be dyed by brushing, such gloves being very well distinguished in the trade from the women's and children's leather gloves made of leather which has been dyed by the process of dipping or plunging. This latter class of gloves are of heavier skins, and are known as Cape and Mocha gloves.

In this manufacturing effort we had the advantage of a great deal of experience in gloves and with the labor required for making them, and we were able to make all necessary expenditures of money, and importations of foreign-made gloves were almost entirely shut out by a practical embargo caused by war conditions, while the demand of American women for the lightweight kid gloves was urgent, and prices of all gloves in this country were very high. Nevertheless we were obliged to discontinue our attempt to make these lightweight gloves, after every possible effort during a considerable period of time and with a large expenditure of money, because the product could not be made satisfactorily. Testimony concerning this effort and to this effect was submitted by us to the Senate Finance Committee, and similar testimony concerning other like and unsuccessful efforts by other well-known manufacturers to produce these articles here was also submitted to the committee. In fact, during a long period of years and under very high protective tariffs there have been within our knowledge a number of attempts by manufacturers to produce these gloves in this country, and all such efforts have been unsuccessful and were soon discontinued.

The reasons for this inability to produce these articles here were found in our experience, as in that of others, to lie in the peculiar difficulties of tanning, dyeing, and handling the lighter and more delicate skins. In France and other European countries where such gloves are made successfully the children in the villages where the gloves are made grow up with an intimate knowledge of the skins and how to handle them. This knowledge is handed down from generation to generation, and the skins are supplied from their neighborhoods and with this near-by source of supply and early acquired knowledge and skill these European villagers work continuously all their lives in producing the same line of gloves. This goes on generation after generation, and in each of the various processes—the tanning, dyeing, sewing, etc.—which go to make up the completed article. It is the intensive study and care in all the little details of a delicately constructed article patiently applied from youth to age and handed on. Our labor in this country will not and can not obtain or apply any such knowledge and skill and does not have the patience or desire to acquire it. It is not a question of wages. In our attempted manufacture of these gloves we paid the highest wages and had the most skillful labor, but the desired result was not obtainable. The fact is that the making of such gloves positively requires the inherited and established conditions of the European villages referred to, and such conditions can not possibly be reproduced here.

We take this opportunity to thank you for taking up this subject and for the able way in which you have handled it. Samples of gloves such as we have referred to will be placed in your hands early next week, after conference with Mr. T. R. Lewis, president of the Association of Glove Importers.

Yours very truly,

MILLS & GIBB CORPORATION,
G. R. FOGARTY, *President.*

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. LADD. Certainly.

Mr. LENROOT. I did not quite understand just the effect of the Senator's amendment. The amendment provides that if the leather has been dyed by the process of dipping or plunging, it shall take the same rate as is proposed by the Senate Finance Committee. Is that correct?

Mr. LADD. That is the American-made glove.

Mr. LENROOT. If the leather has been prepared in some other way, the rate will only be one-half that sum.

Mr. LADD. It would be $2.40; in other words, on the gloves that we do not make and never have made in this country.

Mr. LENROOT. I know, but why should the mere difference of processing the leather make a difference of 50 per cent in the rate?

Mr. LADD. I have not attempted to change the rate of protection where it is deemed necessary for the workingmen of this country who are making the gloves. Therefore, for the gloves we have produced I have not proposed a change in the rate, but I have simply taken the rates for those gloves which are made in small institutions or in the homes abroad and not made in this country, and proposed that that rate shall be reduced.

Mr. LENROOT. May I ask the Senator this question, then? A glove that has not been dyed by the process of dipping or plunging, but is dyed in some other way and is imported, must compete with the glove that is dyed through the process of dipping or plunging, must it not?

Mr. LADD. Yes.

Mr. LENROOT. If it does compete, does it not displace it if the rate is too low?

Mr. LADD. That is very true. But what I am objecting to is forcing the women of this country to pay an unnecessarily high price for the type of glove they desire to wear or be forced to wear the glove that is made in this country. In other words, it simply has the effect of forcing from the American market the foreign glove and substituting a glove that is entirely different.

Mr. LENROOT. Why, then, should not the Senator's amendment be so worded that anybody could understand it? Why should there not be a straight reduction to whatever rate the Senator proposes, if one does compete with the other?

Mr. LADD. One is made in this country and the other is not made in this country.

Mr. LODGE. Where is it made?

Mr. LADD. The glove is made in France and Germany, but the gloves that are dipped are made, I understand, in this country.

Mr. SMOOT. I wish to say that both are made in this country.

Mr. WADSWORTH. I have a pair in my hand that was made in this country.

Mr. SMOOT. I have here samples of gloves made in this country, one of the dipped style and the other of the brushed

style. If the Senator is not a pretty good judge, he could not very well tell the difference between the two, and yet the brushed glove is made here. The statement that they are not made here is hardly correct. I will hand the Senator a sample of the glove. I hand him a glove that is made in the United States.

Mr. LADD. Yes; I have some of the same gloves, as I have already stated.

Mr. SMOOT. That is the brushed glove.

Mr. WADSWORTH. They are not made commercially because they have never been given a chance, but they can be made very easily.

Mr. LADD. I agree with that; but they are not made and sold in this country, and the affidavit of the largest house in this city, Woodward & Lothrop, states that for 15 years they have never had offered to them any gloves made in this country.

Mr. WADSWORTH. For an obvious reason.

Mr. LADD. The Senator has exhibited gloves made for this particular purpose, and I have some of the same gloves.

Mr. WADSWORTH. But the purpose is obvious. The importer does not want to have them made here.

Mr. LADD. Without regard to price?

Mr. WADSWORTH. But see what he is getting for them.

Mr. LADD. I will admit they can be made here, but not in competition at the price, nor will they, I am told, be of the same quality.

Mr. WADSWORTH. Of course, the importers have always said that. They are clinging to the monopoly. They love it. It tastes good. They raise their prices 200 or 300 per cent, and then they tell the women who step up to the counter, "These gloves can not be made in the United States." The affidavit of the saleswoman from Woodward & Lothrop is already famous throughout the industry. The whole glove industry are laughing at it. The whole glove industry know they can make the gloves if once given a chance. The significant thing is that of all the women's fine gloves that are imported in the United States 90 per cent are the brushed gloves, which under the Senator's amendment would have no protection and the foreign monopoly would continue. It is the last desperate effort to cling to that monopoly. They have not told the Senate, and I doubt if they have told the Senator from North Dakota that the amendment which he proposes affects 90 per cent of all the importations.

Mr. LODGE. Mr. President, may I ask the Senator a question? Where are the brush gloves made? I understood the Senator to say that they are made in Germany and France. I thought they were made in Italy.

Mr. WADSWORTH. Some are made in Italy; but Germany and France are the largest producers. They are also made in Czechoslovakia.

Mr. LODGE. They are made everywhere.

Mr. LADD. In the European countries.

Mr. WADSWORTH. It has always been said we could not make them here. It is the old cry of the importers.

Mr. LADD. I desire also to insert in the RECORD the amounts of importations of gloves under the Wilson law from 1894 to 1897, under the Dingley law from 1898 to 1908, under the Payne-Aldrich law from 1909 to 1912, and under the Underwood law from 1913 to 1922, showing the imports of men's, women's, and children's gloves and the total imports of men's gloves; also a table showing the total production for certain years and persons engaged in the industry.

The PRESIDING OFFICER (Mr. ODDIE in the chair). Without objection, it is so ordered.

The tables referred to are as follows:

Statement showing the imports of men's, women's, and children's gloves.

	Year.	Imports of men's, women's, and children's gloves (total dozens).	Imports of men's gloves (total dozens).
Wilson bill, 1894–1897	1895	1,298,006	44,657
	1896	1,262,427	65,120
	1897	1,235,192	61,420
Dingley bill, 1898–1908	1898	1,040,535	36,720
	1899	1,054,986	49,500
	1900	1,206,874	54,828
	1901	1,042,226	50,380
	1902	1,014,711	60,040
	1903	924,033	73,050
	1904	953,956	74,350
	1905	866,259	89,008
	1906	1,058,926	92,600
	1907	1,186,569	108,000
	1908	902,541	93,961

Statement showing the imports of men's, women's, and children's gloves—Con.

	Year.	Imports of men's, women's, and children's gloves (total dozens).	Imports of men's gloves (total dozens).
Payne-Aldrich bill, 1909–1912	1909	1,159,221	86,678
	1910	1,309,107	99,284
	1911	1,196,871	86,610
	1912	1,128,355	65,350
Underwood bill, 1913–1922	1913	1,116,632	66,810
	1914	1,475,689	65,627
	1915	1,107,032	62,459
	1916	700,698	32,187
	1917	735,879	31,408
	1918	665,316	31,212
	1919	380,558	5,185
	1920	831,982	29,155
	1921	912,856	18,262
Total		28,767,437	1,633,949

	Per cent.
Men's	5.67
Women's	17.80
Total	23.47

Statement showing the production of men's, women's, and children's gloves.

(Dozens.)

Year.	Domestic.	Imported.	Combined.
1899	2,895,661	1,054,986	3,950,647
1904	3,370,146	953,956	4,324,102
1909	3,368,635	1,159,221	4,527,856
1914	3,082,376	1,475,689	4,558,065
1919	3,666,045	380,558	4,046,603
Total	16,382,863	5,024,410	21,407,273
Average yearly	3,276,572	1,004,882	4,281,454

Average yearly importations, 23.47 per cent.
Average yearly domestic, corresponding years, 76.53 per cent.

Statement showing persons engaged in the glove industry.

Years.	Population, United States	Persons engaged in the glove industry.	Census.
1890	63,069,756	15,325	1899
1900	77,256,630	11,712	1904
1910	93,402,151	12,950	1909
1920	107 436 441	12,345	1914

Population, increase, 70½ per cent. Persons, decrease, 19.56 per cent.

Mr. LADD. I have no particular interest except that I feel and still maintain that the gloves have not been made in this country, whatever the reason may be; that they are not being made to-day; that they had the protection of an embargo during the war; that the manufacturer who put money into them during that time was unable to compete; that they still have a tariff on them as much as the other gloves have, and yet are not produced in this country; and to place this tariff of 340 per cent is an unnecessary burden.

Mr. REED. Mr. President, the great difficulty in all discussions is to arrive at the basic fact. The Senator from New York [Mr. WADSWORTH], who always speaks with a rare degree of clearness, nevertheless makes the mistake which other mortals make of assuming a premise which may or may not exist, and arguing from that premise. The whole basis of his argument is that there is a European monopoly controlling the prices of gloves in this country. Over and over again he referred to the European monopoly.

I asked him one question and his answer destroyed his entire argument. He admitted, or stated frankly—that is the more polite way to put it—that the European market was absolutely open and that anybody could go to Europe and buy European gloves in a free and open market. If that is the case, and since it is admitted we must assume it to be the case, then there is no European monopoly and the scarecrow of European monopoly which he held up before us vanishes in thin air. If there is any monopolization of the business of handling European-made gloves, it therefore is not a European monopoly, but is a combination of importers, and since every dealer is privileged to buy in Europe and since all of our very large dealers do have their European agents and do buy directly, it follows that if exorbitant prices are charged to the retailer, it is the result of a combination conspiracy or trade

understanding of some kind which has been arrived at by the dealers in the country.

Now, if there be a combination of that character the question at once arises, How will a higher tariff in any way tend to benefit the American purchaser? That is the first question to which I want to give a moment's consideration. If with a tariff of $2 per dozen the American importers, through a combination among themselves, for a glove which costs 18 cents at the factory door, and which with the tariff and the transportation added would not cost more than 85 or 40 cents, charge the American people $2.50 per pair, how will it benefit the American consumer to make the tariff $5 a dozen or any other higher amount? Manifestly if we are in the grip of such a combination as we have spoken of the higher we raise the tariff the more difficult it will be to purchase gloves abroad, the more complete will be their monopoly if the tariff has any effect, and certainly it must be true that the tariff will not tend to reduce the price to the American consumer. Neither will it tend to limit the extortion practiced, as it is alleged, by the importers.

The next question then arises whether we can produce a competition with the foreign importer, who has monopolized the market at home, not abroad, by establishing the business there through a high tariff.

Let us examine that for a moment. If those who handle the retail and distributing glove business of the country are strong enough to go into the open European market, where everybody may go; to go into France where these gloves are manufactured and where everybody may go to purchase; into Germany where these gloves are manufactured and where everybody may purchase and can, through the force of their combination, extort these wicked prices from the women as well as the men of the United States, what reason, I say, is there to believe if we do establish an American industry through the imposition of a tariff the same instrumentalities would not control the prices? To say that they would not is simply to assume something of which there is no evidence, which is not borne out by any kind of logic. Now, for a moment let us turn to the question of the building up of the glove industry in the United States by the enactment of a higher tariff. We have had in the United States a tariff upon gloves for 30 or 40 years, and a very high tariff. The Underwood tariff is somewhat lower than the tariff that preceded it, but under those very high tariffs the manufacture of women's fine gloves in this country never sprang into existence. A few gloves were made during the World War, when prices went to an unheard-of figure. What reason is there to believe that an industry which took some faltering steps during the war may be built up now by any tariff that is within the limits of reason?

Let us see what the proposition is. The Underwood tariff as it stands to-day imposes a duty of $2 a dozen upon gloves which at the factory door cost $1.80 a dozen—a tariff of over 100 per cent—and we are asked to believe that an industry ought to be built up by a higher tariff, which in 40 years' time, with more than 100 per cent tariff, according to the figures that have just been given here—it has not been 100 per cent in figures, I am aware, but it is equivalent to 100 per cent when a duty of $2 a dozen is imposed on gloves that cost $1.80—has not been able to compete with the foreign article.

Mr. CALDER. Will the Senator from Missouri permit me to interrupt him?

Mr. REED. Let me just finish this thought. What reason is there to believe that we may build up such an industry in the future through the medium alone of the tariff?

Mr. CALDER rose.

Mr. REED. I will yield in a moment. But that is not all of the story which we are told here this afternoon. We are told that these gloves which cost $1.80 a dozen at the factory door are sold in this country by this combination or monopoly at $13 a dozen. If, then, a monopoly has fixed a price of $13 a dozen, or more than six times the cost of the foreign production, and yet the industry in our country which has been established is languishing and going to destruction, although the price of the article with which it competes is 600 per cent above the cost of production, the conclusion is inevitable that this business can not be established by any kind of sensible tariff.

Oh, but it is said that if the industry did start, then the importer might drop his price to a destructive figure. But the importer has not dropped his price; he maintains it now—600 per cent, speaking broadly, above the cost of foreign production—and yet it is said that the domestic factory doors are closed: that women and children are starving. Why have they not made these gloves in Gloversville and offered them to the public at, say, $12 a dozen, which is still 600 per cent beyond the cost of foreign production? Why did they shut down? Why did they not go into the market and offer their goods?

The trouble with this matter is that when it is said there is a foreign monopoly which has put the price up 600 or 700 per cent and still there is no domestic competition Senators have argued themselves into a position where they have demonstrated that the domestic manufacturers can not make the goods. That is all there is to it. However, those manufacturers are down here asking that every woman and every child in the United States who wears a glove shall be taxed, although they can not sell in competition when there is a protective tariff and when there is a monopoly profit added of 600 or 700 per cent.

There have been some statements made in reference to the enormous amount of dumping of gloves in this country. What are the facts? In 1914, before the World War, we imported 1,200,000 dozen pairs of these gloves. In 1921 we imported 911,000 dozen pairs. We have not reached the pre-war figure. In 1914, of the total consumption of gloves in this country, we imported 47 per cent, and in 1919 only 11 per cent, and the importations to-day, which Senators on the other side of the Chamber say have closed the doors of the factories in their States, do not equal the importations before the war.

What is the trouble with the glove business here? In the first place, the manufacturers raised the price of gloves to an exorbitant, outrageous, and criminal price during the war. The people were able to pay those prices then because they were making a great deal of money. The glove producers continued to prosper during 1918, when other people were prospering, but when the slump of 1920 came and the people could no longer afford to buy these expensive gloves, that business, which deals in an article which is at once a necessity but also in the nature of a luxury, suffered. Now, when everybody is suffering, when everybody else is compelled to take his losses, it is proposed to tax those who are forced to take their losses in order to sustain a business which admits it can not compete although the market price is 600 per cent above the cost of foreign production.

Who is protecting the American farmer? Senators may put all the protection into this bill that they desire, but the American farmer has to sell his wheat abroad on the foreign market. The price of foreign wheat fixes the price of wheat here. The American farmer has to sell his surplus meats abroad in the foreign market, and the price there, broadly speaking, fixes the price here. I am omitting in all my statements some little cornering which may occur at times. Who is protecting the great body of the American people, who are compelled to lower their cost of living because their income has been decreased? Many of them are walking the streets; many of them are seeking employment; but it is now proposed as to every woman and as to every girl who wears a pair of gloves—and the Senator from New York [Mr. CALDER] even proposed on workingmen's gloves a tariff, although he proposed a lower rate, I give him credit for that, than is in this bill, but a higher rate than is in the Underwood law—to levy a tax on the very necessities of life that everybody has to have, to lay that tax even upon the unemployed, because there is some unemployment in Gloversburg or Gloversdale, or wherever it is, in New York.

It is the usual game of robbery. I have not time now—for I wish to stop within my 15 minutes—to discuss it, but I have seen these leeches and bloodsuckers come before the Committee on Finance demanding what they proposed to have in the way of a tribute from the remainder of the American people. I have seen them demanding a tariff eight or ten times greater in the aggregate to be collected than their entire pay roll; and they did it in the name of American labor.

The truth is that this administration has surrendered itself, body and soul, to the big interests of the country. The Republicans have taken the taxes off the millionaires and left them on the common people; they have taken the taxes off the profiteers and left them on the common people. Now it is proposed to put a tax on the common people for the benefit of the millionaires, of the trusts, and the combinations. Nothing I can say will stop it; but the American people will stop it after the next election. Now, drive on.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from North Dakota [Mr. LADD].

The amendment was rejected.

Mr. WALSH of Massachusetts. Mr. President, on page 197, line 19, I move to strike out the numerals "60" and "70" and to insert in lieu thereof the numerals "30" and "40," and upon that amendment I ask for the yeas and nays.

Mr. CALDER. Mr. President, I ask that the amendment to the committee amendment may be stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The READING CLERK. On page 197, in line 19, it is proposed to amend the committee amendment by striking out the numerals "60" and "70" and inserting "30" and "40."

Mr. CURTIS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Hale	Norbeck	Stanfield
Calder	Harreld	Oddie	Stanley
Cameron	Harris	Overman	Sterling
Capper	Heflin	Pepper	Sutherland
Colt	Kendrick	Phipps	Townsend
Cummins	Keyes	Pomerene	Trammell
Curtis	Ladd	Reed	Wadsworth
Dial	Lodge	Sheppard	Walsh, Mass.
Edge	McCumber	Shortridge	Walsh, Mont.
Ernst	McKinley	Simmons	Warren
Fletcher	McNary	Smith	Watson, Ind.
Gerry	Moses	Smoot	Willis
Gooding	Nicholson	Spencer	

The PRESIDING OFFICER. Fifty-one Senators having answered to the roll call, a quorum is present. The question is on the amendment of the Senator from Massachusetts [Mr. WALSH] to the amendment of the committee.

Mr. WALSH of Massachusetts. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BALL. May we have the amendment stated?

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 197, line 19, the committee proposes to strike out "37½" and insert "60 nor more than 70." The Senator from Massachusetts [Mr. WALSH] proposes to strike out "37½" and insert "30," and in the same line to strike out the numeral "70" and insert "40," so that it will read:

Provided further, That all the foregoing shall pay a duty of not less than 30 nor more than 40 per cent ad valorem.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Massachusetts to the amendment of the committee, on which the yeas and nays have been demanded and ordered. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. JONES of New Mexico (when his name was called). I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Nevada [Mr. PITTMAN] and will vote. I vote "yea."

Mr. KENDRICK (when his name was called). I transfer my pair with the Senator from Illinois [Mr. MCCORMICK] to the Senator from Texas [Mr. CULBERSON] and will vote. I vote "yea."

Mr. LODGE (when his name was called). I have a general pair with the senior Senator from Alabama [Mr. UNDERWOOD]. I transfer that pair to the junior Senator from Vermont [Mr. PAGE] and will vote. I vote "nay."

Mr. MCCUMBER (when his name was called). I transfer my general pair with the junior Senator from Utah [Mr. KING] to the junior Senator from Washington [Mr. POINDEXTER] and will vote. I vote "nay."

Mr. MCKINLEY (when his name was called). Transferring my general pair with the junior Senator from Arkansas [Mr. CARAWAY] to the senior Senator from Minnesota [Mr. NELSON], I vote "nay."

Mr. SIMMONS (when his name was called). I have a general pair with the junior Senator from Minnesota [Mr. KELLOGG]. I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK] and will vote. I vote "yea."

Mr. SUTHERLAND (when his name was called). I transfer my general pair with the senior Senator from Arkansas [Mr. ROBINSON] to the senior Senator from Connecticut [Mr. BRANDEGEE] and will vote. I vote "nay."

Mr. WALSH of Montana (when his name was called). I inquire if the Senator from New Jersey [Mr. FRELINGHUYSEN] has voted?

The PRESIDING OFFICER. He has not.

Mr. WALSH of Montana. I am paired with that Senator. I transfer that pair to the Senator from Arizona [Mr. ASHURST] and will vote. I vote "yea."

Mr. WATSON of Indiana (when his name was called). I transfer my general pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the senior Senator from Maryland [Mr. FRANCE] and will vote. I vote "nay."

The roll call was concluded.

Mr. EDGE. I transfer my general pair with the Senator from Oklahoma [Mr. OWEN] to the Senator from Delaware [Mr. DU PONT] and will vote. I vote "nay."

Mr. HALE. I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Maryland [Mr. WELLER] and will vote. I vote "nay."

Mr. CURTIS. I desire to announce that the Senator from Washington [Mr. JONES] is necessarily absent. He is paired with the Senator from Virginia [Mr. SWANSON].

I also desire to announce the following general pairs:

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON]; and

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR].

Mr. SHEPPARD. I desire to announce that the Senator from Mississippi [Mr. HARRISON], if present and not paired, would vote "yea" on this question.

The result was announced—yeas 22, nays 33, as follows:

YEAS—22.

Bursum	Harris	Overman	Stanley
Capper	Heflin	Pomerene	Trammell
Dial	Jones, N. Mex.	Reed	Walsh, Mass.
Fletcher	Kendrick	Sheppard	Walsh, Mont.
Gerry	Ladd	Simmons	
Glass	Nicholson	Smith	

NAYS—33.

Ball	Ernst	McNary	Sutherland
Broussard	Gooding	Moses	Townsend
Calder	Hale	Oddie	Wadsworth
Cameron	Harreld	Pepper	Warren
Colt	Keyes	Phipps	Watson, Ind.
Cummins	Lenroot	Shortridge	Willis
Curtis	Lodge	Smoot	
Dillingham	McCumber	Stanfield	
Edge	McKinley	Sterling	

NOT VOTING—40.

Ashurst	Harrison	Myers	Ransdell
Borah	Hitchcock	Nelson	Rawson
Brandegee	Johnson	New	Robinson
Caraway	Jones, Wash.	Newberry	Shields
Culberson	Kellogg	Norbeck	Spencer
du Pont	King	Norris	Swanson
Elkins	La Follette	Owen	Underwood
Fernald	McCormick	Page	Watson, Ga.
France	McKellar	Pittman	Weller
Frelinghuysen	McLean	Poindexter	Williams

So the amendment of Mr. WALSH of Massachusetts to the amendment of the committee was rejected.

Mr. STERLING. Mr. President, I move to strike out the number "60" in line 19 and to insert in lieu thereof the number "50," so that it shall read:

Not less than 50 nor more than 70 per cent ad valorem.

On that I ask for the yeas and nays.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The READING CLERK. On page 197, line 19, in the committee amendment, it is proposed to strike out "60" and insert "50," so that it will read, striking out "37½":

Not less than 50 nor more than 70 per cent ad valorem.

Mr. MCCUMBER. Mr. President, before that vote is taken—and possibly, therefore, the Senator need not call for the yeas and nays—I will say that the committee accepts that modification.

Mr. STERLING. Very well.

The PRESIDING OFFICER. The question is on the amendment of the Senator from South Dakota to the amendment of the committee.

Mr. WALSH of Massachusetts. Mr. President, I have no objection to the committee accepting this amendment, but on the final committee amendment I want the yeas and nays.

Mr. SMOOT. On the whole amendment?

Mr. WALSH of Massachusetts. On the whole amendment.

The PRESIDING OFFICER. The question is on the amendment of the Senator from South Dakota to the amendment of the committee.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended.

Mr. WALSH of Massachusetts. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WADSWORTH. Will the Chair state the question to the Senate?

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended.

Mr. WADSWORTH. Have we passed upon the preceding committee amendments to this paragraph? However, it makes no difference, so far as I can see. We can go back to them.

The PRESIDING OFFICER. The question is on agreeing to the amendment as amended, on which the yeas and nays have been ordered. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. EDGE (when his name was called). Making the same announcement as before, I vote "yea."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "yea."

Mr. JONES of New Mexico (when his name was called). Making the same announcement as on the previous vote regarding my pair and transfer, I vote "nay."

Mr. LODGE (when his name was called). I have a general pair with the senior Senator from Alabama [Mr. UNDERWOOD], which I transfer to the junior Senator from Vermont [Mr. PAGE] and vote "yea."

Mr. McCUMBER. (when his name was called). Transferring my general pair as on the previous vote, I vote "yea."

Mr. McKINLEY (when his name was called). Transferring my pair as on the previous vote, I vote "yea."

Mr. SIMMONS (when his name was called). I transfer my pair with the Senator from Minnesota [Mr. KELLOGG] to the Senator from Nebraska [Mr. HITCHCOCK] and vote "nay."

Mr. WALSH of Montana (when his name was called). Transferring my pair as heretofore, I vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "yea."

The roll call was concluded.

Mr. GERRY. I desire to announce that the junior Senator from Mississippi [Mr. HARRISON] is necessarily absent. If present, he would vote "nay."

Mr. CURTIS. I desire to announce the following pairs:

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. McKELLAR]; and

The Senator from Washington [Mr. JONES] with the Senator from Virginia [Mr. SWANSON].

Mr. SUTHERLAND. Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

The result was announced—yeas 34, nays 21, as follows:

YEAS—34.

Ball	Gooding	McNary	Sterling
Broussard	Hale	Moses	Sutherland
Calder	Harreld	Nicholson	Townsend
Cameron	Keyes	Oddie	Wadsworth
Colt	Lenroot	Pepper	Warren
Curtis	Lodge	Phipps	Watson, Ind.
Dillingham	McCormick	Shortridge	Willis
Edge	McCumber	Smoot	
Ernst	McKinley	Stanfield	

NAYS—21.

Bursum	Harris	Pomerene	Trammell
Capper	Heflin	Reed	Walsh, Mass.
Dial	Jones, N. Mex.	Sheppard	Walsh, Mont.
Fletcher	Kendrick	Simmons	
Gerry	Ladd	Smith	
Glass	Overman	Stanley	

NOT VOTING—40.

Ashurst	Frelinghuysen	Myers	Ransdell
Borah	Harrison	Nelson	Rawson
Brandegee	Hitchcock	New	Robinson
Caraway	Johnson	Newberry	Shields
Culberson	Jones, Wash.	Norbeck	Spencer
Cummins	Kellogg	Norris	Swanson
du Pont	King	Owen	Underwood
Elkins	La Follette	Page	Watson, Ga.
Fernald	McKellar	Pittman	Weller
France	McLean	Poindexter	Williams

So the amendment of the committee as amended was agreed to.

Mr. WALSH of Massachusetts. Before we leave this paragraph I ask permission to have inserted in the RECORD a table showing the imports of gloves from 1910 to the present time and some communications protesting against the duty proposed.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Imports for consumption—revenue.

Fiscal year.	Quantities (dozen pairs).	Values.	Duties collected.	Value per unit of quantity.	Actual and computed ad valorem rate.	Production. Dozen pairs.	Production. Value.
					Per cent.		
1910	1,309,108	$7,755,239	$3,840,493	$5.93	49.52	3,368,655	[1] $22,525,861
1911	1,196,871	7,775,437	3,554,755	6.49	45.72	.....	.....
1912	1,128,356	7,841,831	3,462,233	6.86	44.15	.....	.....
1913	1,183,443	7,619,130	3,461,925	6.44	45.44	.....	.....
1914	1,475,689	9,366,899	3,302,659	6.35	35.26	3,082,376	[2] 20,206,558
1915	1,107,033	7,345,914	2,386,117	6.63	32.48	.....	.....
1916	786,.38	5,199,332	1,004,002	6.61	30.85	.....	.....
1917	727,276	6,419,569	1,568,640	8.84	24.00	.....	.....
Calendar year:							
1918	556,296	7,588,814	983,049	13.64	11.05	.....	.....
1919	406,068	6,162,848	842,023	15.17	13.66	3,615,703	44,831,777
1920	891,229	14,107,580	1,999,301	15.82	14.15	.....	.....

[1] Calendar year 1909. [2] Calendar year.

FRANCIS T. SIMMONS & CO.,
Chicago, April 26, 1922.

Senator WALSH, of Massachusetts,
United States Senate, Washington, D. C.

DEAR SIR: I was very much interested in reading your recent speech on the tariff, as just reported in the Daily News Record, of New York.

What is being attempted with regard to the women's kid-glove schedule in the proposed bill is a very fair example of what you claim with regard to the make-up of parts of the bill, at least.

Inclosed is a copy of a letter which I sent on April 12 to the chairman of the Senate Finance Committee.

To state the case in a few words, women's fine kid gloves never have been made in this country and never will be made here. Therefore anything but a reasonable tariff for revenue placed upon them would have to be proposed with some ulterior motive.

It is no secret that for years the manufacturers of Fulton County, N. Y., have been trying to get a prohibitive duty placed on women's fine imported kid gloves. The supposition is that while they can not produce these gloves themselves they might, by shutting them out from this country, increase the demand for their own products and in this way have a practical monopoly. Their last serious attempt along this line was in 1909, under President Taft's administration, and their complete failure then is a matter of political history.

The same interests, under about the same leadership, are apparently having another try at the game. Their motto seems to be, "If you don't at first succeed, try, try again." They are no more entitled to success in 1922 than they were in 1909; and if they and other manufacturing blocs do succeed in imposing their will upon Congress, the people will have to pay for it and the bills will be heavy.

Very truly,

WM. N. KNERR,
Secretary of Francis T. Simmons & Co.

—

APRIL 12, 1922.

The Hon. PORTER J. McCUMBER,
Chairman United States Senate Finance Committee,
United States Senate, Washington, D. C.

DEAR SIR: We wish to call your attention to the proposed rates on women's imported kid gloves as they appear in paragraph 1433 in the tariff bill just reported by your committee to the Senate.

In the first place these women's fine kid and lamb gloves such as are imported from France have never been made in this country and for a number of reasons known by everyone in the glove business they never can be made in this country. Therefore any duty upon them would be figured from the standpoint of producing revenue for the Government and not for the purpose of protecting an existing or a possible industry.

The specific duty proposed in paragraph 1433 is $4 per dozen, which is just double what the present duty is. It has been proposed by many people familiar with the glove business that an increase of 50 per cent on the old $2 rate would be ample as far as having the glove-importing industry share in providing its part of additional Government revenue. With the present rate of $4 per dozen the old rate has been increased 100 per cent and whether that increase is justifiable and equitable might be open to discussion. What we wish to discuss here is the fact that the specific duty is made subject to a clause providing that it shall not be less than 60 per cent ad valorem.

To show you how this works out, the cheap two-clasp French lamb glove now quoted at 120 francs per dozen would figure in cost in American money $11.08 with the French exchange of $0.0923 quoted this morning. On this $11.08 the specific duty would be $4 but a 60 per cent minimum ad valorem duty would be $6.65.

Taking a higher priced glove, the 16-button French kid mousquetaire, the present quotation is 350 francs per dozen and at to-day's exchange this would amount to $32.30. The specific duty provided in paragraph 1433 would be $10 per dozen but a 60 per cent minimum ad valorem duty would raise this to $19.38. The table in the next paragraph will show these two gloves with a comparison of the present duty, the proposed specific duty, and the proposed ad valorem duty:

	Foreign cost. Francs.	Foreign cost. Dollars.	Present duty.	Proposed specific duty.	Proposed ad valorem duty.
Two-clasp French lamb	120	11.08	2.00	4.00	6.65
Sixteen-button French kid	350	32.30	4.50	10.00	19.38

In our opinion it is inconsistent to state that the duty on the 2-clasp French lamb glove shall be $4, excepting that the ad valorem rate will make it $6.65 and that the duty on the 16-button French kid mousquetaire shall be $10 per dozen, excepting that the ad valorem rate shall make it $19.38.

We maintain that the ad valorem rates proposed are absurdly high, particularly in view of the fact that the goods affected are not made in this country.

The 2-clasp lamb glove referred to is worn by almost every woman in the country, and the enormous increase in the duty on this glove, as well as on other fine imported kid gloves, will simply tend to put prices at an artificial level, while the reestablishment of the Nation's business requires that all prices shall be reduced as far and as fast as possible, so that the cost of living can be correspondingly reduced.

The substitution in the tariff bill of the foreign valuation for the American valuation is a long step in the right direction and indicates that your committee is trying to make an equitable and just settlement of the tariff question. Along this line, we claim that women's fine imported kid gloves should be taxed with specific rates only, and in view of the fact that they are not made in this country those rates would be sufficiently high for revenue purposes if increased 50 per cent over the rates now in force. It might even turn out that this reasonable increase in rates would produce more revenue in the end than the high and unreasonable rates now proposed in the 60 per cent ad valorem part of paragraph 1433. This latter schedule might well be found so high that the volume of importations would be reduced to a point where the exorbitant rates of duty would not compensate for the revenue lost in a consequent reduction of the volume of importations.

Very truly,

FRANCIS T. SIMMONS & CO.

BOSTON, MASS., *February 2, 1922.*

Hon. DAVID I. WALSH,
Washington, D. C.

DEAR SIR: As distributers of small wares, knit goods, hosiery, underwear, and gloves we have been in business for a considerable length of time and feel that we have had considerable experience in the distribution of both imported and domestic merchandise.

We wish to call your attention to the new proposed duty on imported kid and lamb gloves.

We are enthusiastically patriotic, but believe that common sense and good business judgment make it very evident that although we are a great big powerful nation we must not expect to be able to produce everything that our citizens use.

There are certain kinds of merchandise that can only be produced in their native land. This may be due to climatic conditions or an inherited adaptability of the natives for its making.

Such articles, we believe, should be permitted to come into our country at a reasonable rate, so that our own citizens may be able to purchase them at a sensible price.

We note that the proposed rate is practically an ad valorem rate. To apply any but a specific rate of duty to imported kid gloves or any other article that is not a manufactured product is decidedly unreasonable, because the material from which the article is made is not fabricated from raw material but one of nature's own products.

No skins are alike and can not be made alike. It is true that perhaps one of the best quality of skins in a lot has a blemish which reduces its value greatly. An ad valorem duty on such an article is simply courting trouble, as there are no two skins ever alike in value.

Dissatisfaction with the tariff is lasting when it embodies schedules known to be unreasonable, and ordinary common sense should show conclusively to a tariff maker that an article, the standard of which can not be controlled by man, should not bear an ad valorem rate, but a specific rate.

Respectfully yours,

WALKER STETSON CO.,
JAS. H. STETSON, *President.*

—

BOSTON, *May 13, 1922.*

Hon. DAVID I. WALSH,
The Senate, Washington, D. C.

DEAR SIR: The Senate has now under consideration the matter of a tariff schedule on foreign-made kid gloves.

We are heartily in sympathy with a tariff which is necessary to protect American manufacturers as against foreign competition, but careful investigation shows that there are certain types of leather gloves which never have been successfully manufactured in this country, and the schedule quoted to us places so high a duty on these particular types of gloves that it would seem as though it might either prohibit their sale or, if not, that the American user of the gloves would have to pay an exorbitant price for them and be, in this way, penalized without any American manufacturer deriving any benefit from the entire situation.

If upon investigation it seems to you that our understanding of the situation is correct, we hope that you will take action along the lines which seem to us best under the circumstances.

Very truly yours,

R. H. WHITE CO.,
G. B. JOHNSON, *President.*

—

A. B. CAMPBELL & CO.,
New York, April 18, 1922.

Hon. D. I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: The tariff rates published in the New York press April 12 states the rates proposed by the Senate Finance Committee re women's and men's leather gloves, viz, $4 on women's gloves and $5 on men's gloves, supplemented by a "catch-all" phrase, "provided the rate of duty is not less than 60 per cent or more than 70 per cent ad valorem."

The decision can be readily understood, in the light of the broad question of principle, that the present rates in force do not protect homemade goods from destruction by foreign competition, so that goods coming from countries with low exchange rates could come into unfair competition with our own.

International exchange rates made the necessity real, urgent, and too important to overlook in any brief submitted to the Senate Finance Committee, consequently the decision was unquestionably founded upon the facts as presented.

It is the application of these new rates under the Senate Finance Committee decision and the Fordney bill, H. R. 7456, which led me to review the rates from the standpoint of what they mean to those engaged in the business and what they mean to the public.

The application of these rates, when translated into trade figures, establishes a result which I believe must be contrary to that which the Finance Committee had in mind when the new rates proposed were decided.

Following is a table showing the application of these rates, based on current quotations in France, applied to women's goat, glacé finish, exchange estimated at 9 cents to the franc:

	Francs.	Dollars.	Present rates.	Senate rates (60 per cent).	Fordney rates (37½ per cent).
WOMEN'S GOAT ORIGIN GLACÉ FINISH.					
Under 14 in. embd., 2-clasp, overseam	100	$9.00	$2.00	$3.40	$4.40
Under 14 in. embd., 2-clasp, P/K sewn	150	13.50	2.00	8.10	5.06
Under 14 in. P/K and embd., str. wr. w. gore and buckle	280	25.20	2.25	15.12	9.45
Under 24 in. embd., 16 bt. msq. O/S	375	33.75	4.50	20.25	12.66
Under 28 in. emb., 20 bt. msq. O/S	500	45.00	5.50	27.00	13.87
MEN'S GOAT ORIGIN GLACÉ FINISH.					
Under 12 in. embd., 1-clasp O/S sewn	165	$14.85	$2.50	$8.91	$5.57
Under 12 in. embd., 1-clasp piqué	200	18.00	2.75	10.80	6.75

The above tables, if applied on a glove costing 75 francs or $6.75, would impose an assessment of $4. Practically no gloves under the above classification are quoted us at 75 francs at the present time.

The rates proposed have no bearing on production costs, and any additional tax imposed in excess of that required to protect our industry against cheaper foreign labor and depreciated exchange rates imposes an unnecessary burdensome tax on the public.

The Table A shows American production equals approximately 76.53 per cent, compared to importations 23.47 per cent, of which women's and children's are about 17.8 per cent and men's 5.67 per cent.

Reviewed by past achievements, have the American manufacturers proven they are justified in receiving by Government edict rates that are not competitive but are prohibitive? Does it not appear to be the better part of wisdom to inquire, before establishing increased duties on women's gloves, imposing a tax of from 45 cents to $2.25 per pair, whether this is justified? The census shows that the number of persons engaged in the leather glove industry was, in the year 1899, 15,325, and in the year 1914, 12,345, a decrease of approximately 19.56 per cent. Comparing only the interval from 1900 to 1910, 10 years, the population of the country increased 20.88 per cent, showing a difference of 40.44 per cent. The population of the country from 1890 to 1920 increased (Tables B and J) 70½ per cent. The reports covering the periods 1889, 1894, and 1919 are not available to make a comparison. However, while the population of the country was increasing the number of persons engaged in the glove industry decreased in a startling proportion.

Therefore the figures must make clear to you that, with an industry going backward while the country is progressing, there is evidently something within the industry that is wrong. The answer is a matter of detail which is purposely excluded from this outline, but which can be satisfactorily explained at length if desired.

Now, let us see what has been accomplished by the domestic manufacturers in the men's field, which they have controlled during the past 26 years by reason of prohibitive rates on men's gloves, 1908 to 1912, $4 to $4.80 per dozen, which were sufficient to check importations, as from 1895 to 1921 only 5.67 per cent of the total importations were men's gloves (Table C).

By referring to the tables of statistics of imports and duties covering the years 1908 to 1914—Tables Nos. 3180 and 3181—on men's leather of sheep origin and exterior surface removed, and Tables Nos. 3192 and 3193, on men's leather of goat origin and exterior surface removed, the totals combined show that the average yearly importations were only 1,239 dozens. The value per unit of quantity in the above-mentioned tables shows the rate of protection of from 55 per cent to 67.91 per cent (Table D).

The classifications above mentioned, translated into trade terms, apply to:

Men's Mocha one-clasp PXM, now retailed at from $3.50 to $5 per pair.

Why $3.50 to $5 for men's Mocha PXM gloves?

The public will want to know this—

For the reason that competitive types of foreign gloves are practically excluded from our market, which has resulted in the creation of the demand for practically one type of men's domestic gloves for street wear. The demand for this particular type far exceeds the supply of skins of the required weight, and this has resulted in unnecessarily high prices for these protected goods.

In other words, because men by these prohibitive rates are denied the choice of the same range of types as granted to women, the demand for the particular type of domestic glove is unrelieved, and high prices result.

Before the people of this country unite and protest against the new proposed rates under either the Senate bill or the Fordney bill, does it not appear that the most reasonable course to pursue is to have a tariff law, as applied to the glove schedule rates established, which will stand a common-sense view of the subject in the last analysis?

Do the figures establish that a glove schedule can be written under specific rates which grants adequate protection to the American industry, somewhere between the high and the low rates under different administrative policies? (Table E.)

New basic rate figures are not difficult for the Senate Finance Committee to establish, by comparing rates in force during the past 30 years under both high and low schedules. (Table E.)

To equalize exchange depreciation use Senator SMOOT'S suggested plan, i. e., add 1 per cent depreciation to the new basic rates for each per cent of depreciated currency of any foreign country.

Then, as foreign countries improve their financial conditions, their rates are lowered. By this method, when we reach normalcy and production costs decline, the American manufacturer will not be left with a rate far in excess of his needs.

Why 60 per cent ad valorem rates now when from the year 1890—McKinley bill—specific rates were adopted for the purpose of preventing undervaluations and proved an unqualified success, enabling the honest importer to enter the field of competition; subsequently, in the Dingley and Aldrich-Payne bills, the penalty clause, $5 per dozen, was omitted.

Your attention is directed to the fluctuations in exchange during the past year—francs advanced from .0585 to .0923, and if the same proportionate improvement continues it will not be a long time before they are valued at 12 cents. (Table F.)

Whereas under the 60 per cent catchall, which is obviously designed for present-day conditions, a return to normalcy in currency rates would practically treble the duty rates as shown and penalize foreign countries for improving their financial conditions. Is this not inviting retaliatory measures?

We must think not only of the public, we must think internationally on the subject. Is it fair to strike a mortal blow on our late allies, viz, France, England, Italy—splendid customers of ours, with whom

the balance of trade in our favor in the year 1921 amounted to $1,524,350,708? (Table G.)

The largest importations of leather gloves, whether we calculate in dollars or from the time dozens were recorded in Government statistics, you will find it is from France the greater number of gloves are imported. (Tables H–I.)

My estimate of costs and tariff rates shows how unreasonably the duties increase, so that under the Senate Finance Committee rates the penalty France must pay in customs duty is to be measured by the present depreciated currency of Germany. (Table F.)

How long do you suppose it will be before the schedules proposed will have the same effect on women's and children's gloves as shown by retail selling prices per pair for men's Mocha 1-clasp PXM?

The erection of the tariff barrier means practically turning over the total quantity of women's and children's gloves to be made here, and in view of the startling figures shown by the census—population increasing; persons engaged in the industry decreasing—how can we possibly make them? Aside from the facts revealed by schedules it can be shown by explanatory details connected with the industry that it can not be accomplished excepting by grant of an absolute monopoly and depriving both men and women their freedom of choice in selecting gloves for their comfort.

It is certainly not your intention to bring this result about unless convinced that it is best for the industry, for the public, international relations, and fair play.

Is it not better to keep a well-balanced proportion, such as we have had in all these years between American and foreign-made gloves, granting both men and women freedom of choice?

This is the broad outline of the subject; the remainder is a matter of detail. Should the opportunity be offered to explain details in connection with the figures presented, pray command.

Yours truly,

A. B. CAMPBELL.

—

THE ASSOCIATION OF GLOVE IMPORTERS,
New York, August 2, 1922.

Hon. D. I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: I would ask your attention to the inclosed reprint of recent article and of an editorial published in the Journal of Commerce and Commercial Bulletin, of New York, both relating to the proposed rates on women's leather gloves as provided for in paragraph 1433 of the pending tariff bill. The article was prepared by the president of the association, Mr. Thomas R. Lewis.

This article shows clearly, and with respect to evidence submitted to the Committee on Finance of the Senate—referred to on page 4 of the inclosed reprint—that the proposed duties would be prohibitive as to the importation of women's lightweight leather gloves, made of leather which has been dyed by the process of brushing, and that such gloves can not be manufactured successfully in the United States.

The result of the adoption of the committee rates would be that the women of the United States would be unable to obtain the lightweight leather gloves which to them are articles of apparel positively necessary for certain seasons and occasions. They would be compelled to use the heavier gloves made of leather which has been dyed by the process of dipping instead of the lighter gloves made of brushed leather to which they have become accustomed and which are the only gloves suited to their needs at the seasons and occasions referred to.

It is certain that to adopt the committee rates and compel the American women to buy an article they do not want and at the same time pay much higher prices for it would bring intense resentment and strong, persistent protest from the women who buy gloves. It has never been considered that the principle of protection to American industry calls for prohibition of the importation of articles that can not be produced in the United States and wherein consequently there is no American industry to protect. The object of such prohibitive duties could only be to drive the American people into the use of some other and less desirable substitute. I would respectfully submit that such a proceeding would be an abuse and distortion of the principle of protection, and that the infliction of such an injury upon the American women at this time, when they are demanding lower prices, would go far toward discrediting and breaking down the doctrine of protection.

Yours very truly,

A. J. F. GOESSLING, *Secretary.*

—

[Reprinted from the Journal of Commerce and Commercial Bulletin, of New York, May 8, 1922.]

PROHIBITIVE TARIFF ON MANY CLASSES OF GLOVES—WOMEN'S AND CHILDREN'S LEATHER GLOVES CAN NOT BE MANUFACTURED IN THE UNITED STATES.

(By Thomas R. Lewis, president of the Association of Glove Importers of the United States.)

The tariff bill (H. R. 7456), as reported to the United States Senate by the Committee on Finance, provides for rates of duty on leather gloves which are as follows:

Men's gloves, not over 12 inches in length, $5 per dozen pairs.

Women's and children's gloves, not over 12 inches in length, $4 per dozen pairs.

For each inch in length in excess thereof, 50 cents per dozen pairs.

In addition thereto, on all the foregoing the following cumulative duties:

When lined with cotton, wool, or silk, $2.40 per dozen pairs.

When lined with leather or fur, $4 per dozen pairs.

When embroidered or embellished, 40 cents per dozen pairs.

Provided, That all the foregoing shall pay a duty of not less than 60 nor more than 70 per cent ad valorem.

Thomas R. Lewis, president of the Association of Glove Importers of the United States, says:

"The domestic manufacturers of leather gloves are chiefly located in Gloversville and neighboring towns in Fulton County, N. Y. They supply practically all of the heavy working gloves and from 85 to 90 per cent of the men's leather gloves sold in the United States, and also command the market in about the same proportion in women's and children's leather gloves made of leather which has been dyed by the process of dipping or plunging. These are known as Cape and Mocha gloves, and are well distinguished in the trade from the women's gloves made from the lighter and more delicate skins which can be dyed only by the process of brushing.

"Women's and children's lightweight leather or kid gloves can not be successfully manufactured in this country, and the greatest fault of the above provisions in the pending tariff bill as reported to the Senate is that they will establish practically an absolute embargo upon the importation of gloves that women in moderate circumstances all over the country find it necessary to have and which can not be produced here. Unless these provisions are amended, the result will be that women and children will be compelled to use heavier and less suitable leather gloves, at much higher prices, in place of the imported lightweight kid gloves which they have been accustomed to wear for certain seasons and circumstances, because of the greater delicacy of texture, style and finish of these lightweight gloves.

"The lightweight kid gloves are necessities for women and children, and this was recognized at the time of the enactment of the war revenue act of 1918, when, notwithstanding the extraordinary need for revenue which led to taxes on sales of luxuries wherever possible, no such luxury tax was put on women's kid gloves. The present need for revenue from tariff duties has been sacrificed in the matter of gloves for the purpose of forcing the women of the United States to go without the lightweight kid gloves heretofore imported from France and other countries and to pay tribute to a few manufacturers in one county of one State.

IMPOSSIBILITY OF MANUFACTURING HERE THE LIGHTWEIGHT KID GLOVES FOR WOMEN.

"These few manufacturers have had the benefit of high protective duties continually for many years and during the war were favored by conditions which curtailed the importation of women's kid gloves, but they have completely failed to manufacture the lightweight leather gloves of the style and finish that American women insist upon wearing; and it is thoroughly well known in the glove trade that such gloves can not be made in this country, and that this fact has been conclusively established by the unsuccessful outcome of a number of attempts.

"V. Perrin & Co., the largest manufacturers of leather gloves in the world, with factories in France, Canada, and the United States, and with a large production in the United States of women's gloves made of leather dyed by dipping, have not been able to produce here any appreciable quantity of women's gloves made of the lighter leather dyed by brushing, even when importations from France were impossible because of war conditions. The well-known wholesale dry goods company, Mills & Gibb, established a factory in Fulton County, N. Y., during the war for the purpose of making women's lightweight kid gloves, and after a large expenditure of money were obliged to discontinue the attempt because the product could not be made satisfactorily. Testimony of these facts was submitted to the members of the Senate Finance Committee at Washington.

WHY THEY ARE MADE SUCCESSFULLY ABROAD.

"Such gloves are made successfully in certain foreign countries, France especially, because the lightweight skins have been obtainable there for many generations, and greater skill and care have been developed in the labor of dyeing and handling the skins and making the gloves. In France all the work incident to the making of women's kid gloves is the result of the experience of a great many years. The industry is, for the most part, a village industry, carried on largely by the same families generation after generation, a great deal of the work being done in the homes of the people.

"Years of such training are required before the most careful labor can acquire the skill necessary for making lightweight gloves. Our labor in the United States has never developed the patience and skill necessary to make such gloves. In fact, skilled artisans have been brought into this country from France at various times to make from imported skins the same sort of gloves they made in their native country, but the result has been that, away from the habits and customs of their native villages, they could not maintain their former skill and care and could not make gloves of the desired quality here because of lack of collaboration by different allied operators, such as exist only in centers where the industry originated and where it constitutes the livelihood of a large percentage of the inhabitants.

FRANCE IN NEED OF AMERICAN PRODUCTS.

"In a great many States in our country factories and workers are in complete or partial idleness because there is not a sufficient demand for the machinery or other articles which they produce. France needs and would buy a great deal more of such articles if she could only pay for them, but France can only pay for goods produced here by sending to us certain goods produced there. If our tariff law prohibits the importation from France of gloves for women such as can not be produced here, it is not protection to a competing American industry which does not exist, nor to American labor which is not now employed in such industry.

"Prohibiting the importation of women's light-weight leather gloves is beyond anything like protection. It is simply giving a license to Mr. Littauer and his favored friends to make the women in all parts of the United States pay enormously higher prices for gloves of heavier texture. It will make these favorites of the legal embargo very much richer, and all this will be paid for by the millions of women who now find it very difficult to provide themselves and their children with necessities, and by the hard-pressed workers in the many factories which ought to sell more of their products to France and would do so if they could get fair play.

THE HIGHER PRICES THAT AMERICAN WOMEN MUST PAY.

"If the Littauer glove rates are enacted, the women's kid glove known as P. K. 2-clasp, now retailing at $3.50 per pair, must be advanced in price not less than $1.25 per pair. The existing rate of duty is $2.25 per dozen. The Littauer duty would be $10.27 per dozen, or almost five times the present duty, and the increase in the duty over the present rate would be 356 per cent.

"Similarly, the women's 16-button Mousquetaire glove, now retailing at $6 per pair, must be advanced in price by $2.50 per pair, and hence be sold at retail for $8.50 per pair. The existing rate of duty is $4.50 per dozen. The Littauer duty would be $19.53 per dozen, an increase over the present rate of 334 per cent.

"It is well known that women will not and can not pay such high prices for gloves, and the sale of the imported gloves will be practically prohibited. This is Mr. Littauer's purpose. He and the other manufacturers will then advance the prices of their gloves to the limit. The effect of this upon the public mind, when it happens, can be well understood in advance. This outrageous imposition for Mr. Littauer's advantage is to be perpetrated upon the millions of women buyers at a time when they need, and are urgently asking for, lower prices for gloves, and when all the women have votes, in addition to the votes of the men folks of their households, who are also demanding that the cost of living be brought down.

AD VALOREM DUTIES ON GLOVES ARE IMPRACTICABLE.

"The Littauer duties as written into the pending bill, quoted above, contain a provision that the gloves as designated 'shall pay a duty of not less than 60 nor more than 70 per cent ad valorem.' This provision is the joker, and, in addition to the lack of a reasonable classification permitting the importation of the brushed leather (light weight) kid gloves, will make the Littauer schedule most completely prohibitive and establish the domestic monopoly sought. Moreover, it will place the glove schedule again on an ad valorem basis, rather than a specific basis. This will bring serious administrative difficulties. The Government, in addition to the loss of revenue through the prohibition of importations, will have to contend with expensive disputes about values.

"Ad valorem duties on leather gloves were tried out thoroughly a number of years ago and found to be entirely impracticable. Since the leather in the gloves is a natural product that is constantly varying and fluctuating in quality and value, it is not possible to closely and fairly determine the actual value of the gloves. The efforts to collect ad valorem duties resulted in so much confusion and difficulty, with expensive and vexatious litigation, that the appraisers and collectors of customs about 25 years ago demanded that the duties be changed from ad valorem to specific rates. This was done, and specific rates have prevailed ever since, under the Dingley and Payne-Aldrich tariffs, as well as under the existing tariff law, and have been entirely successful.

"I believe I can say without fear of contradition that when the leather-glove duties were under consideration by the Senate Finance Committee it developed that practically all the members of that committee, as well as the Treasury experts and customs appraisers who were assisting the committee, were convinced that it would be entirely impracticable to apply ad valorem duties to leather gloves.

"In this matter of leather gloves, of which I am speaking, there is no opposition on our part to duties which shall be fully protective to the established American industry. What we are contending against is an indefensible abuse that is sought to be committeed in the name of a protective tariff, and which, if it should be consummated, would discredit and injure the protective system and the great political party that champions it.

"In this paragraph on leather gloves ad valorem duties should be stricken out and specific rates imposed. An amendment has been proposed providing for rates on men's gloves and women's and children's gloves made of leather dyed by the process of dipping or plunging, protecting the American manufacturer in a far greater measure than in the Payne-Aldrich tariff, known to be the highest in the history of our country. A separate rate has been proposed for women's and children's gloves that can not be produced here, so that it will be possible for the lightweight kid gloves to come into this country, thereby yielding revenue for the United States Treasury. The public welfare calls for such an amendment, which has been introduced in the Senate by Senator LADD, of North Dakota, a prominent and very able Republican, who is a leading advocate of a protective tariff that will be just and well balanced."

—

[Editorial reprinted from the Journal of Commerce and Commercial Bulletin, of New York, May 12, 1922.]

TARIFF JOKERS—No. 5.

The tariff bill (H. R. 7456), as reported to the United States Senate by the Committee on Finance, provides for rates of duty on leather gloves which are as follows:

Men's gloves not over 12 inches in length, $5 per dozen pairs.

Women's and children's gloves not over 12 inches in length, $4 per dozen pairs.

For each inch in length in excess thereof, 50 cents per dozen pairs.

In addition thereto, on all the foregoing the following cumulative duties:

When lined with cotton, wool, or silk, $2.40 per dozen pairs.

When lined with leather or fur, $4 per dozen pairs.

When embroidered or embellished, 40 cents per dozen pairs.

Provided, that all the foregoing shall pay a duty of not less than 60 nor more than 70 per cent ad valorem.

In this paragraph, which has formed a bone of contention for years past, there now reappears an old, familiar friend. This is found in the final clause respecting an ad valorem rate to be charged upon "all the foregoing." The joker quality of it lies in the fact that, inasmuch as it applies to all gloves, including those that are competitive and those that can not be produced at all in this country, and are not classified in such a way as to permit proper grouping, it provides a prohibitive tariff rate. The increase in rate, if made effective, is reckoned by experts as about 334 per cent over existing levels.

It was the glove schedule which turned the stomach of President Taft just at the last moment when the conference committee was in final session over the Payne-Aldrich tariff in 1909. He sent back—so it was then asserted—the projected duties, which contained a joker of this same sort, for revision, with a stern message which portended a veto if the offending provision were not modified. Will President Harding do likewise if this joker holds its own up to the last?

—

THE ASSOCIATION OF GLOVE IMPORTERS
OF THE UNITED STATES,
New York, April 21, 1922.

PROPOSED DUTY INCREASE 350 PER CENT.

Through the efforts of Mr. Lucius Littauer, aided by political influence, a prohibitive glove tariff on women's kid gloves has been presented to the United States Senate. Littauer's glove schedule will in no way protect an American industry, as women's lightweight kid gloves have never been manufactured successfully in our country.

The glove trade all know that the American manufacturer is organized to produce cape and mocha gloves, and the importers as fair-minded men agree that the domestic manufacturers should have protection on the class of gloves they can manufacture.

A committee was sent to Washington to interview Senator CALDER, who had charge of the glove schedule, and this New York Senator was convinced that the rates of duty on women's kid gloves as proposed to him by Mr. Littauer were necessary for the protection of the American maker until the importers' committee pointed out to him the difference between the American production and the imported article.

The domestic manufacturers had submitted as samples to Senator CALDER about 15 pairs of women's gloves, the type of glove they could manufacture; each and every pair were cape and mocha gloves, which are made of dipped leather, whereas women's imported lightweight kid gloves are made of brushed leather.

When the importers' committee pointed out to Senator CALDER the difference between American gloves made of dipped leather and imported gloves made of brushed leather he, Senator CALDER, admitted the difference was quite apparent and requested the importers' committee to draw up an amendment whereby the domestic industry would be protected on the type of glove they could make and still permit the importation of women's lightweight kid gloves. An amendment was drawn up and submitted to Senator CALDER proposing one rate on gloves made of dipped leather and another rate for lightweight gloves made of brushed leather, and both rates were higher than the Payne-Aldrich schedule, which were the highest ever enacted.

When Littauer heard of the amendment he demanded that it be entirely ignored, and the glove rates were written in the bill without the amendment, exactly as dictated by Mr. Littauer.

The time has now arrived to arouse the public as to what has taken place. Are we merchants, both retail and wholesale, to sit by idly and allow this one man to continually dictate the glove tariff? Mr. Littauer has been before the public a great many years on tariff matters, and it is high time he should be eliminated from dictating the glove rates of duty. The following is an example of what will happen if the Littauer glove rates finally become a law:

Women's P. K. 2-clasp, now retailing at $3.50 per pair:

	Per dozen.
Present rate of duty	$2.25
Littauer rate of duty	10.27

Increase over present rate, 356 per cent.

Women's 16-button mousquetaire, retailing at $6 per pair:

	Per dozen.
Present rate of duty	$4.50
Littauer rate of duty	19.53

Increase over present rate, 334 per cent.

These rates mean an absolute embargo on the importation of kid gloves.

LITTAUER'S OBJECT IS SELF-EVIDENT.

This is of such vital interest to your glove department that we urge you to have the inclosed petitions signed and forwarded direct to the Senators of your State with a letter from you voicing an emphatic protest against these outrageous rates, asking your Senators to vote for the glove duty amendment, which will give ample protection to American manufacturers (on gloves they can make), and at the same time a separate rate on women's lightweight kid gloves, so that their importation will not be prohibited.

Yours very truly,

T. R. LEWIS, *President.*

The next amendment of the Committee on Finance was, in paragraph 1433, on page 197, line 10, to strike out "$4" and insert in lieu thereof "$5," so as to read:

Men's gloves not over 12 inches in length, $5 per dozen pairs.

Mr. WALSH of Massachusetts. I move that "$5" be stricken out and "$3" be inserted in place thereof.

I may say that that is a higher duty than was levied under the Underwood law, and it corresponds more with the duties which have been levied in the past, previous to the proposal of the rates named in this bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts to the committee amendment.

The amendment to the amendment was rejected.

The amendment of the committee was agreed to.

The next amendment was, on page 197, line 11, to strike out "$3" and insert in lieu thereof "$4," so as to read:

And women's and children's gloves not over 12 inches in length, $4 per dozen pairs.

Mr. WALSH of Massachusetts. I move to strike out "$4" and insert in lieu thereof "$2."

Mr. WADSWORTH. That is the Underwood rate.

The amendment to the amendment was rejected.

The amendment was agreed to.

Mr. McCUMBER. I think the Senator from Utah desires to offer another amendment to paragraph 1433.

Mr. SMOOT. I move in paragraph 1433 the amendment which I send to the desk, and I will make an explanation of it when it has been stated.

The PRESIDING OFFICER. The Secretary will state the amendment.

The ASSISTANT SECRETARY. The Senator from Utah moves to add at the end of the paragraph, after line 23, the following:

Gloves made wholly or in chief value of leather made from horsehide or pigskin, whether wholly or partly manufactured, 25 per cent ad valorem.

Mr. SMOOT. I simply want to say that if this amendment is agreed to, then I shall offer an amendment to the free list, when we reach that, placing gloves made wholly or in chief value of leather from hides of cattle of the bovine species on the free list.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Utah.

The amendment was agreed to.

Mr. McCUMBER. I ask now for the consideration of paragraph 1435a, which is an additional paragraph, and I ask that, inasmuch as we have placed hides upon the free list, the Senate committee amendment be disagreed to.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 198, after line 4, the committee proposed to insert the following paragraph:

PAR. 1435a. Harness, saddles, and saddlery, in sets or parts, except metal parts for any of the foregoing, finished or unfinished, 35 per cent ad valorem.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. McCUMBER. On page 223 I ask that the Senate disagree to the committee amendment beginning on line 16.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 223 the committee proposes to strike out paragraph 1582, as follows:

PAR. 1582. Hides of cattle, raw or uncured, or dried, salted, or pickled.

Mr. McCUMBER. Senators will understand that this was in the free list and the committee proposed to strike it out. I ask now that the Senate disagree to the committee amendment, which will place the hides back on the free list.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was rejected.

Mr. McCUMBER. On page 224 I ask that the committee amendment, beginning on line 19, be disagreed to.

The PRESIDENT pro tempore. The amendment will be stated.

The ASSISTANT SECRETARY. On page 224, after line 18, the committee proposes to strike out paragraph 1600, as printed in the House bill, as follows:

PAR. 1600. Leather: All leather not specially provided for; harness, saddles, and saddlery, in sets or parts, except metal parts, finished or unfinished; leather cut into shoe uppers, vamps, soles, or other forms suitable for conversion into manufactured articles; and leather shoe laces, finished or unfinished.

Mr. WALSH of Massachusetts. The action requested by the Senator would put harness and saddlery on the free list?

Mr. McCUMBER. Yes; it would put leather not specially provided for, including saddles, and so forth, made of leather, also upon the free list.

The PRESIDENT pro tempore. The question is upon agreeing to the committee amendment.

The amendment was rejected.

Mr. McCUMBER. On page 225 I ask that the Senate disagree to the committee amendment beginning on line 1.

The PRESIDENT pro tempore. The amendment will be stated.

The ASSISTANT SECRETARY. On page 225 the committee proposed to strike out lines 1 and 2, as follows:

PAR. 1601. Boots and shoes made wholly or in chief value of leather.

Mr. WALSH of Massachusetts. The action the Senator requests will restore boots and shoes to the free list?

Mr. McCUMBER. Yes; it restores boots and shoes to the free list.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

Mr. SMOOT. Mr. President, I desire to offer an amendment at this time. On page 222 I move to insert a new paragraph, to read as follows:

PAR. 1373a. Gloves made wholly or in chief value of leather made from hides of cattle of the bovine species.

Mr. STERLING. The effect of that is to put the articles named on the free list?

Mr. SMOOT. On the free list.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Utah.

The amendment was agreed to.

Mr. McCUMBER. Mr. President, this completes the matters which, under the unanimous-consent agreement, we were compelled to dispose of to-day. The next paragraph which we will present to the Senate will be the paragraph relating to presidential powers. The majority members of the committee will meet to-night after we close the session to-day, and we shall try to have it remolded and printed to-night, so that it will be on the desks of Senators in the morning.

Mr. SPENCER submitted an amendment intended to be proposed by him to the pending bill, which was ordered to lie on the table and to be printed.

PETITIONS AND MEMORIALS.

Mr. WARREN presented resolutions of the Lions Club, of Rock Springs, and the town councils of Wamsutter and South Superior, all in the State of Wyoming, protesting against any action tending to set aside the United States Supreme Court decree divorcing the Central Pacific Railway from the Southern Pacific Co., which were referred to the Committee on Interstate Commerce.

Mr. WILLIS presented petitions of sundry citizens of Cincinnati, Uhrichsville, Dennison, Marion, Columbus, Chesapeake, and Marietta, all in the State of Ohio, praying that only a moderate duty be imposed in the pending tariff bill on lightweight kid gloves, which were referred to the Committee on Finance.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WILLIS:

A bill (S. 3899) granting a pension to Ella Williamson (with accompanying papers); to the Committee on Pensions.

By Mr. HARRELD:

A bill (S. 3900) for the relief of Washington Gill Squires; to the Committee on Military Affairs.

RECESS.

Mr. McCUMBER. If there is nothing more to be presented at this time, I move that the Senate take a recess until to-morrow at 11 o'clock.

The motion was agreed to, and (at 8 o'clock and 5 minutes p. m.) the Senate took a recess until to-morrow, Thursday, August 10, 1922, at 11 o'clock a. m.

SENATE.

THURSDAY, *August 10, 1922.*

(Legislative day of Thursday, August 3, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Gerry	Moses	Spencer
Ball	Gooding	Myers	Stanfield
Brandegee	Hale	New	Stanley
Bursum	Harreld	Newberry	Sterling
Calder	Harris	Nicholson	Sutherland
Cameron	Heflin	Oddie	Swanson
Capper	Jones, N. Mex.	Overman	Townsend
Caraway	Jones, Wash.	Pepper	Trammell
Culberson	Kendrick	Phipps	Underwood
Cummins	Keyes	Pomerene	Wadsworth
Curtis	Ladd	Ransdell	Walsh, Mont.
Dial	Lenroot	Rawson	Warren
Dillingham	Lodge	Sheppard	Watson, Ga.
Edge	McCumber	Shortridge	Watson, Ind.
Ernst	McKellar	Simmons	Willis
Fletcher	McLean	Smith	
Frelinghuysen	McNary	Smoot	

Mr. CURTIS. I wish to announce that the Senator from Minnesota [Mr. NELSON] is absent on account of a death in his family.

Mr. UNDERWOOD. I wish to announce that the Senator from Nevada [Mr. PITTMAN] is absent on account of illness in his family.

The PRESIDENT pro tempore. Sixty-six Senators have answered to their names. There is a quorum present.

Mr. KENDRICK. Mr. President, I present a telegram transmitting a resolution adopted by the Wyoming Druggists' Association at a recent convention in reference to the chemical schedule of the bill which we have under consideration. I ask that the telegram may be read at the desk and referred to the Committee on Finance.

The PRESIDENT pro tempore. Without objection, the Secretary will read as requested.

The telegram was read and referred to the Committee on Finance, as follows:

[Western Union telegram.]

LARAMIE, WYO., *August 7, 1922.*

Hon. J. B. KENDRICK,
United States Senate, Washington, D. C.:

Our committee as a whole in convention assembly has unanimously adopted the following resolutions and requested that you use all possible influence in the proper direction there, as the retail druggists of the country recently have been charged with "profiteering" on the floor of the United States Senate:

"Whereas the Senate has defeated the embargo on German dyestuffs, chemicals, and medicinals; and

"Whereas the Germans have driven American manufacturers from South and Central America since the late World War; and

"Whereas under German monopoly before the war phenacetine, aspirin, veronal, trional, sulfonal, and similar products sold in the United States at $1 per ounce instead of $1 per pound as at present: Therefore

"*Resolved*, That the Wyoming State Pharmaceutical Association urges the Senators and Representatives in Congress from this State to make adequate provision in the tariff revision bill, H. R. 7456, pending in the Senate, for the protection of American industries and consumers by incorporating the amendment now before the Senate Finance Committee which would prohibit the importation of merchandise into the United States bearing any trade-mark, label, print, or other mark registered in the United States Patent Office and owned by any person domiciled in the United States, unless imported by such owner, provided the owner shall file with the Secretary of the Treasury a certified copy of the registration of the mark."

WYOMING PHARMACEUTICAL ASSOCIATION,
L. R. TYSON, Jr., *Secretary*.

Mr. SHEPPARD. Mr. President, I request that a similar telegram from the Texas State Pharmaceutical Association be printed in the RECORD and referred to the Committee on Finance.

There being no objection, the telegram was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

[Western Union telegram.]

FORNEY, TEX., *August 2, 1922*.

Senator MORRIS SHEPPARD,
Washington, D. C.:

Whereas the retail druggists of the country recently have been charged with profiteering on the floor of the United States Senate; and

Whereas the Senate has defeated the embargo on German dyestuffs, chemicals, and medicinals; and

Whereas the Germans have driven American manufacturers from South and Central America since the late World War; and

Whereas under German monopoly before the war phenacetine, aspirin, veronal, trional, sulfonal, and similar products sold in the United States at $1 per ounce instead of $1 per pound as at present: Therefore

Resolved, That the Texas State Pharmaceutical Association urges the Senators and Representatives in Congress from this State to make adequate provision in the tariff revision bill, H. R. 7456, pending in the Senate, for the protection of American industries and consumers by incorporating the amendment now before the Senate Finance Committee which would prohibit the importation of merchandise into the United States bearing any trade-mark, label, print, or other mark registered in the United States Patent Office and owned by any person domiciled in the United States, unless imported by such owner, provided the owner shall file with the Secretary of the Treasury a certified copy of the registration mark.

TEXAS PHARMACEUTICAL ASSOCIATION,
M. C. ANDERSON, *Fort Worth, President;*
TOM COULSON, *Dallas,*
SAM P. HARBEN, *Richardson,*
COKEY EVANS, *Jewett,*
A. W. GRIFFITH, *Austin,*
HERMAN DRIES, *San Antonio,*
A. H. SEELY, *Cleburne,*
W. D. ADAMS, *Forney,*
Executive Committee.

Mr. SMITH. Mr. President, I have a few telegrams protesting against the duty on salt, which I should like to have referred to the Committee on Finance and printed in the RECORD. They are very short.

There being no objection, the telegrams were referred to the Committee on Finance and ordered to be printed in the RECORD as follows:

[Postal telegram.]

CHARLESTON, S. C., *August 7, 1922*.

Hon. ELLISON D. SMITH,
Senator for South Carolina,
Washington, D. C.:

Request you vigorously oppose proposed tax on salt provided for in tariff pending. As operators Shipping Board tonnage have found it extremely difficult to obtain homeward cargoes which practically impossible make operations financial success without. If this tax incorporated in tariff when passed will preclude salt being imported this country, thereby depriving steamers of one of the few commodities on which they can depend for homeward revenue. Confident that even with salt on free list this industry amply protected, as reliably informed that imports amount to less than 1 per cent of the total quantity of salt produced United States.

THE CAROLINA CO.

[Western Union telegram.]

CHARLESTON, *S. C., August 7, 1922*.

Hon. ELLISON D. SMITH,
United States Senator, Washington, D. C.:

Take this opportunity vigorously protest through you against proposed tax on salt incorporated in Fordney bill now pending. Confident proposed tax 20 cents per hundred pounds will prevent completely importation of this commodity on which American merchant marine relies to material extent for homeward cargo which entirely essential for successful operation.

STREET BROTHERS.

[Postal telegram.]

CHARLESTON, S. C., *August 7, 1922*.

Senator ELLISON D. SMITH,
Washington, D. C.:

We wish to protest vigorously against Fordney bill pending proposing duty $4 per ton on salt imported. The upbuilding of our merchant marine is dependent to large extent on return cargoes from European ports. If this bill passes as now pending, it will positively prohibit importation of salt, and our vessels will be unable to secure return cargoes to South Atlantic ports.

CHARLESTON SHIPPING CO.

[Postal telegram.]

CHARLESTON, S. C., *August 7, 1922*.

Hon. E. D. SMITH,
Senator from South Carolina,
Washington, D. C.:

Regret exceedingly to learn proposed tariff carries tax on salt approximately $4 per ton, which if enacted will result in making it impossible to import salt, as for past year our longshoremen have been idle greater number of days than working. Salt is one of the particular commodities on which they rely for stevedoring work on inbound vessels.

CHARLESTON STEVEDORING CO.

Mr. McCUMBER. Mr. President, I offer the following amendment to section 315, and certain minor amendments to sections 316 and 317.

Mr. UNDERWOOD. I ask that the amendments may be read.

The PRESIDENT pro tempore. The Secretary will read the amendments offered by the Senator from North Dakota.

The reading clerk read as follows:

On page 272, strike out all of the matter beginning with line 3 down to and including line 19, on page 276, and insert in lieu thereof the following:

"SEC. 315. (a) That in order to regulate the foreign commerce of the United States and to put into force and effect the policy of the Congress by this act intended, whenever the President, upon investigation of the differences in conditions of competition in the principal markets of the United States of articles wholly or in part the growth or product of the United States and of like or similar articles wholly or in part the growth or product of competing foreign countries, shall find it thereby shown that the duties fixed in this act do not equalize the said differences in conditions of competition he shall, by such investigation, ascertain said differences and determine and proclaim the changes in classifications or forms of duty or increases or decreases in any rate of duty provided in this act shown by said ascertained differences in conditions of competition necessary to equalize the same in such markets of the United States. Sixty days after the date of such proclamation or proclamations such changes in classifications or in forms of duty shall take effect, and such increased or decreased duties shall be levied, collected, and paid on such merchandise when imported from any foreign country into the United States or into any of its possessions (except the Philippine Islands, the Virgin Islands, and the islands of Guam and Tutuila): *Provided*, That the total increase or decrease of such rates of duty shall not exceed 50 per cent of the rates specified in Title I of this act, or in any amendatory act.

"(b) That in order to regulate the foreign commerce of the United States and to put into force and effect the policy of the Congress by this act intended, whenever the President, upon investigation of the differences in conditions of competition in the principal markets of the United States of articles wholly or in part the growth or product of the United States and of like or similar articles wholly or in part the growth or product of foreign countries, shall find it thereby shown that the duties prescribed in this act do not equalize said differences, and shall further find it thereby shown that the said differences can not be equalized by proceeding under the provisions of subdivision (a) of this section, he shall make such findings public, together with a description of the class or kind of merchandise to which they apply, in such detail as may be necessary for the guidance of appraising officers. In such cases and upon the proclamation by the President becoming effective the ad valorem duty or duty based in whole or in part upon the value of the imported article in the country of exportation shall thereafter be based upon the American selling price, as defined in subdivision (f) of section 402 of this act, of any similar competitive article manufactured or produced in the United States embraced within the class or kind of imported merchandise upon which the President has made a proclamation under subdivision (b) of this section.

"The ad valorem rate or rates of duty based upon such American selling price shall be the rate found, upon said investigation by the President, to be shown by the said differences in conditions of competition in the principal markets of the United States necessary to equalize the differences so found in said conditions of competition, but no such rate shall be decreased or increased more than 50 per cent of the rate specified in Title I of this act upon such merchandise. Such rate or rates of duty shall become effective 60 days after the date of the said proclamation of the President, whereupon the duties so estimated and provided shall be levied, collected, and paid on such merchandise when imported from any foreign country into the United States or into any of its possessions (except the Philippine Islands, the Virgin Islands, and the islands of Guam and Tutuila). If there is any imported article within the class or kind of merchandise, upon which the President has made public a finding, for which there is no similar competitive article manufactured or produced in the United States, the value of such imported article shall be determined under the provisions of paragraphs (1), (2), and (3) of subdivision (a) of section 402 of this act.

"(c) That in ascertaining the differences in conditions of competition, under the provisions of subdivisions (a) and (b) of this section, the President, in so far as he finds it practicable, shall take into consideration (1) the differences in conditions in production, including wages, costs of material, and other items in costs of production of such or similar merchandise in the United States and in competing foreign countries; (2) the differences in the wholesale selling prices of domestic and foreign merchandise in the principal markets of the United States, but in considering prices as factors in ascertaining differences in conditions of competition, only reasonable profits shall be allowed; and (3) any other advantages or disadvantages in competition. In any investigation under the provisions of this section hearings shall be held and a reasonable opportunity to be heard shall be afforded.

"The President, proceeding as hereinbefore provided for in proclaiming rates of duty, shall, when he determines that it is shown that the competitive advantages have changed or no longer exist which led to such proclamation, accordingly as so shown, modify or terminate the same. Nothing in this section shall be construed to authorize a transfer from the dutiable list to the free list or from the free list to the dutiable list. Whenever it is provided in any paragraph of Title I of this act that the duty or duties shall not exceed a specified ad valorem

rate upon the merchandise provided for in such paragraph, no rate determined under the provision of this section shall exceed the maximum ad valorem rate so specified.

"(d) For the purposes of this section any coal-tar product provided for in paragraphs 25 or 26 of Title I of this act shall be considered similar to or competitive with any imported coal-tar product which accomplishes results substantially equal to those accomplished by the domestic product when used in substantially the same manner.

"(e) The President is authorized to make all needful rules and regulations for carrying out the provisions of this section.

"(f) The Secretary of the Treasury is authorized to make such rules and regulations as he may deem necessary for the entry and declaration of imported merchandise of the class or kind of merchandise upon which the President has made a proclamation under the provisions of subdivision (b) of this section and for the form of invoice required at time of entry."

On page 279, line 10, strike out "such merchandise" and insert in lieu thereof "merchandise imported in violation of this act."

On page 279, line 22, strike out "shall find as a fact" and insert in lieu thereof "has reason to believe."

On page 284, after line 19, insert a new section to read as follows:

"SEC. —. (a) That in order to secure information and to assist in carrying out the provisions of sections 315, 316, and 317 it shall be the duty of the United States Tariff Commission, in addition to the duties now imposed upon it by law, to—

"(1) Ascertain conversion costs and costs of production in the principal growing, producing, or manufacturing centers of the United States of articles of the United States, whenever in the opinion of the commission it is practicable;

"(2) Ascertain conversion costs and costs of production in the principal growing, producing, or manufacturing centers of foreign countries of articles imported into the United States, whenever in the opinion of the commission such conversion costs or costs of production are necessary for comparison with conversion costs or costs of production in the United States and can be reasonably ascertained;

"(3) Select and describe articles which are representative of the classes or kinds of articles imported into the United States and which are similar to or comparable with articles of the United States; select and describe articles of the United States similar to or comparable with such imported articles; and obtain and file samples of articles so selected, whenever the commission deems it advisable;

"(4) Ascertain import costs of such representative articles so selected;

"(5) Ascertain the grower's, producer's, or manufacturer's selling prices in the principal growing, producing, or manufacturing centers of the United States of the article of the United States so selected; and

"(6) Ascertain all other facts which will show the differences in or which affect competition between articles of the United States and imported articles in the principal markets of the United States.

"(b) When used in this section—

"The term 'article' includes any commodity, whether grown, produced, fabricated, manipulated, or manufactured;

"The term 'import cost' means the price at which an article is freely offered for sale in the ordinary course of trade in the usual wholesale quantities for exportation to the United States plus, when not included in such price, all necessary expenses, exclusive of customs duties, of bringing such imported articles to the United States.

"(c) In carrying out the provisions of this section the commission shall possess all the powers and privileges conferred upon it by the provisions of Title VII of the revenue act of 1916, and in addition it is authorized, in order to ascertain any facts required by this section, to require any importer and any American grower, producer, manufacturer, or seller to file with the commission a statement, under oath, giving his selling prices in the United States of any article imported, grown, produced, fabricated, manipulated, or manufactured by him.

"(d) The commission is authorized to establish and maintain an office at the port of New York for the purpose of directing or carrying on any investigation, receiving and compiling statistics, selecting, describing, and filing samples of articles, and performing any of the duties or exercising any of the powers imposed upon it by law.

"(e) The United States Tariff Commission is authorized to adopt an official seal, which shall be judicially noticed.

"(f) The second paragraph of section 706 of the revenue act of 1916 is amended to read as follows:

"'Such attendance of witnesses and the production of such documentary evidence may be required from any place in the United States at any designated place of hearing. And in case of disobedience to a subpœna the commission may invoke the aid of any district or territorial court of the United States or the Supreme Court of the District of Columbia in requiring the attendance and testimony of witnesses and the production of documentary evidence, and such court within the jurisdiction of which such inquiry is carried on may, in case of contumacy or refusal to obey a subpœna issued to any corporation or other person, issue an order requiring such corporation or other person to appear before the commission, or to produce documentary evidence if so ordered or to give evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof.'"

Mr. UNDERWOOD and Mr. FRELINGHUYSEN addressed the Chair.

The PRESIDENT pro tempore. The Senator from Alabama.

Mr. UNDERWOOD. I should like to ask the Senator in charge of the bill a question. The amendment which has just been read is an amendment to the bill as reported. Without a careful comparison it is difficult to understand where the changes have been made, and I wanted to ask the Senator before the debate proceeds if he would not state to the Senate the exact changes, so that many of us may be saved the burden of making the comparisons.

Mr. McCUMBER. I intended to do that; to go right on with the discussion of the whole matter, but to introduce it by a statement as to the particular changes which have been made.

Mr. UNDERWOOD. I thought the Senator from New Jersey [Mr. FRELINGHUYSEN] was about to discuss the amendment, but before it was discussed I should like to know just what the points of difference are. If it will not inconvenience the Senator, I should like to have him make not an argument as to the reason why the changes have been made but a statement as to the manner in which the provision as reported has been changed by the proposed amendment.

Mr. McCUMBER. I should like to take up the whole question at one time, but I will first explain the differences between the amendment now presented and the amendment as originally reported in the bill. Those differences are very slight, indeed.

Mr. FRELINGHUYSEN and Mr. WALSH of Montana addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from North Dakota yield; and if so, to whom?

Mr. McCUMBER. I yield to the Senator from New Jersey.

Mr. WALSH of Montana. If the Senator from New Jersey desires to address the Senate, I wish to make a suggestion.

Mr. FRELINGHUYSEN. It is only my purpose to offer a substitute for the last amendment, beginning on page 6, in line 18, together with additional sections.

Mr. WALSH of Montana. I wish to submit an observation. That part of the amendment tendered by the Senator from North Dakota this morning, to which the Senator from New Jersey now addresses himself, appertains rather to the subject of amendments to the Tariff Commission act than to paragraphs 315, 316, and 317. I understood that we were to take them up this morning in this order, namely, paragraph 315, paragraph 316, and paragraph 317, so that when those paragraphs are disposed of it seems to me it would be appropriate to take up in connection with amendments to the Tariff Commission act the concluding portion of the amendment now tendered by the Senator from North Dakota.

Mr. McCUMBER. The Senator is correct, and that is the intention.

Mr. FRELINGHUYSEN. Mr. President, I send to the desk a proposed substitute for the last portion of the committee amendment, beginning in line 18, page 6. This amendment practically recites the provisions of the committee amendment, with the addition of several sections. The committee have been agreeable to a portion of the original amendment which I introduced, and I am very glad that they have seen fit to include it in the amendment submitted by the committee. However, I do not feel that the committee have gone far enough in accepting the amendment that I originally proposed. I differ with the committee, and our differences are fundamental.

Mr. WALSH of Montana. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Chair desires to make an inquiry. Has the Senator from North Dakota yielded the floor.

Mr. McCUMBER. If the Senator from New Jersey is going to make a speech I do not want it to be charged up to my time. I have yielded the floor without making my speech, and the Senator can take his time, and I will proceed after he is through.

Mr. WALSH of Montana. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Chair thinks that under the unanimous-consent agreement the Senator from New Jersey must confine himself to section 315.

Mr. FRELINGHUYSEN. May I be permitted to offer at this time a substitute for the amendment submitted by the committee?

The PRESIDENT pro tempore. The Chair is of the opinion that under the unanimous-consent agreement section 315 must be first considered.

Mr. FRELINGHUYSEN. I do not intend to make a speech on this amendment. I intend to offer a substitute, and explain why I am offering it. Am I in order?

The PRESIDENT pro tempore. The Chair believes that the Senator from New Jersey must defer offering his amendment until after section 315 is disposed of.

Mr. FRELINGHUYSEN. May I offer the amendment to the present amendment offered by the committee, and ask that it be read?

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it will be read.

The READING CLERK. On page 284, after line 19, it is proposed to insert the following new section——

Mr. FRELINGHUYSEN. Mr. President, I think I can save the time of the Senate by making a suggestion. I simply want two paragraphs of this amendment read. It is similar to that offered by the committee.

Mr. UNDERWOOD. I think it is an important matter, and if it is going to be presented by way of amendment I wish the Senator would allow it to be read.

Mr. FRELINGHUYSEN. Very well.

The READING CLERK. On page 284, after line 19, it is proposed to insert the following new section:

SEC. —. (a) That in order that the necessary data may be provided (1) to determine and fix the proper rates of duty to equalize wherever possible differences in conversion costs of articles grown, produced, or manufactured in the United States and of articles grown, produced, or manufactured in foreign countries and differences in competitive conditions in the principal markets of the United States, and (2) to amend from time to time the existing rates or forms of duty on one or more articles, as economic or industrial conditions change, in addition to the duties imposed by law, the United States Tariff Commission shall—

(1) Ascertain conversion costs in the principal growing, producing, or manufacturing centers of the United States of articles of the United States, whenever in the opinion of the commission it is practicable;

(2) Ascertain conversion costs in the principal growing, producing, or manufacturing centers of foreign countries of articles imported into the United States, whenever in the opinion of the commission such conversion costs are necessary for comparison with conversion costs in the United States and can be reasonably ascertained;

(3) Ascertain costs of production in the United States, whenever in the opinion of the commission it is practicable;

(4) Select and describe articles which are representative of the classes or kinds of articles imported into the United States and which are similar to or comparable with articles of the United States; select and describe articles of the United States similar to or comparable with such imported articles; and obtain and file samples of articles so selected, whenever the commission deems it advisable;

(5) Ascertain import costs of such representative articles so selected;

(6) Ascertain the grower's, producer's, or manufacturer's selling price in the principal growing, producing, or manufacturing centers of the United States of the articles of the United States so selected; and

(7) Ascertain all other facts which will show the differences in or which affect competition between articles of the United States and imported articles in the principal markets of the United States.

(b) When used in this section—

The term "article" includes any commodity, whether grown, produced, fabricated, manipulated, or manufactured;

The term "conversion cost" means the cost of growing, producing, fabricating, manipulating, or manufacturing an article, including the cost of material as to which there is no prior ascertained cost of conversion;

The term "import cost" means the price at which an article is freely offered for sale in the ordinary course of trade in the usual wholesale quantities for exportation to the United States plus, when not included in such price, all necessary expenses, exclusive of customs duties, of bringing such imported article to the United States.

(c) Not later than December 1, 1923, and at least once every six months thereafter, the commission shall report to Congress the results of the investigations completed at the time of the report showing—

(1) The conversion costs in the United States;

(2) The conversion costs of articles imported into the United States;

(3) The differences between such conversion costs;

(4) The costs of production in the United States;

(5) The scope and methods of the investigations for ascertaining or determining and the items of cost included within such conversion costs and costs of production;

(6) The differences between import costs and selling prices, ascertained in accordance with the provisions of subdivision (a) of this section;

(7) The differences in competitive conditions in the principal markets of the United States;

(8) The rate or rates of duty which it deems necessary to equalize, such differences in conversion costs, import costs, and selling prices, and in such competitive conditions, the proper classification, and whether the duty should be specific, ad valorem, or ad valorem and specific; and

(9) The probable effect in dollars, as nearly as it can be estimated, of each rate proposed as it affects American growers, producers, manufacturers, and consumers; and the probable revenue to be derived from the imposition of each duty.

(d) In carrying out the provisions of this section, the commission shall possess all the powers and privileges conferred upon it by the provisions of Title VII of the revenue act of 1916, and in addition it is authorized in order to ascertain any facts required by this section to require any importer and any American grower, producer, manufacturer, or seller to file with the commission a statement under oath giving his selling prices in the United States of any article imported, grown, produced, fabricated, manipulated, or manufactured by him.

(e) Any commissioner, officer, employee, or agent of the commission who divulges any information or data received relating to the importation, growth, production, fabrication, manipulation, manufacture, or sale of a specific article, except in a report under the provisions of this section or except in so far as he is directed by the commission or by a court of the United States or a judge thereof or by a committee of the Senate or the House of Representatives, and any person who knowingly solicits or receives any such information or data from any such commissioner, officer, employee, agent, or adviser, shall, upon conviction thereof, be punished by a fine of not more than $1,000 or imprisonment for not more than two years or by both such fine and imprisonment.

(f) The commission is authorized to establish and maintain an office in the principal customs port of entry of the United States, or elsewhere, for the purpose of directing or carrying on any investigation, receiving and compiling statistics, selecting, describing, and filing samples of articles, and performing any of the duties or exercising any of the powers imposed upon it by law.

(g) A copy of each report to Congress, under the provisions of subdivision (c) of this section, shall be forwarded to the President, and the President is authorized to require such additional reports and facts as he deems necessary.

(h) The first sentence of section 701 of the revenue act of 1916 is amended to read as follows:

"SEC. 701. That each member shall receive a salary at the rate of $10,000 per annum."

Mr. FRELINGHUYSEN. I ask that the amendment be printed immediately for the information of the Senate.

The PRESIDENT pro tempore. It will be so ordered.

Mr. STERLING. Mr. President, on yesterday I presented an amendment as a substitute for subdivisions (a) and (b) of section 315. I am not offering it now at all; it probably would be improper for me to do so; but I think it would be proper to ask that it be read at the desk at this time. I understand that there is no objection on the part of the chairman of the committee, and I ask that it be read.

Mr. POMERENE. Mr. President, I am not sure that I understood the Senator. Does he mean that he has offered it as a substitute?

Mr. STERLING. I am not offering it at the present time, but I think it would be proper to have it read at the present time.

Mr. POMERENE. But is it to be, when offered, a substitute for——

Mr. STERLING. A substitute for subdivisions (a) and (b) of section 315.

Mr. POMERENE. I know, but of the amendment as originally offered by the Finance Committee or the one offered this morning?

Mr. STERLING. It was drawn to be offered as a substitute for the original offering of the committee.

The PRESIDENT pro tempore. If there be no objection, the Secretary will read the proposed amendment.

The READING CLERK. Beginning on page 272, line 3, it is proposed to strike out down to and including line 19, on page 274, being all of subdivisions (a) and (b) of section 315, and to insert in lieu thereof the following:

SEC. 315. (a) In fixing the rates of duty provided for in this act it is hereby declared to be the purpose of Congress to equalize the differences in conditions of competition in trade in the markets of the United States in articles wholly or in part the growth or product of the United States and in like or similar articles which are wholly or in part the growth or product of competing foreign countries. For the purpose of assuring such equalization the President is authorized to at any time request in writing an investigation by the Tariff Commission of the differences in conditions of competition of any such article or articles. It shall be the duty of the Tariff Commission, upon such request, to investigate said differences in conditions of competition, taking into account differences in conversion costs and costs of production in the United States and in such competing foreign countries and also the costs of importation of any such article or articles, and upon conclusion of such investigation to make report of its findings of facts to the President, including a finding as to what duty or duties in the opinion of the commission are necessary to equalize differences in conditions of competition in trade in the markets of the United States.

If it be found on such investigation that any duty fixed in this act does not equalize the said differences in conditions of competition in trade, the President shall then, upon and according to the findings reported by said commission, have authority to determine and proclaim the changes in classification or forms of duty or the increase or decrease in any rate of duty provided in this act which is shown by any ascertained differences in conditions of competition in trade to be necessary in order to equalize said conditions in the markets of the United States. That 30 days after the date of such proclamation or proclamations such changes in classification or in forms of duty shall take effect and such increased or decreased duties shall be levied, collected, and paid on such merchandise when imported directly or otherwise from the country of origin into the United States: *Provided*, That until further provided by law the total increase or decrease of such rates of duty shall not exceed 50 per cent of the rates specified in this act or in any amendatory act.

(b) If any investigation and report by the Tariff Commission made on the request of the President shall disclose the fact that an industry in the United States is being or is likely to be materially injured by reason of the importation into the United States of foreign merchandise, and if it shall be further shown by such investigation and report that the value of said foreign merchandise as determined under provisions of paragraphs (1), (2), or (3) of subdivision (a) of section 402 of this act is not a certain basis for the assessment of particular duties, the President shall by proclamation make such findings public, together with a description of the class or kind of merchandise to which they apply and in such detail as he may deem necessary for the guidance of appraising officers; that in such cases and upon the proclamation by the President becoming effective as hereinafter provided the ad valorem duty or duty based in whole or in part upon the value of the imported article in the country of exportation shall thereafter be based upon the American selling price, as defined in subdivision (f) of section 402 of this act, of any similar competitive article manufactured or produced in the United States and embraced within the class or kind of imported merchandise upon which the President has made public such a finding and proclamation.

That the ad valorem rate or rates of duty based upon such American selling price shall be the rate found upon said investigation by the Tariff Commission to be necessary to equalize the said differences in conditions of competition of trade in the markets of the United States, but no such rate shall be decreased or increased more than 50 per cent of the rates specified in Title 1 of this act upon such merchandise. Such rate or rates of duty shall become effective 30 days after the date of the said proclamation of the President, whereupon the duty so estimated and provided shall be levied, collected, and paid upon such merchandise in the manner herein provided when imported directly or otherwise from the country of origin into the United States.

Mr. McCUMBER. Mr. President, I desire to say, first, that there has been very little change made in section 315. It is shortened by the proposed amendment: it is more logical, I think, in its construction. It makes clear that which was not clear in the original amendment—that the President shall not

use the American-valuation basis for levying a duty until he has ascertained that the duties which he might levy by an increase of 50 per cent upon the foreign valuation will not effectuate the purposes of the section, and he is to go to the American-valuation basis only when he has ascertained the impossibility of effectuating the purpose by imposing the rate upon the foreign-valuation basis, and has proclaimed that fact, and has, in addition, proclaimed the rate necessary to effectuate that purpose upon the American selling price basis.

Subdivision (c) specifically provides that the President shall not make any change which will raise the duty where the law itself has fixed a maximum rate of duty. That change is in addition to the modification of the amendment as originally proposed.

Mr. UNDERWOOD. Will the Senator allow me to ask him what he means by fixing a maximum rate of duty? Does he mean that if the duty is specific the President can not change it?

Mr. McCUMBER. No; I mean that where the law provides, as in the case of gloves, for instance, that no rate shall be higher than 75 per cent. In the other case it is not a maximum rate.

Mr. UNDERWOOD. Where Congress fixes a specific rate, of course, it has fixed by that the maximum and the minimum. I merely wanted the Senator to make the point clear.

Mr. McCUMBER. The point is clearly expressed that it is only in those cases where the law has declared that the rate shall not exceed a specified ad valorem rate. The President is not authorized to make any change where the law so declares.

Mr. SIMMONS. Mr. President, in the bill a maximum ad valorem rate is fixed, based upon the foreign valuation. The Senator means that if the President shall substitute, in the case of any particular article, the American valuation for the foreign valuation, then the maximum rate fixed in the bill upon the foreign valuation shall apply to the American valuation as fixed by the President?

Mr. McCUMBER. I do not think I quite understand the question of the Senator.

Mr. SIMMONS. In the bill maximum rates are fixed upon the foreign valuation. Now it is proposed to authorize the President, under certain conditions, with respect to certain articles, to substitute the American valuation. If he substitutes the American valuation in the case of an article on which we have fixed a maximum rate, will that maximum rate mean the maximum rate as applied to the American valuation, or as applied to the foreign valuation?

Mr. McCUMBER. It will leave it as applied to the foreign-valuation basis. Under the amendment as drawn the President has no authority to increase by any process a duty beyond that which the law itself declares to be the maximum, no matter whether he should take the foreign valuation or should accept the American valuation. If it would raise that duty so that it would be more than what was fixed by the law upon the foreign valuation, he would be prohibited from exercising his judgment on it.

There is another change. We have provided by this amendment that the President shall take into consideration a large number of conditions which we specify in fixing the rate, such as the difference in the costs of production, the difference in wages, and the difference in the wholesale selling prices; but we have provided against what we regarded as a possible danger, and that is the danger of the American or any selling price of an article being based upon huge profits. Therefore, so far as the question of the selling price is considered as affecting the differences in conditions of competition, the President is limited to an allowance of only reasonable profits in determining what the rate should be.

Again, Mr. President, we have inserted in the amendments which we have offered the provisions contained in the amendment offered by the Senator from South Dakota [Mr. STERLING], and also the provisions contained in the amendment offered by the Senator from New Jersey [Mr. FRELINGHUYSEN]. I think we have inserted practically all of them but subdivision 8 of subdivision (c) of the amendment offered by the Senator from New Jersey.

The amendment of the Senator from New Jersey [Mr. FRELINGHUYSEN] practically states that the Tariff Commission shall fix the equalizing rates—that is, if they recommend to the President what rates or what changes in classifications or forms are necessary, they thereby directly advise the President, of course, that he should follow their advice. The committee thought it hardly proper to place in the hands of a commission composed of three possibly ardent free traders, and three possibly ardent high protectionists, the duty of ascertaining and fixing those rates. We say to that commission, "Ascertain all of the facts essential to advise the President," but we do not say to that commission, "You shall also advise how he shall make these rates to comply with the provision of the law."

I am very doubtful if the six of them could agree upon the proper rate. The free trader would regard a very low rate as the proper rate. A high protectionist, I think, would possibly look at it from an entirely different standpoint, and would advocate a different rate; but when we ask them to get the facts, we do not care whether they are bipartisan or nonpartisan, they can possibly agree upon certain facts, which we ask them to ascertain.

Mr. UNDERWOOD. Will the Senator, for information, allow me to ask him another question?

Mr. McCUMBER. Certainly.

Mr. UNDERWOOD. I understand, then, the proposed amendment does not require or expect the commission to report to the President anything but facts, and does not expect them to report to the President the conclusions based on the facts they ascertain?

Mr. McCUMBER. That is correct.

Mr. UNDERWOOD. Does the Senator, then, think that if this should become a law the President of the United States would have either the time or the opportunity to take the facts presented to him and work out a conclusion from those facts, in the many intricate cases which arise in the consideration of a tariff?

Mr. McCUMBER. I do.

Mr. UNDERWOOD. I do not think the President of the United States would have a chance to do much else, then.

Mr. McCUMBER. I do not want the President to be governed entirely by even the facts which the Tariff Commission may find. We have our Department of Commerce at work gathering statistics and data. We also have our State Department at work gathering statistics and data, and I want the President to have authority to deal with all of them.

Mr. UNDERWOOD. If the Senator will allow me, of course I am very much opposed to the proposal of the Senator. I think this power should continue to be vested in Congress. But if you are going to take away this power from the representatives of the people and put it in the Executive, I have no objection to putting the responsibility on the President, the highest officer in the executive branch of the Government; but I do say that if you are going to do that, it seems to me reasonable that the men who ascertain the facts should also report their conclusions, not that the President should be bound by their conclusions but that he should have the benefit of their conclusions after they have investigated the facts. I see no reason against that——

Mr. McCUMBER. Mr. President, I have but one hour to present my views.

Mr. UNDERWOOD. Let me finish this and I will not interrupt the Senator further. I see no reason against that, unless you expect this commission to report the facts officially and their conclusions unofficially, and not let the country and the Congress have the benefit of their reasoning in considering the matter.

Mr. McCUMBER. Mr. President, if the Senator will read over carefully the directions given to the Tariff Commission, I think he will find that they are to present to the President all facts necessary for almost immediate conclusion as to the rate of duty. I do not want to convert the Tariff Commission into an organ to make tariffs for the United States. I do not want even to introduce that idea. I agree with the Senator entirely that the policy of levying tariffs and the rates on each particular matter is a policy that should always be left to the good judgment of Congress, and we can lay down no general rule under which it would be safe to place the tariff rate-making power in a commission. But the exigencies of the chaotic condition that now confronts us in the commercial world are the only justification for the added power that is to be given the President, and I want it taken away just as soon as those exigencies no longer exist.

Mr. SIMMONS. Mr. President, will the Senator allow me to ask him just one brief question?

Mr. McCUMBER. Very well.

Mr. SIMMONS. I ask the Senator if under the amendment in any case the President can raise the rate without first having an investigation made by the Tariff Commission and a report?

Mr. McCUMBER. He must have an investigation made before he can raise the rate and a full hearing must be given. The source of his information for the most part must necessarily be the Tariff Commission, but he may have information from the other departments, which would also guide him.

Mr. SIMMONS. But he can not act without a report from the Tariff Commission?

Mr. McCUMBER. He can not act without a report and without a full hearing and a declaration of what he finds.

Mr. WALSH of Montana. May I remark that there does not seem to be anything in the amendment which requires him even to consult the Tariff Commission?

Mr. McCUMBER. We provide that for the purpose of assisting the President to fix the rates of duty the Tariff Commission shall furnish certain information and investigate certain things. That is for the purpose of his using that information, of course. None of us want to say that he shall close his eyes to any other information or, if he has from the Federal Trade Commission information which the Tariff Commission does not have and which the Federal Trade Commission have obtained through investigation, that he must wait until the Tariff Commission have duplicated their efforts.

Mr. SIMMONS. I fully understood that the President might act on outside information that he saw fit to obtain from any sources, but the question I had in mind was whether the Senator thought his amendment sufficiently mandatory upon the President to take from him the right to increase the rate without an investigation and report by the Tariff Commission. It did not seem to me that the amendment was quite strong enough for that purpose, that it was merely directory to the President but not mandatory at all.

Mr. McCUMBER. He has to have an investigation made. Under existing law the Tariff Commission is directed to furnish him information upon his request. I do not know how we could make it very much stronger unless we would say that he must wait for the Tariff Commission to act upon something which he may already have obtained from other departments of the Government.

Mr. POMERENE. Mr. President, will the Senator permit me to ask him a question?

Mr. McCUMBER. Certainly.

Mr. POMERENE. I would like the Senator to define a little more clearly, if he can, what is meant by the phrase "determine and proclaim the changes in classifications." I want to explain briefly, so that the Senator may answer me more directly. We do not have a duty on shoes; but suppose we had a duty on shoes and another duty on a certain completed manufactured article of leather, which would be an entirely different proposition. Does the Senator understand by that expression that the President could, in his wisdom, take shoes out of a paragraph which related exclusively to shoes and turn it over to another paragraph which related to other leather goods, thereby advancing the rate on shoes, and then change that rate 50 per cent upward or 50 per cent downward?

Mr. McCUMBER. No. I simply understand by change in classification that in the case of a paragraph containing many articles that it might become necessary to provide different specific or ad valorem or compound duties upon the different articles in the paragraph, in order to provide rates that will equalize competitive conditions. It will be noticed that it is provided that nothing in this section shall be construed to authorize a transfer from the dutiable list to the free list or from the free list to the dutiable list. I did not think that was necessary, but we wanted to make it certain that no claim could be made that he could or should so transfer an article.

Mr. POMERENE. I had that modification in mind, if the Senator will permit me to say so, but, nevertheless, under this provision if there was a duty of 50 per cent in one paragraph and 75 per cent in another paragraph, he could change it from the 50 per cent class to the 75 per cent class and also change it from specific to ad valorem or from ad valorem to specific, and then either add to or take from it 50 per cent. Is not that right?

Mr. McCUMBER. The adding to or taking from must not be more than 50 per cent upon the rate that is fixed by law if he increases it nor less than 50 per cent if he lowers it. If he changes it and puts it into another class which would give it a higher duty he certainly then could not increase that higher duty another 50 per cent. That would be violative of the law.

Mr. POMERENE. That is one of the things about which I have not been quite clear, because if it were a 50 per cent rate and was changed to another paragraph which had a 75 per cent rate, as I construe it, he could then change that rate and add 50 per cent to the 75 per cent.

Mr. McCUMBER. No; I do not think so. The only way he could accomplish that would be by going to the American valuation basis if he found the other valuation was insufficient.

Now, Mr. President, I want to give a little time to the consideration of the proposition that the section as a whole is an unconstitutional delegation of legislative power. Section 315a reads:

SEC. 315a. That in order to regulate the foreign commerce of the United States and to put into force and effect the policy of the Congress by this act intended, whenever the President, upon investigation of the differences in conditions of competition in the principal markets of the United States of articles wholly or in part the growth or product of the United States and of like or similar articles wholly or in part the growth or product of competing foreign countries, shall find it thereby shown that the duties fixed in this act do not equalize the said differences in conditions of competition he shall, by such investigation, ascertain said differences and determine and proclaim the changes in classifications or forms of duty or increases or decreases in any rate of duty provided in this act shown by said ascertained differences in conditions of competition necessary to equalize the same in such markets of the United States.

The bill then provides that 30 days after the date of the proclamation of such changes in the classification of forms of duty such increased or decreased duty shall be levied, collected, and paid on such merchandise so imported. By the same section it is then provided that the rates of duty shall not be increased or decreased more than 50 per cent of the rates specified in the bill.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER (Mr. OVERMAN in the chair). Does the Senator from North Dakota yield to the Senator from Ohio?

Mr. McCUMBER. I yield.

Mr. POMERENE. I think the Senator perhaps misstated or misread the word. As he quoted the section, he said within 30 days after the date, and so forth.

Mr. McCUMBER. We have changed that to 60 days.

Now, subdivision (b) of said section, after reciting the same as subdivision (a), provides that when the President shall find it shown by the investigation—

that the duties prescribed in this act do not equalize said differences, and shall further find it thereby shown that the said differences can not be equalized by proceeding under the provisions of subdivision (a) of this section, he shall make such findings public, together with a description of the class or kind of merchandise to which they apply, in such detail as may be necessary for the guidance of appraising officers. In such cases and upon the proclamation by the President becoming effective the ad valorem duty or duty based in whole or in part upon the value of the imported article in the country of exportation shall thereafter be based upon the American selling price, as defined in subdivision (f) of section 402 of this act—

And so forth.

Subdivision (c) provides:

(c) That in ascertaining the differences in conditions of competition, under the provisions of subdivisions (a) and (b) of this section, the President, in so far as he finds it practicable, shall take into consideration (1) the differences in conditions in production, including wages, costs of material, and other items in costs of production of such or similar merchandise in the United States and in competing foreign countries; (2) the differences in the wholesale selling prices of domestic and foreign merchandise in the principal markets of the United States, but in considering prices as factors in ascertaining differences in conditions of competition only reasonable profits shall be allowed; and (3) any other advantages or disadvantages in competition.

It then provides that opportunity for hearing shall be given.

It will be observed, Mr. President, that the provisions of section 315 (a) and subdivisions (b) and (c) rest not alone upon the power of Congress to impose duties, but also upon the power of Congress to regulate commerce. The whole grant of the pertinent powers reposed by the Federal Constitution in Congress reads as follows, as found in article 1, section 8:

The Congress shall have power to lay and collect taxes, duties, * * * to regulate commerce with foreign nations.

And in subdivision 18:

To make all laws which shall be necessary and proper for carrying into execution the foregoing powers.

I especially call attention to the fact that the Constitution not only grants the power to Congress to do these things but to make all other laws necessary or proper to make them effective.

Returning now to section 315, subdivision (a), of the bill, it will be noted, first, that the proposed law rests upon the authority to regulate commerce as well as on the authority to collect duties; second, that the President is directed to investigate conditions of competition between domestic and foreign merchandise in the principal markets of the United States, and in such investigation he must find that the duties fixed in the act do not equalize the differences in conditions of competition; third, he must ascertain what those differences are; and, fourth, he must then proclaim the changes either in classification or form of duties or the increase or decrease in any rate of duty necessary to equalize the conditions of competition in the principal markets of the United States.

Mr. President, are the powers granted the President as herein stated in violation of the Federal Constitution? It is charged that this power is violative of the Constitution, upon the ground that it is a delegation of legislative power to the President.

In order to narrow this proposition down to only those questions as to which there may be a clear difference of opinion, we may, by a process of elimination, bring into relief the real debatable questions. We all agree, Mr. President, to the rule

so tersely stated in many legal opinions on that subject that "while the legislature can not delegate its power to make a law it can make a law to delegate a power to determine some fact or state of things upon which the law makes or intends to make its own act depend."

No one at this time, Mr. President, will deny that Congress may delegate to the President the mere administrative duty of ascertaining the difference between the cost of producing an article in a foreign country and the cost of producing a comparable article in this country, and after ascertaining that difference to apply a rate of duty upon the foreign article that will equal the difference. I think we all agree to that.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Ohio?

Mr. McCUMBER. I yield.

Mr. POMERENE. Right in connection with the point that the Senator from North Dakota is now making, I wish to put a question to him. As I understand him, under the decision of the Supreme Court involving similar provisions of the McKinley law it was said, in substance, that when the President found a certain state of facts then a certain specific rate of duty should obtain?

Mr. McCUMBER. Yes.

Mr. POMERENE. Does the Senator from North Dakota distinguish between such a case and a case where the President is given the authority either to increase or decrease the rate to any point within the 50 per cent limit?

Mr. McCUMBER. Mr. President, I will answer that question. We may authorize the President to ascertain the difference in the cost of production of an article at home and abroad; we may say that if he finds that the difference in the cost of the production of an article at home and abroad equals 50 per cent of the foreign valuation he shall apply that 50 per cent as the basis of a duty. He may do that, if we say that that is the rule, just as well as if we said that he might fix certain duties. That is all. He may find that it costs $1 to produce an article in Great Britain and that it costs $1.25 to produce it in the United States, and we declare the policy to be that the President shall fix a duty that will equalize those two costs of production. I am not saying that is what we proposed to do in this instance, for we do not; but I am citing that as one of the things as to which I think we all agree, under all of the authorities, might be done without questioning the constitutional authority.

Mr. JONES of New Mexico. Mr. President——

Mr. McCUMBER. I really wished to give an hour to this subject, and I think I have not over 15 minutes remaining.

Mr. JONES of New Mexico. I am sure we will all consent that the time of the Senator from North Dakota may be extended, for I believe that it will be necessary. I should like to get the view of the Senator upon one phase of his proposition to which he suggests we will all agree, and that is that we could authorize the President of the United States to ascertain the difference in the cost of production at home and abroad and specify a rate of duty which will equalize that difference. That on its face looks like a very simple proposition, and if there were only one concern in the United States producing a given article and if there were only one concern abroad producing the given article, possibly it would be a simple process; but does not the Senator recognize that there is a vast difference between that simple statement and the conditions which actually exist? We have in this country, for instance, a number of concerns producing steel products——

Mr. McCUMBER. I think I can understand what the Senator is driving at, and I can answer the question very quickly.

Mr. JONES of New Mexico. There are a number of concerns producing various other commodities in this country and many concerns producing similar commodities abroad and their costs vary in great degree.

Mr. McCUMBER. I will answer the question. Mr. President, there are a great many foreign producers of many articles that are imported into the United States. Articles are produced in France; similar articles are produced in Great Britain; they are produced in the different cities in the same country, and they are sold at varying prices; yet the appraiser must find the selling price in wholesale quantities in the particular market of exportation. We are granting no wider power than that when we provide that the President shall find the difference between the costs of production. He will have to take the general cost, just the same as the appraiser has to arrive at a general selling price in the place of production, and he may take one city instead of another, and there is no appeal from the decision. The power is granted in a thousand different ways.

Mr. SIMMONS. Mr. President, may I ask the Senator just one question?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from North Carolina?

Mr. McCUMBER. Yes.

Mr. SIMMONS. Suppose the President finds that the wholesale selling price of an article imported from France is one thing and of an article imported from Italy is another thing, and of an article imported from Great Britain is another thing, will he make his finding so as to apply only to the article from Great Britain or only to the article from France, or will he make it apply to importations from all three of those countries, notwithstanding the difference in the selling price?

Mr. McCUMBER. It so happens that when we attempt to equalize conditions in trade we equalize them on the competitive article. Articles that are competitive in one country may not be competitive in another; articles from one country may be driven out of the market entirely. The President can find the source from which the dangerous competition arises, and he must guard against that particular source, even though it may exclude the importations from another country, if it is the source that threatens to destroy or injure the competition in the markets of the United States. That is the case with all our tariffs. The pending bill as it is written excludes many articles from Great Britain that may be imported from France and from Germany.

Mr. SIMMONS. So that, as I understand—and I simply wanted to understand the Senator's position—if the President finds that the competition which is disadvantageous to the United States comes from Italy, he would base his final conclusion and action upon the difference in the cost between Italy and this country.

Mr. McCUMBER. Certainly.

Mr. SIMMONS. Although his action might not be justified if it were based upon the cost in Great Britain.

Mr. McCUMBER. Yes; the Senator is correct.

Mr. President, I think it can not be denied that the President can fix a rate of duty that will measure the difference in the cost of production after he has found it. That is a simple proposition. Likewise, I think that the President may be directed to ascertain the wholesale market price of a comparable article in this and a foreign country and apply a rate of duty which will equalize the difference in the two, if we declare that that is our policy, that we want to equalize the selling price of the competitive articles in this country; in other words, it is not necessary that Congress should prescribe just what the rate should be, but it may leave the fixing of that rate to the President in accordance with the rules provided in the law itself.

But, Mr. President, the mere difference between the cost of production in two countries or the mere difference between the selling prices of two articles in the respective countries may not be regarded by Congress to be a sufficient protective duty, and so Congress may direct the President to ascertain the cost of transporting the article from the foreign country to the principal market in this country and also ascertain the cost of transporting a comparable article from the field of production in this country to the field of consumption in this country. We do not give him that power in this bill, but I say we could give him that power, and he could take that as a basis in addition to the other bases in determining what should be a rate of duty that would equalize the two.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from New Mexico?

Mr. McCUMBER. I do.

Mr. JONES of New Mexico. I should like to make an inquiry regarding that matter. May I inquire to what point in the United States transportation cost would be accepted as the actual cost for the purpose of fixing the duty?

Mr. McCUMBER. Mr. President, it will be observed that in the authority to take into consideration matters which shall guide the President's judgment we have left out of that consideration entirely the question of transportation. Of course, the question of transportation necessarily does figure in the question of competition; but no one wished to give the President the power to take every unimportant article that is produced in a section of the country so far distant that the freight itself would be many times what the article would be worth in the field of consumption under the ordinary tariff duties.

Mr. JONES of New Mexico. Mr. President, if I may be permitted, in order to give point to my inquiry——

The PRESIDING OFFICER. Does the Senator further yield?

Mr. McCUMBER. I yield for a question.

Mr. JONES of New Mexico. I have in mind the fact that the cost of transportation of chinaware from Japan to the United States is about two or three times as much as it is from Europe to the United States, and there would be the question of the difference in cost of transportation from the different countries of the world. Who would make the choice and say what should be the one transportation charge which should be used in fixing the rate?

Mr. McCUMBER. The real thing that the President is to determine is the conditions of competition in our own markets. The article is brought here. It is sold here. The comparable American article is produced here. It is sold here. Reduced down to the final result, the real question is the question of the wholesale quantities in the markets of the United States; but all of these things may be investigated and considered.

So, Mr. President, an export duty levied against or a subsidy given to any article of any country of export may, with equal propriety, be submitted to the President for investigation, with directions to make due allowance for it in arriving at an equalizing duty. So of the difference in exchange and so of any other advantage or disadvantage. In every one of these cases the Senator from Montana and every other Senator must concede that the power to find the facts and apply the rate necessary to equalize the conditions of competition in the United States market may be delegated to the President for the purpose of equalizing conditions of competition in the home market. In this case Congress makes the law and prescribes the conditions under which it is to be made applicable. The President performs only the administrative duty of ascertaining the facts and applying the law to those facts to bring about the result sought under the law. To be sure, the supposed cases are all simple and generally easy of ascertainment; but once admit the principle, and the complexity of or difficulty in the ascertainment of the governing facts can not overturn or destroy the rule.

So far I have cited no adjudications to prove these premises, not because of a lack of them but because they are so numerous that the principle enunciated has become a fundamental and nonassailable rule. I shall, however, present the leading cases in a more general and comprehensive brief which I shall ask later may be printed in the RECORD.

The PRESIDING OFFICER. Without objection, leave is granted.

Mr. McCUMBER. Now let us analyze section 315 in the light of the rule. Does that section in a single respect transgress or overleap the bounds of this simple rule?

In these supposed cases, Mr. President, the guide or standard to which we direct our investigation and for which we apply our ascertained necessary rate is equality of competition. We apply whatever rate is necessary to equalize the differences which the investigation discloses. The methods by which we seek to equalize these conditions may be more circuitous and the means of equalizing the advantages and the disadvantages in competition may be less direct and simple, but they reach to the same ultimate purpose—equality in competition.

Note first, Mr. President, that this section starts out with a declaration of congressional purpose. It declares—

> That in order to regulate the foreign commerce of the United States and to put into force and effect the policy of the Congress by this act intended—

And so forth. Now, what are the purposes and what is the policy "by this act intended"? Why, Mr. President, they are specified in the title itself:

> To provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States—

Those are the three principal purposes.

To encourage the industries of the United States, to what extent is the policy of protection to be carried? That question is answered in this very section 315. The whole section might be summed up in the single phrase "equal opportunity of competition in the American markets." That is the policy; that is its limit; that is just what the President is directed to bring about by the application of the necessary rate to equalize competitive conditions.

What must the President do under this section? He must first investigate the difference in conditions of competition in our own principal markets between a foreign article and a comparable domestic article. What next? He must then find whether the duties fixed in the act itself do or do not equalize said differences in conditions of competition. What next? If he finds such duties do not equalize said differences, he must then ascertain just what duties will equalize them. What next? He must then either change the classification or the form of duty or he must either increase or decrease the rate provided in this bill. He may do one or he may do all three of these things necessary to bring about the result sought by Congress, namely, equality in competition.

It may be here stated in passing that while the President is authorized to change the classification in form, or the rate, the change, after all, is to effect a decrease or an increase in the duty. He may put an article into one class which, by virtue of that classification, would impose a higher rate of duty upon it, or in another class which would impose a lower rate of duty. He could change a specific to an ad valorem, or an ad valorem to a specific; but in either instance all he does in the final result is to raise or lower the duty to be paid.

We seek here to establish a relation of equality in conditions of competition in our markets. That is the real objective, and it must not be subordinated to the means, the mere evidential facts by which it is to be established.

Two men may work out a mathematical problem, each in a different way, and arrive at the same accurate solution. So Congress may direct the President to bring about an accurate result by the application of one or two or three designated methods, or by a combination of any of them that will bring about the result.

The objection that there is a discretion vested in the President as to which one of these rules he will apply is not, to my mind, a valid objection. The real thing is the result to be attained. If we wish to arrive at the result number 9, it makes no difference whether we use the formula $3\times2+3$ or use the formula $4+5$. In either instance we arrive at 9, the result we want. The law directs the President to act, and the law may direct him to act only in one way or direct him to act in one of two or three different ways, whichever seems best to effectuate the purpose.

In most of these cases there must necessarily be left to the officer a degree of discretion. In every case where power is delegated discretion is given. We have innumerable cases where far greater discretionary powers were granted to an administrative officer in the determination of what things were necessary to meet the law's requirements than is given in this section.

Let me read a single provision of section 18 of the rivers and harbors act of 1899, providing for the removal or alteration of bridges which are unreasonable obstructions to navigation. I want Senators' attention to this, if they think we are delegating discretionary power greater than we ever heretofore delegated.

It reads as follows:

> That whenever the Secretary of War *shall have reason to believe* that any railroad or other bridge now constructed * * * over any of the navigable waterways of the United States is an *unreasonable obstruction to the free navigation of such waters* on account of insufficient height, width of span, or otherwise, or where there is difficulty in passing a draw opening or draw span of such bridge by crafts, steamboats, or other water craft, it shall be the duty of said Secretary * * * to give notice to the persons or corporations owning or controlling such bridge so to alter the same as to render navigation through or under it reasonably free, easy, and unobstructive, and in giving such notice he shall specify the changes that are required to be made, and shall prescribe in each case a reasonable time in which to make them.

Just notice that it is left solely to the Secretary to determine, first, what is an unreasonable obstruction. Notice, further, that it is left to the Secretary's judgment as to what alterations shall be made; and, third, that it is left to his judgment to determine what is a reasonable time in which to make the alterations. I can not see that we, by the provision in section 315, give a discretionary power comparable to what we delegated to the Secretary of War in this provision relating to obstructions of navigable streams.

In the case of the Union Bridge Co. *v.* United States (204 U. S. 364) the court sustained the constitutionality of this section, which was challenged on the ground that it was a delegation of legislative power, and the court said:

> It would seem too clear to admit of serious doubt that the statute under which the Secretary of War proceeded is in entire harmony with the principles announced in former cases. In no substantial and just sense does it confer upon that officer, as the head of an executive department, powers strictly legislative or judicial in their nature or which must be exclusively exercised by Congress or the courts.

Mr. President, in the case of the Mutual Film Corporation against the Industrial Commission of Ohio we find a case where there was granted to that commission a power enormously beyond the powers given in this case, from the standpoint of the delegation of authority, and I desire for a moment to consider it.

Appellant sought an injunction to restrain the enforcement of an act of the General Assembly of Ohio passed April 16, 1913 (103 Ohio Laws, 399), creating under the authority and superintendence of the Industrial Commission of Ohio a board of censors of motion-picture films. It was contended (1) that the statute in controversy imposed an unlawful burden on interstate commerce; (2) that it violated the freedom of speech and pub-

lication guaranteed by section 11, Article I, of the constitution of Ohio; and (3) it attempted to delegate *legislative* power to censors and to other boards to determine whether the statute offended in the particulars designated. Concretely the last objection and answer was stated by the court, and I will consider only the last proposition. This is what the court said.

Mr. SIMMONS. What court is the Senator about to quote?

Mr. McCUMBER. This is the Supreme Court of the United States. The court said:

> The objection to the statute is that it furnishes no standard of what is educational, moral, amusing, or harmless, and hence leaves decision to arbitrary judgment, whim, and caprice; or, aside from those extremes, leaving it to the different views which might be entertained of the effect of the pictures, permitting the "personal equation" to enter, resulting "in unjust discrimination against some propagandist film," while others might be approved without question. But the statute by its provisions guards against such variant judgments, and its terms, like other general terms, get precision from the *sense and experience of men* and become certain and useful guides in reasoning and conduct. *The exact specification of the instances of their application would be as impossible as the attempt would be futile.* Upon such sense and experience, therefore, the law properly relies.

Mr. Justice McKenna for the court said (p. 246) that cases have recognized the difficulty of exact separation of the powers of government and announced the principle that legislative power is completely exercised where the law "is perfect, final, and decisive in all of its parts, and the discretion given relates only to its execution."

In this matter the law is concise and definite, that the President, by the application of these rates, is to equalize the conditions of competition in the American markets.

The court held the moving picture censorship act of Ohio was not in violation of the Federal Constitution or the constitution of Ohio either as depriving the owners of moving pictures of their property without due process of law or as a burden on interstate commerce or as abridging freedom and liberty of speech and opinion *or as delegating legislative authority to administrative officers.*

The court further declared, as expressed in the syllabus, that while administration and legislation are distinct powers and the line that separates their exercise is not easily defined, the legislature *must declare the policy of the law and fix the legal principles to control in given cases,* and an administrative body may be clothed with power to ascertain facts and conditions to which such policy and principles apply.

So, Mr. President, in section 315 Congress has declared the policy of the law—equality in conditions of competition—and directs the President, after investigation, to fix rates to effectuate that policy.

Compare the vast discretionary powers that were sustained in the film case with the carefully limited and guarded powers prescribed in section 315, subdivisions (a), (b), and (c).

I want to insert here, without reading, a brief statement of the case of the Union Bridge Co. against the United States (204 U. S. 364). I ask that all of these may be printed in 8-point type.

There being no objection, the matter was ordered to be printed in the RECORD in 8-point type, as follows:

UNION BRIDGE CO. *v.* UNITED STATES (204 U. S. 364).

"The question was whether provisions in section 18 of the river and harbor act of 1899 (30 Stat. 1121, 1153) providing for the removal or alteration of bridges which are unreasonable obstructions to navigation, after the Secretary of War has, pursuant to the procedure prescribed in the act, ascertained that they are such obstructions, were constitutional.

"Mr. Justice Harlan, delivering the opinion of the court, reviewed at considerable length decisions of the court. These conclusions were reached:

"'Congress when enacting that navigation be freed from unreasonable obstructions arising from bridges which are of insufficient height or width of span or otherwise defective may, without violating the constitutional prohibition against delegation of legislative or judicial power, impose upon an executive officer the duty of ascertaining what particular cases come within the prescribed rule *and of proclaiming the precise things to be done as a remedy therefor.*

"'The provisions in section 18 of the river and harbor act of 1899 (30 Stat. 1121, 1153) providing for the removal or alteration of bridges which are unreasonable obstructions to navigation, after the Secretary of War has, pursuant to the procedure prescribed in the act, ascertained that they are such obstructions and proclaimed the necessary remedy therefor, are not unconstitutional either as a delegation of legislative or judicial power to an executive officer or as taking of property for public use without compensation.'

"A more extended statement of the facts and holdings of this case is had in previous notes." (Sec. 6.)

Mr. McCUMBER. I now call attention to the case of Field against Clark. The Finance Committee in its report states:

> These elastic tariff provisions are regarded by the committee as undoubtedly constitutional. (Field *v.* Clark, 143 U. S. 649.)

That statement is challenged by the junior Senator from Montana [Mr. WALSH]. He stated:

> It will be shown presently that Field *v.* Clark affords no justification whatever for the departure proposed; in fact, that if the argument of the opinion in that case is to be followed the provisions under review must be unhesitatingly condemned as violative of the Constitution.

A close analysis of the provisions of the act of 1890 and the therein delegated powers, as instructive of *exactly what was held constitutional* in that case, is convincing that it is an ample and complete justification of this amendment.

The provision, here pertinent, the constitutionality of which was before and discussed by the court in Field *v.* Clark was section 3 of the tariff act of October 1, 1890. The claim among others was that section 3 being unconstitutional rendered the whole act unconstitutional. Section 3 provided that—

> with a view to securing reciprocal trade with countries producing the following articles, and for this purpose—

Now, mark my words—

> * * * *whenever and so often as the President shall be satisfied* that the Government of any country producing and exporting sugars, molasses, coffee, tea, and hides * * * *imposes duties or other exactions upon the agricultural or other products of the United States,* which in view of the free introduction of such sugar, molasses, coffee, tea, and hides into the United States *he may deem to be reciprocally unequal and unreasonable, he shall have* the power and it shall be his duty to suspend by proclamation to that effect the provisions of this act relating to the free introduction of such sugar, molasses, coffee, tea, and hides, the production of such country, *for such time as he shall deem just*—

Thus leaving it entirely discretionary with him as to the time—

> and in such case and during such suspension duties shall be levied, collected, and paid upon sugar, molasses, coffee, tea, and hides, the product of or exported from such designated country, as follows, namely.

The court, after reviewing many acts of Congress deemed by it similar to this and as a congressional precedent therefor, and upon the authority of the case of the brig *Aurora* (supra) and the announced and approved principles by the supreme courts of Ohio and Pennsylvania, supra, said:

> That Congress can not delegate legislative power to the President is a principle universally recognized as vital to the integrity and maintenance of the system of government ordained by the Constitution. The act of October 1, 1890, in the particular under consideration is not inconsistent with that principle. It does not in any real sense invest the President with the power of legislation. For the purpose of securing reciprocal trade with countries and exporting sugar, molasses, coffee, tea, and hides Congress itself determined that the provisions of the act of October 1, 1890, permitting the free introduction of such articles should be suspended as to any country producing and exporting them that imposed exactions and duties on the agricultural and other products of the United States which the President deemed—*that is, which he found to be*—reciprocally *unequal* and *unreasonable* Congress itself prescribed in advance the duties to be levied, collected, and paid.

The only difference between that case and the pending question is that Congress here says, "You shall make the same investigation relating to inequality in competition, and instead of fixing certain rates you shall fix a rate of duty that will equalize that competition; and if the rates which we provide do not fix that difference equally, you may increase those rates not to exceed 50 per cent or decrease them not to exceed 50 per cent, or if you have to proceed under subdivision (b) of section 315, under that standard you may adopt the American standard of valuation and increase the rates or decrease the rates not to exceed 50 per cent."

Mr. POMERENE. Mr. President, will the Senator yield for another question?

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Ohio?

Mr. McCUMBER. I yield.

Mr. POMERENE. The McKinley law fixed specifically these rates. Under the proposed amendment the President, assuming that he finds certain conditions to prevail, is given a discretionary power to raise those rates to any point within 50 per cent above the rates or to lower them to any point within 50 per cent below the rates. Is not that an exercise of legislative discretion?

Mr. McCUMBER. No; I say it is not when we say it must at all times be a rate which he has found to be necessary to equalize conditions of competition. His discretion only is to find the facts and apply the rate that will effectuate that purpose.

Mr. POMERENE. But the rate he fixes is wholly within his discretion.

Mr. McCUMBER. Oh, no; it is not. He must fix a rate that will equal the difference in competition. He can not say

that he will find that it will require a rate of 75 per cent upon the foregin valuation and then raise it only 40 per cent. If he finds that the rate necessary to equalize the conditions of competition requires 75 per cent, he must fix 75 per cent, provided he does not go beyond the 50 per cent additional limitation which we have imposed.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Does the Senator from North Dakota yield to the Senator from Montana?

Mr. McCUMBER. I yield.

Mr. WALSH of Montana. But any conclusion he arrives at is not subject to review anywhere?

Mr. McCUMBER. No, Mr. President; it is not.

Mr. WALSH of Montana. Is not the Senator from Ohio right, then, that the President can fix any rate he sees fit?

Mr. McCUMBER. He is right in saying that the President must fix the rate. We can not keep out of court the question as to whether or not the President has violated the law. That can be brought before the court in a proper proceeding.

Mr. WALSH of Montana. That is not the point.

Mr. McCUMBER. If an officer violates the provisions of law or perpetrates a fraud the matter can be reviewed in a court.

Mr. WALSH of Montana. I merely wanted to submit to the Senator not a willful violation of the law by the President, but simply a mistake by the President. He was perfectly honest about it, but he was quite wrong. He was intending to do the right thing, but he did not get it right.

Mr. McCUMBER. The evidence and the facts on which the President must investigate will all be available and the President must declare what rate is necessary, and when he has declared what rate is necessary he must apply that rate, not a higher rate, not a lower rate, but that particular rate.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Ohio?

Mr. McCUMBER. I yield.

Mr. POMERENE. Will the Senator permit me to ask him another question and put it in a different form for the purpose of eliciting his view? The Finance Committee have seen fit to place the 50 per cent limitation upon the President's power either in increasing or decreasing the rates. Let us assume, for the sake of the argument, that the committee had seen fit not to place these limitations upon that power, but to provide, as the committee do, that he should inquire into competitive conditions and then fix a rate which would meet the situation, without placing any limitation on it, does the Senator think from a constitutional standpoint that power could be sustained?

Mr. McCUMBER. I do.

Mr. POMERENE. Then it is placing in the President an unlimited power to exercise any discretion dependent wholly upon whether or not he finds that a rate is necessary to meet competitive conditions.

Mr. McCUMBER. If he finds that a rate is necessary to meet competitive conditions he is directed under the pending bill to fix the rate and to apply it. I presume there will not be very many cases in which the President will be called upon to act, but there might be. There might possibly be some in the chemical schedule, but probably in no other.

Mr. President, I should like to present and have printed in the RECORD, in eight-point type, a brief statement and analysis of the case of Buttfield against Stranahan and another one discussing the Hannibal-Bridge Co. against The United States.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota? The Chair hears none and it is so ordered.

The matter referred to is as follows:

BUTTFIELD *v.* STRANAHAN (192 U. S. 470).

The next kindred decision of the Supreme Court was Buttfield *v.* Stranahan (192 U. S. 470), and particularly at page 496. The statute, the constitutionality of which was challenged in that case, was the act of March 2, 1897 (29 Stat. 604), entitled "An act to prevent the importation of impure and unwholesome tea." That act exercised the constitutional power "to regulate commerce with foreign nations" in two particulars: It provided for the establishment of a tea board to select certain samples of tea which when approved by the Secretary of the Treasury and made such and deposited at the various ports of entry should become exclusive standards for the admission of tea into this country. It was claimed that thereby the Secretary and not Congress established the test or rule as to what teas should be imported. The right to import tea into this country was by this act further made dependent upon the importation being deemed or judged by the designated customs examiners as up to these standards of samples selected and approved by the Secretary. Such as was so deemed or judged by the examiners was admitted, and such as was not was rejected and denied entry. Certain teas being rejected at the port of New York as not up to these standards, it was claimed that this act also vested in the officials of the customs a legislative power in that the finding of similarity to the samples, a condition precedent to entry was vested in them, and the constitutionality thereof was accordingly challenged. Denying this claim the court, at page 496 of said volume, said:

"The claim that the statute commits to the arbitrary discretion of the Secretary of the Treasury the determination of what teas may be imported, and therefore in effect vests that official with legislative power, is without merit. We are of the opinion that the statute, when properly construed, as said by the Circuit Court of Appeals, but *expresses the purpose* to exclude the lowest grades of tea, whether demonstrably of inferior purity, or unfit for consumption, or presumably so because of their inferior quality. *This, in effect, was the fixing of a primary standard, and devolved upon the Secretary of the Treasury the mere executive duty to effectuate the legislative policy declared in the statute.* The case is within the principle of Field *v.* Clark (143 U. S. 649), where it was decided that the third section of the tariff act of October 1, 1890, was not repugnant to the Constitution as conferring legislative and treaty-making power on the President because it authorized him to suspend the provisions of the act relating to the free introduction of sugar, molasses, coffee, tea, and hides. We may say of the legislation in this case, as was said of the legislation considered in Field *v.* Clark, that it does not, in any real sense, invest administrative officials with the power of legislation. *Congress legislated on the subject as far as was reasonably practicable, and from the necessities of the case was compelled to leave to executive officials the duty of bringing about the result pointed out by the statute.* To deny the power of Congress to delegate such a duty would, in effect, amount but to declaring that the plenary power vested in Congress to regulate foreign commerce could not be efficaciously exerted.

"Whether or not the Secretary of the Treasury failed to carry into effect the expressed purpose of Congress and established standards which operated to exclude teas which would have been entitled to admission had proper standards been adopted is a question we are not called upon to consider. *The sufficiency of the standards adopted by the Secretary of the Treasury was committed to his judgment*, to be honestly exercised, and if that were important there is no assertion here of bad faith or malice on the part of that officer in fixing the standards, or on the part of the defendant in the performance of the duties resting on him."

The court further said:

"The provisions in respect to the fixing of standards and the examination of samples by Government experts was for the purpose of determining *whether the conditions existed which conferred the right to import*, and they therefore in no just sense concerned a taking of property. This latter question was intended by Congress to be finally settled not by a judicial proceeding but by the action of the agents of the Government, upon whom power on the subject was conferred."

It will be noted that the sufficiency of these samples which were to determine the right of entry of tea into this country was a matter committed to the judgment or selection of the Secretary of the Treasury. It will be further noted that the court predicated its decision upon the principle that Congress *having in the act expressed its purpose*, it was within the constitutional powers of Congress to delegate the *execution of that purpose* to the Secretary of the Treasury. The act, as said by the court, "devolved on the Secretary of the Treasury the mere executive duty *to effectuate the legislative policy declared in the statute*," even though that executive performance involved a choice as to means to that end.

The fact of similarity of the imported teas to these standard samples as to "*purity*," "*quality*," and "*fitness* for consumption" was made condition precedent to admission into this country, and the determination thereof vested in the examiners. Congress here legislated in so far as practicable and delegated to the Secretary the power to establish standards and the examiners the power to find the facts as to similarity thereto necessary to the execution of the law. These officials do not thereby legislate, but they execute the legislation had by Congress by exercising their judgment or decision in the selection of samples and determining similarity, although that selection fixed the duty in the particular case.

Likewise it may be said of section 315, Congress has clearly therein set forth its legislative "purpose." That "purpose"

is made dependent upon and is controlled by varying market values. Wherefore, Congress has in so far as practically possible, by prescribing the facts and conditions of trade in our markets which shall admeasure these duties, prescribed what the duties shall be, and empowered the President to effectuate the congressional purpose to equalize by these duties the selling prices in our markets of similar foreign and domestic goods by ascertaining these facts and their equivalent duties and so proclaiming. This is not legislating but performing acts in execution of legislation.

HANNIBAL BRIDGE CO. *v.* UNITED STATES (221 U. S. 194).

In Hannibal Bridge Co. *v.* United States (221 U. S. 194) the court was again called upon to determine the validity of section 18 of the river and harbor act of 1899.

The statute proceeded under in this case was the same as in Union Bridge Co.'s case, *supra*. After due proceedings the Secretary of War found and advised the Hannibal Bridge Co., the Wabash Railroad Co., and the Missouri Pacific Railway Co. that the bridge over the Mississippi River at Hannibal, Mo., owned or controlled by said companies, was "an unreasonable obstruction to free navigation" or commerce, *and ordered certain specified changes*. The companies refused to comply with the Secretary's order, were duly proceeded against by criminal information, and convicted. On appeal they questioned the constitutionality of the act as an unauthorized delegation of congressional power. At page 205 the court, in denying this contention, said:

"The assignments of error are very numerous. But we feel constrained to say that no one of them causes a serious doubt as to the correctness of the judgment sought to be reviewed. This court has heretofore held, upon full consideration, that Congress had full authority under the Constitution to enact section 18 of the act of March 3, 1899 (ch. 425, 30 Stat. 1153), and that the delegation to the Secretary of War of the authority specified in that section was not a departure from the established constitutional rule that forbids the delegation of strictly legislative or judicial powers to an executive officer of the Government. *All that the act did was to impose upon the Secretary the duty of attending to such details as were necessary in order to carry out the declared policy of the Government* as to the free and unobstructed navigation of those waters of the United States over which Congress in virtue of its power to regulate commerce had paramount control * * *." (Union Bridge Co. *v.* United States, 204 U. S. 364; Monongahela Bridge Co. *v.* United States, 216 U. S. 177; Field *v.* Clark, 143 U. S. 649; Buttfield *v.* Stranahan, 192 U. S. 470.)

Obviously there is not an entire lack of parity in results between a rate of duty and a bridge as an obstruction to commerce. The constitutional power as to the regulation of commerce applies equally to each. The full force and effect of the Union Bridge Co. and Hannibal Bridge Co. decisions, as here applicable, can best be had by bearing in mind that full and complete authority was therein vested in the Secretary to determine and give notice of exactly what would be required to effect free navigation or an unobstructed commerce. Congress having declared the policy of unobstructed navigable rivers by bridges it was competent, the court said, *to delegate to the Secretary full power to determine what was such an obstruction and what remedy should be enforced*. So Congress having declared the policy of equalizing different competitive conditions in our markets may well on that authority authorize the President to determine those differences *and their remedy*. By section 315, however, Congress not only prescribes what the President shall determine to inaugurate action, to wit, differences in competitive conditions, but also prescribes precisely the remedy he shall apply, to wit, a duty equal to those differences or a change in classification which fixes that duty.

It will be noted that in all of the foregoing cases the principle early established in the brig *Aurora* cases and in Wayman against Southard, *supra*, that Congress, having by *general* provisions *declared its policy*, may vest those who are to act under such general provisions with full powers to put that policy into effect as and when prescribed by Congress.

Applying these principles to the proposed provisions, legislative power is exercised when Congress declares that a prescribed duty—that is, one equal to the net differences between two named trade conditions—shall be levied and collected. What the President is required to do is simply in execution of this act of Congress. His duties are neither judicial nor legislative, but purely administrative. He is vested with no discretion, but commanded to act upon certain prescribed conditions or a prescribed state of things to be ascertained and made known in the manner prescribed by Congress.

Mr. McCUMBER. I desire also to have inserted in the RECORD in eight-point type a section of the revenue act of 1916, Thirty-ninth Statutes at Large, with a very short statement and analysis of it.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

THE REVENUE ACT OF 1916.
(39 Stat. L. 799.)

A precisely similar provision in principle is contained in section 805 of the "Revenue act of 1915" (39 Stat. 799), reading:

"SEC. 805. That whenever during the existence of a war in which the United States is not engaged the President *shall be satisfied that there is reasonable ground to believe* that under the laws, regulations, or practices of any country, colony, or dependency, contrary to the law and practice of nations, the importation into their own or any other country, dependency, or colony of any article the product of the soil or industry of the United States and not injurious to health or morals *is prevented or restricted* the President is authorized and empowered to *prohibit or restrict* during the period such prohibition or restriction is in force *the importation into the United States of similar or other articles*, products of such country, dependency, or colony *as in his opinion the public interest may require;* and in such case he shall make proclamation stating the article or articles which are prohibited from importation into the United States; and any person or persons who shall import, or attempt or conspire to import, or be concerned in importing such article or articles into the United States contrary to the prohibition in such proclamation shall be liable to a fine of not less than $2,000 nor more than $50,000, or to imprisonment not to exceed two years, or both, in the discretion of the court. *The President may change, modify, revoke, or renew such proclamation in his discretion.*"

The President therein is required to examine "the laws, regulations, or practices" of foreign nations and their effect upon our commerce, and if thereby "be satisfied" that exportations thereto from this country are "prevented or restricted" he is authorized and empowered to "prohibit or restrict" the importation of like "or other * * * products" into this country "as in his opinion the public interest may require." That paragraph is existing law and is precisely the language of the active provisions of paragraph 317, and what is here contended is too indefinite a definition or delegation of the authority and power of the President under the Constitution.

This section, 805, in legal concept is identical with several other similar sections of the unfair-competition provisions of the revenue act of 1916, Title VIII, of which it is a part. (39 Stat. L. 799.) In legal concept it is in exact accord with the active provisions of amendments 315, 316, and 317 of the pending bill, which have been criticized as unconstitutional by reason of the insufficiency of language therein made determinative of the President's action. The congressional debates show that this provision was originally offered by the late Senator James of Kentucky; that it was stated on the floor of the Senate that it received the approval of the Department of State and was prepared by that department. It distinctly received the approval of Senator UNDERWOOD. See CONGRESSIONAL RECORD, volume 53, part 13, Sixty-fourth Congress, first session, and at page 13485, wherein the following colloquy occurred:

"Mr. SIMMONS. My understanding, from the statement made by the Senator from Kentucky, was that the amendment meets the approval of the department.

"Mr. UNDERWOOD. Well, I want to say to the Senator from North Carolina in reference to this question that I am not opposed to the amendment offered by the Senator from Kentucky; as a matter of fact, I think it is an amendment that will serve a great many people in the United States. It is an amendment that will protect a great agricultural product in the United States against discrimination, and I am glad that the Secretary of State has taken the initial step toward preparing the amendment and submitting it. I intend to support the amendment. I think it will be of great value to the agriculture of the United States in protecting shipments of tobacco into neutral countries against the discriminations that are now being made against it by the warring countries of Europe. I understand that the amendment relates not only to tobacco but to many other products of the United States.

"Mr. SMITH of Georgia. It applies to all of them.

"Mr. UNDERWOOD. I am informed that it is broad enough to apply to all. It is a very meritorious amendment."

The vote upon the bill which included these provisions, and which therefore approved their constitutionality, is found in the same volume at page 13873. The approval of Senator WALSH is noted at page 13872, where his colleague, Senator

MYERS, made the statement, "My colleague [Mr. WALSH] is necessarily absent. He is paired with the Senator from Rhode Island [Mr. LIPPITT]. If my colleague were present and at liberty to vote, he would vote 'yea.'"

It can not well be said that this statute was a war measure in the sense that it was enacted under the constitutional warrant upon such occasions, when by the very terms thereof its application is made to apply "whenever during the existence of a war in which the United States is *not* engaged."

Mr. McCUMBER. I have here rather a lengthy brief or memorandum covering the whole subject. The brief for the most part has been prepared by Judge De Vries of the Customs Court of Appeals. It is rather full and it covers every possible question. While I have to some extent had a hand in the making of the brief, yet for the most part it is his language and his construction. I ask that it may be printed in the RECORD in 8-point type. It is so comprehensive that I think it would be useful to Senators who desire to investigate the whole subject.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. McCUMBER. I wish also to ask that it may be italicized as indicated in the brief itself.

The PRESIDENT pro tempore. Without objection, it is ordered as requested by the Senator from North Dakota.

The brief is as follows:

MEMORANDUM AS TO THE CONSTITUTIONALITY OF THE PROVISIONS OF H. R. 7456, AS REPORTED WITH AMENDMENTS TO THE SENATE APRIL 10, 1922, DIRECTING THE PRESIDENT TO ASCERTAIN AND PROCLAIM CERTAIN DEFINED DUTIES THEREIN LEVIED BY CONGRESS IN TERMS OF FACTS OR A STATE OF THINGS MADE BY THOSE PROVISIONS CONDITIONS PRECEDENT TO AND DETERMINATIVE OF THE COLLECTION OF THOSE DUTIES.

These provisions are typified by section 315, page 272, Title III, of the bill, which for convenience may be taken as the subject of discussion of the principles involved.

A close examination of this paragraph, in the light of the able and most illuminating debate had thereupon in the Senate, will disclose that much of the criticism thereof is answered by the terms themselves of the paragraph. We quote as exemplar of all section 315 (a), as follows:

"SEC. 315. (a) That in order to regulate the foreign commerce of the United States and to put into force and effect the policy of the Congress by this act intended, whenever the President, upon investigation of the differences in conditions of competition in trade *in the markets of the United States* of articles wholly or in part the growth or product of the United States and of like or similar articles wholly or in part the growth or product of competing foreign countries, shall find *it thereby shown* that the duties fixed in this act do not equalize the said differences in conditions of competition in trade he shall, by such investigation, ascertain said differences and determine and proclaim *the changes* in classifications *or* forms of duty *or* increases *or* decreases in any rate of duty provided in this act *shown by* said ascertained differences in conditions of competition in trade necessary to equalize the same in the markets of the United States; that 30 days after the date of such proclamation or proclamations such changes in classification or in forms of duty shall take effect and such increased or decreased duties shall be levied, collected, and paid on such merchandise when imported directly or otherwise from the country of origin into the United States: *Provided*, That until further provided by law the total increase or decrease of such rates of duty shall not exceed 50 per cent of the rates specified in this act or in any amendatory act."

Obviously the facts or state of things herein authorized to be ascertained and proclaimed by the President are:

(1) A difference in competitive trade conditions in our markets between like or similar foreign and domestic articles.

(2) That the particular duty applicable thereto prescribed by the act does not equalize such difference.

(3) The changed "classification" or changed "form," or "increase" or "decrease" of duty, any or all of such *shown by* the aforesaid ascertained facts or state of things *necessary* to equalize this ascertained difference, under the terms of the act.

In no particular is the President by that language invested with the slightest discretion as to any of the commanded performances.

He can act upon and proclaim only those "differences in conditions of competition" "in the markets of the United States," and the duty "shown by" such differences necessary to equalize the same. These ascertained "facts" or "state of things" "shown by" these trade conditions are by Congress made the initiative and the full control of the President's action and the measure of the proclaimed duty.

Likewise, he can not elect to proclaim a change of a rate or classification in his discretion. The language of the provision authorizes and directs that he shall proclaim *that* rate or *that* classification only, or both, "*shown by*" the ascertained "differences" "*necessary* to equalize the same in the markets of the United States."

That is the legal formula employed, and, under all the decisions and the able arguments in the Senate, that formula *is*, in legal concept, constitutional. If the words or phrases employed render it doubtful whether or not they execute that formula, such becomes a matter of correction, but absolutely not an evidence of inability of constitutional enactment.

For example, should the term "conditions of competition in trade" be deemed indefinite, specification of these conditions, such as "wholesale market value" or "cost of production," could, in accordance with the political purpose, be substituted therefor or be provided by separate limiting or controlling provision.

In abiding confidence, it is submitted that the foregoing formula is in scrupulous observance of the cardinal rule governing such cases, so well announced in Locke's Appeal (72 Pa. St. 491, 498) and applied and quoted in almost every decision and textbook subsequently speaking to the subject, particularly in Field *v.* Clark (143 U. S. 649) in construing and applying the same in a tax levy case, as follows:

"The legislature can not delegate its power to make a law, but *it can make a law to delegate a power to determine* some *fact* or *state of things* upon which *the law makes*, or intends to make, its own action *depend*."

By section 315 the President fixes no rate of nor lays any duty. He ascertains and proclaims "*facts*" "*or a state of things*" only, and those "facts" or that "state of things" only which Congress by this paragraph prescribes and directs him to ascertain and the equivalent duty mathematically therefrom calculated and proclaimed. Whereupon *Congress* by this act and not the President fixes and levies the duty *so shown by these prescribed "facts"* or "*state of things*" necessary to equalize said market conditions.

And so by the paragraph it is provided that if the ascertained *facts of difference* show a change of classification or change of forms of duty—ad valorem to specific or vice versa—from those prescribed in the act, *necessary* to equalize the differences in trade conditions the President shall, upon such ascertainment, so proclaim, and thereupon *Congress by this act*—and not the President—levies the *so shown* and proclaimed duties or provides the so shown classification.

In other words, having prescribed certain rates of duty predicated upon market values, for the purpose of revenue as well as regulating the commerce of the United States with foreign countries, in view of the uncertain conditions of the world's markets and the inevitable and swift changes in market values and the necessarily tardy remedy by congressional action, in order to more securely effect its intended purpose to equalize in our markets foreign and domestic market conditions, by section 315, Title III, Congress levies additional or equalizing duties to the extent it shall be shown by the differences in competitive market values in the United States necessary to equalize the conditions of foreign competition in our markets, and directs the President to ascertain and proclaim the duties *these differences in market conditions show* to be so necessary.

The extent which the Congress wishes to invest the President with such powers upon such findings—that is to say, whether to raise only or to raise and lower duties, and the limitations to be placed upon the same in either case—is, of course, a question of policy for the Congress. The legal formula of investment of this power, however, is the same in either case, and, as in this section vested, accords with many similar statutes of Congress approved by the Supreme Court since the foundation of our Government.

Indeed, every tariff act levying ad valorem duties or duties wholly or in part such accords with this section. All and every such duty is made dependent upon the finding of a fact by some official, usually the appraiser, vested by Congress with that power, of a defined market value of imported goods.

The constitutional warrant, section 8, Article I, vesting in Congress the power to levy duties, reads: "To *lay* and collect taxes, duties, imposts," and so forth.

It should be ever borne in mind in this inquiry that the constitutional authority of the Congress is not "to lay and collect" a *rate* of duty, but "to lay and collect * * * *duties*, imposts," and so forth. So that the Constitution throws around the *rate* of duty by Congress laid nothing more sacred or mystic than the *basis* of that duty by Congress provided. Each is *equally* a necessary factor of the levy and its calculation. Both are equally necessary integral parts of the exercise by Congress

of its ad valorem import duty levying functions, and the one as well as and equally with the other can, within the Constitution, be legislated. Yet since the foundation of the Government and in every tariff act Congress has laid ad valorem duties and admeasured them by providing as a necessary and integral part of that levy a designated "market value" to be ascertained by a denominated officer. Latterly, and in like but more definite manner, Congress laid these duties and admeasured them by the "wholesale market value in the principal markets of the country of exportation" and delegated to the appraiser the power to find and adopt that value. The finding of what market was the "principal" market of the country of exportation and what evidence constituted "market value" as defined by Congress in that market were by Congress expressly delegated to the appraiser, and his ascertainment and finding thereof has admeasured and consequently fixed, in conjunction with the rate of the statute, every ad valorem duty levied since the foundation of the Government. Moreover, this ascertainment and finding of the appraiser was by Congress made final and conclusive against the taxpayer and the world and not reviewable by any court. See Auffmordt *v.* Hedden (137 U. S. 310, 324), Passavant *v.* United States (148 U. S. 214, 220), Stairs et al. *v.* Peaslee (59 U. S. 521).

Thus in Passavant *v.* United States (148 U. S. 220) the Supreme Court said:

"In the tariff legislation of the Government, Congress has generally adopted means and methods for a speedy and equitable adjustment of the question as to market value of imported articles, without allowing an appeal to the courts to review the decision reached. If dissatisfied importers, after exhausting the remedies provided by the statute to ascertain and determine the fair dutiable value of imported merchandise, could apply to the courts to have a review of that subject, the prompt and regular collection of the Government's revenues would be seriously obstructed and interfered with. The statute authorized no such proceeding, and the circuit court can exercise no such jurisdiction."

In Hilton *v.* Merritt (110 U. S. 97, 107) the court said:

"The plaintiffs in error contended further that a denial of the right to bring an action at law to recover duties paid under an alleged excessive valuation of dutiable merchandise is depriving the importer of his property without due process of law, and is therefore forbidden by the Constitution of the United States. The cases of Murray's Lessee *v.* Hoboken Land & Improvement Co. (18 How. 272) and Springer *v.* United States (102 U. S. 586) are conclusive on this point against the plaintiff in error."

MUSER *v.* MAGONE (155 U. S. 240).

If it is competent for Congress, proceeding under the Constitution, to levy a duty, to enact in integral and necessary part that it shall be laid upon a defined "market value" and then vest in the appraiser the power to ascertain and fix that "market value," why is it not equally competent for Congress, so proceeding, to enact that a duty shall be the difference between two defined market values, as in effect is provided in section 315, and then vest in the President the power to ascertain those market values and the differences between them and proclaim that difference and the equivalent rate of duty?

It is respectfully submitted that if the legal concept of section 315 is unconstitutional, every ad valorem duty now levied is, and all such levied since the foundation of the Government were, in violation of the Constitution.

En passant, the context of the constitutional investment in Congress "to lay and *collect* * * * duties," etc., vesting alike in Congress the power to levy and the power to "collect" duties, coordinating and surrounding each of these vested powers with the same authorization and limitations, in view of the present discussion, prompts the inquiry, whether or not it will be insisted that Congress alone is empowered to "collect" duties and must therefore stand at the customhouse and "collect" all duties in constitutional observance of its sworn duty? Or does the conjoint employment of the word "collect" and its necessary practical performance throw some light upon the intention of the framers of the Constitution in their adoption of the associate word "lay"?

But the constitutional warrant hereinbefore quoted for this legislation, which is that usually considered, is not the entire constitutional grant of power to Congress supporting the amendment. In fact, it omits the most pertinent part sustaining the amendment—subparagraph 18 of said Article I—which expressly relates to and grants Congress a general, unlimited power of legislation to put into execution its constitutional powers of "levying duties" and "regulating foreign commerce," and its thereto related laws. The whole grant of the pertinent powers to Congress reads:

"ARTICLE I, SEC. 8. The Congress shall have power to lay and collect taxes, duties, * * *. To regulate commerce with foreign nations * * *." And, subparagraph 18, "*To make all laws which shall be necessary and proper for carrying into execution the foregoing powers.* * * *."

While Congress alone, therefore, is authorized by the Constitution to lay and collect duties and regulate commerce, the Constitution expressly authorized the Congress to make whatever laws it may choose (except only those expressly inhibited by the Constitution) in execution of and to carry into effect these vested powers.

What authority is to finally determine which of such acts by Congress are "necessary" and proper has long since been held by the Supreme Court to be Congress itself, not reviewable by any court.

Thus in McCulloch *v.* Maryland (4 Wheaton, 316–421, 422) the Supreme Court of the United States, speaking through Chief Justice Marshall, construing these provisions of the Constitution, said:

"We admit, as all must admit, that the powers of the Government are limited and that its limits are not to be transcended. But we think the sound construction of the Constitution must allow to the National Legislature *that discretion*, with respect to the means by which the powers it confers are to be carried into execution, which will enable that body to perform the high duties assigned to it, in the manner most beneficial to the people.

* * * * * * *

"But were its necessity less apparent, none can deny its being an appropriate measure; and if it is, *the decree of its necessity*, as has been very justly observed, is to be discussed in another place. Should Congress in the execution of its powers adopt measures which are *prohibited by the Constitution*, or should Congress, under the pretext of executing its powers, pass laws for the accomplishment of objects *not intrusted to the Government*, it would become the painful duty of this tribunal, should a case requiring such a decision come before it, to say that such an act was not the law of the land. But where the law is *not prohibited*, and is really calculated to effect any of the objects intrusted to the Government, to undertake here to inquire into the *decree of its necessity*, would be to pass the line which circumscribes the judicial department, and to tread on legislative ground. This court disclaims all pretensions to such a power."

A very recent decision of the Supreme Court to the same effect is Smith *v.* Kansas City Title Co. (255 U. S. 180, 208). The constitutional power of Congress to create Federal land banks and joint-stock land banks as banks for national purposes was therein challenged. The court in part said:

"Since the decision of the great cases of McCulloch *v.* Maryland (4 Wheat. 316) and Osborn *v.* Bank (9 Wheat. 738) it is no longer an open question that *Congress may establish banks for national purposes*, only a small part of the capital of which is held by the Government and a majority of the ownership in which is represented by shares of capital stock privately owned and held, the principal business of such banks being private banking conducted with the usual methods of such business. *While the express power to create a bank or incorporate one is not found in the Constitution*, the court, speaking by Chief Justice Marshall, in McCulloch against Maryland, found authority so to do in the broad general powers conferred by the Constitution upon the Congress *to levy and collect taxes*, to borrow money, *to regulate commerce*, to pay the public debts, to declare and conduct war, to raise and support armies, and to provide and maintain a Navy, etc. Congress, it was held, had authority to use *such means as were deemed appropriate to exercise the great powers of the Government by virtue of Article I, section 8, clause 18, of the Constitution, granting to Congress the right to make all laws necessary and proper* to make the grant effectual. In First National Bank *v.* Union Trust Co. (244 U. S. 416, 419), the Chief Justice, speaking for the court, after reviewing McCulloch *v.* Maryland and Osborn *v.* Bank, and considering the power given to Congress to pass laws to make the specific powers granted effectual, said:

"'In terms it was pointed out that this broad authority was not stereotyped as of any particular time but endured, thus furnishing a perpetual and living sanction to the legislative authority within the limits of a just discretion *enabling it to take into consideration the changing wants and demands of society* and to adopt provisions appropriate to meet *every* situation which it was deemed required to be provided for.'

"That the formation of the bank was required, in the judgment of the Congress, for the fiscal operations of the Government was a principal consideration upon which Chief Justice Marshall rested the authority to create the bank; and for that purpose, being an appropriate measure *in the judgment of the Congress*, it was held *not to be within the authority of the court to question the conclusion reached* by the legislative branch of the Government."

When we bear in mind the remote connection between the legislative functions "to lay and collect taxes," "to borrow money," "to regulate commerce," and so forth, as the powers recited by the court as aided by the creation of national banks, the propriety of this amendment in aid of the power to lay and collect duties can not be questioned.

The here particularly important point, however, is that the exercise of judgment and power by Congress under said subsection 18 of section 8, Article I of the Constitution, in aid and regulation of its power to lay duties and regulate commerce, previously or by the instant act exercised, is wholly within the discretion of Congress and not reviewable by any court for impolicy or abuse. State of Pennsylvania *v.* Wheeling & Belmont Bridge Co. (59 U. S.; 18 How. 421, 439).

While it is well settled that Congress can not under the Constitution, unaided by special constitutional warrant, delegate its legislative power, it is equally well settled that the enactment of a conditional statute to become effective or be suspended upon the ascertainment or determination of a prescribed fact or state of things, condition, or group of conditions, controlling and admeasuring the enforcement of the statute and the time and extent of its application by some administrative or other official, as prescribed by the statute, is not within that constitutional inhibition.

The foregoing analysis clearly shows that this amendment is complete in and of itself, *delegating no power whatsoever to add to its terms*, provisions, or requirements, but delegating solely and only the power to ascertain therein prescribed "facts" or "state of things," upon which the statute by its own terms operates in carrying out the legislative purpose, to wit, market values, differences in market values, and duties equivalent to such values and differences, under the terms of this act.

Perhaps no question of greater magnitude or of more far-reaching consequence in our system of government has ever been presented to our Supreme Court than the principle supporting such legislation. Only upon the extended development of our national enterprises did the importance of the issue become apparent and the question of whether or not our Constitution was adequate to our national development become dominant. Accordingly no question before the Supreme Court has received more extended or thorough consideration. Its more extended consideration and development was initiated in the great case of Field *v.* Clark (143 U. S. 649). This was followed by Buttfield *v.* Stranahan (192 U. S. 470), particularly at page 496, decided in 1904; Union Bridge Co. *v.* United States (204 U. S. 364), particularly at pages 385 and 386, decided in 1907; Monongahela Bridge Co. *v.* United States (216 U. S. 177), particularly at page 192, decided in 1910, and in United States *v.* Grimaud (220 U. S. 506), particularly at page 521, decided in 1911.

In those five cases the Supreme Court so thoroughly considered, amplified, and decided the question that in subsequent decisions the doctrine therein announced has been merely referred to as *stare decisis* as therein determined. (See Hannibal Bridge Co. *v.* United States, 221 U. S. 194, 205; Intermountain Rate cases, 234 U. S. 476, 486; Mutual Film Corporation *v.* Ohio Industrial Commission, 236 U. S. 230, 246; First National Bank *v.* Union Trust Co., 244 U. S. 416, 427; Selective Draft Law cases, 245 U. S. 366, 389; and Knickerbocker Ice Co. *v.* Stewart, 253 U. S. 149, 164.)

The case of Field *v.* Clark may well be considered the foundation case of this doctrine. The opinion was by Mr. Justice Harlan. While it refers to the original case of the Brig *Aurora* *v.* United States (7 Cranch., 382), wherein for the first time this principle was announced by the Supreme Court of the United States, and the case of Wayman *v.* Southard (10 Wheaton, 1, 41), opinion by Chief Justice Marshall announcing the same doctrine, the decision in Field *v.* Clark is more particularly predicated upon the long-continued sanction given by Congress to precedents of legislation similar to that then the subject of consideration by the court.

The case arose upon an importation by Marshall Field & Co. at the port of Chicago of woolen dress goods and other materials. That firm protested the duties levied under the act of October 1, 1890, claiming the act unconstitutional.

The provision here pertinent, the constitutionality of which was before and discussed by the court in Field *v.* Clark, was section 3 of the tariff act of October 1, 1890. The claim, among others, was that section 3 being so, rendered the whole act unconstitutional. Section 3 provided that "with a view to securing reciprocal trade with countries producing the following articles and for this purpose, * * * *whenever and so often as the President shall be satisfied* that the Government of any country producing and exporting sugars, molasses, coffee, tea, and hides, * * * *imposes duties or other exactions upon the agricultural or other products of the United States*, which in view of the free introduction of such sugar, molasses, coffee, tea, and hides into the United States *he may deem to be reciprocally unequal and unreasonable*, he shall have the power and it shall be his duty to suspend by proclamation to that effect the provisions of this act relating to the free introduction of such sugar, molasses, coffee, tea, and hides, the production of such country, *for such time as he shall deem just*, and in such case and during such suspension duties shall be levied, collected, and paid upon sugar, molasses, coffee, tea, and hides, the product of or exported from such designated country as follows, namely:" (Here follows an enumeration of such articles and the prescribed duties.)

The court, after reviewing many acts of Congress deemed by it similar to this and as a congressional precedent therefor, and upon the authority of the case of the brig *Aurora* (supra) and the announced and approved principles by the supreme courts of Ohio and Pennsylvania, *supra*, said:

"That Congress can not delegate legislative power to the President is a principle universally recognized as vital to the integrity and maintenance of the system of government ordained by the Constitution. The act of October 1, 1890, in the particular under consideration, is not inconsistent with that principle. It does not, in any real sense, invest the President with the power of legislation. For the purpose of securing reciprocal trade with countries and exporting sugar, molasses, coffee, tea, and hides, Congress itself determined that the provisions of the act of October 1, 1890, permitting the free introduction of such articles should be suspended as to any country producing and exporting them, that imposed exactions and duties on the agricultural and other products of the United States which the President *deemed*, that is, *which he found to be*, reciprocally *unequal* and *unreasonable*, Congress itself prescribed, in advance, the duties to be levied, collected, and paid, on sugar, molasses, coffee, tea, or hides produced by or exported from such designated country while the suspension lasted. Nothing involving the expediency or the just operation of such legislation was left to the determination of the President. The words *'he may deem'* in the third section, *of course, implied* that the President would examine the commercial regulations of other countries producing and exporting sugar, molasses, coffee, tea, and hides, *and form a judgment as to whether they were reciprocally equal and reasonable*, or the contrary, *in their effect upon American products. But when he ascertained the fact* that duties and exactions, reciprocally unequal and unreasonable, were imposed upon the agricultural or other products of the United States by a country producing and exporting sugar, molasses, coffee, tea, or hides, *it became his duty to issue a proclamation* declaring the suspension as to that country, which Congress had determined should occur. He had no discretion in the premises except in respect to the duration of the suspension so ordered. But that related only to the *enforcement* of the policy established by Congress. *As the suspension was absolutely required when the President ascertained the existence of a particular fact, it can not be said that in ascertaining that fact and in issuing his proclamation, in obedience to the legislative will, he exercised the function of making laws.* Legislative power was exercised when Congress declared that the suspension should take effect upon a named contingency. *What the President was required to do was simply in execution of the act of Congress. It was not the making of law. He was the mere agent of the law-making department to ascertain and declare the event upon which its expressed will was to take effect.* It was a part of the law itself as it left the hands of Congress that the provisions, full and complete in themselves, permitting the free introduction of sugar, molasses, coffee, tea, and hides from particular countries should be suspended in a given contingency and that in case of such suspensions certain duties should be imposed."

"The true distinction," as Judge Ranney, speaking for the Supreme Court of Ohio, has well said, "is between the delegation of power *to make the law*, which necessarily involves a discretion as to what it shall be, and *conferring authority or discretion as to its execution* to be exercised under and in

pursuance of the law. The first can not be done; to the latter no valid objection can be made." (Cincinnati, Wilmington, etc., Railroad *v.* Commissioners, 1 Ohio Stat. 88.) In Moore *v.* City of Reading (21 Pa. Stat. 188, 202) the language of the court was: "Half the statutes on our books are in the alternative, depending on the discretion of some person or persons to whom is confided the duty of determining whether the proper occasion exists for executing them. But it can not be said that the exercise of such discretion is the making of the law." So, in Locke's appeal (72 Pa. Stat. 491, 498): "To assert that a law is less than a law because it is made to depend *on a future event or act* is to rob the legislature of the power of acting wisely for the public welfare *whenever a law is passed relating to a state of affairs not yet developed or to things future and impossible to fully know.*" The proper distinction the court said was this: "The legislature can not delegate its power to make a law, *but it can make a law to delegate a power to determine some fact or state of things upon which the law makes, or intends to make, its own action depend.* To deny this would be to stop the wheels of government. There are many things upon which wise and useful legislation must depend which can not be known to the lawmaking power and must therefore be a subject of inquiry and determination outside of the halls of legislation."

While it has been stated by the distinguished Senator from Montana [Mr. WALSH] that the case of Field against Clark is not a "full justification" of this amendment, it is respectfully submitted that when its full import and all therein declared are weighed, it completely supports the amendment *in doctrine* announced, and in the things decided in many respects is squarely authoritative.

Viewing that decision with reference to what delegation *of authority* was in fact necessarily upheld, most important and here pertinent is that the facts, conditions of trade, or "state of things," by comparison of which the President was to determine "reciprocal equality and reasonableness," were the *effects upon our trade of the tariff laws* not only of the United States but of foreign countries. He was to investigate and determine the effect of foreign tariffs upon the exports of our *agricultural and other products* to foreign countries and the effects of our tariffs—free entry—upon imports of certain foreign articles from such countries, *balance and admeasure these resulting trade conditions one with the other*, and, if he "deemed" the relative trade conditions so resulting "reciprocally unequal and unreasonable," so proclaim, suspend our tariff laws, and put into effect certain rates of duty by Congress prescribed, which in turn he might also suspend "for such time as he may deem just."

The true import of section 3 of the tariff act of 1890 in practical operation could only be that the President was to ascertain *the effect in the markets of foreign countries* of the rates of duty established by those countries upon the selling prices of our agricultural and other products, of course, necessarily, as compared with the selling prices of their products competing in said markets, ascertain the effects upon or advantages to the trade of those countries *in our markets* by reason of the free entry permitted by our tariff laws of certain products of such countries, in comparison with our like products, compare and admeasure these ascertained respective *conditions of trade* one with the other, and if thereby he *deemed* these conditions of trade reciprocally unequal and unreasonable, suspend the free-entry provision of our tariff and proclaim in effect in lieu thereof certain rates prescribed in the act. The President was by that act empowered to suspend free entry and proclaim those prescribed rates in effect "whenever and so often as he shall be satisfied" and continue them in effect "for such a time as he shall deem just." In other words, Congress by that act made *both the dutiable rates levied* and the free-entry provisions therein provided effective, *subject to a* finding and proclamation by the President as to competitive *conditions in trade to be by him ascertained and proclaimed* not only in the markets of the United States but also in the markets of foreign countries. The sole pertinent difference between that act and this amendment in principle is that therein Congress prescribed the substitute rates in terms of fixed figures, *and herein Congress has prescribed the substitute rates in terms of prescribed "facts" or "state of things."*

Congress by that act vested in the President the admeasurement of defined trade conditions under and resulting from prescribed rates of duty in foreign countries upon our products therein imported and the determination of their equality with the trade conditions under and resulting from free entry allowed their products in our country as determinative of his action. In other words, that act required of the President the function of admeasuring and equalizing trade conditions with rates of duty—a translation of the one into the terms of the other, a determination of their differences, and proclamation accordingly. That and nothing more is precisely the function by this amendment vested in the President. Of the delegation of this function in that act the Supreme Court in Field *v.* Clark, *supra*, said:

"What the President was required to do was simply in execution of the act of Congress. It was not the making of law. He was the mere agent of the lawmaking department to ascertain and declare the event upon which its expressed will was to take effect."

While Field *v.* Clark approves and announces the *doctrine* supporting the power of Congress to so levy an import duty as by this amendment provided, express declaration, in that many words, as stated by Senators, to sustain a grant of power *to the President* "to fix rates" is not therein had. Nor is that by this amendment attempted. Nor would anyone conversant with the law upon the subject so attempt. What *is* here done by *Congress* is not to delegate a power "to fix rates" but to itself fix or levy a duty, not in terms of fixed figures but in terms of certain prescribed "facts" or "state of things," and authorize and empower the President to ascertain and proclaim the duty or rate thereby fixed by Congress.

It would seem appropriate while comparing section 3 of the act of 1890, as considered in Field *v.* Clark, with this amendment, particularly in view of the criticism of that case by Senators, that two of the justices dissented therefrom to point out that the grounds of dissent therein are cured by appropriate language in this amendment. The grounds of that dissent related solely to the words authorizing action by the President upon an ascertainment which "he may *deem* to be reciprocally unequal and unreasonable," and that he might continue the suspension of the free list or continue proclaimed rates of duty in effect "for such time as he shall *deem* just." It was urged by the dissentients that the word "deem" permitted a judgment by the President, and that the latter phrase vested in him an unlimited discretion. These objections are met and avoided in this amendment by investing the President with no discretion or judgment whatever in proclaiming a duty but authorizing him to proclaim only the duty *shown by prescribed* facts or state of things. So, by the last phrase of 315 (c) he can only suspend a proclaimed duty not in his discretion but as follows:

"That the President, proceeding as hereinbefore provided for the proclamation of such rates of duties, may, when he shall determine that it is *so shown* that the competitive advantages have changed or no longer exist which led to such proclamation, accordingly *as so shown* modify or terminate the same."

It will contribute to the completeness of the consideration of Field *v.* Clark case to note that the majority opinion, appreciating the force of the minority view as stated, justified its disregard of the discretionary import of the word "deem" as employed in the act by holding that the context *implied* that the President would examine all the pertinent laws and regulations of the foreign country "*in their effect upon American products*," wherefore his discretion or judgment was *by the act* not unlimited but so controlled. (See Field *v.* Clark, 143 U. S. 649, at page 693.) In fact, the majority opinion (p. 692) expressly so interprets the word, saying "*deemed*, that is, which he *found* to be." The soundness of the principles and decision enunciated in Field *v.* Clark, however, have so commended themselves to the Supreme Court that they have subsequently been quoted *in extenso* and applied, and the case is uniformly referred to as the leading case upon the subject. (See Union Bridge Co. *v.* United States, 204 U. S., pp. 378 and 383; United States *v.* Grimaud, 220 U. S. 506, 520.)

The next kindred decision of the Supreme Court was Buttfield *v.* Stranahan (192 U. S. 470), and particularly at page 496. The statute, the constitutionality of which was challenged in that case, was the act of March 2, 1897 (29 Stat. 604), entitled "An act to prevent the importation of impure and unwholesome tea." That act exercised the constitutional power "to regulate commerce with foreign nations" in two particulars: It provided for the establishment of a tea board to select certain samples of tea, which, when approved by the Secretary of the Treasury and made such and deposited at the various ports of entry should become exclusive standards for the admission of tea into this country. It was claimed that thereby the Secretary and not Congress established the test or rule as to what teas should be imported. The right to import tea into this country was by this act further made dependent upon the importation being deemed or judged by the designated customs examiners as up to these standards of samples selected and approved by the Secretary. Such as was so deemed or judged by the examiners was admitted and such as was not was re-

jected and denied entry. Certain teas being rejected at the port of New York as not up to these standards, it was claimed that this act also vested in the officials of the customs a legislative power in that the finding of similarity to the samples, a condition precedent to entry was vested in them, and the constitutionality thereof was accordingly challenged. Denying this claim the court, at page 496 of said volume, said:

"The claim that the statute commits to the arbitrary discretion of the Secretary of the Treasury the determination of what teas may be imported, and therefore in effect vests that official with legislative power, is without merit. We are of the opinion that the statute, when properly construed, as said by the Circuit Court of Appeals, but *expresses the purpose* to exclude the lowest grade of tea, whether demonstrably of inferior purity, or unfit for consumption, or presumably so because of their inferior quality. *This, in effect, was the fixing of a primary standard, and devolved upon the Secretary of the Treasury the mere executive duty to effectuate the legislative policy declared in the statute.* The case is within the principle of Field *v.* Clark (143 U. S. 649), where it was decided that the third section of the tariff act of October 1, 1890, was not repugnant to the Constitution as conferring legislative and treaty-making power on the President because it authorized him to suspend the provisions of the act relating to the free introduction of sugar, molasses, coffee, tea, and hides. We may say of the legislation in this case, as was said in the legislation considered in Field *v.* Clark, that it does not, in any real sense, invest administrative officials with the power of legislation. *Congress legislated on the subject as far as was reasonably practicable, and from the necessities of the case was compelled to leave to executive officials the duty of bringing about the result pointed out by the statute.* To deny the power of Congress to delegate such a duty would, in effect, amount but to declaring that the plenary power vested in Congress to regulate foreign commerce could not be efficaciously exerted.

"Whether or not the Secretary of the Treasury failed to carry into effect the expressed purpose of Congress and established standards which operated to exclude teas which would have been entitled to admission had proper standards been adopted is a question we are not called upon to consider. *The sufficiency of the standards adopted by the Secretary of the Treasury was committed to his judgment*, to be honestly exercised, and if that were important there is no assertion here of bad faith or malice on the part of that officer in fixing the standards, or on the part of the defendant in the performance of the duties resting on him."

The court further said:

"The provisions in respect to the fixing of standards and the examination of samples by Government experts was for the purpose of determining *whether the conditions existed which conferred the right to import*, and they therefore in no just sense concerned a taking of property. This latter question was intended by Congress to be finally settled, not by a judicial proceeding but by the action of the agents of the Government, upon whom power on the subject was conferred."

It will be noted that the sufficiency of these samples which were to determine the right of entry of tea into this country was a matter committed to the judgment or selection of the Secretary of the Treasury. It will be further noted that the court predicated its decision upon the principle that Congress *having in the act expressed its purpose*, it was within the constitutional powers of Congress to delegate the execution *of that purpose* to the Secretary of the Treasury. The act, as said by the court, "devolved on the Secretary of the Treasury the mere executive duty *to effectuate the legislative policy declared in the statute*," even though that executive performance involved a choice as to means to that end.

The fact of similarity of the imported teas to these standard samples as to "purity," "quality," and "fitness for consumption" was made condition precedent to admission into this country, and the determination thereof vested in the examiners. Congress here legislated in so far as practicable and delegated to the Secretary the power to establish standards and the examiners the power to find the facts as to similarity thereto necessary to the execution of the law. These officials do not thereby legislate, but they execute the legislation had by Congress by exercising their judgment or decision in the selection of samples and determining similarity, although that selection fixed the duty in the particular case.

Likewise, it may be said of section 315, Congress has clearly therein set forth its legislative "purpose." That "purpose" is made dependent upon and is controlled by varying market values. Wherefore, Congress has, in so far as practically possible, by prescribing the facts and conditions of trade in our markets which shall admeasure these duties, prescribed what the duties shall be and empowered the President to effectuate the congressional purpose to equalize by these duties the selling prices in our markets of similar foreign and domestic goods by ascertaining these facts and their equivalent duties and so proclaiming. This is not legislating but performing acts in execution of legislation.

The case following was that of the Union Bridge Co. *v.* United States (204 U. S. 364), particularly at pages 378 and 387, inclusive. The elaborateness of the opinion indicates the importance with which the case was received and considered by the Supreme Court. The statute the constitutionality of which was challenged was the provision of section 18 of the river and harbor act of 1899 (30 Stat. 1121, 1153) providing for the "removal or alteration of bridges which are unreasonable obstructions to navigation after the Secretary of War has, pursuant to the procedure prescribed in the act, ascertained that they are such obstructions."

The exact words of investment were:

"That *whenever* the Secretary of War *shall have reason to believe* that any railroad or other bridge now constructed * * * over any of the navigable waterways of the United States is *an unreasonable obstruction to the free navigation of such waters* on account of insufficient height, width of span, *or otherwise*, or where there is difficulty in passing the draw opening or draw span of such bridge by rafts, steamboats, or other water craft, it shall be the duty of the said Secretary, first giving the parties reasonable opportunity to be heard, *to give notice* to the persons or corporations owning or controlling such bridge *so to alter the same as to render navigation through or under it reasonably free, easy, and unobstructed;* and in giving such notice he *shall specify the changes*, * * * *that are required to be made*, and shall prescribe in each case a reasonable time in which to make them * * *."

Proceeding thereunder, the Secretary of War found the bridge over the Allegheny River, near where it joins the Monongahela to form the Ohio, an unreasonable obstruction to navigation and the commerce among the States of the United States and required the Union Bridge Co., owners thereof, *to make certain specified changes.* The company refusing, criminal information against it and conviction was had. The authority of the Secretary of War vested by this statute was assailed as an unconstitutional delegation of the legislative power of Congress to regulate commerce among the States.

The precise and here applicable point adjudicated was that whereas the Union Bridge Co. claimed that the duty of regulating commerce among the States, and consequently of what was an obstruction thereof *and what was necessary to be done in regulation thereof*, having been vested by the Constitution solely in Congress, a law enacted by Congress which was made dependent for enforcement upon the finding by the Secretary of War that a particular bridge was an "unreasonable obstruction to commerce," and a direction by him to perform certain acts determined by him necessary to render the bridge not an obstruction to navigation and commerce was a delegation to the Secretary of precisely what the Constitution required to be done by Congress. The Supreme Court held that this provision was not unconstitutional as a delegation of legislative or judicial power to an executive officer. The decision is expressly rested upon the cases of the brig *Aurora*, Field *v.* Clark, and Buttfield *v.* Stranahan, *supra*. Those cases are quoted *in extenso*, construed, and approved. The doctrine as announced by the Supreme Courts of Ohio and Pennsylvania is made the doctrine of the court. Applying that doctrine to the particular case, the court, at pages 385 to 387, said:

"It would seem too clear to admit of serious doubt that the statute under which the Secretary of War proceeded is in entire harmony with the principles announced in former cases. In no substantial, just sense does it confer upon that officer as the head of an executive department powers strictly legislative or judicial in their nature or which must be exclusively exercised by Congress or by the courts. *It has long been the policy of the Government to remove such unreasonable obstructions to the free navigation of the waterways of the United States as were caused by bridges maintained over them.* That such an object was of common interest and within the competency of Congress under its power to regulate commerce everyone must admit, for commerce comprehends navigation and, therefore, to free navigation from unreasonable obstructions is a legitimate exertion of that power. (Gibbons *v.* Ogden, 9 Wheat. 1, 189, 190.) *As appropriate to the object to be accomplished*, as a means to an end within the power of the National Government, Congress, *in execution of a declared policy, committed to the Secretary of War the duty of ascer-*

taining all the facts essential in any inquiry whether particular bridges over the waterways of the United States were unreasonable obstructions to free navigation. Beyond question, if it had so elected, Congress, in some effective mode and without previous investigation through executive officers, could have determined for itself primarily the fact whether the bridge here in question was an unreasonable obstruction to navigation, and if it was found to be of that character could *by direct legislation* have required the defendant *to make such alterations of its bridge as were requisite for the protection of navigation and commerce* over the waterway in question. But investigations by Congress as to each particular bridge alleged to constitute an unreasonable obstruction to free navigation and direct legislation covering each case separately would be impracticable in view of the vast and varied interests which require national legislation from time to time. *By the statute in question Congress declared in effect* that navigation should be freed from unreasonable obstructions arising from bridges of insufficient height, width of span, or other defects. *It stopped, however, with this declaration of a general rule and imposed upon the Secretary of War the duty of ascertaining what particular cases came within the rule prescribed by Congress, as well as the duty of enforcing the rule in such cases.* In performing that duty the Secretary of War will only execute the clearly expressed will of Congress and will not, in any true sense, exert legislative or judicial power. He could not be said to exercise strictly legislative or judicial power any more, for instance, than it could be said that executive officers exercise such power when, upon investigation, they ascertained whether a particular applicant for a pension belongs to a class of persons who under the general rules prescribed by Congress are entitled to pensions. If the principle for which the defendant contends received our approval, the conclusion could not be avoided that executive officers in all the departments, in carrying out the will of Congress as expressed in statutes enacted by it, have from the foundation of the National Government exercised and are now exercising *powers as mere details* that are strictly legislative or judicial in their nature. This will be apparent upon an examination of the various statutes that confer authority upon executive departments in respect of the enforcement of the laws of the United States. *Indeed, it is not too much to say that a denial to Congress of the right under the Constitution to delegate the power to determine some fact or the state of things upon which the enforcement of its enactment depends would be 'to stop the wheels of government'* and bring about confusion, if not paralysis, in the conduct of the public business."

The same provision of the river and harbor act was again challenged upon like constitutional grounds in Monongahela Bridge Co. *v.* United States (216 U. S. 177), at page 192. The court reviewed with approval its previous decisions upon the subject and expressly declined to recede from the doctrine of the Union Bridge Co. *v.* United States and the cases upon which that decision had been predicated.

The statute challenged in the next ensuing case of similar import, United States *v.* Grimaud (220 U. S. 506), was a provision of the act of June 4, 1897 (30 Stat. 35; Rev. Stat., sec. 5388), providing that the Secretary of Agriculture could make rules and regulations governing the national parks, and such a rule so made as to grazing sheep on forest reserves, having the force of law and providing criminal punishment for violation thereof, was not unconstitutional as a delegation of legislative power. The case reached the Supreme Court when one Grimaud, without permit and in violation of the prescribed regulations for the Sierra Forest Reserve, Calif., grazed sheep thereupon and was proceeded against criminally under said regulations. He contended the regulations prescribing a crime were unconstitutional as a delegation by Congress to the Secretary of Agriculture of its power to define and establish what *shall* constitute a crime against the United States. In denying this plea the Supreme Court, quoting from Union Bridge Co. *v.* United States and Field *v.* Clark (supra), said at page 521:

"That 'Congress can not delegate legislative power to the President is a principle universally recognized as vital to the integrity and maintenance of the system of government ordained by the Constitution.' (Field *v.* Clark, 143 U. S. 649, 692.) *But the authority to make administrative rules is not a delegation of legislative power, nor are such rules raised from an administrative to a legislative character because the violation thereof is punished as a public offense.*"

This is by far the broadest decision upon this subject, in that it sustained an authority to constitute a crime against the United States delegated to the Secretary of Agriculture *without prescribing* any elements, facts, or state of things controlling of the Secretary in that denouncement.

Such is not the case, however, with section 315. Therein are clearly defined and prescribed the facts and conditions, or state of things, which shall constitute and admeasure the duties laid by Congress to be ascertained and proclaimed by the President.

In Hannibal Bridge Co. *v.* United States (221 U. S. 194) the court was again called upon to determine the validity of section 18 of the river and harbor act of 1899.

The statute proceeded under in this case was the same as in Union Bridge Co.'s case, *supra*. After due proceedings the Secretary of War found and advised the Hannibal Bridge Co., the Wabash Railroad Co., and the Missouri Pacific Railway Co. that the bridge over the Mississippi River at Hannibal, Mo., owned or controlled by said companies, was "an unreasonable obstruction to free navigation" or commerce *and ordered certain specified changes*. The companies refused to comply with the Secretary's order, were duly proceeded against by criminal information, and convicted. On appeal they questioned the constitutionality of the act as an unauthorized delegation of congressional power. At page 205 the court in denying this contention said:

"The assignments of error are very numerous. But we feel constrained to say that no one of them causes a serious doubt as to the correctness of the judgment sought to be reviewed. This court has heretofore held, upon full consideration, that Congress had full authority under the Constitution to enact section 18 of the act of March 3, 1899 (ch. 425, 30 Stat. 1153), and that the delegation to the Secretary of War of the authority specified in that section was not a departure from the established constitutional rule that forbids the delegation of strictly legislative or judicial powers to an executive officer of the Government. *All that the act did was to impose upon the Secretary the duty of attending to such details as were necessary in order to carry out the declared policy of the Government* as to the free and unobstructed navigation of those waters of the United States over which Congress in virtue of its power to regulate commerce had paramount control * * *." (Union Bridge Co. *v.* United States, 204 U. S. 364; Monongahela Bridge Co. *v.* United States, 216 U. S. 177; Field *v.* Clark, 143 U. S. 649; Buttfield *v.* Stranahan, 192 U. S. 470.)

Obviously there is not an entire lack of parity in results between a rate of duty and a bridge as an obstruction to commerce. The constitutional power as to the regulation of commerce applies equally to each. The full force and effect of the Union Bridge Co. and Hannibal Bridge Co. decisions, as here applicable, can best be had by bearing in mind that full and complete authority was therein *vested in the Secretary to determine* and give notice of *exactly what would be required to effect free navigation* or an unobstructed commerce. Congress having declared the policy of unobstructed navigable rivers by bridges, "*or otherwise*," it was competent the court said *to delegate to the Secretary full power to determine what was such an obstruction and what remedy should be enforced.* So Congress having declared the policy of equalizing different competitive conditions in our markets may well on that authority authorize the President to determine those differences *and their remedy.* By section 315, however, Congress not only prescribes what the President shall determine to inaugurate action, to wit, differences in competitive conditions, but also prescribes precisely the remedy he shall apply, to wit, a duty equal to those differences or change of classification.

It will be noted that in all of the foregoing cases the principle early established in the brig *Aurora* cases and in Wayman against Southard, *supra*, that Congress, having by *general* provisions *declared its policy*, may vest those who are to act under such general provisions with full powers to put that policy into effect as and when prescribed by Congress.

Applying these principles to the proposed provisions, *legislative* power is exercised when Congress declares that a prescribed duty—that is, one equal to the net difference between two named trade conditions—shall be levied and collected. What the President is required to do is simply in execution of this act of Congress. His duties are neither judicial nor legislative, but purely administrative. He is vested with no discretion, but commanded to act upon certain prescribed conditions or a prescribed state of facts to be ascertained and made known in the manner prescribed by Congress. Congress, therefore, and not the President, levies this duty in terms of a prescribed "state of facts" to be ascertained and proclaimed by the President.

From the foregoing it is beyond question and will not be disputed that Congress can enact an import revenue or tax statute to be *put into effect, enforced*, or *suspended* upon the ascertainment and proclamation of prescribed facts or a state of things by a denominated official or officials.

The distinguished junior Senator from Montana [Mr. WALSH], in his very able presentation of the question challenging the constitutionality of section 315, stated:

"It is not without significance in this connection that among the vast multitude of cases dealing with the subject of the delegation of legislative power *few, if any, can be found in which the delegation of the taxing power was involved*, the legislatures apparently recognizing, instinctively or otherwise, that it could be delegated or that a well-nigh universal conviction prevails that it is unwise to do so."

The proposed legislation has parallel and precedent in, and to a large extent is patterned after, several well-known, long-enforced, and often-construed acts of Congress which *in principle*, in constitutional and treaty relations and in legal concept, are alike this.

While these are here presented as precedents for the amendment, section 315, they are likewise pertinent to our next inquiry, which is the crucial, determinative, and only real question here involved, to wit:

Can Congress levy an import duty in terms of a fact or state of facts to be ascertained and proclaimed by the President?

The constitutional grant for the several acts referred to, and which will now be considered, is found in section 8 of Article I, as follows:

"SEC. 8. 1. * * * To lay and collect taxes, *duties*, imposts, and excises, * * *; but all *duties*, imposts, and excises shall be uniform throughout the United States.

"2. * * *.

"3. To regulate commerce with foreign nations, and among the several States, * * *.

"4. * * *.

"5. To coin money, *regulate the value thereof, and of foreign coin*, * * *.

"18. To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, * * *."

Preliminarily, it may be instanced, as before stated, that every statute prescribing "market value" as a basis for ad valorem duties, and vesting in the appraiser or some officer of the Government acting as such the power to estimate, declare, and apply the same, was a statute in integral and necessary part levying a duty in terms of a state of things to be ascertained by the named official. While the *rate* was fixed by Congress, the *actual duty levied* was dependent upon the state of things determined by the appraiser, which might and often did differ from day to day, according to the country of exportation, or as the state of things constituting "market value" varied and was *found* by the appraiser.

While, of course, these statutes were not delegations of the "legislative" power, they were a delegation of *the authority* to ascertain and apply or declare a duty, in accordance with the legislative purpose prescribed by the statute levying a duty according to and as measured by a legislatively prescribed state of things, to wit, "market values," to be ascertained and applied by a designated official, the complete fixing of which required but the mathematical process of applying the prescribed "rate" to the state of things or basis found by the appraiser. These legislative precedents were early enacted while the debates and controversies of the constitutional convention were clearly in the minds of our legislators and have been repeatedly reenacted throughout our entire natural existence.

Because the authority of Congress to levy and collect tonnage and commodity "duties" is authorized and vested by the same provision of the Constitution, the Supreme Court in discussing the constitutionality of either uniformly refers to and quotes the language and congressional course as precedent of the other. (See particularly Field *v.* Clark, supra.) Upon that authority the same course will here be pursued. (See also Union Bridge Co. *v.* United States, 204 U. S. 364.)

Precisely in principle alike the submitted provisions and substantially so in language was section 5 of the tariff act of 1897 (30 Stat. L. 151, 205). That provision reads:

"SEC. 5. That whenever any country, dependency, or colony shall pay or bestow, directly or indirectly, *any bounty or grant* upon the exportation of any article or merchandise from such country, dependency, or colony, and such article or merchandise is dutiable under the provisions of this act, then, upon the importation of any such article or merchandise into the United States, whether the same shall be imported directly from the country of production or otherwise, and whether such article or merchandise is imported in the same condition as when exported from the country of production or has been changed in condition by manufacture or otherwise, *there shall be levied and paid* in all such cases, in addition to the duties otherwise imposed by this act, *an additional duty equal to the net amount of such bounty or grant, however the same be paid or bestowed. The net amount of all such bounties or grants shall be from time to time ascertained, determined, and declared by the Secretary of the Treasury*, who shall make all needful regulations for the identification of such articles and merchandise and for the assessment and collection of such additional duties."

The provision was in substantially exact language reenacted in the Payne-Aldrich Tariff Act of 1909 (36 Stat. L. 11, 85), and again reenacted in the Underwood-Simmons Tariff Act of 1913 (38 Stat. L. 114, 193), and is presently in force.

Herein Congress levies a duty in terms of a "state of things," to wit, "a duty *equal* to the *net amount*" of a bounty or grant, to be "ascertained," "determined," and "declared" by the Secretary of the Treasury. The "*net* amount" of a bounty or grant always involves, first, a legal determination of the law bestowing the same; and, second, *the effect upon trade and commerce* of the operation of that grant. In the latter respect its determination is often quite alike the determination of the effect upon trade and commerce of import tariff laws. Such bounties or grants in fact often are effected by export laws. Wherefore in this statute we now have, and since July 27, 1897, more than a quarter century, have had a statute precisely alike section 315 levying a duty in terms of a state of things, residing in a condition of trade and commerce and the operation thereupon of laws, to be ascertained and declared by a named official.

During the existence of this statute it has in numerous cases been before the courts for adjudication. Thus, in Downs *v.* United States (187 U. S. 496) the Supreme Court construed this provision as applying to the so-called Russian Sugar Bounty cases. A reading of the intricate findings of fact and conclusions of law necessary upon the part of the Secretary in that case, in order to determine the exact duty to be levied, is convincing of the comparatively simple duties of like nature imposed upon the President by section 315.

In Nicholas & Co. *v.* United States (7 Ct. Cust. Appls. 97) the United States Court of Customs Appeals construed the section as it appeared as paragraph E, section 4, of the tariff act of 1913, as applicable to the so-called potage taxes or allowances made by Great Britain upon spirits exported to this country. That decision by the United States Court of Customs Appeals was on certiorari affirmed by the Supreme Court of the United States (Nicholas & Co. *v.* United States, 249 U. S. 34). Its repeated legislative enactment by Congresses of both political parties is of itself a legislative interpretation of the power to so enact (Field *v.* Clark, 143 U. S. 649).

It may be instructive to delineate the *modus operandi* of this provision from the actual facts occurring in the Nicholas & Co. case. The question of whether or not the so-called allowance by Great Britain upon liquors exported to this country was or was not a bounty within the provisions of section 5, as reenacted in the tariff act of 1913, was long contested by the officials of that country. The Treasury Department at times changed its decision upon the subject. Finally by Treasury Decision 34466, upon the advice of the Attorney General that the decision of whether or not such allowance by Great Britain was or was not a bounty within the provisions of said act of 1913 was "one better fitted for judicial determination than for an expression of his opinion," the amount of such allowance was ascertained and proclaimed by the Secretary of the Treasury in accordance with the provisions of said section 5, as appearing in the act of 1913, *as amounting to 3 pence per gallon upon plain British spirits and 5 pence per gallon on compound spirits.*

Upon an importation at the port of New York of such liquors the collector thereat, in obedience to the proclamation of the Secretary of the Treasury, reported as follows:

"The merchandise consists of British spirits imported from the United Kingdom of Great Britain and Ireland. Following the instructions contained in Treasury Decisions 34466 and 34572, that an export bounty is allowed on plain British spirits of 3 pence per British proof gallon and 5 pence per gallon on compound spirits, a countervailing duty, *equal to the bounty paid*, was assessed under paragraph E of section 4, act of 1913, *in addition to the regular rate of duty* provided for in Schedule H of said act."

The Board of General Appraisers affirmed the decision of the collector (G. A. 7758; T. D. 35595). Upon appeal by the importers to the United States Court of Customs Appeals the decision of the Board of General Appraisers was affirmed. Nicholas & Co. *v.* United States (7 Ct. Cust. Appls. 97), and upon review by certiorari the decision of that court was affirmed by the Supreme Court, Nicholas & Co. *v.* United States (249 U. S. 34).

Thus in all respects a statute precisely similar has long been upon the statute books, is being executed, and had been construed by the highest courts. How can it be said, there-

fore, in the presence of such an approved investment by Congress in the Secretary of the Treasury, to determine from stated things, residing in conditions of trade and commerce as affected by laws and regulations, a duty to be collected and to convert that finding into an applicable form of duty, that Congress can not so empower the President?

There will be noted in passing that Congress, by section 5 and its statutory successors, had vested in the Secretary of the Treasury the determination and *decision* as to the amount of this bounty and its equivalent in additional duties. As a matter of fact, that is a matter of daily practice at almost every customhouse in the country.

In concluding the consideration of this statute it may be well, in view of the debate in the Senate, to state that it provided no review by the courts of the *findings of the state of facts* by the Secretary of the Treasury, though the act levied a duty or tax, and has uniformly been held by the courts as conclusive upon all the courts. In this particular, in a well-considered case (Franklin Sugar Refining Co. *v.* United States, 178 Fed. Rep. 743), the court said:

"It was undoubtedly the intention of Congress, in the enactment of this section, that the findings of the Secretary as to the amount of bounties paid by the foreign countries and collectible upon importation of merchandise as a countervailing duty should be final *so far as any revision or examination by the courts is concerned.* We see no difference between this provision of the act of 1897 and that section in the various tariff acts which requires the Secretary of the Treasury to proclaim the values of foreign coins after they have been ascertained by the estimate of the Director of the Mint, *in so far as the finding of fact is to be regarded as binding upon the courts* under this provision.

"As to the values of foreign coins, the Supreme Court in four cases, to wit, Arthur *v.* Richards (90 U. S. 259, 23 L. Ed. 95); Cramer *v.* Arthur (102 U. S. 612, 26 L. Ed. 259); Hadden *v.* Merritt (115 U. S. 25, 5 Sup. Ct. 1169, 29 L. Ed. 333); and United States *v.* Klingenberg (153 U. S. 93, 14 Sup. Ct. 790, 38 L. Ed. 647), declared that the finding or estimate of the Director of the Mint, as proclaimed by the Secretary of the Treasury, was binding not only upon the collector and the Board of General Appraisers *but upon the courts as well;* and we have no doubt it was the intention of Congress that *in the matter of the collection of the countervailing duties the amount fixed by the Secretary of the Treasury to be collected on importations can not be inquired into by the courts* but must be settled as declared by the Treasury Department. If there has been a mistake the remedy is by appeal to the Secretary. In case that has not been done, the courts can not admit evidence for the purpose of inquiring into the question as to whether the amount fixed by the Secretary was or was not correct."

The precise legal doctrine applicable to such cases will later be stated. But that Congress can lay a duty on imports and authorize some official to determine the same in a prescribed manner without judicial review of the finding is elementary in customs import law and long since established beyond controversy.

There are many acts of Congress providing discriminating duties upon tonnage which are identical in principle and pertinent. It will be noted as stated that the constitutional grant to Congress of the right to levy duties upon tonnage is by the same provision granting such right as to importations. Accordingly and uniformly such acts are reviewed by the Supreme Court as pertinent expositions of the exercise by Congress of its deemed constitutional rights as to each.

Section 4219 of the Revised Statutes in part provided:

"4219. * * * On all foreign vessels which shall be entered in the United States from any foreign port or place, to and with which vessels of the United States are not ordinarily permitted to enter and trade, *there shall be paid a duty* at the rate of $2 per ton; and none of the duties on tonnage above mentioned shall be levied on the vessels of any foreign nation *if the President of the United States shall be satisfied that the discriminating or countervailing duties of such foreign nations, so far as they operate to the disadvantage of the United States, have been abolished.*" * * *

Pertinent here is the investment by that section in the President to suspend tonnage duties upon the finding by him that the discriminating or countervailing duties levied by a foreign nation "so far as they operate to the disadvantage of the United States" were abolished. Thus a condition of trade and commerce resulting from the imposition of duties upon our trade was to be determined by the President as a condition precedent to the suspension of tonnage duties levied by the United States.

Section 2502 of the Revised Statutes provided a discriminating duty of 10 per cent ad valorem in addition to the duties imposed by law *upon merchandise* imported in vessels not of the United States.

Section 4228 of the Revised Statutes provided for the determination by the President of any discriminative duties upon *either tonnage or importations* of any foreign nation as against the United States on his proclamation to that effect, and vested in him a power upon such determination to suspend or discontinue similar discriminations made by this country. The provision as amended July 24, 1897 (30 Stat. L. p. 214), further provided:

"That the President is authorized to suspend *in part the operations* of sections 4219 and 2502, so that foreign vessels from a country imposing *partial* discriminating duties upon American vessels or *partial discriminating import* duties upon American merchandise *may enjoy in our ports the identical privileges* which the same class of American vessels and merchandise may enjoy in said foreign country."

This last provision was construed by the Attorney General not to have been repealed by section 22 of the Dingley Tariff Act of July 24, 1897 (30 Stat. L. 151), but to be continued in force therewith (21 Op. Atty. Gen. 597). It will be particularly noted that the power vested in the President by that statute in determining the *partial* discriminatory duties and putting in effect "identical privileges" *involved the power to determine the equivalent duty which this country would exact in such cases.*

These provisions of the Revised Statutes are in legal concept in exact accordance with the proposed amendment. In each, Congress laid a duty not only upon tonnage but *imports* into the United States, in terms of a state of things or conditions resulting from the effect of laws upon commerce, to be ascertained and proclaimed by the President.

Peculiarly and *exactly parallel* is the amendment to section 4228, of July 24, 1897, enacted coincident with the Dingley Tariff Act. Congress therein fixed no duty in terms of prescribed figures or rates, but levied a discriminating duty on foreign vessels and merchandise in terms of a state of things, to wit, a duty *equal* to that levied by such country on our vessels or merchandise, to be ascertained and proclaimed by the President. That is to say, the President was to investigate the effect upon our exports to the particular country of their laws and the effect of our laws upon the imports hereto from such country, and if he found that their laws discriminated less against our exports thereto than our laws did against their exports to this country, he was to calculate what duty *thereby shown* would enable them to "enjoy in our ports identical privileges," and accordingly suspend wholly *or in part* the tonnage duties levied in section 4219 *or* the discriminating import duties levied in section 2502 and proclaim in effect the duty provided by Congress and ascertained as aforesaid. Most important it should be noted that *the President was here vested with a discretion as to which duty* he would suspend. He might suspend that provided by section 4219 or section 2502, or he might suspend, in whole or in part, both, in his discretion. Likewise with the policy of Congress to equalize discriminations and their effect upon trade, it was within its power to delegate to the President a discretion as to the precise *execution* of the statute, whether as to section 4219 or 2502, or both, just as in this amendment it is competent for Congress, having declared the policy to equalize conditions of competition in our markets, to vest in the President *a discretion as to the execution of that policy* by adopting a change of rate or form of duty or classification, assuming the amendment as drawn so permits an election.

But a close study of these sections of the Revised Statutes, long if not now in force, reveals the same legal concept that supports section 315 in this bill. In all Congress laid or provided a duty in terms of a prescribed state of things, residing in defined conditions of trade as effected by laws operating thereupon, and directed the President to admeasure one set of discriminations and resulting trade conditions against the other, *and to determine what rate of duty thereby shown would equalize the discriminations against or conditions affecting this country. The act levied the prescribed duties upon imports or tonnage into this country.* The President ascertained and proclaimed the same as and in the manner prescribed by the act.

To the same effect is section 1 of the act of July 25, 1892 (27 Stat. L., 167). That section reads:

"SEC. 1. Passage of vessels through St. Marys Falls Canal—tolls: That, with a view of securing reciprocal advantages for the citizens, ports, and vessels of the United States on and after the 1st day of August, *1892, whenever and so often as the President shall be satisfied that the passage* through any canal or lock connected with the navigation of the St. Lawrence River, the Great Lakes, or the waterways connecting the same,

of any vessels of the United States, or of cargoes or passengers in transit to any port of the United States *is prohibited or is made difficult or burdensome by the imposition of tolls or otherwise*, which, in view of the free passage through the St. Marys Falls Canal now permitted to vessels of all nations, *he shall deem to be reciprocally unjust and unreasonable*, he shall have the power, and it *shall be his duty to suspend by proclamation* to that effect for such time and to such extent (including absolute prohibition) *as he shall deem just* the right of free passage through the St. Marys Falls Canal, so far as it relates to vessels owned by the subjects of the Government to discriminating against the citizens, ports, or vessels of the United States, *to to any cargoes, portions of cargoes*, or passengers in transit to the ports of the Government making such discrimination, whether carried in vessels of the United States or of other nations. *In such case and during such suspensions toll shall be levied, collected*, and paid as follows, to wit: Upon *freight* of whatever kind or description *not to exceed* $2 per ton; upon passengers, *not to exceed* $5 each, *as shall be from time to time determined by the President.*"

By proclamation of August 18, 1892, the President, under the authority of the above act, and because of claimed discrimination against citizens of the United States in the use of the Welland Canal, proclaimed and enforced *a toll of 20 cents per ton on all freight* passing through St. Marys Falls Canal in transit to any part of the Dominion of Canada. Subsequently, and on February 21, 1913, by proclamation he suspended this ascertained and enforced tonnage duty. (27 Stat. L. 10650.)

So as to section 14 of the act of June 26, 1884, chapter 121 (23 Stat. L. 57), as set forth by the court in Field *v.* Clark (649, 689), as follows:

"By the fourteenth section of the act of June 26, 1884, chapter 121, removing certain burdens on the American merchant marine and encouraging the American foreign trade, certain *tonnage duties* were imposed upon vessels entering the United States from any foreign port or place in North America, Central America, the West India Islands, Bahama Islands, Bermuda Islands, Sandwich Islands, or Newfoundland, and *the President was authorized to suspend the collection of so much of those duties on vessels entering* from certain ports *as might be in excess of the tonnage and lighthouse dues, or other equivalent tax or taxes* imposed on American vessels by the government of the foreign country in which such port was situated, and should upon the passage of the act 'and *from time to time thereafter as often as it may become necessary, by reason of changes in the laws of the foreign countries above mentioned, indicate by proclamation the ports to which such suspension shall apply and the rate or rates of tonnage duty, if any, to be collected under such suspensions.*'"

In execution of that act Presidents Arthur and Cleveland issued proclamations.

This statute is precisely of the same legal concept as amendment 315a. Certain tonnage duties are levied by previous acts of Congress. In view of uncertain and varying future conditions, Congress by this act levied a substitute tonnage duty, in the terms of a certain prescribed state of things, to wit, the difference between the prescribed tonnage duties and the tonnage duties and equivalent taxes imposed by the foreign government on American vessels, and provides that such shall be ascertained and proclaimed by the President. While the act requires the President to "*indicate* by proclamation * * * the *rate* or *rates* of tonnage duty, if any to be collected," Congress had fixed the duty in terms of facts prescribed in the act and directs the President to ascertain and proclaim the equivalent rate.

It is meet to note that in the case of Field *v.* Clark, supra, at page 689, the Supreme Court of the United States *adverted to this provision of the law and all of the foregoing statutes as illustration of the powers* of Congress exercised under the Constitution and as a legislative precedent for upholding the constitutionality of the statute the subject of review in Field *v.* Clark as not in excess of the legislative power. Here again we find Congress levying a duty in terms of facts, or a state of facts, and the President empowered *to ascertain and proclaim a rate of duty which will equalize in our commerce that state of facts*—precisely the thing done in section 315.

Similar statutes are those relating to the ascertainment of the value of foreign coins. The constitutional grant in this particular is subdivision 5 of the eighth section of Article I: "To coin money, *regulate the value thereof*, and of foreign coin * * *."

Therein is an express grant to Congress to by legislation fix the value of foreign coin. Has Congress itself by act in detail fixed the value of foreign coin? Uniformly Congress, having declared its policy *by prescribing the basis of such only* as "the pure metal of such coin of standard value," has confined the necessary ascertainment and proclamations thereof to administrative officials of the Government. More particularly in point is that not only has Congress so enacted, but it has provided that in all reliquidations of duties upon imported merchandise this ascertainment and finding by an administrative official *shall be adopted as one of the elements of dutiable value*. This legislation, in principle, is in exact accordance with the proposed statute. What difference can there be in confiding the ascertainment of the value of foreign money and confiding the ascertainment of the value of foreign merchandise measured by that money to administrative officials? So intimately connected is this subject with that of the collection of duties upon foreign imports that the relevant provisions of recent years have found themselves as parts of our import tariff laws.

The provision long ago and now in principle enforced was a part of the tariff act of August 27, 1894 (28 Stats. L. 552). As section 25 it read:

"SEC. 25. (Value of foreign coins.) That the value of foreign coin as expressed in the money of account of the United States *shall be that of the pure metal of such coin of standard value*, and the value of the standard coins in circulation of the various nations of the world shall be estimated quarterly by the Director of the Mint and be proclaimed by the Secretary of the Treasury immediately after the passage of this act and thereafter quarterly on the 1st day of January, April, July, and October in each year. And the values so proclaimed shall be followed in estimating the value of all foreign merchandise exported to the United States during the quarter for which the value is proclaimed, and the date of the consular certification of any invoice shall, for the purposes of this section, be considered the date of exportation: *Provided*, That the Secretary of the Treasury may order the reliquidation of any entry at a different value whenever satisfactory evidence shall be produced to him showing that the value in United States currency of the foreign money specified in the invoice was, at the date of certification, at least 10 per cent more or less than the value proclaimed during the quarter in which the consular certification occurred."

Perhaps no provision of equal life has been the subject of more litigation than this. Its provisions have been before the Supreme Court for construction in numerous cases.

This section not only vests in the Secretary of the Treasury power to ascertain and proclaim the value of foreign coins, as found and reported to him by the Director of the Mint, but, in line with the proposed legislation, imposes upon all customs officials the duty of acceptance of that proclaimed value in the reliquidation of import customs entries. It requires but the suggestion to prove that this ascertained and proclaimed finding, by virtue of this statute, affects the amount of duties collected upon all imported merchandise. Yet this ascertainment is made and enforced by administrative officials, whereas the Constitution vests in Congress alone by legislation the power to "regulate the value of foreign coin."

In so far as the statute is made expressly applicable and controlling of customs liquidations to that extent, no doubt its constitutionality may be rested in subsection 18 of Article I, section 8 thereof, *supra*, as a law enacted "necessary and proper for carrying into execution," among other powers, section 1 of that article "to lay and collect duties." The statute, however, forms a striking illustration of the declaration by Congress of its policy, to wit, that the value of foreign coins "shall be that of the pure metal of such coin of standard value," and then delegating to the Secretary and Director of the Mint the power to find all the facts and state of facts, to wit, "values," necessary for the execution of the laws.

It is appropriate to here note also that this *finding* and proclamation of facts constituting a material factor in taxes levied upon imports and delegated to the Secretary is not under our laws made or under our Constitution of a right reviewable by any court. (Arthur *v.* Richards, 90 U. S. 259, 23 L. Ed. 95; Cramer *v.* Arthur, 102 U. S. 612, 26 L. Ed. 259; Hadden *v.* Merritt, 115 U. S. 25, 5 Sup. Ct. 1169, 29 L. Ed. 333; and U. S. *v.* Klingenberg, 153 U. S. 93, 14 Sup. Ct. 790, 38 L. Ed. 647.)

The last foregoing statute contributes to this presentation another statutory precedent whereby Congress, having declared its policy as to what shall be the basic principle in the regulation of foreign coins, has delegated the execution of that policy to the Secretary and made his finding of the fact or state of things in pursuance of that defined policy final and the measure of a material component part of all duties levied at the customhouse. Thereby Congress lays this duty in the

terms of prescribed facts or state of facts to be ascertained and declared by the Secretary. Wherefore it is respectfully concluded that an answer to the inquiry, "*Can Congress levy an import duty in terms of a fact or state of facts to be ascertained and proclaimed by the President?*" finds abundant statutory precedent enacted by Congress from the foundation of the Government to the present, approved by the highest courts, and during all of said time and at present constituting an integral, efficient, and important part of our import revenue system. And that is precisely the legal concept of and thing done by section 315.

Legislation upon the subject of the rate-making power of railroad and public utilities commissions affords further pertinent precedents. There is a marked difference, however, in the constitutional requirements where Congress is authorizing a person or board to lay an import customs duty and to fix a freight or passenger rate. The Constitution expressly empowers Congress to lay a "duty," but does not expressly require Congress to establish a freight *rate*. The later, in so far as interstate commerce is concerned, is a "regulation of commerce among the States," and as such rate fixing may rightly be held to be a necessary incidental means to that end. It may well come within the category of the incidental powers granted Congress by subsection 18 of section 8 of Article I of the Constitution to make "all laws which shall be necessary and proper for carrying into execution the foregoing powers," included within which "foregoing powers" is that "to regulate commerce among the several States." Therefore in delegating the duty-levying power different, or at least additional, constitutional requirements must be observed.

That investment in the Interstate Commerce Commission is in very simple language. Its constitutionality has never been considered in any of the courts. Up to the Hepburn Act of June 29, 1906, the Interstate Commerce Commission was not invested with the power to fix a rate. (See Interstate Commerce Commission *v.* Cincinnati, New Orleans & Texas Pacific Railway Co., 167 U. S. 479.)

By the Hepburn Act, however, of June 29, 1906, section 15 (34 Stat. L., chap. 3591, p. 589), that power was granted the commission by Congress. The language of the grant is very simple. It is provided:

"That the commission is authorized and empowered, and it shall be its duty, whenever, after full hearing upon a complaint made * * * it shall be of the opinion that any of the rates, or charges whatsoever, demanded, charged, or collected by any common carrier or carriers, * * * are unjust or unreasonable, or unjustly discriminatory, or unduly preferential or prejudicial, or otherwise in violation of any of the provisions of this act, *to determine and prescribe what will be the just and reasonable rate or rates*, charge or charges, to be thereafter observed in such cases as the maximum to be charged; * * * and to make an order"—

And so forth.

Subsequently, by the act of June 18, 1910 (36 Stat. L., chap. 309, 551), that section was amended. The amendment, however, in so far as it vested the commission with power to fix a rate, in no material import differs from the language of the Hepburn Act. While the constitutionality of this provision was never questioned, the act was the subject of comment by the Supreme Court of the United States in Texas & Pacific Railway Co. *v.* Abilene Cotton Oil Co. (204 U. S. 426); Interstate Commerce Commission *v.* United States of America ex rel. Humboldt Steamship Co. (224 U. S. 474); Interstate Commerce Commission *v.* Louisville & Nashville Railroad Co. (227 U. S. 88); and Interstate Commerce Commission *v.* Goodrich Transit Co. (224 U. S. 194).

Should the courts, however, hold that section 315 is in fact subject to the limitations of the constitutional power to "lay * * * duties" as well as or instead of "to regulate commerce with foreign nations," the simple statutory authorization of the Hepburn Act would not suffice, but the rules laid down in Field *v.* Clark (143 U. S. 649) and other like cases cited would have to be observed in the manner done by section 315a.

The legal status or judicial status with reference to the powers vested in the Interstate Commerce Commission as to rate making is well concluded in Willoughby on Constitution, volume 2 (1910), page 1324, as follows:

"That a considerable amount of regulative control over railways may constitutionally be delegated to the Interstate Commerce Commission has not been disputed. It was not until the act of 1906, however, that that body was intrusted by Congress with the authority to fix in specific instances the rates that interstate railways might charge. By that law it is provided that the rates which these companies may legally fix, or which may be fixed for them by the commission, must be "just and reasonable." *This is, practically, the only principle legislatively laid down for the guidance and control of the commission.* The question, therefore, which still awaits final judicial settlement by the Supreme Court is whether this provision of the law may fairly be said to lay down a sufficiently definite rule which the commission is merely to apply to specific cases as they arise to warrant the determination that that body has not been endowed with a discretionary power of fixing rates which is in fact legislative. The opinion may, however, be hazarded that, arguing from Field *v.* Clark, Buttfield *v.* Stranahan, and Union Bridge Co. *v.* United States, the act of 1906 will be sustained. Indeed, in Interstate Commerce Commission *v.* Chicago, Rock Island & Pacific Railway (218 U. S. 88) and Interstate Commerce Commission *v.* Chicago, Burlington & Quincy Railroad (218 U. S. 113) the rate-making powers of the commission seem to be accepted without constitutional question."

More apposite authority will be found in cases arising in the States. The constitutions of several of the States expressly vest the rate-making power as to railroads in the State legislatures. The necessary incident to the development of public enterprises and railroad transportation has made it necessary in almost if not every State of the Union that the legislature delegate this authority to some board or commission. The constitutionality of this delegation of authority has in several of the States been frequently contested.

Thus, in Louisville & Nashville Railway *v.* Garrett (231 U. S. 298, 305) it is stated:

"It has frequently been pointed out that prescribing rates for the future is an act legislative, and not judicial, in kind, * * *. It pertains, broadly speaking, to the legislative power. The legislature may act directly or, in the absence of constitutional restriction, it may commit the authority to fix rates to a subordinate body."

In Atlantic Coast Line Railroad *v.* North Carolina Corporation Commission (206 U. S. 1, 19), the Supreme Court stated:

"The elementary proposition that railroads from the public nature of the business by them carried on and the interest which the public have in their operation are subject, as to their State business, to State regulation, which may be exerted either directly by the legislative authority or by administrative bodies endowed with power to that end, is not and could not be successfully questioned in view of the long line of authorities sustaining that doctrine."

The constitution of the State of Missouri (sec. 1, art. 4; sec. 14, art. 12) provided as follows:

"The legislative power, subject to the limitations herein contained, shall be vested in a senate and house of representatives, to be styled the General Assembly of the State of Missouri." And "The general assembly * * * shall from time to time pass laws establishing reasonable maximum rates of charges for the transportation of passengers and freight on said railroads and enforce all such laws by adequate penalties."

Speaking of the power of the State legislature to delegate that authority the supreme court of that State in a well-considered case, State *v.* Public Service Commission (194 S. W. 287–295), stated:

"It is also settled beyond doubt or cavil that this power of prescribing maximum rates for common carriers, which, as we have seen, legislatures possess pursuant to an untrammeled grant of powers to pass laws, may be delegated to a public service commission. To this rule, unless inhibited by express constitutional provision, there is not a reputable exception. * * * He reads the cases in vain who does not concede the authority of the legislature, absent an express constitutional provision which forbids, to delegate to an administrative body the power to fix rates for the carriage of freight and passengers."

Acting under the aforesaid constitutional authority the legislature by the laws of 1913, section 47, page 583, enacted:

"Whenever the commission shall be of the opinion * * * that the maximum rates * * * are insufficient to yield reasonable compensation for the service rendered, * * * the commission shall * * * determine the just and reasonable rates, fares, and charges to be thereafter observed and in force as the maximum to be charged for the service to be performed, notwithstanding that a higher rate, fare, or charge has been heretofore authorized by statute."

The Missouri Supreme Court in the case cited held this to be a properly delegated function by the legislature, even to the extent of setting aside a rate previously established by the legislature itself.

Similar enactments by other States under essentially similar constitutional powers and restrictions have been upheld. (See Chicago, Burlington & Quincy Railroad *v.* Jones, 149 Ill. 361,

376; State *v.* Baltimore & Ohio Railroad, 76 W. Va. 399; State *v.* Railroad Commission, 52 Wash. 33; Georgia Railroad *v.* Smith, 70 Ga. 694, 698; Railroad Commission *v.* Central of Georgia Railway, 170 Fed. Rep. 225, 238.)

It may be said generally of all of these statutes the delegation of authority was to "make reasonable and just rates of freight and passenger tariffs," or to "make just and reasonable rates, fares, and charges."

The general delegation of authority in such cases is quite similar to that delegated the United States Interstate Commerce Commission to fix "just and reasonable" rates.

It is observable that the general ground asserted by the courts in those State cases is that the granting of the power to fix rates is not prohibited by the particular State constitution.

The general rule of construction that State legislatures possess all powers not inhibited by the particular State constitution, while Congress possesses only those powers expressly granted by the Constitution of the Untied States, is not here lost sight of, but it is confidently asserted that the express grant to Congress by paragraph 18, section 8, Article I of the Constitution of power to make all laws "which shall be necessary and proper for carrying into execution" the powers therein granted to "lay duties" and "regulate foreign commerce," may well be deemed a sufficient constitutional warrant of this amendment.

Without indulging a discriminating review of these decisions, it would seem proper to observe that while the language of many upholds a delegation of the *legislative* power, no such claim as to section 315 is made. What is here asserted is that the Congress by this amendment will delegate no *legislative* powers but enact a statute legislatively complete prescribing therein authority to the President to make the same effective as and when therein by Congress prescribed.

We now come to an important consideration attending all delegations by the legislatures of authority to execute a law.

While the Supreme Court, as has been heretofore shown, has repeatedly ruled that it is sufficient for the Congress to declare its general policy delegating to the particular official the authority to fill in the details, Willoughby on the Constitution, volume 2, page 1319, concisely states the most limited rule as adopted by a class of cases, as follows:

"The Congress can not delegate its power to make a law, but it can make a law to delegate a power to determine some *fact* or *state of things* upon which the law makes or intends to make its own action depend. To deny this would be to stop the wheels of Government. There are many things upon which wise and useful legislation must depend which can not be known to the lawmaking power and must therefore be a subject of inquiry and determination outside of the halls of legislation.

"The doctrine thus declared is without objection so long as the *facts which are to determine the executive acts* are such as may be *precisely stated by the legislature and certainly ascertained by the Executive.* When this is not so, the officer intrusted with the execution of the law is necessarily vested with an independent judgment as to when and how the law shall be executed; and when this independence of judgment *is considerable* there *is ground* for holding that the law is not simply one *in presenti* to take effect *in futuro*, but is a delegation by the lawmaking body of its legislative discretion."

The provisions of section 315, however, are well within the more narrow rule.

Are the "facts" or "state of things" prescribed by the amendment and made determinative of his action when ascertained and proclaimed by the President "precisely stated by the legislature," and such as may be "certainly ascertained" by the Executive?

It would seem that the necessary implication, if not mandate of a statute, requiring investigation of conditions "in the *markets* of the United States," clearly directed an investigation of "market values," and when applied to imported merchandise *as imported* necessarily referred to such in *wholesale* quantities. The whole framework of our tariff laws is so obviously thus predicated that no other conception of their reference ordinarily obtains. Indeed, until enactment of the customs administrative act of 1890 the word "wholesale" did not appear in any of the acts making "market value" the basis of tariff calculations. None of the cases defining "market value" as the basis of tariff duties, the Cliquot Champagne case (3 Wall., 70 U. S. 114, 125) or Muser *v.* Magone (155 U. S. 240, 249), in any part mentions the word "wholesale." Nor does the statute construed in the former case provide other than that goods should be invoiced at their "actual market value." See act of March 3, 1863 (12 Stat. L. 727). Moreover, to-day no existing statute employs the word "wholesale" as applied to "market value" as a basis of duties. Thus paragraph R, section 3, of the Underwood-Simmons Act provides duties shall be assessed upon the "actual market value" *or* "wholesale price" of imported goods "in the principal markets of the country from whence exported." Herein, then, "market value" is, as throughout our entire tariff legislation, used as synonymous with "wholesale price." In relating the presidential ascertainment *as to imported goods to market* conditions or values in the "markets" of the United States by a member provision of our tariff laws there would seem to be no question that the reference is to wholesale sales of such.

We may therefore proceed upon the assumption that the literal and legal force of the "facts" or "state of things" "made determinative of the presidential action" by the amendment is the wholesale selling price in our markets of like or similar foreign and domestic articles competing therein and the differences between such as influenced by the competitive conditions attending each. (Supplemental thereto is 315 (c), but it is preferred to make this presentation without aid of that provision.) The debates in the Senate and the plain unequivocal meaning of the language of the section leave unmistakable that such is its unquestionable literal import. The facts or state of things embraced therewithin and therefore made determinative of the presidential action may be reduced to "market values" or "wholesale prices" and the "differences" between them. That such as herein written constitute a mandate by Congress to the Executive "precisely stated" and capable of being "certainly ascertained" is witnessed by legislative precedents and the consistent administrative practice in import customs matters since the foundation of the Government.

Commencing with the tariff act of July 4, 1789 (1 Stat. L. 26), and almost continuously since, Congress has levied ad valorem duties by predicating a prescribed rate upon the "value," "true value," "market value," or "actual market value" of the imported article, a "fact" or "state of things" constituted by Congress in these acts an integral and necessary part of such levy, and *in haec verba* delegated to a denominated official or officials the power to ascertain and apply or declare. The delegation of this authority to these officials for more than a hundred years was in these words alone for example, "actual market value," without words of further definition or direction. While the courts construed the meaning of the phrase and defined what matters could be taken into consideration by the appraisers under this delegation of authority as in the Cliquot Champagne case (3 Wall., 70 U. S. 114) and Muser *v.* Magone (155 U. S. 240), and numerous other decisions, it was not until August 5, 1909, as a part of the tariff act of that date, that Congress further stated in detail and thus more definitely prescribed the facts made determinative of "market value" when ascertained by the appraisers.

If therefore the terms "value" and "actual market value" were deemed and employed by Congress as sufficiently determinative and descriptive of a delegated authority to ascertain and proclaim a duty, or at least an integral and necessary part thereof as prescribed by Congress, why is not the language of this amendment, plainly synonymous with and the literal equivalent thereof, so sufficient?

Nor are we without abundant legislative precedent for the sufficiency, under the stated rule, of the literal expression employed in section 315 made determinative of the presidential action, to wit, "the *differences* in competition in trade in our markets as between like or similar domestic and foreign goods." This specification of facts or state of things and their ascertainment is made by Congress determinative and descriptive of the presidential mandate and authority.

The query, in other words, is, Is this statement or description of facts too indefinite to enable the President to proceed to ascertain and admeasure with, or determine the equality between the same, and an established duty, or therefrom calculate and proclaim a duty equal therewith? If so, Congress by this bill is proceeding to an idle act for this delegation to the President is exactly of the ascertainments the Congress is now endeavoring and has so endeavored in the making of every tariff.

Moreover, there are numerous statutes assigning the President similar powers of admeasuring conditions of commerce as effected by laws operating thereupon, with one another or with prescribed or authorized duties.

Thus by section 3 of the tariff act of October 1, 1890, *supra*, the subject of the decision in Field against Clark, the President was required to determine whether the laws of foreign countries in their effects upon our commerce in their markets were reciprocally "*equal*" and "*reasonable*," as compared with the effects of certain of our laws in our markets upon their commerce. To do so the President necessarily ascertained and

balanced the competitive conditions thus resulting in foreign markets with those in our markets and admeasured the extent each was affected by the rates fixed in the tariff laws of the respective countries, to determine if in trade their effects were equal. He was thereby required to admeasure and balance trade conditions with each other and with tariff rates, and determine their equality as conditions precedent to action. The facts or state of things which determine the Executive acts in this amendment are the same, more "certainly ascertainable," if anything, because of findings in *our* markets.

By section 5 of the act of July 24, 1987, *supra*, the "facts which were to determine the Executive acts" as stated in the section was a finding that any country bestowed a "bounty" or "grant," whereupon the Secretary was to determine and declare a duty equal to the "*net* amount of that bounty or grant." A bounty or grant, as shown by the voluminous litigation under this statute might consist of innumerable devices of law and fact subtly applied in different countries of the world, thereby effecting obscured conditions in competitive trade and their net equality in duties, a state of things extremely difficult of "certain ascertainment." That section, however, containing that mandate by Congress to the Secretary, has existed upon our statutes for decades and is being daily enforced. Certainly the "facts which there control the Executive acts" are neither more "clearly stated" nor more "certainly ascertainable" than the mandate of this amendment to find or determine in *our* markets the "difference" between conditions of competition or wholesale prices as between foreign and domestic goods, and mathematically convert that difference into an equivalent duty.

So, by section 14 of the act of June 26, 1884, *supra*, the "facts which were to determine the Executive acts" were a finding of the effects upon our trade of the operation of tonnage taxes, lighthouse dues, and other "equivalent tax or taxes" imposed by foreign countries. The President was required to so ascertain and remit our tonnage duties *accordingly*, thereby admeasuring said resulting conditions of trade by a rate of duty to be by him found and calculated *as shown* by said conditions and proclaimed. Certainly the effect of those foreign exactions upon our trade was no more "certainly ascertainable" than the effect of our tariff laws upon competing foreign and domestic goods in our markets. Nor was the equalizing *rate* of duty necessary under that statute any the less "certainly ascertainable" than under this amendment.

In the presence of the extended quotation and discussion of the foregoing statutes comparable in legal concept and literal import with this amendment, it seems unwarranted to extend the discussion of obvious applicable precedents.

It may be well to briefly quote what the Congress has deemed and employed in various statutes as a "precise statement" of "certainly ascertainable" "facts which are to determine the Executive acts" in delegating to an officer authority to determine some fact or state of things upon which the Congress has made its own action depend.

In section 25, act of August 27, 1894, Congress provided that "the value of foreign coin * * * shall be that of the pure metal of such coin of standard value" as a sufficient specification of the stated thing to be ascertained.

In the numerous reciprocity, retaliatory, and discriminating import tariff statutes enacted by Congress, wherein conditions of trade are made determinative of Executive action, that they "shall be reciprocally equal and reasonable," is more often than otherwise prescribed as and therefore deemed by Congress a sufficient specification of the facts which are to determine the Executive acts.

Under the Hepburn Interstate Commerce Act of 1906, *supra*, and many State acts indicated, *supra*, in regulation of freight and passenger rates the legislative mandate and specification of authority deemed ample by Congress and the State legislatures is that they shall be "just and reasonable."

In this amendment "the facts that are to determine the Executive acts" are prescribed as the "differences in conditions of competition between foreign and domestic articles," in the last analysis meaning relative wholesale selling prices therein. Because these have been the subject of similar legislative action prescribed for determination by denominated officials now and ever since the foundation of our Government, and because they have during our entire national existence been and to-day are being ascertained daily at every customhouse in the land by our appraisers, there can be no question that such are both "precisely stated" by the legislature and are "certainly ascertainable by the Executive."

Wherefore it is respectfully submitted that the specification of facts or state of things prescribed in the amendment as the basis of action by the Executive is ample and well within the most limited rule thereto relating.

The early embargo acts of Congress afford much light upon the powers of Congress, the extent to which those powers may be delegated, and what amounts to a sufficient specification of facts determinate of Executive action in delegated suspension and enforcement of legislation.

One of the earlier acts of Congress—that of July 4, 1799—levied duties upon imported merchandise. Many, if not all, of the embargo acts vested in the President enforcement and suspension upon a state of things found as prescribed in these acts. In this legislative status action thereunder by the President suspended the then existing duties levied by Congress; wherefore, Congress by these embargo acts vested in the President upon his finding as therein prescribed the power to suspend import duties exactly as he is here empowered.

Perhaps the most concise expression of the constitutionality of these acts, and the philosophy thereof, is found in State of Pennsylvania *v.* Wheeling and Belmont Bridge Co. (18 How. 59; U. S. 421, 439), wherein it is stated:

"During the existence of the embargo, in the year 1808, it was contended that under the commercial power an embargo could not be imposed, as it destroyed commerce. But it was held otherwise; so that the constitutionality of *a regulation of commerce by Congress does not depend upon the policy and justice of such an act, but generally upon its discretion.*

"An embargo is a temporary regulation, and is designed for the protection of commerce, though for a time it may suspend it."

A review of those embargo and similar acts, as approved delegations by Congress of authority to the President to suspend or enforce acts of Congress, and *particularly the literal specifications therein of the facts or a state of things, a finding of which by the President was made determinative of his action*, is had in Union Bridge Co. *v.* United States (204 U. S. 364, 380–381), reviewing them as cited with approval in Field *v.* Clark (143 U. S. 649). The court said:

"In its consideration of this question the court, after referring to the case of the brig *Aurora*, above cited, examined the numerous precedents in legislation showing to what extent the suspension of certain provisions and the going into operation of other provisions of an act of Congress had been made to depend entirely upon the finding or ascertainment by the President of certain facts, to be made known by his proclamation. The acts of Congress which underwent examination by the court are noted in the margin.

"The result of that examination of legislative precedents was thus stated:

"'The authority given to the President by the act of June 4, 1794, to lay an embargo on all ships and vessels in the ports of the United States "*whenever*, in his opinion, *the public safety shall so require*," and under regulations, to be continued or revoked, "*whenever* he shall think proper"; by the act of February 9, 1799, to remit and discontinue for the time being the restraints and prohibitions which Congress had prescribed with respect to commercial intercourse with the French Republic, "*if he shall deem it expedient and consistent with the interest of the United States*," and "to revoke such order *whenever*, in his opinion, *the interest of the United States shall require*"; by the act of December 19, 1806, to suspend for a named time the operation of the non-importation act of the same year, "*if in his judgment the public interest should require it*"; by the act of May 1, 1810, to revive a former act, as to Great Britain or France, if either country had not by a named day so revoked or modified its edicts as not "to violate the neutral commerce of the United States"; by the acts of March 3, 1815, and May 31, 1830, to declare the repeal, as to any foreign nation, of the several acts imposing duties on the tonnage of ships and vessels and on goods, wares, and merchandise imported into the United States *when he should be "satisfied"* that the discriminating duties of such foreign nations, "so far as they operate to the disadvantage of the United States," had been abolished; by the act of March 6, 1866, to declare the provisions of the act forbidding the importation into this country of neat cattle and the hides of neat cattle to be inoperative "*whenever in his judgment*" their importation "may be made without danger of the introduction or spread of contagious or infectious disease among the cattle of the United States," must be regarded as unwarranted by the Constitution if the contention of the appellants in respect to the third section of the act of October 1, 1890, be sustained.'"

A careful study of these acts in full will reveal that undoubtedly the court had carefully considered them in both

these cases, and what in some instance might seem to have been a delegation of discretion as to legislation was not so. The context of the acts will show, it is confidently asserted after careful examination of all of them, that either, as held in Field *v.* Clark, the seeming discretion was impliedly limited by other terms of the act or they related to the *execution* of the act, wherein, we have seen, the Constitution permits a discretion to be vested in the Executive.

Particular attention is invited to the language employed in these acts in specification of the facts or state of things to be found by the Executive as determinative of his action, such as, "if he shall deem it * * * consistent with the interest of the United States" and "whenever in his opinion the interest of the United States shall require" and "if in his judgment the public interest should require it."

A precisely similar provision in principle is contained in section 805 of the "revenue act of 1916," 39 Stat. L. 799, reading:

"SEC. 805. That whenever during the existence of a war in which the United States is not engaged, the President *shall be satisfied that there is reasonable ground to believe* that under the laws, regulations, or practice of any country, colony, or dependency contrary to the law and practice of nations, the importation into their own or any other country, dependency, or colony of any article the product of the soil or industry of the United States and not injurious to health or morals *is prevented or restricted* the President is authorized and empowered to *prohibit or restrict* during the period such prohibition or restriction is in force, *the importation into the United States of similar or other articles*, products of such country, dependency, or colony *as in his opinion the public interest may require;* and in such case he shall make proclamation stating the article or articles which are prohibited from importation into the United States; and any person or persons who shall import, or attempt or conspire to import, or be concerned in importing, such article or articles into the United States contrary to the prohibition in such proclamation shall be liable to a fine of not less than $2,000 nor more than $50,000, or to imprisonment not to exceed two years, or both, in the discretion of the court. *The President may change, modify, revoke, or renew such proclamation in his discretion.*"

The President therein is required to examine "the laws, regulations, or practices" of foreign nations and their effect upon our commerce, and if thereby he "be satisfied" that exportations thereto from this country are "prevented or restricted" he is authorized and empowered to "prohibit or restrict" the importation of like "*or other* * * * *products*" into this country "as in his opinion *the public interest may require.*" That paragraph is existing law and is precisely the active language of the provisions of paragraph 317 and what is here contended is too indefinite a definition or delegation of the authority and power of the President under the Constitution.

The significant force of these precedents will be more fully appreciated when we bear in mind that they were statutory specifications of findings by the President *condition precedent to his suspending existing rates of duty prescribed by Congress* as well as suspending importations.

Particular attention is invited to these determinative specifications of such facts or state of things by reason of the criticisms made in the Senate of the specifications of such facts in Senate amendment, section 316. A comparison of these acts with amendment will disclose that the specifications of such facts in the former so criticized were copied *verbatim et literatim* from those acts, long enforced by our Executives and often cited and quoted by our Supreme Court as appropriate precedents for the exercise of congressional delegation of authority in such cases. In view of these precedents it is confidently submitted that in order to hold unconstitutional section 315 and section 316 upon that ground it would be necessary to hold unconstitutional the sound legislative basis repeatedly provided by the Congress and approved by the Supreme Court, throughout a century of our early history, in defense and support of our then predominant merchant marine and expanding commerce.

It will be noted that the language of the proposed provisions of law is made applicable not alone to the provisions of the contemplated tariff act, but of all following tariff acts. This, while effecting every contemplated purpose with reference to the pending tariff act, gives the provision the character of an administrative law. The value of that is found in the fact that the Supreme Court has held that administrative tariff laws are not revenue acts levying "duties" within that term as used in the Constitution and the treaties with various nations. As such it readily takes its place among the administrative and regulative laws of the Congress.

That fixing the basis of a duty is an exercise of the constitutional power "to regulate commerce with foreign nations (sub. 8, sec. 8, Art. I) and not the taxing power (sub. 1, sec. 8, Art. I), we reply that Congress in enacting section 315 *is* so proceeding under this section and has so declared by express words therein. That such a declaration in cases of doubt at least will be looked to by the courts as determinative. See Head Money Cases (112 U. S. 581, 594). Congress may employ the instrumentality of a rate of duty upon imports to effect and, in the exercise of its constitutional power, to "regulate commerce with foreign nations." See Russell *v.* Williams (106 U. S. 623).

Thus a provision which had been a member provision of tariff laws from an early date became section 3 of the tariff act of 1872. In substance, it read as follows:

"SEC. 3. That on and after the 1st day of October next there shall be collected and paid on all goods, wares, and merchandise of the growth or produce of countries east of the Cape of Good Hope (except wool, raw cotton, and raw silk, as reeled from the cocoon, or not further advanced than tram, thrown, or organzine), when imported from places west of the Cape of Good Hope, a duty of 10 per cent ad valorem, in addition to the duties imposed on any such article when imported directly from the place or places of their growth or production."

The provision long in our statutes came to be known as the "Cape rule."

That provision was before the Supreme Court in the case of Russell *v.* Williams (106 U. S. 623) for pertinent construction. The case is an interesting one, and is based upon Hadden *v.* The Collector (5 Wall. 107) and Sturges *v.* The Collector (12 Wall. 19), decisions of the Supreme Court of the United States. The importation was one of tea from China. In answer to the challenge before the court that by its terms it repealed certain specified *duties* levied in and by previous acts in force, the court held that it was a general commercial *regulation* applicable without regard to regular duties imposed for the purposes of revenue, *whether such articles were dutiable or free*, in such previous acts. The court said:

"In conformity with the principle of these decisions we are of the opinion that the law in question continues in force in reference to all goods not expressly exempted from 'ts provisions, whether dutiable or free, *and whether new duties imposed are declared to be in lieu of all other duties or not.* Such a declaration is a mere formula to indicate that the duties newly imposed are to take the place of and supersede the previous duties especially imposed in the tariff schedules and not to abrogate any general commercial regulations not expressly mentioned. The duties on tea have been several times changed since 1861; but, in our view, these changes had exclusive reference to the ordinary duties imposed for the purpose of revenue only and not to the standing regulation which we are considering. In 1861 the regular duty on tea was fixed at 15 cents per pound; in 1864, at 25 cents; in 1870, at 15 cents; and in 1872 it was placed with coffee on the free list. In 1861, 1864, and 1870 the duty was fixed in the general tariff laws of those years, respectively, the first two of which also contained the cape clause discriminating in favor of direct importation. The tariff act of 1870 did not reenact this clause, but neither was it repealed; it remained in force as enacted in 1865 until reenacted in the general tariff act of 1872. We do not think that it was necessary to reenact it in 1870 in order to make it operative upon those imports within its scope, the duties of which were revised by that act. The object of that revision was to readjust the regular schedule of duties, not to interfere with the cape rule *as a regulation of commerce*, or any other general regulation not expressly mentioned or referred to in the act and not repugnant to its provisions. Both laws could stand together without repugnancy. The cape rule contained in the act of 1865 could only be regarded as repealed by implication, if repealed at all; and, considering the object and purpose of the rule, such an implication was not necessarily involved in the act of 1870, and therefore will not be inferred."

In this respect the provision under consideration therein by the court, and this proposed statute as drawn, have many precedents in our tariff legislation, and the holdings by the Supreme Court that they are regulations of commerce and not provisions denouncing duties are uniform.

A similar question arose in United States *v.* Nichols (186 U. S. 298, 303) as to section 19 of the customs administrative act of 1890 (26 Stat. L. 131, 139), which provided, as is provided by the current tariff act, that "whenever imported merchandise is subjected to an ad valorem rate of duty * * *

the duty shall be assessed upon the actual market price or wholesale price of such merchandise * * * including the value of all cartons, cases, crates, boxes, sacks, and coverings of any kind, and all other costs, charges, and expenses * * *," and so forth.

Here is a provision that levies an additional duty to that prescribed in the schedules of the then existing tariff act, according to facts as found by the customs officials. Such provisions are numerous, not only in the current but in all preceding tariff acts since the foundation of the Government. Of this the Supreme Court in United States *v.* Nichols, *supra*, said:

"Though the tariff act of 1883 is not directly in issue in this case, it is pertinent to inquire whether the section above cited respecting duties upon glass bottles were repealed by section 19 of the customs administrative act. We are of the opinion that they were not. *The customs administrative act was not a tariff act, but, as its title indicates, was intended to simplify the laws in connection with the collection of the revenues and to provide certain rules and regulations with respect to the assessment and collection of duties, and the remedies of importers, and not to interfere with any duties theretofore specifically imposed or thereafter to be imposed* upon merchandise imported. Section 19 was intended to provide a general method for the assessment of *ad valorem* duties and to require the value of all cartons, cases, crates, boxes, sacks, and coverings of any kind to be included in such valuation. * * *

"The large number of cases which have arisen under the tariff acts with respect to the proper classification of glass bottles show that in the mass of legislation upon that subject it is difficult to evolve a construction applicable to all such cases or to determine what particular provision of the glassware section shall be applied; but it is sufficient to say that where such elaborate provisions are made for a specific tax on glass bottles, whether filled or unfilled, and whether their contents be subject to *ad valorem* or specific duties, *it was not intended that the general word 'coverings' used in the customs administrative act, which, as before observed, is not a tariff act at all,* was intended to supply any deficiency that might exist in the tariff act with respect to those articles."

Whether, however, section 315 be deemed enacted by Congress as a duty levying provision or regulation of commerce, as authorized by the Constitution, it seems clear that its provisions are, under the authorities and precedents cited, well within the constitutional mandates to the Congress.

This presentation may well be concluded by a consideration seriatim of the remaining constitutional objections urged in the Senate debate.

1. Indirectly only was it asserted that because action by the President under the amendment, in the first instance, could be initiated or disregarded, *in his discretion;* therefore the amendment was unconstitutional. The reference is to the introductory words of the amendment: "*Whenever* the President upon investigation * * * shall find * * *," etc. If that objection were tenable the vast majority of similar statutes enacted by Congress would for that reason have been unconstitutional. The long continued congressional interpretation and persistent usage are sufficient to avoid this objection. Citation of a few precedents will suffice. The French embargo act of June 4, 1794 (1 Stat. L. 372), initiated action upon the part of the President in the discretionary words: "*Whenever* in his opinion the public safety shall require * * *." Section 3 of the act of October 1, 1890 (26 Stat. L. 567, 612), approved in Field *v.* Clark, *supra*, initiated action by the President in the words: "*Whenever* and *so often as* the President shall be satisfied * * *." Section 18 of the river and harbor act of March 3, 1899 (30 Stat. L. 1121, 1153, c. 425), approved in Union Bridge Co. *v.* United States (204 U. S. 364), initiated action by the Secretary of War by the words: "That *whenever* the Secretary of War shall have reason to believe * * *." An examination of the similar statutes enacted throughout our national existence reveals that the uniform statutory method of *initiating* action thereunder, as distinguished from the statement of facts *determinative* of executive action heretofore considered, was as in this amendment written. The justification of the well-settled practice is essayed by Willoughby on the Constitution, volume 2, page 1318, section 775, as follows:

"The qualifications to the rule prohibiting the delegation of legislative power which have been earlier adverted to are those which provide that while the real lawmaking power may not be delegated, a discretionary authority may be granted to executive and administrative authorities: (1) To determine *when* and *how* the power conferred are to be exercised, and (2) to establish administrative rules and regulations, binding both upon their subordinates and upon the public, fixing in detail the manner in which the requirements of the statutes are to be met and the rights therein created to be enjoyed.

"The principle which permits the legislature to provide that *the administrative agent may determine when the circumstances are such as require the application of a law* is defended upon the ground that at the time this authority is granted the rule of public policy, which is the essence of the legislative act, is determined by the legislature. In other words, the legislature, as it is its duty to do, determines that, under given circumstances, certain executive or administrative action is to be taken, and that, under other circumstances, different or no action at all is to be taken."

Whatever may be said of the logic of the rule its universal legislative exercise and application has no doubt established its soundness beyond controversy. Field *v.* Clark (143 U. S. 649, 690).

2. The constitutionality of the amendment is further challenged upon the ground that the legislative policy is not *expressly* recited in the paragraph. The legislative practice in this particular is not uniform. No decision has been produced, however, and it is confidently asserted that none can be, so holding. While a few of the legislative precedents expressly write in the statute the legislative policy sought to be effected, the vast majority do not. To sustain this contention would lead to endless confusion in application of the first and paramount principle of legal construction as old as statutory law itself, to wit, "that the intention or purpose of the legislature is the first and highest rule of statutory interpretation." If it were held that the courts could not indulge the long-established rule and practice of ascertainment of the legislative purpose of this amendment by examining its context and its relation to other statutes *in pari materia*, an unwarranted exception to the established law of legal construction would be introduced. That the familiar rule of statutory construction, that the statute itself is its best expositor, "reading it from its four corners," applies here, as with other statutes, was the view of Congress and the courts, and is applicable to such statutes as this amendment, is manifest from the precedents and decisions.

Thus, while section 8 of the act of October 1, 1890, expressly declared the legislative policy or purpose "That with a view to secure reciprocal trade with countries producing the following articles, and for this purpose," section 18 of the river and harbor act of 1899 made no *express* declaration of legislative policy or purpose. The Supreme Court, however, in Union Bridge Co. *v.* United States (204 U. S. 364, 385–386), construing that act took judicial notice of the "policy of Congress" to remove obstructions from navigable waterways and, obviously from the context, held that the purpose "declared" by Congress.

An examination of the statutes quoted and construed, *supra*, wherein the policy of the Congress in enacting the statute is held controlling, discloses that in few if any of those statutes was the legislative policy or purpose *expressly* stated in, but was left to be inferred from, the context of the act.

The debates in the Senate and the context of this amendment show that the legislative policy or purpose is plainly evidenced by its context and its associate sections in the proposed act.

3. It is also asserted that the amendment is unconstitutional in that it permits the President a discretion after the prescribed investigation whether he will proclaim a changed rate of duty or classification or form of duty.

Heretofore it has been shown that the language of the amendment itself forbids exercise of such an election. The amendment *requires* the President to proclaim only that rate of duty *or* that form of duty *or* that classification "shown by" the state of facts investigated "necessary" to equalize the ascertained differences in conditions of competition.

But, it may be said, suppose those ascertained differences show more than one of these authorizations a rate of duty or a form of duty or a change of classification equally sufficient for the purpose or "necessary" thereto, must not the President in that situation exercise a discretion as to which he will proclaim? The answer is that though we assume the latter situation to be *always* present and the former argument untenable, and that the President is by that part of the amendment in all cases invested with a discretion as to which he will proclaim; nevertheless, the amendment is in that particular constitutional.

It can not be successfully, and probably will not be, disputed that the purpose of the amendment is to equalize any differences in conditions of competition resulting after application of the prescribed rates of duty and other provisions of the act between foreign and domestic goods in our markets. That is

the obvious policy of Congress *and the thing legislated* by the amendment. When this is accomplished under the amendment the policy of the Congress and *the legislation* to that end by this amendment is completely fulfilled. The authority in the amendment to proclaim a change of rate or classification or form of duty relates solely to the *execution* of the thing legislated in its pursuance. The policy of the Congress and the thing legislated is accomplished regardless of which change is proclaimed by the President. These are but instrumentalities or means of *execution* of the law.

The point is accurately stated in Field *v.* Clark (143 U. S. 649, 693–694), saying:

"The true distinction," as Judge Ranny, speaking for the Supreme Court of Ohio, has well said, "is between the delegation of power to make the law, which necessarily involves a discretion as to what it shall be, *and conferring authority or discretion as to its execution*, to be exercised under and in pursuance of the law. The first can not be done; *to the latter no valid objection can be made.*" (Cincinnati, Wilmington, etc., Railroad *v.* Commissioners, 1 Ohio St. 88.)

This quotation by the Supreme Court has been repeatedly approved by that court and later adopted as its own doctrine. Union Bridge Co. *v.* United States (204 U. S. 364, 382).

The principle was expressed in another form by that court in Buttfield *v.* Stranahan (192 U. S. 470, 496), *supra*, upholding the legislative designation of the Secretary to select and adopt tea standards and providing a finding by the examiner of similarity thereto as conditions precedent to the importation of teas. Undoubtedly the Secretary exercised a judgment or election in selecting these standards; they were, however, means provided by Congress in execution of the act. The Supreme Court here pertinently said:

"Congress legislated on the subject as far as was reasonably practicable, and from the necessities of the case was compelled to leave to executive officials the duty of *bringing about the result pointed out by the statute.* To deny the power of Congress *to delegate such a duty* would, in effect, amount to declaring that the plenary power vested in Congress to regulate foreign commerce could not be efficiently exerted."

Willoughby on the Constitution, volume 2, chapter 775, page 1318, expresses the same thought in the following language:

"The qualifications to the rule prohibiting the delegation of legislative power which have been earlier adverted to are those which provide that while the real law-making power may not be delegated, a *discretionary authority may be granted to executive and administrative authorities:* (1) To determine *when* and *how* the powers conferred are to be exercised; * * *."

A statutory instance of such a discretion being vested in *execution* of a statute, complete in all *legislative* details, was heretofore shown. By the act of July 24, 1897, the President was vested, in order to carry out the purposes of that statute, with the authority of either reducing the tonnage duties provided in Revised Statutes 4228 or the import duties provided in Revised Statutes 2502.

That a *discretion* may be vested as to the execution of a statute, as well as other here applicable expressions, will be found asserted in the late decision of the Supreme Court, Mutual Film Co. *v.* Ohio Industrial Commission (236 U. S. 230, 246), as follows:

"To sustain the attack upon the statute as a delegation of legislative power, complainant cites Harmon *v.* State (66 Ohio Stat. 249). In that case a statute of the State committing to a certain officer the duty of issuing a license to one desiring to act as an engineer if 'found trustworthy and competent,' was declared invalid because, as the court said, no standard was furnished by the general assembly as to qualification, and no specification as to wherein the applicant should be trustworthy and competent, but all was 'left to the opinion, finding, and caprice of the examiner.' The case can be distinguished. Besides, later cases have recognized the difficulty of exact separation of the powers of government, and announced the principle that legislative power is completely exercised where the law 'is perfect, final, and decisive in all of its parts, and the *discretion given only relates to its execution.*'"

While the earlier tariff acts prescribed this duty of the appraiser in the various terms stated, no statutory definition of "market value" was prescribed by Congress prior to the tariff act of August 5, 1909. Theretofore this congressional mandate of authority was unqualified save by the legal force and effect of the term "market value," or some like phrase. Thereunder the appraiser exercised necessarily many discretions. The legislative evolution of this delegated power, in present-day form, is embraced in paragraphs "K," "L," and "R" of Section III of the current tariff act of October 3, 1913 (vol. 38, pt. 1, Stat. L., pp. 185, 186, and 189).

Therein is confided to the appraiser an absolute discretion as to which market in the country of exportation he shall select as the "principal market" thereof. His selection or decision thereof is final upon all the world.

The Supreme Court, in Stairs *v.* Peaslee (59 U. S. (18 How.) 521), construed the phrase. The subject of decision was "cutch." It was shown to be produced in the East Indies only, Calcutta being the market of *exportation.* It was, however, shipped to Halifax, thence consigned to the importers at Boston. It was shown that London and Liverpool were the principal markets of the British dominions for cutch. There was a division of opinion among the judges of the United States Circuit Court of Appeals at Boston, wherefore they certified the following question to the Supreme Court of the United States:

"Whether, in estimating the dutiable value of the cutch, the appraisers should have taken the value at the market of Calcutta, or London and Liverpool, or Halifax, at the period of the exportation from Halifax."

In answering, the court ruled:

"It follows, therefore, as the cutch in question was shipped and invoiced from Halifax, that it was the duty of the appraisers to estimate and appraise it according to its value *in the principal markets of the British dominions.* What markets within these dominions were the principal ones for an article of this description was a question of fact, not of law, and to be decided by the appraisers, and not by the court. They, it appears, determined that London and Liverpool were the principal markets in Great Britain for the goods in question, and appraised the cutch according to its value in these markets. And as the appraisers are by law the tribunal appointed to determine this question, their decision is conclusive upon the importer as well as the Government."

So, by paragraph "L" there is vested in the appraiser a discretion or decision whether he will accept for appraisement purpose "actual market value" in that it is there provided that if such "can not be ascertained *to the satisfaction of the appraising officer,*" he can proceed to find "cost of production" and adopt the same in his determination of this controlling factor in fixing the duty to be laid in the particular case.

And, further, by the same paragraph in certain cases of consigned goods, the appraiser is required to admeasure the duty otherwise ascertained by him with the American selling prices of such or similar goods less certain deductions, *decide* which is the higher and adopt that as the essential factor controlling and determinative of the duty laid by Congress.

All of these decisions or elections by the appraiser are but in execution of the mandate of Congress to ascertain and adopt "a market value" as an integral part of a duty laid by Congress in part in terms of that fact.

Clearly whether the President proclaims a change of rate or form of duty or classification is but the selection of one of the means prescribed by Congress in the amendment for its *execution*, and the delegation of a discretion in exercise of judgment in that particular is not, under all the authorities, a violation of the constitutional inhibition against a delegation of the legislative power. The thing here legislated is that the said ascertained *differences* shall be equalized. The authorized *means to that end in execution of the thing legislated*, the differences being ascertained, are the enumerated changes. By all the authorities and precedents a discretion or judgment as to these in the execution is under the Constitution permissible.

4. It is objected that no judicial or other review is allowed or allowable from either the President's *findings* of fact or legal interpretations in execution of the amendment.

Preclusively, it may be well to bear in mind that Congress itself by this amendment levies the duty in terms of facts or a state of things, and that the President merely executes the statute in the manner therein prescribed. Any judicial review, therefore, allowed or had of the findings of the facts or state of things and the equivalent duty proclaimed by the President would be a review of a congressional conclusion of fact fixing a rate of duty. It seems trite to say that would be inhibited by the Constitution as an usurpation by the judiciary of the constitutional powers vested in Congress.

The consistent holdings of the courts is to the same effect. It has heretofore been pointed out that the findings of the appraisers of market value, entering into and a necessary part of a duty is not the subject of judicial review and the Constitution is not thereby violated.

The similarity of this congressionally delegated authority to ascertain a duty levied by Congress in terms of facts with that by this amendment provided has heretofore been discussed.

Upon this point of finality under the Constitution, the Supreme Court, in Hilton *v.* Merritt (110 U. S. 97, 107), stated:

"The plaintiffs in error contend further that a denial of the right to bring an action at law to recover duties paid under an alleged excessive valuation of dutiable merchandise is depriving the importer of his property without due process of law, and is therefore forbidden by the Constitution of the United States. The cases of Murray's Lessee *v.* Hoboken Land & Improvement Co. (18 How. 272) and Springer *v.* United States (102 U. S. 586) are conclusive on this point against the plaintiff in error."

Of like import is Muser *v.* Magone (155 U. S. 240, 246–247):

"The conclusiveness of the valuation of imported merchandise made by the designated officials, in the absence of fraud, is too thoroughly settled to admit of further discussion. Hilton *v.* Merritt (110 U. S. 97), Auffmordt *v.* Hedden (137 U. S. 310), Passavant *v.* United States (148 U. S. 214). In Auffmordt *v.* Hedden it was said: 'The Government has the right to prescribe the conditions attending the importation of goods, upon which it will permit the collector to be sued. One of these conditions is that the appraisal shall be regarded as final. * * * The provision as to the finality of the appraisement is virtually a rule of evidence to be observed in the trial of the suit brought against the collector.'"

A later expression to the same effect is found in Buttfield *v.* Stranahan (192 U. S. 470, 492–493):

"The power to regulate commerce with foreign nations is expressly conferred upon Congress, and being an enumerated power is complete in itself, acknowledging no limitations other than those prescribed in the Constitution. Lottery Case (188 U. S. 321, 353–356); Leisy *v.* Hardin (135 U. S. 100, 108). Whatever difference of opinion, if any, may have existed or does exist concerning the limitations of the power resulting from other provisions of the Constitution so far as interstate commerce is concerned, it is not to be doubted that from the beginning Congress exercised a plenary power in respect to the exclusion of merchandise brought from foreign countries, not alone directly by the enactment of embargo statutes but indirectly as a necessary result of provisions contained in tariff legislation. It has also, in other than tariff legislation, exerted a police power over foreign commerce by provisions which in and of themselves amounted to the assertion of the right to exclude merchandise at discretion. * * *

"As a result of the complete power of Congress over foreign commerce, it necessarily follows that no individual has a vested right to trade with foreign nations which is so broad in character as to limit and restrict the power of Congress to determine what articles of merchandise may be imported into this country *and the terms upon which a right to import may be exercised*. This being true, it results that a statute which restrains the introduction of particular goods into the United States from considerations of public policy does not violate the due-process clause of the Constitution."

Likewise with the investment by Congress in the Secretary of the Treasury of the authority to ascertain and declare the amount of duties equivalent to bounties granted by foreign countries; and the like investment by Congress in the Secretary of the Treasury to ascertain and proclaim the value of foreign coins, by the same act made an integral factor of import customs duties. These findings and the equivalent duties declared thereupon have uniformly been held by the courts not to be reviewable in the courts, and that the failure to provide express statutory denial of that right was within the Constitution. The authorities upon that well settled point heretofore quoted will not be here repeated.

Whether or not, however, should the President in the commanded ascertainment of these facts, thus made final and proclaimed, *fail to follow the law* investing him with that power by this amendment or misinterpret some law affecting his findings of fact, his acts in that respect would be subject of judicial cognizance, in a proper case, is another question.

That situation develops a question of law. While the contrary view has been asserted, the opinion is here hazarded that such failure of the President to follow or his misinterpretation of a law entering into his conclusions would, in a proper case made, be the subject of judicial cognizance. If that is true no express authority therefor need be written in the amendment, but the question could and would be raised on protest as now provided before the Board of United States General Appraisers.

While it is true that the President can not be haled before the courts to explain his official acts, nevertheless his official acts without or in violation of the Constitution and statutes of the United States would seem to be of judicial cognizance.

That is true of every official of the Government. Certainly it was not the purpose of the fathers to put an official, officials, or bodies of the same above or beyond or to permit them to act in violation of the Constitution or laws of the land. While it was once a seriously debated question in the country whether or not the Supreme Court could hold an act of Congress in violation of the Constitution, and is to-day the subject of papers by eminent judicial authorities, the question would seem to be too well settled in the affirmative for serious controversy.

The true and applicable doctrine was clearly employed in an opinion by Chief Justice Chase in the great case of State of Mississippi *v.* Johnson, President (4 Wall., 71 U. S. 475, 500), as follows:

"The Congress is the legislative department of the Government, the President is the executive department. Neither can be *restrained in its action* by the judicial department; though the acts of both, when performed, are *in proper cases subject to its cognizance*."

Apt and pertinent illustration and vindication of this pronouncement as to Congress is had in Field *v.* Clark (143 U. S. 649). Congress, of course, enacted the tariff act (McKinley law) of October 1, 1890. Marshall Field & Co., of Chicago, upon payment of certain duties at that port, by due protest before the Board of United States General Appraisers raised the question that in that enactment the Congress, for several specific reasons, had not followed or observed the Constitution, and that therefore the act was unconstitutional. If the citizen can challenge the *performances of Congress* as in violation of or did not pursue the Constitution in directly fixing a rate of duty, and the appropriate judicial avenues therefor are now provided by law, affording final decision by the Supreme Court, why can not that right be likewise litigated when Congress fixes the rate in terms of a state of facts authorizing the President to ascertain and proclaim the same, and the collector proceeds to and does collect the duty so levied?

The pronouncement of Chief Justice Chase as to Congress includes and is authority for the exercise by the citizen of the same rights when the object whereof is effected by an act of the Executive. Upon that authority and precedent, therefore, it would seem that while the performances of the President under this amendment would not be the subject of judicial cognizance to review his *findings of facts* constituting a proclaimed duty *as a finality*, nevertheless should the President, in reaching the proclaimed result, have failed to follow the law delegating his authority or misinterpreted a law which entered into and effected the result proclaimed, such would be the subject of judicial cognizance. An exactly parallel case is Downs *v.* United States (187 U. S. 496), affirming Downs *v.* United States (113 Fed. Rep. 144).

The here pertinent point was best expressed in the opinion of the Board of General Appraisers before whom the case arose and whose very meritorious opinion was approved and adopted in full by the Circuit Court of Appeals, Fourth Circuit, in turn affirmed by the Supreme Court. Therein the doctrine is thus stated:

"Under the authority conferred by this law, the Secretary of the Treasury has duly 'ascertained, determined, and declared' the net amount of the bounty or grant which, in his judgment, was bestowed by the laws of the Russian Government upon the exportation of this sugar. (T. D. 20, 407, dated December 12, 1898; T. D. 22, f14, dated February 14, 1901.) It is not denied by either party to this suit that, if in fact any bounty or grant was bestowed, the Secretary's finding as to its amount was correct. Moreover, it would seem that the decision of that officer as to this particular fact, being made in pursuance of a special statutory authority, would be quite as conclusive on this board and the courts as the finding of the value of foreign coin by the Director of the Mint, under the provisions of section 25 of the tariff act of 1894, a statute strictly analogous, which finding has been held to be conclusive, and not reviewable by this board or the courts. (U. S. *v.* Klingenberg, 153 U. S. 98, 14 Sup. Ct. 790, 38 L. Ed. 647; Wood *v.* U. S., 72 Fed. 254, 18 C. C. A. 553, explaining Klingenberg's case; Hadden *v.* Merritt, 115 U. S. 25, 5 Sup. Ct. 1169, 29 L. Ed. 333.) *It is conceded, however, that the decision of the Secretary as to whether the laws of Russia do in fact bestow such a bounty or grant is reviewable by this board*, as it involves the construction of the laws of Russia relating to the precise subject matter covered by said section 5, above cited. The jurisdiction of the board in this particular has been sustained by the United States Circuit Court of Appeals for the Second Circuit in the recent case of United States *v.* Hills Bros. Co. (46 C. C. A. 167, 107 Fed. 107)."

Likewise, while we have heretofore shown that the finding of market value by appraisers, an integral part of import duties, is conclusive *as to the facts found*, nevertheless, the same is reviewable in the courts for a failure to *pursue* the statute as prescribed by Congress. In United States *v.* Passavant (169 U. S. 16, 20) the court said:

"And while the general rule is that the valuation is conclusive upon all parties, nevertheless the appraisement is subject to be impeached where the appraiser or collector *has proceeded* on a wrong principle *contrary to law* or has *transcended the powers* conferred by statute." (Oberteuffer *v.* Robertson, 116 U. S. 499; Badger *v.* Cusimano, 130 U. S. 39; Robertson *v.* Frank Brothers Co., 132 U. S. 17; Erhardt *v.* Schroeder, 155 U. S. 124; Muser *v.* Magone, 155 U. S. 240.)

To the same effect is Muser *v.* Magone (155 U. S. 240, 247):

"Yet, though the valuation is final and not subject to review and change and reconstruction by the verdict of a jury, it is open to attack *for want of power to make it*, as where the appraisers are disqualified from acting, or have not examined the goods, *or illegal items have been added independent of the value*. The principle applied in such cases is analogous to that by which proceedings of a judicial nature are held invalid because of the absence of some strictly jurisdictional fact or facts essential to their validity."

Orders or finding of the Postmaster General in fraud cases have likewise been held reviewable, though no statute so provides. In American School of Magnetic Healing *v.* McAnnulty (187 U. S. 94, 108) the Supreme Court said:

"That the conduct of the post office is a part of the administrative department of the Government is entirely true, but that does not necessarily and always oust the courts of jurisdiction to grant relief to a party aggrieved by any action by the head or one of the subordinate officials of that department which is *unauthorized by the statute* under which he assumes to act. The acts of all its officers must be justified by some law, and *in case an official violates the law* to the injury of an individual, the courts *generally have jurisdiction* to grant relief."

An extended citation of other similar authorities may be found in Mills and Gibbs *v.* United States (8 Ct. Cust. Appls., pp. 39 to 60, inclusive).

It will be unnecessary to multiply precedents from the numerous cases in the books. Those quoted seem ample authority for the conclusion that while under the amendment the President's proclaimed ascertainments would be a finality as to the facts and consequent duty proclaimed, nevertheless his proceedings would, under existing procedure, be the subject of judicial cognizance upon the ground that he had exceeded his authority, failed to follow, or misinterpreted a law.

For examples of judicial cognizance of acts of the President made in accordance with authorizations by Congress in ascertainment of whether or not such acts were performed *ultra vires* of the authorization may be cited Wilcox *v.* McConnel (38 U. S. 496, 512), wherein the following pertinent pronouncement was had:

"Hence we consider the act of the War Department, in requiring this reservation to be made, as being in legal contemplation the act of the President; and consequently that the reservation thus made was, in legal effect, a reservation made by order of the President within the terms of the act of Congress."

To the same effect Wolsey *v.* Chapman (101 U. S. 755, 770), United States *v.* Midwest Oil Co. (236 U. S. 459, 468), wherein the famous order of withdrawal of oil lands by President Taft was finally reviewed and upheld by the Supreme Court. (See also United States *v.* Morrision, 240 U. S. 192, 212.) In none of these cases was the President haled before the court, though the doctrine of review as stated may well be said to be *stare decisis*.

5. It is asserted and rightfully that "necessity" is frequently invoked to support such delegations of congressional authority. If such finds logical and relevant place in a consideration of the constitutionality of a law, it must find support in some provision of that instrument.

It is here urged, for example, that if commercial conditions rendered this legislation *necessary* to lay a duty or to regulate our commerce with foreign nations, the courts would uphold its constitutionality upon that ground. Such a constitutional warrant of authority is found in subparagraph 18 of Article I, section 8, of the Constitution, providing: "The Congress shall have power to lay and collect taxes, duties * * *," "To regulate commerce with foreign nations * * *," and subparagraph 18, "*To make all laws which shall be necessary and proper for carrying into execution the foregoing powers* * * *."

Congress may, therefore, enact any law which is "necessary" to execute the power of Congress to lay and a statute laying duties or regulating our commerce with foreign nations.

Such enactments are in the nature of statutory regulations of the taxing and regulative powers of Congress. The constitutional warrant is broad and unlimited, extending to "*all* laws which shall be *necessary* and proper for carrying *into execution* the foregoing powers." In passing it may be well to emphasize this broad constitutional power of Congress to make all laws *necessary* to carry *into execution* the power to tax and regulate commerce.

It would seem thereunder that Congress, having laid a duty or provided a regulation of commerce in terms of a state of facts as by section 315, is, by the Constitution, granted *unlimited* power in providing therein or otherwise for the *execution* of that law. Congress can therefore authorize the President to act in his discretion as to the provided means to that end, or in any way Congress may deem wise, under this express authorization of the Constitution so long as this authorization is by Congress deemed "necessary and proper."

The authority that determines what statutory regulations in such cases are "necessary" and proper has long since been decided by the Supreme Court. In McCulloch *v.* Maryland (4 Wheat. 421, 422) it is stated:

"We admit, as all must admit, that the powers of the Government are limited, and that its limits are not to be transcended. But we think the sound construction of the Constitution must allow to the National Legislature *that discretion*, with respect to the means by which the powers it confers are to be carried into execution, which will enable that body to perform the high duties assigned to it in the manner most beneficial to the people.

* * * * * * *

"But were its necessity less apparent, none can deny its being an appropriate measure; and if it is, *the decree of its necessity*, as has been very justly observed, is to be discussed in another place. Should Congress, in the execution of its powers, adopt measures which are *prohibited by the Constitution*, or should Congress, under the pretext of executing its powers, pass laws for the accomplishment of objects *not intrusted to the Government*, it would become the painful duty of this tribunal, should a case requiring such a decision come before it, to say that such an act was not the law of the land. But where the law is *not prohibited*, and is really calculated to effect any of the objects intrusted to the Government, to undertake here to inquire into the *decree of its necessity* would be to pass the line which circumscribes the judicial department and to tread on legislative ground. This court disclaims all pretensions to such a power."

Whether or not the particular delegation of authority in the Executive is "necessary" is a question for the Congress alone and not the courts. Congress having enacted the particular amendment, its necessity is not open to question in the courts nor subject to judicial cognizance. The only forum of discussion and final decision as to the necessity for such a statute is the Congress.

Of the matters which might well be taken into consideration by the Congress in determining the *necessity* for this amendment is that without it there is no vested power in any official or board of the United States to meet the swift changes in duties and regulations possible and frequently made by almost every other nation of the world. Almost if not every foreign country is legally equipped by investment, in some official or board, of plenary power to raise or lower their tariff rates or change their regulations so as to momentarily meet every exigency created by commercial conditions and the laws and regulations of competing nations. Some evidence of how long is required under our system, heretofore in vogue, to effect a tariff change may be had from the length of time uniformly required to enact an import tariff law. Moreover, since the World War every other commercial nation of note has proceeded to equip its officials with executive means of speedy defense and aggression in commerce.

Furthermore, the diligent inquiry upon part of the present committees of Congress, aided by officials of the Government, have disclosed that values, and particularly foreign values upon which the rates of our import duties are fixed, are more unstable than for decades past. It has been stated upon the floor of the Senate that the market values of one nation have changed as much as 25 and 28 per cent in a single month. It is a matter of common knowledge, and a necessarily inevitable fact, that a post-war readjustment of the world's prices and influencing currency values must so materially vary in short periods of time that they are unsafe bases upon which to rest our necessary revenues and the defense of our industries without providing, in any measure so predicated, a power in some official in order to preserve our revenues and industries and correct errors made to change its provisions with a swiftness equal to that possessed by other nations, and adequate of the ever-changing values upon which the act is based, with the attendant necessarily disastrous results.

From the foregoing it is respectfully submitted that it is entirely competent for the Congress to lay import duties, in terms

of "facts" or "state of things," and empower some official or tribunal to ascertain and proclaim those facts or that state of things and the equivalent duty whereupon the same shall be collected.

The question has been suggested whether or not, should sections 315, 316, and 317 be held unconstitutional, that would render invalid the whole act. That question would seem to have been conclusively answered in Field *v.* Clark, *supra*, pages 695–696, and the authorities therein cited and quoted. By that appeal there was also challenged the constitutionality of paragraph 231, section 1, of the tariff act of 1890 granting bounties upon sugar produced in the United States (26 Stat. L., 567–583).

The court dismissed consideration of section 8 of the act herein reviewed, saying:

"The court is of opinion that the third section of the act of October 1, 1890, is not liable to the objection that it transfers legislative and treaty-making power to the President. Even if it were, it would not, by any means, follow that other parts of the act, those which directly imposed duties upon articles imported, would be inoperative. But we need not in this connection enter upon the consideration of that question."

And then obviously proceeded to give its reasons in another, the following, connection, as follows:

"Appellants contend that Congress has no power to appropriate money from the Treasury for the payment of these bounties, and that the provisions for them have such connection with the system established by the act of 1890 that the entire act must be held inoperative and void. The question of constitutional power thus raised depends principally, if not altogether, upon the scope and effect of that clause of the Constitution giving Congress power 'to lay and collect taxes, duties, imposts, and excises, to pay the debts, and provide for the common defense and general welfare of the United States.' (Art. I, sec. 8.)

"It would be difficult to suggest a question of larger importance or one the decision of which would be more far-reaching. But the argument that the validity of the entire act depends upon the validity of the bounty clause *is so obviously founded in error* that we should not be justified in giving the question of constitutional power here raised that extended examination which a question of such gravity would, under some circumstances, demand. Even if the position of the appellants with respect to the power of Congress to pay these bounties were sustained, it is clear that the parts of the act in which they are interested, namely, those laying duties upon articles imported, would remain in force. 'It is an elementary principle,' this court has said, 'that the same statute may be in part constitutional and in part unconstitutional, and that if the parts are *wholly independent of each other that which is constitutional may stand, while that which is unconstitutional will be rejected.*' (Allen *v.* Louisiana, 103 U. S. 80, 83.) And in Huntington *v.* Worthen (120 U. S. 97, 102) Mr. Justice Field, speaking for the court, said:

"'It is only when different clauses of an act are *so dependent upon each other that it is evident the legislature would not have enacted one of them without the other*—as when the two things provided are *necessary parts* of one system—that the whole act will fall with the invalidity of one clause. *When there is no such connection and dependency, the act will stand, though different parts of it* are rejected.' It can not be said to be evident that the provisions imposing duties on imported articles are so connected with or dependent upon those giving bounties upon the production of sugars in this country that the former would not have been adopted except in connection with the latter. Undoubtedly the object of the act was not only to raise revenue for the support of the Government but to so exert the power of laying and collecting taxes and duties as to encourage domestic manufactures and industries of different kinds, upon the success of which, the promoters of the act claimed, materially depended the national prosperity and the national safety. But it can not be assumed, *nor can it be made to appear from the act*, that the provisions imposing duties on imported articles *would not have been adopted except* in connection with the clause giving bounties on the production of sugar in this country. *These different parts of the act, in respect to their operation, have no legal connection whatever with each other.* They are entirely separable in their nature, and, in law, are wholly independent of each other. One relates to the imposition of duties upon imported articles; the other to the appropriation of money from the Treasury for bounties on articles produced in this country. While, in a general sense, both may be said to be parts of a system, neither the words nor the general scope of the act justifies the belief that Congress intended they should operate as a whole, and not separately, for the purpose of accomplishing the objects for which they were respectively designed. *Unless it be impossible to avoid it, a general revenue statute should never be declared inoperative in all its parts because a particular part relating to a distinct subject may be invalid.* A different rule might be disastrous to the financial operations of the Government, and produce the utmost confusion in the business of the entire country."

And so it clearly can be said of these amendments that the bill is complete without them, could stand as such in their absence and, in fact, without them its integrity be the more secure. The question appears so well settled that further discussion would seem unwarranted.

Mr. McCUMBER. Mr. President, I think that is all I desire to say at this time.

Mr. WALSH of Montana. Mr. President——

Mr. SIMMONS. If the Senator thinks there is any difference in legal contemplation between the authority given the President to increase the rates of duty within the limits of 50 per cent and the authority given the President to set aside the law which provides for foreign valuation and proclaim the American valuation, I would be very glad to have the Senator's views with reference to that distinction.

To my mind, there is a very marked distinction between the power which is intended to be given to the President with reference to the raising of rates and the power given to the President to nullify or to a certain extent set aside the application of the law providing for foreign valuation and substituting therefor American valuation. In other words, in one case we are authorizing the President to carry out the law of Congress and furnishing him a rule by which he may carry out that law increasing the rate, and in the other case we are authorizing the President to set aside a specific enactment of Congress—namely, that fixing the foreign valuation as the basis for the purpose of levying taxes—and substituting therefor the American valuation, a valuation which is not anywhere enacted into law and which does not appear upon the statute books. I should like to ask the Senator from North Dakota if he does not think that possibly presents a different legal question from the one which he has been so ably discussing?

Mr. McCUMBER. Mr. President, with the permission of the Senator from Montana [Mr. WALSH]——

The PRESIDING OFFICER. The Senator from North Dakota still has the floor, the Senator from North Carolina desiring to ask him a question. After the Senator from North Dakota shall have answered the question of the Senator from North Carolina, the Chair will recognize the Senator from Montana.

Mr. McCUMBER. Mr. President, I shall now very briefly answer the Senator from North Carolina. There is no difference whatever in the character of the power delegated, whether it is delegated to make rates which are based upon the foreign valuation basis or upon the American valuation basis; the authority is exactly the same in either case. We have a provision in the proposed law for ascertaining the values of products in a foreign country. We can not always ascertain their value with precision and ascertain for what they are sold. They may be articles, for instance, that are not sold at all in the foreign country and which are imported only into the United States for sale. We have got to fix rates of duty upon articles of that character. Therefore we have a provision in the proposed law to meet such cases. We define the American valuation basis in section 402, subdivision (j). Subdivision (b) of section 315 provides that the American valuation shall be adopted when the foreign valuation, together with the power to increase rates 50 per cent, will not effectuate an equalization in conditions of competition.

Now, let me illustrate this by a single case. Here, we will say, is an article which is produced in Great Britain, which costs $1, and we put upon it a duty of 25 per cent. We find that the American article is put on the American market and may be sold only at a reasonable profit for $1.50. If the President is to take the foreign valuation, he may increase the rate provided of 25 per cent, which would be 25 cents, to the extent of 50 per cent of 25 cents, which would be 12½ cents, making the rate 37½ per cent; but he finds that 37½ per cent does not measure up to that which is necessary in order to equalize the difference, that it would require 50 per cent to do so. Therefore he is authorized to take the American valuation as a basis in determining what the rate may be.

Mr. NICHOLSON. Mr. President, will the Senator from North Dakota yield to me for a question?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Colorado?

Mr. McCUMBER. I yield.

Mr. NICHOLSON. I was unavoidably absent from the Chamber during the major part of the Senator's address concerning the pending question, and therefore desire now to ask him a question. Where we have in the proposed law fixed specific rates and ad valorem rates, does the power proposed to be conferred upon the President go to the extent of giving him the right to change specific duties?

Mr. McCUMBER. It is proposed that the President may change specific duties to ad valorem duties or he may change ad valorem duties to specific duties, always bearing in mind that the final ad valorem duty which may be fixed shall not bring about the imposition of a duty that is an increase beyond 50 per cent of either the ad valorem or the specific or the compound duty.

Mr. NICHOLSON. Is it proposed in the pending legislation to confer upon the President a like right to reduce a duty within a limit of 50 per cent as well as to increase it within a limit of 50 per cent?

Mr. McCUMBER. Yes; under the proposed legislation the President would also have authority to reduce a duty within the limit of 50 per cent.

Mr. CURTIS. Mr. President, I merely wish to ask the chairman of the committee if he will not ask that his amendment may be printed for the use of the Senate? When the amendment was presented this morning it was not ordered to be printed, and we have only the committee print. I am told by the officers of the Senate that many requests are being made for copies of the amendment.

Mr. McCUMBER. If the Senator from Kansas will make the request that the amendment may be printed I shall be glad.

Mr. CURTIS. I request that the amendment offered this morning by the Senator from North Dakota, which we have been discussing, may be printed.

The PRESIDING OFFICER. The Senator from Kansas asks unanimous consent that the amendment proposed by the Senator from North Dakota may be printed. Without objection, it is so ordered.

Mr. WALSH of Montana. Mr. President——

Mr. LENROOT. Mr. President, will the Senator from Montana yield to me in order that I may offer an amendment so as to have it pending?

The PRESIDING OFFICER. The Chair will recognize the Senator from Wisconsin for that purpose. The Senator from Wisconsin offers an amendment, which will be printed and lie on the table.

Mr. LENROOT. I desire that it may be the pending amendment. It is an amendment to the committee amendment.

Mr. TOWNSEND. I ask that the amendment proposed by the Senator from Wisconsin to the committee amendment may be read.

The PRESIDING OFFICER. The Secretary will read the amendment to the amendment.

The READING CLERK. It is proposed wherever the words "conditions of competition" occur in the pending amendment that they be stricken out and that in lieu thereof the words "cost of production" be inserted.

The PRESIDING OFFICER. The amendment proposed by the Senator from Wisconsin to the committee amendment will be printed.

Mr. WALSH of Montana. Mr. President, on a former occasion I addressed the Senate on the features of the bill now under consideration and argued that they are violative of constitutional principles. I shall to-day review at least in outline the argument then made; but, before proceeding to that discussion, I desire to submit some very general observations touching the policy of these amendments.

Whatever doubt may be entertained by anyone concerning the constitutionality of the amendments under consideration, no doubt ought to exist in the mind of anyone, in my judgment, as to their unwisdom. Their stoutest defenders will probably disclaim any attachment whatever to the principle they represent as a feature of a permanent tariff policy; indeed, they hasten to convey the assurance that, were it not for the chaotic business conditions which prevail throughout the world and the instability of foreign exchange, they could not be induced to embrace it or even to tolerate it. Some apology, Mr. President, is certainly in order for such an astounding delegation of the functions of Congress to the Executive, vesting him with an authority no constitutional monarch may exercise, in character quite like that for the assumption of which kings have been brought to the block.

No emergency, however grave, can justify the surrender into the hands of the President of the taxing power intrusted by the people to their representatives in Congress, no matter how profound may be his statesmanship or how exalted may be the character of the man who for a brief period may be elevated to that high office. If this encroachment upon the liberties of the people is either sanctioned or condoned, there is no man wise enough nor prescient enough to foresee the ultimate consequences.

It is said that an exigency exists demanding this departure from the settled policy of our Government. Our skies are never wholly clear; emergencies continually confront us, and when they are wanting an ambitious President or an indolent or subservient Congress will have no difficulty whatever in conjuring up such.

The revered fathers of our Republic were very deeply apprehensive concerning the likelihood that the President, in view of the extensive powers they were reposing in him, and particularly of the enormous patronage at his disposal, might exercise an undue influence over the action of Congress. They took pains to insert in the great charter which they gave us some provisions which were intended to guard against or to mitigate that evil. They would have been horrified at the idea of conferring on the President of the United States the power to impose customs duties, to raise customs duties, to lower customs duties, carrying with it the opportunity to ruin or enrich the citizen, to shower wealth upon him the like of which Croesus never knew or Monte Cristo ever dreamed of. There would be more terror, Mr. President, to the business man in the presidential frown if this provision become a law than was ever occasioned by a general bank panic. There would be a new significance to him in the plaint of Wolsey:

> O, how wretched
> Is that poor man that hangs on princes' favors!

An unscrupulous political leader, presumed to have some influence at the White House, particularly if the incumbent were a candidate for reelection, would find in a law of that character a convenient instrument for fat-frying purposes, a resource of such rich possibilities as no campaign manager ever commanded in this country or in any other. At its worst a law of that character would be a menace to the perpetuity of our institutions, and at its best it would be a constant, ever-present obstacle to the stability of industrial conditions, an element of uncertainty in any calculations the business man might make concerning his future operations in any enterprise affected by tariff rates.

This bill has now been before the Congress for something like 16 months. It may be before the President for his signature by the 1st of October next, or it may, by reason of a disagreement among the conferees—the two Houses being understood to be at variance with respect to a very important principle of the bill—go over the session; but whenever it becomes a law uncertainty will still confront the cautious manufacturer or other producer. His calculations as to his future operations may be upset any day by a presidential order affecting rates that react on his business. Even the filing of a complaint asking an increase or a reduction of rates inspired by private malice or the work of some meddlesome Mattie or in an honest, commendable purpose by citizens injuriously affected to relieve themselves from burdens will constrain him to conservatism in his operations. Thus the wheels of industry will be checked, and the chilling effect which this act must inevitably have upon our foreign trade reflected on industry here will be intensified. Unfortunate, sir, as it may be that rates which are now fixed amid the shifting conditions which prevail should continue after normal times shall have demonstrated that the rates were too high or too low, it can scarcely be so disastrous as to have all the rates subject to change overnight.

I address myself now to the question of the constitutionality of this extraordinary delegation of power. I shall, as I said, attempt to review only in outline the argument heretofore made with respect to the matter. All concede the general principle that legislative power can not be delegated; that the representatives of the people, chosen for the purpose of making the laws, must make those laws and can not delegate that power to anyone else. That certain powers may be delegated to administrative officers and executive officers, however, is not open to doubt.

The Finance Committee, in their original report upon this bill, contented themselves with sayings that the powers here conferred are entirely justified by the case of Field *v.* Clark, reported in One hundred and forty-third United States. Apparently they are not so confident about that now. I have not had an opportunity to examine the briefs which have been submitted this morning—one, as we are told, by one of the judges of the Court of Customs Appeals. I can not refrain from expressing my surprise that a judge of a court before which the law will necessarily come

for consideration and construction should venture to advise in advance the Congress of the United States concerning the constitutionality of the measure or of any provisions in it.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from North Carolina?

Mr. WALSH of Montana. I do.

Mr. SIMMONS. I want to say to the Senator that I have been advised that he was one of the chief assistants in the framing of the law.

Mr. OVERMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the junior Senator from North Carolina?

Mr. WALSH of Montana. I yield.

Mr. OVERMAN. Do they say who that judge was?

Mr. WALSH of Montana. We were told that it was Judge De Vries of the Court of Customs Appeals, who advises us in advance that the law which he will be called upon to pass upon is a constitutional measure.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Ohio?

Mr. WALSH of Montana. I do.

Mr. POMERENE. Occupying, too, a life position. I am astonished that any judge occupying that position should come here as an advocate of legislation going to the fundamental principles of a finance bill.

Mr. WALSH of Montana. I was told, however, that the question had been investigated by the attorney for the Tariff Commission, and I have been very courteously furnished by the commission with a copy of an opinion by their official counsel, who reaches the conclusion that the legislation is constitutional. It starts out, however, with the following declaration:

> Field *v.* Clark (143 U. S. 649) does not decide the question whether rates as well as facts can be left to Executive determination. The law therein construed—section 3 of the tariff act of 1890—prescribed the rates of duty to be collected.

I think that proposition must be accepted on all hands, and it is important for the reason that not only is that case not a direct authority for the legality of the provisions under consideration, but the attention of the Senate has been called to no case arising under the legislation of Congress or arising under the legislation of the various States where the taxing power was ever delegated to any official whatever. Many delegations of power have been under review by the courts. There is such a wealth of learning on the subject that it is difficult for one without exhaustive study to follow understandingly the discussions of the courts in relation to it; but among them all, from beginning to end, there appears never to have been considered an attempt to delegate power, as it is attempted here, to an executive officer to fix tax rates; and it must necessarily follow either that the policy has been universally condemned, or else that the conviction is general that it is beyond the power of the legislature to do anything of the kind.

Mr. President, the mind most naturally and readily is directed to the statutes which authorize the Interstate Commerce Commission or other bodies of similar character to fix the rates, in the case of the Interstate Commerce Commission for the transport of passengers or freight, and in the case of public-service commissions generally the rates of the corporations under their supervision and direction. Upon reflection it must be conceded that there is a wide difference between the delegation of power of that character and the delegation of power to fix tax rates.

Mr. WATSON of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Georgia?

Mr. WALSH of Montana. I yield to the Senator.

Mr. WATSON of Georgia. The Senator who is addressing the body will, of course, see at once the difference between a delegation of power to legislate by the President within a definite limit and to a definite end and this peculiar delegation of power in which he is given a strictly judicial power. That is to say, he may hear and determine the question of raising a rate or lowering a rate, or adopting one method of valuation or adopting another. He may decide yea, or he may decide nay, and he is, therefore, gifted with a strictly judicial as well as legislative power. Therefore, I ask the attention of the Senator from Montana to the fact that in this bill—this minor portion of the bill, which will soon become the major portion of the bill in its power to devour the minor portions of it—the President is given the judicial power, the legislative power, and left the executive power; and therefore all three separated branches are united in him, and he is made truly a monarch.

Mr. WALSH of Montana. The observations of the Senator from Georgia are entirely pertinent and quite sound, Mr. President.

Now, I want to direct the attention of the Senate, if I can, to the difference between the cases to which reference has been made and the case that is before us.

In practically every case in which the delegation of power was sustained by the Supreme Court of the United States, reference is made to the impracticability or practically the impossibility of dealing with the question in any other way; and that is the foundation for the rule as laid down by the courts generally. We understand the general rule to be that legislative power can not be delegated, and yet everybody will realize that legislative power is delegated to municipalities and other subordinate divisions of the State, and that because from time immemorial delegations of power to exercise authority locally have been extended and sustained.

Mr. STERLING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from South Dakota?

Mr. WALSH of Montana. I do.

Mr. STERLING. Is not that, however, largely because there is no prohibition in the constitutions of the several States that delegate to municipalities legislative authority?

Mr. WALSH of Montana. No. As a rule, the constitutions of the various States declare that "all legislative power is hereby vested in the legislature."

Mr. STERLING. But is not this the rule—that unless the power is expressly prohibited in the State constitution the power exists on the part of the legislature, whereas with reference to the Federal Constitution power must be given, either expressly or impliedly, before it can be exercised?

Mr. WALSH of Montana. The distinction to which the Senator refers undoubtedly obtains; but when the constitution says "All legislative power is vested in the assembly," the assembly still may delegate power to local bodies, simply because that was the custom at the time the constitution was adopted; and such a provision is not to be understood as denying the power so to delegate authority. The power delegated will fall within that class—that is to say, where the power to delegate exists by virtue of a long-established custom—or else it exists by virtue of the fact that it is impracticable to deal with the problem in any other way.

For instance, in the case of United States against Grimaud, reported in Two hundred and twentieth United States Reports, in which the statute authorizing the Secretary of Agriculture to establish rules and regulations governing the forest reserves was under consideration, the court said:

> In the nature of things it was *impracticable* for Congress to provide general regulations for these various and varying details of management. Each reservation had its peculiar and special features, and in authorizing the Secretary of Agriculture to meet these local conditions Congress was merely conferring administrative functions upon an agent, and not delegating to him legislative power (220 U. S. 516).

Senators will observe that it says:

> In the nature of things it was impracticable for Congress to provide general regulations.

Reference has been made to the case of Buttfield against Stranahan, to which I shall refer again, in which the court said:

> To deny the power to Congress to delegate such a duty (to fix tea standards) would in effect amount to declaring that the plenary power vested in Congress to regulate foreign commerce *could not be efficaciously exerted.*

So, likewise in a very learned opinion rendered in a Florida case, the court said:

> The complex and ever-changing conditions that attend or affect the performance of the useful public service rendered by common carriers make it *impracticable* for the legislature to prescribe all the necessary rules and regulations.

Reference was made by the distinguished Senator from North Dakota to the case of the Union Bridge Co. against the United States, to which I shall recur hereafter. In that case the court said:

> But investigations by Congress as to each particular bridge alleged to constitute an unreasonable obstruction to free navigation and direct legislation covering each case, separately, would be *impracticable* in view of the vast and varied interests which require national legislation from time to time.

So, Mr. President, it must appear, in order to warrant a delegation of power of this character, that it is impracticable, almost impossible, for Congress to enact the necessary legislation to meet the situation. But what can be said in that regard with respect to the levying of customs duties? It is not impracticable to do it at all, because we are actually doing it now, and we have done it without delegating power to any extent since the commencement of our Government in 1789,

One of the first statutes passed by the Congress of the United States was a law for the purpose of raising revenue by the imposition of customs duties in which the rates were specifically prescribed, and from that time down to this Congress has done the same thing. So it can not be said that it is impracticable for Congress to legislate upon this particular subject.

In addition to that, all the authorities agree that wherever power of this kind is delegated to an administrative officer it is subject to review by the courts, in order to determine whether the law has been followed and complied with or not, and if provision is not made, or provision does not exist, for such a review in the courts the act can not be sustained.

That principle has been recognized in all of our legislation. The Interstate Commerce Commission is authorized to fix railroad rates, and to do many other things in connection with the operation of railroads and common carriers generally; but every order it makes is subject to review in the courts, as provided in the act.

In exactly the same way, when we authorized the Federal Trade Commission to issue an order commanding any person complained of to desist from practices in trade alleged to be unfair, an opportunity was given to review in the courts the decision thus made by it, that it might be set aside if the facts did not justify the order that was made.

So we gave a power of review in the case of the "packer" legislation. It becomes necessary, therefore, every time we thus delegate power to fix rates of any kind, or to make any rule or order affecting the rights of a citizen, to give him an opportunity to go into the courts to review any action taken under the power granted and to have it annulled if it shall be oppressive in any way or contrary to the rule laid down by the statute. I want to advert to what is said in a few of the authorities upon that question.

I refer, first, to the Florida case, to which I adverted a few moments ago. It is there said:

> In a number of well-considered cases it has been distinctly held that where a valid statute, complete in itself, enacts the general outlines of a governmental scheme or policy or purpose and confers upon officials charged with the duty of assisting in administering the law authority to make, within designated limitations *and subject to judicial review*, rules and regulations, or to ascertain facts upon which the statute by its own terms operates in carrying out the legislative purpose, such authority is not an unconstitutional delegation of legislative power. (Pp. 649–650.)

In a very learned discussion of this subject of the delegation of legislative power by the late Justice Timlin, of the Supreme Court of the State of Wisconsin, the conditions which justify a delegation of power by the legislative branch are set out as follows:

> The delegated power must be limited either locally or to a particular subject matter, as, for instance, the regulation of a specified corporation, department, or bureau; and when exercised be of a lesser degree of conclusiveness than a statute; that is to say, *subject to judicial review as to its reasonableness, fairness, and impartiality.*

So that such a review is an essential feature of any delegation of power proper to be exercised by the legislature. Wanting here, it necessarily follows that the provisions under consideration can not be sustained.

But not only is it wanting here, but the President of the United States is not amenable to suit by any private citizen upon any question arising under the administration of his high office, as has been repeatedly determined by the Supreme Court. Indeed, it is doubtful whether Congress could authorize the bringing of a suit against the President of the United States for any act done in his official capacity. Moreover, he is not subject to the process of subpœna to bring him into court to disclose the facts upon which his decision is founded. He is not even obliged, under the statute, to write an opinion disclosing what information he had upon the subject, or how he arrived at the conclusion which he has announced.

Another feature of the case is equally difficult. It has been admitted in the course of the argument that if power be delegated by Congress to an administrative officer to fix rates or to establish regulations it must lay down some definite rule which must be followed by the officer so empowered. He can not be intrusted with discretion to follow one policy or to follow another policy as he may see fit and as he thinks would best subserve the public interests. The policy is to be declared by Congress, and he must walk in the line that is laid down by Congress.

Under the act in question the President, when he finds upon investigation that the rates fixed by the bill do not equalize conditions in competition, is authorized to do any one of four different things. In the first place he may raise or lower the rates. In the second place he may change the classification. In the third place he may change the form of the duty from ad valorem to specific or from specific to ad valorem. Fourth, he may substitute the American valuation for the foreign valuation. Any one of those four things he is at liberty to do as, in his judgment, will best promote the public interest.

Let me illustrate the principle to which we here appeal. It is disclosed very clearly in two cases arising in the State of Wisconsin. A statute was passed by the legislature of that State which authorized the judge of one of the courts, the circuit court, I think, to issue a charter or certificate of incorporation to a village complying with its requirements. It was necessary to submit a map of the territory, a census of the population, and a statement of the resources of the municipality to be. Then it was declared that, considering those things, if the court believed it to be in the public interest that the charter should be granted he should issue the same.

That statute was held void because the power could not be reposed in the judge of the court to determine what is or what is not in the public interest. The statute was then amended so as to provide that whenever there was laid before the circuit judge a map of the territory and a census of the region to be incorporated in the city and he found that otherwise the application conformed to the law he was to issue the charter. In other words, he had nothing to do except to determine what the facts were, and if he found the facts to be as prescribed in the statute then he should issue the charter. So here, Mr. President, we can not under any circumstances repose in an administrative or an executive officer the power to say which one of two or three or four different courses it would be the wiser or the better to pursue.

Mr. WATSON of Indiana. Would the Senator mind stating the case he just cited?

Mr. WALSH of Montana. The first case is the case of In re Incorporation of Village of North Milwaukee (93 Wis. 616); the later case is State *v.* Lammers (113 Wis. 398).

I am not unmindful of the argument made by the Senator from North Dakota to the effect that whichever one of these four courses the President takes under the power granted, he is governed and controlled by the provision that it must be for the purpose of equalizing the differences in competition in trade; that that is the end to be attained, although he may reach the end by any one of these four different routes. But that does not answer the contention at all.

Of course, the purpose is, as declared in the statute, to bring about equality in conditions of competition as between a foreign product and a domestic product. But he may follow any one of these four courses with a view to attain that end, and he will follow that course which to his mind most accurately or most nearly or most effectively brings about that end.

It is a question of policy as to which one of them will most effectively and accurately bring about the result. Since we began enacting customs laws, down to this good hour, there has always been a controversy as to whether certain rates should be specific or whether they should be ad valorem. It is a question of very delicate and oftentimes profound policy, and scarcely a tariff bill comes before Congress for consideration which does not give occasion to spirited debate between the advocates of the one way of arriving at equality in conditions rather than the other way.

Everybody understands how these things operate. The President to-day finds that a certain specific rate will equalize conditions as they now exist at this very hour, but, of course, if the price of the commodity goes down the duty goes down with the ad valorem rate, whereas in a case of the specific rate, whatever changes may ensue, that rate remains the same. So that it is not a question of arriving at just exactly what will equalize conditions to-day, but to-morrow and the next day. In the consideration of the bill the Senate struck out a provision fixing an ad valorem rate upon importations of wool, because they desired to give the woolgrower the amount of protection which was intended to be accorded him whether the price went up or went down. Thus it becomes a question of policy. So, too, changing the commodity from one paragraph to another paragraph involves a matter of judgment and discretion, a matter of policy upon the one side or upon the other. That is a fatal feature of the amendment under consideration that has no counterpart whatever in any of the statutes under consideration in the cases to which reference was made by the distinguished Senator from North Dakota.

But finally, Mr. President, all concede that whenever a delegation of power is made it becomes necessary for the Congress to lay down a clear, precise rule which can be followed, so that the condition upon which action is to be predicated can be ascertained with a reasonable degree of accuracy. I have not seen that principle expressed more pointedly or more clearly

than by Judge Willoughby in his celebrated work on the Constitution, in that part of it in which he considers the case of Field *v.* Clark. He there said as follows:

The court can not delegate its power to make a law, but it can make a law to delegate a power to determine some fact or state of things upon which the law makes, or intends to make, its own action depend. To deny this would be to stop the wheels of government. There are many things upon which wise and useful legislation must depend which can not be known to the lawmaking power, and must therefore be a subject of inquiry and determination outside of the halls of legislation.

The doctrine thus declared is without objection so long *as the facts which are to determine the executive acts are such as may be precisely stated by the legislature and certainly ascertained by the executive.*

The facts must be such as may be "precisely stated by the legislature" and exactly "determined by the executive." Now, what is the rule laid down here? It is that the rates shall be fixed "so as to equalize the differences in conditions of competition." The duty shall be fixed at such rate as shall equalize the differences in the conditions of competition. We are not unfamiliar with the contention frequently made in this Chamber, and not at all unpopular throughout the country, that rates should be fixed at the difference in the cost of production here and abroad. The committee have chosen to discard that old and somewhat well-known rule—sustained somewhat generally by public opinion. They have chosen to substitute some other rule. They want some other test than that thus declared or, of course, they would have used the very language in which it has been customarily expressed. Thus, Mr. President, the Republican platform in 1908 declared as follows:

In all tariff legislation the true principle of protection is best maintained by the imposition of such duties as will equal the difference between the cost of production at home and abroad, together with a reasonable profit to American industries.

The last clause, "together with a reasonable profit to American industries," was added in that platform in 1908 to the principle as it had theretofore been advocated within and without this Chamber.

As I understand the amendment offered by the senior Senator from New Jersey [Mr. FRELINGHUYSEN]—I have not had an opportunity to examine the amendment offered to-day, but the amendment heretofore offered by him—it was in strict conformity with the principles thus so frequently supported, namely, the difference in what he speaks of as the conversion cost—that is to say, as he explained, the difference in the cost of production at home and abroad. I shall advert to this presently.

I am calling attention to the fact that the Senate Committee on Finance, in the amendments which they have tendered to us, do not choose to follow, for some reason or other, the well-supported rule to which I have adverted. But if they did do so, let us consider for a moment about what that means. How shall the President ascertain the difference in the cost of production at home and abroad and fix a rate which shall equal such difference? As pointed out in the discussion of the subject this morning, the cost of production varies in different countries. It has been disclosed in the debates time and again that at the present time Germany, with respect to many commodities, can produce at a cost much less than other competing European countries or perhaps even Asiatic countries. When the President goes to ascertain what is the difference in the cost of production between this country and the countries abroad, which country shall he take as his guide? Shall he fix the rate at what will equalize the difference in competition between this country and Germany, or between this country and France, or between this country and England, or shall he average them all and govern himself accordingly?

But we do not end our difficulties there. As pointed out, if the rates were fixed at such a figure as would take care of the differences in the conditions of competition between this country and Germany, they would have to be so high that all importations from other European countries would be excluded and we would give to Germany a monopoly of our foreign trade in this country. So it is, Mr. President, with respect to individuals in the same country. I have no doubt that the same conditions exist in Germany and in this country. Some of our manufacturers are able to produce their products at a much less price than their domestic competitors. Mr. Gary stated some time ago that the United States Steel Corporation is able to produce steel at $5 a ton less than any competing independent company in this country. When we come to consider the difference in the cost of production shall we take as the standard the foreigner who has the highest cost of production or shall we take as the test the foreigner who has the lowest cost of production?

So with the other factor, the cost in the United States, shall we take the producer who has the most efficient plant, the greatest business organization, the most highly developed system, or shall we take the man who operates in a small way, whose costs are high, whose plant is inefficient, and so on? In other words, what the Congress may do easily it is simply impossible for the President to do under such a rule as is suggested. That is to say, the Congress is not obliged to be logical. We may fix any rate we see fit and we may solve the situation when it is utterly impossible for the Executive or an administrative officer to do it. But when we come to consider the question before us under the rule which is prescribed by the committee, we are involved in difficulties compared with which those to which I have heretofore adverted are slight indeed. The test it proposes is the differences in the conditions of competition. Now that involves something more, obviously, than the differences in the cost of production. But what more does it involve?

At an early stage of the debate the Senator from North Dakota [Mr. MCCUMBER] said the guiding principle which actuated the Finance Committee in fixing rates in the bill was to fix them at such an amount as would equalize the difference in the cost of production plus the cost of transportation to this country. Well, either under that rule or under the general statement that the rates must be fixed so as to equalize the differences in conditions of competition, how can we avoid taking into consideration the cost of transportation in this country from the point of production to the point of consumption? Take manganese, for instance, produced in my State and throughout the Western States. A small duty was put upon manganese equal possibly to the difference in the cost of production in this country and in Cuba or Brazil, but by no means high enough to equal the difference in the cost of transportation from the mines of the West to the consuming centers in the East as compared with the cost of transportation from the countries of foreign production. That is one of the conditions of competition.

Will the President be obliged to take into consideration those differences in the cost of transportation in order to arrive at what rate will equalize the differences in conditions of competition? That is one of the conditions of competition. But if that is the case, taking manganese again for the purpose of illustration, from what point to what point will he calculate the cost of transportation? Shall he take into consideration the difference in the cost of transportation from Butte to Duluth or from San Francisco to Pittsburgh or from Denver to Birmingham? We immediately get an impossible problem which is presented to the President by the rule.

But there is more than that. The committee have given us a detailed rule from which to determine the significance and meaning of the general rule to which I have adverted before. Thus—

(c) In ascertaining the differences in conditions of competition, under the provisions of subdivisions (a) and (b) of this section, the President, in so far as he finds it practicable, shall take into consideration (1) the differences in conditions in production, including wages, costs of material, and other items in costs of production of such or similar merchandise in the United States and in competing foreign countries—

Now it will be observed that this is a frank abandonment of the old rule of difference in the cost of production, as the President may go further under this rule and take into consideration—

(2) the differences in the wholesale selling prices of domestic and foreign merchandise in the principal markets of the United States, but in considering prices as factors in ascertaining differences in conditions of competition, only reasonable profits shall be allowed.

Now there is a very important consideration. That gets us to the rule which was laid down in the Republican platform of 1908, that tariff rates should not only cover the differences in competition but also be high enough to give the American manufacturer a reasonable profit upon his goods. Of course, everybody understands that the European manufacturer, as a rule, is content with a lower rate of profit than is the American manufacturer. I am glad it is so. We in this country are not satisfied with the living conditions which prevail in Europe, neither are our energetic and enterprising people satisfied with the small margin of profit which manufacturers in Europe, as a rule, realize from their business. When, however, the President is called upon to determine what is a reasonable profit, what guide has he? A reasonable profit in one line of business might be 5, 6, or 7 per cent, but it would be entirely inadequate in another line of business. In respect to one commodity the profit ought to be very high, while with respect to another it ought to be extremely low, as in the case of staple commodities. How then is the President to determine what is a reasonable profit upon any particular commodity?

Moreover, Mr. President, the same man often handles a long line of goods. Take steel manufacturers, for instance. When it comes to a rate of duty that ought to be imposed upon some particular commodity, how can the President determine what

the rate of duty should be in order that there should be a reasonable profit upon the sale of a particular commodity?

Subdivision 3 of this section of the amendment, giving the element to be considered, continues:

Any other advantages or disadvantages in competition.

Mr. President, that was a little different in the original draft as it came before. In that draft it was as follows:

(c) That in any investigation provided for in this section account may be taken of the price at which like or similar merchandise is sold in the United States and competing foreign countries, wages, prices of materials, and all other items in costs of production of such similar merchandise in the United States and competing foreign countries and any advantages of domestic and foreign producers in competitive trade, including laws and regulations affecting the same.

In other words, the President was obliged to convert into dollars and cents any advantage that might arise by reason of the laws of this country as compared with the laws of the competing country.

Mr. TOWNSEND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Seantor from Michigan?

Mr. WALSH of Montana. I yield.

Mr. TOWNSEND. I have not been in the Chamber all the morning and I am wondering if there has been any proposition presented to amend the provision with reference to this subject.

Mr. WALSH of Montana. The Senator from Wisconsin [Mr. LENROOT] has proposed an amendment to it.

Mr. TOWNSEND. Such an amendment has been offered?

Mr. WALSH of Montana. Yes.

Mr. President, it has been frequently charged on this floor that the rates have been fixed in the pending measure not in order to take care of the difference in the cost of production here and abroad but in order to insure to the American manufacturer the prices which he is now asking for his products; and apparently the President, under this rule, is required not only to take into consideration the difference in the cost of production here and abroad but he is also to consider the wholesale prices here and the wholesale prices abroad and to allow that element to enter into his computation of what is the rate that will equalize the difference in competition here and abroad.

However, Mr. President, let us get back to the rule of the amendment as it has finally come before us. No change is really made in the meaning by the excision of the words "including laws and regulations affecting the same." The language of the pending proposal is exceedingly broad—"any other advantages or disadvantages in competition." Why will not that include the difference in the cost of transportation? Take manganese again for the purpose of illustration. It is brought here from Brazil or from Cuba in ballast at practically no cost at all. On the other hand, the American producer is obliged to pay the exorbitant, and I might even say the extortionate, freight rates to carry his products clear across the continent. So the conditions of competition are such that he can not compete with the foreign producer; yet here the President is obliged to take into consideration any advantage and to fix the rate at such a figure as will absolutely equalize the differences in the conditions of competition, though the Congress has refused expressly to fix the rates so high.

Let us go a little further, Mr. President. Everybody realizes that many elements enter into the matter of competition between traders in the same commodity. Many goods sell in this country—particularly women's clothes and perhaps also fabrics of various kinds that are of foreign make—simply because they are of foreign make. One goes to a tailor, who tells him, "Here is a domestic piece of goods, and here is one of foreign manufacture." The price is fixed upon both, but the tailor calls attention to the fact that the one piece is foreign goods, expecting that that will attract the customer, who will pay a higher price for that kind of goods. No one can gainsay the fact that because many articles are of foreign manufacture they command a higher price upon the American market. How shall the President convert the advantage which the foreigner has because his goods are of foreign make into dollars and cents and thus determine the rate which he is called upon to fix?

The amendment as originally drawn provided that the President was to take into consideration any advantage arising from the laws. That language is not found in the proposition as it is amended. It now reads "any other advantages," but it is really here in effect, although not so expressly stated.

It is contended that the foreign manufacturer and foreign producer of goods have a decided advantage over our producers in this country because the manufacturers and producers in foreign countries are allowed to combine, while our manufacturers and producers are forbidden to combine, an advantage which must be converted likewise by the President into dollars and cents in order to arrive at the rate which will actually equalize competitive conditions.

A multitude of factors enter into competition that defy reduction to a mathematical basis.

Mr. EDGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from New Jersey?

Mr. WALSH of Montana. I yield.

Mr. EDGE. If the authority is delegated at all to the President to review and take into consideration possible changes in tariff duties, does the Senator contend that the latitude should not be sufficiently comprehensive to enable the President at least to weigh any possible advantages or disadvantages, whatever they might be, in order to reach a logical and proper conclusion?

Mr. WALSH of Montana. No; I do not so contend. I should say that, if we were going to lodge the power in the President at all, we ought not to tie him down by any hard and fast rule, but we ought to allow him to attack the problem exactly the same as Congress attacks the problem and give consideration to everything which would be pertinent to the question before us. However, the point I am making is that when that is done the Constitution is violated.

Mr. EDGE. Leaving aside the constitutional question, which I can not discuss, do not the general terms of the language, as well as the specific meaning of the words "other advantages or disadvantages in competition," tend to give the President just exactly that authority in order to enable him to discover everything that might possibly affect the determination of the rates?

Mr. WALSH of Montana. The Senator will understand that I am not finding any fault with that as a matter of policy.

Mr. EDGE. I thought the Senator was.

Mr. WALSH of Montana. Oh, no; I am arguing now that it is proposed to lay down an impossible rule; the President can not carry it out.

The PRESIDING OFFICER. If the Senator from Montana will suspend for a moment, the Chair feels that he should advise him that he has used his hour on the paragraph. Under the ruling of the Chair the Senator is at liberty to consume an hour on the amendment pending.

Mr. WALSH of Montana. Mr. President, before concluding I desire to advert to a few of the cases which, in the judgment of the chairman of the Finance Committee, warrant this delegation of power.

Mr. BORAH. Mr. President, before the Senator proceeds to that discussion will he permit me to interrupt him?

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Idaho?

Mr. WALSH of Montana. I yield.

Mr. BORAH. As I view this authorization to the President, he may under the power conferred, assuming that it is constitutional—and I will leave that question out of consideration for the moment—practically remake this entire tariff bill?

Mr. WALSH of Montana. Within a range of 50 per cent.

Mr. BORAH. Yes; but within the wide discretion which he has as to investigation, and so forth, 50 per cent is only in a sense a limitation. A President who believed in a very low tariff could give us a tariff law imposing very low tariff rates, while a President, on the other hand, who believed in a very high protective tariff could give us a very high protective tariff law under the discretion which is proposed to be lodged in him.

Mr. WALSH of Montana. There is no doubt about that.

Mr. BORAH. So that he could practically make the entire tariff law.

Mr. WALSH of Montana. There is no doubt about it; that is the point I am making, that no two men will be able to take this rule, either as it is expressed generally in the proposed statute or as it is expressed in detail, and arrive at exactly the same result. In other words, it becomes very largely a matter of predisposition and discretion on the part of the President. I also wish to call attention particularly to the proposition that no matter what the President does, no matter at what conclusion he arrives, whether the action taken by him does or whether it does not equalize the difference in conditions of competition, nobody can question his action; so that we really do invest him with perfectly unrestrained power to fix whatever rate he sees fit within the limit of 50 per cent.

Mr. LENROOT. Mr. President, will the Senator yield at that point?

Mr. WALSH of Montana. I yield.

Mr. LENROOT. May I suggest that two men might take the same factors into consideration and yet not arrive at exactly

the same results, but, under the pending amendment, the two men might not take into consideration the same factors, which would be a very different proposition.

Mr. WALSH of Montana. Yes; and we have seen the situation illustrated here on this floor time and again. Both sides of the Chamber have taken exactly the same facts and figures furnished them by the Tariff Commission, and one side would reach the conclusion that a rate of duty of 20 per cent would equalize the differences in the cost of production here and abroad, while the other side would maintain that the rate would have to be at least 50 per cent in order to equalize the difference.

Mr. LENROOT. My point is that where they are not required to take into consideration the same factors it makes it that much more indefinite.

Mr. WALSH of Montana. Exactly; and whenever the factors are thus doubtful——

Mr. BORAH. Mr. President, I do not want to take up the Senator's time, because I know it is limited. I merely wish to make a brief statement, in order that my position may not be misunderstood. I should like very much to see some kind of a tribunal created so that we could have tariff laws hereafter which were not made as the pending bill has been made; but I do not believe that it is wise policy, even if we had the constitutional power, to lodge this authority in the President, and I do not believe that we have the constitutional power to lodge it in the President so that the President could do really effective work in the way of making a tariff. I think it would be a wise thing if we could create some kind of a commission and exhaust the power of Congress in that commission to enable the commission to go as far as it possibly could under the Constitution in making a tariff law.

Mr. WALSH of Montana. I desire to say to the Senator that that will be under consideration immediately after the disposition of paragraphs 315, 316, and 317, upon the amendment tendered by the senior Senator from New Jersey [Mr. FRELINGHUYSEN] and the Senator from New Mexico [Mr. JONES], but I am in entire accord with the views now expressed by the Senator from Idaho. I also deplore this method of attempting to fix tariff rates. I am convinced, however, that the widest latitude that we can give to the Tariff Commission is to authorize them not only to find the facts but also to recommend to Congress the rates which they believe ought to be enacted, and then Congress can either enact those rates or depart from them, as they see fit. However, that is a matter which will come up directly.

Mr. President, much reliance seems to be placed by the Senator from North Dakota in support of his contention upon the bridge case, involving the statute which authorized the Secretary of War to direct the removal of an obstruction to navigation in one of the navigable streams unless the bridge were made to comply with the requirements laid down by him; but that is a very simple matter. The United States can prevent the occupation of a navigable stream by any kind of a structure. It can say that none shall be placed there at all; and having the power to say that no structure shall be placed there at all, of course, it can say, "You can place there only such a structure as is approved by the Secretary of War." But the court not only put its decision upon that ground but put it upon the ground to which I have heretofore adverted, namely, that it is impracticable to deal with the problem in any other way.

They say:

> By the statute in question Congress declared in effect that navigation should be freed from unreasonable obstructions arising from bridges of insufficient height, width of span, or other defects. It stopped, however, with this declaration of a general rule, and imposed upon the Secretary of War the duty of ascertaining what particular cases came within the rule prescribed by Congress, as well as the duty of enforcing the rule in such cases. In performing that duty the Secretary of War will only execute the clearly expressed will of Congress, and will not, in any true sense, exert legislative or judicial power. He could not be said to exercise strictly legislative or judicial power any more, for instance, than it could be said that executive officers exercise such power when, upon investigation, they ascertain whether a particular applicant for a pension belongs to a class of persons who, under the general rules prescribed by Congress, are entitled to pensions. If the principle for which the defendant contends received our approval, the conclusion could not be avoided that executive officers in all the departments, in carrying out the will of Congress as expressed in statutes enacted by it, have from the foundation of the National Government exercised and are now exercising powers as to mere details that are strictly legislative or judicial in their nature. This will be apparent upon an examination of the various statutes that confer authority upon executive departments in respect of the enforcement of the laws of the United States. Indeed, it is not too much to say that a denial to Congress of the right, under the Constitution, to delegate the power to determine some fact or the state of things upon which the enforcement of its enactment depends would be "to stop the wheels of government" and bring about confusion, if not paralysis, in the conduct of the public business.

Then reference was made to the case of Buttfield against Stranahan, the tea-standard case, considering a statute in which it was provided that the Secretary of Agriculture should fix standards of tea, and that if the teas did not come up to this standard they should be excluded from the country. But Congress has plenary power to exclude from this country any commodities that it may see fit. No one has any right to introduce commodities into this country from another country except by the express or the tacit permission of Congress, and Congress can lay down the conditions under which commodities may be imported from a foreign country, and may declare that teas can not be imported into this country unless they conform to the regulations of the Secretary of Agriculture. But I called attention awhile ago to the further declaration of the court in that case that it would be impracticable to legislate with respect to the matter except the power were thus delegated.

No answer whatever thus far, so far as I have been able to discover, has been made to the contention which I have advanced, that the power thus delegated, in order to be constitutional, must be subject to review by the courts in order to determine whether the statute was actually followed or was not followed by the legislative officer to whom the power had been intrusted.

The brief to which I called attention, though, prepared by counsel for the Tariff Commission, has the following to say about that:

> Nor does denial of appeal from the Executive action go to the essence of the constitutional question. Congress has the power to limit or prevent litigation in governmental matters, and has in fact made the decision of the Commissioner of Navigation final in the interpretation of laws relating to the collection and refund of tonnage taxes.

That refers, no doubt, to section 3 of a statute approved July 5, 1884:

> That the Commissioner of Navigation shall be charged with the supervision of the laws relating to the admeasurement of vessels, and the assigning of signal letters thereto, and of designating their official number; and on all questions of interpretation growing out of the execution of the laws relating to these subjects, and relating to the collection of tonnage tax, and to the refund of such tax when collected erroneously or illegally, his decision shall be final.

That is to say, the commissioner demands of a vessel owner the payment of a tonnage tax, and he has misconstrued the law and demanded of the shipowner more than the law requires him to pay. That statute has been given different constructions. A number of the courts have held that all that that statute means is that the Commissioner of Navigation, who is a subordinate of the Secretary of Commerce, shall determine the matter finally and that the question shall not go up to his chief. Another court has decided that it goes beyond that, and that it denies the man who has overpaid the right to go into court and demand a refund of the excess tax that he has paid. That the former decision is correct I can not entertain a doubt, because I can not believe that Congress ever intended to deny to the citizen the right to go into court to recover an excess tax which had been exacted of him by the collector. But, however that may be, even if the construction contended for is correct, it simply means this: The Government of the United States can not be sued except with its consent, and it refused to give its consent to be sued in this particular case. That is all that that decision amounts to. It does not by any means lay down the proposition that any legislation that Congress may enact, delegating power, is valid, even though there is no redress in the courts from oppressive action or action that does not follow the statute.

Mr. President, I recognize how futile it is to discuss questions of this kind in this body.

I entertain no doubt, from my past experience, that the decision of this very important question of constitutional law will follow almost exactly the votes upon other features of the bill. The division, in all probability, will be just exactly the same. However, I could not content myself without expressing my very pronounced conviction that this is an unwarranted action on the part of Congress, and that, as a matter of policy, it is vicious and most unwise.

Mr. EDGE. Mr. President, I have already briefly discussed the intent of the pending amendment, and I am going to take only a few moments of the time of the Senate to discuss it further.

Of course it is impossible for a layman to determine the constitutionality or unconstitutionality of the section proposed. I have great regard for the knowledge of the law possessed by my friend from Montana, and yet on this side of the Chamber many able lawyers are equally positive that the pending amendment is entirely constitutional. I recognize that we take an oath to support the Constitution. I do not know what a layman is to do under those circumstances but to try to assist in preparing and developing legislation, and if the question of constitutionality is raised, as it is being very seriously raised

in this important change in policy, then wait for the natural course of a decision from the Supreme Court, which I suppose in due time, should this become a part of the law, will be handed down. In the meantime it appeals to me that our activities should be along the line of endeavoring to organize machinery which will meet practically a situation which I think everyone will agree, whether questioning the constitutionality of the pending amendment or otherwise, should be met and must be met by some elasticity in the administration of tariff legislation or the imposition of tariff duties.

I assume, from the few words the Senator from Idaho uttered, that he is not in sympathy, and of course the Senator from Montana is not in sympathy, with this amendment; but they apparently both recognize that the present policy of administering the tariff could be greatly improved in order to meet the business and economic conditions which we must face, especially in these days, with much more frequent changes, much more seriously affecting our daily business life than perhaps ever before in the history of the country. Therefore, I am convinced that it is the duty of Congress to at least prepare the machinery. If it is unconstitutional we will be so informed in due time.

There seems to be no method—certainly no method has been suggested—whereby we can introduce elasticity in tariff schedules in order to meet rapidly changing conditions, other than the method suggested by the Committee on Finance. My colleague [Mr. FRELINGHUYSEN] proposes to go a step further, in an amendment already introduced, in order that an existing tribunal of the Government—the Tariff Commission—may be charged with securing and disseminating additional information upon which changes in tariff schedules can be based. I think the two taken together are not only necessary but they furnish a practical method through which we can to some extent, at least, meet a situation which I think we must all agree exists.

We have been laboring for months on a tariff bill. We have heard arguments on both sides, frequently inspired by sectional demands and conditions, all of which has gone to demonstrate the necessity for higher or lower schedules, and we have voted upon them time after time, time after time; and the bill is now, perhaps, three-quarters or seven-eighths passed so far as the individual schedules are concerned. Yet I know that we all feel that we have not sufficient information, speaking individually, to be equipped to vote very intelligently on the schedules as presented either by the committee or by individual amendments. The committee, I know, have worked hard and earnestly and zealously, and have secured all the information that it was possible to secure in order to guide them in presenting and suggesting the various schedules upon which we have acted; and yet we know that in these days, shortly after the Great War, when abnormal conditions exist throughout the world, it is absolutely impossible for any Congress to produce a tariff bill which will meet scientifically or semiscientifically the conditions which exist to-day.

We have been working for months, and in the two Houses for over a year, taken together, on tariff legislation. The country demands a solution of many other problems, and is entitled to it. Business awaits congressional action more than it has ever before in the history of the country awaited congressional action. It is unthinkable to anticipate a return to the consideration of tariff legislation in the near future, after this bill shall be disposed of. So what are we going to do when the bill is passed and becomes a law, so far as that great responsibility is concerned? If we do not erect or prepare some machinery to meet a situation which every one of us must know we will be asked to face, a change in conditions in countries abroad, in their manufacturing outputs, conditions of exchange, conditions of rehabilitation which will permit them to increase their products and their output, all of which affect prices and competition with our products—if we do not erect some machinery to meet a situation which will go to the very bedrock of the daily life of all classes of the people, then, in my judgment, we will not have fulfilled a very clear duty which confronts us.

Much of the criticism of the Senator from Montana seems to be predicated upon a possibility of the President of the United States, not necessarily abusing this great power, but being importuned by political representations and thus, perhaps without full knowledge, being induced to make a decision raising or lowering tariff duties which might not be based upon a full knowledge of the situation. It seems to me that if that criticism could be applied at all, it could be more justly applied to Congress. Here the Members of the Senate and of the other House, representing as they do certain subdivisions of the country, are approached on every hand by letter, committee, and otherwise, to particularly look after the interests of this or that manufacturing industry or other organization, and the Members of Congress naturally feel some individual responsibility to look after those requests. If the concentration of some qualified responsibility in the President should be carried out, it seems to me that the result, instead of inviting political control in the making of a tariff, would be just the opposite. The President is President of the entire country. He does not represent any particular congressional district, farming industry, or other activity. He must listen to any suggestions of a change of tariff, as the amendment clearly defines, with a careful consideration of the differences of conditions of competition, having power, of course—as it should be, in my judgment—to take into account and into consideration everything entering into that competition.

So any decisions made by the President of the United States would, it seems to me, be to a great extent removed from sectional control and influence, which everyone of us knows perfectly well have had much to do with the passage or defeat of many a schedule in the last three or four months of tariff consideration, and always will have.

I feel that that particular criticism is unjustified; if the amendment becomes a law I feel that it will result in a more general view being taken of the necessities of the tariff, perhaps bringing the East and West, the North and the South, nearer together in viewpoint; and the President of the United States having certain power, representing all sections of the country, those powers qualified by carefully defined amendments, in my judgment would help in providing a still more scientific tariff than could possibly be prepared in the ordinary and usual manner with all the labors and earnestness of any committee of the Senate.

Mr. President, this is the only suggestion of a provision which would be at all practicable and would permit of some elasticity, enabling us to meet the changed conditions which we know must frequently arise; and I think it is most important that it be included in the bill. We have attempted to write a bill with the knowledge that American valuations and foreign valuations are far apart because of the difference in value of the currencies of the various countries of the world.

I am perfectly well aware of the fact that they could be equalized by computing them in terms of the American valuation, but with countries like Germany, with the mark only in the last week depreciating several hundredths of a cent, and with all these changes coming almost overnight, for us to pass a hard and fast tariff bill, as we must necessarily do in the ordinary way, with no opportunity whatever to change it until it is brought back to Congress, would simply keep the industrial world of this country in a condition of unrest which would put further and further away the natural desire of the Members of both parties, on both sides of the Chamber, to encourage industry, and to bring employment to millions of men still looking for work. Senators, we well know a duty imposed to-day may be inadequate to-morrow. Must Congress continue giving consideration to the tariff to correct such admitted inequalities or shall we proceed as business men and remove the question, to some extent at least, from sectional or partisan debate? We provide the policy, certainly the President will not depart from it only to meet such inequalities.

So I feel that it is our duty to either adopt this or some other plan—and I have heard of no other plan—in order that the President of the United States, the only authority to whom the power could be delegated, can use his best judgment, under qualified restrictions, in meeting and helping solve this great problem.

Why should we fear to trust the President of the United States, a man elected by the direct votes of all the electors of the country? I do not like the disposition which seems to more or less prevail in these days of suspicion that we can not trust our public servants. If the time has arrived when we can not trust the President of the United States to use his very best judgment in a matter of such extreme importance to the happiness and contentment of every class of citizens of the country, then God help the future of the Republic.

If we have made an error in adopting this plan of legislation, and thus delegating some of our responsibilities, we have the power to repeal at any time Congress is in session, and if no other plan is suggested, even if this is of doubtful constitutionality, then we will not perform our full duty, we will not give to the business men of this country the help, the assistance, the real cooperation demanded, in order that we can take advantage of the markets of the world which are awaiting American enterprise and American ingenuity.

Mr. NICHOLSON. Mr. President, as to many of the items to which the Senator has called attention, relating to our foreign commerce, could we not be fully protected if we re-

sorted to the American valuation instead of the foreign valuation? Would not that accomplish all the Senator desires to secure by this change?

Mr. EDGE. It would accomplish all we could desire so far as the conditions existing at the time this bill became a law were concerned, but the design to provide elastic administration of the tariff law is in order to afford a means of meeting conditions which may and undoubtedly will arise after we are through with the tariff bill and it becomes necessary to meet those conditions.

Mr. NICHOLSON. The American valuation would meet the conditions, because that follows prices up and down, so that the country would be amply protected if we adopted the American valuation instead of the provision proposed here.

Mr. EDGE. If the Senator will read the language of the proposed amendment, I think he will change his view on that. I assume, although I am not a member of the committee, that it was designed to meet many other conditions, in addition to the actual difference in the cost of the product, when the committee used the language "conditions of competition." In other words, there are many conditions in competition besides the cost of the articles, which would have to be considered by the President, which the Finance Committee can not consider beyond the facts produced at the time the bill was before the committee. So that that language, I assume, has been used for the specific purpose of enabling the President to meet a sudden condition developed on the other side, where American valuation would not solve the problem at all.

Mr. NICHOLSON. I can not conceive of any situation which would arise where the American valuation would not solve the problem.

Mr. EDGE. The American valuation is simply computed upon the cost of the article.

Mr. NICHOLSON. Certainly.

Mr. EDGE. Many other conditions arise in trade between countries besides the fluctuation in the cost of articles, for instance, transportation costs.

Mr. POMERENE. Mr. President, I feel that little can be added to what has been said by the very able Senator from Montana [Mr. WALSH] on the subject of the constitutionality of the pending amendment. At the same time it has been insisted on the other side of the Chamber that this provision is constitutional, and that opinion is based very largely upon the opinion of the Supreme Court in the case of Field against Clark in One hundred and forty-third United States Supreme Court Reports.

My own study of this question has convinced me that if the constitutionality of this amendment can be sustained, it must be based upon some other authority than Field against Clark. I want to discuss this opinion very briefly and then try in a few minutes to apply its principles to the pending amendment. The Supreme Court in the consideration of that case laid down this principle:

> That Congress can not delegate legislative power to the President is a principle universally recognized as vital to the integrity and maintenance of the system of government ordained by the Constitution.

I think no one will question that principle. The difficulties come, if at all, in the application of the principle to a given state of facts. What were the facts in that case?

The Congress of the United States sought to place upon the free list sugar, molasses, coffee, tea, and hides, and the President was authorized, when he found that other nations imposed exactions and duties on the agricultural and other products of the United States, and found that those duties were reciprocally unequal and unreasonable, to suspend the privilege of free importations. But if he did it, what was the result?

It was not left to the discretion of the President to determine what duty should be levied against those imports in the future, but the Congress of the United States specifically defined what those duties should be. In other words, there was nothing left to the discretion of the President of the United States. The only thing that he was empowered to do was to ascertain whether in fact other nations had imposed exactions and duties on the agricultural and other products of the United States. When he found that to be so and issued his proclamation, by that very fact the duties which were prescribed by the Congress went into effect.

Now, let us see what the Supreme Court said a little further on. It quotes from Judge Ranney, of the Supreme Court of the State of Ohio, than whom no greater or better judge ever lived in Ohio. He lays down the distinction between a legislative power and an Executive power in these words:

> The true distinction is between the delegation of power to make the law, which necessarily involves a discretion as to what it shall be, and conferring authority or discretion as to its execution, to be exercised under and in pursuance of the law.

Now, what is the Congress doing when it enacts a tariff law? At present the Underwood-Simmons law is in operation. The pending bill proposes to change the rates of duty. The Congress of the United States is exercising legislative discretion when it changes or seeks to change those duties or determines to leave them where they are.

Shall the duty be 25 per cent or 50 per cent? Shall it be a specific duty or an ad valorem duty? Shall we adopt the foreign valuation or the American valuation? Are not those legislative problems? Do they not appeal to the legislative discretion of the Congress of the United States? When we leave it in their power to determine whether it shall be a specific duty or an ad valorem duty, whether it shall be levied according to the American valuation or the foreign valuation, is not that an exercise of a discretion? Why, Mr. President, I can not think that any serious question could be entertained about it.

Now, let us see what the pending amendment provides. It declares that if the duties which we are fixing do not equalize the differences in conditions of competition and this fact is ascertained by the President, then there is conferred upon him certain powers, and what are they? First, he can change the classification; that is, he can take a given item out of one paragraph where one duty is levied and transfer it to another paragraph where a different duty is levied. Is not that an exercise of legislative discretion? Is not that just as much an exercise of legislative discretion as it is when we here on the floor of the Senate change an item from one paragraph to another?

Let me go further. We provide in the pending bill in certain instances a specific duty, in certain other instances an ad valorem duty, and in certain other instances a combination of both the ad valorem and the specific duties. When we determine whether we are going to adopt the one or the other or the combination of the two, are we not exercising our legislative discretion? When we say to the President, "If you find that competitive conditions are such as to interfere with our industrial development, you shall have the right to change from a specific to an ad valorem or from an ad valorem to a specific," is that a power different from that which we are here exercising?

Let me go a step further. The House, exercising its legislative discretion, declared in favor of the American-valuation plan in the levying of duties. Never, I think, in my legislative life have I heard of a greater propaganda than has been exercised in favor of that plan. The Republican members of the Finance Committee, after a very careful investigation of the subject, declared against the American-valuation plan. Were they not exercising a legislative discretion when they so declared? When the Republican members of the Finance Committee, by a vote of 7 to 3, turned down the American-valuation plan for the foreign-valuation plan, was not that an exercise of legislative discretion? They came to that conclusion because they found, in their judgment, that plan would be utterly impracticable and unworkable. Now, after the majority members of the Finance Committee had declared that the plan was unworkable, they come in by the pending amendment and seek to confer upon the President of the United States the power to change the bill from a foreign-valuation plan, which is practicable and which is workable, to a plan which they say is impracticable and unworkable. Is not that an exercise of legislative discretion? What else can it be?

Why, Mr. President, suppose we had the question before us in our legislative capacity and we concluded to-day that we were going to change from a specific to an ad valorem duty or from an ad valorem to a specific duty or from the foreign valuation to the American valuation, or seek in certain instances to extend an embargo; what is that but an exercise of a legislative power? And yet the Senate of the United States is now, instead of exercising that power itself, seeking to confer it upon the President. Mr. President, I have the greatest confidence in the personal integrity of the President of the United States. I am sure that if the power were conferred upon him he would seek to exercise it in accordance with his best ability. Let us go a step further.

We say after months of investigation that we are going to levy certain duties. The distinguished Senator from North Carolina [Mr. SIMMONS] made the statement on the floor of the Senate a few weeks ago that in his judgment the average duties under the Senate committee bill would be about 45 per cent or perhaps higher. The duties under the Dingley law I believe were, on an average, about 40 per cent. I may not be quite accurate about the rate, but that is approximately correct. What is it that is sought to be done here? Assuming for the sake of the argument that the average duties here are 45 per cent, it is proposed to put it in the power of the President to add 22½ per cent to those duties or to take 22½ per cent from them. In

other words, he would have the discretion to go up 50 per cent or down 50 per cent. He would have the right to fix those duties at any point between the present duties and 50 per cent higher or between the present duties and 50 per cent lower.

The Congress of the United States, presumably, when it passes the bill expects to secure from its operation a certain amount of revenue by taxation at the customhouses, and yet we confer upon the President of the United States the power to say, "No; I want more duty collected at the customhouses," or "I want less duty collected at the customhouses." Is not that the exercise of a discretionary power? If the Congress of the United States were seeking to enact a law which would bring $400,000,000 annually into the Treasury, and sought so to change the bill that it would bring in $600,000,000 annually, would not that be the exercise of a legislative discretion? How, then, can it be less if it is exercised by the President himself?

Again, let me discuss for a few moments the policy of the legislation. I mean no offense when I say that certain interests have been here in season and out of season laboring, I will not say improperly, with members of the Finance Committee and other Members of the Senate seeking a change in this rate and a change in that rate. We know the difficulties that have confronted us all the way in the exercise of discretion. Duties in the bill have been changed from time to time. Was not that the exercise of legislative discretion? Think of the difference in the situation. Here in the Senate are two Members from each State and in the other House there is one Member from each congressional district. Presumably the two Senators and the one Representative can keep their respective legislative bodies informed as to conditions in their respective States or districts, but here we are seeking to impose upon the President himself the necessity of taking action in accordance with all the knowledge that is supposed to be in the possession of 96 Senators and 435 Representatives.

More than that, think of the situation. It is true that under the provisions of the pending amendment before a change is made notice is supposed to be given to interested parties. Who are the interested parties?

Mr. WALSH of Montana. I will say to the Senator from Ohio that that provision has been changed.

Mr. POMERENE. The provision as originally framed was as I have stated it. Has that been changed?

Mr. WALSH of Montana. That has been changed.

Mr. POMERENE. Does the Senator have the change in mind, so that he can advise me concerning it?

Mr. WALSH of Montana. That is important in considering the question. As it is now proposed to be amended, the provision reads:

> In any investigation under the provisions of this section hearings shall be held and a reasonable opportunity to be heard shall be afforded.

Mr. POMERENE. Without giving notice?

Mr. WALSH of Montana. That is what it provides.

Mr. POMERENE. Very well. Who are the people who are interested?

Mr. WALSH of Montana. Will the Senator suffer another interruption?

Mr. POMERENE. Yes.

Mr. WALSH of Montana. The wool schedule has been the subject of particularly vicious attack; the newspapers of the country have been making that industry particularly the target of their attacks. I should like to inquire of the Senator from Ohio whether he thinks those newspapers will desist or will they carry on their campaign before the President of the United States, should this proposed legislation be enacted?

Mr. POMERENE. Oh, Mr. President, that was just what I was leading up to. Campaigns for changes in tariff rates are going to be continued, so that, instead of having 16 months consumed by the Congress of the United States in enacting tariff legislation, we are going to have continuous assaults made by one interest or another upon the tariff law before the President of the United States.

Mr. WALSH of Montana. May I ask the Senator if he thinks the dye interests will cease their effort to secure an embargo?

Mr. POMERENE. No, Mr. President, the dye interests will never cease their efforts in that direction.

Mr. WALSH of Montana. Likewise let me ask the Senator if he thinks it will be possible for the President to discharge the duties proposed to be conferred upon him, and whether, as a matter of fact, he will not be obliged to assign them to subordinates who will be subject to the importunities of interested parties?

Mr. POMERENE. There can be no doubt about that. No one for a moment dreams that the Chief Executive of the United States, I care not who he may be, can have the time or the ability to sit down and hear and determine all these questions. He must depend upon some board to perform that duty, and he must ultimately take their advice and their judgment, not his own.

Mr. President, let me go a step further. Often manufacturers contract to sell their manufactured products many months in advance of their fabrication. Perhaps those who are dealing with a particular manufacturing plant might want to buy; they may be making their contracts for the material, and necessarily the producers will make their contracts dependent upon other elements, such as the tariff rate which is levied upon that product. What is to happen? Is the producer going to base his price upon one schedule of tariff rates or upon another schedule of tariff rates?

I come from a great industrial State. I know what the manufacturers say every time a tariff bill is up for consideration. A number of them who are engaged in protected industries have said to me from time to time, "We are not particularly interested in the rate of duty, but we are interested in having the duty settled, in having it fixed, and when it is fixed we shall adjust our business to the rates thus determined."

How are they going to adjust their business to the tariff rates when they may be changed, not by Congress but by the President of the United States, every 30 or 60 days? I do not, of course, mean to say that they would be changed that frequently, but I do mean to say that the President has the power to change them.

Then again, suppose that we are approaching a presidential election and some people may be interested in the tariff one way or the other. We have not been able to keep the tariff out of politics when Congress has been legislating concerning the matter. How could we keep the tariff out of politics when the President is in fact legislating?

Let me make another suggestion. The stocks and bonds of many great industrial corporations are listed on the stock exchange. Every once in a while we have a bull market, and again a bear market. Assume, for the sake of the argument, that there is an attempted combination of a number of very large interests, which perhaps bond their plants and issue preferred stock equal in amount to the value of the plant, and then they issue a large amount of watered stock and it becomes necessary for some of the speculators or promoters to manipulate the market. Before we are aware of it, if it is a dye interest or a steel interest or a pottery interest or a chemical interest, or any other kind of an interest, we will have a delegation of distinguished gentlemen coming to Washington and insisting that certain duties be raised because the working men in their employ can not get proper wages unless those duties are raised. So we shall have somebody here as the adviser of the President attempting to make an investigation. If the investigations which they make are not more thorough than some investigations about which we know, there will probably be a recommendation for an increase in duties relating to the products of that plant. Likewise we may have a reduction in the duties which affect the price of their raw material. This amendment, if it becomes a law, will give a splendid opportunity to assist the manipulators of the stock market. No; that should not be.

Then, after the President has before him the findings of his assistants, the question arises in his mind, Shall I change from a specific duty to an ad valorem duty, or from an ad valorem duty to a specific duty? Shall I raise the duties 50 per cent or any part thereof, or lower them 50 per cent or any part thereof? Shall I change the classification, or shall I change from the foreign valuation to the American valuation? Who will say, who dares say that is not an exercise of discretion—legislative discretion, if you please?

Then I recur to what the great Judge Ranney said:

> The true distinction is between the delegation of power to make the law, which necessarily involves a discretion as to what it shall be, and conferring authority or discretion as to its execution, to be exercised under and in pursuance of the law.

If we change the rate of duty on cotton goods under the Underwood law from 35 per cent ad valorem to 45 per cent, as proposed under the pending bill, is that not a legislative act? Admitting that, who can say, who dares to say, that when the President changes it from 35 per cent ad valorem to 45 per cent he is not exercising a legislative power or discretion? To put the question, it seems to me, is to answer it.

The PRESIDENT pro tempore. The question is upon the amendment proposed by the Senator from Wisconsin [Mr. LENROOT] to the amendment of the Senator from North Dakota [Mr. MCCUMBER].

Mr. LENROOT. Mr. President, I do not propose to enter into any extended discussion of the constitutional question which

exists in this amendment and which to my mind is a very grave one. It has been ably argued upon the one side by the Senator from North Dakota [Mr. McCUMBER], and upon the other by the Senator from Montana [Mr. WALSH]. I only venture to express my own judgment for whatever it may be worth after having read the authorities which have been so well collected by the Senator from Montana upon this question, that it is my judgment that the phrase "conditions in competition" is so vague and so indefinite as to invalidate the entire section if it should become a part of the law.

I do not agree with the Senator from Montana, if I understood him correctly, that Congress can not delegate to the President the power to ascertain facts upon which he may proclaim a duty. Congress itself, as in the McKinley Act, might fix the duties definitely, to take effect upon the happening of an event to be found by the President.

Mr. WALSH of Montana. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Montana?

Mr. LENROOT. I yield.

Mr. WALSH of Montana. I do not want to enter into any controversy with the Senator about that matter; but, having expressed the opinion that the phrase "differences in conditions of competition" is so vague as to invalidate the provision under consideration, would the Senator care to express an opinion as to whether, if these amendments should be incorporated in the bill and should be found to be invalid, the whole bill would fall?

Mr. LENROOT. I think not under the doctrine of Field against Clark.

Mr. WALSH of Montana. But the Senator will observe that in the case of Field against Clark no provisions were affected except those involved, which constituted only six articles; but every article in this bill is subject to the provisions of section 315. Every rate in the bill is subject to that section.

Mr. LENROOT. It is as to the changing of the rate.

Mr. WALSH of Montana. Exactly.

Mr. LENROOT. Of course until the power is exercised the rates fixed by Congress stand.

Mr. WALSH of Montana. In Field against Clark there were only six commodities involved—only six. The court held that the grant of power to change the rate as to those six articles could not be held to invalidate the entire bill. In that case the proceedings were brought against Marshall Field & Co. The commodities involved in the case were not of the six classes of commodities referred to; they were ordinary dry goods, I suppose. The court held that the six commodities only being affected by the provision, the bill as a whole did not fall; but here is a provision which affects every rate in the bill, every commodity in the bill.

Mr. LENROOT. My own view upon that subject, for whatever it may be worth, is this: Congress definitely fixes the rates. It provides, or attempts to provide, a method by which those rates may be changed. We will assume that the method so provided is invalid, as beyond the power of Congress; but it is not so intertwined with the other portions of the bill that it can not be separated. In fact, it is separate, and it seems to me the test would then be applied by the court: "Can it fairly be said that this invalid section was an inducement to the enactment of the remaining portions of the bill, and that but for this section which is invalid the rest of the bill would not have been enacted?"

Mr. WALSH of Montana. The Senator has quite accurately stated the rule. Now let us see what the facts are: The House has adopted the American valuation plan. The Senate has refused to adopt the American valuation plan and proposes the foreign valuation plan, with these elastic provisions intended to accomplish the same result that the House expects to accomplish by the American valuation plan. In other words, the Senate substitutes the foreign valuation plan, modified in this way, for the House American valuation plan; so that it seems to me necessarily to follow that the Senate would not have adopted these rates based upon the foreign valuation plan but for the provision here according to which they might be changed to meet the changing conditions which were provided for by the House valuation plan.

Mr. LENROOT. If the Senator be correct, it merely adds weight to my objection to the amendment in its present form, and simply adds further reason why, if it be possible, amendments should be made to this section that will bring it clearly within the constitutional powers of Congress; and that is what I have endeavored to do, Mr. President, in the amendment that I have proposed, striking out the phrase "conditions of competition" wherever it occurs in the amendment, and substituting therefore the phrase "cost of production," so that the rate which the President will be empowered to proclaim will be the difference in the cost of production.

I think the Senator from Montana will concede that that at least is a very much more definite standard or rule than is the term "conditions of competition," because the determination of differences in cost of production clearly involves the ascertainment of facts, and in the ascertainment of those facts whoever does investigate the subject must take into consideration the same factors; and here is my primary objection to the term "conditions of competition":

The Senator from Montana truly stated in his address that two men might arrive at different conclusions as to what constituted a difference in conditions of competition. It is likewise true that two men might arrive at different conclusions as to what constituted difference in cost of production; but that would be merely a difference in judgment upon the facts, both men taking the same factors into consideration, while if the rule is to be differences in conditions of competition two men might investigate that subject and arrive at different conclusions because they had not taken the same factors into consideration in investigating the subject.

To illustrate that, power is here given to the President under this phrase "conditions of competition." He might in one case consider and add to a difference in cost of production a freight rate from San Francisco to the city of New York. He might or might not take that into consideration. That is optional with the President under this amendment. That is a matter of legislative policy that to my mind can not be delegated.

Another factor that he may or may not take into consideration under this amendment is this: The President might resolve that to equalize differences in competition he would allow to the American manufacturer a profit of 25 per cent, or he might not allow it. That is discretionary with him. That is a matter of public policy to be declared by the legislative body, and one that in my judgment can not be delegated to the Executive.

So, I might go on and give many illustrations as to this delegation of discretion that Congress has not laid down the rule. Under this phrase Congress has not said to the President what factors he shall take into consideration in arriving at his conclusion.

The chairman of the committee says, however, that that is taken care of in paragraph (c), which provides:

> That in ascertaining the differences in conditions of competition, under the provisions of subdivisions (a) and (b) of this section, the President, in so far as he finds it practicable, shall take into consideration—(1) the differences in conditions in production, including wages, costs of material, and other items in costs of production of such or similar merchandise in the United States and in competing foreign countries; (2) the differences in the wholesale selling prices of domestic and foreign merchandise in the principal markets of the United States, but in considering prices as factors in ascertaining differences in conditions of competition, only reasonable profits shall be allowed; and (3) any other advantages or disadvantages in competition.

Can it be said that that restricts the President in any way to any rule or lays down the factors that shall be considered by him in arriving at his decision? It merely says that among other things he shall, if he finds it practicable, take certain things into consideration; but he may or may not do it, as he sees fit.

Mr. STERLING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from South Dakota?

Mr. LENROOT. I yield.

Mr. STERLING. Suppose the bill provided that in considering the differences in competition he should take into consideration certain factors. Would that cure it?

Mr. LENROOT. Certainly not; because he might then take other factors into consideration, using his judgment and his discretion, that Congress has not prescribed.

Mr. STERLING. Could not the bill limit him in the consideration of the matter to certain factors?

Mr. LENROOT. It certainly could; and that is merely another way of reaching what I have attempted to reach in my amendment. Of course it could. For instance, Congress could prescribe that he should take into consideration freight rates or that he should not take into consideration freight rates. That would settle that one way or the other as a factor to be taken into consideration. Congress could in this amendment prescribe that he should take into consideration profits or should not take into consideration profits. That would settle that one way or the other; but as the amendment stands now Congress makes no order upon the subject, prescribes no rule; and the President is at liberty to exercise any policy he sees fit to adopt with reference to the subject. So much for that.

Then, with reference to the American-valuation clause, the Senator from North Dakota argues that this is not an objectionable alternative which can in any wise invalidate the amendment, because the President can exercise his power under paragraph (b) only if he first finds that the equalizing of conditions

of competition can not be arrived at through the exercise of the power delegated in (a), and the chairman of the committee gave us an illustration of the difficulty of arriving at foreign valuation, in which case the President would be at liberty to exercise the authority under (b).

That would be a good argument but for the limitation provided in paragraph (a). With this limitation it will not be the difficulty in arriving at the foreign valuation which would induce the President to exercise the power under (b), but because of the prohibition we find in (a) to exercising the power beyond a certain point. In other words, it makes necessary an examination into the differences in conditions of competition if that phrase shall remain, or costs of production if my amendment shall prevail, and if he finds the difference in cost of production to be 60 per cent in excess of the existing rate in the bill, he can only increase the rate 50 per cent.

Under the bill, the President can not apply that. He can not go higher than 50 per cent. So, in the face of the declaration of Congress to the President that he shall not do this thing, we give him authority, in the next paragraph, to do the thing we have forbidden him to do in the previous paragraph.

I very seriously question whether we can delegate power to the President to do either one of two things, his power to do the thing in the second instance depending upon the prohibition upon the part of Congress for him to exercise it in the first, if that be the reason for his not being able to do so. So there again is raised a very serious question.

Mr. WALSH of Montana. Mr. President, does the Senator agree that a case might easily arise in which the differences in the conditions of competition might be equally well met by increasing an ad valorem rate or by substituting a specific rate?

Mr. LENROOT. Yes.

Mr. WALSH of Montana. Or by increasing a specific rate and substituting an ad valorem rate?

Mr. LENROOT. Yes.

Mr. WALSH of Montana. Then the President would be entitled to choose which of the two courses he would pursue, either of which would accomplish the end sought.

Mr. LENROOT. That is true.

Mr. WALSH of Montana. And in either case the ad valorem rate would act differently from the specific rate.

Mr. LENROOT. That is also true. Of course, the ad valorem rate might be equivalent to a given specific rate the next day after it was put into effect, and a month later it might be a very different specific rate. Of course, that is true.

The term "cost of production" has been used time and time again in the debate upon this bill, and wherever costs of production have been ascertained, or have come anywhere near being ascertained, the chairman of the committee has relied upon differences in cost of production to measure the rate the committee has proposed. But now the committee abandons cost of production and substitutes for it this very vague and indefinite term "conditions of competition."

For myself, I can see only one possible purpose in that, and that is to give to the President practically unlimited authority to change these rates within the minimums and maximums provided for in the amendment.

Mr. SIMMONS. Mr. President, the Senator has stated that the President probably could not invoke the power to proclaim the American valuation unless the addition of 50 per cent to the specific rate provided in the bill should fail to bring about equality in conditions of competition.

Mr. LENROOT. Hardly that. I stated that as one of the conditions. Of course, it might be that he could not, or found that he could not, ascertain the foreign costs, in which case he might immediately go to the American valuation, without reference to the 50 per cent.

Mr. SIMMONS. After he has exhausted the 50 per cent, if he has not equalized conditions of competition, he can then proclaim the American valuation for the purpose of further increasing the effective protection.

I wanted to ask the Senator if he did not think, under those two authorities to increase, that the rates might be increased, not 50 per cent, but, possibly, 75 or 100 per cent?

Mr. LENROOT. Oh, yes; and the chairman of the committee very frankly stated, as I understood him, that that was one of the purposes of paragraph (b). I do not think very highly of a proposition which, on the face of it, in the first paragraph limits the increase or decrease to 50 per cent upon foreign valuation, but if the President shall find that a rate should be higher, in order to equalize conditions, than Congress has authorized in the first instance, he shall then be permitted to turn to another section and do in an indirect way that which is prohibited in another part of the bill. It does not seem to me that that is very frank with the American people, to accomplish an increase of, perhaps, 100 per cent when, on the face of the legislation, it would seem to be limited to 50 per cent.

If the object of the committee was only to have American valuation imposed in cases where the foreign valuation could not be ascertained, why was this 50 per cent limitation put in in the first instance at all? Why was it not made higher than 50 per cent, when the committee very frankly confesses that when the President turns to the American valuation, the 50 per cent upon the American valuation will be a very much greater imposition than the 50 per cent upon foreign valuation?

Mr. McCUMBER. Would the Senator be willing to so amend the provision that the President, without respect to what the percentage may be, shall add a duty which will, in all cases, measure the difference in the cost of production?

Mr. LENROOT. No; I would not.

Mr. McCUMBER. Giving him unlimited authority?

Mr. LENROOT. No; I would not.

Mr. McCUMBER. By what would the Senator limit it, then?

Mr. LENROOT. I would limit it by some figure. If it is to be 50 per cent upon foreign valuation, I would make the same limitation if American valuation is to be applied to get at the basis of value; but I would not have two different limitations, one perhaps twice as great as the other.

Mr. McCUMBER. But in neither instance would the rate more than measure the difference between the cost of production, if we want to take the Senator's amendment. Is he willing that in every instance which may arise, without any further limitation, the President might increase a rate to equalize the difference in the cost of production?

Mr. LENROOT. I am not.

Mr. McCUMBER. Very well. That is exactly the conclusion the committee arrived at, and they determined that the President should not go beyond a certain figure, but we believed that there might be a few instances, very few, indeed, which could not be sufficiently guarded by the foreign valuation basis; that there might be some few in which the increase of 50 per cent on the foreign valuation would not measure the difference, and we were willing in those few cases to give the President a different standard.

Mr. LENROOT. Why, then, did not the committee do it directly?

Mr. McCUMBER. Because in the great majority of cases we did not want to give him the full power to increase in every instance a sufficient amount to measure the difference.

Mr. LENROOT. Mr. President, what have we here? We have in one paragraph a prohibition against increasing the rate more than 50 per cent upon the foreign valuation, and then we have a provision that if the difference in cost of production is greater than that 50 per cent, so that he can not apply it because of the prohibition enacted by the law itself, he may turn to another provision of the law and do that which is prohibited in one other provision of the law.

Mr. McCUMBER. He may do that simply to arrive at a certain equalization scheme. All we seek is equalization, and the Senator wants to limit the equalizing to that of cost of production at home and abroad. We want to take other things into consideration than merely that single element as applied to the foreign and to the domestic markets.

Mr. LENROOT. I know the Senator does, and when I said I was not willing to agree to a general proposition which would direct the President to impose rates, without limitation, equal to the difference in the costs of production at home and abroad, I, of course, had in mind, as the Senator must have had in mind, that we have many articles in this country where we would not think, as a matter of public policy, of imposing tariff rates equal to the difference in the costs of production at home and abroad.

They have tried to grow tea in the State of North Carolina. That happens to be upon the free list, so that it does not exactly apply; but should I be asked to stand for a proposition, when I am pleading for a provision based on the difference in the cost of production, which has no limit? Of course not. My criticism is that this is a limitation on the face of an amendment which is not a limitation in fact, a limitation of 50 per cent upon foreign valuation, which would lead the American people to believe that these rates can not be increased more than 50 per cent; but if the duty is more than 50 per cent, then the committee say that through another plan and another scheme the rates may be increased 100 per cent, 50 per cent on another plan, which is equal to 100 per cent on the plan covered by the first paragraph, which is limited to 50 per cent.

Again, Mr. President, on the matter of policy, there are many rates in the bill where the specific rate has been applied and where the members of the committee have frankly stated that

they did not believe the rate proposed by the committee and adopted by the Senate was sufficient to cover the difference in the cost of production at home and abroad. Congress, as a matter of policy, refused to go any higher because, Republicans and Democrats alike will admit, I think, we had reached a point, from the standpoint of protection, if you please, where we were not justified in imposing a rate of duty so high as to cover the difference in cost of production at home and abroad, when the American people would be better off to take the importations of that particular article and not continue the industry in this country.

One illustration, and a very good one, is barytes ore, that we had up in the very beginning of the debate, where it was shown that it would require 100 per cent ad valorem on the raw crude ore to cover the difference in the cost of production and transportation from the mines in Georgia and the mines in Missouri to the point of consumption.

I then took the position that the American people ought not to be called upon to pay any such tax upon a material upon which the hand of man had not devoted any labor except that of mining the raw material. And yet, Mr. President—the Senate has not yet acted upon the amendment—even though the House rate shall be adopted instead of the increase which the Senate committee proposes, it will be possible under this provision as the committee have it, with the President taking into consideration and adding the freight rate from Missouri to the Atlantic coast, to have more than 100 per cent ad valorem duty upon barytes ore. That is merely typical of many items in the bill.

I want frankly to say that at some time before the amendment is voted on I propose to offer an amendment providing that in no case shall any duty be imposed under the provisions of this amendment that shall exceed a given percentage ad valorem on the foreign valuation. It may be 75 per cent. I shall be willing to discuss what it should be, but there ought to be some limitation somewhere so that the President of the United States shall not have the right to destroy a policy adopted by the Congress of the United States in the framing of the bill.

Mr. McCUMBER. Mr. President——

Mr. LENROOT. I yield to the Senator from North Dakota.

Mr. McCUMBER. In order that I may understand the position of the Senator, does he desire to strike out subdivision (b) entirely—that is, that provision which allows the President to go to the American valuation? It seems to me if that is what he wants and is arguing for it can be accomplished very simply by cutting that out entirely and relying upon the foreign valuation basis, increasing beyond 50 per cent if we think best or decreasing beyond that, but it can be met by cutting that out entirely.

Mr. LENROOT. It might be met that way.

Mr. McCUMBER. Does the Senator prefer that plan?

Mr. LENROOT. I will say very frankly that the Senator very well knows that the American valuation would just about double the rates. I think, generally speaking, I should be glad to have the Senator's opinion about it.

Mr. McCUMBER. I want to say to the Senator that this method of meeting certain specified cases—not specified in the bill, but well understood by the committee—was in the first instance to prevent the necessity of continuing an embargo, and that it was intended to cover some of the chemicals and dyestuffs that might require a greater expansion of the duties than would be provided in paragraph 315, subdivision (a). Of course, we have voted out the embargo proposition entirely and we have left the bill in such shape that as to some of the chemicals it would be impossible to maintain an industry that we regard as essential under the general rule which is provided in subdivision (a). That was the real purpose. It may be that the President might abuse that purpose. I do not think that he will. I do not think anyone else will. But if the Senator is fearful of that and that injury might be worked, I do not know that I would have any serious objection to striking out the subdivision relating to American valuation.

Mr. LENROOT. I did not have in mind going so far as to strike out the subdivision with reference to American valuation. What I did have in mind was merely that the President ought not to exercise the power under subdivision (b) because he was prohibited from exercising it to the full extent under subdivision (a) when there would be no difficulty in doing it except for the prohibition. I have no objection to having the second paragraph in force, for the reason that the chairman stated, where it is difficult or impossible to arrive at the foreign valuation; but I do say it ought not to be resorted to simply because the prohibition of 50 per cent exists in the first paragraph. I think it very seriously endangers the constitutionality of the amendment itself when the prohibition is given in one paragraph and then, because of the prohibition, the President is permitted to exercise the power in another paragraph.

Mr. McCUMBER. The Senator, of course, will admit that we must consider both paragraphs together. The provision is that the President shall apply one rule. The provision is if that rule will not effectuate the purpose, namely, equality of competition, then he shall apply another rule. It may be open to the criticism the Senator has stated, that he might go directly and apply the later rule or increase the rate under subdivision (a), but in any event the only purpose is to effectuate equality of competition or trade. Other things being equal, I myself would prefer to strike out subdivision (b) and give a little more elasticity in subdivision (a).

Mr. LENROOT. Would the Senator then be willing, too, to fix a maximum ad valorem that would apply in all cases?

Mr. McCUMBER. We have it. If we strike out subdivision (b), we have then a maximum that shall not exceed 50 per cent above what is already fixed in the bill.

Mr. LENROOT. I do not mean that kind of a maximum. I mean a maximum that where the Senate has adopted the highest rate which it thought it should adopt as a matter of public policy, such rate ought not to be increased by the President. The committee has taken care of it in the case of ad valorem.

Mr. SMOOT. Yes; that is taken care of.

Mr. LENROOT. It is taken care of in the case of ad valorem, but not in the case of specific.

Mr. McCUMBER. I do not think there is a single instance in the specific rates where we have stated that the specific rate shall not be higher than this. In every instance we have used the words "ad valorem."

Mr. LENROOT. But in cutlery enormous increases were made in specific rates. In some of them I know I would not want to go any higher, as a matter of public policy, irrespective of the differences in cost of production as to some of those goods.

Mr. McCUMBER. Let me first state to the Senator that we have declared in the bill that where the bill has fixed a maximum ad valorem rate—of course that is the only maximum rate we fix——

Mr. LENROOT. That would not, of course, take care of the specific rates.

Mr. McCUMBER. Then the President shall have no power to increase that rate.

Mr. LENROOT. I understand that takes care of those cases—and there are not many of them—where we have fixed a maximum ad valorem. We have done it in the case of cotton cloth and in the case of cotton gloves; but I do know, and I am sure the Senator from Utah [Mr. SMOOT] will corroborate me, that there are many other items in the bill where the Senator himself stated that the rate did not equal the difference in cost of production but that it was as high as should be adopted as a matter of public policy.

Mr. SMOOT. I think I can name three products in the bill as to which I believe with all my heart the rate named will perhaps be needed under circumstances existing to-day, and not more than that rate. Not more than one that we really know of is absolutely necessary, and that is as to certain chemicals which are used in time of warfare which we can not produce in this country against Germany. I do not believe that the President will exercise this power in any other case.

I frankly state now that the rates which were written in the bill in paragraphs 25 and 26—namely, 7 cents a pound and 60 per cent ad valorem—were put in there with the avowed purpose of effecting an embargo upon certain of those goods. That is the reason why I voted against the embargo. In fact, I am opposed to any kind of an embargo anyhow, but I believed that the rate itself there was an embargo and there was no need of putting in an embargo provision. It was put in there deliberately for that purpose.

As to not exceeding 5 per cent of the production in this country, the products of chemicals are amply protected by the rates we have agreed to in paragraphs 25 and 26. There are, I will admit, perhaps 5 per cent of the production of the items in paragraph 26 of the bill as to which the rate of 7 cents a pound and 60 per cent ad valorem will not protect the industry in the United States. Therefore I wanted the President to have the power to transfer them from the foreign valuation to the American valuation. That is the only way in which we can do it unless we have an embargo.

Mr. LENROOT. I am not objecting in that kind of case.

Mr. SMOOT. I think the only one other case, and it would be so small and so limited that it is hardly worth considering, is the toy industry. The only question to decide is whether we want the toy industry in the United States. I will say to the Senator that some of the toys can not be protected with the rates that are given here. It is a question of policy for the

President to decide whether that line of toys, which was established here during the war, shall be maintained in the future. If it is to be maintained he would have to exercise that power. I do not know of anything else of that character in the bill, not a paragraph nor a schedule nor an item outside of those that I have mentioned.

Mr. UNDERWOOD. Will the Senator from Wisconsin allow me, merely for information, to ask the Senator from Utah [Mr. SMOOT] a question?

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Alabama?

Mr. LENROOT. I yield.

Mr. UNDERWOOD. I have been very much interested in what the Senator from Utah has said. I understood him to say that, in his opinion, the rates provided in the pending bill now are up to the standard which is contemplated if the President should fix the rates?

Mr. SMOOT. That is, on all of the items with the exception of those that I have mentioned.

Mr. UNDERWOOD. Those on the free list, and except the three items that the Senator has mentioned?

Mr. SMOOT. Yes.

Mr. UNDERWOOD. And the Senator thinks that the rates on the other items are up to that standard?

Mr. SMOOT. I think so.

Mr. UNDERWOOD. Therefore, taking the basis of the bill as it now stands, the Senator from Utah is not only protecting the difference in cost between production here and abroad but he is, in addition, protecting the profits?

Mr. SMOOT. Oh, no; I did not say that.

Mr. UNDERWOOD. That is the standard which is fixed in the proposed amendment.

Mr. SMOOT. I assume that if the President should exercise the power, in most instances that would be the case, but the President is not going to do that.

Mr. UNDERWOOD. We can not assume that the President will not exercise his power.

Mr. SMOOT. I think we may do so.

Mr. UNDERWOOD. We shall have given him the power and we shall practically have given him instructions to exercise it. I do not want to interrupt the debate, but I think this is very vital. The Senator from Wisconsin charged that if this amendment were adopted as it now stands we should be conferring upon the President the power and the duty to increase these rates, and the Senator from Utah, as I understood him—and I want to understand the situation—replied to the Senator from Wisconsin that he knew of but three rates which were now in the bill as to which this power which it is proposed to give to the President could function. Of course, the power proposed to be given to the President is not only to fix the rates to cover the difference in the cost of production here and abroad but, in addition to that, to protect the profit of the manufacturer.

Mr. SMOOT. No, Mr. President.

Mr. UNDERWOOD. That is what I understood the Senator to say.

Mr. SMOOT. I wish now to say frankly to the Senator from Alabama, if he wishes to know my attitude, that if the difference between the cost of production in this country and the foreign country, and nothing more, were to be made the rule for fixing tariff duties, the United States would be the dumping ground of the world. I will tell the Senator from Alabama why, if the Senator from Wisconsin does not object to my doing so; or, if he does, I will do it in my own time. It will take but a few moments.

Mr. UNDERWOOD. Of course, the Senator from Utah and I differ very much on that material question; but as to this question of fact, I am very much interested. The Senator from Wisconsin has challenged this amendment on the ground that it would confer upon the President the right to increase a large number of the rates in the bill higher than they already are; and the Senator from Utah reacted on that by saying that he knew of but three such rates.

Mr. SMOOT. I previously stated that on the floor of the Senate.

Mr. UNDERWOOD. Now, when I ask the Senator from Utah if he means to say that the standard of the bill is up to the maximum standard of the amendment he seems to retract. I do not know exactly where he stands.

Mr. SMOOT. I think that the rates generally in the bill are protective rates and that the President would never at any time use the power of transferring the basis of fixing rates from the foreign valuation to the American valuation in order to raise the rate more than 50 per cent.

Mr. UNDERWOOD. I do not say the President would do that, but what I am talking about is raising the rates 50 per cent without changing the basis of valuation.

Mr. SMOOT. There may be, on a foreign valuation, some few items as to which no one could tell, because the conditions in the world are so unsettled to-day that there is not a living soul who can forecast what is going to happen three months from now.

Mr. TOWNSEND. Mr. President, there is one consideration to which I think the Senator from Alabama [Mr. UNDERWOOD] has not referred, but which constitutes one of the reasons why I have favored some such provision as the pending amendment, namely, that conditions are likely so to change to-morrow or it may six months from now that the rates that have been agreed to here may be altogether too high, or it is possible that in some instances they may be too low. So without regard to what we may think about the rates which are now fixed in the bill the pending amendment or some other such provision is desirable in order to meet the changed conditions of to-morrow.

Mr. UNDERWOOD. I was not discussing that question. Of course I have my own views on that subject, but the question that I was discussing and was interested in discussing was what I understood to be the assertion of the Senator from Utah [Mr. SMOOT] that the rates as fixed at present in the bill had reached the maximum at which they could be fixed under the pending amendment.

Mr. SMOOT. I was speaking of the question as to whether or not the basis of laying duties was to be transferred to the American valuation. That was the subject we were discussing.

Mr. President, I made the statement that if the cost of production alone is taken into consideration, America will be the dumping ground of the world. I wish to state why in that case it will be the dumping ground of the world. Any manufacturing concern that runs full time, for 12 months in the year, can make goods at least 10 per cent cheaper than it can if it runs only part time.

I know in the manufacture of woolen goods I have figured it out time and time again that if I ran a mill full time, for 12 months in the year, the cost of producing the goods was 18 per cent less than if I ran the mill but 7 or 8 months in the year. That grew out of the fact that in either event the same rate of taxation, the same overhead charges of every name and nature, and other expenses had to be met; so that running 7 months in the year as compared to 12 months made a difference of 18 per cent in the cost of producing the goods.

If it is only a question of the cost of goods, all the foreign countries will see that their plants run 12 months in the year; and they can sell to us for 5 per cent, yes, for 10 per cent, less than the regular price at which they sell to the world, and yet make money out of all of their goods because of the decrease in the cost of production by reason of running full time.

It is a business proposition. If I were a foreign manufacturer rather than to see my help scattered, rather than to close up my mill, or rather than to let the overhead expenses pile up on the cost of the goods which I was making, I would enter the American market and I would see that my mill ran 12 months in the year, thereby making the cost of the goods which I sold to the balance of the world cheaper. I would sell my goods in the American market; and that is what will happen unless some safeguard is provided against it. It is therefore not a question merely of the difference in cost of production here and abroad.

Mr. LENROOT. Mr. President, with reference to the cost of production, the Senator must remember that the difference in the cost of production does not take into account the landing charge and the ocean freight rate, and those are all to the advantage of the American manufacturer. The difference in cost of production had, I supposed, been accepted as the Republican doctrine for a good many years. There was one Republican convention, which was well remembered by us all, where there was added in the Republican platform the words "plus a reasonable profit," and that phrase met with condemnation by Republicans all over the United States.

Mr. SMOOT. That was in the Republican platform of 1908.

Mr. LENROOT. Mr. President, this is the third tariff revision in which I have participated. The first one was the Payne-Aldrich law. In that law it was agreed that the difference in the cost of production, wherever it could be ascertained, should be the test. It is only now when we are beginning to hear Republicans say they are not satisfied with a tariff which does equalize the difference in the cost of production. I wish to say that Republicans had better be satisfied with a tariff that does equalize the difference in the cost of production or the American people may not be willing to give them that much.

Mr. SMOOT. Mr. President——

Mr. LENROOT. I yield.

Mr. SMOOT. I think the Senator has heard me make the statement before on the floor of the Senate that if the President is given this power I think there will be many, many more occa-

sions when he will exercise it in lowering rates than in increasing them; in fact, if the conditions become normal, I expect the President of the United States to lower, I was going to say, the majority of rates.

Mr. LENROOT. Mr. President, he is very much more likely to do so if the phrase "cost of production" is embodied in the law than if the phrase "conditions of competition" shall remain, where every interested man who wants a rate kept up or increased can go before the President and demand protection for his profits and protection for his freight rates.

Mr. SMOOT. Of course, the Senator from Wisconsin knows the Senator from Utah does not want that.

Mr. LENROOT. I am sure he does not.

Mr. SMOOT. If I thought anything of that kind would grow out of the wording of the amendment, or that that would be the result, I would vote against it. So far as I am personally concerned, I am perfectly willing to accept the phrase "cost of production" and then let the question be determined in the investigation as to every item entering into the cost of production.

Mr. LENROOT. It surely will. It will cover overhead, as the Senator well knows.

Mr. SMOOT. Certainly; and if an article is selling in the American market, of course, then, in determining the cost of producing it so as to sell at wholesale in the American market, there would be taken into account the amount of freight that would be paid on the foreign article landed in the United States.

Mr. LENROOT. Mr. President, I am very glad, indeed, to have the statement of the Senator that he is willing to accept the amendment. I wish to say that I am not opposed—in fact, I am very much in favor of some power being given to the President to adjust the tariff rates, not upon the theory that he would immediately change any of the rates which are provided in the bill, although I personally should hope that he might lower some of them, but I would not expect that. However, conditions are changing from day to day. It has been impossible, Mr. President, as everyone knows, to debate this bill upon accurate information or to ascertain what will be proper protective duties, because information which we may have that is six months old is valueless to-day because of changed conditions.

Until the world becomes stabilized conditions will remain abnormal and will change from time to time. So I do want the President to have power under proper restrictions and under a rule laid down which will stand the test of the courts to change the rates within reasonable limitations so that they may be adjusted to changed conditions; but, Mr. President, though I have great confidence in the President, I do not believe that the power should be delegated to him to change a rate without a previous finding and recommendation of some competent, expert authority. So, at the proper time I shall propose an amendment providing that before the President shall proclaim a rate there shall be an investigation and finding by the Tariff Commission. He may or may not accept that finding; he may reject it if he chooses; but there should be a record of an investigation. There should be an opportunity for interested parties to be heard, and there ought not to be in a matter so important as this the slightest suspicion, however unfounded it may be, as I am sure it would be in the case of the present President of the United States, that secret influences had been brought to bear upon him to increase the tariff rates or change them because of political influence. I believe the Tariff Commission should first make the investigation, should make the report to the President, and then let the President act upon that report, because if that is done the country will know, and the country is entitled to know, the facts upon which an increase or a decrease, if you please, of a rate shall be based.

Mr. FLETCHER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Florida?

Mr. LENROOT. I yield.

Mr. FLETCHER. The Senator from Utah suggested that very likely the exercise of power on the part of the President would be toward reducing rates rather than raising them. I am wondering if the Senator from Utah will be satisfied with an amendment, or if the Senator from Wisconsin would favor one, limiting the power of the President under this proposed amendment to reduction of rates?

Mr. SMOOT. It is limited to 50 per cent.

Mr. FLETCHER. To reduction?

Mr. SMOOT. Why, certainly.

Mr. FLETCHER. But no power to raise them?

Mr. SMOOT. Yes; a power to raise them, too.

Mr. FLETCHER. But, I say, would the Senator be willing to limit the power of the President to a reduction of rates, without having any power to raise them?

Mr. SMOOT. No; I would not, Mr. President.

Mr. LENROOT. Mr. President, I am not going to take further time of the Senate.

Mr. CURTIS. Mr. President, I should like to ask the Senator if he does not know that it is the intention that the President shall use the Tariff Commission in securing the information and reports suggested in his amendment? While it is not specifically mentioned in the pending amendment, yet, of course, that was his intention.

Mr. LENROOT. I think that is the President's intention; I am very frank to say that; but I think it ought to be in the law.

Mr. SMOOT. I will say to the Senator that the reason why it was not put in the law was this: The President also intends to get information from the Department of Commerce. He also intends to get information from the State Department. We make appropriations by the millions of dollars to the State Department and the Commerce Department to have representatives, commercial attachés, visit all the principal markets of the world. They collect that information, and it is here in the departments.

Mr. LENROOT. My amendment does not interfere with that.

Mr. SMOOT. I am aware of that; but the committee thought that there was no need of mentioning any particular agency from which the President could get the information. I know, however, that the President of course would go immediately to the Tariff Commission for it, in connection with the other two departments.

Mr. LENROOT. Then there ought not to be any objection to providing that there should be this investigation by this body of experts, and a public report. If their report is not followed, the President, of course, will be called upon to give and will give to the country some reason for not following it; but it will be a very great safeguard to the public, and a protection to the President himself, if such a provision as this is put into the law.

I am not going to offer this amendment now, Mr. President, because the exact phraseology of it will depend upon whether the term "cost of production" or the term "conditions of competition" is used.

Mr. STERLING. Mr. President, may I ask the Senator from Wisconsin a question?

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from South Dakota?

Mr. LENROOT. I do.

Mr. STERLING. Will the Senator's amendment, yet to be offered, as he states, contemplate an investigation by the Tariff Commission in any particular case?

Mr. LENROOT. It will, in every case, before the President can proclaim a rate.

Mr. STERLING. And the President is not to be bound, as I understand the Senator now, according to the rate fixed by the Tariff Commission?

Mr. LENROOT. He is not.

Mr. STERLING. Does the Senator from Wisconsin deem it inadvisable to require that the rate proclaimed by the President shall be the rate fixed by the Tariff Commission, or according to the opinion of the Tariff Commission?

Mr. LENROOT. Mr. President, I would rather not enter that field of controversy. I know where we would get on that kind of a proposition, and I do have hope that this proposition of mine, which, it seems to me, everyone ought to be willing to agree to, will be accepted; but I would have very grave doubts of the fate of my amendment if I did adopt the suggestion of my friend from South Dakota.

Mr. STERLING. I do not offer it quite as a suggestion, I will say to the Senator; I was simply asking a question.

Mr. LENROOT. I am not a member of the Finance Committee, and I am very frank to say that if I could write this amendment I would write it differently, as I suppose every other Senator would if he could have his own way about it. I realize that no Senator can have his own way about these things. We have to compromise these differences, and do the best we can. I have offered what seemed to me to be a reasonable and fair compromise upon this matter. I do want to urge, in conclusion, that from the standpoint of the validity of this provision I do feel it absolutely necessary that this definite term "cost of production" be adopted, or else that the phrase "conditions of competition" be so defined and prescribed as to furnish the rule and standard for the President, and that he will not have the discretion to determine the factors upon which the conclusion shall be based.

Mr. McCUMBER. Mr. President, just for a few moments I desire to direct my remarks to the Senator from Wisconsin [Mr. LENROOT].

It may appear to those Members of the Senate who have known nothing about the work of the committee that this question of whether the committee should adopt the phrase "differences in conditions of competition" or the phrase "differences in cost of production" had not received careful consideration. Mr. President it has had very careful consideration, not only from the legal standpoint but from the practical standpoint; and while I could not go very far into the question of the discussion of the legal aspect of the case, I did present sufficient authorities to indicate the view of the Supreme Court on the question of delegation of authority of this character, and then, in addition, I had printed in the RECORD many pages with numerous authorities meeting, and meeting squarely, every objection that is made.

Ever since I have been in the Senate I have had to listen to the arguments of great constitutional lawyers declaring that this and that was unconstitutional, and never could stand before any court in the United States; and in every instance the Supreme Court has overruled the constitutional lawyers and held that the matter was constitutional; so I take with a great deal of salt this everlasting argument that practically everything that is presented is unconstitutional.

Mr. WALSH of Montana. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Montana?

Mr. McCUMBER. I yield to the Senator.

Mr. WALSH of Montana. I sympathize with the remarks now made by the Senator, because I have myself listened to these repeated declarations of unconstitutionality in connection with measures that do not meet our approval on the grounds of policy; but——

Mr. McCUMBER. The Senator has not heard from me very many instances when I have declared that this thing or that was unconstitutional.

Mr. WALSH of Montana. No; the Senator has not heard many from me, either.

Mr. McCUMBER. No.

Mr. WALSH of Montana. My arguments have generally been on the side of sustaining the action of Congress, rather than otherwise.

Mr. McCUMBER. I will admit that.

Mr. WALSH of Montana. But we ought not to allow the statement of the Senator to go unchallenged when within the last two years the Supreme Court of the United States has held three separate acts of the Congress unconstitutional—the first child labor act, the second child labor act, and the futures trading act.

Mr. McCUMBER. When that law was discussed, a long time ago, some of us thought it was unconstitutional. I will admit that I declared some time ago that I regarded it as unconstitutional; but there was such a demand for it that we took our chances, and the court did declare that it was unconstitutional. The vast number of cases that have been fought upon the ground of unconstitutionality, however, that being the basis of the principal objection, have been held by the Supreme Court to be constitutional.

Mr. WALSH of Montana. Mr. President, I should add another one. The Lever Act was also held unconstitutional.

Mr. McCUMBER. Yes. I think the Senator probably will find two or three, maybe four, in the last quarter of a century where the question of constitutionality was raised and debated in the Senate; but if the Senators will take the trouble—and I will admit that it is more trouble than most of them would feel like taking—to read over the many cases that are cited in the brief I have had inserted in the RECORD, I think they will be satisfied that the phrase "conditions of competition" or "equalizing conditions of competition in the principal markets of the United States" is sufficiently definite as a rule which the Executive is required to use in applying the rates. It is just as definite and certain as the question of the differences in production. One is just as easy to ascertain as the other.

Are there any reasons, Mr. President, why we should hold to the proposition that the rule should be equality in conditions of competition rather than equality in the matter of production? What is the purpose of the whole bill? It is to give the American at least equal opportunity in his own markets—equal, not superior; but we want, in heaven's name, to give him an equal opportunity. Your cost of production does not give him an equal opportunity; but suppose it did? I should like to look at the smokestacks of our factories in the United States after you have had one year of operation of equality in cost of production. What does it mean? The very most you can claim for it is that it gives a 50-50 opportunity in the American market.

Are you satisfied as Americans with red American blood in your veins to divide the industries of the United States 50-50 with the foreigner? If you are, then take this confounded proposition and ram it down the throats of the American people. How are you going to apply your proposition of equality of production? What does it mean? You purchase a product in a foreign country to convert into a manufactured article. You purchase the same kind of an article in this country. Suppose the raw product is the same, and that the cost of conversion in this country is a certain amount more than the cost of conversion in the other country. Or suppose, with the cost of the raw material, plus cost of conversion—which makes your cost of production—that the cost is 50 per cent more in this country, then you stop right there. The foreign country may give a bounty of 50 per cent. That is not a part of the cost of production, is it? Not a bit of it. Under this cost-of-production scheme you can not use anything but the cost of raw material, plus cost of conversion, and you are at the mercy of the thousands of laws which might be passed by the foreign country, putting the American at a disadvantage, laws which the foreigner can change in council in a night, and which you can not change in four years; and you have your American industry subservient and subject to whatever legislation a foreign country imposes to meet conditions.

Mr. LENROOT. Mr. President, is it the Senator's opinion that the rates of this bill are higher than the differences in the cost of production?

Mr. McCUMBER. I believe that in many instances they are higher, and in many instances they are lower. I take the position that it is the duty of the American Congress to look after American interests. There may be certain products on which we want to impose a duty that is more than the difference in the cost of production, where we want to give an advantage to the American producer over and above the mere matter of the difference in the cost of production, which will insure the development of the industry in the United States.

Again, it may be that it costs as much to produce a bushel of wheat across the Canadian border line from my State as it costs in my State. Am I therefore to say that if the Canadian can live and is willing to live in a state or condition where his expenses are one-half what the American has to pay for living that I must get down to his level? Must I put myself in the position, under this difference-in-the-cost-of-production scheme, where I say to the Canadian, "Though you do not pay half the taxes I do, do not support the schools I do, get your clothing for half what I pay, or for much less than I pay; though your whole standard of living is below that to which I have been accustomed, I will have no protection against you, and you can flood the American market and drive down the cost of production and put me down to your own condition of living?" That is a matter of policy. I will vote to give the American a better standard of living and a higher price for his products in order that he may have more with which to maintain the schools and the thousands of things which are necessary in a civilized life. Those things were considered, and they were considered carefully.

Mr. WALSH of Montana. Mr. President, if that is the proper view to take—that is to say, if we should take into consideration that the Canadian does not pay as much taxes as the American, that his clothes do not cost as much, and so on—those are not conditions of competition, and would it not be necessary to expand the rule so as to give the President power to go beyond the conditions of competition?

Mr. McCUMBER. I want Congress to go beyond that. I would not limit that power to the Congress itself. I would be willing to limit it so far as the President is concerned. I would say that he might not be granted that power. I am answering the suggestion of the Senator from Wisconsin, that the Republican doctrine should be to have a fast rule that no one could avoid, a rule that our tariff should always be measured by the difference in the cost of production at home and abroad.

There are a great many things which enter into the question of what is a political necessity. Agriculture, as we know, has been at the very lowest stage in this country for the last two years, and we built it up. We protect our steers as against Canadian steers, and we do not care a continental what it costs the Canadian. What we want is a good price for our steers, whether the Canuck is getting a good price or not. That is his lookout, not ours.

Mr. WALSH of Montana. Mr. President, I desire to remind the Senator that a good many of us believe that the trouble

is that we have restricted our foreign markets by these oppressive tariff rates.

Mr. McCUMBER. That is one of the things which must be taken into consideration in all these matters. We take a little different view from that of the Senator from Montana. I have never followed the doctrine that we must buy of a particular country just as much as we sell to that country. Our whole course of commerce in the entire life of the country has shown that no such rule has ever prevailed. For half a century under protection we sold twice as much to Great Britain as we bought from her. She sold to some other country with which she was in closer communication, or where she had an advantage, more than she bought from that country, and in that way she was able to buy more from us; and just so long as the old earth continues with its mountains and its glens, its rivers and its deserts, its oceans, its rainfall and lack of rainfall, with the yellow man and the black man and the brown man, there will be conditions of commerce between the countries whereby we can trade and sell the things which we produce and buy the things which we do not produce, and that is the most healthy commerce on the face of the earth.

Mr. LENROOT. Mr. President, I would like to ask the Senator what England paid us with when she bought more from us than she sold to us.

Mr. McCUMBER. The Senator has said before that we have all the gold in the world, and therefore England can not pay us unless she can sell us something and get our gold. But I would a little prefer that England should sell to some other country than us, even if she sells for credits, and that we buy from that other country and put our gold into that particular country for the things which we do not produce, and let Great Britain get her gold from that other country in selling them things she produces and desires to sell to them.

Mr. LENROOT. Does the raw material which we buy for our own use anywhere equal our surplus agricultural products and our surplus manufactured products, which we must export?

Mr. McCUMBER. Mr. President, people buy our agricultural exports because they can get them here cheaper than anywhere else, and not because they love us. There is no question of brotherly affection in commerce. They buy them because they have to have them and can not get them anywhere else so cheaply as they can get them in the United States. But I am being diverted somewhat by these questions from the question I wanted to argue.

Mr. SIMMONS. Mr. President, if it be true that the manufacturing countries buy their food supplies and their agricultural requirements from this country because they can buy them cheaper here than in any other country in the world, why are we afraid of the competition of other agricultural countries with the agricultural products of this country?

Mr. McCUMBER. It so happens that Canada does not buy our wheat, and that is the country which produces wheat and that is the country which can flood our market. I am not afraid of a country which produces that which we do not produce. We can buy what we want of them, and we can trade what we produce and what that country does not produce. In that way we have our home market for the things which we do produce, and we have the foreign market for our surplus of the things which we do produce, in exchange for other things which we buy that do not come in competition with our products.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER (Mr. WILLIS in the chair). Does the Senator from North Dakota yield to the Senator from New Mexico?

Mr. McCUMBER. I yield for a question.

Mr. JONES of New Mexico. I am very much interested in the statement which the Senator has just been making, and I should like to know whether or not the Senator from North Dakota understands that if the amendment which he is offering, to enable the President of the United States to fix duties upon the rates specified, is agreed to it will operate to keep in the United States any articles which are used in the United States; in other words, what does the Senator understand the language of his amendment to mean when he says that the duty shall be fixed so as to equalize the conditions of competition? Does he understand that language to mean that it will create an embargo upon everything which is produced in this country; that it will prohibit the importation of comparable articles?

Mr. McCUMBER. Why, Mr. President, I am surprised that the Senator asked that question. He knows that equality in conditions of trade in a given market means that the American shall at least have an equal chance with his competitor. Now, it really is not giving him any more, but where we say equality shall consist in equalizing the cost of production, then we leave out certain elements which would give the foreigner a great advantage. I want to give an equality, if I am going upon that basis, which protects the American in his home market and which will protect him against any exigency in the matter of bonuses, in the matter of duties, or other conditions which affect the value of the product and its competitive opportunity in the United States market.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield further to the Senator from New Mexico?

Mr. McCUMBER. I yield.

Mr. JONES of New Mexico. I must confess that I had put a different construction on it from that which I understand the Senator from North Dakota now to put upon it. The Senator from North Dakota is arguing that we should not have the foreign article sold in this country.

Mr. McCUMBER. No; I am not arguing that at all, Mr. President. I have stated that as a rule it would be better for this country if it produced within its own borders everything that was necessary for its people, and that it even should have the exclusive sale of products in the country, provided—I did not say it previously in this argument, but I say it now—that there would be no danger of combination. I believe in competition. I believe we have to have foreign competition, even in the products which we produce in this country, to equalize, to bring down, to stabilize prices upon a reasonably profitable basis. So I do not want to exclude the foreign importations. But I want the American to have a little the best of it.

Mr. JONES of New Mexico. Will the language used in the Senator's amendment give the American the best of it, and if so, under what construction?

Mr. McCUMBER. It will give him the best of it in this respect. He is right here at home. He can fill his orders quickly. He knows his own country better than any foreigner can know it. He can respond more quickly to conditions. Now, that is an advantage in itself, and even though other conditions were absolutely equalized by a system of duties, the American would have a little advantage, and I want him to have it.

Mr. JONES of New Mexico. If we equalize the conditions of competition, will we not have to take into consideration all the additional factors to which the Senator has just referred?

Mr. McCUMBER. No. We will not take into consideration the question of the intelligence of the American in obtaining his own market as compared with the intellectuality of the foreigner in securing foothold. We will make the conditions equal, and then if the American can gain in the race by reason of his superior knowledge of his own country and its conditions and his ability to respond more quickly to an order, we will give him that condition; but that is not taken into consideration in the matter of merely equalizing conditions of competition.

Mr. JONES of New Mexico. Does not the Senator believe that the question of organization and capacity and a number of similar elements are necessarily taken into consideration when we undertake to equalize the conditions of competition?

Mr. McCUMBER. No, Mr. President, I do not. If a majority of Senators think that we ought to have the Senator's amendment I shall not object seriously, but there are some weaknesses in it that ought to be pointed out. I will point out two of them, the first of which is that the foreign country may grant a bounty, and that could not be taken into consideration in the matter of the cost of production. It might, on the other hand, impose an export duty. That could not be taken into consideration, because it would be no part of the real cost of production at home and abroad.

Now, Mr. President, there is another weakness. As we have drawn the amendment, in arriving at equality in conditions of competition we seek to avoid what I believe to be more or less a real danger to-day, and that is an excessive cost of production in the United States. Here is a business producing a certain product. It may pay unreasonable salaries to its officers. It may be run extravagantly. It may pay an unreasonable wage scale. It my wish to uphold that cost of production and say that it shall uphold it in comparison with the cost of production of the foreign article, where the same salaries are not paid and where the same profits are not obtainable. Therefore we have put in the element of reasonableness of profit, which must be considered by the President in determining what should be a reasonable equalization of the rates and conditions.

So, Mr. President, I do not think that it is a better phrase to use, but I want the matter to go through the Senate. I think it is important that we have this provision. If there are a number of Senators who believe that it is better to use the term "difference in cost of production," I am willing to yield the point to get a united party upon that proposition.

Mr. WALSH of Montana. Mr. President, before the Senator takes his seat I should like to address a question to him. Is it the Senator's opinion that the Congress might pass a valid act which constituted practically all this situation? Assume that no tariff bill at all is passed, but just an act to this effect: "The President is hereby authorized to impose duties upon all commodities introduced into this country in such an amount as shall equalize the differences in competition in the markets of the United States."

Mr. McCUMBER. I would not want to go just exactly that far. The courts sustain the proposition that in many cases the Congress can not ascertain just what ought to be done in this case and that case, with a thousand conditions, and pass a general law that will meet them all. Therefore it may prescribe a rule and impose upon an officer the duty of ascertaining the facts in a given case, or possibly 100 or 100,000 cases—I do not know that that would necessarily make the difference—and then applying a rate that will meet the rule.

Mr. WALSH of Montana. Let me ask the Senator if that is not what we are really doing here when we say to the President, "We fix these rates, but you can change them all just as you see fit, following this rule"? What is the difference, from the standpoint of the constitutionality of the proposition, between that and our prescribing no rates at all but saying "Fix the rates"?

Mr. McCUMBER. I wish to just mark the line of demaracation between a law which might be regarded by the court as a delegation or a surrender of all authority over a subject and a law that would fix a rule to govern in those cases in which there may be such a change of conditions as would justify the laying down of a rule to be measured up to by the executive officer. It is difficult to draw the line.

But, Mr. President, suppose in the State of Ohio we had 500 cities, each of which may have an electric street railway. Now, we may have a commission—and possibly could have a State commission if it did not interfere with the rights of the cities—to find reasonable rates for passengers on the trolley lines. They might be authorized to find a different rate for each different city according to the conditions of that city. We would not have to lay down a rule that the rate should be the same in every case any more than we would be compelled to lay down the rule that the rate of duty should be the same in every case.

Mr. JONES of New Mexico. Mr. President, using the illustration which the Senator from North Dakota has just given, I wish to suggest that we have manufacturing establishments in this country whose costs vary as much as 100 per cent.

Mr. McCUMBER. Yes.

Mr. JONES of New Mexico. There can be only one duty fixed on a given article. I do not understand that the Senator from North Dakota proposes to have one duty fixed on foreign articles that come in competition with A's products and another duty with respect to B's products which are of a similar kind. The Senator certainly does not mean that. We have got to take one duty to cover all of these different costs in the United States. I will ask the Senator under this proposal which costs is to determine? How he is going to meet that proposition? To my mind, it is just as unsolvable as it would be to try to fix one reasonable rate for 500 public utilities of the same kind in different cities.

Mr. McCUMBER. Mr. President, in the various factories in the different cities in England, where a given commodity is produced and exported, undoubtedly the cost of production varies; but I would not say, because there were so many different prices and different costs of production in different mills in England, that the rule as sought to be fixed by the Senator from Wisconsin [Mr. LENROOT] to ascertain the difference in the cost of production is an impossible rule, for it is not.

Now, Mr. President, I wish to read—and I desire to read it really for the benefit of the Senator from Ohio [Mr. POMERENE]—section 804 of the law of 1916:

> That whenever any country, dependency, or colony shall prohibit the importation of any article the product of the soil or industry of the United States and not injurious to health or morals, the President shall have power to prohibit, during the period such prohibition is in force, the importation into the United States of similar articles—

The Senator from Ohio would say, "If the President must ascertain what are 'similar articles,' that is a legislative function." But the act goes even further and provides—

> or in case the United States does not import similar articles from that country, then other articles, the products of such country, dependency, or colony.

Who is to determine what those other articles shall be? Of course it is a legislative function to determine upon what articles the retaliation shall take effect. I will agree with the Senator from Ohio that that is purely a legislative matter. The foreign country may prohibit the importation into its domain of live stock from the United States. We in turn may retaliate and say, "We will entirely prohibit the importation of their woolen goods," or "We will entirely prohibit the importation of their cotton goods." Of course, Congress could determine whether or not we would say the prohibition should apply to woolen goods or to cotton goods; but under the law I have cited authority is given to the President to use his discretion. He may pick out anything which the offending country produces and exports to this country and prohibit its importation here; he may use his judgment as to how many articles and the kind and character of articles whose importation may be prohibited; yet the Supreme Court of the United States has sustained that provision.

Mr. President, the Senator from Wisconsin stated his objection to this provision to be that we have provided that the President shall, if practicable, ascertain the difference in the cost of production at home and abroad; that, if practicable, he shall ascertain the difference in the selling price at home and abroad. The Senator from Wisconsin thinks the provision is objectionable because of that fact. Well, let us see. Suppose the President can ascertain the difference in the cost of production at home and abroad—that is one of the things which he is given power to ascertain—but that he can not ascertain the difference in the conversion, here and abroad, or selling prices in the principal markets of the United States. We say "Get all if it is practicable to do so, but, if it is not practicable to get all, get what you can." It is a proper limitation, and without it the law would be absolutely defective, because, in most instances, the President could not get every one of these facts, but he could get a sufficient number of them upon which to base a computation of the difference in competitive conditions. Mr. President, so far as I am concerned, in accordance with the statement made by the Senator from Utah [Mr. SMOOT], I am willing to modify the amendment in order to meet the desire of what seems to be a large number of Republicans on this side of the Chamber that we substitute the words "cost of production" for "conditions of competition," although, I will say most frankly, that I think the policy indicated in the committee amendment is the preferable one to pursue.

Mr. TOWNSEND. Mr. President, I had intended to say something upon this subject. I shall content myself, however, with expressing my views on the general proposition later, when the Frelinghuysen amendment shall be under consideration. I am, however, so deeply interested in this particular feature of the bill that I am anxious to have it speedily adopted; and, inasmuch as the Senator from North Dakota [Mr. McCUMBER], having charge of the bill, has consented to the proposition which I favor, I shall not detain the Senate with any further remarks at this time.

The PRESIDENT pro tempore. The question is upon the amendment proposed by the Senator from Wisconsin [Mr. LENROOT] to the amendment reported by the committee.

Mr. WALSH of Montana. Mr. President, before the vote is taken I desire to ask unanimous consent to have printed in the RECORD in the ordinary 8-point type two articles discussing the feature of the bill which is now under consideration. One is from The Manufacturer, which is the official mouthpiece of the Manufacturers' Club of Philadelphia, an organization which I understand is stoutly in favor of the principle of a protective tariff. The other is from the Baltimore Sun and is entitled "Taxation by Executive Flat."

The PRESIDENT pro tempore. Without objection, the request of the Senator from Montana is granted.

The matter referred to is as follows:

PREDICT RISE IN MEDIUM-PRICED CLOTHING AS RESULT OF 33-CENT RATE IN PROPOSED TARIFF—PHILADELPHIA MANUFACTURERS EXPRESS DISSATISFACTION WITH PHRASEOLOGY CHANGES, DYE SCHEDULE, AND PRESIDENT'S POWER TO INCREASE OR LOWER RATES.

[Philadelphia Bureau, Daily News Record.]

PHILADELPHIA, May 8.—"The basic wool duty of 33 cents a pound clean content is likely to invite the bitterest sort of criticism of that schedule, and, therefore, of the entire tariff bill," observes a recent edition of The Manufacturer, official mouthpiece of the Manufacturers' Club of Philadelphia, in discussing the Fordney bill as rewritten by the Senate Finance Committee. Dissatisfaction with the change in general phraseology, with the dye schedule, and with the power invested in the President of increasing or lowering the rates 50 per cent is also expressed.

It predicts a material increase in the price of medium and lower grades of clothing will result from the 33-cent clean-content rate and makes the following comment on the wool schedule:

* * * * * * *

OPPOSE PRESIDENT'S POWER.

Objection to the power vested in the President to increase or lower the rates is more definitely expressed as follows:

"If it is the idea of the majority members of the Finance Committee that the tariff bill ought to be adopted as they have submitted it, based upon foreign valuation, with a presidential prerogative of altering these rates to any point within a 50 per cent increase or decrease, and then, if that does not meet the presidential views of the existing necessity, to establish any rate to apply to the American value, provided only that such rate shall not be increased or decreased more than 50 per cent of the rate specified in the bill, we believe the majority members of the committee will find their views in marked conflict with prevailing opinion in Congress and throughout the country.

"In the first place, there is no valid or logical justification for creating the permanent cloud of uncertainty that would hang over and menace American business as a result of such—as the President has been pleased to term it—flexibility of the tariff. We regarded this recommendation by the President as extremely ill advised at the time it was made, and we did not hesitate to frankly say so.

"It may be accepted as almost a foregone conclusion that no Republican President would employ this prerogative to increase rates, except after prolonged investigation and hearings by the Tariff Commission. It is even doubtful if he would do so then. Permissive powers are seldom employed by the Executive; and this shifting of legislative authority from the Congress to the President simply serves to impose upon the latter a responsibility which, if properly met, would occupy practically his entire time, to the exclusion of all other duties. Upon the other hand, it gives to a Democratic President the full authority to wipe out every protective rate in a tariff bill with a single sweep of the pen.

DOUBT TRANSFER CONSTITUTIONALITY.

"We seriously doubt the constitutionality of such a transfer of legislative authority to the executive branch of the Government. Of course, the Senate Finance Committee in offering the proposal evidently regards it as constitutional. But there has never been a law that has been declared unconstitutional by the courts that was not passed by Congress in the firm conviction that it was constitutional.

"These functions can not be properly carried out by a Chief Executive. Nor should they be put in the hands of any one individual. Tariff legislation is something for Congress to determine. The putting into law of the propositions made in the Finance Committee bill would create permanent uncertainty as to rates of duty, disorganize business, and be hurtful alike to the American manufacturer and the foreign importer. The producers of the United States demand stability in tariff protection. That is why they demand the American valuation for ad valorem duties; it is based on the most stable of all things in the financial world—the American dollar. Adoption of the proposal offered by the Finance Committee would only add to the instability of tariff matters, so that no one, manufacturer or importer, could tell what was directly before him in the way of tariff duty."

* * * * * * *

[Editorial from the Baltimore Sun of July 9, 1922.]

TAXATION BY EXECUTIVE FIAT.

"Sections 315, 316, and 317 of the pending tariff bill should be eliminated. These sections propose to give power to the President of the United States, after certain findings of fact by executive bureaus, (1) to change tariff classifications, (2) to change the method of assessing ad valorem duty, and (3) to raise or lower the rate of taxation as far as he considers necessary up to 50 per cent.

"The indefinite propositions which are supposed to move him to action relate to so-called unfair trade affecting a domestic industry, to unequal costs of production, to restraint of trade, and other indefinite causes.

"This is not protection. This is not a tariff policy. This is nothing short of taxation of the citizen by Executive discretion.

"This presidential power will be capable of making or breaking particular industries. It sets up a political machine under which no business affected, directly or indirectly, by tariff rates will dare to be out of the favor of the administration. Compared to this new power, political power through patronage distribution is a trifle, a bagatelle.

"There are those who claim it is constitutional. There are others who claim, perhaps not without reason, that the courts will not hold illegal a transfer of legislative power to the Executive, if utilitarian or social reasons can be urged in its support.

"This scheme is presented on the plausible claim of scientific tariff making by so-called experts. It is pressed as promoting efficiency in government. Whether technically legal or not, it is in fact a grant of legislative power to the executive department of a character unknown to our history. It plainly violates the historical division of powers supposed to be a necessary safeguard of our liberty. In the hands of an unscrupulous, partisan, or narrow-minded Executive, or of unscrupulous or theoretical or loose-minded subordinates it is capable of grave abuse. It is bureaucracy run mad.

"In its very nature this power must be delegated. The President himself with his multitudinous duties could never in fact act himself or do more than glance at the claimed results of the investigations. Yet the action taken would always speak with the sanction of his name and high office.

"If we are to have the highest tariff in our history, let us have it with certainty. Let us know where we stand. Let business adjust itself to the new rates until such time as the people reverse their policy at the polls.

"To have the tariff subject to change at the will of the executive department, speaking in the name of the President, will create and perpetuate business unrest and uncertainty—will keep us on a hot griddle sweating under a perpetual agitation for tariff change. Any certain rates made as a result of logrolling or protected combinations are better than this danger.

"This is especially so at a time when the business of the country needs, more than ever before, to know with certainty the conditions it has to face in order to get back to normal.

"It is to be hoped, indeed, that the sober second thought of the statesmen in the Senate, irrespective of party, will save us from this scheme to leave the tariff problem unsettled and to perpetuate uncertainty in the business world."

Mr. LENROOT. Mr. President, I send to the desk a proposed amendment to the pending amendment, and ask unanimous consent that it may be printed and lie on the table.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JONES of Washington submitted an amendment intended to be proposed by him to the pending bill, which was ordered to lie on the table and to be printed.

Mr. DIAL. Mr. President——

Mr. McCUMBER. Mr. President, I rise to a point of order to ascertain the right which may exist under the unanimous-consent agreement to bring up other measures. The Senator from Georgia [Mr. HARRIS] informs me that he must leave to-morrow and he desires to have a measure considered. I know that he can not do so except by unanimous consent, and I am not certain that it can be done even by unanimous consent, but I would be willing to grant unanimous consent, if it can be done. The Senator from Georgia may make his request, and the Chair can pass on it.

COTTON STATISTICS.

Mr. DIAL. Mr. President——

The PRESIDENT pro tempore. The Senator from South Carolina.

Mr. DIAL. I ask unanimous consent, from the Committee on Commerce, to report back favorably, with amendments, the bill (S. 3757) authorizing the Department of Commerce to collect and publish additional cotton statistics and information.

The PRESIDENT pro tempore. The Senator from South Carolina asks unanimous consent, out of order, to submit a report from the Committee on Commerce. Is there objection? The Chair hears none, and the report is received.

Mr. DIAL. I now ask unanimous consent for the immediate consideration of the bill. I presume that it will create no discussion.

The PRESIDENT pro tempore. The Senator from South Carolina asks unanimous consent for the present consideration of the bill which has just been reported by him. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

Mr. HARRIS. Mr. President, I wish to say that the bill has the approval of Secretary Hoover, of all Senators from the cotton-growing section, and has likewise been recommended by all the cotton organizations of the South. It has also been unanimously reported by the committee. It merely provides for securing statistics of cotton on hand in the world on July 31 of each year.

It is believed by many who are in a position to know that the supply on hand is not as great as has been published. The publication of such erroneous estimates has a tendency to depress the market, and I believe that when accurate informa-

tion is given it will show a much smaller stock on hand and thereby increase the price.

The PRESIDENT pro tempore. The Secretary will state the amendments which have been reported by the committee.

The amendments were, on page 1, line 10, after the word "ginneries," to insert "compresses"; on page 2, line 1, after the words "on hand on," to strike out "September 1, December 1, and March 1" and to insert "July 31"; in line 3, after the word "after," to strike out "each of these" and to insert "this"; in the same line, before the word "and," to strike out "dates" and to insert "date"; in line 10, after the word "on," to strike out "September 1, December 1, and March 1" and to insert "July 31"; at the beginning of line 15 to strike out "each of these" and to insert "this"; in the same line, before the word "and," to strike out "dates" and to insert "date"; in line 16, after the word "law," to insert "exclusive of linters"; on page 3, line 16, after the word "on," to strike out "September 1, December 1, and March 1" and insert "July 31"; and on page 4, after line 2, to strike out section 5, as follows:

SEC. 5. That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $25,000, or so much thereof as may be necessary, for carrying out the provisions of this act for the fiscal year ending June 30, 1923.

So as to make the bill read:

Be it enacted, etc., That, in addition to the cotton statistics now required by law to be collected and published, the Secretary of Commerce is authorized and directed to have collected and published cotton statistics and information in the following manner:

(1) The Director of the Census shall collect information showing the quantities and grades of baled cotton on hand at cotton ginneries, compresses, manufacturing establishments, warehouses, and other places where cotton is ginned, manufactured, stored, or held. Such information shall show the number of bales of cotton of the grades tenderable under the law on hand on July 31 of each year, and shall be published as soon as possible after this date and be distributed in the same manner as other cotton statistics are now required by law to be distributed.

(2) The Director of Foreign and Domestic Commerce shall cause periodic surveys of the cotton situation in foreign countries, to be made through representatives in such countries, for the purpose of summarizing the world cotton situation on July 31 of each year. These statistics and information obtained from such surveys shall be published as soon as possible after this date, and the statistics shall include available facts and careful estimates of cotton production, cotton consumption, and of the quantities, kinds, and grades of cotton tenderable under the law, exclusive of linters.

SEC. 2. That the information furnished by any person under the provisions of this act shall be considered strictly confidential and shall be used only for the statistical purpose for which it is supplied. Any employee of the Bureau of the Census who, without the written authority of the Director of the Census, or any employee of the Bureau of Foreign and Domestic Commerce who, without the written authority of the Director of Foreign and Domestic Commerce, shall publish or communicate any information given him under the provisions of this act shall be guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not less than $300 nor more than $1,000, or by imprisonment for a period of not exceeding one year, or both such fine and imprisonment.

SEC. 3. That it shall be the duty of every owner, president, treasurer, secretary, director, or other officer or agent of any cotton ginnery, manufacturing establishment, warehouse, or other place where cotton is ginned, manufactured, stored, or held, whether conducted as a corporation, firm, limited partnership, or by individuals, when requested by the Director of the Census or by any employee of the Bureau of the Census acting under the instructions of such director, to furnish completely and correctly, to the best of his knowledge, all of the information concerning the quantities and grades of baled cotton held on July 31 of each year.

SEC. 4. That any owner, president, treasurer, secretary, director, or other officer or agent of any cotton ginnery, manufacturing establishment, warehouse, or other place where cotton is ginned, manufactured, stored, or held, who refuses or neglects to furnish the information requested under the provisions of this act, or who intentionally gives answers that are false shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not less than $300 nor more than $1,000, or by both such fine and imprisonment.

The amendments were agreed to.

The bill was reported to the Senate as amended and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ORDER FOR RECESS.

Mr. McCUMBER. I ask unanimous consent that when the Senate closes its session on this calendar day it recess until to-morrow at 11 o'clock a. m.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

PETITIONS AND MEMORIALS.

Mr. WILLIS presented resolutions unanimously adopted by the Council of Auxiliaries of the American Legion, of Cleveland, Ohio, protesting against the recognition of the soviet government of Russia or the establishment of trade relations with such government, which were referred to the Committee on Foreign Relations.

Mr. CAPPER presented resolutions adopted by the biennial convention of the General Federation of Women's Clubs, favoring the passage of the so-called truth in fabric bill, which were referred to the Committee on Interstate Commerce.

REPORTS OF THE COMMITTEE ON CLAIMS.

Mr. CAPPER, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (H. R. 4145) for the relief of Leonidas Sawyer (Rept. No. 848); and

A bill (H. R. 7062) for the relief of F. R. Messenger (Rept. No. 849).

Mr. CAPPER, from the Committee on Claims, to which was referred the bill (H. R. 7912) to provide a method for the settlement of claims arising against the Government of the United States in sums not exceeding $1,000 in any one case, reported it with amendments and submitted a report (No. 850) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JONES of Washington:

A bill (S. 3901) to abolish the inspection districts of Apalachicola, Fla., and Burlington, Vt., and the office of one supervising inspector, Steamboat-Inspection Service; to the Committee on Commerce.

By Mr. CALDER:

A bill (S. 3902) for the relief of the Riverside Contracting Co.; to the Committee on Claims.

EXCESSIVE INTEREST RATES OF FEDERAL RESERVE BANKS.

Mr. HEFLIN submitted the following resolution (S. Res. 335), which was referred to the Committee on Agriculture and Forestry:

Whereas it has been charged on the floor of the Senate that the amendment to the Federal reserve act authorizing the charging of progressive interest rates had been obtained largely as a result of express and definite assurances given to Members of Congress by W. P. G. Harding, governor of the Federal Reserve Board, that the object and purpose of said legislation was to secure a fairer and more equitable distribution of the funds of the Federal reserve system and was expressly designed to prevent the undue absorption of Federal reserve funds in certain large cities at the expense of the great farming interests in the West and South, and at the expense of the smaller business man throughout the country; and

Whereas the official records show that the said "progressive rates" after the passage of the law were put into effect only in the agricultural sections of the West, South, and Southwest, including the four Federal reserve districts of Atlanta, St. Louis, Kansas City, and Dallas, and were not put into effect in New York and other big money centers, where the funds of the Federal reserve system were principally loaned; and

Whereas the official records show that its country banks were charged unconscionable and wholly indefensible interest rates, and that these inhuman rates were exacted from many banks in the States of Alabama, Colorado, Nebraska, Kansas, Oklahoma, Texas, Louisiana, Mississippi, and others; and

Whereas the reserve board defeated two resolutions offered by the former Comptroller of the Currency, one designed to limit interest rates to 6 per cent per annum, and when that was defeated another limiting interest rates charged by Federal reserve banks to 10 per cent per annum; and

Whereas the undue concentration of Federal reserve funds to the big cities is illustrated in the fact that in the autumn of 1920 the official records show that the national banks in New York City, in proportion to their total loans and discounts, were being accommodated with three times as large an amount of Federal reserve funds as were the 7,600 "country" national banks throughout the entire United States: Therefore be it

Resolved, That the Federal Reserve Board be requested to obtain from the Federal Reserve Banks of Atlanta, St. Louis, Dallas, and Kansas City statements showing all cases where interest ranging between 10 per cent and 87½ per cent per annum, both inclusive, was exacted from member banks, giving names of the banks, their capital and surplus, and location, where 10 per cent per annum or more was charged on loans and rediscounts, the rate and amount of interest charged in each instance as expressed in dollars and cents; also let the statement show whether the Federal reserve banks have refunded to each member bank from which such exactions were made the amount of such interest collected in excess of 10 per cent per annum upon each loan upon which such interest was charged.

THE COTTON INDUSTRY.

Mr. SMITH submitted the following resolution (S. Res. 336), which was referred to the Committee on Agriculture and Forestry:

Whereas the carry over or present stock of American cotton as given by official statistics is less than the normal carry over; and

Whereas the present condition of the growing crop indicates a yield far below the world's demand for American cotton; and

Whereas the entire carry over plus the indicated yield would not meet the world's demand; and

Whereas the ravages of the boll weevil are more extensive and severe than ever before in the history of the ravages of this pest, making the yield entirely problematical; and

Whereas the cost of producing cotton under these adverse conditions has been enormously increased; and

Whereas the price of cotton in the markets has failed utterly to respond to these conditions; and

Whereas the consumption of American cotton, both at home and abroad, has shown a progressive increase: Therefore be it

Resolved, That the Agricultural Committee of the Senate be authorized and empowered to investigate all matters pertaining to the subject of supply and demand and marketing of cotton, with a view of determining whether any undue methods or practices are being employed by the trade in restraining the natural operation of the law of supply and demand. Be it further

Resolved, That the committee be empowered to use such methods as in its judgment are necessary to obtain the information desired.

EXECUTIVE SESSION.

Mr. McCUMBER. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 5 o'clock and 35 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Friday, August 11, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate August 10 (legislative day of August 3), 1922.

PROMOTIONS IN THE REGULAR ARMY.

CHAPLAINS.

To be chaplains with the rank of captain.

Chaplain James Lemuel Blakeney from August 5, 1922.
Chaplain John Joseph Byrne from August 6, 1922.
Chaplain Francis Forbes Donnelly from August 7, 1922.

APPOINTMENT IN THE REGULAR ARMY.

ADJUTANT GENERAL.

To be major general.

Col. Robert Courtney Davis, Adjutant General's Department (Infantry), Acting The Adjutant General, to be The Adjutant General for a period of four years from date of acceptance, with the rank of major general from September 1, 1922, vice Maj. Gen. Peter Charles Harris, who retires from active service August 31, 1922.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 10 (legislative day of August 3), 1922.

MEMBER OF THE FEDERAL FARM LOAN BOARD.

John H. Guill, jr., to be a member of the Federal Farm Loan Board.

UNITED STATES ATTORNEY.

D. Q. Morrow to be United States attorney, southern district of Ohio.

POSTMASTERS.

ALABAMA.

Jacob J. Matson, Sylacauga.

ARIZONA.

Catherine T. Dupen, Warren.

CALIFORNIA.

Hazel B. Hough, Arrowhead Springs.
Otto B. Liersch, Corning.
Thomas D. Walker, Walnut Creek.

MASSACHUSETTS.

Molly A. Gilman, Allerton.
Grace G. Kempton, Farnumsville.
Annie F. Corcoran, North Oxford.

NORTH CAROLINA.

Thomas R. Hundley, Draper.
Forney L. Abernethy, Mount Holly.
Simon S. Strother, Stantonsburg.

NORTH DAKOTA.

Anfin Qualey, Aneta.

OREGON.

Drusilla M. Crance, Cornelius.

SOUTH DAKOTA.

Hoyt S. Gartley, Nisland.

TEXAS.

Eddie C. Slaughter, Goose Creek.
John E. Carson, San Saba.
John R. Ratcliff, Wallis.

WEST VIRGINIA.

Claude W. Harris, Kimball.

WYOMING.

Thomas B. Wright, Riverton.

SENATE.

FRIDAY, *August 11, 1922.*

(Legislative day of Thursday, August 3, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, the pending question being the amendment of Mr. LENROOT to the amendment submitted by Mr. McCUMBER on behalf of the Committee on Finance as a substitute for section 315 reported from the committee.

Mr. McCUMBER. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Borah	Gerry	McNary	Smith
Brandegee	Gooding	Myers	Smoot
Bursum	Hale	New	Spencer
Calder	Harreld	Newberry	Stanfield
Cameron	Harris	Nicholson	Sterling
Capper	Heflin	Norbeck	Sutherland
Colt	Jones, N. Mex.	Oddie	Townsend
Culberson	Jones, Wash.	Overman	Trammell
Cummins	Keyes	Pepper	Underwood
Curtis	Ladd	Phipps	Wadsworth
Dial	Lenroot	Pomerene	Walsh, Mont.
Dillingham	Lodge	Ransdell	Watson, Ga.
Edge	McCumber	Rawson	Watson, Ind.
Ernst	McKellar	Sheppard	Willis
Fletcher	McKinley	Shortridge	
Frelinghuysen	McLean	Simmons	

Mr. UNDERWOOD. I wish to announce that the Senator from Nevada [Mr. PITTMAN] is absent on account of illness in his family.

Mr. CURTIS. I desire to announce that the senior Senator from Minnesota [Mr. NELSON] is necessarily absent on account of a death in his family.

The PRESIDENT pro tempore. Sixty-two Senators have answered to their names. There is a quorum present.

Mr. TOWNSEND. Mr. President, I desire to be heard briefly upon the amendment which is now pending before the Senate. I am very much in favor of it and have favored such legislation since the consideration of the Payne-Aldrich law, when I presented my views on this subject but my efforts received very scant consideration at that time. I then believed and still believe that the methods employed in amending tariff bills are not calculated to accomplish the good which any party having charge of the bills desires. Certainly they are clumsy, unscientific, and always unsatisfactory to the country. There must be some better way and it should be our duty to find that way.

I realize that so long as there are strong differences of opinion as to whether we should have a tariff for protection, with revenue incidental, or a tariff for revenue with protection incidental, this question may be involved in politics. Tariff revision is so important, it so seriously affects business and industrial life it should be divorced from politics as much as possible. I believe that we have reached that point in the history of our country when the great mass of the people believe in a tariff for protection. That fact has been demonstrated over and over again on the floors of Congress during the consideration of the pending bill. Many Senators of the minority party have voted for protective duties on articles competing with similar products of their States. They did this either because they thought such duties were necessary and desirable or because they knew that their constituents were favorable to such protection. I have no doubt a great majority of the people of the United States to-day believe in a protective tariff. The question, therefore, which should be honestly considered and determined is what should the rates be in order to afford adequate protection to American industries and to American labor. I have always believed that those rates should, as near as could be, be measured by the difference in the cost of production at home and abroad. That to me is an entirely just rule, and I can not conceive how any patriotic American can contest it.

This, however, forces upon my consideration the fact of the difficulties which always arise when we attempt to revise a tariff law. It stands to reason that the Members of Congress, with their multiplied responsibilities and duties, their limited

business experience, necessarily can not understand the conditions affecting all of the 4,000 or more items which are always embraced in a tariff measure. They must rely upon expert information if they are to decide the question even approximately correctly.

Years ago, when the Payne-Aldrich bill was under consideration, I advocated an amendment which would authorize the Tariff Commission to determine what the rates should be and, from time to time, make such changes, not in the rates as a whole but as to individual items, as new conditions might suggest, adhering always to the rule of the difference in the cost of production. It is necessary, of course, first, that a rule be fixed by Congress upon which duties shall be based. It would be no different in principle from the rule which now maintains in the interstate commerce law. Congress has declared that railroad rates and charges shall be just and reasonable. It recognizes that it can not, of course, fix such rates itself. Therefore it has authorized the Interstate Commerce Commission to fix such rates, which is a purely ministerial duty, as shall be just and reasonable. That can be also done in reference to tariff duties, assuming, of course, as I must assume, that we lay down the principle of a protective tariff and state what the rule shall be for fixing rates of duty. Having done that, I have no fear as to the constitutionality of such a provision when enacted into law. Therefore I am not at all hesitant in voting for such a measure at this time.

I favor also the other provision which the junior Senator from Wisconsin [Mr. LENROOT] has stated he was going to introduce, namely, to instruct the Tariff Commission to investigate, collect, and report all the facts necessary for the President to determine what rates should be adopted in order that American industry and labor may be protected against cheaper foreign production to the end that differences in cost of production may be equalized. I am a protectionist; not, perhaps, so radical a protectionist as is the chairman of the Committee on Finance, the Senator from North Dakota [Mr. MCCUMBER], or as is the chairman of the House Ways and Means Committee [Mr. FORDNEY]. I believe that rates may be made too high. I believe generally that rates never should be higher than the rule which I have suggested, where that can be determined. I realize, of course, that possibly the bill before the Senate violates that rule in many respects, but I do not know with certainty; under existing world conditions I can not know. No one can. I have voted for some rates which seemed to me to be too high; but the conditions being such that I necessarily could not know what the cost of production is here or abroad under the existing situation, I voted for them because I knew that our people needed protection and I would rather it would be a little too high than a little too low, but with the hope, however, that the rates may be adjusted by the method suggested in the amendment which I am supporting and made to comply with the rule which I have stated and which is now under consideration.

Mr. President, I am going to support also the amendment which will be offered by the Senator from New Jersey [Mr. FRELINGHUYSEN], because it is in line with what I am now discussing. If we are to maintain the protective tariff in this country, we must adopt and conform to some scientific rule and not leave the fixing of tariff rates entirely to guesswork. This is the worst time which could possibly have been selected for Congress to attempt to legislate intelligently on the tariff, but it seemed necessary to legislate.

I am finding no fault with the Committee on Finance; indeed, I have only praise for the splendid efforts they have put forth and the untiring energy which they have displayed in their work; but we have now reached the point where I hope we may agree on the amendment which has been offered by the junior Senator from Wisconsin, providing that rates shall be based on the difference in the cost of production, as nearly as that may be ascertained, and then the tariff shall provide the facts upon which the President may act to maintain the rule.

Of course, I recognize that there are difficulties in the execution of such a rule; there would be difficulties under any method which we might employ of legislating on the tariff; but I see fewer difficulties and fewer obstacles in the enactment of a just tariff under this method which will maintain adequate protection in the United States than under any other method which has been followed in the past or which has been proposed.

I, too, have been through three tariff revisions since I have been a Member of Congress, and in every case the same difficulties have confronted us which confront us now. We have the radicals of both sides, but between the two is that great mass of Republican Senators and Representatives and I believe the great mass of the American people who want a protective tariff and who should not be obliged to suffer the loss and disturbance which are inflicted upon them every time there is a change in the national administration. They want it based upon a rule of reason such I believe as is suggested in this amendment.

Mr. President, while I do not care to occupy the time of the Senate longer, I did feel like indorsing this proposition. There is much more that could be said in its favor. It seems to me that its wisdom should appeal to every thoughtful Senator. I am hopeful that this amendment will be adopted. I am satisfied that it does not offend the Constitution. The pending proposal is in strict and direct accordance with the rule which governs the Interstate Commerce Commission in fixing rates; the principle is the same. I hope that it will be adopted. This ought to be the last tariff revision ever attempted by Congress. I believe that it will be if this amendment is enacted into law.

Mr. STERLING. Mr. President, in presenting an amendment in the nature of a substitute to subdivisions (a) and (b) of section 315 on yesterday, not formally offering it at that time, I had two objects in view: First, to make more certain and definite the language relative to the purpose of Congress, and second, to provide the most obvious means for the investigation of tariff rates, namely, the Tariff Commission. I do not know that I shall offer formally the proposed substitute now; I hardly think I shall, and that in view of the amendment offered yesterday by the Senator from Wisconsin and of an amendment which I understand he intends yet to offer relative to the investigations by the Tariff Commission. But, in view of the question of certainty and in order to leave the proposed statute as little as possible open to the objections that it delegates legislative power to the President of the United States, I shall be inclined to offer a part of the substitute which I presented on yesterday.

The Senator from North Dakota [Mr. MCCUMBER] in his statement on yesterday said that the language of the title of the bill governs and that the intent of Congress relative to differences in competition or differences in conditions of competition was plainly apparent from the language of that title. The title of the bill is:

To provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States.

But I submit, Mr. President, that Congress may "provide revenue" and have little reference to differences in conditions of competition. I can imagine that Congress may "regulate commerce," as it purports to do by the title of this bill, but that regulation of commerce will have little connection with the determination of conditions in competition, or differences in conditions of competition, to use the language of the bill. Congress may by this act and under this title "encourage the industries of the United States," but it may do that without any, or at least, but little reference to differences of conditions of competition in the markets of the United States. Hence I say that the title of this bill furnishes little index to the intentions of Congress in regard to equalizing differences in conditions of competition, and, therefore, I have sought to make it definite and certain as to the intent of Congress and what the President may do in an administrative way in the matter of equalizing differences in conditions of competition, and I have, by what I think fairly apt language, stated them in this proposed amendment.

I read first the language of the amendment offered by the Senator from North Dakota. It says:

SEC. 315. (a) That in order to regulate the foreign commerce of the United States and to put into force and effect the policy of the Congress by this act intended, whenever the President, upon investigation of the differences in conditions of competition in the principal markets of the United States of articles wholly or in part the growth or product of the United States—

And so forth.

That in order to regulate the foreign commerce of the United States and to put into force and effect the policy of the Congress by this act intended.

What is "the policy of the Congress by this act intended"? There is no express declaration of what that intention is, so far as the equalization of the differences of conditions in competition is concerned. Nowhere on the face of this act will you find a succinct declaration as to what its intentions are.

As a substitute for that language I would put this, namely:

In fixing the rates of duty provided for in this act it is declared to be the policy of Congress to equalize the differences in conditions of competition in trade in the markets of the United States in articles wholly or in part the growth or product of the United States and in like or similar articles—

And so forth.

Mr. MCCUMBER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from South Dakota yield to the Senator from North Dakota?

Mr. STERLING. I yield.

Mr. McCUMBER. If, as we have introduced the amendment, it is adopted, it therefore becomes a part of this act; and if it becomes a part of this act and this act declares that the President shall equalize the differences in conditions of competition of an article in our markets, then the Senator must agree that that fixes the policy just exactly as though we had declared it in the language which the Senator says we should declare preceding this. I can not see a bit of difference in the position of the Senate in the matter of a declaration of the policy.

Mr. STERLING. There is this difference, Mr. President: You expect to show the intention by the powers you confer upon the President in the matter of equalizing the differences in competition. You have not declared it the purpose of Congress to bring about the equalization of the differences in conditions of competition. You say that the act so intends, and then you go on and confer these powers upon the President of the United States, and from that the Senator from North Dakota would have the inference drawn that the intent is to bring about the equalization of the differences in the conditions of competition, whereas I say in express terms that in fixing these rates it is the declared purpose of the Congress to equalize the differences in conditions of competition. That is the difference.

Mr. McCUMBER. Surely, if the Senator will allow me, he will not say that it is not the declared policy to equalize the conditions of competition when we declare that the President shall equalize the conditions of competition.

Mr. STERLING. You declare that the President shall, but the declaration that I want to see here in this act is that Congress declares it to be the purpose in so many words.

Mr. McCUMBER. Congress declares that the President shall fix rates that shall equalize; therefore it must be the policy of Congress that the rates so fixed shall equalize.

Mr. STERLING. Mr. President, in adopting this form of statement for this part of section 315 I have in mind the great and outstanding precedent in regard to it. What does Congress say in the act of June 29, 1906, amending the interstate commerce act? It does not fix a rate, of course, but it declares and says that the rate shall be just and reasonable. I would have Congress here declare that it is the purpose by this legislation to equalize the differences in conditions of competition.

I am not insensible, either, in thinking of this language as the more apt language under the circumstances, of the pretty serious attacks that have been made upon this provision on the ground that it is a delegation of legislative power to the President. My idea was this: I believe that the President should have the power that is intended to be conveyed here. I thoroughly believe in it, he acting, of course, after investigation and advice of the Tariff Commission; but I want it to appear that it is the act of Congress, as we do in the interstate commerce act, leaving it plain that the acts of the President are to be purely administrative. There we say that the rates shall be just and reasonable. Here we should say that it is the purpose of Congress in fixing these rates to equalize differences in conditions of competition and not leave it to be charged or inferred that the President is to fix and equalize rates of duties at discretion, regardless of the real purpose of Congress. When the President does act, it should be according to the purpose of Congress as expressly declared.

As I say, I am not insensible of the objection made that this is a delegation of legislative power to the President. My contention is that under the language that I have seen fit to choose here it will be less open to that objection than in the language of the amendment of the Senator from North Dakota, and will accomplish the same purpose. It accomplishes it in more direct, plain, and less involved language than is found in the language of the Senator from North Dakota, and leaves nothing for inference or doubt.

Mr. President, there is another thing about which I wish to speak briefly, and that is the amendment of the Senator from Wisconsin [Mr. LENROOT] now pending, in which he proposes to substitute for the language "differences in conditions of competition" the familiar statement "differences in costs of production."

In a sense I sympathize with that; but, Mr. President, I must confess that in a sense I sympathize, too, with the statement made yesterday by the Senator from North Dakota so plainly and forcibly, the fear being on his part and the fear being on the part of other members of the Finance Committee that the term "cost of production" will not include or cover all that would be involved, all the factors that should be taken into consideration in determining what are the differences in conditions of competition; and I can not help but believe that all real differences in conditions of competition ought to be taken into consideration. While I shall support the amendment of the Senator from Wisconsin in this respect, I shall do it with the hope that the term "costs of production" shall be liberally and reasonably construed, so as to take in and embrace every reasonable factor that enters into the differences in conditions of competition.

So far as the main argument is concerned upon the other side, in regard to this bill being objectionable because it is a delegation of legislative power, especially within the limitations I have suggested, I do not think it is. But we must make it plain that it is the purpose of Congress that these differences shall be equalized, and that the function of the President is that of an administrator in accomplishing that purpose. Adopting the language of the court in Field against Clark—

> The words "he may deem" imply—

So says the court—

> that the President would examine the commercial regulations of other countries producing and exporting sugar, molasses, coffee, tea, and hides, and form a judgment as to whether they were reciprocal, equal, and reasonable, or the contrary, in their effect on American products.

I think, Mr. President, that the decision in that case is a basis for the firm belief that this act, in conferring this power upon the President, such as it is, after Congress has determined upon the equalization of these differences, is within the scope of the power of Congress.

We say in the interstate commerce act, taking that, I think, and the decisions under it, as a precedent beyond which we need not go, that railroad rates must be just and reasonable; and this is practically the only principle legislatively laid down for the guidance and control of the Interstate Commerce Commission.

I think that is all I care to say, except that I am thinking of offering an amendment to the first part of the substitute offered by the Senator from North Dakota, as I have already indicated.

Mr. BURSUM. Mr. President, I desire to offer the following amendment. Add at the end of section 315:

> Ad valorem duties shall not be changed to specific duties, nor shall specific duties be changed to ad valorem duties. This provision shall continue in effect and force until November 30, 1924, and thereafter no duties shall be changed except by authority of Congress.

The PRESIDENT pro tempore. Does the Senator from New Mexico offer his amendment to the original amendment or to the substitute proposed by the Senator from North Dakota?

Mr. BURSUM. It is to be added at the end of the section. It does not strike out anything. It simply adds to the amendment offered by the Senator from North Dakota at the end of the section.

I will state my reason for offering this amendment to the amendment.

The Senate has spent a great deal of time in deciding whether a specific duty or an ad valorem duty would best serve the purpose for which the duties have been imposed in the bill. It seems to me that it would be unwise to grant any authority which would permit the setting aside of the principle involved, which has been established by the Congress. We can readily understand that, in the case of some items, a specific duty can best serve the purpose, and after thorough consideration by the Congress of the matter of the method of levying the duties, and having established a principle, it seems to me it would be very unwise to authorize any change in that principle established.

The PRESIDENT pro tempore. The Chair desires to announce that, in his opinion, the amendment offered by the Senator from New Mexico is not in order until the amendment offered by the Senator from Wisconsin [Mr. LENROOT] to the amendment is disposed of.

Mr. BURSUM. This is an amendment to the committee amendment.

The PRESIDENT pro tempore. It will be in order if offered after the disposition of the amendment proposed by the Senator from Wisconsin. There can not be two amendments to the proposed substitute pending at the same time.

Mr. BURSUM. Then may the amendment lie on the table, to be taken up as soon as the amendment of the Senator from Wisconsin is disposed of?

The PRESIDENT pro tempore. That course is perfectly proper.

Mr. FRELINGHUYSEN. Mr. President, is this the parliamentary situation?—there is an amendment, offered by the Senator from North Dakota, pending to the committee amendment.

The PRESIDENT pro tempore. There are two propositions pending before the Senate, one the original section 315 reported by the committee. The Senator from North Dakota has moved to strike out that section and insert another. There can be an amendment moved to either the original section or the substitute offered by the Senator from North Dakota in order to perfect those propositions, but, inasmuch as the Senator from Wisconsin has offered an amendment to the substitute offered by the Senator from North Dakota and it is pending, there can not be another amendment pending to that substitute at the same time. But the Senator from New Mexico will have an opportunity, after the amendment of the Senator from Wisconsin is disposed of, to offer the amendment he now proposes.

Mr. BURSUM. Mr. President, I propose to offer an amendment limiting the life of the provision authorizing the President to change rates to November 30, 1924.

The PRESIDENT pro tempore. The two propositions are susceptible of any number of amendments.

Mr. BURSUM. I agree; but I was simply speaking on what I propose to offer, and I am not at this time speaking of any amendment which has been introduced. In view of the ruling of the Chair, I presume I am in order in stating my position with reference to a proposed amendment, the same as the Senator from South Dakota [Mr. STERLING] was a few moments ago, and I now propose to speak only of the proposed amendment. Am I in order?

The PRESIDENT pro tempore. The Chair construes the unanimous-consent agreement to mean that any Senator can speak upon section 315, considering it as a paragraph, or he can speak upon an amendment proposed to that section. The Senator can speak on the section at this time, but if he speaks upon an amendment he must speak upon the amendment proposed by the Senator from Wisconsin.

Mr. BURSUM. I submit that the proposed amendment is intended to amend section 315, and necessarily the provisions of section 315 come under discussion. If I am in order in that regard, I will proceed.

Mr. McCUMBER. Mr. President, if the Senator will allow me, the Senator from South Dakota discussed the amendment of the Senator from Wisconsin, which is the pending amendment to the amendment, and it is the only amendment which can be discussed at the present time. Of course, I assume the Senator can refer to some other proposed amendment in discussing that amendment.

Mr. SIMMONS. Mr. President, I call for the regular order.

Mr. McCUMBER. This is the regular order.

Mr. SIMMONS. The regular order is the discussion of the amendment of the Senator from Wisconsin.

Mr. McCUMBER. That is just what I am suggesting.

Mr. SIMMONS. The discussion on the part of the Senator who has the floor has reference to another amendment.

Mr. McCUMBER. I am trying to get back to the amendment of the Senator from Wisconsin.

Mr. BURSUM. Mr. President, I shall try to confine my discussion to the amendment of the Senator from Wisconsin.

As I see that amendment, I do not think it is workable. At first I believed that it would be helpful, but since reading the amendment and digesting it, it seems to me that it is impracticable, for the reason that it provides for the ascertainment of the production cost in this country. I assume that if that amendment were agreed to in determining a rate of duty the difference in the cost of production of the domestic article as compared with the cost of the foreign article would have to be taken into consideration. It is a well-known fact that it is almost impossible to obtain the cost of production of a foreign article. That is a matter which is not within our reach, and there is no way I know of whereby the cost of production in foreign countries can be ascertained.

It is not practicable. It would require years to obtain it, and entail a great deal of expense. If the basis for levying a duty shall be the selling price of the imported article, or the purchase cost, then the comparison should be with the selling price of the domestic article in the chief markets of this country. Therefore I hope the amendment to the amendment will not be agreed to.

CLAIMS AGAINST GERMANY.

Mr. OVERMAN. Mr. President, there is rather an interesting, if not a startling and astonishing, piece of news in the New York Times of this morning, the first column. I know that under the unanimous-consent agreement I can not say anything about it, but I ask unanimous consent to print this article in the RECORD, and to say just a word.

Mr. McCORMICK. Reserving the right to object, what does the Senator purpose to discuss?

Mr. OVERMAN. I wish to say only a few words. The article is headed:

Germany signs agreement with us to adjust claims. Mixed commission——

Mr. McCORMICK. If consent is given to the Senator to say a few words, there will be others who would like to say a few words on the subject.

Mr. OVERMAN. I merely want to enter my protest against such action by the State Department while there is pending in this body a bill, introduced by the Senator from Alabama [Mr. UNDERWOOD], to appoint an American commission to hear American claims.

Mr. McCORMICK. The Senator has made his protest; and I shall object to further debate.

The PRESIDENT pro tempore. The Chair desires to state that, in view of the fact the subject of the grant of power to the President in the pending bill must be voted upon to-day, the Chair will not allow any debate upon a request of the kind made by the Senator from North Carolina. Is there objection to the request of the Senator from North Carolina that the article to which he refers may be printed in the RECORD? The Chair hears none, and it will be printed as requested.

The article is as follows:

[From the New York Times, August 11, 1922.]

GERMANY SIGNS AGREEMENT WITH US TO ADJUST CLAIMS—MIXED COMMISSION WILL DETERMINE AMOUNT OF LOSSES TO AMERICANS FROM THE WAR—JUSTICE DAY IS THE UMPIRE—HE IS APPOINTED BY HARDING AT REQUEST OF WIRTH THAT AMERICAN BE NAMED—COMPACT EFFECTIVE NOW—NO APPARENT INTENTION BY ADMINISTRATION TO SUBMIT TO SENATE FOR RATIFICATION.

[Special to the New York Times.]

WASHINGTON, August 10.—The signing in Berlin to-day of an agreement between representatives of the United States and Germany for the determination of the amount of American claims against Germany was announced this evening by Secretary Hughes.

The agreement provides for a mixed claims commission of two commissioners, one to be named by the United States and the other by the German Government, with an umpire to settle matters on which the commissioners can not agree.

President Harding to-day named William R. Day, Associate Justice of the United States Supreme Court, as umpire, acting upon the expressed desire to have an American citizen appointed.

There appears to be no intention on the part of the administration to make the operation of the agreement contingent upon ratification by the Senate. The agreement, in fact, itself provides that it shall "come into force on the date of its signature."

TEXT OF THE AGREEMENT.

Secretary Hughes made public to-night the text of the agreement, as follows:

"The United States of America and Germany, being desirous of determining the amount to be paid by Germany in satisfaction of Germany's financial obligations under the treaty concluded by the two Governments on August 25, 1921, which secures to the United States and its nationals rights specified under a resolution of the Congress of the United States of July 2, 1921, including rights under the treaty of Versailles, have resolved to submit the question for decision to a mixed commission and have appointed as their plenipotentiaries for the purpose of concluding the following agreement:

"The President of the United States of America * * *; and

"The President of the German Empire * * *;

"Who, having communicated their full powers, found to be in good and due form, have agreed as follows:

ARTICLE I.

"The commission shall pass upon the following categories of claims, which are more particularly defined in the treaty of August 25, 1921, and in the treaty of Versailles:

"1. Claims of American citizens, arising since July 31, 1914, in respect of damage to or seizure of their property, rights, and interests, including any company or association in which they are interested, within German territory as it existed on August 1, 1914.

"2. Other claims for loss or damage to which the United States or its nationals have been subjected with respect to injuries to persons, or to property rights and interests, including any company or association in which American nationals are interested, since July 31, 1914, as a consequence of the war.

"3. Debts owing to American citizens by the German Government or by German nationals.

ARTICLE II.

"The Government of the United States and the Government of Germany shall each appoint one commissioner. The two Governments shall, by agreement, select an umpire to decide upon any cases concerning which the commissioners may disagree, or upon any points of difference that may arise in the course of their proceedings. Should the umpire or any of the commissioners die or retire, or be unable for any reason to discharge his functions, the same procedure shall be followed for filling the vacancy as was followed in appointing him.

ARTICLE III.

"The commissioners shall meet at Washington within two months after the coming into force of the present agreement. They may fix the time and the place of their subsequent meetings according to convenience.

ARTICLE IV.

"The commissioners shall keep an accurate record of the questions and cases submitted and correct minutes of their proceedings. To this end each of the Governments may appoint a secretary, and these secretaries shall act together as joint secretaries of the commission and shall be subject to its decision.

"The commission may also appoint and employ any other necessary officer or officers to assist in the performance of its duties. The compensation to be paid to any such officer or officers shall be subject to the approval of the two Governments.

ARTICLE V.

"Each Government shall pay its own expenses, including compensation of its own commissioner, agent, or counsel. All other expenses which by their nature are a charge on both Governments, including the honorarium of the umpire, shall be borne by the two Governments in equal moieties.

ARTICLE VI.

"The two Governments may designate agents and counsel who may present oral or written arguments to the commission.

"The commission shall receive and consider all written statements or documents which may be presented to it by or on behalf of the respective Governments in support of or in answer to any claim.

"The decisions of the commission and those of the umpire (in case there may be any) shall be accepted as final and binding upon the two Governments.

ARTICLE VII.

"The present agreement shall come into force on the date of its signature."

CHANCELLOR'S NOTE TO PRESIDENT.

The note requesting President Harding to designate the umpire, which was addressed to Ambassador Houghton at Berlin, is as follows:

"MR. AMBASSADOR: The agreement concluded to-day for the settlement of the amount of American claims for damages provides by Article II that on the basis of an agreement between the two Governments concerned an umpire shall be chosen. The German Government is convinced of the intention of the American Government to carry out in an accommodating and just manner the settlement of the questions still to be solved between the two States concerned, the way to which is opened by the signature of the agreement. It is still further strengthened in this belief by the assurances received by your excellency.

"The German Government believes that the distrust of nations toward one another brought about by the war and the severe economic damages which it caused to all countries concerned can be most certainly done away with if these countries decide to approach the solution of the questions which have arisen between them as a consequence of the war in a generous manner and in the spirit of mutual accommodation. The German Government welcomes the fact that the American Government intends to take the initiative in this connection.

"In order to make this possible, and in order to give the American Government a proof of its confidence the German Government has the honor to request the President of the United States to cause an American person, seeming to him suited for this responsible office, to accept the position of umpire such as is contemplated in the above-mentioned agreement.

"I should be grateful to your excellency if you would transmit this proposal of the German Government to the President of the United States. At the same time I take advantage of this occasion to renew to you, Mr. Ambassador, the assurance of my most distinguished consideration.

"WIRTH."

Justice Day, who has been selected as umpire of the claims agreement, was admitted to the bar in 1872 and began the practice of law at Canton, Ohio, the same year. He served as judge of the court of common pleas of Ohio from 1886 to 1890; was appointed United States judge for the northern district of Ohio in 1889; served as Assistant Secretary of State from March, 1897, to April 26, 1898, and as Secretary of State from April 26, 1898, to September, 1898, when he became chairman of the Peace Commission at Paris at the close of the war between the United States and Spain. He was judge for the sixth circuit, 1899–1903, and has been Associate Justice of the Supreme Court since February, 1903.

—

HOUGHTON THANKS CHANCELLOR.

BERLIN, August 10.—An agreement for the appointment of a commission to settle the claims of the United States against Germany was signed this evening by Alanson B. Houghton, the American ambassador, and Chancellor Wirth.

Ambassador Houghton expressed his gratitude to the Chancellor for the accommodating attitude of the German Government throughout the progress of the negotiations. He declared that the German request to have the United States Government name an umpire for the commission was an unusual procedure in international law and was indicative of Germany's good will and implicit faith that she would receive fair treatment.

—

DEMOCRATIC PROTEST EXPECTED.

WASHINGTON, August 10 (Associated Press).—Agreement between the United States and Germany under which a commission will be named to pass upon American claims growing out of the war was assured general support by Republican leaders to-night, but there was promise of sharp Democratic criticism on the ground that the commission could not act without approval of Congress.

The agreement, as announced to-night by the State Department, was interpreted as serving to annul the plan of Senator UNDERWOOD, of Alabama, the Democratic leader, whose bill, proposing an American commission to pass upon American claims and authorizing utilization of German properties held by the Alien Property Custodian to meet such claims, if necessary, still is in the hands of the Senate Judiciary Subcommittee.

Chairman CUMMINS said to-night the committee would meet soon, possibly this week, to consider its report on the bill.

Senator UNDERWOOD could not be reached to-night, but close associates with whom he has discussed the question said he held that the President did not have power to establish a claims commission independent of Congress.

Republican leaders said the agreement would mean the dropping of the plan for a treaty with Germany setting up a joint claims commission. President Harding and Secretary Hughes are known to have discussed recently with Republican leaders the plan adopted for an Executive agreement with Germany, instead of a treaty, thus avoiding the necessity of obtaining Senate ratification with its prospects of a long fight, in view of Senator UNDERWOOD'S position for an American commission.

Among those with whom the matter was discussed recently was Senator BORAH, of Idaho, Republican member of the Foreign Relations Committee, and leading irreconcilable toward the Versailles treaty, who to-night expressed satisfaction with the procedure adopted.

"I have no doubt as to the propriety of the Executive proceeding in this way" said Senator BORAH. "I am particularly gratified over the arrangements for two Americans to sit on the commission."

Senator BORAH said there were many precedents in diplomatic procedure for the plan pursued, notably, he said, the Alsop claim against Chile, which was settled by former Secretary of State Knox without reference to Congress.

Other Republican leaders said the administration plan provided merely for establishing the claims against Germany and Germans and the amounts, but that a commission could not provide for their settlement and would not have jurisdiction over the German property taken over by the Alien Property Custodian. The latter, under the Versailles and Berlin treaties, still remains for the disposal of Congress, they held.

Senate leaders said they did not expect Senator UNDERWOOD to drop his bill, but rather thought he would press it more vigorously in view of the new situation and demand an expression from Congress, both on the matter of an American commission to pass on American claims and on the disposition of seized German property.

ADDRESS BY REVEREND DOCTOR SPENCE AT SENATOR CROW'S FUNERAL.

Mr. PEPPER. Mr. President, on the occasion of the funeral of the late Senator CROW an address was delivered by Rev. Dr. W. Hamilton Spence, pastor of the First Presbyterian Church of Uniontown, Pa., which those who heard it think worthy of a place in the RECORD. I ask unanimous consent that it may be printed in the RECORD in 8-point type.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

"I am never called upon to perform a service like the present one, to do justice to the dead—which is among the highest obligations that devolve upon the living—without feeling that some one who had been far longer and more intimately associated with the deceased could more fittingly voice respect for the character of the departed and more correctly appraise the services he rendered. I would not attempt an account of the career of so prominent a citizen as Senator CROW in the presence of those who have been associated with him in various ways for almost a lifetime, or presume to analyze the character of one whom so many present are now thinking of even more as a personal friend than as a public character.

"My own associations with him were of an entirely personal nature, which naturally has to do with determining one's judgment; but these associations, always affectionate and confidential, were long enough and intimate enough to enable one to discover something of his inner self, the man within the man.

"This no subtlety of mind was necessary to discover, for it was frank and obvious.

"The time and place of a man's birth, the character and extent of his education, his environment, and inheritances are but incidents and episodes, the arena on which he pursues his purpose, the instruments by which he accomplishes his will. An account of these is valuable in a biography as exhibiting the conditions under which a life pursues its purpose and accomplishes its work; but the most valuable point in every biography lies behind and beneath a man's sayings and doings, in the central and controlling idea of the man himself. He is the real center of interest, his personality.

"Personality, that vague, indefinable something that singles out one from the many, establishes distinction, is assertive yet attractive, giving an unmistakable sense of the possessor being all there at every moment and at every point of his contact with people and affairs—one could not but feel that Senator CROW was a personality, a force within himself, compelling and virile; moved more from within than without; daring to think his own thoughts and repose upon his own convictions.

"This qualified him for leadership; endowed him with initiative. Leadership came to him as a birthright. Nature intended him to be a leader.

"He possessed personal qualities that drew people to him—that, because he was lovable, kindly, and sympathetic.

"By these he led quite as much as by special abilities to command, exceptional though these were.

"His large following was as much personal as partisan, and many drew to him, adhered to him, worked with him in the field of public life because he was the kind of man he was, because he was WILL CROW, winsome, companionable, magnetic, and because his loyalty to those who attached themselves to him need never be matter of doubt.

"He had the gift of making friends; and this gift was greatly his strength.

"He possessed the instinct to divine how others feel and thought, the genius almost to an uncanny degree to foresee how people would react. He could put himself in their place, think himself into others. And while never losing his own individuality or becoming but an echo or reflection of others, it made others feel they belonged to him and he to them, that their interests were one.

"An outstanding quality, universally conceded and generously admired, was his extraordinary freedom from malice. 'He reviled not again.' He was sensitive, like us all, could be hurt, often

was, but the resentment felt could be restrained and the flash of anger not allowed to kindle into the nursed flame of hate. The sun went not down upon his wrath. Impulse was curbed this side of retaliation, and upon many an occasion it was transmuted into an act of favor, converting the antagonist into a friend; a more conciliatory and forgiving spirit we have not known.

"And this can but suggest another quality many felt to be a high distinction in him—self-control.

"It was not wholly temperamental; for temperamentally he was not phlegmatic; he was alive all through, could flash under provocation like the most sanguine of us; but he learned to bank the inner fire, to silence the call of the blood. Knowing that one is unfit to be intrusted with responsibility, is unable to command the allegiance of others who has not first come to possess and command himself, he schooled himself in that hardest of schools, self-discipline, until self was well in hand, and had developed the power that belongs only to self-restraint. Strange power, is it not, that a man can come to stand above himself, to command the uses of his own soul as if two, two in one, himself the commander and the commanded. That power Senator CROW acquired in an eminent degree.

"Kindly of disposition by nature he preferred to be generous and to be attentive to the interests of others, a trait most easily misconstrued especially in a public man, to be but a means to one's own ambitious ends! But those who knew Senator CROW well and would impartially judge knew that his kindliness was not assumed nor motived by sinister purpose. It was his own disposition functioning naturally. Never too tired to listen to the wants of others, however humble of station, never too busy to make the attempt to relieve them.

"I alluded to his gift of making friends. To be sure he had enemies, rather antagonists. But what of these he had were not personal but political, incidental to any man in public life. As such they were periodic rather than continuous; and as such were of the most forgetting and forgiving kind. The kind of enmities that were aroused came and went, leaving no rancor behind; for he was a man hard to dislike.

"His virtues were his own, were of the fiber of his own manhood. What faults were attributed to him as a public man we shall be ready to say were mainly those of the system, the political environment amid which he worked and aspired.

"I think that distinction may frankly and must fairly be made in varying degrees with every one of us.

"Every man is himself plus his environment, and it is within and by means of just that environment he must work out his life accomplishments.

"It is enough for us to prize and appraise the virtues that another has made his own, that he has fought for and accomplished, and to leave the rest with God, who will doubtless generously sift out the grain from the chaff and credit to us all the equity that our lives have accumulated.

"Strong of will, fixed of purpose, and with so much to live for, a future seemingly but begun in a larger way, his ambition and dream, a future promising to become national as well as State, it was not easy for him to yield voluntarily to the last clear call.

"But, with the grace of God, he fought it out and could say 'Thy will be done.' When fought out there came to him a peace, a strength not his own, the resignation not of compulsion but of trust in the wisdom of Him to whom no life is fragmentary or unfinished however seemingly foreshortened or brief. At 52 years of age he passed from our midst, dead too soon for himself and for us. But in the Sacred Book we are told that with God the years of man's life, as his acts, are not counted, but weighed.

"In conclusion I may say, as an efficient servant of the people in his eminent sphere the Commonwealth owes him its gratitude and an enduring place in its public memory.

"It may well be, too, that with no little pride this community may remember it fitted him for and gave him to the Commonwealth, reflecting upon it, as he did, the lustor of a record many might envy, and leaving behind in it a vacancy not many can fill.

"Mighty always is the hallowing influence of death upon us. His more than most.

"In its presence forgotten is every resentment, buried every defect. It causes us to recall the departed only at their best and to bestow upon them only our charity and love.

"Well should it induce us to bestow upon the living only our forebearance and aid."

HOSPITALIZATION OF EX-SERVICE MEN.

Mr. HARRIS. Mr. President, I ask permission to place in the RECORD two telegrams and a letter from World War veterans in Georgia relative to the veterans' hospitals.

In this connection I wish to say that the Lenwood Hospital at Augusta, Ga., is not a fireproof hospital, and the soldier boys receiving treatment there run the risk of losing their lives in the event of a conflagration. I sincerely hope that something may be done to remedy this, and I have taken up the matter with the Veterans' Bureau and the Supervising Architect of the Treasury Department.

There being no objection, the telegrams and letter were ordered to be printed in the RECORD, as follows:

GRIFFIN, GA., *August 2, 1922.*

Senator W. J. HARRIS,
Washington, D. C.:

This post invites your assistance to see that appropriations for establishing Government hospitals be used now for that purpose to properly treat disabled veterans.

R. B. WHITE,
Post Commander, American Legion.

—

WAYNESBORO, GA., *August 7, 1922.*

Senator W. J. HARRIS,
Washington:

While the American Congress has been liberal in appropriations for hospitals, through the pernicious activity of Brigadier General Sawyer in interfering with the United States Veterans' Bureau sorely needed hospitals have not been built. In the fifth district 500 beds for mental cases are needed. These are the men, if any, who should certainly be entitled to the best possible treatment from the Government. Won't you use your influence to have this awful state of affairs remedied?

A. W. NEELY,
Commander B. L. I. Post, American Legion.

—

ATLANTA, GA., *August 5, 1922.*

Hon. W. J. HARRIS,
United States Senate, Washington, D. C.

MY DEAR MR. HARRIS: At a meeting of La Voiture No. 217, de La Societe des 40 Hommes et 8 Chevaux, held last night, it was unanimously voted to send the following telegram to Brigadier General Sawyer, and I was instructed by La Voiture to send a copy thereof to you for your information:

"Voiture No. 217, de La Societe des 40 Hommes et 8 Chevaux, last night passed resolution strongly resenting your unwarranted action in personally blocking United States hospital program. We respectfully ask that you stand aside. It is the will of the American people that the money appropriated by Congress be used immediately in building hospitals for disabled men. Here in the South we need 500 beds for mental cases. We know the needs of our disabled men and you do not. In the name of humanity, we appeal to you to stand aside."

Respectfully yours,

DAVID J. MEYERHARDT,
Correspondent Locale.

FREIGHT RATES ON MELONS.

Mr. HARRIS. Mr. President, I ask to place in the RECORD, from the Augusta Chronicle, an editorial relative to the high freight rates on watermelons, showing that the freight paid was as much as the amount received for the melons, with the editorial comment of the Americus Times-Recorder.

Several times heretofore I have complained of the high freight rates on watermelons and other agricultural products. Unless the Interstate Commerce Commission further reduces the rates the production will be discouraged and the railroads will lose the freight revenue.

There being no objection, the editorial referred to was ordered to be printed in the RECORD, as follows:

[From the Augusta Chronicle.]

COMPLAINT OF A MELON GROWER.

The Americus Times-Recorder has just received a most interesting communication from Fred B. Arthur in which he reveals an example of what the farmers are up against. He says:

"Recently I shipped one car of melons from my farm to Boston, Mass. Have just received returns of the sale and delivery of this car of melons and it shows that they brought $189.31, and the freight on this car was $189.60, leaving a deficit of 29 cents, not saying anything of the loading charges, commissions, etc.

"Now, it took me six months to grow these melons with fertilizers and tedious work and it took the railroads 86 hours to carry them to Boston.

"'Stop, look, and listen.'

"Where does justice and right prevail? I would have been glad to have gone 50–50 with the roads, but na, na! Nothing for the farmer and all to the roads.

"For the past 60 years this very thing has held the farmers in the background. Will it be otherwise? Will our law ever be changed so that the farmer will have a living showing? If so, pray tell me when?"

The Times-Recorder says:

"Mr. Arthur is fully justified in asking the question. And we can not answer him. We do not believe that the remedy lies in law. Intelligent organization on the part of the farmer, standardization of his products, growing of bigger melons, and marketing through cooperative agencies appears to offer the way to better days for the farmer."

We are sure that the melon growers' associations are in position to, and will, make some statement on Mr. Arthur's communication, for certainly his experience is a discouraging one.

GERMAN REPARATION PAYMENTS—THE TARIFF.

Mr. HARRIS. Mr. President, several days ago Hon. A. P. Brantley, of Blackshear, Ga., one of the leading business men of the South and one of a family of several remarkable brothers, among them being former Congressman William G. Brantley, who so ably represented his district in Congress for many years, sent me two editorials from the Journal of Commerce, of New York, which I ask to place in the RECORD.

There being no objection, the editorials referred to were ordered to be printed in the RECORD, as follows:

[From the New York Journal of Commerce of July 14, 1922.]

FINANCIAL UNWISDOM.

Sound international finance appears, for the time being at least, to be a lost art. Public life in all of the major countries of the world is dominated for the most part by political opportunists, men who can not see off the end of their noses or who lack the courage or the vigor to "stand before a demagogue and damn his treacherous flatteries without winking." But nowhere is the lack of vision more striking or more deplorable than in the handling of the vexing problems growing out of postwar international indebtedness.

Many shafts have been directed at France for her failure to assume a more reasonable attitude toward the reparations question. Without doubt that country has persisted in most regrettable fashion to harp on the undoubted and unjustified injury that was inflicted upon her by Germany and to reiterate the fact—for fact it certainly appears to be—that without the aid justly demanded of Germany she will be unable to reconstruct her own affairs and at the same time meet in full her obligations to her former allies—forgetting all the while that mere insistence upon the impossible will not multiply the loaves and fishes of Germany.

The fact, however, must not for a moment be overlooked that the Teutonic attitude of mind and heart has by no means been one of "sweet reasonableness." Nor have her policies been characterized by straightforwardness and vigor. Her position has been a hard one; her troubles are not all pretended. The victors have probably demanded more than was humanly possible of the vanquished. Beneath a sort of pseudoprosperity the discerning eye has long been able to perceive the germ of economic death. It nevertheless remains highly improbable that Germany has done all that she could toward repairing the enormous and wanton damage of her savagery. A united Germany, capably led, could have come much nearer meeting the demands of the Allies than she has, and in doing so would have regained much of the respect she so utterly lost during the years of her insanity. Moreover, her own internal situation would have been greatly improved thereby and her case for a modification of the reparations program would have been immeasurably stronger. Her course from the beginning and her diplomacy have been characterized far more by sham and hypocrisy than would have been dictated by an enlightened self-interest.

Yet it does not lie in our mouths to criticise very severely. We have steadfastly refused to lend even our counsel. We insist that our debtors shall pay us to the last farthing and at the same time proceed to make it definitely impossible that they do what we demand of them. As long as we continue to hold aloof from Europe, as long as we in Shylock fashion demand our pound of flesh, and as long as we persist in tariff monstrosities and ship gratuities we can hardly condemn others for broadly similar practices.

The world is badly in need of financial statesmen. In Germany, in France, in our own country, their services are urgently required. France demands the impossible of the Germans, who by devious means and doubtful diplomacy seek to avoid doing even what they can. We demand interest on huge funds, and even full capital repayment from the French, who point to their inability to pay us in the absence of recovery of huge sums from Germany, and continue to squander what they have on unnecessary armies and socialistic folderols. Is it impossible to bring these groups together in conference, where reason, moderation, and plain business foresight will displace passion and deluded selfishness?

Individuals exist in each of these countries who could reach a reasonable accommodation in less time than our officials at Washington have wasted in considering a soldiers' bonus. Their services could easily be secured if only they were really wanted. How can the rank and file be aroused to the danger of the present situation and to the need of reaching a sane settlement promptly? It is commonly said that the people would not "stand for" any such procedure. Has any vigorous and straightforward attempt been made to gain their consent to an intelligent program? Certainly there is indication enough of widespread dissatisfaction with things as they are now going. It ought not to be an impossible task to convert this negative discontent with recalcitrance and incompetence into active support of a sane and constructive program.

—

[From the New York Journal of Commerce of July 14, 1922.]

"SCIENTIFIC" TARIFFS.

The fundamental obstacle in the way of scientific tariffs which are always proposed when Congress is wrangling over percentages and commercial bodies are adopting resolutions for or against ad valorem rates is that every tariff bill involves a conflict of both theories and interests. Is the primary purpose of a tariff to raise a revenue or to keep out foreign goods? The unscientific tariff attempts to do a little of each, but a scientific tariff can not do that; it must aim at one or the other of these two ends and allow the other to be merely incidental.

The next difficulty is that if the tariff is to be primarily protective it assumes what has got to be proven; it assumes what is in dispute, with plenty of evidence to be offered on each side. Are the costs of production greater here than abroad, and if so, in about what proportion?

Certainly wages are higher, but that does not always mean that the cost of production is higher. Our exports of manufactured goods are large and growing, and they are very much larger than our imports of manufactured goods. There is something the matter with this easy and superficial assumption that because wages are higher costs of production are higher.

A scientific tariff is presumed to be one constructed by business men or economic experts in distinction from politicians. But the politicians have no interest in the rates, except so far as they are themselves business men affected by them or wish to serve the interests of such business men. If the conclusions of the experts are not satisfactory to the politicians, the latter will not accept them. The politicians have the power of determining what the duties shall be, and they think they know what will be popular or what is important for their localities. No power on earth will make them subordinate these to the conclusions of a board of experts.

We have tried it several times. We have had "scientific" tariffs, or parts of tariffs, but no one whose interests, pecuniary or political, were likely to be adversely affected thereby has accepted anything of the sort for a minute; he has devoted every energy to defeating the tariff scientists or the experts. And he has succeeded because he has found plenty of others of like mind. This does not prove that the experts were not right; it proves that pecuniary interests are always too strong for scientific conclusions.

The most serious effort we ever made to get a scientific tariff was just 40 years ago, through the Tariff Commission of 1882. There were nine able men on that commission, and President Arthur did not appoint a single free trader or revenue tariff man; the Democratic members were more or less protectionists. The commission traveled around the country for months and gave hearings at great length and submitted a huge amount of important information with a report in the form of a draft for a tariff bill reducing rates in general about 20 per cent.

But men in Congress, or their constituents, did not want duties reduced. The House passed the commission's bill; the Senate struck out everything after the enacting clause and attached a bill that has been generally estimated to have reduced duties 3 or 4 per cent on the whole, and that was passed by both Houses of Congress.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. UNDERWOOD. Mr. President, I desire to discuss the pending amendment. I regard the amendment proposed by the Senator from North Dakota, now pending before the Senate, as the most important feature of the bill brought before us for consideration. We have spent weeks and months in determining what the tariff taxes shall be on imported articles coming in at the customhouses. This action on the part of Congress has been in conformity with the precedents which have preceded us for over a hundred years, from the beginning of the Government. It has always been assumed and recognized in the past that the Congress of the United States could act intelligently upon tax matters and could probably adjust customs tariff rates.

In recent years it has been proposed to aid the Congress in its action by appointing tariff boards and tariff commissions to ascertain facts in reference to the cost of production, and the points of competition in articles coming in at the customhouse on which tariff taxes were levied. But heretofore the efforts to aid the Congress have been confined to the ascertainment of facts to be laid before the Congress, leaving the final determination of the amount of the tax on each article to be decided, under constitutional methods, by the Congress itself.

We now face a proposal, coming from the majority members of the Finance Committee of the Senate, to revolutionize entirely the procedure in levying customs taxes, to largely divorce the legislative branch of the Government from a determination of these questions, and vest in the executive branch of the Government the final determination of the facts and the rates which shall be applied in the future in regard to customs taxes.

I do not believe that such a procedure is within the terms of the Constitution. I do not believe that the Congress can divorce itself from the responsibility which the Constitution of the United States puts upon the Congress to control the taxes levied on American citizens and to fix them.

We had a very able argument yesterday by the Senator from Montana [Mr. WALSH], expressing most clearly and most forcefully his viewpoint as to why the pending provision of the bill is in violation of the Constitution of the United States. In large measure I agree with what he said. The question of its constitutionality has been discussed from every angle during the pendency of the measure and I shall not delay the Senate to repeat what has already been said or to go into an extended argument as to the constitutionality or the unconstitutionality of the proposed amendment. However, I want to say in passing that those who favor the amendment do not base their arguments as to its constitutionality on the question that the Congress can divorce itself from the power of levying taxes, but they reach out into the domain of foreign commerce and contend that under the Constitution the Congress can regulate foreign commerce, which is true, and that the Congress can delegate its power to regulate foreign commerce in the same way that it has already delegated its power to regulate commerce among the States to commissions or bodies other than the Congress itself.

Now, Mr. President, I think the point where that argument is weak and where it fails is in this respect: Are we regulating commerce or are we passing a bill to tax the American people? Are we raising revenue to support the Government or are we engaged in passing a bill to regulate commerce? The title of the bill is:

To provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

But what is the first provision? It is "to provide revenue," which means to levy taxes. The other question involved in the bill with reference to the regulation of foreign commerce is an incident to the question of levying taxes to provide revenue

to support the Government; it is not the main constitutional purpose of the bill. I am inclined to believe that if the taxes were not levied primarily to support the Government of the United States, no Senator on the floor of this body would contend that the bill was constitutional. We undoubtedly have the right to regulate commerce in the way of exercising a control over its outward flow or inward flow across the borders of the country, but that is not the question involved here.

The amendment, although it may as an incident to the proposition of taxation regulate the commerce between foreign countries and our home people, has for its primary purpose the levying of taxes, levying taxes at the customhouse, and it is through the power to levy that tax that the commerce is regulated.

I do not believe that anyone would contend for a moment that we could delegate the broad power of taxation to the Executive branch of the Government. I do not believe that anyone would contend for a moment that such a course was contemplated by the Constitution of the United States. In fact, the men who wrote the Constitution were so jealous of retaining the power of taxation in the hands of the Representatives of the American people that they even provided that no tax bill should originate under this Government except in the House of Representatives, which at that time was the only part of the legislative branch of the Government that was directly elected by the people.

Now, it does not make any difference whether in levying taxes the President's power is limited to 50 per cent in increasing or decreasing a rate, or whether the bridle is taken off, and he is given the unlimited right to increase and decrease taxes. It makes no difference so far as the principle is concerned. If to the extent of 50 per cent of the present rate of taxation he can change a tax or write a new tax in lieu of what is now on the statute books, then if the Congress should delegate him the power he could write the rate entirely regardless of the limitations that are put on it.

Now, we can not escape the fact, if the pending provision shall be enacted into law, that within the limitation of that 50 per cent, a change of 50 per cent of the rate fixed in the bill, the President would be vested with the power to change the tax laws of the country to the same extent that the Congress is vested with that power now. What are we attempting to do under the pending bill? We have a tax law on the statute books providing certain rates of taxation on certain commodities coming through the customhouses of the United States. That is the existing law. The Senate now has before it a bill which, if it becomes a law, will change those rates, some of them to a greater extent than 50 per cent of the present rates, but many of them not to a greater extent than 50 per cent of the present rates.

If we should adopt the amendment offered by the Senator from North Dakota [Mr. MCCUMBER] what would we do? We would substitute for the present law the tax rates of the pending bill, and then we would give to the President of the United States the power to amend those rates provided he keeps within the 50 per cent limit.

Now, is not that a delegation to the President of the same power, within that limitation, which exists in the Congress today? I understand, of course, that the answer to that by those who favor the measure is that Congress has heretofore delegated the power to fix rates, instancing the reciprocity terms of the McKinley bill. But, Mr. President, under the terms of the reciprocity features of the McKinley bill the rate of taxation was fixed. The President of the United States was given the privilege of applying those rates upon the happening of an event, just in the same way as we might provide for the taking effect of the rates in the pending bill upon the happening of an event, as we really do. We provide that upon the passage of the bill and signature thereof by the President the rates shall immediately take effect, but we could provide in the bill that they should take effect on the first day of January next or we could provide in the bill that they should take effect on the day when there is the next full moon in August. But that would not be limiting taxation; that would not be affecting the taxation; that would not be making the rate. Congress would be merely prescribing the time or the happening of the event when the rates of tax should go into effect. That is all there was in the precedents which heretofore have been referred to.

Now, Senators in favor of the proposal say that is all that is contended for in the clause of the pending amendment; but I differ with them on that proposition. The clause of the amendment of the Senator from North Dakota does not fix a rate at all. It puts a limitation upon the power of the President to make a rate and it provides that he shall not reduce or increase a rate more than 50 per cent of the existing rate; but it does not fix any rate of taxation whatever. It leaves the question of fixing the rate of taxation entirely in the hands of the President of the United States within the limits of the bill. Here is the basis on which the President is authorized to fix the rates:

(c) That in ascertaining the differences in conditions of competition, under the provisions of subdivisions (a) and (b) of this section, the President, in so far as he finds it practicable, shall take into consideration (1) the differences in conditions in production, including wages, costs of material, and other items in costs of production of such or similar merchandise in the United States and in competing foreign countries—

Next—

(2) the differences in the wholesale selling prices of domestic and foreign merchandise in the principal markets of the United States, but in considering prices as factors in ascertaining differences in conditions of competition, only reasonable profits shall be allowed; and (3) any other advantages or disadvantages in competition. In any investigation under the provisions of this section hearings shall be held and a reasonable opportunity to be heard shall be afforded.

Mr. President, if this proposed legislation be agreed to, the President of the United States is going to be authorized to levy taxes under the terms which I have just read. Is there any happening of a certain event provided for when the President shall act in levying taxes? No. Is there anything definite in that provision to guide the President in determining when he shall impose these taxes? The proposed statute leaves it entirely to the discretion of the President. In the first place, it provides that he is to fix the tax at such a rate that there shall be nothing more than a reasonable profit. Who determines what shall be the reasonable profit? It is the mind of the President of the United States; he is to fix the tax at what he determines is not in excess of the cost of production and a reasonable profit. Now, I ask, Mr. President, if, under those circumstances, the mind of the Congress, the legislative branch of the Government, is controlling the power of taxation or whether Congress, within the limitations of the bill, has delegated to the President of the United States the power to determine what taxes shall be paid by the American people at the customhouses of this country? I do not think there can be any doubt about the matter. It will be the Executive mind of the Government that will hereafter regulate the amount of taxes at the customhouse rather than the legislative determination of the matter. Therefore, it is clear to me that these provisions of the bills are not within the terms of the Constitution of the United States.

More than that, Mr. President, I think that this proposal is a direct retreat of the Congress of the United States from the authority which it holds from the American people to levy the taxes that must be paid. I think that this action is a retreat of the Congress of the United States from the responsibility that rests on its shoulders and which it has no right to delegate. I think that those who vote for a provision of this kind plead guilty to the charge that the Congress of the United States is incapable of functioning within the powers conferred upon it by the Constitution of the United States; that they plead guilty to the fact that they are unable properly to levy customs taxes and to guard the rights of the American people upon any theory of taxation we may propose to have, whether it be a revenue theory or a protective theory. Those who support this proposition abdicate their functions. They say to the American people, "We are incompetent; we are unable to serve you longer in this matter."

Notwithstanding that our predecessors for more than a hundred years have been enabled to enact legislation along these lines which has been more or less satisfactory to the American people, we have reached the point where we admit our own incompetency. That is the only plea that has been made on the floor in favor of this amendment. I have listened to the debate on the part of those who have advocated the delegation of this great power to the President of the United States, and the basis of every speech which has been made in advocacy of the proposition has been the contention that the Congress of the United States is no longer capable of properly enacting tariff legislation, and therefore we must delegate the power to the executive branch of the Government because of our own incompetency.

Mr. President, it may be that Congress, facing the misshapen bill which is now pending before the Senate, may have some justification for reaching that conclusion, for if the pending bill has been drawn on any theory whatever in adjusting these customs taxes, I have been unable to ascertain what it is.

Mr. WALSH of Montana. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from Montana?

Mr. UNDERWOOD. I yield.

Mr. WALSH of Montana. The argument which the Senator from Alabama is making, that the pending proposition, if adopted, would be an abandonment of the functions of Congress into the hands of the Executive, has reminded me that in the year 1918, when we were considering what was known as the Overman bill, which permitted the transfer of the powers of one department to another upon the order of the President, a then distinguished Member of this body spoke as follows. I read from the CONGRESSIONAL RECORD:

> If the Senate of the United States is going to accept an Executive mandate and pass this bill, with every suggestion of amendment refused, Congress can only fittingly complete the program by delegating the taxing and appropriation power, adjourn, and go home.

Mr. UNDERWOOD. May I ask who was the Senator who uttered the language which has just been read by the Senator from Montana?

Mr. WALSH of Montana. The then speaker is the present President of the United States. So perhaps Congress now had better take the advice then given, delegate the taxing power to the President and go home.

Mr. UNDERWOOD. I think that is what this bill amounts to; and I thank the Senator from Montana for his suggestion in regard to the matter. It is a plea of guilty to the charge of incompetency whenever the Congress of the United States passes a measure delegating its constitutional powers to the executive branch of the Government, as it proposes to do in the pending amendment.

More than that, Mr. President, outside of the constitutional question, outside of the shameful confession that is being made by the Congress of the United States in advocating the surrender of its powers, I oppose this proposition because it is very dangerous to the people of the United States to put into the hands of the Executive—and I am not criticizing the present Chief Executive; there is no personal political allusion in what I intend to say; I will apply the remarks to all the Executives we have had in the past and to all we may have in the future—I say it is very dangerous to place this great power of taxation in the hands of any one man.

Of course, I know the President of the United States will not exercise this power personally. He will appoint some agent or agents to do so. As the amendment was originally drafted, the committee proposed to put the responsibility of determining the rates primarily on the Tariff Commission, but, as the amendment now stands, they take away that responsibility; they limit the responsibility of the Tariff Commission merely to an ascertainment of facts, to be laid before the President of the United States, and then leave it entirely to the discretion of the President, without any limitation whatever, except that he must not raise a rate over 50 per cent and he must not lower the rate over 50 per cent, as to how much tax he shall levy on the American people.

As I have said, of course I know, as every other Senator knows, that the President in his great office, with the vast amount of work which confronts him, will be unable to exercise this power himself, and that he must delegate it to somebody. It is left absolutely wide open; no responsibility is fixed on the men to whom the power is to be delegated. The President may consult the Tariff Commission after they have reported the facts to him and write their conclusions as to what taxes shall be levied upon the American people into the law, or he may abandon the Tariff Commission and consult the Department of Justice, the Department of State, or the Department of Commerce, or he may consult the clerks in his own office, or he may, if he desires, after the ascertainment of the facts, consult the special interests which are going to profit by the levying of this taxation. No man will know who writes the tax bills of America hereafter. We will know that a Tariff Commission will lay before the President certain facts, and there the door closes. From that time on until the tax rate is fired into the face of the American people it will be in obscurity; it will be in secrecy; it will be hidden behind the doors of the executive branch of the Government, and what influences may enter there you do not know.

I am not talking about corrupt influences in the sense of corrupting personally the President of the United States, because I believe that when a man achieves that high and exalted office the very position he occupies, unless he is a fiend indeed, must make him personally honest; but there are political influences that face every man in political position and in the exercise of political power, and when you confer on the President of the United States in this amendment the power of levying taxes on the American people in secrecy and behind closed doors, as you do in this bill, you put in his hand a tremendous power that may be used for the political advantage of either himself or his party.

I know, because I have sat on the committees that have written the tax bills of Congress too many years not to know, that within the range of 50 per cent of existing rates you may write a rate in many instances that will destroy an industry, or you may write a rate that will make those in the industry enormously wealthy by giving them a monopoly of their business without foreign competition to regulate prices. You know that as well as I do; and when you put in the hands of one man the right to exercise this power in the secret recesses of his closet, without having to give to the world or to give to Congress the influences that directed his judgment or the reasons why he finds a rate or the names of the men who approached him and solicited a change in taxation, you are putting in the hands of one man the most enormous power to oppress the American people that has ever been granted in the history of this Government. You are putting in the hands of one man the greatest power for political corruption and political advantage that has ever been conferred since the beginning of the Government.

It will not be necessary in many instances to make a very great change in the rate to turn the channels of dollars into the pockets of special industrial enterprises or to take them away. When one man has that power, does anybody doubt that the political committees of himself and his party can have their treasuries swelled to bursting by the gifts of those who are interested in the decisions to be rendered?

I am not intending this statement to reflect on the President of the United States or any other man, but I am saying that you are giving this power to the President of the United States, a power that he alone can exercise, that he can be approached in secret, and the American people will hardly know that the change of rates is made until long after it has happened and they feel the burden of taxation resting upon their necks.

This power in many instances can not only be used to make but it can be used to destroy, and when you put this power in the hands of one man, what is going to be the effect not only on the burdens that the American people must bear in the future but on future elections in the United States? Are you going to organize in this way a machine that will wrest the control of elections from the American people unless it gets so great that we have a political revolution to tear it down? No, Mr. President; whenever you adopt this measure the Republican Party will plead guilty to its own incompetency to legislate, and it will put in the hands of its own Executive a power that no Executive in this world should possess.

But there is more than that. The basis on which you propose to fix these rates, if carried out by the President of the United States, will necessarily raise every rate in this bill, within the limitation of the 50 per cent, to a point where it will prevent competition in the future. As was well said by the Senator from Wisconsin [Mr. LENROOT] yesterday, you not only propose in this bill that the President of the United States shall take the difference in cost of production as the basis on which to levy a rate but you intend to add to that a reasonable profit. If you automatically and thoroughly worked out the problem of ascertaining the exact difference in cost of production at home and abroad and made that the basis of your rate of taxation, you would very shortly cut off all importations of commodities that the manufacturing interests of the United States are able to make in sufficient quantities to supply the demand of the home market. Of course, there are some commodities of which we do not produce enough to supply the needs of the American people; but of those commodities where we are capable of supplying the home demand, if you have accurately fixed the rate at the customhouse at a point where it equalizes the difference in cost at home and abroad, then the foreign producer or manufacturer is kept out, because in addition to the difference in cost before he comes into the American market he must pay the cost of carriage, the ocean freight rates, the insurance rates, and all other costs of entering our market, and with that given as an advantage to the American producer he can always drive his competitor out of the field; but, in addition to that, in this bill you propose to authorize and direct the President of the United States to add to that a reasonable profit.

You put no limitation on the President as to whether he shall say 5 per cent is a reasonable profit on the cost of production or whether he shall say 50 per cent is a reasonable profit on the cost of production. What he may determine no man can tell, because every President of the United States may have his own viewpoint as to what is reasonable; but, at any rate, there is going to be that reasonable profit in addition to the cost of production which, within the limitation of the 50 per cent raise that he is entitled to make, will exclude foreign

competition entirely, and necessarily must do so, and you will have a prohibitive tariff wall around this country on all that class of articles embraced in this bill where the American producer produces in sufficient quantities to supply the demands and needs of the American people.

Mr. LENROOT. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from Wisconsin?

Mr. UNDERWOOD. I yield.

Mr. LENROOT. Does the Senator base his statement that the President, in addition to the cost of production, is authorized and directed to add a profit, upon the language of paragraph (c) of the amendment, where it is provided that in ascertaining the difference in selling prices only reasonable profits shall be allowed? Is that what the Senator refers to?

Mr. UNDERWOOD. I read it a moment ago. I will read it to the Senator again. If the Senator will refer to the printed amendment offered by the Senator from North Dakota, on the bottom of page 4, he will find a paragraph which begins on line 18, and on page 5 he will find this language, commencing on the second line:

But in considering prices as factors in ascertaining differences in conditions of competition, only reasonable profits shall be allowed.

Mr. LENROOT. The Senator, of course, understands that if the amendment I have proposed is adopted it will necessitate an entire revision of paragraph (c), and it is my understanding that the committee itself will suggest such a revision, which will eliminate the clause to which the Senator refers. If the committee does not, I wish to very frankly say that I will.

Mr. UNDERWOOD. The Senator means he will try to do so if the committee does not.

Mr. LENROOT. Yes; and I have every confidence of being successful; but I believe the committee itself will do so, because that can only have a bearing if the phrase "conditions in competition" is rejected.

Mr. UNDERWOOD. The Senator will probably be successful, because his amendment improves the committee amendment, and he will undoubtedly get enough votes on this side, if he can muster a corporal's guard on the other side, to make his amendment go. But I hope the committee will again change its mind. The great thing about the committee which reported this bill is the fact that they have been most generous in the positions they have taken. They have not been dogmatic, and stood on any position. If there is any item in this bill they have not changed their minds about once or twice or half a dozen times, I do not know what it is. So, of course, I can not for a moment argue this question from what the committee may do to-night or to-morrow. I am arguing the case from the position of the committee as it presents it at this time. The Senator may have very much later information about what is going to happen than I.

Mr. LENROOT. No doubt the Senator can see that if the amendment is adopted paragraph (c) as it stands will be squarely in conflict with paragraph (b) and paragraph (a), based on the cost of production, and I assume, of course, that the committee would then harmonize the balance of the bill to conform to the rule adopted by the Senate.

Mr. UNDERWOOD. As I said, this whole business is indefensible, from my standpoint, is without justification at all; but the high peak of the point where it is indefensible is this question of directing the President to add a reasonable profit after ascertaining the difference in cost, and I agree with the Senator that if the committee will graciously change its mind again and strike that provision for reasonable profit out of this paragraph it will very greatly improve the situation, and if the committee will not do it, so far as I am concerned, I should be very glad to vote with the Senator from Wisconsin and try to force the committee to do it.

But that does not relieve the situation entirely in writing these tariff rates. As I said awhile ago, if you add to the difference in cost a reasonable profit, you know beyond peradventure that you will have a prohibitive tariff wall built around the United States in regard to competitive products, but even if you fix the rate so as just to equal the difference in cost of production, after accurately ascertaining that, you will practically have a prohibitive tariff wall built around the United States. You will cut off revenue, because no matter how small the advantage is, when the American manufacturer has a permanent advantage in the sale of competitive commodities fixed by law the foreign competitor is going to keep out of our markets forever, not that there may not be periods when he could bring his products over the line in small quantities; not that there may not be periods when he may bring them over in large quantities, if he can advertise and develop his business, but in active competition in business it is human nature that one business competitor is going to put the other out of the field by underselling him if he can.

The foreign competitor must build up his business by advertising his goods, by having storehouses and other means of distribution at a large initial cost for building up a business in ordinary commodities, as a rule; of course, there may be exceptions to the rule. When he has done that and has to pay a tax that will equal the difference in the cost of production at home and abroad, and then, in addition to that, pay the cost of carriage from his home place to this market, the American manufacturer has only to lower his price to a small amount above the difference in cost of production, with the transportation charges added to it, and out goes the foreign competitor, and once out of the field he is not going to come back and spend his money to build up a business when he knows that under the law of the United States he can be thrown out again, and all of his expenditure in building up his business lost.

If the amendment proposed by the Senator from Wisconsin is not agreed to, we know absolutely what is going to happen, that a prohibitive wall will be built around the United States in all competitive articles. But even if you adopt his amendment and strike out this question of giving a reasonable profit to the American producer by law, whatever that may mean, even if you strike that out you still have this bill arranged so that if the President of the United States complies with its terms, you are going to build a prohibitive wall, in the way of taxation, around the American people and allow the special interests within the wall to levy their taxes on the American people by way of higher prices.

There is no use in discussing this clause further on my part. It is merely taking up the time of the Senate unnecessarily. Occasionally a small revolution organizes on the other side of the Chamber. A dozen or 15 men can not stomach some item in this bill, and they revolt against it, and, with the aid of the Democratic votes on this side of the Chamber, they tear it out. But it is only a step or two. This bill has been before the Senate since last April. Everybody knows it is an indefensible bill. It is the only great piece of legislation I have ever seen before the Congress of the United States in my experience in Congress where the majority of the press holding allegiance to the party in power repudiated the pending legislation, as they do in reference to this bill.

The bill is indefensible from every standpoint. It is indefensible because its rates are the heaviest rates of taxation ever levied at the customhouse. It is indefensible because these rates are not levied for taxes, they are not levied to equalize the difference in the cost; they are levied to increase prices. Read the arguments which have been made in advocacy of the rates in this bill, and every one of them in the end rests on the proposition that the rates are levied in order that the producer of the articles may get higher prices from the American people—not from anybody else, because the rates do not apply if you carry the commodity beyond the shore line of the United States.

So the majority admit that the rates in this bill are levied to raise prices. There is no report here, there is no statement of facts, except in scattered, individual cases, to show anything about the competitive points in the bill or the cost of production. The entire argument is that somebody, some special class, needs more money, and therefore we will pass this bill and put up the taxes, so that the producer may put up his prices and exploit that much more money out of the pockets of the American people for some favored class. You are afraid you have not done enough of it, that you have not gone far enough in your action of favoritism to class and clan, and therefore you bring in this amendment and say that you are going to give your President power to increase these rates 50 per cent over what you have written. In other words, if special interests in this country are not able to exploit the American people sufficiently under the terms of the bill which you have spent four months in presenting to the Senate you are now going to give the President of the United States the right to exploit them to the extent of 50 per cent raises over the rates you have put in the bill.

We are in the minority; you have a majority on the other side of the Chamber of 24, which is a very large majority in a body composed of 96 Members. We can only make our protests; but I say to the majority party that these protests have been made in the past. Before this day, in the high tide of Republican power, in order that you might court the favor of special interests, you have passed legislation levying unjustifiable taxes on the American people, and you have been punished for it.

I am thankful to say that although we can not stop this infamy, although we can not prevent the passage of this bill,

we can let the American people know that the rates of taxes levied within the covers of this bill are not in the interest of the Treasury of the United States, are not levied primarily in the interest of conducting the Government of the United States, but are levied at the behest of the special interests which have haunted the doors of this Capitol since this bill came before us.

In addition to that you are going to consummate the whole matter by delegating your power to the President of the United States, and authorize him to levy such taxes on the American people, behind closed doors, as he thinks in his judgment they can stand and pay, with nobody seeing who approaches the Executive. When we have it here, it is under the sunlight that shines through the dome of the Capitol. You can not approach one man in the House of Representatives, you must approach 435; you can not approach one man in the Senate, you must approach 96, as long as we follow the constitutional method.

When there is a scheme to be put over, when there is a special privilege to be granted, and there are 96 men in the Senate and 435 men in the House, it is very difficult to keep the matter a secret. If that scheme is wrong, if it is unjustifiable, if it is a steal of the rights and moneys of the American people, through the dome of this Capitol the light of God shines and the American people will sooner or later learn the facts. But when it is proposed to divorce the Congress of this power and put it in the hands of one man to exercise it in the secret recesses of his chambers, without opportunity for the American people to know what influences are being brought to bear upon him, it is endangering every fabric of our Government.

Mr. McCUMBER. Mr. President, I ask the Senator from Wisconsin [Mr. LENROOT] to allow me to propose certain amendments as they come along and which cover, I think, everything in his amendment; but inasmuch as, taking the amendment alone as it stands, we would have to make other modifications, it would be better to do it in the order in which the modifications should be made.

Mr. LENROOT. I have not had an opportunity to check over all the changes, but I have no doubt they are correct. For the purpose of complying with the Senator's request I will withdraw my amendment to the amendment, with the view of the committee offering amendments covering the point that is covered by my pending amendment.

The PRESIDENT pro tempore. The amendment offered by the Senator from Wisconsin to the amendment of the committee is withdrawn.

Mr. McCUMBER. On behalf of the committee I send to the desk a number of amendments covering section 315, and in a short time I shall present others covering sections 316 and 317. As they are separate amendments, I shall offer them in the order in which I have placed them as I send them to the desk.

Mr. UNDERWOOD. Mr. President, as this is a very important change the committee is about to make, and some of the absent Senators may desire to know what is going on, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hale	Myers	Stanfield
Borah	Harreld	New	Stanley
Bursum	Harris	Newberry	Sterling
Calder	Heflin	Nicholson	Sutherland
Cameron	Jones, N. Mex.	Norbeck	Swanson
Capper	Jones, Wash.	Oddie	Townsend
Caraway	Kendrick	Overman	Trammell
Colt	Keyes	Pepper	Underwood
Cummins	Ladd	Pomerene	Wadsworth
Curtis	Lenroot	Rawson	Walsh, Mont.
Dial	Lodge	Sheppard	Warren
Dillingham	McCormick	Shortridge	Watson, Ga.
Edge	McCumber	Simmons	Watson, Ind.
Ernst	McKellar	Smith	Willis
Gerry	McKinley	Smoot	
Gooding	McNary	Spencer	

The PRESIDENT pro tempore. Sixty-two Senators have answered to their names. There is a quorum present.

Mr. TRAMMELL. Mr. President, if it is in order, I desire to propose an amendment in the nature of a new paragraph to the amendment offered by the chairman of the committee. If it is in order at the present time I desire to have it read.

The PRESIDENT pro tempore. The Senator from North Dakota has offered an amendment to the committee amendment, which is now pending. It will be stated.

The ASSISTANT SECRETARY. In section 315, found on page 1 of the amendment, in lines 8 and 9, strike out the words "conditions of competition in the principal markets of the United States" and insert in lieu thereof the words "costs of production."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from North Dakota to the amendment proposed by him on behalf of the committee.

Mr. McCUMBER. Mr. President, the Senator from Alabama [Mr. UNDERWOOD] has reiterated a statement which he has made time and again ever since he has been in the Congress of the United States, and when there was a Republican tariff bill before the Congress, namely, that it was the most inexcusable bill ever presented to the American people. I shall not take any time whatever in discussing the adjectives which he used upon this occasion in characterizing the bill, nor need I take a great deal of time in considering the half slurring reference to the committee having to change its mind upon schedules and rates. It is a very simple and easy task to frame a tariff bill for revenue only in such a manner that it will simply provide for an ad valorem rate of duty on everything that comes into the United States. It does not require a great deal of forethought and not even a great deal of intelligence in the matter of differentiating the rates fixed in such a measure; but, Mr. President, when we frame a bill upon a protective basis, and frame it at a time when world prices are chaotic and uncertain and extremely changeable, we must necessarily, if we have such a bill before the Congress for several months, make changes as new conditions present themselves.

It is equally true, Mr. President, that if a change in a rate is made, either by the committee or by the Senate against the will of the committee, on a single article, there is forced upon the committee the necessity of changing the rate upon every item into which that product goes. Of course that requires a number of changes, depending upon the principal change which is made. When the Senator from Alabama [Mr. UNDERWOOD] was in the House of Representatives he introduced a bill—a simple bill, of course, a tariff for revenue bill—and it became a law in the latter part of 1913. God Almighty was merciful to the Democratic Party in permitting a war which prevented the full operation of that law. It was as though an individual had taken a pound of strychnine into his stomach and it so happened that just at the time he was about to have the paroxysm of pain that would result in death somebody came along with a stomach pump and relieved him. The stomach pump in this particular instance was the great European war. Had that war not happened, I think the American people would have better appreciated the situation in which they would have been left, and with greater enthusiasm would have welcomed any change in our tariff program.

Mr. President, I intend at this time merely to indicate what changes have been suggested at this morning's meeting of the majority of the Committee on Finance. It is true we have made changes different from those which we recommended on yesterday; but a tariff for protection is always a party partisan tariff, and the Republican Party of the Senate is now responsible for the character of such a tariff bill. It is quite natural, therefore, that, representing every section of the country, with varied and different interests, Senators should entertain differing views and views at variance with those of the majority of the committee. That was indicated in the discussion of yesterday. Therefore, for the purpose of composing and compromising the differences of opinion on this subject—not to conform with the views upon the other side of the Chamber—we have this morning recommended a number of changes.

The first change proposed is to substitute the words "cost of production" for those which were previously recommended, namely, "differences in the conditions of competition" in our markets. In presenting this change, the committee has not modified its views one iota. I am still of the same conviction that I expressed on yesterday, that the language which we then proposed was the better language; but I was satisfied that to insist on that language would bring on a long contest and conflict between Members on this side of the Chamber and therefore agreed with the revision that was made by the committee this morning.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Does the Senator from North Dakota yield to the Senator from Idaho?

Mr. McCUMBER. I yield; but I do not desire to extend my remarks unduly.

Mr. GOODING. I shall be brief. I wish to ask the Senator from North Dakota if the Lenroot amendment as proposed is adopted, will it not eliminate from consideration the question of freight rates in ascertaining the difference between the cost of production in this country and foreign countries? Is not that the purpose of the amendment?

Mr. McCUMBER. No. I hardly think that is the whole purpose of the amendment.

Mr. GOODING. We were so advised by the Senator from Wisconsin.

Mr. LENROOT. The Senator is entirely mistaken.

Mr. McCUMBER. I do not think that was the whole purpose of the amendment, but that would be the effect of it, of course.

Mr. GOODING. That is the effect of it.

Mr. McCUMBER. As now proposed, the committee amendment does not state that in fixing the rate the cost of transportation shall be taken into consideration.

Mr. GOODING. As at first framed, that point was covered, so that freight rates might be taken into consideration. I ask the question now if the Lenroot amendment, if adopted, would not make that impossible?

Mr. McCUMBER. Mr. President, it is not one of the factors which the President is required to consider in arriving at what is the difference in the cost of production. I might go further and say that I hardly think even any of the other questions will have much bearing, because, after all, the real thing that the President must determine is the difference between the cost of production at home and abroad; but it has been so modified by the Senator from Wisconsin, himself, as we have recommended it, that the President does take into consideration the question of bounties and other advantages or disadvantages under which the foreigner may operate. To that extent it may include the advantages and disadvantages of transportation as between this country and the foreign country, but, in my judgment, he can not take into consideration the question of the cost of transportation of an article from the field of production to the field of consumption in this country. I think I have answered the Senator.

Mr. President, I wish briefly to state just what changes we have recommended: First, as I have said, we have recommended that for the phrase "differences in conditions of competition" there shall be substituted the phrase "cost of production."

Next under the amendment as now drafted—and this is in accordance, to some extent at least, with the views of those from the western section of the country—the President is prohibited from changing the form of the duty. Under the amendment as it was proposed he could change either the form or the classification. We now limit the power to a change in rate and a change in classification, but where the law provides a specific duty the President can not change that and make it an ad valorem duty, and where the law provides a compound duty the President must still retain the compound-duty feature in the changed rate.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Idaho.

Mr. McCUMBER. I yield to the Senator.

Mr. GOODING. I am not quite sure that I understood the Senator from North Dakota. He says, as I understand, that under the amendment as now proposed the President can not take into consideration transportation charges from the field of production to the place of consumption in fixing the duty.

Mr. McCUMBER. I do not think he can.

Mr. GOODING. Then, the question of freight rates must be eliminated entirely from consideration.

Mr. McCUMBER. The fact is that all he does is to find the difference in the cost of production. Under the provision, however, as amended he takes into consideration, of course, any bounty or other advantage or disadvantage under which the foreign producer may operate and send his products into the United States. I do not think that the President could take into consideration the question of the freight rates between California and New York. I wish to be candid with the Senator in that respect.

Mr. GOODING. That is a very vital matter to Idaho and Wyoming and all other Western States, and I wanted to be clear in reference to it.

Mr. McCUMBER. Yes; but I do not think that the President had that power under the provision as it was originally reported.

Mr. LENROOT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Wisconsin?

Mr. McCUMBER. I yield.

Mr. LENROOT. While that is true, it also prohibits the President in fixing the foreign cost from adding a freight rate from the foreign point of production, in the case of wheat, for instance, to the city of Chicago, where it is placed on the market.

Mr. GOODING. The chairman of the Finance Committee has been very positive in his views in the past, as I remember, that the freight rate should be taken into consideration in fixing a protective duty. I merely wish to say to him now that he has eliminated it entirely from this bill as an element to be taken into consideration in the fixing of rates.

Mr. McCUMBER. Mr. President, the chairman of the committee has not changed his mind at all that every matter affecting the cost of laying the article down in the principal centers of consumption should be taken into consideration and given due weight in determining the question of a protective tariff rate. Of course, it must still be left to the policy of Congress whether it will give a protection that will always include the cost of bringing an article from one point in this country to another point. Congress has exercised that judgment in a number of cases, and has declared that it will not impose a duty sufficiently high to allow a product to be mined in Idaho or in the State of Washington and brought into New Jersey, the place of principal consumption, and meet any competition.

As an illustration let me cite the case of barytes. Those from the Missouri plants who desired to secure a duty on barytes to allow them to compete with the eastern markets were turned down by the committee. We said: "It would so increase the cost of barytes where it may be needed that the justice to you will be more than overbalanced by the injustice to the consumer"; and we made a partially sufficient rate. We made a rate so high that the barytes producer in Missouri could hold the Chicago market, but could not get into the eastern market. We made it sufficiently high so that the foreign producer, while he could get into the eastern market, because of our freight rates could not reach the Chicago market.

I think I have made myself clear upon that point. That was a question of policy, of how far Congress would go; and we do not want to deprive Congress of that right, and say to the President: "You may ignore that policy entirely, and though but a small portion of a product is produced in Idaho or Washington—maybe not one-fiftieth of what we consume in the United States—you may enormously raise the price of all the imported articles." That must be left for Congress.

Mr. BURSUM. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from New Mexico?

Mr. McCUMBER. I yield.

Mr. BURSUM. Does not the Senator from North Dakota appreciate that it is impossible, from a practical standpoint, to secure complete data with reference to costs of production of foreign-produced articles?

Mr. McCUMBER. In some instances it is going to be more or less simple. In some instances it is going to be very difficult, I believe.

Mr. BURSUM. Therefore, as a rule the selling price of the foreign article in the foreign market is what would be taken as the basis, and it would be fair that in arriving at the cost of the domestic article it should be based upon the price in the chief markets of this country. Production naturally implies the marketing of the product wherever the markets are so located geographically that they will naturally take over the particular article which may be in question; but if you limit the cost of the domestic-produced article to the cost of production, you will eliminate a large portion of the actual cost to the producer which is necessary in marketing that product.

Mr. McCUMBER. Oh, yes; the Senator is correct in that.

Mr. GOODING. Mr. President, will the Senator yield again?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Idaho?

Mr. McCUMBER. Yes; and then, after I have yielded to the Senator, let me finish this little statement.

Mr. GOODING. Yes. I wanted to have this made clear, because it seems to me vital.

Mr. McCUMBER. Each Senator will have one hour in which to argue this matter in the way in which he wants to present it.

Mr. GOODING. Yes; but I want to say this to the Senator: It was very proper, of course, for the Finance Committee to take into consideration all of these questions, and quite proper for it to permit the barytes mines of Missouri to ship as far as New York City, or part way only, and apparently the committee acted on that; but you have not given the President that power at all as far as freight rates are concerned. That is what the Lenroot amendment means—the elimination of any consideration of the cost of freight rates entering into the cost of production; so the President, to my mind, has not the power that he should have in order to find out what is the actual cost of production, because freight rates are a part of the cost of production. The farmer pays all the freight rates all the time.

The man who ships to market a ton of barytes or anything else or any ore of any kind pays the freight rate every time.

Mr. McCUMBER. Of course, if the Senator could convince the President that freight rates from the place of production to the place of ultimate consumption were a part of the cost of production, he need not worry then about the way the bill is drafted, but I do not agree with him that as it is drafted, when we speak of the cost of production, we include such freight charges, no matter who has to pay them.

Mr. President, there is another feature in which we have made a very great change. I suggested in the argument yesterday that we might as well eliminate subdivision (b) entirely if we were going to restrict the President in taking into consideration all of these matters, and if we were going to abandon the principle of the difference in the competitive field in the markets of the United States. We took that matter up this morning, and again we considered the objection, which I think is quite a valid objection from some standpoints, namely, that under subdivision (a) of section 315 we limit the power of the President either to raise or to lower the rate of duty more than 50 per cent, while in the very next paragraph we give him the power to raise or to lower every one of those more than 50 per cent by adopting the American-valuation basis. The real purpose of the American-valuation basis was to take care of the schedule pertaining to chemicals and dyes. It was evident that the raise of 50 per cent on a very few coal-tar intermediates and finished chemicals and dyes might not be sufficient; and therefore in the reconsideration this morning the committee determined to limit that right to go to the American-valuation scheme to those two paragraphs, one relating to intermediates and the other to finished coal-tar products, such as dyes and chemicals. They are paragraphs 25 and 26.

The next matter which was taken under consideration by the committee, and upon which a change was made, was the matter of the President being compelled to defer any decision until he had had an investigation made and a report submitted to him by the Tariff Commission. That we have done in an amendment which provides that he can not make his proclamation until there has been an investigation by the Tariff Commission and, as is indicated in the bill itself, we declare that for the purpose of assisting the President in arriving at these duties the Tariff Commission is given certain added powers and it is made its duty to bring to the attention of the President every fact and feature that it is necessary for him to pass upon before fixing the rate.

Mr. President, I received this morning a letter from the President of the United States concerning this feature of the bill, and indicating the President's attitude thereon. It has been so constantly urged in this argument that it would be the purpose of the President to get his information from interested sources and to fix a duty that would be in accordance with the wishes of those interested in the rates that I think it proper that the President's letter should be read, and I ask that it may be read as a part of my remarks.

The PRESIDING OFFICER. In the absence of objection, the Secretary will read as requested.

The Assistant Secretary read as follows:

THE WHITE HOUSE,
Washington, August 11, 1922.

Hon. P. J. McCUMBER,
United States Senate, Washington, D. C.

MY DEAR SENATOR McCUMBER: I need not repeat to you what I have said personally and what I have conveyed officially in a message to Congress, how deeply I am interested in the provision for flexibility in the tariff bill, which is now under consideration in the Senate. It has seemed to me that the varying conditions in the world and the unusual conditions following the World War make it extremely essential that we have this means of adapting our tariffs to meet the new conditions. Moreover, I believe it is a highly constructive and progressive step in retaining the good and eliminating the abuses which grow up under our tariff system. I think we ought to make the Tariff Commission all that it is designed to be—the agency for scientific investigation and the source of dependable information on all tariff problems.

In view of the fact that Congress in providing for flexibility must bestow some exceptional powers upon the President, I should very much prefer that in the same act the Congress definitely name the Tariff Board as the source of information and recommendation upon which the President may proclaim changes in rates of duty. If the power to modify rates were given to the President, I should immediately proclaim the Tariff Board as the agency of investigation and recommendation, because the President could not deal with the situation in any other practical manner. I think it more seemly, therefore, to have the Congress definitely designate the Tariff Board as the agency to be employed by the President in the exercise of Executive power which it is proposed to bestow.

Very truly yours,

WARREN G. HARDING.

Mr. WALSH of Montana obtained the floor.

Mr. LENROOT. Mr. President, will the Senator yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Wisconsin?

Mr. WALSH of Montana. I do.

Mr. LENROOT. My attention has been called to one change which has been made in the amendment. Originally the amendment read, "The commission shall prepare its findings in the case of each proceeding under this section, and such findings shall be published." I note in the copy handed me that the words "such findings shall be published" have been stricken out, and that there has been inserted "and the President is authorized to make such findings public."

Mr. McCUMBER. I expected to discuss that when we reached that point. It is one of the last provisions.

Mr. LENROOT. We will treat the amendment separately?

Mr. McCUMBER. Yes. I will simply state to the Senator now the thought which actuated the committee. We believed that if the Tariff Commission daily or monthly sent out its own reports, without consideration by the President, it would create a constant turmoil and uncertainty in the business of the country, and we thought it was best that the Tariff Commission do just what it is doing now; investigate, make its annual report of what it is doing, as it does now, and allow the President to say, after he has received the result of the investigation, whether the report should be made public. Of course, he has to make public his findings, but we simply do not want the Tariff Commission constantly giving out information to interested parties.

Mr. LENROOT. I quite agree in that view to that extent; but does not the Senator think that when the President does change a rate, when he does make a proclamation, then the recommendation and finding of the Tariff Commission as to that particular item should be made public?

Mr. McCUMBER. It will be, under the form of the bill. The President presents his reasons for the change. But we will take that up when we reach it.

Mr. WALSH of Montana. Mr. President, before the letter of the President of the United States was read I was not aware that he was particularly interested in the feature of the bill under consideration. In view of the disclosures in the letter, however, there is pertinency in that part of the record which I read this morning giving the views expressed by the President when the so-called Overman bill was before the Senate, namely, that if the bill were passed the Senate might as well confer upon the President the taxing power and go home.

Before the Senator from North Dakota [Mr. McCUMBER] leaves the Chamber I want to say that on yesterday he adverted to what he conceived to be the great advantages to the farmers of this country by reason of the duty upon wheat, saving them from competition from the other side of the international line, the growers of wheat in the Canadian Provinces.

I offer, and ask the Secretary to read, a brief article which will appear in the forthcoming number of the Farm and Home, an agricultural journal of very wide circulation, having, as shown by the Newspaper Directory, a circulation of 572,000, being allied also with the Northwest Farmstead, published in Minneapolis, Minn., having a circulation of 97,000, and the Dakota Farmer, published at Aberdeen, S. Dak., having a circulation of 57,000, the aggregate circulation of these three papers being 627,000. The Farm and Home is published in Chicago. I ask that the article may be read.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The reading clerk read as follows:

[Advance proof from the September number of Farm and Home, Chicago, August 7, 1922.]

INTERNATIONAL SCANDAL IN LOW PRICES FOR WHEAT—GROWERS GETTING FAR BELOW A DOLLAR A BUSHEL FOR WHEAT THAT IS WORTH MORE, OR OTHER COMMODITIES AND WAGES MUST COME DOWN TO A LIKE BASIS.

America has less wheat, old and new, than a year ago. Canada's crop may be a large one, but the wheat-importing nations of Europe are harvesting 100,000,000 fewer bushels of wheat even than last year if our Commerce Department's report is correct.

It is too early to forecast the harvests of the southern hemisphere that come in December-February, but the acreage throughout those countries apparently is only moderate. New corn will make only a fair total, oats short, world's rye crop medium in bulk. All data exclude Russia.

Yet for weeks wheat has sold on the Chicago market at not much above a gold dollar per bushel, which means to the grower somewhere from 90 cents down to almost as low as 60 cents, according to quality, distance from market, and railroad freight rate. August prices picked up some in view of probable further cuts bringing ocean freight down to pre-war.

Agriculture is back to the basis of dollar wheat, but railroaders strike against going only part way down to this basis emphasizes Farm and Home. The coal strike also had an unsettling effect upon business generally and upon prices, grain included.

THE REAL TROUBLE.

Even worse is Europe's apparently increasing inability to pay for such of our surplus foodstuffs and fibers as she needs. She has little gold to spare and her paper money is worthless. She can not readily exchange her raw materials or manufactures for our wheat or other goods because of our higher tariff.

Hence the decline with a dull thud in exports of grain and other farm products from the United States during recent months. Our shipments of wheat and flour to foreign markets since January 1 shows a colossal decline in quantity and still more in value. Corn exports continue larger than a year ago, but at best cut small figure. Farm and Home repeats that as the sale is curtailed of our surplus abroad it backs up and depresses prices here.

STATESMEN ARE BLIND.

Congress is blind to the situation. The higher it builds its prohibitory tariff, the more our exports decline and the less able are foreigners to pay for what they want to buy from us, not to mention interest on the fifteen or twenty billions they owed us previously.

Meanwhile Europe continues her outlay for war, Government debts increase. Those people fail to do what they must do to be saved—quit militarism, reduce expenses, balance budgets, lower taxes, live within their means, barter until their money's value is restored. Except that our money is better than gold, we Americans are equally at fault.

Grievous indeed that these errors of statesmen and politicians have to be borne by our farmers in lower prices for wheat, declares Farm and Home. Wheat comes so near being now the virtual standard of values that conditions which tend to depress the price of wheat below that of labor and of other commodities constitute an international scandal.

Mr. WALSH of Montana. In view of the statement made in the article to the effect that the pending tariff bill will so restrict our foreign markets, shutting off the outlet for our surplus products, and thus necessarily reduce the price of wheat, I call attention to an article by Agnes C. Laut in the current number of the magazine entitled "Our World," the article being entitled "The farmer's stake abroad." Miss Laut, as is well understood, is a writer on economic questions and is herself a farmer. I read briefly from her article, as follows:

Are the farmers of the United States and Canada interested in Europe's comeback to normal? Charitably, of course, we are interested when we feed Russia and help to rehabilitate Palestine and extend the time for repayment of loans that are war debts; but as a matter of interest to our own pocketbooks and daily incomes, can we stand back self-sustained and self-sustaining and let Europe stew through her own muss? If we do let Europe go her way to destruction, will it come back on us, so that we shall be no longer self-sustained and self-contained?

* * * * * * *

One has only to take a quick glance at the basic farm products to see where the farmer stands on Europe's comeback.

Cotton first. Often America supplies 60 per cent of the foreign world's cotton needs. Always she supplies at least half of the foreign world's needs. That touches every Southern State from Georgia to Texas. Cotton exports fell off three-quarters of a billion pounds between 1920 and 1921. Of the exports of cotton, one-third usually goes to English mills, two-thirds to continental mills. What caused the falling off in exports? Paralysis of Europe's buying power. If Europe were buying all the cotton she needs for her mills now closed the South would be humming with the prosperity of war prices for cotton.

Take grains next. Before the war—as you will find if you will read the agricultural reports from 1908 to 1913—Europe required 500,000,000 bushels of outside wheat. Russia was the great supply granary for Germany. Russia is off the map. So is Rumania for a year, for she has just placed an embargo on all exports of wheat to insure food enough for herself. Argentina, India, and Australia have never supplied more than half this shortage. Cut off this avenue of foreign sales for wheat by the paralysis of Europe's buying power, and you cramp the prosperity of every wheat area from Texas and California to Manitoba and Alberta. After the slump of exchange in July and August farmers in the far West were receiving 80 cents to 60 cents for their wheat. As exchange improved wheat went out a hundred and seventy million more bushels than the preceding year, and the price went up to the farmer from 60 cents and 80 cents to $1.40. Unfortunately the most of the wheat had already been sold by the hard-pressed farmers, so that the benefit went to the pocket of the speculator, but the fact of improved European conditions sending the price up 40 cents a bushel proves that the farmer is interested in Europe's comeback. While Europe was literally starving to death for plain, old-fashioned oatmeal in the winter of 1921–22 oats were selling from Winnipeg to Pence River and St. Paul to Montana at from 32 cents to 18 cents.

I pause to remark that I had some oats to sell in the State of North Dakota last fall, which I sold for 15 cents a bushel. I continue reading:

Why? Paralysis of Europe's buying power. Oat exports had fallen off as between 1921 and 1920 nearly 30,000,000 bushels, as between 1921 and 1918, 92,000,000 bushels; and the difference to the farmer was as from 18 cents and 28 cents a bushel and 60 cents and $1.25. Is the oat farmer interested in Europe's comeback?

Take meat products next. The total falling off in exports of meat products of all kinds—beef, oleo, bacon, ham—as between 1921 and 1920 was 400,000,000 pounds; as between 1920 and 1919, a billion and a half pounds; and cattle values fell from $50 and $90 net to the farmer to $2 and $1—less than the feed for five days. Why? Paralysis of Europe's buying power.

Take dairy products next. Exports of butter, cheese, and condensed milk fell off from 2,643,000,000 pounds in 1919 to 330,000,000 pounds in 1921—nearly seven-eighths; and values of dairy cattle fell from $200 and $150 to $80 and $50. Said one of the best dairy farmers in the East to me, "I never dropped so much money so suddenly without cause in all my life. Two years ago my herd cost me $20,000. I've just sold it by auction for $2,500; and that loss takes no account of labor and feed. The funny thing was—my herd produced as much as ever; but milk returns went down from 8 cents and 9 cents to 3 cents and 1 cent; and the value was no longer in the herd." Why? Paralysis of Europe's buying power.

Hides have been burned in the West this year from Alberta to New Mexico because they could not be sold. Wool is eating its head off in storage and interest charges; and the values of lambs and sheep have fallen from half to two-thirds.

In 1921—as brought out in the agricultural conference—only 10 per cent of the farmers paid costs of operation; and their returns were only 3 per cent on the outlay. Farm earnings in 1920–21 represented between $416 and $460 a family for each working farmer—less than any wage in the union scale of labor.

With over seventy-eight billions invested in the farm plants of the United States and the farm values cut from 60 per cent to 50 per cent by the paralysis of Europe's buying power, does one need to ask, Is the farmer interested in Europe's comeback?

Mr. SIMMONS. Mr. President, following the article just read by the Senator from Montana, I desire to read an extract from an article entitled "Truth about the tariff," which I find in the Locomotive Engineers' Journal of August, 1922. The subhead line is "Fooling the farmer," and the article reads:

This argument of "protecting infant industries" is especially dishonest when applied to the farmer. He is told that a high tariff on grain products will bring him an increased income, when the fact is that we export far more grain and food than we import, and that for every dollar the farmer gets through such protection he pays out $5 to manufacturers of farm implements, paint, cement, clothing, and other articles which carry a fat tariff profit. In brief, the protection argument is simply a bribe to secure the farmer's consent to a tariff enriching the big manufacturing monopolies. And the shame of it is that millions of American farmers have been gullible enough to swallow the bait.

The PRESIDING OFFICER. The Chair desires to see that the parliamentary situation is understood. As the Chair understands it, the Senator from North Dakota [Mr. MCCUMBER], on behalf of the committee, withdraws the amendment heretofore proposed by the committee and substitutes for it the amendment as modified which has been presented.

Mr. TRAMMELL. I propose an amendment to the amendment as perfected.

The PRESIDING OFFICER. The Senator from Florida proposes an amendment to the amendment, which will be stated.

Mr. LENROOT. Just a moment, Mr. President. I did not quite understand it that way. With reference to the power of the Tariff Commission, the Senator from North Dakota indicated that that would be offered as a separate matter.

Mr. SMOOT. Each of the proposed amendments to the amendment as a whole will be treated as a separate matter.

Mr. LENROOT. That is all right. I thought the Chair stated the committee had withdrawn the entire substitute and offered this as a modified amendment.

The PRESIDING OFFICER. The Chair understood that the amendment to section 315 as first printed was withdrawn and presented in a modified form.

Mr. SMOOT. The Senator from North Dakota stated that each one of the items would be considered separately, and I think that is very necessary.

The PRESIDING OFFICER. Let the Chair ask the Senator from Utah if it is the intention to propose the modifications as separate amendments to the amendment heretofore presented by the committee?

Mr. SMOOT. That is the program.

The PRESIDING OFFICER. The Chair merely wanted to understand the situation.

Mr. SMOOT. Each one will be presented separately.

The PRESIDING OFFICER. As that is the case, the amendment proposed by the Senator from Florida is not now in order, because there is an amendment pending to the amendment of the committee, which the Secretary will report. The first change proposed by the Senator from North Dakota to the amendment of the committee will be stated.

The READING CLERK. On page 1 of the amendment as printed, in lines 8 and 9, strike out the words "conditions of competition in the principal markets of the United States" and insert in lieu thereof "costs of production," so as to read:

SEC. 315. (a) That in order to regulate the foreign commerce of the United States and to put into force and effect the policy of the Congress by this act intended, whenever the President, upon investigation of the differences in costs of production of articles wholly or in part the growth or product of the United States and of like or similar articles wholly or in part the growth or product of competing foreign countries, etc.

Mr. GOODING. Mr. President, there is no question that the American people are tired of having the business interests of the country made a political football. I believe that 90 per cent of all the American people would welcome the elimination of the tariff question from politics, and I hope the time will come when there will not be any disagreement in this Chamber on that question; in other words, when we shall have a commission that will find out the honest difference in the cost of production between this country and abroad, and there will not be any opposi-

tion from any Senator or any Member of Congress to giving to every industry of the country that honest difference in the cost of production between this and foreign countries; but this can not be done until we take the tariff question out of politics.

But the amendment that is now proposed by the committee, which might be called properly the Lenroot amendment, to my mind makes it impossible for the President to take into consideration at all the freight rates in arriving at the difference in the cost of production between this and foreign countries. If the Senator from Wisconsin lived as far west as many of the other Senators and realized more what the excessive freight rates mean and how large a part they play as they enter into the cost of production so far as what the farmer gets in the markets for his products, I think he might then look at the matter in an entirely different light; but living, as he does, in the great State of Wisconsin, bordering upon the Great Lakes, his State has a rail-and-lake freight rate of about one-third of the rate that we have from Idaho or that obtains from Washington and many of the other Western States, so the question of freight rates is not such a serious matter to Wisconsin.

I want to ask how it is going to be possible for the President to take into consideration the difference in the cost of production as to a ton of manganese produced in Colorado or in any other Western State if the pending amendment is accepted. I know that for weeks, ever since that schedule was accepted, the steel people have been here fighting the tariff bill which is at the present time before the Senate simply because the Senate finally accepted the House rate on manganese, which would make possible the development of the manganese mines of the West.

Now, the President is denied the right to take into consideration the freight rates in the cost of production of a ton of manganese, and so it goes through the bill as to every other product that we produce in the West, where, in some cases, like potatoes, two years ago the farmer paid 77 cents for freight out of every dollar that he received for his potatoes. The freight rates are still 53 per cent, on an average, higher than they were before the war. And yet in considering the tariff bill we are going to deny to the President the right to take into consideration freight rates increased to the extent of 53 per cent. Every farmer from the West must pay that to-day. I do not think we have any protection. I think on any question which the President is forced to consider and which he investigates to find the difference in the cost of production between this and foreign countries that when the freight rate is eliminated in considering it there is nothing left and the people of the West can make up their minds that they had better not get ready to develop any manganese mines until this schedule is settled. I expect it will be one of the first that will be called to the attention of the President.

This country never elected anybody but an honest man to the Presidency, and I do not think ever will. I have great confidence in the President we have in the White House to-day. But I do know that the organized forces here in America have a tremendous influence on the Government, and especially some departments of the Government. I am sorry to say that I have not any confidence in that department of the Government which is going to furnish the President with information as to the difference in the cost of production between this country and abroad. Why, the most ridiculous spectacle imaginable occurred during all the consideration of the bill right here in the Senate. We have had experts from the Tariff Commission advising Democrats on the one side as to what was a reasonable tariff and we have had experts from the Tariff Commission advising Republicans on the other side as to what was the difference in the cost of production in this country and abroad. We have had experts sitting with the committee all the forenoon coming back into the Senate Chamber and dividing, one going on one side of the Chamber and the other on the other side, and we do know that the Senators do not agree as to the facts which were found by the different experts. Yet this is the instrumentality upon which the President must rely for his information as to what is a just tariff rate.

The Senator from Wisconsin would have a dead line in the country. He would fix the dead line at which the farmer or the miner from the West should stop. He is perfectly safe, bordering on the Great Lakes. He is not affected by freight rates, and it is perfectly appropriate that the Senator from Wisconsin should introduce the amendment. I had been looking upon the Senator from Wisconsin as a friend of the farmer and a friend of the West, but the amendment that he has now offered, if it is followed out to its fullest conclusion, will destroy every particle of protection that has been given to the agricultural interests of the West. I am forced to the conclusion that the Senator does not understand the excessive freight rates that we pay, or that I am mistaken in his friendship for the farmers of the country.

We have 22,000,000 people living in America who can be reached by foreign transportation without the use of any of our railroads. Twenty-two million people in great cities can be reached by ocean transportation. If we are going to deny the agricultural interests of the country an opportunity to furnish those great cities with the necessities of life, then I want to say that so far as the West is concerned we had better give up the struggle and let them be fed from foreign countries, because this is true: There is not a farmer in all the world who lives anywhere in touch with a railroad in his own country who can not feed the people of New York City more cheaply than can the farmer in my State or in any of the Western States, so far as that is concerned. It is all right for the farmers of the West to ship the raw material which has built up the great manufacturing industries and the great cities of the seaboard, but the Senator from Wisconsin would deny us the right to feed the people to whom we have given employment by producing and sending to them the raw materials. It is all right to pay the freight rate on raw materials to New York and to Boston and to other great industrial centers and then pay the freight rate back to the Western States, but we are not permitted to feed those who dwell in those industrial centers. That is what the amendment means—that and nothing more and nothing less.

The Senator must understand that in levying duties on imports coming from foreign countries freight rates are not to be taken into consideration. The duty is levied only on the cost of article, not on the freight rates between foreign ports and this country. So the foreigner will have that advantage or more to commence with.

Mr. LENROOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Wisconsin?

Mr. GOODING. I yield.

Mr. LENROOT. That is not an advantage to the foreigner; that is an advantage to the American, because, in addition to the difference in the cost of production, the foreigner before he can get into our market will have to pay the freight rate.

Mr. GOODING. The Senator from Wisconsin is mistaken. The foreigner does not pay a duty on the freight rate. That is the point I wish to make.

Mr. LENROOT. If the duty is fixed on the difference in the cost of production, the foreigner has got to pay, in addition to that duty, measuring the difference in the cost of production, the freight rate to this country.

Mr. GOODING. In paying duties, the foreigner never pays a duty on the freight rates; he never has, and I presume that he never will. It is not a part of the costs of the article which is landed in this country. In any event the freight rate in foreign countries is a small item as compared with the freight rate the farmer must pay from the West.

Mr. President, let me say that there are 40,218,416 people living in States that border upon the great oceans and rivers that may be reached by water transportation, and there are 22,453,716 people living in seaports and cities on great rivers accessible to ocean transportation. I have prepared two tables giving the figures in detail, which I ask may be printed in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The tables referred to are as follows:

Population of seaboard States, 1920.

Maine	768,014
New Hampshire	443,083
Massachusetts	3,852,356
Connecticut	1,380,631
Rhode Island	604,397
New York	10,384,829
New Jersey	3,155,900
Delaware	233,003
Maryland	1,449,661
Virginia	2,309,187
North Carolina	2,559,123
South Carolina	1,683,724
Georgia	2,895,832
Florida	968,470
Alabama	2,348,174
Mississippi	1,790,618
Louisiana	1,798,509
Texas	4,663,228
Washington	1,356,621
Oregon	783,389
California	3,426,861
Total	40,218,416

UNITED STATES GREAT LAKES PORTS.

The locks of the Welland Canal connecting Lake Erie with Lake Ontario are 45 feet wide, with an available length of 255 feet; vessels passing through this canal are limited therefore by these dimensions. Maximum draft for vessels, 14 feet.

	Population.
Minnesota:	
Duluth	98,917
Two Harbors	4,546
Total	103,463
Wisconsin:	
Ashland	11,334
Green Bay	31,017
Kewaunee	[1] 2,000
Manitowoc	17,563
Marinette	13,610
Menominee	5,104
Milwaukee	457,147
Racine	58,593
Sheboygan	30,955
Superior	39,624
Sturgeon Bay	4,553
Washburn	3,707
Total	675,207
Illinois: Chicago	2,701,705
Indiana:	
Gary	56,378
Indiana Harbor	[1] 2,000
Total	58,378
Michigan:	
Alpena	11,101
Bay City	47,554
Benton Harbor	12,227
Detroit	993,739
Escanaba	13,103
Grand Haven	7,224
Hancock	7,527
Houghton	4,466
Ludington	8,810
Manistee	9,600
Manistique	6,380
Marquette	12,718
Marine City	3,731
Muskegon	36,570
Port Huron	25,944
Saginaw	61,903
Traverse City	10,925
Sault Ste. Marie	12,096
Wyandotte	13,851
Total	1,299,559
Ohio:	
Ashtabula	22,082
Cleveland	796,836
Conneaut	9,343
Fairport	4,211
Huron	[1] 2,000
Lorain	37,295
Sandusky	22,897
Toledo	243,109
Total	1,137,773
Pennsylvania: Erie	93,372
New York:	
Buffalo	506,775
Ogdensburg	14,609
Oswego	23,626
Rochester	295,750
Sodus Point	[1] 2,000
Tonawanda	10,068
Total	852,828
Grand total	6,922,285

Mississippi River ports accessible to seagoing vessels.

Louisiana:	
Amesville	[1] 2,000
Avondale	[1] 2,000
Baton Rouge	21,782
Destrahan	[1] 2,000
New Orleans	387,408
Westwego	[1] 2,000
Total	417,190

NOTE.—The Mississippi River is navigable for seagoing vessels as far as Baton Rouge and vicinity; beyond this point the depth, except during the flood or spring season, is not sufficient to accommodate vessels of deep draft. The Mississippi River Commission has established a minimum depth at low water of 9 feet for the channel from New Orleans to St. Louis, and endeavors to maintain this depth as nearly as possible.

(Office of staff assistant in charge of statistical department, United States Shipping Board, June 28, 1922.)

Population of principal seaports of United States, arranged geographically.

(Based on population figures of census of 1920.)

	Population.
Maine:	
Bangor	25,948
Belfast	5,083
Eastport	4,494
Portland	69,272
	104,797
Massachusetts:	
Boston	748,060
Everett	40,109
Fall River	120,485
Gloucester	22,947
Plymouth	13,032
Salem	42,515
New Bedford	121,217
Vineyardhaven	[1] 2,000
Provincetown	4,246
	1,114,611
Rhode Island:	
Newport	30,255
Providence	237,595
	267,850
New Hampshire: Portsmouth	13,569
Connecticut:	
Stonington	10,236
New Haven	162,519
New London	25,688
Bridgeport	143,152
	341,595
New York:	
Kingston	26,688
Greater New York	5,621,151
Poughkeepsie	35,000
	5,682,839
New Jersey:	
Bayonne	76,754
Beverly	2,562
Camden	116,309
Cartaret	[1] 2,000
Chrome	[1] 2,000
Jersey City	297,864
Newark	415,609
Perth Amboy	41,707
Elizabethport	95,682
South Amboy	7,897
Weehawken	14,485
	1,072,869
Pennsylvania:	
Chester	58,030
Philadelphia	1,823,158
	1,881,188
Delaware: Wilmington	110,168
Maryland:	
Baltimore	733,926
Annapolis	11,214
	745,140
Virginia:	
Alexandria	18,060
Newport News	35,596
Norfolk	115,777
Richmond	171,667
	341,100
North Carolina:	
Newbern	12,198
Wilmington	33,372
	45,570
South Carolina:	
Beaufort	2,831
Charleston	67,957
Georgetown	4,579
	75,367
Georgia:	
Brunswick	14,413
Savannah	83,252
	97,665
Florida:	
Fernandina	5,457
Jacksonville	91,558
Miami	29,549
St. Augustine	6,192
Apalachicola	3,066
Key West	19,039
Pensacola	31,035
Tampa	51,252
	237,148
Alabama: Mobile	60,777
Louisiana:	
Baton Rouge	21,782
Gretna	7,197
New Orleans	387,408
Plaquemine	3,977
	420,364

[1] "Under 2,000" assumed to be 2,000 in totals.

[1] "Under 2,000" assumed to be 2,000 in totals.

	Population.
Mississippi:	
Gulfport	8,157
Moss Point	3,340
Pascagoula	6,082
	17,579
Texas:	
Beaumont	40,422
Corpus Christi	10,522
Freeport	[1] 2,000
Galveston	44,255
Houston	138,276
Orange	9,212
Port Arthur	22,251
Sabine	[1] 2,000
Texas City	2,509
	271,447
California:	
Benicia	2,693
Eureka	13,212
Los Angeles (San Pedro)	576,673
Monterey	5,479
Oakland	216,361
San Diego	74,683
San Francisco	508,410
Santa Barbara	19,441
San Luis	5,895
Total	1,422,847
Oregon:	
Astoria	14,207
Marshfield	4,034
Portland	258,288
Total	276,529
Washington:	
Aberdeen	15,337
Anacortes	5,284
Bellingham	25,570
Blaine	2,254
Everett	27,644
Grays Harbor	[1] 2,000
Hoquiam	10,058
Port Angeles	5,351
Port Townsend	2,847
Raymond	4,260
Seattle	315,652
Tacoma	96,965
Total	513,222
Grand total	15,114,241

(Office of staff assistant in charge of statistical department, United States Shipping Board, June 22, 1922.)

Mr. GOODING. Mr. President, I want to show some of the freight rates from foreign countries to the United States. Sugar may be shipped to New York City from the southern side of Cuba for 17 cents a hundred pounds; from the northern side of Cuba it may be shipped to New York for 13 cents a hundred pounds. Wool is shipped from Argentina to Boston and New York for 22 cents a hundred pounds, while we are paying something like $3 a hundred to ship it from the Western States. Wheat is shipped from the Argentine for 15 cents a hundred pounds, and from the up-river points of the Argentine for 18 cents a hundred. So, when it comes to the question of freight rates, I ask what chance the West has to live at all when the countries which I have mentioned have to pay freight rates which are practically nothing as compared with those which the West must pay?

Mr. President, I wish to say to those who have stood together here in the interests of agriculture in framing the pending tariff bill, affording for the first time in the history of this country a square deal to agriculture, that when they vote for the Lenroot amendment or for any of the amendments containing a provision delegating this proposed power to the President there is grave danger that they will have lost all that they have won.

I would go so far, Mr. President, at this time, in view of the serious condition that exists in the world, if this amendment could be limited to one year and it were so drawn that freight rates might be taken into consideration, possibly to vote for the amendment. I do not know whether or not the House of Representatives is going to send the bill back with the American valuation restored, but I hope they are, for I do not think we shall have any protection without it; but fearing that they might not do that, I might even run the element of risk that I apprehend there is in this amendment and vote for it if it could be amended so that this power would be delegated to the President for only one year, but with the Lenroot amendment I can not vote for it at all under any consideration.

Mr. LENROOT. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Wisconsin?

[1] Ports "under 2,000" total, as 2,000 in the State and grand totals.

Mr. GOODING. Yes; I yield.

Mr. LENROOT. Would the Senator be willing to vote for this provision if the President were compelled to take into consideration the question of freight rates?

Mr. GOODING. No; not unless the time were limited. Unless that were done, I should not be willing to vote for the amendment.

Mr. LENROOT. With the time limited, would the Senator be willing to vote for the amendment?

Mr. GOODING. Yes; with the time limited to one year, I think I should.

Mr. LENROOT. I understand the Senator from Idaho thinks the President should be compelled to give consideration to the question of freight rates?

Mr. GOODING. Absolutely; there is not any question about it, to my mind.

Mr. LENROOT. Very well.

Mr. GOODING. Without it, I do not think we shall have any protection to any industry in the West, so far as that is concerned, because that is a part of the cost of the farmer's production. I do not know of any farm product that goes to market on which the farmer does not pay the freight. If the Senator from Wisconsin does, he understands the question in a different light than do I, and I have been paying a great many freight bills for many years.

Mr. President, I am not going to occupy much longer the time of the Senate in discussing this question, but I desire to say that to my mind the Senator from Wisconsin has not been fair to agriculture in his discussion of the tariff bill which is now before the Senate. When it came to the fixing of duties, however, for his own State he did not hesitate to ask for 60 per cent on floor matting, which is manufactured in Wisconsin. I understand that the Senator from Wisconsin appeared before the Finance Committee and made quite an effort to have the committee grant a duty of 60 per cent on that commodity, which is produced in his own State. If I am mistaken, I hope the Senator will correct me, for I do not wish to make an erroneous statement.

I understand, furthermore, that the Senator asked for a duty of $200 on foxes imported into this country for breeding purposes, although it has always been the policy of all parties to permit any animal for breeding purposes to come in free. Then the Senator from Wisconsin advocated taking from the free list cream separators and imposing upon them an ad valorem duty of 35 per cent, and was successful in his effort.

While I can hardly say that the Senator held me up to ridicule, at least he censured my position in standing for high protective duties here and suggested that my attitude was that the sky was the limit. Mr. President, in my advocacy of protective tariff rates I have not stopped with the industries in the State of Idaho. I have advocated high protective duties for the manufacturers as well as for the farmers and the miners of the United States. The Senator from Wisconsin would have given the woolgrowers a duty on the lower grades of wool which would have permitted the foreigner to lay that class of wool down in Boston at 25 cents a pound on the cleaned content, or about 25 per cent of the cost of production of the wool in the West.

I hope I have been mistaken and that the Senator is a real friend of the farmer. I have wanted to feel that that has been his attitude all the time, but I am unable to find any support for that idea in the amendment which he has presented to the pending proposition which would deny to the President in fixing the duties on any product under the power proposed to be delegated to him the right to take into consideration the question of freight rates.

Mr. LENROOT. Mr. President, my friend from Idaho is an earnest friend of the farmer and desires to benefit the farmer in every possible way; there is no doubt about that; and in some of the attitudes which he has assumed, instead of benefiting the farmer would really injure him, the Senator has done so most innocently and not with any intent to do any injustice to the farmer.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Idaho?

Mr. LENROOT. Yes.

Mr. GOODING. I wonder if the Senator would be willing to let the farmers answer that question, whether I am their friend or their enemy?

Mr. LENROOT. I have just said——

Mr. GOODING. I may say that I have several telegrams which I may put into the RECORD this evening from practically all of the organizations interested in the farmer's welfare which refer to me as their friend in this fight.

Mr. LENROOT. Of course the Senator from Idaho is the farmer's friend. I have said that, and I have said that in so far as any attitude he has taken has been injurious to the farmer it has been innocent upon his part.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin further yield to the Senator from Idaho?

Mr. LENROOT. Yes.

Mr. GOODING. This country is full of men who do not feel that the farmer understands what is best for his interest. Those men are always free with their advice. I hope the time will come when the farmer will be permitted to speak for himself.

Mr. LENROOT. Mr. President, I do not yield further.

Mr. GOODING. Very well.

Mr. LENROOT. I thought I was doing a measure of justice to my friend from Idaho in the statement which I made. Of course, if the Senator claims to be infallible, that he can make no mistake, that nothing which he has proposed could possibly be wrong, of course the Senator may assume that position. All I have said is that, in so far as some positions which he has assumed are concerned, if they have been injurious to the farmer, as I believe them to be, they have been assumed in the utmost good faith upon the part of the Senator from Idaho, with the best of intentions to benefit the farmer. That was my statement, and I thought it was fair and just to the Senator.

The Senator from Idaho, however, has called attention to two or three duties in which I took an interest involving industries in my own State. Mr. President, in my discussions upon this floor I have not asked for anything for my State which I have not been willing to accord to every other State, and it does not come with good grace from the Senator from Idaho to make such a charge against me. When he himself called my attention to the fact, thinking perhaps I was ignorant of it, that in my State there are more than half a million sheep——

Mr. GOODING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield further to the Senator from Idaho?

Mr. LENROOT. I yield.

Mr. GOODING. The Senator and I occupy entirely different positions on the tariff question. I call his attention to the fact that, in his opinion, a duty of 60 per cent ad valorem on floor matting was none too high for that industry in Wisconsin.

Mr. LENROOT. Mr. President, I am not going to yield again. The Senator has charged me with standing upon this floor and advocating high duties for my State which I was not willing to accord to other States. The Senator knows that he himself impressed upon me the fact, and tried to get me to change my position upon coarse wool upon the plea made by him, that a great deal of coarse wool was produced in my State.

Mr. GOODING. Will the Senator let me finish my question?

Mr. LENROOT. Did the Senator succeed by making that appeal to me in having me change the position which he is now criticizing? The Senator knows perfectly well that he did not; that I took that position believing that the rate I advocated was a fair protective duty for the people of my State and the people of every State.

The Senator refers to cream separators. I would not have said what I am about to say had the Senator not called attention to it; but every farmer buys and must use cream separators upon his farm. Separators were upon the free list. I called the attention of the committee to it. I called the attention of the Senator from Idaho to it.

Mr. GOODING. Mr. President, will the Senator yield at this point?

Mr. LENROOT. No; I am not yielding now.

Mr. GOODING. All right.

Mr. LENROOT. The Senator from Idaho stated that they ought not to be upon the free list. The committee stated that they ought not to be upon the free list. A rate of duty was suggested of 35 per cent, which the manufacturers were asking for. The Senator from Wisconsin, however, stated that he believed 25 per cent was a sufficient duty; and the Senator from Idaho, the friend of the farmer, tried to get the Senator from Wisconsin to stand for 35 per cent, which he refused to do.

I would not have said that, Mr. President, but I am perfectly justified in making that statement in view of the statement made by the Senator from Idaho that I have been looking after the industries of my State and asking for undue advantages for them, and have not been willing to accord reasonable protection to others.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Idaho?

Mr. LENROOT. Now I will yield.

Mr. GOODING. The Senator is absolutely correct. I said to him that I did not believe that 25 per cent on cream separators was enough to give a proper protection; but that has been my position on all industries, as the Senator will remember. There is not any question of doubt about that. The point I am making with the Senator is that he did, before the committee, request and demand 60 per cent for manufacturing industries in his State, and that he has fought almost every other manufacturer who has a protection in this bill. That 60 per cent he is reducing wherever he can on woolens and cottons and many other schedules. That is the point I am making.

Mr. LENROOT. I will come to that in just a moment. The only purpose that the Senator could have had in mind was to endeavor to show that I was asking for unreasonable protection for my State while denying reasonable protection to other States.

Now we will come to the grass rugs. The Tariff Commission found that the cost of making a 9 by 12 grass rug in this country was $7.45. They found that the cost of the Japanese rice rug, competing with that rug, was about $5. After that time those same rugs were laid down here in the United States in the city of New York for $3.42, and a 60 per cent duty would not have covered the difference. They have driven the American grass rug practically out of the market. I did ask for 60 per cent. I did not get it. I got 45 per cent. I got a lower rate of duty than I have been willing to accord to other manufacturers.

I stood here upon the floor with reference to cotton gloves, and I stated that I did not believe that the duties proposed upon those cotton gloves, if considered from the standpoint of difference in cost of production, were excessive, but that I believed there was a point beyond which, as a matter of public policy, we ought not to ask users of American gloves to go, and I proposed here a maximum of 75 per cent myself. I never asked for any such duty upon any product of my own State.

The Senator from Idaho may attempt to convince other Senators that I have been unfair in the attitude I have occupied upon this floor, that I have been looking after the interests of my own State only, but he will not be successful; and, Mr. President, I would not occupy the position that the Senator from Idaho has occupied, honest as he is in it, for my seat in the United States Senate.

Now let us see what kind of a friend of a farmer the Senator is in the opposition that he now pronounces against this amendment that the committee has accepted.

He says that he wants the President to take into consideration freight rates. If the President is to take into consideration the freight rate of the American producers to the principal markets, he must also take into consideration the freight rate of the foreign producer to the principal market. The Senator can not stand on this floor and say that the President shall take into consideration American freight rates and ignore the freight rates that the foreign producer must pay.

Mr. GOODING. Mr. President, I think the Senator understands that when any commodity or any article is bought from a foreign country the freight rate goes into the cost of production of that article. There is not any question about that; and so, of necessity, it will be taken into consideration. That is the point I make.

Mr. LENROOT. So far as the difference in cost of production is concerned, the freight rate of the foreigner has nothing to do with it, and that will all be to the advantage of the American producer. If an article costs in Europe 50 cents at the place where it is produced and that article costs in the United States $1, the difference in the cost of production is 50 cents; but if that article is made in New York, we will say, the American producer will have the 50-cent duty covering the difference in the cost of production, but before the foreigner can get into New York in addition to that 50 cents he has to pay the freight and insurance charges, so the advantage is all with the American producer.

Now we will come to the farmer.

The language is, as it originally stood, "conditions of competition in the principal markets." We will take cattle, if you please. What is the principal market for cattle in the United States? It is Chicago; it is Kansas City; it is Omaha; it is St. Paul. If the President is compelled to take into consideration freight rates, what must he do? He will first find the difference in cost of production of raising cattle in South America and in the United States. Then he will add the freight rate from Wyoming or Nebraska to Chicago, and then he will have to add to the final cost of production the cost, from Argentina, not to New York, not to a port of entry, but to the city of Chicago, and that may entirely wipe out the protection to the American producer.

Mr. STANFIELD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Oregon?

Mr. LENROOT. I do.

Mr. STANFIELD. The Senator's comparison is hardly proper there, for the reason that while the cattle of the West are shipped to Chicago as the marketing place for the purpose of slaughtering, New York is the principal center of the consumptive market.

Mr. LENROOT. The language as originally proposed is "the principal market," and that is not New York. New York is not the principal market for cattle.

Mr. STANFIELD. It is the principal center of the field of consumption.

Mr. LENROOT. That is another thing entirely. Of course, the field of consumption is 110,000,000 of people, and, of course, the State that has the largest population has the largest field of consumption, but it may not be the principal market at all.

Mr. STANFIELD. It would be for South America.

Mr. LENROOT. It would not be for South America.

Mr. STANFIELD. It always has been.

Mr. LENROOT. The principal market for live stock in the United States is Chicago, as the Senator knows.

Mr. STANFIELD. The Senator surely does not need to be enlightened on the fact that no live cattle are shipped from the Argentine Republic or from South America to this country, because it is an impracticable thing to do.

Mr. LENROOT. Exactly.

Mr. STANFIELD. They are slaughtered and shipped in dressed, and the dressed market is along the Atlantic seaboard.

Mr. LENROOT. Exactly so.

Mr. STANFIELD. That is the market; and in the case of the cattle that are slaughtered at Chicago, it is only a matter of conversion. Their principal market is the Atlantic seaboard, to which they are shipped.

Mr. LENROOT. Then we will go to wheat. Again, the principal market for wheat is Chicago, Minneapolis, Kansas City; and where would the farmer be with reference to a protective duty on wheat if the theory of the Senator from Idaho should be written into this law? The difference in cost of production is the first item, and then the Senator from Idaho would compel the President to add the freight rate, and the freight rate from South America not to New York but to the city of Chicago, to the city of Minneapolis, to the city of Kansas City; and he would wipe out, perhaps, every vestige of protection that the wheat grower of America has or would have under "difference in cost of production."

The Senator from Idaho has not appreciated that. He has not realized that. I know it. He is only thinking of one side of the question; and when you speak of the consumptive market, sir, as the Senator from Oregon did a moment ago, the Senator from Idaho put into the RECORD a few moments ago the fact that 22,000,000 of our people were along the coast, near ports of entry. Is a tariff rate to be made for 22,000,000 or for 110,000,0000 people? Under this direction, as originally proposed by the committee, must not the President take in the entire field of consumption? And if he does—if he should add freight rates to the American consumer—he would likewise be compelled to add freight rates to the foreign cost of production, not to New York, not to Philadelphia, but to some point in the interior.

I did not intend to go into these things, but the Senator from Idaho was trying to charge me with being an enemy of the farmer, and if he had thought this out a little further he would have seen that instead of benefiting the farmer by his proposition he would injure him and deprive him of a part of the protection to which he is entitled.

Again, taking wheat from Canada, the freight rate from Canada to Chicago or Minneapolis is more than the freight rate on wheat from North Dakota and Minnesota to Minneapolis; but the Senator would have the President add the freight rate and he would add a higher freight rate to the foreign cost than he would to the American cost in the case of wheat.

So, I might go on here, Mr. President, at great length; but I am not going to take further time, because it is so apparent that I am sure every other Senator sees it even if the Senator from Idaho does not.

With reference to this series of amendments I want to say further, merely to repeat in a sentence what I said yesterday, that Congress has no power to delegate power to the President to consider freight rates in one case and disregard them in the other. He can not constitutionally be given any such option. There can not be any doubt about that.

The Senator has referred to manganese. I referred to barytes ore yesterday, where, if you take into consideration the freight rate, you have to have over 100 per cent ad valorem. The Senator from Idaho is willing to do it. The Senator from Idaho is willing to build a wall so high that nothing can come in. The Senator from Idaho, in so doing, would unwittingly injure a very large proportion of the farmers of America in depriving them of any market for their surplus agricultural products. He seems to have the idea that if a foreign country wants to buy from us it can buy; it does not need gold, and it does not need to ship goods.

He says, "Why, they can establish credits here." Mr. President, we could sell every bushel of wheat and every bushel of corn to a lot of those bankrupt countries over there in Europe to-day if we were willing to give them the credit, but one of our troubles has been that they have not had the credit. When we finally stopped giving them the credit, trouble came on in this country, our prosperity ceased, and we can not have a market for our surplus products, whether agricultural or manufactured, unless those who buy from us are permitted to pay us for what they buy either in goods or in gold. The Senator from Idaho does not seem to understand that. Yet it is clear, as clear as anything that can be, and the difficulty we are in to-day is that we are now for the first time a creditor nation, when before the war the balance of trade was always against us.

With reference to this amendment, I am very glad, indeed, that the committee has offered these amendments. There is one amendment, however, which has not been offered, which I think is highly necessary, and I assume it has not been offered through inadvertance. In subdivision (c), page 4, the amendment as now proposed will read:

> That in ascertaining the differences in costs of production, under the provisions of subdivisions (a) and (b) of this section, the President, in so far as he finds it practicable, shall take into consideration (1) the differences in the costs of production, including wages, costs of material, and other items in costs of production of such or similar merchandise in the United States and in competing foreign countries.

Then they propose, inadvertently, I hope, to retain the next clause:

> The differences in the wholesale selling prices of domestic and foreign merchandise in the principal markets of the United States, but in considering prices as factors in ascertaining differences in costs of production, only reasonable profits shall be allowed.

Surely, I do not think the committee could have intended that.

Mr. McCUMBER. Mr. President, I had the matter in mind, and was intending, when we reached that, to ask that that portion be stricken out.

Mr. LENROOT. That will harmonize the whole. Then, Mr. President, I have only one other suggestion to make, and inasmuch as that will be discussed later, as the chairman of the committee stated that he would discuss the question of the recommendations of the Tariff Commission, I will reserve my comment until that is reached.

I heartily support the amendments of the committee, except that I would like to ask this question with reference to this amendment: Will the committee be willing, purely as a constitutional safeguard, to strike out the words "in so far as he finds it practicable," on page 4, lines 20 and 21? There is no reason for leaving it to be inferred that he is not to be required to take those things into consideration.

Mr. McCUMBER. Let me answer the Senator right now. The provision reads:

> That in ascertaining the differences in costs of production, under the provisions of subdivisions (a) and (b) of this section, the President, in so far as he finds it practicable, shall take into consideration (1) the differences in conditions in production, including wages, costs of material, and other items in costs of production of such or similar merchandise in the United States and in competing foreign countries.

He must find the difference in conditions in production. Suppose there are some of these things he can not find out. We have been trying for many years, through our consuls, and in other ways, to get the costs of production of articles in foreign countries, and we have failed in a great many instances. We have no control over the foreign manufacturer. We can not compel him to submit his books to the investigation of our officials. We tried it in France under a law which we never put into operation. There was such a storm of protest that it was abandoned. It may be that there are many instances in which it will become impossible. The President might be able to find the difference in the selling prices in the two countries; that is very simple. In most instances he would have no difficulty in doing that, and he would take that into consideration. He might find that, and yet he could not, possibly, find the other. Therefore we use the words "in so far as practicable." I have no objection to saying "in so far as possible," but I do not want to tie his hands and provide that if he fails to find every one of these things he may not take into consideration

those things which he is able to ascertain; because, after all, the Senator will agree with me that they are merely evidential, or sort of advisory, facts. They do not change the fact that he has to arrive at the difference between the costs of production at home and abroad.

Mr. LENROOT. I do not think the Senator quite gets my point. Of course, I appreciate all that the Senator has said; but there is no one to question the final result or conclusion the President comes to. But when you use the words "if he finds it practicable," you lodge an option with the President, instead of laying down an absolute rule, and my only point is to safeguard, to the fullest extent possible, the constitutional question involved.

Mr. SMOOT. There is one other situation I want to call to the Senator's attention, and I think more than likely this is a condition we will have the most trouble with and perhaps the only one we will have trouble with. Let us consider patented articles, for instance, which fall in the chemical schedule—and, by the way, the Senator will see that those are the most difficult we have to reach—it is an utter impossibility to find the cost of production. Neither the President, the Tariff Commission, nor any other living soul, outside of the manufacturer, can tell just what the production cost of those articles is, and the manufacturer is not going to divulge it. In such a case I think the only thing to do is to use the plan as outlined here and come as near to the cost of production as possible.

Mr. LENROOT. Does the Senator think anybody can question the conclusion the President comes to?

Mr. SMOOT. I am not quite certain about it. I think more than likely it will be undertaken at least, and I am not certain but that it could be carried into court.

Mr. LENROOT. I am very much more afraid that they will go to court with this option left with the President and defeat the entire proposition.

Mr. SMOOT. The Senator can see the object the committee had in view. I do know that there are articles that it is absolutely impossible to secure the cost of production of.

Mr. LENROOT. Let me make a suggestion. Suppose we use the words "in so far as he finds it possible to secure information with reference thereto." I think that would clear it up.

Mr. SMOOT. I am not particular whether the word "practicable" or the word "possible" is used. I think they both mean the same. But I will ask the Senator to pass that now.

Mr. LENROOT. I am going to let it pass and be considered fully in conference.

Mr. SMOOT. I think that is the best way to handle it, because I know there are articles—few in number, I admit—where it will be difficult to get the costs of production. But whether there are few or many, we must not lay down a rule for the President to follow which he can not follow.

Mr. GOODING. Mr. President, the position of the Senator from Wisconsin and my position on the tariff question have been entirely different, I am quite sure, and every one understands that very fully. I should have been glad to vote for his 60 per cent rate on grass rugs if the committee had concluded to give the Senator the 60 per cent he asked for. There is no doubt in my mind that that industry needs a 60 per cent rate based on foreign valuation. The point I want to make clear is that the Senator from Wisconsin did ask for a high duty as far as manufacturing industries in his own State were concerned, but when it came to other industries, the wool industry, for instance, although they have a few sheep in Wisconsin, he was not willing to give within 50 per cent of the difference in the cost of production of a pound of coarse wool in this country and foreign countries. No argument would persuade him to see that a 60 per cent ad valorem duty on wool, which was worth 15 cents a pound landed here at 25 cents, would come anywhere near the difference in the cost of production abroad and at home. That is what I am finding fault with. I think the Senator has been unfair toward agriculture, and I am forced to that conclusion by the amendment he has now offered, because if the farmers of the West are not going to be permitted to ship their food products into New York City, the time is never coming in this country when the consumption of this country will catch up with the production.

We do not need to find a foreign market for farm products if we will encourage the production of those farm products which are not developed up to our own requirements. It would require 2,000,000 acres more of farm land to produce all the sugar we need in this country for our own use. If we bring about a balanced condition upon the farms here, we will not need to go abroad for a market for farm products any longer. That is just what the Senator from Wisconsin has been opposing. We have a long line of railroads in this country, manned by the most expensive labor in all the world, with freight rates, of necessity, high, and if the freight rates are not to be taken into consideration, then there is not much left for the farmer on any rate that is to be reconsidered by the Tariff Board and the President.

I made the statement upon this floor the other day that a friend of the farmer could not stay in the employ of the present Tariff Commission, and I repeat that statement, and there is plenty of proof of it. I am not going to take up time now to discuss that, but before we get through with this tariff bill I am going to show to the Senate that this commission is not friendly to agriculture. Yet they are to furnish the information upon which the duties in this bill are finally going to be based.

Again, I want to commend those who have made a fight and have given agriculture, for the first time in the whole history of this country, fair duties on farm products; not great protection, only 18 per cent on an average, eliminated, if you please, by the increase in freight rates.

Mr. SIMMONS. Mr. President, I do not criticize the Chair for being so much interested in the little quarrel that is going on upon the other side of the Chamber that he does not always see us on this side when we rise to speak. I am very much interested myself in that quarrel. The quarrel that is going on over there is a great tribute to the position we have taken from the beginning upon the pending bill. It is extremely gratifying to find, although it is late in the day, that it has been discovered by many already and is being discovered by still others on the other side of the Chamber that the bill is unbearable and that it must be greatly mended, and that otherwise it will meet the almost universal condemnation of the people of the country, without regard to party and without regard to class or occupation.

It is a very good rule when the opposition becomes an unhappy family and begins to quarrel among themselves that outsiders should not interfere. I have not any disposition to interfere or in any way to throw any obstacle in the way of the controversy and the conflict of opinion and the disagreement that is developing on the Republican side. I hope that out of it some good may come, although I know how impossible it is to amend this bill so as to make it acceptable to the people of the United States. It is very rarely that a minority political party in its opposition to legislation proposed by the majority party has found so quickly a justification of its criticisms and of its condemnations of the proposed legislation as has happened with reference to the pending bill. But it is now too late to make the pending measure a good bill. We could not by ever so much amendment of the later provisions of it remedy the wrongs in the earlier provisions already adopted.

I think the situation ought to suggest to the Republicans in the Senate the wisdom and the propriety of right now recommitting the bill to the Finance Committee in order that it may be rewritten. Of course, I can not say even if it were recommitted whether the committee would rewrite it so as to make it a good bill, even from the protection standpoint, or one that would be satisfactory to the other side of the Chamber or satisfactory to the country. But in the light of all the information we have furnished during the discussion I am confident they would write a more conservative bill from a Republican standpoint and one that might possibly meet the approval of a larger percentage of their own party than does the pending bill. At present the bill seems to be a sort of bastard that nobody is willing to father, not even the committee itself, because constantly after the committee have had meetings and made changes, when it comes to a discussion of the proposed changes in the original amendment they have to change even those three or four times before they can get them in shape at all palatable to Senators on their own side of the Chamber.

What is going on now on the other side of the Chamber is nothing but this: The committee find that they are in a situation where, unless they yield here and there to the demands of this particular faction and that particular faction on that side of the Chamber, they may have some difficulty in passing the bill and they are trying as best they can to so change the measure as to meet the views of all the elements on their side of the Chamber, at least to an extent that may save the bill from utter wreck and defeat.

I am not, as I said, disposed to interfere. We have the amendments here offered by the Senator from Wisconsin [Mr. LENROOT]. They are wise amendments. They at least modify the drastic and almost unlimited powers which the bill would confer upon the Executive. They impose some limitations upon that power. The first amendment proposes to substitute for the rule by which the President is to be governed when he goes to increase a rate the requirement that he shall base his final decision upon the difference in the cost of production here and abroad instead of, as in the committee amendment first

proposed, upon the theory of equalizing conditions of competition here and abroad.

From the very inception of the bill we have insisted on this side of the Chamber that the real measure of protection, according to the theory of the Republican Party and all the champions and advocates of protection heretofore in the country, was the difference in the costs of production here and abroad. We have complained that a committee of that party, framing the tariff legislation under their mandate from the people, was ignoring that principle and was establishing a rate based upon the difference in the selling price in this country and abroad, and that that meant nothing more than a guarantee to the producers of the United States of present high prices and an opportunity further to advance their prices without incurring the danger of foreign competition. That was not only a radical change in the Republican theory of tariff making and the Republican formula of tariff bills, but it was a dangerous theory to adopt in levying taxes upon the people.

Mr. WALSH of Montana. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Montana?

Mr. SIMMONS. I yield.

Mr. WALSH of Montana. I observe there is constant accession and constant enlargement of the rule. Originally the rule was the difference in the cost of production here and abroad. The Republican platform in 1908 added to that "reasonable profits," so it gave the cost of production with a reasonable profit to the American manufacturer. Now it is boldly proclaimed that the rule should be the difference in the cost of production here and abroad, the difference in the cost of transportation from the interior to the consuming point, and, in addition to that, a reasonable profit.

Mr. SIMMONS. Yes; all the possible elements of wrong and oppression to the people are inherent in this scheme of framing a tariff bill as brought in by the committee.

Mr. President, the bill was framed upon the principle of equalizing the prices of products produced in this country as compared with products produced in other countries when sold in this country. Every rate that the committee made has been upon that theory. That meant a much higher rate in many instances than the rate based upon the difference in the costs of production here and abroad. But that principle still remains in the bill. It is a part of every item in the bill.

Now the proposition is to confer the additional power upon the President to increase the rates to the extent of 50 per cent, in his discretion. As the bill was originally written the President was permitted to increase them upon the same theory that the rates were written in the bill, but the Senator from Wisconsin [Mr. LENROOT] comes now and says, "That is all wrong; the rates ought to be fixed upon the basis of the difference in the cost of production; the President ought to be limited to that rule." If the President ought to be limited to that rule in the raising of the rates, the committee ought to be limited to that rule in the making of the rates. Therefore I say the bill ought to be recommitted. The amendment offered by the Senator from Wisconsin greatly improves the elastic tariff provision because it denies the President an opportunity to fix the additional rate upon an elastic sort of formula and requires him to fix it upon a fixed formula.

That is an improvement to the extent that it applies to the presidential powers. It is to that extent a return to the Republican theory of tariff protection. But does it not inject into the situation a strange anomaly? It does this, Mr. President, and I call special attention to it: We shall have the rates of the bill made upon one theory, and if they are increased we shall have them increased by Executive fiat upon an entirely different theory. Was there ever any proposition more absurd than that?

Having framed their bill upon one theory fundamentally different from the theory of the difference in the cost of production the committee now come here and, under the exigencies of the situation, in order to save their faces, in order to prevent an insurgency in their own ranks, with reference to the increase of the rates by the President under the authority they have given consent to the application of an entirely different principle than that upon which they have written the bill. But, Mr. President, notwithstanding that, it is better than the original proposition and I am ready to support the modification.

Now, Mr. President, it is also proposed as a part of the compromise arrangement to be forced through here—not by us but by the other side of the Chamber to prevent insurgency in their own ranks—to limit the application of the American valuation scheme which the President is authorized almost at will to proclaim and to limit it to articles which are either related to the dyestuffs industry or to the chemical substances which are in some way or other connected with the dyestuffs business.

That is an improvement. Anything that would limit the application of the principle of American valuation would be an improvement. When the committee struck out American valuation in its application to the rates carried in the bill they greatly improved the bill. I hope they will be able to retain that improvement in conference. But let it be understood that the majority are forced in order to meet a delicate and a dangerous situation growing out of Republican discord and dissatisfaction with the committee and its bill to reduce the presidential authority to apply American valuation so as to limit it to only one industry—although that industry is the best cared for industry in the whole bill, although that industry is loaded down with prohibitive and embargo protection. Nevertheless it is better to have the authority to apply American valuation conferred only as to that one industry than to have it apply to every duty in the bill.

I am disposed to support that proposition, Mr. President, and I hope this side of the Chamber will support it. I shall support the two amendments offered by the able Senator from Wisconsin [Mr. LENROOT] not because of their inherent virtue but because they somewhat improve a very bad measure, although they still leave that measure extremely bad. I shall support those amendments and I hope other Senators on this side of the Chamber will support them because of their ameliorating influence in making this bill a little better.

Mr. President, as I have stated, I have been a very interested spectator in this Republican debate and family row. I was very much interested in the colloquy which took place between the Senator from Idaho [Mr. GOODING] and the Senator from Wisconsin [Mr. LENROOT] over the inclusion of the consideration of freight rates in the presidential powers that are proposed to be conferred. The Senator from Idaho wishes the President to be given power in levying these 50 per cent additional taxes to include the consideration of freight rates. The Senator from Idaho need not worry himself about freight rates. Freight rates are taken care of in the duties which are already written in the bill. There is no one of them that is not sufficient to cover the freight rates. Wherever freight rates were an element they were considered and testimony was taken about them in the open hearings. The freight rates are amply provided for, but now the Senator from Idaho wishes the freight rates to be provided for a second time.

Mr. President, I did not rise for the purpose of discussing these amendments nor did I rise for the purpose of discussing the pending bill or any of its paragraphs. I simply rose for the purpose of making clear the motive of Senators on this side of the Chamber in supporting the amendments of the Senator from Wisconsin. I do wish to say, however, Mr. President, before I conclude, that the Senator from North Dakota [Mr. MCCUMBER], after the very able speech of the Senator from Alabama [Mr. UNDERWOOD] and after the Senator from Alabama had left the Chamber, made quite a vigorous assault upon the position of the Senator from Alabama and in scathing terms referred to the tariff bill which bears the name of the great Senator from Alabama. He said that the Democratic Party was blessed by Providence in connection with that legislation by the fact that a great war broke out immediately after it was put in operation and saved the country from the wreck and ruin which otherwise would have followed in its wake. The Senator from North Dakota forgot the fact that the Great War to which he refers as the saving power ended nearly four years ago.

What is the essential or the fundamental ground upon which Senators on the other side of the Chamber are asking for this new legislation, Mr. President? Is it not upon the ground that the United States to-day, on account of the low rates of the Underwood law, is being flooded, inundated, and submerged by the influx of cheap foreign products, which, they say, are sold at ruinous prices in competition with like American products, and that by reason of this enormous influx it is necessary that the tariff wall be raised higher in order that foreign products may be kept out; that the Underwood law is not doing its duty in that respect, and that we need and must have sky-high rates and sky-high walls of protection thrown around the borders of America in order to keep out foreign goods? The Senator had overlooked the fact, I am quite sure, that for the year ending June 30, 1922, the imports into the United States under existing law were a billion dollars less than they were for the year ending June 30, 1921, and that the exports for the year ending June 30, 1922, were about $3,000,000,000 less than they were for the year ending June 30, 1921. In other words,

there was a decrease in one year, and that the last year, of a billion dollars in our imports, followed by a falling off of $3,000,000,000 in our exports.

Now, Mr. President, if this bill shall be passed and its high and prohibitive rates shall, as they probably will, bring about another great reduction in our imports followed by a like proportionate decrease in our exports, which have already been reduced to about $3,000,000,000, our export trade will practically be wiped out, while our imports will be confined to a few things not produced in the United States at all.

Mr. WILLIS. Mr. President, I had hoped a vote might be reached on the pending amendment before I was compelled to leave the Chamber, but it is apparent that that action can not be had. Therefore, I wish to say only a word upon this subject.

Were I able to be present when the vote is taken I should very cordially support the amendment offered by the committee as modified by the acceptance of the amendment offered by the Senator from Wisconsin [Mr. LENROOT]. I believe that is in harmony with good policy and will accomplish much of good. Were I able to be present I should also vote for the amendment which has already been offered by the Senator from New Jersey [Mr. FRELINGHUYSEN]. I believe that amendment also is in the direction of wise legislation.

Mr. President, because of illness in my family I am compelled to leave the Chamber and the city and shall be absent for several days. I, therefore, ask unanimous consent to have printed in the RECORD, in regular eight-point type, a brief statement which I recently gave to the press relative to the general subject now under discussion, and let that stand as an expression of my views.

The PRESIDENT pro tempore. Is there objection?

Mr. SMOOT. Mr. President, I did not quite understand the request of the Senator. Is it a speech of the Senator which he has asked to have printed in the RECORD in regular type?

Mr. WILLIS. Mr. President, I had intended to make some observations on the amendment offered by the Senator from New Jersey [Mr. FRELINGHUYSEN] when we reach that point, but I am compelled to leave the Chamber in order to catch a train, and I ask unanimous consent to have printed in the RECORD the statement to which I have referred as an expression of my views on the so-called Frelinghuysen amendment.

Mr. SMOOT. I think under the rules, Mr. President, that can not be done. I have no objection at all to the Senator doing it if it can be done.

Mr. WILLIS. Mr. President, I rise to a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state his parliamentary inquiry.

Mr. WILLIS. The parliamentary inquiry which I wish to propound to the Chair is whether, under the unanimous-consent agreement, there can be any objection to printing in the RECORD the statement which I have offered?

Mr. MOSES. Mr. President, I will say to the Senator from Ohio that the rules of the Joint Committee on Printing, which controls the RECORD, are that, so far as the Senate is concerned, nothing shall be printed in the RECORD which has not been spoken in the Chamber, except that a speech made by a Senator in another place or a statement made by a Senator in another place may be printed by unanimous consent. My understanding is that the Senator has made a statement in the newspapers.

Mr. WILLIS. The statement which I have presented has been carried in a number of newspapers.

Mr. MOSES. And the Senator desires unanimous consent to print that statement in the RECORD as an expression of his views?

Mr. WILLIS. That is correct.

Mr. MOSES. That comes clearly within the rule.

Mr. SMOOT. That is, the Senator can print a newspaper report in the RECORD.

Mr. MOSES. Absolutely; yes.

Mr. SMOOT. But, as I understood the Senator, the matter which he desires printed in the RECORD is what he wanted to say upon the floor of the Senate.

Mr. MOSES. Oh, no.

Mr. WILLIS. The Senator from Utah misunderstood me. The statement to which I have referred has already been given to a number of newspapers in the country. I understand the rule, and I am not proposing to extend my remarks in the RECORD, as is the practice in another body sometimes; but I have asked to have printed in the RECORD a newspaper statement which I prepared and which has been already published.

Mr. SMOOT. I was going to say that if it were a statement prepared by the Senator and he had to leave the Chamber, if he desired me to do so, I would be glad to read it, or let the Secretary read it; but if it is a newspaper report, I have no objection to its being printed in the RECORD.

Mr. WILLIS. Evidently it comes within the rule and may be printed in the RECORD.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the statement will be printed in the RECORD as requested.

The statement referred to is as follows:

"I have long been heartily in favor of a scientific and businesslike method of drafting out tariff measures as against the awkward method which has long been pursued. The situation in which Congress finds itself to-day, after more than a year's deliberation on the pending measure, convinces me that the amendment offered by Senator FRELINGHUYSEN, if enacted into law, will aid in relieving the country from the uncertainty and recurrent business upheavals that inevitably accompany the formulation of new tariff measures.

"The principle governing the tariff policy of the country must, of course, remain a party matter; but there is no reason why the business interests of the country should continue to be at the mercy of a system of tariff making that is archaic in conception and inaccurate in its workings. No matter how diligently and conscientiously Congress endeavors to obtain the necessary facts on which to base tariff rates, it is exceedingly difficult for it properly to determine differences in production costs at home and abroad, and upon this determination depends the interests of labor, agriculture, and industry. It is time for this country to adopt a businesslike tariff system through the organization of adequately equipped machinery for the determination of unbiased facts regarding the differences in the cost of production here and abroad. Unless such a system is adopted the vast and intricate industrial machinery of this Nation is bound to suffer losses that will react seriously against the orderly progress and prosperity of all of the people. For that reason I am heartily in favor of the Frelinghuysen amendment, which would enlarge the personnel and the scope of the Tariff Commission, giving the commission power through hearings and by investigation to ascertain the facts and determine the rates to be reported to Congress as necessary for the adequate and full protection of agriculture, industry, and labor.

"The Frelinghuysen amendment contemplates no abdication of authority by Congress—Congress still is to fix the rates of duty as the Constitution provides—no attempt is made to delegate this authority, and in my view any attempted delegation of rate-making power would be unconstitutional and void.

"As matters now stand, the Ways and Means Committee of the House and the Finance Committee of the Senate collect, through public hearings, the facts upon which tariff legislation is based. Everyone with any experience in the framing of a tariff bill knows how biased and inaccurate are the statements sometimes made in such hearings. Without doubt the facts collected and the Tariff Summary prepared by the existing Tariff Commission have been of great value in aiding Congress to reach just conclusions and establish fair rates.

"But how much more effective the work of the commission would be if its scope were enlarged and more adequate machinery provided for ascertaining facts.

"The commission and its experts would be constantly at work ascertaining new facts as new conditions arise. Such ascertainment would obviate the necessity for congressional hearings covering many months, while at the same time in no way interfering with the right of Congress to hold hearings. The facts being already at hand, Congress could proceed much more promptly to the enactment of tariff legislation and delays costly to American business and American industry would be to a great extent avoided.

"The Frelinghuysen amendment preserves unimpaired the power of Congress to fix rates, provides reliable, ascertained facts as a basis on which to build tariff legislation, avoids delays in tariff making, and tends to realize in this important class of legislation President Harding's ideal of 'more business in government.'

"I believe American producers look with great favor upon Senator FRELINGHUYSEN'S sensible, businesslike proposition. I shall support it and I hope and believe it will be adopted."

The PRESIDENT pro tempore. The question is upon the first amendment proposed by the Senator from North Dakota [Mr. MCCUMBER] to the former amendment offered by him. The Secretary will state the amendment to the amendment.

The READING CLERK. On page 1, lines 8 and 9, it is proposed to strike out "conditions of competition in the principal markets of the United States" and insert in lieu thereof "costs of production."

Mr. WALSH of Montana. I ask the Secretary to read the provision as it will read if the amendment is adopted.

The PRESIDENT pro tempore. The Secretary will read the amendment in connection with the context.

The READING CLERK. As amended, it would read:

SEC. 315. (a) That in order to regulate the foreign commerce of the United States and to put into force and effect the policy of the Congress by this act intended, whenever the President, upon investigation of the differences in costs of production of articles wholly or in part the growth or product of the United States and of like or similar articles wholly or in part the growth or product of competing foreign countries, shall find it thereby shown that the duties fixed in this act do not equalize the said differences in—

In line 4, strike out "conditions of competition" and insert "costs of production"—

he shall by such investigation ascertain said differences and determine and proclaim the changes in classifications—

Striking out "or forms of duty"——

The PRESIDENT pro tempore. The Senator from Montana did not ask for the reading of the entire series of amendments, the Chair understands.

Mr. WALSH of Montana. The whole context.

Mr. UNDERWOOD. Without objection, I suggest that the amendments to that particular paragraph be acted on together.

Mr. SMOOT. The chairman of the committee asked that each amendment be considered separately, and the Senator from Wisconsin asked that that be done, too.

The PRESIDENT pro tempore. Unless otherwise ordered, the amendments must be considered separately.

Mr. WALSH of Montana. I suggest that the amendments in this particular paragraph be voted on in block—that is, where "difference in costs of production" is substituted for "conditions of competition."

Mr. SMOOT. As to this particular paragraph, where it is a question of "costs of production" in the whole amendment, I see no objection to voting on them in block.

The PRESIDENT pro tempore. There must be a definite request before that can be done.

Mr. SMOOT. I think, however, we will save time by just going on as we are, because when the question is decided in one place it will be decided the same way in the others.

Mr. WALSH of Montana. The question, then, is upon the amendment found in line 8 on page 1?

The PRESIDENT pro tempore. Yes.

Mr. WALSH of Montana. Upon that I ask for the yeas and nays.

The PRESIDENT pro tempore. The Chair desires an understanding. Does the Senator from Utah ask that certain of these amendments be considered in block and that a single vote be had upon them?

Mr. SMOOT. No; I have withdrawn that suggestion. I think the best way to do is to proceed with each amendment separately.

The PRESIDENT pro tempore. The question is upon agreeing to the first amendment, which the Secretary has stated, to the amendment offered by the Senator from North Dakota. Upon that the Senator from Montana requests the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. EDGE (when his name was called). Transferring my general pair with the Senator from Oklahoma [Mr. OWEN] to the Senator from Vermont [Mr. PAGE], I vote "yea."

Mr. FLETCHER (when his name was called). I have a general pair with the Senator from Delaware [Mr. BALL], who, I am informed, is absent. I transfer that pair to the Senator from Texas [Mr. CULBERSON], and will vote. I vote "yea."

Mr. UNDERWOOD (when Mr. HARRISON's name was called). The Senator from Mississippi [Mr. HARRISON] is paired with the Senator from West Virginia [Mr. ELKINS]. If the Senator from Mississippi were present he would vote "yea."

Mr. McCUMBER (when his name was called). I transfer my general pair with the junior Senator from Utah [Mr. KING] to the junior Senator from Washington [Mr. POINDEXTER] and will vote. I vote "yea."

Mr. SIMMONS (when his name was called). I transfer my general pair with the junior Senator from Minnesota [Mr. KELLOGG] to the senior Senator from Nebraska [Mr. HITCHCOCK], and will vote. I vote "yea."

Mr. WATSON of Georgia (when his name was called). I transfer my general pair with the Senator from California [Mr. JOHNSON] to the Senator from Ohio [Mr. POMERENE], and will vote. I vote "yea."

Mr. WATSON of Indiana (when his name was called). Transferring my pair with the Senator from Mississippi [Mr. WILLIAMS] to the Senator from Maryland [Mr. FRANCE], I vote "yea."

Mr. WILLIS (when his name was called). On this question I am paired with my colleague, the senior Senator from Ohio [Mr. POMERENE]. I am advised, however, that if he were present he would vote as I expect to vote, and I therefore feel at liberty to vote. I vote "yea."

The roll call was concluded.

Mr. SUTHERLAND (after having voted in the affirmative). I transfer my pair with the Senator from Arkansas [Mr. ROBINSON] to the Senator from Maryland [Mr. WELLER], and will allow my vote to stand.

Mr. HALE. I am paired with the Senator from Tennessee [Mr. SHIELDS]. If he were present he would vote as I shall vote, and I therefore feel at liberty to vote. I vote "yea."

Mr. JONES of New Mexico. I have a general pair with the Senator from Maine [Mr. FERNALD]. I do not know how he would vote on this question. I therefore withhold my vote. If I were at liberty to vote, I should vote "nay."

Mr. CURTIS. I wish to announce that the Senator from Minnesota [Mr. NELSON] is necessarily absent, on account of a death in his family. He is paired with the Senator from Massachusetts [Mr. WALSH].

I also wish to announce that the Senator from West Virginia [Mr. ELKINS] has a general pair with the Senator from Mississippi [Mr. HARRISON].

The result was announced—yeas 67, nays 4, as follows:

YEAS—67.

Ashurst	Frelinghuysen	McLean	Smith
Borah	Gerry	Moses	Smoot
Brandegee	Glass	Myers	Spencer
Broussard	Hale	New	Stanley
Calder	Harreld	Newberry	Sterling
Cameron	Harris	Nicholson	Sutherland
Capper	Heflin	Norbeck	Swanson
Caraway	Jones, Wash.	Oddie	Townsend
Colt	Kendrick	Overman	Trammell
Cummins	Keyes	Pepper	Underwood
Curtis	Ladd	Phipps	Wadsworth
Dial	Lenroot	Ransdell	Walsh, Mont.
Dillingham	Lodge	Rawson	Warren
du Pont	McCormick	Reed	Watson, Ga.
Edge	McCumber	Sheppard	Watson, Ind.
Ernst	McKellar	Shortridge	Willis
Fletcher	McKinley	Simmons	

NAYS—4.

Bursum	Gooding	McNary	Stanfield

NOT VOTING—24.

Ball	Hitchcock	Nelson	Pomerene
Culberson	Johnson	Norris	Robinson
Elkins	Jones, N. Mex.	Owen	Shields
Fernald	Kellogg	Page	Walsh, Mass.
France	King	Pittman	Weller
Harrison	La Follette	Poindexter	Williams

So Mr. McCUMBER's amendment to his amendment was agreed to.

The PRESIDENT pro tempore. The Secretary will state the next amendment proposed by the Senator from North Dakota.

The ASSISTANT SECRETARY. In the amendment proposed by the Senator from North Dakota, on page 2, line 4, it is proposed to strike out the words "conditions of competition" and to insert in lieu thereof the words "costs of production."

The amendment to the amendment was agreed to.

The PRESIDENT pro tempore. The Secretary will state the next amendment to the amendment.

The ASSISTANT SECRETARY. On page 2, line 6, after the word "classifications," it is proposed to strike out the words "or forms of duty."

Mr. WALSH of Montana. Mr. President, I have not been advised that it was the purpose of the committee to make the change now proposed. I have heard no discussion of that subject. That language was supposed to refer to a contemplated change of the rate from specific to ad valorem, or from ad valorem to specific. Is it the purpose of the committee to abandon that?

Mr. McCUMBER. Mr. President, I stated, perhaps when the Senator from Montana was not in the Chamber, in the discussion of the proposals we had made this morning, that this was one of the proposals which was to prevent the President from changing the form of duty, so that if there is a specific duty, even though he has the right to increase it or decrease it 50 per cent, he can not change it to an ad valorem duty, and so of an ad valorem, and so of a compound duty. He may change each of them, but he can not change the form.

Mr. WALSH of Montana. Will the Senator advise the Senate as to what reason impelled the committee to recommend that change?

Mr. McCUMBER. The reason was that a great many Senators felt that the duties which were fixed upon a specific basis were fixed in that way so that if the price rose or fell, at least that part of the duty would not be changed, and if it were all an ad valorem duty, while the ad valorem might be satisfactory to-day, it might not be satisfactory to allow the entire duty, in its compound form, to fall lower than that which would be fixed by the ad valorem standing alone.

Mr. WALSH of Montana. I was afraid that perhaps the committee had been impelled by my argument as to the legality of the proposition.

Mr. McCUMBER. We were not governed in doing this by the thought that we were making that constitutional which otherwise would not be constitutional.

Mr. WALSH of Montana. Before the Senator takes his seat, I would like to understand, before we vote on it, whether the committee considered the matter of taking out the power to change the classification?

Mr. McCUMBER. Yes; the power to change the classification is still retained.

Mr. WALSH of Montana. What does the Senator understand by the term "classification" as used here? What is a change in the classification?

Mr. McCUMBER. If you want to raise the duty, a matter may be taken out of a basket clause, for instance. The duty might be 30 per cent in the basket clause, and it might be 35 per cent if the article were classified in some other paragraph; or it might be 35 per cent in one paragraph, and it could be changed from that to a paragraph bearing a lower rate of duty.

Mr. WALSH of Montana. That is my understanding of the matter. That is to say, this gives the President power to take a certain specific article out of one paragraph and put it into another paragraph.

Mr. McCUMBER. Yes; but does not allow him, of course, to take one from the free list and put it on the dutiable list, or from the dutiable list and put it on the free list.

Mr. SMOOT. There may be a thousand articles in a basket clause, and there may be only one article in the basket clause the rate on which should be raised, and if this power were not given to the President, but if he had to raise the duty in the basket clause to take care of that one article, it would take in all of the other articles in that basket clause.

Mr. WALSH of Montana. Congress has deemed it wise, as a matter of policy, to put the particular commodity in the basket clause. That is a policy which Congress has declared. But by this, the President of the United States may substitute his own policy for the policy of Congress, and put the article in some specific paragraph.

Mr. McCUMBER. But if he acts at all it must be only to bring the rate up to what we have defined as the difference in the costs of production or bring it down to that. So we have fixed a definite condition which the tariff duty must meet, whether it is raised or lowered.

Mr. WALSH of Montana. The change in the form of duty has now been eliminated. The power is left in the President, however, to raise or lower the duty within the limits prescribed. With that power, what additional authority is given to him by this provision which affords him an opportunity to change the classification, and what is the purpose of giving him the right to leave this commodity in the paragraph in which Congress has placed it, with the right to raise or lower the rate? What is the object and what additional powers are given to him when he is given the right to take the article out of one and put it in another paragraph, being limited in both instances by the difference in the costs of production?

Mr. McCUMBER. He certainly can not put it in another paragraph unless by placing it in that other paragraph he effectuates the purposes which we declare as the congressional intent, namely, that that paragraph, with that rate, will exactly measure the difference between the costs of production at home and abroad. I do not know that there will be a single instance in which the President will find it practicable to do that, and I confess, so far as I am concerned personally, that I would just as soon have left the classification out, because in every instance the duty imposed upon him is to make a rate which will exactly measure the difference between the costs of production at home and abroad.

Mr. WALSH of Montana. That is just the point I am making. We are legislating now. We are making a law. Under this law the President, leaving the commodity in the paragraph in which it has been placed by Congress, may raise or lower the duty so as to exactly cover the difference in the costs of production here and abroad. That is perfectly well understood. But now Congress has gone further than that and given him some other power, namely, to take the article out of the paragraph in which it is and put it in another paragraph, being likewise controlled by the necessity, when it is changed, of fixing the rate at such a figure as will cover the differences in competition. When that statute is construed by the courts, they will say that some reason must have actuated Congress in giving this additional power to the President to change the classification. What was it? Thus far we have no answer.

Mr. McCUMBER. Let me give the Senator one illustration. We will take a paragraph, for instance, which contains perhaps a dozen different articles or items, all bearing the same rate of duty. Let us assume that there is a paragraph preceding this paragraph which fixes the rate at 30 per cent ad valorem. A subsequent paragraph, we will suppose, fixes the duty on half a dozen articles at 35 per cent ad valorem. The President finds that the duty on one of those articles is 5 per cent too high. This provision gives him the power to put just that one article, without fixing a different rate for it specifically, in the paragraph above. I do not say that it is the better way, but I do say that in that way the real purpose is effectuated. There may also be cases in which it may be necessary to divide the classification in a paragraph and impose varying specific or ad valorem rates, according to the value or weight or some other form of measurement, in order to equalize the differences in costs of production.

Mr. SMOOT. Many times after a tariff bill is enacted into law there is an invention, or an article is discovered and made for commerce which is not specifically provided for in the tariff law. That would fall into a basket clause, as the Senator from Montana knows. It may fall in a basket clause, the duty on which is not nearly sufficient to take care of the item, and in that case, of course, the President would have a chance to transfer it to the classification where it belongs.

Mr. REED. Mr. President, is it not true that there are all sorts of qualifications introduced in certain clauses of this bill which do not apply to the basket clause, so that by removing an article from the basket clause, for instance, to one of the other clauses there will be many conditions which will affect the tariff and affect the production of the article in addition to the mere matter of the tariff rate?

Mr. McCUMBER. I did not quite understand the question of the Senator, if it was directed to me. I do not know that it was.

Mr. REED. Is it not true that in certain of the clauses of the bill there are conditions, outside of the rate of duty, which do not appear in certain other clauses, so that by removing an article from one clause to another there may be effected not only a change in the tariff rate but there may be also conditions fastened onto the article?

Mr. McCUMBER. That is a possibility.

Mr. REED. That, then, would indicate a reason for making this change.

Mr. McCUMBER. I do not have in mind any condition which would interfere with the rate which would be required to be paid.

Mr. REED. There are other things besides rates. Some of these clauses contain provisions with reference to the package in which an article is contained. I think some of them do not contain them. Of course, I am compelled to admit that my prolonged absence has kept me from studying the close details of this bill. That was the question I wanted to ask, and the Senator has answered it.

It seems that we are about to transfer the taxing power from Congress to the Executive. The proposition is that we shall trust the Executive to really fix the tariff rates, but the recent amendments indicate that while the philosophy is that we shall trust the President we must not trust him too far, and therefore we are going to put a limitation upon him. Just one word in regard to this whole scheme of transferring the taxing power to the Executive. For hundreds of years under our Anglo-Saxon system of government the power to levy taxes and to create revenues has been the great lever employed by the friends of free government and of liberty to preserve the rights of the people. It was the employment of this single force that broke the power of the scepter of British kings. It was this fact that was recognized by the fathers of the Republic when they vested in the House of Representatives the sole power to originate revenue measures. The action which is contemplated to-day is a reversal of all of the traditions and of all of the principles of the British Government and of the American Government with reference to the raising of revenues. It is an invasion of the greatest right reserved to the people of this land for their protection.

Mr. STANLEY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Missouri yield to the Senator from Kentucky?

Mr. REED. I yield.

Mr. STANLEY. I would suggest to the Senator in that connection, as illustrative of the truth of what he says, that there were more than 30 amendments to the great Magna Charta from the time of King John until the revolution of 1688, and almost without exception every single one of those ratifications—the great charters secured by virtue of them, the Petition of Right

in 1628 and the Bill of Rights in 1689—was directly traceable to the necessities of those monarchs.

Mr. REED. I thank the Senator. He has stated in detail and with great force what I endeavored to say by generalities.

The power which it is proposed to invest in the President is a power that can be abused by the very authority to which the framers of our Republic intended to deny it. It is exactly as though the British Parliament, at the end of a thousand years of contention for the right to raise revenues and thus control the action of the King, were suddenly to reverse that policy and place in the King the very power which the Parliament has hitherto used for the purpose of controlling the action of the King. If Charles I had had the authority to increase the revenues of the crown by changing the rate of taxation, Charles I would have been able to have carried on his wars and to have crushed the English people with his armies and with his navies. All that he contended for, if I recall my history aright, was a privilege akin to the very thing which the pending bill proposes to do.

Now, it may be said that Mr. Harding will not abuse this power. I entertain, in common with the other Members of the body, a very high personal regard and respect for President Harding. I do not believe that he is a man who would willfully do a wrong to the people of the country. But two things must be remembered. First, that he is as liable to err as the other men of ability in this country. Second, we are establishing a precedent which, if it is sustained by the courts, will be followed by subsequent Congresses. We are breaking down the greatest safeguard there is in our Government. We are transferring the taxing power from Congress to the President just as certainly as we are standing here. We are traitorously assassinating the great principle which has been ingrained in Saxon government and in Saxon liberty.

I say "traitorously" doing it, for the man or the body that by subterfuge and by a technicality will defeat or undermine a great principle of government is guilty of a traitorous and infamous act. The most dangerous man in public life is not the man who boldly proposes to defy the Constitution. It is not the man who on a soap box inveighs against human government. It is not the man who assails law and authority and who harangues the mob under the red flag. Such men, their purpose being plain and their attitude apparent, will be justly estimated and measured by the people of the land. But when men sit in a great legislative body and, professing friendship for the Constitution, yet devise a means by which they can technically avoid it, if possible, and accomplish the overthrow of its principle by a subterfuge, that kind of man is an enemy to be feared. That kind of statesman is a man who is a real enemy of his country.

It is the business of this body to guard the Constitution. The courts of our land give to the decisions of the Congress every presumption of regularity and every presumption of legality and every presumption of constitutionality, contending that we are the guardians of the Constitution and that it is not to be presumed that we would willfully trample upon its precepts or that we would seek to avoid the spirit of the Constitution. That presumption has been followed in case after case, and the burden is thereby shifted to us to become the guardians of the Constitution itself. Yet men sit down and carefully devise a scheme by which they transfer this great right of raising revenue from the legislative body to the Executive, the very power against which our fathers fought to defend us when they proclaimed that revenue measures could be originated alone in the House of Representatives.

And what, I pray you, is the safeguard we have adopted? I affirm, sir, that it is nothing but the Executive will. When Warren G. Harding, as President of the United States, certifies as a fact that the cost of production in England of a certain article is greater than the cost of production in America plus the tariff, there is no board to review that action, there is no court that can go back of his decree. The courts will unquestionably say that we vested in him the sole power of determination. The courts will unquestionably say that his decision is res adjudicata of the entire question. The courts will say that we vested this power in the President, that he has exercised it, and that his decision is a finality. Thus it is proposed to transfer a power which may be abused, a power which I unhesitatingly say will be abused—and in saying that I do not impugn the integrity of the President but I rather impugn his sources of information, his environment, and his limitations.

To my mind this is one of the most appalling propositions ever made. Somewhere or other there crept into some previous statute a similar provision. Against every provision of that kind I have always stood. Where is the President to get his information? Will it be correct or incorrect? I am heartily tired of the idea of shifting congressional responsibility to the Executive's shoulders. Whenever Congress has a difficult problem to meet, it has been meeting it for some time by the simple device of turning it over to a President. How do we know the President will get the correct figures? When Mr. Harding, whom, I repeat, I respect, sat in this body none of us regarded his investigation of a question or his conclusion as a finality. All of us saw fit at any time to challenge either his statement of fact, always conceding to him perfect sincerity in making it, or his conclusion from the fact.

Inevitably he will be surrounded in the consideration of these questions by the selfish interests that desire to protect themselves. Their lawyers will be there; their experts will be there; their emissaries will be there with false figures, false data, false information, false conclusions to impose them upon him. Who will be there to represent the Congress? Who will be there to represent the American people?

These things will be done in secret; these changes will be made in the privy council, at which some underling, representing the President, will connive and conspire and counsel with the special representatives who speak for only one side of the case. There will be no one there to voice the protests of the other side; there will be no one there to speak for the American people. So Senators may trust to it as a certainty that the President will constantly be under a pressure which comes from one side, and, knowing his character as we know it, we know he is very likely to yield.

I have stood on this floor for years appealing for the preservation of the integrity of the Constitution. I have seen the Constitution disregarded time and again, and time and again the courts have been forced to declare our action unconstitutional. There may have been some shrewd lawyer, acting for the great special and protected interests, who has devised a plan which will defeat the purpose of the Constitution. If so, his service was an ill service to his country, and the action of this body in ratifying and confirming such a scheme is an ill service to the people who sent us here.

Why should this thing be done? Mr. President, we are told that there is a difference in the wage scale in Europe and in America. We know that now. We are told that there is a difference in the cost of production there and here. We know that now. Will there be a greater difference in the future? There is nothing to point to that fact. From present indications Europe is gradually emerging from its desperate condition of pauperism; the people are beginning to get their feet under them. That means a rise in the standard of living and an equalization in the cost of production.

Moreover—and my vanishing friends may continue to vanish from the other side of this Chamber—this fact is apparent to all. This body will barely complete the bill under consideration by some time in the month of September. It will not become a law, in all probability, until approximately the 1st of October. Congress will be in session again early in December, and should there be any change in conditions, Congress will be in session until the 4th of March next. If there is any change in conditions that demand attention the matter may be submitted to the Congress. If there should be any great revolution imperiling the special interests and special graft and special theft and special plunder of those who demand the right to tax the American people, while demanding that the direct taxes shall be taken off them, then Congress will be here until the 4th of next March, with the brutal Republican majority in both Houses, and able to respond to the demands of every one of those gentlemen who may want to thrust their fingers into the pockets of the American people a little deeper on the pretext that foreigners are manufacturing goods cheaper abroad than they now are. After the 4th of March, after the new elections, the President can still call Congress together to meet any great emergency.

Why, then, is this provision to be inserted in the bill? It is because Senators on the other side of the Chamber answer to their master's lash. It is because the great interests that boasted that they would elect a President are now here to collect not only their pound of flesh but the blood that goes with it. It is because the Republicans are answering to the great vested interests that came before the Committee on Finance not as citizens of the United States to present an argument in a case but as proprietors to demand that the result of the election, the thing they said they had gained in the election, should now be delivered to them. In obeying their will the Republican majority hesitate not to trample upon that great principle to which I referred, namely, that every revenue measure shall originate with the direct representatives of the people and that they alone shall have the right to originate such laws.

Suppose the House of Representatives were to levy a tax of 50 cents per ton upon steel, would it be a revenue measure? Manifestly so. Suppose the President of the United States

were to be given authority to levy a tariff of 50 cents a ton on steel, would it not be equally a revenue measure? Suppose that Congress were to pass a measure providing for a duty of 50 cents a ton upon steel and give the President thereafter the authority to increase it to $1 and he were to increase it to $1, would he not be as much originating a revenue measure as though the Constitution had vested in him the authority to levy taxes? We may quibble about it, we may dodge it as we will, but the fact will remain.

Mr. President, I do not expect to change a vote by what I have said, but I expect that what I have said will at least record my protest, and I believe that when next November comes there will be a protest from the people who pay the taxes against the people who levy them, from the voters of the land against the voters of Congress.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from North Dakota [Mr. MCCUMBER] to the amendment heretofore proposed by him.

Mr. REED. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. REED. I ask that the amendment may be stated.

The PRESIDENT pro tempore. The Secretary will again state the amendment.

The ASSISTANT SECRETARY. On page 2 of the proposed amendment of the Senator from North Dakota in line 6 it is proposed to strike out the words "or forms of duty."

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. EDGE (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

Mr. FLETCHER (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

Mr. HALE (when his name was called). Transferring my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Maryland [Mr. WELLER], I vote "yea."

Mr. JONES of New Mexico (when his name was called). Making the same announcement as on the previous vote, I withhold my vote.

Mr. LODGE (when his name was called). I have a general pair with the Senator from Alabama [Mr. UNDERWOOD], who appears to have left the Senate. I am unable to obtain a transfer, and therefore the pair must stand. If permitted to vote, I should vote "yea."

Mr. MCCUMBER (when his name was called). I have a general pair with the junior Senator from Utah [Mr. KING]. I transfer that pair to the junior Senator from Washington [Mr. POINDEXTER]. I will allow this announcement of the transfer of my pair to stand for the remainder of the calendar day. On this question I vote "yea."

Mr. SIMMONS (when his name was called). Making the same announcement as to the transfer of my pair as upon the former vote I vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before with reference to my pair and its transfer I vote "yea."

The roll call was concluded.

Mr. SUTHERLAND. I transfer my general pair with the Senator from Arkansas [Mr. ROBINSON] to the junior Senator from South Dakota [Mr. NORBECK] and will vote. I vote "yea."

The result was announced—yeas 64, nays 0, as follows:

YEAS—64.

Ashurst	Fletcher	McKinley	Shortridge
Borah	Frelinghuysen	McLean	Simmons
Brandegee	Gerry	McNary	Smith
Broussard	Glass	Moses	Smoot
Bursum	Gooding	Myers	Spencer
Calder	Hale	New	Stanfield
Cameron	Harreld	Newberry	Stanley
Capper	Harris	Nicholson	Sterling
Colt	Heflin	Oddie	Sutherland
Cummins	Jones, Wash.	Overman	Swanson
Curtis	Kendrick	Pepper	Townsend
Dial	Keyes	Phipps	Trammell
Dillingham	Lenroot	Ransdell	Wadsworth
du Pont	McCormick	Rawson	Walsh, Mont.
Edge	McCumber	Reed	Warren
Ernst	McKellar	Sheppard	Watson, Ind.

NAYS—None.

NOT VOTING—31.

Ball	France	Kellogg	Nelson
Caraway	Harrison	King	Norbeck
Culberson	Hitchcock	Ladd	Norris
Elkins	Johnson	La Follette	Owen
Fernald	Jones, N. Mex.	Lodge	Page
Pittman	Rob'nson	Walsh, Mass.	Williams
Poindexter	Shields	Watson, Ga.	Willis
Pomerene	Underwood	Weller	

So Mr. MCCUMBER'S amendment to his amendment was agreed to.

The PRESIDENT pro tempore. The Secretary will state the next amendment.

The ASSISTANT SECRETARY. The Senator from North Dakota [Mr. MCCUMBER] proposes to amend the amendment offered by him as follows: On page 2, lines 8, 9, and 10, strike out the words "conditions of competition necessary to equalize the same in such markets of the United States" and insert in lieu thereof "such costs of production necessary to equalize the same."

The amendment to the amendment was agreed to.

The ASSISTANT SECRETARY. On page 2, line 12, strike out the words "or in forms of duty."

The amendment to the amendment was agreed to.

The ASSISTANT SECRETARY. Beginning on line 24, page 2, at the end of the line, strike out the words "conditions of competition in the principal markets of the United States of articles" and insert in lieu thereof "costs of production of products provided for in paragraphs 25 or 26 or Title I of this act."

The PRESIDENT pro tempore. The question is upon agreeing to the amendment to the amendment.

Mr. WALSH of Montana. Mr. President, I rather gathered from what the Senator from North Dakota said that it was his purpose to abandon subdivision (b) altogether.

Mr. MCCUMBER. Paragraphs 25 and 26, as the Senator understands, deal with intermediate coal-tar products and dyes.

Mr. WALSH of Montana. No, no; we are not dealing with that. The amendment just read from the desk is an amendment of subdivision (b) of section 315.

Mr. SMOOT. That is right. As it was before, it was "investigation of the differences in conditions of competition in the principal markets of the United States." Now it is "costs of production of products provided for in paragraphs 25 or 26 of Title I of this act."

Paragraph 25 deals with the intermediate dyes, and paragraph 26 deals with the dyes, and therefore we limit it to those two paragraphs of Title I.

Mr. WALSH of Montana. Where is it so limited?

Mr. MCCUMBER. This is the American-valuation subdivision which is to be limited simply to those two paragraphs.

Mr. SMOOT. That is all.

Mr. WALSH of Montana. But where is it so limited?

Mr. SMOOT. It says:

That in order to regulate the foreign commerce of the United States and to put into force and effect the policy of the Congress by this act intended, whenever the President, upon investigation of the differences in costs of production of products provided for in paragraphs 25 or 26 of Title I of this act, wholly or in part——

Mr. WALSH of Montana. It is not so in the copy I have before me.

Mr. SMOOT. That is the amendment that is offered.

Mr. WALSH of Montana. That is not the one that has just been tendered.

Mr. SMOOT. Yes; the Senator just tendered that amendment.

Mr. WALSH of Montana. That was not what the Secretary read.

Mr. SMOOT. I will ask the Secretary to read it again, and see if that is not word for word as I read it.

The PRESIDENT pro tempore. The Secretary will restate the amendment to the amendment.

The ASSISTANT SECRETARY. On page 2, beginning with the word "conditions" at the end of line 24, it is proposed to strike out the words "conditions of competition in the principal markets of the United States of articles," and to insert in lieu thereof "costs of production of products provided for in paragraphs 25 or 26 of Title I of this act."

Mr. WALSH of Montana. That is all right. Before that is considered, Mr. President, I desire the attention of the Senator from North Dakota.

The amendment as originally proposed—that is to say, as reported by the Finance Committee in the first place—provided that the rates fixed by the President were to go into effect 30 days after the proclamation should issue. It is now proposed to make that period 60 days. That is an essential part of the amendment as it stands now. I understand, Mr. President, that this plan was proposed because the Congress might be in recess, or for some other reason it would be impossible for Congress to act in the matter with that promptitude which would be necessary in order to accomplish a change whenever by reason of changed conditions a change in the rates seemed desirable, so that a relatively short period was fixed; but now

we have 60 days fixed as the period after the expiration of which the rate proclaimed by the President is to go into effect.

Mr. President, if a change in conditions does ensue making it desirable that a rate should be raised or lowered, Congress has 60 days within which to do it just as rapidly as the President can. In other words, what is the need of this at all if the rate does not go into effect for 60 days after the proclamation by the President? The only excuse I can find for it is that action might be deemed advisable with a greater degree of celerity than could be attained if an effort were made to secure a change of the rate through legislation put through Congress.

Mr. TOWNSEND. Mr. President, what does the Senator think about that? Does he think an amendment of the tariff could be gotten through in 60 days?

Mr. WALSH of Montana. I do not think so, no; and if the Senator will pardon me, I shall be glad to tell him why I suspect that is one of the reasons why this plan is proposed.

The Senator from Wisconsin has repeatedly stated upon the floor of the Senate that no one will undertake to deny that this is a combination of various interests, each one supporting high and extortionate rates demanded by the other in order that his high and extortionate rates may be sustained by the Senate. He asserts that no one will get up on this floor and deny that that condition exists, so that when it comes to Congress and a proposal is made to reduce a certain rate, the interests interested in that rate will threaten to reduce the rate on something else, and so the rate will not be reduced at all. It is the same way about elevating the rate, and it is expected that by this scheme, this plan, a more equitable tariff bill can be effected by the action of the President than by Congress. The whole policy is here disclosed, namely, to take away from Congress, because Congress is inadequate to the task, the duty of framing tariff bills and put the duty in the hands of the President.

Mr. McCUMBER. Mr. President, the Senator from Montana [Mr. WALSH] has found in this bill something that not a single member of the committee ever dreamed was in it, so far as its purpose was concerned.

All business is done on time, more or less. You can not order goods to-day from Europe or from Asia and have them landed to-morrow. If we could do that, it would not be necessary to give any particular time. After a person has made his arrangements for his purchases in Europe or in Asia it would be unfair to say that we can change that duty to-morrow and possibly while his goods are on the way. We have to arrive at a conclusion as to what would be a reasonable time ahead of the time that we determine to fix the rate in which it will not operate against those who have purchased under the old rate. There is danger if we put it off too long. There is equal danger if we make it too short. The judgment of the committee is that there ought to be at least 60 days interim, after there is a decision to lower a rate, before it is made operative, to the end that those who have already contracted or are contracting may have due notice of what the rate will be at the time of shipping and can make their purchases and fix their prices accordingly.

That is the only purpose on earth that the committee had in mind in fixing a 60-day limit, just the same as we often provide in our tariffs or in other matters that the law shall take effect the next January, or the next month, or 30 days thereafter. Here this length of time is given to the end that parties who are contemplating purchases or are making purchases or have made purchases may have due notice of what the rate will be at some future period and time to act under the knowledge that the rate will be a certain amount after a certain time.

Mr. WALSH of Montana. Mr. President, the Senator has entirely misapprehended my position. I am not complaining that the time is too short. In fact, if it were made 90 days it would be just exactly as satisfactory to me.

Mr. McCUMBER. No; but the Senator is assuming a reason which did not actuate the committee in the slightest degree in fixing this time.

Mr. WALSH of Montana. Of course, there is some reason why the power is given to the President instead of leaving it with Congress, and the only reason there can be for giving it to the President rather than leaving it with Congress is either that Congress would not make the change—and I have asserted that it would not make the change for the reasons I have indicated—or else that speedier action was desired than could be secured through congressional action. But if the rate is not going into effect for 60 days there is plenty of time to get legislation through Congress.

Mr. SMOOT. There is a question as to whether legislation could be gotten through in 60 days. But I want to say that it is absolutely necessary that 60 days shall be granted. Take the general practice in trade. An American buyer goes to Europe and buys his goods for delivery six months after date. He brings the samples to America, he sends his salesmen throughout the country, and from those samples he makes sales. The prices are based upon his contract prices.

If he had only 30 days' time to get into this country all of the goods which he ordered, and the rates had been raised, it might bankrupt that merchant, because of the difference in the rate of duty paid, as he sold the goods upon the basis of the rate in effect at the time he purchased the goods. The committee thought that 60 days were absolutely necessary in order that he would have time to instruct the manufacturer from whom he purchased his goods. Perhaps some of those goods would not be made, and it would take 60 days for the manufacturer to get his goods made, ship them, and land them in this country. It was thought to be absolutely necessary to give 60 days; and if it were a shorter time than that, I think it would catch many of the purchasers and perhaps seriously embarrass them financially.

Mr. REED. Again, Mr. President, we are dealing wholly for the benefit of the manufacturer or the dealer.

Mr. SMOOT. Oh, no; this is the importer.

Mr. REED. Very well. We are thinking about the capitalist.

Mr. SMOOT. He ought to have time to get his goods into this country.

Mr. REED. We must be very careful that the importer who buys on a certain European market can sell and make his profit before there is any change in the tariff. That is the theory. At all hazards he must be taken care of. But in the meantime the cost of production abroad has dropped 50 per cent; and if it has dropped 50 per cent, the country is still to be flooded with those cheap goods, and what is to become of your much loved workingman, for whom you are levying this traiff? Who is thinking about him now? You ask the right to raise a tariff 50 per cent, arbitrarily, because the cost of production has changed. You say you do that for the purpose of protecting American labor. But now you say, "We do not propose to do anything for the American laborer until we are dead certain that the capitalist who is importing the goods has his profits out of his deals."

Mr. SMOOT. It would make no difference to the consumer at all, because the goods had been sold by sample. They have been sold and it would make no difference at all to the consumer.

Mr. REED. I am not talking about the consumer; I am talking about the beloved laboring man.

Mr. SMOOT. The goods had been ordered before there was any change made, and the sales were made upon the rates then existing. It can not make a particle of difference to the consumer.

Mr. REED. Of course, the goods were ordered by the importer upon the rates then existing. The cost of production abroad decreases. Instead of raising the tariff immediately to keep out these new goods which are being made, and which are coming in to flood the American market, you postpone for 60 days that protection to your beloved American laboring man, over whom you sit up nights and weep oceans of tears, in order that the importer shall make his profits, and you do that after the statement which was made on this floor on yesterday that some of these American importers are importing from Europe and charging the most extortionate and unconscionable profits, and that that is the result of a combination, which has been charged and admitted upon this floor.

All I want to do is just to expose the sham and hypocrisy of this matter. You talk about protecting American labor, and in every instance you are looking after American capital. In this instance you say a great menace exists, that goods will come in and flood the market and drive the American laborer out of employment. But before we will apply protection to him we will first give the profiteer who is importing from foreign countries 60 days in which to make his profits. That is the hole you come out at.

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The next amendment was, on page 3, line 1, to strike out the words "growth or" before the word "product," so as to read:

Articles wholly or in part the product of the United States.

Mr. WALSH of Montana. That amendment needs some little explanation. The amendment as submitted to us takes care of articles the growth or product of the United States. There is wheat, for instance——

Mr. SMOOT. That is a product of the United States.

Mr. WALSH of Montana. And other things in the agricultural schedule. For some reason or other they are lost in the shuffle.

Mr. McCUMBER. This paragraph relates to coal-tar products, and they do not grow.

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The next amendment was, on page 3, line 2, to strike out the word "articles" and to insert the word "products"; on line 3, to strike out the words "growth or"; on line 9, to strike out the words "class or kind of merchandise," and to insert in lieu thereof the word "products"; on line 14, to strike out the word "article" and to insert the word "product"; on line 17, to strike out the word "article" and to insert the word "product"; beginning on line 24, to strike out the words "conditions of competition in the principal markets of the United States necessary to equalize the differences so found in said conditions of competition," and to insert in lieu thereof the words "costs of production necessary to equalize such differences," so as to read:

(b) That in order to regulate the foreign commerce of the United States and to put into force and effect the policy of the Congress by this act intended, whenever the President, upon investigation of the differences in conditions of competition in the principal markets of the United States of articles wholly or in part the product of the United States and of like or similar products wholly or in part the product of foreign countries, shall find it thereby shown that the duties prescribed in this act do not equalize said differences, and shall further find it thereby shown that the said differences can not be equalized by proceeding under the provisions of subdivisions (a) of this section, he shall make such findings public, together with a description of the products to which they apply, in such detail as may be necessary for the guidance of appraising officers. In such cases and upon the proclamation by the President becoming effective the ad valorem duty or duty based in whole or in part upon the value of the imported product in the country of exportation shall thereafter be based upon the American selling price, as defined in subdivision (f) of section 402 of this act, of any similar competitive product manufactured or produced in the United States embraced within the class or kind of imported merchandise upon which the President has made a proclamation under subdivision (b) of this section.

The ad valorem rate or rates of duty based upon such American selling price shall be the rate found, upon said investigation by the President, to be shown by the said differences in costs of production necessary to equalize such differences, but no such rate shall be decreased or increased more than 50 per cent of the rate specified in Title I of this act upon such merchandise.

The amendment to the amendment was agreed to.

Mr. SMOOT. May I ask the Senator from Montana if he is not willing to have one vote cover all cases where the word "merchandise" is stricken out and the word "products" inserted or where the word "article" is stricken out and the word "product" is inserted?

Mr. WALSH of Montana. I agree to that course.

Mr. SMOOT. It will save much time.

The PRESIDENT pro tempore. The Senator from Utah asks that the amendments he just described shall be considered as agreed to or disagreed to in block. Is there objection? The Chair hears none. The question is upon agreeing to these several amendments to the amendment.

The amendments to the amendment were agreed to.

The next amendment to the amendment was, on page 4, lines 18 and 19, to strike out the words "conditions of competition" and to insert in lieu thereof the words "costs of production"; and on page 5, lines 3 and 4, to strike out the words "conditions of competition" and to insert the words "costs of production," so as to read:

(c) That in ascertaining the differences in costs of production, under the provisions of subdivisions (a) and (b) of this section, the President, in so far as he finds it practicable, shall take into consideration (1) the differences in conditions in production, including wages, costs of material, and other items in costs of production of such or similar merchandise in the United States and in competing foreign countries; (2) the differences in the wholesale selling prices of domestic and foreign merchandise in the principal markets of the United States, but in considering prices as factors in ascertaining differences in costs of production, only reasonable profits shall be allowed; and (3) any other advantages or disadvantages in competition. In any investigation under the provisions of this section hearings shall be held and a reasonable opportunity to be heard shall be afforded.

The amendment to the amendment was agreed to.

Mr. WALSH of Montana. I can not understand why subdivision (c) should remain in the amendment at all. The Senate has now adopted differences in cost of production as the test. The rate is to be fixed so as to equalize the differences in the cost of production. Everything else is gone, wholesale prices, advantages accruing from differences in laws, transportation, and everything else. The specifications in subdivision (c) are not appropriate at all. Those provisions are entirely inconsistent with the action the Senate has already taken.

Mr. SMOOT. I suppose the Senator has the proposed amendments offered by the Senator from North Dakota before him.

Mr. WALSH of Montana. I have no list of the amendments to the amendment.

Mr. SMOOT. I thought the Senator had. If the Senator will follow I will call attention to the amendments which will be proposed. The first one is on page 5, line 4, to strike out "and (3)" and insert the following:

(3) Advantages granted to foreign producers by a foreign country or by a person, partnership, corporation, or association in a foreign country; and (4)—

Then follows the next bracket. There must be more than the mere cost of producing goods in this country and abroad, for, as the Senator knows, in Germany there are cartels established, and even in some foreign countries there are bounties given upon exportations. That is never taken into account in ascertaining the cost of production, and it is an advantage which would be given to any producer in a foreign country where such a condition exists, and we have to provide against that.

The Senator knows that in Germany they have what is called the cartel system, and the way the goods are sold under that system is this: Suppose they have a line of chemical goods, or any other line—I do not care what it is. They start out to control the world, we will say, as they did before the war, in the chemical industry. The cartel would distribute all of those goods, sell them, and name the price, and they would designate certain manufacturers in Germany to make the goods for exportation to the country in which they have made up their minds to destroy that line of industry.

All of the other manufacturers in Germany who had been making the same class of goods would be charged pro rata for whatever loss there was to the manufacturer who made the goods shipped to that particular country for the purpose of destroying the industry there. I have not the time this afternoon, and I do not think it would be interesting at all to the Senate if I had, to go into the items which I know of with reference to which that has been done, not only in this country but in other countries as well, and it worked admirably for Germany.

Now when we are going to say that the rate of duty shall be only the difference in the costs of production in this country and abroad, that is not sufficient because, as I said last night, if that were all, America would be the dumping ground of the world. We certainly must say that wherever there is a foreign country that gives a subsidy or a bounty, whether it be to a corporation in the country in which it is given and ships the goods or whether it is through a cartel system or otherwise, or whatever advantage is given that way, certainly no American would object to having the same thing taken into consideration in arriving at a rate of duty.

Mr. WALSH of Montana. The Senator misunderstands me altogether. I have no controversy with him about the advisability of taking into consideration the different elements. I agree with the Senator that if a bounty is given in the foreign country, a correlative advantage should be given to the American manufacturer. On the other hand, if an export duty is exacted of the exporter, there should be a relative reduction in the duty giving protection to the American manufacturer, because he gets the protection of that export duty.

But that is not the point I am making at all. The point I am making is that the Senate has adopted as a standard the differences in the costs of production. We have inserted that provision in half a dozen places already. Now under subdivision (c) it would read that in ascertaining the differences in the cost of production the President shall take into consideration these bounties and export duties and the advantages or disadvantages arising from the operation of the cartel system and all that kind of thing, which, of course, would make subdivision (c) entirely inconsistent with the provisions which precede it.

Mr. SMOOT. Let me tell the Senator about that. I see now what the Senator is referring to. I know there are thousands of items as to which no one could ascertain the cost of production in the foreign country.

Mr. WALSH of Montana. Then the Senator should change the rule. We should establish some other rule than the difference in the costs of production.

Mr. SMOOT. That is exactly what we are doing. We are enlarging that and specifically stating what shall be taken into consideration. If paragraph (c) were not included in the bill, then this would be what would happen. Take a line of chemicals made in Germany or a line of goods made in any other country; we will take chinaware, for instance, made in France. I say there is no way and no power in the Government of the United States to compel those companies to submit their costs where the goods are shipped into this country.

The Senator will remember that we tried to do that under the act of 1909. That provision never was enforced. It was a dead letter. In fact, I remember that the only time it was ever undertaken it caused great feeling between France and the United States. I remember that, as a member of the Committee on Finance in 1909, there was scarcely one of the representatives of the foreign Governments in Washington who did not appear before the committee at the time and protest against the incorporation of that particular provision in the law. Now, I say there are thousands of articles as to which it is absolutely impossible for this Government, or the President, or any agency of the President, or of the Government, to ascertain the cost of production.

Mr. WALSH of Montana. If the Senator will allow me, I enter into no controversy with him upon that matter at all. I agree with him that the rule which the Senate has announced in the bill, the differences in the cost of production, is a thing that can not be ascertained. There is no way in which it can be done. But the difficulty about the matter is that the Senate has already declared its purpose to make that the rule. Now, we can not extend that rule by saying the cost of production as hereinbefore declared shall be not only the cost of production but something else besides. The two provisions would be entirely inconsistent. I submit to the Senator that he must go back, if he intends to do that, and remodel the language which has already been agreed to, make it more general in its terms, and then, of course, he can make subdivision (c) as specific as he cares to make it.

Mr. SMOOT. I think it specific as it is, that the President, in ascertaining the difference in cost of production, as provided for in the preceding subsections, under the provisions of subsections (a) and (b) of the section just agreed to—and the Senator has referred to the fact that we have made the difference in the cost of production the basis—

in so far as he finds it practicable, shall take into consideration the differences in conditions in production, including wages, costs of material, and other items in costs of production of such or similar merchandise in the United States and in competing foreign countries.

Perhaps it would be unnecessary to repeat that. It would do no harm to repeat it; but the next provision is:

The difference in the wholesale selling prices of domestic and foreign merchandise in the principal markets of the United States, but in considering prices as factors in ascertaining differences in conditions or competition only reasonable profits shall be allowed.

Mr. LENROOT. I understood the chairman of the committee had agreed that the latter phrase should be stricken out.

Mr. SMOOT. Yes; I was going to say that the latter part goes out. But how are we going to find the difference? Of course, ascertaining the differences in the wholesale selling prices of domestic and foreign merchandise in the principal markets of the United States is the only way it can be done. It can not be done in any other way that I know of, and I do not think it conflicts in the least.

Mr. JONES of New Mexico. Mr. President, may I ask what the President would be authorized to do, assuming that he could not ascertain the differences in the cost of production at home and abroad, but that he could ascertain those differences in prices to which the Senator has just referred? Would the President be authorized under the amendment to take any action whatsoever?

Mr. SMOOT. I will say that I think he would, within the limits of the rule laid down.

Mr. JONES of New Mexico. But the rule laid down is a rigid, unyielding rule that the rates shall be based upon the difference in the cost of production at home and abroad. If we admit that that can not be ascertained, no matter what other equities there may be in the situation, the President would not be empowered, as I understand the language of the amendment, to take any action whatsoever.

Mr. SMOOT. He would not, unless in subdivision (c) that power were given to him, and that is what we are giving.

Mr. JONES of New Mexico. Does subdivision (c) authorize the President to name any rate upon any basis other than the difference in the cost of production?

Mr. SMOOT. No; but in ascertaining the difference in the cost of production he is to take these things into consideration.

Mr. JONES of New Mexico. But the Senator has admitted that cases arise where he can not ascertain the difference in the cost of production. If he can not do that, will this be of any use whatsoever to the President?

Mr. SMOOT. I think it will be of a great deal of use to the President. We will know exactly what the cost is in this country. The Tariff Commission will know that to begin with, before any action is taken. It will also know the wholesale price in this country and what the wholesale price is in the country exporting to this country.

Mr. WALSH of Montana. That could not be ascertained by the President.

Mr. SMOOT. It has been done time and again. It was done under the act of 1909, where we began with the wholesale selling price of the article in the United States and worked back, taking out of that the freight, taking out of it a reasonable profit allowed to the foreign country, working back and finding the cost of production as far as practicable under that plan.

Mr. JONES of New Mexico. Then we have this situation presented as I see it: We can not directly ascertain the cost of production in this country or abroad, but through some sort of legerdemain we find out prices here and abroad, we find out the profits here and abroad, and we find out something else, and then we get at the cost of production. Is that the certain and fixed basis which the Senator from Wisconsin intended to establish as the one which must be used by the President in fixing rates? Did not the Senator from Wisconsin earnestly urge that the act would be unconstitutional unless we had a certain mathematical measure, unless it were made definite and certain? But the provision, as pointed out by the Senator from Montana, destroys the very certainty for which the Senator from Wisconsin pleaded.

What is the use of having the difference in prices if we can not go further? It is true that to ascertain differences in prices may be a means of checking up in some way, but the thing after all is to ascertain the difference in the cost of production, and that difference is the only thing which can be asked for if the rule is limited as it is in the first subsection of the amendment.

The PRESIDING OFFICER (Mr. WADSWORTH in the chair). The question is on the amendment of the Senator from North Dakota [Mr. MCCUMBER] to the amendment proposed by him on behalf of the committee.

Mr. WALSH of Montana. I ask that the amendment to the amendment may be stated.

The PRESIDING OFFICER. The pending amendment to the amendment will be stated.

The ASSISTANT SECRETARY. On page 5 of the amendment, line 4, it is proposed to strike out "and (3)" and insert "(3) advantages granted to a foreign producer by a foreign Government or by a person, partnership, corporation, or association in a foreign country; and (4)."

Mr. WALSH of Montana. Mr. President, I inquire what has become of subdivision 2 of subsection (c)?

The PRESIDING OFFICER. One amendment in subdivision 2 has been agreed to. The present occupant of the chair understands that another one is to be offered.

Mr. WALSH of Montana. Then I ask that the Secretary report subdivision 2 as it now reads.

The ASSISTANT SECRETARY. As it reads up to this point:

(2) The differences in the wholesale selling prices of domestic and foreign merchandise in the principal markets of the United States, but in considering prices as factors in ascertaining differences in conditions of competition only reasonable profits shall be allowed.

Mr. SMOOT. The last clause goes out.

The PRESIDING OFFICER. The present occupant of the chair understood an amendment was to be offered at that point.

Mr. MCCUMBER. I intend to offer an amendment. In line 2, page 5, after the words "United States," I move to strike out the words "but in considering prices as factors in ascertaining differences in conditions of competition only reasonable profits shall be allowed."

The PRESIDING OFFICER. Will the Senator be good enough to state his amendment again?

Mr. MCCUMBER. On page 5, in line 2, after the words "United States," I move to strike out down to and including the word "allowed," in line 4.

The PRESIDING OFFICER. The Secretary will state the amendment the Senator from North Dakota now proposes to the amendment.

The ASSISTANT SECRETARY. On page 5, line 2, it is proposed, after the words "United States," to strike out the words "but in considering prices as factors in ascertaining differences in conditions of competition only reasonable profits shall be allowed."

Mr. REED. Mr. President, that means, then, that "in considering prices as factors in ascertaining differences in conditions of competition" unreasonable profits may be allowed if the President sees fit, the words of limitation having been taken out?

Mr. WALSH of Montana. Let me inform the Senator from Missouri that the consideration of prices is entirely excluded by the amendment.

Mr. REED. Very well. I do not so construe it, but I do not care to argue it. It will not make any difference.

The PRESIDING OFFICER. Without objection, the amendment to the amendment is agreed to. The Secretary will state the next amendment offered by the Senator from North Dakota to the amendment heretofore submitted by him.

The ASSISTANT SECRETARY. In the proposed amendment, on page 5, line 4, it is proposed to strike out "and (3)" and to insert:

(3) Advantages granted to a foreign producer by a foreign Government, or by a person, partnership, corporation, or association in a foreign country; and (4).

Mr. WALSH of Montana. There is a part of the proposed amendment to the amendment which I do not understand at all. I can understand an advantage granted by a foreign Government to an exporter, but what is meant by an advantage granted by a corporation or association?

Mr. SMOOT. It refers to the cartel. That is exactly what we wish to reach, and this is the only way we could reach it.

Mr. WALSH of Montana. Here is the situation, as I understand: A half dozen different corporations organize themselves into an association, which is named a cartel. They are all engaged in the same line of business. One of those corporations exports a commodity to a country and the cartel gives him some advantage—that is, out of their common fund they pay him something.

Mr. SMOOT. That is in the way of a bounty to him for the goods exported to this country.

Mr. WALSH of Montana. But it comes out of the common fund.

Mr. SMOOT. Of course, it comes out of the common fund, and they collect that common fund from the balance of the world. The cartel system is not confined to one industry. The cartel system embraces perhaps half of the industries of Germany; but the assessment applies only to the industry which is making a drive against a similar industry in some foreign country. If the provision is not now made to include persons or corporations, that situation would not be reached at all.

Mr. WALSH of Montana. But how does that differ from our export corporations? Here in this country a half dozen corporations organize themselves under the Edge law. They throw their product into a pot, distributing the orders among the various parties, and divide up the pot.

Mr. SMOOT. Yes; but nobody is ever assessed for any losses that may be sustained by one company in shipping goods to a foreign country. That is what the cartel system is.

Mr. WALSH of Montana. Oh, yes; but the members of the association themselves, out of their common fund, have to bear the expense of whatever they give to any individual member of the association.

Mr. SMOOT. There is nothing given except simply whatever expense there may be. They collect their money directly from the firm to which they export. There is no difference in the price charged to anybody in Germany for the goods which they export.

Mr. REED. Why might there not be?

Mr. SMOOT. There could be, perhaps.

Mr. REED. Certainly. We have authorized these combinations to be made for the purpose of shipment abroad. A combination is formed; it handles a dozen different articles and ships to a dozen different countries. It sells to Italy at a loss for the purpose of putting the Italian manufacturer out of business. It makes a profit, however, in the other 11 countries. The members of the corporation settle at the end of the year; they strike their balance and the loss is deducted from the profits made elsewhere. Why does that not work out exactly the same way in which the Senator from Utah [Mr. SMOOT] says the foreign cartel does?

Mr. SMOOT. It would, Mr. President, if they followed the same course; but Italy will take care of herself in that case, just the same as the United States will take care of herself.

Mr. REED. Exactly; but that is really avoiding the issue.

Mr. SMOOT. Not at all.

Mr. REED. The fact is that we have got two concerns organized exactly on parallel lines, and the very method of their organization takes care of the losses which may be incurred in destroying the business of another country; in other words, the Edge law, as described by the Senator from Utah, is the American cartel with all of its enormities and iniquities. It was promptly voted for by all of the Senators on the other side of the Chamber, as I recollect, though there may have been some of them who did not vote for it; and some Senators on this side of the Chamber voted for it, too.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota to the amendment heretofore submitted by him.

Mr. LENROOT. Mr. President, I wish to say just a word in reference to this amendment. It has been assumed in the debate so far that the operation of this language in the pending amendment would in all cases tend to reduce the foreign cost of production, and therefore make the margin wider between the American and the foreign cost, but I do not so understand. It might just as readily operate to increase the foreign cost of production as to decrease it. For instance, I understand that the English Government pays a portion of the wages of the coal miners. The cost of production to the operator himself would be a certain amount, but the fact that a portion of the wages of producing the commodity have been paid by the Government or by somebody else would tend to increase the foreign cost of production. So it seems to me it is just as likely to work toward increasing the foreign cost as it is to decreasing the foreign cost.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota to the amendment heretofore submitted by him.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment proposed by the Senator from North Dakota to the amendment heretofore submitted by him.

The ASSISTANT SECRETARY. In the amendment on page 5, line 5, it is proposed to strike out "In any investigation under the provisions"——

Mr. WALSH of Montana. Mr. President, before we proceed to the amendment to the amendment which the Secretary is about to state, permit me to remark that that sentence being an entirely different subject to the one that is treated of in the preceding portion of the section, I think it ought to be in an entirely separate clause. If I am right about that and it covers an entirely distinct subject, I inquire whether it would not be in order now to strike out all of paragraph (c) down to and including the word "competition," in line 5. I make that motion, Mr. President.

The PRESIDING OFFICER. The Senator from Montana moves to strike out, as the Chair understands, all of subdivision (c) down to and including the word "competition," in line 5, on page 5, of the amendment of the Senator from North Dakota.

Mr. WALSH of Montana. Exactly. I do that because, according to my understanding, that is entirely inconsistent with the amendments heretofore adopted declaring the difference in the cost of production to be the basis for fixing the rates by the President. I do not care to debate it, but I ask for the yeas and nays.

Mr. SMOOT. Let us have the yeas and nays.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana to the amendment of the Senator from North Dakota, on which the yeas and nays are demanded.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. FLETCHER (when his name was called). Making the same announcement as to my pair and transfer as before, I vote "yea."

Mr. JONES of New Mexico (when his name was called). I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Nevada [Mr. PITTMAN] and vote "yea."

Mr. LODGE (when his name was called). I have a general pair with the Senator from Alabama [Mr. UNDERWOOD]. I find that I am able to transfer that pair to the Senator from Iowa [Mr. CUMMINS]. I do so, and vote "nay."

Mr. McKINLEY (when his name was called). I have a permanent pair with the junior Senator from Arkansas [Mr. CARAWAY]. As he is not present, I withhold my vote. If permitted to vote, I should vote "nay."

Mr. POMERENE (when his name was called). I am temporarily paired with my colleague [Mr. WILLIS], who is absent because of serious illness in his family. If I were at liberty to vote, I should vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before with regard to my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. EDGE. Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. SIMMONS. I have a general pair with the junior Senator from Minnesota [Mr. KELLOGG]. Very much to my regret, I am unable to secure a transfer of that pair, and therefore I must withhold my vote. If at liberty to vote, I should vote "yea."

Mr. SUTHERLAND. I transfer my pair with the senior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from North Dakota [Mr. LADD] and will vote. I vote "nay."

Mr. HALE. Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. LODGE. I desire to announce that the Senator from Ohio [Mr. WILLIS], if present and able to vote, would vote "nay." He has a general pair with his colleague [Mr. POMERENE], as has already been announced.

Mr. POMERENE. I am advised that the senior Senator from Alabama [Mr. UNDERWOOD], who is paired with the Senator from Massachusetts [Mr. LODGE], would, if present, vote "yea."

I also desire to announce that the Senator from Mississippi [Mr. HARRISON], who is necessarily absent, would, if present, vote "yea." He is paired with the Senator from West Virginia [Mr. ELKINS].

Mr. CURTIS. I desire to announce the following pairs:

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON]; and

The Senator from Minnesota [Mr. NELSON] with the Senator from Massachusetts [Mr. WALSH].

The result was announced—yeas 20, nays 43, as follows:

YEAS—20.

Ashurst	Harris	Myers	Smith
Dial	Heflin	Overman	Stanley
Fletcher	Hitchcock	Ransdell	Swanson
Gerry	Jones, N. Mex.	Reed	Trammell
Glass	McKellar	Sheppard	Walsh, Mont.

NAYS—43.

Brandegee	Ernst	McLean	Shortridge
Broussard	Frelinghuysen	McNary	Smoot
Bursum	Gooding	Moses	Spencer
Calder	Hale	New	Stanfield
Cameron	Harreld	Newberry	Sterling
Capper	Jones, Wash.	Nicholson	Sutherland
Colt	Kendrick	Norbeck	Townsend
Curtis	Keyes	Oddie	Wadsworth
Dillingham	Lenroot	Pepper	Warren
du Pont	Lodge	Phipps	Watson, Ind.
Edge	McCumber	Rawson	

NOT VOTING—32.

Ball	Harrison	Nelson	Shields
Borah	Johnson	Norris	Simmons
Caraway	Kellogg	Owen	Underwood
Culberson	King	Page	Walsh, Mass.
Cummins	Ladd	Pittman	Watson, Ga.
Elkins	La Follette	Poindexter	Weller
Fernald	McCormick	Pomerene	Williams
France	McKinley	Robinson	Willis

So the amendment of Mr. WALSH of Montana to the amendment of Mr. MCCUMBER was rejected.

The PRESIDING OFFICER. The Secretary will state the next amendment.

The ASSISTANT SECRETARY. On page 5 the committee proposes to strike out, beginning on line 5, the following words:

In any investigation under the provisions of this section hearings shall be held and a reasonable opportunity to be heard shall be afforded.

And in lieu thereof to insert:

Investigations to assist the President in ascertaining differences in costs of production under this section shall be made by the United States Tariff Commission, and no proclamation shall be issued under this section until such investigations shall have been made. The commission is authorized to hold such hearings and to adopt such procedure, rules, and regulations as it deems necessary for adequate investigation under this section; and it shall give such opportunity as it deems necessary or proper for the presentation of material facts in each case and arguments thereon. The commission shall prepare its findings in the case of each proceeding under this section, and the President shall make such findings public as soon as practicable after the issuance of a proclamation under the provisions of this section.

Mr. JONES of New Mexico. Mr. President, I wish the Secretary would read again the last clause of the proposed amendment.

The PRESIDING OFFICER. The Secretary will restate the part of the amendment referred to.

The Assistant Secretary read as follows:

It shall give such opportunity as it deems necessary or proper for the presentation of material facts in each case and arguments thereon. The commission shall prepare its findings in the case of each proceeding under this section and the President shall make such findings public as soon as practicable after the issuance of a proclamation under the provisions of this section.

Mr. JONES of New Mexico. Mr. President, I observe that the proposal has been changed since it was reported to the Senate in the first instance. As first reported, it was provided that the findings of the Tariff Commission need not be made public, but would become public in the discretion of the President. I observe that that has been changed now so as to require that the findings of the commission shall be made public as soon after the proclamation by the President as practicable, or words to that effect. I think that is a very commendable change.

Mr. FLETCHER. Mr. President, one clause of the proposed amendment seems to me to be almost valueless. It purports to provide for a hearing, but then goes on to specify that such hearings shall be given as the commission may see fit to allow. They can deny any hearing under that rule. The privilege of a hearing is entirely destroyed when it leaves it to the discretion of the commission to limit it as it sees fit.

Mr. SMOOT. Suppose it were unlimited, where would it go?

Mr. FLETCHER. We ought to provide definitely for some right to be heard on the part of people affected by this provision. As it is now, any party interested can be denied under the law any hearing whatever on the question to be considered.

Mr. TRAMMELL. Mr. President, I have an amendment at the desk which, if it is in order, I desire to offer as an amendment to the pending amendment. It relates to the provision with regard to giving hearings.

The PRESIDING OFFICER. Does the Senator desire to bring up his amendment now?

Mr. TRAMMELL. We are dealing with the question of hearings, and I should like to have this inserted as a proviso altering the amendment proposed by the committee to the amendment.

The PRESIDING OFFICER. The present occupant of the Chair understands that the amendment of the Senator from Florida is to be accomplished by the creation of a new paragraph.

Mr. TRAMMELL. That was the way in which I first proposed to offer the amendment; but I believe that it would be appropriate at the present time to have it as an additional paragraph or proviso to the amendment offered by the chairman of the committee.

The PRESIDING OFFICER. Then the Senator offers it as a proviso, to be attached to paragraph (c)?

Mr. TRAMMELL. Yes; as a proviso.

The PRESIDING OFFICER. The Chair thinks, then, it is in order.

Mr. TRAMMELL. I offer the amendment, Mr. President.

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT SECRETARY. It is proposed to add, at the end of the proposed amendment of the Senator from North Dakota, as read, the following:

Provided, That, in the exercise of the power herein granted, the President shall not issue his proclamation providing for a change in classification, an increase or decrease in duties, or the substituting of the American selling price for the value of the imported article in the country of exportation, until at least 60 days after he has by proclamation given opportunity to citizens interested and the public the privilege of being heard upon the facts and the policy pertaining to any proposed change.

Mr. TRAMMELL. Mr. President, this amendment as proposed by the committee suggests and carries with it a very radical change in the policy heretofore pursued by Congress in imposing tariff duties. The proposed change embraces a policy heretofore unheard of and unknown in America as well as in practically all of the other nations of the earth, especially in any of those that make any pretense whatever to having and maintaining a representative form of government.

I am unalterably opposed to the so-called policy of providing for elasticity of the tariff, delegating as it does, in my opinion, legislative authority to the President of the United States. Certainly such policy is in conflict with the spirit of the Constitution, if not directly in violation of the letter of the Constitution. Under the proposed legislation the President is vested with discretionary power, with power involving functions that properly under the Constitution should be exercised by the Congress and not under any pretext shifted to the Chief Executive of the Nation.

During the last campaign we heard a great deal with regard to "Executive usurpation." We heard a great deal about wanting to get away from the policy of "a one-man form of government." That was the stock argument that was made throughout the land on behalf of our Republican friends in their efforts to regain control of the Government. The only foundation or supposed foundation upon which such violent contention was made was because extraordinary powers had been delegated to the President during war time—powers which a majority, in fact almost all, of the Members of the Senate and the House, regardless of party affiliations, felt were necessary in expediting the war and meeting the problems which had arisen during war time.

After the battle was over, however, and the war clouds were cleared and the people had again settled down to peace, quite a furor was made in regard to these extraordinary powers given to the President during war time, and it was used to aid

and advantage politically during the last campaign on the part of our Republican friends. They pledged to the people of the Nation that they would get away from this idea of vesting in the Executive extraordinary powers; and now, in the very first tariff bill—legislation which deals as vitally with the American people as any legislation that can be enacted by Congress—we find the majority party attempting to write into the law a measure which is in violation of the spirit of the Constitution, a measure which shifts the responsibility of Congress to the Chief Executive, and which in a large measure precludes the American people from a right of hearing, a right of petition, a right to have their problems dealt with as they should be considered in a government that is supposed to be a representative form of government.

Even if the President were to pass upon these problems himself, much as we regard him and esteem him as a man and as an officer of ability and of integrity, in my opinion the policy is wrong. It is substituting a centralized power for that of representation through the Congress, to be dealt with by those who are elected to deal with legislative problems.

In this proposed legislation there has been no guarantee whatever for the public to have a hearing. We know the policy; we have heard a good deal of it here, even with regard to congressional committees, in dealing with the matter of hearings and people who appear before committees. I have heard very little stated here in regard to any one appearing before the committees having charge of tariff matters except those who were interested, vitally, as a rule, in having tariff duties increased.

In the exercise of this proposed power carried in the amendment under consideration, almost invariably we will find that the tariff barons will be the ones who are petitioning the President and petitioning the Tariff Commission for a revision of the tariff laws. They can appear before them and the investigations will be carried on without any public notice whatever of the inquiry, without those who may desire to protest against an effort to have the rate increased having an opportunity of hearing. The investigations may, in many instances, be nothing more or less than chamber sessions for the purpose of revising the tariff upwards in the interest of the tariff barons of the country, and in such cases the first notice the American public would have of an increase in tariff rates would be when the President issues his proclamation changing the rates.

I am against the policy because in my opinion it would be, by legislative sanction at least, the usurpation by the executive department of the legislative prerogatives. I am opposed to it because it lessens the opportunity of the American people who have to bear the burden of tax imposition to be heard, and to have their cause considered in dealing with the problem of taxation.

It gives an opportunity to preclude publicity in dealing with the tax problem, and publicity is always desirable. There should be a place where the contending elements, which may entertain a divergence of views upon a given subject, can be heard and have their petitions considered. In fact, I can see nothing that could come out of the proposed legislation which would be helpful in any respect to the American people. It will, in all probability, in many instances be of assistance to those who desire an increase of tariff rates, or in some instances it may be of benefit to some one who wants to try to break down some industry which has a tariff by getting the tariff repealed, or else so modified that in its operation it will have that effect.

We have what we call Republicans and Democrats in the Senate, holding different views on the tariff question, but I find that when it comes to the question of some very large industries in particular States, even the so-called rock-ribbed Republicans, those who believe in a tariff wall, will break away and strike down the tariff wall to a certain extent; and then some of our Democratic friends will vote, of course, for an increase in duties.

My position on the question of imposing tariff duties when a tariff bill is being considered by the Congress, where the function is properly exercised, is that if you are going to increase the rate on everything which has to be purchased and consumed in one locality or in one State or in a State other than the one in which you are giving the benefits of tariff protection, then certainly the commodities of production in the other States, where they have the duty imposed upon them, should be put on an equality. So for that reason now and then some Democrat does vote for some protection. It is a matter of exigency; it is a matter of having to do it because the dominating, controlling party is imposing high tariff rates upon the articles which are produced and consumed in one State, and under such circumstances it would be foolish, it would be unfair, to the people of other States to be required to contribute the taxes imposed by the tariff barons if they did not have some tariff duties upon the products of their States.

I have heard some Democrats criticized, or at least some remarks made about them, for voting for duties upon some articles or commodities produced in their States.

Under the circumstances, when the people of their States are required to pay increased prices for the commodities purchased by them on account of tariff duties imposed for the benefit and the aid of other States, it is not only the part of wisdom, but the part of justice, that they should not have their products sold in a free-trade market and everything that they have to purchase bought in a protected market.

It is perfectly natural, and the equitable thing, when you are considering a tariff bill, if you are going to impose tariffs upon, say, 75 per cent of the products of the country, that consideration should be given to the question of whether the other 25 per cent should not be placed in the same classification and participate in whatever policy has been adopted and is being employed in regard to the 75 per cent of the products of the country.

So in considering the matter of the taxes on different products in some States we find that the rates are very materially reduced, and in some instances they are entirely obliterated. I do not find that even the majority party holds steadfast in every instance to the policy of so-called protection, but they are influenced more or less by local conditions.

To come back to the subject directly involved, I feel that it is contrary to our system of government to delegate to the President the authority to make tariff laws. In substance that is what this proposed amendment means. It is proposed that Congress shall shift its responsibility, shift the duty incumbent upon it to pass tariff laws under the Constitution, and to place that duty and that responsibility upon the Chief Executive of the Nation.

If a majority of this body believes in that policy and shall adopt the amendment now under consideration, I state to the American people in all fairness that there should be no revision of the tariff laws by the Chief Executive of the Nation, acting through certain instrumentalities he may employ to furnish him with information, without those interested and the American public having an opportunity for hearing and for consideration, and to the end that this hearing may be provided I have proposed an amendment that the President shall not issue a proclamation increasing or decreasing the rates of duty, or changing a classification, without first having given 60 days' notice, in which those interested in the industry and the American people, if they desire, may be heard.

I do not see why anybody should oppose a proposition of that kind. If we do not have such provision in the law, under the amendment now pending the Tariff Commission in many instances probably will be petitioned by those interested in building higher the tariff wall. They would carry on in their own way the investigation which they thought was necessary. I would not say it would not be an honest, conscientious investigation, but if the members of that Tariff Commission did not believe in the policy of devoting ample opportunity to a hearing for the public, then the first news the American public, which would have to bear the burden of any increase of tariff rates, would have would be the issuance of the proclamation by the President that Schedule A, Schedule B, or whatever it may be, had been changed in the following, to wit—giving the increases in the rates. Then the door of opportunity for hearing and consideration to the great public, who would bear the burden of the increase of the duty, would have been closed entirely. In all probability no one would have been heard before the Tariff Commission prior to its recommendations to the President except those who were petitioning for an increase in tariff rates.

We have had an illustration here, even in this public forum, of how this would work. In many instances the Committee on Finance, after receiving more information, after disclosing its first schedules, have receded from the positions taken by it when it was in session, holding purely ex parte hearings, you might say. I do not know how many amendments have been proposed to this bill, or how many have been adopted, but many have been proposed and many have been adopted, showing the wisdom of publicity and an opportunity of a hearing in the consideration of a matter of such vital importance to the American people as a tariff bill. Certainly if you are going to adopt this policy, which, in my opinion, is contrary to the spirit of the American Constitution, you should provide, as a guaranty to the American people, that they shall have an opportunity to be heard, at least the short length of time of 60 days in which to be heard before the President should issue his proclamation changing tariff rates, changing a schedule which may mean an

additional burden of millions and millions of dollars upon the tax-bearing people of America.

If such a provision is not included we would have the Tariff Commission holding ex parte hearings, and we know who would appeal mostly to that commission. We would not hear much from the Tariff Commission with reference to revision downward. It would be the industries of the country that are seeking an increase of tariff rates, seeking in many instances tariff duties which would preclude any importations of the articles which are being manufactured by the business concerns involved. I think there ought to be at least 60 days within which the American public, who are vitally interested and concerned in all the revisions of tax laws, tariff or otherwise, might be heard upon the vital question of whether or not their taxes in the way of duties upon imports should be increased.

While I am opposed to the whole policy, while I think that Congress should not dodge its responsibility in the matter of dealing with the tax problem, while I think that Congress should not centralize power in a Tariff Board and in the Chief Executive, as is proposed by the amendment, yet if our Republican friends are going to force such policy upon the American people, Mr. President, in the name of the American people I think that we should incorporate a provision requiring that at least 60 days should be given in which the great American public may be heard and that it may have an opportunity to present its side of the case dealing with such important matters as taxation.

On the amendment which I have proposed I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. EDGE (when his name was called). Making the same announcement as to my transfer, I vote "nay."

Mr. FLETCHER (when his name was called). Making the same announcement as before, I vote "yea."

Mr. JONES of New Mexico (when his name was called). I desire to announce that the Senator from Nevada [Mr. PITTMAN] is absent on account of illness in his family. I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Nevada [Mr. PITTMAN] and ask that this announcement may stand for the remainder of the day. I vote "yea."

Mr. LODGE (when his name was called). Making the same announcement as to the transfer of my pair as before, I vote "nay."

Mr. McKINLEY (when his name was called). I have a permanent pair with the junior Senator from Arkansas [Mr. CARAWAY]. As I can not obtain a transfer, I withhold my vote. If permitted to vote, I would vote "nay."

Mr. POMERENE (when his name was called). I again announce my pair with my colleague [Mr. WILLIS], who is absent. He would vote "nay" if he were present, and I would vote "yea." Being unable to obtain a transfer of my pair, I withhold my vote.

Mr. SIMMONS (when his name was called). I have a general pair with the junior Senator from Minnesota [Mr. KELLOGG], who is absent. I am unable to obtain a transfer and therefore withhold my vote. If at liberty to vote, I would vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. SIMMONS. I find that I can transfer my pair with the junior Senator from Minnesota [Mr. KELLOGG] to the junior Senator from Rhode Island [Mr. GERRY], which I do, and vote "yea."

Mr. SUTHERLAND. Making the same announcement as on the previous vote with reference to my pair and transfer, I vote "nay."

Mr. HALE. Making the same announcement as before, I vote "nay."

Mr. CARAWAY. I have a pair with the junior Senator from Illinois [Mr. McKINLEY]. Being unable to obtain a transfer I withhold my vote.

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Washington [Mr. JONES] with the Senator from Virginia [Mr. SWANSON];

The Senator from Minnesota [Mr. NELSON] with the Senator from Massachusetts [Mr. WALSH];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON]; and

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON].

Mr. UNDERWOOD. I wish to announce that the junior Senator from Mississippi [Mr. HARRISON] is necessarily absent. If present and not paired, he would vote "yea."

The result was announced—yeas 20, nays 41, as follows:

YEAS—20.

Ashurst	Harris	Myers	Simmons
Broussard	Heflin	Overman	Smith
Dial	Hitchcock	Ransdell	Stanley
Fletcher	Jones, N. Mex.	Reed	Trammell
Glass	McKellar	Sheppard	Walsh, Mont.

NAYS—41.

Brandegee	Gooding	Moses	Spencer
Bursum	Hale	New	Stanfield
Calder	Harreld	Newberry	Sterling
Cameron	Kendrick	Nicholson	Sutherland
Capper	Keyes	Norbeck	Townsend
Colt	Lenroot	Oddie	Wadsworth
Curtis	Lodge	Pepper	Warren
Dillingham	McCormick	Phipps	Watson, Ind.
Edge	McCumber	Rawson	
Ernst	McLean	Shortridge	
Frelinghuysen	McNary	Smoot	

NOT VOTING—34.

Ball	Gerry	Nelson	Swanson
Borah	Harrison	Norris	Underwood
Caraway	Johnson	Owen	Walsh, Mass.
Culberson	Jones, Wash.	Page	Watson, Ga.
Cummins	Kellogg	Pittman	Weller
du Pont	King	Poindexter	Williams
Elkins	Ladd	Pomerene	Willis
Fernald	La Follette	Robinson	
France	McKinley	Shields	

So Mr. TRAMMELL's amendment to the amendment was rejected.

Mr. BURSUM. Mr. President, I offer the amendment which I send to the desk and ask that it be reported.

The PRESIDING OFFICER. Does the Senator desire to offer an amendment to be placed at the end of section 315?

Mr. BURSUM. I do.

The PRESIDING OFFICER. The Chair desires to say that we have not yet reached that point. There is an amendment pending upon matter which precedes the end of section 315.

Mr. BURSUM. I understood we had gotten through with the committee amendments.

The PRESIDING OFFICER. No; we have not. There is a committee amendment now pending. That is the question before the Senate at this time.

Mr. REED. I move to amend the pending amendment by striking out the words:

> The commission is authorized to hold such hearings and to adopt such procedure, rules, and regulations as it deems necessary for adequate investigation under this section, and it shall give such opportunity as it deems necessary or proper for the presentation of material facts in such cases and arguments thereon.

And to insert in lieu thereof the following words:

> The commission shall give reasonable public notice and shall give reasonable opportunity to parties interested to be present and to produce evidence and to be heard. Said hearings shall be public. Subject to the foregoing, the commission is authorized to adopt such reasonable procedure, rules, and regulations as it may deem necessary.

The difference is simply this: Under the language as now presented by the amendment of the Senator from North Dakota the commission is authorized to hold such hearings as it may see fit. Those hearings could be either public or private. There is no provision for any notice to the public or to parties interested. Then the commission under the language of the amendment pending is authorized to adopt whatever procedure, rules, or regulations it deems necessary, and also the commission is authorized to "give such opportunity as it deems necessary or proper for the presentation of material facts." Under that language the commission could hold secret hearings or it could refuse to have any hearings whatever. It could hear one side of the case and give no opportunity to the other side to be heard. It could adopt any kind of rules or regulations it wanted to. It could proceed in secret. The only requirement would be that it should prepare its findings in the case and that the President should make the findings public without any provision for publicity as to the proceedings, as to the evidence, or as to the methods by which the conclusion was reached. The language which I seek to insert will provide, first, for a reasonable public notice; and, second, for public hearings. That certainly is necessary in the conduct of this character of the public business. Upon the amendment, Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. LODGE (when his name was called). Making the same announcement as to the transfer of my pair as before, I vote "nay."

Mr. POMERENE (when his name was called). Again announcing my pair with my colleague, the junior Senator from Ohio [Mr. WILLIS], I withhold my vote. If the junior Senator from Ohio were present, and he were at liberty to vote, he would vote "nay" and I should vote "yea," if permitted to vote.

Mr. SIMMONS (when his name was called). Making the same announcement as to the transfer of my pair as on the former vote, I vote "yea."

Mr. SUTHERLAND (when his name was called). Making the same announcement as on the preceding vote with reference to my pair and its transfer, I vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. EDGE. Making the same announcement as to the transfer of my pair as before, I vote "nay."

Mr. McCORMICK. I have a standing pair with the Senator from Wyoming [Mr. KENDRICK], who is absent. I do not know how he would vote if present. I am unable, therefore, to vote. If I were able to vote, I should vote "yea."

The result was announced—yeas 31, nays 25, as follows:

YEAS—31.

Ashurst	Hitchcock	Overman	Smith
Broussard	Jones, N. Mex.	Pepper	Stanfield
Bursum	McKellar	Ransdell	Stanley
Dial	McNary	Rawson	Trammell
Fletcher	Moses	Reed	Wadsworth
Glass	Myers	Sheppard	Walsh, Mont.
Harris	Nicholson	Shortridge	Warren
Heflin	Norbeck	Simmons	

NAYS—25.

Brandegee	Edge	McCumber	Sterling
Calder	Frelinghuysen	McLean	Sutherland
Cameron	Gooding	New	Townsend
Capper	Harreld	Newberry	Watson, Ind.
Colt	Keyes	Oddie	
Curtis	Lenroot	Smoot	
Dillingham	Lodge	Spencer	

NOT VOTING—39.

Ball	Gerry	McCormick	Robinson
Borah	Hale	McKinley	Shields
Caraway	Harrison	Nelson	Swanson
Culberson	Johnson	Norris	Underwood
Cummins	Jones, Wash.	Owen	Walsh, Mass.
du Pont	Kellogg	Page	Watson, Ga.
Elkins	Kendrick	Phipps	Weller
Ernst	King	Pittman	Williams
Fernald	Ladd	Poindexter	Willis
France	La Follette	Pomerene	

So Mr. REED's amendment to the committee amendment was agreed to.

The PRESIDING OFFICER. The question now recurs on the amendment as amended.

Mr. BURSUM. Is my amendment now in order, Mr. President?

The PRESIDING OFFICER. The Senator's amendment is not yet in order. There is still an amendment pending. The question recurs on the amendment of the Senator from North Dakota [Mr. MCCUMBER] as amended.

Mr. WALSH of Montana. Mr. President, I inquire what is now the pending amendment?

The PRESIDING OFFICER. The Secretary will state the pending amendment.

Mr. JONES of New Mexico. Mr. President, before the amendment is stated, I desire to say that I am going to offer a further amendment to the amendment.

Mr. WALSH of Montana. Let us first dispose of the committee amendment.

Mr. JONES of New Mexico. My amendment is an amendment to the committee amendment.

The PRESIDING OFFICER. Does the Senator from Montana desire that the pending amendment may now be stated?

Mr. WALSH of Montana. I desire the amendment which is to be considered stated.

The PRESIDING OFFICER. The amendment as amended will be stated.

The READING CLERK. On page 5, line 5, after the word "competition," it is proposed to strike out "In any investigation under the provisions of this section hearings shall be held and a reasonable opportunity to be heard shall be afforded," and in lieu thereof to insert:

Investigations to assist the President in ascertaining differences in costs of production under this section shall be made by the United States Tariff Commission, and no proclamation shall be issued under this section until such investigation shall have been made. The commission shall give reasonable public notice of its hearings and shall give reasonable opportunity to parties interested to be present to produce evidence and to be heard. Said hearings shall be public. Subject to the foregoing, the commission is authorized to adopt such reasonable procedure, rules, and regulations as it may deem necessary. The commission shall prepare its findings in the case of each proceeding under this section, and the President shall make such findings public as soon as practicable after the issuance of a proclamation under the provisions of this section.

Mr. JONES of New Mexico. Mr. President, I wish to move an amendment to the proposed amendment. It now reads:

The President shall make such findings public as soon as practicable after the issuance of a proclamation.

It seems to me that not only the findings of the Tariff Commission should be made public, but that the testimony and evidence taken before the Tariff Commission should also be public in order that the people may have access to and know just what the considerations were which brought about the findings of the Tariff Commission.

Mr. BURSUM. Would not the records be public in any event?

Mr. JONES of New Mexico. There is nothing here requiring a record to be kept, if I understand the language. The hearings may be in such form as the Tariff Commission may decide; there is no requirement that the testimony shall be taken down or that it shall be made available in any way to the public.

The Senator from Missouri has proposed an amendment, which the Senate has adopted, providing that the hearings shall be public, but there is no requirement that the testimony taken upon those hearings shall be reduced to writing or become a matter of record for the public at all. In order to meet that situation, unless some one can suggest a better method of meeting it, I move to amend, after the word "findings," by inserting the words "hearings and testimony."

Mr. McCUMBER. Mr. President, I think the point made by the Senator from New Mexico is well taken. The Senate has agreed to the other amendment, and I think the amendment of the Senator from New Mexico should be agreed to.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from New Mexico to the amendment of the Senator from North Dakota is agreed to.

The question now recurs on agreeing to the amendment of the Senator from North Dakota as amended.

Mr. LENROOT. Mr. President, just a word. I stated earlier in the debate that I should oppose or seek to amend the portion of the committee amendment with regard to publicity of findings. The committee itself, however, has made the change.

Mr. REED. Mr. President, may I inquire what the pending question is?

The PRESIDING OFFICER. The pending question is the amendment of the Senator from North Dakota, as amended by the amendment of the Sentaor from Missouri and as amended by the amendment of the Senator from New Mexico.

Mr. REED. Section 315 will still be before the Senate, then?

The PRESIDING OFFICER. It will be. The question is on the amendment as amended.

Mr. MOSES. Mr. President, are we now passing upon the last amendment of the Senator from North Dakota?

The PRESIDING OFFICER. We are not. We are passing on the amendment which ends on page 5, at the end of line 5, the latter portion of subdivision (3).

Mr. BURSUM. Mr. President, I offer the amendment which I send to the desk and ask to have read.

The PRESIDING OFFICER. The Senator's amendment is not to subdivision (c). It does not apply to the amendment still pending, and is not in order.

Mr. BURSUM. I understood that we had just passed on the last amendment.

The PRESIDING OFFICER. We have not. It is still pending. The Chair has been endeavoring to put the question. The question is on the amendment of the Senator from North Dakota, as amended.

Mr. REED. Mr. President, I have been necessarily out of the Chamber. I do not want to be debarred from offering another amendment to the amendment which is section 315 before it is finally passed.

The PRESIDING OFFICER. The Chair does not understand that an amendment will be excluded.

Mr. REED. I understood that we were adopting this entire amendment now.

The PRESIDING OFFICER. Not at all. We are adopting only the amendment which the Senator from Missouri himself perfected.

Mr. REED. Very well.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota, as amended.

The amendment, as amended, was agreed to.

The READING CLERK. The next amendment is on page 5, line 11, to strike out "competitive advantages" and insert "differences in cost of production."

Mr. WALSH of Montana. Mr. President, I have no objection to that; but I desire to call the attention of the Senate to the provisions of this particular paragraph. It reads:

The President, proceeding as hereinbefore provided for in proclaiming rates of duty, shall, when he determines that it is shown that the competitive advantages have changed or no longer exist which led to such proclamation, accordingly as so shown, modify or terminate the same.

In the original draft the word was "may." The change is a very desirable one, of course, because after the President has

decided that the difference does exist in accordance with the principle laid down in the amendment he ought not to be at liberty to do it or not do it as he sees fit. That is all right; but I want to call the attention of the Senate to the fact that the President may, in his discretion, institute the investigation in the first place or not, just as he sees fit. After he starts the investigation, and he finds by reason of the investigation that the difference does exist, he must then fix the rate that will equalize matters, but he is at entire liberty to start an investigation in the first place or not, as he sees fit, giving him a discretion which to my mind—perhaps that is a matter of no great consequence—is impossible to delegate.

If the Senators will turn to the beginning of the amendment, section 315 reads as follows:

That in order to regulate the foreign commerce of the United States and to put into force and effect the policy of the Congress by this act intended, whenever the President, upon investigation of the differences in conditions of competition in the principal markets of the United States of articles wholly or in part the growth or product of the United States and of like or similar articles wholly or in part the growth or product of competing foreign countries, shall find it thereby shown that the duties fixed in this act do not equalize the said differences in conditions of competition he shall, by such investigation, ascertain said differences and determine and proclaim the changes—

That are necessary. But you will observe that he is at perfect liberty to start the investigation or not, just exactly as he sees fit; so you will observe that the entire discretion to raise or lower these rates is, by this amendment, reposed in the President.

Mr. LENROOT. Mr. President——

Mr. WALSH of Montana. I yield to the Senator.

Mr. LENROOT. I should like to say that in principle I am very much disposed to agree with the Senator's contention, but in Field against Clark I think the same identical language was used.

Mr. WALSH of Montana. The Senator is quite right; but he will bear in mind that in Field against Clark the rates were fixed in the bill, and the President was simply intrusted with the determination of whether or not the discriminations or the unjust charges existed in the foreign country.

Mr. LENROOT. But he was not required to ascertain the facts. It was discretionary whether he did or not, as it is in this case.

Mr. WALSH of Montana. Exactly; but the trouble about it is that under those circumstances the rate went into effect whenever he did do it. Whenever he did this, then the rate went into effect; so that it left the rate to go into effect upon the happening of a certain event, namely, the finding by the President of the existence of that condition of things. That is not the case here. Under this provision, whenever the President finds these conditions to exist he shall proceed to determine the rate that shall be imposed, so that the rate that he is to impose will depend upon whether he moves in the premises or does not move.

Mr. McCUMBER. Mr. President, the whole law must be considered together. It makes little difference whether we put the provision for the investigation in subdivision (a) and then provide in subdivision (b) that the Tariff Commission shall make the investigation, or whether it shall be in the reverse order. Under the provision as it is drawn the Tariff Commission must make the investigation. The investigation is made after the commission has made its report upon the differences in the cost of production at home and abroad, and it is necessary to consider both provisions in determining the process through which the result is to be attained.

I can not see that it makes any difference whether we have the steps in the logical order which the Senator may think proper, or whether we first declare that the President shall make these changes, and then provide that the changes shall be made after an investigation by the Tariff Commission. The Tariff Commission makes all the rules and regulations that are necessary. Among those rules and regulations it will necessarily make proper rules for the initiation of the investigation. It may be done upon the suggestion of the President; it may be done upon the suggestion of importers or manufacturers who desire to have a rate passed upon, and the question whether or not there is equality in the conditions, or equality in the matter of the cost of production at home or abroad, fixed in the rates. It does not seem to me that it makes any difference where we insert the paragraph giving the power to the President.

The PRESIDING OFFICER. The question is on the amendment of the Senator from North Dakota to his amendment.

The amendment to the amendment was agreed to.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Are there any other committee amendments to this section?

The READING CLERK. On page 5, line 15, after the word "transfer," it is proposed to insert "of an article."

The amendment to the amendment was agreed to.

The READING CLERK. On line 16, after the word "list" and before the period, it is proposed to insert a comma and the words "nor a change in form of duties."

The amendment to the amendment was agreed to.

The READING CLERK. On line 20, after the word "section," it is proposed to insert "upon such merchandise."

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. That completes the modifications proposed by the committee.

Mr. REED. Mr. President——

The PRESIDING OFFICER. May the Chair say to the Senator from Missouri that the Senator from New Mexico offered an amendment some time ago which he has been endeavoring to have considered?

Mr. REED. Very well.

The PRESIDING OFFICER. The Secretary will read it.

The READING CLERK. It is proposed to add, at the end of section 315, the following:

Ad valorem duties shall not be changed to specific duties, nor shall specific duties be changed to ad valorem duties. This provision shall continue in effect and force——

Mr. BURSUM. The provisions of this section.

Mr. McCUMBER. We already have agreed to that.

The PRESIDING OFFICER. The Secretary has not finished reading the amendment yet.

The READING CLERK (reading):

The provisions of this section shall continue in effect and force until December 30, 1924, and thereafter no duty shall be changed except by authority of Congress.

Mr. BURSUM obtained the floor.

Mr. WALSH of Montana. Mr. President, I desire to make an inquiry.

Mr. BURSUM. I yield.

Mr. WALSH of Montana. I desire to inquire of the chairman of the committee if there are any amendments to be proposed to subdivision (d), being a part of section 315? There are still three subdivisions, (d), (e), and (f), of section 315. I will say to the Senator from New Mexico that apparently we have not yet arrived at the point at which his amendment will be applicable.

The PRESIDING OFFICER. The present occupant of the chair was given to understand that there were no further perfecting amendments emanating from the committee, unless they are offered now.

Mr. WALSH of Montana. I am making specific inquiry of the chairman of the committee if there are any committee amendments to be proposed to subdivisions (d), (e), and (f) of section 315?

Mr. McCUMBER. No; we have given all that we propose to give, and the question now would be upon the adoption of section 315 as amended.

Mr. WALSH of Montana. I call the attention of the Senator from North Dakota——

The PRESIDING OFFICER. Does the Senator from New Mexico still yield?

Mr. BURSUM. I yield.

Mr. WALSH of Montana. I should like to help straighten out the matter. I call the attention of the chairman of the committee to the fact that in a number of places in the work we have done we have substituted the word "product" for the word "merchandise." The word "merchandise" occurs in several places in the subdivisions to which we have adverted. Is it not the purpose to make a similar change——

The PRESIDING OFFICER. Will the Senator permit the Chair to state that that amendment was adopted en bloc some time ago? Wherever the word "merchandise" occurs the word "product" has been substituted.

Mr. WALSH of Montana. I did not understand that it applied except to the subdivision to which we were then directing our attention.

The PRESIDING OFFICER. To the entire section. The amendment of the Senator from New Mexico will be read to the Senate.

The READING CLERK. It is proposed to add at the end of section 315:

Ad valorem duties shall not be changed to specific duties, nor shall specific duties be changed to ad valorem duties. The provisions of this section shall continue in effect and force until December, 1924, and thereafter no duty shall be changed except by authority of Congress.

Mr. BURSUM. Mr. President, the proposition to delegate authority for the levying of taxes and the raising of revenue which is vested in Congress by the Constitution through provisions to be administered in a general way, as is provided in

this section, is a departure from the usual methods of levying taxes or raising or lowering the rates and the duties which have been in vogue ever since this Government was founded.

Mr. WALSH of Montana. What is the date fixed by the Senator in his amendment?

Mr. BURSUM. Two years; until December, 1924.

Mr. WALSH of Montana. Would it not suit the Senator a little better if he fixed it the 4th of March, 1925?

Mr. BURSUM. No. I have no disposition, in submitting this amendment, to undertake in any way to curtail the prerogatives of any President. The amendment is offered in good faith. My position is that the proposal to delegate this power to the President is a departure and an unusual procedure. It involves a great national issue, an issue which has not been submitted to the people of this country.

It can only be justified, to my mind, upon the assumption that there is chaos all over the world to-day, that values are upset in all of the countries of the world, that the rates of exchange are erratic, that values are constantly changing, and it may be possible, and is probable, that some of the rates which have been agreed upon by the Senate committee and adopted by the Senate, while they may be fair and just at this time, three months from now or six months from now may be entirely too high, may be out of all proportion, and upon that theory, and assuming that those are the actual conditions existing in the world to-day, this change might be justified. I think it is justified as an emergency relief which could not be obtained through any other method or through the usual proceedings of legislation.

This amendment would limit to two years the time of the extension of the authority granted by the amendments to section 315. If during those two years the experience has proven satisfactory to the country it will not be difficult for Congress to continue this authority if the country believes it wise and if the Congress agrees to it. It might be said that we can repeal the law if it is not agreeable. I submit that that is putting an unnecessary burden upon Congress, the burden of repealing this authority.

I believe we can trust Congress to reenact this provision if it is in the future found necessary, and if it is not found necessary it will not be reenacted. I have grave doubts, personally, as to the wisdom of a permanent change of this character. I am of the opinion that Congress is amply able and capable of designating the rates of duty and providing for the raising of revenue, but, under the circumstances, under the extraordinary conditions which exist all over the world, the uncertainty of values, the constant changes in every line of industry which affect our imports, for the purpose of serving this vital emergency, the delegation of authority may be justifiable.

Mr. McCUMBER. Mr. President, I will have to ask that the amendment offered by the Senator from New Mexico be divided.

The PRESIDING OFFICER. It may be, under the rule.

Mr. McCUMBER. There are two propositions, clearly distinct, and I think the Senator might well withdraw the first part of the amendment without our even voting on it, when I call his attention to the fact that we have already provided that the President can not change from an ad valorem to a specific, or from a specific to an ad valorem, and if the Senator's amendment were adopted we would have the same thing repeated in different language in another amendment.

Mr. BURSUM. If I may interrupt the Senator, it is true that the committee did propose an amendment, which was adopted, taking out certain language which gave authority to the President to make these changes, and there would be no direct authority, as the bill now stands, unless there might be some misconstruction or misinterpretation of the other portions of this section.

Mr. McCUMBER. The provision which we have inserted takes away any possibility of a misconstruction, because it declares positively that there shall be no other construction. It reads:

> Nothing in this section shall be construed to authorize a transfer of an article from the dutiable list to the free list, or from the free list to the dutiable list, nor a change in form of duty.

That "change in form of duty," of course, must be a change from a specific to an ad valorem, or from an ad valorem to a specific, and therefore we have in that provision, which we have already adopted, exactly what the Senator wants.

Mr. BURSUM. Since hearing the amendment read, I agree with the Senator from North Dakota that it covers the ground, and I desire to strike out the first part of my amendment.

The PRESIDING OFFICER. The Senator from New Mexico withdraws the first clause of his amendment to the amendment.

Mr. McCUMBER. Now I want to say a word upon the other proposition. I agree with the Senator from New Mexico that this is something in the nature of an emergency measure, to meet conditions which may arise in the near future, and before prices become stabilized throughout the world. I would not want this provision to remain a part of our laws for any greater length of time than would be necessary, and that would be determined, in my opinion, by the length of time that would elapse before conditions return to a normal state.

I want to say in all candor to the Senator that I fully understand that the Senator does not like this provision at all; and I do not like it, except for this particular purpose. He desires, therefore, to limit it to the shortest possible time, and I must say that he may be justified in that desire, from his standpoint. But I think it would be very difficult for the Senator or anyone else to satisfy the public in general that this was not done to meet any possible change of administration, and to grant a power which might be exercised by a Republican President but might not be exercised by a Democratic President. I know that the Senator has no such thought in view. I know what he wants to do is simply to make the time as short as possible in which this may operate, because I know the Senator, in talking with us, wanted one year fixed as the limit, and no longer.

Mr. BURSUM. I am willing to accept an amendment making it one year.

Mr. McCUMBER. I understand. I want to put the Senator perfectly straight before the Senate and before the public in that respect.

Mr. BURSUM. Will the Senator yield?

Mr. McCUMBER. Let me just carry this idea to its conclusion. We provide that the President shall fix a rate which will measure the difference in the costs of production at home and abroad. I would have confidence in a Republican President, and I would have equal confidence in a Democratic President, if that duty were imposed upon him, to carry it out in good faith. Therefore from the political standpoint I do not think there would be one whit of difference whether the duty were performed by a Democratic President or by a Republican President. They would both be bound by the same rule.

Further, I want to say to the Senator from New Mexico that when Congress thinks it ought to change this law it can do it. It can do it in one year or in two years, and I think it is better to leave to Congress the duty of ascertaining and determining when it is no longer necessary or proper to continue this power, and that time will be, as I have suggested, when we have reached a more normal condition. I think the Senator can trust Congress to enact the necessary law to repeal this provision if it shall be proper.

Mr. BURSUM. Why place the burden upon Congress of repealing the law? Can we not trust Congress to enact a new law, if necessary?

Mr. McCUMBER. Yes, Mr. President; but I may ask the Senator, why impose upon Congress the necessity of passing a new law to extend the time?

Mr. BURSUM. This may not be the case, but suppose the Executive should oppose the repeal of the law and it should require a two-thirds vote?

Mr. McCUMBER. On the other hand, suppose we wanted to extend it and the Executive should oppose the extension and it would require a two-thirds vote?

Mr. BURSUM. The answer to that is, that if the law were to be reenacted, it would be reenacted pursuant to the public opinion of the country, and no Executive would fail to follow that public opinion if the law were passed.

Mr. McCUMBER. The reasons given by the Senator do not appeal to me. It seems to me that we may trust Congress and trust the President, whether he is Democratic or Republican, to carry out the law until Congress repeals it, and we can trust Congress to repeal it whenever the conditions justify it.

Mr. HEFLIN. Mr. President, it is proposed by this amendment to put into the hands of the President of the United States the power to increase the profits of the tariff barons of the country. That is exactly what is proposed to be done by the Senator's amendment.

Suppose some one were to suggest in this body that we confer upon the President the power to increase freight rates whenever the railroads desired them to be increased above the rates which might have been fixed by law. Would the Senator lodge in the hands of the President the power, upon the request of the railroads, to increase freight rates upon the people of the country? Why, he would say that was ridiculous, and yet it is proposed by his amendment to lodge the power with the President to increase the prices of the necessities of life, taking away from the legislative body the function given to it by the Constitution alone to levy taxes against the American people, and yet here it is proposed under the provisions of the bill to

grant authority to the President to do the thing which the Constitution has said that Congress shall do.

I wonder if the tariff barons are getting weary of having to consult Congress about what the tariff rates shall be? Do they desire to set aside the Constitution and take away from Congress the exercise of the taxing power? Do they think that it will be to their advantage to confer upon the President control over that power? Will the people consent for the President to usurp this power that belongs under the Constitution to Congress?

Mr. SHORTRIDGE. Mr. President, may I ask the Senator to yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from California?

Mr. HEFLIN. I am glad to yield to the Senator from California.

Mr. SHORTRIDGE. By the same power, by one stroke of the pen he could reduce the rates, could he not?

Mr. HEFLIN. Why, certainly; but who ever heard of a Republican official reducing tax rates on his own accord?

Mr. SHORTRIDGE. I am assuming, of course, that the Senator thinks that some day, however remote, there may be a Democratic Congress and, however more remote in point of time, a Democratic President, which Congress and which President would share the views of the Senator from Alabama. So that if the power be granted—and all this is quite afar from whether to do so is wise or foolish, constitutional or unconstitutional—then there will be the power and the disposition to reduce the rates to a minimum.

Will the Senator pardon me to add just a word? I have observed during the discussion that my Democratic friends have always proceeded upon the theory that if the power granted or to be granted were exercised it would result in the raising of tariff duties. Some thoughtful Senators have advanced the notion, have stated in express terms, that there would be petitions to raise the rates with consequent evils, according to their views. But I assume that there are sincere and thoughtful men who differ from me with respect to tariff duties, and I further assume that they would petition for a lowering of rates. Importers or other classes of people in America may consider the rates are too high and petition for a decrease or lowering of them. Assuming, then, that the Executive shall share in the views of the Senator from Alabama, relief is sure and certain. Personally, I am at this moment inclined to favor a limitation as to the time of the power which is here proposed to be delegated under the pending amendment.

Mr. HEFLIN. Mr. President, I rose to say but a word or two. I want to say to the Senator from California, in conclusion, that I would not vote this power into the hands of any man under the sun. I am opposed to lodging in the hands of a President the right to increase the taxes against the American people. I do not care whether he is a Democrat or a Republican, the President has no business exercising the power, and no Congress has the right, until it has served notice on the American people that it intends to vote, if elected, to surrender the constitutional right of Congress to the Chief Executive, to surrender this sacred right of the American people. That is my position. I am not questioning the integrity of any President.

A Republican President believes in the highest sort of a protective tariff, the kind that I do not believe in and that millions of American people do not believe in. He may be conscientious in it, but that does not make it right. I do not want the President, be he Democrat or Republican, to have the power to increase the taxes of the people. He ought not to have and exercise any such power. That is my position upon the subject.

Mr. President, this is centralization of power gone mad. It is in violation of the Constitution and is a bold and brazen attempt to confer upon the President authority to do what the Constitution plainly says that Congress, and Congress alone, can do. This is one-man power with a vengeance.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from New Mexico to the amendment.

Mr. BURSUM. Mr. President, in view of the fact that the question of political advantage has been brought up, I desire to change the date from December, 1924, to July, 1924.

The PRESIDING OFFICER. The Secretary will report the amendment as modified.

The CHIEF LEGISLATIVE CLERK. As modified, the amendment of the Senator from New Mexico to the amendment now reads:

The provisions of this section shall continue in effect and force until July 1, 1924, and thereafter no duty shall be changed except by authority of Congress.

Mr. JONES of New Mexico. Mr. President, I want to express my hope that the amendment to the amendment will be adopted. Some Senators fail to realize that we are conferring upon the executive branch of the Government very extraordinary powers.

There has been much said during the various discussions of the bill and on previous occasions in connection with other matters about the encroachment of the executive branch of the Government upon the legislative branch. This is conferring an extraordinary power to meet an emergency. It has been so stated by everyone. No one wants such legislation as this continued indefinitely. It is not a question of repealing the law or limiting it so that another administration could not operate under it. The purpose of the amendment is to limit the duration of its operation unless Congress, after reviewing the work which may be done under it, should again feel like delegating the power to the President.

My colleague [Mr. BURSUM] has well said that in order to repeal the law it would require a two-thirds vote of the Congress unless the President should see fit to approve the law. Why put it in the power of any President, either the present occupant of that high position or anyone who may succeed him, to continue the exercise of this great authority unless two-thirds of the Congress should see fit to take it away?

It seems to me, Mr. President, that by July, 1924, we would know what action should be taken under this law, and if it is serving a good purpose the Congress could extend the time of its operation. But let us keep the control in our own hands and not put it in the power of any one man to require a two-thirds vote of the Congress in order to repeal an authority conferred upon the Chief Executive. I know that my colleague has nothing in mind about any succeeding administration. His motive is to serve the great American public and to put a limitation upon the exercise of this extraordinary power which the bill would confer upon the President. I sincerely hope the amendment to the amendment will be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico [Mr. BURSUM] to the amendment.

Mr. STANLEY. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the principal legislative clerk proceeded to call the roll.

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. LODGE (when his name was called). Making the same announcement as to the transfer of my pair as on the previous vote, I vote "nay."

Mr. McKELLAR (when his name was called). I have a pair with the senior Senator from Indiana [Mr. NEW], who I understand is absent. Therefore, I withhold my vote. If permitted to vote I should vote "yea."

Mr. SIMMONS (when his name was called). Making the same announcement as on the previous vote with reference to my pair and its transfer, I vote "yea."

Mr. STANLEY (when his name was called). I have a general pair with my colleague, the junior Senator from Kentucky [Mr. ERNST]. I transfer that pair to the Senator from Montana [Mr. MYERS] and vote "yea."

Mr. SUTHERLAND (when his name was called). Making the same announcement with reference to my pair and its transfer as on the previous vote, I vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. EDGE. Making the same announcement in reference to the transfer of my pair as on the previous vote, I vote "nay."

Mr. POMERENE. Again announcing my pair with my colleague, the junior Senator from Ohio [Mr. WILLIS], who is absent, I withhold my vote. If he were present, the junior Senator from Ohio would vote "nay," and if I were at liberty to vote, I should vote "yea."

Mr. FLETCHER. Making the same announcement as to my pair and its transfer as on the former vote, I vote "yea."

Mr. CALDER. I am paired with the senior Senator from Georgia [Mr. HARRIS]. I transfer that pair to the Senator from Delaware [Mr. DU PONT] and vote "nay."

Mr. JONES of Washington. The senior Senator from Virginia [Mr. SWANSON] is necessarily absent. I am paired with him, but I find that I can transfer that pair to the junior Senator from Michigan [Mr. NEWBERRY]. I do so and will vote. I vote "nay."

Mr. DILLINGHAM. I have a general pair with the junior Senator from Virginia [Mr. GLASS]. In his absence, I am compelled to withhold my vote.

Mr. SIMMONS. I desire to announce that the junior Senator from Virginia [Mr. GLASS], who, as already stated, is paired with the Senator from Vermont [Mr. DILLINGHAM], if present, would vote "yea."

Mr. POMERENE. I understand that the senior Senator from California [Mr. JOHNSON] if present would vote as I intend to vote. I therefore transfer my pair to him and will vote. I vote "yea."

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Minnesota [Mr. NELSON] with the Senator from Massachusetts [Mr. WALSH];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON]; and

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL].

The result was announced—yeas 34, nays 19, as follows:

YEAS—34.

Ashurst	Heflin	Overman	Stanfield
Broussard	Hitchcock	Pomerene	Stanley
Bursum	Jones, N. Mex.	Ransdell	Sterling
Cameron	McCormick	Rawson	Sutherland
Capper	McNary	Reed	Wadsworth
Dial	Moses	Sheppard	Walsh, Mont.
Fletcher	Nicholson	Shortridge	Warren
Gooding	Norbeck	Smith	
Harreld	Oddie	Simmons	

NAYS—19.

Brandegee	Hale	Lodge	Smoot
Calder	Jones, Wash.	McCumber	Spencer
Curtis	Kendrick	McLean	Townsend
Edge	Keyes	Pepper	Watson, Ind.
Frelinghuysen	Lenroot	Phipps	

NOT VOTING—42.

Ball	France	McKinley	Shields
Borah	Gerry	Myers	Swanson
Caraway	Glass	Nelson	Trammell
Colt	Harris	New	Underwood
Culberson	Harrison	Newberry	Walsh, Mass.
Cummins	Johnson	Norris	Watson, Ga.
Dillingham	Kellogg	Owen	Weller
du Pont	King	Page	Williams
Elkins	Ladd	Pittman	Willis
Ernst	La Follette	Poindexter	
Fernald	McKellar	Robinson	

So Mr. BURSUM's amendment to the committee amendment was agreed to.

Mr. REED. Mr. President, I ask the attention of the Senate to what I think is an obvious error or oversight in the language of the pending amendment. It is provided:

That in order to regulate the foreign commerce of the United States—

And so forth—

whenever the President, upon investigation of the differences in the costs of production in the principal markets of the United States of articles wholly or in part the product of the United States—

Then follow the provisions that the President shall have the right to increase or lower tariff rates. The language of the amendment is "articles wholly or in part the product of the United States."

Under that language, Mr. President, an article might be almost entirely of foreign production and have simply some small part of it produced in the United States. Thereupon if the cost was greater or less the President could make his order.

It may be said in reply to that that if the article were chiefly the product of a foreign country necessarily that would destroy the condition in regard to foreign prices being different from ours and our products being thereby affected; but it is entirely conceivable that a very large part of an article might be of foreign production and the American part of it be small, yet that it might come within this rule. Under the rule, taking a pair of shoes, for example, if the shoe were all made in foreign parts but a single eyelet, and that eyelet should be the product of the United States, the whole of the article would come within the regulation which I am discussing.

Therefore, on page 1, line 9, of the amendment, I move to strike out the words "in part" and in lieu thereof to insert the word "chiefly," so that it would read:

Articles wholly or chiefly the product of the United States.

Mr. SMOOT. Mr. President, I hardly think the Senator from Missouri, after second consideration, will insist upon that amendment. There are very few articles produced in the United States in the manufacture of which some imported article is not used. If an article manufactured in this country is composed chiefly of imported products, the manufacturer, when he imports those products, pays whatever duty may be imposed upon them. If he does not pay any duty upon them, of course the question of duty does not enter at all into the cost of production.

The provision to which the Senator from Missouri refers has to do with the determination of the cost of production. It would be absolutely impossible to determine whether the portion which is of chief value in a given commodity is made up of imported products. I think I am safe in saying that half of the articles which are manufactured in the United States are a combination of some imported products with some other domestic products. I think that it would be impossible to administer the provision if amended as the Senator from Missouri suggests. For instance, take a piece of cotton goods. The cotton entering into it may be grown in the United States, shipped abroad and made into cotton cloth, and shipped back here. The chief value of the commodity would be an American product; but suppose it was the other way. Of course, all imported articles pay a duty unless they are on the free list, and if they are on the free list, then the duty is not an item of calculation in figuring the cost of production.

Where a duty is imposed upon a commodity made of different products and one of those products is the component material of chief value, for instance, such as cotton and silk goods or wool and cotton goods or wool and silk goods, then it is perfectly proper to use the expression "of chief value," because that determines what rate the imported article shall take and whether the rate shall be levied on the basis of the rates in the cotton schedule, the wool schedule, or the silk schedule. Here, however, all we have to do is to determine the cost of production, and "articles wholly or in part the growth or product of the United States"—in other words, those that are made here or grown in this country, whether the article is wholly a United States product or not—come in under this provision. Of course, as I have already stated, it will make no difference as to the cost of production because of the fact that whatever has come in here will be figured in, if there is a duty upon it, toward the cost of production. If there is no duty it will make no difference at all.

Mr. REED. The point I am making is this: Here is an article. One thing in the entire article is produced in the United States. All the rest of it is produced abroad. The part that is the product of the United States may be almost infinitesimal, and yet, if any part of it is produced here, it brings the entire article within this rule.

Mr. SMOOT. It is the finished product, the Senator will note, and if it is finished in the United States and there is only 1 per cent of the whole of it produced in the United States it will make no difference. All you have to do is to find the cost of production, and if the cost of production is not any different then there is no action on the part of the President.

Mr. REED. The Senator has already answered that this afternoon by saying that there are thousands of articles where it is impossible to ascertain the cost of production abroad.

Mr. SMOOT. In foreign countries; but it all comes in, because that is not a product of this country. There is no product of the United States of which you can not find the cost.

Mr. REED. But here is an article, now, taking the Senator's illustration, 99 per cent of which was produced abroad.

Mr. SMOOT. I do not think there is any such thing, but let us assume that there is.

Mr. REED. We add 1 per cent in this country. Thereupon it comes within this rule. With such an article as that we start in to ascertain the difference between the cost here and the cost abroad—the cost abroad in what country? It opens the door for every man who makes any article that has any part of it made in this country to come within this clause. Now, I took it that the committee would not want this rule to apply unless it was for the benefit of the American producer, the real producer.

Mr. SMOOT. That is what it is.

Mr. REED. And that he was to be protected on his American production and not on the thing which he might have imported from another country and then added to slightly.

Mr. SMOOT. When it is added to slightly there is not any particular difference in the cost of production. If it is only 1 per cent there would be one-thousandth of 1 per cent differential, perhaps, and the President never would act in a case like that.

Mr. REED. But I can show the Senator where it might easily be the case. The rule is that the test shall be the difference as shown between the cost here and the cost in the competing foreign country. Here is a foreign country that proposes to ship us an automobile. That is the thing we are competing with—automobile against automobile. We will say that Germany—where we always go for all these illustrations of low cost—produces the parts of an automobile. They are

sent here. Some American work is added. Then we come to put that to the test of difference in the cost of production at home and abroad. We put it up against a foreign automobile which is sent here completed.

Mr. SMOOT. It would not be that. It would have to be an American automobile.

Mr. REED. It is an American automobile when we assemble it here. Thereupon the man who has been buying his stuff abroad, instead of at home, will get the protection under this bill.

Mr. SMOOT. But he can not get any more protection than what he paid. He could not get any more added to the cost of the automobile than the parts that he pays for.

Mr. REED. There is where we differ. The Senator thinks that the test is the cost to him, whereas I think it is the general cost in the automobile world——

Mr. SMOOT. Oh, no.

Mr. REED. And it would then be determined by a French or English machine that is in competition.

Mr. SMOOT. Oh, no; the cost of production in this country is whatever it costs the manufacturer to make the article in this country.

Mr. REED. The cost of that particular machine; but the President will not make his tariff apply to that particular machine. He will make his tariff apply to automobiles, and he will say, "The cost of producing this French machine is a certain amount. The cost of producing an ordinary American-made machine"——

Mr. SMOOT. Comparable.

Mr. REED. Comparable.

Mr. SMOOT. It has to be a comparable machine.

Mr. REED. Yes; "is so much." Here is a gentleman, however, who has beaten that proposition by buying his parts abroad cheaply, by bringing them here, and by adding a little bit of American labor. He, by virtue of that, gets the advantage of this cheap labor abroad in a particular country and measures it up as against a general rule established generally with reference to automobiles. Now, I say to the Senator that there is not any more question, in my judgment, but that that is the identical thing that will be done, and done tens of thousands of times, than that we are standing here.

Mr. SMOOT. In the first place, that is impossible to do now. The duties upon the parts of automobiles are such that that can not be done. Not only that, but it would be entirely foreign to the practice of the manufacture of an automobile in the United States, where it is made cheaper, I suppose, than in any other country in the world.

Mr. REED. The Senator is talking about a specific illustration, and following it out. I am giving the illustration merely to illustrate an idea, and taking automobiles because they are familiar.

Mr. SMOOT. It makes no difference at all. Whatever they bring in here separately and assemble, if it is assembled in the United States, you will notice clear through the bill that if it is a finished article the duty applies to the article or parts thereof. In almost all cases the same rate of duty is imposed upon them, and they get no advantage whatever, because of the fact that when they arrive at the cost of production nothing can be counted other than just what the article itself is composed of, and the actual cost of those things.

Mr. REED. But the Senator makes this mistake, or I do; at least we are not in agreement on our premises: Of course, if the President is going to fix a duty and pay A B the difference between the cost of his machine produced here, partly out of foreign parts and partly of homemade products, and that same machine produced abroad in the country from which he got his parts, what the Senator says is true. The President, when he comes to fix the duty—sticking to our automobile business and omitting these details—will not fix it in that way. He will fix the duty upon automobiles. He will fix that on the basis of automobiles that are imported into this country as automobiles and not upon the basis of one that comes in in the form of parts.

Mr. SMOOT. But he will have to compare the cost of that automobile with the parts that have been assembled in this country or the automobile that is made here, and so it makes no difference.

Mr. REED. But he compares it generally with the cost of producing automobiles—not that automobile but others. What I am trying to get to the Senator's attention—and I think he wants to get it so that it will be equitable——

Mr. SMOOT. I certainly do.

Mr. REED. Is that these gentlemen will work out their exceptions. While what the Senator says may be true in regard to automobile parts, they being taxed, there will be plenty of these gentlemen who will be able to discover the means of importing a large part of some of their machines or goods and then adding a small American substance of some kind, and then they will say: "We come under the protection of this law."

Mr. SMOOT. They have to be the assembler or the manufacturer or the producer.

Mr. REED. They may assemble only a very little.

Mr. SMOOT. Then they do not gain anything by that.

Mr. REED. I think they will.

Mr. SMOOT. Let me give the Senator a case, and I think I can convince him beyond a question of doubt that it would be impracticable. Take silk: The raw silk has to be imported into the United States, and not only the United States but every other country outside of Japan and China has to import its raw silk. We do not raise an ounce of raw silk in the United States. There is not a piece of silk goods, unless it is the fanciest kind of an article, made with all the figures that are possible to be made in a piece of silk, but that the raw silk itself is worth more than all else in the product. In the case of 99 per cent of all the silk goods made in the United States the value of the raw silk itself is more than all the balance of the work and products in that piece of silk goods. If the Senator's amendment were agreed to, we could not take silk goods into consideration at all. They would be barred. I can stand here and tell the Senator line after line where the same thing is true. In fact, it would take in every product that is made in the United States, with the exception of a few where we were compelled to get the raw material from some other country.

Mr. REED. That may be true; but the other side of it is equally true. If you bring a pair of shoes into this country—and of course the Senator will answer that that is a tariff tax, but there are plenty of things that can be brought in—and a single eyelet is put in in this country, that shoe comes within the protection of this bill just exactly the same as though it had all been made in this country. Now, we have put in the tariff bill in many other places—in other tariff bills, at least—the words "chiefly"——

Mr. SMOOT. "Of chief value." Those are the words that are used, but that is a question of imposing a duty.

Mr. REED. Certainly; and this is a question of raising a duty.

Mr. SMOOT. No; it is not. The question in this paragraph is how to find out the cost of production. The cost of production is exactly what you pay for your raw materials of all kinds that enter into the product, together with your overhead expenses, your taxes, your power, your labor, or, in other words, your conversion cost.

Mr. REED. I repeat that that would be true if we were dealing with two particular articles; but when the President came to deal with this matter he would not ask himself, going back to my automobile proposition, "What did the Packard Motor Co. pay, and what is the difference between the cost here and the cost abroad on what the Packard Motor Co. paid?" but he would settle the question whether or not the automobiles made in this country cost more than the automobiles made abroad with reference to the broad and general question. Nevertheless, the Packard Motor Co. might go to Germany and buy certain parts of its machine in such a way that it would gain an advantage, and could gain an additional advantage by the President's general proclamation relating to automobiles.

Mr. SMOOT. I disagree with the Senator.

Mr. REED. The exception is bound to occur. There is not much use in prolonging the discussion, but I venture the assertion that it will not be six months before we will find plenty of shrewd gentlemen coming in and claiming the benefits of this provision, the larger percentage of whose product is being made abroad.

Mr. SMOOT. It does not make a particle of difference whether it is made abroad or not, where you find the cost of production, and this section is for that purpose, and that is what you have to find, whether it is imported or whether it is made in this country. The costs of the article are taken into consideration. I really think that if the amendment of the Senator from Missouri were agreed to, it could not be administered in the United States, and would cut out all of the goods, with the exception of where it is a heavy article, and cheap, all of the goods that are made from products of a foreign country.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Missouri to the amendment of the Senator from North Dakota.

The amendment to the amendment was rejected.

Mr. STERLING. I offer the following amendment to the amendment.

The PRESIDING OFFICER. The Secretary will state the amendment to the amendment.

The READING CLERK. The Senator from South Dakota proposes to strike out all on page 1 of the amendment and down to and including the word "shown," in line 2, on page 2, and to insert the following:

SEC. 315. (a) In fixing the rates of duty provided for in this act it is hereby declared to be the purpose of Congress to equalize the differences in cost of production in trade in the markets of the United States in articles wholly or in part the growth or product of the United States and in like or similar articles which are wholly or in part the growth or product of competing foreign countries. Whenever the President shall find on investigation—

Mr. STERLING. I desire to amend the proposed amendment by striking out the words "in trade," in line 4, so that it will read "equalize the differences in cost of production in the markets of the United States," and so forth.

I explained the purpose of this amendment this morning in the discussion of the amendment offered by the Senator from Wisconsin [Mr. LENROOT] relative to the cost of production, and I do not desire to repeat what I then said.

I will simply state now, in a word, that it is the purpose of the amendment to make certain the purpose of Congress in fixing the rates of duty provided for in this act, and to make it certain that it is the purpose of Congress to equalize the differences in the cost of production in fixing these rates of duty.

It may be contended that the amendment itself to which this is an amendment does this, but if it does, it is by inference rather than by direct statement. It is an inference, too, to be drawn from the power conferred upon the President. I want to avoid any difficulty in regard to this, and make it certain that this is the declaration of the purpose of Congress, after the analogy, for example, of the interstate commerce act, whereby Congress declares that railroad rates shall be just and reasonable, and then it is for the Interstate Commerce Commission thereafter to fix such rates as it deems just and reasonable.

It seems to me that since this is the sole purpose of the amendment to the amendment the committee might feel inclined to accept it.

Mr. SMOOT. Mr. President, I talked with the chairman of the committee and also with one or two of the other members of the committee after the Senator had spoken to me about it. The chairman felt that the wording of the amendment ought to be left as it has been passed upon; that is, left as it is.

Mr. STERLING. This does not prevent that, or in any way affect the rest of the provisions of the bill. After the word "shown," in line 2, on page 2, the exact language of the bill as it is already written is preserved. There is no change whatever made in that. The object, as I have stated, is to make it certain that it is the purpose of the Congress, in fixing these rates, to equalize the differences. That is the purpose of the committee, I understand. If it is, what objection is there to so saying in direct terms in the bill itself?

Mr. McCUMBER. Mr. President, the provision in this section as it is written is that the President shall make an investigation, or act upon the investigation made by the Tariff Commission, and that if upon such investigation he ascertains that there is a difference in the cost of production of an article produced in a foreign country and a corresponding article produced in this country, and further ascertains that the duty prescribed in this act is insufficient to measure that difference, he shall then apply a rate of duty that will equalize the difference, being limited only to a 50 per cent raise or a 50 per cent lowering of the rates specified.

I do not know how we can say in any language any more clearly than is expressed in that statement that it is the policy of Congress to fix a rate which shall equalize the differences in the cost of production at home and abroad, and the Senator's amendment would be equivalent to saying that it is the policy of Congress to prescribe a rule to equalize the conditions at home and abroad, so far as they relate to the cost of production.

When you declare that you will fix a rate of duty that will measure the differences between the cost of production at home and abroad, you have said, by that law, that that is your policy, have you not? What, then, is the necessity of repeating the statement that the policy of this law is to do what the language of the law declares? That is really the result of it.

Mr. STERLING. Mr. President, if the Senator will permit me, I stated my objection to that solution of the problem this morning. That declaration is not made expressly at all, nor is it made by inference until you come to the description of the powers of the President in regard to the equalization of the differences in the cost of production. You wait until you get there before you get evidence of what the intention or what the policy of Congress is.

I want to call attention to the amendment of the Senator from North Dakota. Note the difference in the reading of these two provisions. It provides:

That in order to regulate the foreign commerce of the United States and to put into force and effect the policy of the Congress by this act intended, whenever the President, upon investigation—

And so forth.

Without any statement or declaration as to what Congress does intend. How easy it is to settle that question, as against the objection that this is a delegation of legislative power to the President, by saying in the outstart, in express terms, that it is the declared policy of Congress in the fixing of these rates to equalize the differences in the cost of production. That is all this does, and I say that I think many a difficulty hereafter may be obviated if the declaration of the intention or purpose of Congress is made in those express terms. The rest of the amendment, section 315, or any part of it, is not affected, and I think it highly important that we make this as a declaration of the policy of the Congress.

Mr. McCUMBER. Mr. President, there seems to be a great desire to make amendments, sometimes possibly where the amendments mean something, sometimes possibly where they are really needed; but this, in effect, does nothing more than to say that the policy of this law is to do what the law says it intends to do; and when the law says that it shall do a certain thing, when the law says that we shall make our tariffs measure the differences between the cost of production at home and abroad, I really do not think it is necessary to state in another sentence that that is our policy. But I can not see that it would do any particular harm.

Of course, I do not agree to it as a general policy to bind either party in the future. For the purpose of this particular act, for the purpose of meeting conditions of exchange, the varying costs of production at home and abroad, which may vary very materially from month to month, I have no objection to its being inserted as a part of our law, which I hope we will get rid of at the earliest opportunity after the exigency has passed.

Mr. STERLING. The Senator, then, will accept the amendment to the amendment?

Mr. McCUMBER. No; I do not say that.

Mr. SIMMONS. Do I understand the proposition of the Senator from South Dakota to be that we should declare the policy of the Congress to be to fix rates throughout the bill based on the differences in the cost of production here and abroad, or just as to the increases the President is authorized to make?

Mr. STERLING. Yes; throughout the bill.

Mr. SIMMONS. The bill to this time has not been formulated on that policy. The elastic provision has been so framed as to require the President in making those changes in rates to be governed by that principle; but the bill itself has already been framed and the rates have been fixed, and I do not think anyone would contend that the rates in the bill have been fixed upon the basis of the differences in the cost of production here and abroad. There may be some rates which have been fixed on that basis, but not many. Most of them have been fixed in utter disregard of the differences in the cost of production here and abroad, and to declare that the policy of Congress with reference to the bill is to make a declaration against the facts of the situation.

Mr. STERLING. If the Senator will permit me, I disagree with the Senator's conclusion in regard to that. My contention and belief is that the bill has been framed upon the theory that the tariff will measure the differences in the cost of production at home and abroad. That is the theory, and I say that theory is borne out by the statement in the amendment offered by the Senator from North Dakota itself, for it says:

That in order to regulate the foreign commerce of the United States and to put into force and effect the policy of the Congress by this act intended, whenever the President, upon investigation of the differences in conditions of competition—

That is the original language, but it would be now, of course—

differences in cost of production—in the principal markets of the United States of articles wholly or in part the growth or product of the United States.

Mr. SIMMONS. But that is the declaration as originally written, which was in conformity probably with the making of the bill. It was a declaration that the President should change the rates in conformity with the intent of Congress, and that in doing this he should fix the rates so as to equalize the conditions of competition in the United States and abroad. There is

a vast difference between the "conditions of competition" and the "cost of production here and abroad."

Conditions of competition may be one thing and the differences in the cost of production may be another thing. The pending bill was framed with a view to bringing about conditions of "equality in competition," not upon the theory of measuring the differences in the cost of production here and abroad.

Now, it is true that since that provision was written in the bill the committee have agreed to change it and substitute for "conditions of competition" the phrase "differences in the cost of production." But I say to the Senator that the original bill was framed upon the theory of bringing about equality of conditions of competition. Rates were fixed upon that theory. They were, therefore, based upon the differences in the selling price of foreign products and of domestic products in the American market, not the differences in the cost of production of the foreign product and of the domestic product.

Mr. STERLING. Will the Senator permit me to ask him a question just at that point?

Mr. SIMMONS. Declaring the policy to be that the rate should be measured by the differences in the cost of production here and abroad does not change the fact that the rates have been fixed upon an entirely different theory.

Mr. STERLING. Mr. President, under the other terms of section 315 as it now reads without my amendment, if those rates do not measure the differences in the cost of production here and abroad, then there may be an investigation by the President and the rates may be fixed accordingly. This goes to show that the whole theory of the bill bears out my proposition that the object of the bill is to equalize the differences in cost of production. The bill ought to make it entirely clear that such is the purpose.

Mr. SIMMONS. The Senator means that he wants to give the President the power to fix all the rates in the bill so that they will conform to the differences in the cost of production here and abroad?

Mr. STERLING. That is the policy of the bill.

Mr. SIMMONS. Therefore he means to direct the President to go over the bill and where he finds that any rate fixed in it does not conform to the differences in the cost of production here and abroad then he shall change or may change that rate so as to make it so conform. Is that what the Senator intends?

Mr. STERLING. No; that is not my idea.

Mr. SIMMONS. I thought not, for that would mean the entire rewriting of the bill.

Mr. STERLING. It is not my theory at all that the President would go over the bill and go over the rates, but I am assuming, and I think it will generally be assumed, that the rates provided for in the bill and according to the theory of the bill, as stated in section 315, measure the differences in the cost of production at home and abroad, except that I want a declaration by Congress to the effect that that is the purpose of the bill.

Mr. SIMMONS. Ever since the bill was introduced I have repeatedly made inquiries of the other side of the Chamber as to what were the differences in the cost of production here and abroad, and whether the rates had been fixed with reference to those differences. The answer has always been that they could not ascertain the differences in the cost of production here and abroad, and that the rates were fixed upon the basis of competition and differences in selling price, considering somewhat the differences in cost where they could find them, but generally claiming that they could not find them. The Reynolds committee was appointed for the purpose of ascertaining what were the differences in the cost here and abroad. If that is to be the direction of the President, it is tantamount to an authority to the President to revise the whole bill and regulate the duties, not as the committee have regulated and fixed them, upon the basis of the differences in the price here and abroad, but upon the basis of the differences in the cost of production here and abroad.

The PRESIDING OFFICER. The question recurs upon the amendment of the Senator from South Dakota to the amendment.

Mr. STERLING. Let us have the yeas and nays.

The yeas and nays were ordered and the reading clerk proceeded to call the roll.

Mr. FLETCHER (when his name was called). Making the same announcement as before as to my pair and transfer, I vote "nay."

Mr. LODGE (when his name was called). Making the same announcement as to the transfer of my pair as on the previous vote, I vote "nay."

Mr. McKELLAR (when his name was called). I have a general pair with the Senator from Indiana [Mr. NEW]. I transfer that pair to the senior Senator from Montana [Mr. MYERS] and vote "nay."

Mr. SIMMONS (when his name was called). Making the same announcement as to my pair and transfer as on the previous vote, I vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. POMERENE. I have a pair, as heretofore announced, with my colleague [Mr. WILLIS]. I am advised that he would probably vote as I intend to vote. I therefore vote "nay."

Mr. CALDER. Making the same announcement as before, I vote "nay."

Mr. HALE. Making the same announcement as before, I vote "nay."

Mr. EDGE. Making the same announcement as before, I vote "nay."

Mr. JONES of Washington (after having voted in the affirmative). The Senator from Virginia [Mr. SWANSON] is necessarily absent. I am paired with him for the evening, but I find I can transfer that pair to the junior Senator from Michigan [Mr. NEWBERRY], and I do so and allow my vote to stand.

Mr. DILLINGHAM. I have a general pair with the Senator from Virginia [Mr. GLASS]. Transferring that pair to the junior Senator from North Dakota [Mr. LADD], I vote "nay."

Mr. SUTHERLAND. I transfer my pair with the senior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from Iowa [Mr. RAWSON] and vote "nay."

Mr. JONES of New Mexico. I wish to announce that the junior Senator from Mississippi [Mr. HARRISON] is necessarily absent. If he were present and not paired, he would vote "nay."

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Illinois [Mr. McKINLEY] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY]; and

The Senator from Minnesota [Mr. NELSON] with the Senator from Massachusetts [Mr. WALSH].

The result was announced—yeas 4, nays 48, as follows:

YEAS—4.

Jones, Wash.	Norbeck	Sterling	Townsend

NAYS—48.

Ashurst	Frelinghuysen	McCumber	Sheppard
Brandegee	Gooding	McKellar	Simmons
Broussard	Hale	McLean	Smith
Calder	Harreld	McNary	Smoot
Cameron	Heflin	Moses	Spencer
Capper	Hitchcock	Oddie	Stanfield
Colt	Jones, N. Mex.	Overman	Sutherland
Curtis	Kendrick	Pepper	Trammell
Dial	Keyes	Phipps	Wadsworth
Dillingham	Lenroot	Pomerene	Walsh, Mont.
Edge	Lodge	Ransdell	Warren
Fletcher	McCormick	Reed	Watson, Ind.

NOT VOTING—43.

Ball	Gerry	Nelson	Shields
Borah	Glass	New	Shortridge
Bursum	Harris	Newberry	Stanley
Caraway	Harrison	Nicholson	Swanson
Culberson	Johnson	Norris	Underwood
Cummins	Kellogg	Owen	Walsh, Mass.
du Pont	King	Page	Watson, Ga.
Elkins	Ladd	Pittman	Weller
Ernst	La Follette	Poindexter	Williams
Fernald	McKinley	Rawson	Willis
France	Myers	Robinson	

So Mr. STERLING's amendment to the amendment was rejected.

Mr. WALSH of Montana. Mr. President, I inquire if that concludes the consideration of section 315?

Mr. McCUMBER. Section 315 as amended has not been adopted.

The PRESIDING OFFICER. It has not. Does the Senator from North Dakota desire to offer any further amendments to the amendment?

Mr. McCUMBER. No; I ask for a vote upon it.

Mr. WALSH of Montana. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator from Montana will state it.

Mr. WALSH of Montana. As I understand the matter, we have considered the amendments which have been proposed by the committee in the compilation which was printed this morning down to and including the word "entry" on line 12, page 6.

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. WALSH of Montana. I now desire to inquire whether the provisions following that constitute a part of section 315?

The PRESIDING OFFICER. They do not. They are in section 316.

Mr. WALSH of Montana. That was my understanding, Mr. President. I ask for the yeas and nays on the adoption of section 315 as amended.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. EDGE (when his name was called). Making the same announcement with regard to my pair and its transfer as on former ballots, I vote "yea."

Mr. FLETCHER (when his name was called). Making the same announcement as to the transfer of my pair as on former votes, I vote "nay."

Mr. HALE (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

Mr. JONES of New Mexico (when his name was called). Making the same announcement with reference to the transfer of my pair as on previous votes, I vote "nay."

Mr. JONES of Washington (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

Mr. LODGE (when his name was called). Making the same announcement as before as to the transfer of my pair, I vote "yea."

I take this occasion to say that if the Senator from Maine [Mr. FERNALD], who is paired with the Senator from New Mexico [Mr. JONES], were present, he would vote "yea."

Mr. POMERENE (when his name was called). I again announce my pair with my colleague [Mr. WILLIS], who is absent. If I were at liberty to vote I should vote "nay," and he, as I understand, would vote "yea."

Mr. SIMMONS (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

While I am on my feet I wish to announce that the junior Senator from Virginia [Mr. GLASS] is paired with the senior Senator from Vermont [Mr. DILLINGHAM]. If the Senator from Virginia were present and at liberty to vote, he would vote "nay."

Mr. SUTHERLAND (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

The roll call was concluded.

Mr. CALDER (after having voted in the affirmative). I am paired with the senior Senator from Georgia [Mr. HARRIS]. I transfer that pair to the junior Senator from Delaware [Mr. DU PONT] and permit my vote to stand.

Mr. McKELLAR (after having voted in the negative). I notice that my pair, the Senator from Indiana [Mr. NEW], has not voted. I therefore withdraw my vote.

Mr. DILLINGHAM (after having voted in the affirmative). I observe that the Senator from Virginia [Mr. GLASS], with whom I have a general pair, has not voted. I transfer that pair to the junior Senator from North Dakota [Mr. LADD] and allow my vote to stand.

Mr. SIMMONS (after having voted in the negative). Since I announced the transfer of my pair a moment ago, the Senator from Rhode Island [Mr. GERRY], to whom I transferred it, has come into the Chamber. I will therefore transfer my pair with the Senator from Minnesota [Mr. KELLOGG] to the Senator from Georgia [Mr. WATSON] and allow my vote to stand.

Mr. POMERENE. I have just been advised that the senior Senator from California [Mr. JOHNSON], if present, would vote as I would vote, if permitted to vote. I therefore transfer my pair to him and will vote. I vote "nay."

I was requested to announce that the senior Senator from Alabama [Mr. UNDERWOOD] is paired with the senior Senator from Massachusetts [Mr. LODGE]. If the senior Senator from Alabama were present he would vote "nay."

Mr. CURTIS. I desire to announce the following pairs:

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from Minnesota [Mr. NELSON] with the Senator from Massachusetts [Mr. WALSH];

The Senator from Illinois [Mr. McKINLEY] with the Senator from Arkansas [Mr. CARAWAY]; and

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY].

The result was announced—yeas 36, nays 20, as follows:

YEAS—36.

Brandegee	Edge	McCormick	Shortridge
Broussard	Frelinghuysen	McCumber	Smoot
Bursum	Hale	McLean	Spencer
Calder	Harreld	Moses	Sterling
Cameron	Jones, Wash.	Nicholson	Sutherland
Capper	Kendrick	Norbeck	Townsend
Colt	Keyes	Oddie	Wadsworth
Curtis	Lenroot	Pepper	Warren
Dillingham	Lodge	Phipps	Watson, Ind.

NAYS—20.

Ashurst	Heflin	Overman	Simmons
Dial	Hitchcock	Pomerene	Smith
Fletcher	Jones, N. Mex.	Ransdell	Stanfield
Gerry	McNary	Reed	Trammell
Gooding	Myers	Sheppard	Walsh, Mont.

NOT VOTING—39.

Ball	Glass	Nelson	Shields
Borah	Harris	New	Stanley
Caraway	Harrison	Newberry	Swanson
Culberson	Johnson	Norris	Underwood
Cummins	Kellogg	Owen	Walsh, Mass.
du Pont	King	Page	Watson, Ga.
Elkins	Ladd	Pittman	Weller
Ernst	La Follette	Poindexter	Williams
Fernald	McKellar	Rawson	Willis
France	McKinley	Robinson	

So section 315 as amended was agreed to, as follows:

SEC. 315. (a) That in order to regulate the foreign commerce of the United States and to put into force and effect the policy of the Congress by this act intended, whenever the President, upon investigation of the differences in costs of production of articles wholly or in part the growth or product of the United States and of like or similar articles wholly or in part the growth or product of competing foreign countries, shall find it thereby shown that the duties fixed in this act do not equalize the said differences in costs of production he shall, by such investigation, ascertain said differences and determine and proclaim the changes in classifications or increases or decreases in any rate of duty provided in this act shown by said ascertained differences in such costs of production necessary to equalize the same. Sixty days after the date of such proclamation or proclamations such changes in classification shall take effect, and such increased or decreased duties shall be levied, collected, and paid on such merchandise when imported from any foreign country into the United States or into any of its possessions (except the Philippine Islands, the Virgin Islands, and the islands of Guam and Tutuila): *Provided*, That the total increase or decrease of such rates of duty shall not exceed 50 per cent of the rates specified in Title I of this act, or in any amendatory act.

(b) That in order to regulate the foreign commerce of the United States and to put into force and effect the policy of the Congress by this act intended, whenever the President, upon investigation of the differences in costs of production of products provided for in paragraphs 25 or 26 of Title I of this act wholly or in part the product of the United States and of like or similar products wholly or in part the product of foreign countries, shall find it thereby shown that the duties prescribed in this act do not equalize said differences, and shall further find it thereby shown that the said differences can not be equalized by proceeding under the provisions of subdivision (a) of this section, he shall make such findings public, together with a description of the products to which they apply, in such detail as may be necessary for the guidance of appraising officers. In such cases and upon the proclamation by the President becoming effective the ad valorem duty or duty based in whole or in part upon the value of the imported product in the country of exportation shall thereafter be based upon the American selling price, as defined in subdivision (f) of section 402 of this act, of any similar competitive product manufactured or produced in the United States embraced within the class or kind of imported products upon which the President has made a proclamation under subdivision (b) of this section.

The ad valorem rate or rates of duty based upon such American selling price shall be the rate found, upon said investigation by the President, to be shown by the said differences in costs of production necessary to equalize such differences, but no such rate shall be decreased or increased more than 50 per cent of the rate specified in Title I of this act upon such product. Such rate or rates of duty shall become effective 30 days after the date of the said proclamation of the President, whereupon the duties so estimated and provided shall be levied, collected, and paid on such product when imported from any foreign country into the United States or into any of its possessions (except the Philippine Islands, the Virgin Islands, and the islands of Guam and Tutuila). If there is any imported product within the class or kind of products, upon which the President has made public a finding, for which there is no similar competitive product manufactured or produced in the United States, the value of such imported product shall be determined under the provisions of paragraphs (1), (2), and (3) of subdivision (a) of section 402 of this act.

(c) That in ascertaining the differences in costs of production, under the provisions of subdivisions (a) and (b) of this section, the President, in so far as he finds it practicable, shall take into consideration (1) the differences in conditions in production, including wages, costs of material, and other items in costs of production of such or similar merchandise in the United States and in competing foreign countries; (2) the differences in the wholesale selling prices of domestic and foreign merchandise in the principal markets of the United States; (3) advantages granted to a foreign producer by a foreign government, or by a person, partnership, corporation, or association in a foreign country; and (4) any other advantages or disadvantages in competition. Investigations to assist the President in ascertaining differences in costs of production under this section shall be made by the United States Tariff Commission, and no proclamation shall be issued under this section until such investigation shall have been made. The commission shall give reasonable public notice of its hearings and shall give reasonable opportunity to parties interested to be present, to produce evidence and to be heard. Said hearings shall be public. Subject to the foregoing, the commission is authorized to adopt such reasonable procedure, rules, and regulations as it may deem necessary. The commission shall prepare its findings in the case of each proceeding under this section, and the President shall make such findings, hearings, and testimony public as soon as practicable after the issuance of a proclamation under the provisions of this section.

The President, proceeding as hereinbefore provided for in proclaiming rates of duty, shall, when he determines that it is shown that the differences in costs of production have changed or no longer exist which led to such proclamation, accordingly as so shown, modify or terminate the same. Nothing in this section shall be construed to authorize a transfer of an article from the dutiable list to the free list or from the free list to the dutiable list, nor a change in form of duty. Whenever it is provided in any paragraph of Title I of this act that the duty or duties shall not exceed a specified ad valorem rate upon the merchandise provided for in such paragraph, no rate determined under the provisions of this section upon such merchandise shall exceed the maximum ad valorem rate so specified.

(d) For the purposes of this section any coal-tar product provided for in paragraphs 25 or 26 of Title I of this act shall be considered similar to or competitive with any imported coal-tar product which accomplishes results substantially equal to those accomplished by the domestic product when used in substantially the same manner.

(e) The President is authorized to make all needful rules and regulations for carrying out the provisions of this section.

(f) The Secretary of the Treasury is authorized to make such rules and regulations as he may deem necessary for the entry and declaration of imported product of the class or kind of merchandise upon which the President has made a proclamation under the provisions of subdivision (b) of this section and for the form of invoice required at time of entry.

The provisions of this section shall continue in effect and force until July 1, 1924, and thereafter no duties shall be changed except by authority of Congress.

Mr. McCUMBER. Mr. President, I present on behalf of the committee certain amendments to the amendments which have been proposed by the committee, which I ask may be read. I think it will not be necessary to read them all except as they are offered, and I will now offer the first one on the list.

The PRESIDING OFFICER. The Secretary will state the amendment to the amendment.

The READING CLERK. On page 277, line 5, after the word "section," it is proposed to strike out "jurisdiction is hereby conferred upon the executive department or independent establishment of the Government, or both acting in cooperation, which he shall designate," and to insert in lieu thereof the words "the United States Tariff Commission is hereby authorized."

Mr. McCUMBER. Mr. President, I will state generally that subdivision (a) of section 316 provides that unfair methods of competition and unfair acts in the importation of merchandise the tendency of which is to destroy or substantially injure any industry efficiently and economically operated in the United States or to prevent the establishment of such an industry or to restrain or monopolize trade and commerce in the United States is declared to be unlawful. Subdivision 2 of section 316 authorizes the imposition of penalty duties or the prohibition of the importation of particular merchandise for the purpose of preventing unfair methods of competition in such importation. Subdivision (b) as originally reported to the Senate authorized the President to select the agency to investigate any alleged violation of the section. The amendment now offered specifies that the Tariff Commission shall make the investigation.

That, Mr. President, substantially states the purpose of the several minor amendments which I have sent to the desk.

Mr. WALSH of Montana. Mr. President, I express the hope that this section may be disposed of quite speedily. I desire, however, to call attention to one or two features of it, and particularly to explain what the section is about.

Some time ago I summarized the provision as follows:

The President is authorized to inquire into unfair methods of competition and unfair acts on the part of any owner, importer, consignee, or agent of either, in respect to either the importation of any merchandise or the sale of such as is imported, "the effect or tendency of which is to destroy or substantially injure an industry or to restrain or monopolize trade and commerce in the United States," utilizing for such inquiry any existing agency of Government—

Now, the Tariff Commission is the agency to be used—

and finding such method to exist, or acts to have been committed, to impose such an additional duty, not to exceed 50 per cent of that fixed by the bill, as will "offset such method or acts," or, "in extreme cases," he may direct that "as he shall deem the best interests of the United States shall require," such merchandise "shall be excluded from entry," such direction to have the force of law.

I need not say that upon principles of the law frankly conceded upon the other side of the Chamber this section can not possibly be sustained as a constitutional exercise of the power of Congress; but I do not care to debate that matter now. What I want to call your attention to is this: If the Tariff Commission shall find that these unfair practices are being pursued, relief is given to the person whose interests are affected through judicial review. He may go before the Court of Customs Appeals and protest against the decision of the President in the matter, and, if his action is not justified, it may be annulled. He may even go to the Supreme Court of the United States by appeal from the decision of the President in that matter, indicating what I insisted time and again upon this floor, that whenever this delegation of power is given there must be given an opportunity for review in the courts. The principle is acknowledged in this part of the bill; but I pass that.

Whenever the existence of any such unfair method or act shall be established to the satisfaction of the President, he shall determine the rate of additional duty, not exceeding 50 nor less than 10 per cent of the value of such merchandise as defined in section 402—

And then he imposes those duties.

Mr. President, I dare say that the President of the United States is as accomplished a mathematician as the ordinary Member of this body; but how he is going to convert into a rate of duty the offense committed by importers or dealers in imported articles so as to offset by his rate of duty the evil that is thus perpetrated is a problem which I shall not undertake to solve. I merely call attention to the matter in passing.

He may not only impose this speculative duty which is thus arrived at, however, but in extreme cases he may declare that that merchandise shall be excluded from the United States entirely. Just exactly what is an extreme case, or a moderate case, or a mild case, we are left merely to speculate. Of course, this gives to the President the power to impose any duty he sees fit, or to exclude the merchandise altogether if he sees fit. In other words, the discretion vested in the President by section 315 is made perfectly obvious and indisputable under the provisions of section 316.

But that is not the worst of this, Mr. President. You will observe that it provides at the outset:

That unfair methods of competition and unfair acts in the importation of merchandise into the United States, or in its sale by the owner, importer, consignee, or agent of either, the effect or tendency of which is to destroy or substantially injure an industry, efficiently and economically operated—

Are declared to be unlawful, and to be punished or prevented in the manner that is indicated. Of course, that means something in the nature of a continuing custom or practice or regular habit of the people who are engaged in the importation of that particular commodity. Then the President may impose a duty upon further importations. But wait:

We have half a dozen foreign importers engaged in these wrongful acts, and we have half a dozen other importers in this country, highly honorable, reputable business men, who are denouncing these acts, and insist that they ought not to be continued. A duty of anywhere from 10 to 50 per cent is thereupon imposed upon the importation of that kind of commodity, to be paid by the honest, law-abiding importers and merchants engaged in the selling of imported merchandise just exactly the same as by the wrongdoer who gave rise to the action of the President, or, in extreme cases, the man's business is to be utterly ruined when he has been endeavoring to do the best he can to carry on his business in a legitimate and an honorable way.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Ohio?

Mr. WALSH of Montana. I do.

Mr. POMERENE. It can be assumed that these tariff duties, like the rain, fall on the just and the unjust alike.

Mr. WALSH of Montana. I have said all I care to say about this section, Mr. President.

Mr. McCUMBER. Mr. President, I assume, from the standpoint of the Senator from Montana, that the fiction of the Democratic Party still holds good that a Democratic administration can do no wrong, and that any law that is passed by such administration is a very proper law.

In comparison with the powers that are given to the President under section 316, I want to read the power that was given to the President under the law of 1916. Taking section 804 as the standard, it provides:

That whenever any country, dependency, or colony shall prohibit the importation of any article the product of the soil or industry of the United States and not injurious to health or morals, the President shall have power to prohibit, during the period such prohibition is in force, the importation into the United States of similar articles, or in case the United States does not import similar articles from that country, then other articles the products of such country, dependency, or colony.

He is not limited in the selection of those articles. He is not limited in the number of those articles. If you were to give this the broadest construction, if there were three American articles prohibited from entering that foreign country, the President would have a right under this to prohibit anything coming from that foreign country to the United States. Absolutely unlimited was the power given to President Wilson.

Now let us take the next section, section 805:

That whenever * * * the President shall be satisfied that there is reasonable ground to believe that under the laws, regulations, or practices of any country, colony, or dependency contrary to the law and practice of nations—

He is to determine that—

the importation into their own or any other country, dependency, or colony of any article the product of the soil or industry of the United States and not injurious to health or morals is prevented or restricted the President is authorized and empowered to prohibit or restrict during the period such prohibition or restriction is in force, the importation into the United States of similar or other articles, products of such country, dependency, or colony as in his opinion the public interest may require—

Think of that broad power—"as in his opinion the public interest may require"—

and in such case he shall make proclamation stating the article or articles which are prohibited from importation into the United States; and any person or persons who shall import, or attempt or conspire to import, or be concerned in importing, such article or articles, into the United States contrary to the prohibition in such proclamation, shall be liable to a fine of not less than $2,000 nor more than $50,000, or to imprisonment not to exceed two years, or both, in the discretion of the court. The President may change, modify, revoke, or renew such proclamation in his discretion.

Mr. President, no court has challenged that that I know of. It was not a war power, because it was a power given before we entered the war. The provision in section 316 is guarded in every respect as carefully as we have guarded the provisions of section 315 as to the hearings, as to the body which shall furnish the President the information, and so forth.

Mr. SPENCER. Mr. President, I ask that the Secretary read the proposed amendment.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 277 of the bill it is proposed to strike out all of the matter beginning with the word "jurisdiction," in line 5, down to and including the word "designate," in line 8, or the following words:

Jurisdiction is hereby conferred upon the executive department or independent establishment of the Government, or both, acting in cooperation, which he shall designate.

And to insert in lieu thereof the words:

The United States Tariff Commission is hereby authorized.

Mr. SPENCER. Mr. President, up to the present time the Tariff Commission has been confined entirely to research and examination. When it makes its examination into any question which the tariff may eventually affect, either side uses the result of that research for their own information. Sometimes those who are opposed to a protective tariff find much to support their position in the report of the Tariff Commission. Sometimes those of us who believe in a protective tariff find much to support our position.

I want to say that if this amendment carries it means the beginning of the end of the Tariff Commission, because for the first time we will put upon the Tariff Commission the responsibility, not of research, not of investigation, not of furnishing information only, but we will put upon them the responsibility of determining what rates ought to be placed upon any given commodity.

The result will be that when the return of the Tariff Commission on any rate is made and their report comes in from one side or the other of this Chamber there will be opposition. When you inject the Tariff Commission into the political differences over the tariff you spell the beginning of the end of the Tariff Commission. It is proposed to give to them now for the first time the right not only of examination, not only of research, but to themselves announce what they think ought to be the rate. That means that if they venture their opinion with regard to a rate which leans toward a tariff for revenue only, I am against it. It means, on the other hand, that if they announce an opinion which leans toward a protective tariff, men upon the other side are against it, and every action of the Tariff Commission will be either attacked or supported in this Chamber in accordance with the opinions of the Members on the question of the tariff itself. That will end the usefulness of the Tariff Commission.

I have only one thing else to say, and that is that it is a bad policy to allow those who make the investigation by way of research to act at the same time in a judicial capacity to determine what ought to be done, because when a body investigates merely for information they are independent, they do not let the chips fall where they will; they are seeking for light, and they gather the facts as they are and present them.

If you substitute for that condition a Tariff Commission which gathers information and then ventures its opinion, its recommendation, its finding, its fixing of rates, what is the result? The next time the Tariff Commission investigates that subject upon which they have already fixed their rates they are bound to direct their investigation so as to support their findings, and they will have lost their impartial character. They can no longer be depended upon as an impartial body of research and investigation; they will have become a political factor in the making of the tariff, and that will end their usefulness.

Mr. FRELINGHUYSEN. Mr. President, the fundamental rule is laid down as to how these facts shall be found and comparisons made, based entirely upon competitive conditions. How can the Tariff Commission adopt any policy of a tariff for revenue only? The proposition is one based entirely on facts, the differential between two conditions, and it has not resulted in political influence or any particular tariff policy in any other country which imposes tariffs, and places the responsibility of making a rate on a commission where they lay down the fundamental principle upon which the rates shall be levied.

Mr. SPENCER. Does not the Senator see the difference between an impartial, independent commission, which shall gather information and give the result of what they find, and another commission which itself passes upon the rates, and which, of course, must sustain its findings, so that in the latter case all its subsequent research lacks the character of independence and is directed toward the establishment of the correctness of the finding which they have already made? You will change the whole character of the Tariff Commission; you will change it from an independent body of research, of investigation, of information into a political agency, and you will spell the end of the Tariff Commission.

Mr. FRELINGHUYSEN. Will it be any more of a political body than a committee of Congress trying to base their findings upon inaccurate information and upon no rule whatsoever?

Mr. LENROOT. Mr. President, I have no objection to the amendment which has been proposed, but I do want to say a word in connection with the subject matter to which the amendment relates. I agree with the Senator from Montana in his views concerning the validity of the section, and it is not very persuasive to me to say that because a Democratic law gave to the President power which I do not believe Congress had any constitutional authority to give him therefore a Republican proposed law is made valid.

Of course, the chairman of the committee will admit that the sections to which he has referred have never been brought into question, because the President has never exercised the power sought to be conferred by them. I have no question whatever that the Congress has the power, if the President finds that another country has discriminated against us in any way, to authorize him to proclaim an embargo upon the importation of any article exported from that country to this country; but the law which has been referred to permits the President to select articles of merchandise or commodities upon which he may create an embargo and admit others. That, it seems to me, is clearly an exercise of legislative authority, which can not be delegated.

So, under the amendment now proposed, if one importer has indulged in unfair competition, and a finding to that effect is sustained and reported to the President, because one importer has been guilty of wrongdoing the President may fix rates from 10 to 50 per cent ad valorem upon all merchandise, either of that character or any different character.

Mr. REED. Let me ask the Senator whether, in the case he has just put, it would not be much wiser if we provided penalties to be visited upon the particular importer who violated the proper practices, and reach it in that way, instead of reaching it by excluding everybody?

Mr. LENROOT. I think that is the way to reach it. The Senator from Utah has just called my attention to one of the amendments which is intended to be proposed, which will limit it to merchandise imported in violation of this act. Do I understand from the Senator from Utah, then, that it will not be a general rate imposed upon all merchandise but will be a rate imposed upon merchandise imported by a given individual who is guilty of violation of the act?

Mr. SMOOT. That is all there is to it, Mr. President. The criticism the Senator has just offered to the original paragraph is absolutely correct. Under that, if there had been one violation the President could have imposed the extra duty upon all importations, by any and every person, of that kind of merchandise, and that is why the committee is going to offer this amendment.

Mr. LENROOT. I am very frank to say that that very greatly improves the section.

Mr. WALSH of Montana. Mr. President, I merely desire to say, before the vote is taken, that, as remarked by the Senator from Wisconsin, I do not consider it any answer to the objection made to this section to say that at some other time Congress passed another law which was equally obnoxious. Nor do I feel at all subject to the imputation of accepting as within the bounds of the Constitution every act passed by a Democratic

Congress and during a Democratic administration, and finding fault with similar acts passed in a Republican administration.

I have had no opportunity to examine the statute to which the Senator from North Dakota makes reference. In some of its features, at least, it is easily sustained by the case of Field against Clark. I do not undertake to state, however, that it could be sustained by that decision nor that it could be sustained at all. Indeed, in the case of Field against Clark the Supreme Court referred to many statutes which had been passed which seemed to confer upon the President discretionary power. They merely so remarked, without undertaking to say that upon an inquiry into any particular one of those statutes it might not be found to be violative of the Constitution. That seems to be no answer at all to the argument.

The PRESIDING OFFICER. The question is upon agreeing to the amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment to the amendment.

The ASSISTANT SECRETARY. On page 277, line 11, the committee proposes to strike out the words "such department or establishment" and to insert in lieu thereof the words "the commission."

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The Chair desires to suggest that in eight cases the committee proposes to strike out the words "such department or establishment" and to insert in lieu thereof the words "the commission," as follows:

Page 277, line 11; page 277, lines 14 and 15; page 277, line 21; page 278, line 2; page 278, line 12; page 278, line 14; page 278, line 16; and page 279, lines 1 and 2.

Is there objection to agreeing to those amendments to the amendment en bloc? The Chair hears no objection, and they are agreed to. The Secretary will state the next amendment to the amendment.

The ASSISTANT SECRETARY. On page 277, lines 16 and 17, the committee proposes to strike out the words "as may be deemed by such department or establishment" and to insert in lieu thereof "as it may deem."

The amendment to the amendment was agreed to.

The next amendment to the amendment was, on page 279, line 10, to strike out the word "such merchandise" and to insert in lieu thereof "merchandise imported in violation of this act."

The amendment to the amendment was agreed to.

The next amendment to the amendment was, on page 279, line 16, to insert a comma after the word "President."

The amendment to the amendment was agreed to.

The next amendment to the amendment was, on page 279, line 22, to strike out the words "shall find as a fact" and to insert in lieu thereof the words "has reason to believe."

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is upon agreeing to the committee amendment known as section 316 as amended.

Mr. WALSH of Montana. Upon that I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. EDGE (when his name was called). Making the same announcement as before, I vote "yea."

Mr. FLETCHER (when his name was called). Making the same announcement as before as to my pair and transfer, I vote "yea."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "yea."

Mr. LODGE (when his name was called). Making the same announcement as to the transfer of my pair as before, I vote "yea." I take this opportunity to announce that the Senator from Maine [Mr. FERNALD], if present and not paired, would vote "yea."

Mr. POMERENE (when his name was called). I again announce my pair with my colleague [Mr. WILLIS], who is absent. If I were permitted to vote, I should vote "nay." If my colleague were present, he would vote "yea." Being unable to obtain a transfer, I withhold my vote.

Mr. SIMMONS (when his name was called). I have a general pair with the junior Senator from Minnesota [Mr. KELLOGG]. I am unable to obtain a transfer, and therefore withhold my vote.

I wish to announce that the Senator from Virginia [Mr. GLASS], who is paired with the Senator from Vermont [Mr. DILLINGHAM], is necessarily absent. If the Senator from Virginia were present, he would vote "nay."

Mr. SUTHERLAND (when his name was called). Making the same announcement as on the preceding vote with reference to my pair and transfer, I vote "yea."

Mr. SWANSON (when his name was called). I am paired for the evening with the senior Senator from New York [Mr. WADSWORTH]. If he were present, he would vote "yea" and I would vote "nay." I will let this announcement stand for the evening.

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "yea."

The roll call was concluded.

Mr. SIMMONS. I wish to announce that the Senator from Nevada [Mr. PITTMAN] is absent on account of illness in his family. If he were present, he would vote "nay."

I also wish to announce that the Senator from Mississippi [Mr. HARRISON] is necessarily absent. He is paired with the junior Senator from West Virginia [Mr. ELKINS]. If present, the Senator from Mississippi would vote "nay."

Mr. POMERENE. The pair of the senior Senator from Alabama [Mr. UNDERWOOD] has been announced. I was requested to say that if he were present he would vote "nay."

Mr. DILLINGHAM. Making the same announcement as before, I vote "yea."

Mr. JONES of New Mexico. Making the same announcement as on previous votes regarding my pair and its transfer, I vote "nay."

Mr. CALDER (after having voted in the affirmative). Making the same announcement as before with respect to my pair with the Senator from Georgia [Mr. HARRIS] and its transfer, I allow my vote to stand.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from Minnesota [Mr. NELSON] with the Senator from Massachusetts [Mr. WALSH]; and

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Arkansas [Mr. CARAWAY].

The result was announced—yeas 37, nays 16, as follows:

YEAS—37.

Brandegee	Ernst	McLean	Smoot
Broussard	Gooding	McNary	Stanfield
Bursum	Hale	Moses	Sterling
Calder	Harreld	New	Sutherland
Cameron	Jones, Wash.	Nicholson	Townsend
Capper	Kendrick	Norbeck	Warren
Colt	Keyes	Oddie	Watson, Ind.
Curtis	Lodge	Pepper	
Dillingham	McCormick	Phipps	
Edge	McCumber	Shortridge	

NAYS—16.

Ashurst	Heflin	Myers	Sheppard
Dial	Hitchcock	Overman	Smith
Fletcher	Jones, N. Mex.	Ransdell	Trammell
Gerry	McKellar	Reed	Walsh, Mont.

NOT VOTING—42.

Ball	Harris	Norris	Stanley
Borah	Harrison	Owen	Swanson
Caraway	Johnson	Page	Underwood
Culberson	Kellogg	Pittman	Wadsworth
Cummins	King	Poindexter	Walsh, Mass.
du Pont	Ladd	Pomerene	Watson, Ga.
Elkins	La Follette	Rawson	Weller
Fernald	Lenroot	Robinson	Williams
France	McKinley	Shields	Willis
Frelinghuysen	Nelson	Simmons	
Glass	Newberry	Spencer	

So section 316 as amended was agreed to, as follows:

SEC. 316. (a) That unfair methods of competition and unfair acts in the importation of merchandise into the United States, or in its sale by the owner, importer, consignee, or agent of either, the effect or tendency of which is to destroy or substantially injure an industry, efficiently and economically operated, in the United States, or to prevent the establishment of such an industry, or to restrain or monopolize trade and commerce in the United States, are hereby declared unlawful, and when found by the President to exist shall be dealt with, in addition to any other provisions of law, as hereinafter provided.

(b) That to assist the President in making any findings under this section the United States Tariff Commission is hereby authorized to investigate any alleged violation hereof on complaint under oath or upon the initiative of such department or independent establishment.

(c) That the commission shall make such investigation under and in accordance with such rules as it may promulgate and give such notice and afford such hearing, and when deemed proper by the commission such rehearing with opportunity to offer evidence, oral or written, as it may deem sufficient for a full presentation of the facts involved in such investigation; that the testimony in every such investigation shall be reduced to writing, and a transcript thereof with the findings and recommendation of the commission shall be the official record of the proceedings and decision in the case, and in any case where the findings in such investigation show a violation of this section, a copy of the findings shall be promptly mailed or delivered to the importer or consignee of such merchandise; that such findings and decision, if supported by evidence, shall be conclusive, unless a rehearing shall be granted by the commission, or unless, within such time after entry of said decision and in such manner as appeals may be taken from decisions of the United States Board of General Ap-

praisers, an appeal shall be taken from said finding and decision upon a question or questions of law only to the United States Court of Customs Appeals by the importer or consignee of such merchandise; that if it shall be shown to the satisfaction of said court that further evidence should be taken, and that there were reasonable grounds for the failure to adduce such evidence in the proceedings before the commission, said court may order such additional evidence to be taken before the commission in such manner and upon such terms and conditions as to the court may seem proper; that the commission may modify its findings as to the facts or make new findings by reason of additional evidence, which, if supported by the evidence, shall be conclusive as to the facts unless within such time and in such manner an appeal shall be taken as aforesaid upon a question or questions of law only; that the judgment of said court shall be final, except that the same shall be subject to review by the United States Supreme Court upon certiorari within three months after such judgment of the United States Court of Customs Appeals.

(d) That the final findings of the commission shall be transmitted with the record to the President.

(e) That whenever the existence of any such unfair method or act shall be established to the satisfaction of the President he shall determine the rate of additional duty, not exceeding 50 nor less than 10 per cent of the value of such merchandise as defined in section 402 of Title IV of this act, which will offset such method or act, and which is hereby imposed upon merchandise imported in violation of this act, or, in what he shall be satisfied and find are extreme cases of unfair methods or acts as aforesaid, he shall direct that such merchandise as he shall deem the interests of the United States shall require, imported by any person violating the provisions of this act, shall be excluded from entry into the United States, and upon information of such action by the President the Secretary of the Treasury shall, through the proper officers, assess such additional duties or refuse such entry; and that the findings of the President shall be conclusive, unless within 10 days thereafter he shall revoke or modify the same, in which case such revocation or modification shall be conclusive.

(f) That whenever the President has reason to believe that any merchandise is offered or sought to be offered for entry into the United States in violation of this section but has not information sufficient to satisfy him thereof, the Secretary of the Treasury shall, upon his request in writing, forbid entry thereof until such investigation as the President may deem necessary shall be completed: *Provided*, That the Secretary of the Treasury may permit entry under bond upon such conditions and penalties as he may deem adequate.

(g) That any additional duty or any refusal of entry under this section shall continue in effect until the President shall find and instruct the Secretary of the Treasury that the conditions which led to the assessment of such additional duty or refusal of entry no longer exist.

Mr. SMOOT. Mr. President, the amendment on page 279, in line 10, striking out the words "such merchandise" and inserting the words "merchandise imported in violation of this act," was agreed to. I think there ought to be an amendment on page 279, in line 14, after the word "require," by inserting the words "imported by any persons violating the provisions of this act." There is a doubt as to whether the words "such merchandise," in line 12, would refer back to merchandise imported in violation of this act. I ask unanimous consent that we reconsider the vote by which section 316 as amended was agreed to.

The PRESIDING OFFICER. Without objection, the vote by which section 316 as amended was agreed to will be considered as reconsidered.

Mr. SMOOT. I now move to amend by inserting after the word "require" the words "imported by any person violating the provisions of this act."

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. On page 279, in line 14, after the word "require," the Senator from Utah moves to amend by inserting the words "imported by any person violating the provisions of this act."

The amendment to the amendment was agreed to.

Mr. WALSH of Montana. I ask unanimous consent that the roll call just recorded be deemed to apply to the question now pending.

The PRESIDING OFFICER. Without objection, it is so ordered, and without objection section 316 as amended is agreed to. The Secretary will report the next amendment.

The ASSISTANT SECRETARY. Section 317a. In the committee amendment at the foot of page 283, in line 25, the committee now proposes to amend its amendment by striking out the words "such department or independent establishment of the Government as the President may direct," and insert in lieu thereof "The United States Tariff Commission," so as to read:

(b) It shall be the duty of the United States Tariff Commission to ascertain and at all times to be informed whether any of the discriminations against the commerce of the United States enumerated in subsections (b), (c), and (f) of this section are practiced by any country; and if and when such discriminatory acts are disclosed, it shall be the duty of such department or independent establishment to bring the matter to the attention of the President, together with recommendations.

Mr. WALSH of Montana. Mr. President, I have no objection to the amendment, but in the absence of any other explanation I want the Senate to understand what it is they are voting on and for the sake of brevity I refer to a summary of the provisions of section 317 prepared by me some time ago, as follows:

6. The President may impose additional duties, not exceeding 50 per cent ad valorem, on merchandise imported from any country which, with respect to the disposition in or transportation through or reexportation from such country, imposes upon merchandise, being the product of the United States, any charge or burden, or subjects it to any restriction not equally borne by the products of any other country foreign to the offending country, or which places the United States at a disadvantage compared with the commerce of any foreign country, the amount of such additional duties being such as shall be determined by him "to be equivalent to such burdens."

7. If a foreign country, after any such additional duties shall have been proclaimed by the President, shall maintain or increase its discrimination against the commerce of the United States, he may, if he deems it consistent with the interests of the United States, proclaim an embargo against importations from such country into the United States.

8. Any such increase of duties or embargo shall extend to the whole of any foreign country or to a part thereof only as the President shall deem "the public interests require."

9. He may impose new or additional duties upon merchandise imported from any country which unduly or unfairly discriminates against the United States through any export duty or bounty, on production or exportation, or rebate of duties or other preferential allowance, such duties to be in an amount equivalent to the burdens ensuing from such discrimination.

Mr. President, I find it difficult to understand why provisions of this character should be inserted in the bill, not to speak of their legality or illegality. My curiosity is aroused, and I hope it will be satisfied by some member of the committee as to the particular country against which these provisions are aimed. What country is it? We are now at peace and happily likely to be at peace with all the world for a long time to come. God grant it! Why should we put it in a statute that we are afraid that some country is going to discriminate against us, the United States, this great, powerful, wealthy Nation; that some country is going to discriminate against us and in favor of some other country, our rivals in trade. I wonder what country it is against which these provisions are aimed?

Of course, we have commercial treaties with practically every nation on earth, which treaties contain the ordinary favored-nation clause, under which those countries have actually bound themselves by solemn treaty not to do the things which we guard against here. Are we to anticipate that some of these countries are going to violate their treaties with us, and we must thus anticipate their actions and prepare to make reprisals upon them? I had supposed, Mr. President, that after the horrible war through which we have passed we were going to try to cultivate amicable relations with our neighbors and friends and not go around carrying a chip on our shoulders constantly. Of course, the mind will immediately recur to Germany. The German mind may still be filled with rancor toward the people of this country and possibly it is Germany against whom we are thus guarding our people; but, Mr. President, we have a solemn treaty with Germany covering this exact subject. By the treaty ratified by the Senate a year ago it was provided:

That the rights and advantages stipulated in that treaty (the treaty of Versailles) for the benefit of the United States, which it is intended the United States shall have and enjoy, are those defined in section 1 of Part IV and Parts V, VI, VIII, IX, X, XI, XII, XIV, and XV.

Then, turning to Part X of the Versailles treaty, I find the following language:

ARTICLE 264.

Germany undertakes that goods the produce or manufacture of any one of the allied or associated States imported into German territory, from whatsoever place arriving, shall not be subjected to other or higher duties or charges (including internal charges) than those to which the like goods the produce or manufacture of any other such State or of any other foreign country are subject.

Germany will not maintain or impose any prohibition or restriction on the importation into German territory of any goods the produce or manufacture of the territories of any one of the allied or associated States, from whatsoever place arriving, which shall not equally extend to the importation of the like goods the produce or manufacture of any other such State or of any other foreign country.

ARTICLE 265.

Germany further undertakes that, in the matter of the régime applicable on importation, no discrimination against the commerce of any of the allied and associated States as compared with any other of the said States or any other foreign country shall be made, even by indirect means, such as customs regulations or procedure, methods of verification or analysis conditions of payment of duties, tariff classification or interpretation, or the operation of monopolies.

ARTICLE 266.

In all that concerns exportation Germany undertakes that goods, natural products or manufactured articles, exported from German territory to the territories of any one of the allied or associated States shall not be subjected to other or higher duties or charges (including internal charges) than those paid on the like goods exported to any other such State or to any other foreign country.

Germany will not maintain or impose any prohibition or restriction on the exportation of any goods sent from her territory to any one of the allied or associated States which shall not equally extend to the exportation of the like goods, natural products or manufactured articles, sent to any other such State or to any other foreign country.

It would seem as though we were reasonably well safeguarded against discrimination of any kind from Germany.

What other nation might be inspired thus to discriminate against the United States?

I think this amendment calls for some explanation. I ask the chairman of the Committee on Finance if he will not kindly advise us why we ought to vote for this provision?

Mr. McCUMBER. Mr. President, we have had upon our statute books for many years laws relating to discrimination. We have had methods of meeting the discrimination that could be practiced against us. The broadest statute upon that subject I find in the revenue law of 1916, paragraphs 804 and 805, which I have read.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Montana?

Mr. McCUMBER. I yield.

Mr. WALSH of Montana. Those are the sections to which the Senator referred. That statute was passed on September 8, 1916?

Mr. McCUMBER. Yes.

Mr. WALSH of Montana. The war was then going on in Europe, but it was before we had entered the war?

Mr. McCUMBER. Yes; we were not then in the war.

Mr. WALSH of Montana. We were at that time in the midst of serious diplomatic controversies with Germany, however, were we not?

Mr. McCUMBER. Mr. President, I am speaking now simply of the power, not of the advisability of such action.

Mr. WALSH of Montana. Exactly.

Mr. McCUMBER. We had no greater power then than we now have.

Mr. WALSH of Montana. Is that the case? Does not the war power extend to legislation enacted in anticipation of war as well as to legislation which is enacted after the declaration of war?

Mr. McCUMBER. I do not think so. We are not in a war. There may be a war going on in Europe or in other sections of the world to-day, as there is war going on in China, but I do not think the Senator from Montana would contend for a single moment that we could enact legislation under the war powers because of that fact.

I am willing to say that I think in section 317 we are pressing closer to the "twilight zone" of uncertainty as to the constitutionality of the provision than in any other section that has been discussed, but, nevertheless, we have followed to some extent the provisions which are contained in the law of 1890, relating to proceedings in the case of discrimination against the United States, and have kept somewhat short of the power that was granted under the law of 1916.

In a nutshell I can state what the provision is.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Montana?

Mr. McCUMBER. I yield.

Mr. WALSH of Montana. The provisions of the act of 1890 to which the Senator refers are those which were under consideration in the case of Field against Clark.

Mr. McCUMBER. Yes. In that instance, Mr. President, we did fix the rate upon the goods that were to be imported from the country which permitted the discrimination, but the President had to find under that law that there was a discrimination; judgment had to be exercised as to the extent of the discriminatory influences, and a duty was imposed that would meet it. In this instance, in section 317 the President is authorized to impose additional duties on the whole or any part of the imports into the United States from any country which discriminates against our overseas commerce. Those additional duties are limited to the extent of the discrimination, but if the discrimination is maintained and continued the importation of the merchandise may be prohibited entirely.

The provsion for penalizing discriminations against our trade covers all discriminations in that sphere. The first step authorized is the very moderate one of additional duties to be measured by the extent of the damage done to our trade, which is the only limitation provided. If the foreign country does not accord to our commerce that equality of treatment which it is our policy to extend to them, the President then may take more drastic measures and apply an embargo.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota to the amendment of the committee.

Mr. LENROOT. Mr. President, just a word with reference to this proposed amendment. I think this section, quite aside from any constitutional question which may exist—and I think, as stated by the chairman of the committee, it involves the gravest constitutional questions of any of the sections which we have been considering—presents a most dangerous situation for the United States, because if the United States is to enter upon this policy no man can tell where the end will be. For instance, the paragraph beginning at the bottom of page 280 provides that the President shall increase duties—he must increase duties—if any other country enters into a reciprocity arrangement with a third country whereby the goods of such country shall be admitted at a lower rate than the general customs tariff rate in return for the other country admitting the goods of the second country at a lower rate. That is a right upon which the United States has insisted in times past. Such provisions have been found in former Republican tariff bills. But this provision says if any country in the world shall enter into such an arrangement in the future the President of the United States must increase the duties fixed in this bill upon imports from such country.

Then, going to the next paragraph, it is likewise made his duty—no discretion is given and, of course, there could not constitutionally be any discretion—to increase the rate. Again, if any country "imposes upon any product upon its exportation to the United States any duty, charge, restriction, or prohibition whatever which is not equally enforced upon the exportation of such products to every foreign country." So we have the two propositions, namely, if one country through reciprocity arrangements permits another country to let its goods in at a lower rate than its general customs tariff, under this section the President must increase the duties fixed in this bill——

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Montana?

Mr. LENROOT. I yield.

Mr. WALSH of Montana. We ourselves exercise that right with respect to Cuba.

Mr. LENROOT. We do; and I do not know whether Canada, for the purpose of this bill, will be considered as a separate country or not, but England and Canada have such an arrangement whereby imports from Canada are admitted at a rate 20 per cent less than the general customs tariff.

Mr. WALSH of Montana. Mr. President, will the Senator from Wisconsin permit me to make an inquiry of the Senator from North Dakota?

Mr. LENROOT. Certainly.

Mr. WALSH of Montana. I inquire of the Senator from North Dakota if the Committee on Foreign Relations has had this provision of the bill before it?

Mr. McCUMBER. I do not know whether the Committee on Foreign Relations has had the matter before it. The Senator from Massachusetts could probably answer that question. I wish, however, to submit one suggestion to the Senator from Wisconsin.

Mr. WALSH of Montana. If the Senator from Wisconsin will permit me, I should be very glad to interrogate the Senator from Massachusetts on that subject.

The PRESIDING OFFICER. Does the Senator from Wisconsin yield further to the Senator from Montana?

Mr. LENROOT. I yield.

Mr. WALSH of Montana. I inquire of the Senator from Massachusetts if the Committee on Foreign Relations has considered the subject of section 317?

Mr. LODGE. It has not; as a committee, certainly not.

Mr. WALSH of Montana. Has the Senator given his attention to it?

Mr. LODGE. No; I have not.

Mr. WALSH of Montana. Will the Senator permit me to call his attention to it now? It reads as follows:

That the President shall by proclamation specify and declare new or additional duties as hereinafter provided upon the products of any foreign country whenever he shall find as a fact that such country—

Imposes, directly or indirectly, upon the disposition in or transportation in transit through or reexportation from such country of any product of the United States any unreasonable charge, exaction, regulation, or limitation which is not equally enforced upon the like products of any foreign country;

Imposes, directly or indirectly, upon the importation from the United States of any article not the product of the United States any customs, tonnage, or port duty or any other charge, exaction, regulation, or limitation whatever which is not equally enforced upon importation from every foreign country of the like article not being the product of the country whence it is directly imported;

Imposes upon any product upon its exportation to the United States any duty, charge, restriction, or prohibition whatever which is not equally enforced upon the exportation of such products to every foreign country;

We exercise that right with respect to Cuba. We give Cuba a preference over every other country; but if some other country should give a preference to any country it would be the duty of the President to impose additional duties upon all importations from that country. So Great Britain gives a preference duty to all her colonies.

Mr. LODGE. Certainly; but she gets a reciprocal preference, of course.

Mr. WALSH of Montana. Yes.

Mr. LODGE. That takes it out of the favored-nation clause.

Mr. WALSH of Montana. So that Great Britain would immediately become subject to the provisions of this section.

Mr. LODGE. No; Cuba does not come under the favored-nation clause because she makes arrangements with us which she makes with no other country.

Mr. WALSH of Montana. Exactly. She makes arrangements with us. Now, if Cuba should make an arrangement with Great Britain or France better than she makes with us, she would immediately become subject to this.

Mr. LODGE. That would be a violation of the treaty.

Mr. WALSH of Montana. So that Great Britain, in making an arrangement with her colonies, integral parts of the empire, favoring them over us, makes herself amenable to these provisions; does she not?

Mr. LODGE. I should hardly think so, with integral parts of the empire. That does not come within the favored-nation clause.

Mr. WALSH of Montana. All right; let it go some other way. Suppose that Germany and Poland make some reciprocal arrangement for reciprocal trade. There is, as I understand, a customs regulation, or is about to be a customs regulation, among the Balkan States. If Yugoslavia, for instance, should admit goods from Czechoslovakia at a less rate than she does from all the rest of the world, including the United States, she would make herself subject to these provisions, would she not?

Mr. LODGE. No; because I think this affects only nations which come under the favored-nation clause.

Mr. WALSH of Montana. Of course, if we have a treaty with a country, and have the favored-nation clause, that treaty obligates her not to give any nation treatment favored over us, and she would violate that treaty if she did it; but this assumes that she is going either to violate the treaty or else that she has not such a treaty with us.

Mr. LODGE. The favored-nation clause is, of course, disposed of if it is a reciprocal treaty between two countries, because the country with which we make the treaty gives us better terms.

Mr. WALSH of Montana. Exactly; so that she would not violate the favored-nation clause, but she would violate this provision.

Mr. LODGE. I am not sure of that.

Mr. WALSH of Montana. That is the question that I thought perhaps ought to receive the consideration of the Committee on Foreign Relations.

Mr. LODGE. I see, by looking at it, that this applies to every foreign country. It does not interfere with reciprocity treaties, and of course we can not interfere with the treaty-making power.

Mr. WALSH of Montana. It applies to every country that discriminates against us—that is to say, that gives to any nation a more favorable rate of duty than it does to us. Then that country becomes subject to the conditions of this statute.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from North Dakota?

Mr. LENROOT. I yield.

Mr. McCUMBER. Will the Senator from Montana allow me to suggest that it has always been held that a reciprocal arrangement made between two countries, whereby one for due consideration receives special favors from another and pays for them in granting special favors, is not in conflict with the favored-nation clauses of the treaty?

Mr. LODGE. Yes; that is what I said.

Mr. McCUMBER. And therefore, where reciprocity treaties have been made between nations it would not be a discrimination against the United States for the reason that just and proper consideration is supposed to pass between the countries in making those reciprocal arrangements.

Mr. LENROOT. Exactly. Under the other paragraphs that relate to discrimination what the chairman of the committee says is true; but under the paragraph that I am discussing there is not a word about discrimination. Discrimination is not an element. It is merely the fact of whether one country, through reciprocal arrangements, gives to another country lower duties than it gives to us. If it does so, these higher duties must be applied.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Montana?

Mr. LENROOT. I yield.

Mr. WALSH of Montana. I want to add that I am in entire accord with the Senator. The ordinary reciprocal arrangements do not violate the most-favored-nation clause. That is all right; but here comes in a provision, a law of the United States, that if they do that they become subject to this penalty.

Mr. McCUMBER. If it is not a discrimination, of course, then it will not come under the rule which we lay down.

Mr. LENROOT. Where does the Senator find in that paragraph anything about discrimination?

Mr. LODGE. Which paragraph is the Senator now speaking of?

Mr. LENROOT. The paragraph at the bottom of page 280 and at the top of page 281. There are other paragraphs that relate to discrimination, and I quite agree with the Senator that in most cases they would not apply; but in this the flat declaration is made, not if it discriminates but if one country gives to another a lower rate of duty than it gives to us, irrespective of whether it be discriminatory in the law, that the President must raise these duties. There is no escape from that conclusion.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Utah?

Mr. LENROOT. I yield.

Mr. SMOOT. If there were no provision such as this in the paragraph beginning on line 24, page 280, down to and including line 4 on page 281, then, of course, any country could shut out the exportations from the United States to that country. They could virtually exclude them.

Mr. LENROOT. No; that would be a discrimination.

Mr. SMOOT. For instance, suppose a country here—

> Imposes, directly or indirectly, upon the importation from the United States of any article not the product of the United States any customs, tonnage, or port duty or any other charge, exaction, regulation, or limitation whatever which is not equally enforced upon importation from every foreign country of the like article not being the product of the country whence it is directly imported.

In the first place, I want to say that that is a notice to the world that America intends to be treated equally with all other countries. Suppose we do not have it in the law and we allowed those practices——

Mr. LENROOT. You have another paragraph covering discriminations.

Mr. SMOOT. Yes; we do, but it does not cover these particular items, and I do not know whether they would fall in that paragraph of discriminations or not. I want to say to the Senator that this is a discriminatory section written by the Tariff Commission and explained to the committee by the Tariff Commission, who requested that it be made a part of this tariff bill; and, in fact, as has been so often said, this is the first real antidumping provision, the first imposition of penalties upon discrimination against the United States, that we have ever had.

Mr. LENROOT. But does not the Senator see the position in which this puts the United States? The United States insists upon its rights to permit products from Cuba to enter into this country at a rate 20 per cent less than the general customs duties; but by this provision we say to the world that if any other country does what the United States insists it has a right to do, and is doing, the rates in this bill must be increased.

Mr. WALSH of Montana. Mr. President, will the Senator from Wisconsin permit me to make an inquiry of the Senator from Utah?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Montana?

Mr. LENROOT. I yield.

Mr. WALSH of Montana. I wish the Senator would explain what relation this has to the dumping proposition.

Mr. SMOOT. Why, it is a discrimination.

Mr. WALSH of Montana. How is it a discrimination? This refers to governmental acts, and to governmental acts only.

Mr. SMOOT. Certainly it does.

Mr. WALSH of Montana. Dumping, as I understand the proposition, is that certain owners of goods in a foreign country—not the government but the traders in foreign countries—throw their goods upon our market at less than the cost.

Mr. SMOOT. Yes.

Mr. WALSH of Montana. This provision has nothing to do with that condition of things, and I am startled that the Senator from Utah should make any such assertion. It must have been a mistake; it must have been an inadvertence upon his part.

Mr. SMOOT. No, Mr. President, this whole section is a question of discrimination against the commerce of the United States. In the question of dumping I did not refer only to

the paragraph that has been read; I meant the whole section, taken as a whole.

Mr. LENROOT. I am referring now to these two paragraphs. Does the Senator from Utah say that this would be a discrimination on the part of the United States, when it has been repeatedly held that it is not a violation of the favored-nation clause for countries to enter into reciprocal arrangements with each other?

Mr. LODGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Massachusetts?

Mr. LENROOT. I yield.

Mr. LODGE. The favored-nation clause is not violated by a reciprocity treaty, of course.

Mr. LENROOT. No.

Mr. LODGE. I will confess that I have not examined these two clauses before, but as they are worded it seems to me that they would include a reciprocity treaty, and that, I am sure, can not be the intention.

Mr. WALSH of Montana. Mr. President, I want to invite the attention of the Senator to the succeeding paragraph. These paragraphs, as pointed out by the Senator from Wisconsin, do not refer to discrimination. That is covered in the paragraph found on page 281, as the Senator will see, reading as follows:

Discriminates against the commerce of the United States, directly or indirectly—

Mr. LODGE. That clause is a very different thing.

Mr. WALSH of Montana. Wait a minute.

By law or administrative regulation or practice, by or in respect to any duty, fee, charge, exaction, classification—

And so forth. Now we continue:

Or fails to accord to the commerce of the United States treatment equal and equivalent to that accorded to the commerce of any foreign country.

There is no discrimination there at all; but no matter what the consideration, no matter how the reciprocity agreement may be, if the commerce of the United States is not treated just exactly the same as that of the country with which it has the reciprocal arrangement it becomes operative.

Mr. LODGE. But the reciprocal arrangement never has been held, and never can be held, to be a violation of the favored-nation clause.

Mr. WALSH of Montana. Quite right; quite right.

Mr. LODGE. It takes it out.

Mr. WALSH of Montana. Quite right; but, of course——

Mr. LODGE. But I think there ought to be some change in the wording here, because this is so sweeping. It reads:

Imposes upon any product upon its exportation to the United States any duty, charge, restriction, or prohibition whatever which is not equally enforced upon the exportation of such products to every foreign country.

I take that at haphazard. That is not in the ordinary sense a discrimination if they have a treaty with the other country by which they get like or similar advantages themselves. Discrimination exists only when a nation has been treated differently from all other nations which have no reciprocity treaties. It seems to me that clause needs some rewording in order to make it clear. We can not undertake to interfere with reciprocity treaties, of course. We have them ourselves.

Mr. SMOOT. Does the Senator hold that that provision, beginning on line 9 and going down to line 17, on page 281, interferes with our favored-nation clause?

Mr. LODGE. I took the first one, page 280, and the second one and the third one.

Mr. SMOOT. The third is the discriminatory clause.

Mr. LODGE. No; that is the fourth, the one that begins "Discrimination." That seems to be all right; but discrimination is always met where a country receives from another country treatment which is not accorded to countries having no reciprocity treaty, where you are on the same footing. You do not discriminate where there is a reciprocity treaty, because you get an adequate return.

Mr. REED. Would it not cover the question, if in line 21, page 280, the word "unreasonable" were stricken out and the word "discriminatory" inserted? I am seeking simply to illustrate, not to cover the whole case.

Mr. LODGE. Discrimination means, of course, where they discriminate against the country which comes under the favored-nation clause, which a reciprocity treaty does not.

Mr. REED. Would not that cover the question?

Mr. LODGE. I think it would.

Mr. LENROOT. It would if that be inserted in the subsequent paragraph.

Mr. McCUMBER. Before we pass judgment on that I want to say that I am fearful we have overlooked one word in this paragraph. While the word "discrimination" is not used from line 24 down to line 4, on page 281, we are speaking of acts which are discriminatory.

Let us see about it. It reads, beginning on line 19, page 280:

Imposes, directly or indirectly, upon the importation from the United States of any article not the product of the United States any customs, tonnage, or port duty or any other charge, exaction, regulation, or limitation whatever which is not equally enforced upon importation from every foreign country of the like article not being the product of the country whence it is directly imported.

Let us take an illustration. An American buys some silk from Japan, brings it into the United States, and desires to send it on and sell it to Canada or to Great Britain. We do not want Great Britain to make a discriminatory charge against that article simply because it passes through the United States to Canada, which she does not impose upon other countries bringing products not their own through any particular channel to Great Britain. There is no use using the word "discrimination," because that is what we mean when we say that she imposes a duty upon this article not the product of the United States which she does not impose on a like article in like transit from any other country. That very fact is a discrimination.

Mr. LENROOT. Let us take the case cited by the Senator. Here is a house in New York City. It imports silks from Japan, markets them all over the world, and sends them to Canada. Canada gives England a preferential 20 per cent duty, but if a competitor is in London engaged in the same business competing with New York, and Canada gives that 20 per cent preferential duty, which she must under her law, to England, then the duties from England into this country must be increased under this paragraph.

Mr. McCUMBER. Canada and England as to each other are not foreign countries.

Mr. LENROOT. That does not affect the argument.

Mr. WALSH of Montana. It does not affect the situation there, because there is the further provision, as follows:

(j) That when used in this section the term "foreign country" shall mean any empire, country, dominion, colony, or protectorate, or any subdivision or subdivisions thereof (other than the United States and its possessions), within which separate tariff rates or separate regulations of commerce are enforced.

Mr. LENROOT. I believe that settles it.

Mr. REED. I would like to make this suggestion: Since the Senator in charge of the bill says that the language is meant to apply to discriminatory acts, that that is its intent, then why not put the words in and save all this discussion and make it perfectly plain?

Mr. McCUMBER. You can say "discriminate" in doing these things, if you so desire.

Mr. SMOOT. As I understand the Senator from Missouri, he suggests that on page 280, line 21, we strike out the word "unreasonable" and put in the word "discriminatory"?

Mr. REED. Yes. I made that suggestion as a way out. I am not wedded to it.

Mr. WALSH of Montana. Mr. President, that can not have been the purpose of the committee. The committee must have had some other purpose, because the case the Senator from Missouri has in mind is taken care of on page 281. That is, the President is authorized to impose these additional duties whenever any country "discriminates against the commerce of the United States, directly or indirectly, by law or administrative regulations," and so on. So that the committee had two conditions in mind, one of them to be covered by the first part of the section, and the other by the later part.

Mr. LODGE. It is not a discrimination if a reciprocity treaty exists. Discrimination can only apply to the favored-nation clause.

Mr. LENROOT. Mr. President, it seems to me we reach everything we ought to reach if we strike out the paragraph at the bottom of page 280 and lines 5 to 8, page 281, and let the paragraph stand beginning with line 9, reading, "Discriminates against the commerce of the United States, directly or indirectly, by law or administrative regulations or practice, by or in respect to any duty, fee, charge, exaction, classification, regulation, condition, restriction," and so forth, stopping with the semicolon on line 15. It seems to me that if we follow that course we will have gone quite as far as we can go, and quite as far as we ought to go, without creating an international relationship which would be very much to the injury of the United States.

Mr. LODGE. I think, as that wording stands, it would clash with the reciprocity agreements, and I can not see how that can be avoided. That, of course, we can not do. We have reciprocity agreements of our own.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment.

The amendment to the amendment was agreed to.

The next amendment to the amendment was, on page 284, line 6, to strike out the words "such department or independent establishment" and to insert the words "the commission."

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to section 317 as amended.

Mr. LENROOT. I move to strike out, on page 280, all of lines 24, 25, and 26, and on page 281, lines 1 to 8, inclusive. Also on line 15, page 281, to strike out the semicolon and insert a period, and to strike out the remainder of the paragraph. That will leave it applying to all discriminations against the United States.

The PRESIDING OFFICER. The Senator from Wisconsin proposes an amendment to the amendment, which the Secretary will report.

The ASSISTANT SECRETARY. The Senator from Wisconsin proposes to strike out, on page 280, lines 24, 25, and 26, and lines 1 to 8, both inclusive, on page 281, as follows:

Imposes, directly or indirectly, upon the importation from the United States of any article not the product of the United States any customs, tonnage, or port duty or any other charge, exaction, regulation, or limitation whatever which is not equally enforced upon importation from every foreign country of the like article not being the product of the country whence it is directly imported;

Imposes upon any product upon its exportation to the United States any duty, charge, restriction, or prohibition whatever which is not equally enforced upon the exportation of such products to every foreign country.

Then, on line 15, after the word "country," to insert a period and strike out the semicolon and the remainder of line 15, and lines 16 and 17, as follows:

Or fails to accord to the commerce of the United States treatment equal and equivalent to that accorded to the commerce of any foreign country.

Mr. McCUMBER. Mr. President, the provision on line 26 relates to "customs, tonnage, or port duty or any other charge, exaction, regulation, or limitation." But keep in mind these words, "tonnage, or port duty." I do not think that that character of discrimination would be included under the provision from lines 5 to 8, and especially would it not be included under the provision from lines 9 to 15. The first is:

Imposes upon any product upon its exportation to the United States any duty, charge, restriction, or prohibition whatever which is not equally enforced upon the exportation of such products to every foreign country.

The imposition there is upon the product itself. The imposition and the discrimination mentioned in lines 24 to 26, inclusive, is a discrimination by reason of tonnage or port duty upon the vessels of the United States, and, taking lines 9 to 15, the provision covers discriminations against the "commerce of the United States, directly or indirectly." If it stopped there, it might include tonnage duties, and so forth. But it limits it. It says:

Discriminates against the commerce of the United States, directly or indirectly, by law or administrative regulation or practice, by or in respect to any duty, fee, charge, exaction, classification, regulation, condition, restriction, or prohibition, in such manner as to place the commerce of the United States at a disadvantage compared with the commerce of any foreign country.

I am fearful that if we leave out the question of tonnage or port duty it would not be included in either of the others, because the discrimination relates to the duties and to something pertaining to the article itself.

Mr. LODGE. That clause seems to me to be very sweeping. The language there, "duty, fee, charge, exaction," covers all possible port dues or port duties on which reciprocity treaties can be and often are made. It covers everything relating to the commerce of the United States—products, ships, trade, and everything.

Mr. McCUMBER. To make it certain, I should have no objection to having inserted in the portion of the paragraph found between lines 9 to 15 the words "customs, tonnage, or port duties."

Mr. LENROOT. That is all right.

Mr. McCUMBER. We will put that after the word "any" in line 11.

The PRESIDING OFFICER. The first question would be on the amendment of the Senator from Wisconsin to the amendment of the committee.

Mr. McCUMBER. I would suggest that we add, after the word "any," in line 11, page 281, the words "customs, tonnage or port," so that it would read:

Discriminates against the commerce of the United States, directly or indirectly, by law or administrative regulation or practice, by or in respect to any customs, tonnage or port duty, fee, charge, exaction—

And so forth.

Mr. LENROOT. That is all right.

The PRESIDING OFFICER. The question first will be on the amendment proposed by the Senator from Wisconsin to the amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The Secretary will report the amendment proposed by the Senator from North Dakota [Mr. McCUMBER] to the amendment.

The ASSISTANT SECRETARY. On page 281, in the committee amendment printed in the bill, in line 11, after the word "any" and before the word "duty" insert the words "customs, tonnage, or port," so as to read:

Discriminates against the commerce of the United States, directly or indirectly, by law or administrative regulation or practice, by or in respect to any customs, tonnage, or port duty, fee, charge, examination—

And so forth.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on the adoption of section 317 as amended.

Mr. WALSH of Montana. On that I call for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. CALDER (when his name was called). I transfer my pair with the Senator from Georgia [Mr. HARRIS] as before, and vote "yea."

Mr. DILLINGHAM (when his name was called). Making the same announcement as before, I vote "yea."

Mr. FLETCHER (when his name was called). Making the same announcement as to my pair and transfer as on the former vote, I vote "nay."

Mr. LODGE (when his name was called). Making the same announcement as to my pair and its transfer as before, I vote "yea."

Mr. POMERENE (when his name was called). Announcing my pair as heretofore with my colleague [Mr. WILLIS], who is absent, I withhold my vote. If I were at liberty to vote I would vote "nay" and I understand my colleague would vote "yea."

Mr. SIMMONS (when his name was called). I wish to make the same announcement as before with reference to my pair and my inability to secure a transfer. Therefore I withhold my vote. If I were at liberty to vote I would vote "nay."

Mr. SUTHERLAND (when his name was called). Transferring my general pair with the senior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from Delaware [Mr. DU PONT], I vote "yea."

Mr. SWANSON (when his name was called). I am paired for the evening with the senior Senator from New York [Mr. WADSWORTH]. If he were present he would vote "yea" and I would vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "yea."

The roll call was concluded.

Mr. EDGE. Making the same announcement as before, I vote "yea."

Mr. HALE. Making the same announcement as before, I vote "yea."

Mr. NEW (after having voted in the affirmative). I have a pair with the junior Senator from Tennessee [Mr. McKELLAR]. In his absence I transfer that pair to the junior Senator from Michigan [Mr. NEWBERRY] and allow my vote to stand.

Mr. POMERENE. I wish to announce that the senior Senator from Alabama [Mr. UNDERWOOD], who is absent, is paired with the senior Senator from Massachusetts [Mr. LODGE]. If present, the Senator from Alabama would vote "nay."

Mr. CURTIS. I wish to announce the following pairs:

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from Minnesota [Mr. NELSON] with the Senator from Massachusetts [Mr. WALSH]; and

The Senator from Illinois [Mr. McKINLEY] with the Senator from Arkansas [Mr. CARAWAY].

The result was announced—yeas 38, nays 19, as follows:

YEAS—38.

Brandegee	Ernst	McLean	Shortridge
Broussard	Frelinghuysen	McNary	Smoot
Bursum	Gooding	Moses	Stanfield
Calder	Hale	New	Sterling
Cameron	Jones, Wash.	Nicholson	Sutherland
Capper	Kendrick	Norbeck	Townsend
Colt	Keyes	Oddie	Warren
Curtis	Lodge	Pepper	Watson, Ind.
Dillingham	McCormick	Phipps	
Edge	McCumber	Rawson	

NAYS—19.

Ashurst	Harris	Myers	Smith
Dial	Heflin	Overman	Stanley
Fletcher	Hitchcock	Ransdell	Trammell
Gerry	Jones, N. Mex.	Reed	Walsh, Mont.
Glass	Lenroot	Sheppard	

NOT VOTING—38.

Ball	Harrison	Norris	Swanson
Borah	Johnson	Owen	Underwood
Caraway	Kellogg	Page	Wadsworth
Culberson	King	Pittman	Walsh, Mass.
Cummins	Ladd	Poindexter	Watson, Ga.
du Pont	La Follette	Pomerene	Weller
Elkins	McKellar	Robinson	Williams
Fernald	McKinley	Shields	Willis
France	Nelson	Simmons	
Harreld	Newberry	Spencer	

So section 317 as amended was agreed to, as follows:

SEC. 317 (a) That from and after the passage of this act, subject to the provisions of this section, all products when imported into the United States from any foreign country shall be admitted under the provisions of Titles I and II and sections 315 and 316 of this act.

(b) That the President shall by proclamation specify and declare new or additional duties as hereinafter provided upon the products of any foreign country whenever he shall find as a fact that such country—

Imposes, directly or indirectly, upon the disposition in or transportation in transit through or reexportation from such country of any product of the United States any unreasonable charge, exaction, regulation, or limitation which is not equally enforced upon the like products of any foreign country;

Discriminates against the commerce of the United States, directly or indirectly, by law or administrative regulation or practice, by or in respect to any customs, tonnage, or port duty, fee, charge, exaction, classification, regulation, condition, restriction, or prohibition, in such manner as to place the commerce of the United States at a disadvantage compared with the commerce of any foreign country.

(c) If at any time the President shall find it to be a fact that any foreign country has not only discriminated against the commerce of the United States, as aforesaid, but has, after the issuance of a proclamation as authorized in subsection (b) hereof, maintained or increased its said discriminations against the commerce of the United States, the President is hereby authorized, if he deems it consistent with the interests of the United States, to issue a further proclamation directing that such products of said country as he shall deem the public interests may require shall be excluded from importation into the United States.

(d) That any proclamation issued by the President under the authority of this section shall, if he deems it consistent with the interests of the United States, extend to the whole of any foreign country or may be confined to any subdivision or subdivisions thereof; and the President shall, whenever he deems the public interests require, suspend, revoke, supplement, or amend any such proclamation.

(e) The President shall find as a fact the burdens placed on the commerce of the United States by the discriminations aforesaid, and when issuing any such proclamation shall declare therein the new or additional customs duties determined by him as aforesaid to be equivalent to such burdens, not to exceed 50 per cent ad valorem or its equivalent, and shall specify the date upon which such proclamation and any new or additional customs duties declared therein shall take effect, and from and after such date there shall be levied, collected, and paid on the products enumerated in such proclamation when imported into the United States such new or additional customs duties; or in case of products declared subject to exclusion from importation into the United States under the provisions of subsection (c) hereof, such products shall be excluded from importation.

(f) That whenever the President shall find as a fact that any foreign country enforces upon the exportation of any product any export duty, restriction, or prohibition, or grants any bounty on production or exportation, any rebate of duties or any preferential allowance upon exports which unduly or unfairly discriminates against the United States, any products thereof, or consumers therein, he shall by proclamation specify and declare new or additional duties as provided in subsections (b), (d), and (e) upon importation from any foreign country into the United States of the products of any industry which receives any benefit from any such discriminatory provisions aforesaid; and said new or additional duties shall be levied, collected, and paid as provided in such proclamation.

(g) All articles of merchandise imported contrary to the provisions of this section shall be forfeited to the United States and shall be liable to be seized, prosecuted, and condemned in like manner and under the same regulations, restrictions, and provisions as may from time to time be established for the recovery, collection, distribution, and remission of forfeitures to the United States by the several revenue laws. Whenever the provisions of this act shall be applicable to importations into the United States of the products of any foreign country, they shall be applicable thereto whether such products are imported directly or indirectly.

(h) It shall be the duty of the United States Tariff Commission to ascertain and at all times to be informed whether any of the discriminations against the commerce of the United States enumerated in subsections (b), (c), and (f) of this section are practiced by any country; and if and when such discriminatory acts are disclosed it shall be the duty of the commission to bring the matter to the attention of the President, together with recommendations.

(i) The Secretary of the Treasury with the approval of the President shall make such rules and regulations as are necessary for the execution of such proclamations as the President may issue in accordance with the provisions of this act.

(j) That when used in this section the term "foreign country" shall mean any empire, country, dominion, colony, or protectorate, or any subdivision or subdivisions thereof (other than the United States and its possessions), within which separate tariff rates or separate regulations of commerce are enforced.

Mr. McCUMBER. Mr. President, on behalf of the committee I now offer the amendment beginning on line 20, page 6, of the proposed amendment, as printed, which I offered on the 10th of August. I think we can vote on all of those amendments as one. As a new section we propose to insert the following. I desire to say that the amendment starts as follows:

SEC. 317a. (a) That in order to secure information and to assist in carrying out the provisions of sections 315, 316, and 317, it shall be the duty of the United States Tariff Commission, in addition to the duties now imposed upon it by law, to—

We then recite six subdivisions. Those subdivisions incorporate in toto the six which were included in the amendment offered by the senior Senator from New Jersey [Mr. FRELINGHUYSEN]. We have included all of his proposed amendments as to the investigation to be made by the commission and its findings and its report with the exception of subdivision 8, which directed the commission not only to find the facts but also to report a conclusion of its judgment as to what the duty should be to effectuate the difference in the cost of production at home and abroad.

The committee felt that the commission, composed of three members of each of the great political parties, bipartisan, would in all probability approach the subject of what would be a proper duty from entirely different standpoints, and they might disagree entirely as to what the rate of duty should be. We felt that it was not the function of the commission so much to give advice as to what the rate of duty should be, whether it should be protective or nonprotective, as it would be merely its duty to bring to the attention of Congress, the country, and the President, under the powers given him in these sections, those facts which would be proper or necessary in order that the Congress or the President might act judiciously and properly in the matter. I think, as evidenced by the address on yesterday of the Senator from Alabama [Mr. UNDERWOOD], the leader on the other side of the aisle, that both sides of the Chamber are generally in accord with the proposition that the Tariff Commission should not be converted into a tariff-making body, either directly or indirectly.

Mr. FRELINGHUYSEN. Mr. President——

Mr. FLETCHER. Before the Senator from North Dakota concludes——

Mr. FRELINGHUYSEN. Mr. President, am I recognized?

The PRESIDING OFFICER. The Senator from Florida evidently desires to ask the Senator from North Dakota a question. The Chair will wait before recognizing the Senator from New Jersey so as not to take it out of his time.

Mr. FRELINGHUYSEN. Very well.

Mr. FLETCHER. Under the amendment we have adopted we have now given the President the power to fix rates instead of Congress, so the commission now reports to the President?

Mr. McCUMBER. Yes.

Mr. FLETCHER. That, of course, leaves that power where our friends on the other side of the Chamber can justify the carrying out, as they conceive, of their platform pledge to the effect that "We undertake to end Executive autocracy and restore to the people their constitutional government."

Mr. FRELINGHUYSEN. Mr. President, I realize that the hour is very late, and I am going to try to be very brief, indeed. The Senate is fatigued and wishes to end the pending business of the day, and I am going to confine myself to a brief statement.

The writing of the pending tariff bill has been fraught with difficulties never before encountered in the drafting of any previous similar measure. It is being written at a time when the social and economic forces of the world are in a state of constant fluctuation. Material and labor costs are varying day by day. World market conditions are in a chaotic state, and the value of foreign currencies is fluctuating almost as actively as the value of the shares on the stock exchange. And yet it is at this time more than ever before that an expertly drawn tariff which will protect industry and labor in the United States is most essential.

For more than 18 months now Congress has been endeavoring to write such a tariff. It has listened to the conflicting statements of thousands of witnesses. Its committees have been confronted with millions of words of testimony. They have heard honest and sincere representatives of the same types of industries contradict each other, some demanding high and some low duties on the same product. Some have insisted upon retaining the principle of foreign valuation; others have demanded that imports be assessed according to the principle of American valuation. From this maze of claims and counterclaims a bill has been drafted, and during the process of its drafting it has been amended again and again in an effort to meet rapidly changing foreign conditions and the demands of American agriculturists and manufacturers who have presented additional testimony showing the justice of their claims.

This bill has been criticized while the members of the committee have been striving day and night to solve honestly the many problems and to harmonize the conflicting interests. They have tried without exception to do their duty by the great industrial and agricultural interests of this country.

I do not think this criticism is directed at the work of the committee or its conclusions but at the system which compels the drafting of a bill with limited information and conflicting testimony.

Speaking of the system of tariff making—the same as that upon which this bill is framed—Senator Elihu Root during the debate on the Payne-Aldrich bill in 1909 said:

> We have been here for over three months considering and discussing and voting upon the measure of protection that it is necessary to give in order to keep alive and prosperous the business of tens of thousands of corporations engaged in the manufacture and trades affected by the protective tariff. Upon one hand we have garbled statements, upon the other equally garbled and partial statements, and no means of distinguishing the truth. We are under the necessity of proceeding by guesswork, by conjecture, always with dissatisfaction, because we recognize the chance that we have guessed wrong about whose statements came nearest the truth.

One may review in bewilderment the conflicting statements of facts and surmise which have been made in the debates upon the McKinley, Wilson, Dingley, the Payne-Aldrich, and the Underwood tariff measures, and ask himself why it is that the greatest agricultural and industrial nation in the world should permit the continuance of a system wholly inadequate to meet the needs of the tremendous interests which it fundamentally affects. Even those who criticize the legislation recognize the necessity of protection and the passage of this bill. The low rates of exchange and low wages of Europe compel the enactment of immediate legislation to prevent the impairment of our industries through foreign competition. But in its necessity we find a reason for flexible provisions at this time when there is need, perhaps, for continued study of conditions and information thereon—a need, certainly, of changes in rates. Is it impracticable, is it unwise to say that we can not create machinery for remolding and readjusting the rates imposed under the present emergency? Or shall we enact this bill with every rate in it concrete, iron-bound, and ironclad, until Congress can find time in the maelstrom of other public business to rewrite in toto this legislation and correct its inequalities, simply because we have neither the wisdom or common sense to change our system and provide a method wisely to meet changing conditions?

The time has come when Congress should no longer permit the economic stability of this Nation to be seriously undermined by recurrent tariff changes. The people must always decide whether a tariff shall be protective or merely for revenue only. Yet there is no reason, unless it be reason dictated by a desire for political advantage, why Congress should endeavor to discover for itself the basis of values on which duties shall be fixed. By its very nature Congress is unadapted to this work. Scientific investigation of this sort is the field of specialists, of economists, of experts in cost accounting, and the proceedings should be along systematic and scientific lines. In all other branches of the Government Congress has delegated the ascertainment of scientific facts to well-equipped agencies, having a personnel of experts who through training and ability are equipped to make the necessary investigations and to recommend to Congress the action to be taken as a result of such investigations.

Congress recognized the vital necessity for such a body when it created the Tariff Commission in 1916, but unfortunately the Tariff Commission as created was given wholly inadequate powers and insufficient duties. I propose now to remedy that situation by amending the tariff law of 1916 so that the Tariff Commission will be equipped with sufficient powers and enough funds, scientifically and accurately, by investigations and by hearings, to recommend rates that will protect the American agriculturists, wage earners, and manufacturers.

I introduced yesterday an amendment which I intend to propose to the committee amendment now under discussion, and I desire at this time to point out my reasons for presenting the amendment and more fully to explain it; to draw the line, which is clear and definite, at which the committee and I separate on this matter; and to give the Senate an opportunity to pass upon my amendment.

From a cursory examination one might suppose that the differences were unimportant. It is true that if the Senate adopts the amendment of the Finance Committee it will publicly recognize the importance of the part played by conversion costs in the fixing of a rate. And therefore I consider the proposed committee amendment a substantial and important step toward the end I am striving for. However, I sincerely believe that two important features necessary to produce a scientific tariff and to remove the tariff from politics have been eliminated by the committee.

On the 20th of June I addressed the Senate and proposed a change in our tariff-making system. I attempted to point out its weaknesses and insufficiencies and I submitted an amendment to the tariff bill to accomplish what, in my opinion, is not only desirable but absolutely necessary. I submitted my amendment, with slight modification, to the committee, which accepted it in part. Let me now, if I may, analyze the difference.

I attempted in the amendment which I proposed several weeks ago to lay the foundation for a scientific tariff. It may be asked, What is a scientific tariff? My answer is, one based upon fundamental and accurate facts. And how is a scientific tariff to be obtained? First, by declaring a fundamental policy; second, by imposing upon the Tariff Commission the powers and duties to ascertain the facts necessary to carry out that policy; third, by an accurate and careful analysis of those facts so that we may reach a safe and reliable conclusion from them; and fourth, by the recommendation of a rate of duty called for by the facts.

The amendment which I proposed several weeks ago provided that, on a certain fundamental plan, the governmental agency which is empowered to collect the facts which are utilized by Congress for tariff making should have additional power of investigation and survey. It laid down the fundamental principle upon which these facts should be collected. To-day in the powers given to the President he has been limited to an investigation of production costs; but in order to obtain that information the Tariff Commission must have certain powers conferred upon them; and naturally they must begin with an investigation of the conversion costs. In order to ascertain the cost of production, conversion costs must be studied.

"Conversion cost" is not a new term. It is recognized and used every day by the economist, the cost accountant, and the manufacturer. The conversion cost of a manufactured product is the cost of converting a less finished article into that product. It includes each and every cost incurred, except the cost of the material converted. It differs from production cost chiefly in the fact that cost of production includes the cost of the materials converted. It may be asked, "Why do I insist on ascertaining conversion cost?" Some may contend that the conversion costs desired will be obtained by merely getting the cost of production. A simple explanation will be sufficient. In ascertaining costs of production in a class of merchandise of varying qualities and within one tariff classification, the commission would necessarily select representative articles within that class, ascertain their cost of production, and submit their conclusions based on the differences in those ascertained costs of production. The conversion costs which they would ascertain would be limited to the conversion costs of the articles selected, and would not embrace the conversion costs generally found in the production of similar articles.

Conversion costs will establish the difference in labor costs. That is why I specify it as an essential item to be determined and considered in reaching the proper rate of duty.

However, in the building of a tariff rate there are other conditions besides the difference in the conversion costs. For example, if the American manufacturer must pay a higher price for his materials a rate which will merely equalize the difference in conversion costs will not adequately protect the American industry. It is for this reason that the Tariff Commission should be empowered and directed to ascertain costs of production, for when the material costs are different those differences must also be equalized. Bear in mind, however, that we are not concerned with the differences in the value of the raw material in the article, but only in the differences between the prices which the domestic manufacturer and the foreign manufacturer must pay for that raw material.

Every experienced person realizes that conversion costs and costs of production can not be accurately ascertained in every case, and even though they may be ascertained, we are interested in another set of facts in order to make our comparison more accurate—the difference between the import cost of the foreign article and the American wholesale selling price of the similar domestic article. We need a running index of these statistics, so that we will have a source of current information to which we will have a daily reference.

But a rate of duty can not be and never will be determined by mathematical computation. Let us assume that we are favored with all of the above facts which we have directed the commission to get for us. Our rate will not be fair and equitable unless we bore deeper into existing conditions. There is also the element, uncertain but which should always be considered, of the conditions of competition.

What do I mean? I will cite one illustration, and that is that Germany imposes an export duty. That export duty is reflected in the import cost; yet, if we base a tariff upon that

condition, Germany or any other country imposing a similar export duty—and many of them do—could lower that duty and drive their goods under the tariff rates which we impose.

Again, foreign countries may give bounties or preferences. So governmental or private monopolies may control the foreign production or distribution. A cartel or other form of organization may directly or indirectly control prices and dictate buying agreements. Practices which we call unfair methods of competition may be resorted to by the foreigner. All of these must be considered if they exist, and candidly, Mr. President, I am just as fearful of these as I am of any possible difference in cost of production.

In passing I wish to pay a compliment to the Tariff Commission, because I think, with the equipment and appropriations provided, they have done exceptionally well. I wish to say that the commission in giving us information from time to time were circumscribed because they did not have sufficient power or sufficient personnel or sufficient appropriations to ascertain and furnish all the facts. So we have included in this measure provisions to vitalize and to make virile that fact-finding body. The committee, after considering that proposition, included those powers as set forth in the amendment which I had offered, and they have submitted it to the Senate. I am very glad they have done so, because I believe it marks a step in advance in the direction of scientific tariff making.

Now, Mr. President, I come to the point at which the committee and I differ. The committee have agreed with me that we must get these facts, but they differ with me in that they are unwilling to have the Tariff Commission analyze the facts and state their recommendations. They are unwilling that the Tariff Commission transmit their recommendations periodically; in other words, that they report to Congress what the rate should be, based upon this fundamental plan or rule. Time and again, after the tariff experts had put analyses on the blackboard and read to us their survey, they and the tariff commissioners were asked by the puzzled members of the committee, "Well, what do you think the rate should be?" Their reply almost invariably was, "It is not the function of the Tariff Commission to make rates." They could not tell us what the rates should be, although they had all the facts and the surveys upon which to base the differential rates. The committee have not included the provision that the Tariff Commission shall report to Congress their conclusions as to what the rates of duty should be. I think that that is very essential.

Let us examine these propositions. Mr. President, in my opinion the expert who is familiar with his subject, who has studied and analyzed the facts, who has prepared an exhaustive survey of the conditions, should take the additional step of advising us what his conclusion is. I support this proposition for two reasons: First, I do not believe that he can present all of the facts in a manner which will permit one of us to grasp them unless he indicates the result toward which they point, and, secondly, we need his conclusions. If we do not get his recommendations we will be but little better off than we are to-day, for we will be buffeted and torn by the demands of special interests and political expediency. If we do get the facts and the recommendation, the questions at issue when the Congress is called upon to determine the rate will be (1) are the facts accurate? and (2) is the recommendation supported by the facts? Thus, Mr. President, the American manufacturer, the American importer, and the American consumer, all three of whom we now hear, will know what they must do and what facts they must present. It would be reckless as to consequences for Congress to fix a rate not based on facts. I verily believe that by far the greater majority of the persons appearing before us are fair and honest in their convictions. They want a rate which will permit them to carry on a normal, conservative business, and which will permit their neighbor to carry on that same kind of a business. They will be given an opportunity to present their facts to the Tariff Commission. They will know the facts which the commission has found to exist. They will prepare themselves accordingly, and if the findings are fair they will be satisfied. This, Mr. President, is what I mean by taking the tariff out of politics.

Everyone realizes that our conditions to-day are strained, uncertain, fluctuating. Everyone must realize that a tariff must be based upon the facts as we find them to-day. What these facts will be six months from now no power on earth can determine. But, Mr. President, conditions are always changing. This abnormal period has merely accentuated this fact. Consequently, I firmly believe that we must have a tariff system which will permit of a change to meet the facts of to-morrow. When these facts differ very materially from the facts upon which we have determined a rate we must be able to adjust that rate to meet the new conditions, and we must not be forced to wait for a general tariff revision.

I propose to provide a means for a revision of a schedule or a group of rates if it is found that such revision is necessary, fair, and just. That is why I provide that the commission report to the Congress every six months the results of their investigations completed at the time of the report.

Mr. President, I wish to say that there are two other provisions which the committee eliminated which I think very essential. Those who serve on the Tariff Commission are now receiving $7,500 a year. Their compensation should be increased proportionate to the additional burdens and responsibilities placed upon them by this bill in furnishing facts to the President and enlarging their research and study. In order adequately to administer the provisions of my amendment, it is absolutely essential that we have a Tariff Commission composed of men of the highest experience and ability. The Congress must have confidence in them, the public must have confidence in them, the American producer must have confidence in them. The commission must be given money necessary to employ experts of the highest class to make the investigations.

We pay the commissioners of the Interstate Commerce Commission $12,000 a year for supervising property worth $19,000,000,000. Upon the Tariff Commission will be placed the responsibility of very directly influencing the interests of every individual in this country and of a business involving an annual turnover of $65,000,000,000. They must have sufficient funds, their power must be clearly defined, and their duties must be imposed in specific and unequivocal terms.

I think there should be provided an appropriation of $1,000,000 for the use of the Tariff Commission, so that they may efficiently carry out the provisions of the legislation which we have adopted to-day. They have never had enough money to make their researches. If it is going to be a body of any use whatsoever, they should have sufficient appropriations to perform the task assigned to them. The amount of revenue to be derived under this bill will be from $300,000,000 to $400,000,000. Can we not expend one-third of 1 per cent in administration?

If this amendment shall be adopted, we will take the first advance step in removing the tariff from the realm of political discussion. Tariff duties require a close study of economic conditions. Other nations, powerful commercially, recognize this principle, and their tariff imposts are changed to meet varying conditions by vesting the power to effect readjustments in commissions and not in the parliamentary bodies.

Reforms come slowly and only through evolutions caused by necessity and public demand. For years we were without a Budget system. The powers vested in the Interstate Commerce Commission, Shipping Board, Federal Trade Commission, all were a recognition of our growth and development as a great Nation. Nothing will be so widely commended by the people of the country as a change in our system of tariff making, providing for a more scientific and accurate method of imposing tariff duties.

Mr. President, I offer an amendment which empowers the Tariff Commission, after finding the facts under the rule which has been reported by the committee, to furnish periodically to the Congress information as to their conclusions of what rates should be founded upon those facts.

The PRESIDING OFFICER. The Senator from New Jersey proposes an amendment to the amendment offered by the Senator from North Dakota, which the Secretary will report.

The ASSISTANT SECRETARY. On page 8 of the printed amendment of the Senator from North Dakota, after line 13, it is proposed to insert a new subdivision, to read as follows:

(c) Not later than December 1, 1923, and at least once every six months thereafter, the commission shall report to Congress the results of the investigations completed at the time of the report, showing—

(1) The conversion costs in the United States;

(2) The conversion costs of articles imported into the United States;

(3) The differences between such conversion costs;

(4) The costs of production in the United States and in competing foreign countries;

(5) The scope and methods of the investigations for ascertaining or determining and the items of cost included within such conversion costs and costs of production;

(6) The difference between import costs and selling prices, ascertained in accordance with the provisions of subdivision (a) of this section;

(7) The differences in competitive conditions in the principal markets of the United States; and

(8) The rate or rates of duty which it deems necessary to equalize such differences in conversion costs, import costs, and selling prices, and in such competitive conditions the proper classification and whether the duty should be specific, ad valorem, or ad valorem and specific.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from New Jersey to the amendment of the Senator from North Dakota.

Mr. FRELINGHUYSEN. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. LENROOT. Mr. President, I merely wish to say a word in connection with the amendment proposed by the Senator from New Jersey. I do not see how there can be any possible objection to Congress having all the information possible and all the conclusions possible from the Tariff Commission. Congress does not have to accept a single one of them unless it chooses to do so. It seems to me that this amendment is very desirable.

Mr. McCUMBER. Mr. President, let me state that we provide for all the information in what we have already adopted.

Mr. FRELINGHUYSEN. Mr. President, I want to say that that is not provided for unless it is asked for by Congress. This provides that periodical reports shall be made to Congress.

The PRESIDING OFFICER. The question is on the amendment of the Senator from New Jersey to the amendment of the Senator from North Dakota, on which the yeas and nays have been demanded and ordered. The Secretary will call the roll.

The Assistant Secretary proceeded to call the roll.

Mr. EDGE (when his name was called). Making the same announcement as to my pair and its transfer, I vote "yea."

Mr. FLETCHER (when his name was called). Making the same announcement as on the former vote as to my pair and its transfer, I vote "nay."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "yea."

Mr. LODGE (when his name was called). Making the same announcement of my transfer as before, I vote "nay."

Mr. MYERS (when his name was called). I have a pair with the Senator from Connecticut [Mr. McLEAN], who is absent, and therefore withhold my vote.

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. DILLINGHAM. Making the same announcement as before, I vote "nay."

Mr. SIMMONS. I have a general pair with the junior Senator from Minnesota [Mr. KELLOGG], who is absent. I am unable to get a transfer. I therefore withhold my vote.

Mr. SUTHERLAND. Making the same announcement as on the previous vote with reference to my pair and its transfer, I vote "yea."

Mr. POMERENE. Again announcing my pair with my colleague [Mr. WILLIS], I refrain from voting. If I were at liberty to vote I should vote "nay," and I understand that he would vote "yea."

Mr. GERRY. I desire to announce that on this vote the Senator from Virginia [Mr. SWANSON] is paired with the Senator from New York [Mr. WADSWORTH].

Mr. CURTIS. I desire to announce the following general pairs:

The Senator from Illinois [Mr. McKINLEY] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from Minnesota [Mr. NELSON] with the Senator from Massachusetts [Mr. WALSH];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON]; and

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON].

The result was announced—yeas 18, nays 34, as follows:

YEAS—18.

Ashurst	Hitchcock	New	Sutherland
Capper	Jones, Wash.	Norbeck	Townsend
Edge	Kendrick	Pepper	Warren
Frelinghuysen	Lenroot	Rawson	
Hale	Moses	Sterling	

NAYS—34.

Brandegee	Ernst	McKellar	Smith
Broussard	Fletcher	McNary	Smoot
Bursum	Gerry	Nicholson	Stanfield
Calder	Gooding	Oddie	Stanley
Cameron	Heflin	Overman	Trammell
Colt	Keyes	Phipps	Walsh, Mont.
Curtis	Lodge	Ransdell	Watson, Ind.
Dial	McCormick	Reed	
Dillingham	McCumber	Sheppard	

NOT VOTING—43.

Ball	Harris	Nelson	Simmons
Borah	Harrison	Newberry	Spencer
Caraway	Johnson	Norris	Swanson
Culberson	Jones, N. Mex.	Owen	Underwood
Cummins	Kellogg	Page	Wadsworth
du Pont	King	Pittman	Walsh, Mass.
Elkins	Ladd	Poindexter	Watson, Ga.
Fernald	La Follette	Pomerene	Weller
France	McKinley	Robinson	Williams
Glass	McLean	Shields	Willis
Harreld	Myers	Shortridge	

So Mr. FRELINGHUYSEN'S amendment to Mr. McCUMBER'S amendment was rejected.

Mr. FRELINGHUYSEN. Mr. President, I offer the amendment which I send to the desk. I do not think there will be any objection to it.

The PRESIDING OFFICER. The Senator from New Jersey proposes an amendment to the amendment proposed by the Senator from North Dakota, which will be stated.

The READING CLERK. On page 6 of the printed amendment proposed by the Senator from North Dakota, on lines 20, 21, and 22, it is proposed to strike out the words—

To secure information and to assist in carrying out the provisions of sections 315, 316, and 317—

And to insert in lieu thereof the following:

That the President and the Congress may secure information and assistance.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from New Jersey to the amendment of the Senator from North Dakota. [Putting the question.] The "noes" seem to have it.

Mr. FRELINGHUYSEN. Mr. President, I ask for a division. There can be no objection to this amendment. If these provisions should be declared unconstitutional I think all of these powers which are given to the Tariff Commission, which are essential and useful, might fall with the fact that those provisions were unconstitutional.

Mr. WALSH of Montana. Mr. President, I hope the amendment now proposed by the Senator from New Jersey will prevail. It seems a very sensible one. The amendment proposes that the Tariff Commission shall be invested with certain additional powers which are to be used only by the President under the provisions of sections 315, 316, and 317. The Senator from New Jersey proposes that whatever information they gather shall likewise be available to the Congress of the United States. Why should it not be?

Mr. WATSON of Indiana. Is not that the present law?

Mr. WALSH of Montana. No.

Mr. McCUMBER. Yes; it is.

Mr. WALSH of Montana. The amendment offered by the Senator from New Jersey expands the powers of the commission as they exist under the existing law. They are to do other things; they are to gather other information which, by the terms of the amendment, is to be used only by the President of the United States.

Mr. WATSON of Indiana. The Tariff Commission is established by an organic act, and by that act——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Indiana?

Mr. FRELINGHUYSEN. I yield; yes.

Mr. WATSON of Indiana. By that act certain powers are conferred upon it; and when we add to those powers, of course the authority or the express command to report to the President or to Congress once a year attaches to the new information. I do not suppose there can be any doubt about that. I have not any objection to it, because I think the power already exists.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from New Mexico?

Mr. FRELINGHUYSEN. I yield to the Senator from New Mexico.

Mr. JONES of New Mexico. I suggest that on line 20, page 6, after the word "That," we could strike out "in order to secure information and to assist in carrying out the provisions of sections 315, 316, and 317." That would leave the Tariff Commission free to gather this information for whatever lawful purpose it may be used, and it ought not to be restricted to carrying out the provisions of these three sections with which we have been dealing to-day. In fact, in section 315 we have provided what information should be gathered for the purpose of enabling the President to make his changes. We provided there just what should be done. Now, why restrict the provisions of this section to getting information in order to assist in carrying out the provisions of sections 315, 316, and 317? If those words are stricken out it will accomplish the purpose which the Senator from New Jersey has in mind, as I understand.

The PRESIDING OFFICER. The Senator from New Jersey asks for a division on his amendment.

On a division, the amendment to the amendment was agreed to.

Mr. FRELINGHUYSEN. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT SECRETARY. On page 9 of the printed amendment, after line 25, the last line in the amendment, it is proposed to insert a new subdivision, to read as follows:

(g) The first sentence of section 701 of the revenue act of 1916 is amended to read as follows:

"SEC. 701. That each member shall receive a salary at the rate of $10,000 per annum."

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from New Jersey to the amendment of the Senator from North Dakota.

The amendment to the amendment was rejected.

Mr. FRELINGHUYSEN. Mr. President, I offer the amendment which I sent to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT SECRETARY. On page 9, after line 25, or at the end of the amendment proposed by the Senator from North Dakota, it is proposed to insert the following:

(h) In addition to the appropriations now available, there is hereby appropriated the sum of $1,000,000, out of any money in the Treasury not otherwise appropriated, for the payment of salaries and expenses of the United States Tariff Commission in carrying out the provisions of this section and of Title VII of the revenue act of 1916, including the actual traveling expenses and per diem allowances of any member, officer, expert, examiner, clerk, or other employee of the commission when engaged in the performance of duties in any place other than his headquarters office, the purchase of samples, apparatus, mechanical devices, supplies, equipment, furniture, stationery, law books, books of reference, periodicals, and such other articles as may be necessary.

Mr. SMOOT. All I wish to say is that this ought to come through the regular channels and an appropriation be made in the regular way.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Jersey to the amendment.

The amendment to the amendment was rejected.

Mr. JONES of New Mexico. Mr. President, by the action which we have taken to-day we have given recognition to a very important principle, and that is that there probably would arise an occasion where there should be a modification of the general tariff laws. We have provided that the President under certain circumstances may make such a modification. I submit that the Congress should not abandon its function in this regard. There is no question but what cases will arise from time to time where the tariff laws should be modified. Conditions are changing rapidly, and even in ordinary times—in times of peace—new industries arise and there should be a modification of our tariff laws. Congress should not surrender its duty in the premises. It should see to it, whether the President does or not, that changes are made which the necessities of the cases which arise demand.

The country is tired of general tariff revisions. Prior to the war there was a growing sentiment in favor of what was called a scientific tariff, in favor of some provision which would tend to take the tariff out of politics. Conditions have been so changed by reason of the World War that we have much more now to think of than we have ever had before. Prior to that war we could direct our attention solely to the protection of American industry. It was a relatively simple process to frame a general tariff law; but in these times, when conditions have changed, when we have to consider world conditions, we must exercise more care, and the problems are more complex.

So we want to deal with these situations in an intelligent way. I submit, Mr. President, that there is no ironclad rule which can be laid down for the framing of a tariff from any point of view—the protectionist point of view, the revenue point of view, or any other.

We have delegated to the President of the United States the power to change the tariff rates upon a certain basis. We have fixed that rule. We have restricted it to the difference in the cost of production in the United States and abroad. On Tuesday of this week I discussed the subject at great length, and I am not going to discuss it to-night except briefly. I want merely to suggest the reasons why that ironclad rule can not be applied.

In the first place, it is difficult to ascertain the costs of production in the United States as to any one industry. I called attention on Tuesday to the fact that in the cattle business you could not tell how much the cost of raising meat was, you could not tell the cost of the production of the hide, and the producer of the cattle does not care how much of the cost you allocate to the one or to the other, when you come to fixing the tariff upon meat, or when you come to fixing it upon hides. It is the same with every commodity, you can not tell how much it costs to produce wool, you can not tell how much it costs to produce mutton. There must be an arbitrary allocation of the cost. I discussed that at some length.

The very first item in this bill—acetic acid—is one of three products of an industry—charcoal, alcohol, and acetate of lime. They are three products coming from the same process of production. How much can you say the alcohol costs, how much the charcoal costs, how much the acetate of lime costs?

So I say that in all the vast industries of this country, there are but relatively few items where the exact cost of production can be ascertained. What is the by-product of one industry is the primary product of another industry, and so on.

I pointed out how in the production of sugar, according to the Tariff Commission reports, the cost varied from $53 a ton to $155 a ton. How can any man say what the cost of production of sugar is, with these different factories varying so greatly as to their cost?

So in every other line of industry, where will you draw the line? What will you say is the cost? Somebody must average the cost. There must be discretion used, and who shall use it? Certainly you can not allocate that power to any other agency whatsoever. It is the duty of Congress to do it.

The Senator from Wisconsin insisted upon inserting the ironclad rule, so far as the President was concerned, because he said that if you do not fix the rule the act would be unconstitutional. I think he was right. I think he very much helped the bill, so that it may be held constitutional with respect to the exercise of these powers by the President. It is an ironclad rule. In my judgment, it is unworkable. In my judgment, the President of the United States will probably never exercise it, because it is not workable. It can not be exercised, in my judgment, according to the literal language which you have written into the law. But the Congress of the United States had the power to look into all the conditions surrounding the industry. It can exercise its judgment, its discretion; and just imagine the information it must have.

Does not the Congress want further information than as to the mere difference in the cost of conversion? Do you not want to know something about the industry itself? Do you not want to know whether it is an industry which ought to be fostered by the Government or not? What are its promises? Is it an efficient industry? Is its organization so interlocked as to create monopolies? You want to investigate industry not only in the United States but in foreign countries so far as you may.

You can not limit that inquiry to mere costs. There are industries in this country which spring up and manufacture a small quantity of a given article at a high cost. Are you, by an ironclad rule, going to say that the President or the Congress will fix a tariff so as to equalize that cost, whether the industry ought to be fostered or not?

Should there not be some provision or way whereby the information should be gathered and brought before the Congress of the United States to enable it to exercise its judgment?

Mr. REED. Mr. President, in talking about arriving at the difference in the costs abroad and in this country, I call the Senator's attention to the fact that the costs in no two factories are equal, and that if we equalize the costs so as to protect the inefficient factory, or the least efficient, then you burden the American people with the payment of enough tax to make up for the inefficiency of the least efficient of the American factories. There is no such thing as an equality of costs here. There is no such thing as an equality of costs abroad. There can be no equalization.

Mr. JONES of New Mexico. The Senator is quite right; and the costs in the different countries abroad vary as well.

Mr. REED. Certainly.

Mr. JONES of New Mexico. Mr. President, I do not think I need discuss this question longer. I discussed the matter at considerable length on Tuesday. My proposal amounts to this, that there shall not only be an ascertainment of competitive conditions, generally speaking, but that there shall be an investigation of the industries themselves, to determine their organization, their capitalization, their efficiency, whether they are located properly so as to produce at a reasonable cost, and whether there is such an interlocking of interests that there is no competition in the industry. Congress should have all that information, and the Tariff Commission, after ascertaining these facts, should report those facts to the Congress, and it should make recommendations as to what it thinks ought to be done. But in all this range of inquiry, after you get the facts, you have to have some agency to exercise discretion, to exercise judgment, and it is my belief that the Congress of the United States alone has the power, and if it has not alone the power, it is the only body which ought to exercise any such power.

We can size up the situation, take into consideration all the facts, whether we want to encourage the industry or not, whether it promises well for the future or not. That is what my amendment proposes, that the Tariff Commission shall make

these investigations, shall make its recommendations to Congress, shall in its recommendations state the facts upon which those recommendations are based, and then Congress may accept them or not, as it sees fit.

I want to make this prediction, that whenever the Tariff Commission, backed by experts, brings in such a report, fortified by the facts, and tells what the consequences of the recommended rates will be upon the industry, there will be little politics in passing upon such acts of such a commission.

In my humble judgment, the people of the country want to get the tariff out of politics. They want to have it treated as an economic proposition. We must deal with the world. We want any tariff which will take into consideration not only the protection to industry, but we want to take into consideration the revenues of the country, the cost to the consumer, and our international trade. We want to take all those things into consideration.

So, Mr. President, I am going to offer the amendment which I have here in lieu of the section proposed by the committee. The provisions in the section here are not objectionable at all, but the amendment which I propose embodies them in a little different language and makes them more consecutive in the reading. In the amendment which I have to offer I have revived the present powers of the Tariff Commission and extended them, and that is why so many sections of the Tariff Commission act are in it.

In the first section of the amendment there is only one change, and that is in line 8, to insert the words "and their effect upon the export commerce." That section is the same as in the present law, with that exception.

Section 7 is the same as the present law, except that under the present law those powers are made permissive only. My proposal is to require that they shall be exercised. The principal point in that section is that they must ascertain the consumption of the article in the United States and the exports and imports. Under the present law that is permissive only.

Paragraph (c), on page 2, is a new provision entire. There is nothing of that under the present law at all. That is a provision to investigate industry.

The next paragraph, (d), is to investigate foreign industries in the same way.

Section 703 makes it the duty of the commission to analyze the import trade and show what imports by reason of their nature, quality, class, and so forth, supplement in the domestic market the articles produced here.

Section 704 requires a report annually to Congress on the first Monday of December of cases which in the judgment of the commission have met with such changes as to require a substantial reduction or increase of the tariff duty.

The next paragraph (b) requires them to recommend rates to the Congress of the United States.

I had a provision in here the same as that suggested by the Senator from New Jersey [Mr. FRELINGHUYSEN] increasing the appropriation for the Tariff Commission, but that I shall strike out because the Senate has already voted upon it.

Mr. President, I offer this in lieu of the section as proposed by the committee.

The PRESIDING OFFICER. The amendment in the nature of a substitute proposed by the Senator from New Mexico to the amendment will be read.

The Assistant Secretary read as follows:

That sections 702, 703, 704, and 705 of Title VII of the act of Congress approved September 8, 1916, entitled "An act to increase the revenue, and for other purposes," be, and the same are hereby, amended to read as follows:

"SEC. 702. That it shall be the duty of said commission:

"(a) To investigate the administration and fiscal and industrial effects of the customs laws of this country now in force or which may be hereafter enacted, the relations between the rates of duty on raw materials and finished or partly finished products, the effects of ad valorem and specific duties and of compound specific and ad valorem duties, all questions relative to the arrangement of schedules and classification of articles in the several schedules of the customs laws, and, in general, to investigate the operation of customs laws, including their relation to the Federal revenue, and their effect upon the export commerce, the industries, and labor of the country.

"(7) Investigate the tariff relations between the United States and foreign countries, commercial treaties, preferential provisions, economic alliances, the effect of export bounties and preferential tariff and transportation rates, the volume of importations and exportations compared with domestic production and consumption, and conditions, causes, and effects relating to competition of foreign industries with those of the United States, including dumping and unfair competition.

"(8) Investigate, as hereinafter provided, as fully as may be practicable the industries in the United States which are or may be affected by the imposition of or exemption from customs duties. In the case of each industry so investigated it shall give consideration to the organization and capitalization; the methods, processes, and efficiency of production; the sources and costs of materials, the costs of conversion, so far as they may be ascertained and all other costs incurred in production; the rates of wages, and the ratio of labor costs to the total cost of production; the methods used and the expenses incurred in preparing for market, distributing, and selling the products of the industry and the wholesale and export prices of such products in domestic and in foreign markets; the degree to which the capacity of the industry enables it to meet the needs of domestic consumers and to produce a surplus for export; the nature of any obstacles that may exist in the way of the prosperity and further expansion of the industry; and any reasons peculiar to the industry for granting or withholding by the Government of aid in the form of bounties, subsidies, embargoes, customs duties, or in any other form.

"(9) Investigate in foreign countries as fully as may be practicable the conditions under which industries that do or may compete with the industries of the United States are prosecuted in such foreign countries in the same manner and to the same extent as provided in the preceding paragraph (8) for the investigation of the conditions under which industries are prosecuted in the United States.

"10. Make such analyses of the import trade of the United States as may be necessary to show what imports by reason of their nature, quality, class, and variety compete with and what imports supplement in the domestic markets the identical, comparable, or other products of any industry established in the United States; to ascertain the expenses incident to transporting, distributing, and selling in the domestic markets articles of foreign origin that compete with any product of any industry in the United States and the wholesale and export prices at which such articles are sold in the country of origin and in the United States.

"11. (a) Report to Congress annually on the first Monday of December hereafter any case or cases arising through changes in industrial or commercial conditions in the United States or in foreign countries which render it advisable that any rate of duty on imported articles under then existing law should be removed, raised, or lowered by a substantial amount. In connection with any such case so reported the commission shall state the reasons and the facts on which such reasons are founded which, in its judgment, make it desirable that Congress should remove, raise, or lower the rate of duty under then existing law.

"(b) As a part of any report made to Congress in pursuance of the preceding paragraph (a), the commission shall recommend the rate or rates of duty which, in its judgment, should be fixed by law; and in connection with each rate so recommended the commission shall set forth in such detail as may be necessary the facts upon which it bases its conclusions; and shall point out the reasons of public policy which make it desirable that Congress should fix such rate.

"12. In case of disagreement among the commissioners as to any report, finding, or conclusion authorized or directed by law, separate reports by any one or more of the commissioners expressive of their views shall be made with respect to the matter in disagreement.

Mr. WALSH of Montana. Mr. President, as I understand the matter, the substantial difference between the amendment proposed by the Senator from New Mexico and the amendment proposed by the committee consists in that the amendment proposed by the Senator from New Mexico grants to the Tariff Commission not only the power, and imposes upon them the duty of ascertaining all of the facts, but also charges them with the duty of recommending to the Congress the rate which in their judgment ought to be enacted, while the amendment proposed by the committee does not empower them to recommend a rate.

I desire to say just a word, namely, that I am entirely satisfied that the country is convinced, as every Senator here must be convinced, that we must find some other way of enacting tariff legislation. Inasmuch as we find it impossible constitutionally to delegate that power, the only thing we can do is to empower some body to determine such rates as they think ought to be enacted and to recommend those rates to Congress. Then Congress can adopt those rates or not as it sees fit, but the country would understand every time that the commission had recommended a particular rate and the Congress, in my judgment, would be very largely constrained to enact the rates thus recommended. That, as I understand, is the characteristic distinction between the amendment offered by the Senator from New Mexico and the amendment proposed by the committee.

Mr. SMOOT. Mr. President, I wish to say simply that the amendment offered by the Senator from New Mexico contains the amendment offered by the Senator from New Jersey which has just been voted upon. It also provides for an investigation of foreign commerce together with an investigation of domestic industries. It is true that it gives the power to the Tariff Commission to recommend rates to Congress. If Congress confers that power upon the Tariff Commission with a view of making those investigations and reporting the rates that they think should be adopted, I do not see how Congress is going to turn those rates down. It seems to me that the amendment of the committtee has gone just as far as the Congress ought to go.

Mr. WALSH of Montana. Let me inquire of the Senator, if they seem to be entirely reasonable and supported by the facts investigated by the commission, why should the Congress turn them down?

Mr. SMOOT. I do not think there ever would be a Congress that would take the rates recommended by a commission. I can say that if the rates as set out in the Summary of Tariff Information were put into the bill, some of them would be too high and others would be altogether too low, even lower than the existing law. I do not believe we could get a Senate or a Congress to agree to the recommendations as mapped out in the Summary of Tariff Information for the year 1921.

Mr. JONES of New Mexico. I should like to state just one word in addition. Anybody who has undertaken to understand the bill and to discuss it during the last three and one-half months must have realized that even with the meager information which we have now it is impossible for Senators to take the facts and understand them. We have these thousands and thousands of pages which it is impossible for any Member of Congress to digest. We need the experts who get the testimony to analyze the facts and tell us what they mean.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from New Mexico to the amendment of the committee.

Mr. JONES of New Mexico. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. FLETCHER (when his name was called). Making the same announcement as to my pair and transfer as before, I vote "yea."

Mr. JONES of New Mexico (when his name was called). Making the same announcement as to my pair and its transfer, I vote "yea."

Mr. LODGE (when his name was called). Making the same announcement as to the transfer of my pair, I vote "nay."

Mr. POMERENE (when his name was called). Announcing my pair with my colleague as heretofore, I withhold my vote. If permitted to vote, I should vote "yea" and my colleague would vote "nay," I understand.

Mr. SIMMONS (when his name was called). Making the same announcement as to my pair and my inability to secure a transfer as announced upon the previous vote, I withhold my vote.

Mr. SUTHERLAND (when his name was called). Making the same announcement as before with reference to my pair and transfer, I vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. DILLINGHAM. Making the same announcement as before, I vote "nay."

Mr. EDGE. Making the same announcement as before, I vote "yea."

Mr. COLT. I have a general pair with the junior Senator from Florida [Mr. TRAMMELL]. I find, however, that I can transfer that pair to the junior Senator from Missouri [Mr. SPENCER], which I do and vote "nay."

Mr. HALE. Making the same transfer as before, I vote "nay."

Mr. CURTIS. I wish to announce the following pairs:

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from Minnesota [Mr. NELSON] with the Senator from Massachusetts [Mr. WALSH]; and

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Arkansas [Mr. CARAWAY].

The result was announced—yeas 26, nays 27, as follows:

YEAS—26.

Ashurst	Frelinghuysen	McKellar	Smith
Broussard	Gerry	McNary	Stanfield
Bursum	Heflin	Norbeck	Stanley
Capper	Hitchcock	Overman	Townsend
Dial	Jones, N. Mex.	Ransdell	Walsh, Mont.
Edge	Jones, Wash.	Reed	
Fletcher	Kendrick	Sheppard	

NAYS—27.

Brandegee	Gooding	Moses	Shortridge
Calder	Hale	New	Smoot
Cameron	Harreld	Nicholson	Sterling
Colt	Keyes	Oddie	Sutherland
Curtis	Lodge	Pepper	Warren
Dillingham	McCormick	Phipps	Watson, Ind.
Ernst	McCumber	Rawson	

NOT VOTING—42.

Ball	Harrison	Newberry	Swanson
Borah	Johnson	Norris	Trammell
Caraway	Kellogg	Owen	Underwood
Culberson	King	Page	Wadsworth
Cummins	Ladd	Pittman	Walsh, Mass.
du Pont	La Follette	Poindexter	Watson, Ga.
Elkins	Lenroot	Pomerene	Weller
Fernald	McKinley	Robinson	Williams
France	McLean	Shields	Willis
Glass	Myers	Simmons	
Harris	Nelson	Spencer	

So the amendment of Mr. JONES of New Mexico to the amendment of the committee was rejected.

The PRESIDING OFFICER. The question now is on the amendment proposed by the committee inserting section 317a as amended.

Mr. SIMMONS. Mr. President, I think we ought to have the yeas and nays on that.

The PRESIDING OFFICER. The Senator from North Carolina asks for the yeas and nays. Is the demand seconded?

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. COLT (when his name was called). Making the same announcement as before in reference to my pair and its transfer, I vote "yea."

Mr. DILLINGHAM (when his name was called). Making the same announcement as before relative to my pair and its transfer, I vote "yea."

Mr. FLETCHER (when his name was called). Making the same announcement as to my pair and its transfer as before, I vote "nay."

Mr. HALE (when his name was called). Making the same announcement as before in reference to my pair and its transfer, I vote "yea."

Mr. LODGE (when his name was called). Making the same announcement as before in reference to the transfer of my pair, I vote "yea."

I take this occasion to say that the Senator from Maine [Mr. FERNALD], if present, would vote "yea."

Mr. SIMMONS (when his name was called). I transfer my pair with the junior Senator from Minnesota [Mr. KELLOGG] to the senior Senator from Louisiana [Mr. RANSDELL] and vote "nay."

Mr. SUTHERLAND (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

Mr. WARREN (when his name was called). I ask if the junior Senator from North Carolina [Mr. OVERMAN] has voted?

The PRESIDING OFFICER. He has not voted.

Mr. WARREN. I have a general pair with that Senator, and as I have been unable to obtain a transfer, I withhold my vote.

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before in reference to my pair and its transfer, I vote "yea."

The roll call was concluded.

Mr. EDGE. Making the same announcement as before in reference to my pair and its transfer, I vote "yea."

Mr. GERRY. I desire to announce that the Senator from Alabama [Mr. UNDERWOOD] is necessarily absent. He is paired with the senior Senator from Massachusetts [Mr. LODGE]. If present the Senator from Alabama would vote "nay."

Mr. CARAWAY. I have a general pair with the junior Senator from Illinois [Mr. MCKINLEY] and can not obtain a transfer. I therefore withhold my vote. If permitted to vote I should vote "nay."

Mr. FRELINGHUYSEN (after having voted in the affirmative). My general pair, the Senator from Montana [Mr. WALSH], has left the Chamber for the night. I am unable to secure another pair, and so I shall withdraw my vote.

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Minnesota [Mr. NELSON] with the Senator from Massachusetts [Mr. WALSH];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from New York [Mr. WADSWORTH] with the Senator from Virginia [Mr. SWANSON];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON]; and

The junior Senator from Ohio [Mr. WILLIS] with the senior Senator from Ohio [Mr. POMERENE].

The result was announced—yeas 37, nays 13, as follows:

YEAS—37.

Brandegee	Ernst	McCumber	Shortridge
Broussard	Gooding	McNary	Smoot
Bursum	Hale	Moses	Stanfield
Calder	Harreld	New	Sterling
Cameron	Jones, Wash.	Nicholson	Sutherland
Capper	Kendrick	Norbeck	Townsend
Colt	Keyes	Oddie	Watson, Ind.
Curtis	Lenroot	Pepper	
Dillingham	Lodge	Phipps	
Edge	McCormick	Rawson	

NAYS—13.

Ashurst	Heflin	Reed	Stanley
Dial	Hitchcock	Sheppard	
Fletcher	Jones, N. Mex.	Simmons	
Gerry	McKellar	Smith	

NOT VOTING—45.

Ball	Fernald	Kellogg	Nelson
Borah	France	King	Newberry
Caraway	Frelinghuysen	Ladd	Norris
Culberson	Glass	La Follette	Overman
Cummins	Harris	McKinley	Owen
du Pont	Harrison	McLean	Page
Elkins	Johnson	Myers	Pittman

Poindexter	Spencer	Walsh, Mass.	Williams
Pomerene	Swanson	Walsh, Mont.	Willis
Ransdell	Trammell	Warren	
Robinson	Underwood	Watson, Ga.	
Shields	Wadsworth	Weller	

So section 317a as amended was agreed to, as follows:

SEC. 317a. (a) That in order that the President and the Congress may secure information and assistance it shall be the duty of the United States Tariff Commission, in addition to the duties now imposed upon it by law, to—

(1) Ascertain conversion costs and costs of production in the principal growing, producing, or manufacturing centers of the United States of articles of the United States, whenever in the opinion of the commission it is practicable;

(2) Ascertain conversion costs and costs of production in the principal growing, producing, or manufacturing centers of foreign countries of articles imported into the United States, whenever in the opinion of the commission such conversion costs or costs of production are necessary for comparison with conversion costs or costs of production in the United States and can be reasonably ascertained;

(3) Select and describe articles which are representative of the classes or kinds of articles imported into the United States and which are similar to or comparable with articles of the United States; select and describe articles of the United States similar to or comparable with such imported articles; and obtain and file samples of articles so selected, whenever the commission deems it advisable;

(4) Ascertain import costs of such representative articles so selected;

(5) Ascertain the grower's, producer's, or manufacturer's selling prices in the principal growing, producing, or manufacturing centers of the United States of the articles of the United States so selected; and

(6) Ascertain all other facts which will show the differences in or which affect competition between articles of the United States and imported articles in the principal markets of the United States.

(b) When used in this section—

The term "article" includes any commodity, whether grown, produced, fabricated, manipulated, or manufactured;

The term "import cost" means the price at which an article is freely offered for sale in the ordinary course of trade in the usual wholesale quantities for exportation to the United States plus, when not included in such price, all necessary expenses, exclusive of customs duties, of bringing such imported article to the United States.

(c) In carrying out the provisions of this section the commission shall possess all the powers and privileges conferred upon it by the provisions of Title VII of the revenue act of 1916, and in addition it is authorized, in order to ascertain any facts required by this section, to require any importer and any American grower, producer, manufacturer, or seller to file with the commission a statement, under oath, giving his selling prices in the United States of any article imported, grown, produced, fabricated, manipulated, or manufactured by him.

(d) The commission is authorized to establish and maintain an office at the port of New York for the purpose of directing or carrying on any investigation, receiving and compiling statistics, selecting, describing, and filing samples of articles, and performing any of the duties or exercising any of the powers imposed upon it by law.

(e) The United States Tariff Commission is authorized to adopt an official seal, which shall be judicially noticed.

(f) The second paragraph of section 706 of the revenue act of 1916 is amended to read as follows:

"Such attendance of witnesses and the production of such documentary evidence may be required from any place in the United States at any designated place of hearing. And in case of disobedience to a subpœna the commission may invoke the aid of any district or territorial court of the United States or the Supreme Court of the District of Columbia in requiring the attendance and testimony of witnesses and the production of documentary evidence, and such court within the jurisdiction of which such inquiry is carried on may, in case of contumacy or refusal to obey a subpœna issued to any corporation or other person, issue an order requiring such corporation or other person to appear before the commission, or to produce documentary evidence if so ordered, or to give evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof."

INTERDEPENDENCE OF CAPITAL, LABOR, AND GENERAL PUBLIC.

Mr. LODGE presented a communication from Stanley Manning, director of Young People's Work, transmitting resolutions of the Young People's Christian Union, Universalist Church, of Boston, Mass., which were referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

THE UNIVERSALIST CHURCH,
YOUNG PEOPLE'S CHRISTIAN UNION,
Boston, Mass., August 9, 1922.

HON. HENRY CABOT LODGE,
Washington, D. C.

DEAR SIR: At the recent annual convention of the Young People's Christian Union of the Universalist Church, an organization of approximately 5,000 members, the following resolution was unanimously adopted:

"Whereas it is evident that a state of war exists in many of the industries of our country resulting in strikes, lawlessness, and destruction of life and property, whereby the happiness and prosperity of the entire Nation are hampered and the very foundations of our American civilization are threatened; and

"Whereas self-seeking and a failure to recognize the mutual interdependence of capital, labor, and the general public have resulted in class hatred, warfare, and bloodshed; and

"Whereas it is evident that a wrong motive of life is at the bottom of these things and it is time that a right motive was substituted: Be it therefore

Resolved, First, that we petition the President and Congress of the United States to take some immediate steps to settle the railroad, mining, and textile strikes;

Second, that as a method of settling disputes, we stand unqualifiedly for the submission of all labor controversies to an impartial tribunal in which all interested parties, employers, employees, and the general public, are represented;

Third, that we believe that the only permanent solution of these problems is the recognition and practice of the common rights and duties and mutual responsibilities incumbent upon all groups and individuals, and that it is therefore the duty of the Young People's Christian Union of the Universalist Church, and all other Christian organizations, to teach with renewed emphasis the fundamental Christian principles of mutual respect, good-will, cooperation, and practical brotherhood.

At the same convention, the following resolution referring to war was likewise adopted. Although not specifically instructed to do so, I am sending this as an indication of the sentiment of the Christian young people of the country to-day.

Whereas we, the young people of the Universalist Church, recognize that the late war was precipitated by the so-called Christian nations of the world, through the fact that they had not lived up to the simple truths of Christianity; and

Whereas we know that future wars can be averted but in one way, in believing that Jesus Christ knew what He said when He told us that all things are possible through faith in God; be it

Resolved, That we take our stand before God and man that in the future we shall use all possible means to keep our Nation from entering into war and so, becoming partner with those in opposition to God, would keep His Kingdom from the earth.

Feeling that this stand must be taken by the young of the earth and through their education, be it

Resolved, That we enter into communication with the young people's organizations of every Christian community and pray them to take the same stand.

I trust that you will bring these resolutions to the attention of the Senate by such means as may seem to you best.

Very respectfully yours,

STANLEY MANNING,
Director of Young People's Work.

OFFICER IN CHARGE OF PUBLIC BUILDINGS AND GROUNDS.

Mr. WADSWORTH, from the Committee on Military Affairs, to which was referred the bill (S. 3862) fixing the rank of the officer of the United States Army in charge of public buildings and grounds, reported it without amendment and submitted a report (No. 851) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHORTRIDGE:

A bill (S. 3903) granting a pension to Anna T. Eldred; to the Committee on Pensions.

By Mr. TOWNSEND:

A bill (S. 3904) to make the 4th day of July a holiday throughout the United States, including the Territory of Hawaii and the Territory of Alaska; to the Committee on the Judiciary.

RECESS.

Mr. McCUMBER. Mr. President, the junior Senator from New York [Mr. CALDER] has expressed a desire to speak in the morning on the tariff bill, and he desires to speak longer than 15 minutes. Inasmuch as at 11 o'clock to-morrow morning the 15-minute rule goes into effect on the pending bill, I ask that when we recess to-night we recess until to-morrow morning at 10 o'clock, in order to accommodate the Senator from New York.

The PRESIDING OFFICER. The Senator from North Dakota asks unanimous consent that when the Senate closes its business to-day it recess to meet at 10 o'clock to-morrow morning. Is there objection? The Chair hears none, and it is so ordered.

Mr. McCUMBER. I move that the Senate now recess until to-morrow morning at 10 o'clock.

The motion was agreed to, and (at 11 o'clock and 25 minutes p. m.) the Senate took a recess until to-morrow, Saturday, August 12, 1922, at 10 o'clock a. m.

SENATE.

SATURDAY, *August 12, 1922.*

(Legislative day of Thursday, August 3, 1922.)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

The PRESIDENT pro tempore. The Senate resumes the consideration of House bill 7456, on which the Senator from New York [Mr. CALDER] is entitled to the floor.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. CALDER. Mr. President, in many of the newspapers of the country during the last two or three weeks the statement has been repeatedly made that it was not the purpose of the Congress to enact the pending tariff bill into law before election; that it would be passed in the Senate, go into confer-

ence, and would stay in conference until after election. I can assure the country that it is the purpose not only of the Finance Committee but of the Republican side of the Chamber to pass the bill at the earliest possible moment, have it go to conference and come out of conference, and become a law just as soon as that can be done. No one can tell just what day that will be, but I am confident it will be a long time before election day arrives.

A PROTECTIVE TARIFF—UNCLE SAM'S PROSPERITY INSURANCE.

Mr. President, the Irving National Bank, of New York, in its mid-July review of business conditions in this country, stated:

The mid-year period shows more than usual activity in business and finance, due perhaps to the desire of those in charge of various trades and industries to overcome the obstacles, some of them predicted, others unforeseen, which hamper the return to prosperous conditions. The textile, coal, and railway shopmen's strikes still drag on. These strikes not only cause irritation to the general public but have occasioned losses which in the aggregate are uncomfortably large. The tariff imbroglio also contributes to the general uncertainty regarding prices and business tendencies.

Mr. President, the Irving National Bank, with its finger on the pulse of the great arteries of the United States which pass through New York City from every industrial, financial, labor, and agricultural center in the world, I believe, reads the signs of the times correctly. Strikes and the tariff blockade here in the Senate are hamstringing the prosperity not alone of this country but of the world. Not many months ago Charles M. Schwab uttered a self-evident truth, but one which needs constant repetition.

A prosperous America—

He said—

can help the world; a prostrate America can not.

Since the close of the war, and more especially during the past two years, there has been scarcely a day when Europe as a whole or some war-torn foreign nation has not appealed to this country for assistance or the most friendly cooperation. Not a day passes without its industrial crisis or casualty in this country. While the whole world is struggling against tremendous odds toward a period of prosperity, peace, and normal living, it is not only tragic but a calamity that the United States is not to-day in a healthy condition itself. Where there are not strikes there are grave industrial problems, many of them traceable directly to business paralysis due to tariff uncertainties.

For months business has been improving steadily throughout the country, but the improvement has not yet been sufficiently widespread to amount to a national return to prosperous conditions, and until this period comes we can neither expect normal living nor normal incomes for the millions of producers in the great fields of activity in the United States, and until this period arrives this country, which is the only one in the world to-day in such a powerful financial and economic position that it can help, will be helpless no matter how great or grave are the needs of Europe.

EUROPE WAITS ON UNITED STATES.

To-day, more than in any era in our national life, the United States can literally make or break Europe. Without our cooperation the reconstruction of central Europe and Russia is impossible. Without our participation the whole credit structure of Europe must and will remain shiftless and insecure.

But we can not even contemplate taking part in a reconstruction of Europe until we put our house in order, and our own house will not be in order until the fundamental causes of this strike epidemic are removed and until the present uncertainty of the tariff is passed by the passage of the pending tariff bill.

Mr. President, the Senate has been debating the tariff bill for nearly four months. During this period, as a representative of New York State, I have been content to work quietly and ceaselessly for the bill, and the only statements I have made on the floor of the Senate have been in explanation of various paragraphs, but the time has come now for New York to be heard. New York City, which is the largest manufacturing city in the United States, is vitally interested in the tariff bill, because its prosperity depends upon a protective tariff. New York State, which is one of the great agricultural States of the Union, wants action and not delay. Our industries and our workers, as well as our farmers, have a right to be heard in this Chamber, now that they have listened for four months to deliberate misstatements and ridiculous prophecies of the minority. Why, Mr. President, every time there is a new schedule brought up for consideration some one of the opposition calculates that if the rates are approved the cost of living will be increased several hundred million dollars annually, and every time the statement is made the figures are enlarged, until to-day, if we would add together all the exaggerated predictions of how this bill would increase living costs, we would find that the amount so estimated would exceed the total amount of business affected by the bill.

Let us consider for a few moments, Mr. President, why New York City is interested in the tariff.

Recently the industrial bureau of the Merchants' Association of New York analyzed the 1919 reports of the United States census and showed that New York is not only the largest city in this country but the greatest industrial center in the world. Most people think of New York as a city of skyscrapers and department stores or as a city of retired millionaires and as a great port, but the census figures show that there are 32,590 factories in New York City, employing 825,056 workers, who produce annually goods valued at $5,260,707,577. This is sufficient to supply every person in the United States with more than $50 worth of merchandise.

NEW YORK AS AN INDUSTRIAL CENTER.

In its summary of New York as an industrial center the Merchants' Association said:

New York's 32,590 manufacturing establishments are capitalized at about $3,000,000,000.

During 1919 these establishments employed an average of 825,056 persons, or approximately 15 per cent of the city's total population.

These workers were paid a total in salaries or wages of $1,132,000,000.

The establishments consumed materials valued at $2,800,000,000 and added to their value by the processes of manufacturing about $2,400,000,000.

The average New York City factory employed 25 persons, of whom about 20 are wage earners and the remainder officials or clerks. New York's average establishment is somewhat smaller than that of some of the other large industrial centers. Chicago, for instance, employs an average of 48 per establishment; Philadelphia, 37; Boston, 30; and Baltimore, 42.

New York's factories in 1919 produced an average of $161,448.22 worth of goods each, or $6,376.18 per person engaged. If the wage earners alone are considered, the value of the product per worker was $8,225.77. The average amount per wage earner added to the value of the product in the course of manufacture was $3,756.15.

The average income for all persons engaged in the city's factories was $1,372.02.

Considering the various classes of employees separately, the officials, including the officers, superintendents, managers, etc., received an average of $2,102.33, the clerks, $1,529.62, and the wage earners, $1,261.51.

These items and other factories in the city's industrial life have shown a decided change since 1914, the date of the previous census of manufacturers. The number of establishments increased from 1914 to 1919 approximately 10 per cent, and the number of persons engaged in industry about 12.6 per cent. An interesting commentary on the development of manufacturing is the fact that the number of wage earners increased only 9.1 per cent during the same period, indicating a larger proportion of persons engaged in clerical and supervisory capacities than had previously been the case. This same tendency is to be noted in the statistics for Chicago, Philadelphia, Boston, and Baltimore, although San Francisco shows an opposite tendency.

The value of manufactured products increased out of proportion to the actual industrial operation, due, of course, to the changing value of the dollar. In 1914 the city's manufactured products were valued at approximately $2,293,000,000, as compared with $5,267,000,000 in 1919, an increase of approximately 130 per cent.

Salaries and wages likewise increased very abruptly. Considering all classes together, the increase was 97 per cent. Analyzing the increase for the various classes of persons engaged in industry, it appears that the average annual income of officials increased from $1,144.27 in 1914 to $2,102.33 in 1919, or 84 per cent; for clerks, the average annual income increased from $980.44 to $1,529.62, or 56 per cent, and for wage earners the increase was from $610.81 to $1,261.50, or 107 per cent.

The last statement which I have quoted is interesting because it shows that in a period of five years, from 1914 to 1919, the census figures of the United States disclose that the wage earner in the factories in the State of New York has increased his compensation from $610 to $1,261 per annum, an increase, as I have indicated, of over 100 per cent.

Although in practically all lines of manufacture the value of products from 1914 to 1919 increased markedly, the same increase is not to be found in the actual operations of manufacturing. In some lines the number of establishments decreased and the number of employees increased, indicating a consolidation and net growth in the industry. In other instances both the number of establishments and persons engaged has increased. In some cases a decrease is to be noted in both establishments and persons engaged, but with an increase in the value of the product out of proportion to the general increase or to a change to be accounted for by price fluctuations. This is to be explained on the ground that the installation of new and more efficient machinery has increased production.

Considering value of product only, the important lines of industry which have shown a percentage of increase considerably in excess of the average of 130 per cent are:

"Lapidary work; fur goods; toys and games; boots and shoes, including cut stock and findings; professional and scientific instruments; chocolates and cocoa products, excluding confectionery; ivory, shell, and bone work, not including combs and hairpins; shipbuilding, wooden; chewing gum; knit goods; silk goods; tobacco pipes; shirts; jewelry; dyeing and finishing of textiles, exclusive of that done in textile mills."

It is not generally appreciated that New York leads the country in the production of many items in common use and manufactures a very large proportion of many others. New York makes about half of the country's output of millinery and lace goods. The city cuts and polishes 90 per cent of the diamonds and other precious stones which are finished in this country and manufactures one-third of the country's

jewelry. It also manufactures 20 per cent of the country's production of pianos.

For men, New York makes 4 out of every 10 ready-made suits of clothes produced in the United States, and 46 per cent of the men's furnishing goods, 40 per cent of their shirts, and a quarter of their hats. It also supplies the men with four out of every five tobacco pipes made in this country.

It makes nearly one-quarter of the buttons, 29 per cent of the toys and games, 24 per cent of the chewing gum, a third of the mirrors, and nearly a quarter of the professional and scientific instruments. Other items of which New York is an important producer are tobacco, cigarettes, fountain pens, printing ink and pencils, patent medicines and compounds, and pocketbooks. The table, showing industries which are concentrated in New York, gives a more complete list of the articles which are manufactured in great quantities in this city.

NEW YORK CLOTHES MILLIONS.

Mr. President, I ask unanimous consent to have printed in the RECORD in 8-point type seven short tables showing the various industries in this city.

The PRESIDING OFFICER (Mr. CURTIS in the chair). Without objection, it is so ordered.

The tables referred to are as follows:

New York City's industries analyzed in tables.

	Number of establishments.	Total persons engaged.	Value of products.
METAL INDUSTRY.			
Babbitt metal and solder	28	787	$9,302,340
Brass, bronze, and copper products	141	6,119	28,928,172
Cash registers and calculating machines	5	384	1,064,909
Copper, tin, and sheet-iron work	376	3,365	14,929,876
Cutlery and edge tools	26	940	5,664,128
Electrical machinery, apparatus, and supplies	176	14,405	48,404,444
Electroplating	97	700	1,779,974
Engines (steam, gas, and water)	7	2,474	15,571,486
Metal novelties	41	603	1,880,052
Foundry and machine shop products	628	24,749	84,625,843
Furniture, metal	35	1,194	5,975,505
Gas and electric fixtures	93	3,622	11,492,360
Gas machines and gas and water meters	7	1,566	5,074,336
Hardware	65	2,148	7,522,877
Instruments, professional and scientific	105	4,244	13,836,817
Iron and steel bolts, nuts, washers, etc	4	53	238,645
Iron and steel doors and shutters	27	758	2,853,985
Iron and steel, temporary and welding	20	236	830,029
Machine tools	10	657	1,479,133
Needles, pins, and hooks and eyes	12	197	682,920
Plated ware	16	768	2,365,249
Pumps, not including power pumps	11	195	532,912
Pumps, steam and other power	5	218	970,229
Scales and balances	8	479	1,731,380
Sewing machines	10	183	554,209
Shipbuilding, steel	20	21,836	81,872,239
Springs, steel, car and carriage	15	604	2,180,771
Stamped and enameled ware, not elsewhere specified	56	5,154	19,554,719
Steam fittings and steam and hot water heating apparatus	17	834	3,144,172
Stereotyping and electrotyping	6	209	760,497
Stoves and hot air furnaces	15	396	1,823,042
Stoves, gas and oil	249	3,476	15,375,830
Structural iron work not made in steel works or rolling mills	9	260	988,984
Textile machinery and parts	60	4,932	25,196,990
Tinware, not elsewhere specified	91	917	3,034,911
Tools, not elsewhere specified	7	462	1,401,561
Typewriters and parts	86	1,754	8,142,710
Wirework, including wire rope and cable, not elsewhere specified	30	1,143	4,162,707
All lines	2,614	113,021	435,930,943

New York City's industries analyzed in tables—Continued.

	Number of establishments.	Total persons engaged.	Value of products.
FOOD PRODUCTS.			
Bread and other bakery products	2,319	28,033	$173,510,000
Cheese	.....	6	55,691
Chewing gum	8	880	12,339,317
Chocolate and cocoa products	9	1,857	24,486,318
Coffee and spice, roasting and grinding	78	2,446	51,225,279
Confectionery and ice cream	510	15,559	84,564,630
Cordials and flavoring sirups	30	281	4,100,415
Flavoring extracts	60	522	4,130,855
Food preparations, not elsewhere specified	242	3,072	28,918,213
Ice, manufactured	57	1,561	9,645,529
Pickles, preserves, and sauces	58	2,102	17,464,651
Poultry, killing and dressing, not done in slaughtering and meat-packing establishments	6	19	370,761
Sausage, not made in slaughtering and meat-packing establishments	91	518	6,592,933
Slaughtering and meat packing	74	5,979	185,244,898
All lines	3,549	62,845	602,649,499
PAPER PRODUCTS.			
Bags, paper, exclusive of those made in paper mills	14	685	5,493,363
Bookbinding and blank book making	339	8,606	22,112,233
Boxes, paper, not elsewhere specified	283	10,813	36,532,291
Carbon paper	8	299	1,990,454
Envelopes	17	1,197	4,452,625
Labels and tags	39	1,515	6,915,340
Paper novelties	26	353	1,194,522
Paper patterns	15	481	1,461,648
Paper goods, not elsewhere specified	69	3,489	16,021,966
Stationery goods, not elsewhere specified	61	2,008	8,632,875
All lines	871	29,446	104,807,317
LEATHER INDUSTRY.			
Belting, leather	24	490	4,902,164
Boot and shoe cut stock	14	154	1,154,170
Boot and shoe findings	66	716	3,366,138
Boots and shoes, not including rubber boots and shoes	248	14,688	66,478,600
Gloves and mittens, leather	44	592	2,485,013
Leather goods, not elsewhere specified	226	5,143	28,599,945
Leather, tanned, curried, and finished	18	427	3,937,079
Saddlery and harness	47	163	732,659
Trunks and valises	146	2,026	11,624,816
All lines	833	24,399	123,280,584

Table showing industries which are concentrated in New York City.

	Value of products manufactured in New York City.	Percentage of total United States production.
Paper patterns	$1,461,648	95.6
Lapidary work	27,032,138	89.9
Pipes, tobacco	9,321,088	80.7
Fur goods	132,145,251	74
Clothing, women's	866,243,561	73.2
Pocketbooks	.....	68.6

Table showing industries which are concentrated in New York City—Continued.

	Value of products manufactured in New York City.	Percentage of total United States production.
Hair work	$4,945,934	67.5
Pens, fountain, stylographic, and gold	9,701,647	54.5
Millinery and lace goods, not elsewhere specified	162,186,055	48.3
Furnishing goods, men's	50,292,860	46.5
Ink, printing	10,976,067	41.8
Clothing, men's	480,596,385	41.5
Shirts	83,811,354	39.9
Lithographing	24,472,186	33.4
Mirrors, framed and unframed, not elsewhere specified	6,826,649	32.8
Jewelry	65,391,579	32.1
Pianos	31,465,599	29.3
Toys and games	13,165,901	28.8
Chewing gum	12,339,317	24.1
Buttons	10,022,673	23.9
Instruments, professional and scientific	13,836,817	23.8
Printing and publishing, newspapers, periodicals, book and job	345,989,264	23.2
Hats and caps, men's	44,823,840	22.6
Patent medicines and compounds	42,214,378	20
Ivory, shell, and bone work, not including combs and hairpins	488,353	17.3
Chocolate and cocoa products, not including confectionery	24,486,318	17.6
Boxes, paper and other not elsewhere specified	36,532,291	17.1
Paints and varnishes	57,360,688	17
Corsets	12,865,474	17
Tobacco, cigars, and cigarettes	146,033,207	16.8
Coffee and spice, roasting and grinding	51,225,279	13.5
Confectionery and ice cream	84,564,630	13.3
Shipbuilding, wooden, including boat building	21,664,042	12.9
Knit goods	69,308,818	10
Copper, tin, and sheet-iron work	14,929,876	9
Dyeing and finishing of textiles, exclusive of that done in textile mills	25,992,335	8
Silk goods	54,526,901	8
Furniture	40,986,286	7
Chemicals and druggists' preparations	37,373,013	7

Apparel industries (not including leather apparel).

	Number of establishments.	Total persons engaged.	Value of products.
Men's clothing	2,273	57,840	$480,596,385
Women's clothing	5,089	119,627	866,243,561
Collars and cuffs	9	198	776,846
Corsets	60	3,756	12,865,474
Fur goods	1,153	12,526	132,145,251
Furnishing goods (men's)	233	6,721	50,292,860
Gloves and mittens, cloth	12	984	3,144,141
Hats and caps (men's)	436	8,947	44,823,840
Knit goods	462	10,737	69,308,818
Millinery and lace goods	1,789	34,045	162,186,055
Suspenders, garters, and elastic woven goods	76	1,524	10,402,346
All lines	11,592	256,905	1,832,785,577

Printing and publishing.

	Number of establishments.	Total persons engaged.	Value of products.
Book and job	1,866	30,814	$129,327,275
Engraving and die sinking	165	760	1,884,936
Engraving, steel and copper plate	94	2,898	8,724,577

Printing and publishing—Continued.

	Number of establishments.	Total persons engaged.	Value of products.
Engraving, wood	11	54	$129,009
Lithographing	116	6,486	24,472,186
Newspapers and periodicals	841	38,074	216,661,989
Photo engraving	75	2,368	9,415,505
All lines	3,167	81,454	390,615,477

Mr. CALDER. Mr. President, I want Members of the Senate and the people of the country to see the diversity of these industries and the percentage of the total production which New York City contributes. For example, New York City in one year produces $866,243,561 worth of women's clothing, or 73.2 per cent of all the women's clothing manufactured in the United States. It produces 74 per cent of all the furs worn in the United States. There are 628 foundries and machine shops, employing 24,750 workers, in the city. New York City produces 95.6 per cent of all the paper patterns used by the women of the United States in making their own or their children's clothes. There are 248 boot and shoe factories in the city, employing 14,688 workers and producing $66,478,600 worth of shoes annually. The leather industry itself consists of 833 establishments, employing 24,399 persons and producing $123,280,584 worth of products each year. There are 3,549 establishments, employing 62,845 persons and producing $602,649,499 worth of bread, cheese, cakes, ice, ice creams, confectionery, chocolate, cocoa, and meat products. In the metal industry there were 2,614 factories, employing 113,021 persons and producing $435,930,943 worth of products, from pumps to tools and from textile machinery to needles and pins. New York City is the greatest printing and publishing center in the United States, producing $390,615,477 worth of goods in 3,167 separate plants. In the apparel industry there are 11,592 establishments, employing 256,905 persons and producing $1,832,785,377 worth of products.

To recapitulate, the essential facts concerning New York City's manufacturing industries, as disclosed by the census, are shown in the following table:

Number of establishments	32,590
Persons engaged in manufacturing industries	825,056
Proprietors and firm members	35,101
Salaried officers, superintendents, and managers	36,894
Clerks, male	71,179
Clerks, female	43,107
Wage earners	638,775
Capital	$3,038,557,492
Salaries and wages	$1,131,994,192
Officials	151,357,191
Clerks, etc	174,814,550
Wage earners	805,822,451
Principal materials	2,801,619,388
Fuel and rent of power	59,856,730
Value of products	5,260,707,577
Value added by manufacture	2,399,231,459

It would be a simple matter, Mr. President, to read a much longer list of New York industries, but it is not necessary. I confine myself to the above, because they indicate the extent of New York City's interest in any legislation which affects industry in the United States.

In one sense it makes little difference to New York manufacturers whether its partly manufactured iron and steel come from Pennsylvania or from Germany, whether its woolen cloth comes from Georgia or from Bohemia, its leather from Illinois or from Argentina. But it makes a great difference to Pennsylvania, Massachusetts, Georgia, and Illinois; it also makes a great difference to New York whether there is a market in Georgia for the ready-made women's dresses which New York produces from Georgia cloth, whether there is a market in New England for men's clothing which New York makes from the product of New England woolen mills, whether there is a market in Pittsburgh for the finished metal products that New York makes from Pittsburgh billets and plates, and in Chicago for boots and shoes and belts.

NEW YORK BUYS FROM AMERICANS.

Through the ordinary banking channels the New York garment manufacturer collects from his customers the money which meets the Georgia cotton-mills pay roll and the Lowell woolen-mills pay roll and the Pittsburgh sheet-metal pay roll and the Butte copper mines and the Connellsville coke ovens.

It is equally important to the great industries throughout the United States producing either raw materials or manufac-

tured materials for further use in manufacturing that the New York market should be preserved for them and also to the New York manufacturer that his customers throughout the United States should have their purchasing power increased and not lessened.

Obviously, if any New York manufacturer is undersold by a European manufacturer, the New York manufacturer must go out of business unless his customers gratuitously are willing to pay him a higher price for his product than the price of the European product. If this New York manufacturer ceases business, he also ceases to be a market for raw materials and articles manufactured for further use in manufacture. That this process is now under way is proved by the Merchants' Association survey of unemployment in New York City. Of 2,531,747 persons employed in New York on January 1, 1920, there were out of work on June 15, 1922, more than 10 per cent—295,235. But while the percentage of unemployment was only a little more than 10 per cent in all industries, half the unemployment was in the manufacturing industries. Less than a third of the people earning a living in New York City are employed in manufactures. Of this third 145,500 were out of work. While unemployment decreased in other industries, such as the building trades, domestic and personal service, and transportation, the number of idle in manufacturing industries increased from 130,571 on November 1, 1921, to 145,500 in June, 1922.

As a port, New York is only a gateway, a freight station. Consuming itself only a fraction of the foreign-made merchandise unloaded at its piers, the rest is distributed throughout the United States. The total value of all the manufactures ready for consumption imported at all the ports of the United States is only one-seventh of the products of New York's factories. The fact that these imported manufactures amount to hundreds of millions of dollars emphasizes the stupendous value of the products of New York's factories.

What concerns the whole United States is whether the wage earners, salaried employees, and factory owners of New York shall be a profitable market for the food and raw material produced by the farmers, cotton growers, wool raisers, and coal and ore miners of the United States; and whether the cotton and wool cloth for the New York garment factories, the brass, the copper, the zinc, the steel, and the iron for the New York metal factories, the leather for the New York shoe factories, the sugar for the New York refineries and candy factories, the flour for New York's cracker factories, the $2,801,619,388 of raw materials which New York manufacturers annually buy, shall come from the cotton and woolen mills of Georgia and Massachusetts, the metal mills of Pennsylvania, Ohio, Illinois, and Missouri, the sugar mills of Louisiana, the flour mills of Minneapolis, the tanneries of Chicago, or shall these raw materials and partly manufactured articles come from Europe, Asia, and South America?

New York's interests as a port, great as they are, are minor compared with its interests as a factory. If there must be a choice between fostering, favoring, and benefiting New York as a factory or New York as a port, the less must yield to the greater, for New York is the greatest manufacturing city of the world.

COSTS HERE AND ABROAD.

Mr. President, I can best show the vital interest which New York City as an industrial center has in a protective tariff by one or two illustrations. Take the printing trade as an example. Recently the Associated Farm Papers, of 200 Fifth Avenue, New York, received a post card from Hungary, dated June 28 this year, which is a typical example of labor and production costs in one central European country as compared to similar costs in the printing industry in the United States.

The Budapest publishers boldly state that the "exigency" of Hungary is the opportunity of America—the opportunity of giving employment to Budapest printers and publishers at the expense of our own people.

The postal card says:

OUR EXIGENCY—YOUR OPPORTUNITY.

We pay the highest-salaried printer $5 a week; for the highest-grade coated paper, 7 cents per 16 American ounces; postage to the United States or any foreign country for 1,000 pieces of 50 grams each—13 ounces printed matter—is about $1; addressing per 1,000 cost 20 to 25 cents American money. Compare these few figures, please, to American prices. Suppose you have a proposition which would stand an expense of $5,000 for printing and mailing, but will not likely prove profitable if it cost you $20,000 or more. In such a case make a trial; let us turn out your printed matter and mail it to your list of addresses from here. The fact that it is franked with foreign postage stamps increases its advertising value. We have the highest-grade up-to-date machinery; have the most complete printing plant east of New York, established to employ 1,000 hands, and at present we have not enough work for 100. The allies of the United States have taken from us not only most economical but even cultural possibilities. Hungary has printing facilities to turn out the literature for 22,000,000 at home, and did some export business. They have reduced our population to one-third. For the present at least we are almost paralyzed. We are, however, bold enough to believe that you will encourage us to the extent of letting us estimate on some of your work. The difference of cost between here and there will astound you. For large-edition work especially there is no better-equipped plant than ours even in the United States. We hope to hear from you.

Very respectfully,

TOLNAI VILAGLAPJA (LTD.),
Budapest, Hungary.

JUNE 28, 1922.

That is but one illustration on printing. Another New York concern received an offer from another central European publishing house to issue their annual trade catalogue for $37 per thousand compared to a cost in this country of $2,300 per thousand.

In New York there is another concern which has owned a manufacturing plant in Europe for a number of years. It has, however, been operating its plants in New York to give employment to American labor. To-day it faces disastrous competition from Canada and Germany, although by closing down its plant in New York State it can manufacture its product many dollars per unit less, and after paying freight charges to New York can undersell either the Canadian or German manufacturers in this country. It can even undersell its own plant here. But what is this corporation doing? What has it been doing? Instead of robbing the American public it has been urging the enactment of a protective tariff so that it may continue to manufacture here; but if this Congress should adjourn without passing a tariff this concern can go into business in Europe and make more money exploiting the American market, if it should choose to do so, because it can undersell both Germany and Canada.

LOYALTY OF AMERICAN MANUFACTURERS.

This, Mr. President, is another typical example of the loyalty of American manufacturers. There are thousands of concerns in my city which could move abroad to-morrow, manufacture cheaper in Europe, and sell at fancy prices to the American consumer. If they did so, they would be hailed by the opposition as benefactors of the people for closing down here and moving away. There is not a day that passes without some New York concern being offered manufacturing facilities abroad. Senators are undoubtedly familiar with the case of the American Electric Cutting Machine Co., which was recently proffered complete manufacturing facilities in Germany if they would but close their plants here and move away. They could make greater profits manufacturing abroad and selling here than they ever can under a protective tariff by producing here. At the time this offer was made Mr. Edward M. Waring, of this company, wrote the Secretary of Labor, who in a splendid patriotic letter to Mr. Waring thanked him for thinking so much of his own country that he was willing to consider its own prosperity paramount to that of any other nation in the world.

Mr. President, for the information of the Senate I desire to read one paragraph of the letter of Secretary Davis. The Secretary said:

I have your good letter of January 27, inclosing a copy of one received by you from a certain firm alleged to be organized for the purpose of "helping Germany to come back," offering you the services of the company in securing for you lower costs of reproducing your products by manufacturing them in foreign countries and shipping them to the United States for sale.

First of all I want to compliment you most highly upon the very patriotic stand which you have taken in refusing to be led into such a very un-American scheme for depriving American workmen of the means of securing an honest living.

I can hardly conceive of anyone in this great country of ours, under the protection and freedom of our liberal Government, undertaking a more despicable and pernicious activity than suggested by the copy of the letter which you sent me, except one accepting the proposition as outlined. The administration has worked hard and with untiring efforts to secure to our people a return of the prosperity which we normally enjoy. Several million of our wage earners are out of employment. The suffering which this situation has brought upon many American homes doesn't have to be left to imagination; it is too apparent to all of us. It is to remedy this that the leaders of commerce and industry in our great Republic have set their hearts, minds, and hands to work.

I have this to say, however, that I have too much faith in the business morality and integrity of the great majority of American manufacturers to believe that an enterprise of this kind will find ready response to their unscrupulous practices.

I wish to thank you again most sincerely for bringing this to my attention and to express my congratulations on the real American way in which you have handled this correspondence.

WHY OUR INTERESTS ARE VITAL.

There, Mr. President, is the issue in a nutshell. Our own industries and our own workers must have the primary consideration of Congress. When the tariff is a question of life or death to industry, as it is to-day with hundreds of thousands of factories in this country, it is the duty of Congress to legislate in their interest, when their interest is the interest of our people as a whole.

We have heard a great deal during this debate about the tariff and the consumer. I, for one, wish to state as emphatically as I can, that before a man or woman can be a consumer he or she must be a producer. The United States can not survive as a nation of consumers. We can not prosper by our appetite to consume. Production comes first. If we legislate to enable men and women to produce every consumer will be able to take care of himself. The American market is our greatest and our best market, but the moment we begin to barter that market to foreign producers from that moment we may begin to measure the downfall of this country as a nation of people who are too proud to work for a living.

I know of no better illustration of the interrelation of industry and agriculture and the importance of both on the American market than the first part of the report of the joint committee of Congress on "The agricultural crisis and its causes." On page 156 of Part I, it is stated that the—

per capita consumption of wheat has shown a marked tendency to decrease in periods of industrial depression and that domestic consumption is probably the largest factor in determining the price.

Again, on page 16, it is stated:

Excepting wheat and rye, exports of other farm grains are normally not a large factor in determining prices; exports of grain other than wheat and rye are normally almost an insignificant part of the total production.

Consumption of beef in this country bears a very close relation to urban employment or unemployment, and with the progress of the period of business depression and consequent unemployment, consumption of beef and beef products diminished.

Again, it is reported by the committee which made a most exhaustive study of the agricultural crisis that—

the consumption of wheat, beef, mutton, and dairy products have all declined during the period of depression and this decline in consumption undoubtedly contributed to and accelerated the decline in the prices of these commodities.

RELATION OF FARMING TO INDUSTRY.

In other words, Mr. President, when our workers are employed in the urban centers, they as producers are more than able to buy wholesome abundant American food products and the farmer prospers when the worker prospers, but when the workers are idle they buy less, they eat less, and the farmer feels the pinch as keenly as the worker himself.

I have spoken here of the interest of New York City in a protective tariff and about New York City as the greatest industrial center in the world. New York State, Mr. President, is one of the greatest agricultural States in the Union. According to the last census there were 13,158,781 acres of improved farm lands in New York. In the production of hay and forage crops New York produced more than Wisconsin, Iowa, and Ohio, leading every State in this country. In the production of vegetables New York led the list, with Wisconsin, Pennsylvania, and Minnesota ranking second, third, and fourth. In the production of dairy products New York State ran Wisconsin a close race for first place.

Herbert Hoover, Secretary of Commerce, addressing the Interstate Commerce Commission recently on the railroads, made a significant reference to the value of home markets to our farmers when he declared:

A real program of construction for our railroads alone would in its various ramifications give relief to five or six hundred thousand of our unemployed. It would enable even added numbers to increase their standard of living and thus give increased market to the product of our farmers. Our farmers who look to foreign markets for their surplus should stop to consider that our home consumption of meat decreased nearly 7 pounds per capita in 1921, mostly owing to unemployment, and that if this decrease could be overcome it would be worth more than a 35 per cent increase in exports.

Think of that, Mr. President! If the American consumer had employment which would enable him to purchase that much more meat products, it would mean in comparison more than a 35 per cent increase in all of our exports.

We talk glibly, said Secretary Hoover, of giving billions of credits to foreign countries to increase our farm exports. I wish to say * * * that a billion dollars spent upon American railways will give more employment to our people, more advance to our industry, more assistance to our farmers than twice that sum expended outside the frontiers of the United States.

Thus you can see, Mr. President, why the farmers of New York State are interested in any legislation which affects industry or agriculture.

But where are we to-day as a Nation? Two of our greatest industries—our railroads and our coal mines—are tied up by strikes and here in the Senate there has been for months a blockade of tariff legislation. By the means of a skillful filibuster and by means of extravagant statements about an alleged increase in living costs the Democrats sought to prejudice the public against a great piece of constructive legislation which has but one fundamental object—the increase of production in the United States. But at last even the Democratic Party sees the handwriting on the wall and wants the tariff passed. This is a producers' tariff, an industrial and agricultural insurance measure, if you please. That is what a tariff does. It insures the American worker and farmer an opportunity to work in his own country against all foreign competition. It is a national insurance for agriculture, industry, labor, and finance. I doubt whether there is a Member of the Senate or a working man who does not carry some insurance either on his life or on his property. Certainly there is not a business man in the country to-day who would not carry insurance, but he does not regard his insurance as a luxury. It is a necessary part of his life and work. No business man would for a moment give up all his insurance policies because the annual premium increases the cost of his living expenses or his business costs. No man would refuse to take out insurance because the insurance companies profit by handling his business. Then why should there be opposition to-day to this tariff bill, which in its final analysis is nothing more than a national insurance policy, safeguarding and protecting American industry and agriculture against foreign competition, which has and may continue to work havoc in our American markets for the articles we make and the food we produce?

The tariff is as important to the prosperity of this country as insurance is to the security of business, and now the Democratic opposition has tumbled like a house of cards. Why? Because they know the American people want this tariff.

Opponents of an American protective tariff continue to advance the argument that the enactment of such a tariff will result in a decline of our export trade:

(1) Because, by preventing this Nation's market from being flooded by cheaply made products of other countries, this country will not be able to sell to other countries.

(2) The enactment of a protective tariff by this country will invite retaliation from other countries in the form of high tariffs that will keep out American products.

The answer to the first argument is furnished by the records of the Department of Commerce, which show that every time this country has enacted a protective tariff its exports have, under the operation of that tariff, increased very materially.

The second argument, that the enactment of an American protective tariff by this Congress will invite retaliation from other countries in the form of high tariffs is false and misleading for the very simple reason that 22 of the leading nations of the world have already erected high tariff walls against imports, tariff walls which have been operating for months against the importation of American products. In this list of 22 nations is included the British Empire, which means not only the United Kingdom but the British Dominions—Canada, Australia, New Zealand, India, and South Africa—and all the British colonial possessions, whether insular or continental.

TARIFF WILL NOT INVITE REPRISALS.

This fact clearly proves that the propaganda which is being circulated throughout the United States to the effect that the enactment of an American protective tariff will invite reprisals by other countries is a propaganda that is absolutely false, because it predicts that the American tariff will bring about a condition which, in point of fact, already exists and has existed for some time under the Underwood free-trade tariff.

Not only have the leading nations in the world erected high tariff walls which operate against American imports but, not satisfied with protection afforded their markets by such high duties, a great number have established absolute embargoes against foreign imports.

Italy established an absolute embargo in August, 1921, on a very long list of articles. This list, broadly speaking, included all articles which can be made in Italy and all articles which the Italian authorities arbitrarily classify as "luxuries." Although this embargo has been relaxed somewhat since its imposition, there yet remains a long list of articles which are prohibited entrance to Italy, and the United States is the exporter of a very large quantity of these articles.

Czechoslovakia in March, 1920, established an embargo prohibiting the importation of all articles the like of which are made within that country and also all articles which are classified by the authorities of that nation as luxuries. Many American exports are included in this list.

Germany has an embargo under the name of a licensing system. Permission to import goods must be obtained by a license and no license is issued for importation of luxuries or for any articles which can be or are being made in Germany—including, of course, a long list of American-made articles.

Hungary has a similar system of licensing which amounts to an embargo and which absolutely prohibits a long list of articles which the United States produces and exports.

Poland is another country which prohibits importation of articles the like of which are manufactured within that country and also all articles which the Polish Government arbitrarily classifies as luxuries.

Belgium has practically prohibited the importation of articles made in that country by the imposition of a 800 per cent tariff on manufactured goods such as textiles, iron and steel, chemicals, soap, rubber goods, automobiles, pianos, and so forth.

Spain has established an embargo on a large number of articles, including wheat and flour.

Switzerland requires a special license to be issued before anyone may import cotton, woolen, or silk textile goods, cutlery, celluloid, various kinds of pottery, stone and porcelain ware, and meat products when put up in tin or glass—which applies directly to many exports from this country.

Great Britain has the licensing system under her "safeguarding of industries act." At present she has not applied it to any products from the United States because she is amply protected from such imports by her tariff of 33.3 per cent; but in her licensing system she has a weapon which she is able to use at any time to stop absolutely all imports of any character.

Peru, Rumania, Ecuador, and other countries have embargoes against a selected list of articles, all of which are produced and exported from this country.

EUROPE IS BROKE.

This exposes the fallacy and the falsity of the argument that the enactment of an American protective tariff will invite reprisals, because other countries have not waited for this Nation to pass a protective tariff before they have put into effect high tariffs or absolute embargoes.

These facts also show that the United States is not going to obtain the foreign trade of such countries, whether it enacts a protective tariff or whether it does not. In other words, we have already lost the trade of the countries which have placed an embargo against our goods. So that there is nothing to be gained in the way of foreign markets by a refusal to enact a tariff which protects our own markets.

The embargoes and the high tariffs put into effect by other countries of the world have not been imposed out of a spirit of economic hostility to this country or to other countries. The plain truth of the situation is that European countries are flat broke. With the single possible exception of England, no country which was engaged in war is balancing its budget. In truth the budget reports from these countries show that they are much deeper in debt now than they were when the armistice was signed.

As a result of this financial situation and because of it, it is absolutely essential to all such countries that their imports be restricted as much as possible. In order to prevent the buying of goods abroad, which would increase their indebtedness to other countries and take money from their own country, these European nations were compelled to establish absolute embargoes or prohibitive tariffs. In this way they compel their people to buy at home of their home manufacturers everything which is made at home. They prohibit their people from buying any luxuries from abroad. All that is permitted to be imported are necessities which can not be produced within their own country.

This system of embargoes and prohibitive tariffs prevails throughout Europe because of economic necessity and not because of any desire upon the part of any of the countries to display hostility to the United States or any other nation against which the embargoes operate. Furthermore, this system of embargoes and prohibitive tariffs will continue to operate in Europe for many years, or until the European countries which have such systems begin to balance their budget. There is no likelihood of Europe furnishing the producers of this country with a profitable market for a number of years. The larger number of the nations of Europe are pauperized, and a pauperized people are never good customers.

WHY EXPORTS EXCEED IMPORTS.

The opponents of an American protective tariff are busy spreading the propaganda that if a protective tariff restricts our imports it will correspondingly restrict our exports. They say if we do not buy from other countries we can not sell to other countries. Statistics published by the Department of Commerce show that in 44 of the 48 years since 1874 our exports have exceeded our imports; that is, in 44 out of 48 years since 1874 we have sold where we did not buy.

International trade is far from being the simple equal exchange of goods which free traders would have the people believe. International trade is not a matter of sentiment. Other nations are not buying goods from us as a favor merely because we have bought goods of them, neither do they confine their buying of us to an amount equal to our purchases of them. International trade, like private trade, is either a matter of profit or necessity or both. Nations buy where they must to supply themselves with food, fuel, and their industries with raw material. They buy in the market that gives them the best product on the most favorable terms.

The argument that is being repeated over and over by opponents of the tariff that if we impose a protective tariff on foreign-made goods they will cease to be imported and the countries which produce them will cease to buy our goods is wholly unworthy of serious consideration. This is not true now and never has been true. The free-trade propagandists using this argument cite the awful things that will happen to our trade—with first one country and with another—in event we restrict imports from those countries by the enactment of an American tariff act enacted in the summer of 1921, giving protection to American farm products, has utterly ruined our commercial relations with Canada because it restricts Canadian imports, and unless Canada can sell without restriction to us she will cease buying from us.

Mr. JONES of New Mexico. Mr. President, may I ask the Senator how, in the last analysis, one nation can sell goods to another without buying goods from them of a substantially equal amount? I mean, how can one nation sell goods to the outside world without buying goods from the outside world of a substantially equal amount?

Mr. CALDER. In a moment or two I will read some figures to the Senator which show just how that is balanced. Those figures will prove that during a period of years we exported to certain countries goods of the value of several million dollars, and imported goods of one-half of the value of the goods we sold. Somehow or other, I will say to the Senator from New Mexico, the thing does not work out as he intimates. It would seem, after all, that if a country exported goods of a certain amount to a certain other country, that country would send goods back of the same amount, but it does not work out that way.

Mr. JONES of New Mexico. I do not mean to even suggest that you have to receive the same amount of goods from any one country to which you export goods, but in the final balance of international trade there is and can be only one way to settle it, and that is to exchange commodities or to extend credits, which is merely a temporary postponement of the final settlement of the bill. It may be that you can make investments in England which will be reflected in exports to South America, but in international trade there is and can be but one way ultimately to settle the balance, and that is by an exchange of commodities. You may make investments abroad, you may extend credits, and in other ways balance the account, but in international trade must not the Senator conclude that the balance can only be settled by an exchange of commodities?

Mr. CALDER. Mr. President, let me say just this in reply, for I want to conclude my speech by 11 o'clock, when my time expires. I stated a moment ago that in 44 of the last 48 years—in other words, since 1874—we exported more goods than we imported.

Mr. JONES of New Mexico. I do not believe the Senator is quite right. If he confines the word "goods" to mere matters of merchandise, he is right, but the Senator must know that the balance was settled by the expenses of our tourists abroad, and by remittances of immigrants in the United States back to their old home. It was settled in those various ways. But the Senator must realize that there can be a last settlement only in the way I have indicated. Those things offset the balance of merchandise which we were exporting. We were a large debtor nation. We owed interest abroad on advances which had been made to the United States, and they were glad to get our goods in payment of our indebtedness to them. But international trade is settled always in commodities, sooner or later. In the early years of this Government of ours we were an importing nation, and we imported much more than we paid abroad, but we were piling up an indebtedness abroad, and the time came in 1842 when we had practically gotten to the point where we could settle that, and where our actual exports of commodities were in excess of the commodities coming in. But they went out to pay debts which we had incurred prior to that time.

Mr. CALDER. The fiscal years 1912 and 1913 were normal years. In 1912 Canada sold to us goods in the amount of $108,813,368, but she bought goods from us in the amount of $329,257,194. In the year 1913 the balance of trade was even greater against Canada and in our favor. That year Canada sold to us goods in the amount of $120,571,180, but she bought from us goods in the amount of $415,449,457. During both years the Payne-Aldrich protective tariff was in operation.

Germany is another country whose name is used by the free traders in their protestations that if we do not buy from Germany without restriction we can not sell to her. The reports of the Department of Commerce show that in 1912 we bought from Germany goods in the amount of $171,380,380, but that we sold to Germany goods to the amount of $306,959,021. In 1913 we bought of Germany goods to the amount of $188,963,071, but sold to Germany goods in the sum of $381,684,212.

Italy is another country which is used in the propaganda to persuade American people they must not enact an American protective tariff. It is repeated over and over that unless we buy from Italy without restriction we can not sell to her. In 1912 we bought from Italy goods to the amount of $48,028,529, while we sold to her goods to the amount of $65,261,268. In 1913 the balance of trade was even greater in our favor. In that year we bought of Italy goods to the amount of $54,107,364, and sold to her goods in the amount of $76,285,278. Evidently the Payne-Aldrich protective tariff did not kill our export trade with Italy.

SOME TARIFF HISTORY.

Then there is the "hands across the sea," the "blood is thicker than water" argument that we must permit England unlimited and free access to our home markets or she will stop buying of us. In 1912 the United Kingdom—England, Scotland, Ireland, and Wales—sold us goods in the sum of $272,940,700, while we sold her goods in the sum of $564,372,186. In 1913 the United Kingdom sold us goods in the sum of $295,564,940, while we sold her goods in the sum of $597,149,059.

For the year 1912 under the Payne-Aldrich protective tariff our total imports from all of Europe amounted to $819,585,326, while we exported to Europe $1,341,732,789. In 1913 under the Payne-Aldrich protective tariff our imports from all of Europe amounted to $892,868,384, while our exports to Europe for the same year amounted to $1,479,074,761.

Mr. JONES of New Mexico. How does the Senator explain that we got paid for those goods?

Mr. CALDER. At that time England had interests here, and at that time we paid her rentals, perhaps, and interest on obligations which were due her, and we balanced the debts in that way. But it is a fact that we sold her nearly twice what she sold us.

For purposes of easy comparison the following table showing our imports and exports from various typical European countries for the fiscal years 1912 and 1913 is given:

Imports and exports from various typical European countries.

FISCAL YEAR ENDING JUNE 30, 1912.

	Imports from—	Exports to—
Belgium	$41,677,418	$51,387,613
Denmark	2,832,077	15,767,343
Germany	171,380,380	306,959,021
Italy	48,028,529	65,261,268
Netherlands	35,568,436	103,702,859
United Kingdom	272,940,700	564,372,186
All Europe	819,585,326	1,341,732,789
Canada	108,813,364	339,257,194

FISCAL YEAR ENDING JUNE 30, 1913.

Belgium	$41,941,014	$66,845,462
Denmark	2,974,670	18,687,794
Germany	188,963,071	381,684,212
Italy	54,107,364	76,285,278
Netherlands	38,180,967	125,909,862
United Kingdom	295,564,940	597,149,059
All Europe	892,866,384	1,479,074,761
Canada	120,571,180	415,449,457

These figures taken from the reports of the United States Department of Commerce leave no doubt as to the fallacy of the argument that international trade is a matter of mutual exchange of goods in the process of which nations doing the trading close the year with the accounts balanced, and in event one nation restricts imports from another nation it immediately loses a corresponding proportion of its sales to that nation.

A significant fact in connection with the above-quoted figures is that during the years of 1912 and 1913 this country was operating under the Payne-Aldrich protective tariff. The data show clearly that under that tariff our export trade was vastly greater than our import trade, which utterly destroys the argument that the enactment of an American protective tariff would prove ruinous to our foreign trade.

We of the Republican majority see the issue clearly. It is a struggle between Europe and America for supremacy in the American market. It is a contest between those who believe that this country can only survive as a nation of consumers and those who believe that production is the basis of prosperity. It is absurd to talk about this bill solely from the consumers' standpoint. If we as a nation begin to measure our concern over legislation by our appetites to consume there will never be a constructive piece of legislation passed by Congress.

So, Mr. President, New York City, the greatest industrial center in the world, and New York State, one of the largest agricultural States in the Union, will support Congress and this tariff bill to safeguard the American market from foreign exploitation, to protect labor from cheap foreign competition, and to insure prosperity. Then, when our house is in order, we can effectively assume our rightful place in the reconstruction of Europe.

Finally, Mr. President, the proof of the unanimous demand of the American people for a protective tariff is the confession of the Democrats that they dare no longer to block this bill in the Senate. They have argued their case to death and surrender knowing that defeat faces them for their opposition to a Republican protective tariff.

Mr. WALSH of Montana obtained the floor.

Mr. UNDERWOOD. Will the Senator from Montana yield to me just a minute to have a letter printed in the RECORD?

Mr WALSH of Montana. I yield to the Senator.

CLAIMS AGAINST GERMANY.

Mr UNDERWOOD. Mr. President, some days ago I introduced a bill in reference to appointing a commission to ascertain American claims against Germany. Subsequently the President agreed with Germany on a commission to be appointed by the two powers. The bill I introduced is now pending in the Judiciary Committee and under consideration by a subcommittee of which the senior Senator from Iowa [Mr. CUMMINS] is chairman. This morning I delivered to the Senator from Iowa a letter explaining why I think it necessary to proceed with the legislation, and in order that my colleagues may have an opportunity to see the precedents and what I have stated, I ask unanimous consent that the letter may be published in the RECORD in 8-point type.

There being no objection, the letter was ordered to be printed in the RECORD in 8-point type, as follows:

AUGUST 11, 1922.

Hon. ALBERT B. CUMMINS,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I see in the press that the President has entered into a claims agreement with Germany under which mixed commissioners will be appointed to adjudicate the claims of the United States and its citizens specified therein and that the claims agreement will not be submitted to the Senate for its advice and consent thereto as Article VII thereof provides:

"The present agreement shall come into force on the date of its signature."

I have been aware of this suggested course for the past few days. While I have not had the opportunity for an exhaustive search into the matter, I have given it careful thought and I am satisfied that the following should be brought to your immediate attention:

I wish to say at the outset that I do not believe any precedent exists in our history which may be termed applicable to the present situation. Presumably the President has relied on the fact that representatives of the State Department have at divers times in the past entered into certain agreements for the adjustment of claims of American citizens against foreign governments, which agreements were not submitted to the Senate for its ratification.

Passing over the question whether in general such agreements are binding upon this Nation in the absence of the Senate's confirmation, I wish to point out that usually such agreements have covered only pecuniary claims of individuals arising in times of peace, have met with the approval of the claimant, and have involved no obligation on the part of the United States other than the relinquishment of the claim. President Buchanan, in submitting the claims agreement with Venezuela, signed January 14, 1859, to the Senate, said:

"Usually it is not deemed necessary to consult the Senate in regard to similar instruments relating to private claims of small amount when the aggrieved parties are satisfied with their terms."

The principal executive agreements involving more than one claim that have come to my attention are: The agreement with Spain of February 11-12, 1871, for the adjustment of certain claims of citizens of the United States on account of wrongs and injuries committed by authorities of Spain in the island of Cuba; the agreement with Venezuela of February 17, 1903, for the adjustment of all claims owned by citizens of the United

States against Venezuela which had not at that time been settled by diplomatic agreement or by arbitration; and the protocol with China of September 7, 1901, for the adjustment of claims growing out of the so-called Boxer troubles of 1900. No President, to my knowledge, has ever entered into such an agreement providing for the adjudication of claims arising out of war. Perhaps this is due to the fact that the President, with but a few nominal exceptions, has never entered into an agreement for the adjustment of a private claim of a foreigner against the United States without securing the approval of the Senate, but I think that it is chiefly because the settlement of war claims is necessarily part and parcel with the treaty of peace which, of course, under our Constitution, must be submitted to the Senate for its advice and consent.

For discussion on the foregoing, I respectfully refer you to Digest of International Law, by John B. Moore, volume 5, page 210; Treaties, Their Making and Enforcement, by Samuel B. Crandall, second edition, page 108; The Treaty Making Powers Under the Constitution, by John W. Foster, Yale Law Journal, December, 1901; Treaties and Executive Agreements, by John B. Moore, Political Science Quarterly, September, 1905; and International Agreements Without the Advice and Consent of the Senate, by James F. Barnett, Yale Law Review, November and December, 1905.

An examination of the agreements made in relation to private claims against foreign governments discloses that the practice of their submission or nonsubmission to the Senate has not been uniform. I am inclosing for your information a list, as presented to the Senate by Senator LODGE on February 14, 1905, of 44 arbitration treaties and conventions submitted to and acted upon by the Senate and of 12 arbitration agreements not referred to the Senate. While this list covers only arbitration agreements, I presume it indicates the existing numerical proportion of treaties and conventions which the Senate has acted upon relative to the settlement or arbitration of claims, as compared to those which have not been submitted to it.

However, as I said before, I do not think that we can rely upon precedents in the present situation for, needless to say, in none of these cases, even those submitted to the Senate, were there involved American claims running into hundreds of millions of dollars, secured by approximately $346,000,000 worth of collateral.

Assuming that the President enjoys authority to negotiate executive agreements under usual circumstances, I am doubtful if he has such authority at the present time with respect to the claims of our Nation and its citizens against the former enemy governments.

It is impossible to divorce the disposition of the enemy property held by the Alien Property Custodian and the settlement of claims of our citizens against the former enemy governments.

Congress in enacting the "trading with the enemy act" specifically provided in section 12 thereof that "any claim of an enemy or ally of enemy to any money or other property received and held by the Alien Property Custodian or deposited in the United States Treasury shall be settled as Congress shall direct." While this congressional reservation refers to the claims of the former owners of the property concerned, its purpose was to insure the retention of such property as a pledge for the satisfaction of such claims of our citizens as might arise during the war in case Congress determined to so apply it. The inseparable connection between the disposition of enemy property and the settlement of such claims is further apparent from the consideration given these two subjects in the treaties of Versailles, Trianon, and St. Germain-en-Laye, the pertinent section of the first-named treaty being section 4, part 10, from which I quote the following:

"ARTICLE 297. '(h) Except in cases where, by application of paragraph (f), restitutions in specie have been made, the net proceeds of sales of enemy property, rights, or interests wherever situated, carried out either by virtue of war legislation or by application of this article, and in general all cash assets of enemies, shall be dealt with as follows:

"'(1) As regards powers adopting section 3 and the annex thereto, the said proceeds and cash assets shall be credited to the power of which the owner is a national, through the clearing office established thereunder; and credit balance in favor of Germany resulting therefrom shall be dealt with as provided in article 243.

"'(2) As regards powers not adopting section 3 and the annex thereto, the proceeds of the property, rights, and interests, and the cash assets of the nationals of allied or associated powers held by Germany shall be paid immediately to the person entitled thereto or to his Government; the proceeds of the property, rights, and interests and the cash assets of German nationals received by an allied or associated power shall be subject to disposal by such power in accordance with its laws and regulations and may be applied in payment of the claims and debts defined by this article or paragraph 4 of the annex hereto. Any property, rights, and interests or proceeds thereof or cash assets not used as above provided may be retained by the said allied or associated power and if retained the cash value thereof shall be dealt with as provided in article 243.'" * * *

Of course, in those treaties it was assumed that the various claims set forth as reparations claims would be taken care of through the Reparations Commission. However, as such treaties confirmed to the United States the right to dispose of enemy property as it saw fit, there can be no objection to the enforcement of reparations claims against enemy property if the Congress should so elect.

When the Congress passed the joint resolution declaring war to be at an end, which was approved by the President on July 2, 1921, it carefully reserved to itself all of the rights as to the ultimate disposition of enemy property that it had specified in the "trading with the enemy act" and which had been confirmed to it by the treaties of Versailles, Trianon, and St. Germain-en-Laye. Section 5 of that resolution provides that all such property should be "retained by the United States of America and no disposition thereof made except as shall have been heretofore or specifically hereafter shall be provided by law until such time as the Imperial German Government and the Imperial and Royal Austro-Hungarian Government, or their successor or successors, shall have respectively made suitable provision for the satisfaction of all claims against said Governments," as specified therein, and shall have complied with the other conditions therein set forth.

This section of the joint resolution was incorporated in the separate treaties of peace with Germany, Austria, and Hungary, and it was stipulated in each of said treaties of peace, respectively, that while the United States was privileged to participate in the Reparations Commission and in any other commission established under the treaties of Versailles, St. Germain-en-Laye, and Trianon, or any agreements supplemental thereto, the United States was not bound to participate in any such commission unless it so elected. Nevertheless, the Senate in ratifying each of these treaties of peace reserved for legislation by the Congress the matter of the disposal of enemy property and the adjustment of the claims of the United States and its citizens by ratifying such treaties subject to the following understanding:

"That the United States shall not be represented or participate in any body, agency, or commission, nor shall any person represent the United States as a member of any body, agency, or commission in which the United States is authorized to participate by this treaty unless and until an act of the Congress of the United States shall provide for such representation or participation; * * * that the rights and advantages which the United States is entitled to have and enjoy under this treaty embrace the rights and advantages of nationals of the United States specified in the joint resolution or in the provisions of the treaty of Versailles to which this treaty refers."

To summarize: Both branches of Congress by their action on the "trading with the enemy act" reserved to the Congress the ultimate disposition of enemy property, and by the joint resolution reasserted their legislative authority over that subject; the Senate by the exercise of its treaty power has since reaffirmed these reservations of the "trading with the enemy act" and the joint resolution with an express proviso that, except pursuant to an act of the Congress, no representative of the United States should sit on any body, agency, or commission dealing with matters covered by the separate treaties of peace.

Therefore if the adjustment of these American claims, so intimately connected with the disposition of enemy property, is arranged by a purely executive agreement it is hardly necessary to point out the possibility that the Congress, when it comes to dispose of enemy property, may reopen the entire matter of the adjustment of American claims.

In concluding I wish to emphasize that any such difficulty will be obviated by the passage of the bill I have introduced providing for a commission composed solely of American citizens to adjudicate such claims. The commission would have jurisdiction to hear all claims against Germany, Austria, and Hungary and does not contemplate a special commission to hear such claims as may be presented against each of those nations respectively. Further, this bill enables the Congress at one time to enact legislation not only caring for American claims but also providing for the ultimate disposition of the enemy

properties. I take this opportunity of respectfully urging that you give the bill your favorable consideration.

Very truly yours,

O. W. UNDERWOOD.

EXCERPT FROM AN ARTICLE ENTITLED "CONSTITUTIONAL METHODS OF MAKING AND RATIFYING TREATIES IN CERTAIN FOREIGN COUNTRIES, AND ALSO LIST OF ARBITRATION TREATIES AND CONVENTIONS SUBMITTED TO AND ACTED UPON BY THE SENATE," PRESENTED IN THE SENATE FEBRUARY 14, 1905, BY SENATOR LODGE AND PRINTED AS SENATE DOCUMENT NO. 158, FIFTY-EIGHTH CONGRESS, THIRD SESSION.

List of arbitration treaties and conventions submitted to and acted upon by the Senate:

1. With Chile: For arbitration of the "Macedonian" claims. Concluded November 10, 1858; ratified by Senate March 8, 1859; proclaimed December 22, 1859.

2. With Chile: Submitting claims of United States citizens to a commission. Concluded August 7, 1892; ratified by Senate December 8, 1892; proclaimed January 28, 1893.

3. With Chile: Reviving convention of 1892. Concluded May 24, 1897; ratified February 28, 1899; proclaimed March 12, 1900.

4. With China: Referring claims of the United States to a commission. Concluded November 8, 1858; ratified by Senate March 1, 1859; ratified by President March 3, 1859.

5. With Colombia: Referring claims to a commission. Concluded September 10, 1857; ratified by Senate with amendments March 8, 1859; proclaimed November 8, 1860.

6. With Colombia: Extending foregoing treaty and providing for a new commission. Concluded February 10, 1864; ratified by Senate June 10, 1864; proclaimed August 19, 1865.

7. With Costa Rica: Referring United States claims to a commission. Concluded July 2, 1860; ratified by Senate January 16, 1861; proclaimed November 11, 1861.

8. With Denmark: Referring claim of Carlos Butterfield & Co. to arbitration. Concluded December 6, 1888; ratified by Senate February 11, 1889; proclaimed May 24, 1889.

9. With Ecuador: Referring United States claims to a commission of two members and an arbitrator. Concluded November 25, 1862; ratified by Senate January 28, 1863; proclaimed September 8, 1864.

10. With Ecuador: Submitting claim of Julio R. Santos to arbitration. Concluded February 28, 1893; ratified by Senate September 11, 1893; proclaimed November 7, 1894.

11. With France: Referring claims of United States citizens and French citizens to a commission of three. Concluded January 15, 1880; ratified by Senate March 29, 1880; proclaimed June 25, 1880. (The term of the claims commission constituted by the foregoing treaty was extended twice by special convention, first in 1882, and the second time in 1893, on the latter occasion with a Senate amendment.)

12. With Great Britain: The "Jay treaty." Concluded November 19, 1794; ratified with an amendment not affecting the arbitration clause June 24, 1795; proclaimed February 29, 1796. In Articles VI and VII certain claims were referred to a commission.

13. With Great Britain: The commission constituted by Article VII of the Jay treaty was continued by special treaty ratified and proclaimed in 1802.

14. With Great Britain: The treaty of Ghent. Concluded December 24, 1814; ratified by Senate and ratifications exchanged at Washington February 17, 1815; proclaimed February 18, 1815. In Article IV of this treaty certain boundary questions are referred to a commission and for final settlement to a friendly sovereign or State acting as arbitrator.

15. With Great Britain: Convention respecting fisheries, boundary, and restoration of slaves. Concluded October 20, 1818; ratified by Senate January 25, 1819; proclaimed January 30, 1819. In Article V of this treaty certain claims are referred to arbitration.

16. With Great Britain: Referring claims of American and British citizens to a commission. Concluded February 8, 1853; ratified by Senate March 15, 1853; proclaimed August 20, 1853. (The commission constituted by the foregoing convention was extended by special treaty proclaimed in 1854.)

17. With Great Britain: Convention relative to the northeastern boundary, referring the question to arbitration. Concluded September 29, 1827; ratified by the Senate January 14, 1828; proclaimed May 15, 1828.

18. With Great Britain: Convention for the settlement of claims to be referred to a commission. Concluded February 8, 1853; ratified by the Senate March 15, 1853; proclaimed August 20, 1853.

19. With Great Britain: Reciprocity treaty as to fisheries, duties, and navigation. Article I provided that certain fishery disputes should be referred to a commission. Concluded June 5, 1854; ratified by the Senate August 2, 1854; proclaimed September 11, 1854.

20. With Great Britain: Referring claims of the Hudson Bay Co. and the Puget Sound Agricultural Co. against the United State to a commission. Concluded July 1, 1863; ratified by Senate January 18, 1864; proclaimed March 5, 1864.

21. With Great Britain: Referring *Alabama* claims to a tribunal and referring Civil War claims to a commission. Concluded May 8, 1871; ratified by Senate May 24, 1871; proclaimed July 4, 1871.

22. With Great Britain: Referring question of fur seals in Bering Sea to arbitration. Concluded February 29, 1892; ratified by Senate March 29, 1892; proclaimed May 9, 1892.

23. With Great Britain: Referring Bering Sea claims to a commission. Concluded February 8, 1896; ratified with amendments by Senate April 15, 1896; proclaimed June 11, 1896.

24. With Great Britain: General arbitration treaty. Concluded January 11, 1897; amended and finally rejected by Senate May 5, 1897.

25. With Great Britain: Referring Alaskan boundary disagreement to a tribunal. Concluded January 24, 1903; ratified by Senate February 11, 1903; proclaimed March 3, 1903.

26. With Congo: Article XIII of this treaty refers any disputes concerning the terms of the treaty to arbitration. Concluded January 24, 1891; ratified by Senate January 11, 1892; proclaimed April 2, 1892.

27. With Mexico: Referring claims of United States citizens to a commission of four members and an umpire. Concluded April 11, 1839; ratified by Senate March 17, 1840; proclaimed April 8, 1840.

28. With Mexico: Article XXI of this treaty provides for the reference of future disagreements to arbitration. Concluded February 2, 1848; ratified by Senate with amendments not affecting arbitration article March 10, 1848; proclaimed July 4, 1848. (The foregoing reaffirmed in Article VII of the Gadsden treaty ratified by Senate with amendments not affecting article and proclaimed in 1854.)

29. With Mexico: Referring claims of both countries to a commission of two members and an umpire. Concluded July 4, 1868; ratified by Senate July 25, 1868; proclaimed February 1, 1869. (The foregoing convention was extended four times by special treaty—in 1871, 1872, 1874, and 1876.)

30. With Mexico: Referring boundary disputes to a commission. Concluded July 29, 1882; ratified by Senate August 8, 1882; proclaimed March 5, 1883. (The commission provided in the foregoing treaty was extended twice—in 1885 and 1889.)

31. With Mexico: Referring all future boundary disputes to a commission. Concluded March 1, 1889; ratified by Senate May 7, 1890; proclaimed December 26, 1890. (This treaty was extended six times—in 1894, 1895, 1896, 1897, 1898, and 1900.)

32. With Paraguay: Referring claim of the United States & Paraguay Navigation Co. against Paraguay to a commission. Concluded February 4, 1859; ratified by Senate February 16, 1860; proclaimed March 12, 1860.

33. With Peru: Referring claims of Peru against United States to an arbitrator. Concluded December 20, 1862; ratified by Senate February 18, 1863; proclaimed May 19, 1863.

34. With Peru: Referring claims of United States and Peru to a commission of five. Concluded January 12, 1863; ratified by Senate, with amendment, February 18, 1863; proclaimed May 19, 1863.

35. With Peru: Referring claims of the United States and Peru to two commissioners and two umpires. Concluded December 4, 1868; ratified by Senate April 15, 1869; proclaimed July 6, 1869.

36. With Portugal: Referring *General Armstrong* claim to an arbitrator. Concluded February 26, 1851; ratified by Senate March 7, 1851; proclaimed September 1, 1851.

37. (With Samoa:) Treaty with Germany and Great Britain referring Samoan disputes to arbitration. Concluded November 7, 1899; ratified by Senate February 21, 1900; proclaimed March 8, 1900.

38. With Spain: Treaty of friendship, limits, and navigation. Concluded October 27, 1795; ratified by the Senate March 3, 1796; proclaimed August 2, 1796. Under article 21 of this treaty claims were referred to a commission.

39. With Spain: Referring claims for indemnity to a commission. Concluded August 11, 1800; ratified by Senate January 9, 1804; proclaimed December 22, 1818.

40. With Texas: Referring boundary question to a commission. Concluded April 25, 1838; ratified by Senate May 10, 1838; proclaimed October 13, 1838.

41. With Venezuela: Referring claims of United States citizens to a commission of two members and an umpire. Con-

cluded April 25, 1866; ratified by Senate July 5, 1866; proclaimed May 29, 1867.

42. With Venezuela: Constituting a commission to reopen and decide awards under treaty of 1866. Concluded December 5, 1885; ratified by Senate, with amendments, April 15, 1886; proclaimed June 4, 1889. (The foregoing was supplemented by a treaty ratified June 18, 1888, explanatory of its terms, and by a treaty ratified December 5, 1888, extending the time for its ratification.)

43. With Venezuela: Referring the claim of the Venezuelan Steam Transportation Co. against Venezuela to commission of two members and an umpire. Concluded January 19, 1892; ratified by Senate March 17, 1892; proclaimed July 30, 1894.

44. General: Hague convention for pacific settlement of international disputes. Concluded July 29, 1899; ratified by Senate February 5, 1900; proclaimed November 1, 1901.

By this list, excluding those ratified on Saturday, February 11, it appears that 44 general and particular arbitration treaties, or arbitration articles in treaties containing other provisions, have been submitted to the Senate; of these 44 treaties 43 have been ratified and 1 rejected. Of the 43 ratified, 6 have been ratified with amendments and 37 without amendments.

LIST OF ARBITRATION AGREEMENTS NOT REFERRED TO THE SENATE.

With Brazil: Referring "Canada" claim to an arbitrator. Signed March 14, 1870.

With Colombia: Referring the "Montijo" claims to arbitrators. Signed August 17, 1874.

With Dominican Republic: Referring claim of improvement company to a tribunal. Signed January 31, 1903.

With Guatemala: Private claims. Signed February 23, 1900.

With Haiti: Referring two private claims to an arbitrator. Signed May 28, 1884 (The term of this protocol was extended by an additional protocol signed March 20, 1885.) Submitting a private claim to an arbitrator; signed May 24, 1888. Submitting a claim to arbitration; signed October 18, 1899.

With Mexico: Private claims; signed March 2, 1897. Pius fund; referred to the Hague tribunal; signed May 22, 1902.

With Nicaragua: Private claims; signed March 22, 1900.

With Peru: Private claims; signed May 17, 1898.

With Russia: Submitting claims for detention of American schooners to arbitration; signed August 22 and September 8, 1900.

With Salvador: Private claims; signed December 19, 1901.

With Spain: Agreement for the settlement of claims of Americans for injuries committed by Spanish authorities in Cuba; concluded February 11–12, 1871.

With Venezuela: Private claims; signed February 17, 1903.

Mr. UNDERWOOD subsequently said:

This morning soon after the assembling of the Senate I asked unanimous consent for the printing of a letter in the RECORD, which was granted. I ask now that a letter which I have from Mr. William C. Armstrong, of the firm of Beekman, Menken & Griscom, of New York, in regard to the same subject, may be printed in connection with the other letter, all in eight-point type.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered, as requested by the Senator from Alabama.

The letter is as follows:

NEW YORK, *August 11, 1922.*

Hon. OSCAR W. UNDERWOOD,
United States Senate, Washington, D. C.

DEAR SIR: As the attorney for the surviving dependent children of an American drowned on the *Lusitania* I have read with great interest and amazement the agreement signed yesterday in Berlin on behalf of our Government and published in this morning's newspapers.

It is evident that the Executive does not wish this agreement to be regarded as a treaty, and that he expects to appoint commissioners under the treaty, who need not be confirmed by the Senate, and to proceed quite independently of Congress. Had an act of this character been taken by the last President, cries of tyranny and usurpation would have filled the country. You will, of course, have noticed that this apparently harmless agreement amounts to the abandonment by the United States of claims amounting to many millions for reparations, which Germany agreed to pay in those portions of the treaty of Versailles, which were included in the Berlin treaty. Of course, the agreement does not state that these claims are abandoned, but this commission has no authority to fix the amount of those claims. Knowing that a new treaty which made no provision for fixing the amount of those claims would not be ratified by the Senate, the Government is apparently attempting to give the rights away without the Senate's consent. It is no wonder that Germany is willing that two out of three members of the commission should be American citizens.

I take it that the reparations granted to the United States by the Berlin treaty are vested in the United States, and that those vested rights can not be divested except by the consent of Congress. Senators KNOX and MCCUMBER took that position on August 19, 1919, when President Wilson was asked if he had abandoned our claim for reparations. He said, "I left that question open, Senator, because I did not feel that I had any final right to decide it."

The Berlin treaty, Article II, provides as follows: "That the rights and advantages stipulated in that treaty for the benefit of the United States which it is intended the United States shall have and enjoy are those defined in Section I of part 4 and parts 5, 6, 8, 9, 10, 11, 12, 14, and 15."

The agreement states that "The commission shall pass upon the following categories of claims which are more particularly defined in the treaty of August 25, 1921, and in the treaty of Versailles."

An examination of the claims which are to be passed upon by the commission shows that they are very strictly limited. The claims in respect of property of American citizens which was in Germany and for debts owing to American citizens by the German Government or by German nationals is provided for, and these claims are to be fixed by the commission.

The only other matter which the commission can consider is "Claims for loss or damage to which the United States or its nationals have been subjected with respect to injuries to persons, or to property rights * * * since July 31, 1914, as a consequence of the war." I most respectfully submit that the surviving dependents of an American citizen drowned on the *Lusitania* could not under any circumstances bring themselves within the above definition. You will observe that no mention is made of death claims or of the claims of anyone who is not personally injured. This is not an unintentional omission but is an absolute departure from the language of the treaty of Versailles.

The treaty of Versailles, which is actually part of the treaty of Berlin, provides as follows: "Claims growing out of acts committed by the German Government or by any German authorities since July 31, 1914, and before that allied or associated power entered into the war." (Article 298, annex, paragraph 4.) And it further provided "Compensation may be claimed from Germany under article 232 in respect of the total damage under the following categories: (1) Damage to injured persons and to surviving dependents by personal injury to or death of civilians caused by acts of war, including bombardments or other attacks on land, on sea, or from the air, and all the direct consequences thereof, and of all operations of war by the two groups of belligerents wherever arising." (Article 232, annex 1.) These two clauses cover pre-war and war claims.

This language is plain and clear and it is quite evident that the surviving dependents of Americans could establish a claim thereunder. It seems proper to inquire why this language has been abandoned and a new class of claims created.

It is well recognized in law that death claims for dependents are purely statutory and our only right to assert a claim against Germany depends upon the terms of the treaty which specifically grants such right to surviving dependents of Americans. We do not believe that Justice Day, who is mentioned as a member of the commission, would permit the commission to fix the amount of death claims under the agreement in question. At any rate, American rights are endangered thereby.

Aside from this point, we would call your attention to the fact that every other claim to which the United States is entitled under part 8, section 1, article 232, annex 1, of the Treaty of Versailles, is abandoned. These claims are all provided for in section 29(a) 2, 3, 4, 5, and 6 and section 29(c) 1, 2, 3, 4, and 5 of your proposed bill. The administration has therefore apparently decided that the only claims that it will make against Germany are for property damage on account of property seized in Germany for the collection of ordinary civil debts due to American citizens and for injuries to the person or property of American citizens. We believe that you will agree with us that this is not only untenable but illegal.

Furthermore, unless the creation of the commission in question was provided for by the Berlin or Versailles treaties, the Government had no power to create it. The Versailles treaty seems to provide that the amount of the claims for pre-war damages shall be assessed by an arbitrator appointed by the mixed arbitral tribunal provided for in section 6 of part 10. The amount of reparations was to be determined by the Reparation Commission under the treaty of Versailles, but under article 2, paragraph 4, of the Berlin treaty it was provided

that the United States was not bound to participate in the Reparation Commission, so that it would seem that an American commission could legally be appointed to adjudicate reparations claims, even if pre-war claims, such as the *Lusitania*, have to be determined by an arbitrator.

As the proposed commission set up by the agreement of August 10, 1922, is not created by the Berlin treaty, and is not appointed either by Gustave Ador or by the mixed arbitral tribunal, there is no authority for its creation contained in any existing treaty with Germany.

There would seem to be no objection to having the amount of all the claims which we are entitled to under the Versailles treaty, both by way of reparations and on account of pre-war claims, fixed by a mixed commission such as has been agreed upon, but we certainly hope that you will continue your efforts to have the Congress finally determine its policy as to the disposition of the funds in the hands of the Alien Property Custodian. It will take some years for the amount of the claims to be determined. The Germans will, undoubtedly, be glad to allow the matter to rest at present and in the meantime, by means of the Winslow resolution and other future bills, to attempt to slowly recover as much of the property now held as possible. We sincerely hope that you will see your way clear to forcing action in Congress whereby the Alien Property Custodian will be directed to hold all of the property seized from Germans now in his possession until all the American claims have been finally fixed, and further provide that after they have been fixed and after Germany has been given a reasonable opportunity to satisfy the same that the property in question be used for the payment of claims in the event that Germany fails to pay.

The State Department, in a letter to me under date of June 3, 1922, said that "the final disposition of property now in the possession of the Alien Property Custodian of the United States is under existing law a matter for the determination of Congress."

There is no doubt as to that matter, and we sincerely believe that this is the time for Congress to decide the question definitely and finally.

It may be that the State Department intended to permit American death claims to be considered by the commission, although it undoubtedly intended to exclude every other kind of claim; but the State Department admits that it knows of no provision for the payment of the claims by Germany, and it certainly is necessary for us to hold all the property pledged for the payment of these claims until such provision is made by Germany.

If Germany knows that none of its citizens can recover any of the property seized from them by the United States during the war until after the American claims have been fixed and paid, the work of the commission will undoubtedly proceed very rapidly. Otherwise we may expect the fixing of the claims and their payment to be extended interminably. It seems important to inquire what Chancellor Wirth meant when he said in his letter to the American ambassador, "The German Government is convinced of the intention of the American Government to carry out in an accommodating and just manner the settlement of the questions still to be solved between the two States concerned, the way to which is opened by the signature of the agreement. It is still further strengthened in this belief by the assurances received by your excellency." What assurances have been given to the American ambassador by the State Department?

Very respectfully yours,

WILLIAM C. ARMSTRONG.

CONDITIONS IN ARMENIA.

Mr. STERLING. I ask unanimous consent to present a petition from citizens of Mitchell, S. Dak., praying that the Government of the United States take the necessary steps to stop the massacre of Armenians and other Christian people by the Turks. I ask that the petition may be referred to the Committee on Foreign Relations and that the body of the petition, without the names, be printed in the RECORD.

There being no objection, the petition was referred to the Committee on Foreign Relations and the body of the petition was ordered to be printed in the RECORD, as follows:

PETITION.

We, the undersigned, residents and citizens of Mitchell, S. Dak., hereby respectfully petition that the Government of the United States take the necessary steps to stop the massacre of Armenian and other Christian people by the Turks and that each of you do all in your power to accomplish this result.

Dated this 31st day of July, 1922.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. WALSH of Montana. Mr. President, on yesterday I called attention to an article in the magazine Our World, by Agnes C. Laut, entitled "The farmers' stake abroad." It has such particular pertinency to the subject under consideration, particularly in view of the argument just made by the Senator from New York [Mr. CALDER], that I ask unanimous consent that it be printed in the RECORD in 8-point type. It is a brief article.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The article is as follows:

THE FARMERS' STAKE ABROAD—THE FARMERS OF THIS COUNTRY ARE ON AN INVOLUNTARY STRIKE—BANKRUPTCY IS THREATENED BECAUSE NATIONS THOUSANDS OF MILES AWAY CAN NOT BUY—HOW THE FARMER DEPENDS, AS NEVER BEFORE, ON EUROPE'S PROSPERITY.

[By Agnes C. Laut.]

(Miss Laut is herself a practical farmer, and she has made a study of the general economic aspects of the farmer's problem in this country. Her conclusions that the farmer is the worker most affected by the increase or decline of foreign trade are based upon her long study. The author is a journalist as well as an agriculturist. She has been the correspondent of numerous magazines and newspapers in this country and in Europe, and is the author of many books treating, for the most part, of life in the open. The rather startling statistics which she gives are taken from official reports.)

Are the farmers of the United States and Canada interested in Europe's comeback to normal? Charitably, of course, we are interested when we feed Russia and help to rehabilitate Palestine, and extend the time for repayment of loans that are war debts; but as a matter of interest to our own pocketbooks and daily incomes can we stand back self-sustained and self-sustaining, and let Europe stew through her own muss? If we do let Europe go her way to destruction, will it come back on us, so that we shall be no longer self-sustained and self-contained?

A hundred years ago the answer would have been simple, for 87 per cent of America's population gained their living direct from land. Europe could rock to the panic from the aftermath of the Napoleonic wars. What was that to us? Our people fed themselves directly from the soil. Currency might be inflated or deflated. The American farmer didn't see enough of it to make much difference. The banker might worry. The farmer didn't; he built his house from the timber on his own place. He clothed his family from the wool sheared from his own sheep, or the cotton grown on a southern plantation. Beef and pork were home grown and home cured. So were all cereal foods. So were footwear and harness, for the local tanner dressed the leather and the local cobbler came once a year to each home to make shoes and harness for the family. Dairy products were homemade and home consumed. The world might rock; and the United States could say, "Let her rock. We're safe from European entanglements. If they like to make themselves a spiked shirt of soldiers' bayonets, let them wear it. We won't. Let them worry it out. It's their mess, not ours."

All this roughly expresses the economic sentiment of the entire country a hundred years ago. Indeed, astonishing as it may seem, it roughly expresses the economic sentiment of a great many people to-day. They say: "The United States consumes nine-tenths of all it produces. Let us lessen production all round by 15 per cent to be safe, as was recommended by the agricultural conference in Washington, and stand back from European complications, as the fathers of the Constitution advised us. This propaganda for messing into European finance is all a device of the international bankers to pull themselves out of a hole. What are international bankers to us? Let us stand back, look out for ourselves. Safety first; and the international bankers may hoist themselves with their own bootstraps."

The fact ignored in this attitude of mind is that the United States to-day are not the United States of a hundred years ago. To-day only 33 per cent of our population are on land and 67 per cent make their living directly or indirectly from trade. The local tanner, the local cobbler, the local gristmill run by the village waterfall have removed far and wide to great centralized mills. The textile mills are in the South, in Massachusetts, in Rhode Island. The shoe and harness industries are in Massachusetts, in New Jersey, and in Middle Western States. The big flour mills are chiefly in Minneapolis and Buffalo. The home-cured meats are now cured in Chicago and Omaha and Kansas City. The lumber for the home builder comes from the South or the Pacific coast. All industry is centralized, and machine power—tractor, motor, binder,

reaper, thresher—has supplanted old hand toil and increased the farm output far beyond local consumption. With only a third of the people on the land, we not only feed ourselves but half the world. We not only feed our own mills with their supplies of raw material but feed the mills of England, Ireland, Germany, Austria, Belgium, and France with supplies of raw material.

True, we use 90 per cent of all we produce, but if the 10 per cent back up unsold we are in the position of the irrigation farmer when a small plug blocks his main water ditch and backs up a flood on his field that drowns prosperity. Also if Europe stops buying from our mills our mills can't buy all we have to sell them. Then not 10 per cent backs up on the farmer unsold but 50 per cent. Prices break below cost, as they did last year, when 10 hides could not be sold for enough to buy a farmer's pair of top boots; and wool ate its head off in storage without buyers, though wool suits cost $75 each; and corn and oats had to be burned as fuel, because their price was cheaper than coal. And this because Europe was not buying freely.

In a word, the astounding fact is that the farmer supplies in raw or manufactured form over one-half of all our exports. He supplies 36 per cent of all material for manufacture. He buys over 46 per cent of all manufactured goods. When Europe slacked buying, the farmer saw half his produce on the point of backing up on him. When the home factories stopped selling to Europe, the farmer saw another 36 per cent of his selling market backing up on him. When the employed factory people began cutting their purchases down to economize, wheat slumped in Alberta and Montana and Kansas. Milk prices fell from a high of 10 cents and 9 cents a quart to 3 cents and 4 cents in the East and as low as 1 cent in the West; condensed milk could not be sold abroad at any price, and glutted European ports. The prices of dairy cows fell from $200 a head to $80 and $50 in a year.

These are not arguments; they are facts that hit every living soul in the United States in the face last year, whether butcher, or baker, or candlestick maker, banker, or destitute pioneer storekeeper, small farmer, or city consumer, who is usually "the goat," though he does not always realize it. Is the farmer interested in Europe's comeback? Well, is he? He is more than interested. He will be tied up in bowknots of bankruptcy till Europe does come back. And the farmer in America represents seventy-eight billions cash investment in land, buildings, machinery, live stock.

This cash investment represents three times our war debt, almost eleven times all the money invested in oil in America, about nine times all the money invested in railroads, about nine times all the money invested in street cars and allied utilities. In 1919 the farmer turned out $23,000,000,000 of consumable goods. He provided half the export trade, over a third of all that factories use, and he bought more than two-fifths of all that factories sell. In 1920 the farmers held in loans and credits from the banks almost $4,000,000,000—a bigger sum than our largest gold reserve.

Look back over that list for a moment. Is there a single line of life in the country unhurt when the farmer is hurt? When prices slumped for farmers in the West last year, schools had to be closed because the farmers could not pay taxes. Doctors could not collect their fees. Clergymen could not be paid; and in the wheat areas from Montana and the Dakotas to Oklahoma there were failures among little local banks at the rate of two a day for a hundred days—this outside North Dakota's Nonpartisan League ventures.

I recall a couple of years before the war I was the guest of one of the great sheep kings of the Southwest. The opening of Panama had created a new interest in the American merchant marine, which at that time, as far as foreign trade was concerned, had dwindled to carrying less than 8 per cent of American commerce. I asked the sheep king if he was interested in the expansion of America's foreign trade.

He answered like a bomb, "No; I am not. I'm against this tangling up in foreign trade. Let the foreign nations be our carriers and hewers. We'll pay them for their service; but let us remain a great nation to ourselves and by ourselves."

When the war came that man's wool sold for from 56 cents to 75 cents. It used to sell at 18 cents. When Europe suddenly stopped buying he had expanded his ranches and herds and could not sell his wool at any price. Only the banks saved him from having his entire life work and life savings swept away.

The day the war broke out a Chicago packer, who began life as a partner of Armour, was a visitor in my home. He had made a fortune in pork and wheat.

"Do you think America should mix in with Europe financially?" I asked.

"I do not," he said. "Let us mind our own business and keep to ourselves!"

He died during the war. What would he say to-day, I wonder, if he pondered the figures? When Europe stopped buying in 1921, exports of beef fell from nearly 90,000,000 pounds in 1920 to 10,500,000 pounds in 1921, canned beef from 24,000,000 pounds to 6,000,000 pounds, and prices to the farmer from $70 and $50 to $3 and $1.

Before the war the great obstacle to the restoration of the merchant marine was the indifference of the Senators and Congressmen from the farm constituencies of the Middle West. When the subject came up there would not be a quorum in the House. I recall one case where the Senate dwindled to nine Members in their seats, the House to six.

That is changed now. At the agricultural conference the farmers went on record unanimously as believing that foremost among the remedies for the paralysis of agriculture were: (1) Resumption of foreign trade, (2) refunding of war debts, (3) the building up of an American merchant marine, and (4) most astounding of all, if necessary, a ship subsidy, which last had formerly been anathema to all sons of the soil.

One has only to take a quick glance at the basic farm products to see where the farmer stands on Europe's comeback.

Cotton first. Often America supplies 60 per cent of the foreign world's cotton needs. Always she supplies at least half of the foreign world's needs. That touches every Southern State from Georgia to Texas. Cotton exports fell off three-quarters of a billion pounds between 1920 and 1921. Of the exports of cotton, one-third usually goes to English mills, two-thirds to continental mills. What caused the falling off in exports? Paralysis of Europe's buying power. If Europe were buying all the cotton she needs for her mills now closed the South would be humming with the prosperity of war prices for cotton.

Take grains next. Before the war—as you will find if you will read the agricultural reports from 1908 to 1913—Europe required 500,000,000 bushels of outside wheat. Russia was the great supply granary for Germany. Russia is off the map. So is Rumania for a year, for she has just placed an embargo on all exports of wheat to insure food enough for herself. Argentina, India, and Australia have never supplied more than half this shortage. Cut off this avenue of foreign sales for wheat by the paralysis of Europe's buying power, and you cramp the prosperity of every wheat area from Texas and California to Manitoba and Alberta. After the slump of exchange in July and August, farmers in the Far West were receiving 80 cents to 60 cents for their wheat. As exchange improved wheat went out 170,000,000 more bushels than the preceding year, and the price went up to the farmer from 60 cents and 80 cents to $1.40. Unfortunately the most of the wheat had already been sold by the hard-pressed farmers, so that the benefit went to the pocket of the speculator, but the fact of improved European conditions sending the prices up 40 cents a bushel proves that the farmer is interested in Europe's comeback. While Europe was literally starving to death for plain, old-fashioned oatmeal in the winter of 1921–22, oats were selling from Winnipeg to Peace River and St. Paul to Montana at from 32 cents to 18 cents. Why? Paralysis of Europe's buying power. Oat exports had fallen off as between 1921 and 1920 nearly 30,000,000 bushels, as between 1921 and 1918 92,000,000 bushels; and the difference to the farmer was as from 18 cents and 28 cents a bushel and 60 cents and $1.25. Is the oat farmer interested in Europe's comeback?

Take meat products next. The total falling off in exports of meat products of all kinds—beef, oleo, bacon, ham—as between 1921 and 1920 was 400,000,000 pounds; as between 1920 and 1919, a billion and a half pounds; and cattle values fell from $50 and $90 net to the farmer to $3 and $1, less than the feed for five days. Why? Paralysis of Europe's buying power.

Take dairy products next. Exports of butter, cheese, and condensed milk fell off from 2,643,000,000 pounds in 1919 to 330,000,000 pounds in 1921, nearly seven-eighths; and values of dairy cattle fell from $200 and $150 to $80 and $50. Said one of the best dairy farmers in the East to me: "I never dropped so much money so suddenly without cause in all my life. Two years ago my herd cost me $20,000. I've just sold it by auction for $2,500; and that loss takes no account of labor and feed. The funny thing was, my herd produced as much as ever; but milk returns went down from 8 cents and 9 cents to 3 cents and 1 cent, and the value was no longer in the herd." Why? Paralysis of Europe's buying power.

Hides have been burned in the West this year from Alberta to New Mexico because they could not be sold. Wool is eating

its head off in storage and interest charges, and the values of lambs and sheep have fallen from half to two-thirds.

In 1921, as brought out in the agricultural conference, only 10 per cent of the farmers paid costs of operation, and their returns were only 3 per cent on the outlay. Farm earnings in 1920–21 represented between $416 and $460 a family for each working farmer, less than any wage in the union scale of labor.

With over $78,000,000,000 invested in the farm plant of the United States, and the farm values cut from 60 per cent to 50 per cent by the paralysis of Europe's buying power, does one need to ask, Is the farmer interested in Europe's comeback?

It isn't a manufacturing problem, and it isn't an international banking problem. It is a problem on which the very financial existence of America depends. The farmer can not go back to the day when he was his own weaver, his own cobbler, his own harness maker, his own miller. His manufacturing plants have moved away from him. The wheels have to be set going so all he produces can go out to these buying plants, whether in England, Germany, Austria, or Russia.

It is that or ruin; for, as one of the members of the agricultural conference said, "The farmers are on strike. It isn't a voluntary strike. It is caused by a wrecked foreign market; and we advocate everything that can put that market back on its feet—yes; refunding of debts, cancellation, League of Nations, Genoa conference, ship subsidy, any old thing that will salvage us from total wreck."

Expressed in terms of whole milk.

Year.	Butter.		Cheese.		Condensed milk.[1]	
	Imports.	Exports.	Imports.	Exports.	Imports.	Exports.
	Pounds.	*Pounds.*	*Pounds.*	*Pounds.*	*Pounds.*	*Pounds.*
June 30, 1913		50,556,807	458,508,440			36,869,685
June 30, 1914	85,890,653		620,698,920			3,144,991
June 30, 1915		129,251,262		72,657,860		9,305,595
June 30, 1916		268,428,578		129,737,640		353,510,455
June 30, 1917		552,536,964		513,641,470		599,264,492
June 30, 1918		334,530,861		344,916,730		1,249,557,753
Dec. 31, 1919		525,779,457		28,275,170		2,089,180,437
Dec. 31, 1920	419,295,177			2,975,940		968,305,505
Dec. 31, 1921	221,476,671		150,944,330			702,642,882

[1] Including evaporated.

The fiscal year was changed to December 31 in 1919.

Total balance of butter, cheese, and condensed milk.

[In terms of whole milk.]

	Imports.	Exports.
	Pounds.	*Pounds.*
June 30, 1913	371,081,948	
June 30, 1914	709,444,633	
June 30, 1915		211,314,747
June 30, 1916		751,578,503
June 30, 1917		1,665,542,926
June 30, 1918		1,929,005,344
Dec. 31, 1919		2,643,235,064
Dec. 31, 1920		551,986,268
Dec. 31, 1921		330,281,981

BALANCE OF TRADE IN DAIRY PRODUCTS, 1913–1921.

This chart was plotted from the difference of imports and exports, and includes butter, cheese, and condensed milk only. The chart expresses these differences in terms of whole milk, assuming that 1 pound of butter equals 21 pounds of milk, 1 pound of cheese equals 10 pounds of milk, and 1 pound of condensed milk equals 2½ pounds of milk. The figures are from the Dairy Division, Bureau of Animal Industry, Department of Agriculture.

Mr. WALSH of Montana. The argument of the article is that the American farmer is suffering by reason of the collapse of the European markets. In this connection I offer for the RECORD a table prepared by the Bureau of Foreign and Domestic Commerce giving the total imports and exports for June, 1921, and June, 1922, and for the 12 months ended June, 1921, and June, 1922, showing a falling off in our exports last year of $1,300,000,000—$1,000,000,000 to Europe and $300,000,000 to South America.

Mr. SMOOT. The Senator does not claim that that is at all because of the fact that there is a duty connected with it?

Mr. WALSH of Montana. No; I claim we are making a bad matter worse by putting further obstacles in the way of our export trade.

Mr. SMOOT. I thought that was the Senator's object.

Mr. WALSH of Montana. No; I do not think it is due to the tariff to any great extent—that is, the law as it exists—but I insist that we are making a desperate situation even more critical.

Mr. SMOOT. There is some question about that, of course.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

The table is as follows:

Total values of imports and exports of merchandise by grand divisions and principal countries.

	Month of June—		12 months ended June—	
	1922	1921	1922	1921
IMPORTS FROM—				
Grand divisions:				
Europe	$76,399,752	$54,718,229	$830,473,712	$937,868,864
North America	72,321,729	54,574,598	700,739,286	1,207,526,768
South America	29,157,891	19,620,181	288,897,039	485,225,042
Asia	77,971,522	51,757,673	704,556,280	909,849,469
Oceania	2,564,799	1,890,128	31,241,423	59,128,897
Africa	1,975,205	3,129,100	52,101,238	54,860,306
Total	260,390,898	185,689,909	2,608,009,008	3,654,459,346
Principal countries:				
Belgium	4,894,374	2,623,652	42,792,800	42,464,701
Denmark	192,178	286,201	3,983,645	17,129,151
France	10,024,790	10,784,627	139,588,185	149,785,576
Germany	9,595,551	6,975,358	95,592,004	90,773,014
Greece in Europe	638,124	1,919,533	18,566,134	24,331,162
Italy	4,791,303	4,945,511	61,346,780	59,096,514
Netherlands	5,925,685	2,965,085	53,120,972	61,315,284
Norway	902,180	928,476	11,739,624	18,849,358
Russia in Europe		14,514	22,153	1,055,146
Spain	2,220,978	1,603,936	27,626,411	32,154,558
Sweden	1,902,455	956,289	23,208,575	27,905,342
Switzerland	3,159,445	2,904,820	41,556,266	45,797,810
United Kingdom	27,141,200	14,842,304	270,353,653	327,786,474
Canada	30,733,201	23,289,152	307,984,319	529,421,972
Central America	3,778,122	4,019,042	31,094,032	50,291,194
Mexico	10,091,033	10,213,634	122,956,524	154,993,154
Cuba	25,101,958	14,055,814	210,585,780	420,399,940
Dominican Republic	712,018	1,089,213	7,479,529	19,514,039
Argentina	7,890,760	4,061,738	60,767,964	124,299,424
Brazil	7,848,954	4,682,300	100,435,733	147,520,940
Chile	6,645,372	3,682,965	38,912,591	77,854,552
Colombia	2,783,459	2,944,864	41,049,460	45,808,589
Peru	1,407,633	1,457,806	14,442,775	40,822,263
Uruguay	697,015	830,164	11,588,604	17,564,731
Venezuela	1,027,218	1,004,882	12,409,533	12,312,183
China	9,681,729	10,200,452	109,410,796	113,185,707
British India	10,287,203	7,510,434	78,560,413	122,850,161
Straits Settlements	7,235,520	5,021,976	71,819,493	107,504,102
Dutch East Indies	2,472,811	2,248,372	27,794,652	140,613,907
Japan	35,825,403	20,252,823	307,514,995	253,217,835
Philippine Islands	7,155,733	3,277,154	59,353,810	94,360,918
Australia	1,468,406	926,891	19,193,614	31,461,017
New Zealand	856,690	1,158,190	9,896,813	22,237,914
British South Africa	133,801	594,388	5,282,140	10,838,040
Egypt	964,380	1,226,105	32,161,501	26,437,350
EXPORTS TO—				
Grand divisions:				
Europe	186,246,240	177,814,085	2,067,027,605	3,408,522,000
North America	75,916,618	92,071,149	896,951,012	1,645,906,752
South America	20,928,993	17,496,434	190,827,528	323,450,650
Asia	39,567,530	39,328,095	480,856,406	633,340,386
Oceania	7,244,280	6,155,263	83,803,197	171,261,037
Africa	4,780,065	4,033,580	51,715,549	134,029,208
Total	334,683,729	336,898,606	3,771,181,597	6,516,510,033
Principal countries:				
Belgium	9,235,747	8,915,909	103,449,034	184,472,230
Denmark	3,428,476	3,688,127	36,453,208	63,065,607
France	22,945,833	12,707,958	230,939,597	432,599,757
Germany	28,192,441	30,795,515	350,442,438	381,869,349
Greece in Europe	737,323	3,603,690	11,066,880	37,804,642
Italy	11,933,373	22,742,637	138,174,639	302,121,278
Netherlands	12,868,235	13,838,540	129,789,054	250,818,059
Norway	3,533,768	2,369,567	29,789,272	57,920,018
Russia in Europe	1,205,343	1,238,224	13,830,070	17,111,758
Spain	6,546,096	2,754,222	66,408,756	118,578,676
Sweden	2,807,670	2,815,600	30,082,053	76,615,673
Switzerland	374,618	297,253	5,016,246	25,632,565
United Kingdom	75,245,096	64,438,731	843,897,314	1,326,387,817
Canada	47,960,709	49,100,489	545,445,332	788,979,532
Central America	3,837,376	4,134,643	44,398,822	76,074,208
Mexico	9,131,607	21,064,474	137,750,077	267,169,762
Cuba	10,449,492	12,302,556	114,799,891	403,720,541
Dominican Republic	889,840	1,700,302	10,652,700	32,248,123
Argentina	9,023,355	7,388,275	80,495,060	200,890,985
Brazil	4,108,558	3,698,508	38,330,449	128,746,345
Chile	2,397,901	1,487,728	16,716,462	49,715,357
Colombia	1,688,919	1,290,114	15,988,805	32,639,384
Peru	1,120,987	1,387,246	12,498,790	42,954,229
Uruguay	1,081,136	673,866	9,702,557	27,960,135
Venezuela	597,554	691,306	7,585,267	17,459,628
China	11,019,383	9,205,689	100,853,052	138,455,278
British India	3,495,133	4,816,718	35,723,466	92,349,584
Straits Settlements	504,450	670,186	4,545,796	14,927,449
Dutch East Indies	775,653	1,871,128	8,767,816	61,180,547
Japan	16,363,395	17,057,112	248,716,339	189,181,585
Philippine Islands	3,704,932	2,540,531	39,011,907	85,925,044
Australia	5,824,164	4,551,034	64,776,548	120,985,720
New Zealand	1,355,850	1,511,583	17,419,616	47,605,552
British South Africa	1,602,272	1,018,458	18,069,700	46,925,067
Egypt	478,765	1,089,577	9,454,116	29,530,047

Mr. WALSH of Montana. Mr. President, the situation was somewhat desperate here day before yesterday with respect to the so-called flexible or elastic provisions of the pending tariff bill. It was perfectly well understood that the so-called agricultural or farm bloc was up in arms against the provision. It appears that quite a number of Senators who were in opposition were called to the White House and reasoned with, and the President took occasion to send to the Senate yesterday morning a letter urging that he be charged with these extraordinary powers. Touching the proceedings the Washington Post of this morning has an article headed:

Flexible tariff wins. Senate, 36 to 20, adds Harding proposal to bill. To run until July 1, 1924. President takes a hand, urging passage in a letter. Sharp modifications made of original plan—

And so forth.

Mr. President, in view of the record of the past few days, how hollow now sound the thunderous declarations we so often heard from the other side of the Chamber during the last administration about presidential usurpation and autocratic power exercised by the President. The distinguished Senator who now occupies the chair [the President pro tempore, Mr. CUMMINS in the chair] very properly, as I thought, expressed his disapproval often of what seemed unnecessary acquiescence upon this side of the Chamber to presidential suggestion, but we will understand hereafter that denunciations of that character are mere thin air and signify nothing.

Mr. SMOOT. Mr. President, as I remember, the Senator from Nevada [Mr. ODDIE], referred to by the Senator from Montana, voted against the elastic provision in the bill. So whatever was said by the President had no effect upon the Senator from Nevada. There was not very much usurpation of power; at least it did not reach very far.

Mr. HEFLIN. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Gerry	McLean	Sheppard
Borah	Gooding	McNary	Shortridge
Bursum	Hale	Moses	Simmons
Calder	Harreld	Myers	Smith
Capper	Heflin	New	Smoot
Colt	Jones, N. Mex.	Nicholson	Stanfield
Culberson	Jones, Wash.	Norbeck	Sutherland
Cummins	Kendrick	Oddie	Trammell
Curtis	Keyes	Overman	Underwood
Dial	Lenroot	Pepper	Wadsworth
Dillingham	Lodge	Phipps	Walsh, Mont.
Edge	McCormick	Pomerene	Warren
Ernst	McCumber	Ransdell	Watson, Ga.
Frelinghuysen	McKellar	Rawson	Watson, Ind.

Mr. UNDERWOOD. I wish to announce that the Senator from Nevada [Mr. PITTMAN] is absent on account of illness in his family.

The PRESIDENT pro tempore. Fifty-six Senators have answered to their names. There is a quorum present.

At this point the Chair desires to make an announcement, so that if his opinion is in error there can be a correction of it. The Chair understands that the Senate is now working under that part of the unanimous-consent agreement which is contained in lines 11 to 15, inclusive, on the first page of the agreement as printed, that no Senator can speak upon the bill when an amendment is pending, that addresses upon amendments must be limited to 15 minutes, and that this part of the agreement applies as well to the Senate as to the Committee of the Whole.

Mr. McCUMBER obtained the floor.

Mr. McLEAN. Mr. President——

Mr. McCUMBER. I yield to the Senator from Connecticut.

Mr. McLEAN. I have a letter written by Governor Harding, of the Federal Reserve Board, in reply to certain statements which were made in the Senate a few days ago. It is less than half a page, and I ask unanimous consent that it be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HEFLIN. What is the letter about?

Mr. McLEAN. If the Senator desires, I will ask to have the letter read at the desk.

Mr. HEFLIN. I object to having it read until I can see the letter and find out what is in it. I may not object to its going into the RECORD when I know what is in it.

Mr. McLEAN. Will the Secretary please return the letter to me?

Mr. SIMMONS. Mr. President——

Mr. McLEAN. I believe I have the floor, have I not?

The PRESIDENT pro tempore. The Senator from North Dakota yielded to the Senator from Connecticut, as the Chair understood.

Mr. McLEAN. The letter reads as follows:

Many of the papers yesterday morning——

Mr. JONES of New Mexico. Mr. President, I ask for the regular order.

The PRESIDENT pro tempore. The regular order is the consideration of amendments to the pending tariff bill.

Mr. JONES of New Mexico. I ask that the regular order under the unanimous-consent agreement be carried out.

Mr. McLEAN. I appreciate the courtesy that is extended to the chairman of the Federal Reserve Board by Senators on the other side of the Chamber. I also appreciate the fact that, apparently, they are unwilling that this public official should reply to an insinuation emanating from the other side of the Chamber.

Mr. JONES of New Mexico. I ask leave to make just a brief statement. The Senator from Alabama [Mr. HEFLIN] was very fair, in my judgment, in wanting to know what was in the letter before it was put in the RECORD, because he knew that under the unanimous-consent agreement he could not reply to it. It would be unfair to the Senator from Alabama to put something in the RECORD to which he could not reply.

The PRESIDENT pro tempore. The subject is not before the Senate for discussion at this time under the rule. The Senator from North Dakota has the floor.

Mr. SIMMONS. I ask the Senator from North Dakota if he will not permit me to ask the Chair a question with reference to the ruling he made a moment ago?

Mr. McCUMBER. Certainly.

Mr. SIMMONS. I understood the Chair to hold that no speech upon the bill could be made while an amendment is pending. Am I correct about that?

The PRESIDENT pro tempore. The Senator is correct. During the consideration of the paragraph which has been before the Senate for the last few days, the Chair held that it was impossible to apply the rule which had been laid down by former Vice President Marshall, but in the judgment of the Chair that rule is applicable while the Senate is considering the amendments which are now to be considered and the bill itself. Following that rule, the Chair feels constrained to hold that while there is an amendment pending no Senator can speak upon the bill itself.

Mr. SIMMONS. Mr. President, if that be the ruling of the Chair, when may a Senator speak upon the bill?

The PRESIDENT pro tempore. When there shall be no amendment pending.

Mr. SIMMONS. Then, when an amendment shall have been concluded, the Senator must get in before another amendment is offered or before another amendment is reached?

The PRESIDENT pro tempore. The Chair will be very glad to be relieved of the obligation of the rule announced by a former President of the Senate, the Chair never having been much in sympathy with it, but the Chair feels compelled to follow the rule unless it shall be otherwise ordered by the Senate.

Mr. McCUMBER. May I suggest, Mr. President, that so long as an amendment is pending it is presumed that the Senator who is speaking is, of course, speaking to that amendment and will be held to the 15-minute rule? I think that if the Senator would announce that he desired at any time after an amendment shall have been passed on to take the 30 minutes which is allowed him in speaking upon the bill, so that the Chair would know that he was speaking upon the bill, there could be and would be no objection. I think the Senator owes it to the Chair and to the Senate that he do so, in order that the Senate may know to what he is addressing his remarks.

Mr. SIMMONS. I am not objecting to the ruling at all, but I wish to understand it. As I now understand, the Senator desiring to speak to the bill will have to get in between the consideration of two amendments.

Mr. McCUMBER. I think that is correct.

Mr. SMITH. May I ask a question, Mr. President?

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from South Carolina?

Mr. McCUMBER. I yield.

Mr. SMITH. I merely wish to ask a question. I understood the Chair to say that the same rule which he has stated will apply when the bill comes into the Senate?

Mr. McCUMBER. Certainly.

Mr. SMOOT. The same rule which applies now will apply then.

Mr. SMITH. That means it will apply until the completion of the bill?

The PRESIDENT pro tempore. The unanimous-consent agreement provides—

That from and after the hour of 11 o'clock a. m. of the calendar day of Saturday, August 12, 1922, no Senator shall speak longer than 15 minutes on any amendment or motion nor longer than 30 minutes upon the bill.

It is the opinion of the Chair that the limitation applies not only to the bill as in Committee of the Whole but in the Senate as well when the bill shall have reached that stage.

Mr. McCUMBER. Mr. President, I now ask that the Senate proceed to the consideration of paragraph 1401. The Committee on Finance has considered this paragraph and believes that it is somewhat more verbose than is necessary; so they have directed me to offer an amendment, which is very brief, as a substitute for that paragraph. I now send the amendment to the desk.

The PRESIDENT pro tempore. The Secretary will state the amendment proposed by the Senator from North Dakota to the amendment of the committee.

The READING CLERK. On page 178, it is proposed to strike out all of paragraph 1401 as proposed to be amended by the Committee on Finance and in lieu thereof to insert:

PAR. 1401. Asbestos, manufactures of: Yarn and woven fabrics, composed wholly or in chief value of asbestos, 30 per cent ad valorem; all other manufactures, composed wholly or in chief value of asbestos, 25 per cent ad valorem.

Mr. McCUMBER. Mr. President, let me say in explanation that this amendment to the amendment does not change the rate on asbestos originally proposed by the Finance Committee, except as to the clause which provides "that none of the foregoing rates of duty shall exceed 40 per cent ad valorem."

Of course, under the amendment as now proposed, none of the rates could exceed 30 per cent; in other words, we have but the two rates of 30 per cent on all yarn and woven fabrics and 25 per cent on all other manufactures composed wholly or in chief value of asbestos.

Mr. JONES of New Mexico. Do I understand that manufactures of asbestos not specially provided for are dutiable at 30 per cent ad valorem?

Mr. McCUMBER. They are dutiable at 25 per cent.

Mr. JONES of New Mexico. Under the present law the rate is 10 per cent, and under the act of 1909, the Payne-Aldrich law, the rate was 25 per cent, I believe. So we go back from the 10 per cent to the 25 per cent rate. Will the Senator from North Dakota please indicate to us why he thinks that is necessary?

I observe that the importations of manufactures of asbestos are not large, while the production in the United States is quite large, and we are exporting a considerable quantity. What is the particular reason for increasing this duty from 10 per cent to 25 per cent?

Mr. McCUMBER. Mr. President, upon the fabrics especially the committee believes that there were sufficient importations to justify the increase and that the difference between the cost of the manufacture in this country and abroad has become greater. We felt that we ought to give upon all manufactures of asbestos practically the equivalent of the Payne-Aldrich rate.

Mr. SMOOT. But on the woven fabrics and yarns of asbestos the Payne-Aldrich law was 40 per cent, while this proposition is to fix the rate at 30 per cent.

Mr. McCUMBER. Yes. I stated that we lowered the rate upon the character of asbestos to which the Senator from Utah refers.

Mr. JONES of New Mexico. What is the proposed rate for the woven fabric?

Mr. SMOOT. It is 30 per cent.

Mr. McCUMBER. It is 30 per cent ad valorem.

Mr. JONES of New Mexico. On all of the manufactures of a certain class of asbestos the rates are increased from 10 per cent to 25 per cent, and the rates on other classes are increased from 20 per cent to 30 per cent.

Mr. President, I merely wish to place in the RECORD a statement of the imports and exports and the production of asbestos in the United States. In 1914, prior to the war, the value of the output was nearly $3,000,000 and in 1919 it was nearly $19,000,000. The imports of asbestos yarns or woven fabrics for the fiscal years of 1910 to 1913 averaged a little over $90,000; in 1914 $113,000, and the imports of all other manufactures of asbestos in 1919 were valued at $287,000, and in 1914 at $283,000.

We have here statistics for the more recent years covering asbestos yarns and woven fabrics. It does not seem to me that there is anything whatsoever to indicate that there is a flood of importations coming here to interfere with the products made in the United States, because the exports increased in value from $293,616 in 1910 to $687,073 in 1914, and in the year 1918 the exports were about $2,500,000; in 1919, $3,500,000; in 1920 nearly $4,500,000 and for 9 months of 1921 $2,167,324.

With these large exports it does seem to me that the industry in the United States does not need an increased duty for its protection. The exports are far in excess of the imports.

Mr. SMITH. Mr. President, I should like to call the Senator's attention to the fact that in 1920 the total value of importations of woven fabrics was only $237,000 and of other manufactures $139,000 and of asbestos yarns $248,000. Adding those all together they were just about equal to the value of our exports even for the fiscal year 1910, and in 1920 the exports amounted to $4,431,000, while the imports were less than a half million dollars. It seems the industry having reached a point where our exports far exceed our imports, that we certainly are disposing of the product abroad in competition with the foreign product at a profitable rate; otherwise we would not export to the amount of $4,000,000. That was under a 20 per cent rate, and now to increase the rate would simply provide an opportunity for an enhanced price to be charged the domestic consumer without affecting the price of the $4,000,000 worth shipped abroad; in other words, we meet competition abroad to the amount of $4,000,000, and yet propose to raise the rate of duty to the consumer, almost certainly for the sole reason of increasing the price here.

Mr. JONES of New Mexico. Mr. President, I move that the numerals——

The PRESIDENT pro tempore. Does the Senator from South Carolina yield to the Senator from New Mexico?

Mr. SMITH. I merely wanted to make the observation that, with a 20 per cent rate, our exports had risen from something like three hundred thousand or four hundred thousand dollars' worth to four million dollars' worth; that our imports were falling off, and that a higher rate of duty can not properly be asked to protect us here against foreign competition, for we were meeting foreign competition to the amount of $4,000,000. That means that if you raise the rate of duty you are simply doing it for the purpose of giving them the power to increase the price here, and then to meet competition with an excess or a surplus to the value of $4,000,000. That means that we are meeting foreign competition with practically 50 per cent of the output of this product; and there is no reason whatever, except to enhance the value of it, for raising the duty.

Mr. McCUMBER. Mr. President, I do not think I could speak further on this amendment except in the time of the Senator from South Carolina by making a suggestion to him, if the Senator will hold the floor a moment until I make a suggestion to him with reference to the importations.

In 1910 our entire importations were about $265,000. That was under normal conditions. We have increased that in these manufacturing lines to $483,700 in 1921, showing a great increase in the importations over pre-war normal conditions. In 1918, of course, there were only $23,000 of importations, but that was in war time, and therefore I am making my comparison with a more normal situation, and we need the duties in addition to the matter of the protection.

Mr. SMITH. Mr. President, the Senator also, in order to balance his comparison, must put alongside of that the enormous increase in our exports. Our exports of all these commodities have outstripped our imports, and in a larger percentage than the Senator has shown that our imports have increased. The business has widened and extended until we have increased the volume of our business some five or six hundred per cent, and a great portion of that is in exports.

There is no argument for any increase in duty, in view of these figures furnished us by the Tariff Commission, except that we desire to enhance the price. We all know that by raising the duty we discourage importations, and therefore we do not increase the receipts at the customhouse; but if we should lower the duty to a point where there would be reasonable importations we would increase the receipts and not jeopardize the price here, because it is demonstrated that we are meeting competition under a 20 per cent duty to the amount of $4,000,000.

I can not see any reason in the world why, with these figures before us, we should increase the rate of duty.

Mr. SMOOT. Mr. President, I want to call attention to the facts as to the exports. For the year 1920 they were $4,431,132, as the Senator says, but the very next year, 1921, they dropped down more than 50 per cent, to $2,167,324.

Mr. FLETCHER. That is for nine months.

Mr. SMOOT. In nine months; but what were those exports? Were they all asbestos goods? Take our exports and we find that this is what they are: They are pipe coverings and cement and paper and millboard and roll board; and I want to

say to the Senator that they are mostly magnesia, and not asbestos at all. The great bulk of the exports are of that kind of goods and are not really asbestos goods, with the exception of the asbestos that may be in them.

Mr. JONES of New Mexico. Mr. President, will the Senator give the figures of the different classes?

Mr. SMOOT. Yes; I will give them to the Senator. Take the one month of May, for instance. Take the unmanufactured asbestos, in tons. In 1921 there was 1 ton, and the value of it was $28. In 1922, of the unmanufactured asbestos, there were 138 tons, of a value of $31,750.

Mr. SMITH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from South Carolina?

Mr. SMOOT. I do.

Mr. SMITH. May I ask from what the Senator is reading?

Mr. SMOOT. I am reading from the Monthly Summary of Foreign Commerce for 1922. The exports of paper, millboard, and roll board—and these were in pounds—were 115,632 pounds, valued at $5,009. The exports of pipe covering and cement, in pounds, were 366,549 pounds, of a value of $25,182. Remember, this is for the one month of May, 1922. In the case of textiles, yarn, and packing, the exports were only 42,584 pounds, of a value of $34,801. So the Senator can see and the Senate can see that our exports are paper, millboard, roll board, pipe covering, and cement, and, as I say, they are nearly all magnesia. It is true that there is asbestos in them, however, and they are classified in our exports as asbestos articles

Mr. SMITH. Mr. President, what were the figures that the Senator read as to the asbestos yarns?

Mr. SMOOT. Textiles, yarns, and packing, 42,584 pounds for the month of May of 1922, of a value of $34,801.

Mr. SMITH. And the Senator knows that those articles are almost pure asbestos.

Mr. SMOOT. That is true; but that is only for the one month of May, and that is $34,801, as I stated.

Mr. SMITH. These are the exports that the Senator is giving now?

Mr. SMOOT. I am speaking now of exports. If it were for 12 months, that would be $400,000 a year.

Mr. SMITH. The Senator knows that the board, the wrapping for pipes, and the cardboard are the forms that are more universally used than any other forms of asbestos.

Mr. SMOOT. I was calling attention to the exports, and I have already stated what they were.

Mr. ASHURST. Mr. President, the Senate now has under consideration, if I am correct, Schedule 14, sundries, and it relates only to the manufactures of asbestos. Hence it would not be an appropriate time for me to move, as I expect to do later, to transfer the raw fiber from the free list to the dutiable list. Am I correct in that? It would not be appropriate at this particular time?

Mr. SMOOT. No.

Mr. JONES of Washington. Mr. President, I desire to submit a parliamentary inquiry. I understood that the Senator from Arizona had yielded the floor.

Mr. ASHURST. I simply wished to ascertain whether I could propound an amendment at this time. I find that I can not, so I yield the floor.

Mr. JONES of Washington. Mr. President, a moment ago I did not make any point of order against the suggestion of the chairman of the committee that the Senator from South Carolina [Mr. SMITH] could hold the floor and yield some time to him, but I do not believe that is proper under the unanimous-consent agreement. I desire to ask the Chair, however, a question with regard to the provision—

> That from and after the hour of 11 o'clock a. m. of the calendar day of Saturday, August 12, 1922, no Senator shall speak longer than 15 minutes on any amendment or motion—

And so forth. That does not say that no Senator shall speak more than once. The parliamentary inquiry that I desire to submit to the Chair is whether or not a Senator can speak more than once, provided that in the aggregate he does not speak longer than 15 minutes.

The PRESIDENT pro tempore. The Chair is of the opinion that a Senator can consume 15 minutes under the unanimous-consent agreement, and that under the general rule of the Senate he can speak twice upon the same day.

Mr. McCUMBER. Mr. President, a point of order. I call the attention of the Chair and of the Senator to the fact that on line 4 of page 3 the agreement says:

> No Senator shall speak more than once or longer than 15 minutes.

I did not intend to breach that rule. I simply asked the Senator from South Carolina, who sat down quicker than I wanted him to, if he would not retain the floor long enough for me to ask him a question and make a suggestion. I was not asking for a second opportunity to speak myself.

Mr. JONES of Washington. I do not find any phrase on the calendar similar to what the Senator has read.

The PRESIDENT pro tempore. The Chair does not find it, either.

Mr. McCUMBER. It is on the inside, page 3, commencing with line 2:

> And after the hour of 11 o'clock a. m., Saturday, August 12, 1922, no Senator shall speak more than once or longer than 15 minutes.

The PRESIDENT pro tempore. That is not in the agreement.

Mr. JONES of Washington. It is not in the agreement as printed on the calendar.

Mr. McCUMBER. Then it is a misprint on the calendar. The unanimous-consent agreement was ordered to be printed, and there is a mistake in the print on the calendar if it does not contain that provision.

The PRESIDENT pro tempore. There is no such language in the copy of the agreement in the hands of the Chair.

Mr. McCUMBER. I think the Chair is right. I think I picked up the wrong print, as several proposed unanimous-consent agreements were printed.

Mr. ASHURST. Mr. President, I should like the attention of the chairman of the Finance Committee. While it is true that this would not be an appropriate time to move to transfer an article from the free to the dutiable list—and the Senator from Utah [Mr. SMOOT], of course, is correct in his statement to that effect—yet it seems to me that progress could be made if I could secure unanimous consent at this time to consider whether or not the Senate will put a duty on raw asbestos, for this reason: It occurs to me that the two should be considered together. If the Senate has under consideration, as it has, the question as to whether or not manufactures of asbestos shall be dutiable, it seems to me at the same time the Senate should consider as to whether or not the raw material—the ore, the fiber—should be dutiable; and unless the chairman of the Finance Committee or some other Senator should object, I will ask unanimous consent that my amendment be considered at this time, along with the proposal to put the manufactures of asbestos on the dutiable list. I proposed the amendment some time ago, and it simply provides that the raw asbestos, the fiber, shall be dutiable at 20 per cent ad valorem.

In the year 1919 there were only about 1,300 tons—or, to be exact, 1,361 tons—of raw asbestos produced in the United States; Canada, South America, and China furnishing us with the raw material or the fiber.

Mr. SIMMONS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arizona yield to the Senator from North Carolina?

Mr. ASHURST. I yield.

Mr. SIMMONS. Mr. President, I am very much interested in what the Senator is proposing, but I feel right now that unless we begin to rigidly enforce the rule agreed to in the unanimous-consent agreement we will find after a while that it will be trenched upon more and more, until we will be taking a good deal of time discussing other things than the pending amendment. I think the Senator ought to ask unanimous consent that he be permitted, out of order, to offer the amendment, because I agree with him that it ought to be considered before we consider the amendments proposed by the committee. But I do not see how he can do it without unanimous consent, and to discuss it now would be taking up the time allotted to the general discussion of that amendment.

Mr. ASHURST. The Senator has come to my rescue in a most handsome way, and I thank him. Emboldened by his encouragement, I ask unanimous consent that my amendment, which proposes to transfer the raw, unmanufactured ore or fiber from the free list to the dutiable list, and which provides for a duty of 20 per cent ad valorem, be considered now. It seems to me that in the interest of economy of time it would be wise for the Senate to consider whether or not we shall put upon the free or the dutiable list the raw fiber, or ore, while considering the pending amendment. If I can secure such permission, I should like to have that done at this time, but if it inconveniences any Senator, I will withdraw the request for the present.

Mr. McCUMBER. Mr. President, I know of no objection, if the Senator wishes to have that done. We will have to vote on it some time and we might as well do it now.

The PRESIDENT pro tempore. Will the Senator from Arizona state his request?

Mr. ASHURST. I will send to the desk the amendment at this time.

The PRESIDENT pro tempore. The Senator from Arizona asks unanimous consent that the amendment, which the Secretary will read, may be considered in connection with the amendment now pending.

The READING CLERK. In paragraph 1515, "Asbestos, unmanufactured," on page 213, line 17, after the word "matter," the Senator from Arizona proposes to strike out the period and insert the words "20 per cent ad valorem"; so that if amended it will read:

Containing not more than 15 per cent of foreign matter, 20 per cent ad valorem.

Mr. ASHURST. Now I shall translate that into terms we understand.

Mr. SMOOT. Mr. President, that amendment would be improper, because it would then be putting a rate of duty on an article on the free list. It will have to be transferred from paragraph 1515 to paragraph 1401, or preceding paragraph 1401.

Mr. ASHURST. In order that it may be appropriately placed, I ask permission that it may be transferred from paragraph 1515 to paragraph 1401. The simple question is, Shall the raw fiber or ore carry a duty? If I am correct, paragraph 1515 is transferred to paragraph 1401, and after the word "matter," on line 17, page 213, the words "20 per cent ad valorem" are added.

Now, a word as to the reason for this: For the year 1919 there were imported into the United States from Canada 157,572 tons of asbestos ore; from South Africa, 9,789 tons; from China, 2,000 tons; and there were produced or mined in the United States 1,361 tons.

The States producing asbestos are Arizona, California, Georgia, Maryland, Oregon, Wyoming, and Vermont. Of those 1,861 tons, Arizona produced 423 tons, all of which was very high grade. It is unnecessary to take up the time of the Senate with a description of asbestos and what it is, because it is within the common knowledge of every Senator here that it is a nonconductor of heat.

Mr. BURSUM. Mr. President, what duty does the Senator propose?

Mr. ASHURST. I am seeking to induce the Senate to agree to a 20 per cent ad valorem duty.

Mr. BURSUM. What would that represent per pound?

Mr. ASHURST. Translated into a specific duty per pound?

Mr. BURSUM. What is the average value of the crude product?

Mr. ASHURST. The Senator wishes to know what it costs per pound to mine it and I will state that the figures vary. Some say $20 per ton, but, of course, that is clearly wrong. Some of it in Arizona costs $300 per ton.

Mr. BURSUM. About a cent a pound?

Mr. ASHURST. Some claim that.

Mr. SMOOT. It is more than that.

Mr. ASHURST. Oh, yes; sometimes the cost of mining is as high as $400 per ton.

The conditions under which the asbestos is mined vary. For instance, I apprehend that in the State of Maryland it would be much cheaper than in Arizona. The mines in Arizona are a long distance from the railroad, hence the mere extraction of the ore or raw asbestos out of the ground is only a part of the cost of production.

Mr. SIMMONS. What did the Senator say was the value of the asbestos per pound, or by the ton?

Mr. ASHURST. I said that some claimed it could be mined for $20 per ton, but that can not possibly be true; it would average $100 per ton, and $300 per ton would be more nearly correct.

Mr. SIMMONS. What is the character of the asbestos we produce?

Mr. ASHURST. The United States produces all kinds—that is, the amphibole and the crocidolite, which is a lavender blue, and also the chrysotile. I now exhibit some of these samples of asbestos. Many believe it is the length of the fiber which gives the value. That is true in a way, but that is not necessarily always the case, because you may have a long fiber, but it has so much waste or iron therein that it is not a resistant of heat, while this that I have from an Arizona mine has no iron in it. It is used for making firemen's gloves, theater curtains, the wrappings of pipes, shingles, and so forth.

Mr. GOODING. Mr. President, I would like to ask the Senator the source of the supply and the consumption.

Mr. ASHURST. I have taken the year 1919. We received from Canada in that year 157,572 tons; from South Africa, 9,789 tons; from China, 2,000 tons; and the United States produced 1,361 tons.

We have great quantities of asbestos, but the mining of asbestos, I repeat, is a difficult, expensive, and in some ways a precarious occupation. I shall ask for a roll call on my amendment.

Mr. McCUMBER. Mr. President, before proceeding to answer the Senator, I ask unanimous consent at this time that when the Senate closes its session on this calendar day it recess until Monday at 11 o'clock.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. McCUMBER. Mr. President, I want briefly now to reply to the Senator from Arizona. The committee has continued crude asbestos upon the free list. The Senator from Arizona desires to have a 20 per cent ad valorem duty on it.

There is produced in Arizona a very long fiber asbestos, probably worth more for spinning purposes ordinarily than any of the imported asbestos. It is, however, more brittle than that which is imported from Canada, and can not be used for brick linings and for many other purposes, and we must continue to import the raw product from abroad.

I think I can present this matter more cogently and clearly if I just read a short statement made by the Tariff Commission upon this subject.

Mr. ASHURST. Will the Senator yield to me at that point?

Mr. McCUMBER. Certainly.

Mr. ASHURST. The Senator has startled me by the statement that the asbestos from Arizona is not of superior quality. I will read, with the Senator's kind permission——

Mr. McCUMBER. On the contrary, I said for spinning purposes it is better.

Mr. ASHURST. I thought the Senator said it was inferior.

Mr. McCUMBER. Oh, no; it commands a very much higher price for spinning purposes.

Mr. ASHURST. I beg the Senator's pardon.

Mr. McCUMBER. I stated that for brick linings and for many other uses, on account of being brittle, it can not be used.

I read now the words of the Tariff Commission, under the heading "Competitive conditions." They say:

The United States is the largest consumer of asbestos in the world and manufactures more asbestos products than any other country; but it has never been, and shows no promise of ever becoming, an important factor in the production of the unmanufactured product. Its meager output could be increased to some extent, but it will probably never become great enough to supply the domestic demand. The United States must, therefore, rely largely upon imported crude material.

The chief source of asbestos is in Canada, just outside the borders of this country. The supply from Quebec is large, cheaply mined, excellent in quality, and so readily available that there is little stimulus to domestic production of medium grades of average quality from the less-favored American deposits. As the only producer of both long and short fibers, Canada holds the leading position in the world markets.

Formerly American production consisted almost exclusively of the cheapest material, suitable only for paint making or other purposes requiring only very short fiber. There was also some production of extremely poor rock for local requirements and too low in value to bear transportation charges. This demand has fallen off but has not wholly disappeared. The brightest outlook for domestic production is in the Arizona output of exceptionally good spinning fiber and of special quality, superior for electrical purposes. A less important demand is met by the production of asbestos fiber, for use in filters and chemical work, from amphibole deposits found in the crystalline rocks of Maryland.

The continuance of the Arizona industry is assured. Although the cost of production will always be much greater than in Canada because of the nature of the deposits, the proportion of valuable spinning fiber is greater, while the iron content is lower. There is a demand for this special product even at a higher price. Owing to the fact that in practically all the Arizona fiber the harsh and soft material are so intermingled that it is difficult to separate them, these fibers do not bring as high prices as the Canadian. In 1918 soft Arizona fiber was selling at $850 to $1,250 a ton, according to its length, and the harsh Arizona fiber at $350 to $600 a ton. The shorter fibers, or mill rock, have about the same value as the Canadian shorter fibers. An increase in the Arizona output may be looked for, but it is not likely greatly to exceed 1,000 tons a year, which is not 1 per cent of American needs on a purely tonnage basis.

Mr. SIMMONS. Mr. President, may I ask the Senator, who has the summary before him, if asbestos is produced in any substantial quantity anywhere else in this country except in Arizona?

Mr. McCUMBER. It is not. There is some in Maryland, but it is not produced in paying quantities. When I say it is not, I mean it is not produced in substantial quantities in the eastern section of the United States, where we find the main use. I want to add that the present importing price, I understand, is $450 a ton. So that the Arizona product has a market of its own because of its superior qualities for certain purposes, while at the same time it can neither supply the demand to any appreciable extent nor can it answer the requirements for the other character of uses.

Mr. NICHOLSON. Mr. President, the statement made by the chairman of the Finance Committee, I take it, is based upon information furnished by the Bureau of Mines or the Geological Survey, in large measure. That was the only source from which the Tariff Commission could obtain information.

Now, as a matter of fact, the work of the Geological Survey and the Bureau of Mines has been very sadly neglected for the last 10 years, so that the information furnished by them is not correct or reliable information upon which to base the findings of the Tariff Commission.

The States of California, Arizona, Colorado, New Mexico, and many of the other Western States contain quantities of commercial asbestos. It is not confined to Arizona. The material can be mined in many of the Western States. The reason for the small output of asbestos in the country has been due to the fact that previous to the war asbestos could be mined in Canada very much cheaper than it could in our own country, for the reason that the wage scale for many years previous to the war was very much lower than the wage scale which obtained in the United States. Hence the domestic industry was neglected.

Now, it seems to me from every standpoint that there should be a duty levied upon imports of asbestos into our country, if for no other reason than for a tariff for revenue. I feel quite sure that if the 20 per cent for which the Senator from Arizona is arguing was adopted by the Senate, in a very few years we would very materially increase the production of asbestos in this country. For that reason I desire to state at this time, for the benefit of Senators generally, that this is a struggling young industry. It has been the purpose of the Republican Party in the past to help to foster young and struggling industries. This is one and it should be so considered at this time.

Mr. FLETCHER. Mr. President, it appears that asbestos is mined in the United States chiefly in five States—Arizona, California, Georgia, Maryland, and Oregon. The Georgia fiber is valuable only for paints, cement, coverings, and similar articles, and can not be used in spinning. Canada produced about 85 per cent of the world's supply of asbestos. That seems to be in a general way a statement regarding the situation as to asbestos.

The raw material for years has been on the free list. Of course, if we put a duty on the raw material, then we have to follow that with increased duties on the manufactures. The industry seems to have been peculiarly prosperous under the present tariff rate. There can be no clearer statement of the progress and development and prosperity of the industry as to any article or any industry than is given under the head of "asbestos manufactures" in the Tariff Summary, showing that the establishments have increased in this country from 32 in 1914 to 43 in 1919, that the exports have increased enormously, and the imports are almost negligible. The industry has grown, as I said, and developed in a wonderful degree. This has taken place under a rate of 10 per cent on manufactures of asbestos generally and 20 per cent ad valorem on yarn and woven fabrics. That was the rate under the act of 1913. Under the act of 1909 there was a duty imposed of 25 per cent ad valorem on the manufactures of asbestos and 40 per cent ad valorem on the woven fabrics.

I can not quite understand, in the first place, why there should be any increase in the duties at all, because certainly the industry has prospered and is in fine condition to-day under the present rates. Why we want to prohibit importations, which will not affect the industry beneficially to any degree and will simply cut off revenue, is beyond my comprehension, but, in the next place, why the committee propose to put a higher rate on ordinary manufactures of asbestos than they do on yarn and woven fabrics I can not understand. Under the law as heretofore the rate has been nearly double on the yarn and woven fabric, and yet the committee now propose to reverse that policy.

Mr. SMOOT. No; the Senator is wrong. It is not reversed in the amendment offered by the committee.

Mr. FLETCHER. I gathered that idea when I read the committee amendment.

Mr. SMOOT. No; the committee amendment provides on asbestos manufactures of yarn and woven fabrics 30 per cent ad valorem and all other manufactures composed wholly or in chief value of asbestos 35 per cent ad valorem.

Mr. FLETCHER. I knew the figures were less. The committee has simply reversed the order.

Mr. SMOOT. No; the committee has not reversed the order. I will say to the Senator that the words "other manufactures" mean manufactures that do not take the class of asbestos that is spun into yarn. It is not so expensive, and therefore does not need the duty.

Mr. FLETCHER. I agree; but, as I said, what confused me was that the committee reversed the order as set forth in the act of 1909 and 1913.

Mr. SMOOT. Oh, no; they have not.

Mr. FLETCHER. The Senator will find under the act of 1909, paragraph 462, manufactures of asbestos, 25 per cent ad valorem, and woven fabrics composed wholly or in chief value of asbestos, 40 per cent ad valorem.

Mr. SMOOT. That makes no difference as to the rate. We have merely put "manufactures of" first.

Mr. FLETCHER. That is exactly what I said. The committee has reversed the order of the articles.

Mr. SMOOT. I thought the Senator meant we had reduced the rates of duty.

Mr. FLETCHER. Oh, no. I mean the committee have reversed the order of classification.

Mr. SMOOT. That does not make any difference.

Mr. FLETCHER. I know it does not make any difference except that when the Senator gave the figures as 30 and 35 I naturally thought he had reference to 30 per cent for the ordinary manufactures and 35 per cent as applied to the woven fabrics, because that is the order in which they were carried in the acts of 1909 and 1913.

The committee now propose to make a difference of 5 per cent ad valorem between the ordinary manufactures and the woven fabrics. That is undoubtedly a less difference than has ever been carried before in the previous laws. Under the act of 1909 the difference was 15 per cent, and under the act of 1913 it was 10 per cent. Now the committee propose to make a difference of 5 per cent. I still feel that the duties ought not to be increased on the manufactures of asbestos, because the industry is now prosperous.

Mr. NICHOLSON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Colorado?

Mr. FLETCHER. I yield.

Mr. NICHOLSON. The particular part of the schedule which we are discussing now is the raw product and a duty upon the raw product.

Mr. FLETCHER. I understand.

Mr. NICHOLSON. The Senator is talking about the finished product.

Mr. FLETCHER. Yes. I am opposed to a duty on either. I am opposed to putting a duty on the raw product, and I am opposed to putting a duty on the manufactured product.

Mr. ASHURST. What I am arguing against is the philosophy of Senators who say they are willing to vote for a duty on the manufactured articles, but require that the raw fiber or ore as taken from the earth shall come in free. It is that inconsistency of the situation against which I inveigh and to which I object.

Mr. FLETCHER. Will the Senator state the amount of revenue which will be produced from the duty proposed in his amendment?

Mr. ASHURST. I am able to do that.

Mr. FLETCHER. I do not know exactly the amount of importations, of course, which come in free now, and we could get no revenue under those circumstances; but suppose we impose a duty of 20 per cent on this commodity, what revenue will be produced therefrom?

Mr. ASHURST. The imports of asbestos fiber from Canada for 1920 were valued at $9,000,000, and 30 per cent ad valorem on that valuation would, of course, if that amount should be brought in, be approximately $3,000,000 in revenue.

Mr. FLETCHER. It would not be quite $3,000,000.

Mr. ASHURST. Not quite. Now, I am proposing a 20 per cent ad valorem duty, which, according to the imports for 1920, would produce $1,800,000 of revenue from the raw fiber from Canada alone, not counting what we import from China and from South Africa.

The PRESIDENT pro tempore. Does the Senator from Florida yield the floor?

Mr. ASHURST. Will the Senator from Florida yield further to me?

Mr. FLETCHER. I yield to the Senator from Arizona.

The PRESIDENT pro tempore. The Senator from Arizona has already exhausted his time upon the pending amendment.

Mr. ASHURST. I shall have to depend upon the kindness of my friend from Florida to let me finish my sentence.

Mr. FLETCHER. Of course, if a duty is imposed on the raw material, the committee will immediately ask that the rates be increased on the manufactured articles beyond what it is now proposed to increase them, and that will be one of the complications which will arise.

Mr. ASHURST. I ask for a vote on it if Senators are willing and ready now to vote.

Mr. FLETCHER. Mr. President, in reply to the Senator's suggestion, I desire to suggest another thought in reference to the matter. The question still exists whether we can produce in this country at all or anywhere the kind of material about which we have been talking and which is manufactured into

asbestos. Of course, in Arizona they produce the spinning kind of asbestos, and in Georgia they produce a kind of asbestos that is used for paint and cement and things of that kind.

Mr. ASHURST. Will the Senator from Florida permit me to answer that suggestion?

Mr. FLETCHER. Certainly.

Mr. ASHURST. I have here a brief prepared by the Association of Asbestos Miners in Arizona, who are reliable men, and they advise that it is possible to develop the American field so that nearly all, if not all, that we consume may be produced at home.

I will ask permission at this point to put into the RECORD the brief to which I have referred, which has been prepared by the Arizona miners.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The brief is as follows:

GLOBE, ARIZ., *December 23, 1921.*

Hon. HENRY F. ASHURST, Senator,
Washington, D. C.

DEAR SIR: I am writing you as chairman of the Asbestos Tariff Association of Arizona, and I wish to state my reasons why we are entitled to a protective tariff on raw asbestos:

1. High cost of production and transportation to the railroad and a long distance from the market.

The different standard of living by the American people can't compete with that of foreign countries such as Rhodesia.

The freight from Rhodesia is very low, owing to the fact that they ship by water as ballast.

2. Foreign mining costs on crude asbestos will not exceed $100 per ton, as they secure very cheap labor. Average wage 50 cents per day in Rhodesia.

Our cost of production will average $300 per ton, plus freight. We are so far from the market that we can not market anything but our crude ¼ inch or longer. Our mill fiber is simply a loss.

Foreign countries being able to market their mill fiber, which lowers the cost of production.

3. We have a very high grade of asbestos, and a larger field than the Province of Quebec.

4. The large area of asbestos on the reservation was thrown open for lease by the Government last March.

In order for the leasers to operate on the reservation they must be protected from foreign asbestos, and it will be necessary for the leaser to make a success in order for the Government to receive a stable royalty.

5. Without a protective tariff the asbestos-mining industry of the United States of America would be paralyzed and great resources would be undeveloped.

6. The spinners have made a provision to protect their interests by asking for a tariff on manufactured asbestos goods from 1¼ cents to $1.68 a pound, according to the percentage of asbestos contained in the article.

They have arranged a tariff for their protection, the article that contains the highest percentage of asbestos the higher the tariff.

If it is necessary to raise the tariff according to the percentage contained in the article, why not protect 100 per cent crude asbestos for the producer?

7. The spinners in the United States who have interests in foreign mines have arranged to make their profits on the finished article and not the mining industry; by mining their asbestos abroad and at a very cheap cost they destroy the home market doing so.

Without a tariff on raw material the foreign interests could ship raw asbestos to this country and manufacture finished products here, and also market their production here and not be subject to tariff duty.

I am sending you this data, and it may be of some help to you in making your fight in our behalf.

I would be pleased to have you advise me of any new developments.

Yours very truly,

ROGER Q. KYLE,
Chairman of Asbestos Tariff Association of Arizona.

—

ASBESTOS.

Definition: Chemically, asbestos is a magnesium silicate containing water of crystallization and, in its various forms, impurities of iron, calcium, aluminum, and soda in a great many different amounts and combinations.

Among the more important substances included under the general trade name of asbestos are chrysotile (serpentine asbestos), amphibole asbestos (including fibrous varieties of tremolite and actmolite), anthophyllite asbestos, crocidolite (Cape Blue asbestos), and amosite. Speaking in the parlance of ordinary usage, asbestos is a mineral fiber which occurs in rock.

Uses: Asbestos fiber has been known and used as a heat insulator for over 2,000 years. In the last half century its uses have become more frequent, and since 1883, when asbestos products were first placed on the dutiable list, the industry has grown from a capitalization of a few hundred thousand dollars, and employing not over 100 men, to the industry of to-day, with a capital of over a hundred million dollars and employing over 20,000, with an annual business turnover equal to the capital, or $100,000,000. The methods of mining and manufacturing asbestos have so improved during this period and so many new beneficial uses have been found for it that it has become indispensable to industry and the household, and nothing can be adequately substituted for it. It finds most extensive uses as an electrothermol insulator, as a fire resistant and protection for packings, and as a fuel conserver. It has been authoritatively stated that the use of asbestos and kindred materials on heating and power units saves an amount of fuel per year equal to that consumed.

The ramifications of its uses for this purpose have only started, but are broadening and becoming more universal in increased proportions each year. Another great use for asbestos products is as a substitute for inflammable shingles and for fireproofing frame buildings. One witness, in testifying before the Committee on Ways and Means on the hearing on the sundries schedule, recently stated that $8,000,000 worth of wooden shingles were replaced in 1920 by asbestos shingles, and that each succeeding year should see a material increase in this amount.

SOURCE AND CONTROL OF RAW ASBESTOS FIBER, CANADIAN FIELD.

Asbestos exists in some form on every continent and in nearly every country in the world. The world's production of asbestos in 1919 was approximately 166,000 tons. The production for 1921 was considerably larger, as the figures show that the Canadian field in 1921 mined 3,099,122 tons of asbestos ore, which, after treatment, yielded 8,853 tons of spinning and No. 2 fiber, and 186,896 tons of low-grade mill, shingle-paper stock, and sand.

Nearly 90 per cent of the Canadian output is shipped to the manufacturers of the United States, most of which comes from the Province of Quebec. The remainder goes to Europe, where it is sold at a so-called slight advantage to the English spinner. As a matter of fact, for 40 years the British have controlled the world market for the raw asbestos ore and the crude product after it has passed the initial stages of treatment. The other foreign prospective sources of raw and partially treated fiber are South Africa, which is said to be, next to the Canadian, the largest asbestos field in the world. This field is also controlled by British interests.

1919 production.	Tons.
Canada	157,572
South Africa	9,789
China	2,000
United States	1,361

Until the year 1914 Canada ranked as the leading producer of all grades of asbestos, but since that date South Africa has attained first place in the production of the higher grades. Canada still produces most of the mill fiber. Seventy-five per cent of the world production of asbestos was imported into the United States. Russia, although possessing large and valuable deposits of asbestos, is at present a nonproducer. The chief producing centers in the United States are Arizona, California, Georgia, Maryland, Oregon, Wyoming, and Vermont. Of the 1,361 tons produced in 1919, Arizona produced 423 tons, all of which was of the highest grade. Practically the entire spinning fiber production of the United States comes from Arizona, and it is believed that the production of asbestos in Arizona in 1920 exceeded 1,000 tons. Because of the large number of small producers, it is very difficult to secure absolute figures on production.

An attempt has recently been made to force American manufacturers to move their plants to Canadian territory by threats of placing an embargo on the export of the better grades of Canadian fiber, with the result that at least one of the larger American manufacturers has started construction of an enormous Canadian plant.

The British control of this commodity has been greatly augmented and strengthened by large holdings or control in American manufacturing plants and the maintenance of an ever-ready and seductive propaganda to keep a material tariff on all manufactured articles and off of all raw fibers. By the same methods these organizations have operated in every country in the world where the game was worth the candle.

ARIZONA FIELD.

The greatest, although by no means the only, domestic source of supply of raw or partially treated crude fiber is what is known as the Arizona field. Although originally quite extensive, a recent act of Congress made it possible to locate and lease deposits heretofore unavailable but long known to occur on Arizona Indian reservations. This field has been investigated to considerable extent by the United States Geological Survey, the Bureau of Mines, the University of Arizona, and by various private engineers. There is a pronounced consensus of opinion that the field is several thousand square miles in extent, and at least extensive enough to produce sufficient quantities of the better grades of fiber to supply the domestic requirements for many years to come, and that the quality of the better grades of fiber so produced is the equal in all respects, and the superior in many respects, to the Canadian and South African fibers.

COMPARISON OF THE OCCURRENCE, GEOLOGY, AND METHODS OF MINING IN ARIZONA WITH CANADIAN AND SOUTH AFRICAN FIELDS.

Asbestos is prepared for market by being mined in various ways and then being separated by hand or machinery from the rock which encases it. No matter what its geographical or geological occurrence may be, always an extensive treatment is invoked, involving material endeavor and employing to a material extent skilled labor and machinery. After asbestos fiber receives this initial preparation, which is at least as extensive as the final manufacture, it is then fiberized, spun into yarn, woven, or made up into any one of the thousand and one articles into which it is finally made.

The manner of occurrence of any given deposit of asbestos determines the method of mining. In Canada the mineral fiber occurs in lenses or veinlike masses of serpentine that occurs in a series of Cambrian slates, schists, and diorites. In plainer phraseology, the asbestos fiber occurs disseminated through vast mountains of rock as low grade, so that the mining method practiced in Canada has conformed to the geological occurrence of the ore, and the quarry and open-cut system is used. Great pits are worked by derrick and drag, and steam shovels open up pits to a depth of over 200 feet, frequently attaining a length or circumference of over 1,000 feet. Nearly all mines practice hand cobbing and hand sorting before the ore is sent to great mills, where it goes through a system of crushers, rolls, fiberizers, beaters, cyclones, shaking screens, fans, collectors, and pulverizers.

In 1920, in the Province of Quebec, Canada, the average number of men employed in mining and treatment of asbestos ore were 3,230. In addition to this number of men a material number of girls were employed at times.

In the various South African fields, Kaffirs and natives are employed at the rate of not to exceed 25 cents per day, and labor is so cheap and plentiful that nearly all the fiber is said to be secured by hand methods, frequently of the crudest kind.

The Arizona field, although proven to be of great extent, is held principally by small mine owners, although several of the larger manufacturers have recently become interested and have started development and production on a larger scale.

The Arizona Asbestos Association (controlled by the Johns-Manville Co.) have a developed property on Ash Creek, near Globe, with many thousand feet of underground workings, from which a material pro-

duction is maintained. Neither does the company permit underground examination nor indulge in furnishing statistics in production, so no authentic figures can be given.

Other properties with a material amount of fiber developed are:

Regal mine, operated by Regelman, of 220 Broadway, New York; Bear Canyon group and Peninsula group, on the San Carlos Indian Reservation; Salt River draw group, on the Fort Apache Indian Reservation; the Canadian, Last Chance, Fourth of July, and Asbestos King mines, owned by Col. William G. Shanley; Pierce and Kyle group; Alene Asbestos Association, American Ores & Asbestos Co., controlled by Raybestos brake-lining people; Bass Asbestos Co., Colorado-Arizona Asbestos Mining Co., Globe Asbestos Co., Hance Asbestos Co., H. P. Wightman; Penn Asbestos Mining Co.

All the above-enumerated companies are located in the so-called Globe field except Bass Asbestos Co. and the Hance Asbestos Co., which are in the Grand Canyon.

In addition to these properties, which are at least partially developed and of major extent, there are others of extreme promise, and many prospects which could produce at least in a small way, located with considerable profusion from the Grand Canyon to the Mexican line. In fact, with a suitable market, asbestos mining is a poor man's game, and no doubt the day of the old "chlorider" would return with the greater volume of production coming from the little association of miners who owned one or two claims or leased a small block of ground from some small owner.

In the Arizona field only underground methods of mining can be employed; the veins, though numerous and sometimes possessing great continuity in length, are narrow. They are frequently as much as 60 miles from railway transportation over very rough roads or trails.

LABOR COSTS IN MANUFACTURE.

The sundries schedule of the present tariff bill before Congress places a duty of from 2 cents per pound upon short fiber asbestos paper to $1.68 per pound on the finer grades of asbestos yarn. To substantiate the justice of this tariff on yarn, evidence was introduced to show that asbestos textile workers received approximately the following wages in the various countries of the world:

Weavers (per week):

United States	$39.00
Germany	4.35
Japan	6.00
England	17.70
Belgium	9.63

Added to this great labor advantage the European manufacturer has obtained control of the second largest asbestos deposits (in Rhodesia and South Africa) where the raw asbestos is produced by Kaffir labor at an average wage of 25 cents per day.

We believe firmly, with these figures in view, that $1.68 is not excessive duty upon the better grades of yarn, but in believing this we also believe that the better grades of Arizona fiber, which in being prepared for this yarn involves more skilled labor than the manufacture of the yarn itself, are as much entitled to protection as against the Kaffir labor of 25 cents per day as the weaver in America who makes $39 per week is entitled to protection in his standard of living against the weaver in England who receives $17.70 per week. Incidentally, the present rate of wages for miners in the Arizona asbestos field is in excess of $4 per day.

JUSTIFIABLE TARIFF.

In 1920 the imports of asbestos fiber from Canada were valued at $9,120,253. A 30 per cent ad valorem duty would have produced nearly $3,000,000 in revenue.

The demand for asbestos products is rapidly increasing. With the increasing South African importations produced by Kaffir labor at 25 cents per day, it is quite probable that shortly the revenue from a 30 per cent ad valorem duty would pass $5,000,000 per year. A very material sum should our domestic fields not supply a major portion of the country's needs for initially prepared fiber.

There are a good many reasons why an ad valorem duty would not be practical in its operation in the better grades of spinning fiber but should be highly so in the matter of the cheaper grades.

We believe that the approximate cost of delivering the better grades of Arizona fiber that go into the yarns upon which the manufacturers receive a protection of $1.68 per pound, cost at least 30 cents per pound more to prepare and produce than the fiber produced by Kaffir labor at 25 cents per day, and we believe that our so-called Arizona No. 2 fiber, being one-fourth to three-fourths inch in length, costs at least 20 cents per pound more to produce, prepare, and deliver to the manufacturing centers than that produced by the same Kaffir labor.

Hence, we recommend that a flat duty of at least 20 cents per pound be placed on all asbestos ore and fiber.

We beg to say in closing that the active attempts of the British to gain control of the world business in asbestos products by controlling the world supply of raw materials can best be thwarted and a domestic supply for the American manufacturer readily secured by giving this field the initial protection against the cheaper labor of Africa and Canada.

Respectfully submitted.

ASSOCIATION OF ASBESTOS MINES OF ARIZONA,
By GEO. A. THAYER, *Globe, Ariz.*

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the Senator from Arizona to the amendment of the Senator from North Dakota.

Mr. GOODING. Mr. President, merely a word on the amendment offered by the Senator from Arizona [Mr. ASHURST]. As I understand, asbestos has always been on the free list, and unless it is protected we shall never develop the industry in this country to any great extent. There is no question as to there being plenty of asbestos in America. The great forces of nature which created Canada also created this country. We have not as yet half developed our mineral resources in the West. Believing in protection and realizing that the Government needs revenue, I do not understand why we can not accord to an industry like asbestos, for instance, protection and give it a chance to develop, in order to ascertain if it is not possible to produce all of the asbestos of every kind which we need in America. Surely, as a Republican and a protectionist, knowing that the Government needs revenue, and that it is necessary to tax the people in order to raise revenue, and realizing that we tax our people only about 10 per cent of what some of the other countries tax their people on imports, in the interest of labor itself, as tending to create employment and providing freights for the railroads in the West, which, in turn, would have the effect of lowering freight rates on food products, it seems to me that there should be a duty levied as provided in the amendment.

Mr. McCUMBER. Mr. President, did I understand the Senator from Idaho to refer to the Senator from Arizona as a Republican and a protectionist?

Mr. GOODING. I am speaking of the amendment of the Senator from Arizona; but I will say that the Senator from Arizona in some cases has been a protectionist, and I am glad of it. I am glad to see the ranks broken on the other side of the Chamber. I want to congratulate the Senator from Arizona and the people of Arizona that they have a Senator from Arizona who goes at least so far as to stand for Arizona products. I hope the time will come when the Senator from Arizona will go clear through in support of that policy.

Mr. ASHURST. If the Senator from Idaho will yield to me, I desire to say that if my colleague and I will not stand——

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Arizona?

Mr. GOODING. I yield to the Senator from Arizona.

Mr. ASHURST. I desire to say that if my colleague and I fail to stand for Arizona, I should like to know who will stand for Arizona?

Mr. GOODING. Should the Senator and his colleague not do so, the people of Arizona will send other Senators here who will stand for her.

Mr. ASHURST. I am well aware of that.

Mr. GOODING. Yes; and I wish to congratulate Arizona upon having a Senator here, though he be a Democrat, who can see Arizona's interest and stand for it, despite the fact that his own party has proclaimed that protection is unconstitutional and immoral.

Mr. President, I hope we are going to give this industry a chance to live, because if there was ever a time in the history of America when we must do everything possible to foster an industry which will give employment to laboring men that time is now.

Surely here is an opportunity to find out whether we have asbestos of the same character as that found in Canada just across an imaginary line. Of course it is here, but it has been on the free list and has never had a chance to be developed, and never will be unless an adequate duty is provided, because, after all, the question of protection is a laboring man's question. If he is willing to work in America as cheaply as his brother in Canada and in other countries works, then we will not need any protection; but no American will ever undertake to do that, and he is not going to do it.

Mr. SIMMONS. Mr. President, I wish I could see my way clear to support the amendment offered by the Senator from Arizona, for I have very high regard for that Senator, and I am entirely satisfied that he is sincere in the position which he takes. I assume that the Senator in proposing this duty and in voting for other duties for which he has voted, affecting the products of his own State, has done so not because he is a protectionist, not because he believes in protection, but because he thinks we are to pass a protection bill and he wants to get the industries of his State in with the others in what he deems to be the benefits of the tariff duties. I assume that such is the theory upon which the Senator is acting.

Mr. ASHURST. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Arizona?

Mr. SIMMONS. Mr. President, I did not rise for the purpose of discussing the question of protection per se, but I must say that I am unable to see the wisdom of imposing a protective duty upon this particular article. It is shown that it does not come in competition with the product of any country except that of Canada, and it is shown that Canada is supplying about 85 per cent of the world's supply of this raw material and that we produce in the United States at this time less than 1 per cent of our own requirements.

Mr. President, if there is any country in the world where labor conditions and labor costs are about the same as those prevailing in the United States, it is Canada. The Senator said that it cost heavily to produce this material here. It does cost heavily to produce it here, but it also costs heavily to produce it in Canada, for the cost is chiefly labor. This is a natural product. It is simply gathered by the harvester, so to speak, by labor, and I think we have all agreed in these

discussions that the difference in labor cost between this country and Canada is very, very small, indeed.

I know this product is highly valuable, and because it is valuable, selling frequently as high as $440 a ton, I want to say to the Senator from Idaho that if there were workable deposits in the United States that extremely high price would undoubtedly stimulate the production of the commodity in the United States. I think the trouble is—that has been my understanding—that, while we do have small scattered deposits of this material, it is not found in economically workable quantities practically anywhere in this country. For two reasons I think we ought not to impose this duty: First, the amount produced in the United States is insignificant compared with our consumption, and the second reason is that our competition, if any, is with a country where the labor cost is practically the same as it is in the United States.

But, Mr. President, my objection goes much further than the two reasons I have just given. I am quite as much interested in promoting American export trade as I am interested in keeping down the cost of imports where they are needed to supplement American production. We have developed a very profitable export business in the finished product of this commodity. In some years we have exported as great a quantity as four and one-half million dollars worth of the finished product. We can not impose the proposed protective duty upon the raw material without carrying it forward and imposing it upon the manufactured product.

There is no country in the world, as I understand, which imposes a protective duty upon the raw asbestos as yet. Certainly we in America have never yet imposed any. Now, if we impose 20 per cent duty upon the raw material, necessarily we must load down with that additional charge the finished product which we export when it meets foreign competition, and the effect will be to discourage exports and possibly exclude us from foreign markets. We have got to safeguard as far as possible foreign markets for our products. It is the source of our prosperity, and we ought not to impose a duty upon a product which will unnecessarily embarrass us in the sale of our manufactured products abroad. If we impose upon the raw material a duty of 20 per cent, which is a very high duty, amounting upon the best quality of asbestos to $165 or $175 a ton, and if no other nation places any burden at all of this character upon the commodity, how can we hope to hold our export trade in this product?

Mr. JONES of New Mexico. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from New Mexico?

Mr. JONES of New Mexico. I thought the Senator from North Carolina had concluded.

Mr. SIMMONS. I have said, I think, all that it ought to be necessary to say, and in the interest of time I will conclude. Before I conclude, however, I call the attention of the Senate to the fact that this is a material which is very generally used in the United States. Its chief use, as I understand, is as a substitute for shingles and for lumber and in the manufacture of automobiles.

Asbestos shingles and slate are suitable for use wherever roofing material is required or employed. Asbestos is also used in packing and the like, but it is used largely as a substitute for shingles. I have bought it myself. Every farmer buys it. Every man who builds houses buys it. In some sections it is in almost as common use as shingles and lumber. It is used, for example, for boards for walls and in roofs as a protection against fire. We have put lumber on the free list. We have put shingles on the free list. They are both products of the United States; and now I ask why should we take this material, the largest use of which is as a substitute for these two materials, and treat it differently from the manner in which we have treated lumber and shingles?

Mr. GOODING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Idaho?

Mr. SIMMONS. Yes; I yield.

Mr. GOODING. I should like to call the Senator's attention to the fact that there is a possibility of our exhausting our timber supply. By a protective duty on this material we could develop a supply. There is a very radical difference between timber, which is finally all used up and can not be reproduced, and the development of a mine of asbestos by protection. They are not in the same class at all.

Mr. SIMMONS. I am very much afraid that if we should stimulate the production of asbestos in this country, in view of the fact that we have so very little, we would exhaust it much more quickly than we would exhaust our supply either of shingles or of lumber.

Mr. JONES of New Mexico. Mr. President, I must confess my amazement at the very earnest argument of the Senator from North Carolina [Mr. SIMMONS]. He has been preaching a good religious doctrine here; he has been talking about export trade, and the importance of it, and all that sort of thing; but for three and a half months, practically four months, we have been hearing from the other side that this bill is not framed for any such purpose.

Mr. SIMMONS. That is what I am afraid of, Mr. President, and I was uttering a word of warning.

Mr. JONES of New Mexico. The Senator also speaks about the necessity of these shingles for roofing. Everything that is a necessity in the United States is being taxed under this bill, and why let shingles escape? Moreover, the bill does not let shingles escape. The taxes on shingles are being increased 100 per cent whether we put this tariff on asbestos or not.

I am astonished that the Senator from North Carolina should cast his pearls before swine in this ignominious fashion. Such good, sound doctrine as the Senator has been preaching has no effect in this Chamber. I have been listening to him; I have been trying to preach some of those sermons myself, but they do not have any effect here.

Mr. SIMMONS. Mr. President, no one knows better than I do that these good, sound arguments of ours are in the nature of casting pearls before swine.

Mr. JONES of New Mexico. But, Mr. President, seriously, the argument of the Senator from North Dakota, so far as the theory is concerned upon which this bill is made up, is the best argument that has been made in favor of a duty upon raw asbestos. Time and again the only argument that has been presented on the other side in favor of a duty has been that there is some of the commodity coming in. There is not only some coming in here but there is a lot of it coming in, so great is the necessity for a tariff upon this product.

The Senator from North Dakota says that there are different classes of asbestos and that we have only one class in this country. Time and again the Senator has advocated and voted for a high duty upon different classes of commodities which did not compete or compare with any commodity produced in the United States. Time and again that has been done; and I say that there will be absolutely no consistency in the attitude of the committee or of the Senate if they refuse to put a duty upon asbestos and increase the duties upon these manufactured products. There is not a line of testimony that the kind of asbestos products that are being imported into the United States are not different in design, class, or quality from those manufactured here; but on the mere statement that there are some coming in we increase these taxes by 100 per cent.

Necessities? Of course they are. I repeat to the Senator from North Carolina that there is nothing of greater necessity, not only in shingles but in pipe coverings and in the hundreds of ways in which asbestos is used, and yet you are increasing by 100 per cent the tax upon the manufactured products without giving any reason on earth for it. We are exporters of these products, exporting three or four times as much as we import. There must be a reason for it—a difference in design, quality, or something of that sort—but that makes no difference.

Mr. TOWNSEND. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New Mexico yield to the Senator from Michigan?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. TOWNSEND. I am wondering if the Senator is going to get to the point where he will tell us whether or not he is in favor of the duty proposed by the Senator from Arizona?

Mr. JONES of New Mexico. Why, certainly I am, and I am going to vote for it. There is no reason on earth why you should not put a duty on this product if you are going to put on these other duties. After the motion of the Senator from Arizona is acted upon we will talk a little further about the duties upon the manufactured products.

Mr. ASHURST. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. SMOOT. Mr. President, may I suggest to the Senator, if he is going to have his amendment as it should be in the bill, that it should read somewhat differently than it does?

Mr. ASHURST. I think that is a very good suggestion, because I have examined it, and I think the Senator is right about it.

Mr. SMOOT. The Senator wanted to put this product on the dutiable list at 20 per cent ad valorem.

Mr. ASHURST. That is what the amendment provides.

Mr. SMOOT. Therefore it would fall under paragraph 1401, and the first word in paragraph 1401 is "Asbestos." Then the Senator's amendment would read as follows:

Asbestos, unmanufactured, asbestos crudes, fibers, stucco, and sand and refuse containing not more than 15 per cent of foreign matter, 20 per cent ad valorem.

Then it fits in with paragraph 1401.

Mr. ASHURST. That is exactly correct, and I thank the Senator.

The PRESIDENT pro tempore. Does the Senator from Arizona withdraw his amendment and substitute for it the one suggested by the Senator from Utah?

Mr. ASHURST. Yes, Mr. President.

The PRESIDENT pro tempore. The original amendment is withdrawn, and the one now read by the Senator from Utah is substituted by the Senator from Arizona for it.

Mr. McNARY. Mr. President, I ask unanimous consent to have read from the desk a splendid editorial which appears in the Manufacturers' Record under date of August 10, 1922. It is a very thoughtful editorial, and is pertinent to the general subject matter of the tariff discussion. It covers only about one page of the Manufacturers' Record.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered. The question is upon agreeing to the amendment proposed by the Senator from Arizona [Mr. ASHURST] to the amendment of the Senator from North Dakota [Mr. McCUMBER], upon which the yeas and nays have been demanded and ordered. The Secretary will call the roll.

The Assistant Secretary proceeded to call the roll.

Mr. FLETCHER (when his name was called). I have a general pair with the Senator from Delaware [Mr. BALL], who is absent. I transfer that pair to the Senator from Texas [Mr. CULBERSON] and will vote. I vote "nay."

Mr. HALE (when his name was called). I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Maryland [Mr. WELLER] and will vote. I vote "nay."

Mr. JONES of New Mexico (when his name was called). I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Nevada [Mr. PITTMAN] and will vote. I vote "yea."

Mr. McCUMBER (when his name was called). I have a general pair with the junior Senator from Utah [Mr. KING]. I transfer that pair to the junior Senator from Washington [Mr. POINDEXTER], and this announcement of transfer may stand for the day. I vote "nay."

Mr. SIMMONS (when his name was called). I have a general pair with the junior Senator from Minnesota [Mr. KELLOGG]; but I am advised that if he were present he would vote the same way I shall vote, and therefore I vote. I vote "nay."

Mr. SUTHERLAND (when his name was called). I transfer my general pair with the senior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from North Dakota [Mr. LADD] and vote "nay."

Mr. WATSON of Indiana (when his name was called). I have a general pair with the senior Senator from Mississippi [Mr. WILLIAMS], which I transfer to the senior Senator from Maryland [Mr. FRANCE] and vote "yea."

The roll call was concluded.

Mr. CURTIS. I desire to announce that the Senator from Minnesota [Mr. NELSON] is detained by reason of a death in his family, and that the Senator from Ohio [Mr. WILLIS] is detained by reason of illness in his family.

I also desire to announce the following pairs:

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON];

The Senator from Illinois [Mr. McKINLEY] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from Minnesota [Mr. NELSON] with the Senator from Massachusetts [Mr. WALSH];

The Senator from Missouri [Mr. SPENCER] with the Senator from Georgia [Mr. HARRIS]; and

The junior Senator from Ohio [Mr. WILLIS] with the senior Senator from Ohio [Mr. POMERENE].

Mr. EDGE. I transfer my general pair with the senior Senator from Oklahoma [Mr. OWEN] to the junior Senator from Vermont [Mr. PAGE] and vote "nay."

Mr. DILLINGHAM. I have a general pair with the junior Senator from Virginia [Mr. GLASS]. I am informed that if he were present he would vote as I shall vote, and therefore I vote. I vote "nay."

Mr. SMOOT. I desire to announce that the junior Senator from Arizona [Mr. CAMERON] is necessarily absent. If he were present and not paired, he would vote "yea."

The result was announced—yeas 16, nays 40, as follows:

YEAS—16.

Ashurst	Jones, N. Mex.	Nicholson	Shortridge
Broussard	Jones, Wash.	Oddie	Stanfield
Bursum	McNary	Phipps	Warren
Gooding	New	Ransdell	Watson, Ind.

NAYS—40.

Borah	Freilinghuysen	McKellar	Smoot
Calder	Gerry	McLean	Stanley
Capper	Hale	Moses	Sterling
Colt	Heflin	Overman	Sutherland
Cummins	Kendrick	Pepper	Swanson
Curtis	Keyes	Rawson	Townsend
Dillingham	Lenroot	Reed	Trammell
Edge	Lodge	Sheppard	Underwood
Ernst	McCormick	Simmons	Wadsworth
Fletcher	McCumber	Smith	Walsh, Mont.

NOT VOTING—39.

Ball	Glass	McKinley	Pomerene
Brandegee	Harreld	Myers	Robinson
Cameron	Harris	Nelson	Shields
Caraway	Harrison	Newberry	Spencer
Culberson	Hitchcock	Norbeck	Walsh, Mass.
Dial	Johnson	Norris	Watson, Ga.
du Pont	Kellogg	Owen	Weller
Elkins	King	Page	Williams
Fernald	Ladd	Pittman	Willis
France	La Follette	Poindexter	

So Mr. ASHURST's amendment to Mr. McCUMBER's amendment was rejected.

The PRESIDENT pro tempore. The question now is upon agreeing to the amendment offered by the Senator from North Dakota.

Mr. JONES of New Mexico. Mr. President, I suppose we might as well have one vote upon the amendments I offer to the amendment. I move to strike out the numerals "30" where they appear in the amendment to paragraph 1401, and to insert "20"; and where the numerals "25" appear, to strike them out and insert "10." That would make the rates just the same as they are under existing law.

I wish to say just a word further. As has already been stated, the industry in the United States has been prospering under existing law. It has increased its export trade enormously under existing law, and no evidence has been presented that there is any threatened injury from importations from anywhere. Judging from the fact that the Senate has just voted that it will not put a duty upon the crude material which would be imported in competition with that which is produced in this country, I assume that it is the purpose of the Senate to recognize these products as necessary products. They are in common and general use. They make for the safety of the households of the country, and the safety of the lives of the people, in many instances. Why should we increase these duties when it does not appear that there is any necessity for it? We are exporting three or four times as much as we are importing, and I submit that no reason which ought to impress anyone has been suggested as to why we should give the manufacturers of these products an opportunity to send their goods over the world in competition, but raise the prices to the American consumers.

The PRESIDENT pro tempore. The Chair overlooked the request of the Senator from Oregon [Mr. McNARY] for which unanimous consent was given, to read the article referred to in his request. The Secretary will now read it.

The Assistant Secretary proceeded to read the article, and was interrupted by——

Mr. REED. Mr. President, may I inquire how long is this article?

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The Secretary advises the Chair that he has read about a third of it.

Mr. REED. Is it being read in the time of anyone?

The PRESIDING OFFICER. The Chair understands that unanimous consent has been given by the Senate for its reading.

Mr. REED. Modifying the other unanimous-consent agreement?

The PRESIDING OFFICER. The present occupant of the chair was not in the chair at the time the consent was given, but is informed that the Senate has given unanimous consent that it may be read.

Mr. REED. I do not want to make any very vigorous protest but it is consuming the time of the Senate, and the article, so far as read, is not worth reading.

Mr. WATSON of Indiana. Why not let the remainder of it be printed without reading?

Mr. REED. I have no objection to having it printed, so that this gentleman's article can be franked out. I suppose that is the object.

Mr. McCUMBER. I hope the suggestion of the Senator from Indiana will be followed. If I had known it was to be read I should have objected, because I think it is out of harmony at least with our unanimous-consent agreement.

Mr. SIMMONS. Mr. President, might we not just as well establish a rule now that when a Senator asks that something be read the time of reading shall be taken out of his time, just as if he had spoken during that time? I have been insisting all the morning on a strict application of the rule, because I see that that is the only way we are going to get speedy action upon the pending measure.

Mr. McCUMBER. That is difficult because we can not tell whether an article in a paper is directed toward the particular amendment pending. I think the only proper way is to keep them out entirely. I do not object to their being thrown in where they take no time.

Mr. SIMMONS. I do not object at all to their being printed in the RECORD, but I think if the article is presented and is to be read it first ought to comply with the rule as to relevancy; and, secondly, if it is relevant, if it is to consume more than 10 minutes, the reading should cease at the end of that time.

The PRESIDING OFFICER. Under the unanimous-consent agreement, according to the express terms of the agreement, anything can be presented to the Senate by unanimous consent.

Mr. SIMMONS. I make no point about it, because unanimous consent has been given, but I hope hereafter that we will not give unanimous consent to the reading of articles that are not germane. If they are germane and we give consent, the time should be taken out of the Senator's time.

Mr. WATSON of Indiana. Why not permit the remainder of the article to be printed without reading?

Mr. McNARY. Mr. President, I have something to say about that. I have been given unanimous consent to have the article read. It is a splendid editorial, which fully covers the situation, and it refers to a position that has been severely criticized. I think it is pertinent and proper, and, as I have been given unanimous consent, I insist upon the order being carried out and the article being read in full.

Mr. SIMMONS. I have said that unanimous consent had been given.

Mr. McNARY. I appreciate that thoroughly, but I want the article read.

The PRESIDING OFFICER. The Secretary will continue the reading of the article.

The Assistant Secretary resumed the reading of the article, and was interrupted by——

Mr. REED. Now, Mr. President, I object to the article as contrary to the rule of the Senate. It is a reflection upon a Member of this body, and a very gross insult. I object under the rule to its being read.

Mr. McCUMBER. I do not know what it is. I heard something, but the sentence was not finished, so that no one could tell what is really meant.

Mr. REED. I object now to the reading of the article, and I object to the article.

The PRESIDING OFFICER. Of course objection to the reading of the article comes too late. The Chair does not believe the language, while he would not use it himself, reflects upon a Senator in such way as to impugn his integrity or honesty.

Mr. REED. It certainly is a criticism of a Member of the Senate.

The PRESIDING OFFICER. Yes, it is a criticism, the Chair supposes; but Senators may be criticized in an article. The Chair overrules the point of order.

Mr. REED. I want to call the Chair's attention to the rule. However, I shall withdraw the objection if the Senator from Oregon wants to put that sort of stuff in the RECORD.

The PRESIDING OFFICER. The Secretary will continue the reading of the article.

The Assistant Secretary resumed and concluded the reading of the article.

Mr. McNARY subsequently said: Mr. President, some time ago I offered and asked the Secretary to read into the RECORD a newspaper article taken from the Manufacturers Record. A colloquy ensued which interrupted the reading of the article. I should like now to have unanimous consent to have the article printed in the RECORD in its entirety, in 8-point type, so as to preserve the sequence.

The PRESIDING OFFICER (Mr. MOSES in the chair). Is there objection?

Mr. FLETCHER. Mr. President, I could not hear the request.

The PRESIDING OFFICER. The Senator from Oregon asks unanimous consent that the newspaper article which he presented this morning may be printed in the RECORD consecutively, in 8-point type, so that the colloquy which interrupted the reading may not interfere with the continuity of the editor's argument. Is there objection? The Chair hears none, and it is so ordered.

The article entire is as follows:

"Never, we take it, in the long history of tariff legislation has the fight against the American system of protection been more subtly, more viciously, or more wantonly conducted than in recent months. We do not know how it is that the most selfish interests in the Nation, the importers, have been able to blind the eyes of those who should be able to see clearly, but the fact remains that the virus of free trade has been injected, apparently, even into the veins of the elect, and men who were put into office because they were supposedly pledged heart and mind to the protective system have been beguiled by the loud crying of the metropolitan press into compromises of all sorts. Some of them, we understand, secretly and by night, have even sought to chloroform the very measure which their own party is under sacred warranties to enact.

"It is but natural that the metropolitan press, particularly in New York, should seek the abolition of protective barriers. That city is a great importer, a center of distributing agencies. Not only are its financiers heavily involved abroad, but its department stores and its importing wholesalers, waxing fat by distributing the pauper products of Europe, grow rich by their exploitation of the American market, which belongs by right to American manufacturers. They would wring the neck of their golden goose, for iterate as they will the old fallacy that others will not buy of us unless we give them free access to our markets, there is one great truth they never mention and that is that a great American market exists only because production in America is kept profitable. There is only eventual bankruptcy for the whole Nation when we allow poverty products to drive out quality products.

"The Nation is told that conditions have changed much since the last presidential election, and that the need for protection is not now what it then was. Let none be deceived by propaganda of that sort. Bankrupts are cutthroat competitors. They are inevitable destroyers of legitimate business. They spread, as it were, the germs of failure into every land they enter. Solvency can not be the bedfellow of insolvency and escape contamination. The danger to American enterprise is not less than it was two years ago; it is greater.

"We have in Congress many men who have not even learned the alphabet of national solvency. They are intoxicated with the sounding phrases of the textbook writers, dreamers of dreams, reasoning in terms of the ideal and forgetting that this is still a practical world, in which men and nations get what they do get only by wise struggle, by sturdy defense of their rights, by statesmanlike protection of their own essential privileges. Only recently, to illustrate, the eminent junior Senator from Massachusetts had the intellectual impertinence to rise in the Senate and deliver through the newspapers a terrific attack on the proposal of the Republican agricultural bloc that the farmers of the United States be given some protection. We say it was intellectual impertinence, for the whole history of tariff making in America has been the story of special protection for New England. Its factories have reveled in protection even under an Underwood bill, for while that piece of legislation declined to afford protection of any sort to products of the South and aimed at the entire destruction of the sugar industry, it did give, as the records show, abundant protection to New England. Here is Senator WALSH representing a constituency that has waxed fat at all times on wise protection, and we hear no outbursts of indignation from him because the people of the South and West for years paid, by his logic, bounties to keep New England mills prosperous, but he almost bursts in protest at the suggestion that New Englanders might have to pay a few cents a year more for food in order that American farmers have a fair show.

"Another group of Senators shout to the housetops that men such as Senator GOODING are beyond the pale because they demand a tariff on wool and are themselves sheep growers. Is not Senator SMITH, of South Carolina, a grower of cotton and has there been any protest that he has devoted himself while in office to efforts to improve the status of the cotton industry? His constituents send Senator GOODING to Washington because he knows the sheep industry and what it needs. For him to recuse himself, on the ground that he personally is interested in the prosperity of the sheep industry, would be for him to betray his trust. All Senators ought to be interested in national prosperity. We detest hypocrites, even if their excuse is that they are playing politics. How dare any Senator

who has fought for cotton object if other Senators fight for wool. And yet a number of people, ill-informed, have jumped to the conclusion that Senator GOODING and his friends have been unethical. They are, instead, entitled to applause. Particularly so members of the Republican agricultural tariff bloc, many of whom have devoted real and sincere effort to the protection of southern industries that were deserted by southern Senators.

"It is said the Republican Party will lose the election if it passes the tariff bill. It will be snowed under if it does not. The emergency tariff act has saved more than one whole State from general bankruptcy. Informed men know it. The Underwood law had this country in the throes of the worst industrial panic it had ever known when the Great War intervened to counteract its influence. And if the Underwood law is permitted to remain on the statute books, again will the soup houses be the meccas in our cities. Let politicians beware lest they mistake the shouting of some large newspapers as the voice of the people. The elections show that the people, in fact, are doing their own thinking. And one of the things they are thinking is that a Congress which fails to protect them against the most menacing competition they have ever known is a worthless Congress, too cowardly or unintelligent to warrant further support.

"It was, we think, a calamitous thing that Republican leadership ever surrendered the principle of American valuation. To our own selves be true. But propaganda, false and misleading, apparently overturned it, and a panicky Senate was afraid to do the obviously right and proper thing. We are in danger, therefore, and our prosperity is menaced, even if the present bill becomes a law, for undervaluation and cheating at the customhouses will continue, but under the new law we shall have a fighting chance. That is better than continuing to play the rôle of Little Red Riding Hood.

"We are by no means satisfied with some features of the bill. As Wallace's Farmer has said, if we are going to have free nonedible vegetable oils the farmer is sort of trapped. But we do not believe the House will accept free vegetable oils of any kind, or that the President will approve such an inexcusable sacrifice of the Nation's underlying industry. Nor can we find it possible to explain the Senator's vote in favor of turning the American dye industry, essential in the national defense, over to the German cartel. There are imperfections to the bill, but glaring imperfections are not those of too much protection; they are those resulting from a coalition of free traders with selfish manufacturing interests and therefore giving too little protection. With the South, in tariff matters, represented by economic infants who vote for lower rates just because they are lower, and with southern Senators actually voting against the interest of their own vegetable-oil producers in favor of the great soap companies, it is rather remarkable that agriculture has been able to secure any benefits at all. Southern votes rally to keep the South poor. They veto prosperity, so far as they are able.

"Tariffs are the bulwarks of forward-moving nations. The American tariff system, transplanted to Germany, was making Germany the leading industrial nation on earth. The tariff permitted the development of the mighty American manufacturing interests that saved the world for civilization. Without tariffs we should to-day be a second-class nation, buying our manufactured goods from abroad. We should be, as all purely agricultural and free-trade nations have been, 'meanly prosperous.' Let us keep to the charted channels. Let us hold to the principles that have made us great, in economics and in morals. Let the Congress not be bulldozed, fooled, or scared into vetoing national prosperity. It has no duty at this time more sacred and more imperative than the passage of a protective tariff measure."

Mr. FRELINGHUYSEN. Mr. President, I ask unanimous consent to have inserted in the RECORD a short editorial from the Journal of the American Medical Association, of Chicago, Ill., of date August 12, 1922, entitled "Continue the embargo on dyes and drugs."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Journal of the American Medical Association, Chicago, Ill., August 12, 1922.]

CONTINUE THE EMBARGO ON DYES AND DRUGS.

Unless prompt action is taken the people of the United States may soon be paying exorbitant tribute to Germany once more as the price of recovery from disease and of the maintenance of health. Caught between the opposing forces in the conflict between the importers of German dyes and American dye makers now being carried on in the Senate in connection with tariff legislation, the synthetic drug industry in the United States, built up as a result of lessons learned during the World War, is threatened with extinction. Again German domination of our drug markets looms up as a not remote possibility.

Those synthetic drugs found to be of service in the relief of suffering are mostly side products in the manufacture of dyes from coal tar, and their production on a commercial basis is not possible except when carried on along with the dye industry. With the outbreak of the World War in 1914 commerce with Germany was promptly cut off by the blockade established by her enemies and we, although then a neutral Nation, found ourselves not only without the dyes and essential drugs formerly supplied almost exclusively by Germany but even without means for producing them. Driven by the conditions thus created by the blockade, and later impelled by conditions that resulted from our own entrance into the war, an industry was created within our own borders whereby needed drugs were produced and our civilians and military forces alike supplied with these necessary agents. When the armistice was proclaimed we possessed an infant industry which experience had shown to be necessary to the continued welfare and safety of the American people, and particularly for the relief of the sick.

After careful consideration and debate, as a matter of sound economic policy deliberately determined on and in order that this infant industry might live, a limited embargo was laid against the importation of synthetic drugs and of the dyes with which in their manufacture they were associated, so long as no necessity might exist for importing them. Up to the present time our domestic drug supply has been adequate, and as the result of competition among American manufacturers the sick have been able to supply all their needs at fair prices instead of paying unconscionable tribute to foreign manufacturers. The synthetic drug industry now shows signs of growth and of increasing strength that promise sooner or later to make it a substantial factor not only in American prosperity but also in the maintenance of American health and national security.

Recently, however, a movement has been initiated that seems likely, if successful, to undo everything that has been accomplished; the protecting embargo is to be raised and the still feeble dye and drug industries are to be protected only by certain proposed tariff schedules. Those most familiar with the situation assert that as a result the industries will die; that the duties proposed are inadequate to protect the industries, and that in the present stage of development of these industries no tariff schedule can be framed that will be adequate.

No sufficient evidence has been adduced to justify the opinion that American dye and synthetic drug industries will survive if they are thrown just now into competition with the highly organized, war-perfected factories of Germany, operated by poorly paid German labor. In the absence of such evidence it would seem to be folly to take any action that may destroy them. The welfare of the people, and particularly the welfare of the sick, requires that the manufacture in the United States of synthetic chemicals for medicinal purposes be protected and built up. To that end it is necessary to protect and build up the dye industry, for without it these chemicals can not be made on a commercial basis. In view of the public health aspects of the matter, the medical profession should make its voice heard in no uncertain terms, protesting against the removal of the embargo.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The question is on agreeing to the amendment proposed by the Senator from New Mexico [Mr. JONES] to the amendment of the Senator from North Dakota [Mr. MCCUMBER].

Mr. PHIPPS. May we have the pending amendment reported?

The PRESIDING OFFICER. The Secretary will read the amendment to the amendment.

The READING CLERK. In the amendment proposed by the Senator from North Dakota the Senator from New Mexico proposes to strike out "30" and insert "20," and to strike out "25" and insert "10," so as to read:

Asbestos, manufactures of: Yarn and woven fabrics composed wholly or in chief value of asbestos, 20 per cent ad valorem; all other manufactures composed wholly or in chief value of asbestos, 10 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, I want to call attention to some information which I have just received. The industry is carried on principally by one or two firms. The figures which I have showed that in 1910 the net profits were $624,119. Those profits have been increased until in the year 1920 they were about $3,750,000. They have increased their surplus from a little over $1,000,000 in 1910 to about $14,500,000 in 1920. They have increased their dividends from $135,000 in 1910 to $384,000 in 1920. They have been expanding their plants and are now constructing a large establishment in the city of Chicago. They have plants not only in the United States but in Canada, Cuba, Porto Rico, and Manila. I also am advised that our exports of these products are over eleven times the amount of our imports, and that the total wage labor cost of these manufactures is only 15.1 per cent. That is the total wage cost of the manufactured product; so that the duty of 25 per cent which is proposed by the committee amounts to 166 per cent of the entire labor cost.

These concerns are selling their product abroad more cheaply than they are selling them in the United States under existing law.

Mr. FLETCHER. Has the Senator from New Mexico any objection to stating the name of the concern to which he has referred? The facts which he has stated being true, it seems to me there ought not to be any duty at all imposed on this article.

Mr. JONES of New Mexico. It is Johns-Manville (Inc.).

Mr. FLETCHER. We ought to put a duty on the raw material and take off any duty which is now proposed on the manufactured product.

Mr. REED. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll and the following Senators answered to their names:

Borah	Jones, N. Mex.	New	Shortridge
Brandegee	Jones, Wash.	Nicholson	Smoot
Calder	Keyes	Oddie	Standfield
Capper	Lenroot	Overman	Sterling
Curtis	Lodge	Pepper	Trammell
Edge	McCormick	Phipps	Wadsworth
Ernst	McCumber	Ransdell	Warren
Fletcher	McKellar	Rawson	Watson, Ga.
Gooding	McNary	Reed	Watson, Ind.
Hale	Moses	Sheppard	

The PRESIDING OFFICER. Thirty-nine Senators have answered to their names. There is not a quorum present. The Secretary will call the names of absent Senators.

The reading clerk called the names of absent Senators and the following Senators answered to their names when called:

Frelinghuysen	Smith	Swanson	Underwood
Simmons	Sutherland		

The following Senators entered the Chamber and answered to their names:

Ashurst	Colt	Heflin

The PRESIDING OFFICER. Forty-eight Senators have answered to their names. A quorum of the Senate is present.

Mr. JONES of New Mexico. Mr. President, I desire to call attention a little further to this concern to which I was referring. I find that it is——

The PRESIDING OFFICER. The Chair will call the attention of the Senator from New Mexico to the ruling of the former occupant of the chair, that when a Senator has spoken twice on an amendment he has exhausted his time. The Senator from New Mexico has spoken twice on the amendment.

Mr. JONES of New Mexico. I did not recall that I had done so.

The PRESIDING OFFICER. So the Secretary informs the Chair.

The question is on the amendment of the Senator from New Mexico [Mr. JONES] to the amendment which has been offered by the Senator from North Dakota [Mr. MCCUMBER] on behalf of the Committee on Finance.

Mr. REED. Mr. President, it is clearly useless to discuss the pending question with Senators nearly all absent. I do not blame them for being out of the Chamber; I am not criticizing them, but the statement made by the Senator from New Mexico [Mr. JONES] ought to be repeated in the presence of those Senators who have come in since he made the statement. I understand, under the unanimous-consent agreement, the Senator from New Mexico is debarred from making a further statement.

In brief, this appears to be the situation: One concern is engaged in the manufacture of asbestos of the kind that comes under the clause of the bill now under consideration. That concern has made immense profits and at the present time is shipping large quantities abroad and selling abroad cheaper than at home. The proposed tariff rate, therefore, is simply to promote the profits of one institution and to compel the American citizen to pay more for his asbestos than the same institution, the institution which is protected, is selling for abroad. That is an absolute illustration of the worst possible vice that could be found in a tariff bill.

I have nothing more to say. I simply want the question understood by the few Members who have come in. On this question, Mr. President, I ask for the yeas and nays.

Mr. FRELINGHUYSEN. Mr. President, I think the Senator from Missouri is mistaken when he says that the asbestos business is controlled by one concern. It is true that this concern is in my State, but they are facing the competition of other companies. I have here a letter from one of the large asbestos manufactures, Keasbey & Mattison Co., located at Ambler, Pa. The letter is dated July 25, 1922. The Senator from North Carolina [Mr. SIMMONS] has made the same statement which the Senator from Missouri has made. In the letter to which I have referred is the following clause:

> Senator SIMMONS, of North Carolina, is quoted as saying in the New York Herald of July 10 that the asbestos industry is controlled by the Johns-Manville Co. This is absolutely false. There are twenty-some companies requesting a tariff on asbestos materials, none of which are in the slightest way connected with the Johns-Manville Co., several of which do as much business with regard to asbestos materials as does the Johns-Manville Co.

So the misapprehension which has gained ground that the Johns-Manville Co. is a monopoly is denied by Mr. Barnes, of the Keasbey & Mattison Co.

Mr. REED. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Missouri?

Mr. FRELINGHUYSEN. I yield.

Mr. REED. What proportion of the product made in America is produced by the Johns-Manville Co.?

Mr. FRELINGHUYSEN. I should say from the letter from which I have quoted that not one-half of it, because it is stated in the letter that there are 20 companies, some of which do as much business as the Johns-Manville Co.

Mr. REED. That seems to be denied by the document before me, which is issued by the Fair Trade League. Is it true that this company had net profits in 1920 of $3,703,314, that it declared dividends of $384,085, and that it has a surplus of $14,319,743?

Mr. FRELINGHUYSEN. I do not know.

Mr. REED. Is it true that its surplus in 1910 was only $1,108,210?

Mr. FRELINGHUYSEN. I do not know anything about the financial condition of the company; but the Senator stated that this company had a monopoly of the output in this country, and here is the statement of one of their competitors saying that there are 20 other companies manufacturing this one product. I simply rose to put in the RECORD a denial of the statement that this company has a monopoly on asbestos manufacturing in this country, as stated by one of their competitors.

Mr. REED. Is it true that this company, which has over $14,000,000 of surplus and has a total capital stock of $2,500,000, is asking for protection?

Mr. FRELINGHUYSEN. Mr. President, there are 46 companies manufacturing asbestos in this country that are asking for protection against foreign competition a duty only 5 per cent higher than Canada places upon their yarns, and equal to the Canadian duty on other products, and 3½ per cent lower than England places upon brake linings. The Senator might ask me whether it was true that Henry Ford, with a small capitalization and millions of assets, in asking for protection on automobiles, had many times more assets than he had capital. That has nothing to do with it. The question is fundamental, whether we are going to protect fairly our American industry or whether this rate is unfair. I know nothing about the financial condition of these companies. I know nothing about the Johns-Manville Co. The question before the Senate is, What is the proper rate of duty to protect the products of 46 manufacturers of asbestos in this country, one of which is the Johns-Manville Co.?

Mr. REED. Is it true that we exported in 1921 $2,606,428 worth of asbestos, and imported only $222,662 worth? And is it not true that the asbestos exported was sold in the foreign market for less than it was sold for in the domestic market by these people who are now clamoring for protection?

Mr. FRELINGHUYSEN. Mr. President, the exports consisted of heavy products—not yarn, not brake linings, but heavy products—and approximated $2,000,000 of shingles in 1920 to Cuba. In 1921 they went to South America and Canada, and one concern did most of the exporting. I also know that the two concerns, the Argus Asbestos Co., of Port Chester, N. Y., and the Raybestos Co., of Bridgeport—the Argus Co. being an agent for Turner Bros. (Ltd.), of England, and the Raybestos Co., agents for Bell's, United, of England—imported nearly $2,000,000 of yarns in one contract.

Mr. REED. In what year?

Mr. FRELINGHUYSEN. During a contract period of over two years, I am told.

Mr. REED. The statement I have before me is that all of the yarns imported in 1921 amounted to only $132,737.

Mr. McCUMBER. Mr. President, will the Senator from Missouri yield to me for one suggestion?

The PRESIDING OFFICER. The Senator from New Jersey has the floor.

Mr. FRELINGHUYSEN. I yield to the Senator.

Mr. REED. I had the floor, and I have never surrendered it.

The PRESIDING OFFICER. The Senator interrupted the Senator from New Jersey.

Mr. FRELINGHUYSEN. It is a running colloquy.

Mr. REED. Go ahead.

The PRESIDING OFFICER. The Senator from Missouri interrupted the Senator from New Jersey, and the Senator yielded.

Mr. REED. The Chair is mistaken. I had not taken my seat when the Senator from New Jersey rose and began his remarks; but I do not care anything about that, except that I wish to retain my right to the floor.

The PRESIDING OFFICER. The Chair understood that the Senator was still interrupting the Senator from New Jersey. He did not know that the Senator from Missouri had taken the floor.

Mr. McCUMBER. I simply want to say to the Senator from Missouri that the investigation of these exports discloses the fact that they are exports of what are called asbestos products; but they are composed mostly of magnesia and other products of that character, with a very little asbestos in them, although they are given that name. That is my information. For instance, in the exports there were 2,000,000 pounds of these low grades while there were only 200,000 pounds of the higher grades of asbestos. This is for the 11 months of 1921.

Mr. REED. I call the Senator's attention to the following statement in the Summary of Tariff Information, page 1092:

Imports of asbestos yarn and woven fabrics for the fiscal years 1910 to 1913 averaged a little over $90,000; 1914, $118,246. Imports of all other manufactures of asbestos in 1913 were valued at $287,308; in 1914 at $283,027. Later statistics, for calendar years, follow:

Asbestos yarn.

1918	$2,349
1919	49,265
1920	248,649
1921 (9 months)	57,023

Woven fabrics.

1918	$783
1919	138,551
1920	230,266
1921 (9 months)	56,909

All other manufactures of asbestos.

1918	$23,154
1919	69,585
1920	139,535
1921 (9 months)	128,711

So that the imports have been almost inconsequential during all of this period of years.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from North Dakota?

Mr. REED. Yes.

Mr. McCUMBER. I will say to the Senator that I rose simply to make this statement concerning the exports, so that it would not be understood that we were exporting these high textiles and valuable manufactures: For instance, pipe coverings are made by using a sort of paste with the fibers of the asbestos, and those are used for wrapping pipes, and so forth, and general insulation; and then there are the boards of asbestos which really form a very small part and yet they are called asbestos boards and asbestos packing.

Mr. REED. But all of these things are under the protective tariff.

Mr. McCUMBER. Oh, yes; to a certain extent.

Mr. REED. Although we are shipping a vast quantity abroad, we still put on the protection here. That is all I care to say.

Mr. McCUMBER. In order to be protected they must be wholly or in chief value of asbestos. I think the exports that the Senator is speaking of are not in chief value of asbestos.

Mr. REED. The question is a very plain one after all the explanation. I ask for the yeas and nays.

The PRESIDING OFFICER. The question is on the amendment of the Senator from New Mexico to the amendment of the Senator from North Dakota, on which the Senator from Missouri asks for the yeas and nays.

The yeas and nays were ordered.

Mr. SMITH. Mr. President, may the specific amendment which we are to vote on be stated?

The PRESIDING OFFICER. The Senator from South Carolina asks that the amendment be stated again.

The READING CLERK. The Senator from North Dakota proposes the following as a substitute for paragraph 1401:

Asbestos, manufactures of, and woven fabrics composed wholly or in chief value of asbestos, 30 per cent ad valorem; all other manufactures composed wholly or in chief value of asbestos, 25 per cent ad valorem.

The Senator from New Mexico proposes to strike out "30" and insert "20," and in the last line of the amendment to strike out "25" and insert "10."

Mr. SMITH. That is what we are voting on? We are voting on the amendment of the Senator from New Mexico?

The PRESIDING OFFICER. On the amendment of the Senator from New Mexico, on which the yeas and nays have been demanded and ordered. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. FLETCHER (when his name was called). Making the same announcement as to my pair and transfer as on the former vote, I vote "yea."

Mr. FRELINGHUYSEN (when his name was called). I transfer my pair with the Senator from Montana [Mr. WALSH] to the Senator from Michigan [Mr. NEWBERRY] and vote "nay."

Mr. JONES of New Mexico (when his name was called). Making the same announcement as to the transfer of my pair as on the previous vote, I vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from Illinois [Mr. McKINLEY] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from Minnesota [Mr. NELSON] with the Senator from Massachusetts [Mr. WALSH];

The Senator from Missouri [Mr. SPENCER] with the Senator from Georgia [Mr. HARRIS]; and

The junior Senator from Ohio [Mr. WILLIS] with the senior Senator from Ohio [Mr. POMERENE].

Mr. HALE. Making the same announcement as before, I vote "nay."

Mr. SIMMONS. I transfer my pair with the junior Senator from Minnesota [Mr. KELLOGG] to the senior Senator from Montana [Mr. MYERS] and vote "yea."

Mr. WATSON of Georgia. I transfer my pair with the Senator from California [Mr. JOHNSON] to the Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. DILLINGHAM. I have a general pair with the junior Senator from Virginia [Mr. GLASS] which, in his absence, I transfer to the junior Senator from Delaware [Mr. DU PONT] and vote "nay."

Mr. SUTHERLAND. Making the same announcement as on the previous vote with reference to my pair and its transfer, I vote "nay."

Mr. EDGE. Making the same announcement as before as to the transfer of my pair, I vote "nay."

Mr. ERNST. I transfer my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from Oklahoma [Mr. HARRELD] and vote "nay."

The result was announced—yeas 23, nays 31—as follows:

YEAS—23.

Borah	Kendrick	Ransdell	Swanson
Capper	McKellar	Reed	Trammell
Dial	McNary	Sheppard	Underwood
Fletcher	Nicholson	Simmons	Warren
Heflin	Overman	Smith	Watson, Ga.
Jones, N. Mex.	Phipps	Stanfield	

NAYS—31.

Brandegee	Ernst	McCormick	Rawson
Bursum	Frelinghuysen	McCumber	Shortridge
Calder	Gooding	McLean	Smoot
Colt	Hale	Moses	Sterling
Cummins	Jones, Wash.	New	Sutherland
Curtis	Keyes	Norbeck	Wadsworth
Dillingham	Lenroot	Oddie	Watson, Ind.
Edge	Lodge	Pepper	

NOT VOTING—41.

Ashurst	Glass	Myers	Spencer
Ball	Harreld	Nelson	Stanley
Broussard	Harris	Newberry	Townsend
Cameron	Harrison	Norris	Walsh, Mass.
Caraway	Hitchcock	Owen	Walsh, Mont.
Culberson	Johnson	Page	Weller
du Pont	Kellogg	Pittman	Williams
Elkins	King	Poindexter	Willis
Fernald	Ladd	Pomerene	
France	La Follette	Robinson	
Gerry	McKinley	Shields	

So the amendment of Mr. JONES of New Mexico to Mr. McCUMBER's amendment was rejected.

The PRESIDING OFFICER. The question now is on agreeing to the amendment proposed by the Senator from North Dakota.

Mr. JONES of New Mexico obtained the floor.

Mr. STANLEY. Mr. President, I wish to be recorded as voting "yea."

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Kentucky?

Mr. JONES of New Mexico. I yield.

Mr. STANLEY. I did not understand that the vote had been announced.

The PRESIDING OFFICER. The vote has been announced.

Mr. STANLEY. If I had been present before the result was announced, I would have voted to reduce the rate.

Mr. JONES of New Mexico. Mr. President, I desire to call attention to the fact that the rates in the proposed committee amendment increase the duty upon woven fabrics by 50 per cent, and upon the general class of asbestos goods by 150 per cent.

This industry is dominated to a large extent by one concern, to whose financial condition I desire to call attention. It has seven plants well distributed over the country, and, says our financial authority, "branches throughout the United States, Canada, Cuba, Porto Rico, and Manila, also agencies throughout the world." It has recently purchased 255 acres of land north of Chicago, where it will duplicate its New Jersey plant at a cost of $3,000,000. It has no funded debt. Its preferred stock, 7 per cent cumulative, is $1,895,000. Its capital stock is $2,500,000.

It has a surplus now of nearly $14,500,000. The corporation increased its capital stock from $4,108,210 in 1910 to $21,157,635 in 1920. It paid excellent dividends.

In 1920, after paying its preferred-stock dividend of 7 per cent and 10 per cent upon its common stock, it carried to surplus account $3,319,229, or 115 per cent of its total common stock.

The total wages paid for manufacturing this product are only 15.1 per cent of the selling price, and the duty which the Senate proposes to put on the commodity is 166 per cent of the total wage cost.

While our manufacturers sold abroad at prices competing with the world, their domestic prices were substantially greater than export prices by the amount of the duty, 17.5 per cent, plus the profits that importers added on the 2½ per cent that they brought in.

The crude material, asbestos, costs the same the world over, 75 per cent of it coming from mines in Canada, in which it is understood that American manufacturers are largely interested. The crude material is 50 per cent of the cost of the product. No tariff consideration, then, should be given to this 50 per cent, and any tariff on the finished product is equivalent to twice the amount of this tariff on the differentials of labor, overhead, and profit. The proposed protection of 25 per cent is therefore 50 per cent on the foreign producer's total labor, overhead, and profit.

Mr. NICHOLSON. Mr. President, the paragraph we are now about to vote upon pertains to asbestos. We considered this morning the question of placing a duty upon the raw product. An amendment providing for such a duty was voted down and the article is placed upon the free list.

We who produce the raw product are asked to produce it in competition with the cheap labor of the world, but when it comes to the manufactured article, the same Senators who voted to place raw asbestos upon the free list come in and ask for a high tariff duty on the manufactured product, so that it may be protected against foreign competition, and that in the face of the enormous profits which are here shown to be made by these manufacturing concerns.

I can say for the raw producers that they have made no profits, that they have been producing this material practically at a loss, and it is clearly shown that the manufacturers are making enormous profits. I would like to know from the distinguished Senator from New Jersey how he defends this action, taking into consideration the conversion costs, which he was talking about last night.

Mr. FRELINGHUYSEN. Mr. President, I do not want to take up much of the time of the Senate. In answering the inquiry of the Senator from Colorado I desire to say that I do not think he quite understands this situation. The committee was asked to impose a duty upon Canadian asbestos to protect the producer of Arizona asbestos. The information which came to us from the Tariff Commission was that the amount which could be produced in Arizona was insufficient for the American consumption.

Mr. NICHOLSON. Mr. President—

Mr. FRELINGHUYSEN. I will yield for a question when I have finished.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. FRELINGHUYSEN. I read from the report of the Tariff Commission:

> The United States is the largest consumer of asbestos in the world and manufactures more asbestos products than any other country; but it has never been, and shows no promise of ever becoming, an important factor in the production of the unmanufactured product. Its meager output could be increased to some extent but it will probably never become great enough to supply the domestic demand. The United States must, therefore, rely largely upon imported crude material.

The Senator has asked me a question, attacking the policy of the committee in putting asbestos on the free list. If the committee had placed asbestos on the dutiable list, naturally they would have given a larger compensatory duty on these manufactured products. The Senator himself agrees with that principle, of course, because it is the principle upon which this bill is written.

I have no quarrel with the Senator on account of his desire to have a duty on raw asbestos, but it has nothing to do with this situation. The protection which 46 of the manufacturers are asking is sought on the basis of the difference between production costs here and abroad, because the product can be manufactured here and is manufactured here. If the duty were taken off, the American manufacturer would have to close his plant, because Canada has a duty of 25 per cent against these products, and so has England; and if the Senator believes that we should take off this duty and destroy this industry, he renounces the principle upon which this bill has been founded.

Mr. NICHOLSON. Not at all.

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Colorado?

Mr. FRELINGHUYSEN. I yield.

Mr. NICHOLSON. The distinguished Senator from New Jersey admits that if the manufacturers of asbestos in this country did not have protection they would be compelled to close down; but he is perfectly willing that the asbestos producer, the asbestos miner, shall remain closed down. He is closed down now, and the Senator is willing that he shall continue closed down. It is clearly shown here that the asbestos manufacturers have made enormous profits, because they have been protected. Give us the protection which has been extended to the manufacturers, and we will show you whether we can produce this article or not. It exists in this country in large quantities. It is true that he reads from the report of the Tariff Commission; but, as I stated this morning, the Tariff Commission has only information obtainable from the Geological Survey and the Bureau of Mines, which have been insufficiently supplied with funds with which to obtain reliable information, and the information which the Tariff Commission has upon which to base its conclusions is information obtained 10 years ago, not to-day, not yesterday, not a year ago. So it seems to me if we as Republicans are legislating here to help infant industries, that the asbestos miner and not the manufacturer represents an infant industry in this case.

The PRESIDING OFFICER. Will the Senator from New Jersey yield for the Chair to ask him a question?

Mr. FRELINGHUYSEN. Certainly.

The PRESIDING OFFICER. Does the amendment proposed by the committee increase or lower the rate provided by the House?

Mr. FRELINGHUYSEN. I am informed that it lowers the House rate.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. STANFIELD. Mr. President, I ask unanimous consent at this time to have inserted in the RECORD an article referring to a matter discussed the other day. I shall not read it nor shall I ask that it be read.

There being no objection, the article referred to was ordered to be printed in the RECORD, as follows:

[From the Washington Post, August 10, 1922.]

PACKERS ANSWER WALSH'S STATEMENT ON HIDE DUTY.

The Institute of American Meat Packers yesterday issued the following statement through its Washington office:

"Senator WALSH, in a statement published in Monday newspapers, said that 'a vote for a duty on hides is a vote for the packers.' The Institute of American Meat Packers is not concerned one way or the other in the proposed tariff or the absence of a tariff on hides, but it is interested in incidental remarks about the packing industry made by the Senator.

"Senator WALSH said that the packers have a monopoly of the tanning industry, and that if there was a duty the small tanners would be driven out of business. This statement is erroneous. The packers, big or small, do not have control of the tanning industry. The big packers, through tanneries in which they are interested both directly and indirectly, handle less than 20 per cent of the leather made in the United States, and they are in keen competition with each other, even in the handling of this small proportion.

"The institute resents any inferences that the packing companies could or would crush or destroy an industry. The charges that the packers have a monopoly power over the price of cattle, hides, meat, or other products have been disproved again and again.

"This statement is issued not so much in criticism of Senator WALSH as it is to correct published inferences which reflect upon the commercial integrity of one of America's most important industries."

The PRESIDING OFFICER. The Secretary will report the next amendment.

The READING CLERK. On page 180, line 2, the committee proposes to strike out "30" and insert "45," so as to make the paragraph read:

> PAR. 1402. Boxing gloves, ice and roller skates and parts thereof, baseballs, footballs, tennis balls, golf balls, and all other balls, of whatever material composed, finished or unfinished, designed for use in physical exercise or in any indoor or outdoor game or sport, and all clubs, rackets, bats, or other equipment, such as is ordinarily used in conjunction therewith in exercise or play, all the foregoing, not specially provided for, 45 per cent ad valorem.

Mr. SMOOT. On page 179, line 19, I move that the words "ice and roller skates, and parts thereof," be stricken out. I

will state that, if that is agreed to, I shall then ask that those words be inserted further on in the paragraph, but with a lower rate of duty.

The PRESIDING OFFICER. The Senator from Utah proposes an amendment, which the Secretary will report.

The READING CLERK. On page 179, lines 19 and 20, the Senator from Utah proposes to strike out "ice and roller skates, and parts thereof."

The amendment was agreed to.

Mr. SMOOT. On page 180, line 2, I ask that the committee amendment be disagreed to, so the rate will be 30 per cent instead of 45 per cent, as there proposed.

Mr. JONES of New Mexico. Mr. President, I should like to get a little information. The articles in this paragraph have not heretofore been classified in this way. I should like to know how the rates as provided here compare with those under the existing law?

Mr. SMOOT. The items fell in different paragraphs, according to the material of chief value. The committee thought that they were now of sufficient importance to be put in a paragraph by themselves, so that hereafter the statistics would show just what the importations are and the unit value and the equivalent ad valorem wherever there is a specific rate agreed to.

Under the Payne-Aldrich law the rate was 35 per cent ad valorem provided wood was the chief value of the article. If metal was the article of chief value, the rate was 45 per cent. If leather was the article of chief value, the rate was 40 per cent. Under the Underwood law, if they were principally of wood, the rate was 15 per cent; if principally of metal, the rate was 20 per cent; and if principally of leather, they were 30 per cent.

Under the pending bill the rate of 30 per cent, which I now ask be adopted instead of 45 as originally proposed, would be the same as in the Underwood law wherever the leather was the material of chief value; wherever the metal is the material of chief value the rate would be an increase over the Underwood rate of 10 per cent, but a decrease under the Payne-Aldrich law of 15 per cent.

The Senator will notice that we have taken out "ice and roller skates and parts thereof." Those are virtually metal articles which fell within the paragraph. I shall later offer an amendment, when the pending amendment is disposed of, placing "ice and roller skates and parts thereof" in another part of the paragraph at an ad valorem rate of 20 per cent, which would be the same rate they now bear under the Underwood law.

Mr. JONES of New Mexico. Mr. President, I desire to say just a word. There is absolutely no information furnished from an official source regarding these articles used in exercise and in play. I really know nothing about the subject except that it covers, even as left in the bill, boxing gloves, baseballs, footballs, etc. We all know what they are, of course.

Mr. SMOOT. And all of those articles carry exactly the same rate as under the Underwood law.

Mr. JONES of New Mexico. If the Senator will please pardon me, I do not insist that the Underwood law is always a perfect law. I think there are a good many rates in that law which are too high, and some of them I think are probably too low. But we are now framing a new bill and it ought to be considered on its merits. The paragraph covers—

Boxing gloves, baseballs, footballs, tennis balls, golf balls, and all other balls * * * and all clubs, racquets, bats, or other equipment such as is ordinarily used in conjunction therewith in exercise or play.

Now, the Senator may say what he pleases about the industry and that sort of thing. I suppose if there is an industry in the country that really could not prosper which is manufacturing these various articles, that under the general idea of the bill there ought to be a substantial duty levied. But here is something which makes for the health and the morale of every child in the land, and to put a tax upon it if it is not absolutely essential I think is worse than a crime. We have no evidence here that the industries need any such duties as 25, 30, and 40 per cent. We have no information about the industries. We do not know what the conditions are, or anything of the sort. We are absolutely at the mercy of those who are interested in the enterprise and we have to take their word for what they want.

Mr. SMOOT. Mr. President, it is very strange that in 1913 it was not a crime to put 30 per cent upon these articles, and it was not a crime then to put 20 per cent upon other of the articles, but now, no matter what rate we put upon them, it is a crime. I thought the Senator from New Mexico would not object to these rates as now finally agreed to. The only reason why we took them out, as I said, is that hereafter we shall have a statistical report from the Treasury Department telling us just how many are imported and the value, what they are, and the unit value of the importations. Hereafter Congress will not be in the same position as it is to-day and as described by the Senator from New Mexico. We will have that information, we will know the unit values and the value of the importations. This is one paragraph to which I thought nobody in the world would object.

Mr. FLETCHER. Mr. President, just what is the proposition of the Senator from Utah?

Mr. SMOOT. The Senator proposes to strike out "ice and roller skates, and parts thereof," which under the House provision carried a duty of 30 per cent American valuation, and then the Senator proposes, if the pending amendment is disagreed to, leaving the rate 30 per cent instead of 45 per cent, to offer an amendment putting "ice and roller skates and parts thereof" in a different part of the paragraph with a 20 per cent ad valorem rate. In other words, all of these items—baseballs, footballs, tennis balls, and so forth—will carry 30 per cent, with the exception of ice and roller skates and parts thereof. They are made of metal, and we thought we wanted to cut them out and give them just the same rate as provided in the Underwood law. The rate in the Underwood law is 20 per cent, except that where leather is the material of chief value it is 30 per cent. The Senator asked what the Payne-Aldrich law rates were. They were 45 and 40 per cent ad valorem.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee on page 180, line 2, striking out "30" and inserting "45."

The amendment was rejected.

Mr. SMOOT. On page 180, in line 2, after the words "ad valorem" I move to insert a semicolon and the words "ice and roller skates, and parts thereof, 20 per cent ad valorem."

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will report the next amendment.

The READING CLERK. Page 180, paragraph 1403, spangles and beads, on line 4, after the word "including" insert the words "beads of ivory or," so as to read:

PAR. 1403. Spangles and beads, including bugles, but not including beads of ivory or imitation pearl beads, etc.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will report the next amendment.

The READING CLERK. On page 180, line 5, the committee proposes to strike out "25" and insert "35," so as to read:

PAR. 1403. Spangles and beads, including bugles, but not including beads of ivory or imitation pearl beads and beads in imitation of precious or semiprecious stones, 35 per cent ad valorem.

Mr. FLETCHER. Does the Senator propose to increase the rate?

Mr. SMOOT. Twenty-five per cent was inserted on the American valuation, and the committee simply gives 35 per cent on the foreign valuation. These are nearly all luxuries and we are carrying nearly the rates carried in both of the preceding laws.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment of the committee was, on page 180, line 6, after the word "ad valorem" to insert "beads of ivory, 45 per cent ad valorem."

The amendment was agreed to.

Mr. SMOOT. On page 180, line 7, after the word "not," I move to amend by inserting the words "ornamented with beads, spangles or bugles, nor," so as to read:

Fabrics and articles not ornamented with beads, spangles or bugles, nor embroidered, tamboured, appliquéd, nor scalloped, composed wholly or in chief value of beads, etc.

I want to say that the effect of that will be to throw those articles into paragraph 1430, where they belong.

The amendment was agreed to.

The next amendment of the committee was, on page 180, line 10, to strike out "40" and insert "60," so as to read:

Fabrics and articles not ornamented with beads, spangles or bugles, nor embroidered, tamboured, appliquéd, nor scalloped, composed wholly or in chief value of beads or spangles other than imitation pearl beads and beads in imitation of precious or semiprecious stones, 60 per cent ad valorem.

The amendment was agreed to.

The next amendment of the committee was, on page 180, line 12, to strike out "pierced or unpierced"; in line 13, before the words "per centum," to strike out the numeral "40" and to insert in lieu thereof the numeral "60"; and in line 16, after the word "composed," to strike out the words "pierced or unpierced," so as to read:

imitation pearl beads of all kinds and shapes, of whatever material composed, strung or loose, mounted or unmounted, 60 per cent ad valorem; all other beads in imitation of precious or semiprecious stones, of all kinds and shapes, of whatever material composed, strung or loose, mounted or unmounted, 45 per cent ad valorem.

The amendment was agreed to.

Mr. SMOOT. There is one other amendment which must be made in order to make the language in that paragraph read correctly. At the beginning of line 8, page 180, the word "nor" should be "or." I move that amendment.

The PRESIDING OFFICER. Without objection the amendment proposed by the Senator from Utah is agreed to. The next amendment of the committee will be stated.

The next amendment of the Committee on Finance was, in paragraph 1404, page 180, line 22, before the words "per centum," to strike out the numeral "30" and to insert in lieu thereof the numeral "40," so as to read:

PAR. 1404. Ramie hat braids, 40 per cent ad valorem.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 180, in the same paragraph, line 23, before the words "per centum," to strike out the numeral "40" and in lieu thereof to insert the numeral "50," so as to read:

Manufactures of ramie hat braids, 50 per cent ad valorem.

Mr. SMOOT. I ask that that amendment may be disagreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was rejected.

The next amendment of the Committee on Finance was, on page 181, paragraph 1405, line 8, after the word "fiber," to strike out the words "silk or substitutes therefor" and to insert "or silk, or substitutes for any of the foregoing."

The PRESIDING OFFICER. The question is on the committee amendment.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 181, in the same paragraph, line 6, before the words "per centum," to strike out the numeral "25" and in lieu thereof to insert the numeral "40," so as to make the paragraph read:

PAR. 1405. Boots, shoes, or other footwear, the uppers of which are composed wholly or in chief value of wool, cotton, ramie, animal hair, fiber, or silk, or substitutes for any of the foregoing, whether or not the soles are composed of leather, wood, or other material, 40 per cent ad valorem.

Mr. JONES of New Mexico. Will the Senator from Utah let us understand why he thinks that the rate in this case should be increased to 40 per cent?

Mr. SMOOT. The reason is that most of these goods which come in here are lined with wool. The Senator from New Mexico knows that the articles embraced in this paragraph are what are known as comfort slippers, and also bedroom slippers, and footwear of that kind. We did not wish to place a specific duty on them, and decided simply to impose a straight ad valorem duty of 40 per cent.

Mr. JONES of New Mexico. I observe by a reading of the language of the paragraph that it applies not only to articles of which the chief value is wool but that it also applies to those in which the article of chief value is "cotton, ramie, animal hair, fiber, or silk, or substitutes for any of the foregoing."

Mr. SMOOT. These articles are all luxuries, I will say to the Senator, and the materials mentioned refer to the uppers, whether braided or made of silk or of ramie or of cotton or of animal hair. Then the paragraph provides:

Whether or not the soles are composed of leather, wood, or other material, 40 per cent ad valorem.

Sometimes these goods are composed of leather lined with wool and sometimes they are plain knitted articles. It is not likely that they are going to be used extensively.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Florida?

Mr. JONES of New Mexico. I yield.

Mr. FLETCHER. This seems to be entirely a new provision.

Mr. SMOOT. Yes.

Mr. FLETCHER. It seems to be a case where the Committee on Finance has found something on which they might put a duty about which they did not previously know either when the law of 1909 or the law of 1913 was framed.

Mr. SMOOT. No; that is not the object at all. The object is this: These goods have always come under the paragraph where the component material of chief value fell; in other words, if the component material of chief value were silk, then the rates of the silk schedule would be applied to the item; if the material of chief value were wool, then the rates of the wool schedule would be applied; and if the material of chief value were leather, the leather rates would, of course, be imposed.

Mr. FLETCHER. It is a new classification.

Mr. SMOOT. It is a new classification, so that hereafter there will be available the statistics showing just how many of these articles are imported and what they are. Hereafter we shall not have to stand upon the floor of the Senate and say we do not know what the equivalent ad valorem is.

Mr. JONES of New Mexico. Mr. President, I think it is quite proper to change the classification, in order that we may have the information to which the Senator from Utah refers; but I observe that this industry has been growing, and especially with regard to canvas shoes. This paragraph will apply to canvas shoes; and I suppose that canvas will be the article of chief value on which this duty is to be levied.

Mr. SMOOT. I will say to the Senator that in the existing law canvas shoes fall under the paragraphs covering cotton and manufactures of cotton, with a duty on goods of this character of the very cheapest material of 40 per cent; so we do not go above the present rate.

Mr. JONES of New Mexico. I observe that in 1919 there was a production in this country of nearly 20,000,000 pairs of canvas shoes, with rubber soles, which were valued at a little over $25,000,000. That would be about $1.25 a pair which the manufacturers charge for those canvas shoes.

Mr. SMOOT. Those are the canvas shoes with rubber soles.

Mr. JONES of New Mexico. Yes; I understand they are the canvas shoes with rubber soles; but they are in very general use. The National Association of Felt Shoe Manufacturers state that 24 of their 27 members reported 17,228,000 pairs of those shoes produced in the year ending July, 1920, and that the sales amounted to nearly $24,000,000.

Mr. SMOOT. The rate would depend entirely upon what kind of felt was used.

Mr. JONES of New Mexico. That is quite true.

Mr. SMOOT. It would depend upon what kind of felt it was. If it were a wool felt, then, of course, the duty would be twice as high as the rate we propose to fix here.

Mr. JONES of New Mexico. But remember that this is 40 per cent on the foreign valuation of the finished product.

Mr. SMOOT. Certainly.

Mr. JONES of New Mexico. And that is a very large percentage, even if the article were composed of wool; but as to these cotton shoes upon which it is proposed now to levy a duty of 40 per cent, the class of cotton cloth that goes into a canvas shoe is manufactured in this country as cheaply as it is manufactured in any country on earth.

Mr. SMOOT. We are not giving them a single penny of protection for the manufacturing of the shoe in this provision. The rate on the cotton in the canvas shoe and everything else that goes into that shoe is 40 per cent. We are not giving a penny for protection for the making of the shoes.

Mr. JONES of New Mexico. Mr. President, that is simply begging the question, as I look at it.

Mr. SMOOT. No; that is the truth. It is not begging the question.

Mr. JONES of New Mexico. Of course, what the Senator from Utah has said is true; but what I mean is that what he has said does not support the argument which he would have us infer. The cotton cloth which goes into these shoes is produced as cheaply here as anywhere else on earth, and the fact that there is a 40 per cent duty on the cloth does not mean that the manufacturers have to pay a duty of 40 per cent for the cloth which they put into these canvas shoes. It really amounts to a protection of 40 per cent for shoes for the uppers of which canvas cloth is used, although that cloth can be manufactured in this country as cheaply as any place on earth. So I say that while what the Senator has said is absolutely true as to the duty upon the cloth, yet that does not substantiate the fact that it is an added expense in the production of canvas shoes.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The next amendment was, on page 181, line 12, before the words "per centum," to strike out the figures "13" and to insert "15"; in line 13, before the words "per centum," to strike out the figures "17" and to insert "20"; in line 16, before the words "per centum," to strike out the figures "25" and to insert "35"; in line 17, before the words "per centum," to strike out the figures "33⅓" and to insert "50"; in line 18, after the word "dozen," to strike out the figures "20" and to insert

"30"; in line 19, after the word "other," to strike out "men's"; and in line 22, before the words "per centum," to strike out the figures "40" and to insert "50," so as to make the paragraph read:

PAR. 1406. Braids, plaits, laces, and willow sheets or squares, composed wholly or in chief value of straw, chip, grass, palm leaf, willow, osier, rattan, real horsehair, cuba bark, or manila hemp, suitable for making or ornamenting hats, bonnets, or hoods, not bleached, dyed, colored, or stained, 15 per cent ad valorem; bleached, dyed, colored, or stained, 20 per cent ad valorem; hats, bonnets, and hoods composed wholly or in chief value of any of the foregoing materials, whether wholly or partly manufactured, but not blocked or trimmed, 35 per cent ad valorem; blocked or trimmed, 50 per cent ad valorem; straw hats known as harvest hats, valued at less than $3 per dozen, 30 per cent ad valorem; all other hats, composed wholly or in chief value of any of the foregoing materials, whether wholly or partly manufactured, not blocked or blocked, not trimmed or trimmed, if sewed, 50 per cent ad valorem. But the terms "grass" and "straw" shall be understood to mean these substances in their natural form and structure, and not the separated fiber thereof.

The amendment was agreed to.

The next amendment was, in paragraph 1407, on page 182, line 3, before the words "per centum," to strike out the figures "35" and to insert "55."

Mr. SMOOT. I desire to modify the committee amendment by substituting "45" for "55."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as modified.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. JONES of New Mexico. I find that the point I had in mind does not arise in connection with the committee amendment. What I had in mind was a provision in the House text, in which the committee have made no change.

Mr. SMOOT. The amendment just stated relates to tooth brushes and toilet brushes.

Mr. JONES of New Mexico. Yes.

Mr. SMOOT. We come in direct competition with Japan on these commodities, and the Reynolds report shows that the domestic producers are entitled to about 114 per cent. We thought that if they could not get along with 45 per cent protection, they had better let that class of work go.

Mr. JONES of New Mexico. Yes; I think so.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as modified.

The amendment as modified was agreed to.

The next amendment was, in the same paragraph, page 182, line 4, after the word "feather," to strike out "dusters" and to insert "dusters," and in line 5, after the word "otherwise," to strike out the figures "30" and to insert "55," so as to make the paragraph read:

PAR. 1407. Brooms, made of broom corn, straw, wooden fiber, or twigs, 15 per cent ad valorem; tooth brushes and other toilet brushes, 45 per cent ad valorem; all other brushes not specially provided for, including feather dusters, and hair pencils in quills or otherwise, 55 per cent ad valorem.

Mr. SMOOT. I desire to modify the committee amendment by substituting "45" for "55."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as modified.

The amendment as modified was agreed to.

The next amendment was, on page 182, line 7, to increase the rate of duty on bristles, sorted, bunched, or prepared, from "7" to "8" cents per pound.

Mr. SMOOT. I ask that that amendment may be disagreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was rejected.

The next amendment was, in paragraph 1410, on page 182, line 14, after the word "of," to insert "horn or."

Mr. SMOOT. I ask that the amendment inserting the words "horn or" may be disagreed to. I will say to the Senate the object of that is to provide for that class of buttons at a lower rate of duty.

The PRESIDING OFFICER. Without objection, the amendment is rejected.

The next amendment was, in the same paragraph, on page 182, line 15, before the word "cents," to strike out the figures "1¼" and to insert "1½."

Mr. SMOOT. I ask that that amendment be disagreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was rejected.

The next amendment was, in the same paragraph, on page 182, line 16, after the word "not," to strike out "turned, faced, or drilled, three-fourths of," and to insert "drilled, dyed, or finished."

Mr. SMOOT. After the word "finished" and the comma I move to insert "three-fourths of," so that it will read "three-fourths of 1 cent per line" instead of "1 cent per line."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee as modified.

The amendment as modified was agreed to.

The next amendment was, in the same paragraph, on page 182, at the beginning of line 19, before the word "cents," to strike out the figures "1¼" and to insert "2."

Mr. SMOOT. I ask that that amendment may be disagreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was rejected.

The next amendment was, in the same paragraph, on page 182, in line 20, before the word "cents," to strike out the figures "1½" and to insert "1¾."

Mr. SMOOT. I ask that that amendment may be disagreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was rejected.

The next amendment was, in the same paragraph, on page 182, in line 21, after the word "foregoing," to strike out the figures "15" and to insert "40," so as to make the paragraph read:

PAR. 1410. Buttons of vegetable ivory, finished or partly finished, 1¼ cents per line per gross; vegetable ivory button blanks, not drilled, dyed, or finished, three-fourths of 1 cent per line per gross; buttons of pearl or shell, finished or partly finished, 1½ cents per line per gross; pearl or shell button blanks, not turned, faced, or drilled, 1¼ cents per line per gross; and, in addition thereto, on all the foregoing, 40 per cent ad valorem: *Provided*, That the term "line" as used in this paragraph shall mean the line button measure of one-fortieth of 1 inch.

Mr. SMOOT. I ask that "25" be substituted for "40."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as modified.

The amendment as modified was agreed to.

Mr. SHEPPARD. Mr. President, may I ask the Senator what increase is involved in the existing rate by the amendments which have been adopted in this paragraph?

Mr. SMOOT. I have not a memorandum of that at hand. If the Senator will wait a moment, I will tell him just what the facts are.

Mr. SHEPPARD. The existing rate is 40 per cent ad valorem without any specific rate.

Mr. SMOOT. On the first instance the specific rate is 1¼ cents a line. There are 40 lines to the inch, so that if a button is 1 inch, 1¼ cents a line is equal to 25 cents per gross. If they are worth a dollar a gross—and that would be about the price—that is equivalent to 25 per cent ad valorem, and the 25 per cent ad valorem added to that would make 50 per cent instead of 40 under the existing law. I will cite that particular case and call the attention of the Senator to it as illustrative of the others. I wish frankly to say that manufacturers have notified me and the committee several times they can not live under these rates, but we are going to see if it is not possible for them to do so.

Mr. SHEPPARD. The changes proposed by the Senator from Utah will involve an increase in the rates.

Mr. SMOOT. Of course, they involve somewhat of an increase in the rates. I do not know that the Senator was in the Chamber a few moments ago when we struck out the words "horn or," so that buttons made of such material will fall in paragraph 1411.

Mr. SHEPPARD. Mr. President, I did not ask for a roll call on these amendments because I felt it had been sufficiently determined that the Senate would cling to the high rates proposed by the committee. I wish to say, however, that I do not think any increase is justified in the rates on buttons of vegetable ivory and on shell and pearl buttons.

The case with reference to vegetable-ivory buttons may be stated very briefly. They are used on coats and suits for both men and women and are made from the tagua nut of Panama and northern South America and the palm nut of Africa.

Home production of the finished article grew from a value of $1,300,000 in 1904 to a value of $2,885,000 in 1914. By 1919 this home production had a value of $7,676,000. Imports of these buttons for the last several years have been less than 1 per cent of the domestic output, while a small export trade to Canada and South America has developed.

Shell and pearl buttons are made from both ocean and fresh-water mollusks, the former possessing the better quality. The better grades of these buttons are used on women's wear and men's shirts.

Home production of the ocean variety increased from a value of $2,489,000 in 1914 to a value of $6,564,000 in 1919; and that of the fresh-water type from $4,800,000 in 1914 to $8,200,000 in 1919. Imports of both kinds in 1921 were valued at $1,099,643. They came from Japan and the Philippines, those from Japan having a value of about $900,000, while those from the Philippines were valued at about $200,000.

It will be seen that the imports do not equal 1 per cent of the home output. Exports of both varieties of pearl buttons were valued at $142,884 in 1921.

In view of those facts I do not think any increase is justified; but inasmuch as the committee has seen fit to reduce the rate it originally offered I have not deemed it advisable to ask for a division or a roll call. The reduced rate now proposed still represents an advance over existing duties.

The PRESIDING OFFICER. The Secretary will state the next amendment of the committee.

The next amendment was, on page 183, line 6, before the words "per centum," to strike out the figures "38" and to insert "45," so as to make the paragraph read:

PAR. 1411. Buttons commonly known as agate buttons, 15 per cent ad valorem; parts of buttons and button molds or blanks, finished or unfinished, not specially provided for, and all collar and cuff buttons and studs composed wholly of bone, mother-of-pearl, ivory, vegetable ivory, or agate, and buttons not specially provided for, 45 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 183, line 24, after the word "ground," to strike out "cork" and to insert "cork, 25 per cent ad valorem," so as to read:

PAR. 1412. Cork bark, cut into squares, cubes, or quarters, 8 cents per pound; stoppers over three-fourths of 1 inch in diameter, measured at the larger end, and disks, wafers, and washers over three-sixteenths of 1 inch in thickness, made from natural cork bark, 20 cents per pound; made from artificial or composition cork, 10 cents per pound; stoppers, three-fourths of 1 inch or less in diameter, measured at the larger end, and disks, wafers, and washers, three-sixteenths of 1 inch or less in thickness, made from natural cork bark, 25 cents per pound; made from artificial or composition cork, 12½ cents per pound; cork, artificial, commonly known as composition or compressed cork, manufactured from cork waste or granulated cork, in the rough and not further advanced than in the form of slabs, blocks, or planks, suitable for cutting into stoppers, disks, liners, floats, or similar articles, 6 cents per pound; in rods or sticks suitable for the manufacture of disks, wafers, or washers, 10 cents per pound; granulated or ground cork, 25 per cent ad valorem, etc.

Mr. SHEPPARD. Mr. President, will the committee offer any changes in paragraph 1412?

Mr. SMOOT. The only amendment the committee proposes now to offer is to disagree to the amendment on line 2, page 184, on the slabs, boards, planks, or molded forms, 25 per cent ad valorem; and then all of the items beginning on page 183, line 25, with cork insulation, would fall in the rate of 30 per cent ad valorem.

Mr. SHEPPARD. The Senator has not offered any decreases in the rates originally proposed by the committee?

Mr. SMOOT. No; the committee does not offer any.

Mr. SHEPPARD. Mr. President, I shall content myself by offering the following observations on this paragraph, and will not ask for a division.

Paragraph 1412 is concerned with manufactures of cork. It carries a duty of 8 cents a pound on cork bark cut into squares, cubes, or quarters, doubling the present rate of 4 cents a pound. This advance of 100 per cent it made in spite of the fact that there are practically no imports, those for the first nine months of 1921 having the magnificent value of $2, and in spite of the fact that the domestic cork industry, having grown from an output valued at $7,875,000 in 1914 to an output valued at $16,282,000 in 1919, is so successful that it is on an export basis. Its exports have increased from a value of $462,190 in 1914 to $847,377 in 1918.

The paragraph under review increases the duties on stoppers made from natural cork and above three-fourths of an inch in diameter from the existing figure of 12 cents per pound to 20 cents, and on the smaller stoppers of this character from the prevailing figure of 15 cents per pound to 25 cents. On stoppers made from artificial cork or cork waste it makes a slight reduction. These, however, form only a small part of stopper production.

Imports of all kinds of stoppers had a value of less than $80,000 during the first nine months of 1921.

By this paragraph the existing rates of 3 cents a pound on artificial cork or granulated cork in the rough are increased to 6 cents a pound; in rods or sticks to 10 cents a pound. Imports during the first nine months of 1921 had the insignificant value of $41. Importations of cork products have so small a value in relation to home output—less than 1 per cent—and exports are having so steady a growth that the increases carried in this paragraph—increases so typical of this entire bill—are rendered laughably absurd.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 184, line 2, after the word "molded," to strike out "forms" and insert "forms, 25 per cent ad valorem," so as to read:

Cork insulation, wholly or in chief value of cork waste, granulated or ground cork, in slabs, boards, planks, or molded forms, 25 per cent ad valorem, etc.

Mr. SMOOT. I ask that that amendment be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was rejected.

The next amendment was, on page 184, line 5, after the word "for," to strike out the figures "25" and to insert "30," so as to read:

Cork tile, cork paper, and manufactures, wholly or in chief value of cork bark or artificial cork and not specially provided for, 30 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 184, line 8, before the words "per cent," to strike out "40" and to insert "50," so as to make the paragraph read:

PAR. 1413. Dice, dominoes, draughts, chessmen, and billiard, pool, and bagatelle balls, and poker chips of ivory, bone, or other material, 50 per cent ad valorem.

Mr. SHEPPARD obtained the floor.

Mr. SMOOT. Mr. President, I will say to the Senator that 50 per cent is the rate of the Payne-Aldrich law and the rate of the Underwood law, and I do not think there is going to be any objection whatever to imposing a duty of 50 per cent on poker chips of ivory, bone, and so forth.

Mr. SHEPPARD. Mr. President, I wanted to ask the Senator from Utah to explain the meaning of the words "poker chips."

Mr. SMOOT. I am not an expert on that subject, but I will tell the Senator what I will do: I will meet with the Senator as soon as this session closes and we will go to some expert and learn, so that both of us will know it in the future.

Mr. SHEPPARD. The Senator's innocence on this subject is little less than sublime.

Mr. SMOOT. I am informed, however, that whenever you touch them or play with them in any way it always costs you some money.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 184, line 15, before the words "per cent," to strike out "40" and to insert "70," so as to make the paragraph read:

PAR. 1414. Dolls, and parts of dolls, doll heads, toy marbles, of whatever materials composed, air rifles, toy balloons, toy books without reading matter other than letters, numerals, or descriptive words, bound or unbound, and parts thereof, and all other toys, and parts of toys, not composed of china, porcelain, parian, bisque, earthen or stone ware, and not specially provided for, 70 per cent ad valorem.

Mr. POMERENE. Mr. President, I realize that this is one of the subjects about which there is a good deal of controversy, and I am very frank to say that it seems to me that this rate is somewhat too high.

Mr. SMOOT. All the Senate has to do is simply to decide this one question: Do we or do we not want to maintain the doll industry that was established in the United States during the war? If we do, we are compelled to have a duty of 70 per cent, and I have a little doubt in mind about whether we can complete the whole line even with the 70 per cent.

Mr. POMERENE. Mr. President, I realize, of course, that a year ago the imports were very large.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Utah?

Mr. POMERENE. Oh, yes.

Mr. SMOOT. We had no industry in the United States.

Mr. POMERENE. Within the last year, however, these imports have been substantially reduced as compared with the year preceding; and I just wondered whether the Senator had any information which would enable him to explain the difference between the imports, let us say, for 1920, when the imports of dolls and parts of dolls were $2,593,108, and for the nine months of 1921, when they were $1,215,662?

Mr. LODGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Massachusetts?

Mr. POMERENE. I yield to the Senator.

Mr. LODGE. The total imports of German toys during the months January to April, inclusive, of the current year, in dollars and cents amounted to $1,330,620, while during the same four months of 1921 they amounted to $823,798.

Mr. SMOOT. Mr. President, I want to say that toys will begin to arrive from a foreign land in a little while now for our Christmas trade. There is no doubt but that the importations of this year will be at least three or four times the amount that they were last year. The committee in their investigations, I think, took more time upon this schedule than upon almost any other schedule in this bill. We had the committee room full of samples, and worked out the rates here with the Reynolds report, and these were the rates that were necessary, although I want to say to the Senator that we have not relied upon the Reynolds report for the rates in this bill, particularly in this schedule. This is what it shows; I will run them down, and I will not take the time to tell the items, but these are all toys falling in this paragraph:

Beginning with the first one, 200 per cent; the next, 400; the next, 400 and some odd; the next, over 200; the next, 86; the next, 122; the next, 82; the next, over 300; the next, over 200; the next, 190; the next, 175; the next, 124. That is what they actually showed at that particular time. I recognize, however, that there has been a change, and for that reason these rates in many, many cases have been changed.

I have said two or three times upon the floor of the Senate that if the President had any authority whatever to increase rates there were only about three items in this bill in behalf of which I thought that power would be exercised. This is one of the paragraphs where I have said before that I think the President in some instances will have to exercise his power.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Ohio?

Mr. SMOOT. Yes.

Mr. POMERENE. I have investigated this subject to such an extent that I have felt that there was some necessity for an increase in the rate, but I did feel that to increase it from 40 to 70 per cent was perhaps a little higher than was justified.

Mr. SMOOT. That was 40 per cent on American valuation.

Mr. POMERENE. Oh, yes; I understand that.

Mr. FLETCHER. Mr. President, the Tariff Information Survey advises us that the Toy Manufacturers' Association reports that in 1914 there were 10 concerns in the United States manufacturing dolls and that the product amounted to $1,000,000, and in 1919 there were 48 concerns, with a product valued at $9,000,000. The imports are decreasing, apparently, and the exports of American manufactures are increasing, and the business seems to be growing very considerably under the present rate of 35 per cent.

Mr. SMOOT. The exports to-day are nothing to speak of, except what little goes up to Canada. The Senator will notice that in 1919 the number of establishments increased to 541. America never tried to make any toys before the war. She was compelled to do it then, and the Senator will remember that right after the war Japan began to make toys.

Japan's toys are as nothing compared with German toys. The German industry has been established for hundreds of years. The children, almost before they can toddle, are used in Germany in the making of toys, and they grow up in it. The wives and the children do the work at home, and in thousands and tens of thousands of homes in Germany these toys are made, by children working until midnight and women working until midnight after the day's work is over. The Germans controlled the toy industry of the world before the war, but during the war these establishments were started in the United States, and they have made wonderful progress. No American citizen could ever see the toys that were made in the United States now, educational in their nature, without being proud of the American manufacturer in establishing the industry in the United States, as it has been established within so few years.

Mr. FLETCHER. Mr. President, I appreciate that. I think it is a good thing, and I quite agree with what the Senator has said about it. What I am saying is that we have had a duty in the past of 35 per cent ad valorem, and now it is proposed to make that 70 per cent. It seems to me the increase is rather more than is needed.

Mr. SMOOT. No tariff bill that has ever been framed has ever put any kind of a duty upon toys for the purpose of protection. It has been a revenue duty entirely; nothing more and nothing less. There was no thought at the time the other tariff bills were framed of establishing the industry in this country. Its establishment in this country was brought about by the war, and now the only thing to decide, as I have said here, is whether we shall maintain the industry. I say to the Senator now that no rate of duty less than 70 per cent will save the industry.

Mr. FLETCHER. That is a very broad statement, and I have no doubt the Senator has plenty of testimony to that effect; but when I consider what has happened to this industry thus far, with the duty of 35 per cent, when I consider that the exports in 1914 amounted to $809,120, chiefly to Canada, England, Australia, and Cuba; that in 1918 they amounted to a total of $1,656,112; in 1919 to a total of $2,869,529; and in 1920 to $4,189,322, it looks as if the industry is doing very well under the present rate. Although others may express a different view about it, I have no doubt but that there are plenty of people who stated to the Senator that it required a duty of 70 per cent, but I do not believe the history of the industry and the actual conditions, with the information furnished here, would justify a doubling of the duty.

Mr. LODGE. Mr. President, the toy-manufacturing business in this country was developed by the war from a small one to a large one. Germany had controlled the market here, as elsewhere. Now, we have this industry established, and it will be simply killed by German competition unless we impose this duty.

I am aware that this is a high duty. The Senator from Florida was speaking about the manufacturers making money. I have here a letter from a company which makes miniature steam and caloric engines and electric motors for children—that is, toys. They say to me in this letter:

> Our business is suffering terribly. We have on our books now 60 per cent compared with this time last year, which was not a good year. * * *
>
> We might add we have lost one order alone that was $20,000 in 1920, $3,000 in 1921, and we have not received a penny's worth this year. Every dollar's worth of this business in our line went to Germany this year.

That is the case with many others. The Germans, who are an ingenious people, imitate our patent toys and our patent games without going through the form of getting patents. Patents are really no protection. They make the patented toys or games without any fear of competition here. If the industry is to be kept alive in this country, it will have to have at least this duty to protect it. The figures which I have before me show how rapidly that menace is increasing.

The figures of Shipping Board tonnage show for the first three months of 1922 that the toys imported amounted to 3,300 tons, whereas a year ago only 910 tons arrived. Then, the total imports of German toys for the four months which I have referred to amounted to $1,380,000, while during the same four months of 1921 they amounted to $823,798.

These toy factories will simply go out of business if this rate is not imposed, and it is a question of whether we wish to keep the toy industry alive in this country at all. I think it is a good thing to have American toys, apart from the mere value of the industry, which is very considerable. Many people are employed in it, an excellent type of labor, and it would be a very serious blow if the industry were shut down. I do not favor extravagant duties, but if this industry is to be kept alive, we shall have to take the rates proposed by the committee.

Mr. UNDERWOOD. Mr. President, I can not agree with my friends on the other side of the Chamber in reference to the statement of facts in this matter. Of course, whether we think the facts apply depends upon the way we look at a thing.

Mr. LODGE. The facts to which the Senator is about to refer are old facts; they are not recent.

Mr. UNDERWOOD. I am going to take recent facts. Of course, if we look at the proposition of levying a tariff duty as a means of preventing all importations, or practically so, if it is levied to exclude all competition, then there may be something in the argument that has just been presented in favor of this very large increase in the duty. But if we believe that the Treasury of the United States is entitled to some revenue from the articles on which taxes are levied, then this tax is excessive.

I have the figures in reference to all toys, in the Summary of Tariff Information for 1920, published by the Tariff Commission, which shows that the imports for 1921 of all toys were $1,332,000.

But the Senator from Utah contends that there were $7,000,000 worth of toys imported in 1920 and $5,000,000 worth in 1921. I am not questioning the Senator's authority; he may have later authority than I have. I assume he is correct in the statement that the imports of all toys in 1920 were $7,000,000, and that they fell off to something like $5,000,000 in 1921. Senators must bear in mind that the statement of the Tariff Commission gives us the information that this industry produced $45,000,000 worth of toys and games in 1919. Five mil-

lion dollars of imports as compared to $45,000,0000 of production is one-ninth, a little over 11 per cent, under a tax of 35 per cent. This is no new tax. The tax was 35 per cent under the Payne-Aldrich law; it is 35 per cent under the present law; and if I recollect correctly, it was 35 per cent under the Dingley law; so it has been 35 per cent for 12 years, we know, and probably for 20 years.

Under that tax the total importations of toys which came in for the children of America to hold down the prices in this country are not over one-ninth of the production. That may be a very fair competitive condition, but it is not driving a business out of existence. Because a man has eight parts of the field and his competitor has one part it does not mean that it is destroying his business, unless there is an attempt to create a monopoly.

The statement of the Senator a while ago that we had no toy industry in America before the war is not borne out by the figures. We did not have a toy industry in America comparable with the present industry, but we had a very good toy industry. In 1914 we had 290 manufacturers of toys and games in this country. Their capital stock was something over $10,000,000, their production was $13,757,000, and they employed 7,887 employees. So that in 1914, the year the war in Europe began, under a 35 per cent tariff duty, we had an industry in this country that was one-third of its present volume. Of course when the war came on the door was closed entirely.

These gentlemen are seeking to-day to continue war conditions. During the war, when shipping was interfered with, most of the toy manufacturers of the world were at war, and these manufacturers had a war embargo, preventing competition, and their profits were so great that they swelled the industry. Now they come before Congress and ask for a tariff rate so high that it will create another embargo, not growing out of war but growing out of taxes levied at the customhouse. There is no question about that.

Of course, if you want to say that nobody shall sell any toys in America except the American manufacturer, that you will cut off all competition from abroad, or practically all competition from abroad; that you are going to close your customhouses to the importations of children's toys, then vote for a 70 per cent duty. But Mr. Dingley, whose Republicanism and protectionist standing nobody could question, thought 35 per cent was a reasonable duty. The authors of the Payne-Aldrich law, which carried the highest rates which had ever been passed up to that time, considered 35 per cent ad valorem a sufficient rate to protect these manufacturers. I had not heard at that time and do not know, although I was on the Ways and Means Committee in the House, of any efforts of these manufacturers to raise the rate above that amount. But they have been gorged with the profits growing out of the war conditions and the monopoly of the American market and they want to continue that monopoly by the imposition of excessive taxes at the customhouses.

Now, Mr. President, I realize that a toy is considered to some extent a luxury, and on luxuries we levy more taxes than we do on the necessities of life; but I think this is going very far. We have taxed the bread at the mouths of the poor. We have levied every tax imaginable in the bill at enormously increased rates. Now, to go into the cradle and tax the baby for the doll that it carries in its arms in order to create an American monopoly of the business I think is going too far. I see no reason in the world for it. In fact, from a Republican standpoint, there is a stronger argument in the bill against the rate than I have made. The House of Representatives, when they sent the bill over, sent it with a tax of 40 per cent, while the Finance Committee of the Senate have raised it to 70 per cent. I think the item ought to be disagreed to.

Mr. SMOOT. Mr. President, for the RECORD I merely want to say that the production in the United States for 1921 was, as the Senator from Alabama has said, $45,720,000, but for the full calendar year of 1921 there were imported $7,715,000 worth. That is about 18 per cent of the production. They have hardly got started here. Those are the figures given by the Tariff Commission. In the calendar year 1914, when we produced what the Senator said, $13,000,000 worth, they were all of one particular class of goods. They were made in this country to that extent, but we could not buy a line of toys in the United States. No merchant who carried toys could buy a full line of toys made in the United States in 1914.

However, as the Senator said, the war brought on the demand for a full line. They undertook to get them from Japan, but could not do it. Those which they did get from Japan were nothing to compare with those which they got from Germany. Therefore, it seems to me that the figures themselves are such as to show that unless we do give this rate of duty we will not have 18 per cent of the whole consumption imported into the United States, but there would be a majority of it imported.

Mr. UNDERWOOD. On agreeing to the amendment, I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. FLETCHER (when his name was called). Making the same announcement as to my pair and transfer, I vote "nay."

Mr. POMERENE (when his name was called). As announced yesterday, I have temporarily a general pair with my colleague [Mr. WILLIS]. He is detained because of illness in his family. I therefore withhold my vote.

Mr. SIMMONS (when his name was called). I transfer my pair with the junior Senator from Minnesota [Mr. KELLOGG] to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "nay."

Mr. WATSON of Georgia (when his name was called). I have a general pair with the Senator from California [Mr. JOHNSON]. I transfer that pair to the Senator from Rhode Island [Mr. GERRY] and vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as on the previous vote, I vote "yea."

The roll call was concluded.

Mr. EDGE. Making the same announcement as before, I vote "yea."

Mr. SUTHERLAND. Making the same announcement as on the previous vote with reference to my pair and its transfer, I vote "yea."

Mr. HALE. Making the same announcement as before, I vote "yea."

Mr. DILLINGHAM. I transfer my pair with the Senator from Virginia [Mr. GLASS] to the junior Senator from Delaware [Mr. DU PONT] and vote "yea."

Mr. JONES of New Mexico. As announced on the previous vote, I again transfer my pair and vote "nay."

Mr. CURTIS. I wish to announce the following pairs:

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON];

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from Minnesota [Mr. NELSON] with the Senator from Massachusetts [Mr. WALSH]; and

The Senator from Missouri [Mr. SPENCER] with the Senator from Georgia [Mr. HARRIS].

The result was announced—yeas 33, nays 18, as follows:

YEAS—33.

Bursum	Hale	McNary	Sterling
Calder	Harreld	Moses	Sutherland
Capper	Jones, Wash.	New	Townsend
Colt	Keyes	Nicholson	Wadsworth
Curtis	Lenroot	Oddie	Warren
Dillingham	Lodge	Pepper	Watson, Ind.
Edge	McCormick	Phipps	
Ernst	McCumber	Shortridge	
Gooding	McLean	Smoot	

NAYS—18.

Borah	Kendrick	Sheppard	Trammell
Dial	McKellar	Simmons	Underwood
Fletcher	Overman	Smith	Watson, Ga.
Heflin	Ransdell	Stanley	
Jones, N. Mex.	Reed	Swanson	

NOT VOTING—44.

Ashurst	France	La Follette	Pomerene
Ball	Frelinghuysen	McKinley	Rawson
Brandegee	Gerry	Myers	Robinson
Broussard	Glass	Nelson	Shields
Cameron	Harris	Newberry	Spencer
Caraway	Harrison	Norbeck	Stanfield
Culberson	Hitchcock	Norris	Walsh, Mass.
Cummins	Johnson	Owen	Walsh, Mont.
Du Pont	Kellogg	Page	Weller
Elkins	King	Pittman	Williams
Fernald	Ladd	Poindexter	Willis

So the amendment of the committee was agreed to.

The PRESIDING OFFICER. The Secretary will report the next amendment.

The READING CLERK. In paragraph 1415, page 184, line 19, strike out "emery paper."

The amendment was agreed to.

The next amendment of the committee was, on page 184, line 21, to strike out "20" and insert "not specially provided for; and all papers, cloths, and combinations of paper and cloth, wholly or partly coated with artificial or natural abrasives, or with a combination of natural abrasives and artificial abrasives; all the foregoing 25," so as to read:

PAR. 1415. Emery, corundum and artificial abrasive grains and emery, corundum and artificial abrasives, ground, pulverized, refined, or manufactured, 1 cent per pound; emery wheels, emery files, and manufactures of which emery, corundum, or artificial abrasive is the component

material of chief value, not specially provided for; and all papers, cloths, and combinations of paper and cloth, wholly or partly coated with artificial or natural abrasives, or with a combination of natural and artificial abrasives; all the foregoing 25 per cent ad valorem.

Mr. SMOOT. On page 185, line 1, I move to strike out "25" and insert in lieu thereof a comma and the numeral "20," so that the rate will be 20 per cent ad valorem.

Mr. POMERENE. That would leave the duty just where it was under the Underwood law?

Mr. SMOOT. "Crude artificial abrasives" are stricken out here and go on the free list. I think the Underwood rate was 20 per cent; so this is the same as the Underwood rate.

Mr. FLETCHER. The rate was 20 per cent under the act of 1913.

Mr. SMOOT. We place the crude abrasives on the free list.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as modified.

Mr. POMERENE. As I understood from an examination of this item, I could not see the necessity for any increase, because the imports were negligible.

Mr. SMOOT. There is no increase.

Mr. POMERENE. That is, with the amendment as modified.

Mr. SMOOT. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment as modified.

The amendment as modified was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment.

The READING CLERK. On page 185, line 1, after the words "ad valorem," strike out the semicolon and the words "crude artificial abrasives, 5 per cent ad valorem."

Mr. SMOOT. Those now will fall in paragraph 1655 of the free list.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 185, line 10, after the word "box," to strike out the figure "6" and to insert "12"; in line 12, after the word "each," to strike out "three-fourths of"; and in line 18, before the words "per centum," to strike out the figures "30" and to insert "45," so as to read:

PAR. 1417. Matches, friction or lucifer, of all descriptions, per gross of 144 boxes, containing not more than 100 matches per box, 12 cents per gross; when imported otherwise than in boxes containing not more than 100 matches each, 1 cent per 1,000 matches; wax matches, wind matches, and all matches in books or folders or having a stained, dyed, or colored stick or stem, tapers consisting of a wick coated with an inflammable substance, night lights, fusees and time-burning chemical signals, by whatever name known, 45 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 186, line 6, before the words "per centum," to strike out the figures "25" and to insert "30," and in line 11, after the word "kinds," to strike out "not composed in chief value of cotton," so as to make the paragraph read:

PAR. 1418. Percussion caps, cartridges, and cartridge shells empty, 30 per cent ad valorem; blasting caps, containing not more than 1 gram charge of explosive, $2.25 per thousand; containing more than 1 gram charge of explosive, 75 cents per thousand additional for each additional one-half gram charge of explosive; mining, blasting, or safety fuses of all kinds, $1 per thousand feet.

The amendment was agreed to.

The next amendment was, on page 186, line 18, after the word "of," to strike out "down," and to insert "down;"; in line 20, after the word "artificial," to strike out "and" and to insert "or"; in line 22, before the words "per cent," to strike out the figures "45" and to insert "60"; in line 25, before the words "per cent," to strike out the figures "45" and to insert "65"; and on page 187, line 4, before the words "per cent," to strike out "50" and to insert "60," so as to read:

PAR. 1419. Feathers and downs, on the skin or otherwise, crude or not dressed, colored, or otherwise advanced or manufactured in any manner, not specially provided for, 20 per cent ad valorem; dressed, colored, or otherwise advanced or manufactured in any manner, including quilts of down and other manufactures of down; artificial or ornamental feathers suitable for use as millinery ornaments, artificial or ornamental fruits, vegetables, grains, leaves, flowers, and stems or parts thereof, of whatever material composed, not specially provided for, 60 per cent ad valorem; natural leaves, plants, shrubs, herbs, trees, and parts thereof, chemically treated, colored, dyed, or painted, not specially provided for, 65 per cent ad valorem; boas, boutonnieres, wreaths, and all articles not specially provided for, composed wholly or in chief value of any of the feathers, flowers, leaves, or other material herein mentioned, 60 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 187, line 16, before the word "the," to strike out "those," and to insert "those."

The amendment was agreed to.

The next amendment was, on page 189, line 22, after the word "dyeing," to strike out "20" and to insert "30"; on page 190, line 4, before the words "per cent," to strike out "35" and to insert "40"; in line 6, after the word "for," to strike out "40" and to insert "50"; and in line 10, after the words "goat skins," to insert "and not specially provided for," so as to make the paragraph read:

PAR. 1420. Furs dressed on the skin, excepting silver or black fox furs, not advanced further than dyeing, 30 per cent ad valorem; plates and mats of dog and goat skins, 10 per cent ad valorem; manufactures of furs, excepting silver or black fox, further advanced than dressing and dyeing, prepared for use as material, joined or sewed together, including plates, linings, and crosses, except plates and mats of dog and goat skins, and articles manufactured from fur, not specially provided for, 40 per cent ad valorem; silver or black fox skins, dressed or undressed, and manufactures thereof, not specially provided for, 50 per cent ad valorem; articles of wearing apparel of every description partly or wholly manufactured, composed wholly or in chief value of hides or skins of cattle of the bovine species, or of dog or goat skins, and not specially provided for, 15 per cent ad valorem; articles of wearing apparel of every description wholly or in part manufactured, composed wholly or in chief value of fur, not specially provided for, 50 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 1421, on page 190, line 16, to increase the rate of duty on hatters' furs or furs not on the skin, prepared for hatters' use, including fur skins carroted, from "22" to "35" per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 1422, on page 190, line 19, to increase the rate of duty on fans of all kinds, except common palm-leaf fans, from "40" to "50" per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 1423, on page 190, line 21, to increase the rate of duty on gun wads of all descriptions, not specially provided for, from "10" to "20" per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 191, line 6, after the word "cloth," to insert "not specially provided for," and, in line 10, after the words "ad valorem," to insert "; cloths and all other manufactures of every description, wholly or in chief value of cattle hair or horsehair, not specially provided for, 40 per cent ad valorem," so as to make the paragraph read:

PAR. 1426. Haircloth, known as "crinoline" cloth, haircloth, known as "hair seating," and hair press cloth, not specially provided for, 35 per cent ad valorem; hair felt, made wholly or in chief value of animal hair, not specially provided for, 25 per cent ad valorem; manufactures of hair felt, including gun wads, 35 per cent ad valorem; cloths and all other manufactures of every description, wholly or in chief value of cattle hair or horsehair, not specially provided for, 40 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 192, line 2, before the words "per centum," to strike out the figures "20" and to insert "30," so as to make the paragraph read:

PAR. 1427. Hats, caps, bonnets, and hoods, for men's, women's, boys', or children's wear, trimmed or untrimmed, including bodies, hoods, plateaux, forms, or shapes, for hats or bonnets, composed wholly or in chief value of fur of the rabbit, beaver, or other animals, valued at not more than $4.50 per dozen, $1.50 per dozen; valued at more than $4.50 and not more than $9 per dozen, $3 per dozen; valued at more than $9 and not more than $15 per dozen, $5 per dozen; valued at more than $15 and not more than $24 per dozen, $7 per dozen; valued at more than $24 and not more than $36 per dozen, $10 per dozen; valued at more than $36 and not more than $48 per dozen, $13 per dozen; valued at more than $48 per dozen, $16 per dozen; and in addition thereto, on all the foregoing, 30 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 192, line 7, after the word "known," to insert "finished or unfinished, of whatever material composed"; in line 8, before the words "per cent," to strike out the figures "55" and to insert "80"; in line 23, after the word "pearls," to strike out the figures "55" and to insert "80"; and on page 193, line 2, before the words "per cent," to strike out the figures "45" and to insert "75," so as to make the paragraph read:

PAR. 1428. Jewelry, commonly or commercially so known, finished or unfinished, of whatever material composed, valued above 20 cents per dozen pieces, 80 per cent ad valorem; rope, curb, cable, and fancy patterns of chain not exceeding one-half inch in diameter, width, or thickness, valued above 80 cents per yard; and articles valued above 20 cents per dozen pieces, designed to be worn on apparel or carried on or about or attached to the person, such as and including buckles, cardcases, chains, cigar cases, cigar cutters, cigar holders, cigarette cases, cigarette holders, coin holders, collar, cuff, and dress buttons, combs, match boxes, mesh bags and purses, millinery, military and hair ornaments, pins, powder cases, stamp cases, vanity cases, and like articles; all the foregoing and parts thereof, finished or partly finished, composed of metal, whether or not enameled, washed, covered, or plated, including rolled gold plate, and whether or not set with precious or semiprecious stones, pearls, cameos, coral, or amber, or with imitation precious stones or imitation pearls, 80 per cent ad valorem; stampings, galleries, mesh, and other materials of metal, whether or not set with glass or paste, finished or partly finished, separate or in strips or sheets, suitable for use in the manufacture of any of the foregoing articles in this paragraph, 75 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 193, line 8, after the word "or," to strike out "strung" and to insert "strung, 20 per cent ad valorem"; and in line 16, before the word "mounted," to strike out "pierced or unpierced," so as to make the paragraph read:

PAR. 1429. Diamonds and other precious stones, rough or uncut, and not advanced in condition or value from their natural state by cleaving, splitting, cutting, or other process, whether in their natural form or broken, any of the foregoing not set, and diamond dust, 10 per cent ad valorem; pearls and parts thereof, drilled or undrilled, but not set or strung, 20 per cent ad valorem; diamonds, coral, rubies, cameos, and other precious stones and semiprecious stones, cut but not set, and suitable for use in the manufacture of jewelry, 20 per cent ad valorem; chatons, doublets, and synthetic cut stones, used in the manufacture of jewelry and other similar articles, 20 per cent ad valorem; imitation pearls of all kinds and shapes, of whatever material composed, mounted or unmounted, and imitation precious or semiprecious stones except chatons, doublets, and synthetic cut stones of any kind, of all kinds and shapes, of whatever material composed.

The amendment was agreed to.

Mr. SMOOT. Mr. President, on line 12, page 193, I move to strike out beginning with the word "chatons" down to and including the words "ad valorem," in line 19, and to insert in lieu thereof what I send to the desk.

The PRESIDING OFFICER. The amendment proposed by the Senator from Utah will be stated.

The READING CLERK. On page 193, it is proposed to strike out beginning with the word "chatons," in line 12, down to and including the words "ad valorem," in line 19, and to insert in lieu thereof the following:

Imitation precious stones, cut or faceted, imitation semiprecious stones, faceted, imitation half pearls and hollow or filled pearls of all shapes, without hole or with hole partly through only, 20 per cent ad valorem; imitation precious stones, not cut or faceted, imitation semiprecious stones not faceted, imitation jet buttons, cut, polished, or faceted, and imitation solid pearls wholly or partially pierced, mounted or unmounted, 60 per cent ad valorem.

Mr. SMOOT. Mr. President, the object of this amendment is to divide imitation precious stones into two classes—the first class, bearing a rate of 20 per cent ad valorem, including the "imitation half pearls and hollow or filled pearls of all shapes, without hole or with hole partly through only." Those are not made in this country, nor can they be made here. Neither the jewelers nor the manufacturers undertake to manufacture them. The manufacturers of precious stones, together with all those who use them, appeared before the committee and said they were perfectly willing that these stones should come in at 20 per cent ad valorem. They were also willing that "imitation precious stones, not cut or faceted, imitation semiprecious stones, not faceted, imitation jet buttons, cut, polished, or faceted, and imitation solid pearls, wholly or partly pierced, mounted or unmounted," should come in at a rate of 60 per cent ad valorem. Those are the ones we make in this country. The wording of the amendment allows those which are not made and can not be made in this country to come in at a rate of 20 per cent ad valorem and those that are made here—and they are the cheaper kind; it is the solid ones that are made in this country—to come in at a rate of 60 per cent ad valorem.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Utah [Mr. SMOOT] on behalf of the committee.

The amendment was agreed to.

Mr. SMOOT. Mr. President, the committee have to ask that paragraph 1430 go over for to-day.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McCUMBER. In order that I may keep informed as to the progress which is being made with the bill, I desire to ask whether paragraph 1431 has been disposed of?

Mr. SMOOT. That paragraph was disposed of when we had the leather schedule under consideration, and the amendment which the Senator has in mind was disagreed to, leaving paragraph 1431 as the House framed it. The amendments in paragraph 1432 have been agreed to. We have also disposed of paragraph 1433 in reference to gloves; so that paragraph 1434 is next to be considered.

The next amendment was, on page 197, line 24, after the words "whip gut," to strike out "worm gut,"; and in line 25, after the word "thereof," to strike out the figures "25" and to insert "and manufacture of worm gut, 50," so as to make the paragraph read:

PAR. 1434. Catgut, whip gut, oriental gut, and manufactures thereof, and manufactures of worm gut, 50 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 198, line 3, before the words "per cent," to strike out "30" and to insert "50," so as to make the paragraph read:

PAR. 1435. Gas, kerosene, or alcohol mantles, and mantles not specially provided for, treated with chemicals or metallic oxides, wholly or partly manufactured, 50 per cent ad valorem.

Mr. POMERENE. Mr. President, may I ask the Senator a question?

Mr. SMOOT. Certainly.

Mr. POMERENE. I had some conversation with several members of the Finance Committee with regard to the transferring of horse collar pads to the free list.

Mr. SMOOT. An amendment to provide for that will be offered at the proper time, I will say to the Senator. Paragraph 1435a went out, as the Senator will remember, articles embraced therein being transferred to the free list. When the proper time comes we shall offer the amendment to which the Senator refers.

Mr. POMERENE. I think there is no objection to it at all.

Mr. SMOOT. No; I do not think there is.

The PRESIDING OFFICER. The Secretary will state the next amendment.

The next amendment was, on page 198, after line 7, to insert:

PAR. 1435b. Cabinet locks, not of pin tumbler or cylinder construction, not over 1½ inches in width, 70 cents per dozen; over 1½ and not over 2 inches in width, $1 per dozen; over 2½ inches in width, $1.50 per dozen; padlocks, not of pin tumbler or cylinder construction, not over 1½ inches in width, 85 cents per dozen; over 1½ and not over 2½ inches in width, 50 cents per dozen; over 2½ inches in width, 75 cents per dozen; padlocks of pin tumbler or cylinder construction, not over 1½ inches in width, $1 per dozen; over 1½ and not over 2½ inches in width, $1.50 per dozen; over 2½ inches in width, $2 per dozen; all other locks or latches of pin tumbler or cylinder construction, $2 per dozen; and in addition thereto, on all the foregoing, 20 per cent ad valorem.

Mr. McLEAN. Mr. President, in line 10, I move that the committee amendment be amended by inserting the words "one-half" between the word "two," on line 10, and the word "inches," on line 11, so that it will read "over 1½ and not over 2½ inches."

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The READING CLERK. On page 198, line 10, after the word "two," the last word in the line, it is proposed to insert "one-half," so that it will read "not over 2½ inches in width."

Mr. SMOOT. That word was left out of the amendment as it was printed.

Mr. FLETCHER. Mr. President, this is an entirely new paragraph. I have not any data before me about it, but it embraces articles of very general use, and I imagine the production in this country must be something enormous. Is there any justification for the duty proposed? What has the committee to say with regard to the need of such duties as those suggested on the articles covered by the paragraph which are in such general use all over the country? I think our manufacturing plants are able to take care of the situation without the proposed duties, and I should like to have some sort of reason for imposing duties on these articles.

Mr. McLEAN. Mr. President, I will say to the Senator from Florida that there are importations of locks now coming in from Germany. The Germans purchase locks made in this country and make precise copies of them, and they are exporting them here at very much lower prices than the cost of the American article.

These articles have never been embodied in any tariff schedule especially designated to cover them, but, as I understand, in the past they have always borne duties affording some protection. The rates are not high, and they are clearly warranted if we are to give the American producer reasonable protection against the German importations which are coming in to-day.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. McLEAN subsequently said: Mr. President, I ask permission to have printed in the RECORD, at the point where paragraph 1435b was disposed of, a brief statement showing the difference between the cost of production of locks in this country and in Germany.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

UNFAIR COMPETITION.

The foreign manufacturers copy American styles and brands on locks (particularly padlocks) so closely as to deceive entirely the unwatchful purchaser.

The largest English manufacturer copies the brand of the "Corbin" concern, using the widely advertised "Oval" with their own name instead of Corbin, and using similar styles of design.

The Japanese producers have copied the well-known Miller trade-mark, sometimes exactly and sometimes using the word "Million" in a scroll as in the registered mark of the Miller Co. The designs of the Eagle Lock Co. have been similarly imitated by the Japanese.

The German manufacturers are equally guilty of these practices. Their catalogues show locks with the exact markings used by American concerns, also their advertised numbers. In duplicating the product of one American maker they stamp his brand (Climax) on their locks. In their copies of the designs of the Eagle Lock Co. they do not use the word "Eagle" but mark their product with an eagle. The "Bulldog" design of the Corbin Co. is exactly imitated with a dog's head and the word "Bulldog." Many other instances of the same kind might be cited. Nearly every catalogue shows attempts at imitating American products.

COMPARISON OF AMERICAN MANUFACTURERS' COSTS AND GERMAN PRICES.

The cheapest padlocks of German manufacture are quoted at from 4 cents to 12 cents per dozen. The cheapest padlock made by American manufacture costs, per dozen, 13 cents for material, 40 cents for labor and expense; total, 53 cents. One dealer in Boston has just received 10,000 dozen padlocks averaging $4.50 per gross; a Missouri River jobber bought 5,000 dozen, assorted, at 37 cents per dozen. The following exhibits of cost and German prices further illustrate the above conditions:

EXHIBIT 1.—*Wrought steel padlocks, 2 inches in width, two keys, per dozen.*

AMERICAN COST.

	Cents.
Material	24
Labor and expense	55
Total	79

GERMAN COST.

	List.	Increase ("Aufschlag").	Total.	Price (1 mark, $0.0035).
	Marks.	*Per cent.*	*Marks.*	*Cents.*
Damm & Ladwig, Velbert				19
Hugo Nocker, Velbert	2.75	1,200	35.75	12½
Aug. Winkhaus, Munster	3.20	1,200	41.60	14½
Lukas Siggelkow, Hamburg	6.75	700	54.00	19
Julius Kalthoff, Gevelsberg	5.50	800	49.50	17½

EXHIBIT 2.—*Wrought steel padlocks 1¼ inches in width—Pentagonal—made by all American manufacturers—2 keys, per dozen.*

AMERICAN COST.

	Cents.
Material	17.6
Labor and expense	49.4
Total per dozen	67

GERMAN PRICES.

	List.	Increase.	Total.	Price.
				Cents.
Hugo Nocker, Velbert	2.62	1,200	34.06	12
Aug. Winkhaus, Munster	2.86	1,200	37.18	13
Wilh Schmidt, Gevelsberg	22.54	250	78.89	27½

EXHIBIT 3.—*Bulldog padlock, wrought steel, 2 inches in width, copied by German manufacturers in pattern, designs, and markings—two keys—per dozen.*

AMERICAN COST.

	Cents.
Material	24
Labor and expense	55
Total	79

GERMAN PRICES.

	List (marks).	Increase ("Aufschlag").	Total.	Price (1 mark 0.0035).
				Cents.
G. A. Heller, Bad. Liebstein	4.40	1,100	52.80	18½

EXHIBIT 4.—*Comparison of prices of largest German manufacturers with cost of same product of American make—2-inch locks—per dozen.*

DAMM & LADWIG, VELBERT.

Catalogue No	Price.
	Cents.
570	41½
675	36
1901	41½

CORBIN, NEW BRITAIN, CONN.

Catalogue No.	Material cost.	Labor and expense.	Total.
	Cents.	*Cents.*	
9832½	33	58	$0.91
2956½	33	67	1.00
981½	32	87	1.19

The next amendment was, on page 198, line 26, before the word "per," to strike out the figures "15" and to insert "25," so as to make the paragraph read:

PAR. 1486. Manufactures of amber, bladders, or wax, or of which these substances or any of them is the component material of chief value, not specially provided for, 25 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, that is an increase of 150 per cent above the rate in the present law. The items embraced in the paragraph are comparatively unimportant, of course, but I do not think that we ought to put ourselves in the attitude of raising duties merely for the sake of having something to do. There is, it seems to me, no earthly reason why the duties on the commodities covered by the paragraph should be raised 150 per cent.

Take manufactures of amber. Amber is used particularly in ornaments, beads, pipes, cigar holders, and sometimes in scientific instruments as an insulating material.

The imports of amber in 1914 were only $9,338 and in 1916, $5,486, and since the war they have amounted comparatively to nothing, but it is proposed to raise the duty from 10 per cent to 25 per cent, an advance of 150 per cent.

Take the next item—and there are several different items thrown together in the paragraph, with no relation to each other, so far as I can observe—manufactures of wax. The imports prior to 1914 averaged about $20,000 in value, and for that year they were a little more than that. During the war they were negligible, but after the war is all over they are not any greater than they were before the war.

The exports of wax increased from $47,000 in 1911 to $112,000 in 1914. Since that time, in 1918, we exported nearly $600,000 worth; in 1919, nearly $1,500,000 worth; in 1920, over $1,000,000 worth; and for nine months of 1921 just about $500,000 worth. England, Australia, Canada, and Japan are the principal countries of destination. It does seem to me that there is no reasonable argument that can be offered for the proposed increase in the rate of duty.

Mr. SMOOT. Mr. President, as far as the classification is concerned, this is the same classification that we have had in tariff bills from time immemorial. They are classified in the existing law just as they are classified in this law. These are virtually luxuries. It is not going to hurt a man who wants a certain kind of pipe made from amber if he has to pay 25 per cent ad valorem on the pipe he wants from another country. The paragraph relates to a very small industry in the United States. It is true that we export the wax products made in the United States, but they are all specialties. They are not exported because they are wax products as such, but they are wax products of some particular kind that is wanted in England or in Australia, and they always have carried the same rate. Why not get the revenue for the Government? If they are coming into this country, why not get 25 per cent?

I do not say that this is a protective rate. This is a revenue rate, and those that come into the country will come in at 25 per cent just as freely as they would at 10 or 15 per cent.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from New Mexico?

Mr. SMOOT. I do.

Mr. JONES of New Mexico. I call the Senator's attention to the fact that these manufactures of wax are floor waxes and other polishes and insulating compounds.

Mr. SMOOT. Yes; they are; and they are phonograph records and plastic masses.

Mr. JONES of New Mexico. Yes. There is no revenue coming in. The last amount of revenue was $1,412 for a whole year.

Mr. SMOOT. We will certainly get that amount and a little more, because there can not be any less coming in, and we might just as well have the 10 per cent more.

Mr. JONES of New Mexico. With all due respect to my good friend from Utah, I do not believe it can be seriously said that this duty is levied for the purpose of revenue.

Mr. SMOOT. I think it is, because before 1914 the imports averaged about $20,000 in value. The Payne-Aldrich bill had a rate of 25 per cent. It was not necessarily a protective rate. Those that came in paid the 25 per cent, and they amounted to about as much as they do now, and we were exporting at the time that these imports were coming in. That shows that they were special articles that were coming in. It is true that floor wax and other polishes fall in this paragraph, but those are not what we import. What we are importing under this paragraph are the plastic masses, and the reason is that they want that particular item from some foreign country; or, as far as the amber pipes are concerned, if they want an amber pipe made upon a certain style coming from a certain country no smoker is ever going to object to paying for that special type of amber pipe 25 per cent duty to the Treasury of the United States.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

Mr. JONES of New Mexico. I move to strike out "25" and insert "10."

The PRESIDING OFFICER. The Senator from New Mexico offers an amendment to the committee amendment, which will be stated.

The READING CLERK. On page 198, line 26, in lieu of the amendment proposed by the committee, it is proposed to strike out "25" and insert "10."

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment of the committee.

The next amendment was, on page 199, line 5, before the words "per cent," to strike out "20" and to insert "25"; in the same line, after the words "ad valorem," to strike out "automobile" and to insert "automobile, motor cycle,"; and in line 11, before the words "per cent," to strike out the figures "35" and to insert "50"; so as to make the paragraph read:

PAR. 1437. Manufactures of bone, chip, grass, horn, quills, india rubber, gutta-percha, palm leaf, straw, weeds, or whalebone, or of which these substances or any of them is the component material of chief value, not specially provided for, 25 per cent ad valorem; automobile, motor cycle, and bicycle tires composed wholly or in chief value of rubber, 10 per cent ad valorem; molded insulators and insulating materials, wholly or partly manufactured, composed wholly or in chief value of india rubber or gutta-percha, 30 per cent ad valorem; combs composed wholly of horn or of horn and metal, 50 per cent ad valorem. The terms "grass" and "straw" shall be understood to mean these substances in their natural state and not the separated fibers thereof.

The amendment was agreed to.

The next amendment was, on page 199, line 15, after "Par. 1438," to strike out "Manufactures" and insert "Ivory tusks in their natural state or cut vertically across the grain only, with the bark left intact, 10 per cent ad valorem; manufactures," so as to read:

PAR. 1438. Ivory tusks in their natural state or cut vertically across the grain only, with the bark left intact, 10 per cent ad valorem; manufactures of ivory or vegetable ivory, or of which either of these substances is the component material of chief value, not specially provided for, etc.

Mr. WADSWORTH. Mr. President, I hope very much, indeed, that the committee amendment will be rejected in this case. I know that it has been a subject of discussion in the Committee on Finance on more than one occasion, and at one stage of the proceedings some of us entertained the opinion that the committee intended to restore ivory tusks to the free list; and that is the plea I want to make.

The ivory which is brought to this country in the raw state, or in the tusk form, of course, is used very largely, almost entirely, in the manufacture of piano keys. The piano-manufacturing business in this country, as everyone knows, is very large, indeed. The piano-key manufacturing business is in a sense separate from the manufacture of the pianos themselves. In other words, the manufacturers of pianos purchase the keys from the key manufacturers.

It would be quite impossible for the manufacturers of the keys to compete with the low labor costs of Europe were it not for a duty upon the manufactured keys, and this section provides for such a duty; but at the same time that it provides for a duty upon the manufactured keys it puts a duty of 10 per cent on the ivory tusks from which the keys are made.

Let me say just a word about how this ivory is gathered, and how it is sold and disposed of. It is gathered by the natives in Central Africa. It is found lying in the jungles and on the plains, the result of the death through the centuries and generations of the elephants which produce it in the first instance. Most of it, as I understand, is gathered in the Belgian Congo. It is purchased by the traders and brought to Europe in bulk, and at Antwerp and at London it is sold at public auction at stated intervals, twice or thrice a year, according to my recollection. The buyers come to London and to Antwerp from all over those countries in which it is desired to manufacture ivory into a finished product. The bidding is in an openly conducted auction. No duty is charged against the importation of raw ivory into England; none is charged by Germany; none is charged by France. In fact, I think no other country attempts to assess an import duty on raw ivory.

Our manufacturers of ivory piano keys must go to London or to Antwerp, as the case may be, and bid against their competitors from Germany, England, and France. If we charge an import duty, our manufacturers of ivory keys will have to pay this 10 per cent over and above the rate which they pay for the raw ivory in competition with the manufacturers of Germany, France, and England. In addition to that, they have to pay the freight from Antwerp or London, as the case may be, for transporting the ivory at least 3,000 miles and in some instances 4,000 miles, for some of the important ivory piano-key manufacturers are located in the neighborhood of Chicago, some are at Buffalo, and some are in the State of Connecticut. The imposition of a 10 per cent import duty on the raw material will make it absolutely impossible, in my judgment, for them to compete with the piano-key manufacturers of the other countries who buy their ivory in an open market and pay no import duty at all, and who do not have to pay the freight on the raw material for 3,000 or 4,000 miles.

Mr. NEW. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Indiana?

Mr. WADSWORTH. I yield.

Mr. NEW. I merely wish to call the attention of the Senator from New York to the fact that a duty of 10 per cent is really equivalent to a duty of 20 per cent, for the reason that 51 per cent of the raw tusk is unavailable for use in the manufacture of piano keys.

Mr. WADSWORTH. That is a very important fact.

Mr. NEW. One-fourth of the tusk from the head down is hollow, and is therefore useless; and one-fourth of the tusk from its lower end up is too small for use. The only part that is available, therefore, is the middle section, and that is about 49 per cent of the total tusk. Therefore, as the Senator from New York points out, a duty of 10 per cent is really equivalent to a duty of 20 per cent on the only part of the tusk that is of value.

Mr. WADSWORTH. Mr. President, what the Senator says is absolutely true. The American manufacturers have endeavored to make some good commercial use of the 51 per cent which otherwise has been going to waste, and have tried to make beads and little cheap ornaments. They simply can not do it in competition with others who can manufacture abroad so much more cheaply, and the 51 per cent is to them an absolute waste and loss; so they will be paying 20 per cent instead of 10 per cent.

Mr. FLETCHER. Mr. President——

Mr. WADSWORTH. Just a moment. I understand that the Finance Committee wants this duty in order to get some revenue; but may I ask who is going to bring any raw ivory into the United States and pay a duty on it when no other country on the face of the earth charges a duty on the importation of raw ivory? What would be the purpose?

Mr. SMOOT. Mr. President, I want to say to the Senator that they are doing it now, and paying 20 per cent to-day upon it, and they are bringing in more than they did in 1914.

Mr. WADSWORTH. Mr. President, I think the Senator will find, if he examines into that matter, that that situation is fast drawing to a close.

Mr. SMOOT. That was for the calendar year 1921.

Mr. WADSWORTH. Yes; I know.

Mr. SMOOT. It must be drawing to a close within the last few months.

Mr. FLETCHER. Mr. President, the Senator will bear in mind that this is an ad valorem duty, not a specific duty, so it can not be said that it is 20 per cent instead of 10 per cent. It is an ad valorem duty of 10 per cent.

Mr. WADSWORTH. I know it.

Mr. FLETCHER. It is not based on the quantity of the article or the size of the article, or anything like that. It is an ad valorem duty.

Mr. WADSWORTH. Certainly.

Mr. FLETCHER. So I do not see that the point raised by the Senator from Indiana and the Senator from New York applies, when they insist that it is really in effect a higher duty than this.

Mr. WADSWORTH. It is, in effect, a 20 per cent duty upon the usable ivory. They can use only one-half of it.

Mr. FLETCHER. It is based on the value of the article.

Mr. WADSWORTH. Yes; but it is 20 per cent on the value of the usable ivory. Half of it can not be used. It is the usable part that gives the value to the ultimate manufacturer.

The same matter was brought before the Ways and Means Committee of the House, and as soon as this was explained to that committee they promptly put ivory on the free list. For some reason or other the Finance Committee has decided to put it upon the dutiable list. You will not continue to get any revenue from it to amount to anything. They are trying their best to keep their factories running now, but it stands to reason that you can not make piano keys with dutiable raw material plus the freight on 3,000 miles transportation.

Mr. SMOOT. We are giving them a 50 per cent duty upon the manufactured article.

Mr. WADSWORTH. That covers the difference in labor cost alone. How about the transportation?

Mr. SMOOT. To-day the rate is only 35 per cent. If the Senator's argument were good many would be coming in here to-day, and would have been since the war, without a doubt. The only difference there is now is the 15 per cent, and in this bill there is a spread of 40 per cent between the raw ivory and the manufactured article. There is a difference of 40 per cent in this bill, and under the existing law there is a difference of 15 per cent. So we are giving the manufacturer an advantage of 25 per cent.

Mr. WADSWORTH. I do not know whether the existing law was meant to be protective or not. Does the Senator know?

Mr. SMOOT. On the ivory, certainly, it was not so intended.

Mr. WADSWORTH. I mean on the manufactured article.

Mr. SMOOT. It certainly was not in my opinion, when they were charged 20 per cent on the ivory and given only 35 per cent on the manufactured article, and half the ivory is waste, as the Senator said. That is something which happens in every country.

Mr. WADSWORTH. It is not important what the spread is, until we first ascertain what the 50 per cent does in the matter of protection, and my information is that the 50 per cent barely meets the difference in labor costs.

Mr. SMOOT. That can not be, under existing law, according to the figures of importations, because importations of manufactured articles are not coming in with a spread of only 15 per cent in the duties. We took off 10 per cent on the ivory and added 15 per cent on the manufactured goods. Why will they not import ivory and make the goods there? They can not import the goods and we give them a 10 per cent advantage on the ivory.

Mr. NEW. Will the Senator from New York yield for a word of explanation of what the Senator from Utah has just said?

Mr. WADSWORTH. I yield.

Mr. NEW. The Senator from Utah makes the point that the part of the tusk which is not available for the manufacture of piano keys, which is the thing we have in mind, is used in the manufacture of other articles on which a duty has been placed. That is true; but after the most careful precaution only about 10 per cent of the other half of the tusk, the part that is not available for use for piano keys, can be made into beads or into anything else.

Mr. SMOOT. That happens all over the world.

Mr. NEW. There certainly will be no manufacture of articles unless you can get the free raw material.

Mr. SMOOT. There is to-day.

Mr. NEW. That is the difficulty with it.

Mr. SMOOT. With a rate of 20 per cent on ivory tusks and only 35 per cent on the manufactured article, none are coming in.

Mr. NEW. To-day the factories are not making a single ivory bead, not one. They have suspended for the present until they know what is to be provided in this bill. The Senator loses sight of one fact, pointed out a few moments ago by the Senator from New York, that the manufacturers here imported years ago a very large quantity of ivory, which they then got on the free list. Before the Underwood law took effect they imported large quantities of ivory, with which they have been working.

Mr. SMOOT. The imports of ivory in 1919, with a duty of 20 per cent ad valorem, were twice what they are now.

Mr. NEW. In 1919; but this was some years before that time.

Mr. SMOOT. We have not had free ivory since the Payne-Aldrich law was in operation.

Mr. NEW. We had it before the Underwood law went into effect.

Mr. SMOOT. Certainly, under the Payne-Aldrich law.

Mr. NEW. Then they imported a lot of this ivory, which they have had and with which they have been working.

Mr. SMOOT. They imported in 1920 more than they imported in 1919, and they could not have been working from 1913 on that amount.

Mr. NEW. Let me say, in answer to the Senator, that at that time the German factories were not reestablished and they were not manufacturing the stuff. They were not coming in competition with the American manufacturer.

Mr. SMOOT. They are not coming in competition now.

Mr. McCUMBER. I want to ask the two Senators if they will yield to me to present a unanimous-consent agreement?

The PRESIDING OFFICER (Mr. MOSES in the chair). The time of the Senator from New York has expired, in any event.

Mr. McCUMBER. I send to the desk and ask to have read a unanimous-consent agreement which I propose.

The PRESIDING OFFICER. The Senator from North Dakota presents a unanimous-consent agreement, which the Secretary will read.

The reading clerk read as follows:

It is agreed by unanimous consent that at not later than 4 o'clock p. m. on the calendar day of Tuesday, August 15, 1922, the Senate will proceed to vote in the Committee of the Whole, without further debate, upon reported amendments of the Finance Committee to the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, that remain undisposed of (and in regular order), and thereafter upon amendments that may be offered on behalf of the said committee and upon any motion or motions that may be made in relation to the same; that at not later than 5 o'clock p. m. upon the calendar day of Thursday, August 17, 1922, the Senate will proceed to vote in the Committee of the Whole, without further debate, upon individual amendments that may be pending to the said bill and upon any motion or motions that may be made regarding the same; that after the bill is reported to the Senate and unreserved amendments made in Committee of the Whole are concurred in, no Senator shall speak more than once or longer than 10 minutes upon any reserved amendment or any amendment that may be offered in the Senate or upon any motion or motions made in regard thereto; that at not later than 4 o'clock p. m. on the calendar day of Saturday, August 19, 1922, the Senate will proceed to vote, without further debate, upon the bill (H. R. 7456) through the regular parliamentary stages to its final disposition: *Provided*, That on the calendar day of August 16, 1922, the Senate shall meet at the hour of 10 o'clock a. m., and the Senator from Oklahoma [Mr. HARREL] shall be recognized for the purpose of offering an amendment to the bill, and shall be entitled to speak for one hour upon the said amendment.

Mr. UNDERWOOD. Mr. President, before the roll is called let me ask the Senator in charge of the bill a question. As I understand from the reading of the proposal, it would give the committee, even after debate is closed, and when we can only vote, an opportunity to offer amendments, to be disposed of without debate. I do not think that should be done. I think when debate is closed the committee should cease offering amendments. It may be that the amendments contemplated are merely matters of form, but the committee might bring the Senate to vote on a material amendment, and I do not think we ought to make an agreement which would allow the committee, after the close of debate and consideration, the right to come in and offer committee amendments.

Mr. McCUMBER. Any Senator can offer an amendment.

Mr. UNDERWOOD. Of course, if the chairman of the committee, after that time expires, has an amendment he wants to offer, whether it comes from his committee or himself, and there is some debate on it, that is all right; but to say that we must be forced to vote on a new amendment which we have never heard of, after all debate is closed, it seems to me is not reasonable.

Mr. LODGE. The Senator makes the objection only to new amendments?

Mr. UNDERWOOD. Certainly. Amendments that are pending——

Mr. LODGE. Pending amendments can be voted on without debate.

Mr. UNDERWOOD. As to all amendments that are not disposed of, the proposal provides that we shall vote without debate, and that I am perfectly willing to agree to.

Mr. McCUMBER. I can see no difference between the committee amendment and any other amendment. A fact that a committee reports it makes no difference in its status.

Mr. UNDERWOOD. If the Senator will allow me, when you get to the other amendments, then you reopen debate under a 10-minute rule, and something can be said.

Mr. LODGE. Exactly; and new amendments by the committee could then be offered.

Mr. UNDERWOOD. The chairman of the committee in his individual capacity may offer them.

Mr. McCUMBER. We do not want to be debarred from offering amendments which the committee may have discussed.

Mr. UNDERWOOD. Under this agreement as it stands, after the time limit for debate on committee amendments has closed, and we are voting on them, the committee can come in and propose a change in the bill without giving any opportunity for discussion at all, even for 10 minutes. I do not think that is right.

Mr. SIMMONS. Mr. President, if we should adopt amendments, after the time for debate has expired, which would require the bill to be amended in some other respects, probably it would be necessary for the committee to bring in some amendments.

Mr. UNDERWOOD. I realize that. If it is a purely formal amendment, it can be done by unanimous consent without any difficulty; but if it can not be done by unanimous consent, when we reach individual amendments, the chairman of the committee can move his amendment.

Mr. McCUMBER. I think that can be met. Undoubtedly the committee will be in session each day, and it makes little difference whether the committee offers an amendment as a com-

mittee amendment or whether the chairman or any member of the committee offers it and makes the suggestion that the committee has considered it; the force and effect of it will be just the same. But I think we can meet what the Senator objects to by striking out the words "and thereafter upon amendments that may be offered on behalf of the said committee," on lines 8 and 9.

Mr. LODGE. That meets the difficulty.

Mr. McCUMBER. I will modify the agreement by striking out the words on lines 8 and 9, "and thereafter upon amendments that may be offered on behalf of the said committee."

Mr. FLETCHER. Will the Senator read it as it will read if modified?

Mr. McCUMBER. Then it will read:

It is agreed by unanimous consent that at not later than 4 o'clock p. m. on the calendar day of Tuesday, August 15, 1922, the Senate will proceed to vote in the Committee of the Whole, without further debate, upon reported amendments of the Finance Committee to the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, that remain undisposed of (and in regular order) and upon any motion or motions that may be made in relation to the same; that at not later than 5 o'clock p. m. upon the calendar day of Thursday, August 17, the Senate will proceed to vote in Committee of the Whole, without further debate, upon individual amendments that may be pending to the said bill—

And so forth.

The PRESIDING OFFICER. An agreement of this character can not be entered into in the absence of a quorum.

Mr. SIMMONS. Mr. President, I want to say, to this side of the Chamber especially, that this proposition was framed by a conference between certain representatives of the other side and myself, in conference with certain representatives of this side. I have considered it very carefully. The time for a final vote is the same as that fixed in the first unanimous-consent proposition which I offered. This differs from that only in that it divides up the time intervening between now and the 19th day of August so as to make it certain that there shall be a reasonable time for the discussion of the balance of the committee amendments, for the discussion of the amendments coming from individual Senators, and for discussion, after the bill gets into the Senate, of amendments offered in the Senate.

I think the unanimous-consent agreement as to a division of time is well adjusted; I believe the time fixed for voting is reasonable and that we can take up the amendments within that time without denying a reasonable opportunity for the discussion of important amendments.

Mr. JONES of Washington. Mr. President, as I understand the unanimous-consent agreement, it gives just two days for the consideration of amendments offered by individual Senators. Is that correct?

Mr. SIMMONS. That is correct.

Mr. JONES of Washington. It seems to me that time is too short. The vice of the proposition is the presentation and consideration of so many amendments without any discussion, because there will be a great many, when the time comes, that we shall have to vote on without any consideration whatever. I have two or three amendments which I expect to offer. There is only one of them that is really of special importance, but there is one which I consider of very great importance that I desire to offer and to have an opportunity to discuss. I do not know whether I will be given the opportunity or not. I suppose there will be a scramble for recognition for the consideration of individual amendments.

Mr. LENROOT. I suggest to the Senator that there will be two days in Committee of the Whole, and there will also be two days in the Senate.

Mr. JONES of Washington. Of course, it is in Committee of the Whole where real consideration will be given to amendments. If an amendment is rejected in Committee of the Whole, there is very little chance for it in the Senate.

Mr. WATSON of Indiana. I will say to my friend, if he will permit me, that we might have two night sessions to help the matter along.

Mr. JONES of Washington. That is what I want to know. I was going to ask whether it is contemplated that we shall have any longer hours than we have been having.

Mr. LODGE. That was contemplated and agreed to.

Mr. SMITH. I should like to inquire at what time is it proposed to begin to consider amendments of individual Senators. What length of time will be given for that purpose? I understood that Senators are to have two days for that purpose. Is that after the bill goes into the Senate?

Mr. LODGE. No; there will be a day afterwards in the Senate.

Mr. SMITH. Is that to begin on Tuesday or Wednesday?

Mr. SIMMONS. On Wednesday morning.

Mr. SMITH. Then we would have two days, and if we have night sessions we would have two days and two evenings to consider amendments.

Mr. LODGE. And then a day in the Senate.

Mr. SIMMONS. We will have a day for the discussion of amendments in Committee of the Whole, and then we will have practically two days after the bill gets into the Senate. If the Senator wants to do so, he can offer his amendment in the Senate.

Mr. SMITH. That is the information I desired to get. So we shall have practically the remainder of the time to consider the individual amendments.

Mr. LENROOT. Will the Senator from South Carolina yield?

The PRESIDING OFFICER. The Senator from Washington has the floor.

Mr. JONES of Washington. Mr. President, I merely desire to say this and then I shall yield the floor: I wish we could pass on this measure and have the amendments all properly discussed before they are voted upon, but I am very anxious to have a vote on the measure, and I shall take my chances with the promise here made that if developments warrant we will have night sessions and probably longer hours in the day. So I shall not object.

Mr. SMITH. After the lengthy discussion and the time we have consumed in debate, as practically every Senator has made up his mind as to what he is going to do, and as the Senate has already indicated the extent to which the bill should be modified, I sincerely hope the unanimous-consent agreement will be adopted, so that next week will see the final stage on the part of the Senate in the passage of the bill.

Mr. JONES of Washington. It occurs to me that we should at least have a night session for individual amendments, but I understand we are to have, as the agreement is now framed, only one. I suggest that 5 o'clock on Thursday be changed to read "not later than 10 o'clock on Thursday." That will give us two night sessions if we need them.

Mr. McCUMBER. That is entirely satisfactory.

The PRESIDING OFFICER. Inasmuch as no agreement of this character can be entered into in the absence of a quorum, the Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Brandegee	Jones, N. Mex.	Moses	Smoot
Bursum	Jones, Wash.	New	Stanley
Calder	Kendrick	Overman	Sterling
Colt	Keyes	Pepper	Swanson
Curtis	Lenroot	Phipps	Townsend
Dial	Lodge	Pomerene	Underwood
Edge	McCormick	Ransdell	Wadsworth
Fletcher	McCumber	Sheppard	Warren
Hale	McKellar	Shortridge	Watson, Ind.
Harreld	McLean	Simmons	
Heflin	McNary	Smith	

The PRESIDING OFFICER. Forty-two Senators having answered to their names, there is not a quorum present. The Secretary will call the roll of absentees.

The reading clerk called the names of the absent Senators, and Mr. NICHOLSON, Mr. REED, and Mr. SUTHERLAND answered to their names when called.

Mr. ODDIE, Mr. CAPPER, Mr. GOODING, Mr. ERNST, Mr. NORBECK, Mr. DILLINGHAM, Mr. WATSON of Georgia, and Mr. ASHURST entered the Chamber and answered to their names.

The PRESIDING OFFICER. Fifty-three Senators having answered to their names, a quorum is present.

Mr. HEFLIN. Mr. President, I have no desire to prevent an early vote upon the tariff measure, but it seems to me there is no necessity for putting in this written agreement that one Senator on Wednesday shall have unanimous consent to speak an hour. That provision has no business in the unanimous-consent agreement submitted to the Senate. The Senator from New Mexico [Mr. JONES] a few nights ago asked that the Senate meet at 10 o'clock in the morning in order that he might address the Senate for one hour, and that consent was given. The Senator from New York [Mr. CALDER] got consent from the Senate to do the same thing this morning.

I have no doubt that the Senate would give to the Senator from Oklahoma [Mr. HARRELD] now, if he should ask it, unanimous consent to speak from 10 o'clock on the day designated until 11 o'clock, but I do not think the request should be coupled with the written agreement for the whole Senate. If the Senator from Oklahoma desires to speak that hour and will ask that unanimous consent now be given, so far as I am concerned it can be granted, and then I shall be willing to have the other part of the written consent agreement go through.

Mr. SIMMONS. I suggest to the Senator from Oklahoma that he now ask that unanimous consent be given that he may address the Senate at 10 o'clock on Monday, or a later day in the week if he prefers.

Mr. WATSON of Indiana. Yes; let the Senator from Oklahoma make the request now.

Mr. HARRELD. Mr. President, I ask unanimous consent that I may be given an hour to discuss my amendment relating to crude petroleum on Wednesday morning next, beginning at 10 o'clock.

The PRESIDING OFFICER. The Senator from Oklahoma asks unanimous consent that on Wednesday next the Senate shall meet at 10 o'clock a. m., and that he shall have an hour, from 10 until 11 o'clock, to discuss an amendment proposed by him to the pending measure. Is there objection? The Chair hears none, and it is so ordered.

The Senator from North Dakota presents a unanimous-consent agreement which the Secretary will read.

The reading clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT.

It is agreed by unanimous consent that at not later than 4 o'clock p. m. on the calendar day of Tuesday, August 15, 1922, the Senate will proceed to vote in the Committee of the Whole, without further debate, upon reported amendments of the Finance Committee to the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, that remain undisposed of (and in regular order), and upon any motion or motions that may be made in relation to the same; that at not later than 10 o'clock p. m. on the calendar day of Thursday, August 17, the Senate will proceed to vote in the Committee of the Whole, without further debate, upon individual amendments that may be pending to the said bill and upon any motion or motions that may be made regarding the same; that after the bill is reported to the Senate, and unreserved amendments made in Committee of the Whole are concurred in, no Senator shall speak more than once, nor longer than 10 minutes, upon any reserved amendment or any amendment that may be offered in the Senate or upon any motion or motions made in regard thereto; that at not later than 4 o'clock p. m. on the calendar day of Saturday, August 19, 1922, the Senate will proceed to vote, without further debate, upon the bill H. R. 7456 through the regular parliamentary stages to its final disposition.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the unanimous-consent agreement is entered into.

The question now recurs upon the amendment of the Committee on Finance, on page 199, in the first three lines of paragraph 1438. [Putting the question.] The "noes" appear to have it.

Mr. SMOOT. I ask for the yeas and nays, Mr. President.

The yeas and nays were ordered.

Mr. ASHURST. I ask that the amendment may be stated, Mr. President.

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. On page 199, paragraph 1438, line 15, after the figures "1438," it is proposed to strike out the word "Manufactures" and to insert "Ivory tusks in their natural state or cut vertically across the grain only, with the bark left intact, 10 per cent ad valorem; manufactures," so as to read:

PAR. 1438. Ivory tusks in their natural state or cut vertically across the grain only, with the bark left intact, 10 per cent ad valorem; manufactures of ivory or vegetable ivory, or of which either of these substances is the component material of chief value, not specially provided for; manufactures of mother-of-pearl, shell, plaster of Paris, and india rubber known as "hard rubber"—

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Committee on Finance. The yeas and nays have been ordered, and the Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. HALE (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. POMERENE (when his name was called). Again announcing my pair with my colleague [Mr. WILLIS], I transfer that pair to the senior Senator from Montana [Mr. MYERS] and vote "yea." I am not advised as to how my colleague would vote if he were present.

Mr. SIMMONS (when his name was called). I have a general pair with the junior Senator from Minnesota [Mr. KELLOGG]. In his absence I withhold my vote.

Mr. SUTHERLAND (when his name was called). Making the same announcement as on the previous vote with reference to my pair and its transfer, I vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before with regard to my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. FLETCHER. Making the same announcement as to my pair and transfer as before, I vote "yea."

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from Minnesota [Mr. NELSON] with the Senator from Massachusetts [Mr. WALSH]; and

The Senator from Missouri [Mr. SPENCER] with the Senator from Georgia [Mr. HARRIS].

The result was announced—yeas 17, nays 34, as follows:

YEAS—17.

Ashurst	Jones, N. Mex.	Overman	Trammell
Curtis	Kendrick	Pomerene	Warren
Dial	Keyes	Sheppard	
Fletcher	Lenroot	Smoot	
Gooding	McCumber	Sutherland	

NAYS—34.

Borah	Harreld	New	Shortridge
Brandegee	Heflin	Nicholson	Stanley
Broussard	Jones, Wash.	Norbeck	Sterling
Bursum	Lodge	Oddie	Townsend
Calder	McCormick	Pepper	Underwood
Capper	McKellar	Phipps	Wadsworth
Colt	McLean	Ransdell	Watson, Ind.
Ernst	McNary	Rawson	
Hale	Moses	Reed	

NOT VOTING—44.

Ball	Frelinghuysen	McKinley	Simmons
Cameron	Gerry	Myers	Smith
Caraway	Glass	Nelson	Spencer
Culberson	Harris	Newberry	Stanfield
Cummins	Harrison	Norris	Swanson
Dillingham	Hitchcock	Owen	Walsh, Mass.
du Pont	Johnson	Page	Walsh, Mont.
Edge	Kellogg	Pittman	Watson, Ga.
Elkins	King	Poindexter	Weller
Fernald	Ladd	Robinson	Williams
France	La Follette	Shields	Willis

So the amendment of the committee was rejected.

Mr. MCCUMBER. Mr. President, the Senate having just voted this little gratuity to the piano makers, I think it will necessitate changes in some of the other rates, which will have to be lowered in some instances.

As it is half past 4 o'clock and the committee would like a little time to go over the subsequent paragraphs, I suggest that we now have an executive session and then take a recess.

GOVERNOR OF FEDERAL RESERVE BOARD.

Mr. HEFLIN. Mr. President, before the Senator from North Dakota makes that request I wish to state that this morning the Senator from Connecticut [Mr. MCLEAN] asked to have printed in the RECORD a letter received from ex-Governor Harding, formerly of the Federal Reserve Board. I could not find out then what the letter was about and objected for the time being.

I understand now that it contains a denial that he was speculating in cotton in New York at the time he refused to aid the cotton farmers in holding their cotton off the market until the price would cover the cost of production. Mr. President, during the period of destructive deflation conducted by ex-Governor Harding, his strange conduct toward the cotton producers was such as to cause me and tens of thousands of people in the South to wonder why he refused time and time again to do anything to stop the rapid and ruinous fall in the price of cotton.

If he had sold cotton futures on the exchange it was to his interest for cotton to go down in price, and the lower it went the more money he made. He had it in his power to stop the price from going down, and he refused to do it. If the farmers could have obtained loans to hold their cotton for 30 cents, the fall in the price would have stopped at 30 cents, and the farmers would have received 30 cents for all the cotton that ex-Governor Harding's deflation policy forced out of their hands in 1920 at a price far below the cost of production. His persistent refusal to do anything to stop the rapid fall in the price of cotton and his strange and hostile demeanor toward the cotton producers and their friends who begged him to do something to save their business from ruin caused me and tens of thousands of people in the South to believe that he speculated in and made money on the falling price of cotton when he had it in his power to prevent the ruin of the cotton industry in the section from which he came. I did not expect him to confess his guilt, and I will not now believe what he says upon the subject.

Mr. President, I can take the circumstantial evidence against him and convict him before any jury composed of cotton producers, merchants, and bankers in the cotton-growing States. I therefore do not object to his Republican friend from Connecticut printing his letter in the RECORD.

FEDERAL RESERVE BOARD,
Washington, August 7, 1922.

Hon. GEORGE P. MCLEAN,
Chairman Committee on Banking and Currency,
United States Senate.

MY DEAR SENATOR: Many of the papers yesterday morning carried a report of a speech which was made in the Senate Saturday afternoon, in which it was broadly insinuated that I have been speculating in cotton and that the policies of the Federal Reserve Board have been influenced by my personal interest in such speculation.

Since I have been a member of the Federal Reserve Board I have never had the slightest personal interest in any speculative transaction. In the autumn of 1914, when the "buy a bale" movement was under way, I bought one bale of cotton at 10 cents per pound, but with that exception I have no personal interest, direct or indirect, in the cotton market. I have never been "short" of cotton in my life, and since I have been on the board, with the exception above stated, I have had no transactions, for cash or on a margin, in cotton or any other commodity, nor have I had any direct or indirect personal interest in any purchases or sales of commodities or stocks upon any of the exchanges. If the rules permit, I shall be greatly obliged if you will read this letter into the RECORD.

Very truly yours,

W. P. G. HARDING.

TARIFF DUTIES ON PETROLEUM.

Mr. HARRELD. I ask unanimous consent to have printed in the RECORD a letter which I have received from Gen. Willis J. Hulings, of Oil City, Pa., pertinent to my proposed oil tariff amendment and also to the pending investigation before the Committee on Manufactures.

The PRESIDING OFFICER. Is there objection?

Mr. OVERMAN. I did not hear the request.

The PRESIDING OFFICER. The Senator from Oklahoma asks unanimous consent to have printed in the RECORD a letter received by him with reference to an amendment offered by him to the tariff bill. Is there objection? The Chair hears none, and it is so ordered.

The letter referred to is as follows:

OIL CITY, PA., *August 8, 1922.*

Hon. JOHN W. HARRELD,
United States Senate, Washington, D. C.

MY DEAR SENATOR: My experience in "oil" began in the "derrick," where I ran "tour" from midnight till noon for several years, and since then in all its phases. I have seen the production of oil increase from a time when 10,000 barrels per day was a "flood," until the present, when the production is over 1,500,000 barrels daily.

With some knowledge of the situation, gathered in years of practical experience, I am confident that no industry makes a stronger appeal to the doctrine of protection than the petroleum business, which is now suffering from the free importation of floods of Mexican oil, and I take the liberty of presenting some facts, which may aid you in advocating a tariff on crude petroleum and crude equivalents of petroleum products.

The table shows the domestic production, the importations, the consumption, and the stocks on hand:

Year.	Domestic production.	Importations.	Exports and consumption.	Stocks on hand, domestic.	Mexican oil in United States.
	Barrels.	*Barrels.*	*Barrels.*	*Barrels.*	*Barrels.*
1919	377,719,000	52,822,000	418,477,000	127,867,000	.....
1920	443,402,000	105,175,000	530,574,000	123,291,000	.....
1921	469,639,000	125,300,000	525,474,000	170,350,000	13,540,000
First six months of 1922	266,937,000	77,037,000	270,790,000	233,232,000	21,669,000
Daily average:					
In 1922, first 6 months	1,466,678	425,580	1,488,000	233,232,000	21,669,000
In 1920	1,214,900	289,100	1,453,300	123,291,000	.....
Daily increase during 18 months	251,778	136,480	34,700	24,000	.....

In 1919 the production of domestic oil was 377,719,000 barrels; of imported oil, 52,822,000 barrels; available supply, 430,541,000 barrels; consumption, 418,477,000 barrels; excess production, 12,064,000 barrels—about 10 days' supply.

But in the first six months of 1922 the excess of consumption had increased to 254,901,000 barrels held in storage (about six months' supply), of which only 21,669,000 barrels were Mexican oil, showing that the Mexican oil had displaced the domestic oil and forced 233,232,000 barrels into storage, at a cost for storage of hundreds of millions of dollars annually as a direct burden upon the industry cast upon it by the imported oil.

It was not until January, 1921, that Mexican importations began to affect prices greatly.

During 1920 there were about 260,000 producing wells in the United States, producing 443,402,000 barrels, an average of 4.7 barrels per day.

Estimated at the current markings for the various districts, this crude product was sold for about $1,173,113,000, to which $384,000,000 were added by refining. This gives some conception of the magnitude of the business.

During the year 1921, 21,850 new wells were drilled in the United States, at an average cost of probably $16,000 each, amounting to $349,600,000, and increasing the production from 443,402,000 barrels in 1920 to 469,639,000 barrels in 1921, a daily average of 4.56 barrels per well. Yet with this increased production of 26,237,000 barrels, brought about by an expenditure of $349,600,000, for new wells, the product for 1921 sold for $480,000,000 less money than the product of 1920; that is, 6 per cent more oil, requiring an additional investment of $349,600,000 for new wells, sold for $480,000,000 less money.

Now, was this due to a great surplus of supply over the demand for consumption, because the domestic production was about equal to the consumption, as the table shows. But the flood of Mexican oil coming in late in 1920 gave these importing concerns the power to knock the bottom out of the market, and domestic oil selling for $3.15 per barrel in January, 1921, sold for 80 cents in June. Many of the small producers were forced to the wall. Prices were slashed; and the big concerns, having prepared themselves by the negotiation of immense loans in anticipation of the slump, loaded up with cheap property and cheap oil.

During the first half of 1923 there were 266,937,000 barrels of domestic oil produced from about 280,000 wells in the United States, showing the average daily production of 5½ barrels per well.

Of these, there are 71,100 wells in Pennsylvania, averaging 2½ barrels per day, while there are, approximately, in Illinois, 17,000; Ohio, 40,000; Indiana, 2,500; New York, 14,500; and West Virginia, 20,000; or about 165,000 producing wells, which average 1½ barrels daily.

The cost of producing oil in the United States depends upon many factors, which can only be estimated accurately when the local conditions are known; but if the cost in the various fields were averaged, including royalties, probably the cost would be about $2.25 per barrel. This, however, is a mere guess.

There were 21,850 wells completed in 1921 in the United States, with an initial production of 2,635,937 barrels, or about 125 barrels each per day. During the same year there were completed in Mexico 324 wells, with an initial production of 3,247,275 barrels of 10,000 barrels per well. Initial production means the first day's production, which gradually falls off, but it accounts for the low cost of producing Mexican oil which probably does not exceed 20 cents per barrel.

The Mexican production is largely owned by the Royal Dutch Shell Co., an English concern, the Standard Oil Co. and its subsidiaries, and the General Petroleum Co., or the Doheney interests, which have passed into the control of the British-Mexican Petroleum Co. (Ltd.), an English concern.

These interests practically control the pipe-line storage plants and refineries in the United States, and, of course, the cheaper the raw product handled in their pipe-lines and refineries the more profitable it is to them. Having the arbitrary power to fix the price of the products, they naturally favor cheap crude and oppose a tariff. These interests, producing Mexican oil at a cost of 20 cents a barrel, find the free invasion of the United States market, where it costs $2.25 a barrel to produce oil, enormously profitable, which they will fiercely fight to maintain.

The statement made recently to the Senate committee investigating gasoline prices that "the law of supply and demand is operating to the fullest extent in the oil industry" is rather amusing to those who know how prices are marked up or down, and like the statement that the Standard Oil Co. nowhere monopolizes the trade and only controls 45 per cent of the business, is susceptible of more than one interpretation and all of them deceptive and misleading. It may be that the Standard in its own name does but 45 per cent of the refining, but when there is added the business done by its subsidiaries and concerns acting in concert with the Standard, like the Sinclair, the Midwest, the Prairie, the Ohio, and the Doheney interests, the suggestion that the business is not controlled by monopolistic methods is silly.

The witness before the committee admitted that "usually one concern took the market leadership," and gave the whole snap away, for even the secretary of the American Petroleum Institute knows that the "one concern" that has taken the "market leadership" is the Standard Oil Co., and has been doing it right along, ever since the days of the Southern Improvement Co. The Senate committee was solemnly assured that there is no such thing as monopoly in the oil trade, yet at the same meeting of the committee the vice president of the Midwest Co., one of the Standard concerns, testified that his company had a complete monopoly of the Rocky Mountain field, but since sold out and the Standard owns the business.

It is needless to quibble about words or percentages. The prodigious growth of the petroleum industry afforded opportunity for independent operators to get into the business. It grew faster than the Standard could handle it. When the business was comparatively small the Standard had absolute control, but when the consumption is 1,600,000 barrels per day, with an excess of 350,000 barrels that must be stored, it is not necessary that one should own all the refineries to control prices, but the owner of 45 per cent could take "market leadership."

Entirely aside from the ownership or control of refineries or production the big concerns that control the pipe lines and the storage plants and 45 per cent of the refineries could cut the price of crude one-half to-morrow and the producer would be helpless, and this power will exist just as long as the concerns who own the pipe lines and storage plants can, by the importation of cheaply produced Mexican crude, compel a large part of our domestic production to go into storage.

I do not join the cry of "damn the Standard," and never did. In many respects, especially of late years, they have dealt generously with their competitors, but they are not in business merely for their health. Altruism sounds fine around the banquet board, but they are a wise bunch and can not be blamed for exercising the power that circumstances and shrewd management have conferred.

And so when their smooth mouthpieces insist "the laws of supply and demand operate to the fullest extent" in the oil business and there is no arbitrary power to fix prices it is an offense to common intelligence.

There are other considerations.

A protective tariff is the determinate policy of the American people and of the administration in power, and the petroleum business one of the greatest industries of the country, employing enormous capital and hundreds of thousands of workingmen, directly and in its subsidiary industries, heavily burdened by Federal, State, and local taxes, and now swamped by floods of Mexican oil, which give the importers absolute control of the price of the American product, appeal is now made to Congress for protection.

In any event, the importers should contribute to the Government ratably as much as the Government exacts from the American producer in tax levies. The plea that the tariff would require the Government to pay more for the oil required by the Navy is pure bunk, because the duty would be paid to the Government and the real cost to the Government would be the price paid by the oil, less the duty.

The argument that 35 cents tariff would add appreciably to the cost of gasoline is unworthy of consideration. Mexican oil will not affect the price of gasoline. The Standard Oil Co. attends to that; fixing prices that bear no relation to the cost of the oil from which it is made, with arbitrary differences in the localities in which it is used. Mexican oil is the hammer used by these great importing concerns to depress the price of the American oil, from which 95 per cent of the gasoline is made, without relation to the price which users are required to pay for gasoline.

The plea that we should use Mexican oil and save our own oil for future generations shows great ignorance of the oil industry, and the philoprogenitiveness for "future generations" shows strange disregard for the present generation of American oil producers, since they apparently would be remitted to a diet of snowballs until the Mexican supply should be exhausted.

The Government has been hard put to find sources of revenue, and if the importations of Mexican oil should continue as large as they have been for the first half of this year, a tariff of 35 cents per barrel would yield a revenue of $53,925,900 annually.

Whether prices of gasoline are "controlled" and exact unreasonable profits from the public the investigations of the Senate committee may determine, but certain facts are apparent.

First. The American producer is obliged to store his production while the Mexican producer displaces him in our home markets.

Second. The importer of Mexican oil fixes the price the American producer is compelled to take for his product.

Third. The Mexican importations are largely surplus and not needed, serving to force American production into storage and to give the importer of this unneeded surplus arbitrary power to fix the prices of the American product.

Sincerely yours, WILLIS J. HULINGS.

THE MUSCLE SHOALS PROJECT.

Mr. HARRELD. I also ask unanimous consent to have printed in the RECORD a letter written by me to Mr. Gray Silver, of the American Farm Bureau, giving my reasons for opposing the Ford Muscle Shoals offer.

There being no objection, the letter was ordered printed in the RECORD, as follows:

JULY 27, 1922.

MR. GRAY SILVER,
American Farm Bureau Federation,
Munsey Building, Washington, D. C.

DEAR MR. SILVER: I have your letter of July 18, as the Washington representative of the American Farm Bureau Federation, requesting a statement of my position concerning Muscle Shoals.

None of the various propositions before the committee were satisfactory to me, hence I did not vote for any of them. My position is that the Government must finish this dam under any proposition that has been made, at its own expense. It will require three years to do so and I feel that within that period we can make a much better contract than any of those proposed.

Ford's proposition in a nutshell is that if the Government will turn over to him all its property in the vicinity of Muscle Shoals, except the dams that are to be built, he will pay $5,000,000 for it. This includes the Government interest in the Warrior plant, for which we have a standing offer of $3,000,000. This would include a great deal of surplus material which, in my judgment, would more than cover the other $2,000,000 which Mr. Ford is paying, material for which he has no use, thus giving to him plant No. 1, plant No. 2, and the scores of residences and town property worth many millions of dollars, without any cost whatever to Mr. Ford.

For his 100 years' use of the two dams which the Government will build he proposes to pay 4 per cent on the amount invested in finishing the dams and what, in my judgment, is only a part of the actual cost of upkeep of the two dams. In fact, I think it will take all that he would pay to the Government in cash, under his contract, to keep up repairs on the two dams. So that he would practically get the power generated by these dams for 100 years by paying for the upkeep.

It is true that he agrees to use the capacity of plant No. 2 in the production of fertilizer, which he will sell for 8 per cent profit and will only charge for the power in making thereof the price equal to the cheapest power available. Virtually, then, he is getting this immense power generated by the two dams for an agreement on his part to keep plant No. 2 running in the making of fertilizer so long as he can make it and sell it in the market at 8 per cent profit, which may be 1 year or 5 years or 20 years. There are many States in the Union that will use more fertilizer than he proposes to manufacture under the terms of this contract. He would have absolutely free, under the terms of this contract, the entire power of the two Muscle Shoals dams, built at the expense of the Government, for 100 years for practically what it will cost to keep it up.

In my judgment this is an unconscionable contract so far as the people of the United States are concerned, and I can not favor it. I am not averse to leasing this power to Mr. Ford, but can not favor leasing it under such terms as these. Especially do I oppose the making of such a lease for 100 years.

You are at liberty to use this letter in any way you see fit.

Yours very truly,

J. W. HARRELD.

MIRIAM KINSEY STEWART.

Mr. McCUMBER. Mr. President, I ask unanimous consent to present and to have considered the resolution which I send to the desk.

The PRESIDING OFFICER. The Senator from North Dakota asks unanimous consent for the presentation and immediate consideration of a resolution which the Secretary will read for the information of the Senate.

The reading clerk read the resolution (S. Res. 337), as follows:

Resolved, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay, out of the miscellaneous items of the contingent fund of the Senate, to Miriam Kinsey Stewart, widow of William B. Stewart, late assistant clerk of the Committee on Finance, United States Senate, a sum equal to one year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered as including funeral expenses and all other allowances.

The PRESIDING OFFICER. Under the law, the resolution will have to be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. McCUMBER. Very well, Mr. President.

The PRESIDING OFFICER. The resolution is so referred.

LAWS RELATING TO THE NAVY AND MARINE CORPS.

The PRESIDING OFFICER (Mr. MOSES in the chair) laid before the Senate a communication from the Acting Secretary of the Navy, transmitting, in response to Senate Resolution 262, Sixty-third Congress, second session, agreed to March 30, 1914, a compilation, with complete index, of existing laws relating to the Navy, Navy Department, and Marine Corps, with annotations showing how such laws have been construed and applied by the Navy Department, the Comptroller of the Treasury, the Attorney General, or the courts, which was referred to the Committee on Naval Affairs.

EXECUTIVE SESSION.

Mr. LODGE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 4 o'clock and 35 minutes p. m.) the Senate, under the order previously made, took a recess until Monday, August 14, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by Senate August 12 (legislative day of August 3), 1922.

GOVERNOR OF THE VIRGIN ISLANDS.

Capt. Henry H. Hough, United States Navy, to be Governor of the Virgin Islands, ceded to the United States by Denmark.

POSTMASTERS.

ALABAMA.

William R. Bailey to be postmaster at Newbern, Ala. Office became presidential January 1, 1921.

ALASKA.

Wilkie T. Pinkerton to be postmaster at Fairbanks, Alaska, in place of T. H. Deal. Incumbent's commission expires September 5, 1922.

COLORADO.

Alma Geist to be postmaster at Caddoa, Colo. Office became presidential July 1, 1922.

James C. Wilson to be postmaster at Yampa, Colo. Office became presidential April 1, 1921.

Henry R. Pilati to be postmaster at Aguilar, Colo., in place of C. H. Reagan, resigned.

GEORGIA.

Eli Waughtel to be postmaster at Homeland, Ga. Office became presidential April 1, 1922.

James A. Griffin to be postmaster at Cordele, Ga., in place of A. L. McArthur. Incumbent's commission expired February 18, 1922.

Ralph H. Johnson to be postmaster at Ocilla, Ga., in place of F. D. Colson, removed.

Sadie G. Cromartie to be postmaster at Pavo, Ga., in place of T. E. Dixon, removed.

Charles W. Barnes to be postmaster at Valdosta, Ga., in place of J. O. Varnedoe, resigned.

ILLINOIS.

Fanny E. Roles to be postmaster at Fisher, Ill., in place of P. A. Hollingsworth, resigned.

INDIANA.

Lloyd S. Norton to be postmaster at Hope, Ind., in place of E. L. Lambert, deceased.

IOWA.

Carl G. Anderson to be postmaster at Arthur, Iowa. Office became presidential July 1, 1920.

KENTUCKY.

Edward M. Jolly to be postmaster at Mentor, Ky. Office became presidential July 1, 1922.

MARYLAND.

Elmer W. Sterling to be postmaster at Church Hill, Md. Office became presidential January 1, 1921.

MINNESOTA.

James P. Lund to be postmaster at Jasper, Minn., in place of B. L. Sweet, not commissioned.

MISSISSIPPI.

Mabel A. Terney to be postmaster at Northcarrollton, Miss. Office became presidential July 1, 1920.

Frank C. Napier to be postmaster at Seminary, Miss. Office became presidential January 1, 1920.

Will A. Berglund to be postmaster at Batesville, Miss., in place of R. B. Cox. Incumbent's commission expired April 30, 1922.

Melzar J. Nye to be postmaster at Carrollton, Miss., in place of Henrietta Welch. Incumbent's commission expired July 21, 1921.

Key R. Hodges to be postmaster at Wesson, Miss., in place of Sallie Temple. Incumbent's commission expired March 29, 1920.

NEW YORK.

Harry C. Teich to be postmaster at Leeds, N. Y. Office became presidential January 1, 1920.

George E. Hoare to be postmaster at Watkins, N. Y., in place of B. L. Piper, removed.

NORTH CAROLINA.

Frank C. Brinson to be postmaster at Bayboro, N. C. Office became presidential April 1, 1921.

Ella E. Meshaw to be postmaster at Council, N. C., in place of J. M. Meshaw, declined.

Fred H. Morris to be postmaster at Kernersville, N. C., in place of C. L. Linville, resigned.

OHIO.

Charles E. McClelland to be postmaster at Attica, Ohio, in place of W. F. Uhle, resigned.

OREGON.

Ora Mahoney to be postmaster at Oakland, Oreg., in place of H. E. Mahoney. Incumbent's commission expired July 21, 1921.

Charles S. Heinline to be postmaster at Roseburg, Oreg., in place of L. F. Reizenstein. Incumbent's commission expired January 24, 1922.

PENNSYLVANIA.

John F. Hawbaker to be postmaster at West Fairview, Pa. Office became presidential July 1, 1922.

SOUTH CAROLINA.

Peter A. Salvo to be postmaster at Ridgeville, S. C. Office became presidential October 1, 1920.

TEXAS.

Charles H. Branton to be postmaster at Tuscola, Tex. Office became presidential April 1, 1921.

Samuel G. Hampton to be postmaster at Goree, Tex., in place of Charles Johnston. Incumbent's commission expired January 24, 1922.

VIRGINIA.

Isabelle R. Damron to be postmaster at Clintwood, Va. Office became presidential July 1, 1920.

Elton H. Finks to be postmaster at Somerset, Va. Office became presidential April 1, 1920.

Nellie D. Swan to be postmaster at Gordonsville, Va., in place of J. T. L. Sneed, resigned.

William H. Moatz to be postmaster at Round Hill, Va., in place of S. A. Hersperger. Incumbent's commission expired July 10, 1920.

WASHINGTON.

Grover C. Schoonover to be postmaster at Odessa, Wash., in place of G. C. Schoonover. Incumbent's commission expired April 16, 1922.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 12 (legislative day of August 3), 1922.

COAST AND GEODETIC SURVEY.

Robert Winn Byrns to be aid, with relative rank of ensign, in the Navy.

COAST GUARD.

Charles G. Roemer to be lieutenant.

POSTMASTERS.

ALASKA.

Elizabeth D. De Armand, Sitka.

ARKANSAS.

William B. Owen, Alma.
Ocie E. Mathis, Hackett.
Jacob Y. Sayre, Stuttgart.

CALIFORNIA.

Raymond P. Hawkins, Allegheny.

CONNECTICUT.

Howard A. Middleton, Broad Brook.
Harry N. Prann, Centerbrook.
John E. O'Clare, North Grosvenor Dale.

ILLINOIS.

Louis R. Kelly, Duquoin.
Kelly A. Cardiff, Hoopeston.

IOWA.

Dell P. Glazier, Fort Madison.

NEW JERSEY.

Frederick R. Dixon, Bellemead.
Henry C. Straight, Morsemere.
Charles H. Updike, Trenton.

NEW YORK.

Francis E. San Jule, Hogansburg.
Cornelius J. Carey, Newman.
Samuel K. Seybolt, Pine Bush.
Alexander Hickey, St. Bonaventure.
William H. Young, Voorheesville.

RHODE ISLAND.

Hilda S. Murray, Centerville.

VERMONT.

Fred R. Lloyd, Fair Haven.
George H. Millis, Groton.
William C. White, Northfield.

WISCONSIN.

Edgar E. Parker, Beaver Dam.
Otto C. Nienas, Camp Douglas.
Frank G. Johnson, Dallas.
George A. Potter, Fort Atkinson.
William Kotvis, Hillsboro.
Lewis M. Smith, Jefferson.
Gilbert J. Grell, Johnson Creek.
Orris O. Smith, Pardeeville.
William Reuschlein, Plain.
Allen W. Wiggin, Plymouth.
Clytie Geiger, Rothschild.
Charles W. Pfeifer, Sheboygan Falls.
Alice M. Clinton, Sullivan.
Hilary L. Haessly, Theresa.

SENATE.

MONDAY, *August 14, 1922.*

(Legislative day of Thursday, August 3, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Borah	Hale	New	Smoot
Brandegee	Harreld	Nicholson	Stanfield
Bursum	Heflin	Norbeck	Stanley
Calder	Jones, Wash.	Oddie	Sterling
Cameron	Kellogg	Overman	Trammell
Capper	Kendrick	Pepper	Underwood
Cummins	Keyes	Phipps	Wadsworth
Curtis	Lenroot	Rawson	Walsh, Mont.
Dial	Lodge	Reed	Warren
Dillingham	McCormick	Robinson	Watson, Ga.
Ernst	McCumber	Sheppard	Watson, Ind.
Fletcher	McLean	Shortridge	
Frelinghuysen	McNary	Simmons	
Gooding	Myers	Smith	

Mr. UNDERWOOD. I wish to announce that the Senator from Nevada [Mr. PITTMAN] is absent on account of illness in his family.

Mr. CURTIS. I wish to announce the necessary absence of the Senator from Minnesota [Mr. NELSON] on account of a death in his family.

I also wish to announce that the Senator from Ohio [Mr. WILLIS] is absent owing to illness in his family.

The PRESIDENT pro tempore. Fifty-three Senators have answered to their names. There is a quorum present. The Secretary will report the next committee amendment.

The READING CLERK. Paragraph 1438, ivory tusks, manufactures of ivory, page 199, in lines 21 and 22, the committee propose to strike out "vulcanized or unvulcanized" and the comma.

The amendment was agreed to.

The next amendment of the committee was, on page 199, line 25, to strike out "30" and insert "50."

Mr. McCUMBER. The committee desire to modify that by striking out "50" and making it read "35." This is due to the change made in the rate on ivory tusks, and so forth, which were put on the free list.

The PRESIDENT pro tempore. The proposed amendment as modified will be stated.

The READING CLERK. The committee proposes to modify the amendment in line 25 by striking out "50" and inserting "35," so as to read:

manufactures of ivory or vegetable ivory, or of which either of these substances is the component material of chief value, not specially provided for; manufactures of mother-of-pearl, shell, plaster of Paris, and india rubber known as "hard rubber," or of which these substances or any of them is the component material of chief value, not specially provided for; and shells and pieces of shells engraved, cut, ornamented, or otherwise manufactured, 35 per cent ad valorem.

Mr. WADSWORTH. I desire to ask the Senator from North Dakota what is the present ad valorem rate?

Mr. McCUMBER. It is 35 per cent under the present law. We are leaving it the same.

Mr. SIMMONS. Mr. President, what is the paragraph under consideration?

Mr. McCUMBER. Paragraph 1438, page 199.

Mr. WADSWORTH. Is the committee persuaded that 35 per cent ad valorem covers the difference in labor cost?

Mr. McCUMBER. Taking into consideration importations which have been coming in and the present condition, the committee is satisfied that 35 per cent ad valorem is sufficient protection.

The PRESIDENT pro tempore. The question is on agreeing to the amendment as modified.

Mr. SIMMONS. Mr. President, there is so much confusion in the Chamber that I really do not know what has been offered by the committee.

Mr. McCUMBER. Let me state it again. The amendment is to strike out "50" in line 25, page 199, and insert in lieu thereof "35," which is the same rate as the present law.

Mr. SIMMONS. I make no objection.

The amendment as modified was agreed to.

The next amendment of the committee was, on page 200, line 4, before the words "per cent," to strike out "30" and insert "50," so as to make the paragraph read:

PAR. 1439. Electrical insulators and other articles, wholly or partly manufactured, composed wholly or in chief value of shellac, copal, or synthetic phenolic resin, not specially provided for, 50 per cent ad valorem.

Mr. McCUMBER. I ask on behalf of the committee that the Senate disagree to the committee amendment, leaving the rate at 30 per cent.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

The PRESIDENT pro tempore. The next amendment will be stated.

The READING CLERK. On page 200, paragraph 1441, musical instruments and parts thereof, in line 11——

Mr. McCUMBER. Before we reach line 11, I move to strike out, in line 10, the words "music wire," and the comma.

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 200, line 10, the committee propose to strike out the words "music wire" and the comma.

The amendment was agreed to.

The next amendment of the committee was, on page 200, line 11, to strike out the word "instruments" and the comma and insert the word "instruments."

The amendment was agreed to.

The next amendment was, on page 200, line 12, to strike out "35" and insert "40," and, in line 13, to strike out "25" and insert "35," so as to read:

Musical instruments and parts thereof, not specially provided for, pianoforte or player actions and parts thereof, cases for musical instruments, pitch pipes, tuning forks, tuning hammers, and metronomes, strings for musical instruments composed wholly or in part of steel or other metal, all the foregoing, 40 per cent ad valorem; tuning pins, $1 per thousand and 35 per cent ad valorem.

The amendment was agreed to.

The next amendment of the committee was, on page 200, line 16, where the committee propose to strike out "35" and insert "40."

Mr. McCUMBER. In line 16 I desire to withdraw the committee amendment and also to strike out "$1.50 each and 35" and insert in lieu thereof "45," so that it will be a straight 45 per cent ad valorem rate, making the clause read:

violins, violas, violoncellos, and double basses, of all sizes, wholly or partly manufactured or assembled, 45 per cent ad valorem.

The PRESIDENT pro tempore. The question is on the committee amendment as modified.

Mr. REED. Just a moment, Mr. President.

Mr. SMITH. One moment. The amendment, as I understand, is to amend by striking out "$1.50" and making the rate 45 per cent ad valorem in place of 35 per cent?

Mr. McCUMBER. That is correct.

Mr. SMITH. That is all right.

Mr. REED. That is what I rose to inquire about.

The PRESIDENT pro tempore. The question is on agreeing to the amendment as modified.

The amendment as modified was agreed to.

The next amendment of the Committee on Finance was, on page 200, paragraph 1441, line 17, before the words "per cent" to strike out the numeral "35" and in lieu thereof to insert "40," so as to read:

unassembled parts of the foregoing, 40 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 200, line 20, after the word "similar," to strike out "articles" and to insert "articles," so as to make the paragraph read:

PAR. 1442. Phonographs, gramophones, graphophones, and similar articles, and parts thereof, 30 per cent ad valorem.

Mr. McCUMBER. Mr. President, we are going a little more rapidly than I can look over my notes which I have here. On page 200, in line 20, after the word "thereof" and the comma, I move to insert the words "not specially provided for."

Mr. REED. Mr. President——

Mr. SIMMONS. Where does the insertion come in which the Senator from North Dakota has suggested?

Mr. McCUMBER. The amendment which I propose is on page 200, line 20, after the word "thereof," to insert the words "not specially provided for," so that the paragraph will read:

PAR. 1442. Phonographs, gramophones, graphophones, and similar articles, and parts thereof, not specially provided for, 30 per cent ad valorem.

Mr. SIMMONS. Does the committee propose an amendment in the rate in that paragraph?

Mr. McCUMBER. There is no change of rate proposed by the committee in that paragraph. We shall put in a special rate for the needles, and we are proposing to frame the amendment so that needles may bear a 45 per cent ad valorem rate.

Mr. SIMMONS. As I understand the Senator from North Dakota, he means that instead of a 25 per cent rate the rate will be 45 per cent.

Mr. McCUMBER. It is proposed to make the rate 45 per cent on needles and 30 per cent upon all the other articles.

Mr. REED. Mr. President, I have no objection at this point to the amendment which the Senator from North Dakota has suggested; I do not know that I fully understand its import; but what I wish to ask the Senator is why this enormous protective tariff upon phonographs? We know that some of the American manufacturers of phonographs are charging prices that are absolutely unconscionable. Why should they have any protection?

Mr. McCUMBER. Does the Senator think that 30 per cent ad valorem is unconscionable as a duty? Is that what I understand the Senator from Missouri to suggest?

Mr. REED. I think if it is put in as a protective tariff it is unconscionable; and I think that the prices charged by certain phonograph makers in the United States are absolutely unconscionable.

Mr. McCUMBER. I agree with the Senator from Missouri as to that.

Mr. REED. I think they are entitled to no protection. If this duty is proposed as a revenue duty only, that is a different proposition. I wish to get the Senator's view in regard to the matter.

Mr. McCUMBER. When the retail price for which phonographs and other similar instruments are sold in the United States is considered it is apparent that the price is unconscionable. It is also true that the imported articles are sold at an unconscionable price; otherwise the foreign producers would secure the market and these articles would go down in price; but I do not think the Senator will say that if the importers also receive an unconscionable price they ought to

complain if they are required to pay 30 per cent of their home manufacturing and selling price to the Government, which is only 5 per cent higher than the present law and 10 per cent lower than the Payne-Aldrich law.

Mr. SMITH. Mr. President, if the Senator from Missouri [Mr. REED] will allow, I desire to say that it seems to me, according to the statistics given us by the Tariff Commission, that the 25 per cent duty was prohibitive in view of the fact that the importations in 1914 amounted to about $147,000, and only reached $427,000 in the first nine months of the year 1921, and about $800,000 in 1920. On the other hand, the figures as to domestic production are very interesting. We are informed in the Summary of Tariff Information as follows:

Production in 1914 was valued at $27,115,916. The number of machines was 515,154, valued at $15,290,491; and records and blanks, 27,221,290, valued at $11,111,418. Parts of machines, materials, and supplies, not included in finished instruments, amounted to $356,935, and all other products to $367,072. In addition, phonographs, etc., valued at $66,531, were made in establishments engaged primarily in the manufacture of products other than those covered by this industry. Eighteen establishments made phonographs, graphophones, etc., with capital of $33,771,000 and 9,381 employees. In 1919 there were 167 establishments with value of products amounting to $158,668,000.

It seems that even under the 25 per cent duty there was only negligible importations, amounting in the year of largest importations to less than $1,000,000, against a domestic production of $158,668,000.

Mr. McCUMBER. There is one manufacturing country that was not in the market at all during the years of which the Senator from South Carolina speaks; but if he will compare the pre-war with the present importations he will find that there has been an increase of more than fourfold; that the increase has been from something over $100,000 to something somewhere about $600,000.

Let me say, in addition, that the only graphophones and phonograps, I think, that are imported are the smaller kind, without cabinets, but designed to be placed upon stands. There is a considerable number of such machines imported, and I think they are sold for prices which would justify 30 per cent duty upon them. I do not think they interfere at all with the prices charged for the domestic product in the United States; so that it is not so much a matter of protection, because the comparable imported and domestic article both sell for about the same price, as it is obtaining revenue.

Mr. SMITH. Mr. President, I should like to call the Senator's attention to the fact that in volume we exported nearly three times what we imported.

Mr. McCUMBER. I know; but we export one class and import entirely a different class. We export the very expensive, high-priced machines, in the manufacture of which we have no competition, and we import the lower-priced ones, which are, nevertheless, considering the cost of production, sold for a pretty fair price in this country.

Mr. SMITH. Mr. President, taking the Senator's own statement, I think it will not be denied that the smaller machines which are used by the poorer folks constitute about the best means in the world of educating them to first-class music and acquainting them with our singers, and to impose a duty of 30 per cent, when the 25 per cent duty was, according to the statistics, almost prohibitory, would seem, if we are going to approach the question from the standpoint of revenue, as the Senator indicates, to be an imposition that would be protective rather than calculated to increase the revenue by the increased volume that would come in.

Mr. McCUMBER. Does the Senator think that 25 per cent would be too much? That is the present law.

Mr. SIMMONS. Mr. President, I wish to ask the Senator a question. Did the manufacturers of these instruments ask for this increase of duty?

Mr. McCUMBER. I do not remember whether the manufacturers asked for it or not. I do not think, however, there were many things on which the manufacturers did not ask for an increase of duty; but in revising the paragraph this morning we revised it according to conditions as they appear to us to-day in the light of imports and prices.

Mr. SIMMONS. I will agree with the Senator that this would seem to be an article upon which it might be entirely proper to levy a revenue tariff. The only question to my mind is whether the duty is being levied at a revenue-producing rate or is being levied at a prohibitive and a protective rate.

It seems to be the fact that in 1919 we produced in this country about $158,000,000 worth of these articles. The imports were only a few hundred thousand dollars' worth, so that the 25 per cent duty imposed under the Underwood tariff was so high that it did not produce any revenue worth mentioning. For nine months of 1921 the imports were $427,552 and the duty collected $106,888. So the 25 per cent duty only brought us in about $100,000 in revenue as against a domestic production of nearly $160,000,000. That would indicate to my mind that the 25 per cent rate is too high for revenue purposes; that it is almost prohibitive; and if the proposed duty is for the purpose of revenue it seems to me the Senate ought to reduce the rate instead of increasing the rate, because I think the tremendous domestic production and the merely nominal importations would suggest, if we want revenue, the way to get it is to reduce the rate.

Mr. McCUMBER. Mr. President, let me call the Senator's attention to the fact that the revenue in 1921 was $157,000 and that is worth looking after. Taking into consideration the class of the articles which are imported—and they are not the high-priced ones—and what they are used for, I do not think that we need to worry lest the same number practically will not be sold under the higher rate, and the foreigner can afford to absorb the 5 per cent in addition to the rate under the present law and still sell his goods at the price for which he is now selling them.

Mr. SIMMONS. Mr. President, that may be so. The foreigner might possibly bring in about the same amount that he is bringing now if the duty imposed is raised to 30 per cent, only 5 per cent more; but if this duty is solely for revenue purposes the rate ought to be laid for the purpose of encouraging instead of for the purpose of discouraging importations. I imagine, however, that if the Senator will have the matter looked into he will find that this increase in rate was asked by the manufacturers, and that it was asked for the purpose of curtailing importations and reducing revenue instead of increasing it.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment.

Mr. REED. May the amendment be stated?

The PRESIDENT pro tempore. The Chair desires to make a statement.

The present occupant of the chair was not present at the time the unanimous-consent agreement of Saturday was entered into, but the Chair is advised that it is the understanding that the last unanimous-consent agreement was simply a supplement to the former unanimous-consent agreement. If that be true, the debate must proceed upon the immediate question before the Senate, and debate upon amendments would be limited to 15 minutes, and upon the bill to 30 minutes.

The Chair is moved to make that remark because the debate that has been proceeding upon this amendment has not been upon the question; but it is somewhat difficult to construe these many unanimous-consent agreements.

The Senator from Missouri is recognized.

Mr. REED. I simply asked to have the particular amendment now about to be voted on stated.

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 200, line 20, after the word "thereof" and the comma, it is proposed to insert "not specially provided for."

The amendment was agreed to.

Mr. McCUMBER. Mr. President, on page 200, line 21, after "ad valorem," I move to insert a semicolon and the following:

Needles for phonographs, graphophones, gramophones, and similar articles, 45 per cent ad valorem.

Mr. REED. What change will that make?

Mr. McCUMBER. They would now come in at 30 per cent unless we put that in. It increases the duty 15 per cent ad valorem.

Mr. REED. Why are you asking for that increase?

Mr. McCUMBER. We are asking for it because the last evidence we had before us indicated the necessity of about that much duty for protection.

Mr. REED. The last evidence you had came from the manufacturers of the needles, did it not?

Mr. McCUMBER. No; it came from importations and prices.

Mr. REED. How much are we importing of the needles? I do not find them stated separately here in the schedule. Can the Senator advise us?

Mr. McCUMBER. They are imported with others, so that we can not tell just what the importations are; but we do know that importations are coming in, I think, at about 11 cents per thousand now, and the American cost, if I remember correctly, was something over 19 cents per thousand.

Mr. REED. Are they made by the same people who make the phonographs?

Mr. McCUMBER. No.

Mr. REED. They are made by outside people?

Mr. McCUMBER. Yes. Some of the people who make phonographs may make them, but I do not know of any.

Mr. REED. To what extent are we exporting them?

Mr. McCUMBER. The needles?

Mr. REED. Yes.

Mr. McCUMBER. I do not think we have any statistics of any exports at all, but I assume that undoubtedly where we sell the higher priced phonographs, such as the Victrola, and so forth, we sell to the same people the needles that go with them.

Mr. SMITH. Mr. President, the Senator has offered an amendment providing for a duty of 45 per cent ad valorem on these needles. Everyone acquainted with these instruments knows that these needle points represent possibly the cheapest form of manufacture in all the steel business. I presume that everyone acquainted with the manufacture of nails or any of the simple forms of steel will realize that these needles are almost equivalent to a by-product, and yet we have here a duty of 45 per cent added to the value of these little steel points.

Mr. McLEAN. Mr. President, is the Senator from South Carolina familiar with the way in which these needles are manufactured?

Mr. SMITH. No; but I am somewhat familiar with the way in which nails are manufactured, the dies by which they are manufactured. It is true that these needles have to be made out of extraordinarily hard steel, but anyone who looks at a needle point knows that there could not possibly be a cheaper form of manufacture than that in all the steel business.

Mr. McLEAN. They are hand ground, and they have to go through a dozen or 15 processes. They ought to bear almost as high a rate as the latch needles, to which we give $1 a thousand. The manufacturers wanted four times the duty that we have given them.

Mr. SMITH. Mr. President, of course anyone familiar with graphophones knows that you can take a match stem and trim the end of it and get a pretty fair rendition of a record; and this story that has gone out to the effect that you can only use a needle one time of course is simply in the interest of selling the needles. So far as bringing out the full tone of the instrument is concerned, I presume that to a certain degree the finer the point the better it would be; but anyone familiar with them knows that you can use the same needle more times than once—half a dozen or a dozen times—without detriment to the disk and without any appreciable diminution in the volume or the clarity of the sound. There is no reason why these people should come here with the story that it is necessary to go through with all of this hand grinding in order to produce an available needle for these instruments.

Mr. McLEAN. Mr. President, I can only repeat what I said before, that these needles are hand ground, and they go through many processes, and they are being imported at about 11 cents a thousand, and our cost is about 20 cents. The rate we have given is very low. If you want to protect the American industry, this is a very reasonable rate.

Mr. SMITH. Mr. President, I want to state here and now that while I am not familiar with the process by which these needles are made, I venture the assertion that it is practically impossible, humanly speaking, to hand grind these needles. If I understand what the Senator means by hand grinding—grinding the points down to the finish that they have—it would be practically impossible for them to be sold at all if that were done. No matter what instrument you might have with which to hold the little particle of steel it would mean that your hand would have to manipulate every needle put on the market, and it would make the price prohibitive. I will guarantee the assertion that it will be found upon investigation that these needles are machinemade just as nails are.

Everyone familiar with our modern phonographs and graphophones, and the needles that are used for the purpose of producing the sound, knows that they come in by the million. It is preposterous to think that each one of them is hand manipulated; and this 45 per cent additional duty simply imposes a burden upon those who are going to use the machines. I will guarantee the assertion that if this duty is imposed there will be as much profit in the manufacture of the needles as there will be in the production of the machines.

Mr. LODGE. Mr. President, those needles are not made by the phonograph people. They are made by manufacturers of steel products. They have to be made of very hard steel, and very finely made and finished. The valuation investigation report gives foreign prices of 11 different types of sewing and embroidery machine needles and crochet needles. The average foreign price for these 11 different classes and kinds of needles is $1.80 per 1,000 in Germany. There has been given in the tariff bill a duty on such articles of $1.15 per 1,000, plus 50 per cent ad valorem. The talking-machine needle which comes into contact with the American product is the medium-grade needle. These are imported in quantities from Germany, and their selling price abroad is 11½ cents per 1,000. The duty of $1.15 given to these similar needles in paragraph 343 is 64 per cent on the average foreign value of $1.80, as already stated. This same ad valorem in terms of specific duty would give, on the value of 11½ cents, the foreign price of our competitive article in Germany, a specific duty of 7.8 cents. The manufacturers asked for a much higher duty than is given to them. The average production cost of these phonograph needles in the United States is 19 cents per 1,000, and that is exclusive of advertising, selling expense, and factory profit. These three elements add 6 cents to the factory cost of needles per 1,000, making the lowest possible average selling price of the domestic article 25 cents per 1,000.

It is impossible, in my judgment, for the manufacturers of these needles to proceed with the manufacture here unless at least this moderate duty is given. I think myself it is a very moderate duty.

Mr. SMITH. Mr. President, before the vote is taken——

Mr. LODGE. How many times can the Senator talk?

Mr. SMITH. I can use 15 minutes. I have not yet used up 15 minutes.

The Senator from North Dakota has just said that the duty on the importation of these instruments was largely for revenue; that we had no competition on the higher priced, finer instruments.

Mr. LODGE. Mr. President, we have a very great competition in these needles. They are made by the manufacturers of steel products. They are not a phonograph specialty.

Mr. SMITH. Precisely. Now the Senator comes in with a duty to protect the manufacturers of steel at the expense of those who make and sell the phonographs. In other words, this is an indirect method of increasing the profits of the poor, struggling Steel Trust—45 per cent on an article that is used with a particular instrument upon which the Senator from North Dakota says there is practically no competition in the higher grades, and simply a revenue duty in the lower grades, the cheaper types of phonograph.

Mr. President, if the Senate wants to go on record as voting for a higher duty on an article produced by the steel manufacturers of this country, as a matter of course I should like to have the yeas and nays on that question.

Mr. LODGE. It has nothing on earth to do with the Steel Trust. They are made by separate concerns, in different parts of the country, which make small steel products. It has nothing to do with the Steel Trust whatever. They are made of steel, of course. So is a rail on a railroad.

Mr. McCUMBER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from South Carolina yield to the Senator from North Dakota?

Mr. SMITH. I yield.

Mr. McCUMBER. I simply want to say to the Senator that we put the ordinary sewing needles on the free list. They are on the free list because we have found that we can not make them in this country at all without imposing a duty of at least a hundred per cent on them. The process of making these needles is not quite so complicated as that followed in making sewing needles, but it is very much more complicated than that used in merely making steel pegs.

Mr. SMITH. Mr. President, I do not care to go into this question any further than to say that in all conscience it has been shown that the 30 per cent duty on the machine and all of its parts, as indicated by the statistics furnished us by those who have been employed to gather them, approximates an embargo. We not only increase the duty from 25 per cent to 30 per cent but on that simple part, which is produced by the steel people, we propose a duty of 45 per cent. I do not know whether I would be permitted to offer an amendment now or not.

Mr. SIMMONS. The Senator can offer an amendment to the committee amendment.

Mr. SMITH. Both for the amendment proposed of 45 per cent ad valorem on needles and the 30 per cent ad valorem on the parts other than needles I offer as a substitute amendment to fix the rate at 20 per cent.

Mr. McCUMBER. We have already voted upon the 30 per cent. Those were separate amendments. The question now is simply upon 45 per cent ad valorem on the needles.

Mr. SMITH. I think the record will show that we simply voted upon the language "not otherwise provided for" the Senator incorporated just after the words "parts thereof." We did not vote upon accepting the 30 per cent rate.

Mr. McCUMBER. There was no amendment to the 30 per cent rate.

Mr. SMITH. No; but I propose to offer an amendment now to the 30 per cent rate, for we have not accepted the paragraph.

Mr. McCUMBER. That is not a committee amendment.

Mr. LODGE. It is not a committee amendment, and is not in order.

Mr. SMITH. Amendments from the floor can not be offered at this time to the House text?

Mr. LODGE. An individual amendment can not be offered at this stage.

Mr. SMITH. Until we get into the Senate?

Mr. LODGE. Until we have disposed of the committee amendments. Then it will be in order.

Mr. SMITH. I have not examined the unanimous-consent agreement as to that. I thought perhaps we were now also going over the bill for individual amendments.

Mr. LODGE. Not yet.

Mr. REED. I think it is so arranged that there never will be an opportunity for individual amendments.

Mr. LODGE. Those are provided for in the agreement.

Mr. REED. What I mean is, that I think we are going to take all the time under the unanimous-consent agreement on the amendment of the committee.

Mr. LODGE. No; individual amendments are included in the agreement. There are two days given for individual amendments. The Senator's second amendment, to an amendment pending, is now in order.

Mr. SMITH. I do not care to offer an amendment to that amendment. I want the 45 per cent amendment voted down.

Mr. LODGE. That is now before the Senate.

Mr. SMITH. I do not propose to amend that by offering a smaller rate.

Mr. LODGE. The other amendment the Senator does propose to offer I think will have to be reserved.

Mr. SMITH. I believe I will move to substitute 20 per cent for 45 per cent, because if the amendment to make the rate 20 per cent prevails, when we get to individual amendments we would have 20 per cent as the rate. Therefore, Mr. President, in place of the "45 per cent," I move to insert "20 per cent."

The PRESIDENT pro tempore. The Secretary will state the amendment offered by the Senator from South Carolina to the amendment of the committee.

The READING CLERK. In lieu of the amendment offered by the Senator from North Dakota the Senator from South Carolina moves to strike out 45 per cent and to insert in lieu thereof 20 per cent.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question now is upon agreeing to the amendment proposed by the Senator from North Dakota.

Mr. SIMMONS. I understand the Senator does not propose to change the 30 per cent rate as it now appears in the bill, but only the 45 per cent rate. Am I correct about that?

Mr. McCUMBER. It is proposed to make the rate on the needles 45 per cent ad valorem.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McCUMBER. Mr. President, we were going so rapidly that I omitted one amendment. On page 200, after line 18, I move to insert a paragraph to be known as paragraph 1441a, as follows:

PAR. 1441a. Oil cake and oil-cake meal, one-half of 1 cent per pound.

Mr. REED rose.

Mr. SIMMONS. In view of the fact that this is a new paragraph, will not the Senator from North Dakota make some statement to the Senate with reference to it?

Mr. GOODING. Mr. President, possibly I can make a short statement which will throw some light on it.

The PRESIDENT pro tempore. Does the Senator from Missouri yield; and if so, to whom?

Mr. REED. I rose merely to make an inquiry, but I have the information before me. So I do not desire to take the floor at this moment.

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Idaho?

Mr. SIMMONS. As this is an entirely new paragraph, the subject not having been treated in the bill at all, I simply rose to ask the chairman of the committee to make some statement to the Senate with reference to the reason for imposing a duty upon this particular article.

Mr. McCUMBER. The Senator from Idaho [Mr. GOODING], I think, can give the Senator the information, because it was upon his request that the duty was fixed, when a hearing was given the Senator, at the time the committee was holding hearings.

The PRESIDENT pro tempore. The Senator from Idaho is recognized.

Mr. GOODING. Mr. President, there is a very large importation of oil cake and oil-cake meal from the Orient. Oil cake made from soya beans and copra has a very large displacement value and destroys to a considerable extent the protection placed on the other farm products used for feedstuffs for animals in this country. The purpose of the amendment, the new paragraph to be inserted, is to give that protection. It means a good deal to the cottonseed growers of the South and the producers of cottonseed cake, cottonseed meal, peanut meal, and peanut-oil cake. It seems to me the duty is very light, and there should not be any opposition to it at all. If we are going to give protection to the agricultural interests, this particular industry should not be destroyed by admitting free of duty some by-product which in a measure would practically destroy part of the protection given to agriculture.

Mr. REED. Mr. President, I would like to ask the Senator what the rate of duty on oil cake and oil-cake meal is now?

Mr. McCUMBER. It is now admitted free of duty.

Mr. REED. How much of it has been imported?

Mr. GOODING. Of this southern cake?

Mr. REED. Any kind of oil cake.

Mr. GOODING. There is quite a large amount imported.

Mr. REED. How much?

Mr. GOODING. I am not able to give the Senator the figures. I was not aware that this schedule was coming up at this time until a few minutes ago.

Mr. McCUMBER. I can give the importations in figures. It is about $4,000,000 worth in value.

Mr. REED. What proportion is that of the entire consumption? I have not the figures before me.

Mr. McCUMBER. It is only a small proportion; but I want to say that about 60 per cent of it comes in from the Philippines, anyway, and that would be free.

Mr. REED. So that only a small amount has been coming in?

Mr. GOODING. There is a large amount of soya-bean cake and soya-bean meal coming in, which displaces the cottonseed cake and the cottonseed meal in this country, or reduces the price of them materially.

Mr. REED. I wanted to ask the Senator a further question. What uses are made of these meals, principally?

Mr. GOODING. It is used in the West in the wintertime by cattle growers and sheep growers. It is used in the East by the dairy people very largely to mix with their other feedstuffs. We are not lacking in that in this country. We grow a surplus of feed products for animals in this country, and we do not need that cheap stuff from the Orient. It has a disastrous effect in forcing down the price of farm products in this country.

Mr. REED. It has a disastrous effect in forcing down the price of these oil meals which are used by all the farmers and feeders of the United States. So you propose to raise the price to benefit the farmer, and you are going to do that for the benefit of the few men who produce the meals.

Mr. GOODING. That is not the point at all. The farmer is interested in bringing about in this country a balanced condition upon the farms, and when you import soya-bean cake or meal or any other by-product that comes from copra or anything else you are injuring the farmer. The farmer has protection under this bill on his butter; he has protection on practically everything else, and he is willing to concede protection to the corn grower and to every other farmer, which he must do if he is willing to be fair at all.

Mr. REED. By what authority does the Senator undertake to speak for all the farmers of the United States?

Mr. GOODING. I believe practically all the farmers, through the farm organizations, have gone on record asking for a duty on these articles.

Mr. REED. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Brandegee	Edge	Kendrick	Oddie
Broussard	Ernst	Keyes	Overman
Calder	Fletcher	Ledge	Pepper
Cameron	Freilinghuysen	McCumber	Phipps
Capper	Gooding	McKellar	Pomerene
Culberson	Hale	McLean	Ransdell
Cummins	Harreld	McNary	Rawson
Curtis	Heflin	Moses	Reed
Dial	Jones, Wash.	New	Robinson
Dillingham	Kellogg	Nicholson	Sheppard

Shortridge	Stanfield	Underwood	Watson, Ga.
Simmons	Stanley	Wadsworth	
Smith	Sterling	Walsh, Mont.	
Smoot	Sutherland	Warren	

The PRESIDENT pro tempore. Fifty-three Senators have answered to their names. There is a quorum present.

Mr. REED. Mr. President, I wish to take just a moment on the pending item. It is proposed to be put in here among musical instruments. It proposes a duty on oil cake and oil-cake meal of 50 cents per 100 pounds. It is admitted by the proponents of the amendment that the article has been imported but slightly, although it is on the free list. The competition so far can have no general effect on the market except a regulatory effect. It is admitted that the product is used extensively for feeding purposes by the farmers and feeders and dairymen of the United States. It is proposed to put a tariff on an article which is used on a great percentage of the farms of the United States, to tax the farmer upon that which he feeds to his stock, and this is proposed by a champion of the farmer.

Now, oil meal is a by-product of the manufacture of oil. It is something which is produced by the manufacturer. The tariff will enable the manufacturer to boost the price upon a product which is a by-product of that which he produces, and the boosted or increased price will be paid by the farmers, feeders, and dairymen of the United States.

The Senator from Idaho [Mr. GOODING] states that this tariff is demanded by the farmers of the United States. I should like to know when the Senator or any other Senator acquired the right to declare himself the voice of 45,000,000 farmers in the United States. Plainly, so plainly that any man can understand it, a tariff upon food products which must be used by the farmers is a tariff levied upon the farmer. It is no excuse to say that there has been put in the bill an alleged or pretended protection upon the farmer, and hence, having protected him, it is now proposed to tax him. That is simply going around in a circle, putting on a tariff which it is alleged will benefit him and which most men who have studied these questions know will not benefit him, and then in turn putting on a tariff which is certain to benefit the manufacturer, and is just as certain to levy a tribute and tax upon the farmer, the feeder, and the dairyman.

Mr. President, I ask for the yeas and nays on this question.

Mr. GOODING. Mr. President——

The PRESIDENT pro tempore. The Senator from Idaho.

Mr. REED. Mr. President, I wish to inquire whether we are working under the rule that a Senator may speak only once or whether we are working under the rule that a Senator may speak twice. I have no desire to take the Senator from Idaho off his feet.

The PRESIDENT pro tempore. We are working under the rule which permits any Senator to speak twice on the same question on the same day, but not to speak in the aggregate on an amendment more than 15 minutes.

Mr. REED. Very well.

Mr. GOODING. Mr. President, the small farmers of America, and I might say some of the larger farmers, especially the cotton growers of the South and the peanut growers of the South and the flax growers of the Northwest, are vitally interested in this protection; the small farmer because he is interested in bringing about possibly, if it is possible, a balanced condition upon the farm.

It must be admitted that this is a farm product and is used for feeding animals, and that it has a value for that purpose. While the importations at the present time are small, that is simply because corn is cheap, oats are cheap, and all foodstuffs that go to make up rations for live stock have been very low in the last two years. It is during such times that importations are light. But as a feeder of soy-bean cake and of all these other meals and cakes out on the range, which I have been discussing, I know that whenever corn is high, whenever farm products are high at all, there is great importation of the particular kind of oil cake which we have been discussing, which comes from the Orient, where the cost of production is practically nothing at all as compared with what it is in America.

Mr. REED. Mr. President, may I ask in what year there was a large importation, and how large it was?

Mr. GOODING. I can not give the Senator the year, because I have not the figures at hand, but I know, as far as the West is concerned, that whenever farm products are high and corn is high the importation is quite large. The point I want to make is that it is of vital interest to the farmer; that there are 40,000,000 acres of land in this country of overproduction, 40,000,000 acres of farm products more than we consume in this country, which must find a market in foreign countries. It is estimated that the increased consumption is equal to 2,000,000 acres of farm products each year. If we can grow all the wool we consume or need in this country, and all the sugar we consume, and all the other farm products we consume, we can finally bring about a balanced condition upon the farm and it will not be necessary to hunt a market in foreign countries for 40,000,000 acres of farm products.

Nothing but a Democratic free-trade policy has brought about that condition. If we had gone along in an intelligent way and given agricultural products the same protection that has been given manufacturers, it would not be necessary to find a market in foreign countries for millions of bushels of wheat and many other farm products. That is why the farmers of this country are asking protection for all the farm products in the hope that it will bring about a balanced condition on the farm, in the South and in the West as well as in the North and in the East.

Mr. REED. "A balanced condition!" How often we find somebody getting a phrase and rolling it under his tongue. I have heard about "balanced conditions." Now I know what balanced conditions are. The Senator from Idaho has just defined them. A balanced condition is a condition where we have exactly the right number of people in the United States to consume everything we produce. We are to ship nothing abroad. We are to raise exactly the number of bushels of corn that we use in the United States.

Mr. GOODING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Missouri yield to the Senator from Idaho?

Mr. REED. In a moment. We are to raise exactly the number of bushels of wheat that we are to use in the United States. If we put a tariff on, we are to understand that immediately there will spring into existence enough mouths to eat exactly what we are now producing. Put a tariff on farm products and have a home market, then immediately we will eat up everything we have on the farm and we will ship nothing abroad hereafter. That is what we mean by a balanced condition. That is the argument the Senator produces. We will not trade with anybody. We will buy nothing abroad.

Mr. GOODING. Mr. President, will the Senator yield?

Mr. REED. We will ship nothing abroad. We will be balanced. We will be in a state of perfect equilibrium, and every year we will produce just what we want. The minute we pass the tariff bill we will have that balanced condition and enough mouths will come into existence to eat exactly what we produce. Did the Senator from Idaho want to ask me a question?

Mr. GOODING. I wanted to say to the Senator that I have not discussed any question of trading abroad. I remind the Senator that we buy almost a billion dollars' worth of products abroad that we do not produce in this country, and they are on the free list. Sixty per cent of the commodities shipped into America under this bill are on the free list. So we will be able to trade abroad. The point I want to make to the Senator is——

Mr. REED. I have not much time to yield.

Mr. GOODING. Very well.

Mr. REED. The point is that the Senator said if we had a tariff on farm products we could quit shipping abroad. Now, if we are not going to ship farm products abroad, what are we going to ship abroad?

The vice, not to use a harsher term, of this logic is illustrated in the pending amendment. The Senator from Idaho tells us that we have put a tariff on flaxseed and a tariff upon beans and a tariff upon peanuts, therefore we ought to put a tariff upon the by-products of the manufactured article; that the farmer has to use that meal, but he can afford to pay the tax because we have protected him upon his beans.

Now, I will tell Senators whom this proposed law will benefit and the only person it will benefit. It will benefit the Linseed-Oil Trust and whatever other concerns are engaged in manufacturing the commodity. This is a manufacturer's protection which is levied directly upon the farmer. If the farmer's flaxseed and his beans and his peanuts are protected from competition abroad, the farmer takes those articles down to the mill and sells them for what the combination will pay him; then if a tax be levied which enables the combination to take its product and sell it back to the farmer without the farmer having a chance to buy in a competitive market from abroad, we are simply taxing the farmer on the by-products of the mills for the benefit of these combinations. There is all there is in this.

I am getting a little weary of these performances in the name of the farm bloc and in the name of the farmer, when one can see the ugly and scaly head of a trust sticking up every time he kicks aside the dust. I am getting a little weary also of Senators rising on this floor and saying they "represent the farmer." I think some of them represent wool a great deal more than they represent the agricultural farmer. By "the

agricultural farmer" I mean the man who raises ordinary farm products. I challenge the right of the Senator from Idaho to speak for the farmers of my State. I do not arrogate that right to myself, yet I have tried to keep in close touch with the farming interests of the great State of Missouri, where we raise more agricultural products in one county, I believe, than are raised in the Senator's entire State.

Now, if it is desired to tax the farmer on his stock feed, go ahead and do it, but do not let us do it under the false pretense that we are protecting the farmer; let us do it in the open. In this proposed legislation we are protecting the by-products of the manufacturers. Whether or not the linseed-oil mills are a trust to-day I do not know, but a few years ago it was alleged that they were in a combination and trust.

Mr. FLETCHER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Missouri yield to the Senator from Florida?

Mr. REED. I yield.

Mr. FLETCHER. If the Senator will yield for a moment, I desire to suggest in this connection that cottonseed meal is very largely used as a fertilizer. We desire cheap fertilizer on the farms. As to the cottonseed meal which is used as a fertilizer, it is to the interest of the farmer that it may be obtained as cheaply as possible.

The PRESIDENT pro tempore. The Senator from Missouri has asked for the yeas and nays on the amendment. Is the demand for the yeas and nays seconded?

The yeas and nays were ordered.

Mr. WADSWORTH. Mr. President, the amendment which has been proposed on behalf of the committee, but which evidently has for its principal defender the Senator from Idaho [Mr. GOODING], is one which I think should not be put into this bill or into any tariff measure. It would be the same thing as putting 10 cents into a man's right-hand pocket and at the same time taking 15 cents out of his left-hand pocket, so far as the American farmer is concerned. Oil cake and oil meal are, as everyone knows, used almost universally all over the United States in the feeding of live stock. They are used in New England in the dairy establishments; they are used in all the Middle Atlantic States and in the Central Western States; they are used in the far Southwest upon the cattle ranches, where I personally have seen scores and scores of thousands of tons of cottonseed meal and oil cake fed in order to save cattle even from starvation upon occasion. They are used throughout the entire Rocky Mountain region. To impose a duty upon the importation of such articles, when our importations only total $4,000,000 worth a year, as compared with a production of $200,000,000 a year and an exportation from this country of $18,000,000 per year, seems to me would be an idle and futile thing, and one calculated merely to increase, generally speaking, the cost of running a farm with live stock on it.

Mr. KENDRICK. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Wyoming?

Mr. WADSWORTH. I yield.

Mr. KENDRICK. The Senator from New York has practically answered the question which I was about to ask, namely, as to how our imports of this article compared to the domestic production in volume?

Mr. WADSWORTH. We export more than four times as much as we import and use at home, and import about 2 per cent of our consumption. Cottonseed meal and oil cake are exceedingly important elements in the feeding of live stock. I do not know in which order they would stand as to relative expense on an ordinary farm, on a dairy farm, or on a ranch; but I know that they are one of the principal elements of expense. The dairyman who is compelled to buy stock feed buys an immense proportion of meal cake and oil meal. Sometimes it is mixed with other patent feeds; and I dare say it stands third or fourth in his expense account for the year. I know that in the cow country, on the great ranches of the Southwest, and in the Rocky Mountain regions, the annual bill for cottonseed cake and cottonseed meal is the third, if not the second, item of expense, labor alone being larger. To raise the price of those commodities merely means the raising of the price of the agricultural product in the finished form, with no benefit to the man who produces it. I therefore hope that the proposed amendment will not prevail.

Mr. GOODING. Mr. President——

Mr. McCUMBER. Will the Senator allow me to ask him a question?

The PRESIDING OFFICER. Does the Senator from New York yield; and if so, to whom?

Mr. WADSWORTH. I yield to the Senator from North Dakota.

Mr. McCUMBER. I desire to ask the Senator, in view of the present low price of corn, at least, why it is that the dairymen and the stock feeders wish to buy oil cake in preference to corn?

Mr. WADSWORTH. The oil cake and the oil meal are a much more concentrated feed, and the freight on them is much less when they are transported for great distances. The dairyman in the Connecticut Valley in the State of Connecticut can not afford the freight rates on shelled corn from Iowa, but he can afford the freight rates on the patent stock feed, containing cottonseed cake or cottonseed oil. It is the same way in the far Western States, where the great ranches are situated. If one is running a ranch in Arizona or in New Mexico he can not pay the freight rates on corn from Iowa, but he can afford to pay freight rates on a concentrated feed like cottonseed cake or cottonseed meal. Those articles are also much easier to keep; they may be stored for a long period, especially the cake. They may be stored almost indefinitely, and they are exceedingly easy to handle.

Mr. McCUMBER. Mr. President, I think we can get at the real meat of the coconut here. It is this: If we import this product, it will be cheaper to the feeders of cattle than American corn. That is practically all there is to it. It is a question of displacement. If the feeders and the dairymen could secure the corn cheaper than they could obtain this product as a feed, they would buy the corn; but if they can get this imported product at such a price that it will cost them less in a year's time for feeding purposes, then they will buy it. So, after all, it simply becomes a question of displacement.

Mr. REED. Mr. President——

Mr. McCUMBER. And I think the Senator from Idaho was correct when he stated that about all there is to the question is whether domestic corn or importations of the other product shall be used.

Mr. GOODING. Mr. President——

Mr. LODGE. Mr. President, may I ask the Senator a question?

The PRESIDENT pro tempore. Does the Senator from North Dakota yield; and if so, to whom?

Mr. McCUMBER. I yield first to the Senator from Massachusetts.

Mr. LODGE. Our farmers are now using oil cake and consume something like $200,000,000 worth of it, while we import at the present time only about $4,000,000 worth of it.

Mr. McCUMBER. They are using some and the amount that they consume may have some effect, although I do not think it will have any wonderful effect upon the price of corn.

Mr. LODGE. Are we not great producers of oil cake and oil meal?

Mr. McCUMBER. Oh, yes; there is no question about that; but if we import so much more it will add that much to the surplus and it will drive down the price of the oil cake undoubtedly to some extent, and the result will be, especially if we have a short corn crop and the price of corn goes high, then the price of corn will be brought down to some extent by the increased use of this imported product.

Mr. REED and Mr. GOODING addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from North Dakota yield; and if so, to whom?

Mr. McCUMBER. I yield first to the Senator from Missouri.

Mr. REED. Mr. President, I wish to ask the Senator if he does not know that this is a question of mixing feed, and that great benefit comes from mixing corn, oats, hay, and other feeds which cattle eat with a percentage of oil meal, and that it is a highly beneficial food when thus mixed and increases the net production of cattle, taking into consideration the total amount of the expense of feeding? Of course, that is true.

Mr. McCUMBER. I fully realize that, but my only point is this: If you fill a steer's stomach full of corn, you are not going to buy the other product, but if you fill the steer's stomach full of the other product, you are not going to buy corn. That is practically all there is to it.

Mr. REED. But if the mixture is better than either one by itself, is the Senator willing to deny to the stock feeders of the country and the farmers of the country and the dairymen of the country an improved feed, a better feed, in order that the Senator may sell a little Dakota corn or I may sell a little Missouri corn, not to make it personal at all?

Mr. McCUMBER. By any sort of a tariff for protection or even for revenue we deny somebody something in every duty we levy; we can not help doing that.

Mr. GOODING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Idaho?

Mr. McCUMBER. I yield the floor.

Mr. GOODING. Mr. President——

The PRESIDENT pro tempore. The Senator from Idaho can not be recognized, because he has already spoken twice.

Mr. McCUMBER. I think I would be taking advantage of the Senator, and I will yield to him for a question or for whatever he may desire.

Mr. GOODING. I wish to say in answer to the question propounded by the Senator from Missouri that we grow all of these by-products, with the exception of copra. We have a great surplus of cottonseed meal and cottonseed cake, so that there is not any question about a balanced feeding ration being produced in this country, and half a cent a pound will not shut out importations. After all it is the old story, I wish to say to the Senator from North Dakota, of the dead line which Senators try to draw between the East and the West, telling the West how far they can ship their products into the eastern markets. Of course, the dairyman, viewing it from a selfish interest, would be benefited by having oil cake on the free list, and in the case of some stock growers in the West it is always a question on the western ranges whether they shall in winter time buy oil cake or whether they shall buy corn. The State of the Senator from Missouri is vitally interested. I myself have cast a balance and sought to determine whether I should buy the oil cake instead of corn. Hundreds of thousands of dollars during some winters are paid out for oil cake rather than for corn, because it is cheaper as a business proposition.

That is all there is to this question, Mr. President. It is a question of whether we are merely going to consider the tariff bill in the interest of all the agricultural industries or neglect to give some of them proper protection.

Mr. REED. Mr. President, I am entirely willing that the Senator shall occupy the floor if the rule is to be waived, but if it is to be waived for him it will have to waived all along the line.

The PRESIDENT pro tempore. The Senator from North Dakota yielded to the Senator from Idaho for a question, but not for the purpose of making a speech.

Mr. GOODING. Mr. President, I realize that perhaps I went a little too far.

Mr. REED. I do not want to draw the rule on the Senator.

Mr. GOODING. I think the Senator from Missouri is quite right, and possibly I said entirely too much; but I want the Senator to understand that his State is vitally interested.

Mr. REED. I know it is vitally interested in having all the cheap feed it can get to put into good cattle.

The PRESIDENT pro tempore. The Chair desires to suggest that the Senator from Missouri has also spoken twice.

Mr. SMITH. Mr. President, before this vote is taken, for fear that there may be some misapprehension as to the attitude of some of us, I want to state that even without the word of the Tariff Commission some of us who are familiar with the production of this article know that three-fourths of all the world's production of cottonseed cake and cottonseed oil and cottonseed meal is produced in America. For years we exported quite an amount, and a rather curious incident arose during the war—that when our exportations were practically cut off and we were limited to domestic consumption the price rose nearly 200 per cent. During normal times, however, we export this article, only a quarter of it being produced in the rest of the world as against three-quarters in this country.

The American producer of cottonseed meal and cottonseed cake need not fear any competition whatever, because there is practically none. The cake that comes into competition in a degree with cottonseed meal and cottonseed cake sells for from $2 to $10 a ton higher than the cottonseed cake itself.

I do not see where any advantage could be gained by the farmer, for the reason that the cottonseed meal is a by-product from the manufacture of the oil, the oil being the principal object in the manipulation of the seed. The meal and the hulls are a by-product. The hulls are a fine filler for cattle. They have no appreciable nutritious qualities; but, like all ruminating animals, cattle have to have a filler, and the hulls are found to be an excellent roughage, and in conjunction the meal and hulls make almost an ideal feed.

As to the effect of this duty upon the price of the seed, it is another instance such as I have called attention to heretofore where the manufacturer of the oil, as a matter of course, would be in a position to take advantage of the duty. On account of the disorganized condition of the farmer, in the sale of his product he is absolutely dependent upon the manufacturer for whatever price he sees fit to give; and in view of the fact that we have a monopoly of this peculiar feed, that we export it in great quantities and it is practically without a competitor in its consumption here at home, this is another instance in which the farmers of the country are being handed a gold brick in so far as any benefit that may accrue to them is concerned.

I want to say in concluding that I do not believe there is any danger of any displacement unless the price of this article should go to such heights as to be prohibitive, because all cattlemen recognize that cottonseed meal has no equal in the rapidity with which it will put cattle in condition and the condition in which it will put cattle. Corn-fed cattle will not compare with meal-fed cattle either as to appearance or as to the quality of the beef produced. As we have no competitor and as America produces three-fourths of all the cottonseed meal and cake produced in the world, there is no advantage to be obtained by either the oil man, the producer of the cake, or the farmer, the producer of the seed out of which the cake is made, in that it virtually has no competitor in the markets of the world. Therefore it is idle to talk about the effect upon the price merely to increase the profits of the manufacturer of the meal, which he will be certain not to reflect in the price of the seed.

The Tariff Commission goes into an extensive explanation of what everyone ought to know, that we have a monopoly of this. In conclusion let me say that there is not a finer fertilizer known to the agricultural world than cottonseed meal, in that it has the peculiar quality of containing within itself potash and phosphoric acid as well as nitrogen; and the price of it to-day on its nitrogenous content as compared with nitrate of soda is higher than the price of nitrate of soda by virtue of the fact that the nitrogen in it is of vegetable origin and not of chemical origin, and for some inscrutable reason not known to the chemical world the vegetable-produced nitrogen is more lasting and permanent in its effect upon the soil than the chemical. Therefore the farmer who must have meal will pay more in buying back the meal that goes on his farm than any possible benefit that might accrue to him from the duty on the meal. The fact is, when he goes to buy the meal he buys it at the price fixed by the oil-mill men, and when he goes to sell his seed he sells it at the price fixed by the oil-mill men; and——

Mr. GOODING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from South Carolina yield to the Senator from Idaho?

Mr. SMITH. Just one minute; let me finish this sentence. The cotton producers of my State swap seed for meal, and they have to give as many tons of seed as they get of meal, and here latterly they have to give a ton and a half to a ton and three-quarters of seed for a ton of meal. Therefore, as you enhance the value of the manufactured product in the form of the cake or the meal, you enhance the exchange value in detriment to the seed. Therefore, any duty or any protection that you give the finished product of the oil-mill people will be reflected in the exchange value of the seed, because they claim that there is a certain waste, a certain amount that is not merchantable, and you decrease the value of the seed and increase the value of the meal, and the farmer is a purchaser of the meal either by money or through the exchange of his seed.

I hope, therefore, that this proviso as it relates to cotton seed——

Mr. GOODING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from South Carolina yield to the Senator from Idaho?

Mr. SMITH. I yield; yes.

Mr. GOODING. I want to say to the Senator that his position is perfectly sound if he wants to keep at a low price farm products and cottonseed meal and cottonseed cake and soya beans, of which we are now producing some in this country, and other oil cake. The free list is the proper place for them all in that event, because that is what always happens. It is used to beat down the price of the American product. That is why I stand for protection on cottonseed cake, cottonseed oil, and cottonseed meal.

Mr. SMITH. Mr. President I am quite sure that the producers of cotton seed throughout the South certainly do not desire this form of protection on the products of the oil mill. They are purchasers of these products out of the proceeds of the seed they sell. They have no control over the price of the seed they sell and no control over the price of the article they buy, and the purchasers of the seed can be very certain that whatever tariff is placed on it will not be reflected in the price of the seed.

Mr. WALSH of Montana. Mr. President, the State I represent is a great live-stock producing State. Very little of these concentrated feeds of any kind are consumed, however, in our

State, owing to the extraordinary freight rates to which they are all subject, whether they come from the South or whether they come from across the ocean and 6,000 miles from the Pacific coast. They are never used except in times of great scarcity; that is to say, in seasons when the ordinary fodders are rare and high priced. Then resort is made to these concentrated feeds.

The situation is this: The stock growers of the State are in a desperate situation. They are obliged to pay extraordinarily high prices for ordinary feeds, and at those times it becomes profitable to bring into the State these concentrated feeds, which will then compete with the others. Under those circumstances, when ruin stares them in the face and they are obliged to pay these extraordinarily high prices for cottonseed cake, it is proposed to shut out of the market soya-bean cake, that might possibly reduce by a trifle the expense of cottonseed cake.

I do not understand that the producers of cotton are alarmed at the competition which their industry would suffer by reason of the importation of soya-bean cake from the Orient, or elsewhere, wherever it is produced. It is inconceivable, considering the enormous amount of feedstuffs of all kinds, including corn—both the stalk, the leaf, and the grain—together with hay in all of its forms, that the introduction of the inconsequential quantity of soya-bean cake that comes into this country can in anywise whatever affect the ordinary price of these ordinary feeds.

Mr. GOODING. Mr. President——

Mr. WALSH of Montana. It can affect the price of the other concentrated feeds only in times of great scarcity and when the price is exorbitant, so that the producers of cottonseed cake are getting an unusually high price for their product anyway.

I yield to the Senator from Idaho.

Mr. GOODING. I just want to thank the Senator from Montana for making my position clear—that I have not been advocating this duty on oil cake and meal in the interest of the woolgrower.

Mr. WALSH of Montana. I do not believe that the Senator from Idaho and I differ about a great many of these things. I think this is an unjustifiable and unwarranted burden upon the sheep industry and upon the growers of sheep, the producers of wool. We were told some time ago that every encouragement ought to be given to that industry, and with that I fully agree; but I am unable to understand how you are encouraging that industry when you are imposing a heavy duty upon the importation of soya-bean cake, that will be used by that industry only when the situation of the industry is a critical one.

Mr. STANFIELD. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Oregon?

Mr. WALSH of Montana. I yield.

Mr. STANFIELD. I should like to call the attention of the Senator from Montana to the fact that we have already taken care of the woolgrower by giving him an adequate tariff protection.

Mr. WALSH of Montana. Oh, yes.

Mr. STANFIELD. Out on the Pacific coast there are extensive soya-bean importations that take the place of corn. The sheepman out in my State or in the State of Idaho buys soya beans when he finds that 1 ton of soya beans costs him less than 4 tons of corn. Any time that a ton of soya beans costs him more than 4 tons of corn he buys the corn; so, as the Senator from North Dakota has explained, it is a matter of displacement so far as our people are concerned in the use of corn for the feeding of sheep.

Mr. WALSH of Montana. Of course, it is a matter of displacement. Under all ordinary circumstances the sheep grower of Montana can not buy corn. The freight is too high; and when it comes to a point where he must buy corn the burden upon him is so great that he ought to be given an opportunity to buy substitutes anywhere he can, at any price he can.

Mr. UNDERWOOD. Mr. President, the amendment before the Senate is not of much importance. It is about a small matter. It is hardly necessary to discuss it from that angle. But sitting here listening to the arguments in favor of the amendment the question has again occurred to my mind, on what basis is the bill being written? What is the guiding star which shapes its course to its final enactment?

On Friday last we were told that protection meant the levying of taxes at the customhouse which were sufficient to equal the difference in the cost of production at home and abroad; that on that basis protective tariff bills should be written, and that when the President applied the extraordinary powers which are about to be granted him, in writing executive tariff bills, he would write them on the basis of the difference in the cost of production at home and abroad.

This morning we find an item presented, not at the request of the American producer of the article for a protective tariff, not at all; not on the theory that we are to give a protective tariff to equalize the difference in cost of production at home and abroad, because that has not been discussed as one of the equations in solving the problem. In fact, if we consider the testimony which has been laid before us by Senators we find it has nothing to do with it, for, although equations have not been laid before us, it has been called to the attention of the Senate that four times as much of that commodity is exported abroad as is imported into the home market, which clearly indicates that the article is produced more cheaply in this country than abroad, or at least as cheaply. Yet we find the distinguished Senator who has offered the amendment backed by the chairman of the Finance Committee, who is supporting this amendment on the basis of displacement, whatever that may mean, a new theory in the Republican ideas of writing tariff bills on the theory that there is some cottonseed or oil cake coming from the Orient which may displace a few pounds of corn in somebody's market, and that, therefore, this duty should be imposed, not to protect the producers of American cotton cake or oil cake but to prevent a foreign commodity from coming into the country and occupying a field of consumption which some other commodity may occupy.

This bill is already as spotted as a leopard's hide, and every spot in the bill is of a different color and comes from a different angle. The bill has been written on no basis at all. We have free trade injected into the bill when it is to the interest of the majority of Senators, although I do not know what kind of interest it can be. When it is to the seeming interest of the constituencies they represent that there should be free trade, it is injected into the bill without rhyme or reason.

On the other hand, if it is determined that it is more advantageous, politically or otherwise, that we should have prohibitive tariff rates on some commodities, they are injected into the bill. Now we come to a new theory on which to write a tariff bill, designated as "displacement." I do not know what we will come to before this bill is passed, but I certainly hope that when it is disposed of the country may have some opportunity to understand the theory on which the rates in this bill have been based.

The PRESIDENT pro tempore. The question is on agreeing to the amendment, on which the yeas and nays have been ordered.

The Assistant Secretary proceeded to call the roll.

Mr. FLETCHER (when his name was called). I have a general pair with the Senator from Delaware [Mr. BALL]. I transfer that pair to the Senator from Rhode Island [Mr. GERRY] and vote "nay."

Mr. McCUMBER (when his name was called). I have a general pair with the junior Senator from Utah [Mr. KING]. I transfer that pair to the junior Senator from Washington [Mr. POINDEXTER] and vote "yea." I ask that this announcement of the transfer may stand for all the votes on this calendar day.

Mr. POMERENE (when his name was called). I have a pair with my colleague [Mr. WILLIS], who is detained because of serious illness in his family. I do not know how he would vote were he present, but I transfer my pair with him to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "nay."

Mr. TRAMMELL (when his name was called). In the absence of my pair, the senior Senator from Rhode Island [Mr. COLT], I withhold my vote. If permitted to vote, I would vote "nay."

Mr. WATSON of Georgia (when his name was called). I have a pair with the senior Senator from California [Mr. JOHNSON]. If present, he would vote "yea," and as I would vote "nay" if permitted to vote, I withhold my vote.

Mr. WATSON of Indiana (when his name was called). I have a general pair with the senior Senator from Mississippi [Mr. WILLIAMS]. I transfer that pair to the senior Senator from Maryland [Mr. FRANCE] and vote "yea." I ask that this announcement of my pair and transfer may stand for the day.

The roll call was concluded.

Mr. EDGE. I have a general pair with the Senator from Oklahoma [Mr. OWEN]. I transfer my pair to the junior Senator from Vermont [Mr. PAGE] and vote "nay."

Mr. UNDERWOOD. I desire to announce that the junior Senator from Mississippi [Mr. HARRISON] is absent. He is

paired with the Senator from West Virginia [Mr. ELKINS], and if present would vote "nay."

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from Minnesota [Mr. NELSON] with the Senator from Massachusetts [Mr. WALSH]; and

The Senator from Missouri [Mr. SPENCER] with the Senator from Georgia [Mr. HARRIS].

Mr. EDGE. I have a pair with the senior Senator from Oklahoma [Mr. OWEN], which I transfer to the junior Senator from Vermont [Mr. PAGE], and vote "nay." I ask that this announcement of transfer stand for the day.

Mr. HALE. I desire to announce that my pair, the Senator from Tennessee [Mr. SHIELDS], is absent, but I am informed that if present he would vote the same as I shall, and therefore I vote "nay."

Mr. MCCORMICK. I desire to announce that if my colleague [Mr. MCKINLEY] were present, he would vote "yea."

Mr. MCKELLAR. Mr. President, has the senior Senator from Indiana [Mr. NEW] voted?

The PRESIDENT pro tempore. He has not voted.

Mr. MCKELLAR. I have a pair with that Senator, which I transfer to the Senator from South Carolina [Mr. DIAL], and vote "nay."

Mr. JONES of New Mexico. I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Nevada [Mr. PITTMAN], and vote "nay." I ask that this announcement of the transfer of my pair may stand for the day.

Mr. WALSH of Montana (after having voted in the negative). Has the Senator from New Jersey [Mr. FRELINGHUYSEN] voted?

The PRESIDENT pro tempore. He has not voted.

Mr. WALSH of Montana. I have a general pair with that Senator, and, being unable to obtain a transfer, I withdraw my vote.

The result was announced—yeas 23, nays 31, as follows:

YEAS—23.

Broussard	Gooding	Nicholson	Shortridge
Bursum	Jones, Wash.	Norbeck	Smoot
Cameron	Lenroot	Oddie	Sutherland
Capper	McCormick	Pepper	Stanfield
Curtis	McCumber	Phipps	Watson, Ind.
Ernst	McNary	Rawson	

NAYS—31.

Ashurst	Heflin	Myers	Smith
Borah	Jones, N. Mex.	Overman	Stanley
Calder	Kellogg	Pomerene	Sterling
Culberson	Kendrick	Ransdell	Swanson
Cummins	Keyes	Reed	Underwood
Edge	Lodge	Robinson	Wadsworth
Fletcher	McKellar	Sheppard	Warren
Hale	Moses	Simmons	

NOT VOTING—41.

Ball	Gerry	McLean	Townsend
Brandegee	Glass	Nelson	Trammell
Caraway	Harreld	New	Walsh, Mass.
Colt	Harris	Newberry	Walsh, Mont.
Dial	Harrison	Norris	Watson, Ga.
Dillingham	Hitchcock	Owen	Weller
du Pont	Johnson	Page	Williams
Elkins	King	Pittman	Willis
Fernald	Ladd	Poindexter	
France	La Follette	Shields	
Frelinghuysen	McKinley	Spencer	

So the committee amendment was rejected.

Mr. MCCUMBER. On page 201, line 5, after the word "silver" and the comma, I move to insert the word "platinum" and a comma.

The PRESIDENT pro tempore. The Chair desires to suggest that there are two amendments prior to the one mentioned by the Senator from North Dakota, which, under the unanimous-consent agreement, will be taken up first.

Mr. MCCUMBER. Very well.

The PRESIDENT pro tempore. The next amendment will be stated.

The ASSISTANT SECRETARY. On page 200, line 22, strike out the word "calendar" and insert the word "calender."

The amendment was agreed to.

The ASSISTANT SECRETARY. On page 201, line 2, strike out "25" and insert in lieu "35," so as to read:

PAR. 1443. Rolls: Calender rolls or bowls made wholly or in chief value of cotton, paper, husk, wool, or mixtures thereof, or stone of any nature, compressed between and held together by iron or steel heads or washers fastened to iron or steel mandrels or cores, suitable for use in calendering, embossing, mangling, or pressing operations, 35 per cent ad valorem.

Mr. WALSH of Montana. Mr. President, I have been seeking in the information furnished by the Tariff Commission some enlightenment concerning this particular item. Calender rolls seem to be an article very extensively used in the manufacture of paper and other commodities. I have been unable to learn anything about the article. Will the Senator from North Dakota explain just why we ought to impose a duty of 35 per cent upon this commodity?

Mr. MCCUMBER. Mr. President, the articles come in under a provision according to the chief value, and it is the first time they have been given a separate designation. They would probably run higher than 35 per cent as an average on the basis of chief value, but, taking the particular items into consideration, the committee simply felt from all the evidence of importations, and so forth, that 35 per cent is a proper ad valorem duty.

Mr. WALSH of Montana. It would seem to be an almost necessary conclusion from the fact that the committee fixes that duty that the committee thought it was a proper duty; but I was trying to find out upon what facts the committee reached that conclusion.

Apparently, Mr. President, this is a burden chiefly upon the manufacturer of paper. The rolls referred to in the paragraph are an important constituent of the machinery used in the manufacture of paper. Why should we burden the manufacturer of paper, or indeed the manufacturer of any of these commodities, in the production of which these rolls are used, by such a duty as 35 per cent? What are the facts concerning the cost of production here and abroad of this particular article which, being the principle on which the tariff bill is framed, should lead us to the conclusion that the American manufacturer should have a protection of 35 per cent in order to enable him to stand on the same footing as the European producer? The House fixed 25 per cent, but there is no basis in the hearings, so far as I can learn, for fixing even that rate.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment will be stated.

The ASSISTANT SECRETARY. The committee proposes to amend, on page 201, line 4, after the word "composed," by inserting "(except if made in whole or in part of gold, silver, gold plate, silver plate, precious or imitation precious stones)."

The Senator from North Dakota moves to amend the committee amendment by inserting the word "platinum" and a comma after the word "silver," in line 5, so as to read:

PAR. 1444. Rosaries, chaplets, and similar articles of religious devotion, of whatever material composed (except if made in whole or in part of gold, silver, platinum, gold plate, silver plate, precious or imitation precious stones), valued at not more than $1.25 per dozen, 15 per cent ad valorem.

Mr. REED. Mr. President, I presume there is no more objection to inserting the word "platinum" than there is to retaining in the bill "gold, silver, gold plate," and so forth. The matter regarding which I rose to inquire is why we should levy a tax upon the importation of rosaries, chaplets, and similar articles of religious devotion. I am not in any way connected with any church or religious organization which employs rosaries or chaplets, but it seems to me that we might at least not levy a tax upon religion, anybody's religion. It does seem to me that the Word of God and the ordinances of the church might at least be free; that a tax of this kind is an abomination and one which ought to arouse just indignation on the part of every member of every religious organization and of everybody else who believes that salvation ought to be free, and that its instrumentalities, whatever they are, might also at least come into the country free of tax.

I am, therefore, opposed to the amendment, and I move to amend the amendment by striking out all of paragraph 1444.

The PRESIDING OFFICER. The amendment is not yet in order. The amendment proposes to eliminate the paragraph, while the amendment proposed by the Senator from North Dakota is an amendment to the amendment, perfecting the text. The Senator's amendment will be in order later.

Mr. REED. I will let the Senator from North Dakota perfect the text, and then it will be in order to move to strike out the whole paragraph. I shall make that motion at that time.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from North Dakota to the amendment of the committee.

Mr. WALSH of Montana. I want to suggest to the Senator from Missouri that those who do not like the provision——

Mr. MCCUMBER. Does the Senator object to inserting the word "platinum" as well as silver?

Mr. WALSH of Montana. Not at all.

Mr. McCUMBER. That is all there is to the pending amendment.

Mr. WALSH of Montana. I want to address myself to the paragraph. However, if the Senator insists upon disposing of the particular amendment, I have no objection to its being considered.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from North Dakota inserting the word "platinum" in the amendment of the committee.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is on the committee amendment as amended.

Mr. McCUMBER. There is another amendment in line 6 where the word "or" should be inserted after the word "plate" so as to read, "gold plate, silver plate, or precious or imitation precious stones."

The PRESIDING OFFICER. Is there objection to the amendment to the amendment? The Chair hears none, and it is agreed to.

Mr. WALSH of Montana. All of the amendment found in lines 4, 5, and 6, page 201, relates to the amendment found in lines 9, 10, and 11; that is to say, the commodities referred to in lines 9, 10, and 11 are excluded from the commodities named in lines 3 and 4 by virtue of the amendment found in lines 4, 5, and 6, as I understand the matter.

Mr. McCUMBER. If the Senator will allow us to perfect these amendments by the insertion of those words which are necessary, it would help us then to get right down promptly to the proposition which the Senator desires to make, namely, to strike out the provision.

The PRESIDING OFFICER. The question is on the committee amendment in lines 4, 5, and 6 as amended.

Mr. McCUMBER. I wish to insert in line 10——

The PRESIDING OFFICER. The Chair calls attention to the fact that the matter in lines 4, 5, and 6 is one amendment. If there is no further amendment to be made to that the question is on agreeing to that amendment.

Mr. WALSH of Montana. That is not quite the situation as I understand it.

Mr. McCUMBER. I think we should put in all these amendments so that the entire paragraph may be perfected. Then I shall not object to the motion to strike it out entirely.

The PRESIDING OFFICER. That is what the Chair is trying to do.

Mr. WALSH of Montana. I ask unanimous consent that we may proceed to the consideration of the other portion of the amendment.

The PRESIDING OFFICER. The Chair understands there are two amendments here—one in lines 4, 5, and 6, which is one amendment, and the other in lines 8, 9, 10, and 11.

Mr. WALSH of Montana. I will put it the other way. I ask unanimous consent that the two amendments be considered as one.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana that the two amendments be considered as one? The Chair hears none, and it is so ordered. The Secretary will state the second part of the amendment.

The ASSISTANT SECRETARY. The second part of the amendment is on page 201, line 8, to strike out the words "ad valorem" and insert the words "ad valorem" and a semicolon and the following words: "any of the foregoing if made in whole or in part of gold, silver, gold plate, silver plate, precious or imitation precious stones, 50 per cent ad valorem," so as to make the paragraph read:

PAR. 1444. Rosaries, chaplets, and similar articles of religious devotion, of whatever material composed (except if made in whole or in part of gold, silver, platinum, gold plate, silver plate, or precious or imitation precious stones), valued at not more than $1.25 per dozen, 15 per cent ad valorem; valued at more than $1.25 per dozen, 30 per cent ad valorem; any of the foregoing if made in whole or in part of gold, silver, gold plate, silver plate, precious or imitation precious stones, 50 per cent ad valorem.

Mr. McCUMBER. Mr. President, I move to insert after the word "silver," in line 10, on page 201, the word "platinum" and a comma.

The PRESIDING OFFICER. The amendment which is proposed by the Senator from North Dakota to the committee amendment will be stated.

The ASSISTANT SECRETARY. On page 201, paragraph 1444, line 10, after the word "silver," it is proposed to insert the word "platinum."

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. McCUMBER. On the same page and in the same line, after the words "silver plate," I move to insert the word "or."

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on the entire amendment as amended.

Mr. WALSH of Montana. Mr. President, this is a very small matter considered in dollars and cents. The Senator from Missouri [Mr. REED] has asked why this duty was recommended by the committee. My suggestion is that it was recommended by the committee simply because it was asked for, as were a great many other provisions of the pending bill. It was asked for by a large number of manufacturers represented by Emil Klein, of Providence, R. I. The manufacturers of these commodities asked that the paragraph as it came to the Senate from the House of Representatives be amended so as to read as follows:

Rosaries and chaplets, of whatever material composed, valued at not more than $1.25 per dozen, 15 per cent ad valorem; valued at more than $1.25 per dozen, 30 per cent ad valorem; any of the foregoing if made in whole or in part of gold, silver, gold plate, silver plate, precious or imitation precious stones, 50 per cent ad valorem.

So that it will be perceived that the people who ask for this paragraph got it in the exact shape they asked for it, except that the first part of the amendment, which reads "except if made in whole or in part of gold, silver, gold plate, silver plate, precious or imitation precious stones" was inserted in order to make the whole provision harmonious. They asked that the words "and similar articles of religious devotion" be excluded, but the committee did not accede to that request. This is a case in which exactly the duty was given which was asked for by the manufacturers represented, as I have stated, by Mr. Klein.

But what showing do these people make?

Mr. LODGE. By whom did the Senator from Montana say these people were represented?

Mr. WALSH of Montana. They were represented by Mr. Emil Klein, of Providence, R. I. This is what they told the committee about the matter. Bear in mind, we are going to impose a duty now equaling the difference in the cost of production here and abroad. They said:

Because of the unsettled commercial and industrial conditions abroad and because of the fluctuating rates of foreign commerce we can not at the moment give figures indicating differentials in the cost of production at home and abroad relative to such rosaries as we manufacture.

There were certain lists of exhibits which were filed by Mr. Klein, representing Klein & Sons, of Providence, R. I., which he said could be manufactured abroad more cheaply than they could here, but that is practically the sum of the showing that was made.

Mr. LODGE. May I ask the Senator a question before he takes his seat?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Massachusetts?

Mr. WALSH of Montana. Yes.

Mr. LODGE. These articles were all dutiable under the Underwood law, were they not?

Mr. WALSH of Montana. They were dutiable only on the component parts.

Mr. LODGE. They were dutiable as articles of apparel?

Mr. WALSH of Montana. Yes.

Mr. LODGE. As articles that could be carried or worn?

Mr. WALSH of Montana. Yes.

Mr. LODGE. And also on the component material of chief value. I do not know what the rate is.

Mr. McCUMBER. The rates would be much higher than they are under this provision.

Mr. WALSH of Montana. Mr. President, I should not have the slightest objection and I do not know anyone who has any objection to this. The dealers in the articles made no objection. They appeared and stated that it was a matter of indifference to them what the rates were. Of course, the ordinary rosaries are sold at small prices. Those who buy the highly expensive ones, which are made of gold or silver beads or of precious stones, are willing to pay for them; that is not the point at all; but there does not seem to have been any showing made at all upon which any such imposition is justified. As has been remarked by the Senator from Missouri, I do not think that it is particularly creditable.

Mr. McCUMBER. If the Senator will allow me, I desire to say that there is not an increase in this case, but there is a decrease.

Mr. WALSH of Montana. It is an increase so far as it has been increased.

Mr. FLETCHER. These articles have been classified in the acts of 1909 and 1913——

The PRESIDING OFFICER. Does the Senator from Florida desire recognition on the amendment?

Mr. FLETCHER. I did not mean to take the Senator from Montana [Mr. WALSH] off the floor.

Mr. WALSH of Montana. I yield to the Senator.

Mr. FLETCHER. Under the acts of 1909 and 1913 these articles were classified according to the component material of chief value or as articles designed to be worn on the apparel or carried on or about or attached to the person. Then they were taxable, but otherwise not. Unless some such classification as that is inserted in the provision, I shall favor striking it out.

The PRESIDING OFFICER. The question is on the committee amendment.

Mr. REED. Mr. President, I should like to know what the committee amendment proposes.

The PRESIDING OFFICER. The amendment is printed in italics in the paragraph under consideration.

Mr. REED. I desire to know what are the joint amendments which have been put together by virtue of the unanimous-consent agreement. If those amendments be adopted, then my motion to strike out the paragraph will be in order, as I understand the parliamentary situation.

Mr. McCUMBER. Mr. President, I want to say merely a word upon the proposed amendment. Of course, if it were adopted it would mean that these articles would be placed under some other classification; in other words, they would fall in the basket clause. If we were to strike out the paragraph entirely as it now stands, of course the articles would then take a higher rate of duty as, under the ordinary basket clause, they would be included in the classification "manufactured articles," according to the value of the chief component material thereof. That is the way they are taxed under the present law.

I wish to say, further, a word about relieving from taxation articles that may be used in a church. If we are going to relieve rosaries from taxation, why should we not relieve from taxation the images which are used? Why should we not relieve from taxation everything else that is used in a church? Why should we not treat all churches alike?

As a matter of fact, as it has already been suggested by the Senator from Montana, the average little rosaries which are used in the Catholic and in the Episcopal churches are very cheap indeed. There will be very little additional duty, and if gold and silver and platinum and precious stones are to be used in making them it does seem to me that those who desire to purchase such articles can well afford to pay the duty that is fixed under the paragraphs of the bill.

The same question arose in connection with stained glass windows. In that case there was a conflict between those who build churches and the laborers who produce the stained glass. We fixed a duty which we thought would be a protective duty to the laborers in the United States engaged in the industry, but in the case of the extremely expensive stained glass windows which are not produced at all in the United States and can not be produced in the United States we adopted a provision allowing their importation. I think that so far as the imposition of duties is concerned we ought not to make an exception because an article is used in this church or that church or the other church or whether it is used in all of them together.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Montana?

Mr. McCUMBER. I yield.

Mr. WALSH of Montana. The only thing against which I protest in this matter is to the imposition of this duty simply because a bunch of manufacturers who are engaged in manufacturing these articles come here and ask that it be done.

Mr. McCUMBER. None of these duties have been placed in the bill because a bunch of manufacturers wanted them. There is no question at all that these articles can be produced cheaper abroad than they can be produced in the United States. The only question is whether we shall take out of the general rule under which no distinction is ever made as between churches those particular articles which are used in any particular church. I am discussing now the amendment offered by the Senator from Missouri. I do not think if the Masons want a particular regalia they should pay a less rate of duty than the Odd Fellows would pay for their regalia or the Knights of Pythias or the Elks or any other organization. I do not know of any reason why we should make a special rule for those organizations. I think the duty should be levied either under the Democratic theory of a duty for revenue only or that it should be levied under the Republican idea of a duty for revenue and protection, and that we should not take into consideration the interest of this church or that church or any particular form of religion as affecting the duty which we are levying for the purpose of protection.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield further to the Senator from Montana?

Mr. McCUMBER. I yield.

Mr. WALSH of Montana. It is simply a matter of my gorge rising at the idea of these people endeavoring to enrich themselves out of the devotion of the people.

But, Mr. President, the Senator referred to the stained-glass window provision. I have not been able to understand exactly what the situation is with respect to artistic stained-glass windows.

Mr. McCUMBER. Mr. President, under the present law the Senator understands that they come in as manufactured articles and will be dutiable according to the component material of chief value, and that in many instances that would mean more than the rate we have placed on the articles under this special provision in the pending bill. If we should strike that out, of course those particular articles then would come under a like paragraph covering manufactures. We would have to take each article and see what the duty would be, unless the Senator wishes to specify them and put them on the free list. Of course, that would take them without the provision of the general basket clause.

Mr. WALSH of Montana. Mr. President, I do not know whether the Senator was referring to the inquiry I addressed to him concerning stained-glass windows or not. They are referred to in paragraph 1688 as follows:

> Works of art, productions of American artists residing temporarily abroad, or other works of art, including pictorial paintings on glass, imported expressly for presentation to a national institution or to any State or municipal corporation or incorporated religious society, college, or other public institution, including stained or painted window glass or stained or painted glass windows which are works of art and valued at $15 or more per square foot, when imported to be used in houses of worship, and excluding any article, in whole or in part, molded, cast, or mechanically wrought from metal within 20 years prior to importation; but such exemption shall be subject to such regulations as the Secretary of the Treasury may prescribe,

Mr. McCUMBER. That is the class that I mentioned a short time ago. I said we allowed those very expensive articles to come in which did not conflict with the production in the United States because those are not produced in the United States, and we allowed them to come in not generally but only when they were a gift from the foreign country.

Mr. WALSH of Montana. Am I to understand that the committee intends to leave paragraph 1688 as it reads here?

Mr. McCUMBER. Yes.

Mr. WALSH of Montana. I understood that an amendment might be made to that paragraph.

Mr. McCUMBER. No; I have not in mind any amendment to the paragraph which the Senator has just read. This allows a gift to a church or a gift to a museum or any other public or semipublic institution to come in without payment of duty.

Mr. WALSH of Montana. That is when the glass is valued at more than $15 per square foot?

Mr. McCUMBER. Yes. The reason why we drew that line was that the ordinary glass, valued at less than that, is produced in the United States and produced very generally. The particular articles valued at a much higher rate than this, requiring great art, we do not produce in the United States, and, therefore, we allow those to come in without the payment of this protective duty.

Mr. WALSH of Montana. About what price per foot does the ordinary rather high-class church or cathedral window cost?

The PRESIDING OFFICER. The Chair desires to suggest that the discussion of another paragraph at this time is contrary to the unanimous-consent agreement.

Mr. McCUMBER. I appreciate that.

The PRESIDING OFFICER. The question is on the adoption of the committee amendment.

Mr. REED. Mr. President, the amendment has now been perfected, as I understand.

The PRESIDING OFFICER. Yes; the amendment has been perfected, but it has not yet been agreed to. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. REED. I move to amend the amendment by striking out the language of paragraph 1444, and inserting in lieu thereof:

> Rosaries, chaplets, and all articles of religious devotion, free.

The PRESIDING OFFICER. The Senator desires to strike out all of paragraph 1444, does he, and then transfer part of it to the free list?

Mr. REED. Yes; I move to strike out all of paragraph 1444, and to insert in lieu thereof the following:

Rosaries, chaplets, and all articles of religious devotion, free.

That will admit free articles of religious devotion, whether they are used by one particular church or by another.

The PRESIDING OFFICER. The Chair will suggest to the Senator that if he will make a motion to strike out all of paragraph 1444, then, if that is adopted, he can offer in the free list a provision covering the matter.

Mr. REED. I want to put it here. I want to put it this way. I want the vote to be upon this concrete proposition and not on a split proposition, and I am certainly within the rules of order. It can be transferred afterward to the free list by another vote, if desired.

Mr. LODGE. The usual way to make it free is to put it on the free list.

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Massachusetts?

Mr. REED. I yield for a question.

Mr. LODGE. That was all I wanted to say—that the usual way is simply to move to put it on the free list.

Mr. REED. I am changing the language, too. I am not here appealing for any advantage to any church. Of course, as I understand, rosaries probably are used only by one church, but I may be in error in regard to that. On reflection, I think I am. The point I am making is that any article that is used in connection with religious ceremonials or devotions, whether by one church or by many churches or by all churches, we can afford to allow to come into this country free of charge. We put Bibles on the free list. Why? Because it is recognized that the Bible is connected with the religion and ideas of devotion of the people of this country. I see no reason why the articles employed in the religious service of any church, whether it be the Jew or the Gentile, the Catholic or the Protestant—and they all purchase or employ certain articles—should not be allowed to come into this country tax free.

The Senator spoke of the Masonic fraternity, and the Knights of Pythias, and some other secret orders. If we were permitting the rituals of some of these orders to come in free, the Senator's argument would find a parallel in a sense, but only in a sense. That is not proposed, however; and I do not suppose that the Senator puts these secret orders—and I respect every one of them—upon the same level as he does the churches of the land.

It seems to me that if we put Bibles on the free list we can well afford to put on the free list those articles which are a part of the religious ceremonial and regulation of any church. I am not making any plea at all for any particular church, but for all of them. It seems to me a ridiculous thing to sing "I'm glad salvation's free," and then tax its instrumentalities for coming into this country. It seems to me we are going a good way to get a little tax. Back of it, what is there? After all is said and done, there is the cupidity of the gentleman in America who manufactures these things and who wants to levy a tax upon the piety of the people for his benefit.

Mr. President, I make that motion, and on that motion I ask for the yeas and nays.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Missouri, upon which he asks for the yeas and nays. Is the request seconded?

The yeas and nays were ordered.

Mr. McCUMBER. Mr. President, I think the Senator's motion requires a little consideration and thought before we vote on it. To be sure, we place Bibles upon the free list. We place books of science, and so forth, on the free list. We place books more than 20 years old upon the free list, unless they have been bound with a special binding, and then we levy a duty only upon the value of the binding; but let us see the effect of the Senator's amendment.

He places rosaries, chaplets, and similar articles of religious devotion, of whatever material composed, on the free list. Let us take the ordinary rosary. Let us have the cross diamond studded. Let us have the rosary itself and its beads made of diamonds or pearls. Separate the two, the cross and the beads, and it is no longer a rosary. You have, therefore, imported under a rosary diamonds, pearls, and manufactures. All you need to do is to separate them and you have your diamonds in free, you have your pearls in free, and you have your manufactures in free—articles on which we are levying a duty of 60 per cent, up to 70 per cent, and even a higher percentage.

I think we are getting on very dangerous ground. I repeat that when it comes to the question of importations, the raising of revenue, or the protection of American industries, I do not think we should try to find a dividing line of everything that should go into a church and things which might not go into a church, and say that the things which go into the church shall be free—the nails, the shingles, the hardware of every character—and yet that is what would be the result of the philosophy of the Senator from Missouri. We are giving a protection for American manufacturers. American manufacturers manufacture these religious articles, the same as foreigners do. Most of them, I think, are sold to the public at a very low rate, possibly lower than any other similar merchandise.

It is not a question of cupidity on the part of the manufacturers. The manufacturers and importers practically agreed in their testimony, and the Senator from Montana is mistaken when he suggests that these duties are put in only at the behest of the manufacturers. We had the testimony of manufacturers and importers, and the law as proposed seemed to be agreeable at least to both the importers and the manufacturers. But if even we thought that we should make a difference in the treatment of articles imported to go into a church, or to be used by church people, then we ought to have some special paragraph relating to it, and it ought to be drawn with exceedingly great care, in order that the right of importation for religious purposes might not be taken advantage of for entirely different purposes; and it certainly would be taken advantage of if we allowed jewelry to come in free because it came in in the form of a rosary, or a chaplet, or any other article.

Mr. WALSH of Montana. It seems to me that the suggestion made by the Senator from North Dakota is eminently sound. These articles might easily be dissociated from their real purpose. Why would it not be satisfactory to the Senator to have a provision to the effect that they should bear a rate of duty fixed in the bill upon the component article of chief value?

Mr. McCUMBER. Because, on the whole, I think it would be a higher rate of duty. I would be perfectly willing, if it is desired to do that, but I think in many of the instances the rate of duty would be higher than that we have fixed here in the shape of an ad valorem duty.

Mr. WALSH of Montana. Why does the Senator think it would be higher?

Mr. McCUMBER. I am informed that it has caused almost continuous litigation to determine which is the component article of chief value in the matter of jewelry. We can determine it in the case of cotton and wool, and many other things, but it is extremely difficult in the matter of jewelry.

Mr. WALSH of Montana. I do not see why there should be any more trouble about it than in the case of fabrics.

Mr. McCUMBER. If the Senator took a piece of jewelry consisting of many different kinds of precious stones and undertook to get a comparison, he would find it extremely difficult to say whether this emerald is the component article of chief value, or this pearl is the component article of chief value, or this diamond is the component article of chief value, or this ruby is the component article of chief value, in the piece of jewelry.

Mr. WALSH of Montana. If this is a less rate than the usual rate upon the component article of chief value, then the fraud could be perpetrated by introducing the article in the form of a rosary and dissociating it here.

Mr. McCUMBER. Possibly to some extent, but very little, I think. Here are two pages of cases which are given in which there was litigation over the subject of what is the component article of chief value.

Mr. LODGE. Mr. President, I merely desire to say that the suggestion made by the Senator from Montana seems to be a very reasonable and proper one. No one likes to tax an article of devotion or to put a duty on it. It is something we all should like to avoid. But to have an article of devotion, one regarded with reverence by millions of people, used for the purpose of perpetrating customs frauds seems to me a very undesirable result, and we ought to be able to meet it in some such way as the Senator from Montana has suggested. Of course, the ghost that always stalks across every path here, that "it can not be enforced," has appeared now. We had rosaries and chaplets dutiable under the law of 1909 and under the Underwood law, but they were put in general basket clauses. They were not named specifically, but came in as articles of apparel or use. In other words, Congress in those laws did perhaps in an imperfect way what the Senator from Montana suggests. I think that the placing of a duty on articles of devotion is very unattractive. I believe no one likes to do it.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from North Dakota?

Mr. LODGE. I yield.

Mr. McCUMBER. I may not be the individual who should make any suggestions as to the teachings of the Savior, but from what little I know of them, at least I would not say that His teachings would indicate that rosaries should be diamond studded and that we should have extremely expensive articles, which could only be used by very wealthy people as articles of devotion or to represent Christianity in any form. Does the Senator believe that a rosary should be diamond studded?

Mr. LODGE. The Senator is taking all of my time. I thought I made it clear, but I suppose my expression was imperfect, that we ought not to admit free of duty precious stones and pearls, no matter in what form. They are objects of luxury. I thought I made that clear as an objection to what the Senator from Missouri proposed. I tried to do so. I said in a general way what I feel, that I think all of us dislike—I am sure I do—the idea of voting a duty or a tax on articles of apparel or use which are used solely for purposes of religious devotion, no matter what sect uses them. But certainly it ought not to be employed, as it would be, as a method of committing fraud, and I think there is grave danger of that when they are made of stones of very great value. I believe that is the defect in the motion of the Senator from Missouri, if I may say so.

Mr. REED. Mr. President, I would not be frank if I did not say that in making my motion the idea of fraud in the manner suggested by the Senator from North Dakota had not occurred to me, and I think there ought to be a provision here which would protect against it. I therefore withdraw my former motion and make the following motion: I move that paragraph 1444 be amended so that it shall read as follows, striking out the word "similar":

Rosaries, chaplets, and other articles of religious devotion of whatsoever material composed, valued at not more than $5 per dozen, free; all other importations of the character aforesaid shall bear that rate of duty which their chief——

Mr. LODGE. May I make a suggestion to the Senator?

Mr. REED. Certainly.

Mr. LODGE. I think the paragraph might be placed upon that basis, but it seems to me that it would be well if we passed it over temporarily to see if we can not prepare something to meet the objection.

Mr. REED. I would prefer that to undertaking to amend it here as I stand on my feet. If it can be passed over temporarily, I will prepare an amendment and be glad to consult with the chairman of the committee with regard to it.

The PRESIDING OFFICER. Without objection, the paragraph will be passed over temporarily. The Secretary will state the next amendment.

The next amendment was, in paragraph 1446, page 201, line 16, to increase the rate of duty on violin rosin from "10" to "15" per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 201, line 21, after the word "for," to strike out "15" and to insert "25," so as to make the paragraph read:

PAR. 1447. Works of art, including paintings in oil or water colors, pastels, pen and ink drawings, and copies, replicas, or reproductions of any of the same; statuary, sculptures, or copies, replicas, or reproductions thereof; and etchings and engravings; all the foregoing, not specially provided for, 25 per cent ad valorem.

Mr. WALSH of Montana. Mr. President, I hope we will not establish the precedent of imposing a duty as high as 25 per cent on works of art. I need not say that these things contribute to the refinement of our people. They bear 15 per cent under the present law. The House seemed to think that was enough. I hope the Senate committee will feel disposed to withdraw the amendment proposed.

Mr. McCUMBER. Mr. President, we sought not to change the House duty at all. The house duty is based upon the American valuation, and we gave what we regarded as the equivalent based on the foreign valuation, which is 25 per cent ad valorem.

Mr. WALSH of Montana. I understand, but the existing rate seems to have been entirely adequate. The Tariff Commission advises us that there is no real competition in this class of goods. Apparently we produced in 1914 $3,910,000 worth of goods of this character, and in 1919 we produced $4,982,000 worth. The importations are inconsequential. The imports in 1914 amounted to $766,464, and they have been falling practically ever since. In 1918 they were only $11,000; in 1919 they were $27,000; in 1920 they were $78,000; and in the first nine months of 1920 they were only $40,641, while, on the other hand, we export great quantities of these productions. In 1914 we exported, of paintings and statuary of all kinds, $1,415,000 worth, going to France, England, Canada, and Germany. In 1918 we exported $341,000 worth; in 1919 we exported $1,150,000 worth; in 1920 we exported $1,640,000 worth; and in the first nine months of 1921 we exported $756,552 worth. So we seem to be doing tolerably well under the existing condition of things with a 15 per cent rate.

These facts are incontrovertible, and they seem to show no justification for an increase in the rate. I hope that the most liberal disposition will be exhibited in this body, at least, toward these things which contribute to the decoration of the homes of the people, the elevation of their ideals, and that kind of thing, and if we introduce some few from abroad which have special merit and worth, I am sure that the result is not anything but beneficial to the people at large.

Mr. McCUMBER. In 1910, with an act which gave us 15 per cent, and on etchings 25 per cent, we imported $1,515,000 worth. In 1914, with a 15 per cent duty, we imported $366,771 worth. In 1921 we imported $335,199 worth. It is pretty difficult to state certainly in a painting what is protective and what is not, because what one person may paint may bring a very high price because of his reputation, while what others paint may bring a very low price. The art, however, would cover the statuary that is used and which is made in the United States, and made very much more cheaply in Italy and some of those countries. I think we might regard it as more of a revenue duty. It is not a high duty, at least, when we say 25 per cent.

Mr. LODGE. Mr. President, the question of a duty on works of art has been much discussed in the Senate. I have always felt that it is an advantage to the country to have works of art admitted free; that it was desirable for the country on every ground that works of art should be admitted free. Of course, any work by an American artist is free. In the act of 1913, works of art, except rugs and carpets, collections in illustration of the progress of the arts, and so forth, and objects of art of ornamental character or educational value which shall have been produced more than 100 years prior to the date of importation, but the free importation of which shall be subject to such regulation as to proof of antiquity as the Secretary of the Treasury may prescribe, were admitted free. When the Underwood law was enacted, which was an alleged revenue law, it carried in this respect substantially the rates of the Payne-Aldrich law.

The argument is made that many works of art are brought here which are fair subjects for yielding a revenue. I do not care to make any contest on that point now. No question of protection can possibly arise. We can not create a painter or sculptor by putting a duty on paintings. They are no more likely to develop than if we let the best art come in free. I am not disposed, therefore, to oppose some revenue duty on the articles mentioned, but I confess I do not see why it should be increased over the House rate.

Mr. McCUMBER. I think the Senator has not carefully considered the particular paragraph. It says "not specially provided for." It will be very difficult for us to say what might come in that class, because about everything we can consider has been specially provided for. Take the paragraphs on page 240, commencing with paragraphs 1685, 1686, 1687, 1688, and 1689, paragraphs covering several pages, and it will be seen, I think, that we have covered about everything we can think of and put it upon the free list. We knew there might be some other particular things that might come under the head of works of art which we might want to get at in this way.

Mr. LODGE. The Senator is right. I had not noticed the words "not specially provided for."

Mr. McCUMBER. Last year we imported $20,718,000 worth free, and the dutiable—that is, those which would come under the basket clause—were only $342,000 worth. So practically everything is covered.

Mr. LODGE. I had not noticed those words. The Senator is quite right, because almost the same provisions are carried as in the law of 1909.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment will be stated.

The READING CLERK. The next amendment is, on page 202, line 2, after the word "and," where it occurs the first time, to strike out the figures "25" and to insert "50," so as to make the paragraph read:

PAR. 1449. Pencils of paper, wood, or other material not metal, filled with lead or other material, pencils of lead, crayons, including charcoal crayons or fusains, and mechanical pencils, not specially provided for, 50 cents per gross and 50 per cent ad valorem; and in addition thereto, the following cumulative duties: Caps or protectors, whether separate or attached to pencils, and pencils prepared for caps or protectors, 25 cents per gross; pencils stamped with names other than the manufacturers', 50 cents per gross; slate pencils, not in wood, 25 per cent ad valorem.

Mr. McCUMBER. I desire to make a considerable change there. On page 202, in line 1, I move to strike out all the matter after the words "not specially provided for" and the comma in line 1, down to and including all of line 6, and to insert in lieu thereof:

Forty cents per gross, but not less than 45 per cent ad valorem; pencil-point protectors, whether separate or attached to pencils, 25 cents per gross; pencils stamped with names other than the manufacturers' or the manufacturers' trade name or trade-mark, 50 cents per gross, but not less than 45 per cent ad valorem.

The PRESIDING OFFICER. The Senator from North Dakota, in behalf of the committee, withdraws the amendment in line 2, page 202, and in lieu thereof proposes the amendment which the Secretary will report.

The READING CLERK. The Senator from North Dakota moves to strike out, on page 202, line 1, all after the word "for" down to and including the words "per gross" in line 6, and to insert:

Forty cents per gross, but not less than 45 per cent ad valorem; pencil-point protectors, whether separate or attached to pencils, 45 cents per gross; pencils stamped with names other than the manufacturers' or the manufacturers' trade name or trade-mark, 50 cents per gross, but not less than 45 per cent ad valorem.

Mr. LODGE. Mr. President, I would like to ask the Senator if he would be willing to make a verbal amendment there. The section as reported included caps or protectors, whether separate or attached to pencils, and pencils prepared for caps or protectors. Now it is made to read "pencil-point protectors." I was in hopes the Senator would be willing to allow caps and clips to go in with the protectors.

Mr. McCUMBER. We have caps.

Mr. LODGE. Where?

Mr. McCUMBER. We give a special duty for the caps; that is, the pencil-point protectors, which is what is meant by the caps.

Mr. LODGE. But what about the clips?

Mr. McCUMBER. I suppose the ordinary clip is always a part of the pencil itself. It could not be very well attached afterwards.

Mr. LODGE. Oh, no; I understand that.

Mr. McCUMBER. Therefore it would come in as a part of the pencil; but the cap is a separate matter, which can be taken off and, therefore, may be imported independent of the pencil or may be imported on it. It was thought best to make a special rate for that.

Mr. LODGE. Those who make them think it important that the clip should be mentioned.

Mr. McCUMBER. I have no objection to saying "including the clips" in the description of the pencil.

Mr. LODGE. But a special duty is given to them as protectors.

Mr. McCUMBER. Yes; but the clip does not come in independently, I understand. It has to be attached to the pencil.

Mr. LODGE. The caps and protectors are necessary——

Mr. McCUMBER. Very well; we can change it if necessary. I shall not object to it in that form.

Mr. LODGE. Let it go in after "protectors."

Mr. McCUMBER. They may come in separately.

Mr. LODGE. Let it read "pencil-point protectors and clips."

The PRESIDING OFFICER. The amendment will be stated as modified.

The READING CLERK. The amendment as modified reads: "Forty cents per gross, but not less than 45 per cent ad valorem; pencil-point protectors and clips, whether separate or attached to the pencil, 35 cents per gross," etc.

The PRESIDING OFFICER. The Chair understands the committee amendment is modified in that way.

Mr. REED. Mr. President, I should like to call the attention of the Senator in charge of the bill to the language——

The PRESIDING OFFICER. The Senator from Utah [Mr. SMOOT] has charge of the paragraph, and he has just entered the Chamber.

Mr. REED. The language reads "40 cents per gross, but not less than 45 per cent ad valorem; pencil-point protectors and clips, whether separate or attached, 25 cents per gross; pencils stamped with names other than manufacturers'." Here [exhibiting] is a pencil that we use in the United States Senate, stamped "United States Senate." Under that clause would we not be obliged to pay a tax for the privilege of putting the name of the United States Senate on the lead pencil, because the language is "stamped with a name other than that of the manufacturer"?

Mr. SMOOT. I will say to the Senator that that would be the case. The reason for that is as follows: Pencils are manufactured, for instance, in Japan. They put upon their box and upon the wrapper of the dozen pencils the picture of an American mill. They will actually go to work and give the name as an American name of the pencil. They will have everything not only on the box in which the pencils come but on wrappers of the pencil to indicate to anybody who did not know that they came from Japan that they were made at a certain plant here in the United States. That is what we want to get rid of.

Mr. REED. Against that the law furnishes an absolute protection by an injunction and by a suit for damages.

Mr. SMOOT. I think the Senator is wrong about that. It is not a trade-mark.

Mr. REED. Oh, no.

Mr. SMOOT. There is no law against putting the picture of an American mill on the box of pencils made by some one in Japan.

Mr. REED. Somebody else's mill or a fictitious mill?

Mr. SMOOT. It is a mill that makes pencils in this country.

Mr. REED. The law is full of cases where a man undertakes to imitate the product of another man's mill not protected by registered trade-mark——

Mr. SMOOT. No; it is not a question of a registered trade-mark. Let me explain to the Senator: Suppose the American importer orders pencils made in Japan. If I had the samples I could show dozens of such cases as I am going to recite. He instructs the Japanese manufacturer to put a certain name upon those goods. He also states that they can put upon the band or upon the box a photograph of some mill here in the United States. He does not say that it is an American mill. He does not say that they are made in the United States. He gives them the name of an American institution, and the pencils come in here and people looking at them upon the shelves or wherever they are exhibited alongside of another box like them may think they are made at exactly the same mill, and yet there is nothing upon the box indicating that they were made at that particular mill. Not only that, but in this case they order an American name to be placed on the pencils. Yet it was made in a foreign country. I do not know whether or not the pencil which the Senator from Missouri has is an imported pencil. It would not surprise me at all if it were and that the importer had asked that the words "United States Senate" be put upon that pencil. I do not know whether or not it is a pencil of American manufacture, but if it is there is no harm done.

Mr. REED. Mr. President, I think I understand the Senator's position. First, I wish to say if I am a manufacturer of American lead pencils, and the Senator from Utah is an importer, and he has put upon his pencils or on his boxes or in his literature anything to indicate that he is selling the pencil which I manufacture, the law affords me ample protection. That is one case.

The Senator from Utah suggests another possible case where the manufacturer may put the picture of a fictitious mill or place an American name on an article which is manufactured abroad in order to convince the purchaser that he is buying an American article. That would not be covered under the provisions of the law to which I have referred; but it ought to be covered by a direct provision and not by a tax. This is a very bungling way of getting at it. It would be very easy to draw a clause providing as to any article made abroad and imported into the United States that, under proper penalties, no device to deceive or mislead the public with reference to the place of its manufacture shall be permitted, nor shall such article be allowed to be sent in interstate commerce. That is the way to get at it.

Mr. SMOOT. The only increase in the rate would be 10 cents per gross. It will cost about 10 cents per gross to stamp the fictitious inscription. So the incentive for such action will be removed.

Mr. REED. But that would not take the incentive away.

Mr. SMOOT. It would so far as the duty is concerned, and that is what the foreign producer is particularly interested in; but, outside of that, there ought to be, as the Senator has stated, some law covering that particular practice. However, all that the committee is doing here is to impose a duty of 10 cents on 144 pencils, and the extra expense to which the manufacturer would go to stamp the fictitious name more than likely would amount to that 10 cents. Therefore he would have no incentive.

I agree with the Senator that there ought to be a law—we have none to-day—to cover the practice which is being followed, not only with reference to lead pencils but as to many other articles which are manufactured abroad and come into the United States and which it is intended upon their face to lead the purchaser to think that he is buying American goods. In the pending bill, we have tried to make provision in the case of cutlery and other manufactured products to prevent such deception; but the importers are very smart in avoiding the

wording of the law in some way or other, so that it may really not accomplish the object which we had in mind.

Mr. REED. Mr. President, I am unable to follow the Senator's logic. It is proposed that pencils stamped with names other than the manufacturer's, or the manufacturer's trade name or trade-mark, shall pay 50 cents per gross, but not less than 45 per cent ad valorem.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Utah?

Mr. REED. I do.

Mr. SMOOT. I will say to the Senator as to the 50 cents per gross, if we do not have the limit of 45 per cent on the higher priced pencils it would not amount to 45 per cent ad valorem, but on the cheap pencils it would.

Mr. REED. The Senator from Utah is discussing a question in which, for the moment, I am not interested. Now the proposition is that a pencil which bears a name other than that of the manufacturer shall pay 50 cents per gross. The Senator says that it costs 50 cents per gross——

Mr. SMOOT. No; that it costs 10 cents per gross. The rate is 40 cents per gross where the manufacturer's own name is on the pencil, but where the article is stamped with a name other than that of the manufacturer it is 50 cents a gross.

Mr. REED. Very well. The Senator says it will cost 10 cents to put the name on, and if a 10-cent tax be put on that will stop the abuse.

Mr. SMOOT. No; I did not say it would stop it. I said the manufacturer would get no advantage from the importation of that particular pencil, so far as the rate of duty is concerned.

Mr. REED. I can not follow that logic to any conclusion. The fact about the matter is that this provision will not stop the practice at all, if there is any real advantage in it; and it will prevent a trader who wants his name put on a pencil from having it there unless he pays an additional amount. For instance, if Brentano wishes to sell a pencil and wishes to put his brand on it, if he wishes to specialize in it, and he is willing to give it his name, he can not put it on without paying the extra tax.

Mr. SMOOT. That is correct.

Mr. REED. But he can put it on by paying the extra tax.

Mr. SMOOT. Yes.

Mr. REED. That is a tax upon our people here locally. It seems to me it will serve no good purpose. The evil of which the Senator spoke a while ago is a great one. I am willing to vote for a provision that will require every article, in so far as it may be practicable to do so, to be stamped showing the country of its manufacture; but that is a wholly different question from this.

Mr. SMOOT. It is. Let me state a case to the Senator that happens quite often. Take Marshall Field & Co., of Chicago. They import pencils with the name "Marshall Field & Co., Chicago," stamped on them; that is all. If the Senator should purchase such a pencil and put it in his pocket, without ever noticing that at all, when he did notice it he could not tell whether that pencil was made in America or whether it was made abroad, but he would think, having Marshall Field & Co.'s name stamped upon it, that it was an American pencil.

Mr. REED. No; I would think it was a pencil in which they were specializing, but somebody else might draw a different conclusion. I think that the matter which the Senator has brought up here is one which ought to be covered in the pending bill. I think that it is proper to let people know when they are buying goods that are made abroad that they are made abroad. Then whatever discrimination our people want to make voluntarily in the market is for them to make; but I want to call attention to the fact that this new amendment very largely raises the tax over the amendment originally reported by the committee.

Mr. SMOOT. Mr. President, it is not half the amount of the duty which the committee originally reported. The committee reported a duty of 50 cents per gross and 50 per cent ad valorem. Fifty cents per gross is reduced to 40 per cent ad valorem.

Mr. REED. The Senator from Utah is correct about it. I read it very hurriedly.

Mr. SMOOT. In other words, I will say to the Senator that the rate of duty in this instance originally was 103 per cent on the value of the pencils. Now it is reduced so that in no case shall it be over 45 per cent.

Mr. REED. Not less than 45 per cent.

Mr. SMOOT. I say that in no case would it be more than that. I am speaking of the price of pencils to-day.

Mr. REED. I have not had an opportunity to compare this with the original amendment. I think the Senator, however, is correct in that statement.

Mr. FLETCHER. Mr. President, I was called out of the Chamber for a moment and do not know just exactly what the pending question is. Will the Chair have it stated?

The PRESIDING OFFICER. The Secretary will state the pending amendment.

The READING CLERK. On page 202 it is proposed to strike out, beginning in line 1, all after the word "for" down to and including the words "per gross" and the semicolon; and in line 6 to insert the following:

Forty cents per gross, but not less than 45 per cent ad valorem; pencil-point protectors and clips, whether separate or attached to pencils, 45 cents per gross; pencils stamped with names other than the manufacturers' or the manufacturers' trade name or trade-mark, 50 cents per gross, but not less than 45 per cent ad valorem.

Mr. FLETCHER. Mr. President, did I understand the Senator from Utah to say that that is a reduction from the rate as originally proposed by the committee?

Mr. SMOOT. It is a reduction. As originally reported by the committee the rate was 50 cents per gross and 50 per cent ad valorem. Now we propose to make that 40 cents per gross, but not less than 45 per cent ad valorem. At the price to-day 50 cents a gross is equivalent to 53 per cent ad valorem and the additional 50 per cent made 103 per cent, as the provision was reported to the Senate. Now, we simply provide a rate of 40 cents a gross.

Mr. FLETCHER. That is what was in my mind. The ad valorem rate of 50 per cent is omitted now, as I understand, and the only proviso is that the rate shall not be less than 45 per cent.

Mr. SMOOT. That is correct.

Mr. FLETCHER. I still think that is too high; and I likewise think that paragraphs 1449 and 1450 might as well be considered together in this discussion.

Mr. SMOOT. Let me call the Senator's attention to another difference between the pending amendment and that originally reported. As originally reported the paragraph provided for the addition of cumulative duties. We have stricken out the provision for cumulative duties; they are all omitted from the bill.

Mr. FLETCHER. Mr. President, will the Senator from Utah propose an amendment to paragraph 1450 at all, or is that paragraph to stand as the committee reported?

Mr. SMOOT. We propose also to offer an amendment to that paragraph, I will say to the Senator.

Mr. FLETCHER. I wish to say with regard to lead pencils particularly—it is not very material to deal with slate pencils—that in 1914 the imports of pencils of paper or wood or other material, not metal, filled with lead or other material, and pencils with lead, amounted to 188,644 gross, valued at $512,579. The imports in 1918 amounted to only $4,815 in value; in 1919, they amounted to $7,679; in 1920, they amounted to $168,635; and in the first nine months of 1921 they amounted to $140,543.

The small imports in 1918 were chiefly from Japan.

In 1919 and 1920 Germany was the chief source. In the latter year large amounts, chiefly of high-grade pencils formerly imported from Austria, were received from Czechoslovakia. In the same year lead pencils amounting to 59,476 gross, valued at $150,789, were dutiable at 25 per cent ad valorem, as the specific rate of 36 cents per gross amounted to less than the 25 per cent required as a minimum.

The export statistics of pencils and pencil leads are combined. That is the reason why I said we might as well discuss both paragraphs together. In 1914 their value was $533,944, of which $246,872 worth went to North America, mainly to Canada and Mexico; $188,834 to Europe, chiefly to England; $49,553 to Oceania; and $46,762 to South America. Exports in later calendar years have been valued as follows: 1918, $2,497,208; 1919, $3,565,347; 1920, $3,849,221; 1921 (nine months), $1,669,572. The chief countries of destination were England, Canada, Argentina, Brazil, Mexico, and Spain.

With that showing as to imports and exports, and also as to production, if we consider that in 1914 there were 14 manufacturers of lead pencils, with a capital of $10,670,000, and in 1919 there were 12 establishments, with an output valued at $24,134,000, it would seem that the present rate is high enough. The act of 1913 provided that pencil leads not in wood or other materials should have a duty of 10 per cent ad valorem. The act of 1913 with reference to the pencils described in this paragraph, 1449, is rather complicated, but it would seem to be 36 cents per gross, in no case less than 25 per cent. Under those rates the industry in this country has flourished, production has increased, the importations are almost nominal, and it seems to me it would be a mistake even from the standpoint of protection—to which doctrine I do not agree—but taking it from that standpoint there is no call for this increase of duty.

I have a letter from the Southern Red Cedar Co. (Inc.), to the effect that—

At the present time the tariff rate on pencils is 25 per cent ad valorem foreign value. It is proposed to increase the tariff to 50 per cent ad valorem, plus a specific duty of 50 cents per gross, plus other addi-

tional duties for rubber tips, etc. This tariff would be prohibitive and would force the foreign manufacturers to discontinue exporting pencils to the United States.

There is a slight reduction proposed from the figures given in this letter, but still falling within the criticism submitted here. They say:

In our opinion there is no justification whatsoever for a higher tariff on pencils and pencil leads than exists at the present moment. Such an increase would render it still more difficult for the European pencil maker to purchase our cedar pencil material. It would simply continue the immensely profitable monopoly which the four large domestic pencil makers have enjoyed during the last six or seven years.

Then they say further:

The total consumption of pencils in the United States for the above-quoted years has always exceeded $7,000,000 per annum, and it is therefore evident that the importations from other countries, even before the Payne tariff law, is erroneous. At the present time our exportations of pencils and pencil leads are far larger than our importations, the value of our exports during 1921 having been $2,074,508. The position of our domestic pencil makers, on account of their command of raw materials, is so strong that there should be no protective tariff whatsoever on pencils or pencil leads.

I ask to have this entire letter inserted in the RECORD, without further reading, as a part of my remarks.

There being no objection, the letter referred to was ordered to be printed in the RECORD, as follows:

JACKSONVILLE, FLA., *May 24, 1922.*

Hon. D. U. FLETCHER,
United States Senate, Washington, D. C.

DEAR SIR: No doubt you will remember our previous correspondence in regard to the tariff on pencils, and, since we understand that the Senate is discussing the tariff bill at this time, we take this opportunity to write you more fully on the matter.

At the present time the tariff rate on pencils is 25 per cent ad valorem foreign value. It is proposed to increase the tariff to 50 per cent ad valorem, plus a specific duty of 50 cents per gross, plus other additional duties for rubber tips, etc. This tariff would be prohibitive and would force the foreign manufacturers to discontinue exporting pencils to the United States.

We are manufacturers of cedar pencil slats, operating mills in Florida. We depend, for the sale of our product, on the European pencil manufacturers, because the largest domestic manufacturers have their own cedar pencil slat mills in the South and West. Before the war the European pencil makers bought from us and from other firms in our line of business cedar pencil slats to the value of over $1,000,000 per annum. On account of the present economic condition they have greatly reduced their purchases, and the result has been a practical shutdown of the cedar pencil slat industry in the South, several thousand workmen being out of work. All the cedar used by the European pencil makers comes from the United States, and practically all their graphite is bought from the United States Graphite Co., Saginaw, Mich. As the European pencil makers have to pay us in dollars, their purchases from us depend on their ability to sell finished material in this country, be it pencils or leads.

Even without any protective duty on pencils, the domestic manufacturers enjoy great advantages, as packing and high ocean freight as well as high inland freight charges in Europe make the raw material much more expensive to the European pencil maker. Furthermore, the largest domestic pencil makers, having their own slat mills in the South and West, manufacture cedar pencil slats as cheaply as we can manufacture them, and we naturally have to add a profit to the material which we sell to the European pencil makers, and which represents an additional protection for the domestic industry.

In our opinion, there is no justification whatsoever for a higher tariff on pencils and pencil leads than exists at the present moment. Such an increase would render it still more difficult for the European pencil maker to purchase our cedar pencil material. It would simply continue the immensely profitable monopoly which the four large domestic pencil makers have enjoyed during the last six or seven years.

Hon. JOSEPH W. FORDNEY, chairman of the House committee, in the hearings before that committee, stated that Germany, prior to the Payne tariff law, sold us 95 per cent of the pencils consumed in this country. This is not correct, and we give you below the official figures from the Statistical Abstract for 1913 of the United States Board of Foreign and Domestic Commerce, showing the total importation of pencils into the United States from 1902 to 1913:

1902	$356,542
1903	505,213
1904	518,772
1905	507,965
1906	649,735
1907	628,200
1908	619,789
1909	514,697
1910	548,551
1911	494,725
1912	543,726

The total consumption of pencils in the United States for the above-quoted years has always exceeded $7,000,000 per annum, and it is therefore evident that the importations from other countries, even before the Payne tariff law, is erroneous. At the present time our exportations of pencils and pencil leads are far larger than our importations, the value of our exports during 1921 having been $2,074,508. The position of our domestic pencil makers, on account of their command of raw materials, is so strong that there should be no protective tariff whatsoever on pencils or pencil leads.

Trusting that you will give the foregoing your careful consideration, we remain,

Yours very truly,

SOUTHERN RED CEDAR CO. (INC.).

Mr. FLETCHER. As I say, I ca... not see any basis for any increase in the duties over existing law, either under paragraph 1449 or under paragraph 1450, as proposed in the bill submitted by the committee or in the amendment which they now offer.

Mr. WALSH of Montana. Mr. President, the House rate upon these commodities was fixed, as I assume, in consideration of the imposition of a duty of 10 per cent on graphite. Seeing that graphite is now on the free list, it was quite appropriate for the Senate committee to reduce the rate on pencils.

Mr. SMOOT. Mr. President, I will say to the Senator that the duty is not reduced on pencils. I do not know whether the Senator was here or not when I made the statement that the present proposition is below the House rate.

Mr. WALSH of Montana. I understand; but it would be appropriate, anyway, to reduce the House rates, because the House rates were unquestionably fixed in view of the duty of 10 per cent upon graphite, which the Senate disagreed to; so a reduction would have to be made.

The situation is briefly this:

Under the existing law these pencils bear a duty of 36 cents a gross, but not less than 25 per cent ad valorem. Under the amendment now proposed the duty is 40 cents a gross, but not less than 45 per cent ad valorem. The specific rate is increased 4 cents a gross and the ad valorem rate is increased 20 per cent. That is to say, the minimum rate under the Underwood law was 25 per cent. The minimum rate now proposed is 45 per cent.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Utah?

Mr. WALSH of Montana. I do.

Mr. SMOOT. The 36 cents a gross provided for in existing law is more than 25 per cent ad valorem. That was simply not less than 25 per cent ad valorem.

Mr. WALSH of Montana. That, I think, is what I stated.

Mr. SMOOT. The 36 cents a gross would be about 40 per cent.

Mr. WALSH of Montana. Whatever it would be, the situation is this: The existing law is 36 cents a gross, but not less than 25 per cent ad valorem.

Mr. SMOOT. Yes.

Mr. WALSH of Montana. It is proposed to change that to 40 cents a gross, but not less than 45 per cent ad valorem.

Mr. SMOOT. Yes. The 40 cents a gross is the one that will count, just the same as the 36 cents a gross. The only change is that it is 36 cents a gross in the existing law and it is 40 cents a gross in this bill.

Mr. WALSH of Montana. Exactly; but it must not be less than 45 per cent ad valorem, no matter what the price is.

Now let us see what justification there is for this.

The change in this respect is rather characteristic of the entire bill. The figures on the production and importation and exportation of this particular commodity have been given. We produce enormous quantities of lead pencils in this country, as is perfectly well known, the principal manufacturer being the Joseph Dixon Co., operating in the State of my esteemed friend the Senator from New Jersey [Mr. FRELINGHUYSEN].

It is a company having a very extensive business not only in the manufacture of lead pencils but along other lines. We have given them the advantage of having their graphite free. Of course the cedar wood is likewise free, so that everything they use in the manufacture of the pencils—clay goes in to a certain extent, too—is absolutely free, and yet we give them a duty of not less than 45 per cent.

Why, Mr. President? Let me read from the report of the Tariff Commission on this subject:

The war has left the American pencil industry in a very favorable condition. Exports for the calendar year 1919 reached a total value of $3,565,347, while imports were valued at only $35,118.

Why, Mr. President, it is perfectly obvious that this duty is intended as an embargo duty so that there shall be no importations whatever. The exports are now over $3,000,000 and the imports in 1919 were $35,118.

I continue:

The exact increase in production since the last census is not known, but has been quite large.

* * * * * * *

The industry has developed mainly since 1890, when the value of products for the first time exceeded $1,000,000. The United States has abundant supplies of graphite suitable for making pencil leads, and is one of the principal sources of pencil cedar. An American-owned Mexican mine furnishes an excellent grade of fine-grained graphite.

And if they can not get enough from Mexico, as disclosed when we considered the subject of graphite, Montana can supply them with unlimited quantities, superior even to the very best Ceylon graphite.

The American manufacturer of pencils is not now suffering serious competition. Germany, regarded as the most serious competitor before the war, is not now in a favorable competitive position. Her stocks of cedar are depleted and new supplies are difficult to secure.

The output has been curtailed on account of the lack of fuel, shorter hours of work, higher wages, and decreased production per hour. White woods are being used and the quality of the product is poor. This situation is no doubt only temporary, but it will be some time before the German pencil makers can fully recover.

* * * * * * *

Japan is beginning the manufacture of pencils, but the quality of the product has not been such as to attract the American trade. Danish pencils of good quality are being imported in small quantities, but their price is equal to the American prices, if not higher. Pencils from L. & C. Hardtmuth, now of the new Republic of Czechoslovakia, are being received in small quantities. They sell on the basis of established quality and reputation and their status would probably not be much affected by changes in the tariff, unless the rates were made prohibitive.

The latest information from Germany leads to the conclusion that it will be a long time before her pencil makers can again offer serious competition. Cedar stocks are depleted and white woods are being used. The cedar is secured from the United States.

Bear in mind, Germany actually imports from the United States the cedar out of which her pencils are made.

German factories are short of fuel, wages have increased, and shorter hours of work prevail, with less production per hour, and the prices have increased from 300 to 600 per cent. Orders are taken only on the basis of prices at the time of shipment.

* * * * * * *

German competition was the most serious prior to the war. At present the best information obtainable from Germany in December, 1919, leads to the conclusion that it will be quite a long time before German pencil makers can recover from the effects of the war. Prices have increased on pencils from 300 to 600 per cent, and orders are taken only on the basis of prices which may prevail at the time of shipment.

The principal causes for the enormous increase in prices for German pencils are given as follows: Stocks of cedar, which come from the United States, are depleted and the necessary import license to obtain new supplies is difficult to secure. The fuel situation has permitted plants to operate only part time. Wages have increased enormously, and hours of work have been reduced to eight a day, with a half day on Saturday, and the output per hour has decreased. Alder and pine are being used in place of cedar, and these make a poorer quality pencil.

In view of that situation, Mr. President, I ask, Where is the justification for an increase in the duty upon this commodity, which everyone must use and which everyone does use?

Mr. SIMMONS. Mr. President, my purpose in rising is to ask to incorporate in the RECORD a letter, dated August 4, upon the subject of pencils, which I have received from the Koh-i-noor Pencil Co., of 34 East Twenty-third Street, New York.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NEW YORK, *August 4, 1922.*

SENATE FINANCE COMMITTEE,
Washington, D. C.

GENTLEMEN: The Koh-i-noor Pencil Co., a New York corporation, whose place of business is at No. 34 East Twenty-third Street, New York City, and which is now and always has been 100 per cent owned and carried on by native-born American citizens who live in Brooklyn, N. Y., protests against the proposed rates of duty to be levied on lead pencils and pencil leads in the tariff bill now under consideration by the Senate, and respectfully requests your attention to the following:

The Koh-i-noor Pencil Co. is the exclusive importer into the United States of Koh-i-noor lead pencils, leads, etc., which are made by L. & C. Hardtmuth, in Budweis, in the Republic of Czechoslovakia, and deals in no other goods of this description.

The Koh-i-noor pencils are famous for their high quality. They are in general commercial use, are used almost exclusively by the highest classes of technical trades, such as architects, draftsmen, engineers, artists, etc., and extensively in educational fields by high schools, colleges, art schools, etc.

COMPARISON OF UNITED STATES TARIFFS ON LEAD PENCILS.

Payne-Aldrich tariff, 1913 tariff (present): Twenty-five per cent, and 45 cents per gross; 36 cents per gross, but not less than 25 per cent ad valorem.

Present House bill: Twenty-five per cent and 50 cents per gross.

Present Senate bill: Fifty per cent and 50 cents per gross.

(Pencils with rubber tips 25 cents per gross additional; pencils bearing any imprint other than the manufacturer's own imprint, 50 cents per gross additional.)

COMPARISON OF COSTS AND SELLING PRICES OF LEAD PENCILS IN THE UNITED STATES.

Koh-i-noor pencils cost to-day, plus existing duty, $10.07 per gross.

Koh-i-noor pencils will cost under proposed Senate rate, $12.84 per gross.

Note that these are cost, not selling prices, and it includes no overhead.

American-made pencils, such as Dixon's "Eldorado," are selling at $6 per gross.

Eberhard Faber's "Van Dyke," are selling at $6 per gross.

American Pencil Co.'s "Venus" are selling at $6.25 per gross.

Note that these are selling prices, not cost, and are the highest priced American-made pencils.

In the above comparisons the depreciated currency and exchange question is eliminated, and the cost prices set forth above are the cost prices in American dollars laid down in New York at the current rates of exchange, as closely as can be figured.

The cost of Koh-i-noor pencils laid down in the United States under the present existing duty is substantially 60 per cent more than the selling price of the comparable grades of American-made pencils, and this without taking into consideration any profit to the importer. It would seem plain, in the face of such figures, that American manufacturers are now given, under the present tariff, all the protection they should reasonably ask. The Senate bill now under consideration proposes to increase the present tariff rates by more than 100 per cent.

L. & C. Hardtmuth and other foreign pencil manufacturers, before the World War and since, purchased a large portion of their cedar wood and considerable quantities of graphite, varnish, rubber, etc., in the United States. This cedar wood is sawed in slabs about 11 or 12 inches long, 4 inches wide, and one-half inch thick, tied into bundles, and shipped to foreign countries in wooden containers. The export of cedar wood and graphite from the United States to foreign pencil manufacturers has run to about $3,000,000 per year. Foreign manufacturers have made it a practice to purchase these products in the United States because they could sell their pencils in this country and use the proceeds to purchase raw materials, thereby avoiding loss in exchange. Cedar wood can be obtained at substantially the same cost in other countries, but it has been the practice of foreign manufacturers of lead pencils to buy their raw materials, as far as possible, in the countries where they sell their goods. It is obvious that if foreign pencil manufacturers can not sell their goods in the United States they will cease to buy their raw materials here.

From the best figures obtainable by us (accepting the Tariff Commission's figures as far as available) it appears that under present conditions American manufacturers are exporting raw materials for lead pencils valued at about $3,000,000 per year, more than ten times the money value of the imports of all pencils and pencil leads (imports in 1920 were $169,635; in 1921, nine months, $140,543; Tariff Commission figures). In 1920 the exportation of American-made pencils amounted to $3,849,221, which was twenty times the imports of foreign-made leads and lead pencils combined.

In 1914 the American manufacturers' product was valued at $8,328,000 and in 1919 it was valued at $24,134,000 (Tariff Commission figures; data for 1920 not available), or more than one hundred times in money value of all imports of foreign-made lead pencils and pencil leads combined.

The existing tariff rates (Underwood tariff of 1913) on pencils is 36 cents per gross, but not less than 25 per cent ad valorem. All pencils imported by the Koh-i-noor Pencil Co. come under the 25 per cent ad valorem rates. If it is the purpose of Congress to protect against the low-grade, low-cost, foreign-made pencils, why not place a higher specific duty on pencils—for example, $1 per gross, but not less than 25 per cent of invoice value? This would bear heavily on the cheap, low-grade pencils, and Koh-i-noor pencils would pay as much as they pay now. Under such a schedule pencils in foreign markets costing $1, with duty $1, total $2; costing $1.40, with duty $1, total $2.40; costing $2, with duty $1, total $3; Koh-i-noor pencils costing $8 or more, with duty 25 per cent, total $10.07 or more. Venus selling price, $6.25.

If the committee will look at the briefs and testimony of American manufacturers, it will be seen that their whole claim for additional duties is for protection against the cheap German and Japanese pencils, costing (landed) $2 per gross or less. Placing a high specific rate with a minimum of 25 per cent ad valorem will fully accomplish their object in what would seem to be a more satisfactory manner than any so far suggested. This proposed rate on this cheap class of foreign-made goods works out as follows:

THE PROPOSED SENATE RATES.

Pencils costing $1 per gross—specific, 50 cents; ad valorem, 50 cents; total, $2.

Pencils costing $1.40 per gross—specific, 50 cents; ad valorem, 70 cents; total, $2.60.

Pencils costing $2 per gross—specific, 50 cents; ad valorem, $1; total, $3.50.

SENATE RATES ON LEADS FOR PENCILS.

The present rate on all leads—black, indelible, and colored—is 10 per cent, which averages less than 2 cents per gross. The proposed House rate is 15 per cent ad valorem. The proposed Senate rate is 6 cents and 40 per cent ad valorem for leads "not in wood or other material"; small leads (refills), 6 cents and 40 per cent ad valorem; colored, crayon, copy, and indelible leads are to be taxed 60 cents per gross and 40 per cent ad valorem. Why the rates on colored, crayon, copy, and indelible leads has been made so excessive is incomprehensible.

The best grade American-made black "refills" are sold by their manufacturers at about 10 cents per gross; the writer is creditably informed that the cost of their manufacture is approximately 5 cents per gross. The average import value in 1921 of all imported "refills" (Tariff Commission figures) was 19 cents per gross, which, it is understood, includes colored, crayon, copy, and indelible refill leads. The claim for increased protection is made by American manufacturers for colored, crayon, copy, and indelible leads on the ground of increased cost of clay and dyes, both of which form an almost negligible part of their cost. Such claim is wholly without merit or justification.

In view of the foregoing, may this pencil tariff have your careful consideration?

Respectfully submitted.

KOH-I-NOOR PENCIL CO.,
By SAMUEL S. WATSON.

Mr. SIMMONS. It appears from this letter that this particular company imports all the Koh-i-noor pencils, made in Czechoslovakia, that come here, and that that pencil sells for a considerably higher price than any pencil which is produced in the United States.

This Koh-i-noor pencil constitutes a large part of our importations of pencils at this time. The entire importations of pencils were only 75,000 gross, in round numbers, for 1920 and 64,000 gross for nine months of 1921; and this pencil, manufactured in Czechoslovakia, constitutes the bulk of those importations. The landed cost plus the present duty is $10.07 a gross. No American pencil at all comparable with this pencil is sold in the domestic markets, even with the profits of the producer added, for more than $6.25 a gross, according to this letter, so that there could not be possibly any competition with this pencil by any pencil produced in America at this particular time.

There are some cheap pencils imported into the United States, but the quantity is very small as compared with the importations of this high-priced pencil, and the importations are absolutely negligible as compared with the home production, which in 1919 amounted to more than $24,000,000 in value.

This letter which I offer also discloses the fact that the raw materials out of which these Czechoslovakian pencils are made is purchased almost wholly in the United States. The cedar, the graphite, and the lead out of which these pencils are made are imported by Czechoslovakia from the United States. The raw materials sold by America to competing countries to be used in the manufacture of pencils amounts annually to about $3,000,000, and the American exportations of pencils themselves amount in value to about $3,850,000 more. So, Mr. President, in this pencil business we find a market in Europe for $3,000,000 worth of our forest and our mine products, and we find a market to the extent of $3,850,000 in the balance of the world for pencils which we manufacture here.

Against that, we had an importation into the United States in the nine months of 1921 of 63,875 gross of lead pencils and of only 641 gross of slate pencils of a total value of only $141,225. In other words, out of this pencil business we have a foreign trade of $6,850,000 in exports of pencils and exports of raw materials out of which pencils are manufactured abroad, while the total importations of pencils into the United States amount to only $141,225, and the great bulk of those importations are of pencils which sell for $10 a gross, not competing with us at all, because we make no pencil in America which commands on the markets of the United States a price of more than $6.25 a gross. In the name of common sense and of mere sanity, what have we to complain of on this score, and why should we wish to interfere with this run of business, all of which is manifestly to our advantage?

If there ever was a case in which there was no justification for high duties, it is this case. Nevertheless, I know the majority are determined to impose a prohibitive duty upon these imported pencils. The manufacturers of the pencils which sell for $6.25 a gross are determined that the $10 a gross pencils shall not be sold in the United States, not that the imported pencils come in competition with their product in price, not that they undersell them and undermine their business, but that they to some extent displace the $6.25 pencils, and these home manufacturers are resolved that the American public shall buy only what the home manufacturers choose that the public shall buy and that only at the price fixed by the will of the manufacturers themselves.

The pencils which come in here are chiefly the high-priced pencils, which are used for special purposes, used by artists, architects, engineers, and draftsmen. They are better than any pencil manufactured in the United States. They are necessary and are preferred for these special uses. They bring a higher price and do not undersell our American products. Yet these home gentlemen ask for further "protection," and the majority are evidently bent upon yielding to their demands.

Mr. SMOOT. Mr. President, the average price of pencils shipped into the United States for the month of May, 1922, was 55 cents a gross.

Mr. SIMMONS. Mr. President, that means nothing. Of course, that may have been the average price. Many of the pencils shipped in brought a very much lower price than that, but the pencil to which I referred, the Koh-i-noor, manufactured in Czechoslovakia, sells in this market, and the gentleman who wrote me this letter, who handles the pencils in this country, states that it costs them, landed here, including the duty, $10.07 per gross. While the cheaper pencils may bring the average down, I have no doubt the statements in this letter are true.

The committee has made substantial reductions, I admit. The rates they first proposed were perfectly outrageous. They were not justified from any standpoint whatsoever. The present rates are very much nearer the rates of the existing law, and the rates of the existing law have been practically prohibitive. Very few pencils of the lower price, which would enter into competition with the American pencils, have been imported.

Mr. President, I am ready for a vote.

Mr. WALSH of Montana. If it is in order, I move to amend the amendment offered by the committee by substituting 36 cents for 40 cents, and 25 per cent for 45 per cent, and on that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. UNDERWOOD. As I understand, we are voting on the two amendments together, by unanimous consent?

Mr. CALDER. Let the amendment be reported again.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The ASSISTANT SECRETARY. In the amendment proposed by the committee on page 202, the Senator from Montana proposes to strike out "40" in the first paragraph of the amendment and to insert in lieu thereof "36," so that it will read "36 cents per gross." Then the amendment reads "but not less than 45 per cent ad valorem." The Senator from Montana also proposes to strike out "45" and to insert in lieu thereof "25."

Mr. UNDERWOOD. Are we voting on both amendments together?

The PRESIDENT pro tempore. The Chair understands that it was so agreed. The yeas and nays having been ordered, the Secretary will call the roll.

The Assistant Secretary proceeded to call the roll.

Mr. FLETCHER (when his name was called). Making the same announcement as before of my pair and its transfer, I vote "yea."

Mr. HALE (when his name was called). I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Maryland [Mr. WELLER] and vote "nay."

Mr. POMERENE (when his name was called). Announcing my pair with my colleague [Mr. WILLIS] as heretofore, I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "yea." I am not advised as to how my colleague would vote if present.

Mr. TRAMMELL. I transfer my pair with the senior Senator from Rhode Island [Mr. COLT] to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

The roll call was concluded.

Mr. ERNST. I transfer my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from Michigan [Mr. NEWBERRY] and vote "nay."

Mr. DILLINGHAM. I have a general pair with the junior Senator from Virginia [Mr. GLASS]. In his absence, I transfer that pair to the junior Senator from Delaware [Mr. DU PONT] and vote "nay."

Mr. ROBINSON (after having voted in the affirmative). I transfer my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Rhode Island [Mr. GERRY] and allow my vote to stand.

Mr. CURTIS. I wish to announce the following general pairs:

The Senator from Minnesota [Mr. NELSON] with the Senator from Massachusetts [Mr. WALSH];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON];

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Arkansas [Mr. CARAWAY]; and

The Senator from Missouri [Mr. SPENCER] with the Senator from Georgia [Mr. HARRIS].

The result was announced—yeas 22, nays 33, as follows:

YEAS—22.

Ashurst	Kellogg	Ransdell	Swanson
Broussard	Lenroot	Reed	Trammell
Capper	McKellar	Robinson	Underwood
Fletcher	Nicholson	Sheppard	Walsh, Mont.
Heflin	Overman	Simmons	
Jones, N. Mex.	Pomerene	Smith	

NAYS—33.

Ball	Ernst	McCumber	Smoot
Brandegee	Frelinghuysen	McLean	Stanfield
Bursum	Gooding	McNary	Sterling
Calder	Hale	Moses	Wadsworth
Cameron	Jones, Wash.	New	Warren
Cummins	Kendrick	Oddie	Watson, Ind.
Curtis	Keyes	Phipps	
Dillingham	Lodge	Rawson	
Edge	McCormick	Shortridge	

NOT VOTING—40.

Borah	Glass	Myers	Shields
Caraway	Harreld	Nelson	Spencer
Colt	Harris	Newberry	Stanley
Culberson	Harrison	Norbeck	Sutherland
Dial	Hitchcock	Norris	Townsend
du Pont	Johnson	Owen	Walsh, Mass.
Elkins	King	Page	Watson, Ga.
Fernald	Ladd	Pepper	Weller
France	La Follette	Pittman	Williams
Gerry	McKinley	Poindexter	Willis

So the amendment of Mr. WALSH of Montana to the amendment of the committee was rejected.

The PRESIDENT pro tempore. The question is upon agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDENT pro tempore. The Secretary will report the next amendment.

The ASSISTANT SECRETARY. Paragraph 1450, pencil leads not in wood or other material——

Mr. MCCUMBER. Mr. President, it is the desire of the committee to change that paragraph very materially. I move to strike out all of the matter after the semicolon in line 9,

page 202, down to and including line 14, the end of the paragraph, and to insert in lieu thereof the following:

Leads, commonly known as refills, black, colored, or indelible, not exceeding six one-hundredths of 1 inch in diameter and not exceeding 2 inches in length, 10 cents per gross, and longer leads shall pay in proportion in addition thereto; colored or crayon leads, copy or indelible leads, not specially provided for, 40 per cent ad valorem.

The PRESIDENT pro tempore. The amendment proposed by the Senator from North Dakota will be stated.

The ASSISTANT SECRETARY. On page 202, in paragraph 1450, after the semicolon in line 9, strike out the remainder of the paragraph as heretofore proposed to be amended and insert:

Leads, commonly known as refills, black, colored, or indelible, not exceeding six one-hundredths of 1 inch in diameter and not exceeding 2 inches in length, 10 cents per gross, and longer leads shall pay in proportion in addition thereto; colored or crayon leads, copy or indelible leads, not specially provided for, 40 per cent ad valorem.

Mr. WALSH of Montana. Does the Senator think the language "longer leads shall pay in proportion in addition thereto" is perfectly clear?

Mr. McCUMBER. Yes. They come in usually in the sizes of 2 inches, or about that. If they are brought here in sizes of 6 inches, as they can be brought in that way, and cut into three parts, so that each one would be 2 inches, the Senator will see that they could be bringing the leads here in that form at only one-third the rate. It is the purpose of the amendment to prevent that.

Mr. WALSH of Montana. Can the Senator tell us what the ad valorem equivalent of the proposed rate is?

Mr. McCUMBER. Pencil leads not in wood or other material, 6 cents per gross, would be equivalent to about 30 per cent. The larger, of course, would be 40 per cent.

Mr. WALSH of Montana. I understood the Senator to state that the amendment would be 10 cents per gross.

Mr. McCUMBER. That is on the refills.

Mr. WALSH of Montana. I do not understand the Senator.

Mr. McCUMBER. If I understand the inquiry, we are speaking about refills, where we have the 40 per cent. "Pencil leads, 6 cents a gross," is equivalent to about 30 per cent, as I am informed. As to the refills, we have no statistics.

The PRESIDENT pro tempore. The question is upon agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDENT pro tempore. The next amendment will be stated.

The ASSISTANT SECRETARY. Paragraph 1451, photographic cameras and parts thereof.

Mr. UNDERWOOD. Mr. President, one of my colleagues on this side of the Chamber asked to be advised when this paragraph was reached, if he were not present. He is not in the Chamber, and I therefore suggest the absence of a quorum so that he may have an opportunity to be here.

The PRESIDENT pro tempore. The Senator from Alabama suggests the absence of a quorum. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ashurst	Frelinghuysen	Moses	Smith
Borah	Gooding	New	Smoot
Brandegee	Hale	Nicholson	Stanfield
Broussard	Heflin	Norbeck	Stanley
Bursum	Jones, Wash.	Oddie	Sterling
Calder	Kellogg	Overman	Swanson
Cameron	Kendrick	Phipps	Trammell
Capper	Keyes	Pomerene	Underwood
Cummins	Lenroot	Ransdell	Wadsworth
Curtis	Lodge	Rawson	Walsh, Mont.
Dial	McCormick	Reed	Warren
Dillingham	McCumber	Robinson	Watson, Ind.
Edge	McKellar	Sheppard	
Ernst	McLean	Shortridge	
Fletcher	McNary	Simmons	

The PRESIDENT pro tempore. Fifty-seven Senators have answered to their names. A quorum is present. The question is upon agreeing to the committee amendment.

Mr. REED. Let the amendment be reported.

The PRESIDENT pro tempore. The Secretary will report the first amendment to paragraph 1451.

The ASSISTANT SECRETARY. On page 202, paragraph 1451, line 16, before the words "per centum," it is proposed to strike out the numeral "30" and to insert the numeral "20," so as to read:

PAR. 1451. Photographic cameras and parts thereof, not specially provided for, 20 per cent ad valorem——

Mr. REED. Mr. President, I ask that the entire paragraph 1451 be allowed to go over until to-morrow. There have been some important changes made in it. It has been the subject of a great deal of controversy. A statement has just been made to me in the last few minutes in regard to the matter which may entirely change my notions and course of action as to the paragraph, but I shall have to look into the matter further. I can do that between now and to-morrow morning. It may be that there will be no controversy in regard to it in the morning, so far as I am concerned. Of course, I can not speak for others. If the question may be postponed until to-morrow morning I shall be ready at that time to go on, one way or the other.

Mr. McCUMBER. Mr. President, the great difficulty in now postponing anything in the bill is that we are working under a unanimous-consent agreement which contemplates that we shall immediately proceed and dispose of the respective amendments as we come to them. I am fearful if we put off until to-morrow any subject which may require any lengthy debate, at least, it will considerably overload the work of to-morrow as laid out by the unanimous-consent agreement.

Mr. REED. We may proceed with the other amendments. I think it will save time.

Mr. McCUMBER. Let me suggest to the Senator, suppose we pass it over temporarily, and possibly by the time we get to the free list or before we get through with it this afternoon the Senator may have the information which he desires.

Mr. REED. I am afraid I can not obtain the information I desire until to-morrow morning.

Mr. McCUMBER. I shall try to accommodate the Senator, if it is possible, in some way, if he will let it pass over now.

Mr. REED. Very well.

Mr. McCUMBER. Mr. President, I hope the Senator from Missouri will not object to striking out on page 202, line 20, the word "one-half" and inserting in lieu thereof "four-tenths." Does he object to that?

Mr. REED. That is the very matter which may be in issue. I am not certain that that will be satisfactory, and I wish to find out about it.

Mr. McCUMBER. Does the Senator object to striking out "30" and inserting in lieu thereof "20," on line 16?

Mr. REED. I will frankly say to the Senator this subject was called to my attention some weeks ago, and in looking up my memoranda and papers in regard to it I have not been able to lay my hands on them. It may make it necessary for me to get some information outside in reference to the matter.

Mr. McCUMBER. I will ask that paragraph 1451 may be temporarily passed over, and we shall bring it up at some future time.

Mr. REED. Very well.

The PRESIDENT pro tempore. Is there objection? The Chair hears none. The Secretary will state the first amendment in paragraph 1452.

The next amendment of the Committee on Finance was, on page 204, paragraph 1452, line 1, after the word "holders," to insert "not specially provided for," so as to read:

PAR. 1452. Pipes and smokers' articles: Common tobacco pipes and pipe bowls made wholly of clay, valued at not more than 40 cents per gross, 15 cents per gross; valued at more than 40 cents per gross, 45 per cent ad valorem; pipe bowls commercially known as stummels; pipes, cigar and cigarette holders, not specially provided for—

The amendment was agreed to:

The next amendment of the Committee on Finance was, on page 204, line 12, before the words "per cent," to strike out the numeral "45" and to insert in lieu thereof the numeral "60," so as to read:

and mouthpieces for pipes, cigar and cigarette holders, all the foregoing of whatever material composed, and in whatever condition of manufacture, whether wholly or partly finished, or whether bored or unbored; pouches for chewing or smoking tobacco, cases suitable for pipes, cigar and cigarette holders, finished or partly finished; cigarette books, cigarette-book covers, cigarette paper in all forms, except cork paper; and all smokers' articles whatsoever, and parts thereof, finished or unfinished, not specially provided for, of whatever material composed, except china, porcelain, parian, bisque, earthen or stone ware, 60 per cent.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SIMMONS. Mr. President, I desire to ask a question in reference to the amendment action upon which was taken after I tried to get the attention of the Chair. Has the Chair announced the adoption of the amendment on page 204, in line 12?

The PRESIDENT pro tempore. The amendment which was just adopted is found in line 12, on page 204.

Mr. SIMMONS. If the amendment has been acted on, of course, I am too late, but I was trying to get on my feet when the vote was being taken.

Mr. McCUMBER. I ask that the vote by which the amendment was agreed to may be reconsidered.

The PRESIDENT pro tempore. Without objection, the vote whereby the amendment was agreed to is reconsidered.

Mr. SIMMONS. I do not wish to make any trouble with reference to the amendment or to enter into any discussion about it, but I should like very much to have the Senator from North Dakota in charge of the bill tell the Senate why he thinks it is necessary to increase the 45 per cent rate to 60 per cent in this case. That seems like a very high rate compared with the other rates which are carried in the paragraph.

Mr. McCUMBER. I will explain the amendment, Mr. President, if Senators will give me the opportunity to do so.

Mr President, we have provided a 60 per cent ad valorem rate of duty, while the other House provided a 45 per cent rate upon the American valuation. I think that that would be greater than 60 per cent under the foreign-valuation plan, but I will direct my attention simply to whether or not a 60 per cent rate is required based upon foreign valuation. My understanding is that there has been very little change in the price of these particular articles, as indicated by the Reynolds report, which was, of course, made in August, 1921; but we will take a few of these articles. To equalize the difference between the French cost and the American selling price in the case of briar pipes would require a duty of about 67 per cent. On cigarette holders from Austria it would require, according to the Reynolds report, 104 per cent to equalize the difference between the foreign selling price and the American selling price. On tobacco pouches of leather made in England it would require 86 per cent to equalize the difference between the English selling price and the American selling price. On pipe cases from Austria it would require a little over 200 per cent to equalize the difference between the selling price in Austria and the selling price in the United States. On cigarette-paper books from Austria it would require over 200 per cent; on cigarette-paper books from Turkey it would require 193 per cent; on cigarette paper in bobbins from Turkey it would require 42 per cent; on cigarette cases from Germany it would require 190 per cent.

In considering those figures we have allowed a profit running from 10 per cent up to 33⅓ per cent, so that it will be observed that the duty which we have provided here, taking it as an average, is not much over half of that which it is indicated by the Reynolds report would be necessary.

I further call attention to the fact that, while we have given 60 per cent, the rate in the Underwood bill is 50 per cent as to a part of these articles and 60 per cent on the others. So there is very little difference.

Mr. SIMMONS. Mr. President, as I understand the Senator, then, this rate is fixed with a view to bringing up the foreign price of the article imported in this country to a level with the domestic selling price? It has no reference to the cost of production abroad and here; just the selling price?

Mr. McCUMBER. No, Mr. President; we have not the actual cost of production in the foreign country or the actual cost of production of these articles in this country. All I can say in reference to that is that it is the general expert testimony that the selling price in the foreign country and the selling price in this country as a rule measure about the same profit as compared with the cost of production, and therefore we are getting very close to the comparative relation between the cost of production in this country and the foreign countries and the selling price in this country and the foreign countries. I do not claim that it is always exactly accurate.

Mr. SIMMONS. Mr. President, I asked this question of the Senator because I apprehended that in this particular case certainly they had measured the rate by the difference in the selling price, and not the difference in the cost of production.

The Senator says there is very little, if any, difference between the difference in the cost of production and the difference in the selling price. Why, Mr. President, at the beginning of these debates, when we offered evidence here to the general effect that the products of Germany were being imported into this country at invoice prices that were very much higher than the invoice prices of the same products before the war, we were told that the prices at which they were invoiced and sold in this market were in many instances and in most instances enormously in excess of the cost at which they were produced and the price at which they were sold in the domestic market. Various reasons were given for this difference, but there was no attempt to controvert the fact, as claimed by us and as testified by the experts, that ever since the close of the war, ever since the resumption of trade between this country and Germany, the German products against which there is complaint on the part of the manufacturers have been sold at the ports of entry before the duty was added at prices that very much exceeded the prices at which similar articles from that country were sold at the ports of entry before the war. There was, however, no contention on the part of the experts, there was no contention on the part of anybody on the committee, that the prices at which these German products were invoiced to this country represented the cost of production of the products in the German factory or represented the price at which those products were sold in the German market. Now, the Senator says there is no difference, or substantially none, between the foreign selling price at the port of entry and the cost of production of that product in the country of origin.

Mr. McCUMBER. Mr. President, I hope the Senator will not say that I claim that there is no difference between the cost of production and the selling price at the port of entry.

Mr. SIMMONS. The Senator said that in many cases and in most cases that was the fact.

Mr. McCUMBER. I stated—and let me state it again—that the cost of production and the selling price of a product in a foreign country and the cost of production and the selling price of a product in this country would bear about the same relation, and therefore if we got the selling price of a product in a foreign country and we found that as a rule that selling price represented a 25 per cent advance over the cost of production we could simply deduct the 25 per cent from the selling price and arrive in that way at the probable cost of production, and we could take the same article here, though it sold for twice as much, and if we ascertained that the selling price included a profit of about 25 per cent we would deduct that and we would still have the same relation between the selling prices of the two articles in the two countries that we should have between the costs of production of the two articles in the two countries.

That is all I desired to state.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment.

The amendment was agreed to.

The PRESIDENT pro tempore. The Secretary will state the next amendment of the committee.

The next amendment was, on page 204, line 13, to strike out "ad valorem" and insert "ad valorem; meerschaum, crude or unmanufactured, 20 per cent ad valorem."

The amendment was agreed to.

The next amendment was, on page 204, to strike out lines 15 to 18, both inclusive, in the following words:

PAR. 1453. Plush, black, known commercially as hatters' plush, composed of silk, or of silk and cotton, of the qualities and width used generally in the making of men's hats, 10 per cent ad valorem.

Mr. ROBINSON. Mr. President, I inquire of the Senator from North Dakota the effect of that amendment, if agreed to. What will be the duty upon the commodities described in paragraph 1453 if this amendment prevails?

Mr. McCUMBER. It will appear in a different paragraph. I should have to see just where it is. It is in the silk paragraph. I should have to take some little time to find it. We already have done it in the silk paragraph, so this is a mere matter of striking out this item to correspond with that action.

Mr. ROBINSON. Yes; but what will be the duty imposed upon these commodities under the paragraph to which it has been assigned? If the Senator can not state it at this moment he might take a few minutes to look it up. I should like to have the information definitely.

Mr. McCUMBER. I can not find it just now, but I will in a short time.

Mr. ROBINSON. Just let it be passed over for the time.

The PRESIDENT pro tempore. By unanimous consent the paragraph is passed over temporarily.

Mr. McCUMBER. Mr. President, it will be found in paragraph 1206, on page 101:

Plushes, including such as are commercially known as hatters' plush, cut or uncut, composed wholly or in chief value of silk, weighing not less than 9½ ounces per square yard, $1 per pound.

I should have to find out just what the ad valorem duty would be equivalent to. Ordinarily, raw silk itself runs to about $7 per pound.

Mr. ROBINSON. It would probably be an increased duty?

Mr. McCUMBER. I think it would be more than 10 per cent.

Mr. ROBINSON. Perhaps the Senator from Connecticut [Mr. McLEAN] can state.

Mr. McLEAN. I think we cut out of that paragraph the specific duties and put these products under an ad valorem duty. My impression is that it would be considerably higher. I do not remember just what the duty would be. They had been in the habit of importing this hatters' plush under a very low rate, and it was assumed that it would be used for making plush for gentlemen's hats. It is used for all sorts of purposes.

Mr. ROBINSON. I will request the Senator from Connecticut, while we proceed with another paragraph, to look up the

matter and ascertain what that duty will be, and in the meantime let the paragraph be passed over. I should like to have definite information on it.

The PRESIDENT pro tempore. It has been passed over.

Mr. POMERENE. Mr. President, I have here a brief editorial from a Republican protection paper, the Ohio State Journal, printed in Columbus, Ohio, under date of Saturday, August 12, 1922, on the subject of "Raising the sugar bill." I ask unanimous consent to have it incorporated in the RECORD without reading.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it will be printed as requested.

The matter referred to is as follows:

[From the Ohio State Journal of Saturday, August 12, 1922.]

RAISING THE SUGAR BILL.

The Senate has fixed the duty on sugar in the imminent tariff law at 2.3 cents a pound. Under the emergency tariff law now in force the rate is 2 cents, and that is an increase of three-fourths of a cent over the rate fixed by the Underwood tariff law. The 2.3-cent duty is said to be the highest tax on sugar in the Nation's entire tariff history. It will force the people to pay about $25,000,000 more a year for their sugar than they pay now, and they already pay $100,000,000 a year for the satisfaction of knowing that the industry is protected against foreign competition.

Almost every citizen of the United States consumes a considerable quantity of sugar and a few of them are financially interested in its manufacture. For the benefit of these latter alone this high duty has been fixed, the interest of the former being ignored entirely, as it has been also for the benefit of the manufacturers of woolen and cotton goods and many other necessary commodities. The people seem to be thinking more about these things than they used to. All the old, high-sounding arguments about the protection of industry under the American flag, national prosperity, and the American standard of living will be trotted out in support of a tariff bill which lays burdensome taxes upon the many to enrich the few, but we note many signs that it is going to be harder to put them across, as the phrase is, this time than ever it was before.

The PRESIDENT pro tempore. The Secretary will state the next amendment of the committee.

The next amendment was, in paragraph 1454, page 204, line 19, after the word "carafes," to insert "jars."

The amendment was agreed to.

The next amendment was, on line 20, after the word "containers," to insert "or blanks and pistons of such articles."

The amendment was agreed to.

The next amendment was, on line 22, after the word "vacuous," to strike out "insulating" and insert "insulation."

The amendment was agreed to.

The next amendment was, on line 23, after the word "whether," to strike out "imported" and insert "imported, finished or unfinished," so as to read:

All thermostatic bottles, carafes, jars, jugs, and other thermostatic containers, or blanks and pistons of such articles, of whatever material composed, constructed with a vacuous or partially vacuous insulation space to maintain the temperature of the contents, whether imported, finished or unfinished, with or without a jacket or casing of metal or other material, shall pay the following rates of duty, namely:

The amendment was agreed to.

The next amendment was, on page 205, line 2, after the word "less," to strike out "10" and insert "20," so as to read:

Having a capacity of one pint or less, 20 cents each.

Mr. ROBINSON. Mr. President, this amendment and that in lines 3, 4, and 5 are so closely related that I think one may very well be discussed in conjunction with the others. For my part, I do not desire to take very much time respecting them; but I wish to ask the Senator from North Dakota what is the reason for the imposition of both a specific and an ad valorem duty in connection with these commodities? I find that the rates under the Payne-Aldrich tariff law are both specific and ad valorem, but I am not apprised as to the reason for imposing both classes of rates.

Mr. McLEAN. Mr. President, if the Senator from North Dakota will pardon me, I will say to the Senator from Arkansas that the experts, in their survey of this particular article, have been provided with many instances of importations. I do not know whether or not the Senator has looked at the Reynolds report, on page 269. If he has, he will find that a comparable article made in Germany, for instance, for 14 cents, costs 81 cents in this country, and a 20-cent thermos bottle made in Germany costs the same price—81 cents—in this country. A 32-cent one-pint thermos bottle costs $1.20 in this country. That is the American selling price, and allows a 15 or 20 per cent profit. The Senator will see that there is a long list of 15 or 20 different varieties of these thermos bottles, and if the industry is to be protected at all, the rates must be as high as those recommended by the committee. In fact, I doubt whether the rates recommended by the committee will be sufficient, because in many instances the foreign costs will warrant rates much above those.

Mr. ROBINSON. That does not give the information I called for. At least, it does not give it to my satisfaction. My question was as to why both a specific and an ad valorem rate are imposed.

Mr. McLEAN. That was necessary on the cheaper variety. We had to have a compound duty on the cheaper varieties, and it runs pretty high; but the foreign products, both from Japan and Germany, are inferior in quality and can be purchased very cheaply at some stores. At others about the same price was exacted as was charged for the American article.

Mr. ROBINSON. What will be the equivalent ad valorem rate if the Senate Finance Committee amendments are adopted?

Mr. McCUMBER. I can give that, Mr. President, and in connection with it I will give the equivalent ad valorem rate necessary to equalize the difference. We find from the Reynolds report, after allowing 25 per cent gross profit, the following rates necessary to equalize the difference, namely: On pint vacuum or thermos bottles from Germany it would require 300 per cent to equalize. The Senate committee rate is 50 per cent, and plus the 20 cents it is equivalent to 139 per cent.

On the quarts it would require 300 per cent. The Senate committee rate would be equivalent to 130 per cent.

On the pints from Japan it would require 154 per cent. The Senate committee rate would be equivalent to 89 per cent.

On the quarts from Japan it would require 67 per cent to equalize, and the Senate committee rate to equalize in that instance is 83 per cent.

Mr. ROBINSON. The Senator from North Dakota is frequently referring to the rates which would be required "to equalize." To equalize what? The costs of production?

Mr. McCUMBER. No; to equalize the selling price of the foreign article; that is, the import price and the selling price of the comparable American article. I must say, however, that I do not think the Japanese article can be regarded as comparable, as it is a very cheap article and does not last.

Mr. ROBINSON. But the selling price has no definite relation to the actual cost of production. Has the Senator gone into the question to determine whether or not these selling prices, both of the foreign article and of the domestic article, have any substantial relationship to a fair profit or an excessive profit? Has he gone into that?

Mr. McCUMBER. No more than to state that in making our computation of the requirement we have allowed a 25 per cent profit on all the importations, and then all of the added costs of landing, and so forth, and we find that it will require these sums in order to equalize and compare with the American selling price. We have not ascertained the actual cost of production abroad or the actual cost of production in this country. We had to content ourselves with what we could find, and that was the selling price.

Mr. ROBINSON. Very well, Mr. President. I submit the following amendment: I move, on line 3, to strike out "40" and to insert "25"; on line 4, to strike out "50" and to insert "35"; on line 5, to strike out "60" and to insert "45." I think the amendments may be voted on at one time.

The PRESIDENT pro tempore. Without objection, the proposed amendments will be voted on at the same time.

Mr. McCUMBER. I think it proper to put into the RECORD at this time the report of the Reynolds commission, showing that in the case of pint thermostatic and vacuum bottles the unit of value in Germany is 22 cents and 4 mills; in this country it is $1.29. In quarts in Germany it is 49.9 cents; in the United States $2.89. In pints, by the dozen, $6.15 in Japan and $20.25 in the United States. In quarts, per dozen, in Japan it was $14.44 and in the United States, per dozen, it was $32.40.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Arkansas to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question is upon the amendment proposed by the committee. Does the committee desire to have the three amendments voted upon at the same time?

Mr. McCUMBER. I ask that that be done.

Mr. ROBINSON. I have no objection to taking the vote upon the three amendments I have attempted to amend.

The PRESIDENT pro tempore. The amendment on line 2 is first to be acted upon.

The ASSISTANT SECRETARY. On line 2 the committee proposes to strike out "10" and to insert "20."

The amendment was agreed to.

The PRESIDENT pro tempore. The question now is upon the three committee amendments, including line 5, to be treated as one amendment, which the Secretary will state.

The ASSISTANT SECRETARY. On page 205, line 3, to strike out "20" and to insert "40"; on line 4 to strike out "30" and to insert "50"; on line 5 to strike out "35" and to insert "60," so as to read:

Having a capacity of 1 pint or less, 20 cents each; having a capacity of more than 1 pint, 40 cents each; and in addition thereto, on all of the foregoing, 50 per cent ad valorem; parts of any of the foregoing not including those above mentioned, 60 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 205, line 8, after the word "maker," to insert the words "or purchaser"; and on line 15, after the word "maker," to insert the words "or purchaser," so as to read:

Provided, That all articles specified in this paragraph when imported shall have the name of the maker or purchaser and beneath the same the name of the country of origin legibly, indelibly, and conspicuously etched with acid on the glass part and die stamped on the jacket or casing of metal or other material in a place that shall not be covered thereafter: *Provided further*, That each label, wrapper, box, or carton in which any of the foregoing are wrapped or packed, when imported, shall have the name of the maker or purchaser and beneath the same the name of the country of origin legibly, indelibly, and conspicuously stamped or printed thereon.

The amendment was agreed to.

The next amendment was, in paragraph 1455, page 205, line 20, to strike out the words "and walking canes, 35," and to insert "50," so as to read:

Umbrellas, parasols, and sunshades covered with material other than paper or lace, not embroidered or appliquéd, 50 per cent ad valorem.

Mr. ROBINSON. Mr. President, this paragraph is of considerable importance. The prevailing rates under the Underwood Act, as I recall them, are 35 per cent and 30 per cent, respectively, instead of 50 per cent and 40 per cent, as proposed by the Finance Committee. The importations and production of the commodities embraced within this paragraph throw some light, in my opinion, upon the merits of the proposed committee rates. I do not believe they are justified.

The United States is now doing a comparatively large business in the exportation of these commodities, the exports having increased since 1914 considerably more than ten times. The exports of umbrellas and parasols were valued at $29,903 in 1914. They are shipped principally to Cuba, Spain, Mexico, Brazil, England, Canada, and Australia. The exports in 1918 were more than a half a million dollars. In 1919 they were almost $700,000. In 1920 they were approximately three-quarters of a million dollars, and in the first nine months of 1921 they appear to have dropped to $220,466.

An examination of the importations of these commodities does not disclose any necessity, in my opinion, even from the standpoint of those who favor protection, for an increase in the rates already levied on these articles. For these reasons I propose to offer an amendment to the committee rates, as follows: In line 20, to strike out "50" and to insert "35."

Mr. McCUMBER. If the Senator will make that "40," I will agree to it.

Mr. ROBINSON. I believe I will do that. I move to strike out "50" and insert in lieu thereof "40."

The PRESIDENT pro tempore. The question is upon the amendment proposed by the Senator from Arkansas to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, in line 21, before the word "sunshades," to strike out the word "or"; after the word "sunshades" and the comma to insert the words "and walking canes," on line 21; on line 22, to strike out "30" and insert in lieu thereof "40," so as to read:

PAR. 1455. Umbrellas, parasols, and sunshades covered with material other than paper or lace, not embroidered or appliquéd, 40 per cent ad valorem; handles and sticks for umbrellas, parasols, sunshades, and walking canes, finished or unfinished, 40 per cent ad valorem.

Mr. ROBINSON. I move to amend by striking out "40" and inserting "30."

The PRESIDENT pro tempore. That would be equivalent to disagreeing to the committee amendment.

Mr. ROBINSON. I understand that, but I prefer to offer this amendment for a number of reasons. I thought perhaps the Senator from North Dakota might pursue the same course he did in connection with the amendment just agreed to.

Mr. McCUMBER. There is a little difference in the case of those handles and in the completed umbrellas. There is a considerable quantity coming in from Japan. The Reynolds report shows that, after allowing 33⅓ per cent gross profits on umbrella handles from Japan, the principal source of import, it would require 98 per cent ad valorem to equalize the American selling price of the comparable article, and we have fixed the rate at less than one-half of that, namely, 40 per cent, and I was willing to have both go in at 40 per cent.

Mr. ROBINSON. I will modify my original proposal. I move to amend the amendment, on line 22, by striking out "40" and inserting "35."

The PRESIDENT pro tempore. The question is upon agreeing to the amendment offered by the Senator from Arkansas to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question is upon agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 205, line 23, to strike out the colon and the proviso, as follows:

Provided, That no article provided for in this paragraph shall pay a less rate of duty than the rate provided for the component material of chief value.

The amendment was agreed to.

The PRESIDENT pro tempore. The Secretary will state the next amendment.

The ASSISTANT SECRETARY. On page 206, line 3, the committee proposes to strike out "15" and insert "25," so as to read:

PAR. 1457. White bleached beeswax, 25 per cent ad valorem.

Mr. ROBINSON. Mr. President, under the law now prevailing this article is on the free list. The House imposed a rate of 15 per cent ad valorem. The Finance Committee seeks to amend that by increasing the rate to 25 per cent ad valorem. I should like to have an explanation from the chairman of the committee as to the justification for the proposed committee rate.

Mr. McCUMBER. Mr. President, I shall be glad to give it. The investigation which we gave to it indicated that there was very little difference between the price in August, 1921, and the present price. As to beeswax, pure white, and that means the bleached, which is provided for in paragraph 1457, we found that after allowing 12 per cent gross profits under the Reynolds report the beeswax imported from Belgium would require 53 per cent ad valorem to equalize it with the selling price of the same kind or comparable article in the United States. Beeswax, pure white, imported from France requires 20 per cent. The rate which we adopted would be 5 per cent higher than that required to equalize the French product, but it would be less than half of that which would be required to equalize the Belgian product. The committee thought they could not give a lower rate than 25 per cent ad valorem under those conditions.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 206, line 13, after the word "be," to strike out "applied," and to insert "applied", and on page 207, line 11, after the word "rates," to strike out ", but this provision shall not apply to articles on the free list"; so as to make the paragraph read:

PAR. 1459. That each and every imported article, not enumerated in this act, which is similar, either in material, quality, texture, or the use to which it may be applied to any article enumerated in this act as chargeable with duty, shall pay the same rate of duty which is levied on the enumerated article which it most resembles in any of the particulars before mentioned; and if any nonenumerated article equally resembles two or more enumerated articles on which different rates of duty are chargeable, there shall be levied on such nonenumerated article the same rate of duty as is chargeable on the article which it resembles paying the highest rate of duty; and on articles not enumerated, manufactured of two or more materials, the duty shall be assessed at the highest rate at which the same would be chargeable if composed wholly of the component material thereof of chief value; and the words "component material of chief value," wherever used in this act, shall be held to mean that component material which shall exceed in value any other single component material of the article; and the value of each component material shall be determined by the ascertained value of such material in its condition as found in the article. If two or more rates of duty shall be applicable to any imported article, it shall pay duty at the highest of such rates.

The amendment was agreed to.

The next amendment was, under "Title II, Free List," on page 208, line 5, after the word "jalap," to strike out "manna," and to insert "manna;", and in line 6, after the word "and," to strike out "flowers," and to insert flowers;", so as to read:

PAR. 1502. Aconite, aloes, asafetida, cocculus indicus, ipecac, jalap, manna; marshmallow or althea root, leaves, and flowers; maté, and pyrethrum or insect flowers, all the foregoing which are natural and uncompounded and are in a crude state, not advanced in value or condition by shredding, grinding, chipping, crushing, or any other process or treatment whatever beyond that essential to proper packing and the prevention of decay or deterioration pending manufacture.

The amendment was agreed to.

The next amendment of the committee was, on page 208, line 17, after the word "mowers," to insert "(except lawn mowers)."

The amendment was agreed to.

The next amendment was, on page 208, in line 19, after the words "wagons and carts" and the comma, to insert "cen-

trifugal cream separators operable by hand power" and a comma.

Mr. McCUMBER. That was afterwards changed, and we put a duty of 25 per cent on centrifugal cream separators in paragraph 372, which has already been agreed to. Therefore, it will be necessary to disagree to the committee amendment just reported.

Mr. SIMMONS. Mr. President, I wish to ask the Senator with reference to the disagreement to the amendment. Did I correctly understand him to say that the article had been put upon the dutiable list?

Mr. McCUMBER. It has been voted in by the Senate in paragraph 372 as amended.

Mr. SIMMONS. And for that reason the Senator asks that the pending amendment be disagreed to?

Mr. McCUMBER. Yes.

Mr. SIMMONS. Will the Senator advise me what duty was placed upon cream separators?

Mr. McCUMBER. The duty was 25 per cent ad valorem.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

The PRESIDENT pro tempore. The Secretary will report the next amendment.

The ASSISTANT SECRETARY. On page 208, lines 21 and 22, strike out the words "whether specifically mentioned herein or not" and the comma and insert the words "not specially provided for," so as to read:

PAR. 1504. Agricultural implements: Plows, tooth or disk harrows, headers, harvesters, reapers, agricultural drills and planters, mowers (except lawn mowers), horserakes, cultivators, thrashing machines, cotton gins, machinery for use in the manufacture of sugar, wagons and carts, and all other agricultural implements of any kind or description, not specially provided for, whether in whole or in parts, including repair parts.

The amendment was agreed to.

The next amendment was, at the top of page 209, to insert the following proviso:

Provided, That no article specified by name in Title I shall be free of duty under this paragraph.

Mr. ROBINSON. I ask the chairman of the committee for an explanation of the amendment. What is the purpose and what is the effect of it?

Mr. McCUMBER. When we provided that an article should be dutiable we assumed that the Treasury Department would always rule that the article was dutiable, but it seems that there have been some holdings to the effect that the use for which a certain article was imported was to govern whether it should be free or dutiable. To place the question at rest, that where we fix a duty upon it it is to take that duty, no matter what the use may happen to be, if it is not otherwise specifically provided for, we have inserted this language to meet that ruling.

The PRESIDENT pro tempore. The question is upon agreeing to the committee amendment.

The amendment was agreed to.

Mr. McCUMBER. On page 209, line 2, after the word "paragraph," I move to amend by inserting a colon and the following:

Provided, That if any country, dependency, Province, or other subdivision of government impose a duty on any article specified in this paragraph when imported from the United States an equal duty shall be imposed upon such article coming into the United States from such country, dependency, Province, or other subdivision of government.

Mr. UNDERWOOD. The Senator is proposing that as a new amendment?

Mr. McCUMBER. As a new amendment, to follow what has just been agreed to.

Mr. UNDERWOOD. May I ask the Senator a question? There are certain forms of nitrogen used as fertilizer that are manufactured for fertilizer, and they come into this country from Canada, for instance. If Canada now imposes or should impose a duty on the article, then it comes off the free list by this provision.

Mr. McCUMBER. Will the Senator repeat the kind of article that it is supposed would come in under such conditions?

Mr. UNDERWOOD. For instance, air nitrogen is manufactured——

Mr. McCUMBER. But this paragraph is simply agricultural implements.

Mr. UNDERWOOD. Oh, I thought the provision applied to the whole title.

Mr. McCUMBER. Oh, no; just to this particular paragraph 1504.

Mr. UNDERWOOD. I beg the Senator's pardon. I was mistaken. I thought he intended the proviso to apply to Title I. I understand now that it applies only to this paragraph.

Mr. McCUMBER. That is correct.

Mr. SIMMONS. The paragraph applies specifically to agricultural implements and machinery. At what particular country is the Senator from North Dakota aiming in the amendment?

Mr. McCUMBER. I think that Canada, for instance, has a duty on quite a number of agricultural implements coming from the United States. Canada may purchase or have made or built in Canada, manufactured wholly there or partially manufactured and then imported, which would come into the United States free of duty as an agricultural implement mentioned in paragraph 8, where she would take a higher rate of duty if they came in from the United States.

Mr. SIMMONS. Are we importing any agricultural implements from Canada?

Mr. McCUMBER. Very few. The fact is, we are importing very few agricultural implements from any place on the face of the earth.

Mr. SIMMONS. We are making all we need and making them cheaper than they are making them anywhere else in the world. Why should we, therefore, under those circumstances, impose what is in the nature of a retaliatory provision against Canada when we are not importing anything from Canada and when we practically have never imported any of these implements from Canada?

Mr. McCUMBER. Oh, we do import implements from Canada. In 1920, I think it was, we imported nearly $6,000,000 worth from Canada. In 1921 the amount fell off very materially and was only about $1,000,000.

Mr. SIMMONS. What were the things which we chiefly imported from Canada?

Mr. McCUMBER. They are not segregated in the reports. They simply came in under the head "agricultural implements," so I can not tell the proportion of any particular kind. I want to say to the Senator, frankly, that so far as the chairman of the committee is concerned I think we are stretching a point in any case where we insist on a sort of retaliatory duty.

Mr. SIMMONS. I am very much opposed to any such provision.

Mr. McCUMBER. But we are doing it. I think it is contrary, I admit, to the spirit of our treaties, but we have done so in a great number of instances in past laws, and the committee have found it necessary to deviate from the view of the chairman upon that subject.

Mr. SIMMONS. I am quite sure of one thing. If we are importing agricultural implements or machinery from Canada it must be some particular implement or machine that is not manufactured in this country. If there is anything that seems to be ascertained with a degree of certainty it seems to be that we can manufacture agricultural implements and are manufacturing agricultural implements in this country as cheaply as in any other country in the world. If any are coming in here from Canada they must be machines or implements which we do not make, or they must be implements that are not sold below the American price. They could not be sold, in my judgment, below the American price because we can make them cheaper than they can in Canada, if I am correctly advised.

We have already in the agricultural schedule imposed duties that will largely exclude Canadian imports, that will affect very seriously and disastrously our export business to Canada, the finest we have in the world except that to Europe. It seems to me that we ought, where we possibly can, to desist from further stirring up resentment in a retaliatory spirit on the part of our neighbor, Canada. If there is no country other than Canada which we fear in competition in the sale of agricultural implements, it seems to me the committee would hardly be justified in imposing this retaliatory provision against Canada.

I wish the Senator might see his way clear not to insist upon that amendment.

Mr. McCUMBER. Mr. President, we have like reciprocal duties—I will use the word "reciprocal" rather than "retaliatory," for I think that is really the nature of those duties—in 10 or a dozen cases, I think, in this bill where it has been thought proper to insert them. After all there is little difference between the duties so provided and any reciprocal tariff arrangement. We say to another country, "If you will provide a duty of 20 per cent on our agricultural implements going into your country, we will allow your agricultural implements to come in at 20 per cent." But suppose the other country has already fixed its rate at 20 per cent, then we say, "Inasmuch as that country has fixed its rate at 20 per cent we will fix ours at 20 per cent," and in that instance we have simply met their duty. As I stated before, it is reciprocal. If

the other country takes its duty off, then, of course, the commodities are admitted free; but if they are not we are charging that country exactly what that country charges us. The only difference is that instead of making a difference by virtue of a treaty we have made it by virtue of the two laws of the two countries.

I agree with the Senator, however, that as a rule it is a wrong policy for this country to try to equalize with another country, because our conditions may be such that we may require a duty upon a specific article which the conditions of another country do not require. We should make our laws according to our own conditions and situation. When we do that ourselves I think we ought to allow other countries to do the same thing; but the committee is taking the view that we ought to have this sort of reciprocal agreement upon agricultural implements.

Mr. SIMMONS. Mr. President, if the Senator from North Dakota will pardon me just one second, he said that this was not the only provision of the kind in the pending bill, but that there were a number of them. I wish to ask if nearly all of the provisions of this kind embraced in the bill are not aimed at our commerce with Canada?

Mr. McCUMBER. The only two that have been agreed to to-day so far, of course, related to Canada. They related to brick and cement. I do not know just what we may yet insert.

Mr. ROBINSON. Mr. President, the Senator from North Dakota [Mr. McCUMBER], in my opinion, has just made an excellent argument against the adoption of the pending amendment. He has stated what I believe to be the correct principle upon this subject. I believe it would be unfortunate and it seems to me it would be unnecessary to adopt what is apparently a retaliatory provision with reference to the importation and exportation of agricultural implements. It seems to me that this amendment ought not to be agreed to. I think the personal view toward it entertained by the Senator from North Dakota [Mr. McCUMBER] is the correct one, rather than that asserted by the committee in this amendment. For those reasons I shall vote against the amendment.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment reported by the committee.

The amendment was rejected.

The next amendment of the Committee on Finance was, on page 209, after line 8, to insert:

PAR. 1505a. Ammonium nitrate.

Mr. McCUMBER. I ask that that amendment be disagreed to, as we have already put ammonium nitrate on the dutiable list at 1 cent a pound under paragraph 7.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was rejected.

The next amendment of the Committee on Finance was, on page 209, after line 4, to strike out:

PAR. 1506. Ambergris, castoreum, civet, and musk, grained or in pods.

The PRESIDENT pro tempore. The question is upon agreeing to the committee amendment.

Mr. SIMMONS. Why is that paragraph proposed to be stricken out?

Mr. McCUMBER. It is proposed to be stricken out because we have put ambergris in another paragraph and have given it a duty of 20 per cent ad valorem. The Senate has already passed upon that, and that, of course, necessitates the striking out of paragraph 1506.

Mr. ROBINSON. Are all of the articles which are embraced in paragraph 1506 placed upon the dutiable list?

Mr. McCUMBER. Yes.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 211, line 7, after the word "ore," to strike out "and needle or liquated antimony, but only as to the antimony content," so as to read:

PAR. 1509. Antimony ore.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

Mr. ROBINSON. Will not the Senator from North Dakota explain the reason for the amendment?

Mr. McCUMBER. Mr. President, we put needle or liquated antimony in the metal schedule at three-fourths of 1 cent per pound in paragraph 376.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 211, line 11, after the word "unprepared," to strike out the comma and "saffron and safflower," so as to make the paragraph read:

PAR. 1510. Annatto and all extracts of, archil or archil liquid, cochineal, cudbear, gambier, litmus prepared or unprepared; all of the foregoing not containing alcohol.

The amendment was agreed to.

The next amendment was, on page 213, line 16, after the word "and," to strike out "sand, or" and to insert "sand and," so as to make the paragraph read:

PAR. 1515. Asbestos, unmanufactured, asbestos crudes, fibers, stucco, and sand and refuse containing not more than 15 per cent of foreign matter.

The amendment was agreed to.

The next amendment was, on page 213, after line 17, to strike out:

PAR. 1516. Azides, fulminates, fulminating powder, and other like articles not specially provided for.

Mr. ROBINSON. Let us have an explanation of that amendment.

Mr. McCUMBER. I will state that paragraphs 1516 and 1517 have already been agreed to. The articles mentioned in paragraph 1516 have been placed upon the dutiable list.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 214, after line 5, to insert:

PAR. 1517a. Bananas, green or ripe.

The amendment was agreed to.

The next amendment was, on page 214, line 14, after the word "hemp," to insert "henequen," so as to make the paragraph read:

PAR. 1521. All binding twine manufactured from New Zealand hemp, henequen, manila, istle or Tampico fiber, sisal grass, or sunn, or a mixture of any two or more of them, of single ply and measuring not exceeding 750 feet to the pound.

The amendment was agreed to.

The next amendment was, on page 214, after line 17, to strike out:

PAR. 1522. Bread: *Provided*, That no article shall be exempted from duty as bread unless yeast was the leavening substance used in its preparation.

Mr. McCUMBER. I ask that that amendment may be disagreed to.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was rejected.

The next amendment was, on page 214, after line 20, to strike out:

PAR. 1523. Bismuth.

Mr. ROBINSON. Has bismuth been placed on the dutiable list?

Mr. McCUMBER. Bismuth has been made dutiable.

Mr. ROBINSON. I assume, then, it follows that it goes out here.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The next amendment was, on page 214, line 23, after the word "only," to insert "and unmanufactured," so as to make the paragraph read:

PAR. 1524. Fish sounds, crude, dried or salted for preservation only, and unmanufactured, not specially provided for.

The amendment was agreed to.

The next amendment was, on page 215, line 6, after the word "meal," to strike out "and bone ash," and to insert "bone ash, and animal carbon suitable only for fertilizing purposes," so as to make the paragraph read:

PAR. 1527. Bones: Crude, steamed, or ground; bone dust, bone meal, bone ash, and animal carbon suitable only for fertilizing purposes.

Mr. McCUMBER. On page 215, line 6, I move to strike out "bone ash" and insert in lieu thereof "and bone ash."

Mr. ROBINSON. Is the Senator proposing to change the amendment which the committee at first reported?

Mr. McCUMBER. Yes; so as to make it absolutely certain that bone ash will be placed upon the free list even though it may not be connected with "animal carbon, suitable only for fertilizing purposes."

The PRESIDENT pro tempore. The question is upon the amendment offered by the Senator from North Dakota to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 215, line 23, after the figures "1530," to strike out "Books" and to insert "Books and pamphlets printed wholly or chiefly in languages other than English; books," so as to make the paragraph read:

PAR. 1530. Books and pamphlets printed wholly or chiefly in languages other than English; books, pamphlets, and music, in raised print, used exclusively by or for the blind; Braille tablets, cubarithms, special apparatus and objects serving to teach the blind, including printing apparatus, machines, presses, and types for the use and benefit of the blind exclusively.

The amendment was agreed to.

The next amendment was, on page 216, line 11, after the word "duty," to strike out the comma and "not to exceed two copies of," so as to make the paragraph read:

PAR. 1531. Any society or institution incorporated or established solely for religious, philosophical, educational, scientific, or literary purposes, or for the encouragement of the fine arts, or any college, academy, school, or seminary of learning in the United States, or any State or public library, may import free of duty any book, map, music, engraving, photograph, etching, lithographic print, or chart, for its own use or for the encouragement of the fine arts, and not for sale, under such rules and regulations as the Secretary of the Treasury may prescribe.

The amendment was agreed to.

The next amendment was, on page 216, line 16, after the figures "1532," to strike out "Books and libraries" and to insert "Books, libraries, usual and reasonable furniture, and similar household effects," and in line 20, after the word "sale," to strike out the comma and "and not exceeding $250 in value," so as to make the paragraph read:

PAR. 1532. Books, libraries, usual and reasonable furniture, and similar household effects of persons or families from foreign countries if actually used abroad by them not less than one year, and not intended for any other person or persons, nor for sale.

The amendment was agreed to.

The next amendment was, on page 216, line 22, after the word "crude," to strike out "and" and to insert "or," so as to make the paragraph read:

PAR. 1533. Borax, crude or unmanufactured and borate of lime, borate of soda, and other borate material, crude and unmanufactured, not specially provided for.

The amendment was agreed to.

The next amendment was, on page 217, after line 2, to insert:

PAR. 1534a. Brazilian beans.

Mr. McCUMBER. On page 217, line 3, after the word "Brazilian," I move to insert the word "pitchurim."

The PRESIDENT pro tempore. The Secretary will state the amendment to the amendment.

The READING CLERK. On page 217, in line 3, after the word "Brazilian" it is proposed to insert "pitchurim."

Mr. SIMMONS. Mr. President, what does that mean? I do not know what that means.

Mr. McCUMBER. I will read the report of the committee.

Mr. SIMMONS. No; I will not take the time for that, if the Senator has to read the report.

Mr. McCUMBER. I can tell the Senator what it means.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDENT pro tempore. The next amendment of the committee will be stated.

The next amendment was, on page 217, after line 7, to insert:

PAR. 1536a. Broom corn.

The amendment was agreed to.

The next amendment was, on page 217, after line 10, to strike out:

PAR. 1539. Cadmium.

The amendment was agreed to.

The next amendment was, on page 217, line 13, after the word "nitrogen," to strike out the colon and the following proviso:

Provided, That when any country, dependency, or other subdivision of government imposes a duty on calcium acetate imported from the United States, an equal duty shall be imposed upon such article coming into the United States from such country.

So as to make the paragraph read:

PAR. 1540. Calcium: Acetate, chloride, crude; nitrate, and cyanamid or lime nitrogen.

The amendment was agreed to.

The next amendment was, on page 217, line 18, before the word "and," to strike out "Cash registers, linotype," and to insert "Linotype," and in line 19, after the word "machines," to strike out "Sewing machines," so as to make the paragraph read:

PAR. 1541. Linotype and all typesetting machines, typewriters, shoe machinery, sand-blast machines, sludge machines, and tar and oil spreading machines used in the construction and maintenance of roads and in improving them by the use of road preservatives; all the foregoing whether in whole or in parts, including repair parts.

The amendment was agreed to.

The next amendment was, on page 217, line 25, before the word "or," to strike out "Cerium, cerite," and to insert "Cerite," so as to make the paragraph read:

PAR. 1542. Cerite or cerium ore.

The amendment was agreed to.

The next amendment was, on page 218, after line 2, to insert:

PAR. 1543a. Chestnuts, including marrons, crude, dried, baked, prepared, or preserved in any manner.

The amendment was agreed to.

The next amendment was, on page 218, line 9, after the word "form," to strike out the colon and the following proviso:

Provided, That when any country, dependency, or other subdivision of government imposes a duty on such articles imported from the United States, an equal duty shall be imposed upon such articles coming into the United States from such country.

The amendment was agreed to.

The next amendment was, on page 218, line 18, after the word "after," to strike out "removing" and to insert "the removal of," so as to make the paragraph read:

PAR. 1546. Coal-tar products: Acenaphthene, anthracene having a purity of less than 80 per cent, benzene, carbazole having a purity of less than 65 per cent, cumene, cymene, fluorene, methylanthracene, methylnaphthalene, naphthalene which after the removal of all the water present has a solidifying point less than 79° centigrade, pyridine, toluene, xylene, dead or creosote oil, anthracene oil, pitch of coal tar, pitch of blast-furnace tar, pitch of oil-gas tar, pitch of water-gas tar, crude coal tar, crude blast-furnace tar, crude oil-gas tar, crude water-gas tar, all other distillates of any of these tars which on being subjected to distillation yield in the portion distilling below 190° centigrade a quantity of tar acids less than 5 per cent of the original distillate, all mixtures of any of these distillates and any of the foregoing pitches, and all other materials or products that are found naturally in coal tar, whether produced or obtained from coal tar or other source, and not specially provided for in paragraph 25 or 26 of Title I of this act.

The amendment was agreed to.

The next amendment was, on page 219, line 19, after the word "and," to strike out "copper cement" and to insert "cement copper," so as to make the paragraph read:

PAR. 1553. Copper ore; regulus of, and black or coarse copper, and cement copper; old copper, fit only for remanufacture, copper scale, clippings from new copper, and copper in plates, bars, ingots, or pigs, not manufactured or specially provided for.

The amendment was agreed to.

The next amendment was, on page 220, line 4, after the figures "1557," to strike out "Cotton" and to insert "Cotton, not specially provided for," so as to make the paragraph read:

PAR. 1557. Cotton, not specially provided for, and cotton waste.

The amendment was agreed to.

The next amendment was, on page 220, after line 9, to insert:

PAR. 1559a. Curry and curry powder.

The amendment was agreed to.

Mr. McCUMBER. On page 220 I wish to reconsider the motion by which paragraph 1560a was agreed to; and in the last line of the paragraph, after the word "cyanide," I move to insert a comma and the words "not specially provided for." That can only be done by asking that the vote by which this amendment was adopted may be reconsidered.

Mr. ROBINSON. What is the paragraph?

Mr. McCUMBER. 1560a.

Mr. ROBINSON. We have no such paragraph in the print.

Mr. McCUMBER. It was added by the Senate some time ago.

The READING CLERK. On page 220, after line 11, there was added paragraph 1560a, as follows:

Cyanide: Potassium cyanide, sodium cyanide, all cyanide salts and cyanide mixtures, combinations, and compounds containing cyanide.

Mr. ROBINSON. What is the proposal?

Mr. McCUMBER. I propose to insert a comma and the words "not specially provided for." Those words should have been inserted in the original amendment.

The PRESIDENT pro tempore. The Chair desires to remind the Senator from North Dakota that the Senate has not yet reconsidered the vote by which the amendment was agreed to. Is there objection to the reconsideration of the vote? The Chair hears none, and it is reconsidered.

Mr. McCUMBER. Now, I offer the amendment.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The READING CLERK. After the word "cyanide," at the end of the paragraph, it is proposed to insert a comma and the words "not specially provided for."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDENT pro tempore. The Secretary will state the next amendment of the committee.

The next amendment was, on page 221, line 9, after the word "tanning," to strike out "whether crude or treated solely for proper packing or prevention of decay or deterioration pending manufacture," and to insert "all the foregoing, whether crude or advanced in value or condition by shredding, grinding, chipping, crushing, or any similar process," so as to make the paragraph read:

PAR. 1563. Dyeing or tanning materials: Fustic wood, hemlock bark, logwood, mangrove bark, oak bark, quebracho wood, wattle bark, divi-divi, myrobalans fruit, sumac, valonia, nutgalls or gall nuts, and all articles of vegetable origin used for dyeing, coloring, staining, or tanning, all the foregoing, whether crude or advanced in value or condition by shredding, grinding, chipping, crushing, or any similar process; all the foregoing not containing alcohol and not specially provided for.

The amendment was agreed to.

The next amendment was, on page 221, line 21, after the word "and," to strike out "corundum ore," and to insert "corundum, and crude artificial abrasives," so as to make the paragraph read:

PAR. 1565. Emery ore and corundum, and crude artificial abrasives.

Mr. McCUMBER. I move to add the word "ore" after the word "corundum," the last word on line 21.

The READING CLERK. So that it will read:

Corundum ore, and crude artificial abrasives.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. McCUMBER. On page 222, I desire to offer an amendment, after line 8, as follows:

PAR. 1569a. Fish imported to be used for purposes other than human consumption.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDENT pro tempore. The next amendment of the committee will be stated.

The next amendment was, on page 222, line 12, after the word "skins," to insert "not specially provided for," so as to make the paragraph read:

PAR. 1573. Furs and fur skins, not specially provided for, undressed.

The amendment was agreed to.

The next amendment was, on page 222, line 16, after the word "manila," to strike out "sisal grass" and to insert "sisal, henequen," so as to make the paragraph read:

PAR. 1575. Grasses and fibers: Istle or Tampico fiber, jute, jute butts, manila, sisal, henequen, sunn, and all other textile grasses or fibrous vegetable substances, not dressed or manufactured in any manner, and not specially provided for.

The amendment was agreed to.

The next amendment was, on page 222, line 22, before the word "not," to insert "(including nonedible fish)," so as to read:

PAR. 1576. Guano, basic slag, ground or unground, manures, and all other substances used chiefly for fertilizer (including nonedible fish), not specially provided for.

Mr. McCUMBER. I ask that the Senate reject that amendment, because we have just included it in paragraph 1569a in a broader classification.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the committee.

The amendment was rejected.

The next amendment was, on page 222, line 22, to strike out "for" and insert "for: *Provided*, That no article specified by name in Title I shall be free of duty under this paragraph."

The amendment was agreed to.

The next amendment was, on page 223, line 1, after the word "resins," to strike out "Amber and amberoid, arabic or senegal, damar" and to insert "Damar," and in line 2, after the word "kauri," to strike out "and other copals" and to insert "copal," so as to make the paragraph read:

PAR. 1577. Gums and resins: Damar, kauri, copal, dragon's blood, kadaya, sandarac, tragacanth, tragasol, and other gums, gum resins, and resins, not specially provided for.

The amendment was agreed to.

Mr. McCUMBER. On lines 6 to 8, paragraph 1578, I desire to strike out all of that paragraph and to insert in lieu thereof the following:

Gunpowder, sporting power, and all other explosive substances not specially provided for: *Provided*, That if any country, dependency, Province, or other subdivision of government imposes a duty on any article specified in this paragraph when imported from the United States, an equal duty shall be imposed upon such article coming into the United States from such country, dependency, Province, or other subdivision of government.

On a division, the amendment was agreed to.

The next amendment was, on page 223, line 13, before the word "and," to strike out "ossein," and in the same line, after the word "glue," to strike out "stock" and to insert "stock, not specially provided for," so as to make the paragraph read:

PAR. 1580. Hide cuttings, raw, with or without hair, and all other glue stock, not specially provided for.

Mr. McCUMBER. I ask that that amendment be rejected.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

The READING CLERK. Paragraph 1582 has been heretofore agreed to.

The next amendment was, on page 224, after line 8, to strike out:

PAR. 1591. Ivory tusks in their natural state or cut vertically across the grain only, with the bark left intact.

Mr. McCUMBER. I ask that that amendment be rejected.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee.

The amendment was rejected.

Mr. McCUMBER. On page 224 I move to strike out line 17:

PAR. 1598. Lactarene or casein.

Mr. SIMMONS. What is the reason for that?

Mr. McCUMBER. Because it has been transferred to paragraph 17a and is given a duty at 4 cents per pound.

Mr. SIMMONS. I would be very glad if the clerk of the committee could furnish us with a statement showing where articles on the free list have been placed on the dutiable list. It would help us very much.

Mr. McCUMBER. I understand there have been no other transfers after this one. The clerk of the committee has been exceedingly busy, or he would have gotten out something in the way of an explanation.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the Senator from North Dakota.

The amendment was agreed to.

The READING CLERK. The amendment to strike out paragraph 1600 has been heretofore disagreed to.

The amendment to strike out paragraph 1601 has been heretofore disagreed to.

On page 225, line 4, paragraph 1603, the committee proposes to strike out "Limestone rock" and insert in lieu thereof "Limestone-rock."

The amendment was agreed to.

The READING CLERK. On page 225, after line 18, the committee proposes to insert a new paragraph, as follows:

PAR. 1607a. Manganese, oxide and ore of.

Mr. McCUMBER. The Senate having placed that upon the dutiable list, I ask that the committee amendment be disagreed to.

The amendment was rejected.

The READING CLERK. The amendment in paragraph 1610 was disagreed to August 3.

On page 226, line 4, the committee amendment was disagreed to August 3, and the committee amendment on line 9 was disagreed to the same date.

On page 226, line 24, the committee proposes to strike out paragraph 1612, as follows:

PAR. 1612. Meerschaum.

The amendment was agreed to.

The READING CLERK. On page 227, after line 11, the committee proposes to insert a new paragraph to read as follows:

PAR. 1615a. Molasses testing not above 56 per cent total sugars not imported to be commercially used for the extraction of sugar, or for human consumption.

Mr. BROUSSARD. I think there will be a record vote taken on this amendment, and I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Dial	Kellogg	New
Ball	Dillingham	Kendrick	Nicholson
Brandegee	Edge	Keyes	Norbeck
Broussard	Ernst	Lenroot	Oddie
Bursum	Fletcher	Lodge	Overman
Calder	Gooding	McCumber	Phipps
Cameron	Hale	McKellar	Ransdell
Capper	Heflin	McNary	Reed
Cummins	Jones, Wash.	Moses	Robinson

Sheppard	Smoot	Trammell	Warren
Shortridge	Stanley	Underwood	
Simmons	Sterling	Wadsworth	
Smith	Swanson	Walsh, Mont.	

Mr. JONES of Washington. I desire to announce that the senior Senator from Kansas [Mr. CURTIS] is detained on official business.

The PRESIDING OFFICER (Mr. NEW in the chair). Forty-nine Senators having answered to their names, a quorum is present.

Mr. McKELLAR. Mr. President, I want to say just a word upon the pending amendment. This is the so-called blackstrap-molasses item. Blackstrap is a by-product in the sugar mills, and is used principally for the purpose of making a food combination for live stock. Formerly it was supposed to be worthless and was thrown out of the mills, but in the last 15 years a large business has grown up through the importation of blackstrap molasses, principally from Cuba, and its use with hay and grain and other stuff as a combination food for live-stock. It makes one of the very best kinds of food for live stock, and the industry in the country has grown to very large proportions. I think there are about $200,000,000 invested in the business in the United States.

I call attention to the fact that there are mills producing this food in Kansas City, Mo.; St. Joseph, Mo.; Omaha, Nebr.; Clinton, Iowa; Cedar Rapids, Iowa; St. Louis, Mo.; East St. Louis, Cairo, Peoria, and Chicago, Ill.; Hammond, Ind.; Milwaukee, Wis.; Minneapolis, Minn.; Cincinnati, Pittsburgh, Buffalo; Memphis, Tenn.; Nashville, Tenn.; Little Rock, Ark.; and there are many other smaller mills.

Serious objection has been made by the Senator from Louisiana [Mr. BROUSSARD] to incorporating this item in the free list, that Senator saying that there ought to be protection to the sugar growers of Louisiana. It seems to me that the sugar growers of Louisiana have gotten enough in this bill to let the matter of blackstrap molasses go. Surely it is more important that the dairymen, the live-stock growers, and the farmers in this country should have blackstrap on the free list and have this combination feed made for the benefit of the farmers of the entire country than to give protection to a small portion of the people of Louisiana. Only a very small portion of this blackstrap molasses comes from Louisiana. Most of it comes from Cuba, and there is no reason in the world, in my judgment, why it should not be on the free list. I think the provision which has been made for it is a very proper one and ought to be agreed to.

I want to call the attention of the Senate to another thing in this connection. This industry has suffered very greatly in the last year or two, and especially in the last few months, because of the fact that freight rates have increased enormously, and the freight rate is a very important item in the industry, because blackstrap is a very heavy article. Then, again, it has to be hauled a long distance, which makes the freight rate very much more important.

Mr. President, I am not going to take up the time of the Senate on this matter. It seems to me that the article ought to be on the free list, and that no good reason has been presented why it should be taxed. Under the House provision the tax is very large—from 50 to, perhaps, 800 per cent—and would impose a very great burden upon the live-stock growers, the dairymen, and all the stock feeders of the country. Certainly there seems to be no good and valid reason why this great industry should be handicapped and manacled and perhaps destroyed for the benefit of a very small portion of growers of sugar cane in the State of my good friend from Louisiana. I hope no objection will be offered to the amendment.

Mr. BROUSSARD. Mr. President, I have already spoken very extensively on the subject when there was no limit on speeches, and I do not propose now to cover the ground which I covered at that time, especially in view of the fact that we are now limited to 15 minutes.

Paragraph 1615a reads as follows:

PAR. 1615a. Molasses testing not above 56 per cent total sugars not imported to be commercially used for the extraction of sugar, or for human consumption.

My friend the Senator from Tennessee [Mr. McKELLAR] has said that most of the molasses imported was used for the purpose of the manufacture of feedstuffs. As a matter of fact, I showed in my previous speech to the Senate that most of it has been used in recent years in the manufacture of industrial alcohol, and the statistics of the department are filled with the facts substantiating that statement. The only exemption made is if it is used for human consumption or used in the manufacture of feedstuffs. I wish to call the attention of Senators on both sides of the aisle, but especially on the other side, to the fact that under the Underwood law there was a 15 per cent ad valorem duty on blackstrap, which was superseded by the emergency tariff law enacted March 27, 1921. I wish to predicate my statement upon these facts in order that the Senate may follow and see what effect the tariff is having now on the price of blackstrap molasses.

I stated at the time I previously addressed the Senate that 56 per cent total sugar was too high and that it was possible to extract sugar from this molasses. I did not know at that time that anybody was engaged in the production of sugar from blackstrap molasses, but immediately after making the assertion on the floor I received letters from officers of the United States Syrup Co. Mr. Cutler has a patent under which he is now operating. This letter is addressed to me, dated June 23, 1922. The company states:

Since getting out the folder herewith inclosed—

The folder gives the full description of the details of the patent—

Since getting out the folder herewith inclosed we have discovered that we are able to produce in the laboratory approximately 500 pounds of sugar from each ton of the refuse molasses treated, and in addition thereto approximately 35 gallons of good, wholesome sirup in all respects fit for human consumption.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Tennessee?

Mr. BROUSSARD. I yield.

Mr. McKELLAR. The Senator does not contend that that could come in under this provision? It can not come in except for human consumption.

Mr. BROUSSARD. I know that very well; I know what the Senator is driving at; but I called attention at the time I made my previous argument that when an article is imported like blackstrap molasses, worth 1½ cents a gallon to-day, that we had not sufficient officers who could follow the blackstrap and prevent the extracting of sugar under this process. I did not say it was not exempt when used for the extraction of sugar for human consumption, but I made the assertion that it would be impossible to administer the law in order to safeguard those who produced it or safeguard the Government or safeguard other competitors who brought the sugar here and had to pay a duty to import it. That is the argument I am making now. If the blackstrap is sold in the New Orleans market or at Baltimore or New York at 1½ cents a gallon, the Government would have to expend all of the revenue they collect under the tariff bill altogether in order to follow each gallon of that blackstrap shipped all over the United States, to be dumped into barns and to be kept there until they are ready to feed it to the stock, in order to determine its ultimate destination.

It is impossible of administration. I made that statement. I have here a sample of the sugar which is produced from the blackstrap molasses and there is not a human being who can tell it from any other sugar. It is just as white and just as pure as any first sugar extracted anywhere from the beet in this country or any foreign country. The extraction is 500 pounds——

Mr. REED. What does it cost to extract it?

Mr. BROUSSARD. I have a lot of correspondence with Mr. Cutler and the company and they have not fully completed their operations, but they figure that they can get it for something like 3½ cents, but that is only speculative, because they have not finished their operations.

Mr. McKELLAR. It is not being extracted commercially up to date.

Mr. BROUSSARD. It is being extracted there.

Mr. McKELLAR. That is just an experiment.

Mr. BROUSSARD. No; it is not an experiment. It is beyond the experimental stage. It will cost them less than 4 cents to extract that sugar from the blackstrap molasses.

Mr. McCUMBER rose.

Mr. BROUSSARD. I must pass on very rapidly, and I will ask Senators not to interrupt me further. Did the Senator want to ask me a question?

Mr. McCUMBER. No; when the Senator gets through I shall reply very briefly.

Mr. BROUSSARD. I have only a very short time and I want to cover the subject very briefly. I made the statement previously that the only reason why blackstrap molasses was put on the free list was because there were certain agencies in the country that had started a propaganda and had a number of people advocating putting blackstrap molasses on the free list, when as a matter of fact all those people who appeared before the Ways and Means Committee of the House and the Finance Committee of the Senate were acting in a way diametrically opposed to their own interests and that they were being made the tools of the feed manufacturers of the country.

I want to say now that I have the documents here from many of the farm associations in the country and I have documents from the Dairymen's Association of the United States asking the committee to reverse itself and put a duty on blackstrap molasses, and they are asking a higher duty than I am asking when I request the Senate to disagree to the committee amendment and restore the Fordney rate.

At the time the bill went before the House Mr. FORDNEY, chairman of the Committee on Ways and Means, proposed a rate of three-quarters of 1 cent per gallon. One of the members of the committee, acting for the people who demanded a lower duty, proposed a rate of one-fourth of a cent per gallon. That request prevailed, but immediately after the rate was reduced to one-fourth of 1 cent per gallon the same people began an agitation before the Finance Committee of the Senate in order to have it put on the free list, but the one-fourth of 1 cent per gallon which the House put in the Fordney bill is absolutely what the representatives of those interests on the floor of the House demanded that the duty be reduced to.

I have here a letter from the Peoria County Farm Bureau, and I will only read part of it because my time is so very limited:

Mr. Jacob Younge who went to Washington representing us came back a few days ago. He had a conference with Mr. Fox and Mr. Howard, of the American Farm Bureau Federation, also Gray Silver, of the American Farm Bureau Federation, in Chicago yesterday. There is no question in our minds but what Mr. Howard and also Mr. Silver are for the import duty.

I was informed to-day that there would be filed this afternoon or to-morrow a brief, to be substituted for the brief previously filed and withdrawn in support of free blackstrap molasses, asking the committee to reverse itself.

I have here also a letter from the Tazewell County Farm Bureau of Illinois, as follows:

Mr. Jacob Younge, who went to Washington representing us, came bureaus in Illinois, has taken this matter up directly, and both Mr. Hedgecock and I feel that all further correspondence and further work should be between Mr. George A. Fox, the secretary of the Illinois Agricultural Association, and myself. We understand that Mr. Younge had an opportunity of meeting President Howard and Mr. Gray Silver at Chicago the first of the week and has been able to convince them completely that this matter should be attended to immediately.

I have a copy of a telegram addressed by Mr. Everett McClure, vice president of the Cotton Farmers' Association, to Mr. Atkeson, dated June 13, in which he said:

We corn growers hope that your committee is for substantial duty on blackstrap molasses. Please write position and oblige.

EVERETT MCCLURE,
Vice President Indiana Farmers' Association,
P. M. State Grange.

To which Mr. Atkeson replied as follows:

Mr. EVERETT MCCLURE,
Vice President Indiana Farmers' Association, Aurora, Ind.

DEAR BROTHER MCCLURE: I have your telegram relative to blackstrap molasses. We have been keeping quite closely in contact with this whole situation here and are familiar with the effort which has been made on behalf of the corn growers to secure proper tariff on this commodity.

At the beginning of the tariff discussion, representatives of different agricultural interests met here in the Grange office, and I have been guided largely in this matter by the wishes of the cane growers, who were able to make a complete case for a tariff on blackstrap molasses along with the tariff which they are asking for on sugar.

So I have been consistenly favoring a reasonable tariff on blackstrap from the beginning of this discussion.

If there is anything further I can do, I will be glad to be advised and will follow this matter up to the best advantage possible.

Yours fraternally,

T. C. ATKESON,
Washington Representative.

I have a letter addressed to me by the National Dairy Union, with offices here in Washington, reading as follows:

Hon. E. S. BROUSSARD,
Senate Office Building, Washington, D. C.

DEAR SIR: In answer to your inquiry relative to the position of the National Dairy Union on the matter of a tariff on blackstrap molasses, I would say that this organization has never taken this matter up officially, but I have been in correspondence with the other officers and directors and have been familiar very generally with the trend of sentiment among the dairymen of the United States on this subject and have no hesitation in expressing my personal belief that in a tariff bill in which protection to American industries is the accepted basic principle and in which the industry of agriculture is receiving fair consideration, this fair consideration ought to be extended to the sugar industry in all of its branches and that the dairymen generally believe that a fair and reasonable protective tariff on blackstrap molasses should be written into this bill, just as they believe a fair and reasonable tariff should be written in on other forms of sugar, on butter and competing dairy products, and on fruits, vegetables, and cereals generally, which are or may be imported into this country from countries of lower producing costs in injurious competition with American farm products.

I have not hesitated personally since the beginning of this tariff discussion to say that I was in favor of the tariff on blackstrap molasses.

Yours sincerely,

A. M. LOOMIS, *Secretary.*

I have a letter addressed to me by Mr. Atkeson, the Washington representative of the National Grange, reading as follows:

In response to your inquiry as to the attitude of the National Grange on the subject of a tariff on blackstrap molasses, I take pleasure in quoting herewith the action of the National Grange on the general subject of the tariff:

"The Grange has long declared for the principles of exact justice to agriculture in all matters of tariff legislation and now demands that the products of the farms be given tariff protection equal to the protection given products of other industries."

In accordance with this action of the National Grange, I believe that in forming a tariff law along protective lines and designed to promote American agriculture, as well as other industrial interests, blackstrap molasses should be given a fair and equitable protection.

Yours sincerely,

T. C. ATKESON,
Washington Representative.

I see that I am taking too much time in the reading of these letters. I have here many letters, all of them indorsing a duty on blackstrap molasses.

The reason for their indorsement of a duty on blackstrap molasses is very plain. I demonstrated, from the figures secured from the Department of Commerce and the Department of Agriculture, that blackstrap molasses comes into this market and displaces over 40,000,000 bushels of corn in the country. We export corn. The Finance Committee has been backed in its opinion in putting a duty on corn and corn meal, but what is the idea of putting a duty on one article that permits the importation of a cheap article of food which displaces over 40,000,000 bushels of corn, and permitting that cheap article to come in free? Those people find they have no protection of articles which easily displace it and which are considered to be superior to corn and other cereals are permitted to come in free.

Mr. President, I have here a telegram to the reading of which I shall ask every Member of the Senate to pay particular attention. The telegram is dated June 16 and is from Abbeville, La. It is from one of our sugar operators and reads as follows:

We quote from our letter to W. H. Tidwell, special custom agent——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BROUSSARD. I ask unanimous consent that I may speak five minutes longer, Mr. President.

Mr. MCCUMBER. I do not object, Mr. President, but I doubt if that may be done under the unanimous-consent agreement.

The PRESIDING OFFICER. The Chair does not think it may be done under the unanimous-consent agreement.

Mr. BROUSSARD. Then I will offer an amendment to paragraph 1615. I understand, however, there is an amendment pending which has been offered by the Senator from Illinois [Mr. MCKINLEY]. Would I not be permitted to speak on that amendment, Mr. President?

The PRESIDING OFFICER. There is no amendment pending to the paragraph which is now before the Senate.

Mr. BROUSSARD. I offer the amendment proposed by the Senator from Illinois [Mr. MCKINLEY], in his absence, and I wish to discuss it. The amendment is printed and on the table.

The PRESIDING OFFICER. The Senator from Louisiana then offers the amendment of the Senator from Illinois as an amendment to the amendment proposed by the committee?

Mr. BROUSSARD. I offer it as an amendment to the amendment proposed by the committee. I wish to read the telegram to which I have referred:

We quote from our letter to W. H. Tidwell, special custom agent——

The PRESIDING OFFICER. Will the Senator send the amendment to the desk?

Mr. BROUSSARD. The amendment is printed and is already at the desk. However, I can state what the amendment is.

Mr. NICHOLSON. I ask that by unanimous consent the time of the Senator from Louisiana may be extended.

The PRESIDING OFFICER. The Chair will hold that that can not be done under the unanimous-consent agreement. The amendment proposed by the Senator from Louisiana to the committee amendment will be stated.

The READING CLERK. On page 227 it is proposed to strike out lines 12, 13, and 14——

The PRESIDING OFFICER. That is in order.

Mr. BROUSSARD. I can simplify that matter. I offer an amendment as a substitute for the committee amendment, on page 227, line 12, to strike out paragraph 1615a and to insert:

PAR. 1615a. Molasses testing not above 48 per cent total sugars, twenty-five one-hundredths of 1 cent per gallon; testing above 48 per cent total sugars, two hundred and seventy-five one-thousandths of 1 cent additional for each degree.

The PRESIDING OFFICER. The Senator from Louisiana will proceed.

Mr. BROUSSARD. The telegram to which I refer reads as follows:

We quote from our letter to W. H. Tidwell, special customs agent, New Orleans, in matter of dumping Cuban blackstrap—

This is from the letter telegram which was addressed to the customs agent at New Orleans—

Unloading of Cuban blackstrap practically puts our product out of market, for the reason that our best offer is 1¼ cents gallon, just one-quarter cent above freight rate and duty on Cuban molasses. Our actual selling prices at factory for past nine years follow: 1912, 6¼ cents; 1913, 6½ cents; 1914, 5 cents; 1915, 14 cents—

That was during the war period—

1916, 16 cents; 1917, 14 cents; 1918, 6¼ cents; 1919, 18 cents; 1920, 3 cents; 1921, 1922, offered 1¼ cents, with practically no market. Have had no trouble formerly in disposing of our blackstrap, but last year price dropped to 3 cents and this year to 1¼ cents, and it seemed doubtful for a time whether we could sell it at all. For a commodity whose average price was 6 cents before war and which fluctuated with sugar prices during and after the war, reaching 18 cents per gallon, to suddenly become practically worthless while the demand for it still exists, with the same competitors in the same markets, leads one to conclude that the change is due to the character of the competition; that is, that the Cubans are giving the blackstrap for nothing. We are in receipt of a trade circular giving the cost of delivering Cuban blackstrap as 1¼ cents, which covers freight and duty but not handling charges. Assuming the difference of one-quarter cent as margin for handling, it must appear that Louisiana factories are offered just what it costs to move the Cuban molasses, allowing nothing for the product. This is dumping to the limit.

Then he asks me—

Can you invoke antidumping law in our behalf?

V. L. CALDWELL.

Mr. President, I have demonstrated that all of this was nothing but propaganda; that there was nothing else to it. I have shown that the only people who have not reversed themselves on this proposition are the feed mixers; and I have shown by a table which I have here that they use 48 per cent total sugars in their mixtures, and that if they only use 40 per cent of blackstrap molasses, at that time costing them 3 cents a gallon, they were making $5.40 profit on the molasses alone. But, Mr. President, at this time instead of paying 3 cents for the molasses they are only paying a cent and a half for it. Although our molasses is superior to the Cuban molasses, we can not obtain one copper cent more than the Cuban molasses will bring on the New Orleans market. I have demonstrated that the feed manufacturers are absolutely profiteering on this molasses. They obtain it at the present time for a cent and a half a gallon—and there are 12 pounds to the gallon—so that when they mix it with straw and shucks—and sometimes I am tempted to say with shavings—and sell the mixture at about $28 a ton, which amounts to nearly one and a half cents a pound, the price received for the 1 pound of feedstuffs will pay for 12 pounds of our molasses which they use in the compound, and on the basis of 3 cents a gallon they are making net on the molasses alone $5.40 per ton on the stuff which they handle. Now the price is reduced to one-half.

I am sure the committee would not want to do an injustice in this matter. If we are not given protection, we can not get this by-product off of the farms, for it costs us over 1 cent to send it from the plantation to New Orleans, and that is the freight rate from Cuba to New Orleans. The importers pay the duty on it, pay the freight, and pay the handling charges, and then reduce our price to 1¼ cents per gallon.

I have shown that if they use the highest sugar content of blackstrap molasses, 56°, the only difference to the dairymen and to the stock feeder would be a difference of 34 cents per ton added cost under the proposed tariff. There is no reason for the mixer to add anything in addition to the present price, because he is already, at the rate of 3 cents, making $5.40, and to-day the cost is reduced one-half to him, so that when he comes here and asks the committee to put this molasses on the free list he has absolutely failed to make out a case.

At one time he was joined by the agriculturists of the country and by the dairymen, who then believed that it was proper to permit this molasses to come in free, but all of these people have demanded protection for themselves, and all of them now realize that there is nothing to be added to the price of feedstuffs if a small duty of a quarter of a cent per gallon is added to it.

I ask the committee now to state whether or not they do not think that they should agree to a reversal of their recommendation to the Senate? I know that the committee is wrong, and I think that the Senate will be wrong if it does not accept the Fordney rate as carried in the bill as passed by the House and as it came to the Senate. I shall take the sense of the Senate on the recommendation of the committee.

Mr. President, I do not care to occupy longer the time of the Senate on this subject. I think the Senate has been very kind to me, and I yield now to any other Senator who may desire to discuss the question.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Louisiana to the amendment reported by the committee.

Mr. McCUMBER. Mr. President, I know of no one item that was given greater consideration than that which is contained in paragraph 1615a, reading—

Molasses testing not above 56 per cent total sugars not imported to be commercially used for the extraction of sugar or for human consumption.

The committee very carefully considered the question of the amount of sucrose in a sirup which would allow the sugar to be extracted, and they arrived at the conclusion that anything that contained 56 per cent of sucrose, which would be the sugar content and the sugar inverts, as they are called, could not profitably be extracted.

The Senator from Louisiana now calls attention to some new patent that would indicate that a less percentage might subject the sirup to be utilized for the purposes of sugar, but, Mr. President, I want to call the Senator's attention to the fact that very much more sugar molasses testing above 56 per cent is imported than that which tests less than 56 per cent, and I want also to call his attention to the fact that it makes no difference whether they can extract sugar out of molasses testing 56 per cent or not, because if it is imported to extract the sugar then it is for human consumption and will bear the higher rate of duty. So if it is used for human consumption, for table purposes in any way, it could not come in free. The Senator, therefore, will understand that it is protected at least to some extent against free importation for any purposes except cattle feed and for the making of industrial alcohol.

Mr. BROUSSARD. Mr. President, will the Senator yield?

Mr. McCUMBER. I yield; certainly.

Mr. BROUSSARD. I should like to call the Senator's attention to the fact that after this molasses is imported into this country it will be an impossibility for the collector to follow it to its destination and to find out whether it is used for the extraction of sugar, or for human consumption, or for cattle feeding. It will be impossible of administration.

Mr. McCUMBER. I think it is generally imported in very large tanks, and I think the officers of the Government will be able to follow it. At least, they think they can, and so informed the committee.

The Senator has stated, as one reason against allowing the importation, that it will be for the benefit of the corn raiser, because if this material is imported it will take the place of 40,000,000 bushels of corn. Mr. President, there were only about 36,000,000 gallons imported last year for all purposes—I mean, of that testing lower than 56 per cent—for the purposes of industrial alcohol and for feed purposes; and of the imports I have not definite information as to what percentage is used by the farmer—that is, used in making stock feeds. I anticipate that probably not more than 60 to 80 per cent, at most, is used for that purpose, giving the rest, 20 to 40 per cent, for all other purposes.

I do not think a gallon of molasses will go as far for feed as a bushel of shelled corn. It may have certain qualities that will make it more valuable than corn, but I do not think the Senator can say that it will displace 40,000,000 bushels of corn. However, even if that were true it would be but a drop in the bucket, and it helps to take care of a lot of other feeds that farmers produce that would not be edible, even for stock, unless they were sweetened up a little with this molasses.

Mr. President, I do not give a great deal of consideration to the fact that some of these agricultural societies will first send in a petition to have this material placed upon the free list, and then change and think they made a mistake and want it made dutiable, upon the theory that it will interfere with their corn product. I think, on the whole, the committee has carefully guarded the interest of the Senator from Louisiana by providing that everything shall pay a duty unless it is used only for the purpose of stock feeding or for industrial purposes; and therefore I, at least, shall vote to sustain the committee.

Mr. REED. Mr. President, the very language of the amendment precludes the manufacture of sugars from these blackstrap molasses. The language is:

Molasses testing not above 56 per cent total sugars not imported to be commercially used for the extraction of sugar or for human consumption.

That disposes of the entire argument made by the Senator from Louisiana that sugar can be made from these molasses. The Senator says that the law might be avoided. The same argument could be made with reference to a vast number of articles which we are permitting to come in under a particular tariff duty with the provision that they shall not be used for

any purpose except the one specified in the law. If there be danger of avoidance of the law all that it is necessary to do is to put in the proper safeguards to prevent an evasion of the law, and that is the way to reach the particular difficulty which the Senator has in mind—not to reach it by a general tax levied upon blackstrap molasses in general, irrespective of the uses to which they are put; so that that argument is without serious merit. If, however, it had any merit we have gone to the limit in taxing the American people for the benefit of the sugar industries of this country. We tax 110,000,000 people for the benefit of a comparatively few sugar producers, and it would seem to me that there ought to be some limit to the rapacity and the appetite for favors and benefits which any part of the country will demand as against the rest of the country.

I do not question the right of Senators to take the view that is entertained by my friend who has spoken so forcibly upon this question. Nobody entertains a kindlier feeling or a more friendly feeling for him than myself. I simply regret that he has permitted his enthusiasm for a particular industry of his particular State so far to control his general judgment, which, generally speaking, is uniformly good.

The Senator says that some of these molasses may be used to make alcohol. It seems to me, in view of the Senator's well-known views on that question, that he ought to welcome that particular use as highly desirable and strictly consistent with his theory in regard to liquids.

Mr. President, let us look at this matter from the farmer's standpoint. Here is an article that is not produced by the average American farmer at all. It is a by-product or a refuse product of some farmers who raise sugar beets, or, rather, of the mills that manufacture sugar beets into sugar, and of the cane mills in a small part of the country. They are already protected upon their principal product. This by-product makes a remarkably fine feed for the cattle and live stock which are raised in all parts of the United States. It would seem that an industry which is protected upon its principal product and to which every other farmer has to pay a very heavy tax ought not to complain if its by-product is sold in competition with the rest of the world, so that the farmer who pays the high tax upon the sugar at least is permitted to import a by-product to feed his cattle and get the benefit of a cheap food for his cattle.

That would seem to be only fair and just. Bear in mind, also, that everything that makes for the production of beef in this country makes for cheaper meats for all of our people, and enables the vast farming community of the United States—all of whom raise cattle, speaking broadly—to feed their cattle a little cheaper, to be in a better position to compete with the cattle of other countries, and to be in a better position to maintain themselves. They are asking no tax. They are simply asking the right to go into the open market of the world and buy the feed for the cattle, the surplus of which they are obliged to sell in the open market of the world.

It appears to me in this case that one very small part of the farmers of the United States who produce beets and sugar are asking that a burden be placed upon their brother farmers who do not produce beets and sugar upon a mere by-product; and that, it seems to me, can not be justified. Everything that can be done to make cheap feed for cattle in this country tends to make cheap meats. Everything that can be done to help the great mass of the farmers who raise live stock tends to benefit the entire farming community. We who live in the Corn Belt might with equal consistency ask that some sort of tax be devised that would deprive the sugar raisers of Louisiana of the privilege of buying corn in the open market. It is true that a tariff duty has been placed on corn, but that is a joke—a very extreme joke.

Mr. President, we are always talking about building up industries here. I am speaking to my friend from Louisiana [Mr. BROUSSARD], who is a protectionist, and I am speaking to my friend on the other side of the Chamber, the chairman of the committee [Mr. MCCUMBER], who is a protectionist. Here is an industry that is growing, and growing rapidly. We are getting some raw materials from abroad that are thrown away, or almost thrown away, over there, bringing them here, employing people, and producing cheap feed; and the industry is asking no protection upon its labor. Now it is proposed to tax this industry out of existence; that is all it amounts to, to tax these cheap foods out of existence. We are in exactly the same situation we would be in if we should pass a law denying ourselves water, something we all need, and doing it for the purpose of benefiting some individual who might be making some sort of a manufactured drink.

Mr. President, I think there ought to be no question about this article remaining on the free list.

Mr. BROUSSARD. Mr. President, I wish to withdraw the amendment I offered.

The PRESIDING OFFICER. The Senator from Louisiana withdraws his amendment to the amendment. The question therefore is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. BROUSSARD. I wish to reserve the right to bring this particular amendment to a separate vote in the Senate.

The PRESIDING OFFICER. The right is so reserved.

Mr. MCCUMBER. Mr. President, the committee desires to introduce a new paragraph, after line 18, page 227, as follows:

PAR. 1618a. Nets or sections of nets for use in otter trawl fishing if composed wholly or in chief value of manila or vegetable fiber.

Mr. REED. That is something in addition to the present language of the bill?

Mr. MCCUMBER. Yes; it simply covers what are called otter nets, which are little sacks, in addition to the large nets which are attached to it for the purpose of preventing all the weight in the fish catch from coming at one point. They are not produced in the United States, I understand.

Mr. REED. As it is an addition to the free list, I do not oppose it.

The amendment was agreed to.

The next amendment was, at the top of page 228, to strike out:

PAR. 1620. Nuts: Crude in the shell and broken coconut meat or copra, not shredded, desiccated, or prepared in any manner, and not specially provided for; palm nuts and palm-nut kernels.

And in lieu thereof to insert:

PAR. 1620. Oil-bearing seeds and nuts: Copra, hempseed, palm nuts, palm-nut kernels, tung nuts, rapeseed, perilla and sesame seed, and all other seeds and nuts, not specially provided for, when the oils derived therefrom are free of duty.

Mr. MCCUMBER. I wish to modify the committee amendment. I move, on line 5, after the word "Copra" and the comma, to insert the word "coconuts" and a comma, so that it will read:

Oil-bearing seeds and nuts: Copra, coconuts, etc.

The amendment to the amendment was agreed to.

Mr. MCCUMBER. On line 7 in the amendment I move to strike out the words "and all other seeds."

The amendment to the amendment was agreed to.

Mr. GOODING. I ask the Senator from North Dakota if it is not possible to let the copra amendment go over until to-morrow? I expect to offer an amendment to it. I had no idea it would be reached to-day, but I shall be ready to-morrow morning. I have not the figures here which I would like to discuss when my amendment is offered, and I am not prepared to discuss it now.

Mr. MCCUMBER. Again I call the attention of Senators to the fact that all the committee amendments must be disposed of by 4 o'clock to-morrow afternoon. I have tried my best to get Senators to remain here and have their amendments ready, so that we may dispose of the committee amendments by 4 o'clock to-morrow. Otherwise we are going to have a lot of committee amendments which will have to be voted on at some future day without any consideration whatever.

Mr. LODGE. They have to be voted on at 4 o'clock.

Mr. MCCUMBER. They have to be voted on by 4 o'clock to-morrow if they are committee amendments or they can not be offered at all as committee amendments. I will agree to pass over this amendment temporarily, until we get further along with the free list, but I ask the Senator from Idaho to see if he can not get ready this afternoon. I ask unanimous consent that paragraph 1620 may be passed over.

The PRESIDING OFFICER. Is there objection to the request preferred by the chairman of the Committee on Finance, the Senator from North Dakota? There being none, it is so ordered.

The READING CLERK. The amendment on page 228, line 15, was agreed to July 7.

The next amendment was, on page 228, line 18, after the word "lignaloe," to insert "or bois de rose," and in line 21, after the word "ylang-ylang," to insert "or cananga," so as to read:

PAR. 1625. Oils, distilled or essential: Anise, bergamot, bitter almond, camphor, caraway, cassia, cinnamon, citronella, geranium, lavender, lemon-grass, lime, lignaloe or bois de rose, neroli or orange flower, origanum, palmarosa, pettigrain, rose or attar of roses, rosemary, spike lavender, thyme, and ylang-ylang or cananga.

The amendment was agreed to.

The next amendment was, on page 229, line 10, after the word "or," to strike out "nickel, and" and to insert "nickel," so as to make the paragraph read:

PAR. 1628. Ores of gold, silver, or nickel; nickel matte; ores of the platinum metals; sweepings of gold and silver.

The amendment was agreed to.

The next amendment was, on page 229, after line 12, to insert:

PAR. 1628a. Decalcomania paper not printed.

Mr. McCUMBER. I move to strike out "Decalcomania" and insert in lieu thereof "Duplex decalcomania."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. McCUMBER. After line 14, I move to insert a new paragraph, to read as follows:

PAR. 1629a. Pads for horses.

The amendment was agreed to.

The next amendment was, on page 229, line 18, after the word "effects," to strike out "not exceeding $300 in value," so as to make the paragraph read:

PAR. 1631. Personal effects, not merchandise, of citizens of the United States dying in foreign countries.

The amendment was agreed to.

The next amendment was, on page 229, after line 21, to insert:

PAR. 1632a. Pigeons, fancy and racing.

The amendment was agreed to.

The next amendment was, on page 230, line 2, after the word "bars," to insert "sheets, or," so as to make the paragraph read:

PAR. 1634. Platinum, unmanufactured or in ingots, bars, sheets, or plates not less than one-eighth of 1 inch in thickness, sponge, or scrap.

The amendment was agreed to.

The READING CLERK. The amendment on page 230, line 15, was agreed to August 8.

The next amendment was, on page 230, line 19, after the word "abroad," to strike out the comma and "not exceeding $250 in value." so as to read:

PAR. 1637. Professional books, implements, instruments, and tools of trade, occupation, or employment in the actual possession of persons emigrating to the United States owned and used by them abroad; but this exemption shall not be construed to include machinery or other articles imported for use in any manufacturing establishment, or for any other person or persons, or for sale, nor shall it be construed to include theatrical scenery, properties, and apparel; but such articles brought by proprietors or managers of theatrical exhibitions arriving from abroad, for temporary use by them in such exhibitions, and not for any other person, and not for sale, and which have been used by them abroad, shall be admitted free of duty under such regulations as the Secretary of the Treasury may prescribe; but bonds shall be given for the payment to the United States of such duties as may be imposed by law upon any and all such articles as shall not be exported within six months after such importation.

The amendment was agreed to.

The next amendment was, on page 231, line 22, before the word "no," to insert "and," so as to make the paragraph read:

PAR. 1641. Rag pulp; paper stock, crude, of every description, including all grasses, fibers, rags, waste, including jute, hemp and flax waste, shavings, clippings, old paper, rope ends, waste rope, and waste bagging, and all other waste not specially provided for, including old gunny cloth, and old gunny bags, used chiefly for paper making, and no longer suitable for bags.

The amendment was agreed to.

The next amendment was, on page 232, line 1, before the word "cleaned," to strike out "Rice" and insert "Patna rice," so as to make the paragraph read:

PAR. 1643. Patna rice cleaned for use in the manufacture of canned foods.

The amendment was agreed to.

The next amendment was, on page 232, line 3, after the word "crude," to strike out the comma and the words "and sago flour," so as to make the paragraph read:

PAR. 1644. Sago, crude.

Mr. McCUMBER. The committee asks that paragraph 1644 be passed over.

The PRESIDING OFFICER. Without objection, paragraph 1644 will be passed over.

Mr. LODGE. I do not think there will be any objection to the suggestion I am about to propose. I know it is not in order at this time, but it can be offered later. However, as we are passing it, we might as well dispose of it now. In paragraph 1645 I move to insert before the word "sea" the word "fresh," and after the word "and" the words "smelts and," so as to put smelts on the free list.

Mr. McCUMBER. I have no objection to that.

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. In paragraph 1645, page 232, line 6, before the word "sea," insert the word "fresh," and after the word "and" insert the words "smelts, and," so that it will read:

Fresh sea herring and smelts, and tuna fish, fresh, frozen, or packed in ice.

Mr. McCUMBER. It should read: "Fresh sea herring, smelts, and tuna fish, and so forth.

Mr. LODGE. The reason why I placed it that way was in order to have the smelts covered by the language "fresh, frozen, or packed in ice."

Mr. McCUMBER. Very well.

Mr. REED. Is this a proposition to tax salt herring or smoked herring?

Mr. LODGE. Smoked herring is already on the dutiable list.

Mr. REED. You simply make this language conform to the other?

Mr. LODGE. I limit it to fresh sea herring and add smelts.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 232, after line 3, to insert:

PAR. 1644a. Sausage casings, weasands, intestines, bladders, tendons, and integuments, not specially provided for.

The amendment was agreed to.

The next amendment was, on page 232, after line 7, to insert:

PAR. 1645a. Seeds: Chickpeas or garbanzos, cowpeas, and sugar beet.

The amendment was agreed to.

The next amendment was, on page 232, after line 11, to insert:

PAR. 1647a. Shingles.

The amendment was agreed to.

The next amendment was, on page 232, line 23, after the word "and," to strike out "hides" and to insert "hides, raw, uncured or undressed, or dried, salted or pickled, all of the foregoing," so as to make the paragraph read:

PAR. 1653. Skins of all kinds, raw, and hides, raw, uncured or undressed, or dried, salted or pickled, all of the foregoing not specially provided for.

Mr. McCUMBER. I wish to offer some amendments to paragraph 1653. I ask that the committee amendment be disagreed to, beginning on line 23.

The amendment was rejected.

Mr. McCUMBER. The next is paragraph 1653a.

The next amendment was, at the top of page 233, to insert:

PAR. 1653a. Skins of all kinds, not specially provided for, tanned but not finished.

The amendment was agreed to.

The next amendment was, on page 233, line 3, after the word "Sodium," to strike out "Cyanide, nitrate," and to insert "Nitrate," so as to make the paragraph read:

PAR. 1654. Sodium: Nitrate, sulphate, crude, or salt cake, and niter cake.

Mr. WALSH of Montana. I had the impression that by action of the Senate cyanide in all its forms was on the free list.

Mr. McCUMBER. We had cyanide already upon the free list in another section, paragraph 1560a.

Mr. WALSH of Montana. Does that include sodium cyanide?

Mr. McCUMBER. It does.

Mr. WALSH of Montana. May I ask how that section reads?

Mr. McCUMBER. It reads:

PAR. 1560a. Cyanide: Potassium cyanide, sodium cyanide, or cyanide salts, and cyanide mixtures, combinations, and compounds containing cyanide, not specially provided for.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 235, after line 4, to insert:

PAR. 1660a. Altars, pulpits, communion tables, baptismal fonts, shrines, or parts of any of the foregoing, and statuary, imported in good faith for presentation (without charge) to, and for the use of, any corporation or association organized and operated exclusively for religious purposes.

The amendment was agreed to.

The next amendment was, on page 235, line 11, after the word "quartzite," to insert "traprock," so as to make the paragraph read:

PAR. 1661. Stone and sand: Burrstone in blocks, rough or unmanufactured; quartzite; traprock; rottenstone, tripoli, and sand, crude or manufactured; cliff stone, freestone, granite, and sandstone, unmanufactured, and not suitable for use as monumental or building stone; all of the foregoing not specially provided for.

The amendment was agreed to.

The next amendment was, on page 235, line 23, after the figures "1666," to strike out "Tapioca, tapioca flour and cassava" and to insert "Cassava," so as to make the paragraph read:

PAR. 1666. Cassava.

Mr. McCUMBER. I will ask that paragraph 1666 be passed over with other tapioca flour until we can pass on the matter at our meeting this evening.

The PRESIDING OFFICER. Without objection, the paragraph will be passed over.

The next amendment was, on page 236, line 5, before the word "shall," to strike out "except mats," so as to read:

PAR. 1668. Tea not specially provided for, and tea plants: *Provided*, That all cans, boxes, and other immediate containers, including paper, and other wrappings of tea in packages of less than 5 pounds each, and all intermediate containers of such tea, shall be dutiable at the rate chargeable thereon if imported empty.

Mr. LODGE. Mr. President, the reading is so fast that it is impossible almost to follow it. I wanted to offer an amendment to paragraph 1660a, and the first thing I knew we were down at the bottom of the page.

The PRESIDING OFFICER. The paragraph referred to has been agreed to.

Mr. LODGE. I am aware of that now. I was not aware of it when it was up, though I was sitting here and trying to follow the action of the Senate.

Mr. McCUMBER. I ask unanimous consent that the vote by which paragraph 1660a was adopted may be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. LODGE. All I wished to do was to ask the chairman of the committee if he would be willing to withdraw or allow us to strike out the limitation "for presentation." I see no reason why "altars, pulpits, communion tables, baptismal fonts, shrines, or a part of any of the foregoing," which are allowed to come in free for use by any organization for religious purposes, should be confined to what is presented. I do not see why a church itself should not be allowed to bring them in also free. I think it is entirely proper that they should be free, but it seems to me that the limitation ought not to be placed upon them. I suggest simply the words "imported in good faith for the use of any corporation or association."

The PRESIDING OFFICER. Does the Senator offer that as an amendment to the amendment?

Mr. LODGE. I offer it as an amendment to the amendment of the committee.

Mr. McCUMBER. I want to know just what part the Senator proposes to strike out.

Mr. LODGE. I want to strike out the words "for presentation (without charge) to, and." I do not want to have that limitation. The paragraph allows only gifts to come free. If a church purchases an altar or communion table, I think it ought to come in free, just as if it were presented by somebody.

Mr. McCUMBER. That gets right back to the subject of whether we want to let almost everything that is manufactured if it goes into a church come in free. We allow those people who desired to make a free gift to a church the right to do so without being even taxed as a matter of importation, but as the number who probably would make a free gift compared with the amount that would be used for church purposes is almost infinitesimal we did not feel that we ought to open up the whole subject of importation and allow anything which was imported to go into a church to come in free of duty because it was used in the construction of a church or inside of a church.

Mr. FLETCHER. This would not open up everything. It specifies precisely the articles that are permitted to come in. I do not see that it opens up the whole field at all.

Mr. LODGE. We do not tax churches, at least we do not tax them in my State, and I do not believe in putting a duty on articles which go solely into churches. I know that that can not be adopted in regard to stained glass, but I can not see why churches, if they wish to import an altar, should not be allowed to do it if they are to be allowed to have it on presentation.

Mr. DILLINGHAM. Mr. President, I want to say a word about this matter, because it is a question that has been thrashed over in the committee and out of the committee. This paragraph was drawn to meet the exact conditions. I do not know that there is any more reason for failing to impose a duty on marble that goes into the structure of a church than there is upon the wood or brick or anything else.

It will be noticed that this relates to "altars, pulpits, communion tables, baptismal fonts, shrines, or parts of any of the foregoing." It does not relate to works of art. We have another paragraph which provides for them. The simple question comes up whether the marble manufacturers of America shall have to compete with the marble manufacturers of Italy on matters that are purely of utility in the construction of churches.

The fonts and other items mentioned in the paragraph are not works of art at all. They are a part of the structure. They are built on conventional lines. There is no more reason why we should exempt them from duty than anything else which enters into the church structure.

The marble dealers of Vermont and other sections of the country and representatives of the national association presented their views to the committee and made it very plain that they have to compete with Italian construction, and they objected seriously to being put to that sacrifice. I very much hope that the amendment reported by the committee will be adopted without amendment.

Mr. McCUMBER. Let me say, in addition to what the Senator from Vermont has stated, that the people who represented the church side of this matter were entirely satisfied with the provision as we have written it.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Massachusetts to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. LODGE. Now, as these are not covered by the general provision about works of art, I move to insert before the word "altars," in line 5, the words "works of art, whether serving a useful purpose or not."

Mr. WADSWORTH. May I ask the chairman of the committee if works of art are covered in another paragraph?

Mr. McCUMBER. They are.

Mr. LODGE. I do not think these are covered. This is a new paragraph.

Mr. WADSWORTH. Did I not see in the bill somewhere a paragraph relating to works of art?

Mr. LODGE. The Senator saw three.

Mr. McCUMBER. There are several very long ones, and I thought we included almost everything on earth in them that might be called works of art. The Senator will find them covered in paragraph 1685, page 240; paragraph 1686, page 241; paragraph 1687, page 241; paragraph 1688, page 242; and paragraph 1689, page 243. I think those paragraphs cover about everything that ought to be covered.

Mr. LODGE. That is the existing law. Those articles are on the free list very properly, but it seems to me, as the point had been made, that this amendment should be agreed to.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Massachusetts to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on the amendment of the committee, inserting paragraph 1660a.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment will be stated.

The READING CLERK. On page 236, line 21, insert a new paragraph, as follows:

PAR. 1670a. Tin in bars, blocks, or pigs, and grain or granulated and scrap tin.

Mr. McCUMBER. On page 236, line 23, after the word "tin" at the end of the paragraph, I move to insert a comma and the words "including scrap tin plate."

The amendment to the amendment was agreed to.

Mr. LODGE. I would like to ask the chairman of the committee whether any consideration was given by the committee to the proposed duty on tin urged by the smelters in this country?

Mr. McCUMBER. We certainly gave consideration to all matters which were presented to the committee.

Mr. LODGE. That was presented to the committee.

Mr. McCUMBER. All the tin ores have to be imported from abroad.

Mr. LODGE. Yes; I know that, but there was a proviso in the previous law giving the President certain powers. I presented the matter of pig tin to the committee and I wondered whether they had looked into the argument at all.

Mr. McCUMBER. I can not recall just now what the particular presentation was, but I think that we looked into every matter which came before the committee.

Mr. LODGE. With respect to the smelting of tin?

Mr. McCUMBER. Yes.

The PRESIDING OFFICER. The question is on the adoption of the committee amendment as amended.

The amendment as amended was agreed to.

The next amendment was, at the top of page 237, to insert:

PAR. 1671a. Turmeric.

The amendment was agreed to.

The next amendment was, on page 237, after line 5, to insert:

PAR. 1675a. Wafers, not edible.

The amendment was agreed to.

The next amendment was, on page 237, line 7, after the figures "1676," to strike out "Wax, animal," and to insert "Wax: Animal," so as to make the paragraph read:

PAR. 1676. Wax: Animal, vegetable, or mineral, crude.

The amendment was agreed to.

Mr. McCUMBER. Mr. President, after the word "mineral," on line 8, I move to strike out "crude" and to insert the words "not specially provided for."

The amendment was agreed to.

The next amendment was, on page 237, line 11, after the word "purposes," to insert "shall be admitted free of duty under such regulations as the Secretary of the Treasury may prescribe," so as to make the paragraph read:

PAR. 1677. Disks of soft wax, commonly known as master records, or metal matrices obtained therefrom, for use in the manufacture of sound records for export purposes, shall be admitted free of duty under such regulations as the Secretary of the Treasury may prescribe.

The amendment was agreed to.

Mr. McCUMBER. After the word "provided," on line 22, page 237, I move to insert the following:

That all jewelry and similar articles of personal adornment having a value of $300 or more, brought in by a nonresident of the United States, shall, if sold within three years after the date of the arrival of such person in the United States, be liable to duty at the rate or rates in force at the time of such sale, to be paid by such person: *Provided further,*

Mr. WADSWORTH. Does the Senator from North Dakota believe that the enforcement of that amendment would be practicable from the administrative standpoint?

Mr. McCUMBER. The officers think that, while they can not get such offenders at all now, if this provision shall be incorporated in the law they may get a considerable number of them.

Mr. WADSWORTH. Well, I wish them luck.

Mr. McCUMBER. So do I.

Mr. JONES of New Mexico. Mr. President, it seems to me if we are going to do anything of the sort which is here proposed we will have to provide for the entry in bond or something of that kind. We can never follow up the wearing apparel of individuals for three years in order to find out whether or not it is sold. I do not believe in the idea of enacting a law simply to catch somebody. There ought to be provided a practical method of dealing with the problem or else we should do nothing about it. It has been suggested that the officers thought they would get some of them. I do not believe that to attempt to ferret out and follow individuals for three years in order that the United States Government may find out if some little trinket or ornament or article of wearing apparel has been sold is practicable at all.

Mr. McCUMBER. Would the Senator require every nonresident who enters our ports and brings in $300 worth of jewelry to give bond that he shall not sell that jewelry within three years?

Mr. JONES of New Mexico. I think it an impractical proposition. It ought to be gone about in some other way.

Mr. McCUMBER. Under the present law, a foreign lady who enters the United States, bringing with her several thousand dollars' worth of jewelry, may come here and stay or she may conclude in a day or two that she does not wish to remain in the United States and may sell that jewelry in the United States, go back again, and repeat the operation several times in a year. It is to prevent such frauds as that that we are asking the change in the law. The jewelers who have considered the matter think that this paragraph will reasonably well protect them.

Mr. JONES of New Mexico. Mr. President, I think a better plan would be to amend the administrative part of the law. A case such as the Senator from North Dakota mentions would be a fraud upon the law. It would therefore be far better to amend the administrative feature of the law so that such persons could be prosecuted because of violating the customs laws.

Mr. McCUMBER. But such person is not in the United States; the individual gets out of the United States and he can not be reached.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from North Dakota.

The amendment was agreed to.

Mr. FLETCHER. Mr. President, I ask unanimous consent to have inserted in the RECORD an editorial from the New York Herald.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Herald, Monday, August 14, 1922.]

THE SUGAR WE EAT, THE CLOTHES WE WEAR.

After one year and one month of variegated discussion and complicated pulling of wires and rolling of logs the Senate is about ready to pass and send to conference the Fordney-McCumber tariff bill. The final vote is assigned by unanimous consent to Saturday next. The debates and other proceedings meanwhile during the present week are not likely to affect greatly the general complexion of a measure whereof the specially offensive features have been publicly exhibited by the New York Herald and other newspapers, to the amazement and indignation of good citizenship without regard to party.

Senator CALDER explained day before yesterday that the consideration impelling him to defend and support the price boosting Fordney-McCumber tariff bill was that "New York's interests as a port, great as they are, are minor compared with its interests as a factory. If there must be a choice," he continued, "between favoring, fostering, and benefiting New York as a factory or New York as a port the lesser must yield to the greater, for New York is the greatest manufacturing city in the world." Further on in his able speech the Senator referred to "the unanimous demand of the American people for a protective tariff."

With due respect to the requirements of loyalty to organized partisanship in legislative proceedings, the New York Herald must submit the idea that any definition of tariff protection is defective, and even specious, which ignores the plain distinction between a justly protective tariff and an outrageously profiteering tariff. It is the latter sort of a tariff which is proposed for infliction on a hundred and ten million people by the votes of statesmen in certain proven cases personally and pecuniarily interested in the inordinate boosting of taxation.

The exact balance between the demands of New York as a great port and New York as a great manufacturing city need not be ciphered out by any Senator as long as the immediate issue is concerned with neither. It is the clothes we wear, the sugar we eat that are now mainly demanding protection against exploitation in the form of excessive rates by the votes of chosen trustees of the public interest who do not hesitate to admit a direct personal interest in the unprecedented dig into the pockets of their clothes-wearing and sugar-eating fellow citizens.

The next amendment was, on page 238, at the beginning of line 6, to strike out "$250" and to insert "$100," so as to make the additional proviso read:

Provided further, That up to but not exceeding $100 in value of articles acquired abroad by such residents of the United States for personal or household use or as souvenirs or curios, but not bought on commission or intended for sale, shall be admitted free of duty.

The amendment was agreed to.

The next amendment was, on page 238, line 15, after the word "Wood:" to strike out "Logs and round, unmanufactured timber" and to insert "Logs; timber, round, unmanufactured, hewn, sided or squared otherwise than by sawing; round timber used for spars or in building wharves," so as to read:

PAR. 1683. Wood: Logs; timber, round, unmanufactured, hewn, sided or squared otherwise than by sawing; round timber used for spars or in building wharves.

Mr. McCUMBER. Mr. President, on page 238, line 17, after the semicolon and the word "sawing," I move to insert the words "pulp woods" and a semicolon.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on the same page, line 19, after the word "shingle," to strike out "bolts" and insert "bolts; and"; and in line 20, after the word "one," to strike out "side" and insert "side;" so as to read:

firewood, handle bolts, shingle bolts; and gun blocks for gunstocks, rough hewn or sawed or planed on one side; sawed boards, planks, deals, and other lumber, not further manufactured than sawed, planed, and tongued and grooved; clapboards, laths, ship timber; all of the foregoing not specially provided for.

The amendment was agreed to.

The next amendment was, on page 239, line 3, after the word "of," to strike out "government," and to insert "government", so as to make the proviso read:

Provided, That if there is imported into the United States any of the foregoing lumber, planed on one or more sides and tongued and grooved, manufactured in or exported from any country, dependency, province, or other subdivision of government which imposes a duty upon such lumber exported from the United States, the President may enter into negotiations with such country, dependency, province, or other subdivision of government to secure the removal of such duty, and if such duty is not removed he may by proclamation declare such failure of negotiations, and in such proclamation shall state the facts upon which his action is taken together with the rates imposed, and make declaration that like and equal rates shall be forthwith imposed as hereinafter provided; whereupon, and until such duty is removed, there shall be levied, collected, and paid upon such lumber, when imported directly or indirectly from such country, dependency, province, or other subdivision of government, a duty equal to the duty imposed by such country, dependency, province, or other subdivision of government upon such lumber imported from the United States.

The amendment was agreed to.

The next amendment was, on page 239, after line 19, to insert:

PAR. 1683a. Woods: Cedar, lignum-vitæ, lancewood ebony, box, granadilla, mahogany, rosewood, satinwood, Japanese white oak, Japanese maple, and all forms of cabinet woods, in the log, rough, or hewn only.

Mr. McCUMBER. After the word "lancewood," in line 20, I move to insert a comma.

The amendment was agreed to.

The next amendment was, on page 240, line 1, after the word "provided," to strike out "for in this section," and to insert "for," so as to make the paragraph read:

PAR. 1684. Woods: Sticks of partridge, hair wood, pimento, orange, myrtle, bamboo, rattan, india malacca joints, and other woods not specially provided for, in the rough, or not further advanced than cut into lengths suitable for sticks for umbrellas, parasols, sunshades, whips, fishing rods, or walking canes.

The amendment was agreed to.

The next amendment was, on page 240, at the beginning of line 7, to strike out "pen and ink or pencil and" and to insert "pen, ink, pencil, or," so as to make the paragraph read:

PAR. 1685. Original paintings in oil, mineral, water, or other colors, pastels, original drawings and sketches in pen, ink, pencil, or water colors, artists' proof etchings unbound, and engravings and woodcuts unbound, original sculptures or statuary, including not more than two replicas or reproductions of the same; but the terms "sculpture" and "statuary" as used in this paragraph shall be understood to include professional productions of sculptors only, whether in round or in relief, in bronze, marble, stone, terra cotta, ivory, wood, or metal, or whether cut, carved, or otherwise wrought by hand from the solid block or mass of marble, stone, or alabaster, or from metal, or cast in bronze or other metal or substance, or from wax or plaster, made as the professional productions of sculptors only; and the words "painting" and "sculpture" and "statuary" as used in this paragraph shall not be understood to include any articles of utility, nor such as are made wholly or in part by stenciling or any other mechanical process; and the words "etchings," "engravings," and "woodcuts" as used in this paragraph shall be understood to include only such as are printed by hand from plates or blocks etched or engraved with hand tools and not such as are printed from plates or blocks etched or engraved by photochemical or other mechanical processes.

The amendment was agreed to.

The next amendment was, on page 242, line 20, after the word "windows," to strike out "imported by houses of worship" and to insert "which are works of art and valued at $15 or more per square foot, when imported to be used in houses of worship," so as to make the paragraph read:

PAR. 1688. Works of art, productions of American artists residing temporarily abroad, or other works of art, including pictorial paintings on glass, imported expressly for presentation to a national institution or to any State or municipal corporation or incorporated religious society, college, or other public institution, including stained or painted window glass or stained or painted glass windows which are works of art and valued at $15 or more per square foot, when imported to be used in houses of worship, and excluding any article, in whole or in part, molded, cast, or mechanically wrought from metal within 20 years prior to importation; but such exemption shall be subject to such regulations as the Secretary of the Treasury may prescribe.

Mr. WALSH of Montana. Mr. President, I very sincerely hope that the Committee on Finance will be constrained to withdraw this amendment, or at least to suffer a very important modification of it. The ordinary stained glass carries a duty of 60 per cent. The House proposed, however, to relieve from that duty stained-glass windows and works of art purchased for presentation to houses of worship. Bear in mind, Mr. President, that the window must be a work of art; secondly, the window must be presented by some one to the church; and, thirdly, it must be for use in the church. We have exempted, and very properly so, from all forms of duty all works of art, and we have just now adopted a provision, paragraph 1660a, putting on the free list—

Altars, pulpits, communion tables, baptismal fonts, shrines, or parts of any of the foregoing, and statuary, imported in good faith for presentation (without charge) to, and for the use of, any corporation or association organized and operated exclusively for religious purposes.

As pointed out, these need not even be works of art, but they are for the decoration of churches, usually some delicate work of sculpture, and they come in free; but when it comes to windows for the admiration of all people, works that challenge the admiration of travelers all over the world, those are subjected to a duty of 60 per cent unless, indeed, Mr. President, they cost more than $15 a square foot. That practically excludes everything except such windows as may be commanded by people of unlimited means or churches that have resources away beyond those of the ordinary religious organization. Just think of it! A window, we will say, 5 by 10 feet contains 50 square feet. Fifteen dollars per square foot would amount to $750. So the free-list provision would apply only to windows that cost more than $750.

The American manufacturers who are asking for this duty tell the committee that they do not make any stained-glass windows that cost more than $13 per square foot. So the result would be that churches of moderate means and individuals of moderate means, who would not be able to buy exceedingly expensive windows, would be burdened with this tax, while the men, especially the wealthy individuals, and churches that would buy the exceedingly high-priced windows would be entitled to have them admitted duty free. This provision I think ought to be left as the House of Representatives had it, reading as follows:

PAR. 1688. Works of art, productions of American artists residing temporarily abroad, or other works of art, including pictorial paintings on glass, imported expressly for presentation to a national institution or to any State or municipal corporation or incorporated religious society, college, or other public institution, including stained or painted window glass or stained or painted glass windows imported by houses of worship, and excluding any article, in whole or in part, molded, cast, or mechanically wrought from metal within 20 years prior to importation; but such exemption shall be subject to such regulations as the Secretary of the Treasury may prescribe.

Mr. President, it has been repeatedly asserted that these duties are imposed upon these various commodities because of the difference in the rates of wages paid to labor in this country and abroad; but it will be borne in mind that these works must be works of art—not ordinary works of artisans, but works of artists. These are works of artists, and you can not compare wages paid to artists in one country with wages paid to artists in another country. Of course, these are the works of professionals, who have the same skill that a sculptor has, the same skill that a painter has, in the first place, in devising the figures and the allegorical illustrations which the windows present. I can not understand why this particular class of works of art should be treated in a manner different from other works of art. Second, Mr. President, I can not understand why these highly artistic productions for the beautification of temples for public worship should be taxed 60 per cent and the altars and pulpits and communion rails and baptismal fonts and other works of that character should be permitted to come in free. The thing is entirely inconsistent.

Mr. President, when one goes to buy a picture, the work of an artist, it would be ridiculous, would it not, to put a duty on works of art in order to compel the American purchaser to buy the work of an American artist? That is to debase art. When he goes to buy a work of art, he ought to be permitted to buy the work of art wherever he can find it. Of course, these are not matters of speedy consumption and production and all that kind of thing. These stand for ages. I speak feelingly about this matter, because we have just completed in my city a lovely cathedral that I am sure will awaken the admiration of people who come after us 300 to 500 years from now. Why should the people in making that beautiful temple be obliged to buy what they believe to be an article of inferior production in America for the beautification of this temple which they desire to erect?

Mr. FRELINGHUYSEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from New Jersey?

Mr. WALSH of Montana. I yield to the Senator.

Mr. FRELINGHUYSEN. I understand that the order for the imported glass for that cathedral has not been entirely delivered. Is not that true?

Mr. WALSH of Montana. That is quite true.

Mr. FRELINGHUYSEN. The committee, in considering that question, talked with one of the dignitaries of the church, and agreed that on any order which had not been delivered a sufficient time should be given to deliver the glass which had been ordered.

I want to say to the Senator from Montana that I do not think it is quite fair to classify the ordinary antique stained glass and other glassware of high artistic value with the cheaper glassware that is being utilized generally in churches and schools and libraries. That character of glass is being manufactured in this country to a large extent.

Mr. WALSH of Montana. Mr. President, will the Senator suffer an interruption?

Mr. FRELINGHUYSEN. Yes.

Mr. WALSH of Montana. I fully agree with the Senator about that and I make no complaint about that at all. This paragraph endeavors to make just exactly that distinction. Nothing will fall under this paragraph unless it is indeed a work of art. It is not an ordinary production that goes everywhere. The first requirement is that it be a work of art.

Mr. FRELINGHUYSEN. Mr. President, I have sent to my office for a piece of glassware that was made in this country by American workmen. It comes within this classification. It is partly etched and partly inlaid with lead. There are thousands of American workmen making that type of glassware in this country, and the competition in Europe of that type of glassware is extensive.

I myself wrote to a number of the dignitaries of the various churches in this country and asked them what their position was on this glassware question, and they said that on this cheap glassware manufactured in this country they did not believe they could take the position that the American workmen who are making that type of glassware should not be protected. That is the position of a large number of the churchmen of this country who are buying this class of glassware; and if we are to pursue the policy of protecting American workmen we must protect this cheaper type of glassware, which is in general commercial use, or else we must absolutely destroy the industry here by allowing it to come in without the protection. That is the situation. In a few moments I will have here a pane of

glass which has been made in this country, and while it is artistic, nevertheless it is made generally and commercially by American workmen by the etching process.

Mr. WALSH of Montana. Mr. President, the Senator from New Jersey has stated the position of those most directly interested in this provision as I understand it. They have nothing whatever to say, they do not care to express an opinion either one way or the other, about the rate of duty that ought to be or ought not to be imposed upon the ordinary stained glass, such as is referred to in the paragraph under the head of "Glassware." They are dealing only with those particular products which are justly classified as works of art. They assert, in that connection, that this provision is practically valueless. It excludes all windows that are used in even the better class of churches, and leaves only some exceptional thing that some one may care to pay an exorbitant price for, over $15 a square foot. Of course, everybody can realize upon the slightest reflection that a window that is worth more than $15 a square foot is not going to go into even a rather elaborate and expensive cathedral, so that the provision in the bill is valueless.

I think the amendment ought not to be agreed to by the Senate. It is entirely inconsistent with what the Senate has done repeatedly this afternoon in putting on the free list other examples of what might be spoken of as works of art, and also other structures for the decoration of houses of worship. If the committee thinks otherwise, certainly orders already placed ought not to be subject to this duty.

The PRESIDING OFFICER. The time of the Senator from Montana has expired.

Mr. McCUMBER. Mr. President, the Senator from Montana has not made very clear to us where he would have the line of demarcation between what he regards as works of art in stained-glass windows and what he does not regard as works of art. I assume that we shall have to accept as works of art practically everything in stained glass with images or pictures of any kind upon it. We may not admire the work, we may not think it is artistic, but nevertheless it would still be a work of art.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Montana?

Mr. McCUMBER. I yield.

Mr. WALSH of Montana. That is taken care of in the bill, because it is expressly provided there that "such exemption shall be subject to such regulations as the Secretary of the Treasury may prescribe"; so he is to prescribe the regulations as to what shall and what shall not constitute a work of art.

Mr. McCUMBER. Mr. President, I should hate to trust even the Secretary of the Treasury to determine what is a work of art in a stained-glass window. I think we would come nearer to it in fixing the limitation of $15 per square foot as that which may be received in presentation to any church. Why, Mr. President, there are people here who speak of these pictures in the Dome as being works of art—pictures that were painted a great many years ago, showing our great men of that time with effeminate faces that look more like those of 16-year-old schoolgirls than like the faces of strong, vigorous men, as we believe them to have been; and yet we regard these pictures generally as works of art.

I do not know who is to determine that question in the matter of a picture upon a stained-glass window. Most of the pictures that I have ever seen upon stained-glass windows of individuals who lived in the olden days do not look much like human beings who live to-day, and yet they are regarded as great works of art, and I am willing to concede that they are artistic. I mention the fact only to indicate that we ought to have a different standard than the idea of the Secretary of the Treasury or anyone else to determine what is artistic, and I think possibly the value determines that better than we can determine it in the Senate or by delegating that right to some one else.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Missouri?

Mr. McCUMBER. I do.

Mr. REED. It is a very natural conclusion for any man who stands as the advocate of a high tariff that the real test of art is the money value.

Mr. McCUMBER. That seems to be the case.

Mr. REED. I understand; that is the natural conclusion.

Mr. McCUMBER. And I think that is the general acceptation of the American people.

Mr. REED. I will also agree with the Senator's argument that the Senate is absolutely incompetent to set up any standard of art except the money standard——

Mr. McCUMBER. I think that is right.

Mr. REED. Particularly while the Senator from North Dakota is chairman of the Finance Committee.

Mr. McCUMBER. Yes; and I think possibly that would apply if the Senator from Missouri were chairman of the committee.

Mr. REED. I think if I were to buy a picture I could do a little better than to ask for one 3 feet wide and 4 feet long and costing a certain amount of money.

Mr. McCUMBER. The Senator might take some other standard, but I think perhaps on this side of the Chamber we would not agree with him any better than he agrees with us.

Mr. REED. Mr. President, if the Senator will pardon me, since he is about to yield the floor, if we were to set up a money standard we would set up this sort of a test: An American millionaire goes over to Europe and falls into the hands of some European art promoter, and if that European art promoter can persuade him to pay a sufficiently high price the article will come in free of duty as a work of art; but if a man should go over there and buy something for what it was really worth, being actually a judge of art, he probably would have to pay a duty to get in.

We are confronted here only by an administrative feature. It seems to me it ought not to be difficult for the Treasury Department to establish rules and regulations which would differentiate between a work of commerce and a work of art. I am perfectly well aware that the head of the entire Treasury Department might be a better judge of rates of interest and discounts, but I apprehend that we can get somebody who is capable of passing upon this question. The truth about the matter is that this is a bunglingly drawn provision in the bill, and it would be well to clarify it a little before we pass on it.

Mr. WALSH of Montana. Mr. President, I hope the amendment will be rejected, but I move to amend the committee amendment.

The PRESIDING OFFICER. The Senator has discussed the amendment the allotted time.

Mr. WALSH of Montana. I am entitled to propose an amendment, am I not?

The PRESIDING OFFICER. If it is the purpose of the Senator from Montana to present an amendment, he certainly may do so.

Mr. WALSH of Montana. I move to amend by striking out "$15" in line 22 and substituting "$7.50."

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Montana to the committee amendment.

On a division the amendment to the amendment was rejected.

Mr. WALSH of Montana. I move to amend by transposing the concluding paragraph and otherwise amending, so that the amendment shall read:

Which are works of art when imported to be used in houses of worship and when ordered after the passage of this act, valued at $15 or more per square foot.

So that the restriction will not apply to orders heretofore placed. I believe that ought to be accepted.

Mr. FRELINGHUYSEN. The committee has an amendment prepared to take care of this situation, which is being considered now. The phraseology can not be presented to the Senate now.

Mr. McCUMBER. I do not object to the amendment to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 243, after line 11, to insert:

PAR. 1689a. Worm gut, unmanufactured.

Mr. McCUMBER. On page 243, line 12, after the word "unmanufactured" in the committee amendment, the committee proposes to insert a comma and the words "and surgical catgut."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. CALDER. Mr. President, I wish to give notice that I shall ask for a separate vote in the Senate on paragraphs 204a and 302.

Mr. McCUMBER. I desire now to return to paragraph 1620, on page 228, which was passed over.

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. On page 228, beginning with line 1, it is proposed to strike out:

PAR. 1620. Nuts: Crude in the shell and broken coconut meat or copra, not shredded, desiccated, or prepared in any manner, and not specially provided for; palm nuts and palm-nut kernels.

And to insert in lieu thereof:

PAR. 1620. Oil-bearing seeds and nuts: Copra, cocoanuts, hempseed, palm nuts, palm-nut kernels, tung nuts, rapeseed, perilla and sesame seed, and all other seeds and nuts not specially provided for when the oils derived therefrom are free of duty.

The amendment was agreed to.

Mr. McCUMBER. We have passed over a number of paragraphs, but I am going to ask that the Senate recess until to-morrow at 10 o'clock, and I hope we shall be able, with the concurrence of Senators, to pass along as rapidly as possible until we get all the committee amendments acted upon before 4 o'clock to-morrow.

I now ask unanimous consent that when the Senate closes its session on this calendar day it recess until to-morrow at 10 o'clock.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota? The Chair hears none, and it is so ordered.

Mr. CALDER and Mr. KELLOGG each submitted two amendments intended to be proposed by them to the pending bill, which were referred to the Committee on Finance and ordered to be printed.

Mr. WATSON of Indiana submitted an amendment intended to be proposed by him to the pending bill, which was referred to the Committee on Finance and ordered to be printed.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. EDGE:

A bill (S. 3905) for the relief of First Lieut. Harry L. Rogers, jr.; to the Committee on Claims.

By Mr. BORAH:

A bill (S. 3906) granting a pension to Sevilla Heikenhorn; and

A bill (S. 3907) granting a pension to Malisa Honeycutt (with an accompanying paper); to the Committee on Pensions.

By Mr. STANLEY (for Mr. KING):

A bill (S. 3908) to extend the Market News Service to certain cities; to the Committee on Agriculture and Forestry.

COMPILATION OF LAWS RELATING TO NAVY.

On motion of Mr. HALE it was—

Ordered, That the compilation of existing laws relating to the Navy, Navy Department, and Marine Corps, with annotations showing how such laws have been construed and applied by the Navy Department, the Comptroller of the Treasury, the Attorney General, or the courts, transmitted to the Senate by the Acting Secretary of the Navy, in response to Senate Resolution 262, Sixty-third Congress, be printed as a Senate document.

EXECUTIVE SESSION.

Mr. LODGE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 6 o'clock and 55 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Tuesday, August 15, 1922, at 10 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate August 14 (legislative day of August 3), 1922.

PROMOTIONS IN THE CONSULAR SERVICE.

CONSUL OF CLASS 4 TO CONSUL OF CLASS 3.

Mahlon Fay Perkins, of California.

CONSULS OF CLASS 5 TO CONSULS OF CLASS 4.

James B. Young, of Pennsylvania.
Arthur C. Frost, of Massachusetts.
Edward A. Dow, of Nebraska.
John R. Putnam, of Oregon.
Harry Campbell, of Kansas.

CONSULS OF CLASS 6 TO CONSULS OF CLASS 5.

James B. Stewart, of New Mexico.
Carl R. Loop, of Indiana.
George C. Hanson, of Connecticut.
Lucien Memminger, of South Carolina.
Clement S. Edwards, of Minnesota.
Donald D. Shepard, of the District of Columbia.
Lowell C. Pinkerton, of Missouri.
Harold B. Quarton, of Iowa.

Felix Cole, of the District of Columbia, formerly a consul of class 5, to be a consul of class 5 of the United States of America.

CONSULS OF CLASS 7 TO CONSULS OF CLASS 6.

Parker W. Buhrman, of Virginia.
Dayle C. McDonough, of Missouri.
John R. Bradley, of Oklahoma.
Paul C. Squire, of Massachusetts.
H. Merle Cochran, of Arizona.
Joseph F. McGurk, of New Jersey.
Charles J. Pisar, of Wisconsin.
George A. Makinson, of California.
Renwick S. McNiece, of Utah.

John D. Johnson, of Vermont, now a drafting officer in the Department of State, to be a consul of class 6 of the United States of America.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY.

AIR SERVICE.

First Lieut. Russell Lowell Williamson, Infantry, with rank from February 19, 1920.

First Lieut. John Lamont Davidson, Infantry, with rank from July 2, 1920.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 14 (legislative day of August 3), 1922.

APPOINTMENTS IN THE REGULAR ARMY.

QUARTERMASTER GENERAL.

Col. William H. Hart, Quartermaster Corps, to be Quartermaster General for a period of four years from date of acceptance, with rank as major general from August 28, 1922.

ADJUTANT GENERAL.

Col. Robert Courtney Davis, Adjutant General's Department (Infantry), to be The Adjutant General for a period of four years from date of acceptance, with the rank of major general from September 1, 1922.

POSTMASTERS.

GEORGIA.

Robert W. Graves, Toccoa.

KENTUCKY.

Newell R. Downing, Mays Lick.

WISCONSIN.

Charles S. Brent, Oconomowoc.
Emil Klentz, Reeseville.

SENATE.

TUESDAY, *August 15, 1922.*

(*Legislative day of Thursday, August 3, 1922.*)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. Mr. President, from the Committee on Finance I report certain amendments, which have been printed, and I ask that they may lie on the table.

The PRESIDENT pro tempore. It is so ordered.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Hale	Moses	Smith
Ball	Harrison	Myers	Smoot
Calder	Heflin	Newberry	Sterling
Cameron	Kellogg	Nicholson	Trammell
Cummins	Kendrick	Phipps	Underwood
Curtis	Lodge	Pomerene	Warren
Dillingham	McCormick	Robinson	Watson, Ga.
Ernst	McCumber	Sheppard	Watson, Ind.
Frelinghuysen	McLean	Shortridge	
Gooding	McNary	Simmons	

Mr. CURTIS. I wish to announce that the Senator from Minnesota [Mr. NELSON] is absent on account of a death in his family.

I also desire to announce that the Senator from Nevada [Mr. ODDIE] is necessarily absent on official business.

Mr. POMERENE. I wish to announce that my colleague [Mr. WILLIS] is detained because of serious illness in his family. I ask that this announcement may stand for the day.

Mr. UNDERWOOD. I desire to announce that the Senator from Nevada [Mr. PITTMAN] is absent because of illness in his family.

The PRESIDENT pro tempore. Thirty-eight Senators have answered to their names. There is not a quorum present. The Secretary will call the roll of absentees.

The reading clerk called the names of absent Senators and the following Senators answered to their names when called:

Brandegee Norbeck

The following Senators entered the Chamber and answered to their names:

Bursum	Jones, Wash.	New	Wadsworth
Capper	Keyes	Pepper	
Dial	Lenroot	Stanfield	

The PRESIDENT pro tempore. Fifty Senators having answered to their names, there is a quorum present.

Mr. McCUMBER. Mr. President, I ask that the Senate now return to paragraph 1451, "Photographic cameras and parts thereof."

Mr. SIMMONS. Mr. President, I wish to ask the Senator from North Dakota if he will not let that paragraph go over for a few moments until I can send for the Senator from Missouri [Mr. REED]? The paragraph went over yesterday at his request. The Senator from Missouri stated that this morning he might be in a position where it would be necessary for him to discuss the matter, or that he might be in a position where he would consent to have action taken without discussion. The Senator from Missouri is not here, but I think he will be here in a few moments.

Mr. McCUMBER. The Senator from Missouri asked that the paragraph be passed over and we passed it over. We have disposed of all the other matters upon the free list except that which the Senator from Missouri desired to have passed over. We had a quorum call in order that Senators might be present. Now it seems to me that the Senator ought to be here this morning.

Mr. SIMMONS. I left the Chamber about 6 o'clock yesterday evening. I will ask the Senator if we finished all the items in the paragraph covering special provisions?

Mr. McCUMBER. On the free list I think there were two or three paragraphs passed over, and two of them, I know, were passed over at the request of the Senator from Missouri.

Mr. SIMMONS. Yes; but the Senator from North Dakota did not understand me. My inquiry was whether on yesterday we finished the consideration of the provisions under the section with reference to special provisions. We were operating under that section when I left the Chamber on yesterday evening, and there were a number of items which had not been finished in that section.

Mr. McCUMBER. There are a number of amendments yet to be offered to the administrative features. I will ask the Senator from Connecticut [Mr. MCLEAN] if he is ready now to have the paragraphs in reference to laces taken up this morning?

Mr. McLEAN. Yes.

Mr. McCUMBER. Then, I ask to have paragraph 1451 passed over, and that the Senate may proceed to the consideration of paragraph 1430 and the amendment which I now send to the desk to come in on page 193 of the bill.

Mr. SIMMONS. I will state to the Senator from North Dakota that I am informed that the Senator from Missouri is on his way to the Chamber.

Mr. McCUMBER. Mr. President, I desire to state that the amendment to paragraph 1430, which I offer on behalf of the Committee on Finance, is, on page 193, to strike out all of the matter beginning with line 20 down to and including line 9, page 195—that includes the entire lace paragraph—and to insert in lieu thereof the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment proposed by the Senator from North Dakota on behalf of the Committee on Finance will be stated.

The READING CLERK. On page 193, after line 19, it is proposed to strike out paragraph 1430, as originally proposed to be amended by the Committee on Finance, and in lieu thereof to insert the following:

PAR. 1430. Laces, lace window curtains, burnt-out laces and embroideries, capable of conversion into burnt-out laces, nets and nettings, embroidered or otherwise, veils, veilings, flouncings, all-overs, neck ruffings, flutings, quillings, ruchings, tuckings, insertions, galloons, edgings, trimmings, fringes, gimps, ornaments; braids, loom woven and ornamented in the process of weaving, or made by hand, or on any braid machine, knitting machine, or lace machine; and all fabrics and articles composed in any part, however small, of any of the foregoing fabrics or articles; all the foregoing, finished or unfinished (except materials and articles provided for in paragraphs 919, 1006, 1404, 1406, and 1424 of this act), by whatever name known, and to whatever use applied, and whether or not named, described, or provided for elsewhere in this act, when composed wholly or in chief value of yarns, threads, filaments, tinsel wire, lame, bullions, metal threads, beads, bugles, spangles, or products of cellulose provided for in paragraph 1215 of this act, 90 per cent ad valorem; embroideries not specially provided for, and all fabrics and articles embroidered in any manner by hand or machinery, whether with a plain or fancy initial, monogram, or otherwise, or tamboured, appliqued, scalloped, or ornamented with beads, bugles, or spangles, or from which threads have been omitted, drawn, punched, or cut, and with threads introduced after weaving to finish or ornament the openwork, not including straight hemstitching; all the foregoing, finished or unfinished, by whatever name known, and to whatever use applied, and whether or not named, described, or provided for elsewhere in this act, when composed wholly or in chief value of yarns, threads, filaments, tinsel wire, lame, bullions, metal threads, beads, bugles, spangles, or products of cellulose provided for in paragraph 1215, 75 per cent ad valorem.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from North Dakota.

Mr. SMITH. Mr. President, I do not believe there is a paragraph in this bill that is so wholly indefensible as the proposed amendment of the committee. If the facts which have been submitted to me even approximate the truth, the proposed amendment is absolutely unwarranted.

Mr. President, I have had submitted to me certain tables by the experts. They show that in the case of Swiss embroidery, for instance, the foreign cost in gold is 31 cents and under the present duty of 60 per cent the selling price in the United States is 62.5 cents a yard. The domestic cost is 34 cents; the selling price of the domestic article is 42.5 cents. The duty necessary to equalize the difference between the two would be 34 per cent.

On another form of the same article the foreign cost in gold is 26.5 cents; freight and landing charges, 0.0015 cent; selling price of the foreign article, 55 cents a yard; domestic cost, 28.8 cents; selling price of the domestic article, 36 cents; so that the duty that would be necessary to equalize the difference on this class of embroidery would be 35 per cent.

In the case of another sample of the same goods that is in ordinary commerce the foreign cost in gold is 8.8 cents, the freight is one-half of a cent, the selling price of the foreign article is 18 cents a yard. The cost of the domestic article is 8.83 cents, the selling price is 11 cents; no duty at all is needed.

The samples that I have indicate a duty to equalize the cost at home and abroad in one instance of 34 per cent, in another instance of 35 per cent, and no duty at all in another. Those are common forms of embroidery.

I have here laces made in Switzerland. The cost landed was $1.39 a yard. Manufactured in the United States, the cost was $1.19 a yard, showing that no duty was indicated on these forms of lace.

Now I call attention to the silk laces. The samples were furnished me by the experts. The foreign cost of these laces was $1.10; the landing charges were 5 cents; profit and overhead, 33⅓ per cent; selling price of the imported article, $2.43⅓. The selling price of the domestic article was $1.01. There was no duty required. That is lace from France. In the case of lace from England the cost was $1.01; selling price, $2.23⅓. The selling price of the domestic article comparable to that was 87 cents; no duty is required.

The fact of the matter is, Mr. President, that in this form of burnt-out laces, as everyone knows, the cloth is chemically treated, the lace is worked into the cloth, and then the cloth is submitted to an acid bath, and it burns out the cloth and leaves the lace. The facts in reference to that are that practically no duty is required.

Here is a curious condition. Here is a sample that has embroidery on the edge. The duty on the embroidery is here proposed to be 90 per cent. It is shown by this table that the cost delivered here is greater than the selling price of the article in this country, and yet under the language of the bill the cloth and the embroidery would carry a duty of 90 per cent. The cloth, under the textile schedule of the bill, bears a certain duty, which when connected with the embroidery would be equivalent to something like 300 per cent on the cloth, because the cloth would bear the same duty as the lace.

The fact of the matter is that save in the case of one or two of these articles there is no duty required. The 60 per cent provided for on certain of these classifications under the present law provided ample protection. We propose now to raise the 60 to 90 per cent and the 45 to 75 per cent.

The charge has been made that our lace factories in this country are standing idle. I charge that they are not standing idle on account of competition but are standing idle because of change of fashion. We get our designs from the Old World. Even the manufacturers of these articles have asked that the duty be such that these articles may come into this country, in order that the American designer may have the advantage of the foreign design.

Mr. McCUMBER. Mr. President, may I ask the Senator a question right there?

The PRESIDENT pro tempore. Does the Senator from South Carolina yield to the Senator from North Dakota?

Mr. SMITH. Just a minute; let me finish this. I charge that our factories making these embroideries are idle because of the change of fashion. The women's goods that heretofore have used these embroideries extensively for such purposes as edging for the garments are no longer used.

Now I yield. I want to put into the RECORD in a moment a telegram on this subject.

Mr. McCUMBER. I want to ask the Senator a question right there, and on that very subject. Women are wearing laces just as much now as they ever did; are they not? While the particular style may change, the lace is still worn. And is it not a fact that the laces are still coming in at about the usual proportion?

Mr. SMITH. I did not differentiate, as I should have. When I was speaking about the factories not running, I meant particularly in the case of the embroidery. As to the laces, I have shown by the actual figures furnished me by the experts that these silk laces are higher at the factory in the foreign country than they are here. The embroideries are costing more in foreign countries than they are here.

Now I am going to put into the RECORD a telegram from one of the manufacturers.

Mr. McCUMBER. Is that cotton or silk?

Mr. SMITH. The articles embraced in the tables that I have referred to are cotton and silk.

Mr. McCUMBER. Do the tables show that the cotton laces are costing more in the foreign country than in the United States?

Mr. SMITH. I was speaking of the embroidery. I want to get my terminology right. The embroideries upon which you are proposing to put a duty of 75 per cent are being made cheaper here than in foreign countries. We are making them cheaper than the foreign countries are making them, by actual tables. No duty whatever is required, and in the case of the silk laces they are costing more at the door of the factory in foreign countries than the selling price in this country.

Now I want to read a telegram.

Mr. McCUMBER. Again I want to call the Senator's attention to the fact that I think he is referring to silk all the time, both in the embroideries and in the laces which he has shown us.

Mr. SMITH. No; I am not. I will take the cotton table and read it, so that we will have no confusion as to the laces. There are some forms of laces as to which, as I said a moment ago, 60 per cent, the old rate, is indicated, and I will submit the table for the record.

Lace and embroidery, quality No. 2058, Switzerland: Foreign cost, 22 cents; profit and overhead, 50 per cent on cost, 33⅓ per cent on selling price. Selling price of the imported article, 56 cents. Selling price of the domestic article, 51 cents. Cost of production of domestic article, 34 cents. Rate of duty required to equalize, 53 per cent.

These are lace embroideries imported from Switzerland. I want to get this table in the RECORD, as it comes from official sources.

Quality No. 1981, Switzerland: Foreign price in the United States, gold, 55 cents; landing charges, 2.7 cents; profit and overhead, 50 per cent on cost, 33⅓ per cent on selling price. Selling price of the imported article, $1.37½. Selling price of domestic article, $1.12½. Cost of production of domestic article, 74 cents. Rate of duty required, 34 per cent.

The PRESIDENT pro tempore. The time of the Senator from South Carolina has expired.

Mr. SMITH. Mr. President, I ask permission to have these tables inserted in the RECORD.

There being no objection, the tables referred to were ordered to be printed in the RECORD, as follows:

Swiss embroideries, paragraph 1339.

(Present duty 60 per cent.)

Foreign pattern No. 12304:	
Foreign cost in gold	$0.265
Freight landing charges	.0015
Selling price foreign article	.550
Domestic pattern No. 1271:	
Domestic cost	.288
Selling price domestic article	.360
Duty necessary to equalize—35 per cent.	
Foreign pattern No. 14810:	
Foreign cost in gold	$0.314
Freight landing charges	.0017
Selling price foreign article	.625
Domestic pattern No. 1892:	
Domestic cost	.340
Selling price domestic article	.425
Duty necessary to equalize—34 per cent.	
Foreign pattern No. 10742:	
Foreign cost in gold	$0.886
Freight landing charges	.0051
Selling price foreign article	.18
Domestic pattern No. 1669:	
Domestic cost	.883
Selling price domestic article	.11
Duty necessary to equalize—no duty. Domestic cost less than foreign.	

Comparison of embroideries from St. Gall, Switzerland, with similar domestic articles.

The Lace and Embroidery Association (Inc.) of America, 160 Fifth Avenue, New York City.]

Quality No.	Country from whence imported.	Foreign cost (in United States gold).	Landing charges.	Profit and overhead.	Selling price imported article.	Selling price domestic article.	Cost of production domestic article.	Rate of duty required to equalize.
1981	Switzerland	$0.5507	$0.0275	50 per cent on cost; 33⅓ per cent on selling.	$1.375	[1] $1.125	$0.74	34 per cent plus.
2058	do	.222	.0111	do	.56	[2] .51	.34	53 per cent plus.
52680, 52679	do	.248	.01240	do	.3906	[3] .471	.314	27 per cent plus.
52840, 52844, 52845, 52838, 52836	do	.063	.003	do	.099	[4] .09	.09	None required.
55307, 55315	do	.125	.00625	do	.1906	[5] .1725	.115	Do.
11655	do	.03284	.00129	33 per cent	.0717	[2] .0651	.0488	43 per cent plus.
10441	do	.0547	.0021	do	.1176	[5] .0948	.0711	25 per cent.
11661	do	.036	.0014	do	.0789	[6] .0734	.0531	47 per cent.

[1] Selling price domestic article is 18 per cent lower than selling price of imported article.
[2] Selling price domestic article is 9 per cent lower than selling price of imported article.
[3] Selling price domestic article is 10 per cent lower than selling price of imported article.
[4] Selling price domestic article is 12½ per cent lower than selling price of imported article.
[5] Selling price domestic article is 19 per cent lower than selling price of imported article.
[6] Selling price domestic article is 7 per cent lower than selling price of imported article.

Comparison of imported silk laces with similar domestic articles.

[The Lace and Embroidery Association (Inc.) of America, 160 Fifth Avenue, New York City.]

Quality No.	Country from whence imported.	Foreign cost (in United States gold).	Landing charges.	Profit and overhead.	Selling price imported article.	Selling price domestic article.	Rate of duty required to equalize.
31179	France	$1.105	$0.055	33⅓ per cent	$2.433	[1] $1.012	None required. Free of duty, the landed cost of the imported article would greatly exceed the selling price of the domestic article.
93514						[1] .966	
93520/8							
4822	England	1.015	.0507	33⅓ per cent	2.33½	[2] .974	Do.
9351							

[1] The selling price of the domestic article is about 140 per cent lower than the selling price of the imported article. There is no competition.
[2] The selling price of the domestic article is about 150 per cent lower than the selling price of the imported article. There is no competition.

Comparison of imported silk laces with similar domestic articles—Continued.

Quality No.	Country from whence imported.	Foreign cost (in United States gold).	Landing charges.	Profit and overhead.	Selling price imported article.	Selling price domestic article.	Rate of duty required to equalize.
6/26099 9/032	France	$0.9505	$0.0816	33⅓ per cent	$2.15	[1] $1.01	None required. Free of duty, the landed cost of the imported article would exceed the selling price of the domestic article.
6/27025 9/609	France	.7592	.06453	33⅓ per cent	1.70	[2] 1.01	None required. Allow 25 per cent of selling price for profit and overhead, which makes landing cost of imported article higher than cost of domestic article.
19024 09857	France	.9644	.1031	33⅓ per cent	2.20	1.10	None required. Free of duty, the landed cost of the imported article would only equal the selling price of the domestic article.[3]
29039 No quality number. Made by Liberty Lace Works and Louis Hamburger and others.	France	1.65	.2475	25 per cent	3.60	[4] 1.15	None required. Free of duty, the landed cost of the imported article would greatly exceed the selling price of the domestic article.

[1] The selling price of the domestic article is 100 per cent lower than the selling price of the imported article. Absolutely no competition.
[2] The selling price of the domestic article is 69 per cent lower than the selling price of the imported article.
[3] Domestic superior in quality to imported article.
[4] The selling price of the domestic article is 200 per cent lower than the selling price of the imported article. There is no competition.

Mr. SMITH. I have here a telegram which, if the Senate will allow me, I should like to read before I take my seat. It is very short:

[Western Union telegram.]

The Glenham Embroidery Co., Beacon, N. Y., the largest embroidery factory in the United States, with bleaching facilities equal to the best Swiss standard, is at a complete standstill at present. Respectfully requests your consideration on the embroidery tariff schedule. Founded in 1911, with a capital investment of one and one-half millions of dollars, we reached an output of over $2,000,000. The war seriously curtailed the creation of fashions in Europe favoring embroideries, practically eliminating them as a fashionable article for women's wear. A higher duty would act as a boomerang to our domestic industry, as it would eliminate the importation of fashionable embroideries. The success of the domestic embroidery industry is reflected by the fashions shown in Europe and imported into the United States. A higher protective tariff would protect our industry to death. We respectfully suggest to uphold present rates of duty, on the basis of which we can successfully compete in the United States.

THE GLENHAM EMBROIDERY CO.,
Beacon, N. Y.

Mr. McLEAN. Mr. President, I shall occupy but a minute in my explanation of the rates in this paragraph.

I have no doubt that the Senator from South Carolina has been able to get a few selections that possibly may not require the rate recommended by the committee; but I want the Senate to understand that there are tens of thousands of varieties of lace, and there are very few items that do not warrant much higher duty than the committee have recommended.

In the first place, Mr. President, I want to call attention to the fact that laces are luxuries. They are not necessary to the comfort or welfare of the American people. Nevertheless, it is a legitimate industry that has contributed a great deal of pleasure to those who can afford to buy this article. It was established in this country in 1909, and a rate was imposed of 70 per cent ad valorem. That was sufficient to enable the American manufacturer to produce a few varieties of laces. Then the war came on, and, of course, the industry grew during the war; but since the war the industry has suffered a very severe depression.

If we are to base our protective duties upon the need of protection, these laces are not only entitled to the rate we recommend but in most instances double that rate. I want to call attention to the fact that the imports in 1914 were $48,134,985. In 1918 there was a falling off. The imports were only $22,814,665. In 1919 they began to increase, and reached the total of $30,811,353. In 1920 the imports of laces was $50,190,422. In 1921, owing to the general depression in business, they fell off somewhat, but in 1921 the imports were $42,200,788.

The total product of laces in 1921, as near as I can ascertain from the latest census report, did not exceed $12,000,000 in this country. So it can be seen that we have imports of more than three times the domestic production. It is very evident that the existing rate, which is only 60 per cent ad valorem, is of no value whatever as a protective rate.

Mr. President, the experts who secured the information for the Reynolds Commission in regard to this article probably secured more complete information than they did upon any other item in the bill.

Mr. SMITH. Will the Senator allow me to ask just a question?

Mr. McLEAN. I have only 10 minutes.

Mr. SMITH. Does the Reynolds report indicate the necessity of any such duty as is proposed by the Finance Committee?

Mr. McLEAN. The Reynolds report?

Mr. SMITH. Yes. I have the Reynolds report before me now.

Mr. McLEAN. I do not know how the Senator has made his estimates, but I call the Senator's attention to some of the items in this report. I would like to read them all, but there are a hundred or more. It is true that in regard to some of the very cheap cotton laces an average of 89 per cent ad valorem is all that is required, covered in the first 10 items in the Reynolds report. The next eight items, however, require 171 per cent. Then we come to the importations from France, and the Reynolds report shows that those items require 116 per cent. When we come to burnt-out laces, imported from Germany, let me read the figures as to two or three of them.

On the first item, the foreign value in United States currency is 3 cents per yard. The selling price of the American article is 9 cents a yard.

In the next item the foreign value is 3 cents a yard and the American price is 18 cents.

As to the next item the foreign value is 7 cents a yard and the American price is 18 cents a yard.

Then they begin to increase very rapidly. In the next item the foreign value is 6 cents and the American selling price 25 cents. As to the next article, the foreign value is 11 cents and the American selling price 32 cents, and so on. The average rate required on these burnt-out laces is 510 per cent.

It is all very well for the Senator from South Carolina to pick out a few very cheap laces, of embroidery and that sort of thing, as can be done, where the rate required is 75 per cent. But there is no way in which the committee can differentiate and identify these few items which would require possibly a little lower rate. Domestic competition has cut the prices of these goods so that to-day they are very much below the prices they brought when the industry was established. I am told upon good authority that you can buy an artificial silk lace dress in New York to-day for $9, the competition is so fierce. The wages paid are low, compared with other industries. Not only that, but all of the great lace industries of the country are almost out of commission to-day.

The Senator says the depression is due to the change in styles. All I need to say in reply to that argument is to call attention to the enormous importations. The Senator thinks this rate of 75 per cent on the embroidery and 90 per cent on the laces would operate as a boomerang and hurt the American industry. The American industry is dead; it can not be hurt any more seriously than it is hurt. There are thousands of its employees walking the streets, and my information is that the wages run from $12 to $16 a week for the portion of them who are employed. Inasmuch as the article is a luxury, and inasmuch as the importations are so enormous, it must be evident that unless we give a considerably higher rate than that in the present law there will be no relief. The rate is only 30 per cent above the 60 per cent in the present law. A rate of 70 per cent would be of no value, a rate of 80 per cent would be of no value.

The committee did not give anything like what the manufacturers said they must have, but they will try to live if we give

them this 90 per cent rate on the laces. If we do not give them a fairly protective rate, a rate under which they may possibly be able to compete with the foreign producer, then we will have imposed nothing but a sales tax upon these goods, and it seems to me that the rule which was urged in opposition to a high rate upon cheap gloves, which everybody wears, does not apply to this article, and even in that case if the 75 per cent rate is not protective it amounts to a sales tax upon that article, whereas if the rate had been put at a figure which would give protection and establish the domestic industry competition would probably have cut the price of those cheap gloves in the same way it has reduced the price of leather gloves.

Only a few years ago, in 1909, we put a protective rate on the leather glove and established the industry, and since that time the competition in this country has greatly reduced the price of leather gloves. So it will be with this article. Unless we maintain this industry the manufacturers will be driven out of business and the consumers of these goods in this country will be at the mercy of the foreign producer. The taste for the foreign lace, of course, exceeds that for the domestic article. Women like the foreign article, and it was shown to the committee that in many instances the importers would get the foreign lace at a low price and sell it in this country just under the American price.

Mr. REED. Mr. President, will the Senator yield for a question?

Mr. McLEAN. I yield.

Mr. REED. How long has this lace industry been established in this country?

Mr. McLEAN. It was established in 1909.

Mr. REED. It never existed before?

Mr. McLEAN. Not to any extent.

Mr. REED. Did it prosper under the tariff then existing?

Mr. McLEAN. In the cases of some varieties, under the 70 per cent rate they were able to make some laces; but conditions are different now. The spread in the cost of production in this country and abroad now is pretty nearly double what it was in 1909.

Mr. REED. At how many places are these laces made in the United States?

Mr. McLEAN. I think in five States.

Mr. REED. What is the total number of employees?

Mr. McLEAN. About 50,000.

Mr. REED. Almost all women and children?

Mr. McLEAN. A great many men, but more women.

Mr. REED. The Senator spoke of wages being $12 to $16. Is that for men or women or children, or is that the average?

Mr. McLEAN. It is the average.

Mr. REED. What does the cheap labor get in the mills?

Mr. McLEAN. Twelve dollars, I understand, is the lowest wage.

Mr. REED. The Senator thinks there are 50,000 employees?

Mr. McLEAN. About 50,000, I think. That is all I have to say, Mr. President.

Mr. REED. I wanted to ask one further question of the Senator. The wages of $12 or $16 paid now compare in what way with the wages paid prior to the war?

Mr. McLEAN. They are no higher. This industry is suffering very serious depression. They are keeping their organizations together and employing all the help they can with the hope that Congress will give them protection so that they can revive their business.

Mr. REED. The Senator thinks they have 50,000 employees now?

Mr. McLEAN. Probably not. I was speaking of normal times. Most of the employees are walking the streets now.

Mr. REED. The Senator would not be able to state how many they have now?

Mr. McLEAN. No; I would not.

Mr. FRELINGHUYSEN. Mr. President, the Senator from Connecticut has correctly stated that this industry was established under the Payne-Aldrich law of 1909 under a 70 per cent duty. During the war, or just prior to the war, the rate in the Underwood law, 60 per cent, went into operation.

At the time those two duties were enacted into law the mark was selling for 23 cents. The franc was selling for 20 cents. To-day the mark is worth one-seventh of 1 cent and the franc about 7 cents. So the reduction in the exchange value has created a much greater competition and menace in our effort to protect against these foreign goods.

Prior to 1909 there was 83 lace machines in the United States. To-day there are over 600 levers or go-through machines, and over 1,000 circular lace machines. This industry may be properly classified in two branches; one, the manufacture of embroideries, which dovetails in a way with lace making; and the other, lace making particularly.

There is to-day $30,000,000 invested in the embroidery business in this country, and there are in operation over 2,100 shuttle machines of the newest type, and approximately 1,500 embroidery machines in addition, operated by hand and foot power. Of that $30,000,000 invested in this embroidery industry the larger part of it is located in the northern part of Hudson County, N. J., where 60 per cent of that capital is invested, and 18,000 of the people who are trained in this art as artisans, who practically could do nothing else, are employed in those embroidery factories.

Many of them are shut down, closed principally because of foreign competition. Some of them are operating in part, but many of them are idle and the laborers are walking the streets. I have been appealed to time and time again, not only by the people who employ the labor, but by the laborers themselves, that we give a proper protective duty in order to protect their labor against the foreign competition.

In addition to that, in my State, in Connecticut, Rhode Island, Illinois, Pennsylvania, and Ohio is located this great industry which has been built up under the present tariff rate, first placed in the Payne-Aldrich law and after that in the Underwood law, both recognizing that we should maintain an independent industry of the character in the country. In the little town in New Jersey where I live, from my front lawn I can see a lace works which was established under this law, employing several hundred hands making laces, and for several years that concern prospered. I have here a letter from the owners of that factory showing that for six months of this year they sustained a $40,000 and last year they sustained a $130,000 loss, and that they were facing a complete close-down. For a year and a half that concern, with a generosity almost unknown, generally unknown among employers, has been assisting their employees. Why? Because they are specialists in operating the machines and they wish to keep this skilled labor and keep intact their organization, hoping for a tariff that will protect. Therefore, they are practically idle by reason of the fact that this is their art.

Mr. McLEAN. Two factories have gone into the hands of receivers within the last month.

Mr. FRELINGHUYSEN. As the Senator from Connecticut suggests, two factories have gone into the hands of receivers within the last month. I have here letters, which I shall not delay the Senate to read, from dozens of such factories testifying to the fact that they are face to face with this foreign competition and threatened with complete disaster.

The Senator from South Carolina [Mr. SMITH] has selected certain articles which he said need no protection. He has selected items here and there out of 150,000 different items in the lace schedule. But it must be realized that there is one item that is made in these factories which the Senator overlooked, and that was lace and lace articles, including lace edgings, insertions, and galloons.

The Department of Commerce records for 1921 show importations of nearly $8,000,000, and the equivalent duty figured by the exports to protect to the extent of the difference in cost between American production and European production is 108 per cent. So it goes through the other laces, metal laces requiring 200 per cent. If we go through the schedule it will be found that the rate of duty is absolutely necessary at the present low rate of exchange and low rate of wages in Germany and France, which is four to twenty times lower than our wages here.

Mr. SMITH. Mr. President, will the Senator allow me to ask him a question?

Mr. FRELINGHUYSEN. Certainly.

Mr. SMITH. Most of the laces are imported from Switzerland, are they not?

Mr. FRELINGHUYSEN. Oh, no; not at all. They come in part from Switzerland, in part from Germany, and in part from France.

Mr. SMITH. The part that comes from Switzerland is quite considerable in volume as shown by the table. The condition of labor in Switzerland is practically normal, the same as before the war, and the Swiss labor standard is very high. It has not changed. That is the report.

Mr. McLEAN. The cost in Switzerland is the highest of all.

Mr. SMITH. Precisely, and the greater part of our importations come from Switzerland.

Mr. McLEAN. Oh, no; a very small portion.

Mr. SMITH. Of the laces?

Mr. McLEAN. Yes. I do not know just what the proportion is.

Mr. SMITH. I think it can be ascertained. If the Senator from New Jersey will allow me, while he is looking for the item which he desires, the Senator from Connecticut and also the Senator from New Jersey have quoted the Reynolds report. Are they quoting from the figures revised to date or from the August, 1921, report?

Mr. FRELINGHUYSEN. I will answer the Senator. I am only going to take a moment more. The report from which I quoted was from the Department of Commerce, Bureau of the Census. It was not the Reynolds report at all.

Mr. SMITH. The Reynolds report, as revised and brought in by the United States customs officials to August 1, 1922, shows an average on all these articles, as furnished me by the department, of 48 per cent maximum and from that down, and yet it is proposed to put 90 per cent on laces.

Mr. McLEAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New Jersey yield to the Senator from Connecticut?

Mr. FRELINGHUYSEN. I yield to the Senator from Connecticut.

Mr. McLEAN. I do not think the figures of the Senator from South Carolina included the profits. As I have the figures brought down to date, the rate required is over 140 per cent. Of course, I do not know what expert secured the information which the Senator from South Carolina is reading to the Senate.

Mr. FRELINGHUYSEN. Mr. President, how much more time have I?

The PRESIDENT pro tempore. The Senator has four minutes remaining.

Mr. FRELINGHUYSEN. I regret that I can not yield further to the Senator.

If the Senator from South Carolina will turn to the reports on merchandise in the United States from Department of Commerce No. 53, he will find that the laces in large part come from France—I think the majority from France—and that the remainder are distributed among Austria, Belgium, Czechoslovakia, Germany, Italy, Switzerland, Sweden, and many other countries, including England.

Now, Mr. President, I desire to have inserted in the RECORD a statement showing the imports of laces for 1919, 1920, and 1921, with a statement that during six months of 1922 the importations of cotton embroideries and lace alone reached the sum of $4,550,000, and this is under greatly depressed economic conditions; that the imports for consumption under paragraph 333 of the act of 1913 of beaded and spangled goods for the calendar years 1919, 1920, and 1921 increased from $2,143,000 to $4,281,000.

Mr. President, I would not stand for any robber rates in this bill. I believe that if any of the rates are too high they should be revised. The provision I have been discussing has been written in the bill, but I would rather take my chance of having higher rates than too low rates and in that way destroy the industry. The question before the Senate in this rate is whether we want to keep the lace industry in this country or turn it over to our foreign competitors. The Senator from South Carolina has in his State none of the industry under consideration, yet he is very ably attacking the bill with information given him by the importers. I am not interested in the question of the importation of laces. I am interested in the question of the protection of the labor of 25,000 people employed in the embroidery industry in this country and the 30,000 people who are employed in the lace industry, which was established under a protective system. The question now is whether we shall give them sufficient duty to continue the industry in this country.

Mr. President, I ask that the table to which I have referred may be printed in the RECORD without reading.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Dutiable imports of all commodities, under paragraph 358, act of 1913, during the calendar years 1919, 1920, and 1921 as reported by the United States Department of Commerce, are as follows:

Imports of laces, etc.

Calendar year.	Total of all items under paragraph 358.	Laces and embroideries, etc. (except wearing apparel and braids), included in the foregoing figures.	Laces and embroideries constitute the following percentages of the total imports under paragraph 358.
1919	$27,806,676	$23,439,507	83
1920	42,192,152	35,548,753	84
1921	36,750,948	31,671,487	87

During 6 months of 1922 the importation of cotton embroideries and laces alone reached the sum of $4,550,209, and this under greatly depressed economic conditions.

Imports for consumption under paragraph 333, act of 1913, of beaded and spangled goods for calendar years 1919, 1920, and 1921:

1919	$2,143,177
1920	4,575,352
1921	4,281,419

Mr. REED. Mr. President, of course the Senator from South Carolina lives in the State of South Carolina and not in New Jersey; but I apprehend that he has an interest, as a citizen of the United States and as a representative of the consuming public, in this question. It would hardly do to establish it as a principle that the only man who has a right to say anything about a protective tax is the gentleman who lives in the immediate vicinity of the industry that is to collect the tax from the rest of the American people and apply it to its own benefit. The trouble with all this discussion is that in the opinion of the proponents of the bill the only person who has a right to be considered is the manufacturer and possibly the people who work in the factory and who have never been protected under any protective tariff law, and that outside of them nobody has any business to say anything.

The fact about the matter is that the only real parties whom we have any right to consider in any one of the bills are the public, the whole people of the United States, and unless it can be shown that a measure when passed would be beneficial to the public taken as a whole, that measure has no business upon the statute books of the United States. So I take it that even an obscure citizen of the State of South Carolina, who happened to get into the Senate of the United States and has served with some distinction, has a right to an opinion in regard to the levying of a tax which would be paid by his people in common with the rest of the people of the United States.

Mr. President, there is another heresy to which I wish to advert very briefly. The constant cry is made that Germany's money has been depreciated, that the rate of exchange is high because of that depreciation, and that that in some way gives Germany an advantage. There never was in my judgment a greater error made than to entertain that doctrine. It has never been acknowledged as a principle that the poorer the money a country had the greater advantage that country could maintain in competition with the rest of the world. If it be a fact that the poorer, the cheaper, the money of a country the greater its advantage in trade and commerce, then we ought to repeal all our financial laws, destroy our financial structure, start the printing presses and print a few billion dollars of rag money. Then we would be, according to the philosophy which I am discussing, in a position to compete with all mankind and to take the trade of the world away from all our competitors. The government with the biggest printing press would be the government of the nation that would finally conquer the industrial and commercial world.

Upon the contrary, the very opposite of that doctrine is true; that the country which is sound financially, which has a currency that is worth something, which is backed by something and is certain always to be worth a hundred cents, has the advantage in all international trade and in every kind of barter and commerce. To deny that is to assert that we are pursuing a foolish policy when we endeavor to maintain the credit and stability and the soundness of our financial structure.

The rates of exchange between the United States and foreign countries, barring some slight cornerings that may at times occur, speaking of the question broadly, which is the only way we can consider it, represent the difference in the stability or real value of the moneys of the respective countries. An exact parallel is furnished between the money of the Government of the United States and the money of the Confederate States during the Civil War. The gold of the Northern States, of course, always remained at par and furnished the standard of value. The greenback of the Northern States, being backed by credit and the power of redemption which most of the people of the world believed would ultimately take care of that money, while it depreciated to a certain extent, always remained a valuable money, while the money of the Confederate States, particularly in the days of the falling fortunes of the South, went practically to nothing.

Over in Germany, when they formerly had a money that was backed by substantial values, German money circulated at par with the money of England and the money of the United States, and the rate of exchange between the countries only represented the risk and the labor of the exchange of the money; but when Germany proceeded to print her marks by the billions and when they had back of them a State which stood in a desperate situation, when the world was not satisfied that the German Government would ever stand long enough to redeem

that money in any form, then the marks of Germany fell to a tremendously low level. Germany sought to remedy that by issuing more money, but every time she diluted the currency of the country with a greater amount of paper its value went down. However, speaking broadly again, that has meant the payment of larger amounts of that currency in wages. The people in Germany and in the other foreign countries who have to buy their raw material must pay for that raw material in gold or in gold's equivalent. Therefore, they encounter a disadvantage at once in the depreciated value of their currency; and it is a disadvantage which largely if not fully offsets an advantage which Senators may imagine they have in the sale of their goods thus made, in a country where the currency is depreciated, in another country where the currency is of higher value.

Mr. President, what I have said is abundantly exemplified by the illustration which I am about to give. England, of all the foreign countries, occupied the most stable position; of all the foreign countries she had least depreciated her money; but the rate of exchange between England and the United States, while high and while constantly decreasing, after all represented the estimate of the world as to the difference between the real value of English money and of American money.

Again Germany had depreciated her money more than had France. The rate of exchange between France and Germany represented the difference. So, step by step, we may follow this illustration from the actual facts, and we will find that the rate of exchange between countries, speaking broadly, and eliminating possible corners, as I have said, has represented the difference in the actual values of their money. There is nothing at all in the hope which for months it has been attempted to inspire in the American people as to the rate of exchange. The rate of exchange has represented differences in actual value or in potential value; that is, the power of the country afterwards to redeem and make good its money. Senators might just as well say we can not afford to trade with Germany or with England, because we are actually bartering goods and they have depreciated the quality of their goods so that it takes ten times as much of those depreciated goods to represent the value of our goods as it had formerly done, as to say we should not trade or that we are at a disadvantage because the money which represents the goods has been depreciated, as in my illustration I have supposed the goods to have been depreciated. The whole doctrine, the whole theory upon which these arguments are based is unsound, not to use a harsher term.

Now, Mr. President, coming to the particular question, Senators have talked here in this Chamber about importations from Germany as though Germany were the one country making these laces and other articles of trade and commerce which may be shipped into this country. Always it is the specter of the German merchant, just as in the World War it was the specter of the German Army, but there is no relation between the two. The fact of the matter is that the competition we have to fear in this matter is not from Germany, but from countries that have a high standard of living and a high rate of wage compared with the rates of Germany.

The table which my distinguished friend from New Jersey [Mr. FRELINGHUYSEN] introduced shows, first, a large amount of handmade laces imported into this country from China, but we are not dealing here with handmade laces. When we come to the machinemade laces we find that France exported to this country in the year 1919, $190,734,000 worth.

The PRESIDENT pro tempore. The time of the Senator from Missouri has expired.

Mr. REED. Mr. President, I ask unanimous consent to print as a part of my remarks the table found on page 53 of the document from which I have been quoting, and I should like to be indulged just long enough to say that the importations from England were greater than those from Germany and the importations from France were likewise greater than those from Germany.

The PRESIDENT pro tempore. Without objection, the table referred to by the Senator from Missouri will be printed in the RECORD.

The table referred to is as follows:

Laces and lace articles, other than handmade, including lace edgings, insertings, and galloons. (Dutiable.)

QUANTITY (IN YARDS).

Imported from—	1913	1918	1919	1920	1921
Austria				79,932	27,066
Austria-Hungary			96		
Azores and Madeira Islands				2,037	
Belgium			284,635	755,669	450,975
Czechoslovakia				203,370	69,539
Denmark				8,220	7,535
France			190,734,567	103,246,861	231,628,553
Germany			4,032,060	22,156,939	28,589,307
Gibraltar				8	
Greece					25
Italy			315,760	508,385	483,816
Malta, Gozo, and Cyprus Islands			13,662	16,565	
Netherlands			115,592	122,758	928,878
Norway					
Portugal					563
Rumania					19,800
Russia in Europe					
Spain				17,792	3,165
Sweden				29,093	
Switzerland			1,554,624	7,738,697	5,888,249
Turkey in Europe				5	3,379
England			96,736,157	74,790,928	48,671,861
Scotland			12,778	59,868	
Ireland			259,623	70,609	56,646
Bermuda					
Canada			1,527	2,313	44,972
Costa Rica					
Guatemala					
Honduras					
Nicaragua					2,000
Panama			9,398		50
Mexico					
Newf'l'd and Labrador					
Jamaica					
Other British West Indies			30	316	
Cuba					
Dominican Republic					10
Argentina				50	
Brazil			7	793	
Chile			50		
Peru					
Venezuela				5,305	
China			5,523,682	5,243,979	15,521,099
Chosen					917
British India			160	2,378	3,716
Straits Settlements			990		
Other British East Indies				40	334
Dutch East Indies				23	28
French Indo-China				1,697	
Hongkong			3,494	11,597	25,698
Japan			27,760	332,511	139,072
Palestine and Syria					[1] 109,857
Russia in Asia				32	
Turkey in Asia			66,901	170,819	160,573
Australia					
New Zealand					
Philippine Islands					50
Canary Islands					
Egypt				20	1,921
Italian Africa				516	
Total			299,693,548	215,580,125	332,840,654

VALUE.

Austria				$7,434	$2,923
Austria-Hungary	$74,440		$78		
Azores and Madeira Is	1,090	$3,683		368	
Belgium	98,735		89,690	145,294	65,212
Czechoslovakia				18,740	6,846
Denmark	97			927	167
France	5,324,102	2,060,133	3,915,317	4,684,149	4,368,121
Germany	4,447,231		71,744	860,752	739,582
Gibraltar				12	
Greece					5
Italy	53,051	38,698	26,708	56,308	62,756
Malta, Gozo, and Cyprus Is.	2,505	1,068	2,111	3,385	
Netherlands	1,102		13,811	5,952	14,808
Norway	187				
Portugal					106
Rumania					432
Russia in Europe	1,098				
Spain	11,298	2,162		1,876	301
Sweden	358			16,379	
Switzerland	851,708	149,770	165,500	1,018,041	399,400
Turkey in Europe	9,322			4	715
England	5,953,448	2,447,222	2,800,932	4,040,468	970,399
Scotland	7,673		7,444	14,722	
Ireland	15,752	6,502	17,619	6,070	4,028
Bermuda		2,341			
Canada	790	1,168	247	602	4,721
Costa Rica	47				
Guatemala	73	10			
Honduras	15				
Nicaragua					50
Panama	1,836	116	198		23
Mexico	1,044	84			
Newf'l'd and Labrador	2				
Jamaica	21				
Other British West Indies	2		3	46	
Cuba	2,441	2			
Dominican Republic					3
Argentina	1			9	
Brazil			9	294	
Chile			37		
Peru		3			
Venezuela				486	
China	2,013	186,028	518,507	1,042,289	2,279,181
Chosen					188
British India	1,319	314	69	382	462
Straits Settlements	1		114		

[1] July 1 to Dec. 31.

Laces and lace articles, other than handmade, etc.—Continued.

VALUE—continued.

Imported from—	1913	1913	1919	1920	1921
Other British East Indies	$17			$8	$32
Dutch East Indies				11	4
French Indo-China				846	
Hongkong	781	$1,689	$1,312	2,554	5,217
Japan	43,883	36,988	8,370	49,301	4,867
Palestine and Syria					[1]27,615
Russia in Asia		10,076		10	
Turkey in Asia	61,404		2,678	25,399	10,476
Australia	2				
New Zealand	2				
Philippine Islands	87	5			15
Canary Islands	1,096				
Egypt	3			4	492
Italian Africa	947			43	
Total	16,981,019	4,948,662	7,702,498	12,008,224	8,978,147

[1] July 1 to Dec. 31.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from North Dakota [Mr. MCCUMBER] on behalf of the committee.

Mr. REED. I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. REED. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk proceeded to call the roll, and called the name of Mr. ASHURST.

Mr. WADSWORTH. Mr. President, will the Senator withdraw his suggestion?

Mr. REED. Yes; if we can get the yeas and nays, I will withdraw the suggestion.

Mr. WADSWORTH. If the Senator will keep in the Chamber Senators on his side, he will have a sufficient number to order the yeas and nays.

The PRESIDENT pro tempore. The call of the roll having been begun, it is too late to dispense with it.

The reading clerk resumed and concluded the calling of the roll, and the following Senators answered to their names:

Ashurst	Ernst	McKellar	Rawson
Ball	Frelinghuysen	McLean	Reed
Borah	Gooding	McNary	Sheppard
Brandegee	Hale	Moses	Simmons
Calder	Harrison	New	Smith
Cameron	Heflin	Newberry	Smoot
Capper	Jones, Wash.	Nicholson	Sterling
Culberson	Kellogg	Oddie	Trammell
Cummins	Kendrick	Overman	Underwood
Curtis	Keyes	Pepper	Wadsworth
Dial	Lenroot	Phipps	Warren
Dillingham	Lodge	Pomerene	Watson, Ga.
Edge	McCumber	Ransdell	

The PRESIDENT pro tempore. Fifty-one Senators having answered to their names, there is a quorum present. The Senator from Missouri demands the yeas and nays upon the pending amendment.

Mr. SMITH. I desire to offer an amendment to the amendment proposed by the committee. I have not a copy of it before me; but, as I understand, it proposes a duty of 90 per cent upon the laces and 75 per cent upon the embroideries. I move to amend by striking out "90" and inserting "60" and by striking out "75" and inserting "60."

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. In lieu of "90" it is proposed to insert "60" and in lieu of "75" it is proposed to insert "60."

Mr. SMITH. If that is done, the rate will be 60 per cent on both. According to all the information that has been gathered that is ample protection.

The PRESIDENT pro tempore. Without objection, the two amendments will be considered as one and voted upon at the same time.

Mr. SMITH. I ask for the yeas and nays on the amendment I propose.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. DILLINGHAM (when his name was called). I transfer my general pair with the junior Senator from Virginia [Mr. GLASS], who is necessarily absent, to the junior Senator from Delaware [Mr. DU PONT], and will vote. I vote "nay."

Mr. MCCUMBER (when his name was called). I have a general pair with the junior Senator from Utah [Mr. KING]. I transfer that pair to the junior Senator from Washington [Mr. POINDEXTER], and this announcement of transfer may stand for every vote upon this calendar day. I vote "nay."

Mr. POMERENE (when his name was called). Again announcing my pair with my colleague [Mr. WILLIS], who is absent, I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK], and will vote. I vote "yea." I do not know how my colleague would vote on this question.

Mr. ROBINSON (when his name was called). Transferring my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Rhode Island [Mr. GERRY], I vote "yea."

Mr. TRAMMELL (when his name was called). I have a general pair with the senior Senator from Rhode Island [Mr. COLT]. Being unable to obtain a transfer, I withhold my vote. If at liberty to vote, I should vote "yea."

The roll call was concluded.

Mr. HALE. I transfer my pair with the Senator from Tennessee [Mr. SHIELDS] to the Senator from Maryland [Mr. WELLER], and will vote. I vote "nay."

Mr. JONES of New Mexico. I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Nevada [Mr. PITTMAN], and ask that this announcement may stand for the day. I vote "yea."

Mr. ERNST. I transfer my general pair with my colleague, the senior Senator from Kentucky [Mr. STANLEY], to the junior Senator from Vermont [Mr. PAGE], and will vote. I vote "nay."

Mr. MCCORMICK. I desire to announce that my colleague [Mr. MCKINLEY], who is absent, would vote "nay" if he were present.

Mr. EDGE. I have a general pair with the senior Senator from Oklahoma [Mr. OWEN]. I transfer that pair to the senior Senator from Michigan [Mr. TOWNSEND], and will vote. I vote "nay."

Mr. HARRISON. I ask if the junior Senator from West Virginia [Mr. ELKINS] has voted?

The PRESIDENT pro tempore. He has not.

Mr. HARRISON. I have a pair with the junior Senator from West Virginia. Being unable to obtain a transfer I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. CURTIS. I have been requested to announce the following general pairs:

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON];

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from Minnesota [Mr. NELSON] with the Senator from Massachusetts [Mr. WALSH];

The Senator from Missouri [Mr. SPENCER] with the Senator from Georgia [Mr. HARRIS]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

The result was announced—yeas 23, nays 36, as follows:

YEAS—23.

Ashurst	Heflin	Overman	Simmons
Borah	Jones, N. Mex.	Pomerene	Smith
Capper	Kellogg	Ransdell	Swanson
Culberson	Kendrick	Reed	Underwood
Dial	McKellar	Robinson	Walsh, Mont.
Fletcher	Myers	Sheppard	

NAYS—36.

Ball	Edge	Lenroot	Nicholson
Brandegee	Ernst	Lodge	Oddie
Broussard	France	McCormick	Phipps
Bursum	Frelinghuysen	McCumber	Rawson
Calder	Gooding	McLean	Shortridge
Cameron	Hale	McNary	Smoot
Cummins	Harreld	Moses	Sterling
Curtis	Jones, Wash.	New	Wadsworth
Dillingham	Keyes	Newberry	Warren

NOT VOTING—36.

Caraway	Hitchcock	Owen	Sutherland
Colt	Johnson	Page	Townsend
du Pont	King	Pepper	Trammell
Elkins	Ladd	Pittman	Walsh, Mass.
Fernald	La Follette	Poindexter	Watson, Ga.
Gerry	McKinley	Shields	Watson, Ind.
Glass	Nelson	Spencer	Weller
Harris	Norbeck	Stanfield	Williams
Harrison	Norris	Stanley	Willis

So Mr. SMITH's amendment to the amendment of the committee was rejected.

The PRESIDENT pro tempore. The question now is upon the amendment proposed by the committee.

Mr. SMITH. In the paragraph relating to laces, I move to strike out "90" and insert "75."

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. In lieu of "90," it is proposed to insert "75" where it appears in the first portion of the paragraph.

Mr. SMITH. With reference to this amendment, I think it has been stated here, even by those on the other side, that a duty of 75 per cent was sufficient, in view of the fact that the

rate of duty prior to this has been 60 per cent, and on account of the importation of lace machines free our manufacture of these articles has greatly increased. Therefore I propose 75 per cent in place of 90 per cent, and on that I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from South Carolina to the amendment of the committee, on which the yeas and nays have been requested and ordered. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. DILLINGHAM (when his name was called). Making the same transfer of my pair as before, I vote "nay."

Mr. EDGE (when his name was called). Transferring my general pair with the Senator from Oklahoma [Mr. OWEN] to the Senator from Vermont [Mr. PAGE], I vote "nay."

Mr. ERNST (when his name was called). I transfer my pair with the senior Senator from Kentucky [Mr. STANLEY] to the senior Senator from Michigan [Mr. TOWNSEND], and vote "nay."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. CURTIS. I have been requested to announce the following general pairs:

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON];

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from Minnesota [Mr. NELSON] with the Senator from Massachusetts [Mr. WALSH];

The Senator from Missouri [Mr. SPENCER] with the Senator from Georgia [Mr. HARRIS]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

Mr. ROBINSON (after having voted in the affirmative). I announce the same pair and transfer as on the last vote and allow my vote to stand.

Mr. HARRISON. I am paired with the Senator from West Virginia [Mr. ELKINS]. In his absence I withhold my vote. If permitted to vote, I would vote "yea."

Mr. TRAMMELL. Being unable to obtain a transfer of my pair, I withhold my vote. If permitted to vote, I would vote "yea."

Mr. POMERENE. Again announcing my pair with my colleague [Mr. WILLIS], I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

The result was announced—yeas 26, nays 33, as follows:

YEAS—26.

Ashurst	Heflin	Myers	Smith
Borah	Jones, N. Mex.	Overman	Swanson
Capper	Kellogg	Pomerene	Trammell
Culberson	Kendrick	Ransdell	Underwood
Cummins	Lenroot	Reed	Walsh, Mont.
Dial	McCormick	Robinson	
Fletcher	McKellar	Sheppard	

NAYS—33.

Ball	Ernst	McCumber	Phipps
Brandegee	France	McLean	Rawson
Broussard	Frelinghuysen	McNary	Shortridge
Bursum	Gooding	Moses	Smoot
Calder	Hale	New	Wadsworth
Cameron	Harreld	Newberry	Warren
Curtis	Jones, Wash.	Nicholson	
Dillingham	Keyes	Oddie	
Edge	Lodge	Pepper	

NOT VOTING—36.

Caraway	Hitchcock	Owen	Sterling
Colt	Johnson	Page	Sutherland
du Pont	King	Pittman	Townsend
Elkins	Ladd	Poindexter	Walsh, Mass.
Fernald	La Follette	Shields	Watson, Ga.
Gerry	McKinley	Simmons	Watson, Ind.
Glass	Nelson	Spencer	Weller
Harris	Norbeck	Stanfield	Williams
Harrison	Norris	Stanley	Willis

So Mr. SMITH'S amendment to the amendment of the committee was rejected.

The PRESIDENT pro tempore. The question now is upon agreeing to the amendment proposed by the committee.

The amendment was agreed to.

Mr. GOODING. Mr. President, out of order I ask unanimous consent to send to the desk petitions from something over 100,000 citizens of Southern States who pray for a duty on vegetable oils and other southern products. These petitions represent a million agricultural producers in the South. I will not ask that any of them be read, but I ask that the letter to Mr. J. A. Arnold, secretary of the Southern Tariff Association, from Mr. W. W. Webb, president of the Georgia Peanut Growers' Association, be printed, and that the resolution of the Peanut Growers' Association of Georgia be printed without reading, and that all the petitions be referred to the Committee on Finance.

There being no objection, the letter and resolution were ordered to be printed in the RECORD and all the petitions were referred to the Committee on Finance, as follows:

GEORGIA PEANUT GROWERS' ASSOCIATION,
Hahira, Ga., August 2, 1922.

Mr. J. A. ARNOLD,
Tariff Association, Washington, D. C.

DEAR SIR: I am inclosing petitions with about 2,000 names with 1,000 peanut growers that I signed for, also a resolution by the Farmers' Union of Lowndes County, Ga., which has more than a thousand members. Our farmers in Georgia are unanimous for tariff on peanuts and vegetable oils, and if we fail to get it it will be a great calamity. If there is anything more that we can do let me know and I will do what I can. Our prosperity is dependent on protection. We must or we crumble and suffer.

I remain yours to cooperate,

W. W. WEBB,
President Georgia Peanut Growers' Association.

GEORGIA PEANUT GROWERS' ASSOCIATION.

Resolution by Farmers' Union of Lowndes County, Ga.

Whereas the farmers of Georgia are greatly disturbed about peanuts and vegetable oils being placed on the free list. If this is done our peanut industry will suffer irreparable damage. Oriental peanuts and oils will seriously affect our hog production also. The crippling of these two industries will be a calamity: Be it therefore

Resolved by Lowndes County Farmers' Union in session in Lowndes County, Ga., That we pray the Senators of Georgia of the United States Senate, and the Representatives in Congress of the United States, together with all the Senators and Congressmen, to give us a tariff on peanuts and vegetable oils. Our people are already crushed with the ravages of the boll weevil and are now threatened with this influx of oriental peanuts and oils which will put our farmers on a low level of the cheap oriental labor. Georgia farmers are unanimous for protection on farm products the same as manufactured articles.

S. E. JOHNSON, *Secretary.*

This 2d day of August, 1922.

Mr. MCCUMBER. I ask that the Senate return to the consideration of paragraph 1451, page 202.

Mr. REED. The paragraph just referred to was carried over until to-day at my request. I have been unable to secure the particular information I wanted. I shall therefore content myself with reserving this item for a separate vote in the Senate, so the Senator in charge of the bill may proceed with the paragraph at this time. I shall not ask for further delay.

The PRESIDENT pro tempore. The Secretary will state the amendments of the committee to paragraph 1451.

The ASSISTANT SECRETARY. The first amendment in paragraph 1451 is on page 202, line 16, where the committee proposes to strike out "30" and insert in lieu thereof "20," and on line 17, to strike out the word "and" and insert "15 per cent ad valorem," so as to read:

PAR. 1451. Photographic cameras and parts thereof, not specially provided for, 20 per cent ad valorem; photographic dry plates, not specially provided for, 15 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 202, line 19, to strike out "20 per cent ad valorem," and to insert in lieu thereof the following:

one-half of 1 cent per linear foot of the standard width of 1¾ inches, and all other widths shall pay duty in equal proportion thereto.

Mr. MCCUMBER. On behalf of the committee, on line 20, I move to change "one-half" to "four-tenths."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on line 25, to strike out the words "exposed, whether developed or not, and," and to insert in lieu thereof the words "exposed but not developed, 2 cents per linear foot; exposed and developed, 3 cents per linear foot"; on page 203, line 7, to strike out the words "30 per cent ad valorem," and to insert in lieu thereof "1 cent per linear foot"; on line 14, to strike out the words "25 per cent ad valorem" and insert in lieu thereof "1 cent per linear foot"; on line 17, to strike out the word "*Provided*," and to insert in lieu thereof the words "*Provided further*," so as to read:

photographic-film negatives, imported in any form, for use in any way in connection with moving-picture exhibits, or for making or reproducing pictures for such exhibits, exposed but not developed, 2 cents per linear foot; exposed and developed, 3 cents per linear foot; photographic-film positives, imported in any form, for use in any way in connection with moving-picture exhibits, including herein all moving, motion, motophotography, or cinematography film pictures, prints, positives, or duplicates of every kind and nature, and of whatever substance made, 1 cent per linear foot: *Provided*, That upon the importation of photographic and motion-picture films or film negatives taken from the United States and exposed in a foreign country by an American producer of motion pictures operating temporarily in said foreign country in the course of production of a picture 60 per cent or more of which is made in the United States the duty shall be 1 cent per linear foot, and the Secretary of the Treasury shall prescribe such rules and regulations as may be necessary for the entry of such films or film negatives under this proviso: *Provided further*, That all photographic films imported under this act shall be subject to such censorship as may be imposed by the Secretary of the Treasury.

The amendment was agreed to.

Mr. McCUMBER. I desire now to have the Senate go back to page 201, paragraph 1444.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 201, paragraph 1444, rosaries, chaplets, and similar articles of religious devotion, it has been agreed that the two amendments to the paragraph shall be considered as one.

The PRESIDENT pro tempore. The question is on agreeing to the amendment as amended.

Mr. REED. That was the proposition we were going to try to rewrite, but that has not been done. I reserve it for a separate vote in the Senate.

The amendment as amended was agreed to.

Mr. McCUMBER. I now ask that the Senate turn to page 204, paragraph 1453.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 204, beginning in line 15, the committee proposes to strike out paragraph 1453 in the following words:

PAR. 1453. Plush, black, known commercially as hatters' plush, composed of silk, or of silk and cotton, of the qualities and widths used generally in the making of men's hats, 10 per cent ad valorem.

The amendment was agreed to.

Mr. McCUMBER. I now ask that we turn to paragraph 1644, page 232.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 232, line 3, the committee proposes to strike out the words "and sago flour," so as to make the paragraph read:

PAR. 1644. Sago, crude.

The amendment was agreed to.

Mr. McCUMBER. I now ask that we turn to paragraph 1666, page 235.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 235, line 23, the committee proposes to strike out the words "Tapioca, tapioca flour, and cassava" and to insert the word "Cassava," so as to make the paragraph read:

PAR. 1666. Cassava.

The amendment was agreed to.

Mr. McCUMBER. Now I ask that we turn to page 115, paragraph 779a.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 115, after line 2, the committee proposes to insert a new paragraph, as follows:

PAR. 779a. Sago flour and tapioca flour, one-half of 1 cent per pound; tapioca flake or pearl, three-fourths of 1 cent per pound.

Mr. REED. That is a food, and why should it be taxed? Is there any of it produced in this country?

Mr. NEW. Mr. President, if the Senator from Missouri will permit me, I think I can answer that question. Most of this material is not used for food at all but is used in the manufacture of glue and takes the place of, if used in glue, of Missouri corn.

Mr. REED. Well, Missouri corn can stand it very easily. We can worry along with that kind of competition. The quantity of corn used in making glue is infinitesimal compared with the quantity used for another purpose.

Mr. NEW. This would take the place of from 3,000,000 to 6,000,000 bushels of American corn.

Mr. REED. That is terrible, because we produce only 3,000,000,000 bushels.

Mr. NEW. It is an item worthy of consideration.

Mr. REED. I inquire if this item does not cover tapioca that is used on the table?

Mr. NEW. Yes; that is also important; but, as I have said, the major part of it is used in the manufacture of glue.

Mr. REED. Since the Senator from Indiana is appearing as an explainer of this particular item, may I inquire who has asked for a tariff?

Mr. NEW. The request first came to me from farmers of Indiana.

Mr. REED. The farmers of Indiana were really afraid of this glue proposition?

Mr. NEW. Yes.

Mr. REED. Were there not some requests from the factories?

Mr. NEW. Yes.

Mr. REED. Manufacturers wanted a duty on their raw material?

Mr. NEW. Yes; just as they have on pretty nearly every other item that enters into the tariff bill.

Mr. REED. I have not seen any of them wanting a duty on their raw material.

Mr. NEW. My attention was first called to this by William H. Newsom, who is an officer of one of the farmers' organizations of Indiana. There have been other requests, of course, some of them from manufacturers, and some objections to it also.

Mr. GOODING. Mr. President, may I ask the Senator from Indiana if it is not a fact that there is a manufacturing establishment in his State for the making of glue that created quite a large local market for corn?

Mr. NEW. That is true.

Mr. REED. Is that the reason why the farmers are asking for it?

Mr. GOODING. That is my understanding. Information of that kind came to me.

Mr. REED. How many people does that factory employ?

Mr. NEW. I do not know, but it is a substantial industry.

Mr. REED. Where is it located?

Mr. NEW. It is located up in the northern part of the State.

Mr. REED. Of course, it goes without saying that everybody who uses glue ought to be taxed for the benefit of this factory which is located somewhere in Indiana. That is in keeping with the rest of the bill and probably no worse than the rest of it. I am not going to argue the question. There is no use in doing it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. McCUMBER. I ask to return to paragraph 7, page 4. The first two items in that paragraph have been agreed to, but there are two others which have not been agreed to.

Mr. SIMMONS. Mr. President, I find, very much to my surprise, that there are 35 to 40 paragraphs which have been passed over and which will have to be acted upon to-day before we reach the special provisions and the administrative provisions of the bill. If we were to take 10 minutes for each of the paragraphs which have been passed over it would consume the time that is allotted before we begin to vote. Under the circumstances I am going to do what I can to facilitate the matter as rapidly as possible, hoping that any wrong which may be done by reason of the haste may be corrected in conference. There is no other way to deal with it if we are to have any time left at all for the consideration of the administrative provisions and some very important special provisions.

The PRESIDENT pro tempore. The first amendment passed over in paragraph 7 will be stated.

The ASSISTANT SECRETARY. The first amendment passed over in paragraph 7 is on page 4, beginning in line 17. After the words "ammonium phosphate" the committee proposes to strike out "25 per cent ad valorem" and insert "1¼ cents per pound."

The amendment was agreed to.

The ASSISTANT SECRETARY. The next amendment is, on page 4, in line 18, after the words "ammonium sulphate" and the comma, where the committee proposes to strike out "three-fifths" and insert "one-fourth," so it will read "one-fourth of 1 cent per pound."

The amendment was agreed to.

The PRESIDENT pro tempore. The Assistant Secretary advises the Chair that the other amendments in paragraph 7 have been agreed to.

Mr. McCUMBER. I desire now to return to page 6, paragraph 18, "chalk or whiting or Paris white." I ask unanimous consent to reconsider the vote by which the amendments in line 21, page 6, paragraph 18, were concurred in.

The PRESIDENT pro tempore. The Senator from North Dakota asks unanimous consent to reconsider the votes by which the amendments in line 21 of paragraph 18 were adopted. Is there objection? The Chair hears none, and it is so ordered. The next amendment will be stated.

The ASSISTANT SECRETARY. On page 6, in line 21, "15" was struck out and "20" was inserted.

Mr. McCUMBER. I now move to strike out "20" and insert "30."

The ASSISTANT SECRETARY. The Senator from North Dakota moves to strike out "20" and insert "30," so it will read "30 per cent ad valorem."

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

Mr. JONES of New Mexico. Mr. President, I think we are entitled to have some statement from the chairman of the committee as to why he is asking to make this change. The committee itself made the previous amendment reducing the rate from 35 to 20 per cent, and it was done evidently after some consideration. Now, why they should come in and ask to reconsider the rate and change it from 20 to 80 per cent I think calls for some explanation.

Mr. McCUMBER. I can explain it very briefly. The summary of conditions as reported by the United States Tariff Commission on August 1, 1922, showed as follows:

The weighted average cost of producing whiting for the first four months of 1922 was $18.47 per short ton. This represents a decrease of 9 per cent of the cost of $20.32 in 1921 and an increase of 108 per cent over the pre-war cost of $8.86 in 1914. It was found that the average cost of imported whiting c. i. f. New York, duty not paid, for the months of April and May was $12.80 per short ton. This cost for imported whiting, when contrasted with the average domestic cost in 1922, shows a margin of $5.72 per short ton in favor of the imported product.

The difference between the lowest domestic and the average imported cost was $3.99 per short ton. To equalize this at present differences in the cost of production, the selling price in the United States would require about 40 per cent ad valorem. The committee believes that the American price will go still lower. We are expecting a possibility of a rise in the foreign cost of production. We, therefore, gave considerably less than the Tariff Commission showed to be necessary.

Mr. JONES of New Mexico. May I ask the Senator from North Dakota how the Tariff Commission ascertained the cost of production of the chalk in the United States?

Mr. McCUMBER. I understand it was by personal investigation with special officers of that organization.

Mr. JONES of New Mexico. I do not wish, of course, to make any reflection, but if the Tariff Commission have made an investigation of any thorough nature, I do not know where they got the funds with which to do it or where they got the experts with whom to do it. If they ascertained by mere inquiry of the producers, that is one thing, but if they have ascertained the cost of production of this article, it is the only article mentioned in the whole bill where that has been done. I can not recall a single item in the bill which has been investigated to the extent of ascertaining the cost of production. There have been guesses as to the cost of production, but to make an investigation which would reveal the cost of production in dollars and cents has not been done with respect to a single item in the bill so far as I have any knowledge.

I should like to know how the investigation was made and when it was made. Apparently it was not made a few weeks ago when we were considering the bill. Members of the Tariff Commission and their experts since that time have been employed largely in working with members of the Finance Committee of the Senate and no attempt previous to that time had been made to go out and examine costs. I should like to know when the examination was made and how thorough it was.

Mr. McCUMBER. Mr. President, if the Senator will allow me, I will state that the investigation was made by Mr. de Long, of the Tariff Commission. It was made in response to a letter of mine dated May 18 requesting the Tariff Commission to secure all possible information along that line. The commission in writing to me has inclosed a very full statement, including the methods of their investigation and several tables which they have made a part of their report. I ask that their letter, together with their report, may be printed in 8-point type in the RECORD as a part of my remarks.

There being no objection, the matter referred to was ordered to be printed in the RECORD in 8-point type, as follows:

UNITED STATES TARIFF COMMISSION,
August 1, 1922.

Hon. P. J. McCUMBER,
United States Senate, Washington, D. C.

MY DEAR SENATOR McCUMBER: In replying further to your letter of May 18 concerning the cost of producing whiting in the United States, particularly along the Atlantic coast, the price at which imported whiting is being sold in this country, and other information which will aid the Committee on Finance in arriving at the proper rates for this commodity, we submit the inclosed report as the result of our investigation of the whiting industry.

We trust that this will give you the information you desire.

Very truly yours,

THOMAS O. MARVIN, *Chairman.*

PRODUCTION COSTS IN THE WHITING INDUSTRY DURING 1914, 1921, AND 1922 (4 MONTHS).

INTRODUCTION.

The Tariff Commission was requested by the Committee on Finance, United States Senate, under letter of May 18, 1922, to ascertain the cost of producing whiting and the price at which imported whiting is being sold in the United States, in order to "aid the committee in arriving at proper rates for this commodity."

Accordingly manufacturers of whiting were requested to submit their costs of production in accordance with a detailed schedule submitted by the Tariff Commission. The reports of the various manufacturers were tabulated and later verified by comparison with the books of the companies by members of the commission's staff.

The average costs of whiting shown in this report are in all cases the weighted average of the costs submitted by five domestic manufacturers—in no case have simple averages been used. It was found necessary to omit the costs reported by one producer, as the firm was unable for valid reasons to report for all of the periods requested, and as this firm also manufactured other products the segregation of their whiting costs from that of other articles would have been an estimation. Otherwise, the report includes the costs of all independent producers of whiting. No attempt was made to include paint manufacturers who may grind chalk for their own consumption.

The cost of imported whiting in the following pages was determined by a study of the invoices of shipments of whiting received at the port of New York for the months of April and May, 1922. The shipments for which detailed figures were obtainable represent more than one-third of the total quantity of whiting imported at New York during this period.

SUMMARY OF CONDITIONS IN THE INDUSTRY.

The weighted average cost of producing whiting for the first four months of 1922 was $18.47 per short ton. This represents a decrease of 9 per cent from the cost of $20.32 in 1921 and an increase of 108 per cent over the pre-war cost of $8.86 in 1914. It was found that the average cost of imported whiting, c. i. f. New York, duty not paid, for the months of April and May was $12.80 per short ton. This cost for imported whiting when contrasted with the average domestic cost in 1922 shows a margin of $5.72 per short ton in favor of the imported product. The difference between the lowest domestic and the average imported cost was $3.99 per short ton.

In connection with costs in the domestic industry, the commission must point out the evident lack of labor-saving devices in the grinding of chalk for the production of whiting. The manufacture of whiting is a comparatively simple operation involving the mechanical operations of grinding, floating with water to classify the production into various grades of fineness, filtering, drying, and further grinding of the finished product being packed for shipment. From a mechanical engineering viewpoint there is no reason why the product should be handled from the time the crude chalk enters the grinders until the finished product is packed. The production of whiting is an industry which has been long established in this country, and with a few exceptions there has evidently been a lack of effort to keep labor costs at a minimum by the installation of modern and improved machinery. This statement can not be applied to all manufacturers, as there are at least two firms who are working along progressive lines to install continuous apparatus which will result in a saving of labor and a reduction in cost. An examination of the costs by companies (Table 3) shows that the labor cost ranged from $2.23 to $5.16 per short ton during 1922. From this wide variation it is apparent that certain manufacturers can reduce costs by improved equipment and design of plant.

The wide spread between the domestic and imported cost of whiting is in no small part due to existing exchange rates and will decrease as the Belgian and French exchange approaches normal. A factor in favor of the domestic product, which is not shown in the cost figures, is the service to domestic consumers. The consumer in dealing with domestic manufacturers has the assurance that in the case of delivery of inferior goods immediate and satisfactory adjustment can be secured from the domestic producer, whereas in the case of the imported product it is evident that such adjustment is considerably more difficult. The point at which the price of imported whiting becomes sufficiently attractive to warrant a change from a reliable domestic source to an imported one can not be measured accurately. For tariff purposes care must therefore be exercised in basing duties wholly on the spread between the domestic cost and the cost of the imported product landed in the United States.

TABLE 1.—*Comparison of production and imports, 1914 to 1922, inclusive.*

Year.	Imports.[1]		Production.
	Short tons.	Percentage of production.	
1914	1,181	1.8	[2] 66,000
1915	2,693		
1916	1,828		
1917	1,074		
1918	1,223		
1919	765		
1920	8,875		
1921	8,826	20.6	43,104
1922 (4 months)	[3] 2,379	11.5	[4] 20,766

[1] Imports are fiscal years ending June 30 for 1914 to 1917 and from then on are calendar years.

[2] Figure is low, as does not include production of 1 firm.

[3] Total imports for first 3 months plus imports at New York for April.

[4] Includes production of 2 firms for 6 months and does not include output of 1 firm.

A comparison of production and imports of whiting shows that imports have increased greatly since 1919. Table 1 shows a comparison of imports and production from 1914 to 1922, inclusive. In 1914 imports represented approximately 2 per cent of the domestic production and prior to 1920 never exceeded 2,700 short tons. During 1920 and 1921 they approximated 9,000 tons per annum, or about 20 per cent of the domestic production during the latter year. A comparison of imports and production for the four months in 1922 shows that imports were approximately 12 per cent of the domestic output. It is apparent that domestic producers since 1919 have received active competition from imported whiting.

SUMMARY OF COSTS.

Table 2 compares the costs of whiting for 1922, four months, with 1921 and the pre-war year 1914. This table also shows the percentage of total cost represented by the items of material, direct labor, factory overhead, administration and selling, and packages. The total cost for 1922 was $18.47 per short ton. Of this total, $7.39, 40 per cent, was for material; $4.04, about 22 per cent, was direct labor; $3.87, 21 per cent, factory overhead; $3.05, 16½ per cent, administration and selling expenses; and 12 cents, less than 1 per cent, was for packages. The average net price received for whiting during 1922, four months, was $22.78 per short ton. A comparison of this price with the total cost indicates that the industry as a whole made an average profit of $4.31 per short ton, or about 23 per cent of the total cost. The cost for 1922 was more than double that of the pre-war year 1914. The material cost for 1922 was more than twice that of 1914; direct labor nearly two and one-half times as much; factory overhead about one and eight-tenths times; administration and selling about two and one-half times the same items in 1914. The average profit per ton of $4.31 in 1922 may be compared with $1.79 per ton in 1914; on the basis of percentage of total cost, however, the profit in 1922 was 23.3 per cent, as compared with 20.2 per cent in 1914.

TABLE 2.—*Comparison of the total whiting costs, 1914, 1921, and 1922 (four months).*

[Costs are per short ton.]

Period.	Production.	Sales.	Total cost.	Material.	Direct labor.	Factory overhead.	Administration and selling.	Packages.	Net price received.	Profit.
	Short tons.	*Short tons.*								
4 months, 1922	[1] 20,766	20,231	$18.47	$7.39	$4.04	$3.87	$3.05	$0.12	$22.78	$4.31
1921	40,019	39,755	20.32	7.02	4.33	4.54	4.27	.16	24.52	4.20
1914	61,627	62,008	8.86	3.64	1.71	2.17	1.23	.11	10.65	1.79
PERCENTAGE OF TOTAL COST										
	Short tons	*Short tons.*								
4 months, 1922			$100.0	$40.0	$21.9	$21.0	$16.5	$0.6	$123.3	$23.30
1921			100.0	34.6	21.3	22.3	21.0	.8	120.7	20.67
1914			100.0	41.1	19.3	24.5	13.9	1.2	120.2	20.20

[1] Includes production of 2 firms for 6 months.

COMPARISON OF COSTS BY COMPANIES.

Table 3 shows the variation in the cost of whiting according to companies. The costs listed under a given number are those of the same company for the three periods given.

A study of this table shows that the total cost in 1922 ranged from a low of $15.79 per short ton to a high of $21.89, a variation of about 40 per cent of the low cost. The greatest variation in the various items of cost occurs in that of direct labor. This item ranged from a minimum of $2.23 per short ton to a maximum of $5.16, or a variation of about 130 per cent of the low cost.

The net price (freights and commissions deducted) received for whiting during 1922 (four months) ranged from $19.16 to $27.66 per short ton.

This table also shows that the average profit during the four months of 1922 ranged from $2.11 per short ton to $6.45:

TABLE 3.—*Details of whiting cost, by companies, 1914, 1921, and four months 1922.*

[Per short ton.]

Company No.	Total cost.	Material.	Direct labor.	Total factory overhead.	Administration and selling.	Packages.	Net price.	Profit or loss.
FOUR MONTHS OF 1922.								
1	$15.79	$6.55	$2.23	$3.25	$3.56	$0.20	$19.16	$3.37
2	18.74	6.36	5.16	4.23	2.99	(1)	22.04	3.30
3 [2]	21.89	7.73	3.57	6.87	4.17	[3] .45	27.66	2.11

[1] Profit of $30.60 for period on bags.

[2] Costs covering 6 months, 1922.

[3] Indicates profit.

TABLE 3.—*Details of whiting cost, by companies, 1914, 1921, and four months 1922*—Continued.

Company No.	Total cost.	Material.	Direct labor.	Total factory overhead.	Administration and selling.	Packages.	Net price.	Profit or loss.
FOUR MONTHS OF 1922.—Con.								
4	$17.69	$8.62	$3.43	$3.00	$2.03	$0.61	$20.87	$3.18
5 [1]	20.41	8.93	4.87	3.78	2.71	.12	26.86	6.45
Weighted average	18.47	7.39	4.04	3.87	3.05	.12	22.78	4.31
1921.								
1	17.06	6.17	2.57	3.69	4.44	.19	22.54	5.48
2	22.29	6.18	5.62	5.51	4.85	.13	28.90	6.61
3	24.89	8.90	3.56	8.14	5.00	[2] .71	24.26	—.63
4	21.04	9.76	5.39	2.65	2.79	.45	25.08	4.04
5	21.28	7.97	4.89	4.56	3.68	.18	24.72	3.44
Weighted average	20.32	7.02	4.33	4.54	4.27	.16	24.52	4.20
1914.								
1	7.96	3.21	1.05	1.88	1.69	.13	10.62	2.66
2	8.74	3.61	1.97	2.21	.93	.02	10.84	2.10
3	9.31	4.16	1.57	2.35	1.19	.04	9.81	.50
4	9.36	4.05	1.76	1.18	1.73	.64	10.51	1.15
5	9.98	3.93	2.12	2.96	.93	.04	12.01	2.03
Weighted average	8.86	3.64	1.71	2.17	1.23	.11	10.65	1.79

[1] Costs covering 6 months, 1922.

DETAILS OF COST OF IMPORTED WHITING.

In Table 4 is shown the detail of representative shipments of whiting entered at the port of New York—the point at which most of the whiting is imported—during the months of April and May, 1922. This information was obtained from the original invoices on record at the New York customshouse. The shipments included in this tabulation represent in quantity a little over one-third of the total imports—1,981 short tons—at the port of New York for the months of April and May. By far the larger part of the whiting entering the United States at this time originated in Belgium, with France ranking second in importance. Very little whiting was imported from England and Germany.

This table shows that the weighted average cost of 10 shipments of whiting aggregating nearly 700 short tons was $12.80 c. i. f. New York, duty not paid. This cost may be compared with a cost of $9.36 per short ton at foreign ports packed ready for shipment.

It should be noted that the difference between these two costs is not represented by the items of freight, insurance, consular fees, and other expenses, as it will be seen from the table that these items were not available in the case of all shipments. They are, however, included in the total cost c. i. f. New York in all cases. A study of this table shows that the total cost at New York ranged from $9.89 to $20.52 per short ton.

TABLE 3.—*Detail of cost of whiting imported at New York, April and May, 1922.*

Country of origin.	Quantity (short tons).	Cost c. i. f. New York without duty (per short ton).	Ocean freight (per short ton).	Insurance, consular fees, other expenses (per short ton).	Cost f. o. b. foreign port packed (per short ton).	Packing cost (per short ton).
Belgium	143.3	$11.79	$3.04	$0.085	$8.66	$1.99
	104.7	13.27	3.11	[1] .049	10.11	2.42
	84.0	11.25	2.12	.078	8.03	1.91
	117.6	10.99	2.96	.080	7.95	1.89
	44.8	9.89	2.95	.128	6.81	1.89
	33.1	15.50	3.03	.210	12.25	4.55
	40.5	18.89	3.07	.188	15.63	4.59
Germany	5.5	20.52	2.45	[2] .428	17.64	3.68
France	110.2	14.36	.....	.....	.....	.....
England	5.7	16.58	3.90	.....	12.68	3.90
Weighted average	689.4	12.80	2.90	.09	9.36	2.39

[1] Insurance only.

[2] Consular fee only.

Mr. HARRISON. Before the Senator from North Dakota takes his seat I desire to ask him a question. I wish to inquire of the Senator how many amendments have been offered to the pending bill on the recommendation of the committee since it was orginally reported by the committee from the time when we began the consideration of the bill?

Mr. McCUMBER. I can not state the number, but there have been a great many small amendments. If one amendment is made especially affecting a rate or a material, that necessitates a great many other amendments in order to preserve the balance. So the number of amendments which have been reported has been quite considerable.

Mr. HARRISON. The Senator from North Dakota this morning submitted a committee print of proposed amendments embracing I do not know how many amendments, but I presume a hundred amendments. Are those all committee amendments?

Mr. McCUMBER. They are all committee amendments, and many of them have been made necessary by changes which have been made in the bill on the floor of the Senate.

Mr. HARRISON. Were these amendments agreed to by the committee on yesterday?

Mr. McCUMBER. Yes; and after working most of the night.

Mr. HARRISON. Mr. President, I desire to say that this illustrates how sloppily this bill has been prepared. After we had entered into a unanimous-consent agreement that no committee amendments should be offered after a certain time, and the time being stated in the agreement when the bill would be reported to the Senate and voted on finally, the committee recommends practically a hundred amendments, and they are brought in here in a manner which will not allow their discussion to any extent before we are called upon to vote upon them. So, I repeat, this is a very clear illustration of the manner in which the bill has been prepared and considered in the Senate.

Mr. McCUMBER. Mr. President, it may be possible that the Senator from Mississippi, being possessed of all the wisdom in the world, could have done very much better than the committee has done. The committee, however, has had a very complex subject to deal with and it has had to deal with it under very abnormal conditions. At the time the unanimous-consent agreement was being considered the committee stated to those who were engaged in framing the agreement that there would be a number of amendments proposed in addition to those which had been passed over and had not yet been decided upon, and that there would necessarily be some changes in the administrative features of the bill which had not been as fully considered as we desired. I think the committee is composed of Senators of at least ordinary intelligence, possibly not so great as that of the Senator from Mississippi, but with the information the have had they have done the very best they could to get the bill in the best possible shape to conform to the divers amendments made on the floor of the Senate and to the conditions in trade as they have indicated to us that there ought to be some amendments made.

Mr. SIMMONS. Mr. President, I merely wish to make the point of order that there is no amendment pending upon which this discussion may properly take place under the unanimous-consent agreement. We have only a little over three hours remaining in which to finish up the amendments of the committee, and I think we had better confine ourselves strictly to them.

Mr. WADSWORTH. Question!

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the committee to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. McCUMBER. On page 8, line 3, I move to strike out "15" and to insert in lieu thereof "10," so that it will read:

Chicle, crude, 10 cents per pound.

The amendment was agreed to.

Mr. McCUMBER. On page 8, line 6, I move to strike out "20" and insert in lieu thereof "15."

The amendment was agreed to.

Mr. McCUMBER. On page 10, line 4, after the word "distillate," I move to insert the following: "or which on being subject to distillation yield in the portion distilling below 215° C. a quantity of tar acids equal to or more than 75 per cent of the original distillate."

Mr. SIMMONS. Will that amendment have the effect of increasing the rate, I will ask the Senator from North Dakota?

Mr. SMOOT. Mr. President——

Mr. McCUMBER. This amendment is recommended by the Tariff Commission.

Mr. SIMMONS. But it does not increase the rate?

Mr. McCUMBER. No.

Mr. SMOOT. It relates to a new process.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McCUMBER. On page 17, line 14, after the word "flowers," I move to strike out the comma and insert in lieu thereof a semicolon.

The amendment was agreed to.

Mr. McCUMBER. On page 18, line 23, I move to strike out "25" and insert in lieu thereof "15."

The amendment was agreed to.

Mr. McCUMBER. On page 18, lines 18 and 19, I understand the committee amendment has not been agreed to.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The SECRETARY. On page 18, line 13, after the word "quebracho" and the comma, it is proposed to insert the words "sumac, saffron, safflower, saffron cake."

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McCUMBER. On page 20, line 17, I move to strike out "2¾" and insert in lieu thereof "1½."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from North Dakota, on behalf of the committee.

The amendment was agreed to.

Mr. McCUMBER. On page 20, line 18, after the semicolon, I move to insert "chloride anhydrous, 1 cent per pound."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from North Dakota, on behalf of the committee.

The amendment was agreed to.

Mr. McCUMBER. On page 20, line 18, I ask unanimous consent to reconsider the vote by which the amendment was agreed to.

The PRESIDENT pro tempore. The Senator from North Dakota asks unanimous consent to reconsider the vote by which the amendment referred to by him was agreed to. Is there objection? The Chair hears none, and the vote is reconsidered.

Mr. McCUMBER. I now move, on page 20, line 18, before the word "one-half," to insert the words "not specially provided for."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. McCUMBER. On page 20, line 20, I move to strike out "7" and insert in lieu thereof "3½."

The amendment was agreed to.

Mr. McCUMBER. I ask unanimous consent to reconsider the vote by which the amendment on page 20, line 22, was agreed to.

The PRESIDENT pro tempore. Is there objection to the reconsideration of the vote whereby the amendment referred to by the Senator from North Dakota was agreed to? The Chair hears none, and the vote is reconsidered.

Mr. McCUMBER. I now move to strike out the words "three-fourths of 1 cent" and insert in lieu thereof "3½ cents."

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the amendment.

Mr. JONES of New Mexico. Mr. President, that is an enormous increase over the rate which the committee originally recommended, the increase being from three-fourths of 1 cent to 3½ cents a pound.

Mr. McCUMBER. Mr. President, we have reduced the 2½-cent rate on carbonate precipitated on line 17 to 1½ cents, making a reduction of 1 cent. Then, on line 20, the provision reads:

Oxide or calcined magnesia, medicinal, 7 cents per pound.

We have reduced that to 3½ cents per pound, which would be the proper relation with carbonate precipitated at 1½. Oxide or calcined magnesia not suitable for medicinal use costs more, according to the Tariff Commission's report, to produce, and, being practically the same as the medicinal, they held that the rate should not be reduced below the rate on the medicinal; in other words, that both should be upon the same basis. They are sold, as I understand, under the same standard of purity, and the only difference is that in the medicinal form after it arrives in this country it is put up in small packages for sale in drug stores, but it may be produced in bulk and imported in exactly the same way, whether it is for medicinal or other purposes. We have simply gone back in this instance to the Underwood rates on both.

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. FRELINGHUYSEN. Mr. President, I ask leave to present an amendment to the pending bill for submission in the Senate. I ask that the proposed amendment may be printed and lie on the table.

The PRESIDENT pro tempore. The amendment intended to be proposed by the Senator from New Jersey will be received, printed, and lie on the table.

Mr. McCUMBER. Mr. President, on page 21, line 22, I move to strike out "44" and insert in lieu thereof "40."

The amendment was agreed to.

Mr. McCUMBER. I ask unanimous consent to reconsider the vote whereby the amendments in lines 22, 23, and 24, on page 21, were agreed to, and then I desire to ask that both amendments be rejected.

The PRESIDENT pro tempore. Is there objection to the reconsideration of the vote by which the amendments referred to by the Senator from North Dakota were agreed to?

Mr. ROBINSON. Mr. President, just a moment, please. What will be the effect of the proposal of the Senator from North Dakota?

Mr. McCUMBER. It will leave the duty practically the same, although there may be some little increase. For instance, the 7½ cents per pound on contents without the weight of the containers is equivalent to 57 cents per gallon. The 6½ cents per pound on the contents without the weight of the container is equivalent to 49.4 cents per gallon. The relation in ad valorems is about the same in both instances.

Mr. ROBINSON. Mr. President, I inquire of the Senator from North Dakota, what is the object in coming in here at this time with a thousand amendments, some of which appear to be comparatively unimportant? In the case of the pending amendment the Senator states that it does not materially change the rates already agreed to. I inquire of the Senator why, then, he brings the amendment forward—why he takes the time of the Senate with it?

Mr. McCUMBER. After careful reconsideration, it was found that it was necessary to make the proper differential between the olive oil imported in small containers and that imported in bulk; and that could not be obtained without taking into consideration the container.

Mr. ROBINSON. Mr. President, I merely want to remark that when the Senate has discussed a proposition and reached a conclusion after a prolonged debate, it does not seem to me that the committee at this stage of the proceedings ought to ask to reconsider the action that the Senate has taken after great deliberation of the subject, and to adopt new amendments, unless some imperative necessity for it exists. It is almost a physical impossibility for anyone to comprehend what is now in progress in the Senate. We are proceeding so rapidly, and are under so much pressure, that it is very difficult to know the effect of the numerous amendments which are so recently proposed by the committee.

The PRESIDENT pro tempore. Is there objection to the reconsideration of the vote by which these amendments were adopted? The Chair hears no objection, and the vote is reconsidered.

Mr. McCUMBER. I now ask the Senate to reject the amendments.

The ASSISTANT SECRETARY. On line 22, the committee originally proposed to strike out "7½ cents per pound on contents and container" and the numeral "50" and to insert "60 cents per gallon" in lieu thereof.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment.

Mr. LENROOT. Mr. President, may the amendment be stated again?

The PRESIDENT pro tempore. The amendment will be restated.

The ASSISTANT SECRETARY. On May 15 last the committee agreed to the following amendment:

Page 21, line 22, strike out "7½ cents per pound on contents and container" and the numeral "50" and insert in lieu thereof "60 cents per gallon."

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

The ASSISTANT SECRETARY. On line 24 of the same page, upon May 15, the committee struck out the words "6½ cents per pound" and the numeral "40" and inserted "50 cents per gallon."

The PRESIDENT pro tempore. The question is upon agreeing to the amendment.

The amendment was rejected.

Mr. McCUMBER. On page 25, line 12, I move to strike out "60" and to insert in lieu thereof "75."

The PRESIDENT pro tempore. The amendment will be stated.

The ASSISTANT SECRETARY. On page 25, line 12, it is proposed to strike out "60" and to insert "75," so that it will read:

PAR. 57. Perfumery, including cologne and other toilet waters, articles of perfumery, whether in sachets or otherwise, and all preparations used as applications to the hair, mouth, teeth, or skin, such as cosmetics, dentifrices, tooth soaps, pastes, theatrical grease paints, pomades, powders, and other toilet preparations, all the foregoing, if containing alcohol, 40 cents per pound and 75 per cent ad valorem—

And so forth.

Mr. JONES of New Mexico. Mr. President, I believe that amendment calls for some support. This paragraph is one which was not revised by the committee in the general consideration of the bill, and it comes in now as a proposal at the eleventh hour; and 60 per cent duty on almost anything seems to me to be very substantial.

Mr. ROBINSON. If the Senator will yield, there is also a specific duty of 40 cents per pound, and in addition to that a duty of 60 per cent ad valorem in the House provision. Now, the amendment proposes to increase the ad valorem rate to 75 per cent, with no explanation whatever, and no chance upon the part of the Senate to consider it.

Mr. SMOOT. The 40 cents per pound is for the alcohol that is contained in it. That is figured out on the pound basis as to the rate on alcohol to-day, and where these articles do not contain alcohol it is 60 per cent straight. The Senator will remember that all of the raw products for making these perfumes were put upon the dutiable list for revenue purposes.

Mr. JONES of New Mexico. I understand that; but it is quite apparent that many of these articles contain different amounts of alcohol, but if containing any alcohol the rate is 40 cents per pound and, the way it originally was, 60 per cent ad valorem. Now it is proposed to leave in the 40 cents per pound upon any article containing any alcohol and to increase the ad valorem duty to 75 per cent. We must take into consideration the large number of different articles included in this paragraph:

Perfumery, including cologne and other toilet waters, articles of perfumery, whether in sachets or otherwise, and all preparations used as applications to the hair, mouth, teeth, or skin, such as cosmetics, dentifrices, tooth soaps, pastes, theatrical grease paints, pomades, powders, and other toilet preparations, all the foregoing, if containing alcohol, 40 cents per pound and 75 per cent ad valorem—

As they now have it read; and I suppose the Senator will ask to change the "60" in the next line to "75." Of course, I do not know what the moving spirit is that calls for revision in that rate at this time.

Mr. McCUMBER. Mr. President, the House followed the sacred book of the Democratic Party, the Underwood tariff law, word for word in this paragraph. The only difference is that the ad valorem rate was based, as the House had it, upon the American valuation. The Underwood tariff provides:

and other toilet preparations, all the foregoing, if containing alcohol, 40 cents per pound and 60 per cent ad valorem.

That is just exactly as it appears here, and I think there was good reason that justified the former administration in fixing the rates at 40 cents a pound and 60 per cent ad valorem. The only difference, and that which would justify the added 15 per cent, is that we have added enormously to the ingredients that enter into these perfumeries in the coal-tar products. They are worth from 200 to 800 per cent more than they were in 1913. The duties which we have placed upon them now under an embargo are exceedingly high, and will be high if we are going to protect the chemical industry in the United States after this bill shall have become a law; and the committee believed that this should be taken care of in a 15 per cent increase in the ad valorem over the Underwood law.

Mr. JONES of New Mexico. Mr. President, I simply desire to observe that the Senator from North Dakota has now stated a principle of tariff making which I have felt all along was manifest in this bill throughout, but it has never been so clearly acknowledged before on the floor of the Senate. The Senator from North Dakota evidently lays down as his premise that those of us who are opposing these rates do so because the present law is at a certain rate. Now he practically confesses that he has raised the rate simply because on general principles he is raising rates above existing law.

In the first place, I do not believe under any general revision of the tariff that any rate should be considered sacred. I have stated time and again that some of the rates under existing law are too high, in all probability, and I know that some of the rates have been too low; but when we modify existing law there should always be a certain and well-defined reason for making the change. Apparently, however, this change has been made here not because of any well-defined reason but upon the general assumption that existing rates should be raised.

It is true that the Senator has referred to our having put some of the raw materials on the dutiable list, but there is no evidence that that necessitates an increase of this rate, and it looks to me as if this rate is raised above 60 per cent simply upon the general principle that all rates under existing law should be raised.

Mr. McCUMBER. Mr. President, the arguments of the Senator are very liable to be very reckless, and doubly so when he refers to the ground upon which some other Senator has based his reason for an increase.

I do not state that I was in favor of this increase of 15 per cent ad valorem over the Underwood law simply because I wanted an increase. I explained, in a way that it seems to me even the Senator from New Mexico could have understood, that the necessity of the increase grew out of the increase in the cost of the items entering into the production. The Senator

forgets that when we fixed the rate in the Underwood law at 60 per cent ad valorem alcohol—the chief ingredient in quantity—bore a rate of $1.75 per proof gallon. The same alcohol now bears a rate of $5 per proof gallon.

If that does not justify a raise of 15 per cent in the ad valorem duty, I do not know what on earth would justify it in the opinion of the Senator from New Mexico.

Mr. FRELINGHUYSEN. Mr. President, this is a compensatory duty and has not been raised simply for the sake of increasing the rate of duty. When the House text was amended, converting the House rates from the American valuation basis to the foreign valuation basis, the Finance Committee increased the rates on the coal-tar products from 35 per cent ad valorem to 60 per cent ad valorem. It transferred from the free list ambergris, castoreum, civet, and musk to paragraph 56—from the free list to a 20 per cent ad valorem duty. It increased the rates on other perfume materials not compounded, in paragraph 56, from 35 to 45 per cent, and the rate on the compounds from 40 per cent to 50 per cent.

Those commodities enter, in the degree of 80 per cent, into the manufacture of perfumery, and it is perfectly natural to assume that when you raise the rate on the ingredients of an article of that character it is entitled to a compensatory duty. These are luxuries. They are high-priced perfumes, and if you will take the importations you will see that they have been steadily mounting. In 1913 they were $1,846,000, and they steadily climbed until in 1921 the importations were $4,360,000. As far as the smell of some of these perfumes is concerned, I think we could forego our ancient traditions against an embargo and put an embargo on some of them.

I ask that the figures of imports, as compiled in this list, be inserted in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Imports of finished perfumery.

1913	$1,846,779
1914	1,658,588
1915	1,681,187
1916	2,100,682
1917	3,788,714
1918	3,518,150
1919	4,223,795
1920	3,981,877
1921	4,360,000

The PRESIDENT pro tempore. The question is upon agreeing to the amendment.

The amendment was agreed to.

Mr. McCUMBER. I move the same amendment in line 13.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 25, line 13, the committee proposes to strike out "60" and to insert in lieu thereof "75," so as to read:

If not containing alcohol, 75 per cent ad valorem.

The amendment was agreed to.

Mr. McCUMBER. On page 25, I move to strike out lines 23 to 25, inclusive, being paragraph 62, and to insert in lieu thereof:

PAR. 62. Paints, colors, and pigments commonly known as artists' paints or colors, whether in tubes, cakes, jars, pans, or other forms, and not assembled in paint sets, kits, or color outfits, 40 per cent ad valorem; paints, colors, and pigments in tubes, pans, cakes, or other forms, when assembled in boxes, kits, paint sets, or color outfits, with or without brushes, water pans, outline drawing, stencils, or other articles, 70 per cent ad valorem.

Mr. SIMMONS. Mr. President, this is a most remarkable amendment, if I properly understand it. I think this paragraph was pretty thoroughly discussed, and the rate of the House upon paints, colors, and so on, was raised from 25 to 35 per cent ad valorem.

At the very last minute, when it is impossible for the Senate to give due consideration to the subject, the committee brings in an amendment to increase those rates to 40 and 70 per cent ad valorem. They propose to raise the rate on paints and colors, whether in tubes, cakes, jars, pans, or in other forms, and not assembled in painting sets, to 40 per cent, but if they are assembled in painting sets they raise the rate to 70 per cent.

Mr. SMOOT. The Tariff Commission reported to the committee that it was an absolute impossibility to tell whether they were toy paints or whether they were artists' paints wherever they were put up in little boxes, and we had to do something to separate them, so that they would come under a higher rate.

Mr. SIMMONS. It may be that the same paint you tax at 40 per cent is put in a set, and because you can not tell exactly whether it is the same paint you have taxed at 40 per cent you assume that it is a different paint and you tax it at 70 per cent. That seems to me to be a very loose way of dealing with the subject, making that the ground for practically doubling the rate.

This is a mere illustration of a number of other amendments which are now offered by the committee to paragraphs which have been discussed heretofore and rates agreed upon. New rates, which in some instances, as in this, tremendously increase the rates of duty carried in the bill, are presented. I think this is hardly warranted under the circumstances. If the committee had waited until we got into the Senate, when we would have had a longer time to discuss it, it might have been different, but we are now going through a list of amendments made by the committee to correct rates which have heretofore been agreed upon, and after we get through with those it will probably bring us to 2 or 3 o'clock, and then we will have 40 paragraphs which have been passed over without action which we have to take up. The committee must have realized this situation, and it looks very much like not only a tremendous increase but an increase made under conditions which practically cut off debate.

Mr. LODGE. Mr. President, I desire to say a very few words in regard to this matter of paints. It is complicated with the question of toy paints, and I myself very much desired, in justice to the manufacturers, that toy paints and artists' colors should both be included in the toy paragraph. The Senate has already considered that paragraph, and we have put on a high rate.

The toy industry developed enormously during the war. We all know that the manufacture of toys is a German specialty, and since the war they have begun to invade the industry in this country to such an extent that it is threatened with extinction.

The committee planned to include the toy paints, but it is found that the artist colors and the toy paints in boxes, which we all know is a very common toy—some of them being very elaborate and some very simple—are precisely the same, and the committee decided finally to give those paints which are made from coal-tar products the duties in paragraph 26, and 40 per cent to those which are made from natural or mineral colors, like chrome and vermilion.

Personally, I think it is an inadequate protection. I should like to see the commodity more fully protected, but if we are to give any protection to the makers of these colors and the makers of toys, we must give them high rates.

The Germans, who have a great deal of foresight in business matters, have already changed the manufacture of paints from the coal-tar products to the mineral or natural colors, in order to come in under the lower rate, and they will bring in the toy boxes in the same way, under this low rate, thereby impairing, if not destroying, protection for the toys.

The committee have decided on this arrangement. I do not desire to delay the Senate at this moment any further, but it is very essential, if the industry engaged in the manufacture of artists' colors and toy colors, which are the same, is to be kept in this country at all, to give it this protection at least; and I do not know whether this rate will be sufficient to protect the industry.

Mr. JONES of New Mexico. Mr. President, I merely wish to express my opposition to these very high duties, where it does not appear by uncontroverted evidence that they are required in order to prevent injury to the American industry. The fact that these colors and paints are toys to my mind does not warrant any less consideration than if they were necessities of life. I believe that the children of this country should have every reasonable opportunity to obtain just such articles as these. They make for their education and for their diversion along right lines, and the sordid element in such matters should be eliminated as far as possible.

The only thing said in favor of this duty, an increase of 100 per cent upon the toy paints and only 40 per cent upon the artists' paints, is that some of them are coming in from Germany. Again we are confronted with this specter from Germany, when it does seem to me that enough has been said to convince any reasonable person that Germany is in a state of industrial collapse.

We all know that there can be no permanent great disparity in the production of such articles, which are mere compounds. But what I want to suggest is that we should do nothing in the bill for the selfish interests when it does not distinctly appear that it is necessary to be done to protect an industry; that we should not lose sight of the fact that we are putting an obstruction upon the power of some children in the country to get these things which we all know ought to be possessed by the children who are coming into their youth and their young manhood and young womanhood. Why should we

put this rate of duty of 70 per cent upon the toy paints and only 40 per cent upon the artists' paints?

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. McCUMBER. On page 26, lines 8 and 9, I ask the Senate to disagree to the committee amendment. The amendment was passed over and not acted on.

The PRESIDENT pro tempore. The amendment will be stated.

The ASSISTANT SECRETARY. In paragraph 64, page 26, lines 8 and 9, the committee proposes to strike out "$4" and insert "$5," so as to read:

Barytes ore, crude or unmanufactured, $5 per ton.

The amendment was rejected.

The ASSISTANT SECRETARY. On page 26, line 9, the committee proposes to strike out "$7.50" and insert "$10," so as to read:

Ground or otherwise manufactured, $10 per ton.

The amendment was rejected.

The ASSISTANT SECRETARY. On line 10 the committee proposes to strike out "1 cent" and insert "1½ cents," so as to read:

Precipitated barium sulphate or blanc fixe, 1½ cents per pound.

Mr. McCUMBER. I ask that the amendment be not agreed to.

The amendment was rejected.

Mr. McCUMBER. In paragraph 75, potassium, page 28, line 7, I move to strike out "1 cent" and insert in lieu thereof "2 cents."

The PRESIDENT pro tempore. The amendment will be stated.

The ASSISTANT SECRETARY On page 28, line 7, strike out "1 cent" and insert in lieu thereof "2 cents," so as to read:

Chlorate and perchlorate, 2 cents per pound.

Mr. LENROOT. Mr. President, the proposed change of the committee doubles the rate originally fixed by the House. It is an increase of 400 per cent over the present law and is equal to an ad valorem rate, according to the imports of 1921, of 40 per cent. According to the Tariff Survey the production in the United States in 1918, which seems to be the last year reported, amounted to 9,753,000 pounds, valued at $283,700. The imports during nine months of 1921 were 2,523,000 pounds, valued at $137,444, while for the same period the exports were 241,000 pounds, valued at $33,000.

It does not seem to me that this showing justifies an increase of 400 per cent over the present law, whereas 1 cent per pound is an increase of only 100 per cent. The value of the product in 1921 was only 5 cents a pound, so 1 cent a pound is an ad valorem equivalent of 20 per cent. I do not believe the committee or the Senate is justified in doubling the rate now.

Mr. McCUMBER. Mr. President, I believe I should give the latest data on the matter of importations, and so forth. The Senator from Wisconsin has already given the production in the United States and he gave the imports for nine months of 1921. The last report from the Tariff Commission in the form of a memorandum shows that during 1921 the imports amounted to 5,542,965 pounds, valued at $246,191, at a unit value of approximately 4½ cents a pound. This is considerably lower than the pre-war price, which ranged from 5.4 cents in 1913 to 8.4 cents in 1911. The proposed duty of 2 cents per pound on the low invoice value of 1921 would amount to approximately not 40 per cent, as the Senator stated, but 45 per cent, taking the whole year's importation, while based on the pre-war prices it would amount to between 20 and 35 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Does the Senator from North Dakota yield to the Senator from New Mexico?

Mr. McCUMBER. In a moment. It is a very uncommon thing to have the price of an imported commodity going very much below the pre-war price of 1912, 1913, and 1914, but the importations which are now coming in are very much less in value per pound than those which came in during the pre-war years, while the cost of production in this country has very greatly increased.

I yield now to the Senator from New Mexico.

Mr. JONES of New Mexico. I wanted to inquire where the importations are coming from.

Mr. McCUMBER. My information is that most of them come from Germany, but I am not certain about that. I am taking the Tariff Commission's report on that. They also come in, I am informed, from Japan.

Mr. JONES of New Mexico. I rather supposed they were coming in from Germany. I do not believe that the prices of the importations are reliable—I mean reliable as an index of what the purchaser actually pays. We all know that German exchange has been falling, and we do not know the amount of money which the importer actually paid for the commodity, because under the law the price of exchange is considered as of the date when the exports occurred. So as to the goods coming from Germany any cost taken as the basis for duty is no indication, or rather is no fixed fact, which would indicate the amount the importer actually paid for the commodity. But even with all the difference in exchange, the present imported cost on which the duty is levied is not much below the 1913 price. I do not think that presents a situation which warrants a change of law involving such an enormous increase as has been suggested by the Senator from Wisconsin.

Mr. KELLOGG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Minnesota?

Mr. McCUMBER. I yield.

Mr. KELLOGG. I understand the Senator to say that within the last few months the importations have largely increased.

Mr. McCUMBER. Yes.

Mr. KELLOGG. Does the Senator have any idea that they would increase under the 1-cent duty named in the bill?

Mr. McCUMBER. Yes; they are increasing now and increasing enormously. Let me call the Senator's attention to the fact that under the present rate they are being forced into this country at a value very much below the pre-war price. We have shown by the Tariff Commission's report, which I have already read into the RECORD, that it would require at least the 2-cent duty.

Mr. KELLOGG. What is the present duty?

Mr. McCUMBER. The present duty is one-half cent.

Mr. KELLOGG. The bill as it now stands doubles that duty?

Mr. McCUMBER. Yes.

Mr. KELLOGG. I do not see why that is not sufficient.

Mr. McCUMBER. Two cents would be four times the present rate.

Mr. CALDER. Mr. President, because of the low duty and the consequent large importations, the concerns in this country engaged in the production of chlorate of potash have all been compelled to close their doors. They are not producing it at all. This protest against the duty comes from men who do not make the article. We have given them a substantial duty upon their commodity. This is the same rate that was carried in the Payne-Aldrich law. In this paragraph we have provided practically the same rate on every article as in the Payne-Aldrich law, believing that was the best under all circumstances. I think that if there is any rate in this particular paragraph that is justified, it is the one under consideration, and I hope there will be no objection to it.

Mr. JONES of New Mexico. Mr. President, I desire to call attention to the fact that even the imports mentioned by the Senator from North Dakota are relatively small as compared with the domestic production, and that the exports of those commodities have been made on a large scale.

Mr. McCUMBER. There are no exports now at the present time.

Mr. JONES of New Mexico. Information from the Tariff Commission indicates otherwise.

Mr. McCUMBER. Not at the present time.

Mr. JONES of New Mexico. The first nine months of 1921 are given and the years 1918, 1919, and 1920. It is true they may have ceased since that time. I have not the later information.

Mr. McCUMBER. In 1921 we had very considerable exports. In 1922 we have only $43,000 worth. Imports, on the other hand, are about 40 per cent of the production.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will report the next amendment to paragraph 75.

The ASSISTANT SECRETARY. On page 28, line 10, in the same paragraph, the committee proposes to strike out "10" and insert "8," so as to read:

Bromide, 8 cents per pound.

The amendment was agreed to.

The ASSISTANT SECRETARY. On the same page, in line 11, the committee proposes to insert "1½ cents per pound," so as to read:

Bicarbonate, 1½ cents per pound.

The amendment was agreed to.

The ASSISTANT SECRETARY. On page 28, line 11, after the word "carbonate," it is proposed to insert "three-fourths of 1 cent per pound," so as to read:

Carbonate, three-fourths of 1 cent per pound.

The amendment was agreed to.

The ASSISTANT SECRETARY. On page 28, in line 12, after the word "potash," the committee proposes to insert "1 cent per pound," so as to read:

Hydroxide or caustic potash, 1 cent per pound.

The amendment was agreed to.

The ASSISTANT SECRETARY. On page 28, in line 13, the committee proposes to insert "refined, one-half of 1 cent per pound," so as to read:

Nitrate or saltpeter, refined, one-half of 1 cent per pound.

The amendment was agreed to.

The ASSISTANT SECRETARY. On page 28, line 14, after the word "permanganate," the committee proposes to strike out "25 per cent ad valorem" and insert in lieu "4 cents per pound," so as to read:

And permanganate, 4 cents per pound.

The amendment was agreed to.

The ASSISTANT SECRETARY. The committee now proposes, in line 15, beginning with the colon, to strike out the remainder of the paragraph, in the following words:

Provided, That for a period of five years beginning on the day following the passage of this act there shall be levied, collected, and paid in addition thereto on all the foregoing a duty of 15 per cent ad valorem.

The amendment was agreed to.

Mr. McCUMBER. In paragraph 86, page 30, in line 20, I desire to withdraw the committee amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the amendment is withdrawn.

Mr. McCUMBER. On page 30, line 21, I move to strike out "25" and insert in lieu thereof "30."

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT SECRETARY. On page 30, line 21, strike out "25" and insert "30," so as to read:

PAR. 86. Titanium potassium oxalate, and all compounds and mixtures containing titanium, 30 per cent ad valorem.

The amendment was agreed to.

Mr. McCUMBER. In paragraph 205, page 33, in lines 6 and 7, I move to strike out the words "crude, 25 cents per ton" and the semicolon.

The ASSISTANT SECRETARY. On page 33, lines 6 and 7, strike out "crude, 25 cents per ton" and the semicolon, so as to read:

Plaster rock or gypsum, ground or calcined, $1.40 per ton.

The amendment was agreed to.

Mr. McCUMBER. I ask unanimous consent that the vote by which the committee amendment in lines 20 and 21, on page 40, was agreed to may be reconsidered, and I shall then move to strike out the words "incandescent electric light bulbs, with or without filaments."

Mr. ROBINSON. What would be the effect of that amendment?

The PRESIDING OFFICER. The Senator from North Dakota asks unanimous consent to reconsider the vote by which the amendment to which he refers was agreed to.

Mr. ROBINSON. Pending the request of the Senator from North Dakota, I inquire of the Senator what would be the effect of the amendment which he now proposes?

Mr. McCUMBER. The purpose is to transfer "incandescent electric light bulbs, with or without filaments," from under this provision to paragraph 229, with a duty of 35 per cent ad valorem.

Mr. KELLOGG. Is that an increase?

Mr. McCUMBER. No; it is a reduction of 10 per cent.

Mr. ROBINSON. I have no objection to the amendment.

The PRESIDING OFFICER. In the absence of objection, the request of the Senator from North Dakota to reconsider the vote by which the amendment referred to by him was adopted will be granted.

Mr. JONES of New Mexico. Mr. President, I merely wish to commend the proposal which the Committee on Finance now makes. When we originally considered this paragraph I called attention to the fact that there was absolutely no reason for putting electric light bulbs into a paragraph containing the other items which are embraced in that paragraph. I then insisted that they must have been put in by some one as a joker, for they certainly had no relation whatever to the other articles covered by the paragraph. I repeat, I commend the action of the Committee on Finance in now proposing to strike bulbs from that paragraph.

The PRESIDING OFFICER. Without objection, the amendment of the committee to the committee amendment is agreed to.

Without objection, the committee amendment as amended is agreed to.

Mr. McCUMBER. Mr. President, I ask unanimous consent to reconsider the vote by which the amendment on page 46, in lines 5 and 6, was agreed to, and then I shall ask that the amendment be disagreed to.

The PRESIDING OFFICER. Without objection, the vote whereby the amendment was agreed to will be reconsidered, and, without objection, the amendment will be disagreed to.

Mr. JONES of New Mexico. Mr. President, I should like, at some time, to have an opportunity to move to reduce the rate provided in the paragraph.

The PRESIDING OFFICER. The Senator has the opportunity now, as the vote whereby the committee amendment was agreed to has been reconsidered.

Mr. JONES of New Mexico. Mr. President, with regard to this amendment I desire to say that electric-light bulbs are produced in this country as cheaply as they are produced in any country on earth. There is an absolute monopoly, in my judgment, in the making of these bulbs. They are made by machinery. I can not see why the Committee on Finance should insist upon even such a high duty as 35 per cent upon incandescent electric-light bulbs, which, as we all know, are now in common use in all communities in the country where electric current may be had. As pointed out and as demonstrated by the information furnished when we were discussing the paragraph, there is a close organization which is producing these bulbs. I repeat they are made by machinery as cheaply in this country as they can be made anywhere on earth. I therefore move to strike out the rate of 35 per cent and insert 20 per cent.

Mr. McCUMBER. Mr. President, I wish to say very briefly in reply to the Senator from New Mexico that there was a great deal of testimony taken by the Committee on Finance with reference to the cost of production of these articles. Without going into the details I now recall that a committee composed of workmen in the glass works visited Europe, obtained figures as to the cost of production and the selling price there of incandescent bulbs as well as of a great many other products of the glass industry, and gave us the comparative cost in the United States.

If their testimony is to be at all relied upon it would require very much more than even 70 per cent ad valorem to equalize conditions, and 70 per cent ad valorem was what they desired at that time. The committee is giving just one-half of what they insisted upon and only a fraction of what their testimony showed to be the difference in the cost of production in foreign countries and in the United States.

Mr. JONES of New Mexico. Mr. President, I simply desire to observe further that the processes of making these bulbs have greatly changed and that the difference in cost to which the Senator from North Dakota referred does not apply to the machine-made bulbs which are in common use throughout the country.

The PRESIDING OFFICER. The question is on the amendment of the Senator from New Mexico [Mr. JONES] to amend the committee amendment by striking out "35" and inserting "20."

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment to strike out the paragraph as amended.

The amendment was rejected.

Mr. McCUMBER. I ask unanimous consent to reconsider the vote by which the committee amendment, beginning at the end of line 12, on page 48, was agreed to.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote whereby the amendment was agreed to is reconsidered.

Mr. McCUMBER. I now move to strike out "$1.25" and in lieu thereof to insert "75 cents."

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. McCUMBER. I ask unanimous consent to reconsider the vote by which the committee amendment on page 48, line 14, was agreed to.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote whereby the amendment was agreed to is reconsidered.

Mr. McCUMBER. I move to strike out "$1" and in lieu thereof to insert "75 cents."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. McCUMBER. On page 50, line 16, I move to strike out the word "tantalum" and the comma.

The amendment was agreed to.

Mr. McCUMBER. On page 50, line 22, after the words "ad valorem," I move to insert a semicolon and the words "ductile tantalum metal or ductile nonferrous alloys of tantalum metal, 40 per cent ad valorem."

The amendment was agreed to.

Mr. McCUMBER. On page 57, lines 8 and 9, I move to strike out "seven-twentieths" and in lieu thereof to insert "one-fifth."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. McCUMBER. I ask unanimous consent to reconsider the vote by which the first committee amendment, on page 57, line 12, was agreed to.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote whereby the amendment was agreed to is reconsidered.

Mr. McCUMBER. I now move to strike out "25" and insert in lieu thereof "20."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. LENROOT. Mr. President, I should like to ask the Senator a question. The Senate has now reduced the rate on pig iron below the House rates. That is true, is it not?

Mr. SMOOT. That is true.

Mr. LENROOT. Evidently the committee has not taken that into consideration with reference to the duties upon ingots, bars of iron, and so forth. Were the duties on those articles taken into consideration in fixing the rate now proposed? If the rate on pig iron is reduced below the House rate should not that reduction be carried throughout the schedule?

Mr. SMOOT. The committee has reduced the rate on pig iron from $1 a ton to 75 cents a ton.

Mr. LENROOT. That is from the House rate of $1.25.

Mr. SMOOT. When the rates on pig iron were changed from $1.25 a ton to $1 a ton, corresponding changes were made on account of that reduction throughout the schedule. It amounts to so little, however, that I hardly know how we could carry it throughout the schedule.

Mr. LENROOT. That can hardly be so, because when we come to steel ingots and other heavy steel products the weight is there just the same.

Mr. SMOOT. Yes; but I am speaking of the finished product.

Mr. LENROOT. I was not speaking of the finer finished products. I was saying that the committee now jumps from pig iron, on page 48, to page 57, leaving the rates on all the heavy steel, such as bar steel, ingots, muck bars, the next processes in the manufacture, at the same high levels. It seems to me, the committee having reduced the rate on pig iron, that reduction ought to be carried throughout the schedule.

Mr. SMOOT. I think the Senator knows that we produce about 50 per cent of all the pig iron in the world. The importations are of the heavy products made from the pig iron, but before becoming finished iron proper generally comes into this country as ballast. The committee did not think it worth while to take that class into consideration, but as we proceed, if it has not already been done, the Senator will notice that we cut the rate upon steel rails, and we also cut the rate on structural steel.

The Senator must also remember that we added considerable expense to the manufacture of steel in this country through what I call the very high rate upon the alloys.

Mr. LENROOT. But it does seem to me that, starting with pig iron and reducing the rate from $1.25 to 75 cents, the rates on most of these heavy steels, the next process of manufacture, ought to be reduced.

Mr. SMOOT. Mr. President, the rates upon the alloys far exceed the reduction that was made upon pig iron.

Mr. LENROOT. Not the increased rates made in the Senate over the report of the committee.

Mr. SMOOT. Yes; if the Senator will figure it out, I think he will find that to be the case.

Mr. LENROOT. The increases made against the recommendations of the committee?

Mr. SMOOT. I am speaking about the rates on the alloys.

Mr. LENROOT. I am speaking of the alloys, too.

Mr. SMOOT. I have not any doubt but that they are greater.

Mr. LENROOT. What increases have been made?

Mr. SMOOT. The rates on magnesite, magnesia, tungsten, and some of the carbons—I do not remember just how many—have all been increased.

Mr. LENROOT. Except as to magnesite, the increases made were not very substantial over the rates proposed by the committee. The increase on magnesite was, I think.

Mr. SMOOT. Yes; that is true as to tungsten, too. I think we agreed about that.

Mr. LENROOT. I think so.

Mr. SMOOT. As far as the billets are concerned, the importations into this country are very, very slight, indeed; and they are only specialties, and most of them come in from Sweden. They would come no matter what the rate was, because they enter into a certain kind of iron and steel.

Mr. LENROOT. Yes; but, of course, as the Senator well understands, while we have not any monopoly of steel in this country, there is one corporation that fixes the price, and the higher the rate the greater their ability to fix the price to the American consumer.

Mr. SMOOT. I know the situation just about in the same way that the Senator does, I think. If it were simply for the United States Steel Corporation, these rates would not be as high as they are. I frankly admit that; I think the United States Steel Corporation themselves will admit it; but the independents are fearful that the prices here will drive them out of business.

Mr. LENROOT. No; but my point was that the Senator indicated that it did not make any difference whether the rates were higher than necessary or not, because there would be no imports.

Mr. SMOOT. If I said that, I certainly did not intend that it should be put that way.

Mr. LENROOT. Of course, the Senator will admit that the higher the rate the greater the ability to fix a higher price.

Mr. SMOOT. All I had in mind was that even at the present rates the importations of billets into the United States are very small, and they are specialties that are coming in mostly from Sweden, and enter into a certain kind of steel that is made in this country.

Mr. LENROOT. All I can say is that I am very sorry the committee has not seen fit to carry on the reductions in the heavy ingots and bars of steel that they have now given with reference to pig iron, which is the base. They have reduced the rate on pig iron nearly 50 per cent from that originally adopted by the Senate and recommended by the committee; but then we get no reduction, as I read the bill and the proposed amendments, until we get to structural steel.

Mr. JONES of New Mexico. Mr. President, may I ask the Senator from Wisconsin if he believes that we need any duty on these heavy steels?

Mr. LENROOT. I do not.

The PRESIDING OFFICER. The question is on the committee amendment as amended.

The amendment as amended was agreed to.

Mr. SMOOT. Mr. President, I now ask that we turn to page 61, line 7, and reconsider the vote by which the committee amendment was rejected striking out "20" and inserting in lieu thereof "25."

The PRESIDING OFFICER. Is there objection to reconsidering the vote by which the committee amendment was rejected?

Mr. LENROOT. Mr. President, I insist that these amendments be stated.

The PRESIDING OFFICER. Is there objection to reconsidering the vote by which the amendment was rejected? The Chair hears none. Now, the question is on the committee amendment.

Mr. SMOOT. Now, I will make a brief statement as to why this change was made.

Mr. ROBINSON. What is the change that the committee proposes?

Mr. SMOOT. The change was to disagree to the amendment on line 7.

Mr. JONES of New Mexico. What page?

Mr. SMOOT. Page 61; the committee having agreed to 20 per cent instead of 25 per cent. There were presented to the committee numerous statements showing that this woven-wire cloth—that is, the gauze, fabric, or screen made of wire composed of steel, brass, copper, bronze, or any other metal or alloy, not specially provided for, with meshes not finer than 30 wires to the linear inch in warp or filling—would certainly require a rate of 25 per cent. The statements made to the committee showed that the process was one, I suppose, that is no more difficult in this country than in any other country; I suppose it is woven in the same way; but from the importations

coming in under the present rate the committee felt that it was justified in giving the 25 per cent as the House had given 20 per cent on the American valuation.

Mr. LENROOT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Wisconsin?

Mr. SMOOT. I do.

Mr. LENROOT. I notice that the original recommendation was 25 per cent. Did the Senate reject that or did the committee ask that it be rejected?

Mr. SMOOT. The committee asked that it be rejected, and we went back to the 20 per cent. Now, with the additional testimony that was given to the committee, the committee feels that in this particular case it made an error and asks that it be made 25 per cent.

Mr. JONES of New Mexico. Mr. President, that is indicative of a very peculiar process of tariff-making legislation. In this case the House put on a duty of 20 per cent ad valorem, based, of course, on the American valuation. The Finance Committee of the Senate, when it originally considered all of these paragraphs in the bill, concluded that the duty should be 25 per cent on the foreign valuation. When we came to consider the paragraph in the Senate the Finance Committee itself, according to my recollection, asked that its amendment be rejected, so that the rate should be 20 per cent on the foreign valuation—mind you, a change of only 5 per cent. The committee evidently had considered the matter with great care and the Senate had become convinced that the 20 per cent on the foreign valuation was sufficient. Mind you, there was, first, the original investigation by the committee; then followed another investigation by the committee, and a report and recommendation to the Senate, and the Senate acted upon it; and now we have this third performance, with the committee coming in and asking to have the original recommendation restored.

By what process of investigation has this result occurred? What influence has been exerted? I do not mean improper or contaminating influence, but what influence is it? Where is the new evidence?

It strikes me that it is really a pitiable situation when tariff rates of duty affecting the cost of commodities shall be fixed in such a sporadic way as appears here.

Mr. ROBINSON. Mr. President, in addition to what has been said by the Senator from New Mexico, the Summary of Tariff Information furnished the Senate by the Tariff Commission does not justify the proposed increase in this rate. The present rate under the Underwood tariff law is 15 and 20 per cent, there being two classifications under that rate, and, considering the production, the exports, and the imports, there is not a circumstance brought to the attention of the Senate in the information to which I have referred that justifies this increase.

The committee, by receding from its proposed increase in the beginning, prevented the debate which would have resulted in the Senate repudiating its amendment increasing this rate; and now, when the debate is practically concluded, the Senate is confronted with the spectacle of the Finance Committee coming in here and bringing in countless rates which contemplate a reversal of the action of the Senate, taken after deliberate consideration, and in many instances taken after prolonged debate, as I shall show in a few minutes, respecting some other amendments accompanying this proposal on the part of the Finance Committee.

There is no justification for this proposed increase. The business does not require it. Under the present rates the business in this country is prosperous, the importations are not excessive, and no circumstance has been brought to the attention of the Senate which justifies the third position on the subject which the Finance Committee is taking. It first proposed to increase the rate to 25 per cent; it then receded from that position and consented to the House rate; and now it proposes to ask the Senate to reverse its action heretofore taken and adopt the increased rate originally proposed.

Mr. JONES of New Mexico. Mr. President, may I suggest to the Senator from Arkansas that the reduction of the rate proposed by the committee on the original examination was brought about by reason of the discussion. That paragraph was thoroughly discussed at the time it was originally before the Senate, and by reason of that discussion and the overwhelming evidence, some of which the Senator from Arkansas has just referred to, the Finance Committee recommended that reduction. I should like to know what influence it is that has brought about this change.

Mr. SMOOT. Mr. President, the committee is unable to find out what the importations were. Nobody can tell what the importations were or what was imported, whether it was a small mesh or a large mesh. Under existing law it fell under the basket clause of 20 per cent ad valorem, and we gave a rate of 20 per cent ad valorem, thinking perhaps that was sufficient. The House had given it upon the American valuation, and we thought that the 20 per cent would be sufficient upon the foreign valuation. The Tariff Commission recommended that the change be made here for statistical purposes hereafter.

Mr. President, the existing law places a duty of 20 per cent upon this material, and, as I stated, the testimony that was shown before the committee, brought there by one of the Senators of the United States, convinced the majority of the committee last evening that it was necessary, in order to protect this industry, to have 20 per cent upon the coarser mesh and 35 per cent upon the other.

I wish I had the statistics, so that I could place them before the country; but we have not them. Therefore I can say no more than I have said, that the majority of the committee last evening thought, with the testimony that was shown to them, that the rate ought to be 25 per cent instead of 20.

Mr. ROBINSON. Mr. President, that is a very remarkable statement. After this question has been pending before the Senate for 90 days or more, after the Senate had receded from its position something like 90 days ago asking an increase in this rate, on the expiration of the debate last evening some Senator, whose name is not disclosed, appeared before the committee——

Mr. FRELINGHUYSEN. Mr. President——

Mr. ROBINSON. Just one moment—and presented to the committee evidence which the committee can not present to the Senate, and convinced the committee that it was right in the beginning and is wrong in this instance.

Mr. SMOOT. No, Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Utah?

Mr. ROBINSON. I do.

Mr. SMOOT. Not that it can not be presented to the Senate; the Senator from Utah never made that statement.

Mr. FRELINGHUYSEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from New Jersey?

Mr. ROBINSON. Yes; I yield to the Senator.

Mr. FRELINGHUYSEN. Mr. President, I think the Senator from Arkansas knows me, and knows that any effort I may make to impose a tariff rate is based upon a sincere belief in the reasonableness of the rate.

Mr. ROBINSON. Will the Senator from New Jersey, in my own time, permit me to say that his interruption is the first intimation that I or any Member of the Senate has had as to what Senator it was who appeared before the Finance Committee on yesterday and succeeded in getting its action reversed?

Mr. FRELINGHUYSEN. I say to the Senator that these industries are in my State, and I will be very glad to state to the Senator the reasons why this increase of rate was asked for.

Mr. ROBINSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Arkansas?

Mr. FRELINGHUYSEN. I yield.

Mr. ROBINSON. I want to say to the Senator from New Jersey and to the Senator from Utah that the time to have met this issue was when the paragraph was before the Senate in the beginning, when I and others discussed it. Instead of receding from its position and accepting the position of the opposition to the increase as correct, the Senator from New Jersey might very well have given the Senate the information then upon which the Finance Committee now seeks to justify a reversal of its action.

Mr. FRELINGHUYSEN. Mr. President, I do not think the Senator should question the motives of the committee or any Senator——

Mr. ROBINSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Arkansas?

Mr. FRELINGHUYSEN. I yield.

Mr. ROBINSON. I point out to the Senator from New Jersey that I have not questioned the motives of any Senator or of any committee. I have pointed out the fact that the course which this matter has taken in debate is extraordinary, and I have asked for an explanation of it. But the Senator, if he understands the rules of the Senate, if he understands the plain import of the language I have employed, will not attribute to me a violation of the rules of the Senate.

I have neither done nor contemplated anything of the kind. I have said, within the proper limitations of debate, that it was an extraordinary course for the Finance Committee to bring

into the Senate an amendment proposing an increase in this rate, and then, when the issue was presented, recede from it, and back down, and when we are about to take the final vote on the bill come in and seek to establish the original proposition. I have impugned nobody's motives.

Mr. FRELINGHUYSEN. The Senator has criticized the action of the committee, then, in making a change in their position on these rates in the woven-wire cloth paragraph. The facts are these:

There are in New Jersey, and I think in one or two other States, factories making this very fine woven mesh wire cloth. This matter was investigated by the House, and they placed a duty of 20 per cent, American valuation, on gauze fabric or screen made wire, composed of steel or brass. The Finance Committee increased that rate to 25 per cent on the foreign valuation, and the rate on meshes finer than 30 they increased from 30 to 40 per cent ad valorem. That was agreed to at the time the information was presented to the Finance Committee in the first instance.

During my absence from the committee those rates were reduced, and finally on the floor the rate was made 20 per cent on the woven-wire cloth gauze and 30 per cent on the meshes finer than 30, two separate classifications.

On July 18 one interest in my State, a company of moderate size, not a very large company, and another similar in size, called my attention to the fact that under the present condition of exchange and wages these new rates were not sufficient to protect them in the manufacture of this special type of wire mesh they were making, requiring skilled workmanship. The wire is so fine that a square foot costs $9 or $10 to manufacture, and they asked that the rates be restored to the House rates, which were based on the American valuation, and that the House rates should be applied on the foreign valuation.

In the letter they spoke of the manufacturing of this cloth as carrying a large labor cost on account of the many processes through which it had to go. They spoke of the workingmen in this factory, who assembled and asked that this rate be restored. They showed conclusively that already, under the present rate of duty of 15 per cent, there were large importations, and I read now from their letter of July 18:

> We have record of importations through the port of New York alone during the month of June of 45 cases of this special cloth—

That is, this fine wire mesh—

> which, if the cases contain the usual average in importation, would amount close to 50,000 square feet. It could run over or under this amount according to the size of the rolls.
>
> This would be the capacity of a good-sized factory. These importations are continuing through July very strong and we do not know yet how strong Germany is coming back into this market. She has only just commenced to make the larger shipments and she has loom capacity enough to close up a number of good factories in this country. A man in our trade has just returned from a trip through Germany, Scotland, France, and England. The writer in a personal talk with him received the following figures:
>
> The weavers in Germany are getting $6 per week American money and all other wage earners in the same proportion in these factories.
>
> In Scotland they are getting a little more than double this amount and the Scotch manufacturers reported to him that their wages would be reduced very shortly.
>
> In the make-up of this wire cloth there is an enormous amount of labor. There is labor in casting the billets, rolling it into rods, drawing it down from the rods to the fine sizes, spooling it, rehandling it in annealing, putting it on to the loom beams, threading it in to get ready to weave. After the cloth is woven it is carefully inspected, goes through a springing process, and is edged and sewed by girls. Following this it goes on the finishing tables and is finished for boxing.
>
> Our weavers and, in fact, all of our help is high-grade American labor. Many of our men have worked all their lives in the trade and practically all of them live here in Belleville—

That is a suburb of Newark—

> We have no cheap labor in the factory. This applies, as far as we know, to every shop of our kind in this country.
>
> Before the war we feel safe in stating that there was hardly a factory in our line making sufficient money to declare any kind of a dividend. A number of the small factories failed and a number of the larger ones were very close on the verge of failing. Previous to the change in the old tariff we believe our rate was 45 per cent and Germany matched and in some cases undersold slightly at that time. This schedule was thrown into the basket clause and placed at 15 per cent, and to-day we need all of 40 per cent, and there is not a factory in this country that would be satisfied with less. Our men in the factory are getting upset over the importations coming in with what they may have to face later. We assure you it is a serious proposition to our industry throughout the country.

This concern is the Eastwood Wire Manufacturing Co., an excellent concern, of good reputation, and they have asked that the proper rates of duty be fixed. There are, I think, figures in this letter to show the difference in the cost. I am informed that the Reynolds report shows 40 to 45 per cent.

It may be wrong in practice and method to change a rate at the last moment. I have nothing to say regarding that. I am only asking that a fair duty be placed upon this product, in accordance with the records which we have and the figures which we present. I did not restore this rate to the rate in the bill as it passed the House, which was 20 per cent on the foreign valuation and 40 per cent on the American valuation. I placed the rate at 25 per cent, raising it only 5 per cent, and 35 per cent on the foreign valuation on the finer sizes. If that is not justified by the figures, if that is not justified by the record in this paragraph in the bill, I do not know what is justified.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. Does the Senator from Utah desire a reconsideration of the vote by which the amendment in line 9, page 61, was agreed to?

Mr. SMOOT. I do, Mr. President.

The PRESIDING OFFICER. Without objection, the vote will be reconsidered. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 61, line 9, the committee proposes to strike out "30" and to insert "40."

Mr. SMOOT. I move to amend that by inserting "35."

Mr. ROBINSON. The effect of this amendment would be to increase by 5 per cent the tariff on the commodities to which it applies. It also relates to woven-wire cloth, and all that has been said regarding the course which this tariff item has taken applies with equal force to the pending amendment. It may be true that since the Senate adopted an increase in the first class, that would be urged by some as a justification for an increase in this class of woven-wire commodities, but I do not believe that any rate on woven-wire cloth higher than that now in force is justified, and for that reason I shall vote against the amendment.

Mr. JONES of New Mexico. Mr. President, I merely want again to call attention to this method of tariff making. The statement of the Senator from New Jersey a while ago presents a concrete illustration of just how it is done. A manufacturer comes before the committee or writes a letter to one member of the committee, as was done in this case, telling what the wages are in Germany and that some of these commodities have come in. He said himself that the importations are not regular. He speaks of only one shipment of 45 cases. That is all the letter stated, merely giving the difference in wages in Germany and the fact that a small amount of the commodity came into the United States. The manufacturer suggests that, perhaps, at some time in the future Germany will revive her industry and begin regular shipments to the United States, and it is that one fear of what may happen in the future which forms the basis for the framing of this bill.

Mr. ROBINSON. Not so much to protect against competition that actually exists, but against possible competition which may arise in the future.

Mr. JONES of New Mexico. And the possibilities of that competition arising in the future are so small that it does seem to me that a man who is keeping pace with events in Germany ought not to be influenced at all. That matter has been discussed here time and again.

However, I desire especially to call attention to the speech made by the Senator from New Jersey and to the evidence he has presented here as illustrative of the very many monstrosities contained in the entire bill as it has been made, because that is only a mere illustration of thousands of rates affecting the thousands of items in the bill. I just wonder how any Senator who has the responsibility of framing this great revenue measure could arise in this Chamber and admit that he is influenced and is voting for rates upon such flimsy pretexts as are presented here by the Senator from New Jersey.

Mr. FRELINGHUYSEN. Mr. President, the Senator from New Mexico is not only unfair but he is unjust when he makes such a charge as that. There have been Senators upon both sides who have come to the committee asking for the revision of rates. The Senator shows his ignorance of the conditions regarding the industry when he says that the imports are inconsiderable. If he had listened to my speech he would have known that the imports were not inconsiderable, but that in one shipload alone there was sufficient in quantity to close one factory.

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

Mr. FRELINGHUYSEN. I do.

Mr. ROBINSON. What was the amount of importations?

Mr. FRELINGHUYSEN. There were 45,000 cases in the one importation that I spoke of. I do not know what they are generally.

Mr. ROBINSON. I supposed that was true.

Mr. FRELINGHUYSEN. But I do know that one importation was enough to close that factory.

Mr. ROBINSON. The Senator knows there was one considerable importation. He is unable to give any information as to the total imports. I thought that would prove to be so.

Mr. FRELINGHUYSEN. I want to say that it is owing to the way the Underwood law was written that we have no statistics.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. SMOOT. On page 62, in line 5, I move to strike out "seven-fortieths" and insert in lieu thereof "one-tenth."

The ASSISTANT SECRETARY. On page 62, line 5, the Senator from Utah moves to strike out "seven-fortieths" and insert in lieu thereof "one-tenth," so as to read:

Rail braces, and all other railway bars made of iron or steel, and railway bars made in part of steel, T rails, and punched iron or steel flat rails, one-tenth of 1 cent per pound.

The amendment was agreed to.

Mr. SMOOT. In paragraph 339, page 67, in line 17, I move to strike out the word "similar" before the word "hollow."

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT SECRETARY. On page 67, in line 17, strike out the word "similar," so as to read:

Table, household, kitchen, and hospital utensils, and hollow or flat wares, not specially provided for.

The amendment was agreed to.

Mr. SMOOT. I understand that the balance of the amendments in the paragraph were passed over.

The PRESIDING OFFICER. That is correct. The next amendment in the paragraph will be stated.

The ASSISTANT SECRETARY. On page 67, in line 19, the committee proposes to strike out "30" and insert "50," so as to read:

PAR. 339. Table, household, kitchen, and hospital utensils, and hollow or flat ware, not specially provided for; composed of iron or steel and enameled or glazed with vitreous glasses, 5 cents per pound and 50 per cent ad valorem.

Mr. ROBINSON. What was the request of the Senator from Utah?

Mr. SMOOT. The request was to strike out the word "similar," in line 17.

Mr. ROBINSON. I understood that.

Mr. SMOOT. Then the balance of the amendments in the paragraph were passed over and have not been acted upon by the Senate and I wanted the Senate to act upon them now.

Mr. ROBINSON. Very well.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in line 19, striking out "30" and inserting "50."

Mr. JONES of New Mexico. Mr. President, when we were considering the bill in its regular order I made rather an extended investigation of this paragraph. The paragraph ought to be discussed at length. There are many articles in the paragraph which are not only manufactured in this country as cheaply as in any other but we are sending those articles in vast quantities to the four quarters of the globe. The paragraph covers "table, household, kitchen, and hospital utensils, and hollow or flat ware, composed of iron or steel and enameled or glazed with vitreous glasses." It is the kind of product that is used in every household in the land.

At this time, when the matter can only be discussed for a few moments, we are confronted with this enormously important paragraph and asked without information simply to agree to the high rates of duty which the committee propose of 50 per cent ad valorem—think of it!—and then seeking to pass it by a mere wave of the hand.

It is impossible now to take up the paragraph and discuss it as it should be discussed. It would be impossible under the limitation of the unanimous-consent agreement to do it. It seems to me that the paragraph should have been considered when we had unlimited time for debate. I was prepared to discuss it at length and the Senator from North Dakota asked that it go over. They wanted to reconsider it. Now, the only reconsideration is that they come in here and strike out the word "similar," a mere technicality, and then ask that the rate be accepted without any explanation whatsoever, involving such items as these and such enormous increases above the present law, yet there is not a word of justification for it.

Mr. President, upon this amendment I ask for the yeas and nays.

Mr. SMOOT. Mr. President, I want to say to the Senator from New Mexico that I wish we did have time to discuss the paragraph. It went over and nothing was done upon it until the unanimous-consent agreement was entered into, as the Senator has said. I think it is worthy of discussion. I do not want to say anything more about it now. I do not know what it will look like when it comes out of conference. I can not say, of course, because I do not know; but I do want to say that I agree with the Senator from New Mexico that it ought to have been discussed at length.

Mr. ROBINSON. Mr. President, in the statement of the Senator from Utah I catch a gleam of light. This is an outrageous provision. Considering the character of the articles, the generality of their use, the imposition of substantially 60 per cent ad valorem on importations is unreasonable from any standpoint. I submit, in view of the conditions and the history of the paragraph, that we ought to disagree to the committee amendment. I shall, therefore, ask for the yeas and nays.

The PRESIDING OFFICER. The question is on the adoption of the committee amendment, on which the yeas and nays have been demanded.

Mr. ROBINSON. I am willing, if the other Senators are, to take a vote upon the committee amendments as a whole, increasing the rate as a whole, and let one record vote dispose of it.

Mr. SMOOT. That would be satisfactory, although I wish to say to the Senator that the second bracket—15 cents a pound and 60 per cent ad valorem upon those articles wholly or in chief value of aluminum—has a different bearing than the other two brackets.

Mr. JONES of New Mexico. I was going to suggest that we divide the question.

Mr. SMOOT. If we divide the question and have the vote apply to the first bracket and the third bracket, they would fall in the same class, but the middle bracket is quite different.

Mr. ROBINSON. I think that is a good suggestion. I was trying to save time by offering to vote on them as a whole. The Senator from New Mexico, I think, intends to offer an amendment.

Mr. JONES of New Mexico. I think the first item in line 19 is at least twice too high, because there is 5 cents a pound specific duty on all table, household, hospital, and kitchen utensils, and hollow or flat ware, composed of iron or steel and enameled or glazed with vitreous glasses, and the committee recommends 50 per cent ad valorem. I think 25 per cent would be ample. I move to strike out 50 and insert 25.

Mr. ROBINSON. On that I ask for the yeas and nays.

The PRESIDING OFFICER. The question is on the adoption of the amendment offered by the Senator from New Mexico to the amendment of the committee, on which the yeas and nays have been demanded.

The yeas and nays were ordered and the reading clerk proceeded to call the roll.

Mr. DILLINGHAM (when his name was called). Making the same announcement as on the last vote, I vote "nay."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. CURTIS (when Mr. PEPPER'S name was called). I wish to announce that the Senator from Pennsylvania is detained on official business.

Mr. POMERENE (when his name was called). Announcing my pair with my colleague [Mr. WILLIS] as heretofore, I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK], and vote "yea."

Mr. ROBINSON (when his name was called). Transferring my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Rhode Island [Mr. GERRY], I vote "yea."

Mr. TRAMMELL (when his name was called). I announce my pair as before. Being unable to obtain a transfer, I withhold my vote. If at liberty to vote I would vote "yea."

Mr. WATSON of Indiana (when his name was called). Transferring my pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the Senator from Pennsylvania [Mr. PEPPER], I vote "nay."

The roll call was concluded.

Mr. EDGE. Making the same announcement as before as to my pair and transfer, I vote "nay."

Mr. HARRISON. On this vote I have a general pair with the junior Senator from West Virginia [Mr. ELKINS], who is absent. I am unable to obtain a transfer. If permitted to vote, I would vote "yea."

The result was announced—yeas 23, nays 34, as follows:

YEAS—23.

Ashurst	Jones, Wash.	Pomerene	Smith
Culberson	Kellogg	Ransdell	Stanley
Dial	Kendrick	Reed	Swanson
Fletcher	McKellar	Robinson	Underwood
Heflin	Myers	Sheppard	Walsh, Mont.
Jones, N. Mex.	Overman	Simmons	

NAYS—34.

Ball	Ernst	McCumber	Rawson
Brandegee	France	McLean	Shortridge
Bursum	Frelinghuysen	McNary	Smoot
Calder	Gooding	Moses	Sterling
Cameron	Hale	New	Wadsworth
Capper	Harreld	Newberry	Warren
Curtis	Keyes	Nicholson	Watson, Ind.
Dillingham	Lenroot	Oddie	
Edge	Lodge	Phipps	

NOT VOTING—38.

Borah	Harris	Norbeck	Sutherland
Broussard	Harrison	Norris	Townsend
Caraway	Hitchcock	Owen	Trammell
Colt	Johnson	Page	Walsh, Mass.
Cummins	King	Pepper	Watson, Ga.
du Pont	Ladd	Pittman	Weller
Elkins	La Follette	Poindexter	Williams
Fernald	McCormick	Shields	Willis
Gerry	McKinley	Spencer	
Glass	Nelson	Stanfield	

So the amendment of Mr. JONES of New Mexico to the amendment of the committee was rejected.

The PRESIDING OFFICER. The question is now on the first committee amendment on page 67, in line 19, to strike out "30" and insert "50." [Putting the question.] In the opinion of the Chair, the "noes" have it, and the amendment is rejected. The next amendment will be stated.

The next amendment of the Committee on Finance was, on page 67, paragraph 339, line 20, after the word "aluminum," to strike out the numeral "28" and to insert "15 cents per pound and 60," so as to read:

Composed wholly or in chief value of aluminum, 15 cents per pound and 60 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, I move to strike out the numeral "60," on page 67, line 21, before the words "per centum," and in lieu thereof to insert the numeral "30," so that the rate on the ware provided for will be 30 per cent ad valorem.

Mr. President, this item relates to aluminum ware. The House of Representatives fixed the rate at 28 per cent ad valorem; the Senate committee recommends a rate of 15 cents per pound and 60 per cent ad valorem on aluminum ware. Of course, under the existing limitation we have not an opportunity to present this case as it should be presented, but from my examination of the subject, which was as thorough as I could make it for the purpose of discussing this paragraph when we were originally considering this schedule of the bill, I think I may state that the aluminum business of the United States is about as near a lead-pipe cinch monopoly as can be found; and, except for sporadic shipments of some aluminum ware from Germany, there is absolutely no reason on earth why the aluminum industry of the United States should not compete with the world. We had some exhibits which were presented here as a part of a side show which we witnessed on certain occasions in this Chamber, but the evidence of comparability was lacking, and evidence that this country is threatened with importations from abroad in any considerable quantity was absolutely lacking. Such a condition does not exist. As I have said, we can not, on account of the limitation of time, produce the evidence in this case, but I wish to repeat that if there is any one industry in this country which is controlled by an absolute monopoly, which has prospered beyond the dreams of anyone during the last 10 or 20 years, it is the aluminum industry. While the House of Representatives imposed an ad valorem rate of only 28 per cent upon this ware, the Senate Finance Committee comes in here and proposes a rate of 15 cents per pound specific and in addition 60 per cent ad valorem. A more monstrous proposition I do not believe has been presented to the Senate. To protect the product of a monopoly by such an exorbitant rate is absolutely indefensible.

The PRESIDING OFFICER. The amendment proposed by the Senator from New Mexico [Mr. JONES] to the amendment of the Committee on Finance will be stated.

The ASSISTANT SECRETARY. On page 67, paragraph 339, line 21, the Senator from New Mexico proposes to strike out the numeral "60," before the words "per cent" in the committee amendment, and in lieu thereof to insert "30."

The PRESIDING OFFICER. The question is on the adoption of the amendment of the Senator from New Mexico [Mr. JONES] to the amendment of the committee. [Putting the question.] The "ayes" have it, and the amendment to the amendment is agreed to. The question recurs on agreeing to the amendment as amended.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The next committee amendment will be stated.

The next amendment of the Committee on Finance was, on page 67, paragraph 339, line 21, after the word "valorem," to insert "composed wholly or in chief value of copper, brass, steel, or other metal, not specially provided for, 50 per cent ad valorem."

The PRESIDING OFFICER. The question is on the adoption of the committee amendment.

Mr. LENROOT. Mr. President, I should like to know what action was taken on the aluminum amendment?

Mr. SMOOT. The committee amendment was agreed to.

Mr. ROBINSON. Mr. President, we can not hear anything that is going on in the Chamber. I ask for order.

Mr. SMOOT. I will say that in paragraph 374 the rates on aluminum metal are provided at 5 cents per pound and 9 cents per pound, according to the nature of the article, and in paragraph 339 the committee proposed to impose a duty of 15 cents per pound as a compensatory duty upon hollow ware, table, household, kitchen, and hospital utensils.

Mr. LENROOT. The amendment of the Senator from New Mexico was rejected, was it?

Mr. SMOOT. No; but the committee amendment was agreed to.

The PRESIDING OFFICER. No; the Senator is mistaken about that. The amendment of the Senator from New Mexico was agreed to, and then the committee amendment as amended was agreed to.

Mr. LENROOT. There certainly was a misunderstanding over in this part of the Chamber, Mr. President.

The PRESIDING OFFICER. That was the announcement of the Chair on the vote.

Mr. SMOOT. I did not hear the Chair so announce.

The PRESIDING OFFICER. The Chair did make that announcement, and made it as plainly as he could, and that was the result of that vote as the Chair understood it.

Mr. LENROOT. Then I move to reconsider the votes whereby the amendment of the committee as amended and the amendment of the Senator from New Mexico to the committee amendment were agreed to.

The PRESIDING OFFICER. Is there objection to the request to reconsider the vote by which the amendment as amended was agreed to? The Chair hears none. Is there objection to reconsidering the vote whereby the amendment of the Senator from New Mexico to the committee amendment was agreed to? The Chair hears none, and the vote is reconsidered.

Mr. LENROOT. I should like to say to the Senator from New Mexico that the difficulty with this paragraph is primarily the duty upon raw aluminum. If this amendment is adopted he does not propose to give any greater rate of duty upon the manufactured utensil than he does upon the raw aluminum. Surely the Senator from New Mexico does not favor that kind of a proposition.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from New Mexico?

Mr. LENROOT. I yield.

Mr. JONES of New Mexico. I do not have in mind just for the moment what the duty on raw aluminum is.

Mr. LENROOT. It is 25 per cent.

Mr. JONES of New Mexico. This amendment gives a specific duty of 15 cents per pound, and I propose to make the ad valorem rate 30 per cent, so I think there is sufficient differential afforded to meet the rate of duty upon the metal.

Mr. SMOOT. Mr. President, the specific duty upon aluminum will be found——

The PRESIDING OFFICER. The Senator from Wisconsin has the floor. If the Senator from Wisconsin does not desire to retain the floor the Chair will recognize the Senator from Utah.

Mr. SMOOT. Mr. President, I wish to call attention to the fact that the duty upon "aluminum, aluminum scrap, and alloys of any kind in which aluminum is the component material of chief value, in crude form," is 5 cents per pound. That will be found in paragraph 374. That covers the crude form of aluminum. Then, in the same paragraph, on "coils, plates, sheets, bars, rods, circles, disks, blanks, strips, rectangles, and squares" there is a duty of 9 cents a pound.

Mr. ROBINSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Arkansas?

Mr. SMOOT. I yield.

Mr. ROBINSON. The specific duty which the amendment of the Senator from New Mexico [Mr. JONES] leaves in the bill, namely, 15 cents a pound, is more than adequate to take care

of the duty on the raw material, for in one instance the duty on the raw material is only 5 cents a pound and in the case of plates it is 9 cents a pound.

Mr. SMOOT. The sheets and rods, of course, are used in manufacturing the utensils.

The loss in manufacture from sheets to the finished product averages 50 per cent, according to the testimony given before the committee. I do not know why on earth the House fixed the duty as they did, at 28 per cent, but the Senate committee made that 15 cents a pound and then gave them a protective duty of 60 per cent ad valorem. The Senator from New Mexico moves to strike out the numeral "60" and to insert in lieu thereof the numeral "30."

Mr. JONES of New Mexico. That will leave a specific duty of 15 cents a pound and an ad valorem duty of 30 per cent.

Mr. LENROOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Wisconsin?

Mr. SMOOT. Yes.

Mr. LENROOT. I should like to ask the Senator from New Mexico if on aluminum ware a duty of 30 per cent is provided, whether kitchen and other ware, not specially provided for or composed of iron and steel, and so forth, likewise should not bear a duty of 30 per cent? We have just adopted a 50 per cent ad valorem duty on those articles.

Mr. JONES of New Mexico. We adopted a rate of 30 per cent.

Mr. SMOOT. Oh, no.

Mr. ROBINSON. Mr. President, the Senator from Utah evidently was not observing what was occurring in the Senate then, because the Chair held that the committee amendment was not agreed to.

The PRESIDING OFFICER. The amendment in line 19, page 67, was not agreed to.

Mr. SMOOT. Does the Chair mean that the committee amendment was not agreed to?

The PRESIDING OFFICER. The committee amendment was not agreed to.

Mr. ROBINSON. So that the 30 per cent of the House provision remains in the bill in line 19.

Mr. SMOOT. I did not so understand.

Mr. ROBINSON. So that the suggestion of the Senator from Wisconsin [Mr. LENROOT] is entirely met. Now the proper thing to do is to vote in the amendment of the Senator from New Mexico, and the whole paragraph will be harmonious.

Mr. JONES of New Mexico. Mr. President, this question arises now: The Senate has already voted into the bill the numeral "30," and the question now before the Senate is on agreeing to the committee amendment as amended, as I understand.

Mr. ROBINSON. No.

The PRESIDING OFFICER. The question now, of course, is on the amendment of the Senator from New Mexico to the amendment of the committee.

Mr. LODGE. That was reconsidered.

Mr. SMOOT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SMOOT. I understood that a yea-and-nay vote was called for upon the amendment on line 19.

The PRESIDING OFFICER. No.

Mr. SMOOT. That was not granted——

The PRESIDING OFFICER. No; there was no yea-and-nay vote.

Mr. SMOOT. And the Chair announced that the amendment of the Senator from New Jersey had been agreed to.

The PRESIDING OFFICER. No; the Senator is mistaken. In the case of the amendment on line 19, upon the viva voce vote clearly the "noes" had it, and the Chair so announced, and no question was made as to it at the time. The clerks at the desk, the Chair understands, have all marked it "rejected." The question is on the amendment of the Senator from New Mexico to the amendment of the committee.

Mr. McCUMBER. Mr. President, I want to be heard for a moment. There is such a thing as trying to hurry these matters too much and losing a whole lot of time; and the Chair can present the matter so rapidly that the Senate can not keep up with him, either in knowing what the question is or in knowing what the result of the vote is. I think if we could have just a little more deliberation in clearly presenting the matter under consideration it would conduce to real progress.

The PRESIDING OFFICER. The Chair has presented this matter just about as clearly as he possibly could.

Mr. McCUMBER. Very well; but some of us did not understand it, and I was one among the "some of us."

The PRESIDING OFFICER. Of course the Chair can not help that.

Mr. McCUMBER. I desire now to make an inquiry. On line 19, is the rate "50" or "30"?

The PRESIDING OFFICER. It is "30."

Mr. McCUMBER. Then the Senate amendment was rejected?

The PRESIDING OFFICER. It was.

Mr. SMOOT. Mr. President, I will say that I think as far as the number that voted was concerned the Chair's announcement was perhaps correct, because there were very few Senators in the Chamber.

Mr. McCUMBER. Mr. President, may I inquire what is the question now before the Senate?

The PRESIDING OFFICER. The amendment of the Senator from New Mexico [Mr. JONES] to strike out "60" in line 21 and insert "30."

Mr. McCUMBER. Let us vote on that, then.

The PRESIDING OFFICER. The question is on the amendment of the Senator from New Mexico to the amendment of the committee.

Mr. ROBINSON. On that I call for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. DILLINGHAM (when his name was called). Making the same announcement as before, I vote "nay."

Mr. POMERENE (when his name was called). Announcing my pair with my colleague [Mr. WILLIS] as heretofore, I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. ROBINSON (when his name was called). Making the same announcement of my pair and its transfer as on the last vote, I vote "yea."

Mr. WATSON of Indiana (when his name was called). Transferring my pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the senior Senator from Michigan [Mr. TOWNSEND], I vote "nay."

The roll call was concluded.

Mr. EDGE. Making the same announcement as before, I vote "nay."

Mr. OVERMAN (after having voted in the affirmative). I inquire if the senior Senator from Wyoming [Mr. WARREN] has voted?

The PRESIDING OFFICER. He has not.

Mr. OVERMAN. I have a general pair with that Senator, and therefore withdraw my vote.

Mr. WALSH of Montana (after having voted in the affirmative). I observe that the Senator from New Jersey [Mr. FRELINGHUYSEN] has not voted. I have a pair with that Senator, and not being able to obtain a transfer I withdraw my vote.

Mr. McCORMICK. I desire to announce that if my colleague [Mr. McKINLEY] were present, he would vote as I have voted.

Mr. HALE. Making the same announcement as before, I vote "nay."

Mr. HARRISON. Making the same announcement as before, I withhold my vote.

The result was announced—yeas 22, nays 34, as follows:

YEAS—22.

Ashurst	Jones, N. Mex.	Pomerene	Smith
Capper	Jones, Wash.	Ransdell	Stanley
Culberson	Kellogg	Reed	Swanson
Dial	Kendrick	Robinson	Underwood
Fletcher	McKellar	Sheppard	
Heflin	Myers	Simmons	

NAYS—34.

Ball	France	McLean	Rawson
Brandegee	Gooding	McNary	Shortridge
Bursum	Hale	Moses	Smoot
Calder	Harreld	New	Stanfield
Cameron	Keyes	Newberry	Sterling
Curtis	Lenroot	Nicholson	Wadsworth
Dillingham	Lodge	Oddie	Watson, Ind.
Edge	McCormick	Pepper	
Ernst	McCumber	Phipps	

NOT VOTING—39.

Borah	Glass	Norbeck	Townsend
Broussard	Harris	Norris	Trammell
Caraway	Harrison	Overman	Walsh, Mass.
Colt	Hitchcock	Owen	Walsh, Mont.
Cummins	Johnson	Page	Warren
du Pont	King	Pittman	Watson, Ga.
Elkins	Ladd	Poindexter	Weller
Fernald	La Follette	Shields	Williams
Frelinghuysen	McKinley	Spencer	Willis
Gerry	Nelson	Sutherland	

So the amendment of Mr. JONES of New Mexico to the committee amendment was rejected.

The PRESIDING OFFICER. The question now is on the committee amendment.

The amendment was agreed to.

The ASSISTANT SECRETARY. On page 67, line 21, after the words "ad valorem" and the semicolon, the committee proposes to insert:

composed wholly or in chief value of copper, brass, steel, or other metal, not specially provided for, 50 per cent ad valorem.

Mr. ROBINSON. I move to amend the committee amendment by striking out "50" in line 23 and inserting in lieu thereof "30," so that it will read "30 per cent ad valorem."

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. On page 67, line 23, in the committee amendment, it is proposed to strike out "50" and insert "30."

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Arkansas to the amendment of the committee.

Mr. ROBINSON. On that I call for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. DILLINGHAM (when his name was called). Making the same announcement as before, I vote "nay."

Mr. HARRISON (when his name was called). I transfer my general pair with the Senator from West Virginia [Mr. ELKINS] to the Senator from Missouri [Mr. REED] and will vote. I vote "yea."

Mr. POMERENE (when his name was called). Announcing my pair with my colleague [Mr. WILLIS] as heretofore, I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. ROBINSON (when his name was called). Announcing the same pair and transfer as on the last vote, I vote "yea."

Mr. TRAMMELL (when his name was called). I transfer my pair with the senior Senator from Rhode Island [Mr. COLT] to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement with reference to my pair and transfer as on the previous vote, I vote "nay."

The roll call was concluded.

Mr. HALE. Making the same announcement as before, I vote "nay."

Mr. ERNST. I transfer my pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from North Dakota [Mr. LADD] and vote "nay."

The result was announced—yeas 24, nays 31, as follows:

YEAS—24.

Ashurst	Heflin	McKellar	Sheppard
Capper	Jones, N. Mex.	Myers	Simmons
Cummins	Jones, Wash.	Overman	Smith
Dial	Kellogg	Pomerene	Swanson
Fletcher	Kendrick	Ransdell	Trammell
Harrison	McCormick	Robinson	Underwood

NAYS—31.

Ball	Ernst	McLean	Rawson
Brandegee	France	McNary	Shortridge
Bursum	Frelinghuysen	Moses	Smoot
Calder	Gooding	New	Stanfield
Cameron	Hale	Newberry	Wadsworth
Curtis	Keyes	Nicholson	Warren
Dillingham	Lenroot	Oddie	Watson, Ind.
Edge	McCumber	Pepper	

NOT VOTING—40.

Borah	Harreld	Norbeck	Stanley
Broussard	Harris	Norris	Sterling
Caraway	Hitchcock	Owen	Sutherland
Colt	Johnson	Page	Townsend
Culberson	King	Phipps	Walsh, Mass.
du Pont	Ladd	Pittman	Walsh, Mont.
Elkins	La Follette	Poindexter	Watson, Ga.
Fernald	Lodge	Reed	Weller
Gerry	McKinley	Shields	Williams
Glass	Nelson	Spencer	Willis

So Mr. ROBINSON's amendment to the committee amendment was rejected.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. McCUMBER. I ask the Senate to turn to paragraph 369, page 82, the automobile paragraph, which was passed over.

The PRESIDENT pro tempore. The Secretary will report the amendment.

The ASSISTANT SECRETARY. The proposition of the committee to strike out the proviso beginning on line 20 and ending on line 3, page 83, is the pending question in this paragraph. The language proposed to be stricken out is as follows:

Provided, That if there be imported into the United States any of the foregoing articles manufactured in or exported from any country which imposes a duty greater than 25 per cent ad valorem upon similar articles exported from the United States, there shall be levied, paid, and collected upon such articles a duty equal to the duty imposed by such country upon such articles imported from the United States, but not to exceed in any case 50 per cent ad valorem.

Mr. McCUMBER. The question is on the reciprocal tariffs, and I ask that the committee amendment may be agreed to, to the end that all of these matters of reciprocal tariffs may go before the committee of conference.

Mr. SIMMONS. My recollection is that when we reached that paragraph the committee indicated that they might desire to change the form of the proviso and that the paragraph was taken back to the committee for that purpose. I understand, now, the Senator in charge of the bill indicates that he does not desire to change the proviso as originally written.

Mr. McCUMBER. I desire to have the committee amendment striking out the language agreed to so that the matter may be in conference.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McCUMBER. On page 83, paragraph 371, we have the same amendment.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The ASSISTANT SECRETARY. In paragraph 371, page 83, beginning on line 8, the committee proposes to strike out the proviso, or the remainder of the paragraph, as follows:

Provided, That if there be imported into the United States any of the foregoing articles manufactured in or exported from any country which imposes a duty greater than 30 per cent ad valorem upon similar articles exported from the United States, there shall be levied, paid, and collected upon such articles a duty equal to the duty imposed by such country upon such articles imported from the United States, but not to exceed in any case 50 per cent ad valorem.

The amendment was agreed to.

Mr. SMOOT. On page 87, line 14, after the words "ad valorem," I move to insert a semicolon and the words which I send to the desk.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The ASSISTANT SECRETARY. The Senator from Utah proposes to insert the following words:

And in addition thereto, on all of the foregoing, if cold rolled, cold drawn, or cold worked, 10 per cent ad valorem.

Mr. SIMMONS. The substantive duty imposed upon these products is 25 per cent ad valorem. Now it is proposed to impose an additional duty of 10 per cent if cold rolled, cold drawn, and so forth. I ask the Senator if that process of cold rolling would justify about a 40 per cent increase in the duty?

Mr. SMOOT. I call the Senator's attention to the fact that in paragraph 309, where we provide for plates and sheets of iron or steel, where it is cold rolled, not polished, the rate shall be two-tenths of 1 cent per pound more than the rates provided on corresponding thicknesses of common or black sheet iron or steel. In other words, it is very much more expensive to cold roll than it is to put the metal through a hot roll.

Mr. SIMMONS. I have no doubt that it is somewhat expensive to cold roll it, but this is an increase of 40 per cent in the duty where this process is used. I ask the Senator in all frankness, in proposing a tremendous increase as the result of this additional process, did the committee investigate the cost of this additional process as compared with the cost of fabricating the article itself?

Mr. SMOOT. The only evidence we have is to the effect that it costs more than 10 per cent would cover; but I do not believe it does. I believe 10 per cent covers it all. If the Senator will go through the bill, he will find that wherever the cold-rolled process is used, a higher rate is given than where it is hot rolled. It is very much more expensive. It can not be done so quickly, and it is very much more expensive than hot rolling.

Mr. SIMMONS. May I ask the Senator if this information with reference to the additional cost came from parties who were interested in getting the additional duty, or did it come from the Tariff Commission?

Mr. SMOOT. The request was that instead of 10 per cent they be given 30 per cent, and they claimed that it was necessary; but the committee did not feel that they ought to give any more than that upon the other metal, such as common iron and sheet iron and that class of goods, and therefore we gave only 10 per cent.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HARRISON. I do not know whether it is necessary, but I do not want to be foreclosed; so I desire to reserve the right to have a separate vote when the bill gets to the Senate, on paragraph 501, Schedule 5, page 95, the rate on sugar.

Mr. SMOOT. On page 88, I move to strike out all after the word "mattes," in line 1, down to and including the

word "Treasury," in line 4, and to insert in lieu thereof the following:

Unless actually recovered.

Mr. WALSH of Montana. I ask that the committee amendment be now read as it would be if the amendment to the amendment were agreed to.

The Assistant Secretary read as follows:

PAR. 388. Lead-bearing ores and mattes of all kinds, 1½ cents per pound on the lead contained therein: *Provided*, That such duty shall not be applied to the lead contained in copper mattes unless actually recovered.

Mr. SMOOT. I will say to the Senator from Montana that that is to conform with the request he made in the Senate when this schedule was under consideration.

Mr. WALSH of Montana. I ask the Senator how the customs officers would know whether it was recovered.

Mr. SMOOT. It all comes in in bond, and as they have to keep an account it can be very easily accounted for, I am told by the Treasury Department.

Mr. WALSH of Montana. Would it come in in bond without any provision in the law for it?

Mr. SMOOT. It comes in in bond, and when it comes in the assay is made of the ore when it goes in bond.

Mr. WALSH of Montana. Under the provision as it reads copper mattes come in free, but a duty is to be paid upon the copper recovered, under the amendment offered by the Senator. In order to get that duty it must come in in bond?

Mr. SMOOT. Yes.

Mr. WALSH of Montana. Will the customs officers be authorized to exclude it without bond under this amendment?

Mr. SMOOT. No; this is under the bond provision, and when the ore comes in they assay it, and they will know of every pound of lead that it produced, and wherever it is recovered they will have to pay the duty upon it.

Mr. WALSH of Montana. I am not concerned about the process. I am concerned about the language. I am concerned about the question as to whether the customs officers would be justified in excluding it unless a bond were put up, the statute saying nothing whatever about a bond.

Mr. SMOOT. I suppose that would come under the rules and regulations to be prescribed by the Secretary of the Treasury provided for in the language which follows the very words I ask the Senate to agree to.

Mr. WALSH of Montana. That is the question I propound to the Senator: Will the Secretary be authorized to say that copper mattes can not be introduced unless a bond is put up, to the end that the duty on whatever lead content is recovered shall be paid?

Mr. SMOOT. There is no doubt about it.

Mr. WALSH of Montana. Upon what basis does the Senator tell me there is no doubt about it?

Mr. SMOOT. Because it says "the copper contained therein, under rules and regulations to be prescribed by the Secretary of the Treasury." That is the way it will read. Of course if there is any recovered he will collect the duty upon it, and they will know it if it is recovered, because it is in bond, and every pound that is recovered will have to pay the duty.

Mr. WALSH of Montana. That is a matter which appears somewhat serious to me, because the question is, Will it come in in bond without some provision in the law to that effect?

Mr. SMOOT. It reads:

Provided, That such duty shall not be applied to the lead contained in copper mattes unless actually recovered, to be allocated under rules and regulations to be prescribed by the Secretary of the Treasury: *Provided further*, That on all importations of lead-bearing ores and mattes of all kinds the duties shall be estimated at the port of entry and a bond given in double the amount of such estimated duties for the transportation, etc.

Mr. WALSH of Montana. Does that remain in the bill?

Mr. SMOOT. All of that remains. That is the proviso.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment.

The amendment was agreed to.

Mr. SMOOT. On page 93, line 8, after the word "roughhewn," I move to insert "roughshaped," so as to read:

PAR. 406. Hubs for wheels, posts, heading bolts, stave bolts, last blocks, wagon blocks, oar blocks, heading blocks, and all like blocks or sticks, roughhewn, roughshaped, sawed, or bored, 10 per cent ad valorem.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SMOOT. On page 94, line 24, after the word "baskets," I move to insert "chair seats," so as to read:

PAR. 413. Porch and window blinds, baskets, chair seats, curtains, shades, etc.

The amendment was agreed to.

Mr. SMOOT. On page 101, in line 7, after the word "gallon," I move to insert the proviso which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The ASSISTANT SECRETARY. On page 101, in line 7, after the word "gallon," insert a colon and the following:

Provided, That fresh or sour milk containing more than 7 per cent of butter fat shall be dutiable as cream, and cream containing more than 45 per cent of butter fat shall be dutiable as butter.

Mr. WADSWORTH. Mr. President, will the Senator in charge of the bill have the kindness to explain the proposed change?

Mr. SMOOT. I think the Senator from Vermont [Mr. DILLINGHAM] has a letter from the Tariff Commission asking that this be done, and he can explain it or have the letter read.

Mr. DILLINGHAM. Mr. President, it will be observed that the Senate has already fixed a duty upon milk, upon cream, and upon butter. The Tariff Commission recommend that the pending amendment be adopted as an addition to the section for the purpose simply of defining what is milk, what is cream, and what is butter, so as to prevent any violation of the law or any confusion at the customs ports. They say in their letter:

In drafting this proviso to paragraph 707 we have consulted the Chief of the Dairy Division of the United States Department of Agriculture, who states that no natural milk contains more than 7 per cent of butter fat and that commercial cream never contains more than 45 per cent of butter fat. It will be seen therefrom that there should be no difficulty in the expeditious passage through the customs of importations of milk or cream, large or small, on the frontiers.

Mr. SIMMONS. Mr. President, I wish to ask the Senator from Vermont a question. The Senator said a little while ago that somebody had recommended the amendment.

Mr. DILLINGHAM. The Tariff Commission recommended it.

Mr. SIMMONS. Did they recommend the amendment?

Mr. DILLINGHAM. Yes.

Mr. SIMMONS. Is the letter to which the Senator has referred from the Tariff Commission?

Mr. DILLINGHAM. It was a letter from the Tariff Commission which I read. I will say to the Senator that the matter arose in this way: A ruling was made that an importation from Canada containing slightly less than 18 per cent of butter fat was milk, and the ruling was sustained by the department. As a matter of fact, milk as a commodity contains as a rule considerably less than 7 per cent of butter fat. It was claimed that unless there was a provision defining what milk is and what butter is importers could take cream of a high degree of butter fat, reduce it, and bring it in at the milk rate and, having done that, reseparate it and avoid the duty which should have been paid upon the butter.

Mr. SIMMONS. That may be true, but here it is proposed to put a rate on fresh milk of 2½ cents per gallon. As I understand the amendment, if milk has 7 per cent of butter fat in it although it is fresh milk, it becomes dutiable as cream.

Mr. DILLINGHAM. Yes.

Mr. SIMMONS. That is a very strange situation, to my mind. Fresh milk takes a rate of 2½ cents per gallon. Then there is sour milk and buttermilk taking a rate of 1 cent per gallon. Then there is cream with a rate of 22½ cents per gallon. If the sour milk, which the paragraph provides shall pay 1 cent per gallon, happens to have 7 per cent of butter fat in it, then it is to be taxed as cream and pay 22½ cents a gallon. I suppose most milk has a large amount of butter fat in it and probably if we would analyze it we might find it had 7 per cent of butter fat. Then what becomes of the fresh milk duty of 2½ cents per gallon, and likewise what becomes of the sour milk which has butter fat in it, although it is sour, but upon which we provide for only 1 cent per gallon? If, therefore, it can be ascertained that the sour milk happens to have 7 per cent of butter fat in it, although it may not be extracted from it, then it becomes subject to a duty of 22½ cents a gallon. Why would not that apply to all the fresh milk that comes in and all the sour milk that comes in, provided it has that amount of butter fat in it? Would not that necessarily nullify the lower duties on fresh milk and on sour milk?

Mr. DILLINGHAM. The matter arose something in this way: I received a letter from the commissioner of agriculture of the State of Vermont telling me that a certain dairy company was importing milk from Canada which tested just under 18 per cent butter fat. He then said:

I am informed that at the outset customs officials ruled that this was cream and duty must be paid accordingly. However, the Treasury Department after investigation made the ruling that anything under 18 per cent butter fat was not cream and therefore could be entered as milk. If this is not remedied in the pending tariff measure, so that milk will be defined so as to exclude this practice, the following result will be possible. An importer may import a gallon of 17 per cent milk paying a duty on this as milk of 2½ cents. This milk will contain 1.8 pounds of butter fat, which will make about 1½ pounds of butter. Therefore the importer will pay 1.6 cents duty per pound of

butter imported in this kind of milk, while if the butter was manufactured in Canada he would be subjected to a duty of 8 cents. This 17 per cent "milk" could be reseparated upon arrival in this country and concentrated to 34 per cent cream, with the result that a gallon of 34 per cent cream could be landed here with a duty of 5 cents in this way, while imported in the form of cream it would be subjected to a duty of 22½ cents. It seems to me that your tariff bill should define milk in some way to prevent this practice.

The matter was submitted to the Tariff Commission, and the amendment is the recommendation which they made.

Mr. SIMMONS. Is not this patent to the Senator's mind? We will assume, as I suppose is true, that all good, nice, fresh milk contains 7 per cent of butter fat. If because of the fact that milk has 7 per cent of butter fat in it it has to be taxed as cream, although we have not skimmed the cream off of it, why put any duty on fresh milk at all, and why put a duty on sour milk at all? Why not say that all good milk has 7 per cent of butter fat in it and tax it as butter, or that it has so much cream in it and tax it as cream? That is what it would amount to, in effect, where the provision is invoked. Of course, I understand a great deal of fresh milk would come in and nobody would make this point, but wherever the point was made if the milk is good, instead of fresh milk taking a duty of 2½ cents a gallon as provided, it would take a duty of 22½ cents a gallon.

Mr. DILLINGHAM. It was suggested at some time during the consideration of the matter that various degrees should be considered, but that would require much to be done in all kinds of weather at every little port on the Canadian border and it was utterly impracticable as a matter of administration.

The PRESIDING OFFICER. The question is upon agreeing to the amendment of the committee.

Mr. SIMMONS. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. DILLINGHAM (when his name was called). Making the same announcement as before, I vote "yea."

Mr. EDGE (when his name was called). Making the same announcement as before, I vote "yea."

Mr. POMERENE (when his name was called). Announcing my pair with my colleague [Mr. WILLIS] as heretofore, I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "nay."

Mr. ROBINSON (when his name was called). Announcing the same pair and transfer as upon the last vote, I vote "nay."

Mr. TRAMMELL (when his name was called). Making the same announcement as to my pair and transfer as on the last vote, I vote "nay."

The roll call was concluded.

Mr. HALE. Making the same announcement as before, I vote "yea."

Mr. ERNST. Making the same announcement as on the last vote, I vote "yea."

Mr. HARRISON. I transfer my pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Missouri [Mr. REED] and vote "nay."

Mr. CURTIS. I desire to announce the following pairs:

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON];

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from Minnesota [Mr. NELSON] with the Senator from Massachusetts [Mr. WALSH]; and

The Senator from Missouri [Mr. SPENCER] with the Senator from Georgia [Mr. HARRIS].

The result was announced—yeas 39, nays 18, as follows:

YEAS—39.

Ball	Ernst	McCumber	Phipps
Brandegee	Frelinghuysen	McLean	Ransdell
Bursum	Gooding	McNary	Rawson
Calder	Hale	Moses	Shortridge
Cameron	Jones, Wash.	New	Smoot
Capper	Kellogg	Newberry	Stanfield
Cummins	Kendrick	Nicholson	Sterling
Curtis	Keyes	Norbeck	Wadsworth
Dillingham	Lenroot	Oddie	Warren
Edge	Lodge	Pepper	

NAYS—18.

Ashurst	Jones, N. Mex.	Robinson	Trammell
Dial	McKellar	Sheppard	Underwood
Fletcher	Myers	Simmons	Walsh, Mont.
Harrison	Overman	Smith	
Heflin	Pomerene	Swanson	

NOT VOTING—38.

Borah	Culberson	France	Harris
Broussard	du Pont	Gerry	Hitchcock
Caraway	Elkins	Glass	Johnson
Colt	Fernald	Harreld	King
Ladd	Owen	Spencer	Watson, Ind.
La Follette	Page	Stanley	Weller
McCormick	Pittman	Sutherland	Williams
McKinley	Poindexter	Townsend	Willis
Nelson	Reed	Walsh, Mass.	
Norris	Shields	Watson, Ga.	

So the amendment of the committee was agreed to.

Mr. ODDIE. Mr. President, I ask permission to submit two amendments relating to pulp wood and newsprint paper, and request that they be printed and lie on the table, to be considered when individual amendments shall be in order.

The PRESIDENT pro tempore. The amendments presented by the Senator from Nevada will be received, printed, and lie on the table.

Mr. BURSUM. I present an amendment to the pending bill, and ask that it be printed and lie on the table.

The PRESIDENT pro tempore. The amendment intended to be proposed by the Senator from New Mexico will be printed and lie on the table.

Mr. SMOOT. On behalf of the committee I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment proposed by the Senator from Utah will be stated.

The ASSISTANT SECRETARY. On page 110, line 12, after the words "per pound," it is proposed to insert a semicolon and the words "almond paste, 15 cents per pound."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Utah.

The amendment was agreed to.

Mr. SHORTRIDGE. Mr. President, I ask leave to present an amendment, to be printed and lie on the table, affecting matters specifically set out in the proposed amendment.

The PRESIDENT pro tempore. The amendment submitted by the Senator from California will be printed and lie on the table.

Mr. HARRISON. A parliamentary inquiry, Mr. President.

The PRESIDENT pro tempore. The Senator will state the inquiry.

Mr. HARRISON. Under the unanimous-consent agreement which has been adopted by the Senate would it be permissible for a Senator to discuss a matter—for instance, I have in mind the subject of sugar—for 10 minutes when the amendment is not pending, having been voted on as in Committee of the Whole, but as to which a separate vote has been asked when the bill reaches the Senate?

The PRESIDENT pro tempore. The Chair presumes that the Senator from Mississippi refers to an amendment to be offered in the Senate?

Mr. HARRISON. Yes.

The PRESIDENT pro tempore. The unanimous-consent agreement provides that there shall be debate not exceeding 10 minutes on amendments in the Senate.

Mr. HARRISON. Yes. Then, I may, if I desire, speak 10 minutes on the sugar question when the bill reaches the Senate?

The PRESIDENT pro tempore. If the Senator offers an amendment, he may do so.

Mr. HARRISON. When the bill reaches the Senate will it be permissible for me to offer an amendment to reduce the rate which was adopted as in Committee of the Whole?

The PRESIDENT pro tempore. As a general principle, the Chair thinks it would be.

Mr. SMOOT. On page 111, line 7, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment proposed by the Senator from Utah will be stated.

The ASSISTANT SECRETARY. On page 111, line 7, after the words "ad valorem," following the committee amendment already agreed to, it is proposed to add the following words: "Nut and kernel paste not specially provided for, 15 cents per pound."

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SMOOT. On page 112, line 9, after the word "pound" where it first occurs, I move to insert a simicolon and the words "mushroom spawn, 1 cent per pound."

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Utah.

The amendment was agreed to.

Mr. SMOOT. On page 112, line 13, I desire to withdraw the committee amendment and move to strike out "4" and insert in lieu thereof "6."

The PRESIDENT pro tempore. The Chair is of the opinion that the amendment having been already agreed to, must be

reconsidered and disagreed to before the amendment now proposed may be offered by the Senator from Utah.

Mr. McCUMBER. I understand that the amendment fixing the rate on flower seed at 4 cents a pound was passed over and has not yet been agreed to.

Mr. SMOOT. It has not yet been agreed to; and therefore I ask to withdraw the committee amendment and to offer another amendment in its stead.

The PRESIDENT pro tempore. The Chair is in error. Without objection, the amendment heretofore proposed by the Committee on Finance is disagreed to.

The question is upon agreeing to the amendment proposed by the Senator from Utah; amendment to strike out "4" and insert "6," in line 13, page 112.

The amendment was agreed to.

Mr. SMOOT. On page 112, in lines 14 and 15, I move to strike out "20 per cent ad valorem" and to insert in lieu thereof "6 cents per pound."

Mr. SIMMONS. I desire to ask the Senator from Utah if that will increase the rate of duty?

Mr. SMOOT. Perhaps it will do so in some cases, which are not specially provided for, but the farmers all feel that it is almost impossible to fix a proper ad valorem duty on these seeds, and they therefore ask for a specific duty of 6 cents a pound.

Mr. SIMMONS. Did any farmers come before the committee in reference to this matter?

Mr. SMOOT. Oh, yes; I will say to the Senator from North Carolina that a good many of the farmers came before the committee.

Mr. SIMMONS. Then I was absent.

Mr. SMOOT. Yes; the Senator was absent at that time.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Utah.

The amendment was agreed to.

Mr. SMOOT. On page 121, line 2, I move to strike out "100" and to insert "80."

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Utah.

Mr. ROBINSON. Mr. President, this amendment and the six amendments immediately following it which are proposed by the Committee on Finance relate to cotton yarns. The effect of all these amendments is to increase the duty on those yarns heretofore prescribed by the Senate after full consideration. Some of the amendments accomplish the purpose of an increase by reducing the yarn numbers; others expressly increase the rate to be levied on the importations of cotton yarn.

No subject in connection with this bill was more fully discussed than the rates pertaining to cotton yarn. After the Senate had reached its conclusion, repudiating the advances proposed by the committee in almost every instance, the committee to-day in connection with 61 other amendments bring into the Senate these 7 amendments, the effect of which, as already stated, is very materially to increase the rate on cotton yarns. It would seem, after the matter was thrashed out on the floor, the committee beaten, and the House rate in most instances as affected by these 7 amendments of which I am now speaking restored, that the committee would have been content to let the matter rest there. There is not time now to go over the subject in great detail; it can not be discussed as it ought to be discussed; but, in my judgment, there is no justification for the attempt to provide in the amendments now proposed by the committee to override the conclusion of the Senate respecting these important subjects.

I have not the slightest doubt but that an effort will be made to justify them, or some of them, on the ground that it is necessary in order to harmonize the provisions sought to be amended with other provisions of the bill, but it is regrettable that the policy of the committee is always, or usually, to harmonize upward as respects commodities which enter into the daily consumption and use of the American people. There are a great many subjects connected with this bill involved in committee amendments which after 4 o'clock we will be required to vote on without further debate, and, as has just been stated, the increases now proposed in the rates on cotton yarns can not be adequately considered. I shall content myself with moving to lay on the table the amendment of the committee.

Mr. UNDERWOOD. Will the Senator from Arkansas withhold his motion for a moment?

Mr. ROBINSON. I withhold it.

Mr. SMOOT. I, too, would be glad to have the Senator withhold it.

Mr. ROBINSON. If the Senator wants to discuss the question, I will withhold the motion.

Mr. UNDERWOOD. Mr. President, I asked the Senator from Arkansas to withhold his motion for a moment because the pending amendment is pertinent to what I desire to say.

So far as the discussion of the committee amendments is concerned, the time for their discussion will expire at 4 o'clock, half an hour from now. We have had this bill under consideration since the 28th day of April, and I think the bill rested in the Finance Committee, whether or not it was considered during that time, for more than a year before it was brought to the Senate. It seems to me that a reasonable time for the Finance Committee to consider this bill and determine what rates it desired to make was afforded within the year, and certainly the period from the 20th of April to the middle of August should have afforded ample time for the committee to make up its mind as to the legislative intent in reference to the items of this bill; but here on the last day, at the last hour, after a unanimous-consent agreement has been entered into to close debate, the committee brings before the Senate a number of amendments—I have not counted them, but I imagine from looking at them that they run into the hundreds—which they propose to offer at the last minute, knowing that many of them can not be discussed. Some days ago when they proposed their rule for a unanimous-consent agreement for a vote they suggested in the rule a provision allowing them to offer amendments for the consideration of the Senate after the time of debate had expired, when the Senate would be gagged by the unanimous-consent rule.

Mr. President, when the committee proposed the rule and asked that it might still continue to offer amendments, I imagined that these amendments would be of a technical nature, amendments merely to perfect the text, to guard against mistakes that might have been made; but here we find the committee at the last minute, without any justification whatever—if a period of four months is ample time for men and the Senate to consider a bill of this kind—not only bringing before the Senate material amendments to this bill but reproposing subject matters that have already been passed on by the Senate and on which the Senate has expressed its final judgment.

This morning we had aluminum, which was amply and thoroughly discussed by the Senate months ago and the Senate's conclusion was reached. Now we have cotton yarn, which was discussed by the Senate weeks ago when this subject matter was before the Senate and a conclusion reached; and here at the eleventh hour, when the gong has sounded, when in a few minutes there will be no opportunity to debate, when there will be no opportunity to point out what the amendment means and where it is going to lead, it is expected that the Senate will be hurried in here under a party whip and by a party majority and asked to vote on these amendments "sight unseen."

Just to illustrate, in the last part of these amendments it is proposed to amend the Revised Statutes of the United States by striking out of them sections 2609, 2610, 2772, 2796, 2805, 2831, 2850, 2876, 2877, 2888, 2889, 2890, 2945, 2950, 2988, 2989, 3021, 3039, 3040, 3042, 3043, and 3065; and then a section of the Revised Statutes that they had already proposed to repeal they now propose to put back, section 2942.

Mr. President, probably the Senator from North Dakota and the Senator from Utah and one or two other members of the committee understand what it is proposed to repeal. I happen to understand, because I am more or less familiar with these statutes, that these whole sections of the Revised Statutes, which it is proposed to repeal, relate to the administrative features of the customs law; but I doubt whether there were half a dozen Senators in the whole Senate, outside of the Senators I have named, who knew what these repealing features related to; and yet without debate, at the last hour, the committee brings in these new amendments and asks a partisan majority of the Senate to repeal these statutes blindly without knowing what they are. I happen to know what they relate to, but at this last hour it would be impossible for me to know and determine the reason for their repeal and the effect of putting something else in their place, which I do not know but which I assume the committee has done. It must have done so; but if it has put something else in the place of these statutes, why is it repealing them at the last minute? When the committee inserted substantive legislation in their place, why did it not say then that it proposed to repeal these statute laws?

Mr. President, these statutes that are being blindly repealed govern the honesty and the integrity of the collection of the customs revenues of the United States. It may be that some one in the departments has made this recommendation. It may be that some chief clerk or some one in higher authority thinks it would be wise to repeal these statutes for some

reason; and I do not pass now on the wisdom or the unwisdom of the situation, because I do not know. It is only since this morning that these amendments were filed, and it has been impossible for me in that length of time to consider what will happen by virtue of this repeal. All I want to point out is that the Senate is not giving legislative consideration to this bill, and it has not done so from the beginning. It is not being passed on by the legislative will or the legislative mind. It is being passed on and considered by the order of those in charge of this bill in the majority party.

I do not charge the Senators on the other side with intending to put any "joker" in this bill, or to put anything improper in the bill. I have no doubt they have been advised by some one out of the Congress that it is a proper thing to do; but I should like to know how the Members of the Senate know it is a proper thing to do when it is proposed that we meet these questions without consideration and without opportunity for debate, and vote on them blindly, because the committee says it ought to be done.

That may be an intelligent way to pass a bill amending the laws relating to customs revenue. It may be an intelligent way to pass new laws protecting the integrity of the revenues of the Government. Of course, they may be recommended to the committee by men who the committee believe have more judgment about this matter than they believe the United States Senate has. Nevertheless, the people of the United States elected a United States Senate to legislate for them, not chief clerks in customs offices. Chief clerks may be very excellent gentlemen from whom to receive advice and consider it, but the people of the United States have not elected chief clerks in customs offices to pass their laws for them.

When these sections are agreed to, so far as the United States Senate is concerned, with the possible exception of the Senator from Utah [Mr. SMOOT] and the Senator from North Dakota [Mr. MCCUMBER] and one or two other Senators on the committee, the intelligence that is exercised in regard to whether or not these laws shall be repealed that are on the statute books, some of them ancient in their operation, the intelligent will and effort that will take them under consideration for repeal will be that of the chief clerk or other person in the customs service who has advised the committee and not the intelligence of the Senate.

Mr. President, I would have had no objection to some of these amendments that are merely for the purpose of correcting clerical errors, but I do not think it was justice to the Senate or the country that at this last hour the committee having this bill in charge should have brought substantial amendments before the Senate that must be voted on either "yea" or "nay," making laws, some of them criminal laws, for the people of the United States, without an opportunity for consideration and amendment here by the Senate to voice their approval or disapproval and give their reasons. We may have reached a time——

The PRESIDENT pro tempore. The time of the Senator from Alabama has expired.

Mr. MCCUMBER. Mr. President, we have now wasted 15 minutes in the discussion of a matter that is not before the Senate. If the Senator had asked for an explanation of why the additional sections should be added which we are seeking to repeal, we could have explained it in a quarter of the time that has been wasted by the Senator in this discussion. We have had time enough to discuss these matters if we would stick to our text and to the amendment; and the Senator himself is responsible, as well as the rest of us, for making the unanimous-consent agreement.

In addition to the particular sections which have been repealed and which are necessarily repealed because they become obsolete in the change of a tariff law, the several departments at the last moment send up to us recommendations for other changes on matters that are also regarded as obsolete. There is time enough; explanations can be given; but we can not give them if we are to take 15 or 18 minutes in the discussion of a matter that is not before the Senate.

Mr. UNDERWOOD. Mr. President, if the Senator will allow me, I think I have occupied as little time as any man on the floor of the Senate who has tried to discuss this bill at all. All I wanted to point out—and I am not criticizing the Senator——

Mr. MCCUMBER. The Senator's time is up now, Mr. President.

Mr. UNDERWOOD. I think the Senator is thoroughly correct. You should gag your victims and lead them to the slaughter without further consideration.

Mr. MCCUMBER. Oh, no, Mr. President; I do not think the Senator is justified in saying that. We have a certain amendment before us, and we want to get through as many as possible while we can.

Mr. SMITH. Mr. President, as I understand, the committee proposes to reduce the count from 100 to 80, so that the excess duty shall begin at 80. I should like to ask the Senator from Utah [Mr. SMOOT] if that would not reflect itself in the cloth schedule as well?

Mr. SMOOT. No; Mr. President. That is exactly why I want the change made. I never thought there would be a single, solitary objection on either side of this Chamber, because it has been brought to my attention several times, and I have been asked that it be taken care of in conference, and I thought this was the proper place to make the change.

The four amendments in the two paragraphs of the yarn schedule changed the rates from 80 to 100 count. That threw out all of the harmony between the rate of the lowest count yarn up to the cloth in the gray. The cloth in the gray was not changed, the low point was not changed, and, therefore, the two changes simply meant that there would be a jog in the regular harmonious straight line, and the Treasury Department says what we all know to be true, that if that were ever put into the law hereafter there would be no real comparison possible between the counts of yarns in 1909, or in any previous year, and those which would come in future years.

Mr. SMITH. I want to call attention to the fact that, as everyone familiar with this business knows, with the improvement of the staple of the cotton, not only in this country but elsewhere, the count of the yarns used by our great cotton mills have had a tendency to become finer and finer each year on account of the staple adjusting itself more readily to the finer counts. I venture the assertion that the greater per cent of our ordinary brown domestics and bleaches are made out of finer counts of yarn. Even cotton cloths are made out of finer counts of yarns to-day than they were when the staple of our cotton was not as universally improved as now.

The effect of this amendment will be that from 80's up to 100 you have 20 counts. You provided that there shall be one-fifth of 1 per cent ad valorem, or an addition of 4 per cent, which means 9 per cent, and then you provide that on all of the numbers exceeding, not 100, but if it should be amended, 80, less than 80 per cent ad valorem. So that the result of your amendment will be to include from 80's up to the very highest and finest counts an addition of 30 per cent over those which are below 80.

Mr. ROBINSON. The end sought—that is, the restoration of so-called harmony between the cloth schedule and the yarn schedule—can be accomplished by reducing the rate on the cloth.

Mr. SMOOT. That can not be done.

Mr. ROBINSON. Why?

Mr. SMOOT. That is exactly what we are up against now. Between the coarse yarns and the fine yarns there are two breaks in the line. Yet the last comes up to where the yarn is as we have it in the bill. There is the picture, exactly as it will be. [Exhibiting.] You can not get rid of it in that way.

Mr. ROBINSON. That may be very clear to the Senator from Utah, and I have no doubt it is, but it is totally incomprehensible to me.

Mr. SMITH. The Senator from Utah must admit that the accommodation of the cloth schedule to this schedule would be infinitely easy, or just as practicable as to attempt, by amending this, lowering your amount of yarn to 80 and then increasing the percentage above 80 to accommodate it to the duty you have now imposed upon the goods which are made from 80 and above.

Mr. SMOOT. The Senator does not quite understand it yet, I see. If this is not amended and we went to work and tried to amend all of the yarn provisions to take this low point caused by the first amendment, we would have to start from the beginning and change the rates to conform to that first point, and you can not do it unless you do that. In order to do that you would have to begin and change every single rate in the bill from the first low bracket up to the finished cloth, and that is the only way you would have of harmonizing the rate from the low-count yarn to the finished product.

Mr. SMITH. In constructing this bill the House constructed its schedules of yarns and cloths on the basis of 100. We have amended the bill right along, both as to cloth and yarn, upon the basis of 100. The effect of lowering it to 80 will simply be to increase the cost of the cloth that is made from these yarns from 80 to 100.

Mr. SMOOT. The Senator must know that in adjusting the duties from the American valuation to foreign valuation those rates were absolutely changed, and changed to conform to the duties proposed in the original Senate amendment; and in-

stead of changing all of them, from the first to the last, clear through all of the yarn paragraphs, only two of them have been altered, and all of the balance of the yarns and cloths are left as they were.

Mr. SMITH. The classification of the counts of the yarn is not based upon any foreign or domestic classification. The value of the thing is based upon the count of the yarns as set forth in the bill, and the basis was 100. Now you are attempting to lower it from 100 to 80 and give a margin of 20 points to increase the duty on the cloth.

Mr. ROBINSON. It can have no other effect.

Mr. SMOOT. Mr. President, every piece of cloth is based upon the 80 count, and the original yarns were based upon the bracket of 80, not a hundred. So that if you are going to make one continuous straight rate to harmonize from the beginning with the finished cloth you have to change the rates on the cloth and also change the rates on the yarns in those paragraphs where they were not changed.

Mr. SMITH. One hundred was the basic line upon which you made the calculation that this extra duty should come. The extra amount you proposed to levy on yarns was from 80 to 100. You put an extra duty on. Now you have lowered it back to 80 and put the extra duty that you were going to allow on 100 down to 80, so that you have a cumulative excess from 80 to 100. So that the rates of duty that these yarns and cloths made from these yarns bear shall be those that you have calculated upon 100. Now you put that extraordinary duty upon 80. I presume you mean to leave the 20 points difference between the 60 and 80, but you have taken out the 100 differential and placed it at 80, so that all cloths made from now on shall bear the extra amount you intended to go on 100 on 80 and above.

This whole cloth and yarn schedule is absolutely indefensible. The American spinner and the American weaver can spin and weave the ordinary cotton cloths without fear of competition, from any source whatsoever. So far as any duty is concerned, I believe that if the spinners of this country were to voice their honest convictions and knowledge they would say there is not a spot on the globe where cotton used in the ordinary consumption in human affairs can be spun and woven in competition with America. This is but one other subterfuge to increase the selling price of American cotton goods made out of American cotton, which has not a competitor on the globe.

Mr. SIMMONS. Mr. President, my information, gathered from cotton operators, without any reference to the question of protection, is that it would be a great injustice if the yarns are taxed upon one basis and the cloth upon a different basis, and to my mind their contention in that respect is sound. My understanding is that the majority members of the committee adopted 80 as the basis.

Mr. SMOOT. Clear through.

Mr. SIMMONS. Clear through, both for cloth and for yarn. When the bill got into the Committee of the Whole the 80 basis for the cloth was not changed, but the Senate changed the yarn basis to 100, bringing about this disparity.

Now, the proposition of the Senator from Utah is to place the yarn upon the 80 basis, just as the cloth is, for the purpose of harmonizing.

As the Senator from Arkansas [Mr. ROBINSON] has very aptly said, it would have been very much better if we could have reduced the rate on the cloth down to the yarn basis instead of raising the yarn basis up to the basis of the cloth. But we are in the hands of the majority in this matter, and I think that in the interest of common justice this matter ought to be remedied and the parity which should as a matter of justice obtain be restored, either by the one process or the other. I would prefer the process suggested by the Senator from Arkansas.

Mr. ROBINSON. I withdraw the motion to table and will let the vote come immediately on the committee amendment.

Mr. SMOOT. Mr. President, I have been appealing to both sides of the Chamber to do this and to let it go to conference. The committee were following out the wishes of this body, having learned how unscientific the rates in this schedule would appear, making it absolutely impossible, in the future, to compare the imports of one year with those of another on an equal basis. Therefore there was only one thing to do, and that was to offer these amendments to harmonize the rates, beginning with the lowest-count yarns and ending with the finest of the cloth. That is what the committee has done, and I think that the Senate ought to sustain them, and whatever changes may be made, make them as a whole, rather than to try to make them as was done in the Senate.

Mr. ROBINSON. I withdrew the motion to table because I thought it would not be just, after discussing the matter myself, to deny to other Senators an opportunity of discussing it. But the debate has convinced me of the correctness of the position I first asserted. The cloth amendments already referred to have the practical effect of increasing the rate on the yarns, which is justified on the ground that the rate on the cloth is substantially too high. We had better pursue the other course, and decrease the rate on the cloth, but I realize that is an impossibility.

Mr. SMOOT. I ask unanimous consent that the vote may apply to the four amendments found on page 6 of the printed amendments, because they are all one and the same.

Mr. ROBINSON. I have no objection to that.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 121, line 2, the committee proposes to strike out "100" and insert "80"; and proposes the same amendment on line 5, on line 15, and on line 18.

The PRESIDENT pro tempore. By unanimous consent, these amendments will be voted upon at the same time.

The amendments were agreed to.

Mr. SMOOT. On page 121, lines 15 and 16, I ask that the vote by which the amendment to strike out "7" and insert in lieu thereof "10" was disagreed to be reconsidered.

Mr. ROBINSON. What is the amendment?

The PRESIDENT pro tempore. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 121, in line 15, originally the committee proposed to strike out "7" and insert "10," which was disagreed to on July 13.

The PRESIDENT pro tempore (at 4 o'clock p. m.). The Chair desires to say that there is to be no further debate upon any committee amendment, and no committee amendments can be reported that are not already reported.

Is there objection to the request of the Senator from Utah? The Chair hears no objection, and the vote by which the amendment was disagreed to is reconsidered. The question now is upon agreeing to the amendment.

Mr. REED. Mr. President, before the vote is taken——

The PRESIDENT pro tempore. There is to be no debate.

Mr. REED. I desire to ask the Chair a question.

The PRESIDENT pro tempore. The Senator from Missouri will state it.

Mr. REED. I understood the Chair to rule that no further committee amendments could be offered.

The PRESIDENT pro tempore. The Chair, unless otherwise convinced, will be compelled to rule that under the unanimous-consent agreement committee amendments which were not reported by the committee prior to 4 o'clock can not now be reported.

Mr. REED. But those which were reported——

The PRESIDENT pro tempore. They will be considered and voted upon.

Mr. REED. Does that include the printed amendments in leaflet form? Are they considered as reported?

The PRESIDENT pro tempore. The Chair holds that it includes those amendments.

Mr. REED. I want to inquire what the record is on those amendments?

The PRESIDENT pro tempore. They were reported during an earlier hour of the day by the chairman of the Finance Committee. The question is upon agreeing to the committee amendment, which will again be reported.

The ASSISTANT SECRETARY. On page 121, in line 15, in the paragraph relating to cotton yarn, the committee propose to strike out "7" and insert "10," so as to read:

Provided, That none of the foregoing, of numbers not exceeding No. 100, shall pay less duty than 10 per cent ad valorem—

And so forth.

Mr. REED. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. DILLINGHAM (when his name was called). Making the same announcement as before, I vote "yea."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "yea."

Mr. HARRISON (when his name was called). Transferring my pair with the Senator from West Virginia [Mr. ELKINS] to the senior Senator from Montana [Mr. MYERS], I vote "nay."

Mr. TRAMMELL (when his name was called). Making the same announcement as on the last vote with regard to my pair and transfer, I vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "yea."

The roll call was concluded.

Mr. OVERMAN. I have a general pair with the senior Senator from Wyoming [Mr. WARREN]. He being absent and I being unable to obtain a transfer, I withhold my vote.

Mr. ROBINSON. Announcing the same transfer of my pair as on the previous vote, I vote "nay."

Mr. ERNST. Making the same announcement as before with reference to my pair and transfer, I vote "yea."

Mr. EDGE. Making the same announcement as before, I vote "yea."

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Minnesota [Mr. KELLOGG] with the Senator from North Carolina [Mr. SIMMONS];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON];

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from Minnesota [Mr. NELSON] with the Senator from Massachusetts [Mr. WALSH];

The Senator from Missouri [Mr. SPENCER] with the Senator from Georgia [Mr. HARRIS]; and

The junior Senator from Ohio [Mr. WILLIS] with the senior Senator from Ohio [Mr. POMERENE].

The result was announced—yeas 29, nays 20, as follows:

YEAS—29.

Ball	France	McNary	Shortridge
Brandegee	Frelinghuysen	Moses	Smoot
Bursum	Hale	New	Stanfield
Calder	Keyes	Newberry	Sterling
Curtis	Lodge	Norbeck	Watson, Ind.
Dillingham	McCormick	Oddie	
Edge	McCumber	Phipps	
Ernst	McLean	Rawson	

NAYS—20.

Ashurst	Fletcher	Kendrick	Sheppard
Borah	Harrison	McKellar	Swanson
Capper	Heflin	Ransdell	Trammell
Cummins	Jones, N. Mex.	Reed	Underwood
Dial	Jones, Wash.	Robinson	Walsh, Mont.

NOT VOTING—46.

Broussard	Harris	Norris	Stanley
Cameron	Hitchcock	Overman	Sutherland
Caraway	Johnson	Owen	Townsend
Colt	Kellogg	Page	Wadsworth
Culberson	King	Pepper	Walsh, Mass.
du Pont	Ladd	Pittman	Warren
Elkins	La Follette	Poindexter	Watson, Ga.
Fernald	Lenroot	Pomerene	Weller
Gerry	McKinley	Shields	Williams
Glass	Myers	Simmons	Willis
Gooding	Nelson	Smith	
Harreld	Nicholson	Spencer	

So the amendment of the committee was agreed to.

Mr. SMOOT. On page 121, line 4, I ask unanimous consent to reconsider the vote by which the committee amendment was disagreed to and to strike out "one-fifth" and insert in lieu thereof "one-fourth."

Mr. UNDERWOOD. Is the Senator proposing this or is it a committee amendment?

Mr. SMOOT. It is a committee amendment.

Mr. UNDERWOOD. I ask that the committee amendments may be reported by the Secretary, so that we may keep up with them.

The PRESIDENT pro tempore. The Senator from Utah asks unanimous consent for the reconsideration of the vote by which the amendment on page 121, line 4, was agreed to. Is there objection? The Chair hears none, and the vote is reconsidered. The question is now upon agreeing to the amendment, which will be stated.

The ASSISTANT SECRETARY. On page 121, in paragraph 901, cotton yarn, in line 4, the committee proposes to strike out "one-fifth" and insert "one-fourth."

The amendment was agreed to.

Mr. SMOOT. On page 121, in line 17, I ask unanimous consent to reconsider the vote by which the committee amendment was disagreed to and to strike out "one-fifth" and insert in lieu thereof "one-fourth."

The PRESIDENT pro tempore. The Senator from Utah asks unanimous consent for the reconsideration of the vote by which the amendment in line 17, page 121, was disagreed to. Is there objection?

Mr. UNDERWOOD. Mr. President, I do not wish to object to a vote on the proposition, but I understood that we had reached the point where there would be no more amendments proposed by the committee.

The PRESIDENT pro tempore. The Senator is correct. The amendments have been reported, the Chair is informed.

Mr. UNDERWOOD. They have been reported?

The PRESIDENT pro tempore. If they had not been reported the Chair would hold that they could not be now reported.

Mr. LODGE. They were all reported and are in print.

Mr. UNDERWOOD. What I want to understand is why it is necessary to ask unanimous consent.

The PRESIDENT pro tempore. The particular amendment was disagreed to, and the Senator from Utah has asked unanimous consent and has received it for the reconsideration of that vote.

Mr. ROBINSON. Otherwise it would be necessary to move to reconsider.

The PRESIDENT pro tempore. Therefore the question is upon the amendment as originally reported by the committee.

Mr. UNDERWOOD. As I understand it, under the unanimous-consent agreement it is not in order to move to reconsider votes which have already been taken in Committee of the Whole and thereby bring about another vote.

The PRESIDENT pro tempore. The Chair would be inclined to agree with the Senator from Alabama, but the request was for unanimous consent. The question is upon agreeing to the amendment, which will be stated.

The ASSISTANT SECRETARY. On page 121, in the paragraph relating to cotton yarn, in line 17, the committee proposes to strike out "one-fifth" and insert in lieu thereof "one-fourth."

The amendment was agreed to.

Mr. SMOOT. On page 121, line 18, strike out "100" and insert in lieu thereof "80."

The PRESIDENT pro tempore. The Chair is advised that the amendment has already been made.

Mr. SMOOT. That is true. On page 121, line 18, I ask unanimous consent to reconsider the vote by which the committee amendment was disagreed to and strike out "27" and insert in lieu thereof "35."

The PRESIDENT pro tempore. The Senator from Utah asks unanimous consent that the vote by which the amendment was disagreed to shall be reconsidered. Is there objection? The Chair hears none and the vote is reconsidered. The question now is upon agreeing to the amendment, which will be stated.

The ASSISTANT SECRETARY. On page 121, in the paragraph relating to cotton yarn, in line 18, the committee proposes to strike out "35" in the committee amendment and insert "30," so as to read:

Nor of numbers exceeding No. 100, less than 30 per cent ad valorem.

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. SMOOT. On page 131, paragraph 919 was passed over, I ask for its reconsideration.

The PRESIDENT pro tempore. The Secretary will report the amendment.

The ASSISTANT SECRETARY. On page 131, paragraph 919, passed over, the first amendment is, after the word "sets," in line 5, to insert "and all other articles and fabrics, by whatever name known, plain or Jacquard figured," so as to read:

Lace window curtains, nets, nettings, pillow shams, and bed sets, and all other articles and fabrics, by whatever name known, plain or Jacquard figured—

And so forth.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment.

The amendment was agreed to.

Mr. REED. Mr. President, I desire to make a point of order against all these amendments. I understand the Chair ruled that no amendments could be considered except committee amendments. I affirm that these are not committee amendments. The committee was not called in session. The Democratic members of the committee were not notified. What we have here is a report by some Senators, not the formal action of the committee in any respect. I insist upon the point.

The PRESIDENT pro tempore. The Chair understands that the amendment just voted upon was originally reported by the committee and was printed in the bill. It had therefore been reported and it was in order to vote upon it.

Mr. REED. Is it not brought up here as a part of the sheet of printed amendments to which I have referred? If it is not, then my point is not well taken, but I shall insist upon it as soon as we get into the open.

The PRESIDENT pro tempore. The Secretary will state the next committee amendment.

The ASSISTANT SECRETARY. On page 131, line 7, after the word "unfinished," it is proposed to insert "wholly or partly manufactured, for any use whatsoever."

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. SMOOT. On behalf of the Committee on Finance, on page 131, line 9, after the word "counting," I move to insert the words "not more than," so that it will read "when counting not more than 5 points or spaces between the warp threads to the inch."

The PRESIDENT pro tempore. The Secretary will state the amendment which is now proposed by the Senator from Utah on behalf of the committee.

The ASSISTANT SECRETARY. It is proposed by the committee, on page 131, line 9, at the end of the line, after the word "when," to insert the words "not more than."

Mr. REED. One moment.

The PRESIDENT pro tempore. The Chair desires to say with respect to the amendment just stated that if the Senator from Missouri desires to raise the point of order upon it, it will be received by the Chair.

Mr. REED. I make the point of order, Mr. President, that under the unanimous-consent agreement as construed by the Chair no amendment may be received after 4 o'clock to-day which was not reported by the Committee on Finance prior to 4 o'clock to-day, and that this amendment has not been so reported by the committee.

The PRESIDENT pro tempore. The Chair——

Mr. McCUMBER. Mr. President, it will be found that the amendment was reported by the committee on line 12, page 7, of the list of amendments which were offered this morning and ordered to lie on the table.

The PRESIDENT pro tempore. The Chair is compelled to say that the unanimous-consent agreement is not clear, but it reads as follows:

> It is agreed by unanimous consent that at not later than 4 o'clock p. m. on the calendar day of Tuesday, August 15, 1922, the Senate will proceed to vote in the Committee of the Whole, without further debate, upon reported amendments of the Finance Committee to the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, that remain undisposed of (and in regular order) and upon any motion or motions that may be made in relation to the same.

The Chair believes that it was the intent of the unanimous-consent agreement that the Finance Committee might report proposed amendments at any time before 4 o'clock, and holds that the amendments so reported this morning are within the unanimous-consent agreement and may be considered.

Mr. REED. But the point that I make goes back of that. I maintain that this document which is handed us here with a large number of proposed amendments printed upon it is not the report of the Finance Committee; that the Finance Committee has not been called in session; that this document is a mere list of amendments reported in by the Senator from North Dakota [Mr. McCUMBER], who has no more authority, in his own right, of course, to make these reports than has any other member of the committee; that there has been no meeting of the Finance Committee; there has been no action of the Finance Committee; there has been no opportunity afforded to members of the Finance Committee to meet and pass upon these several amendments. This document, therefore, does not come as a report of the Finance Committee; it does not even purport to be the report of the Finance Committee. It is entitled "Amendments intended to be proposed by Mr. McCUMBER." They are amendments of the Senator from North Dakota; they are not the amendments of the Finance Committee. The Finance Committee has not been called together. I am a member of the Finance Committee, and I never heard of these amendments until they appeared in this document. The other Democratic members of the Finance Committee, so far as I know, were not present when this document was prepared. Therefore, there has been no action by the Finance Committee; so there is no amendment by the Finance Committee; but we have here a document prepared by the eminent Senator from North Dakota. It purports to be his work; it does not purport to be anything else. So I insist that under the rule the amendments are not now in order.

The PRESIDENT pro tempore. The Chair is unadvised with regard to the facts.

Mr. McCUMBER. If the President pro tempore will allow me, I desire to say that I presented the amendments on behalf of the committee; and if the Chair will take the trouble to look at the RECORD of this morning's proceedings, when the amendments were presented, he will find that they were presented as amendments on behalf of the committee and it was requested that they lie on the table.

Of course, as to whether or not the Senator from Missouri [Mr. REED] was present at the committee meeting I do not care about arguing, because everyone knows that this bill has been framed by the majority members of the Committee on Finance, as has been usual with such bills.

Mr. REED. Let me ask the Senator, was there any call issued for the committee to consider these amendments?

Mr. McCUMBER. Mr. President, yes. I notified those members of the committee who meet to consider amendments every evening. When the Senate concluded its session last evening those members of the committee were notified that we would meet. We took a recess until this morning at 9 o'clock.

Mr. REED. What members of the committee were notified?

Mr. McCUMBER. The Republican members.

Mr. REED. And no Democratic members?

Mr. McCUMBER. Not a Democrat.

Mr. REED. Then, Mr. President, it is not the action of the committee.

Mr. McCUMBER. I will let that matter be passed on by the Chair.

Mr. REED. It is action by a few members on one side. It is not the action of the committee. The committee is composed of a certain number of Senators, and the Democrats are as much members of the committee as are the Republicans. No legal committee meeting can be held unless there is a proper notice.

Mr. WATSON of Indiana. Mr. President, I dislike very much to interfere with my friend from Missouri, but I think he is transgressing the rule, because under the rule questions of order must be decided without debate.

Mr. REED. I am making my point of order and trying to develop the facts. Now, I wish to ask, how many members on the Republican side were present when this particular document was passed on?

The PRESIDENT pro tempore. The Chair sustains the point of order made by the Senator from Indiana [Mr. WATSON]. The question must be decided without debate. The Chair is of the opinion that it has no authority to inquire into the question of fact. The Senator from North Dakota [Mr. McCUMBER] acting in behalf of the committee or assuming to act in behalf of the committee reported these amendments. If he was not authorized to report them, then was the time, if the Chair had any authority over the matter, to make the objection. The point of order is overruled.

Mr. REED. Mr. President——

Mr. McCUMBER. Question!

Mr. REED. I call the Chair's attention to the fact that it does not purport to be the action of the committee.

The PRESIDENT pro tempore. The Senator from North Dakota when the amendments were sent to the desk accompanied them with a statement that he reported the amendments on behalf of the Finance Committee.

Mr. REED. I appeal from the decision of the Chair.

The PRESIDENT pro tempore. The Senator from Missouri appeals from the decision of the Chair.

Mr. WATSON of Indiana. Mr. President, I move to lay the appeal on the table, and on that I demand the yeas and nays.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Indiana to lay on the table the appeal of the Senator from Missouri from the decision of the Chair. On that question the yeas and nays are demanded.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. DILLINGHAM (when his name was called). Making the same announcement as before with regard to my pair and its transfer, I vote "yea."

Mr. HALE (when his name was called). Making the same announcement as before with regard to my pair and its transfer, I vote "yea."

Mr. HARRISON (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. POMERENE (when his name was called). Again announcing my pair with my colleage [Mr. WILLIS], I transfer that pair to the Senator from Nebraska [Mr. HITCHCOCK], and vote "nay."

Mr. ROBINSON (when his name was called). Announcing the same pair and transfer as on the previous votes, I vote "nay."

Mr. TRAMMELL (when his name was called). Making the same announcement as on the previous vote with regard to the transfer of my pair, I vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "yea."

The roll call was concluded.

Mr. EDGE. Making the same announcement as to transfer, I vote "yea."

Mr. OVERMAN. I have a general pair with the Senator from Wyoming [Mr. WARREN]. Not being able to get a transfer, I withhold my vote.

The result was announced—yeas 38, nays 20, as follows:

YEAS—38.

Ball	France	McCumber	Phipps
Brandegee	Frelinghuysen	McLean	Rawson
Bursum	Gooding	McNary	Shortridge
Calder	Hale	Moses	Smoot
Cameron	Jones, Wash.	New	Stanfield
Capper	Kellogg	Newberry	Sterling
Curtis	Keyes	Nicholson	Wadsworth
Dillingham	Lenroot	Norbeck	Watson, Ind.
Edge	Lodge	Oddie	
Ernst	McCormick	Pepper	

NAYS—20.

Ashurst	Heflin	Ransdell	Stanley
Broussard	Jones, N. Mex.	Reed	Swanson
Dial	Kendrick	Robinson	Trammell
Fletcher	McKellar	Sheppard	Underwood
Harrison	Pomerene	Simmons	Walsh, Mont.

NOT VOTING—37.

Borah	Harreld	Norris	Townsend
Caraway	Harris	Overman	Walsh, Mass.
Colt	Hitchcock	Owen	Warren
Culberson	Johnson	Page	Watson, Ga.
Cummins	King	Pittman	Weller
du Pont	Ladd	Poindexter	Williams
Elkins	La Follette	Shields	Willis
Fernald	McKinley	Smith	
Gerry	Myers	Spencer	
Glass	Nelson	Sutherland	

So the appeal from the decision of the Chair was laid on the table.

The ASSISTANT SECRETARY. On page 131, in paragraph 919, line 9, after the words "when counting," it is proposed to insert the words "not more than."

The amendment was agreed to.

The ASSISTANT SECRETARY. On line 14, page 131, it is proposed to strike out "17" and insert "30."

The amendment was agreed to.

The ASSISTANT SECRETARY. On line 16 it is proposed to strike out "40" and insert "60."

The amendment was agreed to.

Mr. SMOOT. On page 165 I ask to reconsider the vote by which the committee amendment, beginning in line 11, was agreed to, and in the first line thereof I move to strike out "10 cents per pound" and insert in lieu thereof "10 per cent ad valorem."

The PRESIDENT pro tempore. The Chair desires to ask the Senator from Utah whether the amendment as now proposed is in the printed list of amendments submitted this morning?

Mr. SMOOT. It is, on page 7.

Mr. REED. Let the amendment be stated.

The PRESIDENT pro tempore. The Senator from Utah asks unanimous consent for the reconsideration of the vote by which the amendment on page 165 was agreed to.

Mr. REED. I object.

Mr. SMOOT. Then, Mr. President, I move that we reconsider the vote by which the amendment was agreed to.

The PRESIDENT pro tempore. Does the Senator from Utah move to reconsider?

Mr. SMOOT. Yes; if, under the rule, I can.

Mr. REED. I make the point of order that a motion can not be entertained.

The PRESIDENT pro tempore. The unanimous-consent agreement provides that:

> The Senate will proceed to vote in the Committee of the Whole without further debate upon reported amendments of the Finance Committee * * * and upon any motion or motions that may be made in relation to the same.

The Chair is of the opinion that a motion made to reconsider the vote by which an amendment was agreed to is a motion in relation to the committee amendment.

Mr. REED. It is in relation to the old action of the Senate, but it has no relation to the new committee amendment.

Mr. LODGE. Mr. President, I desire to call attention to the unmistakable agreement that all questions of order under this agreement shall be decided by the Presiding Officer without debate.

The PRESIDENT pro tempore. That matter has been called to the attention of the Chair. The Chair is of the opinion that the motion is in order.

Mr. SMOOT. Then I move, on page 165, to reconsider the vote by which the committee amendment beginning in line 11 was agreed to, and in the first line thereof to strike out "10 cents per pound" and insert in lieu thereof "10 per cent ad valorem."

The PRESIDENT pro tempore. The Senate has not yet disposed of the motion to reconsider. [Putting the question.] The "ayes" have it, and the motion to reconsider is agreed to. The question now is on agreeing to the amendment to the amendment.

Mr. ROBINSON. Mr. President, a parliamentary inquiry. Where is the amendment in the printed bill?

Mr. SMOOT. On page 165, beginning in line 11.

Mr. ROBINSON. It does not appear in the print.

The ASSISTANT SECRETARY. On page 165, the committee struck out all of paragraph 1215 and inserted a new paragraph 1215. On the first line of that paragraph, on behalf of the committee and in the printed schedule of amendments, the following amendment is proposed:

> Strike out "10 cents per pound" and insert "10 per cent ad valorem."

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. SMOOT. On page 168, line 9, I move to add the new sentence which I send to the desk and ask to have read.

The PRESIDENT pro tempore. The amendment will be stated.

The ASSISTANT SECRETARY. On page 168, at the end of line 9, or as a new paragraph, it is proposed to insert:

> If any country, dependency, Province, or other subdivision of government imposes a duty on any article specified in this paragraph when imported from the United States in excess of the duty herein provided, there shall be imposed upon such article, when imported either directly or indirectly from such country, dependency, Province, or other subdivision of government, a duty equal to that imposed by such country, dependency, Province, or other subdivision of government on such article imported from the United States.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment.

Mr. SIMMONS. Mr. President, on that I ask for a division. I shall not ask for a yea-and-nay vote, but I ask for a division.

On a division the amendment was agreed to.

Mr. SMOOT. On page 175, line 10, I move to strike out "3" and insert in lieu thereof "1¾."

The PRESIDENT pro tempore. The amendment will be stated.

The ASSISTANT SECRETARY. In a proposed amendment of the committee which has not been agreed to, on page 175, line 10, paragraph 1309, it is proposed to strike out "3" and insert "1¾," so that the amendment will read "1¾ cents per pound and."

Mr. SHEPPARD. That is the specific rate for wall paper?

Mr. SMOOT. Yes; reducing it from 3 to 1¾ cents per pound.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. SMOOT. On page 195, lines 10 to 13, both inclusive, I move to reconsider the vote by which the committee amendment was adopted, and in line 12, after the word "leather" and the comma, where it first appears in the line, I move to insert "bag, strap, case, football."

The PRESIDENT pro tempore. Does the Senator from Utah ask to reconsider?

Mr. SMOOT. I ask unanimous consent for a reconsideration.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the vote by which the amendment was agreed to is reconsidered.

The ASSISTANT SECRETARY. On line 12, after the word "leather" and the comma, it is proposed to insert "bag, strap, case, football."

The amendment was agreed to.

Mr. SMOOT. On page 195, line 13, after the word "crust," I move to insert the matter which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The ASSISTANT SECRETARY. In the same paragraph, on line 13, after the word "crust" and the comma, it is proposed to insert:

> and seal, sheep, goat, calf, and pig leather, dressed and finished, other than shoe leather.

The amendment was agreed to.

Mr. SMOOT. On page 197, line 25, I ask that the vote by which the committee amendment was agreed to be reconsidered, and that before the word "and" the following be inserted:

> Not specially provided for.

The PRESIDENT pro tempore. Without objection, the vote will be reconsidered, and the Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 197, line 25, after the word "thereof," insert the words "not specially provided for."

The amendment was agreed to.

Mr. SMOOT. On page 198, after line 4, I move to insert the following:

PAR. 1435a. Harness valued at more than $70 per set, saddles valued at more than $40 each, saddlery, and parts (except metal parts) for any of the foregoing, 35 per cent ad valorem.

The amendment was agreed to.

Mr. SMOOT. On page 229, after line 25, I move to insert a new paragraph, as follows:

PAR. 1633a. Plaster rock or gypsum, crude.

The amendment was agreed to.

Mr. McCUMBER. In the committee amendment inserting section 304, page 252, line 14, I move to strike out the word "every" and insert in lieu thereof the words "That every."

The amendment to the amendment was agreed to.

Mr. McCUMBER. On page 253, line 5, I move to strike out the words "prescribe: *Provided*, That," and to insert in lieu thereof the words "prescribe. Unless the article is exported under customs supervision."

The amendment to the amendment was agreed to.

Mr. McCUMBER. On page 253, line 5, I move to strike out the word "collected" and to insert the words "levied, collected, and paid."

The amendment to the amendment was agreed to.

Mr. McCUMBER. On line 9, after the word "thereof," I move to strike out the words "unless the article is exported under customs supervision" and insert in lieu thereof the words "or if such article is free of duty there shall be levied, collected, and paid upon such article a duty of 10 per cent of the appraised value thereof."

The amendment to the amendment was agreed to.

The PRESIDENT pro tempore. The question now is upon agreeing to the amendment as amended.

The amendment as amended was agreed to.

Mr. McCUMBER. In the committee amendment inserting section 308, page 259, line 17, I move to strike out the word "purposes" and the semicolon and to insert the words "purposes, and upon satisfactory proof to the Secretary that any such article has been destroyed because of its use for experimental purposes such bond may be canceled without the payment of duty" and a semicolon.

The amendment to the amendment was agreed to.

Mr. McCUMBER. On page 259, line 20, the committee proposes to strike out the words "and team" and to insert the word "team."

The amendment to the amendment was agreed to.

Mr. McCUMBER. On page 259, line 23, the committee proposes to strike out the word "and," the last word in the line.

The amendment to the amendment was agreed to.

Mr. McCUMBER. On page 260, after line 3, the committee proposes to insert the following subsection:

(8) Containers for compressed gases which comply with the existing regulations for transport of such compressed gases in the country from which the containers are exported.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. McCUMBER. On page 262, line 8, the committee proposes to strike out, in the House text, the words "No articles" and to insert the word "Articles."

The amendment was agreed to.

Mr. McCUMBER. On page 262, line 9, the committee proposes to strike out the word "shall" in the House text and to insert the words "or articles manufactured therefrom may."

The amendment was agreed to.

Mr. McCUMBER. On the same page, line 10, the committee proposes to strike out the word "except," the second word in the line.

The amendment was agreed to.

Mr. McCUMBER. On line 18 the committee proposes to strike out the words "waste material or."

The amendment was agreed to.

Mr. McCUMBER. On line 24, after the word "country" and before the period, the committee proposed to insert a comma and the following:

Provided, That all waste material may be destroyed under Government supervision.

The amendment was agreed to.

Mr. McCUMBER. On page 263, line 19, in the House text, the committee proposes to strike out the word "cigars" and to insert the words "cigars, cigarettes, and tobacco."

The amendment was agreed to.

Mr. McCUMBER. On line 20 the committee proposes to strike from the House text the words "of tobacco imported from any one country" and to insert the words "or in part of imported tobacco."

The amendment was agreed to.

Mr. McCUMBER. On page 264, line 1, the committee proposes to strike out the word "cigars" and to insert the words "cigars, cigarettes, and tobacco."

The amendment was agreed to.

Mr. McCUMBER. On page 264, line 1, the committee proposes to strike from the House text the following words:

withdrawn, and the boxes or packages containing such cigars shall be stamped to indicate their character, origin of tobacco from which made, and place of manufacture," and to insert the word "withdrawn."

The amendment was agreed to.

Mr. McCUMBER. On page 268, line 25, in section 313, the proposed committee amendment, the committee proposes to strike out the word "by" after the words "United States," and to insert the word "with."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. McCUMBER. On page 270, in the House text, on line 10, beginning with the word "used," the committee proposes to strike out that word and down to and including the word "preparations" on line 13, and to insert the word "used."

The amendment was agreed to.

Mr. McCUMBER. On page 278, line 24, in section 316, the committee amendment, after the word "certiorari," the committee proposes to insert the words "applied for" in the committee amendment.

Mr. SIMMONS. I did not catch that amendment.

The PRESIDENT pro tempore. The amendment just proposed occurs in an amendment already agreed to, and it will be necessary to reconsider the vote by which it was agreed to before the amendment can be considered. Without objection, the vote by which the amendment was agreed to is reconsidered, and the question now is upon the amendment to the amendment, which the Secretary will state.

The ASSISTANT SECRETARY. On page 278, line 24, after the word "certiorari," before the word "within," insert the words "applied for," so that it will read:

That the judgment of said court shall be final, except that the same shall be subject to review by the United States Supreme Court upon certiorari applied for within three months after such judgment of the United States Court of Customs Appeals.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. McCUMBER. On page 286, line 16, in the House text, after the Roman numeral "IV," the committee proposes to insert a semicolon and the words "nor of subsection 30 of section 28 of the act of August 5, 1909."

The amendment was agreed to.

Mr. McCUMBER. After line 16 the committee proposes to insert a new section, as follows:

SEC. 321. That all automobiles, automobile bodies, automobile chassis, and parts thereof, including tires, exported prior to February 11, 1919, from the United States of America for the use of the American Expeditionary Forces or the Governments associated with the Government of the United States of America in the war with Germany and Austria, and which have been sold or delivered to any foreign government, individual, partnership, corporation, or association by the United States Liquidation Commission, or by any other agent or official of the United States of America, when reimported into the United States of America shall pay a duty of 90 per cent ad valorem, the value of such articles to be fixed on a basis equivalent to the original value of such articles in the United States, under rules and regulations to be prescribed by the Secretary of the Treasury.

The amendment was agreed to.

Mr. McCUMBER. On page 289, in the proposed committee amendment, line 13, the committee proposes to strike out the words "subject to the jurisdiction."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. McCUMBER. On page 291, line 7, in the proposed committee amendment, section 402, the committee proposes to strike out the word "or" and to insert the word "and."

The amendment to the amendment was agreed to.

Mr. McCUMBER. On page 291, beginning with the word "or," on line 9, the committee proposes to strike out that word and all down to and including the word "purchasers" and the comma, on line 11.

The amendment to the amendment was agreed to.

Mr. McCUMBER. On page 291, line 19, in the committee amendment heretofore offered, the committee proposes to strike out the words "for in" and to insert the words "in subdivision (b)."

The amendment to the amendment was agreed to.

Mr. McCUMBER. On page 291, line 22, after the word "be," the first word in the line, the committee proposes to insert the words "the market value or."

The amendment to the amendment was agreed to.

Mr. McCUMBER. On page 292, line 5, at the end of the line, after the words "shall be," the committee moves to insert the words "the market value or."

The amendment to the amendment was agreed to.

Mr. McCUMBER. On page 292, line 15, the committee proposes to strike out all of the matter beginning with the comma where it first appears in the line, down to and including line 22, and insert in lieu thereof a period and the following:

If in the ordinary course of trade imported merchandise is shipped to the United States to an agent of the seller, or to the seller's branch house, pursuant to an order or an agreement to purchase (whether placed or entered into in the United States or in the foreign country), for delivery to the purchaser in the United States, and if the title to such merchandise remains in the seller until such delivery, then such merchandise shall not be deemed to be freely offered for sale in the principal markets of the country from which exported for exportation to the United States within the meaning of this subdivision.

The amendment to the amendment was agreed to.

Mr. McCUMBER. On page 292, in line 24, the committee proposes to strike out the word "that" and insert in lieu thereof "at which."

The amendment to the amendment was agreed to.

Mr. McCUMBER. On page 292, line 25, after the word "sale," the committee moves to insert "packed for delivery."

The amendment to the amendment was agreed to.

Mr. McCUMBER. On page 293, line 9, strike out all of the matter, beginning with the comma, down to and including the word "delivery" in line 12, as follows:

and including the cost of all containers and coverings of whatever nature, and all other costs, charges, and expenses incident to placing the merchandise in condition packed ready for delivery.

The amendment to the amendment was agreed to.

Mr. McCUMBER. On page 293, line 17, the committee proposes to strike out the words "producing, identical or substantially identical" and insert in lieu thereof "producing such or similar."

The amendment to the amendment was agreed to.

Mr. McCUMBER. On page 293, lines 23 and 24, the committee proposes to strike out the words "identical or substantially identical" and insert in lieu thereof "such or similar."

The amendment to the amendment was agreed to.

Mr. McCUMBER. On page 294, line 10, the committee proposes to strike out all of the matter after the word "the," where it first appears in the line, down to and including the word "particular," in line 11, and insert in lieu thereof "production or manufacture of merchandise of the same class or kind."

The amendment to the amendment was agreed to.

Mr. McCUMBER. On page 294, line 21, the committee propose, after the word "quantities," to insert "in such markets."

The amendment to the amendment was agreed to.

Mr. McCUMBER. On page 294, line 22, the committee propose to strike out the word "and" and insert in lieu thereof the word "or."

The amendment to the amendment was agreed to.

The PRESIDENT pro tempore. The question now is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The next amendment of the Committee on Finance was, on page 297, at the beginning of line 8, to strike out "packages" and to insert "pieces of baggage," and, in the same line, after the word "each," to strike out "respectively" and to insert "and a list of all baggage not accompanied by passengers," so as to make the paragraph read:

Fifth. The names of the several passengers aboard the vessel, stating whether cabin or steerage passengers, with their baggage, specifying the number and description of the pieces of baggage belonging to each, and a list of all baggage not accompanied by passengers.

The amendment was agreed to.

The next amendment was, on page 297, line 15, after the word "stores," where it occurs the first time, to strike out "ship" and to insert "ship's," so as to make the paragraph read:

SEC. 432. Sea and ship's stores: The manifest of any vessel arriving from a foreign port or place shall separately specify the articles to be retained on board of such vessel as sea stores, ship's stores, or bunker coal or bunker oil, and if any other or greater quantity of sea stores, ship's stores, bunker coal, or bunker oil is found on board of any such vessel than is specified in the manifest, or if any such articles, whether shown on the manifest or not, are landed without a permit therefor issued by the collector, all such articles omitted from the manifest or landed without a permit shall be subject to forfeiture, and the master shall be liable to a penalty equal to the value of the articles.

The amendment was agreed to.

The next amendment was, on page 298, line 2, after the word "of," to strike out "an American vessel" and to insert "a vessel of the United States"; at the beginning of line 5, to strike out "of entry"; in line 8, after the word "customhouse," to strike out the colon and "*Provided*, That vessels belonging to regular lines may be given general permits to proceed to the port of destination without reporting at the first port of arrival"; in line 11, after the word "regulations," to strike out "and conditions"; and at the beginning of line 12 to strike out "the Treasury" and to insert "Commerce," so as to make the section read:

SEC. 433. Report of arrival: Within 24 hours after the arrival of any vessel from a foreign port or place, or of a foreign vessel from a domestic port, or of a vessel of the United States carrying bonded merchandise, or foreign merchandise for which entry has not been made, at any port or within any harbor or bay at which such vessel shall come to, the master shall, unless otherwise provided by law, report the arrival of the vessel at the customhouse under such regulations as the Secretary of Commerce may prescribe.

The amendment was agreed to.

The next amendment was, on page 298, line 14, after the word "law," to insert "and under such regulations as the Secretary of Commerce may prescribe"; in line 16, after the word "of," to strike out "an American vessel" and to insert "a vessel of the United States"; in line 24, after the word "original," to insert "and one copy of the"; and in line 25, after the word "oath," to strike out the comma and "in a form prescribed by the Secretary of the Treasury," so as to make the section read:

SEC. 434. Entry of American vessels: Except as otherwise provided by law, and under such regulations as the Secretary of Commerce may prescribe, the master of a vessel of the United States arriving in the United States from a foreign port or place shall, within 48 hours after its arrival within the limits of any customs collection district, make formal entry of the vessel at the customhouse by producing and depositing with the collector the vessel's crew list, its register, or document in lieu thereof, the clearance and bills of health issued to the vessel at the foreign port or ports from which it arrived, together with the original and one copy of the manifest, and shall make oath that the ownership of the vessel is as indicated in the register and that the manifest was made out in accordance with section 431 of this act.

The amendment was agreed to.

The next amendment was, on page 299, line 8, after the word "of," to strike out "an American vessel" and to insert "a vessel of the United States," so as to read:

SEC. 435. Entry of foreign vessels: The master of any foreign vessel arriving within the limits of any customs collection district shall, within 48 hours thereafter, make entry at the customhouse in the same manner as is required for the entry of a vessel of the United States, except that a list of the crew need not be delivered, and that instead of depositing the register or document in lieu thereof such master may produce a certificate by the consul of the nation to which such vessel belongs that said documents have been deposited with him.

The amendment was agreed to.

The next amendment was, on page 299, line 20, after the word "who," to strike out "shall fail" and to insert "fails"; in the same line, after the word "make," to strike out "such" and to insert "the"; in line 21, after the word "in," to strike out "the three immediately preceding sections" and to insert "section 433, 434, or 435 of this act"; and in line 23, after the word "of," to strike out "$500" and to insert "not more than $1,000," so as to make the section read:

SEC. 436. Failure to report or enter vessel: Every master who fails to make the report or entry provided for in section 433, 434, or 435 of this act shall, for each offense, be liable to a fine of not more than $1,000.

The amendment was agreed to.

The next amendment was, on page 299, line 25, after the word "The," to strike out "register and other documents" and to insert "register, or document in lieu thereof," and on page 300, at the beginning of line 1, to insert "of this act," so as to make the section read:

SEC. 437. Documents returned at clearance: The register, or document in lieu thereof, deposited in accordance with section 434 or 435 of this act shall be returned to the master or owner of the vessel upon its clearance.

The amendment was agreed to.

The next amendment was, on page 300, line 5, after the word "the," to strike out "register or other papers" and to insert "register, or document in lieu thereof"; in line 6, after the word "him," to strike out "pursuant to" and to insert "in accordance with"; in line 7, after the word "of," to strike out "the preceding"; in line 8, after the word "section," to insert "435 of this act"; in line 11, after the words "shall be," to strike out "fined" and to insert "liable to a fine of"; and in line 12, after the word "than," to strike out "$500" and to insert "$5,000," so as to make the section read:

SEC. 438. Unlawful return of ship's papers: It shall not be lawful for any foreign consul to deliver to the master of any foreign vessel the register, or document in lieu thereof, deposited with him in accordance with the provisions of section 435 of this act until such master shall produce to him a clearance in due form from the collector of the port where such vessel has been entered. Any consul offending against the provisions of this section shall be liable to a fine of not more than $5,000.

The amendment was agreed to.

The next amendment was, on page 300, line 18, after the word "the," to strike out "naval officer" and to insert "comptroller of customs"; in line 22, after the word "said," to strike out "naval officer" and to insert "comptroller of customs"; in line 25, after the word "who," to strike out "shall neglect

or fail" and to insert "fails"; and on page 301, line 2, after the word "of," to insert "not more than," so as to make the section read:

SEC. 439. Failure to deliver manifest: Immediately upon arrival and before entering his vessel, the master of a vessel from a foreign port required to make entry shall mail to the Comptroller General of the United States at Washington, D. C., or shall mail or deliver to the comptroller of customs, if any be located in such district, a copy of the manifest, and shall on entering his vessel make affidavit that a true and correct copy was so mailed or delivered, and he shall also mail to said Comptroller General, or mail or deliver to said comptroller of customs a true and correct copy of any correction of such manifest filed on entry of his vessel. Any master who fails so to mail or deliver such copy of the manifest or correction thereof shall be liable to a penalty of not more than $500.

The amendment was agreed to.

The next amendment was, on page 301, line 8, after the word "If," to insert "there is"; at the beginning of line 4, to strike out "shall be found" and to insert "or baggage"; in the same line, after the word "vessel," to insert "which is"; in line 5, after the word "or," to strike out "agreeing" and to insert "which does not agree"; in line 6, after the word "the," where it occurs the first time, to strike out "master, owner, or agent" and to insert "master"; and, at the beginning of line 9, to strike out "naval officer" and to insert "comptroller of customs"; so as to make the section read:

SEC. 440. Post entry: If there is any merchandise or baggage on board such vessel which is not included in or which does not agree with the manifest, the master of the vessel shall make a post entry thereof, and mail a copy to the Comptroller General of the United States or mail or deliver a copy to the comptroller of customs, if any, and for failure so to do shall be liable to a penalty of $500.

The amendment was agreed to.

The next amendment was, in section 441, on page 301, line 17, after the word "in," where it occurs the second time, to strike out "trade." and to insert "trade;" so as to read:

SEC. 441. Vessels not required to enter: The following vessels shall not be required to make entry at the customhouse:

(1) Vessels of war and public vessels employed for the conveyance of letters and dispatches and not permitted by the laws of the nations to which they belong to be employed in the transportation of passengers or merchandise in trade;

The amendment was agreed to.

The next amendment was, in section 441, on page 301, line 19, after "(2)," to strike out "Vessels used exclusively as ferryboats carrying passengers, baggage, and merchandise, or" and to insert "Passenger"; in line 22, after the word "foreign," to strike out "port" and to insert "port, or vessels used exclusively as ferryboats, carrying passengers, baggage, or merchandise"; so as to read:

(2) Passenger vessels making three trips or oftener a week between a port of the United States and a foreign port, or vessels used exclusively as ferryboats, carrying passengers, baggage, or merchandise.

The amendment was agreed to.

The next amendment was, on page 301, line 24, after the word "That," to insert "the master of any"; in the same line, after the word "such," to strike out "vessels" and to insert "vessel"; and in line 26, after the word "after," to strike out "arrival." and to insert "arrival;" so as to make the proviso read:

Provided, That the master of any such vessel shall be required to report such baggage and merchandise to the collector within 24 hours after arrival;

The amendment was agreed to.

The next amendment was, on page 302, line 1, after "(3)," to strike out "Vessels under" and to insert "Yachts of"; in the same line, after the word "tons," to insert "or under"; at the beginning of line 2, strike out "enrolled or licensed as yachts and"; and in line 3, after the word "for," to strike out "hire." and to insert "hire;" so as to make the paragraph read:

(3) Yachts of 15 gross tons or under not permitted by law to carry merchandise or passengers for hire;

The amendment was agreed to.

The next amendment was, on page 302, line 4, after the word "arriving," to insert "in distress or," so as to read:

(4) Vessels arriving in distress or for the purpose of taking on bunker coal, bunker oil, or necessary sea stores and which shall depart within 24 hours after arrival without having landed or taken on board any merchandise other than bunker coal, bunker oil, or necessary sea stores.

The amendment was agreed to.

The next amendment was, on page 302, line 13, after the word "on," to strike out "board," and to insert "board; and," so as to make the paragraph read:

Provided, That the master, owner, or agent of such vessel shall report under oath to the collector the hour and date of arrival and departure and the quantity of bunker coal, bunker oil, or necessary sea stores taken on board; and

The amendment was agreed to.

The next amendment was, on page 302, line 16, after the word "vessels," to insert "which are," so as to make the paragraph read:

(5) Tugs enrolled and licensed to engage in the foreign and coasting trade in the northern, northeastern, and northwestern frontiers when towing vessels which are required by law to enter and clear.

The amendment was agreed to.

The next amendment was, in section 442, page 302, line 20, after the word "entry," to strike out "required by law shall have been made" and to insert "of such vessel under the provisions of this act," and in line 24, after the word "same," to strike out "or" and to insert "and without the," so as to read:

SEC. 442. Residue cargo: Any vessel having on board merchandise shown by the manifest to be destined to a foreign port or place may, after the report and entry of such vessel under the provisions of this act, proceed to such foreign port of destination with the cargo so destined therefor, without unlading the same and without the payment of duty thereon. Any vessel arriving from a foreign port or place having on board merchandise shown by the manifest to be destined to a port or ports in the United States other than the port of entry at which such vessel first arrived and made entry may proceed with such merchandise from port to port or from district to district for the unlading thereof:

The amendment was agreed to.

The next amendment was, on page 303, line 19, after the word "ports," to insert "of entry," and in line 26, after the word "port," to insert "of entry," so as to make the section read:

SEC. 443. Cargo for different ports: Merchandise arriving in any vessel for delivery in different districts or ports of entry shall be described in the manifest in the order of the districts or ports at or in which the same is to be unladen. Before any vessel arriving in the United States with any such merchandise shall depart from the port of first arrival, the master shall obtain from the collector a permit therefor with a certified copy of the vessel's manifest showing the quantities and particulars of the merchandise entered at such port of entry and of that remaining on board.

The amendment was agreed to.

The next amendment was, on page 304, line 5, after the word "with," strike out "said" and to insert "the," so as to make the paragraph read:

SEC. 444. Entry at another port: Within 24 hours after the arrival of such vessel at another port of entry, the master shall make entry with the collector at such port and shall produce the permit issued by the collector at the port of first arrival, together with the certified copy of his manifest.

The amendment was agreed to.

The next amendment was, on page 304, line 14, after the word "of," to insert "not more than," so as to make the section read:

SEC. 445. Failure to obtain or to produce permit: If the master of any such vessel shall proceed to another port or district without having obtained a permit therefor and a certified copy of his manifest, or if he shall fail to produce such permit and certified copy of his manifest to the collector at the port of destination, or if he shall proceed to any port not specified in the permit, he shall be liable to a penalty for each offense of not more than $500.

The amendment was agreed to.

The next amendment was, in section 446, on page 304, line 26, after the word "collector," to insert "and under customs supervision"; and on page 305, line 2, after the word "owner," to insert "and engaged in the foreign trade," so as to make the proviso read:

Provided, That bunker coal, bunker oil, ships' stores, sea stores, or the legitimate equipment of vessels belonging to regular lines plying between foreign ports and the United States, which are delayed in port for any cause, may be transferred under a permit by the collector and under customs supervision from the vessel so delayed to another vessel of the same line, and owner, and engaged in the foreign trade, without the payment of duty thereon.

The amendment was agreed to.

The next amendment was, in section 447, on page 305, line 8, after the word "of," where it occurs the first time, to strike out "the Treasury" and to insert "Commerce," so as to make the proviso read:

Provided, That upon good cause therefor being shown, the Secretary of Commerce may permit entry of any vessel to be made at a place other than a port of entry designated by him, under such conditions as he shall prescribe.

The amendment was agreed to.

The next amendment was, in section 447, on page 305, line 11, after the word "with," to strike out "coal, lumber, or other"; in line 12, after the word "in," to strike out "bulk," and to insert "bulk"; and in line 13, after the word "such," to strike out "vessel" and to insert "vessel," so as to make the additional proviso read:

And provided further, That any vessel laden with merchandise in bulk may proceed after entry of such vessel to any place designated by the Secretary of the Treasury for the purpose of unlading such cargo, under the supervision of customs officers if the collector shall consider the same necessary, and in such case the compensation and expenses of such officers shall be reimbursed to the Government by the party in interest.

The amendment was agreed to.

The next amendment was, in section 448, on page 305, line 19, after the word "permit," to strike out "No" and to insert "Except as provided in section 441 of this act, no," so as to read:

SEC. 448. Same—Preliminary entry—Permit: Except as provided in section 441 of this act, no merchandise, passengers, or baggage shall be unladen from any vessel or vehicle arriving from a foreign port or place until entry of such vessel or report of the arrival of such vehicle has been made and a permit for the unlading of the same issued by the collector.

The amendment was agreed to.

The next amendment was, in section 448, on page 306, line 4, after the word "who," to strike out "shall board" and to insert "boards"; at the beginning of line 7, to strike out "law" and to insert "this act"; in line 9, after the word "the," to strike out "master" and to insert "master of the vessel, or to the"; at the beginning of line 10, to strike out "conductor, or other"; in the same line, after the word "charge," to strike out "thereof" and to insert "of the vehicle"; in line 11, before the word "but," to strike out "its cargo" and to insert "merchandise or baggage"; in the same line, after the word "merchandise," to insert "or baggage"; in line 12, after the word "retained," to strike out "on the dock or pier of the importing vessel or vehicle" and to insert "at the place of unlading"; in line 13, after the word "until," to strike out "such time as"; in line 14, after the word "therefor," to strike out "shall have been" and to insert "is"; in line 16, after the word "merchandise," to strike out "shall be" and to insert "is"; in line 19, after the word "from," to strike out "the pier or dock" and to insert "the place of unlading"; in line 21, before the word "so," to insert "or baggage"; in line 24, after the word "time," to strike out "shall be" and to insert "is"; in line 25, after the word "section," to strike out "490" and to insert "484"; on page 307, line 2, after the word "the," to strike out "owner thereof" and to insert "consignee in the case of merchandise and of the owner in the case of baggage"; in line 3, after the word "until," to strike out "proper"; in line 4, after the word "entry," to strike out "therefor" and to insert "thereof"; and in the same line, before the word "made," to strike out "shall have been" and to insert "is," so as to make the proviso read:

Provided, That the master may make a preliminary entry of a vessel by making oath or affirmation to the truth of the statements contained in the vessel's manifest and delivering the manifest to the customs officer who boards such vessel, but the making of such preliminary entry shall not excuse the master from making formal entry of his vessel at the customhouse, as provided by this act. After the entry, preliminary or otherwise, of any vessel or report of the arrival of any vehicle the collector may issue a permit to the master of the vessel or to the person in charge of the vehicle to unlade merchandise or baggage, but merchandise or baggage so unladen shall be retained at the place of unlading until entry therefor is made and a permit for its delivery granted, and the owners of the vessel or vehicle from which any imported merchandise is unladen prior to entry of such merchandise shall be liable for the payment of the duties accruing on any part thereof that may be removed from the place of unlading without a permit therefor having been issued. Any merchandise or baggage so unladen from any vessel or vehicle for which entry is not made within 48 hours, exclusive of Sunday and holidays, from the time of the entry of the vessel or report of the vehicle, unless a longer time is granted by the collector, as provided in section 484, shall be sent to the public stores and held as unclaimed at the risk and expense of the consignee in the case of merchandise and of the owner in the case of baggage until entry thereof is made.

The amendment was agreed to.

The next amendment was, on page 307, line 5, after the word "emergency," to strike out: "No merchandise shall be unladen from any vessel or vehicle from any foreign port or place except at the port or place designated in the manifest of such vessel or vehicle as the destination of such merchandise: *Provided*, That if any vessel from a foreign port or place is compelled by pursuit of enemies, stress of weather, or accident, to put into any port of the United States other than the port to which such vessel is destined, or if such vessel is prevented by ice, shallow water, stress of weather, accident, or other cause from proceeding to its port of destination, the master of such vessel may, upon report to the collector, if the collector is satisfied as to the merits of the case, receive a permit for the unlading of the cargo of such vessel or any part thereof," and to insert: "Except as provided in sections 442 and 447 of this act, merchandise and baggage imported in any vessel by sea shall be unladen at the port of entry to which such vessel is destined, unless (1) such vessel is compelled by any cause to put into another port of entry, and the collector of such port issues a permit for the unlading of such merchandise or baggage, or (2) the Secretary of the Treasury, because of an emergency existing at the port of destination, authorizes such vessel to proceed to another port of entry"; on page 308, line 2, after the word "merchandise," to insert "and baggage"; in line 4, before the word "and," to insert "or baggage"; in the same line, after the word "merchandise," to insert "or baggage," so as to make the paragraph read:

SEC. 449. Same—Emergency: Except as provided in sections 442 and 447 of this act, merchandise and baggage imported in any vessel by sea shall be unladen at the port of entry to which such vessel is destined, unless (1) such vessel is compelled by any cause to put into another port of entry, and the collector of such port issues a permit for the unlading of such merchandise or baggage, or (2) the Secretary of the Treasury, because of an emergency existing at the port of destination, authorizes such vessel to proceed to another port of entry. Merchandise and baggage so unladen may be entered in the same manner as other imported merchandise or baggage and may be treated as unclaimed merchandise or baggage and stored at the expense and risk of the owner thereof, or may be reladen without entry upon the vessel from which it was unladen for transportation to its destination.

The amendment was agreed to.

The next amendment was, on page 308, line 8, after the word "Same," to strike out "Sunday, and so forth," and to insert "Sundays and holidays."; in line 9, after the word "merchandise," to insert "baggage, or passengers"; in line 11, after the word "merchandise," to insert "or baggage"; and in line 14, after the word "license," to strike out ", as follows: Upon or prior to the arrival at any port in the United States of any vessel or vehicle from a foreign port or place, either direct or by way of another port, or upon the arrival from another port of the United States of any vessel or vehicle having on board merchandise under bond, the master, owner, or agent of such vessel or vehicle may apply to the collector for a special license to unlade the cargo of such vessel or vehicle at night or on Sunday or on a holiday, and the collector may thereupon grant a license so to do after entry or arrival of the vessel or vehicle, as the case may be," and to insert "granted by the collector under such regulations as the Secretary of the Treasury may prescribe," so as to make the paragraph read:

SEC. 450. Same—Sundays and holidays: No merchandise, baggage, or passengers arriving in the United States from any foreign port or place, and no bonded merchandise or baggage being transported from one port to another, shall be unladen from the carrying vessel or vehicle on Sunday, a holiday, or at night, except under special license granted by the collector under such regulations as the Secretary of the Treasury may prescribe.

The amendment was agreed to.

The next amendment was, on page 309, line 2, before the word "agent," to insert "or"; at the beginning of line 3, to strike out "or consignee"; in line 7, after the word "to," strike out "reimburse the Government for," and to insert "pay"; in line 10, after the word "holiday," to insert "in accordance with the provisions of section 5 of the act entitled 'An act to provide for the lading or unlading of vessels at night, the preliminary entry of vessels, and for other purposes,' approved February 13, 1911, as amended"; at the beginning of line 15, to strike out the colon and "*Provided*, That in," and to insert "In"; at the beginning of line 16, to strike out "or consignee," and in the same line, after the word "any," to insert "vessel or vehicle or," so as to make the paragraph read:

SEC. 451. Same—Bond: Before any such special license to unlade shall be granted, the master, owner, or agent of such vessel or vehicle shall be required to give a bond in a penal sum to be fixed by the collector conditioned to indemnify the United States for any loss or liability which might occur or be occasioned by reason of the granting of such special license and to pay the compensation and expenses of the customs officers and employees whose services are required in connection with such unlading at night or on Sunday or a holiday in accordance with the provisions of section 5 of the act entitled "An act to provide for the lading or unlading of vessels at night, the preliminary entry of vessels, and for other purposes," approved February 13, 1911, as amended. In lieu of such bond the owner, or agent, of any vessel or vehicle or line of vessels or vehicles may execute a bond in a penal sum to be fixed by the Secretary of the Treasury to cover and include the issuance of special licenses for the unlading of vessels or vehicles belonging to such line for a period of one year from the date thereof.

The amendment was agreed to.

The next amendment was, on page 310, line 6, before the word "laden," to strike out "shall be" and to insert "or baggage is"; in line 7, after the word "vehicle," to strike out "contrary to the provisions of the seven preceding sections" and to insert "without a special license or permit therefor issued by the collector"; in line 9, after the word "master," to strike out "or other" and to insert "of such vessel or the"; in line 10, after the word "such," to strike out "vessel or"; in line 12, after the word "merchandise," to insert "or baggage"; in line 14, after the word "merchandise," to insert "or baggage"; in line 15, after the word "merchandise," to insert "or baggage"; and in line 16, after the word "thereof," to strike out "shall amount to" and to insert "is," and in the same line, after "$500," to insert "or more," so as to make the paragraph read:

SEC. 453. Penalty for violation: If any merchandise or baggage is laden on, or unladen from, any vessel or vehicle without a special license or permit therefor issued by the collector, the master of such vessel or the person in charge of such vehicle and every other person who knowingly is concerned, or who aids therein, or in removing or

otherwise securing such merchandise or baggage, shall each be liable to a penalty equal to the value of the merchandise or baggage so laden or unladen, and such merchandise or baggage shall be subject to forfeiture; and if the value thereof is $500 or more, the vessel or vehicle on or from which the same shall be laden or unladen shall be subject to forfeiture.

The amendment was agreed to.

The next amendment was, on page 310, line 19, after the word "boarding," to insert "and discharging"; in line 22, after the word "district," to strike out "or" and to insert "and if necessary"; on page 311, line 4, after the word "other," to insert "customs"; in line 9, after the word "the," to insert "inspector or other"; in line 10, after the word "other," to insert "customs"; at the beginning of line 11, to strike out "of the customs"; at the beginning of line 13, to strike out "or other" and to insert "unfavorable"; in the same line, after the word "weather," to insert "or any"; in line 15, after "Any," to strike out "such inspector or other officer who shall quit his station or otherwise neglect or fail to perform his duties, or any"; in line 17, after the word "officer," to insert "owner, agent of the owner"; at the beginning of line 18, to strike out "on board"; in the same line, after the word "who," to strike out "shall obstruct or hinder" and to insert "obstructs or hinders any"; in line 19, after the word "other," to insert "customs"; in line 21, after the word "of," to insert "not more than"; and at the end of the same line, to strike out "$100" and to insert "$500," so as to make the paragraph read:

SEC. 454. Boarding and discharging inspectors: The collector for the district in which any vessel or vehicle arrives from a foreign port or place may put on board of such vessel or vehicle while within such district, and if necessary while going from one district to another, one or more inspectors or other customs officers to examine the cargo and contents of such vessel or vehicle and superintend the unlading thereof and to perform such other duties as may be required by law or the customs regulations for the protection of the revenue. Such inspector or other customs officer may, if he shall deem the same necessary for the protection of the revenue, secure the hatches or other communications or outlets of such vessel or vehicle with customs seals or other proper fastenings while such vessel is not in the act of unlading, and such fastenings shall not be removed without permission of the inspector or other customs officer. Such inspector or other customs officer may require any vessel or vehicle to discontinue or suspend unlading during the continuance of unfavorable weather or any conditions rendering the discharge of cargo dangerous or detrimental to the revenue. Any officer, owner, agent of the owner, or member of the crew of any such vessel who obstructs or hinders any such inspector or other customs officer in the performance of his duties shall be liable to a penalty of not more than $500.

The amendment was agreed to.

The next amendment was, on page 311, line 23, after the word "inspector," to strike out "of customs" and to insert "or other customs officer"; on page 312, line 3, after the word "such," to insert "inspector or customs"; in line 4, after the word "such," where it occurs the third time, to insert "inspector or customs"; and in line 6, after the word "passengers," to strike out "so far as the state or condition of such vessel or vehicle will permit," so as to make the paragraph read:

SEC. 455. Compensation, etc., of inspectors: The compensation of any inspector or other customs officer, stationed on any vessel or vehicle while proceeding from one port to another and returning therefrom, shall be reimbursed to the Government by the master or owner of such vessel, together with the actual expense of such inspector or customs officer for subsistence, or in lieu of such expenses such vessel or vehicle may furnish such inspector or customs officer the accommodations usually supplied to passengers.

The amendment was agreed to.

The next amendment was, on page 312, line 9, before the word "on," to strike out "shall remain" and to insert "remains"; in the same line, after the word "board," to strike out "of"; in line 16, after the word "of," to insert "any"; and at the beginning of line 17, to insert "inspector or customs," so as to make the paragraph read:

SEC. 456. Cargo not unladen: Whenever any merchandise remains on board any vessel or vehicle from a foreign port more than 25 days after the date on which report of said vessel or vehicle was made, the collector may take possession of such merchandise and cause the same to be unladen at the expense and risk of the owners thereof, or may place one or more inspectors or other customs officers on board of said vessel or vehicle to protect the revenue. The compensation and expenses of any such inspector or customs officer for subsistence while on board of such vessel or vehicle shall be reimbursed to the Government by the owner or master of such vessel or vehicle.

The amendment was agreed to.

The next amendment was, on page 312, at the beginning of line 21, to strike out "owner or"; in line 22, after the word "or," to insert "the person in charge of the"; on page 313, line 1, after the word "the," where it occurs the second time, to strike out "owner" and to insert "consignee"; in line 2, after the word "until," to strike out "such time as," and in the same line, after the word "thereof," to strike out "shall have been" and to insert "is," so as to make the paragraph read:

SEC. 457. General order: At the request of the consignee of any merchandise, or of the owner or master of the vessel or the person in charge of the vehicle in which the same is imported, any merchandise may be taken possession of by the collector after the expiration of one day after the entry of the vessel or report of the vehicle and may be unladen and held at the risk and expense of the consignee until entry thereof is made.

The amendment was agreed to.

The next amendment was, on page 313, at the beginning of line 6, to strike out "coal, salt, sugar, hides, or other cargo," and to insert "merchandise," and in line 13, after the word "of," where it occurs the first time, to strike out the figures "25" and to insert the words "twenty-five," so as to make the paragraph read:

SEC. 458. Bulk cargo: The limitation of time for unlading shall not extend to vessels laden exclusively with merchandise in bulk consigned to one consignee and arriving at a port for orders, but if the master of such vessel requests a longer time to discharge its cargo, the compensation of the inspectors or other customs officers whose services are required in connection with the unlading shall, for every day consumed in unlading in excess of twenty-five days from the date of the vessel's entry, be reimbursed by the master or owner of such vessel.

The amendment was agreed to.

The next amendment was, on page 313, after line 14, to strike out:

SEC. 459. Imports from contiguous countries: All vessels or vehicles, and merchandise imported therein, arriving in the United States from a contiguous country shall be subject to all the provisions of law relating to vessels and merchandise imported therein from other countries by sea, unless otherwise provided by law or by regulations prescribed by the Secretary of the Treasury.

The amendment was agreed to.

The next amendment was, on page 313, line 22, to change the number of the section from 460 to 459; in the same line, to strike out the word "same" and to insert "imports from contiguous countries"; in line 24, after the word "five," to insert "net"; in the same line, after the word "tons," to strike out "net tonnage" and to insert "carrying merchandise"; at the beginning of line 25, to strike out "conductor, driver, or"; on page 314, line 9, after the word "any," to strike out "cargo" and to insert "merchandise"; in line 11, after the word "master," to insert "of any such vessel"; at the beginning of line 12, to strike out "conductor, driver"; in the same line, after the word "or," to strike out "other" and to insert "the"; at the beginning of line 13, to strike out "vessel or"; in the same line, after the word "who," to strike out "shall fail" and to insert "fails"; in line 16, after the word "merchandise," to insert "or baggage"; and in the same line, before the word "unladen," to strike out "shall be" and to insert "is," so as to make the paragraph read:

SEC. 459. Reports from contiguous countries—Report: The master of any vessel of less than 5 net tons carrying merchandise and the person in charge of any vehicle arriving in the United States from a contiguous country shall immediately report his arrival to the customs officer at the port of entry or customhouse which shall be nearest to the place at which such vessel or vehicle shall cross the boundary line or shall enter the territorial waters of the United States, and if such vessel or vehicle have on board any merchandise, shall produce to such customs officer a manifest as required by law, and no such vessel or vehicle shall proceed farther inland nor shall discharge or land any merchandise, passengers, or baggage without receiving a permit therefor from such customs officer. The master of any such vessel or the person in charge of any such vehicle who fails to report arrival in the United States as required by the provisions of this section shall be subject to a fine of $100 for each offense, and if any merchandise or baggage is unladen or discharged from any such vessel or vehicle without a permit therefor, the same, together with the vessel or vehicle in which imported, shall be subject to forfeiture.

The amendment was agreed to.

The next amendment was, on page 314, line 20, to change the number of the section from 461 to 460; in line 21, after the word "merchandise," to strike out "shall be" and to insert "is"; in the same line, after the word "imported" to insert "or brought"; in line 25, after the word "master," to insert "of the vessel"; in the same line, after the word "or," to strike out "other person having charge thereof" and to insert "the person in charge of the vehicle"; on page 315, line 3, after the word "the," to strike out "owner, master, or other person having charge" and to insert "the master"; and in line 4, after the word "or," to insert "the person in charge of such," so as to make the paragraph read:

SEC. 460. Same—Failure to report: If any merchandise is imported or brought into the United States in any vessel or vehicle from a contiguous country without being so reported to the collector, or in case of the neglect or failure of the master of the vessel or the person in charge of the vehicle to file a manifest therefor, such merchandise and the vessel or vehicle shall be subject to forfeiture, and the master of such vessel or the person in charge of such vehicle shall be liable to a penalty equal to the value of the merchandise imported in such vessel or vehicle which was not reported to the collector or included in the manifest.

Mr. McCUMBER. I move to amend the committee amendment on page 315, line 4, before the word "master," by striking out the word "the."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment of the Committee on Finance was, on page 315, line 8, to change the number of the section from

462 to 461; in the same line after the word "All," to strike out "merchandise, baggage, and other articles" and to insert "merchandise and baggage," and at the beginning of line 10 to insert "or brought in," so as to make the paragraph read:

SEC. 461. Same—Inspection: All merchandise and baggage imported or brought in from any contiguous country, except as otherwise provided by law or by regulations of the Secretary of the Treasury, shall be unladen in the presence of and be inspected by a customs officer at the first port of entry at which the same shall arrive; and such officer may require the owner, or his agent, or other person having charge or possession of any trunk, traveling bag, sack, valise, or other container, or of any closed vehicle, to open the same for inspection, or to furnish a key or other means for opening the same.

The amendment was agreed to.

The next amendment was, on page 315, line 20, to change the number of the section from 463 to 462; in line 25, after the word "duty," to insert "or any article the importation of which is prohibited"; on page 316, before the word "found," to strike out "shall be" and to insert "is"; and in line 2, after the words "shall be," to strike out "forfeited to the United States" and to insert "subject to forfeiture," so as to make the paragraph read:

SEC. 462. Same—Forfeiture: If such owner, agent, or other person shall fail to comply with his demand, the officer shall retain such trunk, traveling bag, sack, valise, or other container or closed vehicle, and open the same, and, as soon thereafter as may be practicable, examine the contents, and if any article subject to duty or any article the importation of which is prohibited is found therein, the whole contents and the container or vehicle shall be subject to forfeiture.

The amendment was agreed to.

The next amendment was, on page 316, line 4, to change the number of the section from 464 to 463, and line 4, after the word "cars," to strike out "To avoid inspection at the port of arrival of railroad cars laden with merchandise destined to a port in the United States, any customs or consular officer of the United States stationed in a contiguous country may, upon application by the owner of the merchandise, or his agent, or the agent of the carrier, close and seal the car; whereupon the car may proceed to the port of destination for entry under such regulations and requirements as the Secretary of the Treasury shall prescribe, without entry or inspection at the frontier port, if the seals are found intact at the time of arrival at the said port," and in lieu thereof to insert:

To avoid unnecessary inspection of merchandise imported from a contiguous country at the first port of arrival, the master of the vessel or the person in charge of the vehicle in which such merchandise is imported may apply to the customs or consular officer of the United States stationed in the place from which such merchandise is shipped, and such officer may seal such vessel or vehicle. Any vessel or vehicle so sealed may proceed with such merchandise to the port of destination under such regulations as the Secretary of the Treasury may prescribe.

The amendment was agreed to.

The next amendment was, on page 316, line 24, to change the number of the section from 465 to 464, and in line 24, after the word "delivery," to strike out "Any conductor or other person in charge of any such merchandise who shall fail to proceed promptly with the same to the port of destination and deliver the same, together with the manifest therefor, to the collector at the port of destination, shall be liable to a penalty equal to the value of the merchandise, if subject to duty, or to a penalty not to exceed $25 if the merchandise be free of duty," and to insert:

If the master of such vessel or the person in charge of any such vehicle fails to proceed with reasonable promptness to the port of destination and to deliver such vessel or vehicle to the proper officers of the customs, or fails to proceed in accordance with such regulations of the Secretary of the Treasury, or unlades such merchandise or any part thereof at other than such port of destination, or disposes of any such merchandise by sale or otherwise, he shall be guilty of a felony and upon conviction thereof shall be fined not more than $1,000 or imprisoned for not more than five years, or both; and any such vessel or vehicle, with its contents, shall be subject to forfeiture.

The amendment was agreed to.

The next amendment was, on page 317, line 18, to change the number of the section from 466 to 465, and in line 19, after the name "States," to strike out "enrolled and licensed" and to insert "documented," so as to make the paragraph read:

SEC. 465. Same—Supplies, etc.: The master of any vessel of the United States documented to engage in the foreign and coasting trade on the northern, northeastern, and northwestern frontiers shall, upon arrival from a foreign contiguous territory, file with the manifest of such vessel a detailed list of all supplies or other merchandise purchased in such foreign country for use or sale on such vessel, and also a statement of the cost of all repairs to and all equipment taken on board such vessel. The conductor or person in charge of any railway car arriving from a contiguous country shall file with the manifest of such car a detailed list of all supplies or other merchandise purchased in such foreign country for use in the United States. If any such supplies, merchandise, repairs, or equipment shall not be reported, the master, conductor, or other person having charge of such vessel or vehicle shall be liable to a fine of not less than $100 and not more than $500, or to imprisonment for not more than two years, or both.

The amendment was agreed to.

The next amendment was, on page 318, after line 10, to insert a new section as follows:

SEC. 466. That sections 3114 and 3115 of the Revised Statutes are amended to read as follows:

"SEC. 3114. The equipments, or any part thereof, including boats, purchased for, or the repair parts or materials to be used, or the expenses of repairs made in a foreign country upon a vessel documented under the laws of the United States to engage in the foreign or coasting trade, or a vessel intended to be employed in such trade, shall, on the first arrival of such vessel in any port of the United States, be liable to entry and the payment of an ad valorem duty of 50 per cent on the cost thereof in such foreign country; and if the owner or master of such vessel shall willfully and knowingly neglect or fail to report, make entry, and pay duties as herein required, such vessel, with her tackle, apparel, and furniture, shall be seized and forfeited.

"SEC. 3115. If the owner or master of such vessel, however, furnishes good and sufficient evidence that such vessel, while in the regular course of her voyage, was compelled, by stress of weather or other casualty, to put into such foreign port and purchase such equipments, or make such repairs, to secure the safety of the vessel to enable her to reach her port of destination, then the Secretary of the Treasury is authorized to remit or refund such duties, and such vessel shall not be liable to forfeiture, and no license or enrollment and license, or renewal of either, shall hereafter be issued to any such vessel until the collector to whom application is made for the same shall be satisfied, from the oath of the owner or master, that all such equipments and repairs made within the year immediately preceding such application have been duly accounted for under the provisions of this and the preceding sections, and the duties accruing thereon duly paid; and if such owner or master shall refuse to take such oath, or take it falsely, the vessel shall be seized and forfeited."

The amendment was agreed to.

Mr. McCORMICK. I ask unanimous consent to send to the desk and have printed and lie on the table two proposed amendments.

The PRESIDING OFFICER (Mr. WADSWORTH in the chair). Without objection, the amendments will be received, printed, and lie on the table; and the present occupant of the chair makes a similar request.

The Secretary will state the next amendment of the committee.

The next amendment was, under "Part 3.—Ascertainment, collection, and recovery of duties," on page 319, after line 21, to strike out:

SEC. 481. Certified invoice when required: Except as provided in sections 488, 506, 552, and 553 of this act, no merchandise shall be admitted to entry without the production of an invoice therefor, certified and verified as hereinafter provided, unless the person making entry shall file an application, under oath, showing that he is unable to produce such invoice, and shall present with such application a pro forma invoice or statement of cost or value in the form of an invoice covering the merchandise so entered. If the collector of customs shall be satisfied that the failure to produce a certified invoice is due to causes beyond the control of the importer, he may permit entry on such pro forma invoice, provided a bond shall be given by the importer in a penalty to be fixed by the Secretary of the Treasury for the production, within six months, of a certified invoice and for the payment of any increased duties that may be found due upon liquidation of the entry and for the payment of the penalty so fixed as liquidated damages in case the invoice is not produced.

The amendment was agreed to.

The next amendment was, on page 320, after line 14, to strike out:

SEC. 482. Same—To be in triplicate and signed.—All certified invoices shall be made out in triplicate, shall name the port of entry in the United States, and shall be signed by the seller of the merchandise, if shipped in pursuance of a purchase, or by the manufacturer or owner of the merchandise, if shipped otherwise than in pursuance of a purchase: *Provided*, That such invoice may be signed by the agent of such seller, manufacturer, or owner, who shall state on the invoice the name of his principal.

The amendment was agreed to.

The next amendment was, on page 320, after line 23, to strike out:

SEC. 483. Same—Disposition.—The original of the invoice shall be filed in the office of the consular officer by whom it was certified, to be there kept until the Secretary of State shall authorize its destruction. The duplicate shall be delivered to the exporter to be forwarded to the consignee for use in making entry of the merchandise, and the triplicate shall be promptly transmitted by the consular officer to the collector of customs at the port of entry named in the invoice.

The amendment was agreed to.

The next amendment was, on page 321, after line 6, to strike out:

SEC. 484. Same contents: If the merchandise is to be shipped in pursuance of a purchase, the invoice must be made out in the currency of the purchase and must set forth the purchase price of the merchandise, and specify all charges thereon itemized by name and amount when known to the seller or shipper, or specify by name what charges (including commissions, insurance, freight, and cost of packing) are included therein when the amount for each charge is unknown to the seller or shipper. Such invoice shall also show when, where, and from whom the merchandise was purchased, the name of the purchaser, and shall separately itemize any drawbacks or bounties allowed upon the exportation of such merchandise. If the merchandise is to be shipped otherwise than in pursuance of a purchase, the invoice must be made out in the currency in which such or similar merchandise is ordinarily bought and sold or is freely offered for sale in the country or place from which the merchandise is shipped to the United States and must set forth the actual market value of the merchandise in such country

or at such place at the time of certification. All invoices must be made out in the weights or measures of the country or place from which the merchandise is exported to the United States or in weights and measures of the United States, and shall contain a correct, complete, and detailed description of the merchandise and of the packages or wrappings or other containers or coverings thereof, including the name by which each item is known to the trade in the country of exportation, and a statement of the grade or quality, and of the marks, numbers, or symbols by which such merchandise is sold by the seller or manufacturer thereof in the usual course of trade. When the merchandise has been purchased in different consular districts for shipment to the United States and is assembled for shipment and embraced in a single invoice certified at the shipping point, the invoice must have attached thereto the original bills or invoices received by the shipper, or extracts therefrom, showing the actual prices paid or to be paid for such merchandise.

The amendment was agreed to.

The next amendment was, on page 322, after line 19, to insert a new section, as follows:

SEC. 481. Contents of invoice: (a) That all invoices of merchandise to be imported into the United States shall set forth—

(1) The port of entry to which the merchandise is destined;

(2) The time when, the place where, and the person by whom and the person to whom the merchandise is sold or agreed to be sold, or if to be imported otherwise than in pursuance of a purchase, the place from which shipped, the time when and the person to whom and the person by whom it is shipped;

(3) A detailed description of the merchandise, including the name by which each item is known, the grade or quality, and the marks, numbers, or symbols under which sold by the seller or manufacturer to the trade in the country of exportation, together with the marks and numbers of the packages in which the merchandise is packed;

(4) The quantities in the weights and measures of the country or place from which the merchandise is shipped, or in the weights and measures of the United States;

(5) The purchase price of each item in the currency of the purchase, if the merchandise is shipped in pursuance of a purchase or an agreement to purchase;

(6) If the merchandise is shipped otherwise than in pursuance of a purchase or an agreement to purchase, the foreign value for each item, in the currency of the country of exportation or, in the absence of such value, the price in such currency that the manufacturer, seller, shipper, or owner would have received, or was willing to receive, for such merchandise if sold in the ordinary course of trade and in the usual wholesale quantities in the country of exportation;

(7) The kind of currency, whether gold, silver, or paper;

(8) All charges upon the merchandise, itemized by name and amount when known to the seller or shipper; or all charges by name (including commissions, insurance, freight, cases, containers, coverings, and cost of packing) included in the invoice prices when the amounts for such charges are unknown to the seller or shipper;

(9) All rebates, drawbacks, and bounties, separately itemized, allowed upon the exportation of the merchandise; and

(10) Any other facts deemed necessary to a proper appraisement, examination, and classification of the merchandise that the Secretary of the Treasury may require.

(b) If the merchandise is shipped to a person in the United States by a person other than the manufacturer, otherwise than by purchase, such person shall state on the invoice the time when, the place where, the person from whom such merchandise was purchased, and the price paid therefor in the currency of the purchase, stating whether gold, silver, or paper.

(c) When the merchandise has been purchased in different consular districts for shipment to the United States and is assembled for shipment and embraced in a single invoice which is produced for certification under the provisions of paragraph (2) of subdivision (a) of section 482 of this act, the invoice shall have attached thereto the original bills or invoices received by the shipper, or extracts therefrom, showing the actual prices paid or to be paid for such merchandise. The consular officer to whom the invoice is so produced for certification may require that any such original bill or invoice be certified by the consular officer for the district in which the merchandise was purchased.

Mr. MCCUMBER. On page 323, line 21, I move to strike out "foreign."

The amendment to the amendment was agreed to.

Mr. MCCUMBER. On lines 21 and 22 I move to strike out "of the country of exportation" and insert in lieu thereof "in which the transactions are usually made."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 325, after line 9, to strike out:

SEC. 485. Same declarations. Every such invoice shall be produced to the consular officer of the United States for the consular district from which the merchandise is to be shipped and shall have indorsed thereon, when so produced, a declaration signed and sworn to before an officer authorized to administer oaths under the laws of the place where signed and sworn to, by the seller, manufacturer, or owner, or by his or their agent having knowledge of the facts. If the merchandise is to be shipped in pursuance of a purchase, such declaration shall state that the invoice is in all respects correct and true and was made at the place from which the merchandise is to be exported to the United States; that it contains the names of the seller and of the purchaser and of the port at which the merchandise is to be entered, the time when and the place where the merchandise was purchased, and the purchase price of the merchandise at the place of purchase, with all charges thereon itemized by name and amount when known to the seller (including commissions, insurance, freight, and cost of packing), and by name when the amount of each charge is unknown to the seller; that the currency in which the invoice is made out is the currency of purchase or agreement to purchase, and that no discounts, rebates, or commissions have been or are to be paid or received, except those stated in the invoice, and that all drawbacks or bounties received or to be received are shown therein. When the merchandise is shipped otherwise than in pursuance of a purchase, such declaration shall state that the invoice is in all respects correct and true and was made at the place from which the merchandise is shipped to the United States and shows the actual market value of the merchandise packed ready for shipment to the United States, and that such market value is the price at which the merchandise described in the invoice is freely offered for sale in the country from which exported. If such merchandise is not freely offered for sale to all purchasers in the principal markets of the country from which exported, or if the cost of production be stated instead of the market value, the declaration shall so state and shall set forth the terms and conditions under which the merchandise is shipped to the United States, and in such case the invoice shall be made out in the currency of the country or place from which the merchandise is imported into the United States.

And in lieu thereof to insert:

SEC. 482. Declarations accompanying certified invoices: (a) Every invoice covering merchandise exceeding $100 in value shall, at or before the time of the shipment of the merchandise, or as soon thereafter as the conditions will permit, be produced for certification to the consular officer of the United States—

(1) For the consular district in which the merchandise was manufactured or purchased, or from which it was to be delivered pursuant to contract;

(2) For the consular district in which the merchandise is assembled and repacked for shipment to the United States, if it has been purchased in different consular districts.

(b) Such invoices shall have indorsed thereon, when so produced, a verified declaration, in a form prescribed by the Secretary of the Treasury, stating whether the merchandise is sold or agreed to be sold, or whether it is shipped otherwise than in pursuance of a purchase or an agreement to purchase, that there is no other invoice differing from the invoice so produced, and that all the statements contained in such invoice and in such declaration are true and correct.

(c) Every certified invoice shall be made out in triplicate and shall be signed by the seller or shipper, or the agent of either. Where any such invoice is signed by an agent, he shall state thereon the name of his principal.

The amendment was agreed to.

The next amendment was, on page 328, after line 4, to strike out:

SEC. 486. Same certification: The consular officer before whom the declaration above provided for was made shall certify on the invoice that he is satisfied that the person signing the declaration was the identical person whom he represented himself to be and that the declaration was signed and sworn to at the time and place indicated. If such consular officer knows any material statements in the invoice to be untrue he shall refuse to certify the same and shall so notify the collector of customs at the port to which such merchandise is destined for entry. If in doubt as to the truth or correctness of any invoice, he may certify the same and transmit to the collector of customs, as marginal notations on the triplicate copy or otherwise, a statement of such information as he may have in the matter.

The amendment was agreed to.

The next amendment was, on page 328, after line 18, to insert:

(d) Such invoices shall be certified in accordance with the provisions of existing law.

(e) The original of the invoice shall be filed in the office of the consular officer by whom it was certified, to be there kept until the Secretary of State authorizes its destruction. The duplicate shall be delivered to the exporter, to be forwarded to the consignee for use in making entry of the merchandise, and the triplicate shall be promptly transmitted by the consular officer to the collector of customs at the port of entry named in the invoice.

The amendment was agreed to.

The next amendment was, on page 329, at the beginning of line 4, to strike out "SEC. 487. Same." and to insert (f), so as to read:

(f) When merchandise is to be shipped from a place so remote from an American consulate as to render impracticable certification of the invoice by an American consular officer, such invoice may be certified by a consular officer of a nation at the time in amity with the United States, or if there be no such consular officer available such invoice shall be executed before a notary public or other officer having authority to administer oaths and having an official seal: *Provided*, That invoices for merchandise shipped to the United States from the Philippine Islands or any of its other possessions may be certified by the collector of customs or the person acting as such, or by his deputy.

The amendment was agreed to.

The next amendment was, on page 329, after line 15, to strike out:

SEC. 488. Cost of production: When necessary to the appraisement of any merchandise, the collector may require a statement signed and verified, as in the case of a declaration to the invoice, by the manufacturer or producer showing the cost of production of the merchandise, including the cost of materials and of all manipulation, fabrication, or other manufacture, and of general expenses thereof, together with the expense of packing such merchandise ready for shipment, and all other costs and charges, including packages. Such statement may be accepted in lieu of the certified invoice hereinbefore provided for, or may be required in addition to such invoice, in the discretion of the collector of customs at the port of entry. In like manner the collector may require upon the entry of merchandise consigned for sale by or on account of a person other than the manufacturer a statement signed by the consignor showing the time when, the place where, and from whom he purchased the merchandise, and in detail the price paid therefor in the currency of the purchase. All such statements shall be made in triplicate and shall bear the attestation of the consular officer of the United States resident within the consular district from which the merchandise was shipped, one copy thereof to be delivered to the person making the statement, one copy to be transmitted with the triplicate invoice of the merchandise to the collector at the port in the United States to which the merchandise is consigned, and the remaining copy to be filed in the consulate.

The amendment was agreed to.

The next amendment was, on page 330, line 20, after the word "this," to strike out "act" and to insert "title," so as to read:

SEC. 483. Ownership for entry: All merchandise imported into the United States shall, for the purposes of this title, be held to be the property of the person to whom the same is consigned; and the holder of a bill of lading duly indorsed by the consignee therein named, or, if consigned to order, by the consignor, shall be deemed the consignee thereof. The underwriters of abandoned merchandise and the salvors of merchandise saved from a wreck at sea or on or along a coast of the United States may, for such purposes, be regarded as the consignees.

The amendment was agreed to.

The next amendment was, on page 331, after line 2, to strike out:

SEC. 490. Entry: The consignee of any imported merchandise, either in person or by an agent authorized by him in writing, shall make entry thereof at the customhouse within 48 hours, excluding Sundays and holidays, after the entry of the importing vessel or report of the vehicle or after the arrival at the port of destination of merchandise transported in bond, unless a longer time shall be expressly allowed therefor by the collector of customs, and in his entry shall specify the name of the importing vessel, the port or place from which such merchandise is imported, the date of arrival, the marks, numbers, and character of the packages or containers of such merchandise, and a description of the merchandise in terms of the tariff laws of the United States, and the value of each item or lot according to its dutiable classification, together with all costs, charges, and expenses included in such value separately itemized. Such entry shall be signed by the person making the same, and shall be accompanied with the invoice or invoices covering such merchandise in the same condition in which it or they were received, with the bills of lading for the same, and such certificates and documents as may be required by law or by the customs regulations to be filed upon the entry of imported merchandise: *Provided*, That the consignee named in the manifest of the importing vessel or vehicle, or in the certified invoice for any merchandise, may make entry thereof, without the production of a bill of lading, upon giving a bond in a penal sum equal to double the estimated value of such merchandise, with sureties to be approved by the collector of customs, conditioned for the production, within 30 days thereafter, of the bill of lading covering the merchandise.

And in lieu thereof to insert:

SEC. 484. Entry: (a) Except as provided in sections 490, 498, 552, and 553 and in subsection (d) of section 315 of this act, the consignee of imported merchandise shall make entry therefor either in person or by an agent authorized by him in writing under such regulations as the Secretary of the Treasury may prescribe. Such entry shall be made at the customhouse within 48 hours, exclusive of Sundays and holidays, after the entry of the importing vessel or report of the vehicle, or after the arrival at the port of destination in the case of merchandise transported in bond, unless the collector authorizes in writing a longer time.

(b) No merchandise shall be admitted to entry under the provisions of this section without the production of a certified invoice therefor, except that entry may be permitted if—

(1) The collector is satisfied that the failure to produce such invoice is due to causes beyond the control of the person making entry;

(2) Such person makes a declaration in writing that he is unable to produce such invoice and (A) files therewith a seller's or shipper's invoice, or (B) if he is not in possession of a seller's or shipper's invoice files therewith a statement of the value, or the price paid, in the form of an invoice; and

(3) Such person gives a bond in a penal sum to be fixed by the Secretary of the Treasury for (A) the production of such certified invoice within six months, (B) the payment of any increased duties found due upon the liquidation of the entry, and (C) the payment of the penal sum so fixed as liquidated damages in the event that such invoice is not so produced or such increased duties are not so paid.

(c) The consignee shall produce the bill of lading at the time of making entry. If the collector is satisfied that no bill of lading has been issued, the shipping receipt or other evidence satisfactory to the collector may be accepted in lieu thereof.

(d) Such entry shall be signed by the consignee, or his agent, and shall set forth such facts in regard to the importation as the Secretary of the Treasury may require for the purpose of assessing duties and to secure a proper examination, inspection, appraisement, and liquidation, and shall be accompanied by such certificates and documents as are required by law and regulations promulgated thereunder.

(e) The Secretary of the Treasury and the Secretary of Commerce are authorized and directed to establish from time to time for statistical purposes an enumeration of articles in such detail as in their judgment may be necessary, comprehending all merchandise imported into the United States, and as a part of the entry there shall be attached thereto or included therein an accurate statement specifying, in terms of such detailed enumeration, the kinds and quantities of all merchandise imported and the value of the total quantity of each kind of article.

(f) If any of the certificates or documents necessary to make entry of any part of merchandise arriving on one vessel or vehicle and consigned to one consignee have not arrived, such part may be entered subsequently, and notation of the packages or cases to be omitted from the original entry shall be made thereon. One or more packages arriving on one vessel or vehicle addressed for delivery to one person and imported in another package containing packages addressed for delivery to other persons may be separately entered, under such rules and regulations as the Secretary of the Treasury may prescribe. All other merchandise arriving on one vessel or vehicle and consigned to one consignee shall be included in one entry.

(g) Under such regulations as the Secretary of the Treasury may prescribe, the collector or the appraiser may require a verified statement from the manufacturer or producer showing the cost of production of the imported merchandise, when necessary to the appraisement of such merchandise.

Mr. McCUMBER. On page 333, after the word "for" in line 7, I move to strike out all of the matter down to and including the period in line 12, and insert in lieu thereof the following:

The production of such certified invoice within six months, and the payment of the penal sum so fixed as liquidated damages in the event such invoice is not so produced.

The amendment to the amendment was agreed to.

Mr. McCUMBER. On page 333, I also move to strike out all of lines 13 to 17, inclusive, and to insert in lieu thereof the following:

(c) The consignee shall produce the bill of lading at the time of making entry, except that—

(1) If the collector is satisfied that no bill of lading has been issued, the shipping receipt or other evidence satisfactory to the collector may be accepted in lieu thereof; and

(2) The collector is authorized to permit entry and to release merchandise from customs custody without the production of the bill of lading if the person making such entry gives a bond satisfactory to the collector, in a sum equal to not less than one and one-half times the invoice value of the merchandise, to produce such bill of lading, to relieve the collector of all liability, to indemnify the collector against loss, to defend every action brought upon a claim for loss or damage, by reason of such release from customs custody or a failure to produce such bill of lading and to entitle any person injured by reason of such release from customs custody to sue on such bond in his own name, without making the collector a party thereto. Any person so injured by such release may sue on such bond to recover any damages so sustained by him.

The amendment to the amendment was agreed to.

Mr. McCUMBER. On line 23, page 333, after the word "such," I move to insert "invoices, bills of lading."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 335, after line 4, to strike out:

SEC. 491. Declaration: There shall be filed with every entry of imported merchandise exceeding $100 in value a declaration, upon a form to be prescribed by the Secretary of the Treasury, which shall be signed by the owner, importer, consignee, or his agent under regulations prescribed by the Secretary of the Treasury: *Provided*, That the Secretary of the Treasury may make regulations by which books, magazines, and other periodicals published and imported in successive parts, numbers, or volumes, and entitled to be imported free of duty, shall require but one declaration for the entire series. The Secretary of the Treasury and the Secretary of Commerce are hereby authorized and directed to establish from time to time for statistical purposes a list or enumeration of articles in such detail as in their judgment may be necessary, comprehending all merchandise imported into the United States, and as a part of the entry herein provided for there shall be either attached thereto or included therein an accurate statement specifying, in terms of the said detailed list or enumeration, the kinds and quantities of all merchandise imported and the value of the total quantity of each kind of article.

The amendment was agreed to.

The next amendment was, at the top of page 336, to strike out:

SEC. 492. Owner's declaration: Whenever any entry covering merchandise subject to duty and valued at more than $100 is made by an agent or person other than the person to whom such merchandise actually belongs or is ultimately consigned, the collector of customs shall require a bond to be given, in a penalty to be fixed by the Secretary of the Treasury, for the production of a declaration of the actual owner or ultimate consignee respecting the merchandise in a form prescribed by the Secretary of the Treasury.

The amendment was agreed to.

The next amendment was, on page 336, after line 9, to insert:

SEC. 485. Declaration: (a) Every consignee making an entry under the provisions of section 484 of this act shall make and file therewith, in a form to be prescribed by the Secretary of the Treasury, a declaration under oath, stating—

(1) Whether the merchandise is imported in pursuance of a purchase or an agreement to purchase, or whether it is imported otherwise than in pursuance of a purchase or agreement to purchase;

(2) That the prices set forth in the invoice are true, in the case of merchandise purchased or agreed to be purchased; or in the case of merchandise secured otherwise than by purchase or agreement to purchase, that the statements in such invoice as to foreign value are true to the best of his knowledge and belief;

(3) That all other statements in the invoice or other documents filed with the entry, or in the entry itself, are true and correct; and

(4) That he will produce at once to the collector any invoice paper, letter, document, or information received showing that any such prices or statements are not true or correct.

(b) The Secretary of the Treasury is authorized to prescribe regulations for one declaration in the case of books, magazines, newspapers, and periodicals published and imported in successive parts, numbers, or volumes, and entitled to free entry.

(c) In the event that an entry is made by an agent under the provisions of section 484 of this act, and such agent is not in possession of such declaration of the consignee, such agent shall give a bond, in a form and of a penal sum prescribed by the Secretary of the Treasury, to produce such declaration.

(d) A consignee shall not be liable for any additional or increased duties if (1) he declares at the time of entry that he is not the actual owner of the merchandise, (2) he furnishes the name and address of such owner, and (3) within 90 days from the date of entry he produces a declaration of such owner and a bond of such owner conditioned that he will pay all additional and increased duties, under such regulations as the Secretary of the Treasury may prescribe. Such owner shall possess all the rights of a consignee.

(e) The Secretary of the Treasury shall prescribe separate forms for the declaration in the case of merchandise which is imported in pursuance of a purchase or agreement to purchase and merchandise which is imported otherwise than in pursuance of a purchase or agreement to purchase.

Mr. McCUMBER. On page 337, line 20, I move to strike out "and a bond of such owner."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 338, line 4, before the word "whenever," to insert "(f)"; in the same line, after the word "is," to strike out "ultimately"; and at the end of line 8, to strike out the word "ultimate," so as to read:

(f) Whenever such merchandise is consigned to a deceased person, or to an insolvent person who has assigned the same for the benefit of his creditors, the executor or administrator, or the assignee of such person or receiver or trustee in bankruptcy, shall be considered as the consignee; when consigned to a partnership the declaration of one of the partners only shall be required, and when consigned to a corporation such declaration may be made by any officer of such corporation or by any other person specifically authorized by the board of directors of such corporation to make the same.

The amendment was agreed to.

The next amendment was, on page 338, after line 14, to strike out:

SEC. 493. Scope of entry: All merchandise arriving on one vessel and consigned to one consignee shall be included in one entry: *Provided*, That if the documents necessary to make entry of any part of such merchandise shall not have been received, such part may be entered subsequently, and notation of the packages or cases to be omitted from the original entry shall be made thereon: *And provided further*, That one or more packages addressed for delivery to one person and imported in another package containing packages addressed for delivery to other persons may be separately entered, under regulations prescribed by the Secretary of the Treasury.

The amendment was agreed to.

The next amendment was, on page 339, line 3, after the word "appraisal," to strike out "or for which the importer or consignee desires to make entry but is not in possession of the invoices and other documents required by law or regulations to be produced upon entry, the importer or" and to insert "the"; in line 14, after the word "collector," to strike out "of customs"; in line 17, after the word "collector," to strike out "of customs"; and in line 20, after the name "States," to strike out the comma and "and further conditions that the obligors shall pay to the collector of customs any increased or additional duties which may be found due upon final liquidation of such entry," so as to read:

SEC. 486. Bond: Upon entry of any merchandise, none of which or a part only of which is sent to the public stores for inspection, examination, or appraisal, the consignee shall give a bond, conditioned that he will produce all invoices, declarations, and other documents or papers required by law or regulations made in pursuance thereof upon the entry of imported merchandise; and that he will comply with all the requirements of the laws or regulations made in pursuance thereof relating to the importation and admission of such merchandise and will return to the collector, when demanded by such collector, not later than 10 days after the appraiser's report, such of the merchandise as was not sent to the public stores, and also will return to the collector, on demand by him, any and all merchandise found not to comply with the law and regulations governing its admission into the commerce of the United States. Such bond shall be given in a form and in a penalty to be prescribed by the Secretary of the Treasury, the penalty thereof to be paid as liquidated damages.

The amendment was agreed to.

The next amendment was, on page 340, line 1, after the word "That," to strike out "such bond may be canceled, after payment of all duties found due upon final liquidation, under such conditions as the Secretary of the Treasury may direct: *And provided further*, That"; and in line 6, after the word "any," to strike out "importer or," so as to make the proviso read:

Provided, That instead of a bond upon each entry the Secretary of the Treasury may prescribe a bond to be taken from any consignee to cover all importations entered by him within a period of one year from the date thereof.

The amendment was agreed to.

The next amendment was, on page 340, after line 8, to insert a new section as follows:

SEC. 487. The consignee, or his agent, may, at the time entry is made or at any time before the invoice or the merchandise has come under the observation of the appraiser, make such additions in the entry to or such deductions from the cost or value given in the invoice as in his opinion may raise or lower the same to the value of such merchandise.

Mr. McCUMBER. On page 340, line 12, after the word "appraiser," I move to insert "for the purpose of appraisement."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 340, after line 15, to insert a new section as follows:

SEC. 488. The collector within whose district any merchandise is entered shall cause such merchandise to be appraised.

The amendment was agreed to.

Mr. McCUMBER. On page 341, line 1, I move to strike out the word "or" and insert in lieu thereof the word "for."

The PRESIDING OFFICER. There is a misprint there, and without objection the letter "f" will be added.

The next amendment was, on page 341, line 2, after the word "entry," to strike out the colon and "*Provided*, That such" and to insert "Such"; in line 11, after the word "duties," to insert "shall not be construed to be penal and"; and in line 18, after the word "except," to insert "in the case of a manifest clerical error," so as to read:

Such additional duty shall apply only to the particular article or articles in each invoice that are so advanced in value upon final appraisement and shall not be imposed upon any article upon which the amount of duty imposed by law on account of the final appraised value does not exceed the amount of duty that would be imposed if the final appraised value did not exceed the entered value, and shall be limited to 75 per cent of the final appraised value of such article or articles. Such additional duties shall not be construed to be penal and shall not be remitted nor payment thereof in any way avoided, except in the case of a manifest clerical error, etc.

Mr. McCUMBER. On page 341, line 13, I move to insert a comma after the word "error."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment of the committee was, on page 341, in line 14, after the word "or," to insert "in any case"; and in line 15, after the word "Appraisers," to insert "upon a petition filed and supported by satisfactory evidence under such rules as the board may prescribe," so as to make the paragraph read:

SEC. 489. Additional duties: If the final appraised value of any article of imported merchandise which is subject to an ad valorem rate of duty or to a duty based upon or regulated in any manner by the value thereof shall exceed the entered value, there shall be levied, collected, and paid, in addition to the duties imposed by law on such merchandise, an additional duty of 1 per cent of the total final appraised value thereof for each 1 per cent that such final appraised value exceeds the value declared in the entry. Such additional duty shall apply only to the particular article or articles in each invoice that are so advanced in value upon final appraisement and shall not be imposed upon any article upon which the amount of duty imposed by law on account of the final appraised value does not exceed the amount of duty that would be imposed if the final appraised value did not exceed the entered value, and shall be limited to 75 per cent of the final appraised value of such article or articles. Such additional duties shall not be construed to be penal and shall not be remitted nor payment thereof in any way avoided, except in the case of a manifest clerical error upon the order of the Secretary of the Treasury, or in any case upon the finding of the Board of General Appraisers, upon a petition filed and supported by satisfactory evidence under such rules as the board may prescribe, that the entry of the merchandise at a less value than that returned upon final appraisement was without any intention to defraud the revenue of the United States or to conceal or misrepresent the facts of the case or to deceive the appraiser as to the value of the merchandise.

The amendment was agreed to.

Mr. McCUMBER. On page 341, after the period, in line 22, I move on behalf of the committee to insert:

If the appraised value of any merchandise exceeds the value declared in the entry by more than 100 per cent, such entry shall be presumptively fraudulent, and the collector shall seize such merchandise and proceed as in case of forfeiture for violation of the customs laws; and in any legal proceeding other than a criminal prosecution that may result from such seizure, the undervaluation as shown by the appraisal shall be presumptive evidence of fraud, and the burden of proof shall be on the claimant to rebut the same, and forfeiture shall be adjudged unless he rebuts such presumption of fraud by sufficient evidence.

The amendment was agreed to.

The next amendment was, on page 342, line 3, after the word "drawback," to strike out the comma and "except as above prescribed"; at the beginning of line 5, to strike out "duties" and to insert "merchandise"; in line 7, after the words "with a," to strike out "pro forma" and to insert "seller's or shipper's"; in line 15, after the word "contention," to strike out "in said pending cases"; at the beginning of line 20, to strike out "part" and to insert "part, and the collector shall liquidate the entry in accordance with the final appraisement"; and, in line 21, to strike out "after exportation and before entry for consumption or warehouse of any imported merchandise the owner, consignee, or agent may file with the collector a tentative entry thereof, together with a copy of the invoice or statement in the form of an invoice, accompanied with any evidence he may have tending to establish value, and whenever practicable verified samples of the merchandise, whereupon the collector shall with the utmost expedition, by the case permitted, cause an advisory appraisement, with all rights of appeal provided by law in appraisement cases, to be made thereupon in aid of entry, the appraising officer therein proceeding as in all other cases by law provided: *Provided*, That in the absence of fraud, concealment, or misrepresentation, when merchandise is entered in accordance with any such advisory appraisement, no penalties or other than ascertained increased duties shall be assessed for any variance between said entered value and the final appraised value of such merchandise: *Provided further*, That all declarations and statements (other than statements in the form of invoices) required by law to be presented and filed upon entry, if filed for entry upon advisory appraisement, may be therein referred to as part thereof, and thereupon shall be deemed and become such and, to the extent the legal requirements relating thereto are complied with, shall be held sufficient," so as to make the paragraph read:

Upon the making of such order or finding, the additional duties shall be remitted or refunded, wholly or in part, and the entry shall be liquidated or reliquidated accordingly. Such additional duties shall not be refunded in case of exportation of the merchandise, nor shall they be subject to the benefit of drawback. All additional duties, penalties, or forfeitures applicable to merchandise entered in connection with a certi-

fied invoice shall be alike applicable to merchandise entered in connection with a seller's or shipper's invoice or statement in the form of an invoice. Duties shall not, however, be assessed upon an amount less than the entered value, except in a case where the importer certifies at the time of entry that the entered value is higher than the value as defined in this act, and that the goods are so entered in order to meet advances by the appraiser in similar cases then pending on appeal for reappraisement or re-reappraisement, and the importer's contention shall subsequently be sustained, wholly or in part, by a final decision on reappraisement or re-reappraisement, and it shall appear that the action of the importer on entry was so taken in good faith, after due diligence and inquiry on his part, and the collector shall liquidate the entry in accordance with the final appraisement.

The amendment was agreed to.

The next amendment was, on page 344, line 1, after the word "incomplete," to strike out "for want of an invoice" and to insert "because of"; in line 2, after the word "duties," to insert "or whenever, in the opinion of the collector, entry of such merchandise can not be made for want of proper documents"; at the beginning of line 5, to strike out "of customs shall have good reason to believe" and to insert "believes"; in line 7, after the word "send," to strike out "the same" and to insert "it"; in line 9, after the word "the," to strike out "owner or"; in the same line, after the word "entry," to strike out "therefor shall have been" and to insert "is"; in line 10, after the word "and," to strike out "the invoices or other" and to insert "the proper"; in line 11, after the word "documents," to strike out "required by law or regulations shall have been" and to insert "are"; in line 12, after the word "bond," to insert "given"; and at the end of line 13, to strike out "given," so as to make the section read:

SEC. 490. Incomplete entry: Whenever entry of any imported merchandise is not made within the time provided by law or the regulations prescribed by the Secretary of the Treasury, or whenever entry of such merchandise is incomplete, because of failure to pay the estimated duties, or whenever, in the opinion of the collector, entry of such merchandise can not be made for want of proper documents or other cause, or whenever the collector believes that any merchandise is not correctly and legally invoiced, he shall take the merchandise into his custody and send it to a bonded warehouse or public store, to be held at the risk and expense of the consignee until entry is made or completed and the proper documents are produced, or a bond given for their production.

The amendment was agreed to.

The next amendment was, on page 344, line 15, after the word "collector," to strike out the comma and "under the preceding section or other provisions of law,"; and in line 20, after the word "collector," to strike out "of customs," so as to make the section read:

SEC. 491. Unclaimed goods: If any merchandise of which possession has been taken by the collector shall remain in bonded warehouse or public store for one year without entry thereof having been made and the duties and charges thereon paid, such merchandise shall be appraised by the appraiser of merchandise and sold by the collector at public auction as abandoned to the Government, under such regulations as the Secretary of the Treasury shall prescribe. All gunpowder and other explosive substances and merchandise liable to depreciation in value by damage, leakage, or other cause to such extent that the proceeds of sale thereof may be insufficient to pay the duties, storage, and other charges, if permitted to remain in public store or bonded warehouse for a period of one year, may be sold forthwith, under such regulations as the Secretary of the Treasury may prescribe.

The amendment was agreed to.

The next amendment was, on page 345, line 6, after the word "forfeited," to strike out "Any" and to insert "Except as provided in section 3369 of the Revised Statutes, as amended, any," so as to make the section read:

SEC. 492. Merchandise abandoned or forfeited: Except as provided in section 3369 of the Revised Statutes, as amended, any merchandise abandoned or forfeited to the Government under the preceding or any other provision of the customs laws, which is subject to internal-revenue tax and which the collector shall be satisfied will not sell for a sufficient amount to pay such taxes, shall be forthwith destroyed under regulations to be prescribed by the Secretary of the Treasury, instead of being sold at auction.

The amendment was agreed to.

The next amendment was, on page 345, line 15, after the word "surplus," to strike out the comma and "if any there be,"; in line 16, after the word "of" where it occurs the second time, to strike out "such," and in the same line, after the word "sales," to insert "under section 491 of this act"; and in line 20, after the word "collector," to strike out "of customs," so as to make the section read:

SEC. 493. Proceeds of sale: The surplus of the proceeds of sales under section 491 of this act, after the payment of storage charges, expenses, duties, and the satisfaction of any lien for freight, charges, or contribution in general average, shall be deposited by the collector in the Treasury of the United States, if claim therefor shall not be filed with the collector within 10 days from the date of sale, and the sale of such merchandise shall exonerate the master of any vessel in which the merchandise was imported from all claims of the owner thereof, who shall, nevertheless, on due proof of his interest, be entitled to receive from the Treasury the amount of any surplus of the proceeds of sale.

The amendment was agreed to.

The next amendment was, on page 346, line 7, after the word "the," to strike out "owner, agent, or," so as to make the section read:

SEC. 494. Expense of weighing, etc.: In all cases in which the invoice or entry does not state the weight, quantity, or measure of the merchandise the expense of ascertaining the same shall be collected from the consignee before its release from customs custody.

The amendment was agreed to.

The next amendment was, on page 346, after line 17, to strike out:

SEC. 502. Baggage—Declaration: In order to ascertain what articles contained in the baggage or carried on the person or persons arriving in the United States are subject to the payment of duty the collector of customs may require a declaration and entry thereof, under regulations prescribed by the Secretary of the Treasury, to be made by the owner or his agent, in which all articles intended for sale or for commercial use or belonging to or intended for other persons, and in the case of returning residents of the United States all articles obtained by them while abroad shall be particularly described, and the price paid for each article, if purchased, or the foreign market value thereof, if obtained otherwise than by purchase, shall be stated.

The amendment was agreed to.

The next amendment was, on page 347, after line 5, to strike out:

SEC. 503. Same bond: Whenever the declaration and entry provided for in the preceding section shall include any article belonging to any other person, the collector of customs may require a bond in a form prescribed by the Secretary of the Treasury, to be given by the person making such declaration in a sum equal to the estimated duties on like articles when subject to duty, conditioned for the production to the collector of customs within one year thereafter of a declaration by the owner of the articles.

The amendment was agreed to.

The next amendment was, on page 347, line 15, before the word "examination," to strike out "same"; in line 16, after the word "collector," to strike out "of customs"; in line 18, after the word "articles," to insert "are"; in the same line, after the word "therein," to strike out "are," and to insert "and whether"; in line 19, after the word "duty," to insert "free of duty, or prohibited"; and in line 20, after the word "therefor," to strike out "shall have" and to insert "has"; so as to make the section read:

SEC. 496. Examination of baggage: The collector may cause an examination to be made of the baggage of any person arriving in the United States in order to ascertain what articles are contained therein, and whether subject to duty, free of duty, or prohibited notwithstanding a declaration and entry therefor has been made.

The amendment was agreed to.

The next amendment was, on page 347, line 22, before the word "forfeiture," to strike out "same"; in the same line, after the word "any," to strike out "such"; in line 23, after the word "made," to strike out "or" and to insert "and"; at the beginning of line 24, to strike out "subsequently and"; in line 25, before the word "mentioned," to insert "not"; on page 348, line 1, to strike out "nor mentioned by such person to the customs officer before examination of the baggage was begun," and to insert "or orally"; in line 3, after the word "if," to insert "written"; in line 4, after the word "be," to strike out "forfeited" and to insert "subject to forfeiture"; and in line 5, after the words "to a," to strike out "further"; so as to make the section read:

SEC. 497. Forfeiture: Any article not included in the declaration and entry as made, and, before examination of the baggage was begun, not mentioned in writing by such person, if written declaration and entry was required, or orally if written declaration and entry was not required, shall be subject to forfeiture, and such person shall be liable to a penalty equal to the value of such article.

The amendment was agreed to.

The next amendment was, on page 348, after line 6, to strike out:

SEC. 506. Merchandise treated as not imported: Merchandise not exceeding $100 in value, merchandise damaged by fire or marine casualty on the voyage of importation, articles imported through the mails, articles recovered from a wrecked or stranded vessel, personal and household effects used abroad, not imported in pursuance of a purchase or agreement for purchase and not intended for sale, articles sent by persons in foreign countries as gifts or presents to persons in the United States, may be entered under such conditions and regulations as the Secretary of the Treasury may prescribe.

The amendment was agreed to.

The next amendment was, on page 348, after line 17, to insert a new section as follows:

SEC. 498. Entry under regulations: (a) The Secretary of the Treasury is authorized to prescribe rules and regulations for the declaration and entry of—

(1) Merchandise not exceeding $100 in value, including such merchandise imported through the mails;

(2) Merchandise damaged by fire or marine casualty on the voyage of importation;

(3) Merchandise recovered from a wrecked or stranded vessel;

(4) Household effects used abroad and personal effects, not imported in pursuance of a purchase or agreement for purchase and not intended for sale;

(5) Articles sent by persons in foreign countries as gifts to persons in the United States;

(6) Articles carried on the person or contained in the baggage of a person arriving in the United States;
(7) Tools of trade of a person arriving in the United States;
(8) Personal effects of citizens of the United States who have died in a foreign country;
(9) Merchandise within the provisions of sections 465 and 466 of this act at the first port of arrival; and
(10) Merchandise when in the opinion of the Secretary of the Treasury the value thereof can not be declared.
(b) The Secretary of the Treasury is authorized to include in such rules and regulations any of the provisions of section 484 or 485 of this act.

Mr. McCUMBER. On page 349, line 13, I move to strike out the word "and" where it appears at the end of the line.

The amendment to the amendment was agreed to.

Mr. McCUMBER. On page 349, line 15, I move to strike out the period and insert in lieu thereof a semicolon and the word "and."

The amendment to the amendment was agreed to.

Mr. McCUMBER. On page 349, after line 15, I move to insert:

(11) Merchandise within the provisions of the act entitled "An act to expedite the delivery of imported parcels and packages, not exceeding $500 in value," approved June 8, 1896.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 349, line 19, to strike out "Appraisement" and to insert "Examination of merchandise"; in line 20, before the word "merchandise," to strike out "No imported" and to insert "Imported"; in line 22, after the word "shall," to insert "not"; at the beginning of line 24, to strike out "the same" and to insert "it"; on page 350, line 2, after the word "the" where it occurs the second time, to strike out "statutes" and to insert "laws"; in line 3, after the word "collector," to strike out "of customs"; at the beginning of line 8, to insert "the Secretary of the Treasury shall by regulation prescribe the number of packages or the quantity of merchandise to be so designated, but not less than one package out of each invoice and not less than one package of each class or kind of merchandise. The collector or the appraiser may require such additional packages or quantities as either of them may deem necessary"; in line 14, after the word "package," to strike out "be" and to insert "is"; in line 16, after the word "he," to strike out "shall report" and to insert "reports"; in line 20, after the word "appraiser," to strike out "shall report" and to insert "reports"; in line 23, after the word "deficiency," to strike out "shall be" and to insert "is"; and in line 25, after the word "package," to insert "by customs officers," so as to make the section read:

SEC. 499. Examination of merchandise: Imported merchandise required by law or regulations made in pursuance thereof to be inspected, examined, or appraised, shall not be delivered from customs custody, except as otherwise provided in this act, until it has been inspected, examined, or appraised and is reported by the appraiser to have been truly and correctly invoiced and found to comply with the requirements of the laws of the United States. The collector shall designate the packages or quantities covered by any invoice or entry which are to be opened and examined for the purpose of appraisement or otherwise and shall order such packages or quantities to be sent to the public stores or other places for such purpose. The Secretary of the Treasury shall by regulation prescribe the number of packages or the quantity of merchandise to be so designated, but not less than one package out of each invoice and not less than one package of each class or kind of merchandise. The collector or the appraiser may require such additional packages or quantities as either of them may deem necessary. If any package is found by the appraiser to contain any article not specified in the invoice and he reports to the collector that in his opinion such article was omitted from the invoice with fraudulent intent on the part of the seller, shipper, owner, or agent, the contents of the entire package in which such article is found shall be liable to seizure, but if the appraiser reports that no such fraudulent intent is apparent then the value of said article shall be added to the entry and the duties thereon paid accordingly. If a deficiency is found in quantity, weight, or measure in the examination of any package by customs officers, report thereof shall be made to the collector, who shall make allowance therefor in the liquidation of duties.

The amendment was agreed to.

Mr. McCUMBER. On page 350, I move to strike out all of the matter, beginning with line 8, down to and including the period on line 12, and to insert in lieu thereof the following:

Not less than 1 package of every invoice and not less than 1 package of every 10 packages of merchandise shall be so designated unless the Secretary of the Treasury, from the character and description of the merchandise, is of the opinion that the examination of a less proportion of packages will amply protect the revenue and by special regulation permit a less number of packages to be examined.

The amendment was agreed to.

Mr. McCUMBER. On page 350, line 25, I move to strike out the words "by customs officers."

The amendment was agreed to.

The next amendment was, on page 351, after line 2, to strike out—

SEC. 508. Same—Appraiser's report: It shall be the duty of the appraiser, in person or by such of his subordinates as may be designated, by or under regulations prescribed by the Secretary of the Treasury, to examine all merchandise ordered or designated by the collector for examination, to compare the same with the invoices received therefor, and when the merchandise is subject to an ad valorem duty or to a duty based upon or regulated in any manner by its value, to use all reasonable ways and means in his power to estimate, determine, or ascertain and to report to the collector the value of such merchandise in its condition as imported and the number of yards or other quantity. The appraiser shall also in his report describe in terms of the tariff laws all merchandise designated for examination in order that the collector may determine the dutiable classification thereof, including a finding as to the component material of chief value in such merchandise if necessary to the classification thereof.

And in lieu thereof to insert:

SEC. 500. Duties of the appraiser, assistant appraiser, and examiner: (a) It shall be the duty of the appraiser under such rules and regulations as the Secretary of the Treasury may prescribe—
(1) To appraise the merchandise and the number of yards, parcels, or quantities, by ascertaining or estimating the value thereof by all reasonable ways and means in his power, irrespective of any statement of cost or cost of production in any invoice, affidavit, declaration, or other document;
(2) To ascertain the number of yards, parcels, or quantities of the merchandise ordered or designated for examination;
(3) To ascertain whether the merchandise has been truly and correctly invoiced;
(4) To describe the merchandise in order that the collector may determine the dutiable classification thereof; and
(5) To report his decisions to the collector.
(b) At ports where there are assistant appraisers provided for by law the appraiser shall have power to review and to revise and correct the reports of such assistant appraisers.
(c) It shall be the duty of an assistant appraiser—
(1) To examine and inspect such merchandise as the appraiser may direct, and to report to him the value thereof;
(2) To revise and correct the reports and to supervise and direct the work of such examiners and other employees as the appraiser may designate; and
(3) To assist the appraiser, under such regulations as the Secretary of the Treasury or the appraiser may prescribe.
(d) It shall be the duty of an examiner to examine and inspect the merchandise and report the value and such other facts as the appraiser may require in his appraisement or report, and to perform such other duties as may be prescribed by rules and regulations of the Secretary of the Treasury or the appraiser.
(e) The Secretary of the Treasury is authorized to designate an officer of the customs as acting appraiser at a port where there is no appraiser. Such acting appraiser shall take the oath, perform all the duties, and possess all the powers of an appraiser.

Mr. McCUMBER. On page 351 I move to strike out all of the matter beginning with line 25, down to and including line 3, page 252, and insert in lieu thereof the following:

(1) To appraise the merchandise in the unit of quantity in which the merchandise is usually bought and sold by ascertaining or estimating the value thereof by all reasonable ways and means in his power, any statement of cost or cost of production in any invoice, affidavit, declaration, or other document to the contrary notwithstanding.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 353, line 12, after the word "reappraisement," to strike out "shall be taken" and to insert "is filed with or mailed to the Board of General Appraisers"; in line 14, after the word "within," to strike out "thirty" and to insert "sixty"; in the same line, after the word "days," to strike out "thereafter, or by" and to insert "after the date of the appraiser's report, or filed by"; in line 15, after the word "the," to strike out "importer,"; in line 16, after the word "or," to strike out "agent" and to insert "his agent, with the collector"; in line 17, after the word "date," to insert "of personal delivery, or if mailed the date of mailing,"; in line 18, after the word "of," to strike out "the" and to insert "written"; in line 18, after the word "appraisement," to insert "to the consignee, his agent, or his attorney. No such appeal filed by the consignee, or his agent, shall be deemed valid, unless he has complied with all the provisions of this act relating to the entry and appraisement of such merchandise."; in line 23, after the word "the," to strike out "invoice and"; in the same line, after the word "entry," to insert "and the accompanying papers"; in line 24, after the word "collector," to strike out "of customs"; and on page 354, line 12, after the word "considered.", to insert "Copies of official documents, when certified by an official duly authorized by the Secretary of the Treasury, may be admitted in evidence with the same force and effect as original documents.", so as to read:

SEC. 501. Reappraisement: The decision of the appraiser shall be final and conclusive upon all parties unless a written appeal for a reappraisement is filed with or mailed to the Board of General Appraisers by the collector within sixty days after the date of the appraiser's report or filed by the consignee, or his agent, with the collector within ten days after the date of personal delivery, or if mailed the date of mailing of written notice of appraisement to the consignee, his agent, or his attorney. No such appeal filed by the consignee, or his agent, shall be deemed valid, unless he has complied with all the provisions of this act relating to the entry and appraisement of such merchandise. Every such appeal shall be transmitted with the entry and the accompanying papers by the collector to the Board of General Appraisers and shall be assigned to one of the general appraisers, who shall ascertain and return the value of the merchandise and shall give reasonable notice to the importer and to the person designated to repre-

sent the Government in such proceedings of the time and place of the hearing, at which the parties and their attorneys shall have an opportunity to introduce evidence and to hear and cross-examine the witnesses of the other party and to inspect all samples and all papers admitted or offered as evidence. In finding such value affidavits of persons whose attendance can not reasonably be had, price lists, catalogues, reports of consuls, special agents, collectors, appraisers, and other officers of the Government may be considered. Copies of official documents, when certified by an official duly authorized by the Secretary of the Treasury, may be admitted in evidence with the same force and effect as original documents.

Mr. McCUMBER. On page 354, line 10, afer the word "reports," I move to insert the words "or depositions."

The amendment to the amendment was agreed to.

Mr. McCUMBER. On page 354, line 11, after the word "appraisers," I move to insert the words "assistant appraisers, examiners."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 354, line 16, after the word "appraiser," to strike out "as to the value of such merchandise"; in line 22, after the word "collector," to strike out "of customs"; in line 23, after the word "Treasury," to insert "and a copy of such application mailed to the consignee, or his agent or attorney"; in line 25, after the word "the," to strike out "importer"; in the same line, after the word "or," to strike out "agent," and to insert "his agent or attorney"; in line 26, after the word "collector," to strike out "of customs"; on page 355, line 6, after the word "and," to insert "after argument on the part of the interested parties if requested by them or either of them"; at the beginning of line 12, to strike out "of customs"; in line 15, after the word "unless," to strike out "within 30 days thereafter"; and in line 16, after the word "taken," to insert "by either party"; so as to make the paragraph read:

The decision of the general appraiser, after argument on the part of the interested parties if requested by them or by either of them, shall be final and conclusive upon all parties unless within 10 days from the date of the filing of the decision with the collector an application for its review shall be filed with or mailed to said board by the collector or other person authorized by the Secretary of the Treasury, and a copy of such application mailed to the consignee, or his agent or attorney, or filed by the consignee, or his agent or attorney, with the collector, by whom the same shall be forthwith forwarded to the Board of General Appraisers. Every such application shall be assigned by the Board of General Appraisers to a board of three general appraisers, who shall consider the case upon the samples of the merchandise, if there be any, and the record made before the general appraiser, and, after argument on the part of the interested parties if requested by them or either of them, shall affirm, reverse, or modify the decision of the general appraiser or remand the case to the general appraiser for further proceedings, and shall state its action in a written decision, to be forwarded to the collector, setting forth the facts upon which the finding is based and the reasons therefor. The decision of the Board of General Appraisers shall be final and conclusive upon all parties unless an appeal shall be taken by either party to the Court of Customs Appeals upon a question or questions of law only within the time and in the manner provided by section 198 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911.

Mr. McCUMBER. On page 355, line 7, in the clause inserted by the committee, I move to strike out the word "interested" before "parties."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 355, line 21, after the word "appraisement," to insert "and classification"; in line 22, before the word "The," to insert "(a)"; line 24, after the word "law," to insert "and may disseminate such information"; in line 26, after the word "merchandise," to insert "and the classification and assessment of duties thereon"; and on page 356, line 2, after the word "appraiser," to insert "assistant appraiser," so as to read:

SEC. 502. Regulations for appraisement and classification: (a) The Secretary of the Treasury shall establish and promulgate such rules and regulations not inconsistent with the law, and may disseminate such information as may be necessary to secure a just, impartial, and uniform appraisement of imported merchandise and the classification and assessment of duties thereon at the various ports of entry, and may direct any appraiser, deputy appraiser, assistant appraiser, or examiner of merchandise to go from one port of entry to another for the purpose of appraising or assisting in appraising merchandise imported at such port.

The amendment was agreed to.

The next amendment was, on page 356, after line 5, to insert:

(b) No ruling or decision once made by the Secretary of the Treasury giving construction to any law imposing customs duties shall be reversed or modified adversely to the United States by the same or a succeeding Secretary, except in concurrence with an opinion of the Attorney General recommending the same or a final decision of the Board of General Appraisers.

The amendment was agreed to.

The next amendment was, on page 356, after line 12, to insert:

(c) It shall be the duty of all officers of the customs to execute and carry into effect all instructions of the Secretary of the Treasury relative to the execution of the revenue laws; and in case any difficulty arises as to the true construction or meaning of any part of the revenue laws, the decision of the Secretary shall be binding upon all officers of the customs.

The amendment was agreed to.

The next amendment was, on page 356, line 24, after the word "may," to strike out "be" and insert "be, together with all other items by law constituting parts of dutiable value," so as to make the section read:

SEC. 503. Dutiable value: Whenever imported merchandise is subject to an ad valorem rate of duty or to a duty based upon or regulated in any manner by the value thereof, the duty shall be assessed upon the value returned by the appraiser, general appraiser, or Board of General Appraisers, as the case may be, together with all other items by law constituting parts of dutiable value. If there shall be used for covering or holding imported merchandise, whether dutiable or free of duty, any unusual material, article, or form designed for use otherwise than in the bona fide transportation of such merchandise to the United States, additional duties shall be levied upon such material, article, or form at the rate or rates to which the same would be subjected if separately imported.

Mr. McCUMBER. I ask that the amendment be disagreed to.

The amendment was rejected.

The next amendment was, on page 357, line 8, after the word "The," to strike out "importer" and to insert "consignee"; in line 9, after the word "collector," to strike out "of customs"; in line 10, after the word "merchandise," to strike out "be" and to insert "is"; in the same line, after the word "entered," to strike out "in or under bond" and to insert "for warehouse or transportation, or under bond,"; and in line 13, after the word "appraiser's," to strike out "return" and to insert "report," so as to make the section read:

SEC. 504. Payment of duties: The consignee shall deposit with the collector, at the time of making entry, unless the merchandise is entered for warehouse or transportation, or under bond, the amount of duty estimated to be payable thereon. Upon receipt of the appraiser's report and of the various reports of landing, weight, gauge, or measurement, etc.

The amendment was agreed to.

Mr. McCUMBER. On page 357, line 15, after the word "shall," I move to strike out the words "liquidate the duties accruing on such entry" and insert in lieu thereof the words "ascertain, fix, and liquidate the rate and amount of duties to be paid on such merchandise as provided by law."

The amendment was agreed to.

The next amendment was, on page 357, after line 19, to strike out:

SEC. 513. Shortage, etc.: No allowance shall be made in the estimation and liquidation of duties for shortage or nonimportation caused by decay, destruction, or injury to fruit or other perishable articles imported into the United States whereby their commercial value has been destroyed, except when constituting 10 per cent or more of the invoice quantity and then only under regulations prescribed by the Secretary of the Treasury, nor shall any allowance be made for damage to any imported merchandise, but the importer may, at any time within 10 days after entry, abandon to the United States all or any portion of the merchandise included in any invoice, and be relieved of the payment of duties thereon: *Provided*, That the portion so abandoned shall amount to 5 per cent or more of the total value or quantity of the invoice, and shall be delivered by the importer thereof at such place within the port of entry as the collector of customs may direct. The right of abandonment herein provided for may be exercised whether the merchandise abandoned has been damaged or not, and whether or not the same has any commercial value. An allowance for duties may be made upon imported fruit or other perishable articles, if condemned at the port of original entry, within 10 days after landing, by health officers or other legally constituted authorities: *Provided further*, That the importers or their agents shall, within 48 hours after such condemnation, lodge with the collector of customs notice thereof, in writing, together with an invoiced description of the articles condemned, their location, and the name of the vessel in which imported. Upon receipt of such notice, the collector shall verify the claims therein made, under regulations to be prescribed by the Secretary of the Treasury.

The amendment was agreed to.

The next amendment was, at the top of page 359, to insert a new section as follows:

SEC. 505. Abandonment and damage: Allowance shall be made in the estimation and liquidation of duties under regulations prescribed by the Secretary of the Treasury in the following cases:

(1) Where the importer abandons, within 10 days after entry, to the United States all or any portion amounting to 10 per cent or more of the total value or quantity of merchandise in any invoice, and delivers the portion so abandoned to such place as the collector directs.

(2) Where at the time of importation 5 per cent or more of the total value or quantity of fruit or other perishable merchandise in any invoice is decayed or injured so that its commercial value has been destroyed.

(3) Where fruit or other perishable merchandise has been condemned at the port of entry, within 10 days after landing, by the health officers or other legally constituted authorities, and the consignee, within five days after such condemnation, files with the collector written notice thereof, an invoiced description, and the location thereof, and the name of the vessel or vehicle in which imported.

Mr. McCUMBER. On page 359, line 9, after the word "directs," I move to insert the following: "unless the collector is satisfied that it is so far destroyed as to be nondeliverable."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 360, after line 2, to strike out:

SEC. 515. Liquors, etc., marketing, etc.: All distilled spirits, wines, and malt liquors imported in pipes, hogsheads, tierces, barrels, casks, or similar packages shall, before delivery from customs custody, be marked or branded by customs officers and a stamp affixed thereto in a form prescribed by the Secretary of the Treasury.

The amendment was agreed to.

The next amendment was, on page 360, after line 8, to strike out:

SEC. 516. Same—Stamping: Any pipe, hogshead, tierce, barrel, or cask, or other package not in the custody of an officer of the customs, which is found to contain imported liquor or purporting to contain such liquor, without having thereon a stamp as required by the preceding section, shall be, with its contents, forfeited; and whenever any cask or package of imported distilled spirits of not less than five wine gallons capacity is filled for shipment, sale, or delivery on the premises of any wholesale liquor dealer, the same shall be stamped with a special stamp for imported spirits in the manner prescribed by the Commissioner of Internal Revenue.

The amendment was agreed to.

The next amendment was, on page 360, after line 19, to strike out:

SEC. 517. Same—Branding: In addition to stamping, the customs officers shall require each package to be branded, stenciled, or otherwise permanently marked with the date of its importation, the name of the importing vessel, the name of the port from which imported, the serial number of such cask or other container, and the number of gallons contained therein, and the proof, if spirits.

The amendment was agreed to.

The next amendment was, at the top of page 361, to strike out:

SEC. 518. Same—Destruction of stamps, etc.: Every person who empties or draws off, or causes to be emptied or drawn off, the contents of any package of imported distilled spirits, liquors, or wines stamped or marked as above required shall, at the time of such emptying, efface, obliterate, or destroy the stamp thereon and the other marks or brands placed thereon. Every cask or other package of imported distilled spirits, liquors, or wines from which the stamp or marks placed thereon shall not be effaced, obliterated, or destroyed on emptying such package may be seized by any officer of the internal revenue or by any officer of the customs wherever found and forfeited.

The amendment was agreed to.

The next amendment was, on page 361, after line 12, to strike out:

SEC. 519. Same—Revised Statutes applicable: All the provisions of sections 3324, 3325, and 3326 of the Revised Statutes shall be applicable to imported distilled spirits, liquors, and wines and the containers thereof and to the marks, brands, or stamps thereon, and to the defacing or obliteration of such marks, brands, or stamps, and the penalties prescribed in said statutes shall be imposed in cases affecting or relating to imported wines, liquors, and spirits, as well as to wines, liquors, and spirits of domestic production.

The amendment was agreed to.

The next amendment was, on page 362, line 14, after the word "person," to strike out "touching," and insert "upon"; in line 20, after the word "contracts," to strike out "or"; in the same line, after the word "invoices," to insert "or other documents"; in line 23, after the word "and," to strike out "preserved for use or reference until the final decision of the collector, appraiser, general appraiser, or board of general appraisers shall be made respecting the valuation or classification of said merchandise, as the case may be;", and to insert "preserved, under such rules as the Board of General Appraisers may prescribe"; so as to make the section read:

SEC. 508. Examination of importer and others: Collectors, appraisers, general appraisers, and boards of general appraisers may cite to appear before them or any of them and to examine upon oath, which said officers or any of them are hereby authorized to administer, any owner, importer, consignee, agent, or other person upon any matter or thing which they, or any of them, may deem material respecting any imported merchandise then under consideration or previously imported within one year, in ascertaining the classification or the value thereof or the rate or amount of duty; and they, or any of them, may require the production of any letters, accounts, contracts, invoices, or other documents relating to said merchandise, and may require such testimony to be reduced to writing, and when so taken it shall be filed and preserved, under such rules as the Board of General Appraisers may prescribe and such evidence may be given consideration in all subsequent proceedings relating to such merchandise.

Mr. McCUMBER. On page 363, line 3, after the word "prescribe" I move to insert a comma.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The next amendment was, on page 363, at the beginning of line 14, to insert "whether made by an appraiser, a general appraiser, or a board of general appraisers," so as to make the section read:

SEC. 509. Penalties: If any person so cited to appear shall neglect or refuse to attend, or shall decline to answer, or shall refuse to answer in writing any interrogatories, and subscribe his name to his deposition, or to produce such papers when so required by a general appraiser, or a board of general appraisers, or a local appraiser, or a collector, he shall be liable to a penalty of not less than $20 nor more than $500; and if such person be the owner, importer, or consignee, the appraisement last made of such merchandise, whether made by an appraiser, a general appraiser, or a board of general appraisers, shall be final and conclusive against such person; and any person who shall willfully and corruptly swear falsely on an examination before any general appraiser, or board of general appraisers, or local appraiser or collector, shall be deemed guilty of perjury; and if he is the owner, importer, or consignee, the merchandise shall be forfeited, or the value thereof may be recovered from him.

The amendment was agreed to.

The next amendment was, on page 363, after line 21, to strike out:

SEC. 523. Inspection of records: If any person engaged in the importation of merchandise into the United States, or engaged in dealing with such imported merchandise shall fail or refuse to submit to the inspection of a duly accredited investigating officer of the United States, upon request so to do from the chief officer of customs at the port where such merchandise is entered, any or all of his books, records, or accounts, correspondence, or other documents or papers pertaining to the value or classification of any such imported merchandise, then the Secretary of the Treasury in his discretion is authorized, while such failure or refusal continues, to assess an additional duty of 15 per cent on all merchandise consigned to or imported by or shipped or intended for delivery to such person so failing or refusing.

The amendment was agreed to.

The next amendment was, on page 364, after line 9, to insert a new section, as follows:

SEC. 510. Inspection of exporter's books: If any person manufacturing, producing, selling, shipping, or consigning merchandise exported to the United States fails, at the request of the Secretary of the Treasury, or an appraiser, or person acting as appraiser, or a collector, or a general appraiser, or the Board of General Appraisers, as the case may be, to permit a duly accredited officer of the United States to inspect his books, papers, records, accounts, documents, or correspondence, pertaining to the market value or classification of such merchandise, then while such failure continues the Secretary of the Treasury, under regulations prescribed by him (1) shall prohibit the importation into the United States of merchandise manufactured, produced, sold, shipped, or consigned by such person, and (2) may instruct the collectors to withhold delivery of merchandise manufactured, produced, sold, shipped, or consigned by such person. If such failure continues for a period of one year from the date of such instructions the collector shall cause the merchandise, unless previously exported, to be sold at public auction as in the case of forfeited merchandise.

The amendment was agreed to.

The next amendment was, on page 365, after line 4, to insert:

SEC. 511. Inspection of importer's books: If any person importing merchandise into the United States or dealing in imported merchandise fails, at the request of the Secretary of the Treasury, or an appraiser, or person acting as appraiser, or a collector, or a general appraiser, or the Board of General Appraisers, as the case may be, to permit a duly accredited officer of the United States to inspect his books, papers, records, accounts, documents, or correspondence pertaining to the value or classification of such merchandise, then while such failure continues the Secretary of the Treasury, under regulations prescribed by him (1) shall prohibit the importation of merchandise into the United States by or for the account of such person, and (2) shall instruct the collectors to withhold delivery of merchandise imported by or for the account of such person. If such failure continues for a period of one year from the date of such instructions the collector shall cause the merchandise, unless previously exported, to be sold at public auction as in the case of forfeited merchandise.

The amendment was agreed to.

The next amendment was, on page 365, after line 22, to strike out:

SEC. 524. Legal tender: Unless otherwise provided by law, all duties upon imports shall be collected in lawful money of the United States: *Provided*, That certified checks drawn on national or State banks and on trust companies may be received during such time and under such regulations as the Secretary of the Treasury shall prescribe.

The amendment was agreed to.

The next amendment was, on page 366, line 5, after the word "collector," to strike out "of customs," so as to make the section read:

SEC. 512. Deposit of duties: All moneys paid to any collector for unascertained duties or for duties paid under protest against the rate or amount of duties charged shall be deposited to the credit of the Treasurer of the United States and shall not be held by the collectors to await any ascertainment of duties or the result of any litigation in relation to the rate or amount of duties legally chargeable and collectible in any case where money is so paid.

The amendment was agreed to.

The next amendment was, on page 366, line 14, after the word "other," to strike out "officer of the"; and in the same line, after the word "customs," to insert "officer," so as to make the section read:

SEC. 513. Collector's immunity: No collector or other customs officer shall be in any way liable to any owner, importer, consignee, or agent or any other person for or on account of any rulings or decisions as to the appraisement or the classification of any imported merchandise or the duties charged thereon, or the collection of any dues, charges, or duties on or on account of said merchandise, or any other matter or thing as to which said owner, importer, consignee, or agent might under this act be entitled to protest or appeal from the decision of such collector or other officer.

The amendment was agreed to.

The next amendment was, on page 366, line 24, before the word "All," to strike out "review of decisions" and to insert

"protest"; in line 25, after the word "collector," to strike out "of customs"; on page 367, line 3, after the word "character," to strike out "except duties on tonnage" and to insert "within the jurisdiction of the Secretary of the Treasury"; in line 8, after the word "drawback," to insert "or his refusal to reliquidate any entry for a clerical error discovered in any entry or liquidation within one year after the date of entry, or within 60 days after liquidation when liquidation is made more than 10 months after the date of entry"; in line 13, after the word "all," to strike out "parties" and to insert "persons"; in line 22, after the word "thereto," to strike out "and stating how the merchandise should have been classified, or what drawback should have been paid, or what charges or exaction should have been made, or why the merchandise should not have been excluded from entry or delivery. If"; on page 368, line 1, before the word "the," to insert "and if"; in line 2, after the word "merchandise," to strike out "was" and to insert "is"; in the same line, after the word "consumption," to strike out "such protest shall be deemed to be finally waived and abandoned unless, within 30 days from the date of the filing thereof" and to insert "shall pay"; in line 5, after the word "of," to strike out "liquidated duties shall be paid" and to insert "duties and charges ascertained to be due thereon. A protest may be amended at or before trial under such rules as the Board of General Appraisers may prescribe," so as to make the section read:

SEC. 514. Protest: All decisions of the collector, including the legality of all orders and findings entering into the same, as to the rate and amount of duties chargeable, and as to all exactions of whatever character, within the jurisdiction of the Secretary of the Treasury, and his decisions excluding any merchandise from entry or delivery, under any provision of the customs revenue laws, and his liquidation of any entry, or refusal to pay any claim for drawback, or his refusal to reliquidate any entry for a clerical error discovered in any entry or liquidation within 1 year after the date of entry, or within 60 days after liquidation when liquidation is made more than 10 months after the date of entry, shall be final and conclusive upon all persons, unless the importer, consignee, or agent of the person paying such charge or exaction, or filing such claim for drawback, or seeking such entry or delivery, shall, within 60 days after, but not before such liquidation or decision, as well in cases of merchandise entered in bond as for consumption, file a protest in writing with the collector setting forth distinctly and specifically, and in respect to each entry, payment, claim, or decision, the reasons for the objection thereto, and if the merchandise is entered for consumption, shall pay the full amount of duties and charges ascertained to be due thereon. A protest may be amended at or before trial under such rules as the Board of General Appraisers may prescribe.

Mr. McCUMBER. On page 367, line 2, I move to insert a comma after the word "chargeable."

The amendment to the amendment was agreed to.

Mr. McCUMBER. On page 367, lines 4 and 5, I move to inclose in parentheses the matter printed in italic.

The amendment to the amendment was agreed to.

Mr. McCUMBER. On page 368, I move, beginning with the word "duties" in line 5, to strike out all of the matter down to and including line 8, and insert in lieu thereof the following: "duties, charges, and exactions ascertained to be due thereon. Under such rules as the Board of General Appraisers may prescribe, and in its discretion, a protest may be amended at any time prior to the first docket call thereof."

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The next amendment was, on page 368, line 21, after the word "the," to strike out "invoice and"; in the same line, after the word "entry," to insert "and the accompanying papers"; in line 22, after the word "the," to strike out "papers and"; and on page 369, line 2, after the word "decision," to insert "and judgment order," so as to make the section read:

SEC. 515. Same: Upon the filing of such protest and payment of duties and other charges the collector shall within 60 days thereafter review his decision, and may modify the same in whole or in part and thereafter refund any duties, charge, or exaction found to have been collected in excess, or pay any drawback found due, of which notice shall be given as in the case of the original liquidation, and against which protest may be filed within the same time and in the same manner and under the same conditions as against the original liquidation or decision. If the collector shall, upon such review, affirm his original decision, or, upon the filing of a protest against his modification of any decision, the collector shall forthwith transmit the entry and the accompanying papers, and all the exhibits connected therewith, to the Board of General Appraisers for due assignment and determination, as provided by law. Such determination shall be final and conclusive upon all persons, and the papers transmitted shall be returned, with the decision and judgment order thereon, to the collector of customs, who shall take action accordingly, except in cases in which an appeal shall be filed in the United States Court of Customs Appeals within the time and in the manner provided by law.

Mr. McCUMBER. On page 369, line 8, I move to strike out the words "of customs" after "collector."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 369, after line 6, to strike out:

SEC. 529. Appeal or protest by American producers: Whenever it shall appear to the satisfaction of a board of three general appraisers that it is impracticable for a manufacturer or producer in the United States to make, in his own name, or by agent, an importation of merchandise for the purpose of having determined the dutiable value or classification thereof, such manufacturer or producer shall have the right to appear and to be heard as a party in any case involving the disputed question of fact or law; or, in the absence of such a case, the manufacturer or producer, or the Assistant Attorney General in charge of customs litigation for the Government, may state in a written notice to the appraiser or the collector what he claims to be the proper value or classification, as the case may be, of such merchandise, and if the appraiser or the collector shall not accept such valuation or classification as correct, such manufacturer, producer, or Assistant Attorney General shall have the right to appeal for reappraisement or to make a protest, and to be heard as a party, the same as the importer would have, in any subsequent appraisal or classification involving the same question of fact or law. No manufacturer or producer shall have the right to inspect any documents or papers disclosing any information which the general appraiser or the board of three general appraisers shall deem improper to be disclosed to him. In every such proceeding the importer or his agent shall be notified by the manufacturer, producer, or Assistant Attorney General, whichever is the moving party, of his intention to appear and shall be apprised of all hearings in accordance with the rules of procedure.

And in lieu thereof to insert:

SEC. 516. Appeal or protest by American producers: (a). Whenever an American manufacturer, producer, or wholesaler believes that the appraised value of any imported merchandise of a class or kind manufactured, produced, or sold at wholesale by him is too low he may file with the Secretary of the Treasury a complaint setting forth the value at which he believes the merchandise should be appraised and the facts upon which he bases his belief. The Secretary shall thereupon transmit a copy of such complaint to the appraiser at each port of entry where the merchandise is usually imported. Until otherwise directed by the Secretary, the appraiser shall report each subsequent importation of the merchandise, giving the entry number, the name of the importer, the appraised value, and his reasons for the appraisement. If the Secretary does not agree with the action of the appraiser he shall instruct the collector to file an appeal for a reappraisement as provided in section 501 of this act, and such manufacturer, producer, or wholesaler shall have the right to appear and to be heard as a party in interest under such rules as the Board of General Appraisers may prescribe. The Secretary shall notify such manufacturer, producer, or wholesaler of the action taken by such appraiser, giving the port of entry, the entry number, and the appraised value of such merchandise and the action he has taken thereon. If the appraiser advances the entered value of merchandise upon the information furnished by the American manufacturer, producer, or wholesaler, and an appeal is taken by the consignee, such manufacturer, producer, or wholesaler shall have the right to appear and to be heard as a party in interest under such rules as the Board of General Appraisers may prescribe. If the American manufacturer, producer, or wholesaler is not satisfied with the action of the Secretary, or the action of the appraiser thereon, he may file, within five days after the date of the mailing of the Secretary's notice, an appeal for a reappraisement in the same manner and with the same effect as an appeal by a consignee under the provisions of section 501 of this act.

(b) The Secretary of the Treasury shall, upon written request by an American manufacturer, producer, or wholesaler, furnish the classification of and the rate of duty, if any, imposed upon designated imported merchandise of a class or kind manufactured, produced, or sold at wholesale by him. If such manufacturer, producer, or wholesaler believes that the proper rate of duty is not being imposed he may file a complaint with the Secretary of the Treasury setting forth a description of the merchandise, the classification, and the rate or rates of duty he believes proper, and the reasons for his belief. If the Secretary believes that the classification of or rate of duty imposed upon the merchandise is not correct, he shall notify the collectors as to the proper classification and rate of duty and shall so inform such manufacturer, producer, or wholesaler, and such higher rate of duty shall be assessed upon all merchandise imported or withdrawn from warehouse after 30 days after the date of such notice to the collectors. If the Secretary believes that the classification and rate of duty are correct he shall so inform such manufacturer, producer, or wholesaler. If dissatisfied with the action of the Secretary, such manufacturer, producer, or wholesaler may file with him a notice that he desires to protest the classification or the rate of duty imposed upon the merchandise, and upon receipt of such notice the Secretary shall furnish him with such information as to the entry, the consignee, and the port of entry as will enable him to protest the classification of or the rate of duty imposed upon the merchandise when liquidated at any port of entry. Upon written request therefor by such manufacturer, producer, or wholesaler, the collector of such port of entry shall notify him immediately of the date of liquidation. Such manufacturer, producer, or wholesaler may file, within 60 days after the date of liquidation, with the collector of such port a protest in writing setting forth a description of the merchandise and the classification and the rate of duty he believes proper, with the same effect as a protest of a consignee filed under the provisions of sections 514 and 515 of this act.

(c) A copy of every appeal and every protest filed by an American manufacturer, producer, or wholesaler under the provisions of this section shall be mailed by the collector to the consignee within five days after the filing thereof, and such consignee shall have the right to appear and to be heard as a party in interest before the Board of General Appraisers. The collector shall transmit the entry and all papers and exhibits accompanying or connected therewith to the Board of General Appraisers for due assignment and determination of the proper value or of the proper classification and rate of duty. The decision of the Board of General Appraisers upon any such appeal or protest shall be final and conclusive upon all parties unless an appeal is taken by either party to the Court of Customs Appeals, as provided in sections 501 and 515 of this act.

(d) In proceedings instituted under the provisions of this section an American manufacturer, producer, or wholesaler shall not have the right to inspect any documents or papers of the consignee or importer disclosing any information which the general appraiser or the Board of General Appraisers shall deem unnecessary or improper to be disclosed to him.

Mr. McCUMBER. I move the following amendments to the amendment.

On page 371, line 18, strike out the word "five" and insert in lieu thereof "ten."

On page 372, line 3, strike out the word "imposed" and insert in lieu thereof "assessed."

On page 372, line 8, strike out the word "imposed" and insert in lieu thereof "assessed."

On page 372, line 11, strike out the word "higher."

On page 373, line 11, after the word "consignee" insert "or his agent."

On page 373, line 12, after the word "consignee" insert "or his agent."

The amendments to the amendment were agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 374, line 9, after the word "section," to strike out "509 or 527" and to insert "501, 514, 515, or 516," so as to read:

SEC. 517. Frivolous protest or appeal: Upon motion of the counsel for the Government, it shall be the duty of the Board of General Appraisers to decide whether any appeal for reappraisement or protest filed under the provisions of section 501, 514, 515, or 516 of this act is frivolous, and if said board shall so decide, a penalty of not less than $5 nor more than $250 shall be assessed against the person filing such appeal for reappraisement or protest.

The amendment was agreed to.

The next amendment was, on page 376, line 16, after the word "assent," to strike out "on such assignments away"; in line 17, after "New York," to insert "on official business"; in line 21, after the word "collectors," to insert "A board of three general appraisers shall have power to order an analysis of imported merchandise and reports thereon by laboratories or bureaus of the United States"; on page 377, line 9, after the word "case," to insert "or an individual general appraiser deciding an appeal for a reappraisement"; in line 11, after the word "within," to strike out "30" and to insert "thirty"; and in line 13, after the word "board" to insert "or said general appraiser," so as to make the paragraph read:

SEC. 518. Board of General Appraisers.—The Board of General Appraisers shall consist of nine members as now constituted, and all vacancies in said board shall be filled by appointment by the President, by and with the advice and consent of the Senate, not more than five of whom shall be appointed from the same political party and each of whom shall receive a salary of $9,000 a year. They shall not engage in any other business, vocation, or employment, and shall hold their office during good behavior, but may, after due hearing, be removed by the President for the following causes and no other: Neglect of duty, malfeasance in office, or inefficiency. The office of said board shall be at the port of New York, and the board and each member thereof shall have and possess all the powers of a district court of the United States for preserving order, compelling the attendance of witnesses, the production of evidence, and in punishing for contempt. Said board shall have power to establish from time to time such rules of evidence, practice, and procedure, not inconsistent with law, as may be deemed necessary for the conduct of its proceedings, in securing uniformity in its decisions and in the proceedings and decisions of the members thereof and for the production, care, and custody of samples and of the records of said board. One of the members of said board designated for that purpose by the President of the United States shall act as president of the board, or the acting president in his absence, shall have control of the fiscal affairs and of the clerical force of appraisers to each of the said boards and shall designate which member shall be chairman thereof. The president of the board shall be competent to sit as a member of any board or to assign one or two other members to any of such boards in the absence or disability of any one or two members of such board. A majority of any board shall have full power to hear and decide all cases and questions arising therein or assigned thereto. The board of three general appraisers deciding a case or an individual general appraiser deciding an appeal for a reappraisement may, upon the motion of either party made within 30 days next after such decision, grant a rehearing or retrial of said case when, in the opinion of said board or said general appraiser the ends of justice so require.

Mr. McCUMBER. I move to amend as follows: On page 376, line 22, after the word "appraisers" insert "or a general appraiser," and on page 377, line 9, strike out the words "an individual" and insert in lieu thereof "a."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 376, after line 11, to strike out:

SEC. 533. Refund of excessive duties: Whenever it is found upon the final liquidation of any entry that more money has been deposited with or paid to the collector of customs than was required by law to be deposited or paid, the same shall be refunded to the importer or consignee, under regulations to be prescribed by the Secretary of the Treasury, and the necessary moneys for such refunds are hereby appropriated, and this appropriation shall be deemed a permanent indefinite appropriation. The Secretary of the Treasury is hereby authorized to correct manifest clerical errors in any entry or liquidation for or against the United States, and also to refund duties paid in excess upon personal or household effects, at any time within one year after the date of such entry or payment, notwithstanding that no protest may have been filed against the liquidation of such duties within the time and in the manner prescribed by law.

And in lieu thereof to insert:

SEC. 520. Refund of excessive duties: (a) The Secretary of the Treasury is hereby authorized to refund duties and correct errors in liquidation of entries in the following cases:

(1) Whenever it is ascertained on final liquidation or reliquidation of an entry that more money has been deposited or paid than was required by law to be so deposited or paid;

(2) Whenever it is determined in the manner required by law that any fees, charges, or exactions, other than duties, have been erroneously collected;

(3) Whenever a manifest clerical error is discovered in any entry or liquidation within one year after the date of entry, or within 60 days after liquidation when liquidation is made more than 10 months after the date of entry; and

(4) Whenever duties have been paid on household or personal effects which by law were not subject to duty, notwithstanding a protest was not filed within the time and in the manner prescribed by law.

(b) The necessary moneys to make such refunds are hereby appropriated, and this appropriation shall be deemed a permanent and indefinite appropriation.

The amendment was agreed to.

The next amendment was, on page 379, after line 23, to strike out:

SEC. 534. Reliquidation of duties: Whenever the Secretary of the Treasury shall find that any merchandise has been passed through the customs upon the payment of a less amount of duties than legally accrued thereon he may at any time within one year after the date of the entry of such merchandise order a reliquidation of the duties thereon and the collection of the increased duties found due, but whenever any entry has been liquidated and the merchandise covered thereby has been released from customs custody such liquidation shall, after the expiration of one year from the date of entry, in the absence of fraud or of protest, be final and conclusive upon all parties: *Provided*, That when the collector shall find that there is probable cause to believe there is fraud in the case he may reliquidate within two years after date of the entry.

And in lieu thereof to insert:

SEC. 521. Reliquidation of duties: Whenever any merchandise has been entered and passed free of duty, and whenever duties upon any imported merchandise have been liquidated and paid and the merchandise has been delivered to the consignee or his agent, such entry and passage free of duty and such settlement of duties shall, after the expiration of one year from the date of entry, or after the expiration of 60 days after the date of liquidation when liquidation is made more than 10 months after the date of entry, in the absence of fraud and in the absence of protest by the consignee or his agent, or by an American manufacturer, producer, or wholesaler, be final and conclusive upon all parties. If the collector finds probable cause to believe there is fraud in the case, he may reliquidate within two years after the date of entry, or after the date of liquidation when liquidation is made more than 10 months after the date of entry.

Mr. McCUMBER. On page 380, line 25, I move, after the word "wholesaler," to insert a comma.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 381, after line 5, to strike out:

SEC. 535. Cooperation of Government agencies: Any information which shall be obtained by executive departments and independent establishments of the Government which may be helpful in the appraisement of imported merchandise shall be furnished to appraising officers upon request of the Secretary of the Treasury.

The amendment was agreed to.

The next amendment was, on page 381, after line 11, to insert a new section, as follows:

SEC. 522. Conversion of currency: (a) That section 25 of the act of August 27, 1894, entitled "An act to reduce taxation, to provide revenue for the Government, and for other purposes," as amended, is reenacted without change as follows:

"SEC. 25. That the value of foreign coin as expressed in the money of account of the United States shall be that of the pure metal of such coin of standard value; and the values of the standard coins in circulation of the various nations of the world shall be estimated quarterly by the Director of the Mint and be proclaimed by the Secretary of the Treasury quarterly on the 1st day of January, April, July, and October in each year."

(b) For the purpose of the assessment and collection of duties upon merchandise imported into the United States on or after the day of the enactment of this act, wherever it is necessary to convert foreign currency into currency of the United States, such conversion, except as provided in subdivision (c), shall be made at the values proclaimed by the Secretary of the Treasury under the provisions of section 25 of such act of August 27, 1894, as amended, for the quarter in which the merchandise was exported.

(c) If no such value has been proclaimed, or if the value so proclaimed varies by 5 per cent or more from a value measured by the buying rate in the New York market at noon on the day of exportation, conversion shall be made at a value measured by such buying rate. For the purposes of this subdivision such buying rate shall be the buying rate for cable transfers payable in the foreign currency so to be converted, and shall be determined by the Federal Reserve Bank of New York and certified daily to the Secretary of the Treasury, who shall make it public at such times and to such extent as he deems necessary. In ascertaining such buying rate such Federal reserve bank may in its discretion (1) take into consideration the last ascertainable transactions and quotations, whether direct or through the exchange of other currencies, and (2) if there is no market buying rate for such cable transfers, calculate such rate from actual transactions and quotations in demand or time bills of exchange.

The amendment was agreed to.

The next amendment was, on page 383, after line 2, to insert a new section, as follows:

SEC. 523. Comptrollers of customs: Naval officers of customs now in office and their successors shall hereafter be known as comptrollers of customs.

Comptrollers of customs shall examine and audit all of the collector's accounts of receipts and disbursements of money and receipts and disposition of merchandise and certify same thereafter to the Secretary. They shall perform such other duties as the Secretary of the Treasury may from time to time prescribe and direct, and their supervision shall extend to all customs districts that may be assigned to them by that officer.

Comptrollers of customs shall ascertain and verify all assessments of duties and allowances of drawbacks made by collectors before the final liquidation thereof and certify the same when correct, or shall return them to said collectors for correction when errors or differences are found. In cases of disagreement between a collector and a comptroller of customs, the latter shall report the facts to the Secretary of the Treasury for instructions as to settlement.

This section shall not be construed to affect the manner of appointment, the terms of office, or the compensation of any such officer as now provided by law, nor to affect the provisions of the budget and accounting act, 1921, approved June 10, 1921.

The amendment was agreed to.

The next amendment was, at the top of page 384, to insert a new section, as follows:

SEC. 524. Receipts from reimbursable charges for labor, services, and other expenses connected with the customs shall be deposited as a refund to the appropriation from which paid instead of being covered into the Treasury as miscellaneous receipts, as provided by the act entitled "An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1908, and for other purposes," approved March 4, 1907.

The amendment was agreed to.

The next amendment was, on page 384, after line 8, to insert a new section, as follows:

SEC. 525. In connection with the enforcement of this act, the Secretary of the Treasury is authorized to use in the District of Columbia not to exceed eight persons detailed from the field force of the customs service and paid from the appropriation for the expense of collecting the revenue from customs.

The amendment was agreed to.

Mr. McCUMBER. At that point in the bill, I move to amend by inserting a new section to be known as section 526.

Mr. MOSES. Mr. President, I rise to a parliamentary inquiry. I inquire whether the amendment printed on the list of amendments on page 12, beginning in line 9, proposing to insert a new section, section 526, is not the same amendment which was disagreed to when section 26 of the bill was under consideration?

The PRESIDING OFFICER. To what page does the Senator from New Hampshire refer?

Mr. MOSES. I am referring now to page 12, line 9, of the printed amendments submitted by the Senator from North Dakota.

The PRESIDING OFFICER. The Chair is unable to answer the parliamentary inquiry unless the Senator will refer to the page of the bill.

Mr. MOSES. I refer to page 384 of the bill, after line 14, where it is proposed to amend by inserting section 526.

Mr. McCUMBER. May I suggest to the Senator that the amendment intended to be proposed at that point, while it relates to the same subject, is not the same amendment as that which was formerly disagreed to?

Mr. MOSES. I might inquire, Mr. President, in view of the ruling just made by the President pro tempore, whether the amendment is offered by the Senator from North Dakota or by the committee, but my parliamentary inquiry was for the purpose of ascertaining whether the amendment could now be proposed, its effect being the same as that of an amendment which has been disagreed to?

Mr. McCUMBER. These amendments are all offered on behalf of the committee.

Mr. MOSES. I make the point of order that the amendment now proposed may not be offered as in Committee of the Whole, inasmuch as an amendment the effect of which was the same has been disagreed to.

Mr. ASHURST. On what page is that?

Mr. MOSES. The amendment, I will say to the Senator from Arizona, will be found on page 12 of the committee print of amendments, beginning in line 9, where it is proposed to insert section 526 as an amendment on page 384, after line 14.

The PRESIDING OFFICER. Will the Senator point out the section of the bill which he says was stricken out and to which the amendment now proposed is similar?

Mr. MOSES. In paragraph 26 of the bill, the second proviso on page 14, beginning in line 15, which was stricken out as in Committee of the Whole, will be found to be exactly the same in its result as the amendment which the committee now proposes. If I may be permitted to say so, Mr. President, I am not raising this point of order for the purpose of preventing the consideration of the amendment, because I know it may be offered when the bill goes from the Committee of the Whole to the Senate, and, in any event, I shall reserve a separate vote upon it if it is agreed to. However, the effect of this amendment is exactly the same as the effect of the second proviso on page 14, in paragraph 26, which was disagreed to in Committee of the Whole, and I raise the point of order that it may not now be offered again in the Committee of the Whole.

The PRESIDING OFFICER. The point of order must be decided without debate.

Mr. MOSES. I do not intend to debate it.

The PRESIDING OFFICER. It will take the present occupant of the chair some little time to read both of the provisions, to study them and see if they are identical in their meaning.

Mr. MOSES. Mr. President——

The PRESIDING OFFICER. Just a moment. The Chair suggests to the Senator from North Dakota that perhaps the same amendment might be offered in the Senate or a second vote had upon the former amendment in the Senate; otherwise the occupant of the chair will have to pause and read the provisions through.

Mr. McCUMBER. Mr. President, the amendment now proposed is not the same as that to which the Senator from New Hampshire refers. It is broader in its scope.

The PRESIDING OFFICER. Debate is out of order.

Mr. McCUMBER. A point of order has been made, and unless the Chair wishes to hear one Senator and does not wish to hear another——

The PRESIDING OFFICER. But the unanimous-consent agreement imposes upon the Chair the duty of ruling without debate.

Mr. McCUMBER. I will be very glad to have the Chair do so, but there has been debate.

The PRESIDING OFFICER. The Chair endeavored to stop it; that is all. The Chair wants to enforce the unanimous-consent agreement. The Chair rules that the amendment is in order. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 384, after line 14, it is proposed to insert the following new section:

SEC. 526. (a) That it shall be unlawful to import into the United States any merchandise if such merchandise, or the label, sign, print, package, wrapper, or receptacle, bears a trade-mark registered in the Patent Office by a person domiciled in the United States, under the provisions of the act entitled "An act to authorize the registration of trade-marks used in commerce with foreign nations or among the several States or with Indian tribes, and to protect the same," approved February 20, 1905, as amended, if a copy of the certificate of registration of such trade-mark is filed with the Secretary of the Treasury, in the manner provided in section 27 of such act, and unless written consent of the owner of such trade-mark is produced at the time of making entry.

(b) Any such merchandise imported into the United States in violation of the provisions of this section shall be subject to seizure and forfeiture for violation of the customs laws.

(c) Any person dealing in any such merchandise may be enjoined from dealing therein within the United States or may be required to export or destroy such merchandise or to remove or obliterate such trade-mark and shall be liable for the same damages and profits provided for wrongful use of a trade-mark, under the provisions of such act of February 20, 1905, as amended.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota on behalf of the committee.

Mr. MOSES. I ask for a division on that amendment.

On a division the amendment was agreed to.

Mr. MOSES. I give notice that I shall reserve the right to have a separate vote on the amendment in the Senate.

The next amendment was, under "Part 4.—Transportation in bond and warehousing of merchandise," at the top of page 385, to strike out:

SEC. 552. Immediate transportation: Any merchandise, other than explosives, shown by the invoice, bill of lading, manifest, shipping receipt, or other documents to be destined to a port of entry other than that at which such merchandise shall first arrive in the United States, may be forwarded by a bonded carrier, under such regulations and conditions as the Secretary of the Treasury shall prescribe, from the port of arrival to such port of destination. Such merchandise shall not be subject to appraisement or the payment of duties at the port of first arrival, but the same entry, examination, and appraisement thereof shall be required and made at the port of destination as would have been made at the port of first arrival if such merchandise had not been so forwarded.

And in lieu thereof to insert:

SEC. 552. Immediate transportation: Any merchandise, other than explosives and merchandise the importation of which is prohibited, arriving at a port of entry in the United States may be entered, under such rules and regulations as the Secretary of the Treasury may prescribe, for transportation in bond without appraisement to any other port of entry designated by the consignee, or his agent, and by such bonded carrier as he designates, there to be entered in accordance with the provisions of this act.

The amendment was agreed to.

The next amendment was, on page 385, line 25, after the word "explosives," to insert "and merchandise the importation of which is prohibited"; on page 386, line 3, after the word "be," to strike out "forwarded" and to insert "entered for transportation in bond"; in line 7, after the word "effects," to insert "not containing merchandise the importation of which is prohibited"; in line 11, after the word "be," to strike out "forwarded" and to insert "entered for transportation in bond"; and, in line 13, after the word "without," to strike out "entry"

and to insert "appraisement," so as to make the paragraph read:

SEC. 553. Transit goods: Any merchandise, other than explosives and merchandise the importation of which is prohibited, shown by the manifest, bill of lading, shipping receipt, or other document to be destined to a foreign country, may be entered for transportation in bond through the United States by a bonded carrier without appraisement or the payment of duties and exported under such regulations as the Secretary of the Treasury shall prescribe, and any baggage or personal effects not containing merchandise the importation of which is prohibited arriving in the United States destined to a foreign country may, upon the request of the owner or carrier having the same in possession for transportation, be entered for transportation in bond through the United States by a bonded carrier without appraisement or the payment of duty, under such regulations as the Secretary of the Treasury may prescribe.

The amendment was agreed to.

The next amendment was, on page 386, line 18, before the word "in," to strike out "whether"; in line 22, after the word "prescribe," to strike out the colon and "*Provided*, That merchandise transported by water from one port of the United States to another, or transported by water from a port of the United States to a foreign port and thence by water to the port of reentry into the United States, shall be transported only in vessels documented as vessels of the United States," and to insert, "unless such transportation is in violation of section 4347 of the Revised Statutes, as amended, section 27 of the merchant marine act, 1920, or section 588 of this act," so as to make the paragraph read:

SEC. 554. Transportation through contiguous countries: With the consent of the proper authorities, imported merchandise, in bond or duty paid, and products and manufactures of the United States, may be transported from one port to another in the United States through contiguous countries under such regulations as the Secretary of the Treasury shall prescribe unless such transportation is in violation of section 4347 of the Revised Statutes, as amended, section 27 of the merchant marine act, 1920, or section 588 of this act.

The amendment was agreed to.

The next amendment was, on page 387, line 24, after the word "warehouse," to strike out: "All the expenses of handling merchandise in such warehouses shall be borne by the warehouse proprietor or by the owner of the merchandise, and the compensation of the storekeeper and other officers appointed to supervise the receipts of merchandise into such warehouses and deliveries therefrom shall be reimbursed to the Government by the proprietors of such warehouses," and to insert: "Except as otherwise provided in this act, bonded warehouses shall be used solely for the storage of imported merchandise and shall be placed in charge of a proper officer of the customs, who, together with the proprietor thereof, shall have joint custody of all merchandise stored in the warehouse; and all labor on the merchandise so stored shall be performed by the owner or proprietor of the warehouse, under supervision of the officer of the customs in charge of the same, at the expense of the owner or proprietor," so as to make the paragraph read:

SEC. 555. Bonded warehouses: Buildings or parts of buildings and other inclosures may be designated by the Secretary of the Treasury as bonded warehouses for the storage of imported merchandise entered for warehousing, or taken possession of by the collector, or under seizure, or for the manufacture of merchandise in bond, or for the repacking, sorting, or cleaning of imported merchandise. Such warehouses may be bonded for the storing of such merchandise only as shall belong or be consigned to the owners or proprietors thereof and be known as private bonded warehouses, or for the storage of imported merchandise generally and be known as public bonded warehouses. Before any imported merchandise not finally released from customs custody shall be stored in any such premises the owner or lessee thereof shall give a bond in such sum and with such sureties as may be approved by the Secretary of the Treasury to secure the Government against any loss or expense connected with or arising from the deposit, storage, or manipulation of merchandise in such warehouse. Except as otherwise provided in this act, bonded warehouses shall be used solely for the storage of imported merchandise and shall be placed in charge of a proper officer of the customs, who, together with the proprietor thereof, shall have joint custody of all merchandise stored in the warehouse; and all labor on the merchandise so stored shall be performed by the owner or proprietor of the warehouse, under supervision of the officer of the customs in charge of the same, at the expense of the owner or proprietor.

The amendment was agreed to.

Mr. McCUMBER. On page 388, line 14, after the word "proprietor," I move on behalf of the committee to insert:

The compensation of such officer of the customs and other customs employees appointed to supervise the receipt of merchandise into any such warehouse and deliveries therefrom shall be reimbursed to the Government by the proprietor of such warehouse.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McCUMBER. On behalf of the committee, I move, on page 388, line 15, to strike out "Exportations from warehouse," and insert in lieu thereof "Bonded warehouses and exportations therefrom."

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 388, line 17, after the word "necessary," to insert "for the establishment of bonded warehouses and," so as to read:

SEC. 556. Bonded warehouses and exportations therefrom: The Secretary of the Treasury shall from time to time establish such rules and regulations as may be necessary for the establishment of bonded warehouses and to protect the interests of the Government in the conduct, management, and operation of such warehouses and in the withdrawal of and accounting for merchandise deposited therein.

The amendment was agreed to.

The next amendment was, on the same page, in line 21, after the word "therein," to strike out:

Provided, That no landing certificate shall be required for merchandise exported from the United States, except where the Secretary of the Treasury shall have good reason to believe that such certificate is necessary for the protection of the revenue, and shall specifically order the production of such certificate.

Mr. McCUMBER. I ask that the committee amendment beginning in line 21, page 388, which proposes to strike out the proviso, may be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

The next amendment was, on page 389, line 3, before the words "Warehouse period," to insert "Storable goods," so as to read:

SEC. 557. Storable goods—Warehouse period—Drawback, etc.

The amendment was agreed to.

The next amendment was, on page 390, line 2, after the word "refunded," to strike out the proviso in the following words:

Provided, That such merchandise shall be exported in the original packages in which the same was imported.

The amendment was agreed to.

The next amendment was, on page 390, after line 4, to insert:

Merchandise entered under bond, under any provision of law, may be destroyed, at the request and at the expense of the consignee, within the bonded period under customs supervision, in lieu of exportation, and the consignee relieved of the payment of duties thereon.

The amendment was agreed to.

The next amendment was, on page 390, line 10, after the figures "558," to strike out "Drawback" and to insert "Refund after delivery of goods," so as to make the paragraph read:

SEC. 558. Refund after delivery of goods: No refund or drawback of duty shall be allowed on the exportation of any merchandise after its release from the custody or control of the Government except in case of the exportation of articles manufactured or produced in whole or in part from imported materials on which a drawback of duties is expressly provided for by law.

The amendment was agreed to.

The next amendment was, on page 390, line 17, after the word "abandonment," to insert "of warehoused goods," and in line 24, after the word "section," to strike out "499" and to insert "493," so as to make the paragraph read:

SEC. 559. Abandonment of warehoused goods: Merchandise remaining in bonded warehouse beyond three years from the date of importation shall be regarded as abandoned to the Government and be sold under such regulations as the Secretary of the Treasury shall prescribe, and the proceeds of sale paid into the Treasury, as in the case of unclaimed merchandise covered by section 493 of this act, subject to the payment to the owner or consignee of such amount, if any, as shall remain after deduction of duties, charges, and expenses.

The amendment was agreed to.

The next amendment was, on page 392, at the beginning of line 14, to strike out "shall appear" and to insert "appears"; in the same line, after the word "collector," to strike out "of customs"; in the same line, after the word "it," to strike out "shall be" and to insert "is," so as to read:

SEC. 562. Manipulation in warehouse: Unless by special authority of the Secretary of the Treasury, no merchandise shall be withdrawn from bonded warehouse in less quantity than an entire bale, cask, box, or other package; or, if in bulk, in the entire quantity imported or in a quantity not less than 1 ton weight. All merchandise so withdrawn shall be withdrawn in the original packages in which imported unless, upon the application of the importer, it appears to the collector that it is necessary to the safety or preservation of the merchandise to repack or transfer the same.

The amendment was agreed to.

The next amendment was, on page 392, line 18, after the word "Treasury," to insert "and under customs supervision, at the expense of the proprietor,"; and, in line 25, after the word "warehouse," to insert "The scouring or carbonizing of wool shall not be considered a process of manufacture within the provisions of this section," so as to make the proviso read:

Provided, That upon permission therefor being granted by the Secretary of the Treasury, and under customs supervision, at the expense of the proprietor, merchandise may be cleaned, sorted, repacked, or otherwise changed in condition, but not manufactured, in bonded warehouses established for that purpose and be withdrawn therefrom for exportation, without payment of the duties, or for consumption, upon payment of the duties accruing thereon, in its condition at the time of with-

drawal from warehouse. The scouring or carbonizing of wool shall not be considered a process of manufacture within the provisions of this section.

The amendment was agreed to.

The next amendment was, on page 393, line 8, after the word "to," to strike out "him" and to insert "the Board of General Appraisers of"; in line 16, after the word "vehicle," to strike out "the Secretary of the Treasury" and to insert "such board"; in line 17, after the word "to," to strike out "abate" and to insert "order an abatement"; in line 18, after the word "be," to insert "and the Secretary of the Treasury is authorized to pay,"; and in line 21, after the word "paid," to strike out "or accruing thereon," so as to read:

SEC. 563. Allowance for loss—Abandonment: In no case shall there be any abatement or allowance made in the duties for any injury, deterioration, loss, or damage sustained by any merchandise while remaining in a bonded warehouse: *Provided*, That upon the production of satisfactory proof to the Board of General Appraisers of actual injury or destruction, in whole or in part, of any merchandise by accidental fire or other casualty, while in bonded warehouse, or in the appraiser's stores undergoing appraisal, or while in transportation under bond from one port to another, or while in the custody of the officers of the customs, although not in bond, or while within the limits of any port of entry, and before the same has been landed from the importing vessel or vehicle, such board is hereby authorized to order an abatement or refund, as the case may be, and the Secretary of the Treasury is authorized to pay, out of any moneys in the Treasury not otherwise appropriated, the amount of duties paid:

Mr. McCUMBER. On page 393, line 21, I move to amend the amendment by striking out the word "paid" and insert in lieu thereof "paid. Notice in writing shall be filed with the collector of the district in which such actual injury or destruction was sustained or occurred, and the collector shall transmit such notice, together with all papers and documents, to the board for due assignment and determination, and such determination shall be final and conclusive upon all persons interested therein except in cases where an appeal may be filed by either party in the United States Court of Customs Appeals within the time and in the manner provided by law."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 393, line 22, after the word "the," to strike out "importer may" and to insert "consignee may, with the consent of the Secretary of the Treasury," so as to make the additional proviso read:

And provided further, That the consignee may, with the consent of the Secretary of the Treasury, at any time prior to three years from the date of original importation, abandon to the Government any merchandise in bonded warehouse and be relieved of the payment of duties thereon.

The amendment was agreed to.

The next amendment was, on page 395, line 11, after the word "enforcement," to strike out "of the customs laws" and to insert "provisions," so as to read:

PART 5.—ENFORCEMENT PROVISIONS.

The amendment was agreed to.

The next amendment was, on page 395, line 15, after the word "the," to insert "Secretary of the"; in the same line, after the word "Treasury," to strike out "Department"; and, in line 16, after the word "collector," to strike out "of customs," so as to make the paragraph read:

SEC. 581. Boarding vessels: Officers of the customs or of the Coast Guard, and agents or other persons authorized by the Secretary of the Treasury or appointed for that purpose in writing by a collector, may at any time go on board of any vessel or vehicle at any place in the United States or within four leagues of the coast of the United States, without as well as within their respective districts, to examine the manifest and to inspect, search, and examine the vessel or vehicle, and every part thereof, and any person, trunk, or package on board, and to this end to hail and stop such vessel or vehicle, if under way, and use all necessary force to compel compliance; and if it shall appear that any breach or violation of the laws of the United States has been committed, whereby or in consequence of which such vessel or vehicle, or the merchandise or any part thereof on board of or imported by such vessel or vehicle, is liable to forfeiture, it shall be the duty of such officer to make seizure of the same and to arrest, or, in case of escape or attempted escape, to pursue and arrest any person engaged in such breach or violation.

The amendment was agreed to.

The next amendment was, on page 396, after line 7, to insert:

Officers of the Department of Commerce and other persons authorized by such department may go on board of any vessel at any place in the United States or within four leagues of the coast of the United States and hail, stop, and board such vessels in the enforcement of the navigation laws and arrest or, in case of escape or attempted escape, pursue and arrest any person engaged in the breach or violation of the navigation laws.

The amendment was agreed to.

The next amendment was, on page 396, line 18, after the word "and," where it occurs the second time, to strike out "for the employment of," and to insert "he is authorized to employ," so as to make the paragraph read:

SEC. 582. Examination of baggage: The Secretary of the Treasury may prescribe regulations for the search of persons and baggage, and he is authorized to employ female inspectors for the examination and search of persons of their own sex; and all persons coming into the United States from foreign countries shall be liable to detention and search by authorized officers or agents of the Government under such regulations.

The amendment was agreed to.

The next amendment was, on page 396, line 25, after the word "vessel," to strike out "or," and to insert "and the person in charge of every"; on page 397, line 1, after the word "port," to strike out "of," and to insert "or place in," so as to make the paragraph read:

SEC. 583. Certification of manifest: The master of every vessel and the person in charge of every vehicle bound to a port or place in the United States shall deliver to the officer of the customs or Coast Guard who shall first demand it of him, the original and one copy of the manifest of such vessel or vehicle, and such officer shall certify on the back of the original manifest to the inspection thereof and return the same to the master or other person in charge.

The amendment was agreed to.

The next amendment was, on page 397, line 8, before the word "person," to strike out "or other" and to insert "of any vessel and any"; at the beginning of line 9, to strike out "vessel or"; in line 9, after the word "who," to strike out "shall" and to insert "does"; in line 12, before the word "found," to strike out "shall be" and to insert "is"; in the same line, afer the word "of," to insert "or after unlading from"; in line 13, after the word "which," to strike out "shall" and to insert "is"; in the same line, after the word "not," to strike out "be"; in line 14, after the word "or," to insert "does not"; in line 15, after the word "master," to insert "of such vessel"; in the same line, after the word "or," to strike out "other" and to insert "the"; in line 16, after the word "such," to strike out "vessel or"; in line 17, after the word "of," to strike out "such" and to insert "the"; in the same line, after the word "merchandise," to insert "so found or unladen"; in line 20, after the word "be," to strike out "forfeited" and to insert "subject to forfeiture"; in line 22, after the word "manifest," to strike out "shall be" and to insert "is," so as to read:

SEC. 584. Falsity or lack of manifest: Any master of any vessel and any person in charge of any vessel bound to the United States who does not produce the manifest to the officer demanding the same shall be liable to a penalty of $500, and if any merchandise, including sea stores, is found on board of or after unlading from such vessel or vehicle which is not included or described in said manifest or does not agree therewith, the master of such vessel or the person in charge of such vehicle shall be liable to a penalty equal to the value of the merchandise so found or unladen, and any such merchandise belonging or consigned to the master or other officer or to any of the crew of such vessel, or to the owner or person in charge of such vehicle, shall be subject to forfeiture, and if any merchandise described in such manifest is not found on board the vessel or vehicle the master or other person in charge shall be subject to a penalty of $500.

The amendment was agreed to.

The next amendment was, on page 398, after line 5, to insert:

If any of such merchandise so found consists of smoking opium or opium prepared for smoking, the master of such vessel or the person in charge of such vehicle shall be liable to a penalty of $25 for each ounce thereof so found. Such penalty shall constitute a lien upon such vessel, which may be enforced by a libel in rem. Clearance of any such vessel may be withheld until such penalty is paid or until a bond, satisfactory to the collector, is given for the payment thereof. The provisions of this paragraph shall not prevent the forfeiture of any such vessel or vehicle under any other provision of law.

The amendment was agreed to.

The next amendment was, on page 398, line 18, after the word "vehicle," to insert "from a foreign port or place"; at the end of the same line, to strike out "having arrived" and to insert "arrives"; in line 19, after the word "district," to insert "and"; in line 21, after the word "necessity," to strike out "before report or entry shall have been made" and to insert "without making a report or entry under the provisions of this act"; in line 23, after the word "merchandise," to strike out "shall be" and to insert "is"; at the beginning of line 24, to strike out "without a permit therefor" and to insert "before such report or entry"; on page 399, line 1, after the word "master," to insert "of such vessel"; at the beginning of line 2, to insert "and the person in charge of such vehicle shall be liable to a penalty of $500, and any such vessel or vehicle shall be subject to forfeiture"; in line 4, after the word "any," to strike out "collector" and insert "customs"; and in line 5, after the word "vessel," to insert "or vehicle," so as to make the paragraph read:

SEC. 585. Departure before report or entry: If any vessel or vehicle from a foreign port or place arrives within the limits of any collection district and departs or attempts to depart, except from stress of weather or other necessity, without making a report or entry under the provisions of this act, or if any merchandise is unladen therefrom before such report or entry, the master of such vessel shall be liable to a penalty of $5,000, and the person in charge of such vehicle shall be liable to a penalty of $500, and any such vessel or vehicle shall be subject to forfeiture, and any customs or Coast Guard officer may cause such vessel or vehicle to be arrested and brought back to the most convenient port of the United States.

The amendment was agreed to.

The next amendment was, on page 399, line 7, after the word "unlawful," to strike out "landing" and to insert "unlading—exception"; in line 9, after the word "who," to strike out "shall allow" and to insert "allows"; in line 11, after the word "within," to strike out "the waters" and to insert "4 leagues of the coast"; in line 13, after the word "of," to strike out "cargo" and to insert "such merchandise"; at the beginning of line 14, to i..ert "before he"; in line 15, after the word "to," to insert "twice"; in line 16, after the word "merchandise," to insert "but not less than $1,000, and such vessel," so as to read:

SEC. 586. Unlawful unlading—Exception: The master of any vessel from a foreign port or place who allows any merchandise (including sea stores) to be unladen from such vessel at any time after its arrival within 4 leagues of the coast of the United States and before such vessel has come to the proper place for the discharge of such merchandise, and before he has received a permit to unlade, shall be liable to a penalty equal to twice the value of the merchandise but not less than $1,000, and such vessel and the merchandise shall be subject to seizure and forfeiture:

The amendment was agreed to.

The next amendment was, on page 400, at the beginning of line 4, to strike out "shall be," and to insert "is," so as to make the proviso read:

Provided, That whenever any part of the cargo or stores of a vessel has been unladen or transshipped because of accident, stress of weather, or other necessity, the master of such vessel shall, as soon as possible thereafter, notify the collector of the district within which such unlading or transshipment has occurred, or the collector within the district at which such vessel shall first arrive thereafter, and shall furnish proof that such unlading or transshipment was made necessary by accident, stress of weather, or other unavoidable cause, and if the collector is satisfied that the unlading or transshipment was in fact due to accident, stress of weather, or other necessity the penalties above described shall not be incurred.

The amendment was agreed to.

The next amendment was, on page 400, line 8, before the word "unladen," to strike out "or stores," and to insert "(including sea stores)"; in the same line, after the word "unladen," to strike out "from any vessel, contrary to law," and to insert "in violation of the provisions of section 586 of this act"; in line 10, before the word "transshipped," to strike out "shall be," and to insert "is"; in line 12, after the word "merchandise," to strike out "or stores shall be," and to insert "is"; in the same line, after the word "placed," to strike out "or" and to insert "and"; in line 14, after the word "to," to insert "twice"; in the same line, after the word "merchandise," to insert "but not less than $1,000"; and in line 15, after the word "vessel," to insert "and such merchandise," so as to make the paragraph read:

SEC. 587. Unlawful transshipment: If any merchandise (including sea stores) unladen in violation of the provisions of section 586 of this act is transshipped to or placed in or received on any other vessel, the master of the vessel on which such merchandise is placed, and any person aiding or assisting therein, shall be liable to a penalty equal to twice the value of the merchandise, but not less than $1,000, and such vessel and such merchandise shall be liable to seizure and forfeiture.

The amendment was agreed to.

The next amendment was, on page 400, line 18, after the word "merchandise," to strike out "shall be" and to insert "is"; in the same line, after the word "port," to insert "or place"; in line 20, after the word "and," to strike out "shall be" and insert "is"; in line 21, after the word "port," to insert "or place"; in line 25, after the word "port," to insert "or place"; on page 401, line 1, after the word "port," to insert "or place"; in line 4, after the word "port," to insert "or place"; at the beginning of line 6, after the word "per," to insert "net"; and in the same line, after the word "ton," to strike out "on her admeasurement," so as to make the paragraph read:

SEC. 588. Transportation between ports: If any merchandise is laden at any port or place in the United States upon any vessel belonging wholly or in part to a subject of a foreign country, and is taken thence to a foreign port or place to be reladen and reshipped to any other port in the United States, either by the same or by another vessel, foreign or American, with intent to evade the provisions relating to the transportation of merchandise from one port or place of the United States to another port or place of the United States in a vessel belonging wholly or in part to a subject of any foreign power, the merchandise shall, on its arrival at such last-named port or place, be seized and forfeited to the United States, and the vessel shall pay a tonnage duty of 50 cents per net ton.

The amendment was agreed to.

The next amendment was, on page 401, line 11, after the word "thereof," to strike out "shall be" and to insert "is"; in line 15, after the word "therein," to insert "and such merchandise"; and at the beginning of line 17, to strike out "for illegally introducing merchandise into the United States," so as to make the paragraph read:

SEC. 589. Unlawful relanding: If any merchandise entered or withdrawn for exportation without payment of the duties thereon, or with intent to obtain a drawback of the duties paid, or of any other allowances given by law on the exportation thereof, is relanded at any place in the United States without entry therefor having been made, the same shall be considered and treated as having been imported into the United States contrary to law, and all persons concerned therein and such merchandise shall be liable to the same penalties as are prescribed by section 593 of this act.

The amendment was agreed to.

The next amendment was, on page 401, line 19, after the word "shall," to insert "knowingly and willfully"; in line 20, after the word "drawback," to insert "allowance, or refund of duties"; at the beginning of line 25, to insert "allowance"; on page 402, at the beginning of line 2, to insert "shall be guilty of a felony, and upon conviction thereof"; in line 3, after the word "be," to strike out "subject to the payment of" and to insert "punished by"; in the same line, after the word "fine," to strike out "not to exceed" and to insert "or not more than"; in line 4, after the word "or," to strike out "to" and to insert "by"; in the same line, after the word "for," to strike out "a term not to exceed" and to insert "not more than"; in line 6, after the word "merchandise," to insert "or the value thereof," so as to make the paragraph read:

SEC. 590. False drawback claim: If any person shall knowingly and willfully file any false or fraudulent entry or claim for the payment of drawback, allowance, or refund of duties upon the exportation of merchandise, or shall knowingly and willfully make or file any false affidavit, abstract, record, certificate, or other document, with a view to securing the payment to himself or others of any drawback, allowance, or refund of duties, on the exportation of merchandise, greater than that legally due thereon, such person shall be guilty of a felony, and upon conviction thereof shall be punished by a fine of not more than $5,000 or by imprisonment for not more than two years, or both, and the merchandise or the value thereof to which such false entry or claim, affidavit, abstract, record, certificate, or other document relates shall be subject to forfeiture.

The amendment was agreed to.

The next amendment was, on page 402, line 9, after the word "Personal," to strike out "If any consignor, seller, owner, importer, consignee, agent, or other person or persons shall enter or introduce, or attempt to enter or introduce, into the commerce of the United States any merchandise by means of any fraudlent or false invoice, declaration, affidavit, letter, paper, or by means of any false statement, written or verbal, or by means of any false or fraudulent practice or appliance whatsoever, or if such person or persons shall be guilty of any willful act or omission by means whereof the United States shall or may be deprived of any part of the duties legally accruing upon the merchandise or any portion thereof affected by such act or omission, or if any person or persons shall make any false statement, or shall aid or procure the making of any such false statement, in the declarations required to be filed upon, or in connection with, the entry of imported merchandise as to any material matter, without reasonable cause to believe the truth of such statement, such person or persons shall upon conviction be fined for each offense a sum not exceeding $5,000 or be imprisoned for a term not exceeding two years, or both," and in lieu thereof to insert:

If any consignor, seller, owner, importer, consignee, agent, or other person or persons enters or introduces, or attempts to enter or introduce, into the commerce of the United States any imported merchandise by means of any fraudulent or false invoice, declaration, affidavit, letter, paper, or by means of any false statement, written or verbal, or by means of any false or fraudulent practice or appliance whatsoever, or makes any false statement in any declaration under the provisions of section 485 of this act without reasonable cause to believe the truth of such statement, or aids or procures the making of any such false statement as to any matter material thereto without reasonable cause to believe the truth of such statement, or is guilty of any willful act or omission by means whereof the United States shall or may be deprived of the lawful duties, or any portion thereof, accruing upon the merchandise, or any portion thereof, embraced or referred to in such invoice, declaration, affidavit, letter, paper, or statement, or affected by such act or omission, such person or persons shall upon conviction be fined for each offense a sum not exceeding $5,000, or be imprisoned for a time not exceeding two years, or both, in the discretion of the court: *Provided*, That nothing in this section shall be construed to relieve imported merchandise from forfeiture by reason of such false statement or for any cause elsewhere provided by law.

The amendment was agreed to.

The next amendment was, on page 404, line 4, after the word "goods," to strike out: "If any consignor, seller, owner, importer, consignee, agent, or other person or persons shall enter or introduce, or attempt to enter or introduce, into the commerce of the United States any merchandise by means of any fraudulent or false invoice, declaration, affidavit, letter, paper, or by means of any false statement, written or verbal, or by means of any false or fraudulent practice or appliance whatsoever, or if such person or persons shall be guilty of any willful act or omission by means whereof the United States shall or may be deprived of any part of the duties legally accruing upon the merchandise or any portion thereof affected by such act or omission, or if any person or persons shall make any false statement, or shall aid or procure the making of any such false statement, in the declarations required to be filed upon, or in connection with, the entry of

imported merchandise as to any material matter, without reasonable cause to believe the truth of such statement, such merchandise, or the value thereof, to be recovered from such person or persons shall be forfeited: *Provided*, That such forfeiture shall only apply to the whole of the merchandise, or the value thereof, in the case or package containing the particular article or articles of merchandise to which such fraud, false paper, or statement, or act or omission relates," and in lieu thereof to insert:

If any consignor, seller, owner, importer, consignee, agent, or other person or persons enters or introduces, or attempts to enter or introduce, into the commerce of the United States any imported merchandise by means of any fraudulent or false invoice, declaration, affidavit, letter, paper, or by means of any false statement, written or verbal, or by means of any false or fraudulent practice or appliance whatsoever, or makes any false statement in any declaration under the provisions of section 485 of this act without reasonable cause to believe the truth of such statement, or aids or procures the making of any such false statement as to any matter material thereto without reasonable cause to believe the truth of such statement, or is guilty of any willful act or omission by means whereof the United States is or may be deprived of the lawful duties or any portion thereof accruing upon the merchandise or any portion thereof, embraced or referred to in such invoice, declaration, affidavit, letter, paper, or statement, or affected by such act or omission, such merchandise, or the value thereof, to be recovered from such person or persons, shall be subject to forfeiture, which forfeiture shall only apply to the whole of the merchandise or the value thereof in the case or package containing the particular article or articles of merchandise to which such fraud or false paper or statement relates. The arrival within the territorial limits of the United States of any merchandise consigned for sale and remaining the property of the shipper or consignor, and the acceptance of a false or fraudulent invoice thereof by the consignee or the agent of the consignor, or the existence of any other facts constituting an attempted fraud, shall be deemed, for the purposes of this paragraph, to be an attempt to enter such merchandise notwithstanding no actual entry has been made or offered.

The amendment was agreed to.

The next amendment was, on page 406, line 10, after the word "importations," to strike out "If any person shall smuggle or clandestinely introduce into the United States any merchandise, or shall knowingly import or bring into the United States any merchandise contrary to law; or shall aid, assist, or abet in the importation or bringing into the United States of any merchandise contrary to law; or shall receive, conceal, buy, sell, or transport, or in any manner facilitate the transportation, concealment, or sale of such merchandise, knowing the same to have been imported or brought into the United States contrary to law, such merchandise shall be forfeited, and the offender shall be fined in a sum not exceeding $5,000 nor less than $50 or be imprisoned for a term not exceeding two years, or both. Whenever on trial for a violation of this section the defendant is shown to have or to have had possession of such goods, such possession shall be deemed evidence sufficient to authorize a conviction, unless the defendant shall explain the possession to the satisfaction of the jury," and in lieu thereof to insert:

(a) If any person knowingly and willfully, with intent to defraud the revenue of the United States, smuggles, or clandestinely introduces, into the United States any merchandise which should have been invoiced, or makes out or passes, or attempts to pass, through the customhouse any false, forged, or fraudulent invoice, every such person, his, her, or their aiders and abettors, shall be deemed guilty of a misdemeanor, and on conviction thereof shall be fined in any sum not exceeding $5,000, or imprisoned for any term of time not exceeding two years, or both, at the discretion of the court.

(b) If any person fraudulently or knowingly imports or brings into the United States, or assists in so doing, any merchandise, contrary to law, or receives, conceals, buys, sells, or in any manner facilitates the transportation, concealment, or sale of such merchandise after importation, knowing the same to have been imported or brought into the United States contrary to law, such merchandise shall be forfeited and the offender shall be fined in any sum not exceeding $5,000 nor less than $50, or be imprisoned for any time not exceeding two years, or both. Whenever, on trial for a violation of this section, the defendant is shown to have or to have had possession of such goods, such possession shall be deemed evidence sufficient to authorize conviction, unless the defendant shall explain the possession to the satisfaction of the jury.

The amendment was agreed to.

The next amendment was, on page 408, after line 2, to strike out:

SEC. 594. Searches and seizures: Officers and persons authorized to make searches and seizures, or persons assisting them or acting under their direction may at any time, if they deem the same necessary, enter into or upon, or pass through, the lands, inclosures, or buildings, other than a dwelling house, of any person whomsoever, and such officers or persons may stop, search, and examine any vehicle, beast, or person on which or whom they shall suspect there is merchandise introduced into the United States contrary to law, whether by the person in possession or in charge of such vehicle or beast, or otherwise, and may search any trunk, container, or package in which they have reasonable cause to suspect there is merchandise imported contrary to law.

The amendment was agreed to.

The next amendment was, on page 408, after line 15, to strike out:

SEC. 595. Same—Obstruction: If any master of a vessel, or the person driving or conducting or having charge of any beast or vehicle, or other person, shall refuse to stop or allow search and examination to be made when called upon to do so by such officer or person, or shall intentionally cause any obstruction or hindrance to any such officer or person in the performance of his duties, he shall, for every such offense, be subject to a fine of not more than $1,000 nor less than $50.

The amendment was agreed to.

The next amendment was, at the top of page 409, to strike out:

SEC. 596. Authority: Every officer or other person authorized to make searches and seizures by this act shall, at the time of executing any of the powers conferred upon him, make known his character as an officer or agent of the Government, and if requested shall show his official badge, commission, letter of appointment, or authorization. All such officers and persons shall have authority to demand that any person within a distance of 3 miles assist them in making any arrest, search, or seizure authorized by law, if such assistance be necessary; and if such person shall, without reasonable excuse, refuse or neglect so to assist on proper demand, he shall be deemed guilty of a misdemeanor, punishable by a fine of not more than $200 nor less than $5.

The amendment was agreed to.

The next amendment was, on page 409, line 14, after the figures "594," to strike out "Same—Guilt" and to insert "Seizure of vessels and vehicles," so as to read:

SEC. 594. Seizure of vessels and vehicles: Whenever a vessel or vehicle, or the owner or master, conductor, driver, or other person in charge thereof, has become subject to a penalty for violation of the customs revenue laws of the United States, such vessel or vehicle shall be held for the payment of such penalty and may be seized and proceeded against summarily by libel to recover the same.

The amendment was agreed to.

The next amendment was, on page 409, line 22, after the word "person," to strike out "or corporation," so as to make the proviso read:

Provided, That no vessel or vehicle used by any person as a common carrier in the transaction of business as such common carrier shall be so held or subject to seizure or forfeiture under the customs laws, unless it shall appear that the owner or master of such vessel or the conductor, driver, or other person in charge of such vehicle was at the time of the alleged illegal act a consenting party or privy thereto.

The amendment was agreed to.

The next amendment was, on page 410, line 5, before the word "warrant," to strike out "same," so as to read:

SEC. 595. Warrant: If any collector of customs or other officer or person authorized to make searches and seizures shall have cause to suspect the presence in any dwelling house, store, or other building or place of any merchandise upon which the duties have not been paid, or which has been otherwise brought into the United States contrary to law, he may make application, under oath, to any justice of the peace, to any municipal, county, State, or Federal judge, or to any United States commissioner, and shall thereupon be entitled to a warrant to enter such dwelling house in the daytime only, or such store or other place at night or by day, and to search for and seize such merchandise.

The amendment was agreed to.

The next amendment was, on page 410, line 23, after the word "who," to strike out "shall have received or deposited" and to insert "receives or deposits"; in line 25, after the word "or," to strike out "carried" and to insert "carries any merchandise"; on page 411, line 1, after the word "same," to strike out "any merchandise," and in the same line, after the word "or," to strike out "shall have aided" and to insert "aids," so as to make the paragraph read:

SEC. 596. Buildings on boundary: Any person who receives or deposits in such building upon the boundary line between the United States and any foreign country, or carries any merchandise through the same, or aids therein, in violation of law, shall be punishable by a fine of not more than $5,000 or by imprisonment for not more than two years, or both.

The amendment was agreed to.

The next amendment was, on page 411, after the word "Concealment," to strike out the comma and "and so forth"; in line 6, after the word "merchandise," to strike out "shall be" and to insert "is"; in line 9, after the word "obliterated," to strike out "the same" and to insert "such merchandise and packages"; in line 10, after the word "be," to strike out "forfeited to the United States" and to insert "subject to forfeiture"; and in line 16, after the word "act," to strike out "for the illegal introduction of merchandise into the United States," so as to make the paragraph read:

SEC. 597. Concealment: If any merchandise is fraudulently concealed in, removed from, or repacked in any bonded warehouse, or if any marks or numbers placed upon packages deposited in such a warehouse be fraudulently altered, defaced, or obliterated, such merchandise and packages shall be subject to forfeiture, and all persons convicted of the fraudulent concealment, repacking, or removal of such merchandise, or of altering, defacing, or obliterating such marks and numbers thereon, and all persons aiding and abetting therein, shall be liable to the same penalties as are imposed by section 593 of this act.

The amendment was agreed to.

The next amendment was, on page 411, line 18, after the word "Seals," to strike out the comma and "and so forth"; in the same line, after the word "any," to strike out "authorized" and to insert "unauthorized"; in line 19, after the word "person," to strike out "shall affix or attach" and to

insert "affixes or attaches"; in line 20, after the word "willfully," to strike out "assist or encourage" and to insert "assists or encourages"; in line 24, after the word "person," to strike out "shall"; at the beginning of line 25, to strike out "remove, break, injure, or deface" and to insert "removes, breaks, injures, or defaces"; on page 412, at the beginning of line 3, to insert "or baggage"; in the same line, after the word "bond," to insert "or in customs custody"; in the same line, after the word "or," to strike out "shall aid or abet or encourage" and to insert "willfully aids, abets, or encourages"; at the beginning of line 7, to strike out "shall"; in the same line, after the word "maliciously," to strike out "enter" and to insert "enters"; in line 10, after the word "merchandise," to insert "or baggage"; in the same line, after the word "or," to strike out "shall"; in line 11, before the words "to be," to strike out "remove or cause" and to insert "removes or causes"; in line 12, after the word "merchandise," to insert "or baggage"; at the beginning of line 14, to strike out "shall aid or assist" and to insert "aids or assists"; in the same line, after the word "person," to strike out "shall receive or transport" and to insert "receives or transports"; in line 15, after the word "merchandise," to insert "or baggage"; in line 19, after the word "are," to strike out "prescribed in" and to insert "imposed by"; and in line 20, after the word "act," to strike out "for the illegal introduction of merchandise into the United States," so as to make the paragraph read:

SEC. 598. False seals: If any unauthorized person affixes or attaches or in any way willfully assists or encourages the affixing or attaching of a customs seal or other fastening to any vessel or vehicle, or of any seal, fastening, or mark purporting to be a customs seal, fastening, or mark; or if any unauthorized person willfully or maliciously removes, breaks, injures, or defaces any customs seal or other fastening placed upon any vessel, vehicle, warehouse, or package containing merchandise or baggage in bond or in customs custody, or willfully aids, abets, or encourages any other person to remove, break, injure, or deface such seal, fastening, or mark; or if any person maliciously enters any bonded warehouse or any vessel or vehicle laden with or containing bonded merchandise with intent unlawfully to remove or cause to be removed therefrom any merchandise or baggage therein, or unlawfully removes or causes to be removed any merchandise or baggage in such vessel, vehicle, or bonded warehouse or otherwise in customs custody or control or aids or assists therein; or if any person receives or transports any merchandise or baggage unlawfully removed from any such vessel, vehicle, or warehouse, knowing the same to have been unlawfully removed, he shall be guilty of a felony and liable to the same penalties as are imposed by section 593 of this act.

The amendment was agreed to.

Mr. McCUMBER. On page 412, beginning with the word "No," in line 22, I move to strike out all of the matter down to and including line 17, on page 413, and to insert in lieu thereof the following:

No person employed under the authority of the United States in the collection of duties on imports or tonnage shall own, either in whole or in part, any vessel, or act as agent, attorney, or consignee for the owner or owners of any vessel, or of any cargo or lading on board the same; nor shall any such person import, or be concerned directly or indirectly in the importation, of any merchandise for sale into the United States. Every person who violates this section shall be liable to a penalty of $500.

The amendment was agreed to.

The next amendment was, on page 413, line 19, after the word "who," to strike out "shall"; in line 20, after the word "law," to strike out "solicit, demand, exact, or receive" and to insert "solicits, demands, exacts, or receives"; on page 414, line 2, after the word "of," to strike out "merchandise, including" and to insert "merchandise or"; in line 3, after the word "shall," to insert "be guilty of a misdemeanor and"; in line 4, after the word "thereof," to strike out "be fined" and to insert "shall be punished by a fine"; in line 5, after the word "or," to strike out "be imprisoned" and to insert "by imprisonment"; and in line 8, after the word "be," to strike out "regarded as," so as to make the paragraph read:

SEC. 600. Gratuity: Any officer or employee of the United States who, except in payment of the duties or exactions fixed by law, solicits, demands, exacts, or receives from any person, directly or indirectly, any gratuity, money, or thing of value for any service performed under the customs laws, or in consideration of any official act to be performed by him, or of the omission of performance of any such act, in connection with or pertaining to the importation, entry, inspection or examination, or appraisement of merchandise or baggage, shall be guilty of a misdemeanor, and on conviction thereof shall be punished by a fine not exceeding $5,000, or by imprisonment for not more than two years, or both, and evidence satisfactory to the court in which the trial is had of such soliciting, demanding, exacting, or receiving shall be prima facie evidence that the same was contrary to law.

The amendment was agreed to.

The next amendment was, on page 414, line 10, after the word "who," to strike out "shall give" and to insert "gives"; in line 11, after the word "or," where it occurs the first time, to strike out "offer" and to insert "offers"; in the same line, after the word "or," where it occurs the second time, to strike out "promise" and to insert "promises"; in line 16, after the word "of," to strike out "goods, wares, or"; in the same line, after the word "merchandise," to strike out the comma and "including herein any" and to insert "or"; in line 18, after the word "or," where it occurs the first time, to strike out "shall"; in line 19, after the word "character," to strike out "attempt" and to insert "attempts"; in line 21, after the word "shall," to strike out "be liable to" and to insert "be guilty of a misdemeanor and on conviction thereof shall be punished by"; in line 23, after the word "or," to insert "by"; in line 25, before the word "offering," to strike out "or"; in the same line, after the word "give," to insert "or attempting to influence or control"; and on page 415, line 2, after the word "be," to strike out "regarded as," so as to make the section read:

SEC. 601. Bribery: Any person who gives or offers to give, or promises to give, any money or thing of value, directly or indirectly, to any officer or employee of the United States in consideration of or for any act or omission contrary to law in connection with or pertaining to the importation, appraisement, entry, examination, or inspection of merchandise or baggage, or of the liquidation of the entry thereof, or by threats or demands or promises of any character attempts to improperly influence or control any such officer or employee of the United States as to the performance of his official duties, shall be guilty of a misdemeanor, and on conviction thereof shall be punished by a fine not exceeding $5,000 or by imprisonment for a term not exceeding two years, or both, and evidence of such giving, offering, or promising to give, or attempting to influence or control, satisfactory to the court in which such trial is had, shall be prima facie evidence that the same was contrary to law.

The amendment was agreed to.

The next amendment was, on page 415, line 6, after the word "merchandise," to insert "or baggage"; in line 7, after the word "seizure," to strike out "and forfeiture"; in line 8, after the word "laws," to strike out "immediately upon the detection of the violation of such laws"; in line 9, after the word "report," to strike out "the same" and to insert "every such seizure immediately"; in line 10, after the word "collector," to strike out "of customs"; at the beginning of line 12 to strike out "of customs"; in the same line, after the word "vehicle," to strike out "or"; in the same line, after the word "merchandise," to insert "or baggage"; and in line 13, after the word "him," to insert "and to report immediately to such collector every violation of the customs laws," so as to make the section read:

SEC. 602. Seizure procedure—Report: It shall be the duty of any officer, agent, or other person authorized by law to make seizures of merchandise or baggage subject to seizure for violation of the customs laws, to report every such seizure immediately to the collector for the district in which such violation occurred, and to turn over and deliver to such collector any vessel, vehicle, merchandise, or baggage seized by him, and to report immediately to such collector every violation of the customs laws.

The amendment was agreed to.

The next amendment was, on page 415, line 16, after the word "collector," to strike out "of customs," so as to make the section read:

SEC. 603. Same—Facts to report: It shall be the duty of the collector whenever a seizure of merchandise has been made for a violation of the customs laws to report the same to the Solicitor of the Treasury, and promptly also to report any such seizure or violation of the customs laws to the United States attorney for the district in which such violation has occurred, or in which such seizure was made, including in such report a statement of all the facts and circumstances of the case within his knowledge, with the names of the witnesses, and citation of the statute or statutes believed to have been violated, and on which reliance may be had for forfeiture or conviction.

The amendment was agreed to.

The next amendment was, on page 416, line 3, after the word "collectors," to strike out "of customs," and in line 12, after the word "attorney," to strike out "shall decide" and to insert "decides," so as to make the section read:

SEC. 604. Same—Prosecution: It shall be the duty of every United States district attorney immediately to inquire into the facts of cases reported to him by collectors and the laws applicable thereto, and if it appears probable that any fine, penalty, or forfeiture has been incurred by reason of such violation, for the recovery of which the institution of proceedings in the United States district court is necessary, forthwith to cause the proper proceedings to be commenced and prosecuted, without delay, for the recovery of such fine, penalty, or forfeiture in such case provided, unless, upon inquiry and examination, such district attorney decides that such proceedings can not probably be sustained or that the ends of public justice do not require that they should be instituted or prosecuted, in which case he shall report the facts to the Secretary of the Treasury for his direction in the premises.

The amendment was agreed to.

The next amendment was, on page 416, at the beginning of line 18, to strike out "and," and in the same line, after the word "merchandise," to insert "and baggage," so as to make the section read:

SEC. 605. Same—Custody: All vessels, vehicles, merchandise, and baggage seized under the provisions of the customs laws, or laws relating to the navigation, registering, enrolling or licensing, or entry or clearance, of vessels, unless otherwise provided by law, shall be placed and remain in the custody of the collector for the district in which the seizure was made to await disposition according to law.

The amendment was agreed to.

The next amendment was, on page 416, line 25, after the word "appraiser," to strike out "of merchandise to appraise" and to insert "to determine"; on page 417, line 1, after the word "the," to insert "domestic"; in the same line, after the word "value," to insert "at the time and place of appraisement"; in line 2, after the word "vehicle," to strike out "or"; in the same line, after the word "merchandise," to insert "or baggage"; in line 3, before the word "seized," to strike out "so"; and in the same line, after the word "seized," to insert "under the customs laws," so as to make the section read:

SEC. 606. Same—Appraisement: The collector shall require the appraiser to determine the domestic value, at the time and place of appraisement, of any vessel, vehicle, merchandise, or baggage seized under the customs laws.

The amendment was agreed to.

The next amendment was, on page 417, line 4, after the word "If," to strike out "the" and to insert "such"; in line 5, after the word "vehicle," to strike out "or"; in the same line, after the word "merchandise," to insert "or baggage"; in line 6, before the word "not," to strike out "shall" and to insert "does"; and in line 10, after the word "direct," to strike out "by general regulations or otherwise," so as to make the section read:

SEC. 607. Same—Value $1,000 or less: If such value of such vessel, vehicle, merchandise, or baggage returned to the appraiser, does not exceed $1,000, the collector shall cause a notice of the seizure of such articles and the intention to forfeit and sell the same to be published for at least three successive weeks in such manner as the Secretary of the Treasury may direct.

The amendment was agreed to.

The next amendment was, on page 417, line 13, before the word "merchandise," to strike out "or"; in the same line, before the word "may," to insert "or baggage"; in line 14, after the word "within," to strike out "20" and to insert "twenty"; in line 16, after the word "interest," to strike out "in the articles seized" and to insert "therein," so as to make the section read:

SEC. 608. Same—Claims: Any person claiming such vessel, vehicle, merchandise, or baggage may at any time within twenty days from the date of the first publication of the notice of seizure file with the collector a claim stating his interest therein. Upon the filing of such claim, and the giving of a bond to the United States in the penal sum of $250, with sureties to be approved by the collector, conditioned that in case of condemnation of the articles so claimed the obligor shall pay all the costs and expenses of the proceedings to obtain such condemnation, the collector shall transmit such claim and bond, with a duplicate list and description of the articles seized, to the United States attorney for the district in which seizure was made, who shall proceed to a condemnation of the merchandise or other property in the manner prescribed by law.

The amendment was agreed to.

The next amendment was, on page 418, line 3, after the word "claim," to strike out "shall be" and to insert "is"; in line 5, after the word "vehicle," to strike out "or"; in line 6, after the word "merchandise," to insert "or baggage"; and, in line 10, after "United States.", to strike out "The collector, however, shall have power to adjourn such sale from time to time for a period not exceeding 30 days in all.", so as to make the section read:

SEC. 609. Same—Sale: If no such claim is filed or bond given within the 20 days hereinbefore specified, the collector shall declare the vessel, vehicle, merchandise, or baggage forfeited, and shall sell the same at public auction in the same manner as merchandise abandoned to the United States is sold, and shall deposit the proceeds of sale, after deducting the actual expenses of seizure, publication, and sale, in the Treasury of the United States.

The amendment was agreed to.

The next amendment was, on page 418, line 15, after the word "vehicle," to strike out "or"; in line 16, after the word "merchandise," to insert "or baggage," and in the same line, after the word "seized," to strike out "shall be" and to insert "is," so as to make the section read:

SEC. 610. Same—Value more than $1,000: If the value returned by the appraiser of any vessel, vehicle, merchandise, or baggage so seized is greater than $1,000 the collector shall transmit a report of the case, with the names of available witnesses, to the United States attorney for the district in which the seizure was made for the institution of the proper proceedings for the condemnation of such property.

The amendment was agreed to.

The next amendment was, on page 418, after line 21, to strike out:

SEC. 614. Delivery under bond: Any person having or claiming to have an interest in any vessel, vehicle, or merchandise, whether valued at more or less than $1,000, under seizure for a violation of the customs laws or of the laws relating to the entry or clearance of vessels or to their navigation or equipment, or to the registering, enrolling, or licensing of vessels, or to the payment of tonnage tax thereon may file his petition with the United States district court for the district in which the seizure was made for the delivery of such vessel, vehicle, or merchandise to him. Upon the filing of such petition, and of a certificate from the collector of customs for the district in which the seizure was made that the duty or tonnage tax on such vessel, vehicle, or merchandise has been paid, and the filing of a bond with sureties to be approved by the court in a sum equal to the value of such vessel, vehicle, or merchandise, plus a further amount estimated by the court to cover the costs of the court in such proceedings, the court shall, by rule, order such vessel, vehicle, or merchandise to be delivered to the claimant pending the final determination of the condemnation proceedings. If the claimant or the district attorney shall be dissatisfied with the value of the merchandise as found by the appraiser, the court may, upon the motion of either party, cause a new appraisement to be made at the expense of the moving party by three disinterested persons to be appointed by the court, whose appraisement shall be conclusive for the purposes of this section. If final judgment is in favor of the claimant, the court shall cause the bond to be canceled, but if judgment is against the claimant as to the whole or any part of such vessel, vehicle, or merchandise, and the claimant does not within 20 days after the entry of such judgment pay into court the amount of the value of the vessel, vehicle, or merchandise so condemned, with the costs, judgment shall be entered on the bond, on motion in open court, without further delay.

The amendment was agreed to.

The next amendment was, on page 420, line 8, after the word "any," to insert "vessel, vehicle"; in the same line, after the word "merchandise," to insert "or baggage"; in line 11, after the word "located," to insert "or if a sale may be made more advantageously in any other district"; in line 13, after the word "order," to strike out "the same" and to insert "such vessel, vehicle, merchandise, or baggage"; in line 16, after the word "Treasury," to strike out "shall be" and to insert "is"; and in line 18, after the word "order," to strike out the words "the merchandise to be destroyed" and to insert "a destruction," so as to read:

SEC. 611. Same—Conditional sales: If the sale of any vessel, vehicle, merchandise, or baggage forfeited under the customs laws in the district in which seizure thereof was made be prohibited by the laws of the State in which such district is located, or if a sale may be made more advantageously in any other district, the Secretary of the Treasury may order such vessel, vehicle, merchandise, or baggage to be transferred for sale in any customs district in which the sale thereof may be permitted. And if the Secretary of the Treasury is satisfied that the proceeds of sale will not be sufficient to pay the costs thereof he may order a destruction by the customs officers:

The amendment was agreed to.

The next amendment was, on page 421, line 1, after the word "it," to strike out "shall appear" and to insert "appears"; in line 2, after the word "collector," to strike out "of customs"; in line 3, before the word "merchandise," to strike out "or"; in the same line, before the word "seized," to insert "or baggage"; in line 7, after the word "vehicle," to strike out "or"; in the same line, after the word "merchandise," to insert "or baggage"; at the end of the same line to strike out "is less than" and to insert "as determined by the appraiser under section 606 of this act does not exceed"; in line 9, after "$1,000," to strike out "and no bond has been given as provided in section 614 of this act" and to insert "and such vessel, vehicle, merchandise, or baggage has not been delivered under bond, the collector shall"; in line 13, after the word "return," to strike out "the collector shall"; in line 16, after the word "if," to strike out "the" and to insert "such"; in line 17, before the word "merchandise," to strike out "or"; in the same line, after the word "merchandise," to insert "or baggage"; at the end of the same line to strike out "shall be or exceed" and to insert "exceeds"; in line 21, before the word "merchandise," to strike out "or"; in the same line, after the word "merchandise," to insert "or baggage"; on page 422, line 3, after the word "vehicle," to strike out "or"; and in the same line, after the word "merchandise," to insert "or baggage," so as to make the section read:

SEC. 612. Summary sale: Whenever it appears to the collector that any vessel, vehicle, merchandise, or baggage seized under the customs laws is liable to perish or to waste or to be greatly reduced in value by keeping, or that the expense of keeping the same is disproportionate to the value thereof, and the value of such vessel, vehicle, merchandise, or baggage, as determined by the appraiser under section 606 of this act, does not exceed $1,000, and such vessel, vehicle, merchandise, or baggage has not been delivered under bond, the collector shall, within 24 hours after the receipt by him of the appraiser's return proceed forthwith to advertise and sell the same at auction under regulations to be prescribed by the Secretary of the Treasury. If such value of such vessel, vehicle, merchandise, or baggage exceeds $1,000 the collector shall forthwith transmit the appraiser's return and his report of the seizure to the United States district attorney, who shall petition the court to order an immediate sale of such vessel, vehicle, merchandise, or baggage, and if the ends of justice require it the court shall order such immediate sale, the proceeds thereof to be deposited with the court to await the final determination of the condemnation proceedings. Whether such sale be made by the collector or by order of the court, the proceeds thereof shall be held subject to claims of parties in interest to the same extent as the vessel, vehicle, merchandise, or baggage so sold would have been subject to such claim.

The amendment was agreed to.

The next amendment was, on page 422, line 6, before the word "merchandise," to strike out "or"; in the same line, after the word "merchandise," to insert "or baggage"; in line 10, after the word "Treasury," to insert "if the forfeiture and sale was under the customs laws, or to the Secretary of Commerce if the forfeiture and sale was under the navigation laws";

in line 21, after the word "Treasury," to insert "or the Secretary of Commerce"; in line 24, after the word "duties," to insert "if any"; and in the same line after the word "merchandise," to insert "or baggage"; on page 423, line 2, after the words "restoration," to strike out "shall be" and to insert "is"; in line 4, after the word "Treasury," to insert "or the Secretary of Commerce," and at the end of line 5 to strike out "distribute" and to insert "disposed of," so as to read:

SEC. 613. Disposition of proceeds: Any person claiming any vessel, vehicle, merchandise, or baggage, or any interest therein, which has been forfeited and sold under the provisions of this act, may at any time within three months after the date of sale apply to the Secretary of the Treasury if the forfeiture and sale was under the customs laws, or to the Secretary of Commerce if the forfeiture and sale was under the navigation laws, for a remission of the forfeiture and restoration of the proceeds of such sale, or such part thereof as may be claimed by him. Upon the production of satisfactory proof that the applicant did not know of the seizure prior to the declaration or condemnation of forfeiture, and was in such circumstances as prevented him from knowing of the same, and that such forfeiture was incurred without any willful negligence or intention to defraud on the part of the applicant, the Secretary of the Treasury or the Secretary of Commerce may order the proceeds of the sale, or any part thereof, restored to the applicant, after deducting the cost of seizure and of sale, the duties, if any, accruing on the merchandise or baggage, and any sum due on a lien for freight, charges, or contribution in general average that may have been filed. If no application for such remission or restoration is made within three months after such sale, or if the application be denied by the Secretary of the Treasury or the Secretary of Commerce, the proceeds of sale shall be disposed of as follows:

The amendment was agreed to.

The next amendment was, on page 423, line 7, before the word "proper," to strike out "All" and to insert "For the payment of all," and at the beginning of line 12 to strike out "court." and to insert "court;", so as to read:

(1) For the payment of all proper expenses of the proceedings of forfeiture and sale, including expenses of seizure, maintaining the custody of the property, advertising and sale, and if condemned by a decree of a district court and a bond for such costs was not given, the costs as taxed by the court;

The amendment was agreed to.

The next amendment was, on page 423, line 13, after "(2)," to strike out "Liens" and to insert "For the satisfaction of liens"; in line 14, before the word "notice," to strike out "of which"; in the same line, after the word "notice," to insert "of which"; and in line 15, after the word "law." to insert "law;", so as to read:

(2) For the satisfaction of liens for freight, charges, and contributions in general average, notice of which has been filed with the collector according to law;

The amendment was agreed to.

The next amendment was, on page 423, line 16, after "(3)," to strike out "The" and to insert "For the payment of the"; in line 17, after the word "merchandise," to insert "or baggage," and in the same line, after the word "to," to strike out "duty" and to insert "duty; and," so as to read:

(3) For the payment of the duties accruing on such merchandise or baggage, if the same is subject to duty; and

The amendment was agreed to.

The next amendment was, on page 423, line 18, after the word "residue," to strike out "of the proceeds of sale," and at the beginning of line 20, to strike out "receipt" and to insert "or navigation fine," so as to read:

(4) The residue shall be deposited with the Treasurer of the United States as a customs or navigation fine.

The amendment was agreed to.

The next amendment was, on page 423, line 22, after the word "vehicle," to strike out "or"; in the same line, after the word "merchandise," to insert "or baggage"; in line 23, after the word "Act," to strike out "shall offer" and to insert "offers"; in line 24, after the word "vehicle," to strike out "or"; in the same line, after the word "merchandise," to insert "or baggage, as determined under section 606 of this act"; in the same line, after the word "it," to strike out "shall appear" and to insert "appears"; on page 424, line 3, after the word "Treasury," to insert "if under the customs laws, or the Secretary of Commerce if under the navigation laws"; in line 5, after the word "vehicle," to strike out "or"; in line 6, before the word "seized," to insert "or baggage," and at the beginning of line 8, to strike out the figures "617" and to insert "613," so as to make the paragraph read:

SEC. 614. Release: If any person claiming an interest in any vessel, vehicle, merchandise, or baggage seized under the provisions of this act offers to pay the value of such vessel, vehicle, merchandise, or baggage, as determined under section 606 of this act, and it appears that such person has in fact a substantial interest therein, the collector may, subject to the approval of the Secretary of the Treasury if under the customs laws, or the Secretary of Commerce, if under the nagivation laws, accept such offer and release the vessel, vehicle, merchandise, or baggage seized upon the payment of such value thereof, which shall be distributed in the order provided in section 613 of this act.

The amendment was agreed to.

The next amendment was, on page 424, line 10, after the word "vehicle," to strike out "or"; in line 11, before the word "seized," to insert "or baggage"; in line 16, after the word "vehicle," to strike out "or"; and in the same line, after the word "merchandise," to insert "or baggage," so as to read:

SEC. 615. Burden of proof: In all suits or actions brought for the forfeiture of any vessel, vehicle, merchandise, or baggage seized under the provisions of any law relating to the collection of duties on imports or tonnage, where the property is claimed by any person, the burden of proof shall lie upon such claimant; and in all suits or actions brought for the recovery of the value of any vessel, vehicle, merchandise, or baggage seized for violation of any such law, the burden of proof shall be upon the defendant: *Provided*, That probable cause shall be first shown for the institution of such suit or action, to be judged of by the court.

The amendment was agreed to.

The next amendment was, on page 424, line 22, after the word "officer," to strike out "or officers"; at the beginning of line 25, to insert the word "such"; in the same line, after the word "officer," to strike out "or person"; in the same line, after the word "who," to strike out "shall so compromise or abate" and to insert "compromises or abates"; on page 425, line 1, after the word "or," to strike out "attempt" and to insert "attempts"; in line 2, after the word "manner," to strike out "relieve or attempt" and to insert "relieves or attempts"; in line 4, before the word "merchandise," to strike out "or"; in the same line, before the word "from," to insert "or baggage"; in line 5, after the word "be," to strike out "liable to" and to insert "guilty of a felony and upon conviction thereof shall be punished by," so as to read:

SEC. 616. Compromise of claims: It shall not be lawful for any officer of the United States to compromise or abate any claim of the United States arising under the customs laws for any fine, penalty, or forfeiture, and any such officer who compromises or abates any such claim or attempts to make such compromise or abatement, or in any manner relieves or attempts to relieve any person, vessel, vehicle, merchandise, or baggage from any such fine, penalty, or forfeiture shall be guilty of a felony and upon conviction thereof shall be punished by a fine of not more than $5,000 or by imprisonment for a term of not exceeding two years: *Provided*, That the Secretary of the Treasury shall have power to remit or mitigate any such fine, penalty, or forfeiture, or to compromise the same in the manner provided by law.

The amendment was agreed to.

The next amendment was, on page 425, line 12, after the word "collector," to strike out "of customs"; and in line 15, after the word "claim," to strike out "was" and to insert "is," so as to make the paragraph read:

SEC. 617. Same: Upon a report by a collector, district attorney, or any special attorney or agent, having charge of any claim arising under the customs laws, showing the facts upon which such claim is based, the probabilities of a recovery and the terms upon which the same may be compromised, the Secretary of the Treasury is hereby authorized to compromise such claim, if such action shall be recommended by the Solicitor of the Treasury.

The amendment was agreed to.

The next amendment was, on page 425, at the beginning of line 22, to strike out "or"; in the same line, before the word "seized," to insert "or baggage"; in line 24, before the word "with," to strike out "shall file" and to insert "files"; in line 25, after "Treasury," to insert "if under the customs laws and with the Secretary of Commerce if under the navigation laws"; on page 426, line 2, before the word "merchandise," to strike out "or"; in the same line, after the word "merchandise," to insert "or baggage"; in line 4, after the word "Treasury," to insert "or the Secretary of Commerce"; in line 5, after the word "he," to strike out "shall find" and to insert "finds"; in line 6, after the word "without," to insert "willful negligence or without"; in line 8, after the word "or" where it occurs the second time, to strike out "shall find" and to insert "finds"; and at the beginning of line 12, to strike out "shall deem" and to insert "deems," so as to read:

SEC. 618. Remission or mitigation of penalties: Whenever any person interested in any vessel, vehicle, merchandise, or baggage seized under the provisions of this act, or who has incurred, or is alleged to have incurred, any fine or penalty thereunder, files with the Secretary of the Treasury if under the customs laws, and with the Secretary of Commerce if under the navigation laws, before the sale of such vessel, vehicle, merchandise, or baggage a petition for the remission or mitigation of such fine, penalty, or forfeiture, the Secretary of the Treasury, or the Secretary of Commerce, if he finds that such fine, penalty, or forfeiture was incurred without willful negligence or without any intention on the part of the petitioner to defraud the revenue or to violate the law, or finds the existence of such mitigating circumstances as to justify the remission or mitigation of such fine, penalty, or forfeiture, may remit or mitigate the same upon such terms and conditions as he deems reasonable and just, or order discontinuance of any prosecution relating thereto. In order to enable him to ascertain the facts, the Secretary of the Treasury may issue a commission to any special agent, collector, member of the Board of United States General Appraisers, or United States commissioner, to take testimony upon such petition.

The amendment was agreed to.

The next amendment was, on page 426, line 19, after the word "compensation," to strike out "which shall have been," so as to make the proviso read:

Provided, That nothing in this section shall be construed to deprive any person of an award of compensation made before the filing of such petition.

The amendment was agreed to.

The next amendment was, on page 426, line 22, after the word "who," to strike out "shall detect and seize" and to insert "detects and seizes"; in line 23, after the word "any" to insert "vessel, vehicle"; and, in the same line, after the word "merchandise," to insert "or baggage"; in line 25, after the word "who," to strike out "shall report" and to insert "reports"; on page 427, line 1, after the word "who," to strike out "shall furnish" and to insert "furnishes"; in line 4, after the word "revenue," to insert "or a violation of the customs laws"; in line 6, before the word "to," to strike out "shall lead" and to insert "leads"; at the beginning of line 9, to insert "of 25 per cent of the net amount recovered, but"; in line 10, after the word "exceed," to strike out "$5,000" and to insert "$50,000"; and, in line 11, after "purpose," to insert "For the purposes of this section, an amount recovered under a bail bond shall be deemed a recovery of a fine incurred," so as to make the section read:

SEC. 619. Award of compensation: Any person not an officer of the United States who detects and seizes any vessel, vehicle, merchandise, or baggage subject to seizure and forfeiture under the customs laws and who reports the same to an officer of the customs, or who furnishes to a district attorney, to the Secretary of the Treasury, or to any customs officer original information concerning any fraud upon the customs revenue, or a violation of the customs laws perpetrated or contemplated, which detection and seizure or information leads to a recovery of any duties withheld, or of any fine, penalty, or forfeiture incurred, may be awarded and paid by the Secretary of the Treasury a compensation of 25 per cent of the net amount recovered, but not to exceed $50,000 in any case, which shall be paid out of moneys appropriated for that purpose. For the purposes of this section, an amount recovered under a bail bond shall be deemed a recovery of a fine incurred.

The amendment was agreed to.

The next amendment was, on page 427, line 15, after the word "who," to strike out "shall"; in line 16, after the word "indirectly," to strike out "receive, accept, or contract" and to insert "receives, accepts, or contracts"; in line 19, after the word "shall," to insert "be guilty of a felony and"; in line 20, after the word "thereof," to strike out "be liable to" and to insert "shall be punished by"; in the same line, after the word "fine," to strike out "not exceeding $5,000" and to insert "of not more than $10,000"; and in line 24 to insert "Any such person who pays to any such officer, or to any person for the use of such officer, any portion of such money, or anything of value for or because of such money, shall have a right of action against such officer or his legal representatives, or against such person or his legal representatives, and shall be entitled to recover the money so paid or the thing of value so given," so as to make the section read:

SEC. 620. Same—United States officers: Any officer of the United States who, directly or indirectly, receives, accepts, or contracts for any portion of the money which may accrue to any person making such detection and seizure, or furnishing such information, shall be guilty of a felony and, upon conviction thereof, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than two years, or both, and shall be thereafter ineligible to any office of honor, trust, or emolument. Any such person who pays to any such officer, or to any person for the use of such officer, any portion of such money, or anything of value for or because of such money, shall have a right of action against such officer or his legal representatives, or against such person or his legal representatives, and shall be entitled to recover the money so paid or the thing of value so given.

The amendment was agreed to.

The next amendment was, on page 428, line 9, after the word "action," to strike out "shall be" and to insert "is," and in line 10, after the word "forfeiture," to strike out "shall have," so as to read:

SEC. 621. Limitation of actions: No suit or action to recover any pecuniary penalty or forfeiture of property accruing under the customs laws shall be instituted unless such suit or action is commenced within five years after the time when such penalty or forfeiture accrued: *Provided*, That the time of the absence from the United States of the person subject to such penalty or forfeiture, or of any concealment or absence of the property, shall not be reckoned within this period of limitation.

The amendment was agreed to.

The next amendment was, on page 428, line 15, after the word "war," to strike out "and so forth," so as to make the section read:

SEC. 622. Emergency of war: Whenever the President shall by proclamation declare an emergency to exist by reason of a state of war, or otherwise, he may authorize the Secretary of the Treasury to extend during the continuance of such emergency the time herein prescribed for the performance of any act.

The amendment was agreed to.

Mr. McCUMBER. On page 428, after line 20, on behalf of the committee, I move to insert a new section, as follows:

SEC. 623. General regulations: In addition to the specific powers conferred by this act, the Secretary of the Treasury is authorized to make such rules and regulations as may be necessary to carry out the provisions of this act.

The amendment was agreed to.

The next amendment was, under "Part 6—Repealing provisions," on page 429, line 1, after the word "civil" to insert "or criminal," so as to make the section read:

SEC. 641. Rights and liabilities: The repeal of existing laws or modifications thereof embraced in this act shall not affect any act done, nor any right accruing or accrued, nor any suit or proceeding had or commenced in any civil or criminal case prior to said repeal or modifications, but all liabilities under said laws shall continue and may be enforced in the same manner as if said repeal or modifications had not been made. All offenses committed and all penalties, forfeitures, or liabilities incurred prior to the taking effect hereof, under any statute embraced in, or changed, modified, or repealed by this act, may be prosecuted and punished in the same manner and with the same effect as if this act had not been passed. No acts of limitation now in force, whether applicable to civil causes and proceedings or to the prosecution of offenses or for the recovery of penalties or forfeitures embraced in, modified, changed, or repealed by this act shall be affected thereby so far as they affect any suits, proceedings, or prosecutions, whether civil or criminal, for causes arising or acts done or committed prior to the taking effect of this act, which may be commenced and prosecuted within the same time and with the same effect as if this act had not been passed.

The amendment was agreed to.

The next amendment was, on page 429, after line 18, to strike out—

SEC. 642. Judicial and criminal codes: Nothing in this act shall be construed as repealing any of the provisions of the act approved March 3, 1911, chapter 231, entitled "An act to codify, revise, and amend the laws relating to the judiciary," and known as "the Judicial Code," or of the act approved March 4, 1909, chapter 321, entitled "An act to codify, revise, and amend the penal laws of the United States," and known as "the Criminal Code," nor any other acts or parts of acts not inconsistent with the provisions of this act which are not herein specifically repealed.

The amendment was agreed to.

The next amendment was, on page 430, line 6, after the word "Statutes," to insert "as amended," and in line 7, after "repealed:" to strike out "3, 4, 959, 965, 1715, 2463, 2517, as amended by the act of February 27, 1877, chapter 69; 2518, as amended by the act of February 27, 1877, chapter 69; 2519, as amended by the act of February 27, 1877, chapter 69; 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2528, 2529, 2531, as amended by the act of February 18, 1875, chapter 80, section 1; 2532, 2533, 2534, 2535, 2536, as amended by the act of February 27, 1877, chapter 69; 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, as amended by the act of February 27, 1877, chapter 69; 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, as amended by the act of February 27, 1877, chapter 69; 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2569, 2570, as amended by the act of March 3, 1897, chapter 389, section 16; 2571, as amended by the act of March 3, 1897, chapter 389, section 16; 2572, as amended by the act of March 3, 1897, chapter 389, section 16; 2573, as amended by the act of March 3, 1897, chapter 389, section 16; 2574, as amended by the act of March 3, 1897, chapter 389, section 16; 2575, as amended by the act of March 3, 1897, chapter 389, section 16; 2577, 2578, as amended by the act of February 27, 1877, chapter 69, and the act of September 25, 1890, chapter 917, section 1; 2579, as amended by the act of February 27, 1877, chapter 69, and the act of September 25, 1890, chapter 917, section 1; 2580, 2581, 2582, as amended by the act of February 27, 1877, chapter 69; 2583, 2584, as amended by the act of March 3, 1897, chapter 389, section 16; 2585, as amended by the act of February 27, 1877, chapter 69, and by the act of March 3, 1897, chapter 389, section 16; 2586, 2587, as amended by the act of February 27, 1877, chapter 69; 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, as amended by the act of February 27, 1877, chapter 69; 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2609, 2610, 2624, 2634, 2642, 2650, 2653, 2655, 2656, 2657, 2658, 2659, as amended by the act of February 27, 1877, chapter 69; 2660, as amended by the act of February 27, 1877, chapter 69; 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, as amended by the act of February 27, 1877, chapter 69; 2676, 2677, 2678, 2679, 2680, 2681, 2682, 2683, 2684, 2685, 2686, 2688, 2689, 2690, 2691, as amended by the act of February 27, 1877, chapter 69; 2692, 2693, 2694, 2695, 2696, 2697, 2698, 2699, 2700, 2701, 2702, as amended by the act of February 27, 1877, chapter 69; 2703, 2704, 2705, 2706, 2707, 2708, 2709, 2710, 2711, as amended by the act of February 18, 1875, chapter 80, section 1; 2712, 2713, 2714, 2715, 2716, 2717, 2718, 2719, 2720, as amended by the act of February 27, 1877, chapter 69; 2721, 2722, 2723, 2724, 2725, 2726, 2728, 2729, 2730, as amended by the act of February 18, 1875, chapter 80, section 1; 2731, 2732, 2734, 2735, 2736, 2738, 2739,

2740, 2741, 2742, as amended by the act of February 27, 1877, chapter 69; 2743, 2744, 2745, 2746, as amended by the act of February 27, 1877, chapter 69; 2766, 2767, 2768, 2770, 2771, 2772, 2773, 2774, 2775, 2776, as amended by the act of June 26, 1884, chapter 121, section 29; 2777, 2778, 2779, 2780, 2781, 2782, 2783, 2784, 2785, 2786, 2787, as amended by the act of March 2, 1905, chapter 1306; 2788, 2789, 2790, 2791, 2794, 2795, 2797, as amended by the act of March 3, 1897, chapter 389, section 17; 2798, 2799, 2800, 2801, 2802, 2803, 2806, 2807, as amended by the act of June 3, 1892, chapter 86, section 1; 2808, 2809, 2810, as amended by the act of February 27, 1877, chapter 69; 2811, 2812, 2813, 2814, 2815, 2816, 2817, 2818, 2819, as amended by the act of February 27, 1877, chapter 69; 2820, as amended by the act of February 27, 1877, chapter 69; 2821, as amended by the act of February 27, 1877, chapter 69; 2822, as amended by the act of February 27, 1877, chapter 69; 2823, 2824, 2825, 2826, as amended by the act of February 27, 1877, chapter 69; 2827, 2828, 2829, 2830, 2831, 2834, as amended by the act of March 3, 1897, chapter 389, section 15; 2836, 2837, 2840, 2842, 2844, as amended by the act of June 28, 1906, chapter 3569; 2846, 2847, 2848, 2849, 2850, 2852, 2855, as amended by the act of June 10, 1880, chapter 190, section 4; 2857, 2859, 2861, 2864, as amended by the act of February 18, 1875, chapter 80, section 1; 2865, as amended by the act of February 27, 1877, chapter 69; 2867, 2868, 2869, as amended by the act of June 5, 1894, chapter 92, section 2; 2870, 2872, as amended by the act of June 26, 1884, chapter 121, section 25; 2873, 2874, 2875, 2876, 2877, 2878, 2879, 2880, as amended by the act of May 9, 1896, chapter 164; 2881, as amended by the act of June 3, 1892, chapter 86, section 2; 2882, 2883, 2884, 2885, 2886, 2887, 2891, 2892, 2893, 2894, 2895, 2896, 2898, 2899, 2901, 2904, 2906, 2910, 2911, 2912, 2913, 2914, 2915, 2916, 2920, 2921, 2925, 2926, 2928, 2933, 2935, 2936, as amended by the act of February 27, 1877, chapter 69; 2937, 2946, 2948, 2949, 2950, 2951, 2953, 2954, 2955, 2956, 2957, 2958, 2959, 2960, 2961, 2962, 2963, 2964, 2965, 2966, as amended by the act of June 26, 1884, chapter 121, section 24; 2967, 2968, 2969, 2970, 2971, 2972, 2973, 2974, 2975, 2976, 2977, 2978, as amended by the act of February 27, 1877, chapter 69; 2979, 2980, 2981, as amended by the act of June 10, 1880, chapter 190, section 10, and by the act of May 21, 1896, chapter 217; 2982, 2983, 2984, as amended by the act of February 27, 1877, chapter 69; 2985, 2986, 2987, 2988, as amended by the act of February 27, 1877, chapter 69; 2989, as amended by the act of February 27, 1877, chapter 69; 2998, 2999, 3000, 3001, as amended by the act of February 27, 1877, chapter 69; 3123, 3128, 3129, 4209, 4210, 4211, 4213, as amended by the act of June 26, 1884, chapter 121, section 13; 4218, as amended by the act of August 20, 1912, chapter 307, section 2; 4379, 5292, as amended by the act of February 27, 1877, chapter 69; and 5293, as amended by the act of February 27, 1877, chapter 69"; and in lieu thereof to insert:

909, 2581, 2588, 2589, 2590, 2637, 2638, 2652, 2770, 2771, 2773, 2774, 2775, 2776, 2777, 2778, 2779, 2780, 2781, 2782, 2783, 2784, 2785, 2786, 2787, 2788, 2789, 2790, 2791, 2794, 2795, 2797, 2798, 2799, 2800, 2801, 2802, 2803, 2806, 2807, 2808, 2809, 2810, 2811, 2812, 2813, 2814, 2815, 2816, 2817, 2818, 2819, 2820, 2821, 2822, 2823, 2824, 2825, 2826, 2827, 2828, 2829, 2830, 2832, 2833, 2834, 2836, 2837, 2840, 2842, 2844, 2846, 2847, 2848, 2849, 2852, 2857, 2859, 2864, 2865, 2867, 2868, 2869, 2870, 2872, 2873, 2874, 2875, 2878, 2879, 2880, 2881, 2882, 2883, 2884, 2887, 2891, 2892, 2893, 2894, 2896, 2898, 2899, 2901, 2906, 2910, 2911, 2912, 2913, 2914, 2915, 2920, 2921, 2925, 2926, 2928, 2933, 2935, 2936, 2937, 2939, 2942, 2946, 2947, 2948, 2949, 2953, 2954, 2955, 2956, 2957, 2958, 2959, 2960, 2961, 2962, 2963, 2964, 2965, 2966, 2967, 2968, 2969, 2970, 2971, 2972, 2973, 2974, 2975, 2976, 2977, 2978, 2980, 2981, 2982, 2983, 2984, 2985, 2986, 2987, 2998, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3010, 3015, 3016, 3017, 3018, 3019, 3020, 3022, 3023, 3024, 3025, 3026, 3028, 3029, 3030, 3031, 3032, 3033, 3034, 3035, 3036, 3037, 3038, 3041, 3044, 3045, 3046, 3047, 3049, 3050, 3051, 3052, 3053, 3054, 3055, 3056, 3057, 3058, 3059, 3060, 3063, 3064, 3066, 3067, 3069, 3070, 3074, 3075, 3076, 3077, 3078, 3079, 3080, 3081, 3082, 3083, 3084, 3085, 3086, 3088, 3090, 3096, 3097, 3098, 3099, 3100, 3101, 3102, 3103, 3104, 3105, 3106, 3107, 3108, 3110, 3120, 3121, 3123, 3128, 3129, 4209, 4210, 4211, 5292, and 5293.

Mr. McCUMBER. I move to amend the amendment as follows: Beginning on page 434, line 15, insert the following in the proper numerical order: "2609, 2610, 2772, 2796, 2805, 2831, 2850, 2876, 2877, 2888, 2889, 2890, 2945, 2950, 2988, 2989, 3021, 3039, 3040, 3042, 3043, 3065." On page 435, line 2, strike out "2942."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 435, line 21, after the figure "4," to strike out "5"; in the same line, after the figures "22," to strike out "23"; in line 22, after the figures "136," to insert "sections 2 and 4"; in line 23, after the figures "89,' to strike out the comma and "sections 1 and 2"; in line 24, after the word "amended," to strike out "by the act of August 28, 1894, entitled 'An act to reduce taxation, to provide revenue for the Government, and for other purposes,' section 70; act of March 1, 1879, chapter 125, section 11, section 12 as amended by the act of May 28, 1880, chapter 108, section 12, and section 13 as amended by the act of May 28, 1880, chapter 108, section 13"; on page 436, line 6, after the figures "190," to insert "as amended"; in the same line, to strike out "section 1 as amended by the act of June 14, 1880, chapter 214, and by the act of June 20, 1884, chapter 103, sections 2, 3, 4, and 5, as amended by the act of July 2, 1884, chapter 142, and by the act of February 23, 1887, chapter 215, section 6, as amended by the act of July 2, 1884, chapter 142, section 7, as amended by the act of June 20, 1884, chapter 103, by the act of February 9, 1887, chapter 123, and by the act of June 30, 1892, chapter 137, and section 9"; in line 15, after "34," to strike out "act of January 9, 1883, chapter 17"; in line 17, after the figures "1890," to insert "chapter 407, as amended, except sections 12 and 22"; at the end of line 18, to strike out "entitled 'An act to simplify the laws in relation to the collection of the revenues,' except section 12 therein as amended by the act of May 27, 1908, chapter 105, by the act of August 5, 1909, entitled 'An act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes,' section 28, and by the act of October 3, 1913, entitled 'An act to reduce tariff duties and to provide revenue for the Government, and for other purposes,' Section III"; on page 437, line 2, after the figures "177," to strike out "sections 5 and" and to insert "section 9"; in line 3, after the figures "371," to strike out "sections 1, 2, 3, and 4; act of May 14, 1898, chapter 299, section 14"; in line 5, after "84," to strike out "Act of March 8, 1902, chapter 140, sections 7 and 8; act of March 3, 1905, chapter 1413, sections 1 and 2"; in line 7, after "471," to strike out "Act of June 10, 1910, chapter 283, sections 1, 2, 3, 4, and 5"; in line 10, after the figures "1913," to strike out "entitled 'An act to reduce tariff duties and to provide revenue for the Government, and for other purposes,'" and to insert "chapter 16"; and in line 12, after "Section III," to strike out "Act of June 28, 1916, chapter 180, and act of May 27, 1921, chapter 14, Title III," and to insert "and Titles I and III of the act entitled 'An act imposing temporary duties upon certain agricultural products to meet present emergencies, and to provide revenue; to regulate commerce with foreign countries; to prevent dumping of foreign merchandise on the markets of the United States; to regulate the value of foreign money; and for other purposes,' approved May 27, 1921, as amended," so as to make the section read:

SEC. 643. Statutes at Large: The following acts and parts of acts are hereby repealed: The act of March 24, 1874, chapter 65; act of June 22, 1874, chapter 391, sections 3, 4, 6, 7, 15, 17, 18, 19, 20, 21, 22, 24, and 25; act of March 3, 1875, chapter 136, sections 2 and 4; act of May 1, 1876, chapter 89; act of June 20, 1876, chapter 136, as amended; act of June 10, 1880, chapter 190, as amended; act of February 8, 1881, chapter 84; act of February 23, 1887, chapter 218; act of June 10, 1890, chapter 407, as amended, except sections 12 and 22; act of March 2, 1895, chapter 177, section 9; act of June 8, 1896, chapter 371; act of February 2, 1899, chapter 84; act of February 6, 1907, chapter 471; act of February 13, 1911, chapter 46, sections 1, 2, 3, and 4; act of October 3, 1913, chapter 16, Section III; and Titles I and III of the act entitled "An act imposing temporary duties upon certain agricultural products to meet present emergencies, and to provide revenue, to regulate commerce with foreign countries, to prevent dumping of foreign merchandise on the markets of the United States, to regulate the value of foreign money, and for other purposes," approved May 27, 1921, as amended.

Mr. McCUMBER. I move to amend the amendment as follows:

On page 435, line 22, strike out the comma after "136" and "sections 2 and 4."

On page 437, line 3, strike out "act of June 8, 1896, chapter 371."

On page 437, line 7, strike out "act of February 6, 1907, chapter 471."

On page 437, line 14, strike out "imposing" and insert in lieu thereof "Imposing."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 437, after line 20, to strike out:

SEC. 645. Rule of construction: The provisions of this title are hereby declared to be a revision and codification of the laws herein modified or repealed and are to be so held and construed.

The amendment was agreed to.

The next amendment was, on page 438, line 11, before the word "otherwise," to strike out "That unless" and to insert "Unless," so as to make the section read:

SEC. 646. Unless otherwise herein specially provided, this act shall take effect on the day following its passage.

The amendment was agreed to.

The next amendment was, on page 438, after line 13, to insert:

SEC. 647. This act may be cited as the "Tariff act of 1922."

The amendment was agreed to.

Mr. McCUMBER. I ask now to return to page 243. There are a number of amendments in Titles III and IV in the printed amendments in the bill which have not yet been agreed to.

The PRESIDENT pro tempore. The amendments will be stated in their order.

The next amendment of the Committee on Finance was, under "Title III. Special provisions," on page 243, after line 15, to strike out:

SEC. 301. That whenever the President of the United States, with a view to securing reciprocal trade with any foreign country, dependency, colony, province, or other political subdivision of government, shall enter into a commercial treaty therewith concerning the admission into any such country, dependency, colony, province, or other political subdivision of government, of the goods, wares, and merchandise of the United States and their use and disposition therein, deemed to be for the interests of the United States, and in such treaty, in consideration of the advantages accruing to the United States therefrom, shall provide for the reduction of the duties imposed by this act upon such goods, wares, or merchandise as may be designated therein of the country, dependency, colony, province, or other political subdivision of government with which such treaty shall be made as in this section provided; or shall provide for the transfer from the dutiable list of this act to the free list thereof of such goods, wares, and merchandise, being the natural products of such foreign country, dependency, colony, province, or other political subdivision of government and not of the United States; or shall provide for the retention upon the free list of this act of such goods, wares, and merchandise now included in said free list as may be designated therein; and when any such treaty shall have been duly ratified by the Senate and approved by Congress, and public proclamation made accordingly, then and thereafter the duties which shall be collected by the United States upon any of the designated goods, wares, and merchandise from the foreign country, dependency, colony, province, or other political subdivision of government with which such treaty has been made shall be the duties specified and provided for in such treaty, and none other.

The amendment was agreed to.

The next amendment was, on page 244, after line 22, to strike out:

SEC. 302. That with a view to securing reciprocal trade and regulating the commerce of the United States with countries, dependencies, colonies, provinces, or other political subdivisions of government, producing and exporting to the United States any article or merchandise upon which a duty is imposed by the laws thereof and for these purposes, whenever and so often as the President shall be satisfied that the government of any country, dependency, colony, province, or other political subdivision thereof, imposes duties or other exactions, limitations, or embargoes upon like or similar products of the United States, which, in view of the duties imposed thereupon when imported into the United States, he may deem to be higher and reciprocally unequal and unreasonable, he shall have the power, and it shall be his duty, to suspend by proclamation said provisions of the laws of the United States imposing the duties upon such article of merchandise of such country, dependency, colony, province, or other political subdivision of government, when and for such time as he shall deem just, and in such cases and during such suspension, upon the importation of any such or similar article or merchandise into the United States whether the same is imported in the same condition as when exported from the country of exportation or has been changed in condition by manufacture or otherwise and whether the same has been imported directly from the country of production or otherwise, duties shall be levied, collected, and paid upon such article or merchandise the product of such designated country, which shall by the President be ascertained and proclaimed to be equal to the duties or other exactions, limitations, or embargoes imposed thereupon when exported from the United States to such country, dependency, colony, province, or other political subdivision of government.

The amendment was agreed to.

The next amendment was, on page 246, line 5, after the figures "303," to strike out:

That whenever the President of the United States, with a view to securing reciprocal trade with foreign countries shall, within the period of three years from and after the passage of this act, conclude an agreement with any other country or countries concerning the admission into any such country or countries of the goods, wares, and merchandise of the United States, deemed to be for the interests of the United States, and in such agreement, in consideration of the advantages accruing to the United States therefrom shall provide for the reduction during a specified period not exceeding five years, of the duties imposed by this act, to the extent of not more than 20 per cent thereof, upon such goods, wares, or merchandise as may be designated therein of the country or countries with which such agreement shall be made as in this section provided for, and when proclamation by the President of such agreement shall have been made, then and thereafter the duties which shall be collected by the United States upon any of the designated goods, wares, and merchandise from the foreign country with which such agreement has been made shall during the period provided for be the duties specified and provided for in such agreement.

The amendment was agreed to.

The next amendment was, on page 247, after line 2, to strike out:

To secure information to assist the President in the negotiation of such agreements as are provided for in such section, and to estimate the amount by which the duties specified in the agreement shall be lower than the duties provided for in other sections of this act, in order to be a fair equavalent of the concessions granted by any other country or countries under the terms of the agreement, the President shall direct the United States Tariff Commission to make such investigations and to prepare such reports as may be deemed necessary.

The amendment was agreed to.

The next amendment was, on page 250, line 18, after the word "government," to insert "person, partnership, association, cartel, or corporation"; and in line 20, before the word "of," to insert "or export," so as to make the section read:

SEC. 303. That whenever any country, dependency, colony, province, or other political subdivision of government, person, partnership, association, cartel, or corporation shall pay or bestow, directly or indirectly, any bounty or grant upon the manufacture or production or export of any article or merchandise manufactured or produced in such country, dependency, colony, province, or other political subdivision of government, and such article or merchandise is dutiable under the provisions of this act, then upon the importation of any such article or merchandise into the United States, whether the same shall be imported directly from the country of production or otherwise, and whether such article or merchandise is imported in the same condition as when exported from the country of production or has been changed in condition by remanufacture or otherwise, there shall be levied and paid, in all such cases, in addition to the duties otherwise imposed by this act, an additional duty equal to the net amount of such bounty or grant, however the same be paid or bestowed. The net amount of all such bounties or grants shall be from time to time ascertained, determined, and declared by the Secretary of the Treasury, who shall make all needful regulations for the identification of such articles and merchandise and for the assessment and collection of such additional duties.

The amendment was agreed to.

The next amendment was, on page 254, line 17, after the word "ticket," to insert "or any printed paper that may be used as a lottery ticket,"; in line 24, after the word "contained," to strike out "in the course of importation"; and on page 255, line 2, after the word "collector," to strike out "of customs," so as to read:

SEC. 305. (a) That all persons are prohibited from importing into the United States from any foreign country any obscene book, pamphlet, paper, writing, advertisement, circular, print, picture, drawing, or other representation, figure, or image on or of paper or other material, or any cast, instrument, or other article of an immoral nature, or any drug or medicine, or any article whatever for the prevention of conception or for causing unlawful abortion, or any lottery ticket, or any printed paper that may be used as a lottery ticket, or any advertisement of any lottery. No such articles, whether imported separately or contained in packages with other goods entitled to entry, shall be admitted to entry; and all such articles shall be proceeded against, seized, and forfeited by due course of law. All such prohibited articles and the package in which they are contained shall be detained by the officer of customs, and proceedings taken against the same as hereinafter prescribed, unless it appears to the satisfaction of the collector that the obscene articles contained in the package were inclosed therein without the knowledge or consent of the importer, owner, agent, or consignee.

The amendment was agreed to.

The next amendment was, on page 255, line 9, after the word "That," to strike out "whoever, being an" and to insert "any"; in line 10, after the name "United," to strike out "States" and to insert "States who," so as to make the paragraph read:

(b) That any officer, agent, or employee of the Government of the United States who shall knowingly aid or abet any person engaged in any violation of any of the provisions of law prohibiting importing, advertising, dealing in, exhibiting, or sending or receiving by mail obscene or indecent publications or representations, or means for preventing conception or procuring abortion, or other articles of indecent or immoral use or tendency, shall be deemed guilty of a misdemeanor, and shall for every offense be punishable by a fine of not more than $5,000, or by imprisonment at hard labor for not more than 10 years, or both.

The amendment was agreed to.

The next amendment was, on page 255, line 20, after the word "any," to strike out "circuit or"; in line 22, after the word "of," where it occurs the second time, to strike out "the two preceding sections" and to insert "subsections (a) or (b) of this section"; in line 23, after the word "made," to strike out "to the satisfaction of such judge, and founded on knowledge or belief, and if upon belief setting forth the grounds of such belief," and to insert "founded upon probable cause"; on page 256, line 3, after the word "the," to insert "United States"; in the same line, after the word "or," to strike out "any"; in line 4, after the word "district," to insert "or to a duly accredited customs officer"; in line 6, after the word "any," to strike out "such"; and at the beginning of line 7 to strike out "in the two preceding sections" and to insert "in such subsections," so as to make the paragraph read:

(c) That any district judge of the United States, within the proper district, before whom complaint in writing of any violation of subsections (a) or (b) of this section is made, founded upon probable cause and supported by oath or affirmation of the complainant, may issue, conformably to the Constitution, a warrant directed to the United States marshal or deputy marshal in the proper district or to a duly accredited customs officer, directing him to search for, seize, and take possession of any article or thing mentioned in such subsections, and to make due and immediate return thereof, to the end that the same may be condemned and destroyed by proceedings, which shall be conducted in the same manner as other proceedings in the case of municipal seizure, and with the same right of appeal or writ of error.

The amendment was agreed to.

The next amendment was, on page 256, after line 12, to strike out:

SEC. 309. (a) That the importation of neat cattle and the hides of neat cattle from any foreign country into the United States is prohibited: *Provided*, That the operation of this section shall be suspended as to any foreign country or countries, or any parts of such country or countries, whenever the Secretary of the Treasury shall officially determine, and give public notice thereof, that such importation will not tend to the introduction or spread of contagious or infectious diseases among the cattle of the United States; and the Secretary of the Treasury is hereby authorized and empowered, and it shall be his duty, to make all necessary orders and regulations to carry this section into effect, or to suspend the same as herein pro-

vided, and to send copies thereof to the proper officers in the United States and to such officers or agents of the United States in foreign countries as he shall judge necessary.

And in lieu thereof to insert:

SEC. 306. (a) That the importation of neat cattle and the hides of neat cattle from any foreign country into the United States is prohibited under such rules of inspection as the Secretary of Agriculture may determine.

(b) If the Secretary of Agriculture shall determine that such importations will not tend to the introduction or spread of contagious or infectious diseases among the cattle of the United States, he shall officially notify the Secretary of the Treasury and give public notice that the operation of subsection (a) of this section shall be suspended as to any foreign country or countries, or any parts of such country or countries.

The amendment was agreed to.

The PRESIDENT pro tempore. The Chair asks the chairman of the Finance Committee whether there are any other amendments which have been reported?

Mr. McCUMBER. There are a number which we have not yet reached in these titles.

Mr. SMOOT. The next amendment is on page 264.

The next amendment of the Committee on Finance was, on page 264, after line 8, to strike out:

SEC. 315. That the works of manufacturers engaged in smelting or refining, or both, of ores and crude metals may, upon the giving of satisfactory bonds, be designated as bonded smelting warehouses. Ores or crude metals may be removed from the vessel or other vehicle in which imported, or from a bonded warehouse, into a bonded smelting warehouse without the payment of duties thereon and there smelted or refined, or both, together with ores or crude metals of home or foreign production: *Provided*, That the bonds shall be charged with the amount of duties payable upon such ores and crude metals at the time of their importation, and the several charges against such bonds may be canceled upon the exportation or delivery to a bonded manufacturing warehouse established under paragraph M of this section of an amount of the same kind of metal equal to the actual amount of dutiable metal producible from the smelting or refining, or both, of such ores or crude metals as determined from time to time by the Secretary of the Treasury: *Provided further*, That the said metals so producible, or any portion thereof, may be withdrawn for domestic consumption, or transferred to a bonded customs warehouse, and withdrawn therefrom, and the several charges against the bonds canceled upon the payment of the duties chargeable against an equivalent amount of ores or crude metals from which said metal would be producible in their condition as imported: *Provided further*, That on the arrival of the ores and crude metals at such establishments they shall be sampled according to commercial methods and the sample assayed by wet assay, without deduction, under the supervision of Government officers, to be appointed by the Secretary of the Treasury and at the expense of the manufacturer: *Provided further*, That antimonial lead produced in said establishments may be withdrawn for consumption upon the payment of the duties chargeable against it under existing law: *Provided further*, That all labor performed and services rendered pursuant to this section shall be under the supervision of an officer of the customs, to be appointed by the Secretary of the Treasury, and at the expense of the manufacturer: *Provided further*, That all regulations for the carrying out of this section shall be prescribed by the Secretary of the Treasury.

And in lieu thereof to insert:

SEC. 312. That the works of manufacturers engaged in smelting or refining, or both, of ores and crude metals may, upon the giving of satisfactory bonds, be designated as bonded smelting warehouses. Ores or crude metals may be removed from the vessel or other vehicle in which imported, or from a bonded warehouse, into a bonded smelting warehouse without the payment of duties thereon, and there smelted or refined, or both, together with ores or crude metals of home or foreign production: *Provided*, That the bonds shall be charged with a sum equal in amount to the regular duties which would have been payable on such ores and crude metals if entered for consumption at the time of their importation, and the several charges against such bonds shall be canceled upon the exportation or delivery to a bonded manufacturing warehouse established under the preceding section of this title of a quantity of the same kind of metal equal to the quantity of metal producible from the smelting or refining, or both, of the dutiable metal contained in such ores or crude metals, due allowance being made of the smelter wastage as ascertained from time to time by the Secretary of the Treasury: *Provided further*, That the said metals so producible, or any portion thereof, may be withdrawn for domestic consumption or transferred to a bonded customs warehouse and withdrawn therefrom and the several charges against the bonds canceled upon the payment of the duties chargeable against an equivalent amount of ores or crude metals from which said metal would be producible in their condition as imported: *Provided further*, That on the arrival of the ores and crude metals at such establishments they shall be sampled and assayed according to commercial methods under the supervision of Government officers: *Provided further*, That all labor performed and services rendered pursuant to this section shall be under the supervision of an officer of the customs, to be appointed by the Secretary of the Treasury, and at the expense of the manufacturer: *Provided further*, That all regulations for the carrying out of this section shall be prescribed by the Secretary of the Treasury: *And provided further*, That the several charges against the bonds of any smelting warehouse established under the provisions of this section may be canceled upon the exportation or transfer to a bonded manufacturing warehouse from any other bonded smelting warehouse established under this section of a quantity of the same kind of metal, in excess of that covered by open bonds, equal to the amount of metal producible from the smelting or refining, or both, of the dutiable metal contained in the imported ores and crude metals, due allowance being made of the smelter wastage as ascertained from time to time by the Secretary of the Treasury.

The amendment was agreed to.

The next amendment was, on page 270, line 5, before the word "the," to strike out "That on" and to insert "On"; and in the same line, after the word "of," to insert "flavoring extracts," so as to read:

On the exportation of flavoring extracts, medicinal or toilet preparations (including perfumery) hereafter manufactured or produced in the United States in part from domestic alcohol on which an internal-revenue tax has been paid, there shall be allowed a drawback equal in amount to the tax found to have been paid on the alcohol so used.

The amendment was agreed to.

The next amendment was, on page 270, line 24, after the word "further," to strike out "That exporters" and to insert "That upon the exportation"; on page 271, line 2, after the word "imported," to strike out "salt shall" and to insert "salt, there shall be refunded from the Treasury"; and at the beginning of line 6 to strike out "have refunded to them from the Treasury," so as to make the additional proviso read:

Provided further, That upon the exportation of meats, whether packed or smoked, which have been cured in the United States with imported salt, there shall be refunded from the Treasury, upon satisfactory proof, under such regulations as the Secretary of the Treasury shall prescribe, that such meats have been cured with imported salt, the duties paid on the salt so used in curing such exported meats, in amounts not less than $100.

The amendment was agreed to.

The next amendment was, on page 271, at the beginning of line 9, to strike out "That the" and insert "The," and in line 10, after the word "materials," to insert "imported and," so as to make the paragraph read:

The provisions of this section shall apply to materials imported and used in the construction and equipment of vessels built for foreign account and ownership, or for the Government of any foreign country, notwithstanding that such vessels may not within the strict meaning of the term be articles exported.

The amendment was agreed to.

The PRESIDENT pro tempore. Is there any other amendment which the committee has reported which has not been acted upon?

Mr. SMOOT. On page 285 is the next amendment.

The next amendment of the Committee on Finance was, on page 285, line 7, after the word "act," to strike out "contained"; at the beginning of line 8, to strike out "so"; in the same line, after the word "construed," to strike out "as"; and in line 11, after the word "act," to strike out "of Congress heretofore passed for the execution of the same except as to the proviso of article 8 of said treaty, which proviso is hereby abrogated and repealed," and to insert "of December 17, 1903, chapter 1," so as to make the section read:

SEC. 319. That nothing in this act shall be construed to abrogate or in any manner impair or affect the provisions of the treaty of commercial reciprocity concluded between the United States and the Republic of Cuba on December 11, 1902, or the provisions of the act of December 17, 1903, chapter 1.

The amendment was agreed to.

The next amendment was, on page 285, line 16, after the word "of," to strike out "An act entitled 'An act to reduce tariff duties and to provide revenues for the Government, and for other purposes,' approved" and to insert "the act of"; in line 18, after the figures "1903," to insert "chapter 16, as amended"; in line 19, to strike out "as amended by the act of April 27, 1916, chapter 93, section 1; by Titles V and VI of the act of September 8, 1916, chapter 463; and by the act of April 23, 1920, chapter 158"; in line 22, after the figures "1911," to strike out "chapter 3, entitled 'An act to promote reciprocal trade relations with the Dominion of Canada, and for other purposes'," and to insert "chapter 3"; on page 286, line 5, after the word "lead," to strike out "ores;" and to insert "ores," and at the beginning of line 6 to strike out "section 3022 of the Revised Statutes, relative to salt for curing fish; and Title I of the act of May 27, 1921, chapter 14," so as to read:

SEC. 320. That, except as hereinafter provided, Sections I and IV of the act of October 3, 1913, chapter 16, as amended; the act of July 26, 1911, chapter 3; so much of section 4132 of the Revised Statutes as amended by the act of August 24, 1912, chapter 390, as relates to the free admission of materials for the construction or repair of vessels and the building or repair of their machinery and articles for their outfit and equipment; and so much of the sundry civil appropriation act of March 2, 1895, chapter 189, as relates to the sampling and assaying of lead ores are hereby repealed.

The amendment was agreed to.

The next amendment was, under "Title IV. Administrative provisions. Part 1. Definitions," on page 286, line 23, after the word "this," to strike out "act" and to insert "title," so as to make the paragraph read:

SEC. 401. When used in this title—

The amendment was agreed to.

The next amendment was, on page 286, line 25, after the word "other," to strike out "artificial," and at the beginning of line 27 to strike out "on or," and in the same line, after the word "water," to insert "or in water and in air," so as to read:

(a) Vessel: The word "vessel" includes every description of water craft or other contrivance used, or capable of being used, as a means of transportation in water or in water and in air.

The amendment was agreed to.

The next amendment was, on page 287, line 2, after the word "other," to strike out "artificial," so as to read:

(b) Vehicle: The word "vehicle" includes every description of carriage or other contrivance used, or capable of being used, as a means of transportation on land or through the air.

The amendment was agreed to.

The next amendment was, on page 287, after line 4, to strike out:

(c) Port: The word "port" means a place designated as a port of entry at which vessels may enter and clear or at which merchandise may be entered and the duties thereon collected.

The amendment was agreed to.

The next amendment was, on page 287, line 9, before the word "merchandise," to strike out "(d)" and insert "(c)"; at the beginning of line 10 to strike out "includes" and to insert "means"; and, in line 11, after the word "description," to strike out "capable of being imported" and to insert "and includes merchandise the importation of which is prohibited," so as to make the paragraph read:

(c) Merchandise: The word "merchandise" means goods, wares, and chattels of every description and includes merchandise the importation of which is prohibited.

The amendment was agreed to.

The next amendment was, on page 287, line 13, before the word "Person," to strike out "(e)" and insert "(d)"; in the same line, after the word "person," to strike out "shall include" and to insert "includes"; and, in line 14, after the word "corporations," to strike out the comma and "and the reference to any officer shall include any person authorized by law to perform the duties of such office, unless the context shows that such word was intended to be used in a more limited sense," so as to read:

(d) Person: The word "person" includes partnerships, associations, and corporations.

The amendment was agreed to.

The next amendment was, on page 287, line 19, before the word "Master," to strike out "(f)" and insert "(e)"; in the same line, after the word "master," to strike out "includes any" and to insert "means the"; in line 20, after the word "the," where it occurs the first time, to strike out "chief charge or"; in the same line, after the word "command," to strike out "of the employment and navigation"; and in line 21, after the word "of," to strike out "a" and to insert "the," so as to read:

(e) Master: The word "master" means the person having the command of the vessel.

The amendment was agreed to.

The next amendment was, on page 287, line 22, before the word "Day," to strike out "(g)" and insert "(f)"; in the same line, after the word "Day," to strike out "'day' is" and to insert "the word 'day' means," so as to read:

(f) Day: The word "day" means the time from 8 o'clock a. m. to 5 o'clock p. m.

The amendment was agreed to.

The next amendment was, on page 287, line 25, before the word "Night,' to strike out "(h)" and insert "(g)"; in the same line, after the word "Night," to strike out "'night' is" and to insert "the word 'night' means," so as to read:

(g) Night: The word "night" means the time from 5 o'clock p. m. to 8 o'clock a. m.

The amendment was agreed to.

The next amendment was, on page 288, line 1, before the word "collector," to strike out "(i)" and insert "(h)"; in the same line, after the word "'collector,'" to strike out "shall include the person appointed as" and to insert "means the"; at the beginning of line 3 to strike out "or" and to insert "and includes"; and in the same line, after the word "customs," to strike out the comma and the word "or" and to insert "and," so as to read:

(h) Collector: The word "collector" means the collector of customs and includes a deputy collector of customs and any person authorized by law or by regulations of the Secretary of the Treasury to perform the duties of collector of customs.

The amendment was agreed to.

The next amendment was, on page 288, line 6, before the word "Appraiser," to strike out "(j)" and insert "(i)"; in the same line, after the word "word," to strike out "'appraiser,' or term 'appraiser of merchandise,' shall mean" and to insert "'appraiser' means"; and in line 10, after the word "thereof," to strike out the comma and "or the person directed by the Secretary of the Treasury to perform such acts during the sickness, disability, or absence of the appraiser," so as to make the paragraph read:

(i) Appraiser: The word "appraiser" means the person authorized by law or by the Secretary of the Treasury to appraise imported merchandise and to make a return of the value thereof.

The amendment was agreed to.

The next amendment was, on page 288, after line 12, to strike out:

(k) Date of exportation: The date of exportation shall mean, in the case of shipment by water, the date of the clearance of the importing vessel, and in the case of shipment by land, or in part by land and in part by water, the date when the merchandise began its journey to the United States.

The amendment was agreed to.

The next amendment was, on page 288, after line 18, to strike out:

(l) Proof spirit: "Proof spirit" is alcoholic liquor containing one-half its volume of alcohol of a specific gravity of 0.7939 at 60° F.

The amendment was agreed to.

The next amendment was, on page 288, after line 21, to strike out:

(m) Proof gallon: "Proof gallon" is a gallon of proof spirits as defined in the preceding section.

The amendment was agreed to.

The next amendment was, on page 288, after line 23, to strike out:

(n) Wine gallon: "Wine gallon" is the liquid measure containing 231 cubic inches.

The amendment was agreed to.

The next amendment was, at the top of page 289, to strike out:

(o) Ton: Unless otherwise provided by law, the word "ton" shall be interpreted as meaning 20 hundredweight, each hundredweight being 112 pounds avoirdupois.

The amendment was agreed to.

The next amendment was, on page 289, after line 4, to strike out:

(p) United States: The term "United States" means the United States and any territory, or other places subject to the jurisdiction thereof, except the Philippine Islands, the Virgin Islands, the islands of Guam and Tutuila, and the Panama Canal Zone, which for the purposes of this act, except as otherwise provided by law, or as ordered by the President, shall be treated as foreign countries.

And in lieu thereof to insert:

(j) The term "United States" includes all Territories and possessions subject to the jurisdiction of the United States, except the Philippine Islands, the Virgin Islands, and the islands of Guam and Tutuila.

The amendment was agreed to.

Mr. SMOOT. Those are all the committee amendments, Mr. President.

The PRESIDENT pro tempore. The Chair understands that now all the committee amendments which were reported prior to 4 o'clock to-day have been disposed of.

Mr. SMOOT. That is as I understand it.

Mr. JONES of Washington. I desire to offer an individual amendment as a new section and ask that it may be printed in the RECORD, instead of now having it read, in order that it may be pending when the Senate proceeds to the consideration of amendments to-morrow. I will state that it is the foreign trade zone amendment.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment proposed by Mr. JONES of Washington is as follows:

SEC. —. That when used in this section—

The term "Secretary" means the Secretary of Commerce;

The term "public corporation" means a State, a legal subdivision thereof or a municipality, or a lawfully authorized public agency of a State or a municipality;

The term "applicant" means a public corporation applying for the right to establish, operate, and maintain a foreign trade zone;

The term "grantee" means a public corporation to which the privilege of establishing, operating, and maintaining a foreign trade zone has been granted.

The term "zone" means a "foreign trade zone" as provided in this section.

The Secretary is hereby authorized, subject to the conditions and restrictions of this section and of the rules and regulations made thereunder, upon application as hereinafter provided, to grant to public corporations the privilege of establishing, operating, and maintaining foreign trade zones in or adjacent to ports of entry under the jurisdiction of the United States. Not more than one zone shall be authorized in or adjacent to any port of entry, except that when a port of entry is located within the confines of more than one State a zone may be authorized in each State in the territory comprised in such port of entry.

Foreign and domestic merchandise of every description, except such as is prohibited by law, may, without being subject to the customs laws of the United States, except as otherwise provided in this section, be brought into a zone and there stored, exhibited, broken up, repacked, assembled, distributed, sorted, refined, graded, cleaned, mixed with foreign or domestic merchandise, or otherwise manipulated, and be exported, and foreign merchandise may be sent into customs territory of the United States therefrom, in the original package or otherwise; but when foreign merchandise is so sent from a zone into customs territory of the United States it shall be subject to the laws and regulations of the United States affecting imported merchandise: *Provided*, That when the privilege shall be requested the collector of cus-

toms shall supervise the unlading of foreign merchandise in the zone, cause such merchandise or any portion thereof to be appraised, and the duties liquidated thereon. Thereafter it may be stored or manipulated under the supervision and regulations prescribed by the Secretary of the Treasury, and within two years after such unlading such merchandise, whether mixed with domestic merchandise or not, may be sent into customs territory upon the payment of such liquidated duties thereon.

The Secretary of the Treasury shall assign to the zone the necessary customs officers and guards to protect the revenue and to provide for the admission of foreign merchandise into customs territory.

Vessels entering or leaving a zone shall be subject to the operation of all of the laws of the United States, except as otherwise provided in this section, and vessels leaving a zone and arriving in customs territory of the United States shall be subject to such regulations to protect the revenue as may be prescribed by the Secretary of the Treasury.

Each application shall state in detail—

(1) The location and qualifications of the area in which it is proposed to establish a zone, showing (a) the land and water or land or water area or land area alone if the application is for its establishment in or adjacent to an interior port; (b) the means of segregation from customs territory; (c) the fitness of the area for a zone; and (d) the possibilities of expansion of the zone area;

(2) The facilities and appurtenances which it is proposed to provide and the preliminary plans and an estimate of the cost thereof, and the existing facilities and appurtenances which it is proposed to utilize;

(3) The time within which the applicant proposes to commence and complete the construction of the zone and facilities and appurtenances;

(4) The methods proposed to finance the undertaking;

(5) Such other information as the Secretary may require.

The Secretary may upon his own initiative or upon request permit the amendment of the application. Any expansion of the area of an established zone shall be made and approved in the same manner as an original application.

If the Secretary finds that the proposed plans and location are suitable for the accomplishment of the purpose of a foreign trade zone under this section, and that the facilities and appurtenances which it is proposed to provide are sufficient, he shall make the grant. If the Secretary refuses the grant, the applicant may appeal to a board consisting of the Secretary of Commerce, the Secretary of the Treasury, and the Secretary of War, whose decision shall be rendered within three months from the filing of such appeal and be final as to the grant of the application.

The Secretary shall prescribe such rules and regulations not inconsistent with the provisions of this section or the rules and regulations of the Secretary of the Treasury made hereunder and as may be necessary to carry out this section.

The Secretary shall cooperate with the State, subdivision, and municipality in which the zone is located in the exercise of their police, sanitary, and other powers in and in connection with the free zone. He shall also cooperate with the United States Customs Service, the Post Office Department, the Public Health Service, the Bureau of Immigration, and such other Federal agencies as have jurisdiction in ports of entry described in the seventh paragraph of this section.

For the purpose of facilitating the investigations of the Secretary and his work in the granting of the privilege, in the establishment, operation, and maintenance of a zone, the President may direct the executive departments and other establishments of the Government to cooperate with the Secretary, and for such purpose each of the several departments and establishments is authorized, upon direction of the President, to furnish to the Secretary such records, papers, and information in their possession as may be required by him, and temporarily to detail to the service of the Secretary such officers, experts, or engineers as may be necessary.

If the title to or right of user of any of the property to be included in a zone is in the United States, an agreement to use such property for zone purposes may be entered into between the grantee and the department or officer of the United States having control of the same, under such conditions approved by the Secretary and such department or officer, as may be agreed upon.

Each grantee shall provide and maintain in connection with the zone—

(a) Adequate slips, docks, wharves, warehouses, loading and unloading, and mooring facilities where the zone is adjacent to water; or, in the case of an inland zone, adequate loading, unloading, and warehouse facilities;

(b) Adequate transportation connections with the surrounding territory and with all parts of the United States, so arranged as to permit of proper guarding and inspection for the protection of the revenue;

(c) Adequate facilities for coal or other fuel and for light and power;

(d) Adequate water and sewer mains;

(e) Adequate quarters and facilities for the officers and employees of the United States, State, and municipality whose duties may require their presence within the zone;

(f) Adequate inclosures to segregate the zone from customs territory for protection of the revenue, together with suitable provisions for ingress and egress of persons, conveyances, vessels, and merchandise;

(g) Such other facilities as may be required by the Secretary of Commerce, the Secretary of War, and the Secretary of the Treasury, acting jointly.

The grantee may, with the approval of the Secretary of Commerce and the Secretary of the Treasury, and under reasonable and uniform regulations for like conditions and circumstances to be prescribed by them, permit private persons, firms, corporations, or associations to erect such buildings and other structures within the zone as will meet their particular requirements: *Provided*, That such permission shall not constitute a vested right as against the United States, nor interfere with the regulation of the grantee or the permittee by the United States, nor interfere with or complicate the revocation of the grant by the United States: *And provided further*, That in the event of the United States or the grantee desiring to acquire the property of the permittee no good will shall be considered as accruing from the privilege granted to the zone: *And provided further*, That such permits shall not be granted on terms that conflict with the public use of the zone as set forth in this section.

Each zone shall be operated as a public utility, and all rates and charges for all services or privileges within the zone shall be fair and reasonable, and the grantee shall afford to all who may apply for the use of the zone and its facilities and appurtenances uniform treatment under like conditions, subject to such treaties or commercial conventions as are now in force or may hereafter be made from time to time by the United States with foreign Governments.

No person shall be allowed to reside within the zone except Federal, State, or municipal officers or agents whose resident presence is deemed necessary by the Secretary.

The Secretary shall prescribe rules and regulations regarding employees and other persons entering and leaving the zone. All rules and regulations concerning the protection of the revenue shall be approved by the Secretary of the Treasury.

The Secretary may at any time order the exclusion from the zone of any goods or process of treatment that in his judgment is detrimental to the public interest, health, or safety.

No retail trade shall be conducted within the zone except under permits issued by the grantee and approved by the Secretary. Such permittees shall sell no goods except such as are brought into the zone from customs territory.

The form and manner of keeping the accounts of each zone shall be prescribed by the Secretary.

Each grantee shall make to the Secretary annually, and at such other times as he may prescribe, reports containing a full statement of all the operations, receipts, and expenditures, and such other information as the Secretary may require.

The Secretary shall make a report to Congress on the first day of each regular session containing a summary of the operation and fiscal condition of each zone and transmit therewith copies of the annual report of each grantee.

The grant shall not be sold, conveyed, transferred, set over, or assigned.

In the event of repeated violations of any of the provisions of this section by the grantee, the Secretary of Commerce, the Secretary of War, and the Secretary of the Treasury, or a majority of them, may revoke the grant after four months' notice to the grantee and affording it an opportunity to be heard. The testimony taken before the Secretaries shall be reduced to writing and filed in the records of the Department of Commerce, together with the decision reached thereon.

In the conduct of any proceeding under this section for the revocation of a grant the Secretaries may compel the attendance of witnesses and the giving of testimony and the production of documentary evidence, and for such purpose may invoke the aid of the district courts of the United States.

An order under the provisions of this section revoking the grant issued by the Secretaries shall be final and conclusive, unless within 90 days after its service the grantee appeals to the circuit court of appeals for the circuit in which the zone is located by filing with the clerk of said court a written petition praying that the order of the Secretaries be set aside. The clerk of the court in which such a petition is filed shall immediately cause a copy thereof to be delivered to the Secretaries, and they shall forthwith prepare, certify, and file in the court a full and accurate transcript of the record in the proceedings held before them under this section, the charges, the evidence, and the order revoking the grant. The testimony and evidence taken or submitted before the Secretaries, duly certified and filed as a part of the record, shall be considered by the court as the evidence in the case.

On such appeal the court shall review the record of proceedings before the Secretaries and, if a decision of said Secretaries shall be supported by evidence, shall only make decision on errors of law.

That in case of a violation of this section or any regulation of the Secretary under this section by the grantee, any officer, agent, or employee thereof responsible for or permitting any such violation shall be subject to a fine of not more than $1,000. Each day during which a violation continues shall constitute a separate offense.

That if any provision of this section or the application of such provision to certain circumstances be held invalid, the remainder of the section and the application of such provisions to circumstances other than those as to which it is held invalid shall not be affected thereby.

That the right to alter, amend, or repeal this section is hereby reserved.

Mr. CALDER. Mr. President, I give notice that I shall ask for a separate vote in the Senate on paragraph 371.

Mr. LODGE. Mr. President, it is perfectly proper for the Senator to give such a notice, but I desire to suggest that notice of a reservation may be given up to the time the bill goes into the Senate.

The PRESIDENT pro tempore. A reservation or a demand for a separate vote upon an amendment which has been adopted as in Committee of the Whole may be made up to the time the amendments are voted upon en bloc in the Senate.

Mr. LODGE. Exactly.

Mr. SMOOT. Mr. President, I ask unanimous consent that the Secretary may be allowed to change all of the paragraph numbers in the bill without formal action upon them. There will be a number of them which it will be necessary to change. Such changes I suggest will be merely numerical.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SMOOT. I also ask that the Secretary may have similar authority with reference to changing the numbers of sections, if that shall be found necessary.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. NEWBERRY, Mr. MCCORMICK, and Mr. WADSWORTH each submitted two amendments intended to be proposed by them to the pending bill, which were ordered to lie on the table and to be printed.

Mr. FRELINGHUYSEN and Mr. PHIPPS each submitted an amendment intended to be proposed by them to the pending bill, which were ordered to lie on the table and to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, communicated to the Senate the resolutions of the House unanimously adopted as a tribute to the memory of Hon. WILLIAM E. CROW, late a Senator from the State of Pennsylvania.

The message also communicated to the Senate the resolutions of the House unanimously adopted as a tribute to the

memory of Hon. MOSES P. KINKAID, late a Representative from the State of Nebraska.

The message further communicated to the Senate the intelligence of the death of Hon. LEMUEL PHILLIPS PADGETT, late a Representative from the State of Tennessee, and transmitted resolutions of the House thereon.

ENROLLED BILL SIGNED.

The message announced that the Speaker of the House had signed the enrolled bill (S. 848) to amend section 22 of the interstate commerce act, as amended, and it was thereupon signed by the President pro tempore.

REPORTS OF COMMITTEES.

Mr. CAPPER, from the Committee on Claims, to which was referred the bill (H. R. 2003) for the relief of Hubert Reynolds, reported it without amendment and submitted a report (No. 852) thereon.

He also, from the same committee, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

A bill (H. R. 2722) for the relief of W. W. McGrath (Rept. No. 853); and

A bill (H. R. 3034) for the relief of Lizzie Askel (Rept. No. 854).

Mr. CAPPER (for Mr. SPENCER), from the Committee on Claims, to which was referred the bill (S. 3738) authorizing the Court of Claims of the United States to hear, determine, and render final judgment in the claim of Elwood Grissinger, reported it with amendments and submitted a report (No. 855) thereon.

Mr. WADSWORTH, from the Committee on Military Affairs, to which was referred the bill (S. 3890) to amend an act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended by the act of June 4, 1920, reported it without amendment and submitted a report (No. 856) thereon.

Mr. NEW, from the Committee on Claims, to which was referred the bill (S. 3609) for the relief of F. J. Belcher, jr., trustee for Ed Fletcher, reported it without amendment and submitted a report (No. 857) thereon.

He also, from the same committee, to which was referred the bill (S. 2582) for the relief of George Hewitt Myers, reported it with an amendment and submitted a report (No. 858) thereon.

He also, from the same committee, to which was referred the bill (S. 2388) for the relief of Augusta Reiter, reported it with amendments and submitted a report (No. 859) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McNARY:

A bill (S. 3909) granting an increase of pension to John J. Swain; to the Committee on Pensions.

By Mr. BURSUM:

A bill (S. 3910) granting a pension to Dennis Donovan, alias Dan Dubois; and

A bill (S. 3911) granting an increase of pension to Eli Newsom; to the Committee on Pensions.

By Mr. CUMMINS:

A bill (S. 3912) granting an increase of pension to Ann J. Alexander (with accompanying papers); to the Committee on Pensions.

EXECUTIVE SESSION.

Mr. LODGE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After 5 minutes spent in executive session the doors were reopened and (at 7 o'clock and 25 minutes p. m.) the Senate, under the order previously entered, took a recess until to-morrow, Wednesday, August 16, 1922, at 10 o'clock a. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 15 (legislative day of August 3), 1922.

GOVERNOR OF THE VIRGIN ISLANDS.

Henry H. Hough to be Governor of the Virgin Islands.

PROMOTIONS IN THE ARMY.

Benjamin Alvord to be assistant to The Adjutant General with rank of brigadier general.

John Ferral McBlain to be first lieutenant, Air Service.

James Lemuel Blakeney to be chaplain with rank of captain.

John Joseph Byrne to be chaplain with rank of captain.

Francis Forbes Donnelly to be chaplain with rank of captain.

HOUSE OF REPRESENTATIVES.

TUESDAY, *August 15, 1922.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, our Heavenly Father, as we lift our voice to Thee may all hearts shape themselves in praise and thanksgiving. From Thy throne echo the love and mercy which encircle us; we therefore beseech Thee to accept our prayer of gratitude. Raise all minds to a plane of noble peace and happiness. Bless the relationship which we sustain to our country, and may it be that of servant and student. O may it be our wedded love and our keenest desire to serve and protect it. Awaken among all citizens the sublime thought of their inheritance. O speak unto them and direct them lest they become the wandering heirs of freedom. May all men look with clear vision and self-surrender upon the stately altars of our country's life. Bestow upon this assembly that wisdom which knows the right and endures and is unassailed by fear. In all deliberations may the tenets of free government be upheld and preserved and may its succoring arm reach the farthest section of the Republic. Direct our President; unveil the way that we should go; may the rights of man be triumphant in the richest blessings to the remotest border and the humblest citizen of our land, through Jesus Christ, our Lord. Amen.

The Journal of the proceedings of Friday, June 30, 1922, was read and approved.

RESIGNATION OF REPRESENTATIVE WALSH.

The SPEAKER laid before the House the following communication:

HOUSE OF REPRESENTATIVES,
Washington, D. C.

Hon. FREDERICK H. GILLETT,
Speaker, House of Representatives, Washington, D. C.

MY DEAR MR. SPEAKER: Having been honored by the Governor of Massachusetts with an appointment as a justice of the superior court of said Commonwealth and having qualified for said office, I beg to advise that I have transmitted to his excellency, the governor, my resignation as a Representative in Congress from the sixteenth district of Massachusetts, effective this day.

With assurances of high personal regard and with sincere good wishes to my former colleagues, I remain,

Respectfully,

JOSEPH WALSH.

NEW BEDFORD, MASS., *August 2, 1922.*

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House of Representatives was requested:

S. 3793. An act to authorize the Gary Tube Co. to construct a bridge across the Grand Calumet River in the State of Indiana.

S. 3834. An act to authorize the Chicago, Lake Shore & Eastern Railway Co. to construct a bridge across the Grand Calumet River in the State of Indiana.

S. J. Res. 216. Joint resolution providing for the consent of the Congress of the United States of America to a compact and agreement between the State of Kansas and the State of Missouri respecting the erection, maintenance, and operation of the water-works plants of the cities of Kansas City, Kans., and Kansas City, Mo.; the taxation thereof, and exercise of eminent domain in connection therewith by each State.

S. 3733. An act granting the consent of Congress to the city of Warren, in the State of Ohio, its successors and assigns, to construct, maintain, and operate a dam across the Mahoning River in the State of Ohio.

S. 3840. An act to amend section 5147 of the Revised Statutes.

S. 2984. An act for the relief of Thurston W. True.

S. 3103. An act to amend section 2294, United States Revised Statutes, relating to homesteads.

S. 3519. An act defining the rights of the Mescalero Apache Indians in the Mescalero Indian Reservation, providing for an allotment of certain lands therein in severalty to the Mescalero Apache Indians, and creating and defining the All Year National Park, and for other purposes.

S. 3531. An act to amend section 9 of the Federal reserve act.

S. 3721. An act providing for the erection of additional suitable and necessary buildings for the National Leper Home.

S. 3757. An act authorizing the Department of Commerce to collect and publish additional cotton statistics and information.

S. 3808. An act authorizing the Secretary of the Interior to investigate and report to Congress upon the Columbia Basin irrigation project.

S. J. Res. 223. Joint resolution authorizing the Federal Reserve Bank of Kansas City to enter into contracts for the erection of a building for its branch office at Denver, Colo.

S. J. Res. 229. Joint resolution authorizing the Federal Reserve Bank of Chicago to enter into contracts for the erection of a building for its branch office in Detroit, Mich.

S. J. Res. 234. Joint resolution authorizing the Federal Reserve Bank of Atlanta to enter into contracts for the erection of a building for its branch office in Jacksonville, Fla.

The message also announced that the Senate had passed the following resolution:

Senate Resolution 329.

Resolved, That the Senate has heard with profound sorrow the announcement of the death of the Hon. WILLIAM E. CROW, late a Senator from the State of Pennsylvania.

Resolved, That a committee of eight Senators be appointed by the President pro tempore to attend the funeral.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now adjourn.

The message also announced that the Senate had passed, with amendments, bills of the following titles, in which the concurrence of the House of Representatives was requested:

H. R. 4. An act granting relief to soldiers and sailors of the war with Spain, Philippine insurrection, and Chinese Boxer rebellion campaign; to widows, former widows, and dependent parents of such soldiers and sailors; and to certain Army nurses.

H. R. 858. An act for the relief of Alfred P. Reck.

H. R. 10248. An act authorizing the lease of surplus power developed under the Salt River reclamation project, Ariz.

H. R. 5775. An act for the relief of Liberty loan subscribers of the North Penn Bank, of Philadelphia, Pa.; Santa Rosa National Bank, Santa Rosa, Calif.; Mineral City Bank, Mineral City, Ohio; Robbinsdale State Bank, Robbinsdale, Minn.; and Farmers & Merchants State Bank, Kenmare, N. Dak.

H. J. Res. 322. Joint resolution favoring the establishment in Palestine of a national home for the Jewish people.

The message also announced that the Senate had agreed to the amendments of the House of Representatives to the bill (S. 848) to amend section 22 of the act entitled "An act to regulate commerce," approved February 4, 1887, as amended.

The message also announced that the Senate had passed, without amendment, bills of the following titles:

H. R. 314. An act for the relief of Forrest R. Black.

H. R. 6817. An act to authorize the Secretary of the Interior to issue patent to the State of Michigan, in trust, of a certain described tract of land to be used as a game refuge.

H. R. 7598. An act authorizing the Secretary of the Interior to dedicate and set apart as a national monument certain lands in Riverside County, Calif.

H. R. 7812. An act to extend the time for cutting timber in the Coconino and Tusayan National Forest, Ariz.

H. R. 8244. An act permitting Frances Mack Mann to purchase certain public lands;

H. R. 8845. An act for the relief of Mattie Alexander;

H. R. 9048. An act to authorize the California Débris Commission to reimburse the city of Sacramento, Calif., for money expended by said city in the construction of the Sacramento weir;

H. R. 9257. An act to permit adjustment of conflicting claims to certain lands in Mohave County, Ariz.;

H. R. 9746. An act for the relief of Emmett Otto Cooney;

H. R. 9814. An act amending the proviso of the act approved August 24, 1912, with reference to educational leave to employees of the Indian Service;

H. R. 10517. An act providing for the confirmation of title of certain purchasers from the State of Louisiana of lands formerly included in the Fort Sabine Military Reservation in Cameron Parish, La., now abandoned;

H. R. 10957. An act to rebuild the school building of the Indian school near Tomah, Wis.;

H. R. 11054. An act to validate certain deeds executed by members of the Five Civilized Tribes, and for other purposes;

H. R. 11233. An act authorizing the Secretary of Commerce to convey certain land to the county of Muscatine, Iowa;

H. J. Res. 170. Joint resolution to approve the holding of a national and international exhibition in the city of Philadelphia in 1926 upon the Fairmount Park and parkway site selected by the Sesquicentennial Exhibition Association and lands contiguous thereto that may be acquired for that purpose as an appropriate celebration of the one hundred and fiftieth anniversary of the signing of the Declaration of Independence; and

H. J. Res. 316. Joint resolution authorizing the reappointment of Frederick Mears as a commissioned officer of the Regular Army and making him available when so reappointed for service as chairman and chief engineer of the Alaskan Engineering Commission.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted—

To Mr. DUPRÉ, indefinitely, on account of important business.

To Mr. RAKER, indefinitely, on account of illness.

To Mr. CONNELL, indefinitely, on account of illness.

Mr. GARRETT of Tennessee. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. HAWES] be granted indefinite leave of absence on account of personal illness.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that the gentleman from Missouri [Mr. HAWES] be granted indefinite leave of absence on account of illness. Is there objection?

There was no objection.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that on June 30 they presented to the President of the United States, for his approval, the following bills:

H. R. 11298. An act amending existing law which authorizes the construction of a public building at Paris, Tex., so as to authorize and empower the Secretary of the Treasury to acquire a new site for same by exchanging therefor land and property now owned by the United States Government in said city, and to authorize the erection on said new site, when acquired, of a public building suitable for post-office purposes, and for other purposes;

H. R. 11588. An act to amend an act entitled "An act to authorize the Secretary of the Treasury to provide hospital and sanatorium facilities for discharged sick and disabled soldiers, sailors and marines";

H. R. 11214. An act authorizing the President to scrap certain vessels in conformity with the provisions of the treaty limiting naval armament, and for other purposes;

H. R. 11244. An act authorizing the construction of a bridge across White River in the State of Arkansas;

H. R. 12090. An act making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1922, and prior fiscal years, supplemental appropriations for the fiscal year ending June 30, 1923, and for other purposes;

H. R. 12092. An act granting the consent of Congress to the Louisiana Development Co. to construct a bridge across the Red River at or near Grand Ecore, La.;

H. R. 12120. An act granting the consent of Congress to the county court of Lafayette County, in the State of Missouri, to construct a bridge across the Missouri River;

H. R. 12121. An act granting the consent of Congress to the county court of Saline County, in the State of Missouri, to construct a bridge across the Missouri River;

H. R. 8767. An act for the relief of F. E. Taylor and B. C. Broom; and

H. J. Res. 353. Joint resolution authorizing the Secretary of War to loan certain tents, cots, chairs, etc., to the executive committee of the Louisiana Department of the American Legion for use at the national convention of the American Legion, to be held at New Orleans, La., in October, 1922.

ENROLLED BILL SIGNED.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 848. An act to amend section 22 of the interstate commerce act as amended.

DEATH OF REPRESENTATIVE KINKAID.

Mr. ANDREWS of Nebraska. Mr. Speaker, it becomes my unwelcome duty to announce the death of Hon. MOSES P. KINKAID, late a Representative in Congress from the State of Nebraska. At some future time we hope to have opportunity to pay suitable tribute to his memory and public service. For the present I send to the Clerk's desk the following resolution and move its adoption.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House Resolution 398.

Resolved, That the House has heard with profound sorrow of the death of Hon. MOSES P. KINKAID, a Representative from the State of Nebraska.

Resolved, That the Clerk communicate these resolutions to the Senate, and transmit a copy thereof to the family of the deceased.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

DEATH OF REPRESENTATIVE PADGETT.

Mr. GARRETT of Tennessee. Mr. Speaker, Hon. LEMUEL PHILLIPS PADGETT, Representative in Congress from the seventh district of Tennessee, died in this city in the early morning of August 2. I make this announcement with profound personal sorrow. Of course the membership of the House knew the value of Mr. PADGETT's services. His district knew the value of his services. His district pointed with pride to the great career that he made for himself, for his district, for his State, and his country.

I shall not say more at this time. Later a request will be made that a time be set apart during which there may be given expression of the appreciation of his colleagues of his services to the country.

I offer the resolution which I send to the Clerk's desk.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House Resolution 399.

Resolved, That the House has heard with profound sorrow of the death of Hon. LEMUEL PHILLIPS PADGETT, a Representative from the State of Tennessee.

Resolved, That the Clerk communicate these resolutions to the Senate, and transmit a copy thereof to the family of the deceased.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

DEATH OF SENATOR CROW.

Mr. CRAGO. Mr. Speaker, I offer the following resolution, which I send to the Clerk's desk.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House Resolution 400.

Resolved, That the House has heard with profound sorrow of the death of Hon. WILLIAM E. CROW, late a Senator of the United States from the State of Pennsylvania.

Resolved, That the Clerk communicate these resolutions to the Senate, and transmit a copy thereof to the family of the deceased.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

ADJOURNMENT.

Mr. CRAGO. Mr. Speaker, I offer the following resolution.

The SPEAKER. The gentleman from Pennsylvania offers the resolution which the Clerk will report.

The Clerk read as follows:

House Resolution 401.

Resolved, That as a further mark of respect to the memory of the late Representatives KINKAID and PADGETT and the late Senator CROW the House do now adjourn.

The motion was agreed to.

Accordingly (at 12 o'clock and 25 minutes p. m.) the House adjourned until Wednesday, August 16, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

660. A letter from the Secretary of War, transmitting a draft of a bill to amend an act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920, so as to include certain employees of the Panama Canal Zone; to the Committee on Reform in the Civil Service.

661. A letter from the Secretary of War, transmitting a request for the authorization for the printing of the final report of the Arlington Memorial Amphitheater Commission, transmitted to the Speaker of the House by the Secretary of War on March 3, 1921; to the Committee on Printing.

662. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination of Kill Van Kull and Newark Bay, N. Y. and N. J., with a view to securing a channel 30 feet in depth and of suitable width to the bridge of the Central Railroad Co. of New Jersey between Elizabeth and Bayonne, including the removal of Bergen Point Ledge; to the Committee on Rivers and Harbors.

663. A letter from the Secretary of State, transmitting request for the passage of a bill (H. R. 11986) for the relief of the Royal Italian Government for losses sustained by collision of the U. S. S. *Buford* with the barge *Anode;* to the Committee on Foreign Affairs.

664. A letter from the Secretary of Commerce, transmitting a report of the sale of 2,765 pounds of useless papers by the Steamboat Inspection Service for the amount of $6.50; to the Committee on Disposition of Useless Executive Papers.

665. A letter from the Secretary of Commerce, transmitting a report on the disposition of about 21,921 pounds of useless papers for approximately $280; to the Committee on Disposition of Useless Executive Papers.

666. A letter from the chairman of the Federal Trade Commission, transmitting explanatory and statistical material supporting the preliminary report of the commission on investment and profit in soft-coal mining, 1916-1921 (S. Doc. No. 207); to the Committee on Interstate and Foreign Commerce.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 10686) granting an increase of pension to Elizabeth Sizemore; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 11787) granting a pension to Frederick B. Eldridge; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 11793) granting a pension to Jerome P. Murphy; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 11906) granting a pension to Spencer E. Graves; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 12176) granting an increase of pension to Celia Oates; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. KNUTSON: A bill (H. R. 12274) to compensate the Chippewa Indians of Minnesota for lands disposed of under the provisions of the free homestead act; to the Committee on Indian Affairs.

By Mr. RIORDAN: A bill (H. R. 12275) to regulate the pay, allowances, and grades of certain officers in the United States Navy; to the Committee on Naval Affairs.

By Mr. COLE of Iowa: A bill (H. R. 12276) to amend the act of Congress approved July 17, 1916, known as the Federal farm loan act; to the Committee on Banking and Currency.

By Mr. CLARK of Florida: A bill (H. R. 12277) to provide for the levy and collection of taxes on certain real estate in the District of Columbia; to the Committee on the District of Columbia.

By Mr. HILL: A bill (H. R. 12278) making eligible for retirement under certain conditions officers of the United States Army, other than officers of the Regular Army, who incurred physical disability in line of duty while in the service of the United States during the war; to the Committee on Military Affairs.

By Mr. SANDERS of Indiana: Joint resolution (H. J. Res. 371) authorizing the Secretary of War to loan certain cots, blankets, tents, chairs, etc., to the executive committee of the American Legion for the Department of Indiana for use at the State convention of the American Legion to be held at Terre Haute, Ind., September 25, 26, and 27, 1922; to the Committee on Military Affairs.

By Mr. MALONEY: Resolution (H. Res. 402) for investigation of labor conditions existing in the cotton industry in New England; to the Committee on Rules.

By Mr. ANDREWS of Nebraska: Resolution (H. Res. 403) providing for the payment of one month's salary to Laurence H. Malone and Florence M. Malone, clerks to the late Hon. Moses P. Kinkaid; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURROUGHS: A bill (H. R. 12279) for the relief of Veranus D. Drew; to the Committee on Military Affairs.

Also, a bill (H. R. 12280, granting an increase of pension to Lucinda M. Fuller; to the Committee on Invalid Pensions.

By Mr. CANNON: A bill (H. R. 12281) granting a pension to Robert Fletcher; to the Committee on Invalid Pensions.

By Mr. COLE of Iowa: A bill (H. R. 12282) granting a pension to Ada G. Sherwood; to the Committee on Invalid Pensions.

By Mr. DICKINSON: A bill (H. R. 12283) granting a pension to Julia Adams; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12284) granting a pension to George E. Reed; to the Committee on Pensions.

By Mr. DRIVER: A bill (H. R. 12285) granting a pension to Eliza Hill; to the Committee on Invalid Pensions.

By Mr. FAUST: A bill (H. R. 12286) granting a pension to Margaret A. Medley; to the Committee on Invalid Pensions.

By Mr. FITZGERALD: A bill (H. R. 12287) granting a pension to Julia B. Cole; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12288) granting a pension to Edith Hampel; to the Committee on Pensions.

Also, a bill (H. R. 12289) granting a pension to Huldah A. E. Dutton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12290) granting a pension to Mary B. Elliott; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12291) granting a pension to Addie Wilson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12292) granting a pension to Pearl J. Carrier; to the Committee on Pensions.

Also, a bill (H. R. 12293) granting a pension to Anna Hagans; to the Committee on Invalid Pensions.

By Mr. FOSTER: A bill (H. R. 12294) granting a pension to Flora Bryson Eiselstein; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12295) granting a pension to Mary A. Morris; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12296), granting a pension to Sarah F. Champlin; to the Committee on Invalid Pensions.

By Mr. HAWES: A bill (H. R. 12297) granting a pension to Lucy May Raymond; to the Committee on Invalid Pensions.

By Mr. HAWLEY: A bill (H. R. 12298) granting an increase of pension to Elizabeth J. Wright; to the Committee on Invalid Pensions.

By Mr. KENNEDY: A bill (H. R. 12299) granting an increase of pension to Clarice Fly; to the Committee on Invalid Pensions.

By Mr. KING: A bill (H. R. 12300) granting a pension to Francis S. Reedy; to the Committee on Invalid Pensions.

By Mr. MILLSPAUGH: A bill (H. R. 12301) granting a pension to Mary Underwood; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12302) granting an increase of pension to Nancy E. Alward; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12303) granting an increase of pension to Emily French; to the Committee on Invalid Pensions.

By Mr. PURNELL: A bill (H. R. 12304) granting an increase of pension to Mary A. Ramsey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12305) granting a pension to Emma V. Wilkerson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12306) granting an increase of pension to Flora B. Warren; to the Committee on Pensions.

By Mr. REECE: A bill (H. R. 12307) granting an increase of pension to Sarah A. Blevins; to the Committee on Invalid Pensions.

By Mr. RHODES: A bill (H. R. 12308) granting an increase of pension to Margaret E. Myers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12309) granting an increase of pension to Mary Reilly; to the Committee on Invalid Pensions.

By Mr. SINNOTT: A bill (H. R. 12310) granting an increase of pension to Sarah E. Leavitt; to the Committee on Invalid Pensions.

By Mr. STRONG of Pennsylvania: A bill (H. R. 12311) for the relief of Robert Laird, sr.; to the Committee on Claims.

Also, a bill (H. R. 12312) granting an increase of pension to Mary E. Higley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12313) granting an increase of pension to Clara J. Gillespie; to the Committee on Pensions.

By Mr. TEN EYCK: A bill (H. R. 12314) granting a pension to Sarah A. Atherton; to the Committee on Invalid Pensions.

By Mr. UNDERHILL: A bill (H. R. 12315) for the relief of the owners of the schooner *T. K. Bentley;* to the Committee on Claims.

By Mr. WILLIAMSON: A bill (H. R. 12316) granting a pension to Michael Halloran; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6143. By the SPEAKER (by request): Petition of sundry citizens of Chicago, Ill., opposing the passage of House bills 9753 and 4388 and Senate bill 1948 and other sundry bills; to the Committee on the District of Columbia.

6144. Also (by request), petition of Mrs. William J. Downing, 700 Park Street, Salisbury, Md., regarding world peace; to the Committee on Foreign Affairs.

6145. Also (by request), petition of the Minnesota State Federation of Labor, urging the passage of the Fitzgerald workmen's compensation bill; to the Committee on the District of Columbia.

6146. Also (by request), petition of sundry citizens of Lithuanian descent of Waukegan and North Chicago, Ill., expressing gratitude to the United States for the recognition of the Lithuanian Republic; to the Committee on Foreign Affairs.

6147. Also (by request), petition of Wisconsin State Federation of Labor, favoring the recognition of the Government of Mexico; to the Committee on Foreign Affairs.

6148. Also (by request), petition of the president of the American Federation of Labor, favoring the recognition of the Government of Mexico; to the Committee on Foreign Affairs.

6149. Also (by request), petition of Chamber of Commerce of Porto Rico, regarding the tariff on Porto Rican coconuts; to the Committee on Ways and Means.

6150. Also (by request), petition of sundry Wisconsin farmers, favoring legislation in favor of beer and light wines; to the Committee on the Judiciary.

6151. Also (by request), petition of Third Church of Christ, Scientist, of Brooklyn, N. Y., regarding the treatment of the Christian people in Asia Minor; to the Committee on Foreign Affairs.

6152. Also (by request), petition of the National Indian War Veterans, Oklahoma City, Okla., favoring the passage of the Capper bill, the Morgan bill, and the Spanish-American soldiers' bill; to the Committee on Pensions.

6153. Also (by request), petition of the Lebanon Chamber of Commerce, Lebanon, Pa., condemning the Herrin massacre; to the Committee on the Judiciary.

6154. Also (by request), petition of the Jewish National Council, Jerusalem, thanking the Congress of the United States for the passage of the resolution relative to the creation of Palestine as the national home for Jewish people; to the Committee on Foreign Affairs.

6155. Also (by request), petition of the United Spanish War Veterans, Monterey, Calif., urging that Mare Island be kept up to the standard of a first-class naval base; to the Committee on Naval Affairs.

6156. By Mr. CROWTHER: Petition of employees of the United States arsenal at Watervleit, N. Y., favoring an amendment to the civil service laws which will take care of certain employees of said arsenal; to the Committee on Reform in the Civil Service.

6157. Also, petition of Martin McMartin Post, No. 257, Grand Army of the Republic, of the city of Johnstown, N. Y., urging the immediate passage of the Bursum and Morgan pension bill; to the Committee on Invalid Pensions.

6158. Also, petition of Schenectady Post, No. 357, Veterans of Foreign Wars, urging the passage of House bill 11623, providing for the incorporation of the Veterans of Foreign Wars; to the Committee on the Judiciary.

6159. Also, petition of the New York Chapter, Military Order of the World War, urging adequate appropriation for the training personnel of the Officers' Reserve Corps and enlisted reserve; to the Committee on Appropriations.

6160. By Mr. DARROW: Petition of the Philadelphia Board of Trade, favoring a reduction in the cost of issuing passports; to the Committee on Foreign Affairs.

6161. By Mr. GRAHAM of Pennsylvania: Petition of the Philadelphia Board of Trade, indorsing H. Res. 314 and objecting to H. R. 11548; to the Committee on Banking and Currency.

6162. By Mr. KISSEL: Petition of Geo. Borgfeldt & Co., New York City, regarding flood disasters on the Mississippi River; to the Committee on Flood Control.

6163. By Mr. YOUNG: Petition of Mr. G. A. Stillman, Washburn, N. Dak., and 51 others, asking that Congress take action to protect the Armenians against the Turks; to the Committee on Foreign Affairs.

6164. Also, petition in the shape of a resolution adopted at the Fourth Irrigation Congress of the North Dakota Irrigation Association, held at Bismarck, N. Dak., on July 8, 1922, in which it was declared that inasmuch as settlers by the thousand, in utmost good faith, have been distressed by erratic and uncertain climatic conditions, it is highly important and imperative to their continued residence and success that available water, under a Missouri-Yellowstone project, be made immediately available to their use and that priority of consideration of right belongs to these settled lands as against vast unsettled arid areas of less certain agricultural value; to the Committee on Irrigation of Arid Lands.

6165. Also, petition of the Bergen National Farm Loan Association of Bergen, N. Dak., urging an amendment to the Federal farm loan act; to the Committee on Banking and Currency.

SENATE.

WEDNESDAY, *August 16, 1922.*

(Legislative day of Thursday, August 3, 1922.)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

Mr. McCUMBER. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Edge	McNary	Sheppard
Bronssard	Ernst	Moses	Shortridge
Bursum	Gooding	Myers	Smoot
Calder	Harreld	Nicholson	Sterling
Cameron	Jones, N. Mex.	Norbeck	Sutherland
Capper	Jones, Wash.	Overman	Trammell
Cummins	Kellogg	Pepper	Walsh, Mont.
Curtis	Kendrick	Pomerene	Warren
Dial	McCumber	Rawson	Watson, Ga.
Dillingham	McKellar	Robinson	

Mr. CURTIS. I wish to announce the necessary absence of the Senator from Minnesota [Mr. NELSON] on account of a recent death in his family.

I also wish to announce that the Senator from Ohio [Mr. WILLIS] is necessarily absent because of illness in his family.

Mr. HARRISON. I desire to announce that the Senator from Nevada [Mr. PITTMAN] is necessarily absent owing to illness in his family.

The PRESIDENT pro tempore. Thirty-nine Senators have answered to their names. There is not a quorum present. The Secretary will call the roll of absentees.

The reading clerk called the names of the absent Senators, and the following Senators answered to their names when called:

Harrison	Ransdell	Smith

The following Senators entered the Chamber and answered to their names:

Ashurst	Keyes	Oddie	Watson, Ind.
Fletcher	McCormick	Phipps	
Hale	McLean	Stanfield	
Heflin	Newberry	Wadsworth	

The PRESIDENT pro tempore. Fifty-five Senators have answered to their names. There is a quorum present.

SENATOR FROM PENNSYLVANIA.

Mr. PEPPER. Mr. President, I desire to present the credentials of Maj. DAVID A. REED, appointed by the Governor of Pennsylvania a Senator from that State.

The PRESIDENT pro tempore. The credentials will be read.

The reading clerk read the credentials, as follows:

IN THE NAME AND BY AUTHORITY OF THE COMMONWEALTH OF PENNSYLVANIA,
Executive Department.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that pursuant to the power vested in me by the Constitution of the United States and the laws of the State of Pennsylvania, I, William Cameron Sproul, the Governor of said State, do hereby appoint David A. Reed a Senator from said State to represent said State in the Senate of the United States, until the vacancy therein, caused by the death of the Hon. William E. Crow, is filled by election, as provided by law.

Witness his excellency our governor, and our seal hereto affixed at Harrisburg, this 8th day of August, in the year of our Lord 1922.

[SEAL.] WM. C. SPROUL, *Governor.*

By the Governor:
BERNARD J. MYERS,
Secretary of the Commonwealth.

The PRESIDENT pro tempore. The credentials will be placed on the files of the Senate.

Mr. PEPPER. Mr. President, Major REED is present and ready to take the oath of office.

The PRESIDENT pro tempore. The Senator appointed will present himself at the desk and take the oath.

Mr. REED, escorted by Mr. PEPPER, advanced to the Vice President's desk, and, the oath prescribed by law having been administered to him, he took his seat in the Senate.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. STERLING. I desire to present an amendment intended to be proposed by me to the pending bill, which I ask may lie on the table and be printed.

The PRESIDENT pro tempore. It is so ordered.

The Chair desires to make one observation. Under a unanimous-consent agreement already entered into the junior Senator from Oklahoma [Mr. HARRELD] has the right to address the Senate for an hour upon an amendment which he will present.

Mr. HARRELD. Mr. President, I send to the desk two amendments, which I desire may be stated by the Secretary.

The PRESIDENT pro tempore. The Secretary will state the amendments as requested.

The READING CLERK. It is proposed, on page 229, line 6, to strike out "crude, fuel, or," and on page 28, after line 20, to insert the following new paragraph:

PAR. 54a. Oils, mineral: Petroleum, crude, 35 cents per barrel of 42 gallons; fuel oil, 25 cents per barrel of 42 gallons.

Mr. HARRELD. Mr. President, the amendments which I have just presented, and which have been read at the Secretary's desk, were first offered by me some time ago. They prescribe the same duties on crude petroleum and fuel oil which were provided for by the pending bill when it was reported out of the Ways and Means Committee to the House of Representatives. However, the provisions as reported favorably were stricken out in the House. I desire, therefore, to address the Senate for a while concerning the amendments.

It might be well, Mr. President, for me at the outset to say a word or two about my personal interest in the question which is involved in the amendments. There may be some Members of the Senate, and especially some newspaper men, who are very prudish, and who think that I should not present this matter and should not vote for these amendments because I have a small personal interest in the oil business. For their benefit I desire to say that several years ago I sold all the production of crude petroleum of which I was then the owner, and at the present time my only interest in the oil business consists of the ownership of some stock in several independent oil concerns, of more or less uncertain value; also some stock in a small independent refinery, which, perhaps, has very small value; and, in addition to that, a small royalty interest, the oil from which I sell to the Standard Oil Co. to-day for 75 cents per barrel. They refine it, take out 25 per cent in the way of the high products, and sell the residue for fuel oil in the same vicinity for $1.25 per barrel. That will give an idea of my interest in the oil business and perhaps a reason for my activities if any one wants to know.

However, my interest is so insignificant as compared with the importance to the independent oil producers of the country and to the public generally, of the matter embraced in the amendments which I have offered, that I am impelled, in spite of criticisms which may come, to advocate and to vote for this proposed tariff on crude petroleum; for the interest of the general public, in my opinion, as well as that of the independent producers of crude petroleum, is so much more important than my personal interest that the argument that I am disqualified to vote on this question entirely loses its force.

Mr. President, I am not one of those who are continually railing at big business. My judgment is that aggregations of capital ought to be a blessing to the public. It is only when they cease to be a blessing to the public that I will be heard from as I am going to be heard from this morning. It stands to reason that a large amount of capital invested, for instance, in the making of farm implements, employing up-to-date machinery and labor-saving methods and devices ought to make it cheaper for the public to buy plows than it used to be when they were made in the forge of the small blacksmith. The shoemaking industries, with all of their machinery and labor-saving devices, ought to produce shoes cheaper than the old cobbler used to produce them, but they do not do it. The packing plants of this country, with their immense capital invested, ought to make the products of the farm in the form of meats cheaper to the public. When they did not do it the Government reached out and put a restraining hand on the shoulder of the packers and said, "We are going to make you do it." So, I repeat, it is not my purpose to arraign aggregations of capital in any sense of the word. It is only, as I have said, when they cease to be a benefit to the public; it is only when they commit acts which are not in the interest of the public that I will be heard to lift my voice in the Senate against them.

Mr. President, on the 23d day of last August I spoke at some length in favor of the proposed tariff on crude petroleum and its products. It is not my purpose to reiterate the statements contained in that speech. I then charged that a few producing companies were attempting to acquire a monopoly of the petroleum production and that these few companies which are both producing and purchasing companies had deliberately reduced the price of crude from $3.50 per barrel on the 1st day of January, 1921, to $1 per barrel on the 1st of July, 1921. I then charged that this was being done in furtherance of a conspiracy to bankrupt the 21,000 independent oil producers in this

country with a view to purchasing their properties and thus gaining a monopoly of the oil production. They have had a monopoly upon the oil-purchasing business for some time. In order to bring about this reduction in price I charged that they were importing vast volumes of Mexican crude into this country, both as a means of profit and as a justification of their reduction in prices. I showed that practically the same people who have had a throttle hold on the oil industry in this country were the principal producers of oil in Mexico, where they are able to produce oil at 11 cents a barrel, as against a cost of $1.56 per barrel in the United States.

I wish to say that when at that time I said that it cost $1.56 to produce oil in the United States I was perhaps wrong, for, in my judgment, it costs more than that.

I offered at that time a resolution proposing an inquiry into the existence of this conspiracy and seeking to show that immense sums of money had been borrowed from the Federal reserve banks of this country to purchase independent properties from owners who were embarrassed because of the condition they had brought about by the reduction of the price of crude. I introduced this resolution in good faith expecting to prosecute it vigorously, but before I could get an opportunity to do so I was forced to go to a hospital for an operation, which kept me confined for seven weeks and from which I have not yet fully recovered. When I had recovered to such an extent that I was able to take up the fight again I discovered that for some reason, whether because of the proposed investigation I am not able to say, the monopolists referred to had increased the price of crude to $2.25 per barrel, although there had been practically no change in production and importation records and in the conditions surrounding the oil business which justified either the reduction in the first place or the increase in the second place, thus clearly showing that I was right when I charged that the market prices were being manipulated by the monopolist oil companies for a purpose.

If further proof of that fact is wanting, it is had in the fact that the price of gasoline remained steady during all this time, thus showing clearly that there is no relation between the price of crude and the price of gasoline, and that the price in each case is fixed arbitrarily by the oil monopolists. I mention this fact to show that the argument that a tariff on crude petroleum will increase the price of gasoline to the consuming public is a fallacy.

In that connection I want to say, Mr. President, that in voting for certain high rates during the progress of this bill in the Senate I was actuated to vote for some of those amendments by one reason and for some by another. I was actuated to vote for some of those rates because they were needed to protect some infant industry. In some cases I thought the duty would be a good revenue producer. In other cases I voted for the high rates because of the fact that the price of the product on which the tariff was to be imposed was controlled by some monopolistic concern and the market was being made to pay all that it would bear.

I was interested in the speech which the Senator from Utah [Mr. SMOOT] made and the charts which he introduced on the sugar question. The three charts that he introduced showed that in three instances where the tariff on sugar had been altered it made practically no difference in the price of that product. Why? Because the Sugar Trust make the people of this country pay the last cent that the market will stand. The only limit to the price they fix on sugar is a price which would cause the American public to go on strike and quit buying sugar. That is the only place where they stop. That argument is peculiarly applicable to the product of the refineries of oil in this country. They make the public pay the last cent that the public will stand for and not go on strike and quit buying, and that is the reason why I am in favor of a tariff on oil, because when you levy a tariff on an article of that sort, no matter how high, it is not passed on to the public. It can not be passed on to the public. It comes out of the profits of the profiteers that are manufacturing and putting that product on the market.

Mr. HARRISON. Mr. President, will the Senator yield, or does he desire not to be interrupted?

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Mississippi?

Mr. HARRELD. I will yield.

Mr. HARRISON. Does the Senator mean to tell the Senate that a tariff laid on the importation of sugar is not reflected in the price to the consumer?

Mr. HARRELD. That is my judgment. My judgment is that the Sugar Trust of this country to-day make the public pay every cent it will stand for.

Mr. HARRISON. The price, though, will be increased, whether it goes into the pockets of the trust or whether it goes into somebody else's pocket. Does the Senator think that?

Mr. HARRELD. I said that the charts which the Senator from Utah [Mr. SMOOT] introduced on the floor of the Senate and pointed to the other day showed that it had not had that effect in the past.

Mr. HARRISON. That it had not increased to the consumer the price of sugar?

Mr. HARRELD. It had not done it.

Mr. HARRISON. And that was the reason why the Senator voted for a large increase in the duty on sugar?

Mr. HARRELD. That entered into the considerations that led me to vote for a tariff on sugar, because that tariff will be collected from the profits of the Sugar Trust and not from the public.

Mr. NICHOLSON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Colorado?

Mr. HARRELD. I do; for just a minute.

Mr. NICHOLSON. If the Senator from Oklahoma will yield, I should like to answer the question asked by the distinguished Senator from Mississippi.

When the Underwood tariff bill was enacted and the duty on sugar was lowered, the refineries and the Cuban producers absorbed the larger part of the reduction that took place in the tariff. When the duty was raised they likewise absorbed the raise to the extent of about 65 or 70 per cent, 30 or 35 per cent being absorbed by the consumer. The large part of the raise, however, was absorbed by the Cuban producers and the refiners, and when the tariff was lowered they absorbed the larger part of the decrease.

Mr. HARRISON. May I say——

Mr. HARRELD. I shall have to decline to yield further, because I have not the time. I did not want to branch off into the sugar argument, except as it applied to the products of oil; and unless the Senator will be very brief I shall have to decline to yield further.

Mr. HARRISON. I merely want to say, in response to that, that if the Senator from Oklahoma and the Senator from Colorado think they can put that over on the American people they are very much fooled. The American people know that the tariff increase will be reflected in the price to the American consumer of sugar.

Mr. HARRELD. Mr. President, the Senator from Mississippi and I do not agree on that point; but that is beside the issue. I insist, however, that for that very reason a tariff put on the refined products of oil will not be felt by the consuming public at all.

It is true that recently gasoline has been reduced in price; but an examination of the facts will disclose that within 60 days before this reduction was made the price of gasoline had been advanced practically the same amount that it has now been reduced, and I charge now that the increase in the price of gasoline was made for the purpose of following it up with the reduction in order to produce a false psychological effect. Gasoline is still as high as it was during the most of the time for the last 12 months, while oil has ranged from $3.50 to $1, back to $2.25, and down to $1.25 again in the same period of time.

It is the policy of these monopolists to buy the crude as cheaply as possible and to sell it for all the public will pay, and that will continue to be their policy, and we need not, therefore, decline to make them pay a tariff to furnish much-needed revenue to the Government because of an unwarranted belief that this tax will be passed on to the consumer. The purchaser will be compelled to pay all that he can be forced to pay by the monopolists whether this tariff is added or not.

When my confinement in the hospital was over, I decided that it would not be wise to press my resolution while the oil monopoly was, from its goodness of heart, paying to the producer $2.25 per barrel, which the independent producer needed so badly to enable him to meet his obligations, pay his debts, and thus save his properties from the avaricious maw of the monopolists. In other words, I did not press it because I felt it was better to leave well enough alone until the independent operators had, by reason of the increased prices, an opportunity to relieve themselves from the embarrassment incident to the price of $1 per barrel which had so recently been in effect. However, during the interval the monopolists did succeed in purchasing the holdings of a great many independent operators at practically forced sales, and at a very small percentage of the value of such properties. While production has increased in the United States in the meantime, imports from Mexico

have also increased, and while imports from Mexico at that time amounted to 250,000 barrels per day, they now amount to about 400,000 barrels per day, and it is predicted that they will amount to 195,000,000 barrels this year as against 130,000,000 barrels in 1921.

I stated then that the Standard Oil companies, the Edward L. Doheny companies, and the Royal Dutch Shell companies had a monopoly upon the Mexican production and that the same three companies were seeking to obtain a monopoly of the production in the United States. They at that time owned about 50 per cent of the production in the United States. Since that time the Royal Dutch Shell Co., I am informed, has merged with the Union Oil Co. of Delaware, thus getting control of $75,000,000 worth of properties, besides the many smaller companies which it has acquired. Here I want to say that I have made every effort I can to confirm that. It is hard to get these people to tell you what they are doing. It is hard for the Government itself to ascertain what these people are doing, but I think I am right in making the statement that they have acquired that company. At least, negotiations were on and an attempt was made to acquire it.

It was also reported some time ago that the Royal Dutch Shell had taken a controlling interest in the Producers' and Refiners' Corporation, a $20,000,000 concern, with holdings in the mid-continent fields worth perhaps a hundred million dollars. I have not been able to ascertain the truthfulness of this report, except that I am sure it was under consideration, and that F. E. Kistler, the president of the corporation, went to London to conclude the sale. It is also well known that the Royal Dutch Shell Co. has acquired an interest in, if not control of, the E. W. Marland properties, with valuable holdings in the Osage Nation of Oklahoma worth many millions of dollars. The Edward L. Doheny companies and the Standard Oil group have acquired the Teapot Dome, in Wyoming, estimated to be the richest oil pool in the world, and other valuable holdings in California, and I am informed they have also made many smaller purchases. I understand that the Standard Oil Co. of Indiana has acquired 99 per cent of the stock of the Midwest Refining Co., which controls the output of the refined products of the Wyoming oil fields; and there are many other cases of this kind that I could go on and tell the Senate about that have taken place within the last 12 months, since I delivered my former speech almost a year ago. So that, to some extent at least, the prophecy I made at that time that these three large groups of producing and purchasing companies were seeking to get a monopoly of the oil production has been justified. The reason is clear. If these monopolists could corner practically all of the production in the United States, leaving themselves to pay only a one-eighth royalty to the landowners, they would then have it in their power to reduce the price to $1 per barrel, as they have done heretofore, thus reducing the amount of royalty they would have to pay, and justify their acts by the claim that it was made necessary by importations from Mexico, which importations they also have it in their power to make or not make as they see fit.

The people of the United States should wake up to the importance of this move to monopolize the oil industry. The lengths to which they will go to carry out their purpose are surprising. Since making my speech in August of last year, great pressure has been brought on me to desist in my efforts to curb the rapacity of these monopolists, and I have felt the effects of their efforts directed against my promotion in this body.

All this is perhaps somewhat beside the question, but it serves to show that it is futile for Members of the Senate to argue that the tariff which I desire to have imposed on crude oil and its products will affect the prices of those products to the consuming public. On the contrary, an exhibition tending to show that this Government is not controlled or influenced unduly by these monopolists would be refreshing to the public at large. The passage of this tariff bill would convince the people of this country that the Standard Oil Co. is not intrenched in Washington, as some of them now believe it is. Only a few days ago a friend of mine, a member of the Finance Committee of the Senate, asked me why the oil monopolists were not opposing this tariff. He said they did not appear before the Senate Finance Committee in opposition to the tariff, and that he had been told by the leading officials of one of the monopoly companies that they were not interested in the tariff and did not care whether it is passed or not.

This again shows how completely and shrewdly these people operate. Although I was ill at the time, I attended the hearings on the oil tariff before the Senate Finance Committee. It is true that the monopolists did not appear before the Senate Finance Committee and oppose this tariff, but there was a reason. For two years prior to that hearing these same monopolists had been insisting to the public by widespread propaganda that the reason for keeping up the price of gasoline at the same time that they were reducing the price of crude so drastically was that they could not sell the other products manufactured from crude; that they were having to store naphtha, kerosene, and other products, and especially residue fuel oil, and that gasoline was having to bear the entire expense of refining; and, therefore, they were justified in increasing the price of gasoline rather than reducing it in proportion to the reduction in the price of crude. To have appeared before the Finance Committee opposing this tariff, therefore, would have been embarrassing to them, because they knew that I was there to question them in this regard. They could not right about face and say to the committee that the importation of this Mexican oil, which is of a low grade and largely fit for fuel oil only, was necessary to supply the fuel market, when they had been preaching all this time that they had fuel oil stored which they could not sell and therefore must needs keep gasoline at a high price.

They, therefore, did the only thing which they could consistently do. They had consumers of fuel oil appear before the committee in the form of railroad companies, represented by one Mr. Thom, and various other users of fuel oil from various parts of the country, and oppose the imposition of this tariff and say that they were opposed to it because they could not get fuel oil from the refiners of this country for their use, and that if they did it would be sold to them at higher prices than those for which they could buy Mexican fuel oil.

I might add here that they also induced the American Automobile Association to oppose it. I may pay my respects to the American Automobile Association later if I have time.

I asked some of those consumers of fuel oil what they were paying for Mexican fuel oil and they said they were paying approximately $1.50 per barrel on the Gulf coast. This same oil is produced in Mexico at a cost of 11 cents per barrel, as I showed in my speech of August 23, 1921, which has been undisputed to this date. It is unloaded at the Gulf ports by these same people at a total cost of 53 cents per barrel, which covers both production costs and shipment charges to Gulf ports in the United States, and sold to the consumers at that place at $1.50 per barrel.

This shows what will happen if we surrender ourselves to the tender mercies of the monopolists, who not only produce this oil themselves but ship it in their own vessels, unload it in their own tanks on the Gulf coast, and deliver same to the consumer in their own pipe lines and tank vessels at a net profit to themselves of 97 cents per barrel, almost 200 per cent.

I am able to show that at the very same time that this fuel oil was being sold on the Gulf coast by these monopolists at $1.50 per barrel the independent refiners were offering for sale at St. Louis, Mo., residue fuel oil from their refineries at 27 cents per barrel, but could not compete with the Mexican importers because of freight rates effective between St. Louis and the points where same was to be consumed.

It is clear, by the activities of these monopolists outside the Finance Committee room in bringing consumers of Mexican oil here to testify, that they are not so disinterested in this tariff as they try to make it appear. However, if they are disinterested, as they claim they are, then I see no reason why the Senate should hesitate to impose this tariff, because I have shown conclusively that it would not affect the price to the consumer; on the other hand, it would add very materially to the revenues of the Government.

In fact, from the standpoint of revenue alone this tariff is justified. I have shown that this oil is being shipped to this country and sold at a profit of 97 cents per barrel. The imposition of this tariff at 35 cents per barrel would, therefore, simply reduce the profits which the importers make from 97 cents per barrel to 62 cents, which on an investment of 53 cents—the cost of producing and delivering to Gulf port points—it seems to me would be adequate profit to satisfy the avarice of any set of men. This tariff of 35 cents per barrel upon the 195,000,000 barrels of oil which will be shipped into this country from Mexico this year will produce a handsome revenue, amounting to more than $68,000,000. That would enable us to reduce the excess-profits tax that is levied on the people at home, and it would leave an adequate profit to the importers of this oil from Mexico, to whom this Government owes nothing; in fact, it would be nothing but right for these companies, who have been such an expense to this Government, resulting from the trouble they have caused the State Department by fomenting troubles

in Mexico, which has seriously impaired our general trade with Mexico and created a distrust of this country in the hearts of our neighbors which it will take years to eradicate. Why should they not pay a part of the expense of this Government the same as the independent producers do?

Mr. JONES of New Mexico. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from New Mexico?

Mr. HARRELD. I yield.

Mr. JONES of New Mexico. Has the Senator stated the domestic consumption and the American production of oil?

Mr. HARRELD. No; I have not. I introduced figures showing that in the RECORD a few days ago in the form of a letter I received from Gen. Willis J. Hulings. I will say to the Senator that the production of oil in the United States at the present time amounts to about a million and a half barrels per day. Importations from Mexico amount to about 450,000 barrels per day. If the Senator will read that letter, it will give him the information he desires. It was introduced in the RECORD last Saturday, and I had it inserted in the RECORD in order that I would not have to go into that to-day in this discussion.

Mr. JONES of New Mexico. The point I wanted to be informed about was whether or not any of the oil imported into the United States is exported or whether the consumption takes it all up, whether we refine it here and export it?

Mr. HARRELD. That letter will show the exports of refined products. We are exporting very little crude oil, and for the information of the Senator I will say that at the present time they are refining as much oil in Mexico as we were refining in the United States in 1906 in addition to what they ship here in the form of crude petroleum. The truth of it is that for the last year or two the monopolists of this country have been storing this high-grade oil and using the Mexican fuel oil, and the high-grade oil is now in tanks in this country in storage. There is a great deal of high-grade oil in this country stored by these oil monopolists. But I can not stop just now to give the figures on that. I have them here, but I can not carry them in my mind.

I repeat this tariff is justified as a tariff for revenue; it is justified as a tariff for protection of home industries, as I showed in my former argument; and it is justified because it protects the American oil-field laborers against the cheap labor of Mexico which is used in the production of the commodity which comes in competition with this same commodity at home, and I urge that it be imposed for that if for no other reason.

In that connection I want to call attention to an article which appeared in the newspapers a few days ago. To give an idea of what is paid to laborers in the oil fields of Mexico, I will read this. It is as follows:

DOHENY CUTS WAGES OF MEXICAN WORKERS.

TAMPICO, MEXICO, May 25.—The Huasteca Petroleum Co. (Doheny interests) on April 26 cut the wages of its 5,800 employees 12½ per cent. This leaves the unskilled peon with a daily wage of $3.28 Mexican money, or $1.68 in United States currency.

Tampico is a place of high prices. A bar of Ivory soap brings in American money 20 cents; a pint of milk in a lunch room, 35 cents. Rents are high, a single room in the better part of the city bringing $50.

* * * * * * *

Those fellows are producing oil in Mexico and paying their laborers $1.68 a day in United States currency, while like labor in the United States costs from $6 to $12 a day. If for no other reason, this tariff ought to be imposed to protect the hundreds of thousands of men who are engaged in the labor of producing oil in this country.

Mr. JONES of New Mexico. Can the Senator advise us as to the ratio of the labor cost to the value of the product produced?

Mr. HARRELD. The labor cost is a large element. I do not know that I can tell the Senator the percentage. It is perhaps the largest element in the cost. I do not know that I could tell just to what extent it enters, but if the Senator would go through the fields of the mid-continent and up through the fields of Pennsylvania and see the hundreds and thousands of oil men to-day who are out of jobs, he would think it was important in this country, in solving the labor problem and in solving the problem of unemployment, to have these companies running.

Mr. JONES of New Mexico. Most of those people are skilled laborers, however, are they not?

Mr. HARRELD. There are both skilled and unskilled.

Mr. JONES of New Mexico. The amount of so-called common labor, such as the Senator was then referring to as being employed in Mexico, is rather small when you are considering the wage question, is it not?

Mr. HARRELD. Most of the oil-field laborers are unskilled. I do not know the relative percentages, however.

If the Senate and the public generally want more evidence of what will be the result should this monopoly of production be gained by those seeking it, I would respectfully call their attention to the fact that in Wyoming, where the Standard Oil Co. owns and controls 80 per cent of the production, 42 gravity oil was recently selling at 50 cents per barrel.

So much for the arguments made and the testimony offered before the committee presided over by the Senator from Oregon [Mr. MCNARY] that the law of supply and demand governs the price of oil. At the time this was selling for 50 cents the same oil in the mid-continent was selling for $1.50.

From this oil the Government obtains a royalty of from 25 to 30 per cent, which, of course, would be five times as much as it is at the present time if this oil was selling for the normal price of $2.25 per barrel. By reducing this price they are thus materially reducing the income of the Government. This is another proof that they need no protection from this Government.

In order that the Senate and the public generally may know the ramifications of the monopoly ownership of oil properties, I desire to insert the following information, which was furnished me by the National Association of Independent Oil Producers, which I quote in part:

First. Quarterly tax reports of the State of Oklahoma, for the quarter ending June 30, 1921, disclose that there was reported as having been produced in the State of Oklahoma for that period the total of 26,617,879 barrels of oil, of which the following companies produced the following amounts:

Carter Oil Co. (Standard Oil group)	1,200,034
Prairie Oil & Gas (Standard Oil group)	1,327,181
Magnolia Petroleum (Standard Oil group)	1,231,288
Tidal Oil Co. (Standard Oil group)	497,722
Guffey-Gillispie (Standard Oil group)	234,342
Eddystone Oil Co. (Standard Oil group)	10,742
Atlantic Oil Products (Standard Oil group)	86,000
Mid-Kansas Oil Co. (Standard Oil group)	57,426
Wolverine Oil Co. (Standard Oil group)	402,681
Wolverine et al. (Standard Oil group)	19,360
Texas Co. (Transportation group)	1,158,416
Gypsy Oil Co. (Gulf Pipe Line Co.)	862,795
Gypsy Oil Co. (Gulf Pipe Line Co.)	118,085
Roxana Petroleum Co. (Shell-Dutch Co.)	816,238
Amerada Petroleum Co. (Shell-Dutch Co.)	471,675
Sinclair Oil & Gas	647,976
Exchange Oil Co. (Sinclair companies)	336,375
	9,568,336

In order that the Senate may fully understand the relation of the above-named companies, I give the following information concerning their relationship. I again quote from statements furnished me by the National Association of Independent Oil Producers:

Carter Oil Co. is owned by the Standard Oil Co. of New Jersey; Prairie Oil & Gas Co. is a producing and purchasing company under the same management as the Prairie Pipe Line Co. and is owned by the same stockholders as the Standard Oil Co. of New Jersey. Approximately 80 per cent or more of the Magnolia Petroleum Co. is owned by the Standard Oil Co. of New York. The controlling interest in the Guffey-Gillispie Oil Co. is owned by the Tidal Oil Co. and 32 per cent of the stock of the Tidal Oil Co. is owned by the Standard Oil Co. of New Jersey. Atlantic Oil Producing Co. is a subsidiary of the Atlantic Refining Co., which is another member of the Common Ownership Trust, commonly referred to as the Standard Oil Co. Mid-Kansas Oil & Gas Co. is a subsidiary of the Ohio Oil Co. The Wolverine is a subsidiary of the Union Oil Co., of Delaware, the stockholders of which are largely composed of the stockholders of the Standard Oil Co. The Texas Co. is a producing company owning pipe lines which extend from Oklahoma and north Texas points to the seaboard. As to who the stockholders of the Texas Co. are and in what other companies they are interested, I am not familiar. The Gypsy Oil Co. is a subsidiary of the Gulf Oil Corporation, and the Gulf Oil also has pipe lines extending from Kansas, Oklahoma, north Texas, and Louisiana points to the seaboard. As to what, if any, relation it is to the Standard Oil Co. I am not familiar. Both the Roxana and the Amerada are subsidiaries or allied with the Shell-Dutch Co., which is a 54 per cent British-controlled company. Sinclair Oil & Gas Co. operates pipe lines from north Texas and Oklahoma points to Whiting, Ind., near Chicago, the Standard Oil Co. owning one-half, if not all, of the pipe-line companies standing in the name of this company. The Exchange Oil Co. is a subsidiary of the Sinclair Oil & Gas Co.

The tax reports for the amount of production for the State of Texas for the quarter ending June 30, 1921, disclose that there was produced in that State during that quarter 21,801,449 barrels of oil, and that of this total production the following companies produced the following amounts:

Humble Oil & Refining Co. (Standard Oil group)	2,465,691
Magnolia Petroleum Co. (Standard Oil group)	1,020,487
Mid-Kansas Oil Co. (Standard Oil group)	344,388
Atlantic Production Co. (Standard Oil group)	100,721
Prairie Oil & Gas Co. (Standard Oil group)	343,848
Galena Signal Oil Co. (Standard Oil group)	163,951
Gulf Production Co. (Gulf Pipe Line Co.)	2,472,822
Sinclair Oil & Gas Co. (Standard Oil group)	319,879
Texas Co. (Transportation group)	2,969,131
Total	11,260,413

The Gulf Production Co. is the producing branch of the Gulf Oil Corporation in Texas. The Humble Oil & Refining Co. is controlled by the Standard Oil Co. of New Jersey. The Magnolia is a subsidiary of the Standard Oil Co. of New York. Mid-Kansas Oil & Gas Co. is a subsidiary of the Ohio Oil & Gas Co. The Atlantic Production Co. is

a subsidiary of the Atlantic Refining Co. The Galena Oil Co., formerly one of the subsidiaries of the Standard Oil Co., is now a member of the common ownership trust.

This statement shows that for one quarter of 1921 there were twenty-six and a half million barrels of oil produced in Oklahoma, and of that the Standard Oil companies, whose names I give, produced nine and a half million. It also shows the interlocking stock ownership of the various Standard Oil companies which operate in Oklahoma. It also shows that the State of Texas for the same quarter, ending June 30, 1921, produced 21,800,000 barrels of oil, of which the Standard group produced 11,000,000. It sets out just what Standard Oil companies produced that 11,000,000, and shows how they interlocked with each other.

The total production for the State of Louisiana for the week ending September 6, according to the Oil Weekly, a well-known and authentic trade journal printed at Houston, Tex., was 63,820 barrels of oil per day, of which the following companies belonging to the monopolistic group produce as follows:

	Barrels.
Standard Oil Co	11,550
Ohio Oil Co. (Standard group)	5,800
Fortuna Oil Co. (Standard group)	1,250
Sinclair Oil Co. (Transportation group)	800
Gulf Refining Co. (Transportation group)	11,050
Texas Co. (Transportation group)	4,560
Total	35,100

These data disclose that the percentage of the entire oil output produced by the Standard Oil group is as follows:

	Per cent.
Oklahoma	35.9
Texas	51.2
Louisiana	56
Wyoming	80
California	40
All other States (estimated)	50

This estimate does not take into account the percentage of output controlled by the Royal Dutch Shell Co. or any of the other monopolists.

This same group of monopolists controls practically all of the Mexican output. Besides it owns practically all the pipe lines and controls the price to be paid to the independents for crude as well as the price to be paid by the consumers for gasoline and other by-products. It will be seen that they are already pretty well intrenched.

Right here I want to say that if you give me the pipe lines of this country I can control the price of crude and the price of its products, whether I own one single acre or barrel of production or not, and that is exactly what the monopolists of this country are doing.

This monopoly continues to grow stronger and the resistance to it continues to grow weaker, because it is not protected by laws of Congress calculated to foster and protect the independent oil industry. Unless some sort of protection is afforded independent oil producers within the next 10 years the entire industry will have passed into the hands of a few large corporations, held together by the common-stock ownership and with but one purpose—that purpose being to make the public pay all the traffic will bear for petroleum and its products.

No wonder the Federal Trade Commission, in its report printed in the CONGRESSIONAL RECORD on July 13, 1922, states:

> Price initiative to-day seems to be left generally to the Standard companies, and competition is apparently more directed to developing facilities for getting business than in seeking to obtain it by underselling.

In that connection I want to say that that kind of competition is not very good for the buying public. The only competition to-day in the selling of refined products of oil in this country is competition between the manager of one refinery and the manager of another, trying to get the most money they can for their companies, and that means that they want to get the highest price possible for their products, which is not very good competition for the public.

It is no wonder also that they recommend as follows:

> The commission is of the opinion that this situation can not be effectually remedied by existing laws and that adequate relief can only be secured through additional legislation. With a view of remedying the situation in Montana and throughout the United States the commission therefore reiterates a recommendation previously made to Congress, namely, "abolition, by legislation, of common-stock ownership in corporations which have been members of a combination dissolved under the Sherman law." The foregoing proposition is stated in a concise and general form in order to show more clearly the fundamental idea, but in actually framing legislation it would be necessary, of course, to express this idea with great care in order to prevent evasion of the intended prohibition. A suggested draft is appended to this report. The merit of this remedy is that it appears to offer the only prompt and effective means hitherto suggested of terminating monopolistic control in cases like that presented by the Standard Oil group.
>
> Respectfully,
>
> NELSON B. GASKILL, *Chairman.*
> VICTOR MURDOCK.
> HUSTON THOMPSON.

I desire also to call attention of the Senate to resolution adopted by the Venango County branch of the Pennsylvania Oil and Gas Men's Association at a meeting of that organization held on June 10, 1922, which shows that the Pennsylvania producers have awakened to the importance of this tariff on crude.

> *Resolved*, That the Venango County branch of the Pennsylvania Oil and Gas Men's Association heartily commends the action of Senator JOHN W. HARRELD, of Oklahoma, in introducing an amendment to the tariff bill removing crude oil from the free list and subjecting it to a tariff of 85 cents per barrel.
>
> We urge upon Pennsylvania's representatives in the United States Senate the importance of according their warmest support to Senator HARRELD's amendment.
>
> The oil producer in western Pennsylvania has been operating at a loss since February, 1921, and, with the enormous importations of crude oil now taking place, supplemented by the prospect of further heavy importations from South and Central America, no future possibility for the production of oil at a profit in this district exists until a duty is levied on imported oil.
>
> TARIFF PAID ON MACHINERY.
>
> The producer pays protective tariff rates on all his machinery and supplies, his labor and everything else he buys, even to the clothes upon his back, and he demands a tariff on imported crude oil as a matter of common justice.
>
> And, finally, the secretary is instructed to forward a copy of these resolutions to Senator JOHN W. HARRELD, of Oklahoma, a copy to Senator GEORGE WHARTON PEPPER, of Pennsylvania, and a copy to Senator PORTER J. MCCUMBER, of North Dakota, chairman of the Finance Committee of the United States Senate.

I call attention to the fact that this association states that the oil producer in western Pennsylvania has been operating at a loss since February, 1921, and that they charge this to the enormous importations of crude oil now being shipped into this country. At this meeting, Gen. Willis J. Hulings, of Oil City, Pa., addressed the association and his speech is so timely that I desire to read a part of it into this record. It is as follows:

> In this presence it is not worth while to discuss the protective tariff, as that policy is a settled conviction in the minds of a great majority of the American people and especially of Pennsylvania.
>
> As men who are deeply interested in the general welfare of the country, and perhaps with a particular slant which we may admit in favor of that great body of citizens engaged in the production of petroleum, of whom we are a part, we have a right to call upon Congress for a measure of that protection which is the settled policy of the country and is the chief boast of the party in power, and which is extended to every other great industry in the country.
>
> The need for protection is so obvious that I have every confidence that if the facts shall be shown to Congress a reasonable protective tariff will be levied on petroleum imports. Several months ago I made a study of the situation, which convinced me that the great importation of Mexican crude was disastrous to American producers. Since then the situation is becoming worse and worse.
>
> GIVES FIGURES ON PRODUCTION.
>
> To-day, according to the latest reports, the basic facts are about as follows:
>
> Production in the United States is 1,500,000 barrels daily. Importations from Mexico are 450,000 barrels daily, or a total of 1,950,000 barrels visible supply daily. Consumption and exports total 1,600,000 barrels daily, leaving an excess and surplus of 350,000 barrels daily. This is being piled up in tankage and during the last month the surplus has averaged 333,000 barrels daily, although the consumption increased 196,000 barrels in May.
>
> Such conditions surely spell lower prices in the mid-continent field, which will be reflected in the price of Pennsylvania crude even though it be greatly in demand on account of its superior quality.
>
> There are in the United States about 280,000 producing wells that average about 5.4 barrels daily. Of these there are 70,000 in Pennsylvania that average 0.4 of a barrel daily. Figures are not accessible showing the average cost of producing oil in the United States, but the cost is probably in the neighborhood of $2.50 a barrel. Of course, there are differences in cost, but $2.50 is probably the average cost in all the fields.
>
> Now, when you consider that nearly half a million barrels that do not cost over 25 cents per barrel to produce are being imported every day, the effect upon the American producer is apparent. The Mexican oil is produced largely by the Standard Oil Co. and its subsidiaries and by large independent concerns.
>
> GOVERNMENT NEEDS REVENUE.
>
> Every barrel produced in the United States has a heavy burden of Federal, State, and local taxation. The Mexican importations come in scot free. And coming in free its effect is to hammer down the price of our domestic crude below the cost of production.
>
> The Government needs revenues. It is betwixt the devil and the deep sea in its efforts to reduce taxes, which the administration has been so loudly promising, and at the same time to secure revenues to pay the expenses of government. The American producer is heavily taxed. Cheap Mexican crude invades our markets and compels ruinous competition.
>
> Now, what could be more sensible than a tariff which would require the concerns that are flooding the market with Mexican crude to make each barrel of imported Mexican oil contribute as much to the expenses of government as the Government imposes in taxes on each barrel of American oil? To say nothing at all about the policy of protecting the American producer against ruinous Mexican competition, it is just plain horse sense that the Mexican seeking a market

in the United States should contribute to the Government as much as the American producer pays in the shape of taxes.

As I have stated heretofore, I visited Washington several months ago on my own hook to advocate a tariff on petroleum imports. When I left I had the promise of the chairman of the Ways and Means Committee that the bill would include a tariff on oil and the bill was reported with a tariff of 35 cents per barrel. But Mr. MONDELL, the floor leader, who was very urgent to lay a tariff on hides to protect Wyoming cattle raisers against foreign hides, insisted that petroleum should come in free, and read a letter from President Harding opposing a tariff on petroleum on the ground that we should use Mexican oil and save our own oil for future generations with the idea, I suppose, that the present generations of American oil producers should live on snow balls until the Mexican supply should be exhausted.

REFERS TO "BIG FELLOWS."

The President's letter showed such misconceptions of the situation that one can not resist the suspicion that the big fellows that are importing this enormous flood of Mexican oil put one over on him.

Now, I am just Irish enough to suspect that the big fellows that are now negotiating with the Mexican Government respecting their operations in Mexico are using as a powerful argument with the Mexicans the idea that if their Government will do what the big fellows want there will be no tariff and Mexican oil can come in free. Perhaps I am all wrong about this, but I can conceive of no other reason why the President should go out of his way to urge Congress to put no tariff on petroleum, except that the great concerns interested in Mexican oil misrepresented the situation to the President and he, in his innocence, let big business work him.

And isn't it the most natural thing that the President should take such views when entirely surrounded by people who knew exactly what they wanted? And what they did not want was a tariff of 35 cents a barrel on the 450,000 barrels they are fetching into the country every day, because it would cost them $157,000 tariff every day, to be paid into the Treasury of the United States. But I firmly believe that if the producers had had a man in Congress to present the plain facts, petroleum would not have been put on the free list. The producers were asleep at the switch. They had nobody on the floor who could present the facts.

BILL BEFORE SENATE.

The bill is now before the Senate and the Senate committee has reported it with petroleum on the free list, having simply followed the House bill.

The Government needs revenues. Thirty-five cents a barrel on present imports would amount to more than $57,000,000 a year, and I believe that if producers will make a concerted effort to impress the plain facts on the Senate the amendment for 35 cents duty now proposed in the Senate will be adopted by both Houses.

Mr. HEFLIN. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Alabama?

Mr. HARRELD. Yes; for a question.

Mr. HEFLIN. The Senator is aware of the fact that to impose a tax on oil imported would raise the price of illuminating gas to every consumer in the country and the price of gasoline to every farmer who uses an auto truck and to everybody who uses an automobile in the country, is he not?

Mr. HARRELD. On the contrary, if the Senator had been following my argument he would know that I have tried to make it clear that the people who have a monopoly of the refined product are absolutely making the market to-day pay every dollar it will bear, and that they could not make it any higher because if they did the American people would go on a strike and not buy.

Mr. HEFLIN. Does the Senator take the position that by shutting out foreign oil, which does now make some competition in the market at home, it would reduce the price?

Mr. HARRELD. It does not shut it out.

Mr. HEFLIN. And make it easier for them to have a monopoly at home?

Mr. HARRELD. But it does not shut it out at all. It lets it come in, and it makes them pay a revenue to the Government, which needs it badly. So why not collect the revenue when it will not, as I argue, increase the price to the general public?

Mr. HEFLIN. Did the Senator say a moment ago that we export a great deal of this oil?

Mr. HARRELD. Yes; we are exporting the refined oil.

Mr. HEFLIN. Does the Senator know how much we exported up to June 30, 1921?

Mr. HARRELD. I have the figures here, but do not carry them in my mind.

Mr. HEFLIN. It was 3,035,000,000 gallons.

Mr. HARRELD. Most of that, however, was Mexican oil, and the toppings were shipped to Europe, leaving the fuel oil on our market.

Mr. HEFLIN. And the Senator thinks, when we can export and sell in competition with oil on the foreign market to the extent of 3,035,000,000 gallons, that we need protection against the oil that is being imported?

Mr. HARRELD. I call the Senator's attention to the fact that the oil production of this country to-day is very largely in excess of the consumption. Outside of the oil that is being shipped into this country from Mexico, the production in this country is very largely in excess of the consumption. If there was no oil being shipped into this country from Mexico, we would still have to export oil.

Mr. HEFLIN. If that statement is true, it is the strongest argument the Senator has made against the proposition, because if that is true it shows that we are going on to exhaust our oil supply. Why not conserve some of our oil supply as we are trying to conserve our forests and other natural resources?

Mr. HARRELD. Last year there was exported out of this country $450,000,000 worth of oil. I wish now to answer the question just propounded. Will the Senator state it again?

Mr. HEFLIN. I ask the Senator if he does not think that we should conserve our oil supply at home instead of shutting out some of the oil that our people are using in order that we may have these great reservoirs of oil in some emergency at some time in the future? Does the Senator think the Government should employ the short-sighted policy of permitting men who want to get rich quick to drain all of these reservoirs in the United States?

Mr. HARRELD. I think that the policy I am recommending would conserve the oil.

Mr. HEFLIN. By having it consumed more rapidly?

Mr. HARRELD. It would conserve the oil, because it would establish these 71,000 men in Pennsylvania, who, as I have shown, are losing money with their small wells for the last 12 months. They would be protected and permitted to produce oil under the policy that I am recommending. The policy I recommend is protecting the oil, but the policy of not protecting the oil is the thing that is destroying production in this country. The small wells can not live and they are going out of business. The wells are being shut down. They are letting them dry up, wells that would be producing thousands of barrels of oil if it were not for that fact.

Mr. HEFLIN. Would it not be better to let some of them go out of business rather than tax the whole mass of consumers in this country by the pending bill?

Mr. HARRELD. Then the Senator gets back to the same point.

I think I have shown that the selling of these products on the market for all the market will bear precludes the possibility of this tariff being passed on to the consumer.

Mr. HEFLIN. The Commerce Department has just notified me that we exported 2,800,000,000 gallons of oil up to June 30 of this year. In the face of that the Senator asks the Senate to vote a tax against imports of oil, when he stated in the outset of his speech that he is a large holder in the oil business himself and advocating a tax upon the American people that will put money into his own pockets.

Mr. HARRELD. Mr. President, I did not yield for the Senator to make a speech. I only yielded for a question.

The PRESIDENT pro tempore. The Senator must protect himself in that regard.

Mr. HARRELD. I will say to the Senator that we would to-day be exporting just as much of this oil if we had the tariff as we are exporting now, because the Mexican oil men would still continue to ship the same amount of oil into this country that they are. I would not stop one single barrel of oil from being shipped into the country.

Mr. HEFLIN. Did not the Senator——

The PRESIDENT pro tempore. The Senator from Alabama is out of order. Does the Senator from Oklahoma yield to the Senator from Alabama?

Mr. HARRELD. I shall have to go on. I have not time to yield further.

Mr. HEFLIN. Did not the Senator state that he owned oil stock——

The PRESIDENT pro tempore. The Senator from Alabama is out of order.

Mr. HARRELD. I insist I am arguing for a policy which will protect the American consumer, which is of more interest than my private affairs.

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Alabama?

Mr. HARRELD. If the Senator will ask a question I yield.

Mr. HEFLIN. I want to ask the Senator if he is not interested in the oil business and would not profit by this tax?

Mr. HARRELD. My profit by this tax would be insignificant. Compared with the profits that the public generally would have and would receive, my profit would be absolutely insignificant.

Mr. HEFLIN. Does the Senator think that he ought to vote——

The PRESIDENT pro tempore. The Senator from Alabama is out of order. Does the Senator from Oklahoma yield to the Senator from Alabama?

Mr. HARRELD. I do not yield. I did not yield for that purpose.

The PRESIDENT pro tempore. The Senator from Oklahoma declines to yield. The Chair desires to observe that, literally speaking, the time of the Senator from Oklahoma has expired. But inasmuch as the Senate consumed 15 minutes in securing a quorum this morning, the time of the Senator will now expire at 11.15.

Mr. HARRELD. I think I can conclude in that time.

Recently the propaganda has again been going the rounds to the effect that salt water was destroying the production in Mexico. This bugaboo has been held up intermittently for the last two years. No further proof of the falsity of this statement is needed than the figures given herein, which show that steadily during the last two years Mexican production has been increasing and likewise importations into this country have been increasing. Whenever there is any talk derogatory of the manipulations of the monopolists, or any talk of the passage of this tariff schedule, they bring from cold storage this false information to hoodwink the American public as to their real intention. In fact, this propaganda has two purposes. It is promulgated for the purpose of defeating this movement for a tariff and to keep the people in ignorance of their real intentions regarding the Mexican production and importation, but it is also promulgated for the purpose of stock manipulations on the New York Curb.

Recently Mexican oil stocks have been so manipulated on the New York Curb as to make millions for certain individuals. Not content with making 200 per cent profits on their crude oil production; not content with their contemptible methods, which to a large extent have destroyed the independent oil producers of the United States, these monopolists must needs manipulate the stock market so as to make millions for themselves and their friends. This manipulation of the stock market has been going on for more than a year, and I desire to read an account thereof from a certain newspaper for the purpose of shedding light upon the intentions and conscienceless methods used by these monopolists. Perhaps Senators and the public generally will not be willing to trust the fate of the oil industry in the hands of these monopolists when they get a true vision of their rapacity.

[Clipping from Boston Herald, September 22, 1921.]

MEXICAN PETROLEUM BUT FOOTBALL OF GAMBLERS.

What is the mattter with Mexican Petroleum?

Last January it was 167½. August 25, it was 84½. A week ago it was 119½. Yesterday it was 98¾.

The trouble with Mexican Petroleum is, it is now nothing but the football of stock gamblers. False statements are put out regarding it, and it is broken down in the market. Other statements, whether equally false one can not tell, are put out in regard to it, and the stock is run up. It is run up and down in the market so rapidly and so frequently, that now the "street" has no confidence in the stock, and has no confidence in the statements which are put out regarding it, whether good or bad, nor in the men who put them out.

Mexican Petroleum has come to be a disturbing element in the whole stock market. It is a time when confidence in securities is justified, and when it should be fostered, for the whole country is suffering to-day from an evil, common in every period of depression, a lack of confidence in everything. Such gyrations as those taking place in Mexican Petroleum break confidence in values, for they show how small a part real values may play in the movement of stock prices. It keeps the whole market stirred up.

It is about time for the committee on business conduct of the New York Stock Exchange to investigate the transactions in Mexican Petroleum. It would not be the first time that committee has taken action in regard to a stock which is obviously being artificially manipulated, nor would it be the first time for Mexican Petroleum and the gang operating its market movements to be under fire.

In the autumn of 1918 Mexican Petroleum was so flagrantly manipulated that the stock exchange authorities investigated it. The stock had been run up from 116 on October 8 to 192 on October 18.

Secretary Ely, of the stock exchange, on instructions from the committee on business conduct, asked members to report details regarding all the transactions they had in Mexican Petroleum. Nothing, however, apparently came of it.

If the stock exchange authorities instead of glossing over some of these manipulations would forget the possible loss in commissions, as a result of their action, and throw the stocks off the board, it would have a quieting effect on some of the gamblers who by their tactics are responsible for giving the uninitiated throughout the country an idea that the stock exchange is nothing but a glorified roulette wheel.

While this quotation is several months old, only recently another stock manipulation was had in Mexican Petroleum stock on the New York curb by which one man was reported to have made $3,000,000. The bears first get in their work by talking of salt water in Mexico, only to be followed up by a bullish movement incident to reports of immense new wells being brought in. The truth lies somewhere between the statements of the two extremes, but the fact remains that the importation of Mexican oil still remains a menace to the production of oil in this country by the independent operators, and it will be a sorry day when the independent oil operators, with their ability to stabilize prices in crude oil and its properties, are put out of business by such tactics on the part of the monopolists.

Further answering the Senator from Alabama, the Mexican oil imported into this country, instead of stabilizing these things, makes them more speculative.

Mr. President, within the last 60 days crude oil has undergone three distinct cuts of 25 cents per barrel, thus bringing the price down to $1.25, and I am informed that other cuts are contemplated. This is a reduction of 37½ per cent on crude petroleum. During the last few months gasoline has been raised 3½ cents per gallon and then reduced 4 cents per gallon, making a net reduction of one-half cent per gallon, or about 2 per cent. Thus, while crude oil has decreased in price 37½ per cent, the gasoline price has decreased 2 per cent. During this same period the Standard Oil Co. has raised the price of bunker fuel to the Government 25 cents per barrel, almost simultaneously with a cut of 50 cents per barrel on crude.

Since making these figures I have learned that they are inaccurate; that the gasoline prices have been raised 4½ cents and reduced 4 cents, and the gasoline is now one-half cent higher than it has been covering most all of the last year.

In this connection, I read an excerpt from an article appearing in the Tulsa World of July 24, 1922, written by W. H. Gray, president of the National Association of Independent Oil Producers, which reads as follows:

Will they lower the price of gasoline right in the midst of a shortage looming up? No; they won't do that. What was done was really this: Having decided to cut the price of crude 50 cents, the marketing companies were instructed a few days before the cut to mark up the price of gasoline from 1 to 2 cents, and then, as soon as the price of crude was cut, to mark it back down again, and this is what was done.

Take, for instance, the Standard of Indiana. It marked up the tank-wagon price 1 cent on June 27; the crude price was cut on July 15, and the tank-wagon price was moved back to 2 cents on the 19th; however, the tank-wagon price had already been raised 2½ cents per gallon since the price of crude had been changed.

Thus it will be seen that the Chicago tank-wagon price is still 1½ cents higher than it was when the price of crude was put up to $2.

In eastern territory the same tactics have been followed regarding the price of gasoline, with even less concessions to the public and more camouflage—camouflage at the expense of the producer.

Bear in mind, gasoline has been cut 2 cents more since this interview was published; thus gasoline has had an actual reduction of one-half of 1 cent to date.

In conclusion, Mr. President, I was never more earnest in my life than I am when I state that this tariff is absolutely necessary for the welfare of the independent oil producers of the United States. I am certain that the welfare of the independent operators in the United States is absolutely necessary to the stabilizing of oil and its products. There is no other way by which a stabilized price can be obtained except to take such measures as will enable the independent operator and independent refiner to live and to continue to produce oil and refine it into gasoline. Something must be done to protect us from the gradual monopolizing of the oil business by a few companies, and the first step in that direction, in my judgment, is the passage of this tariff amendment, imposing a tariff of 35 cents per barrel on crude petroleum imported into this country and 25 cents per barrel upon fuel oil imported into this country.

I wish I had the time to talk about all the hue and cry that has been raised that this will interfere with furnishing a supply of oil to our Government ships and to our people. Our Government ships can buy the Mexican crude in Mexico and pay the duty, so what difference does it make? The duty would go into the Public Treasury. It would make no difference at all in the cost of the oil that is used in our Government ships.

There is much more that can be said. I have not the time to say more except to make the prediction that if this protection is not afforded to the independent producers and refiners at this time that it will only be a matter of a few years until we feel the iron heel of the monopolist even more strongly than we feel it to-day.

Mr. President, I see that my time has expired.

The PRESIDENT pro tempore. The time of the Senator from Oklahoma has expired.

Mr. HARRELD. I ask for the yeas and nays on my amendment.

Mr. HEFLIN. Mr. President, I ask for recognition.

The PRESIDENT pro tempore. One moment. The pending question is upon the amendment offered by the Senator from Washington [Mr. JONES]. The Chair recognizes the Senator from Alabama. It is understood, however, that the debate is confined to the pending question, which, the Chair repeats, is the amendment offered by the Senator from Washington.

Mr. HEFLIN. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Alabama will state it.

Mr. HEFLIN. The Senator from Oklahoma [Mr. HARRELD] has advocated the imposition of a tariff upon oils that are imported into our country. I raise the question that the Senator from Oklahoma himself is financially interested in that proposition. I wish to reply to his speech before the Senate votes upon the question, and challenge his right to vote upon it.

The PRESIDENT pro tempore. The Senator from Alabama will have an opportunity to speak upon the amendment which the Senator from Oklahoma will propose whenever it shall be before the Senate. It is not before the Senate at this time, however.

Mr. HEFLIN. And the Chair holds that I can not now discuss this question?

The PRESIDENT pro tempore. The Chair so holds, under the unanimous-consent agreement.

Mr. HARRELD. I think I offered the amendment which I have sent to the desk this morning the beginning of last week and that it is pending.

The PRESIDENT pro tempore. The Senator from Oklahoma presented the amendment to be read, but, without unanimous consent, it can not be voted upon at this time, in view of the fact that there is an amendment pending, which was offered by the Senator from Washington [Mr. JONES] last night.

Mr. HARRELD. I ask unanimous consent that my amendment may be disposed of at this time.

The PRESIDENT pro tempore. The Senator from Oklahoma asks unanimous consent that the amendment on which he has addressed the Senate be disposed of and voted on at this time. Is there objection?

Mr. JONES of Washington. Mr. President, my amendment is pending; no one knows how long the debate may take on the amendment which has been proposed by the Senator from Oklahoma; so I think that we ought to dispose of the pending amendment.

Mr. HARRELD. I withdraw my request.

The PRESIDENT pro tempore. The request is withdrawn. In order that there may be no misunderstanding, the Chair advises the Senate that, in its opinion, each Senator has a right to speak for 15 minutes upon any amendment on which he desires to speak which may be pending at any time.

Mr. JONES of Washington obtained the floor.

Mr. NICHOLSON. Will the Senator from Washington yield to me?

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Colorado?

Mr. JONES of Washington. The Senator from Colorado, I understand, desires to offer some amendments and have them printed, and I yield to him for that purpose.

Mr. NICHOLSON. I merely desire to offer two amendments, one pertaining to graphite and the other pertaining to mica, which I desire to have printed and to offer later.

The PRESIDENT pro tempore. The amendments will be received, printed, and lie on the table.

The question is on the amendment offered by the Senator from Washington [Mr. JONES], which will be stated.

The READING CLERK. It is proposed to insert in the proper place in the bill a new section, as follows:

SEC. —. That when used in this section—

The term "Secretary" means the Secretary of Commerce;

The term "public corporation" means a State, a legal subdivision thereof or a municipality, or a lawfully authorized public agency of a State or municipality;

The term "applicant" means a public corporation applying for the right to establish, operate, and maintain a foreign trade zone;

The term "grantee" means a public corporation to which the privilege of establishing, operating, and maintaining a foreign trade zone has been granted.

The term "zone" means a "foreign trade zone" as provided in this section.

The Secretary is hereby authorized, subject to the conditions and restrictions of this section and of the rules and regulations made thereunder, upon application as hereinafter provided, to grant to public corporations the privilege of establishing, operating, and maintaining foreign trade zones in or adjacent to ports of entry under the jurisdiction of the United States. Not more than one zone shall be authorized in or adjacent to any port of entry, except that when a port of entry is located within the confines of more than one State a zone may be authorized in each State in the territory comprised in such port of entry.

Foreign and domestic merchandise of every description, except such as is prohibited by law, may, without being subject to the customs laws of the United States, except as otherwise provided in this section, be brought into a zone and there stored, exhibited, broken up, repacked, assembled, distributed, sorted, refined, graded, cleaned, mixed with foreign or domestic merchandise, or otherwise manipulated, and be exported, and foreign merchandise may be sent into customs territory of the United States therefrom, in the original package or otherwise; but when foreign merchandise is so sent from a zone into customs territory of the United States it shall be subject to the laws and regulations of the United States affecting imported merchandise: *Provided*, That when the privilege shall be requested the collector of customs shall supervise the unlading of foreign merchandise in the zone, cause such merchandise or any portion thereof to be appraised, and the duties liquidated thereon. Thereafter it may be stored or manipulated under the supervision and regulations prescribed by the Secretary of the Treasury, and within two years after such unlading such merchandise, whether mixed with domestic merchandise or not, may be sent into customs territory upon the payment of such liquidated duties thereon.

The Secretary of the Treasury shall assign to the zone the necessary customs officers and guards to protect the revenue and to provide for the admission of foreign merchandise into customs territory.

Vessels entering or leaving a zone shall be subject to the operation of all of the laws of the United States, except as otherwise provided in this section, and vessels leaving a zone and arriving in customs territory of the United States shall be subject to such regulations to protect the revenue as may be prescribed by the Secretary of the Treasury.

Each application shall state in detail—

(1) The location and qualifications of the area in which it is proposed to establish a zone, showing (a) the land and water or land or water area or land area alone if the application is for its establishment in or adjacent to an interior port; (b) the means of segregation from customs territory; (c) the fitness of the area for a zone; and (d) the possibilities of expansion of the zone area;

(2) The facilities and appurtenances which it is proposed to provide and the preliminary plans and an estimate of the cost thereof, and the existing facilities and appurtenances which it is proposed to utilize;

(3) The time within which the applicant proposes to commence and complete the construction of the zone and facilities and appurtenances;

(4) The methods proposed to finance the undertaking;

(5) Such other information as the Secretary may require.

The Secretary may upon his own initiative or upon request permit the amendment of the application. Any expansion of the area of an established zone shall be made and approved in the same manner as an original application.

If the Secretary finds that the proposed plans and location are suitable for the accomplishment of the purpose of a foreign trade zone under this section, and that the facilities and appurtenances which it is proposed to provide are sufficient, he shall make the grant. If the Secretary refuses the grant, the applicant may appeal to a board consisting of the Secretary of Commerce, the Secretary of the Treasury, and the Secretary of War, whose decision shall be rendered within three months from the filing of such appeal and be final as to the grant of the application.

The Secretary shall prescribe such rules and regulations not inconsistent with the provisions of this section or the rules and regulations of the Secretary of the Treasury made hereunder and as may be necessary to carry out this section.

The Secretary shall cooperate with the State, subdivision, and municipality in which the zone is located in the exercise of their police, sanitary, and other powers in and in connection with the free zone. He shall also cooperate with the United States Customs Service, the Post Office Department, the Public Health Service, the Bureau of Immigration, and such other Federal agencies as have jurisdiction in ports of entry described in the seventh paragraph of this section.

For the purpose of facilitating the investigations of the Secretary and his works in the granting of the privilege, in the establishment, operation, and maintenance of a zone, the President may direct the executive departments and other establishments of the Government to cooperate with the Secretary, and for such purpose each of the several departments and establishments is authorized, upon direction of the President, to furnish to the Secretary such records, papers, and information in their possession as may be required by him, and temporarily to detail to the service of the Secretary such officers, experts, or engineers as may be necessary.

If the title to or right of user of any of the property to be included in a zone is in the United States, an agreement to use such property for zone purposes may be entered into between the grantee and the department or officer of the United States having control of the same, under such conditions approved by the Secretary and such department or officer, as may be agreed upon.

Each grantee shall provide and maintain in connection with the zone—

(a) Adequate slip, docks, wharves, warehouses, loading and unloading, and mooring facilities where the zone is adjacent to water; or, in the case of an inland zone, adequate loading, unloading, and warehouse facilities;

(b) Adequate transportation connections with the surrounding territory and with all parts of the United States, so arranged as to permit of proper guarding and inspection for the protection of the revenue;

(c) Adequate facilities for coal or other fuel and for light and power;

(d) Adequate water and sewer mains;

(e) Adequate quarters and facilities for the officers and employees of the United States, State, and municipality whose duties may require their presence within the zone;

(f) Adequate inclosures to segregate the zone from customs territory for protection of the revenue, together with suitable provisions for ingress and egress of persons, conveyances, vessels, and merchandise;

(g) Such other facilities as may be required by the Secretary of Commerce, the Secretary of War, and the Secretary of the Treasury, acting jointly.

The grantee may, with the approval of the Secretary of Commerce and the Secretary of the Treasury, and under reasonable and uniform regulations for like conditions and circumstances to be prescribed by them, permit private persons, firms, corporations, or associations to erect such buildings and other structures within the zone as will meet their particular requirements: *Provided*, That such permission shall not constitute a vested right as against the United States, nor interfere with the regulation of the grantee or the permittee by the United States, nor interfere with or complicate the revocation of the grant by the United States: *And provided further*, That in the event of the United States or the grantee desiring to acquire the property of the permittee no good will shall be considered as accruing from the privilege granted to the zone: *And provided further*, That such permits shall not be granted on terms that conflict with the public use of the zone as set forth in this section.

Each zone shall be operated as a public utility, and all rates and charges for all services or privileges within the zone shall be fair and reasonable, and the grantee shall afford to all who may apply for the use of the zone and its facilities and appurtenances uniform treatment under like conditions, subject to such treaties or commercial conventions as are now in force or may hereafter be made from time to time by the United States with foreign governments.

No person shall be allowed to reside within the zone except Federal, State, or municipal officers or agents whose resident presence is deemed necessary by the Secretary.

The Secretary shall prescribe rules and regulations regarding employees and other persons entering and leaving the zone. All rules and regulations concerning the protection of the revenue shall be approved by the Secretary of the Treasury.

The Secretary may at any time order the exclusion from the zone of any goods or process of treatment that in his judgment is detrimental to the public interest, health, or safety.

No retail trade shall be conducted within the zone except under permits issued by the grantee and approved by the Secretary. Such permittees shall sell no goods except such as are brought into the zone from customs territory.

The form and manner of keeping the accounts of each zone shall be prescribed by the Secretary.

Each grantee shall make to the Secretary annually, and at such other times as he may prescribe, reports containing a full statement of all the operations, receipts, and expenditures, and such other information as the Secretary may require.

The Secretary shall make a report to Congress on the first day of each regular session containing a summary of the operation and fiscal condition of each zone and transmit therewith copies of the annual report of each grantee.

The grant shall not be sold, conveyed, transferred, set over, or assigned.

In the event of repeated violations of any of the provisions of this section by the grantee, the Secretary of Commerce, the Secretary of War, and the Secretary of the Treasury, or a majority of them, may revoke the grant after four months' notice to the grantee and affording it an opportunity to be heard. The testimony taken before the Secretaries shall be reduced to writing and filed in the records of the Department of Commerce, together with the decision reached thereon.

In the conduct of any proceeding under this section for the revocation of a grant the Secretaries may compel the attendance of witnesses and the giving of testimony and the production of documentary evidence, and for such purpose may invoke the aid of the district courts of the United States.

An order under the provisions of this section revoking the grant issued by the Secretaries shall be final and conclusive, unless within 90 days after its service the grantee appeals to the circuit court of appeals for the circuit in which the zone is located by filing with the clerk of said court a written petition praying that the order of the Secretaries be set aside. The clerk of the court in which such a petition is filed shall immediately cause a copy thereof to be delivered to the Secretaries, and they shall forthwith prepare, certify, and file in the court a full and accurate transcript of the record in the proceedings held before them under this section, the charges, the evidence, and the order revoking the grant. The testimony and evidence taken or submitted before the Secretaries, duly certified and filed as a part of the record, shall be considered by the court as the evidence in the case.

On such appeal the court shall review the record of proceedings before the Secretaries and, if a decision of said Secretaries shall be supported by evidence, shall only make decision on errors of law.

That in case of a violation of this section or any regulation of the Secretary under this section by the grantee, any officer, agent, or employee thereof responsible for or permitting any such violation shall be subject to a fine of not more than $1,000. Each day during which a violation continues shall constitute a separate offense.

That if any provision of this section or the application of such provision to certain circumstances be held invalid, the remainder of the section and the application of such provisions to circumstances other than those as to which it is held invalid shall not be affected thereby.

That the right to alter, amend, or repeal this section is hereby reserved.

Mr. JONES of Washington. Mr. President, the amendment which I have offered, and which is pending, I consider a very important one. It relates to what is known as foreign trade zones. It is a proposition which has been pending, more or less, since 1895, but only during the last four or five years have the commercial and business organizations of the country taken a special interest in it. I ask the attention of Senators to a brief statement with reference to the amendment and the action which has heretofore been taken upon it.

The Finance Committee has had the subject under consideration, but it has not deemed it wise to report it favorably to the Senate. I do not wonder that they have not taken the time to consider the matter because they have had so many various things under consideration; but I wish to state that the amendment as now proposed is identical in form to a bill which is on the calendar, reported unanimously from the Commerce Committee of the Senate. So it is not a proposition that has not had consideration.

We had very extensive hearings upon this proposition in the Sixty-sixth Congress. Prior to those hearings a very elaborate report had been made by the Tariff Commission with reference to the matter and transmitted to the Commerce Committee of the Senate by a letter in the second session of the Sixty-fifth Congress.

The Tariff Commission recommends this legislation very strongly. It points out in its report the conditions in Europe and the conditions in this country and the advantages of this proposal and the disadvantages of the present system. I wish I had the time to read this part of their report.

Briefly, the proposition is to authorize the establishment of places at the various ports within which, under proper regulations and precautions to protect the Treasury of the United States, goods that are designed not for domestic consumption, but for transshipment, may be landed without the various restrictive regulations which now apply to such goods in the bonded warehouses; and then, when the time has come for transshipment to the place where they are intended to go, they may be taken out without further restriction.

In other words, if some one, for instance in Europe, desires to send 500 tons of goods to South America, and that is all he has to ship, and a vessel bound from Europe to New York can take on that 500 tons as a part of its cargo, it may do so, bring in the 500 tons of goods, and discharge them in the zone, where they may be kept until there is a ship ready to take them to South America as a part of its cargo. That, in brief, is the idea of the measure.

In the brief time that we have to consider this amendment it is difficult to pick out the arguments to present in favor of it out of so many which may be advanced. It will facilitate the assembling and the transshipment of commodities, which constitute a very large item in the world's commerce. It is estimated that such business amounts to about $4,000,000,000 a year. That is a tremendous sum. While it would seem from its situation and location that our country should do a great part of that assembling and redistribution and transshipment, it does a very little of it. We are midway between the Orient and Europe, and we ought to be the distributer of the products of the one to the other. On the contrary, much of the oriental products for this country come from European ports. The purpose of this measure is to encourage the United States to do its part of the world commerce. We believe that it can be done.

A great deal of our direct business heretofore has been done in a sort of triangular way; in other words, much of our produce in the years past destined for South America has left this country and gone to Europe and then gone to South America through transshipment in foreign ships. We want to avoid that; we not only want to avoid that, but we want to do much of the business from Europe to South America by making our ports one apex of the triangle. We want to encourage the shipment of goods to this country which are destined for South America and then transport them to South America. It would not only give us the business in this country but it would also furnish cargoes for our ships. One of the great difficulties we encounter in connection with maintaining our merchant marine is in securing cargoes on our ships bound for this country. There is no trouble about cargoes going out, but the difficulty is securing cargoes on the return voyage. In the opinion of experienced shipping men these foreign trade zones are essential to the successful operation of our merchant marine. Common sense and business principles lead to the same conclusion. Much of the transshipment business done by other nations furnishes incoming cargoes for their ships when it should furnish incoming as well as outgoing cargoes for our ships.

Mr. STERLING. Mr. President, will the Senator permit just one question?

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from South Dakota?

Mr. JONES of Washington. I will yield, although my time is very short.

Mr. STERLING. I merely desire to inquire whether the goods sent from foreign countries to this country intended for transshipment are subject to duty?

Mr. JONES of Washington. Such goods can come in and be placed in a bonded warehouse, but they have to pay the duty and then a rebate of 99 per cent is provided under the present law when the goods are reshipped. There are restrictions of all sorts thrown around such transactions. I should like to have the time to call attention to some of the restrictions to which we are subjected now; but if Senators will take the bill now pending and read the provisions relating to bonded warehouses, drawbacks, and so on, they will find the restrictions that are imposed upon business of that nature. Those provisions are all right for the purpose for which they are intended, but they do seriously affect the character of business which it is the object of the amendment offered by me to seek to encourage. The amendment which I propose will not in any way interfere with the proper administration of the restrictions in the law, but will be merely supplemental to them and care for a business not encouraged by the present provisions of the bill or of law. It will provide an easy way, without such restrictions, to handle the goods that are wholly intended for transshipment and redistribution.

I wish to say that when the foreign trade zone bill was being considered by the Commerce Committee and hearings were being held, it provided for carrying on manufacturing in the foreign trade zones. There was very strong opposition to that proposal; in fact, that is the principal opposition that developed to the bill, and the committee, desiring to avoid any really controversial matter, eliminated all provisions permitting the manufacturing, and the amendment which I have does not cover that. I have presented the amendment just as the Commerce Committee recommended the measure to the Senate.

Mr. SIMMONS. Mr. President, if the Senator has time, I should like to ask him a question; otherwise I will not ask it.

Mr. JONES of Washington. Of course, my time is very brief, but I will yield to the Senator.

Mr. SIMMONS. I was not present when the Senator began his remarks. Will he briefly tell, as concisely as he may, the things which are permitted to be done in the proposed free zone which may not be done now in a port of entry?

Mr. JONES of Washington. The main thing is not to provide for what can not now be done, but is to remove the restrictions under which goods intended for transshipment must be placed in bonded warehouses and comply with the drawback provisions as provided by law and in the pending bill. I tried at the outset to explain just what the method will be under the amendment.

The idea is simply this: If somebody in Europe wants to send 500 tons of goods to South America by way of New York, for instance, and he sends them there, when they arrive at New York, under present conditions they have to be dealt with according to bonded warehouse and drawback provisions. The Senator is well acquainted with those restrictions and the requirements. The Senator knows that a bond is required; that the goods can not be taken away from the ship until various things have been done. The idea is to relieve such shipments from all those restrictions and simply let the goods be landed at a zone where wharfage facilities must be provided by the locality, by the municipality, or by the corporation, not at the expense of the Government at all but at the expense of the corporation, and when ready transship them to their destination without restriction or delay. There are ample safeguards and provisions made so that when the goods are landed in the zone they can not get out into the United States without the payment of duty and complying fully with the import laws.

Mr. SIMMONS. I understand the Senator.

Mr. JONES of Washington. If it is desired to send the goods on to South America, all that it is necessary to do is to land them from the ship and put them on another ship when the opportunity offers. It does away with all of the various restrictions as to bond and all that sort of thing. That is the great advantage of it. That is the kind of encouragement by means of which ports in Europe have been built up. The great port of Hamburg—and the Tariff Commission describes the various facilities of the port of Hamburg—has been built up largely in that way. Of course, Hamburg is the great port of Germany, yet it will appear that the facilities which are supplied there for handling transshipment trade makes Hamburg the great distributing point almost of the world. Although to-day shipping is languishing, yet I have a clipping here which shows that ships are landing by the hundreds at Hamburg from all parts of the world. It is again taking its commanding position in the world's commerce and is doing a large part in rehabilitating the German merchant marine. Ships come there because they can come from all parts of the world and distribute their cargoes and take out cargoes to the various points of the world.

There is no reason why we should not have ports in this country to do those very things. It will not only encourage and develop our business and employ our labor, but it will be one of the greatest means of upbuilding and maintaining the merchant marine that we can provide for in this country. This proposition is urged by the commercial bodies all over the United States. Practically no opposition was presented to it in the hearings before the committee. I want to say to the Republicans that the main opposition to it was presented by some protectionists who believed that it would interfere with the protective system.

The Republican members of this committee met by themselves, because they considered this a proposition for Republicans, as we were interested in the protective principle, and considered it from that standpoint. The Republican members of the committee were unanimous in the conclusion that this proposition not only did not interfere with the policy of protection, but that it was in fact a strong aid and instrument or agency to carry out the policy of protection. The principle of it has been recognized in tariff bills in the past and is contained in the bill that is pending. This proposal is simply an expansion of the drawback system and the bonded-warehouse system. It provides a freer and better facility for the distribution of goods to the markets of the world. It facilitates commerce, and whatever does that is a good thing. The bonded-warehouse system and the drawback system are necessary for the protection of the domestic market, and we do not seek to interfere with it.

I want to say that this does not mean the entailment of any great expense upon the Government of the United States. Under this amendment these zones must be established, maintained, and operated by a State or a subdivision of a State, or by a municipality, or by a corporation authorized by the municipality or by the State, and the corporation must operate the zone as a public utility. Its charges must be just and reasonable and fair. All the expense of preparing wharves, docking facilities, and everything of that kind must be borne by the municipality. It may be that not many of them will be established. The expense will be considerable and, as I said awhile ago, our business in the transshipment business of the world is very small thus far, but there are ports that believe that they could establish these zones, maintain them in the proper way, develop this business, and take a great part in the world's transshipment business. We want to give them a chance to try it.

The PRESIDENT pro tempore. The time of the Senator from Washington has expired.

Mr. RANSDELL. Mr. President, the Senator from Washington [Mr. JONES] has covered this matter so fully that I do not know that I can add anything.

Some philosopher has said that one concrete illustration is better than a hundred generalizations; so I am going to present a very apt illustration by reading briefly from the report of the United States Tariff Commission made to the senior Senator from Florida [Mr. FLETCHER] as chairman of the Committee on Commerce on November 20, 1918, in which it speaks particularly of the great port of Hamburg, just alluded to by the Senator from Washington [Mr. JONES]. It is very brief, and I ask Senators to listen to it, because it shows exactly what the Germans have done in regard to a free zone in their great port and how successful it has been.

I read:

GROWTH OF THE FREE PORT AT HAMBURG.

"Of modern free ports, their management, character, and successful operation, Hamburg furnishes the best illustration. This city has always been dependent on its commerce, and as long as it was an independent Republic it arranged its customs regulations with a view to the least possible interference with trade compatible with fiscal requirements. The formation of the German Empire in 1871, with a tariff system common to all the component States and administered by the Imperial Government, threatened to destroy Hamburg's prosperity and to divert much of her commerce to the rival ports of England and Holland. The city, therefore, long refused to enter the imperial customs union. In 1882 a compromise was effected, by the terms of which Hamburg was permitted to maintain an area, accessible by both land and water, where goods from all parts of the world might be landed, handled, and reembarked without any interference whatsoever from customs officials. This area was to be a free port, and only when goods passed through its gates into the interior of the country were the duties levied under the German tariff to be collected on them. In addition to the privilege thus accorded, Hamburg received a cash payment of 40,000,000 marks, and the money was used by the municipal authorities to improve the site selected on the river bank and to construct facilities for the most efficient handling of a great commerce. They planned largely, anticipating rapid growth, but development so far outstripped their expectations that several times within a generation both space and equipment had to be greatly increased. Without doubt the growth was due in largest measure to the economic development of the German Empire, for which Hamburg serves as the chief port, and the direct trade between Germany and foreign countries is conducted, of course, under the ordinary customs regulations. But equally, without doubt, it was the creation of the free port that enabled the city to become an important center for the commerce between other nations and a great consignment market for products from almost all parts of the world. Unfortunately, official statistics make no distinction between German goods and foreign goods shipped from the port, but a careful estimate for the last year before the war puts at $200,000,000 the value of the foreign products exported. These figures illustrate only the importance of the transshipment trade; they give no indication of the advantage to German manufacturers of having at their door a convenient assembling place for the materials which they need nor of the degree to which the markets for German goods were extended through Hamburg's ability to receive and dispose of the products of other countries."

Mr. President and Senators, I might read in extenso from this report of the United States Tariff Commission, and also from resolutions of a great many boards and commercial bodies in this country. If anyone opposes this idea I have not heard from him. I know of no opposition to it. It does not conflict in the slightest degree with any of the facilities for commerce which now exist.

As the Senator from Washington explained, we have the drawback system, the bonded-warehouse system, and the bonded manufacturing warehouse system, under all three of which

goods may be brought in from foreign countries and handled in this country for reshipment abroad. A familiar case is that of sugar, shipped in immense quantities from Cuba and other foreign countries into the United States and refined. Of course, in that instance the full duty on the sugar is paid, and when it is refined the refiners receive from the Government a drawback of 99 per cent of the amount of duty which they paid when the sugar came in. To the same extent that is done in other cases, but it is a cumbersome, expensive, and troublesome matter.

This free zone has been well likened to the case of a ship which is wrecked, and temporarily the freight on that ship is landed on the shore. It was never intended for that freight to enter the commerce of this country. Who would think of charging any duties on the cargo of a stranded ship held temporarily for reshipment? Of course, it is guarded by customs officials to see it does not enter our commerce, and then is loaded on another ship and goes to its destination.

I am convinced, sirs, that the establishment of these free zones—perhaps two or three on the Atlantic, one on the Gulf, and one or more on the Pacific, just as many as our commerce needs—would be of immense advantage in building up our trade with foreign countries. It is not going to cost the Government a large sum of money, because all facilities for these zones must be provided by the local communities. If the great city of New York decides to establish a free zone, New York must pay for the warehouses, the docks, the wharves, the ground necessary for that purpose; and the only expense to the Government, as I understand, would be the necessary supervision to see that there was not an entry from that zone of commerce into this country without paying the regular customs duties.

Mr. President and Senators, this measure does not interfere with the customs regulations of our country. It does not interfere with the duties which are collected under Democratic tariffs or those collected under Republican tariffs. It is a clean-cut business proposition. It is not a political one in any sense of the word. It is a facility for commerce which ought to be provided, and I sincerely hope, sirs, that Congress is going to enact this measure.

In conclusion, I ask to have published in 8-point type, as part of my remarks, a very interesting extract from an argument made before the Commerce Committee, when we were holding hearings, by Mr. Arthur McGuirk, an eminent lawyer of New Orleans, special counsel for the board of commissioners of the port of New Orleans. He has been a great student of the subject, and covers it very fully and interestingly. I also ask that the extracts I have heretofore read from the report of the Tariff Commission may be printed in 8-point type.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to, from Mr. McGuirk, is as follows:

"A free zone is the necessary complement of a protective-tariff system; the higher the tariff the more essential. Without such facility no high-tariff country can successfully compete in world trade with foreign nations, because the terms are not equal and they are not fair. American merchants in foreign trade carry a handicap. That handicap results from the imposition of the customs system with its consequent expense and necessary delays to trade which does not enter but merely touches or is deposited in the country at different points. By so much as the American merchant pays the customs on goods intended for reexport and not for domestic consumption is he handicapped and discriminated against. As the goods can not enter the country without payment of duty the situation as to domestic producers and manufacturers will remain unchanged. They remain protected as before. The free zone as to them is extraterritorial; it is foreign country. The customs officers are simply transferred from the ship to the gates of the zone. The same customs duties are collected, only they are collected at a different place; dutiable goods taken from the zone into the country pay the duty just as before. The free zone or area is an inclosed district, free of customs restrictions, without resident population, equipped with wharves and warehouses where vessels may enter and leave, and where goods may be deposited and reexported either in their original state or changed by manufacture. In legal contemplation it is foreign country. It affords a stopping place for goods in transit. Freedom of transportation and manufacture afforded by transshipment or transit zones implies only exemption from charges other than such as are imposed by way of compensation for the use of the property employed or for facilities afforded for its use. Commerce may be carried on in the zone and commodities may be purchased, sold, exchanged, and manufactured therein. Anything may be done with the goods in the zone that could be done outside of it, only they can not be brought from the zone into the United States without paying the same duties or being subjected to the same regulations as in the customs part of the port. There would be no more reason to collect duties upon transit goods than upon goods in a ship stranded upon Cape Hatteras on a voyage from Halifax to Rio Janeiro. In that case the goods unloaded to trim the ship are deposited as the result of an involuntary act; in the zone as the result of a voluntary act, but in neither case would the policy of protection or the receipts of the customs be affected adversely or otherwise.

"The power to regulate commerce with foreign nations 'is the power to prescribe the rules by which it shall be governed—that is, the conditions upon which it shall be conducted—to determine when it shall be free and when subject to duties or other exactions.' Of course, it is within the power of Congress to so regulate foreign trade as practically to exclude it altogether from the borders of this country, or to impose a tax so heavy as to amount to the same thing; but that is not the policy of the law. On the contrary, the policy is, by the use of bonded warehouses, bonded manufacturing warehouses, and the drawback, to permit the deposit and manufacture of property in transit and not to tax it with customs duties so long as it does not become blended with the domestic business or commerce of the United States. The goods, like the ship, are only temporarily here while engaged in lawful foreign trade and commerce. The foreign ships themselves remaining in our ports only long enough to land passengers, mail, and freight, or to dock and repair, are not taxed. So far as respects the ports and harbors of the United States the foreign ships themselves may freely enter and clear exempt from domestic taxation, independently of any control over them except as respects the public health, public safety, and public morals, and the same rule should be extended to the transit freight which they carry.

"Goods in interstate commerce are not taxable by the States through which they pass in transit. The power to tax is the power to destroy. If goods in interstate commerce were subjected to taxation at every point they touched in their transit through the States, interstate commerce would be effectively destroyed. But this power has not been left to be exercised in the discretion of the several States. The Constitution, laws, and jurisprudence of the country wisely inhibit its exercise. If the principle is sound as to interstate commerce, it is equally sound as to foreign commerce. Goods in transit in foreign commerce should enjoy the same exemption and freedom as the ships which carry them. Both ships and freight are property, and there is no sound reason to discriminate between the two classes of property or to lay a burden upon one which is not laid upon the other.

"The policy of this country has not been unfavorable to the freight. It is more favorable, however, to the ships that carry it. Much of the freight belongs to American citizens. Few of the ships did. They were foreign owned. Yet the discrimination has been in favor of foreign-owned ships and against domestic-owned freight. Obviously, it has been the intention of this Government to relieve reexport trade from the expense and restrictions incident to the administration of the tariff and customs laws; but that relief has been superficial. It did not reach the source of the complaint. The diagnosis was correct, but the remedy was not a specific. The drawback, by which, theoretically, the exporter draws back 99 per cent of the duties paid is very much more costly in practice, and the merchant has often been subjected to an expense of from 30 to 50 per cent of the amount of the duties in order to obtain the return of the money advanced in said duties. He has been out of pocket the interest on the money for months at a time because of the incidental delays in the administration of the system; and he has run the risk of heavy fines, consequent upon his unfamiliarity with the routine of the system and his failure or neglect to conform to some of the multiplicity of rules established to protect the revenue and prevent smuggling. The bonded warehouse is good as far as it goes; so is the bonded manufacturing warehouse. A mere glance at the regulations governing the bonded warehouse sufficiently indicates its limited usefulness so far as export trade is concerned. Even more stringent are those applying to the manufacturing bonded warehouse. With few exceptions the output can not be disposed of in the domestic market, even upon payment of duty. In the bonded warehouse handling, sorting, mixing, or repacking of the goods is prohibited. Only where serious damage is threatened can the original package be opened, and then it must be done under customs supervision and by special permission. Once the package is on the floor of a certain place it must remain there undisturbed, in accordance with certain

well-defined regulations, and except during business hours the warehouse is closed by a Government lock, and to enter it at any other time requires special permission and payment for the overtime presence of a customs agent. From the time the goods enter port until they are reshipped they are under constant customs control and supervision. No step may be taken without the presence of the officials, and the delay and annoyance caused by necessary certificates, documents, oaths, inspections, and the operation of the system generally have been so great as to discourage and finally deter the average merchant from engaging in the reexport, transit, or foreign trade.

"These conditions can not continue to exist. The sooner they are changed the better. As the change involves no change of principle, but merely one of procedure, practice, and system, the sooner it is brought about, as it certainly must and will be, the better for all concerned. We must take a leading and not a secondary place in foreign trade. Our necessities demand it. Our merchant marine and changed postwar conditions must inevitably bring it about.

"Considering the question in another aspect:

"Free or transshipment zones provide neutral, inclosed, and guarded areas, devoted to foreign trade, without resident population, which are physically within but legally without customs territory. Goods, wares, and merchandise may be deposited therein for reexport either in their original form or as changed by manufacture or manipulation with foreign or domestic materials. Free ports being, in effect, foreign territory, ships arriving and goods sent therefrom into the customs territory of the United States are subject to the customs system and pay the same duties as if imported from a foreign country. The economic value of such utilities in the foreign trade and commerce of the United States has not been, as yet, legislatively perceived. Their powerful stimulus to port development visibly appears in foreign harbors enjoying such benefits. The establishment of free zones in the United States is the logical evolution of the drawback, bonded warehouses, and bonded manufacturing warehouse system. The new forward step proposed and now earnestly advocated is in no sense antagonistic to or exclusive of the old system, which will still continue to thrive and grow in the customs part of the port. That is the sphere of usefulness of the drawback, the bonded warehouse, and the bonded manufacturing warehouse comprising the old system. Both systems will continue to exist independently but complementarily of each other, be mutually helpful, and thrive because of the greater volume of trade created by the free zone.

"The freedom alluded to in connection with free zones does not, of course, imply exemption from charges for services rendered the ship or the goods. The customary tariff of port charges will still be collected by local officials in the zone as elsewhere. The repair, furnishing, and equipment of ships; the manufacture, manipulation, and storage of goods will give steady and remunerative employment to labor and capital, and, what is more, our ocean gateways will be transformed from one to two way ports, busy the year round.

"The United States is a protected zone. The country is covered by a protective tariff system imperfectly balanced by a system of drawbacks, bonded warehouses, and bonded manufacturing warehouses, so as to afford some limited scope to foreign commerce. Without some such device Congress would not have regulated but would have prohibited and wholly crushed foreign commerce. Commerce is of two kinds—foreign and domestic. The framers of the Constitution contemplated our engaging freely in both under sensible regulations, but example as well as precept in government demands the use of modern and up-to-date facilities in commerce and transportation. The free zone is a well-recognized institution in world commerce. It has passed the experimental stage. It is the necessary adjunct of the protected zone; but it does not exist in the United States. If the tariff is a protective as well as a revenue system, if its object is to protect domestic trade and commerce, so will a free-zone system be a protective system, protecting by encouraging, safeguarding, and promoting foreign trade and commerce. Combined, they will form a harmonious, logical, well-balanced commercial system for the development of both foreign and domestic commerce.

"The prophet has said, 'There is nothing new under the sun,' and yet history teaches us that even the most ambitious, intelligent, and aggressive peoples are often blind to their own real interests. Apotheosizing mediocrity for its own sake or following false prophets, their sea power has been the result of accident rather than of design and has been developed always in the teeth of the most active and determined opposition. This is a truth of almost universal application. The authorities teach us of the growth of the Phœnician, Carthaginian, and Roman sea power and of that of Spain, France, Holland, England, Germany, Italy, and Japan. We know our countrymen are equally at home upon land and sea; that they are as expert and daring navigators and seamen as they are brave, intelligent, and chivalrous soldiers. We are told that Rome's domain was confined to Italy until she copied the Carthaginian trireme. Says Mr. Hughes in his Handbook of Admiralty Law, speaking of the rise of Roman sea power:

"'When maritime skill supplemented military prowess and placed at her command new and easier lines of advance, she overran the world. The mart soon replaced the camp; for it is a teaching of history that in the providence of God the havoc of war but opens new avenues for the arts of peace.'

"And so it is with the United States, at the end of the Great War, with hundreds of ships, manned by youthful, eager, and vigorous mariners, full of the spirit of adventure, and anxious to compete in world trade. 'We have the men, we have the ships, we have the money, too.' It therefore becomes our manifest duty to quickly provide the facilities without which the operation of the ships and the employment of our sailors in foreign commerce will be practically impossible. Under such circumstances it would be a public disgrace to revert to pre-war conditions when 90 per cent of our foreign commerce was carried in foreign bottoms. Our merchant marine must be preserved. Our future safety depends upon it. The control of the transportation of a country means the political control of that country. Neither our land carriers nor our sea carriers should be foreign owned. It is as essential to control our sea lanes as it is to control our public highways. Both are vital to national sovereignty."

Mr. WADSWORTH. Mr. President, I hope Senators will endeavor to visualize the commerce at a great port, and, as they do so, realize the extent of the regulations and restrictions which by one measure or another of a legislative character we have imposed upon commerce not only at our great ports but upon practically all commerce and all the transactions of business. If there is one thing that is to-day a nuisance to people who try to do business, it is governmental interference. With regulations and inspections and investigations imposed by one, two, three, or four governmental agencies at the same time and at the same place, it is about all that a man can do to carry on a business and preserve his temper.

I am glad to support this amendment, because in one respect at least it withdraws from a perfectly legitimate business a portion at least of governmental interference and regulation. The amendment will, I believe, facilitate commerce, and anything that will facilitate commerce without doing injury to the people engaged in the industries of the United States I am for.

This is not an experiment. It is not new. It is not strange. There is nothing mysterious about it. It has been tried abroad in countries whose Governments, I may say, in some instances are just as devoted to the protection of their industries and the living standards of their people as we are. It has been found to work to the great advantage of commerce generally.

I call the attention of Senators who may be interested in this to the paragraph on the bottom of page 2, which, as much as any other in the amendment, indicates what might be done in the way of facilitating commerce. It will take only a moment, and I am going to read it. It commences on line 14 and reads as follows:

> Foreign and domestic merchandise of every description, except such as is prohibited by law, may, without being subject to the customs laws of the United States, except as otherwise provided in this section, be brought into a zone and there stored, exhibited, broken up, repacked, assembled, distributed, sorted, refined, graded, cleaned, mixed with foreign or domestic merchandise or otherwise manipulated, and be exported, and foreign merchandise may be sent into customs territory of the United States therefrom, in the original package or otherwise; but when foreign merchandise is so sent from a zone into customs territory of the United States it shall be subject to the laws and regulations of the United States affecting imported merchandise.

Further on it provides:

> The Secretary of the Treasury shall assign to the zone the necessary customs officers and guards to protect the revenue and to provide for the admission of foreign merchandise into customs territory.

Of course, in accordance with the laws of the United States.

Once more, I hope Senators can visualize what this may mean. It means not only that a zone so erected may be used as a storage point from which the goods, without change in packages or grading, may be reshipped out of the United States, but it also means that such a zone can be used, as it were, as an international commercial market place where people can come and see the goods which have been allowed entry into this foreign trade zone, purchase them if they so desire, ship them out of the country, or bring them into the United States, or combine them with goods of domestic production and ship the combination of goods out of the United States or bring them

into the United States, always in accordance with the customs laws of the United States.

To-day, as the Senator from Washington and the Senator from Louisiana have indicated, such a thing is practically impossible. To-day goods which come from abroad—and, of course, goods will always come from abroad in great quantities—before they can be exhibited to the discriminating judgment or gaze of American purchasers, before any calculations or arrangements can be made for their handling again in foreign commerce, or their handling in domestic commerce in combination with goods of domestic production, must be put into a bonded warehouse, or the duty must be paid upon them, and they must be held, sealed, as it were, in places which can not be easily visited by those engaged in merchandising.

A large financial burden must be borne by people who are carrying goods in bonded warehouses, even though it may be the intention of those people to reship into foreign commerce. Why impose that burden upon them? Americans are interested in facilitating commerce at our own ports just as much as foreigners are interested in facilitating commerce at their ports, and even more so.

I can see no danger in this thing. I can see no prospect of the customs laws of the United States being evaded or violated. The Government will have just as strict jurisdiction and just as strict control over the foreign trade zone as it does over the Government bonded warehouse. It can check in every article and package which arrives. It can keep track of every article and package while it is in the zone. It can check it out again if it goes again into foreign commerce, and it can check it into the United States, collecting the duties upon it, if any duties are to be collected, when it comes out of the zone into customs territory.

I just sum it up in the one sentence, Mr. President—this thing does not violate any of the traditions or policies of the people or the Government of the United States; it is no experiment; there is nothing strange or new about it; it has been done in many other ports abroad, and it will facilitate the commerce of the United States and its people. That, to my mind, is its principal virtue.

Mr. FLETCHER. Mr. President, I very cordially agree with those who have discussed the subject, and join in favoring this measure. As the Senator from New York observed in closing, this is no new proposition. We are proposing to do what the older countries of Europe have done for a great many years, and have been most successful in arranging in connection with their foreign trade. They found it necessary to provide these free zones or neutral zones in respect to handling, upbuilding, and extending their commerce.

It involves no new principle. It is merely an extension, an enlargement, a liberalizing, in a way, of the present policy and principle of warehouses and drawbacks, which are in effect in the United States, and have been for years.

As the Senator from Louisiana observes, it is recommended by the various chambers of commerce and boards of trade throughout the country. The Commerce Committee of the Senate gave rather extended hearings on the subject, and experts of the departments and from various portions of the country appeared in advocacy of the plan. So far as I know, no opposition developed in the hearing.

On May 25, 1921, the Secretary of Commerce said:

> The general purpose of the bill is, of course, admirable and vitally necessary if we are to develop our foreign commerce.

The Secretary of the Treasury, in commenting on this bill under date of May 18, 1921, said:

> The main purpose of the bill is to encourage foreign trade by providing a simple and ready means for the reexportation of foreign goods brought to the United States and for combining such foreign goods as deemed necessary with domestic products prior to their export from this country.

He further said:

> The plan proposed will not eliminate either the bonded warehouse or the drawback system, although it will, if adopted, necessarily lead to a considerable reduction in their value, for while the bonded warehouse, the bonded manufacturing warehouse, and the drawback law serve most useful purposes they are not entirely adequate to meet the needs of a nation having a great foreign commerce.

Mr. J. H. Rossiter, who is a recognized authority on the whole subject of shipping and trade, and who was at one time in charge of the Shipping Board operation of vessels, stated at the hearings:

> In stating an affirmative to strengthening our merchant marine would like to add that I believe it is almost an essential to the successful establishment of our merchant marine. It would not only be an advantage but it is an essential.

Such an opinion, coming from a high authority like that, it seems to me ought to impress us with the importance of this proposed legislation.

The Tariff Commission, reporting on the advantages of this system and conditions generally, referred to the matter in this way:

> A free port or free zone is a place, limited in extent, that differs from adjacent territory in being exempt from the customs laws as affecting goods destined for reexport; it means simply that, as regards customs duties, there is freedom unless and until imported goods enter the domestic market.

I am handed by the senior Senator from New York [Mr. WADSWORTH] a letter from the Merchants' Association of New York, addressed to him, and I ask to have it inserted in connection with my remarks. It favors the enactment of this legislation.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NEW YORK, *August 10, 1922.*

Hon. JAMES WADSWORTH, Jr.,
United States Senate, Washington, D. C.

MY DEAR SENATOR WADSWORTH: The Merchants' Association of New York has just learned that probably the Senate will consider the free zone amendment to the tariff bill about the 15th of August.

Our association has for many years been an active advocate of the inauguration and operation of foreign trading zones at the ports of the United States. This position is based upon a careful study of all factors entering into the operation of such zones, this study having been continued over an extended period.

We are on record in favor of the enactment of the proposed amendment to the tariff bill. This position has been taken because it is our belief that such zones will increase the volume of transshipment business at the leading ports of the country, thereby bringing about more favorable terms and conditions in connection with all overseas commerce. The zones would, moreover, do much to further the development of the United States as a market and trading center for many commodities of foreign commerce. The proposed plan contemplates provisions which will, we believe, thoroughly safeguard the interests of the United States and is in full accord with the protective policy of the Republican Party.

Please be assured that it will be highly appreciated if you find it possible to support the amendment in question on the floor of the Senate.

Thanking you in anticipation, we are,

Very truly yours,

THE MERCHANTS' ASSOCIATION OF NEW YORK,
By S. C. MEAD, *Secretary.*

Mr. FLETCHER. Mr. President, I read further from the Tariff Commission:

> A free zone may be defined as an isolated, inclosed, and policed area in or adjacent to a port of entry, without resident population, furnished with the necessary facilities for lading and unlading, for supplying fuel and ship's stores, for storing goods, and for reshipping them by land and water; an area within which goods may be landed, stored, mixed, blended, repacked, manufactured, and reshipped without payment of duties and without the intervention of customs officials. It is subject equally with adjacent regions to all the laws relating to public health, vessel inspection, postal service, labor conditions, immigration, and indeed everything except the customs.
>
> The purpose of the free zone is to encourage and expedite that part of a nation's foreign trade which its government wishes to free from the restrictions necessitated by customs duties. In other words, it aims to foster the dealing in foreign goods that are imported, not for domestic consumption, but for reexport to foreign markets, and for conditioning, or for combining with domestic products previous to export.

The commission gave various reasons for this legislation, showing the advantages of it. I will not have time to discuss in detail their analysis of the bill. At present we are under a good many difficulties in connection with our foreign trade, and we are confronted with problems which our competitors have solved in the past by the establishment of such free zones. For instance, in the hearings one American exporter testified that his firm found it necessary to take goods from bonded warehouses in the United States and ship them to a West Indian port where they might be repacked and thence forwarded to their destination. We ought to provide those facilities here in our own country, and we can easily do so.

The commission reported, regarding the volume of trade that would be affected favorably by such facilities as this measure would make possible, as follows:

> Statistics are not available for an accurate statement of the amount of goods thus handled, but estimates putting their annual value in normal years at approximately $4,000,000,000 do not seem exaggerated. They consist in the main of the raw materials of those countries that have not attained a high stage of industrial development and that are dependent on the maritime nations for the transportation of their products and the supply of their necessities.

They said further:

> In the annual reports of the Bureau of Commerce and Navigation, Table 8 combines the value of the goods transshipped and the value of goods in transit that merely cross United States territory in bond from one foreign country to another. Altogether in 1914 they amounted to the considerable value of $198,303,232, but not less than $135,847,478 of this was for goods in transit to and from Canada.

The spread of this free-port policy in Europe is most interesting. Not only have such zones been established in Hamburg and in Cadiz but at Copenhagen, at Lisbon, and other ports, all named in this report of the commission.

The advantages expected from an American free-zone system are:

1. In simplifying entry and clearance.
2. In equalizing inbound and outbound traffic.
3. In facilitating dealings in foreign products.
4. In stimulating certain branches of manufacturing.
5. In stabilizing transshipment trade under varying tariff policies.
6. Miscellaneous advantages.

As the Senator from Washington has said, the bill eliminates the manufacturing feature, so that we need not consider that.

Mr. Rosseter, in the hearing on the bill then pending before the Commerce Committee of the same purport as this proposed amendment, said:

I have had the opportunity, based on frequent visits abroad, to see the workings of the so-called free-zone systems, and, more to the point, have experienced its effect in commerce and shipping from the absence of such facilities in our own country.

My long experience as a ship operator has made me intimately acquainted with our own system.

The conclusions I have reached from a comparison of the two systems are based on long reflection and study. They are not sudden; they have grown slowly, in my mind, which gives me added confidence in my convictions.

* * * * * * *

Let us briefly consider the first branch, that covering freighting operations. The proposed system tends strongly to ease, quickness, and cheapness of the complex operations involved in the loading and unloading of cargo, its dispatch inland by trucks or car, for transshipment or reexport in handling by lighter, or manually, in bonded and in unbonded warehouses located near the wharves within the zone.

This is accomplished by the simple physical device of making and preparing a place especially devoted to foreign trade, roomy enough and adequately equipped.

Then he discussed in a very interesting way the details of the subject, favoring the invasion, based upon his experience as a shipper, and as an operator of ships in foreign trade for a great many years and as knowing the whole subject of foreign trade. Others testified in the same way in the hearings, all in support of the bill as it is now reported by the Senator from Washington and proposed as an amendment to the pending measure.

Without saying more, I earnestly hope that the Senate will take advantage of the opportunity to include the amendment in the bill and write it into our permanent law. It would mean a very great deal for our merchant marine, for the development of our shipping, and for the extension of our foreign trade. It would afford opportunity to foreign buyers to come right here to this zone in our own country and select what they want out of all the material that would be gathered there from all parts of the world. It would afford business for our ships coming in and business for our ships going out.

Let me take the time to state just one illustration showing what is meant by that idea. It is mentioned under the subject of rice and the handling of rice:

Rice, for instance, which in the pre-war days was grown in Indo-China and in Siam was sent in patty form to Germany and there hulled and sorted and cleaned and in turn reexported to the entire world. The German ship carried it from Siam to Hamburg and German ships from Hamburg carried it to Central America, to South America, to the United States, and, in fact, to all parts of the world. Thus through their free-zone system they had the double advantage of increasing their inward business and stimulating their export trade.

I submit that there can be no reasonable objection, in my judgment, to the amendment.

Mr. CALDER. Mr. President, as a member of the Committee on Commerce of the Senate it was my privilege to have a part in the hearings on the bill creating free port zones; and I desire to express my hearty approval of this amendment, for it incorporates the fundamentals of that bill.

At that time there appeared before the committee representatives of the leading business organizations of the country. At New York we have the New York and New Jersey Port Commission, a body whose membership is appointed by the Governors of New York and New Jersey. This amendment meets with their hearty approval. There appeared before the committee also the leading business organizations of New York, including the chamber of commerce, the merchants' association, the board of trade of transportation, all of them giving it hearty approval.

The thing that seemed to me to be most important in the investigation of the subject was the fact that it would be helpful to our merchant marine. In these days, when the merchant marine needs assistance, I know of nothing that we could do in connection with the bill that would be more helpful. For that reason also I am in favor of the amendment.

It is an extension of the same principles for facilitating foreign trade that we find in the bonded warehouse, in the drawback system, and in the bonded manufacturing warehouse. It is merely an extension of this principle to make it broader, larger, freer, easier and cheaper in operation, more frictionless; to allow more elbowroom for freighting operations and to allow merchants who are engaged in transshipping business more freedom in their mercantile treatment and manipulation of cargoes.

There are many practices, such as cleaning, refining, assorting, blending, and so forth, that are done to goods in the transshipping trade that can not be done under the present system of bonded warehouses at all.

I hope the amendment will meet the approval of the Senate.

Mr. McCUMBER. Mr. President, this provision was offered yesterday in the Senate as an amendment to the pending bill and is printed this morning. Of course, the committee has not had time carefully to consider it. I have looked it over this morning to ascertain, if I could, its general purposes.

I note first that we are to establish zones as distinguished from bonded warehouses. I can not see that we gain one thing in this respect more than we would gain if we would amend the bonded warehouse provision of the law so that the articles which are put into the bonded warehouse and which are mixed or changed therein may be imported as well as exported. Under the present law we may mix them; but if we do that, if we manipulate them, if we change the articles, we must export them. The only change which is made in that respect is that we may import the product from this neutral zone.

As has been suggested by the junior Senator from New York [Mr. CALDER], we may possibly have a bigger zone and a little more elbowroom in which to operate. I find from a reading of the amendment that the size of the zone is not fixed, but that it shall be no larger than is necessary. I would say there might be danger of absorbing the State of Delaware under this provision, except the principal city of that State, Wilmington. We could not take in Wilmington, because no one is allowed to reside in the zone or to come into the zone except the Federal officers and the State officers, nor are we allowed to sell any merchandise in that zone. The Federal officer would not be permitted to purchase a cup of coffee or a sandwich in the zone. He must take his dinner pail with him if he expects to get his lunch in the zone. I simply mention this as indicating that the matter seems to be overly guarded in some respects and possibly not sufficiently guarded in other ways.

Now, what may we do in the zone? I will read the paragraph on page 2 of the printed amendment, beginning with line 14:

Foreign and domestic merchandise of every description—

Now, mark you that it is both foreign and domestic merchandise of any description—

except such as is prohibited by law—

Which necessarily means intoxicating liquors—

may, without being subject to the customs laws of the United States, except as otherwise provided in this section, be brought into a zone and there stored, exhibited, broken up, repacked, assembled, distributed, sorted, refined—

And I especially call attention to that—

refined, graded, cleaned, mixed with foreign or domestic merchandise, or otherwise manipulated, and be exported, and foreign merchandise may be sent into customs territory of the United States therefrom in the original package or otherwise.

Now, we have fixed duties in the bill, as in every other tariff bill, upon some of the articles that may come in. They may be specific duties, they may be ad valorem duties, or the article may be free of any import duty; but after we get them into this zone we may mix any of the articles, we may change the lead ore, which may come in free, into lead, we may change other ores which are on the free list and refine them and bring them into the United States, not without the payment of duty, to be sure, because there is a provision to guard against bringing those articles in free.

But what are the provisions? The provisions are that we will take the article as it is brought into the zone and determine what duty that article should pay if it came into the zone in the particular condition in which it is brought from the foreign country, which may be free or may bear a duty. Now suppose we mix or manipulate the free article with a dutiable article and we bring in a different product, we pay the duty, of course, when it is brought into the United States for final consumption upon the basis of the duty that would be paid upon the product as it came here, and not as it would be paid if the article as changed was imported in the first instance.

Taking a case of ad valorem duty, we have to determine what the ad valorem duty should be. It is quite simple to ascertain what a finished product which is brought into this country is sold for in a foreign country. We can fix an ad valorem duty upon that, but what ad valorem duty can we fix upon a combination which is not imported at all as an article that is described, but is brought into the free zone in the shape of sev-

eral different articles which are combined and a new article produced?

Mr. WADSWORTH. Mr. President, will the Senator yield?

Mr. McCUMBER. I yield.

Mr. WADSWORTH. Do not the customs authorities have to meet that very same question now?

Mr. McCUMBER. No.

Mr. WADSWORTH. Are not foreign articles mixed before they leave foreign shores?

Mr. McCUMBER. Yes; and when they are mixed they produce an article, and that article has a market there. Now, you might produce and mix things in this place that are not mixed abroad, and you would have no standard by which to gauge your price.

Mr. McLEAN. Mr. President, I would like to ask the Senator from New York a question, if the Senator from North Dakota will permit me.

Mr. McCUMBER. Certainly.

Mr. McLEAN. Suppose a manufacturer should bring in the wrapper from Cuba and then manufacture a cigar with an American filler, what duty would that cigar pay?

Mr. WADSWORTH. I should think it would pay the duty in proportion to the contents of the different articles.

Mr. McLEAN. But how is anybody going to tell?

Mr. WADSWORTH. It is done right there under the eyes of the customs inspector. We are raising up here ghosts and men of straw. Other countries that have protective duties and ad valorem duties do this.

Mr. McCUMBER. Other countries have their own peculiar methods of dealing with all tariff matters, which we have not. We deal with them through Congress. We can not change a rule or make a rule overnight that will affect or change the tariff, but other countries can do so.

Mr. WADSWORTH. This bill is full of rules to govern the appraisers and the Secretary of the Treasury.

Mr. McCUMBER. That is a mere matter of the present, Mr. President.

Mr. WADSWORTH. The whole question is one of the present.

Mr. McCUMBER. When we determine what a duty on a cigar shall be if it is made of certain material, the duty is fixed upon the value of the cigar as it comes from a foreign country and not upon the particular constituents or number of constituents which go into that cigar. It is not a ghost that we are raising. This may be satisfactory; it may be something that may easily be adjusted in conference; but it does raise a number of serious questions affecting the tariff laws and the revenue laws of the United States. I do not want to have it passed by as something that is so simple and so clear that it does not require any further consideration whatever.

Mr. FLETCHER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Florida?

Mr. McCUMBER. I yield.

Mr. FLETCHER. May I suggest, with reference to the question raised by the Senator from Connecticut [Mr. McLEAN], that we now have a law which provides for cigars being manufactured in bond? The law now provides for that, and this would not affect that situation at all.

Mr. McLEAN. Yes; but as the law now reads it is confined to importations from a certain country—Cuba—and, of course——

Mr. FLETCHER. That is all covered by a special statute.

Mr. McLEAN. A record is kept of the invoice, and the duty is easily collected.

Mr. FLETCHER. The establishment of free zones would not affect that at all.

Mr. McLEAN. I think that the provision covering that subject should be very carefully drawn, because after the cigar is made nobody can tell where the product originated.

Mr. FLETCHER. Cigars are made now under Government inspection; the Government inspectors are right there. When the tobacco comes in, it is inspected as the cigar is being made. That is under a special law, and this would not affect that situation at all.

Mr. McCUMBER. Mr. President, in closing I desire to say that I have no objection to the provision going in as an amendment, but I wish to call the attention of the Senate to some of the serious problems that it will raise affecting the tariff laws, although if the amendment shall be agreed to we may so frame it in the committee of conference that it will take care of all of the cases which I have mentioned.

Mr. GOODING. Mr. President, I find myself unable to get a clear understanding of this amendment. I have no doubt about its importance, and I have confidence in the Senators who have advocated the amendment, but it does seem to me that it is unfortunate that a measure of this kind shall be brought in here as an amendment when there is practically no time for its discussion, the Senate operating under a rule which limits debate. So I can not satisfy myself as to the merits of the amendment sufficiently to enable me to vote for it. I shall, therefore, be compelled to vote against the amendment.

Mr. JONES of New Mexico. Mr. President, it is evident that this amendment has been considered by the Committee on Commerce of the Senate.

Mr. RANSDELL. It has been very fully considered by them.

Mr. JONES of New Mexico. I have noticed that all of the members of that committee who are here have heartily advocated the adoption of the amendment. I should like, however, to obtain some information regarding it.

The amendment provides that the trade zones shall be under the supervision of public corporations and that they shall be public utilities. I should like to inquire if the Government of the United States will retain any authority or supervision over those public utilities which are to be provided for by States or municipalities?

Mr. RANSDELL. Absolutely, as I understand the provision. In the first place, the amendment provides that the Secretary of the Treasury, upon the recommendation of the Secretary of Commerce, may "grant to public corporations the privilege of establishing, operating, and maintaining foreign trade zones in or adjacent to ports of entry under the jurisdiction of the United States."

Then they are to be operated entirely in accordance with the customs laws and regulations of the Government. The purpose is not to interfere in the slightest way with the customs laws, but, on the contrary, to have every safeguard thrown around the proposed zones in order that commerce may be facilitated without interfering with the collection of customs dues. The customs officials will be in entire control and charge of the whole matter all the time; that is the spirit and intention; and, I will say, if the language does not so provide as it now stands, I sincerely hope that the chairman of the Committee on Finance will see that wording of that kind is inserted before the provision is finally agreed to, for that is what we all contemplate and is what we are entirely willing to have.

Mr. McCUMBER. Will the Senator from New Mexico permit me to ask a question of the Senator from Louisiana?

Mr. JONES of New Mexico. I gladly yield to the Senator from North Dakota.

Mr. McCUMBER. I merely wish to ask the Senator from Louisiana this question: As the bill is now drawn, is there anything to prevent the Standard Oil Co. from erecting a refinery in such a zone, bringing in crude oil from Mexico or from any other place and storing it there, and, if the United States markets will give it a better price, then importing it into the United States, and if the foreign market will give it a better price then exporting it? Would not that be true also as to any other manufacturer who wishes to change a raw material, such as lead ore, into lead or any of the other minerals, which may be done by refining, and so forth, and then take his choice as between the American market or the foreign market? The proposition opens up that broad vista, does it not?

Mr. RANSDELL. I believe it does open that broad vista.

The PRESIDENT pro tempore. Does the Senator from New Mexico yield to the Senator from Louisiana?

Mr. JONES of New Mexico. I yield.

Mr. RANSDELL. If the Senator will allow me, I desire to say to the Senator from North Dakota that practically we have such a situation now under the drawback system, as illustrated by me in my brief speech. Crude sugar is brought into this country very extensively from Cuba and other places; the molasses is washed out of it; and when it is shipped abroad a drawback of 99 per cent of the duty paid when it comes in is refunded by the Government to the refiner. Now, I do not understand that we pay any duty on oil, and I do not know the reason why, under the provisions of this proposed act, it would not be all right for the Standard Oil Co., if it wished to import Mexican oil into this country, to take it into one of these free zones, refine it there, thus affording much work to American labor, and then ship it abroad; or, as the Senator has said, if the American market needs it and is willing to pay for it, all right, bring it in; and if we impose any duty on oil, of course, pay that customs duty. It would simply afford a facility, but it would not interfere with the customs laws in any way that I can see.

Mr. JONES of New Mexico. I should like to ask one further question. Will the public corporations be permitted to derive

substantial revenue from the granting of privileges within the foreign trade zones?

Mr. RANSDELL. I do not so understand. I understand that all duties and charges of every kind will be regulated, so that the utilities must make a very light charge. I understand the intention is that they shall be public facilities.

Mr. WADSWORTH. Public facilities.

Mr. RANSDELL. Absolutely public utility corporations, and the charges and fees are to be fixed by public agencies. It is not intended, I will say to the Senator, that they should make any substantial revenue.

Mr. JONES of New Mexico. While the amendment requires that these public corporations shall charge a reasonable fee for privileges accorded, it seems to me that, being public utilities of the State, they would be controlled in that respect only by the State laws, whatever they may be. I presume that it will require legislation on the part of the State to bring about the adoption or utilization of the privileges of the proposed amendment. I do not know of any State or municipality or public utility which now has authority to perform this kind of service, and I assume that there will be legislation in the various States where ports may be located under which adequate restrictions will be provided; but I think we must recognize the fact that that will put the control of these zones and the services to be rendered by them under the jurisdiction of the States, and I am inclined to think that the revenue derived by the public utility which will be authorized to conduct these free zones will be very substantial. Whether that is a good thing or a bad thing, I must say that I have not considered sufficiently to reach a definite conclusion.

Mr. LODGE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New Mexico yield to the Senator from Massachusetts?

Mr. JONES of New Mexico. I yield.

Mr. LODGE. I merely want to ask a question at that point.

Mr. RANSDELL. Mr. President, if the Senator will permit me, I was going to say that this bill provides that the Secretary of the Treasury, in cooperation with the Secretary of Commerce, shall provide such regulations as may be necessary for the purpose of selecting foreign trade zones, maintaining adequate facilities for the transaction of business therein, protecting the revenue, and regulating the entry and clearance of vessels into and from foreign trade zones, and shall prescribe the conditions for the granting of a concession for the establishment of a foreign trade zone, as well as the conditions for revoking such a grant, and also any other regulation which may be necessary for carrying into effect the provisions of this section.

So it seems to me from that provision that the whole matter will be in charge of the Treasury Department and the Department of Commerce, in conjunction, I will say, with the local authorities. For instance, if the city of New York wanted to establish a free zone similar to the 2,500-acre free zone at Hamburg, I assume that there would be——

The PRESIDENT pro tempore. The Senator from Louisiana has exhausted all the time which under the rule he may occupy on this amendment.

Mr. JONES of New Mexico. Mr. President, I should like to make another suggestion, and I ask unanimous consent that I may proceed for five minutes longer.

Mr. LODGE. I desire to ask a question, and I think I have the right to take the floor. I have not spoken at all upon the amendment.

The PRESIDENT pro tempore. The Senator from New Mexico has not as yet exhausted his time.

Mr. LODGE. I thought the Chair announced his time had expired.

The PRESIDENT pro tempore. The Chair announced that the Senator from Louisiana had exhausted his time. The Chair, however, desires to be understood that one Senator can not by yielding to another Senator to ask a question give that Senator, if he has exhausted his time, an opportunity to make another address.

Mr. JONES of New Mexico. How much time have I remaining, Mr. President?

The PRESIDENT pro tempore. The Chair is informed the Senator has five minutes remaining.

Mr. JONES of New Mexico. Mr. President, I wish to make this suggestion: I do not see anything in this amendment which applies to the Panama Canal Zone. When this subject is dealt with it seems to me that that situation should receive earnest consideration, for if there is a place on earth where there should be a free zone and where there should be adequate facilities for the purpose of the exchange of commodities, reshipments, and other arrangements to facilitate world commerce, it is upon the Panama Canal Zone; and there should be put into this amendment some machinery whereby that zone may be opened up to the commerce of the world. We have built that canal at great expense to the United States, and thus far we have received no return upon our investment; but if the Canal Zone be opened up as a free zone for the purposes contemplated by this amendment it will bring business to the canal, it will bring revenue to the Federal Government, and will, as I say, open up and make of that zone the one great exchange of commerce for the world. It will bring in revenue there through the use of the canal. It will enable the ships from California to take their produce to the Canal Zone, divide their cargoes, send such portions as they desire to South America and the other portions to North America, to Europe, or to any other section of the world; likewise ships from Australia, from China, from Japan, and from every other country on the earth.

I sincerely hope that this amendment will be modified so as to open up that zone and make it the one great commercial mart of the world. It will bring revenues to the Government of the United States through the use of the canal. The Government of the United States controls the ground there. It controls the privileges which may be granted to anybody to carry on this great method of commercial exchange. In my judgment, the possibilities of such procedure are unlimited for the good, not only of the United States but of the commerce of the world; and I sincerely trust that the Senator from Washington will amend this provision in some way so as to provide for that result.

Mr. JONES of Washington. Mr. President, I want to suggest to the Senator that I do not believe that is excluded by the amendment. If there is any municipality there that wants to furnish this facility, it can do it.

Mr. JONES of New Mexico. But the Senator from Washington knows that there is not any municipality there with facilities to do it.

Mr. JONES of Washington. Then we would have to provide, as a separate proposition, that they should be furnished by the Government of the United States; we would have to make appropriations for the purpose; and we do not contemplate anything of that kind.

Mr. JONES of New Mexico. Every business carried on in the zone is carried on by the United States. The laundries, the ice-cream factories, the grocery stores, the hotels, and everything are carried on by the United States; and if anything is to be done there it must be done under special legislation by the Congress.

Mr. LODGE. Mr. President, I take the floor simply to ask the Senator in charge of the amendment whether it is intended, in this free zone, to enter on such changes as amount to manufacture; to import cotton or wool, for instance, and proceed to make clothing out of it?

Mr. JONES of Washington. It is not, Mr. President. The bill originally contained the word "manufacture," and the committee struck out that word.

Mr. LODGE. Does the Senator think that is sufficiently protected?

Mr. JONES of Washington. I am inclined to think so.

Mr. LODGE. The language of the amendment is pretty general—pretty loose.

Mr. JONES of Washington. It is fairly general; but all of this language and the word "manufacture" were in the original bill recommended by the Tariff Commission, and we cut out that word.

Mr. LODGE. The word "manipulate" is a pretty broad word.

Mr. JONES of Washington. It is pretty broad, but I want to suggest to the Senator that the committee in conference can look into this matter very carefully, and if they think the language is too broad they can change it. I want to say, however, that our committee went into it pretty carefully, and we thought on the whole that under this language they could not establish regular manufacturing establishments in the sense in which we use that term. At least it was intended to exclude that.

Mr. LODGE. There are a good many industries that it would affect very seriously. Hides, of course, are on the free list and have no duties to pay, but on wool and cotton and things like that, if they could build factories in this zone and then export, it would be a very serious competition for every established industry in the trade.

Mr. JONES of Washington. We did not intend to permit that. We excluded that.

Mr. GOODING. Mr. President, I should like to ask the chairman of the Commerce Committee if his committee had hearings on this bill?

Mr. JONES of Washington. We did—very extensive hearings.

Mr. GOODING. Have they been printed?

Mr. JONES of Washington. Yes; the hearings have been printed.

Mr. GOODING. I regret that I find myself in a position where I must vote against the amendment. I think there is a great deal of merit in it, but I am not able to understand it clearly enough to support it.

Mr. SWANSON. Mr. President, I am earnestly in favor of this amendment, and think it will accomplish a great deal of good in connection with our export business. I desire to call the attention of the chairman of the Commerce Committee, who offers the amendment, to an amendment which I should like to offer to it.

This amendment provides that where there are two State lines in a port two zones can be established. There are a great many places—for instance, like Hampton Roads—where the physical conditions are such that two zones would be much better than one, where there are two large cities separated by the waters of the port. I should like to offer an amendment to the effect that where the physical conditions of the port of entry are such that the Secretary of the Treasury thinks two zones would be better than one he can authorize their establishment. I do not see any trouble that would accrue to the Government, and it would greatly facilitate the use of this free zone.

I therefore offer this amendment to the amendment and hope the Senator from Washington will accept it.

Mr. JONES of Washington. Mr. President, I will say to the Senator that I personally see no objection to that. When it comes to work out practically I do not believe more than one zone will be established in a port, but I see no objection to having a provision in the amendment that if a locality desires to maintain and go to the expense of operating an additional zone, the Secretary of the Treasury, if he deems it wise, can authorize it. I see no particular objection, at any rate, to letting it go in and be considered by the conferees.

Mr. SWANSON. I thank the Senator very much.

I offer the amendment which I send to the desk to the amendment of the Senator from Washington.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The READING CLERK. At the end of line 16, page 2, before the period, it is proposed to insert a comma and the following words:

Also except that when in the judgment of the secretary the physical conditions of any port of entry are such that it would be more convenient and advantageous, he is authorized to grant the privilege of establishing zones in such port of entry.

Mr. JONES of New Mexico. Mr. President, I should like to ask the Senator from Washington if he would not be willing to have this matter passed over for a while? I think an amendment ought to be proposed taking care of the Canal Zone, putting it within the power of the Government control there to grant permits——

Mr. SWANSON. Mr. President, I should like to have my amendment disposed of first before the other question comes up.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Virginia to the amendment of the Senator from Washington.

The amendment to the amendment was agreed to.

Mr. LENROOT. Mr. President, I do not care to occupy the time of the Senate except to say, as a member of the subcommittee of the Committee on Commerce to which this bill was referred, that we made very extensive investigations, held very lengthy hearings, and, as I recollect, the report was unanimous from the committee; so there is not any partisanship whatever involved in this question.

I want to make just one point, Mr. President. While this proposed free zone is very valuable, no matter what theory or tariff policy may be pursued, whether it be the Democratic theory of a tariff for revenue only or the Republican theory of protection, it is even more important from the Republican theory of protection than it is from the Democratic theory of revenue, because the higher the rates imposed upon products coming into this country the more important does this free zone become.

To illustrate that, we now have the system of a drawback which refunds 99 per cent of the duties that have been levied where the imported product is reexported; but the consignee or the importer must first pay the entire duty. He has that money out without its drawing interest, and, in addition, he finally has to pay 1 per cent of the entire duty, even though he reexports; and just to that extent it is a handicap against the American in competing with the rest of the world in our foreign trade.

Then, Mr. President, there is one other very important feature. If we expect to have a permanent and growing foreign trade we ought to look forward to our becoming a great world market—and that we can not be under any existing law. I know of no way by which it can be secured in competition with Europe except through the free-zone, free-port system.

To illustrate that, we have a shipload of exports going to Europe, and there are not cargoes available for domestic use to bring that ship back at a profit. There is a cargo that could be secured for South America. If we have this free zone, an American can enter into that business; he can purchase that foreign product; it can come to the American free-port zone, and then can be transshipped to South America. We can have Americans engaging in this foreign business, where under the handicaps that now exist Americans can not compete with Europeans or with other parts of the world. It has no injurious effect whatever upon the protective system, because whenever anything in this free zone goes out of that zone for consumption in the United States it has to pay the full duty just exactly as though it were imported in the first instance.

Then, from the standpoint of our merchant marine, if our ships can not get full cargoes back, they are handicapped just to the extent that they are unable to secure full cargoes to this country, being loaded with full cargoes to Europe with our exports. This free-zone system will enable those ships to have full cargoes back to the United States. They can not afford to take a cargo to Liverpool and a part of a cargo to South America and then back to New York, but under this they can have part of their cargo for domestic use in the United States and part of their cargo for reexport to South America and elsewhere, and to that extent it will afford full cargoes for our own merchant marine.

So from every standpoint, Mr. President, this plan can be nothing more than beneficial to the United States. The Committee on Commerce has given it very thorough consideration. It has the support of all the members of the committee, Democrats and Republicans, and, while I do not think the conference committee, upon full consideration, will care to make any changes in it, yet, if they should desire to make some changes in it, they will have the opportunity to do so in conference, because, if adopted here as an amendment, the entire subject will be open to amendment in conference by the conferees. I hope the amendment will be agreed to.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the Senator from Washington as amended.

The amendment as amended was agreed to.

Mr. JONES of Washington. The letter of the Tariff Commission is only in the form of a committee print. I ask that it may be printed as a Senate document, and that the report of the Commerce Committee may be printed in the RECORD as a part of my remarks.

The PRESIDENT pro tempore. Without objection, the letter will be printed as a document, and the report of the Committee on Commerce will be printed in the RECORD. The Chair hears no objection, and it is so ordered.

Mr. JONES of Washington subsequently said: Mr. President, consent was given a while ago for me to have printed a letter from the Tariff Commission relative to foreign trade zones. There is, however, an illustration in the document to the printing of which I understand the Senate has to give consent before it may be done. I ask unanimous consent that the illustration may be printed with the document.

The PRESIDING OFFICER (Mr. ODDIE in the chair). Is there objection to the illustration to which the Senator from Washington refers being printed with the document? The Chair hears none, and it is so ordered.

The report submitted by Mr. JONES of Washington, from the Committee on Commerce, August 15, 1921, is as follows:

Report No. 257. [To accompany S. 2391.]

The Committee on Commerce, to whom was referred the bill (S. 2391) to provide for the establishment, operation, and maintenance of foreign trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes, having considered the same, report favorably thereon and recommend that the bill do pass without amendment.

The prosperity of a nation depends upon the extent and activity of domestic and foreign trade. We are peculiarly situated, however. If all foreign trade were shut off, business would be affected disastrously for a while, but after a readjustment to suit the conditions prosperity would return and establish itself on a stable basis. No nation, however capable of maintaining itself upon its own resources, will interdict all foreign trade. World relations are becoming more and more intimate and interdependent. The more perfect the means of intercourse the better it is for business, and the nation that has the most efficient instruments of commerce will secure the greatest good from foreign trade.

So long as tariffs are levied ports of entry must be maintained and special steps taken for the collection of such tariffs. Tariffs levied solely for revenue are more easily determined and collected than when they are levied for both revenue and protection. Whether levied for revenue or for protection, or for both revenue and protection, the simpler and less vexatious the means necessary to protect the Government, the better the system will be for business.

We now have in connection with our tariff system the bonded warehouse, the drawback, and the bonded manufacturing warehouse. There is a great deal of vexatious delay in the handling of goods through these agencies. Vessels are delayed in unloading. Complex regulations hinder transshipment or reexport. Much difficulty is met in working out drawbacks. Any system that will remove any of the obstructions to commerce that now exist should be welcome and will be welcomed by all business people who have to deal with the present system and who do not now possess some special advantage that might be affected.

This bill provides a means to do away with many of the evils of the present system. It does not do away with the present agencies, but it does open the way for another agency that may be made use of to avoid many of the vexations of the present system.

The only substantial objection that has been urged to this measure is that it is a subtle device to undermine the protective tariff system. The Republican members of the Commerce Committee gave this objection special consideration. They are protectionists from principle and would not favor any measure inimical to that system. They came to the conclusion that this measure does not affect in any way the principles of a tariff either for revenue or for protection. It provides for a very valuable instrument in connection with either system. If it has any special relation to either system, it is especially desirable in connection with the enforcement of a protective tariff and will strengthen rather than weaken that policy. Action under it will add greatly to the value of protection. This is the view of every man who came before the committee urging its adoption. As a matter of fact, it presents no new principle. It broadens and simplifies the principle or policy embraced in the present warehouses and drawbacks of exsiting law and has been applied for years.

Special investigation with reference to foreign trade zones has been made by the Tariff Commission, and the results of their investigation are embraced in a letter from the Tariff Commission, which made, in compliance with the request of the Senate Committee on Commerce, a report upon this policy, submitted in the second session of the Sixty-fifth Congress in connection with the analysis by the Tariff Commission of Senate bill 4153 of that Congress. The Tariff Commission held extensive hearings and presented a summary of the present system and of the purposes and advantages of the system proposed by this measure, and it is deemed wise to embrace this summary in this report:

"DEFINITION AND PURPOSE OF A FREE ZONE.

"The word 'free' in connection with 'port' or 'zone' is apt to be misleading. It is proper to note, therefore, that the term has no relation either to port charges or to any policy of 'free trade' or 'protection' in this case. Conventional nomenclature is in this case misleading. A 'neutral' zone would be more properly descriptive. A free port or free zone is a place, limited in extent, that differs from adjacent territory in being exempt from the customs laws as affecting goods destined for reexport; it means simply that, as regards customs duties, there is freedom unless and until imported goods enter the domestic market.

"A free zone may be defined as an isolated, inclosed, and policed area in or adjacent to a port of entry, without resident population, furnished with the necessary facilities for lading and unlading, for supplying fuel and ship's stores, for storing goods, and for reshipping them by land and water; an area within which goods may be landed, stored, mixed, blended, repacked, manufactured, and reshipped without payment of duties and without the intervention of customs officials. It is subject equally with adjacent regions to all the laws relating to public health, vessel inspection, postal service, labor conditions, immigration, and, indeed, everything except the customs.

"The purpose of the free zone is to encourage and expedite that part of a nation's foreign trade which its government wishes to free from the restrictions necessitated by customs duties. In other words, it aims to foster the dealing in foreign goods that are imported not for domestic consumption but for reexport to foreign markets, and for conditioning or for combining with domestic products previous to export.

"Although the free zone is naturally conceived to be on deep water, and is commonly regarded as in many ways an extension of the open sea, there is none the less a possibility of its establishment in an interior location where rail and inland waters may bring about the assembling of foreign and domestic goods destined for export. It is pertinent to note that Switzerland is contemplating the establishment of a free zone at Basle, which is close to the industrial districts of France, Italy, Austria-Hungary, and the German Empire.

THE POLICY OF THE UNITED STATES.

"The policy of the United States has not been unfavorable to the kind of commerce that the free zone is designed to promote. On the contrary, it has been the obvious intention of the Government to relieve reexport trade from the restrictions incident to the administration of the tariff and customs laws, and to that end three institutions have been devised.

"(1) The bonded warehouse, where goods intended for reexport may be entered and held free of duty.

"(2) The bonded manufacturing warehouse, where without payment of duty imported goods may be handled, altered, or manufactured solely for export, either with or without the admixture of domestic materials and parts.

"(3) The drawback, which is a repayment of 99 per cent of the duties paid on imported goods when they are exported.

"The provision and retention of these three devices show clearly that it has not been the purpose of the United States Government to place unnecessary obstacles in the way of its citizens when engaged in international trade. That such obstacles have arisen is due to the fact that the three devices mentioned were inadequate wholly to relieve foreign commerce from the regulations and restrictions placed upon the importation of foreign goods for domestic consumption. It would therefore involve no change of policy to supplement these devices by a system of free ports or free zones such as have proved singularly effective in other countries.

INADEQUACY OF BONDING AND DRAWBACK.

"There are certain features in the present bonded warehouse and drawback systems which detract from their usefulness in facilitating foreign commerce. Some of these features are inherent in the nature of the case; others consist of seemingly unnecessary hardships which can be ameliorated by a revision of the customs laws and the regulations accompanying them.

"In accordance with the mandate of the law creating the United States Tariff Commission, we have studied the customs administrative laws, to the end of securing simplification and granting relief from what seems unnecessary procedure, and reported on August 26, 1918, our findings and recommendations. In so far as changes suggested in that report affect the procedure under bonding and drawback, attention is called to the parenthetical notes herein.

"The purposes of the bonded storage warehouse are to relieve importers from the payment of duty on foreign products that in unchanged form are destined for reexport and also to permit the postponement of payment of such duties until the time when, during a period of three years, the owner desires to remove them. It can not aid in expediting the entry and clearance of shipping or the handling of merchandise, for vessels must submit to the same formalities and requirements, whether they bring dutiable goods or goods to be placed in bond, and the goods themselves, whatever their destination, must be valued, sampled, weighed, and tested before removal from the dock. Much of the delay necessarily incident to the proper assessment of duties on imports for domestic consumption is equally imposed on goods destined to be reshipped. (In the case of a ship landing part of its cargo in an American customs port and desiring to continue its voyage with the remainder of its cargo to a foreign port, the practice and the regulations make entry of such dutiable goods en route a simple matter. In the case of a vessel entering a port having part of its cargo destined for reshipment to a foreign port, it can transport its reshipment cargo to another vessel through bonded lighterage, with merely nominal customs procedure.)

"(a) To protect the public revenue from unauthorized entry of goods into domestic trade, the owner of the goods is required, under present procedure, to give bond in double the amount of duty, which is forfeited if the goods are stolen, lost, destroyed, or fraudulently removed. (The suggested revision of the customs laws relieves the owner of the goods of this specific bonding, and looks to the owner of the bonded warehouse for safeguards against such removal.)

"(b) Even drayage between dock and warehouse must be done under bond.

"(c) In addition, from the time they enter port until they are reshipped the goods are under constant customs control and supervision.

"(d) While in the warehouse they must be placed and arranged in accordance with certain well-defined regulations, so that they may at any time be checked and inspected by special agents of the Treasury Department.

"(e) Permits must be obtained for their reception and delivery, and strict accounts must be kept of all warehouse transactions.

"(f) Except during the usual business hours the warehouse is closed by a Government lock, and to enter it at any other time requires special permission and payment for the overtime presence of a customs agent.

"(g) Handling, sorting, mixing, or repacking of the goods is prohibited; only where serious damage is threatened can the original package be opened, and even then it must be done by special permission and under customs supervision. (The proposed revision provides permission for repacking, mixing, blending, cleaning, sorting, and in fact practically every process short of actual manufacture.)

"(h) Subject to these regulations, the expense of which it should be noted is made a charge upon the goods, an owner may leave his merchandise in bond for three years, but at the end of that time if duties are not paid they are considered, to use a technical expression, as 'abandoned to the Government,' to be sold by the Government, accruing charges and expenses deducted, and the remaining proceeds turned over to the owner. (Under the proposed revision the President is given the power to extend this three-year term under war or any other emergency.)

"The usefulness of the bonded warehouse is sometimes further restricted by the tariff practice of the country to which bonded goods are reexported. Thus the Canadian law treats goods that have been held in American bonded warehouses exactly as if they had entered American domestic commerce. When imported from this country to Canada, such goods are assessed for duty at the foreign value increased by the amount of the duty they would have paid if they had entered the United States for domestic consumption. The effect of this regulation finds illustration in the business of a certain American firm dealing in foreign embroideries. In order to fill a Canadian order this firm found it necessary to send goods from a bonded warehouse in New York to England, where the goods were reinvoiced and thence shipped direct to Canada.

BONDED MANUFACTURING WAREHOUSE.

"The mere statement of the regulations sufficiently indicates the limited usefulness, so far as export trade is concerned, of the bonded storage warehouse. Even more stringent are those applying to the bonded manufacturing warehouse. In the latter institution foreign materials may be entered free of duty and worked up into manufactures ready for consumption.

"(a) Production can be carried on in such a warehouse for export only. With a few special exceptions, the output can not be disposed of in the domestic market, even on payment of duty. (The proposed revision permits withdrawal for consumption of all goods produced from bonded manufacturing warehouses.) The most important exceptions are metal from ore smelted in bond, and cigars 'made in whole from tobacco imported from one country.' Minor exceptions are found in a provision for the entry of Mexican peas, or Garbanzo, which have been cleaned at such warehouses, and in the permission to sell for domestic consumption by-products and waste arising in the manufacture of goods for export, provided duty is first paid on such articles as if imported from abroad.

"(b) Before beginning operations the proprietor must file with the Treasury Department and with the collector of customs a statement of all the articles he intends to manufacture, giving the names of the articles, the exact kind and quantity of ingredients, and the formula of manufacture, and he must adhere rigidly to the formulæ set forth.

"(c) He must also give bond in double the value of the goods he intends to produce.

"(d) From beginning to end materials and operations are under strict customs supervision. A multitude of restrictions make the procedure

intricate and expensive, and the penalties for violation are very heavy. Only in the most highly standardized industries is it possible to avoid frequent disputes and misunderstandings.

DRAWBACK.

"The law authorizing what is known as drawback permits an importer, instead of placing his goods in bond, to pay duty on their entry and then to draw back from the Treasury on their reexportation 99 per cent of the amount paid. This provision, of course, can not any more than the bonded warehouse relieve commerce from the delays and other burdens incident to customs enforcement. The intent of the law is to aid production for foreign markets by relieving from customs dues imported materials that are manufactured or finished in this country and then shipped abroad. But the relief thus afforded, except in the sugar and tin-plate industries, has been relatively small, as may be seen from the following table:

Principal imported articles used in the manufacture of articles exported upon which drawback was paid.

[For years ending June 30.]

Article.	Tariff act of 1897.				Tariff act of 1909.						Tariff act of 1913.					
	1907	Per cent of total.	1908	Per cent of total.	1910	Per cent of total.	1911	Per cent of total.	1913	Per cent of total.	1914	Per cent of total.	1915	Per cent of total.	1916	Per cent of total.
Aluminum	$65,589	1.20	$16,501	0.24	$189,639	3.06	$303,894	4.74	$245,894	5.40	$254,123	8.02	$151,109	2.05	$75,492	0.49
Wheat flour	49,870	.91	50,153	.75	167,762	2.71	180,472	2.81	147,318	3.24	69,648	2.20	26,273	.35	52,965	.34
Cotton manufactures	18,824	.34	44,295	.66	27,569	.44	42,020	.65	56,296	1.23	25,033	.79	16,291	.22	24,250	.15
Fruits and nuts	22,916	.42	23,775	.35	37,439	.60	14,167	.22	52,016	1.14	50,735	1.60	58,279	.79	70,243	.14
Hides of cattle	907,387	16.66	845,433	12.73	504,051	8.15	264,638	4.13	93,068	2.04	940	.02				
Tin plates	1,525,282	28.01	2,359,486	35.54	1,899,585	30.72	1,461,479	22.82	45,271	.99	84,905	2.68	451,246	6.14	22,473	.14
Lead ore and bullion	256,829	4.71	365,591	5.50	266,614	4.30	429,202	6.70	481,336	10.59	375,018	11.84	184,569	2.51	98,952	.64
Oils (rapeseed and other)	33,070	.60	40,499	.61	53,102	.85	56,292	.87	61,139	1.34	48,451	1.53	44,471	.60	39,797	.26
Sugar and molasses	1,031,528	18.94	1,110,299	16.72	1,933,037	31.26	2,000,154	31.23	1,443,887	31.77	658,319	20.79	5,412,620	73.74	13,776,451	90.18
Zinc	44,788	.82	37,398	.56	40,828	.66	156,213	2.43	90,949	2.00	163,114	5.15	81,936	1.11	29,636	.19
Opium and manufactures					10	.0001	544	.008	330	.007	1,103	.03	22,207	.30	372,978	2.44
Chemicals, drugs, and dyes	86,108	1.58	140,549	2.11	64,708	1.04	41,499	.64	51,918	1.14	39,044	1.17	43,397	.59	136,300	.89
Glycerin	39,445	.72	53,553	.80	54,176	87	63,872	.99	39,290	.86	15,950	.50	59,234	.80	53,394	.31
Total	5,445,151		6,637,602		6,182,375		6,402,603		4,543,536		3,165,082		7,339,236		15,275,686	

"It is obvious from these figures that scores of industries in this country that now use foreign materials to produce goods for export do not exercise the drawback privilege at all. The reason is that, for the prevention of fraud, the privilege is so hedged about with exacting and intricate regulations that the amount of the drawback very often does not pay for the labor and cost of collecting it.

"(a) To prove the identity of goods on which drawback is claimed requires a minute checking of imported elements entering into the manufacture, with the right and oftentimes with the need of examining into factory management, sometimes threatening the disclosure of trade secrets of importance. So complicated is the procedure in making claim and proving identity that many producers do not find it worth while to apply for drawback at all. Large-scale industries, like sugar refineries and those compelling the use of large quantities of tin plate, go to the expense of employing experts permanently to look after their drawback interests.

"(b) Every step must be taken subject to customs inspection, and oaths are required from importers, superintendents, and exporters.

"(c) Even after reshipment, before drawback can be recovered, evidence must be given of the actual landing of the goods in a foreign country. (Under the proposed revision of the customs laws, the landing certificate requirement is abolished, excepting when, in specific instances for reasons assigned, the Secretary of the Treasury shall call for such procedure.)

"(d) At best, under the smoothest operation of the law, that part of the owner's capital advanced in payment of duties is tied up in the Treasury from the time the goods are imported until 30 days after they are reshipped.

ILLUSTRATIONS OF THE INADEQUACY OF THE PRESENT SYSTEM.

"At the hearings conducted by the Tariff Commission and in the replies to its questionnaire numerous instances were adduced illustrating the inadequacy of the bonding and drawback system. To a few of these attention may be here directed.

"Rice milling is an industry for the successful prosecution of which all conditions appear to be favorable in the United States except a sufficient supply of raw material. The industry is now limited almost entirely to the preparation of the domestic product for domestic consumption, and this does not furnish full employment. It requires expensive specialized machinery and much skilled labor that must be engaged by the year. But testimony was presented showing that the largest mills are idle much of the time, because the domestic crop can keep them in operation for only half the year. Efforts have been made to use the idle months in cleaning and milling oriental rice, the supply of which is very large, for reexport to the West Indies and Spanish America. To do this work profitably the rice must be imported in full ships' cargoes and handled in bulk through grain elevators. These cargoes usually are about 6,000 tons, and, as there is an average duty of one-half cent a pound on rice, the duty that must be paid on a full cargo is $60,000. The importer, of course, would be entitled to a drawback on such quantity of the rice as was reexported; but it was the unanimous testimony of the mill officials interviewed that the business had to be discontinued because of the difficulty, delay, and expense of securing the drawback.

"Again, it was found that imported flowers and feathers and imitation feathers are extensively used in this country for trimming women's hats, the model or frame of which is an article of domestic production. Also Panama and imitation Panama hats for the use of both men and women are imported from Central and South America and finished in the United States with the use of domestic materials. The industry has been almost entirely limited to supplying the domestic market, for our manufacturers have found themselves hampered in competing for foreign markets by the restrictions of our bonding and drawback system.

"The effect of these systems on dealers in highly finished goods is perhaps best seen in the case of laces and embroideries. These are manufactures for which Spanish America offers a large and lucrative market which heretofore has been almost entirely supplied from Europe. Commodities of this character are apt to be included in the same order with a variety of other goods, and the order naturally goes to the dealer who can fill it as a whole at the lowest price, in the shortest time, and in the most convenient form. The order often includes specialties covered by trade-mark that are produced in different countries. To engage successfully in this trade, therefore, the merchant must be able not only to furnish the goods of his own country but also to assemble, sort, and repack foreign merchandise for convenient delivery. This kind of commerce American merchants are precluded from entering except under the greatest difficulties. In many parts of South America merchandise has to be transported for long distances in carts or on the backs of mules or llamas. It must be packed, therefore, with the least possible weight, and in such form that the packages may be evenly balanced. Furthermore, dry goods are usually dutiable in those countries at specific rates by weight, so that the lighter the carton or covering the lower the duty will be. But our bonding system does not permit the original packages received from Europe to be broken and rearranged. And if American manufacturers of clothing use imported laces and embroideries in making women's wear, the difficulty of identification and the expense of collecting a drawback are so great that when they export such goods they frequently prefer to forego the claim. One American exporter testified that his firm found it necessary to take goods from bonded warehouses in the United States and ship them to a West Indian port, where they might be repacked and thence forwarded to destination.

"Such are specific illustrations brought out at the hearings and in the correspondence conducted by the Tariff Commission showing the need of American industry and commerce for more liberal arrangements in handling and transshipping foreign products. Before pointing out how this can be accomplished through the establishment of free zones, it should be said with the greatest emphasis that the advantages to be enumerated can be attained in full measure only through the observance of certain prerequisites such as are set forth in the bill, comment on which forms the second part of this report. The free zone or port that is here contemplated is one of the character provided for in that bill.

THE FREE ZONE AND IMPROVED PORT FACILITIES.

"The most important prerequisite is that such a port shall provide properly coordinated, modern, and efficient physical facilities for the lading and unlading of cargoes, the entry and clearance of vessels, and the handling of merchandise. In the main, wharves, docks, piers, terminal facilities, and other necessary features of American ports have developed with few exceptions by a process of planless accretion. They are exposed to frequent fluctuations between slackness and congestion, and recent experience has proved them altogether unprepared for emergency. The uncertainties of business discouraged the installation of costly modern equipment, and this in turn increases the direct labor charge and adds to the expense of trade. The privileges of a free zone, through the promotion of commerce in regions naturally adapted for it, would attract capital to the creation of the facilities that should in every case be made an indispensable prerequisite. The detailed specification of these facilities should be made by the Secretary of Commerce, and might well vary somewhat from port to port, with a view to proper adjustment, both to topographic conditions and to the volume and character of the commerce to be handled. In the judgment of the Tariff Commission, it is highly important that the necessary capital should be provided, not by the Federal Government but by the State or municipality within which the free zone is established. The necessity of meeting the cost of construction and equipment from local resources would go far to limit the application for free zone privileges to those ports where there is a prospect that the acquisition of them would be justified by the results; while, on the other hand, the hope of securing a Government appropriation would attract an application from every handling place on the coast.

EFFECT OF NEW FACILITIES.

"The subject of providing new facilities can not be dismissed without reference to its probable effect on facilities already existing and the investments that have been made in them. The prospect that a publicly financed free zone with its elaborate equipment would destroy the usefulness of the facilities already constructed at great cost in our ports would arouse a widespread and not unjustified opposition to its establishment. The inquiries of the Tariff Commission, however, lead to the belief that no such destruction would be entailed. The experience of foreign countries has been that the growth of business in a free zone has been accompanied by a material

although smaller increase in the use also of the previously existing facilities. The trade, for example, in the free port of Copenhagen grew in seven years by 400 per cent, while at the same time the trade of the old, or customs, port not only escaped a loss but actually showed some gain. The purpose of a free port is not to divert business from those that now transact it but to provide for new business that under present circumstances can not grow as it might. The testimony of men familiar with present arrangements was emphatic to the effect that there would be little or no diversion of the passenger traffic or of the handling of dutiable goods and of the few goods that now make substantial use of the drawback and bonding system. Some diversion, indeed, might well be wished for by all concerned, in view of the congestion witnessed in recent months at American ports and the obvious incapacity of existing facilities to handle the present commerce with convenience and dispatch.

THE BUSINESS PROPER TO A FREE ZONE.

"The questions now arise, Whence is the new business destined for a free zone to come, and in what way will it profit the country? Partial replies have already been suggested in what was said above with regard to the bonding and drawback system. The business proper to a free zone consists in receiving and manipulating foreign products and reshipping them in the direction and at the time to take advantage of the best foreign markets. This is not only a profitable business, it is also becoming a necessary business to our industrial growth. For however wide the range of goods we produce and however effective our methods of production, we can sell our products to best advantage only when the purchasers are able to pay for them with products of their own. If we do not accept their products, they must sell them in some third country and transfer to us the credit they thus acquire—unless, indeed, they forego buying our goods at all and make their purchases in the country where they make their sales.

IMPORTANCE OF TRANSSHIPMENT TRADE.

"In the modern maritime nations the business of assembling and preparing the products of foreign countries for transshipment and redistribution abroad has grown steadily in volume and importance. Statistics are not available for an accurate statement of the amount of goods thus handled, but estimates putting their annual value in normal years at approximately $4,000,000,000 do not seem exaggerated. They consist in the main of the raw materials of those countries that have not attained a high stage of industrial development and that are dependent on the maritime nations for the transportation of their products and the supply of their necessities. To some extent, however, manufactured and partly manufactured goods enter the trade. This occurs when the country conducting the trade does not itself produce the particular manufactures that are demanded. In such a case the goods are purchased where they are produced, transshipped in the trading country, and sold where they are wanted. It is well known that only by such a triangular route and through the hands of foreign dealers have many American specialties entered the markets of South America and the Orient. Obviously a country engaged in this business benefits from it in a number of ways. It receives the profits on merchandising and transportation; its producers have first choice at lowest prices of the materials handled; and it can sometimes gradually build up a preference for its own products in supplying foreign markets. How small is the share of the United States in these benefits is indicated by the fact that the transshipment trade has not been deemed important enough to deserve separate statistical statement. In the annual reports of the Bureau of Commerce and Navigation, Table 6 combines the value of the goods transshipped and the value of goods in transit that merely cross United States territory in bond from one foreign country to another. Altogether in 1914 they amounted to the considerable value of $198,303,282, but not less than $155,847,478 of this was for goods in transit to and from Canada.

DECLINE OF TRANSSHIPMENT TRADE OF THE UNITED STATES.

"Our part in this business has not always been so insignificant. A little more than a century ago Europe was involved in a war almost as paralyzing to commerce as that now in progress. During its continuance, except for the period of our second war with England, not only the trade of this country but a great part of the whole seaborne commerce of the world was conducted by American merchants, carried on American ships, and financed by American capital. After the coming of peace, however, in spite of the swift growth of international trade, her share of it steadily diminished, until in the present generation her ships have carried less than 10 per cent even of her own foreign commerce. Numerous causes contributed to the decline; prominent among them, of course, was the strengthening competition in time of peace of those maritime countries whose absorption in war had given America her easy supremacy. Chaotic banking conditions in this country also long played an equally important part. An added disadvantage was found in the change from wooden ships, which had been built cheaply in America and of better quality than elsewhere, to iron and steel vessels, in the construction of which American enterprise was lagging. Finally, during the Civil War the hazards of foreign trade led not only to the wholesale transfer of American tonnage to foreign registry but also to the almost complete withdrawal from that field of American capital and enterprise. But while these and other things contributed to the same result, the most potent and continuous cause for the decline of maritime commercial interests in the United States lay in the more attractive opportunities found in other fields of industry. The settlement of the interior, the growth of manufacturing, the building of railroads, the development of internal resources of many kinds created a demand for labor and capital and offered rewards that foreign trade under competitive conditions did not afford. Commercially the United States became passive instead of active. Exports and imports, it is true, continued to grow; but the management, the direction, the transportation, and other mercantile operations connected even with her own trade, together with the profits arising from them, in large measure passed to foreigners, while her share in other branches of international trade was almost entirely lost. In the early years of the nineteenth century the value of foreign products re-exported from America was nearer a half than a third of the value of her total annual imports; in the early years of the twentieth century the ratio was only about 3 per cent.

THE NECESSITY OF RECOVERING IT.

"The chief causes for the decline of American maritime enterprise now no longer operate. The outbreak of the present war has again forced the United States into a position of prominence in international trade. It has devolved upon this country to find capital, to furnish ships, to modify her own production, and to assemble and redistribute many products of other lands. Widespread interest has been aroused and considerable investments have been made in this long-neglected field. For the promotion of foreign trade new corporations have been formed and old ones expanded, a great merchant marine is under construction, the banks have extended their foreign agencies and created new ones; indeed, it is not too much to say that American business as a whole tends to be reorganized on the basis of a permanent widespread and varied foreign commerce in which Americans shall be active participants. Even before the war it was already generally recognized that industry was becoming constantly more dependent on foreign markets and that to secure and maintain these it was necessary not only to provide goods that foreigners might want but also to furnish in return a market for their products. And since for many of these products there was no demand in the United States, it followed, if they were to be received by American merchants in exchange for American goods, that these merchants should find a way to dispose of them in some other country where a demand did exist. It was already clear that industrial prosperity at home would be advanced if this country should play a larger part in the organization and conduct of international commerce as a whole, and this larger participation appeared equally desirable under conditions of peace as in time of war. The present war, therefore, by no means created the need for commercial expansion, but it has emphasized the need for it and has powerfully stimulated the growth of it. It has enabled, and indeed compelled, the United States to occupy a place in the world's commerce the retention and improvement of which will greatly contribute to her future welfare. Thoughtful men everywhere now see in the expansion of our foreign trade an added benefit to our internal prosperity.

TENDENCY FOR THIS BRANCH OF TRADE TO CONCENTRATE AT FREE PORTS.

"During the nineteenth century, after the withdrawal of the United States from this branch of trade, it tended to be concentrated for the Occident at the ports of the English Channel and the North Sea and for the Orient at Hongkong and Singapore, and it is significant that in these ports commerce with all nations was most free and least hampered by customs regulations. It can not be claimed, of course, that their commercial prosperity was due solely or even mainly to freedom from this particular handicap. Many conditions must be favorable and many forces must combine for the building up and maintenance of a great foreign commerce. But it is a field of enterprise in which competition appears in its most active form, and experience in the last 50 years clearly shows that the absence of artificial restrictions will frequently suffice to direct the flow of international trade. Thus while Fiume, Trieste, Pasajes in Spain, and even Danzig on the Baltic, did not achieve great commercial expansion by virtue of their free-port privileges, yet the beneficial influence of similar privileges at Hamburg, Copenhagen, and elsewhere has been great and unmistakable.

GROWTH OF THE FREE PORT AT HAMBURG.

"Of modern free ports, their management, character, and successful operation, Hamburg furnishes the best illustration. This city has always been dependent on its commerce, and as long as it was an independent republic it arranged its customs regulations with a view to the least possible interference with trade compatible with fiscal requirements. The formation of the German Empire in 1871, with a tariff system common to all the component States and administered by the Imperial Government, threatened to destroy Hamburg's prosperity and to divert much of her commerce to the rival ports of England and Holland. The city, therefore, long refused to enter the Imperial customs union. In 1882 a compromise was effected, by the terms of which Hamburg was permitted to maintain an area, accessible by both land and water, where goods from all parts of the world might be landed, handled, and reembarked without any interference whatsoever from customs officials. This area was to be a free port, and only when goods passed through its gates into the interior of the country were the duties levied under the German tariff to be collected on them. In addition to the privilege thus accorded, Hamburg received a cash payment of 40,000,000 marks, and the money was used by the municipal authorities to improve the site selected on the river bank and to construct facilities for the most efficient handling of a great commerce. They planned largely, anticipating rapid growth, but development so far outstripped their expectations that several times within a generation both space and equipment had to be greatly increased. Without doubt the growth was due in largest measure to the economic development of the German Empire, for which Hamburg serves as the chief port, and the direct trade between Germany and foreign countries is conducted, of course, under the ordinary customs regulations. But equally without doubt it was the creation of the free port that enabled the city to become an important center for the commerce between other nations and a great consignment market for products from almost all parts of the world. Unfortunately, official statistics make no distinction between German goods and foreign goods shipped from the port, but a careful estimate for the last year before the war puts at $200,000,000 the value of the foreign products exported. These figures illustrate only the importance of the transshipment trade; they give no indication of the advantage to German manufacturers of having at their door a convenient assembling place for the materials which they need nor of the degree to which the markets for German goods were extended through Hamburg's ability to receive and dispose of the products of other countries.

SPREAD OF THE FREE-PORT POLICY IN EUROPE.

"It is of interest to note the spread of the free-zone idea and free-zone practice throughout the world. Hamburg has, of course, been closed in by war conditions. No statistics are available since 1907 of that most important exponent of the policy. There are available from Copenhagen, next in importance, statistical tables of 1910. There the free port was immediately found to be too small for the commerce produced, and there is continuing enlargement.

"Spain in 1914 authorized a free zone at Cadiz. Barcelona secured the same privilege in 1916; Bilbao and Santander in 1918. There has been a temporary setback in improving the zones under the privilege, owing to the fact that the Spanish Government reserved the right to a revocation at any time and did not offer the security of a term grant. It is now expected that the free-zone privilege will be given with such terms as to encourage investment by public and private corporations.

"Sweden, anxious to share in the transit trade of the Baltic, is establishing free zones at Goteborg and Malmo.

"France has long been agitating the question and has during many years received reports and has had bills introduced, which up to the present time have not been enacted into law. The most recent report received through the State Department is to the effect that the matter is still under serious consideration. A consular report from Havre states that it is anticipated that Havre and Marseille, among other

French ports, would be equipped with free-zone privileges, with the probable exclusion of manufacturing.

"Norway is shown by our consular reports to be interested in establishing a free port at Christiania.

"Portugal has authorized the privilege by law, and the latest information was to the effect that establishment was being made at Lisbon.

"Quoting from statements by Mr. H. R. Geddes, the managing director of the Continental Daily Parcels Express & Northern Traffic (Ltd.) and one of the leading commercial experts in Great Britain, made in 1918, we are informed:

"'Sweden proposes to establish free ports at Goteborg and Stockholm, and Norway is discussing the possibilities as to Christiania. Denmark is making preparation on a large scale to retain the increased trade done at Copenhagen and to control the tremendous trade in the Baltic, and, served by the gulfs of Bothnia and Finland, for Scandinavia and Russia. The German ports, however, will make it as uncomfortable as possible for Denmark.

"'Russia, under the old régime, proposed to establish a free port at Novy Port, Petrograd. This scheme is probably now in abeyance.

"'Switzerland is thinking very seriously of inaugurating a free area at Basle and catering for the transit trade of France, Italy, and the German and Austrian Empires. A glance at the map would show the possibilities of this scheme.'

"Great Britain is seriously considering the establishment of free zones throughout the Empire. There have already been great transshipment agencies free from customs interference at Hongkong, Gibraltar, and other points, but these differed from the technical free zones established under more rigorous tariff systems.

"Low-tariff countries and countries having few articles on the dutiable list have not needed such installation, as was evidenced in the trade of Belgium, Holland, and the British Isles; but Great Britain, now faced with the need of larger revenue, with the possibility of higher and more inclusive tariffs, feels the need of customs immunity in her transshipment trade and is considering the establishment of free zones as discussed in this report. A parliamentary return dated March, 1918, by a departmental committee appointed by the board of trade, concerning itself with the shipping and shipbuilding industries after the war, states (p. 119, par. 352 of its final report, under the head of 'General recommendations'):

"'Free ports: In this connection reference must be made to the free-port system prevailing in many foreign countries. Should it be decided, whether for revenue or other purposes, to extend widely the range of duties on imported articles the question of creating similar free ports in the United Kingdom would become a matter of pressing importance. It is essential that the position of the United Kingdom as a great transshipment and entrepôt center should not be impaired, and the best means of safeguarding these national interests would undoubtedly be by the establishment of free customs areas on a large scale at the ports principally concerned.'

"In this connection attention is called to the information afforded by Mr. Geddes's speech before the Dover (England) Incorporated Chamber of Commerce, on February 14, 1918, printed in the appendix (p. 74).

ADVANTAGES EXPECTED FROM AN AMERICAN FREE-ZONE SYSTEM.

"Detailed statements of the advantages to be expected from a free-zone system were given by various business interests that would be affected by its establishment in answer to a questionnaire sent out by the commission. The more important of these advantages may be summarized under the following heads:

"(1) In simplifying entry and clearance: Time lost by merchant vessels, whatever be the cause of it, is always costly, and owners in forecasting profit or loss must reckon closely the probability of delays that involve the idleness of ship and crew. It is well known that such delays, varying from several hours to several days, are imposed by customs procedure on vessels entering and clearing at American ports. Officials, and ships' officers of regular lines, it is true, acquire a familiarity with the regulations that enables them under normal conditions to reduce the delay to a few hours; but the typical commerce carrier, the 'tramp steamer,' the chartered vessel that is free to seek business wherever its services are in demand, finds the delay much more serious, and in the event of misunderstanding and a consequent failure to follow the prescribed procedure the owners incur penalties that may change the result of a voyage from profit to a loss. The formalities for making entry must be rigorously discharged, and the regulations for handling and unloading cargo are strict and detailed. All vessels immediately on arrival are boarded by customs inspectors and remain in customs custody, together with their cargoes, until they are unladen and cleared. Vessels designated as common carriers by the Secretary of the Treasury, upon giving bond and paying double compensation for the extra time of weighers and inspectors, may, if they wish, receive or discharge cargoes at night and on Sundays and holidays; but otherwise loading and unloading are permitted only during the usual business hours in open day. The entry of goods is little less technical and time-consuming than the entry of vessels. Even after it has left the ship dutiable merchandise can not be removed from the wharf or place where it is landed until it is weighed, gauged, or measured, or in the case of spirits and sugars until the proof or quantity and quality are ascertained and properly marked. Disputes are inevitable with regard to such matters as valuation, obliterated marks, damaged goods, broken packages, and they necessarily impede the smooth flow of goods away from the piers. This tends to cause congestion, which in turn delays further discharge of cargo and adds to costs and charges. The situation is sometimes made worse by practices that under the present system it is difficult to prevent. A committee of the San Francisco Chamber of Commerce reports:

"'In our experience in San Francisco we found that many times consignees are unfair in a practice of making the customhouse an excuse for keeping cargoes on the wharf longer than they should be kept; and freight congestion is alleged to be due to inadequate wharf arrangements, when, in fact, it is frequently a case of juggling in order to secure free storage on the piers. It is a very serious and costly experiment to a port to have the wharves piled up with goods because real and frequently pretended customhouse requirements compel it.'

"It is too obvious to require discussion that shipping is aided by prompt docking, the uninterrupted discharge of cargo, quick lading, and an early clearance. The time and expense thus saved are a weighty argument for a free zone.

"(2) In equalizing inbound and outbound traffic: Adequate facilities and simplicity of regulations for entry and clearance will do much to stimulate shipping at American ports. But for the stimulation to be effective and to give practical aid to the growth of commerce there must be reasonable certainty that ships will find cargoes both in and out bound. In the lack of this certainty the trade of the United States differs in marked degree from that of other highly developed nations. It is true that the import and export trade of this country, taken as a whole, is very great. But in no direction is there any reasonable balance of the tonnage required for the inbound and that required for the outbound traffic. Thus in the trade with Europe exports require much more shipping than imports. Many ships, therefore, must come from Europe in ballast, or take cargoes under competitive conditions that make inbound freight rates relatively low; and it follows that all or the greater part of the cost of the whole voyage must often be made up by the charges imposed for transporting American merchandise to Europe. In our trade with South America the situation is very different, for the inbound tonnage is markedly greater than that outbound. Consequently, except for the few regular liners engaged in this field, ships bringing South American produce must return in ballast or must ply from port to port seeking a precarious cargo. In preference to either of these alternatives they usually load in the United States for England, Hamburg, or Copenhagen, where they expect to find with reasonable certainty a full cargo back to South America. Similar inequalities exist in our commerce with many other parts of the world. With some countries, indeed, whose produce we buy and where a demand exists for American goods, we have little or no direct communication. Our trade with them is almost entirely conducted through transshipment in foreign countries, an indirect method that both increases its cost and subjects to foreign control its volume and variety.

"(3) In facilitating dealings in foreign products: It is obvious that relief from the inequalities described, the maintenance of regular and inadequate transportation facilities, and the establishment of moderate and stable freight rates can come only through the growth at American ports of traffic that moves both inward and outward on the same course. The free zone will promote this growth by giving greater freedom to the import of goods not for domestic consumption but for transshipment to other countries. We should provide full cargoes for ships wishing to clear for countries to which our exports of domestic merchandise are as yet small and irregular, in order that such exports may find ready and cheap transportation; and we must receive full cargoes from other countries to which we sell in large volume. Preliminary to reshipment, foreign goods thus imported frequently require sorting, cleaning, blending, repacking, and other forms of manipulation to adapt them for the market to which they are to be consigned. For such work, as has been already pointed out, the bonded warehouse and the drawback are inadequate and in a measure inevitably so. And the free zone appears to offer the only sufficient means of permitting it and, at the same time, of protecting the revenue and maintaining such limitations as the Government sees fit to fix for the import of foreign goods for domestic consumption.

"(4) In stimulating certain branches of manufacturing: Less important than the preparation of foreign merchandise for reshipment, but not altogether insignificant, is the opportunity the free zone affords for the manufacture of export goods partly from domestic and partly from foreign raw materials. Many such goods are now made in this country, but owing to the duty on the foreign materials relatively few of them can be exported in competition with foreign producers. It is impossible precisely to specify in advance the branches of manufacturing that would use the opportunity thus offered. In general, aside from industries peculiarly related to the repair and outfitting of ships, its chief attraction would be to those manufacturers in the cost of whose finished products the cost of dutiable foreign materials forms an important part. There readily come to mind under this head such products as cigars, straw hats, certain chemicals, medicinals, and fertilizers, certain kinds of confectionery, brushes made of prepared bristles, preparations of fruit, rice, and other foodstuffs. But it is fairly certain that many such commodities would not be produced in the free zone. For some of them production for export has been fairly stabilized under the bonded warehouse and drawback systems. In the case of others the inducements of the foreign market alone are not enough to justify investments for their production, and their entry into the domestic market would be subject to restrictions identical with those imposed on foreign manufactures. The manufacturer proposing to enter the free zone would have to base his calculations of profit on the prospect of manufacturing solely for export. This is practically a new field for American capital and enterprise, and before entering it a close scrutiny would be necessary of the problems and possibilities peculiar to each separate branch of production. In all likelihood, therefore, its development would be slow and long confined within narrow limits. Even with such a prospect, however, it is not without importance. It should be remembered that the list is lengthening of American manufactures made up in large measure of foreign materials and parts. Not a few manufacturers of such commodities have already found it expedient to establish branch plants abroad, a practice that is strongly marked in the case of sewing machines, typewriters, shoe machinery, and other typically American products. While it is true that the practice is due chiefly to foreign patent legislation, foreign duties on finished manufactures, and some other causes that operate in special cases, it is also true that it is often promoted by the American duties on materials and parts that have to be imported. It is not unreasonable to believe, therefore, that by some manufacturers the free zone would be preferred to a foreign location for branch plants. 'Broadly speaking,' says an experienced American producer, 'my idea is that small parts, requiring extensive labor application in creating the articles, could be made in Europe and the heavier and broader work done here; and instead of the American industry losing the entire article, part of the article would continue as American manufacture, and the profit accruing on the small parts—which would be assembled in this zone and placed in the machine—would also naturally remain as American capital.'

"(5) In stabilizing transshipment trade under varying tariff policies: Of all the advantages to be expected from a free-zone system that which might be looked for with the greatest certainty would arise through freeing the transshipment trade from the unsettling effects of tariff charges. At present American merchants importing foreign goods with a view to reshipment abroad must reckon the costs entailed by the bonding and drawback systems, and these costs necessarily differ with every change in the rate of duty. An impending tariff revision therefore causes wide fluctuations and sometimes a complete interruption of this business, and much time elapses before broken connections can be restored. Any uncertainty connected with the national tariff policy thus becomes a serious handicap to the very branch of commerce which it was never intended that the tariff should affect. For half a century, it is true, this branch of commerce has

been relatively so insignificant in the United States that it has been ignored in the framing of successive tariff acts. Should it, however, attain the development promised by the fulfillment of present tendencies, its security will demand either a very stable tariff policy or the provision of neutral zones for its transaction. In this connection it may be noted that the advocates of a more extended tariff system in England are now incorporating in their policy proposals for a system of free ports.

"(6) Miscellaneous advantages: There are other advantages, incidental but practical, that are expected of a free-zone system by its advocates. Among them is the feasibility of removing the present restriction of the bonding privilege to a period of three years, the provision of adequate space and facilities for exhibiting goods and samples and for demonstrating methods of selecting and packing merchandise so as to meet foreign requirements, a reduction in the costs of drayage and of other processes in handling goods. Again, it is urged that while there are some charges, such as taxes and wages, which will undoubtedly be as high within the zone as without, there are others, such as insurance, rents, and the charges for guarding against violation of the revenue laws which should be lower than under the present system of scattered and more or less antiquated bonded warehouses. There are additional arguments for the free zone based on practices that have proved commercially advantageous in Europe. Mention may be made of the peculiar acceptability at Copenhagen of free-port warehouse certificates as collateral for advances. The thorough police and fire protection provided there, the exemption of goods in storage from all customs claims, and the adequate precautions taken against deterioration render the certificates exceptionally desirable securities. In consequence, according to the testimony of men familiar with conditions at Copenhagen, advances on free-port warehouse certificates may be had on more liberal terms than on the certificates of private warehouse companies.

CONCLUSIONS.

"Such are the advantages, concisely stated, that may accrue from the establishment of a zone-free system. They are necessarily contingent for the reason that they are found in a kind of commerce which for several generations has existed in this country in relatively insignificant amount. It is evident that the success of a free zone and all the claims that are made for it will depend on two things, namely, the volume and character of its commerce and the efficiency of its construction and operation. This explains why the results of European experience have differed in different ports. Some have not succeeded; others have made good returns on the capital invested in them, have reduced the expenses of shipowners and merchants, and have given a widely felt stimulus to business. Obviously, the free zone alone can not create commerce; it can only facilitate the operation of the forces that do create it.

"At the present time the commerce proper to a free zone exists in relatively small volume at the ports of the United States; and since investments for construction and equipment would have to be made with a view to its future growth, they would be in large measure speculative. But many of the conditions formerly limiting American participation in international trade no longer exist, and within the last few years the joint influence of new forces has given to our commerce an expansion that has taxed our port and harbor facilities even beyond their capacity. Active measures for the retention of this commerce after the war will be necessary; at the same time its present importance and the possibility of its further development underlie the confidence of those who advocate a system of free zones. But at any American port at which a free zone is proposed, before capital is put into such an enterprise there would be necessary a careful and detailed study both of the cost of construction and operation and of the likelihood of commercial expansion in the particular field to which free-zone facilities and privileges would be adapted. It is clear that costs and prospects would vary widely from port to port. Some are natural points for the consignment, distribution, and debouchment of goods; others are not. At all of the ports, however, where conferences were conducted by the Tariff Commission—notably at New York, Philadelphia, and San Francisco—merchants, shipowners, and other classes of business men regarded the establishment of a free zone as a wise measure of public policy and an enterprise promising financial profit. Resolutions of organizations in these and other cities, indicating the thoughtful opinion of business men, are included in the appendix of this report. There are also appended sycopated reports of hearings conducted by the Tariff Commission.

"The legislation proposed in the bill, comment on which forms the second part of this report, is merely permissive in character. It leaves the initiative to the locality and puts upon it all risk and responsibility. In the judgment of the Tariff Commission this is as it should be. The Federal Government can give no preference to the ports of one State over those of another. Under the bill as drafted each State or political subdivision thereof is permitted, subject to general requirements that are the same for all, to establish and equip at its own expense a zone wherein foreign merchandise may be entered free of duty.

"After exhaustive study of foreign institutions and careful investigation of American conditions and mercantile opinion, the Tariff Commission recommends the policy of permitting the establishment of free zones in American ports, and indorses, with certain suggested amendments, the bill S. 4153, as shown in the reprint, analysis, and comment which follow."

The Commerce Committee held extensive hearings during the first session of the Sixty-sixth Congress in connection with Senate bill 3170. Mr. Arthur McGuirk, special counsel for the board of commissioners of the port of New Orleans, said:

"A free zone is the necessary complement of a protective-tariff system; the higher the tariff the more essential. Without such facility no high-tariff country can successfully compete in world trade with foreign nations, because the terms are not equal and they are not fair. American merchants in foreign trade carry a handicap. That handicap results from the imposition of the customs system with its consequent expense and necessary delays to trade which does not enter but merely touches or is deposited in the country at different points. By so much as the American merchant pays the customs on goods intended for reexport and not for domestic consumption is he handicapped and discriminated against. As the goods can not enter the country without payment of duty, the situation as to domestic producers and manufacturers will remain unchanged. They remain protected as before. The free zone as to them is extraterritorial; it is foreign country. The customs officers are simply transferred from the ship to the gates of the zone. The same customs duties are collected, only they are collected at a different place; dutiable goods taken from the zone into the country pay the duty just as before. The free zone or area is an inclosed district free of customs restrictions without resident population, equipped with wharves and warehouses where vessels may enter and leave and where goods may be deposited and reexported either in their original state or changed by manufacture. In legal contemplation it is foreign country. It affords a stopping place for goods in transit. Freedom of transportation and manufacture afforded by transshipment or transit zones implies only exemption from charges other than such as are imposed by way of compensation for the use of the property employed or for facilities afforded for its use. Commerce may be carried on in the zone and commodities may be purchased, sold, exchanged, and manufactured therein. Anything may be done with the goods in the zone that could be done outside of it, only they can not be brought from the zone into the United States without paying the same duties or being subjected to the same regulations as in the customs part of the port. There would be no more reason to collect duties upon transit goods than upon goods in a ship stranded upon Cape Hatteras on a voyage from Halifax to Rio Janeiro. In that case the goods unloaded to trim the ship are deposited as the result of an involuntary act; in the zone as the result of a voluntary act, but in neither case would the policy of protection or the receipts of the customs be affected adversely or otherwise.

"The power to regulate commerce with foreign nations 'is the power to prescribe the rules by which it shall be governed; that is, the conditions upon which it shall be conducted; to determine when it shall be free and when subject to duties or other exactions.' Of course, it is within the power of Congress to so regulate foreign trade as practically to exclude it altogether from the borders of this country or to impose a tax so heavy as to amount to the same thing; but that is not the policy of the law. On the contrary, the policy is, by the use of bonded warehouses, bonded manufacturing warehouses, and the drawback, to permit the deposit and manufacture of property in transit and not to tax it with customs duties so long as it does not become blended with the domestic business or commerce of the United States. The goods like the ship are only temporarily here while engaged in lawful foreign trade and commerce. The foreign ships themselves remaining in our ports only long enough to land passengers, mail, and freight, or to dock and repair, are not taxed. So far as respects the ports and harbors of the United States the foreign ships themselves may freely enter and clear exempt from domestic taxation, independently of any control over them except as respects the public health, public safety, and public morals, and the same rule should be extended to the transit freight which they carry.

"Goods in interstate commerce are not taxable by the States through which they pass in transit. The power to tax is the power to destroy. If goods in interstate commerce were subjected to taxation at every point they touched in their transit through the States, interstate commerce would be effectively destroyed. But this power has not been left to be exercised in the discretion of the several States. The Constitution, laws, and jurisprudence of the country wisely inhibit its exercise. If the principle is sound as to interstate commerce, it is equally sound as to foreign commerce. Goods in transit in foreign commerce should enjoy the same exemption and freedom as the ships which carry them. Both ships and freight are property, and there is no sound reason to discriminate between the two classes of property or to lay a burden upon one which is not laid upon the other.

"The policy of this country has not been unfavorable to the freight. It is more favorable, however, to the ships that carry it. Much of the freight belongs to American citizens. Few of the ships did. They were foreign owned. Yet the discrimination has been in favor of foreign-owned ships and against domestic-owned freight. Obviously it has been the intention of this Government to relieve reexport trade from the expense and restrictions incident to the administration of the tariff and customs laws; but that relief has been superficial. It did not reach the source of the complaint. The diagnosis was correct, but the remedy was not a specific. The drawback by which, theoretically, the exporter draws back 99 per cent of the duties paid is very much more costly in practice and the merchant has often been subjected to an expense of from 30 to 50 per cent of the amount of the duties in order to obtain the return of the money advanced in said duties. He has been out of pocket the interest on the money for months at a time because of the incidental delays in the administration of the system, and he has run the risk of heavy fines, consequent upon his unfamiliarity with the routine of the system and his failure or neglect to conform to some of the multiplicity of rules established to protect the revenue and prevent smuggling. The bonded warehouse is good as far as it goes; so is the bonded manufacturing warehouse. A mere glance at the regulations governing the bonded warehouse sufficiently indicates its limited usefulness so far as export trade is concerned. Even more stringent are those applying to the manufacturing bonded warehouse. With few exceptions the output can not be disposed of in the domestic market, even upon payment of duty. In the bonded warehouse handling, sorting, mixing, or repacking of the goods is prohibited. Only where serious damage is threatened can the original package be opened, and then it must be done under customs supervision and by special permission. Once the package is on the floor of a certain place it must remain there undisturbed, in accordance with certain well-defined regulations, and except during business hours the warehouse is closed by a Government lock, and to enter it at any other time requires special permission and payment for the overtime presence of a customs agent. From the time the goods enter port until they are reshipped they are under constant customs control and supervision. No step may be taken without the presence of the officials, and the delay and annoyance caused by necessary certificates, documents, oaths, inspections, and the operation of the system generally have been so great as to discourage and finally deter the average merchant from engaging in the reexport, transit, or foreign trade.

"These conditions can not continue to exist. The sooner they are changed the better. As the change involves no change of principle but merely one of procedure, practice, and system the sooner it is brought about, as it certainly must and will be, the better for all concerned. We must take a leading and not a secondary place in foreign trade. Our necessities demand it. Our merchant marine and changed postwar conditions must inevitably bring it about.

"Considering the question in another aspect:

"Free, or transshipment, zones provide neutral, inclosed, and guarded areas, devoted to foreign trade, without resident population, which are physically within but legally without customs territory. Goods, wares, and merchandise may be deposited therein for reexport either in their original form or as changed by manufacture or manipulation with foreign or domestic materials. Free ports being in effect foreign territory, ships arriving and goods sent therefrom into the customs territory of the United States are subject to the customs system and pay the

same duties as if imported from a foreign country. The economic value of such utilities in the foreign trade and commerce of the United States has not been as yet legislatively perceived. Their powerful stimulus to port development visibly appears in foreign harbors enjoying such benefits. The establishment of free zones in the United States is the logical evolution of the drawback, bonded warehouses, and bonded manufacturing warehouse system. The new forward step proposed and now earnestly advocated is in no sense antagonistic to or exclusive of the old system, which will still continue to thrive and grow in the customs part of the port. That is the sphere of usefulness of the drawback, the bonded warehouse, and the bonded manufacturing warehouse comprising the old system. Both systems will continue to exist independently but complementarily of each other, be mutually helpful, and thrive because of the greater volume of trade created by the free zone.

"The freedom alluded to in connection with free zones does not, of course, imply exemption from charges for services rendered the ship or the goods. The customary tariff of port charges will still be collected by local officials in the zone as elsewhere. The repair, furnishing, and equipment of ships; the manufacture, manipulation, and storage of goods will give steady and remunerative employment to labor and capital, and, what is more, our ocean gateways will be transformed from one to two way ports, busy the year round.

"The United States is a protected zone. The country is covered by a protective tariff system imperfectly balanced by a system of drawbacks, bonded warehouses, and bonded manufacturing warehouses, so as to afford some limited scope to foreign commerce. Without some such device Congress would not have regulated but prohibited and wholly crushed foreign commerce. Commerce is of two kinds—foreign and domestic. The framers of the Constitution contemplated our engaging freely in both under sensible regulations, but example as well as precept in government demands the use of modern and up-to-date facilities in commerce and transportation. The free zone is a well-recognized institution in world commerce. It has passed the experimental stage. It is the necessary adjunct of the protected zone; but it does not exist in the United States. If the tariff is a protective as well as a revenue system, if its object is to protect domestic trade and commerce, so will a free-zone system be a protective system, protecting by encouraging, safeguarding, and promoting foreign trade and commerce. Combined, they will form a harmonious, logical, well-balanced commercial system for the development of both foreign and domestic commerce.

"The prophet has said, 'There is nothing new under the sun,' and yet history teaches us that even the most ambitious, intelligent, and aggressive peoples are often blind to their own real interests. Apotheosizing mediocrity for its own sake or following false prophets, their sea power has been the result of accident rather than of design and has been developed always in the teeth of the most active and determined opposition. This is a truth of almost universal application. The authorities teach us of the growth of the Phoenician, Carthaginian, and Roman sea power and of that of Spain, France, Holland, England, Germany, Italy, and Japan. We know our countrymen are equally at home upon land and sea; that they are as expert and daring navigators and seamen as they are brave, intelligent, and chivalrous soldiers. We are told that Rome's domain was confined to Italy until she copied the Carthaginian trireme. Says Mr. Hughes in his Handbook of Admiralty Law, speaking of the rise of Roman sea power:

"'When maritime skill supplemented military prowess and placed at her command new and easier lines of advance, she overran the world. The mart soon replaced the camp; for it is a teaching of history that in the providence of God the havoc of war but opens new avenues for the arts of peace.'

"And so it is with the United States, at the end of the Great War, with hundreds of ships, manned by youthful, eager, and vigorous mariners, full of the spirit of adventure, and anxious to compete in world trade. 'We have the men, we have the ships, we have the money, too.' It therefore becomes our manifest duty to quickly provide the facilities without which the operation of the ships and the employment of our sailors in foreign commerce will be practically impossible. Under such circumstances it would be a public disgrace to revert to pre-war conditions when 90 per cent of our foreign commerce was carried in foreign bottoms. Our merchant marine must be preserved. Our future safety depends upon it. The control of the transportation of a country means the political control of that country. Neither our land carriers nor our sea carriers should be foreign owned. It is as essential to control our sea lanes as it is to control our public highways. Both are vital to national sovereignty.

"The immense maritime commerce and sea power of England is of modern growth. The Anglo-Saxons were not seafarers; the Northmen were. The Saxons loved the quiet recesses of their forests; the Northmen loved the sea. They harried the British coasts and finally conquered and took possession of the country. Their sea power enabled them to hold what they took thereby. Elizabeth is given credit for having first grasped England's true policy and laid the foundation of her maritime greatness. Upon her death the standpatters played their small part upon the stage and in turn passed away. Partly in consequence of common-law hostility to the Admiralty jurisdiction, English commerce was long retarded. Subservience to Spain and France was a contributing factor. The tendency of the Stuarts to cultivate friendly relations with those nations checked the enterprise of England's merchants and sea captains and stemmed what ultimately proved to be a veritable flood of wealth and commerce. When the barriers were removed, subservience ceased and national self-interest and self-respect were permitted free rein. In this there is food for reflection.

"Lord Coke, in particular, 'the great apostle of the common law,' was the leader in the attack on the Admiralty, issuing prohibitions to its courts, and in every way curtailing its jurisdiction. Great as he may have been, his vision undoubtedly was obscured by the jealousy of a factional contest for power. Be that as it may, these lessons serve 'to point a moral and adorn a tale.'

"By the establishment of free zones we are but again respecting one of the immemorial customs of the sea, founded originally on the comity existing between nations engaged in international trade and commerce. When the stranger was no longer considered an enemy to be enslaved or slaughtered, but a friend to be sent on his way rejoicing, his goods in transit were afforded a safe haven at a reasonable toll. This toll was originally based on a charge approximating the cost of the service rendered or the port facility afforded.

"The customs or laws of the sea have been evolved through the centuries. The law of average will be found in the Rhodian Code. Merchants then, as to-day, were active in bringing about both legislative and judicial recognition of their customs. After the fall of the Western Empire sea traders caused the establishment of consular courts in the principal maritime cities, and those courts 'enforced and applied to merchants the customs of the sea.' Our merchant princes engaged in foreign trade seek nothing new in the establishment of free ports in this country. It is a custom of the sea that places of deposits shall be set aside for transit goods in foreign trade. They simply ask that an existing system be supplemented so as to include particular areas, with properly coordinated, up-to-date facilities dedicated to the public use of merchandise in transit. That such a purpose is public, even as to utilities operated by an agent under a lease for profit, was long since decided and conclusively settled by the Supreme Court of the United States in Louisiana Construction & Improvement Co. *v.* City of New Orleans, reported in One hundred and fortieth United States Reports.

"The customs of the sea, necessarily including deposit of goods in transit, were likewise extended to their manufacture, hence the drawback by which the money advanced in duties, so as to permit manufacture and the employment of home labor and capital, was withdrawn, or drawback from the public fisc upon the reexportation of the goods.

"The Supreme Court of the United States, in Tide-Water Oil Co. *v.* The United States (117 U. S. 210), has said:

"'The object of the drawback was partly, at least, to encourage domestic manufactures.'

"In United States *v.* Whidden, 28 Federal Cases, No. 16670, the court said:

"'Every nation that has a considerable trade has an interest in training up to the labor of the seas a hardy and brave race of men for their naval service. So intimately connected with national prowess and defense is this that all nations inhabiting the seacoast with a share of trade have, in a greater or less degree, encouraged their poorer and more laborious population to engage in the fisheries, by which they are inured to the dangers and anxieties of this element, by relieving that trade of all unnecessary burdens, as well as by direct bounties. Our country early went into the policy of favoring the carrying trade, and the general system of drawbacks on reexportation was carefully digested in the general revenue act of 1799.'

"But that is not enough. No system can long prevail in which pure reason, abstract right, and practical justice are not mingled. The drawback system was wholly inadequate. Good as far as it went, it did not go far enough. Something had to be done for the transit trade.

"Chancellor Kent, in his Commentaries on American Law (p. 547, N.), says:

"'The New York Chamber of Commerce in November, 1842, prepared and sent a memorial to Congress in favor of establishing the warehousing system in the United States, and, in addition to powerful considerations in favor of it, the memorial suggested that the warehouse, or dock warrants, or storage receipts, were in England transferable paper, and the holder was regarded as the owner of the goods. A flexible and desirable security, representing actual property, was thus thrown into commercial circulation.'

"It would be a work of supererogation to present New Orleans banks and bankers with an argument upon the value of public cotton warehouse and grain elevator receipts. The increase in banking deposits and clearing-house transactions since provision was made for their issuance speaks eloquently in their behalf.

"It was not until August, 1846, that the Congress of the United States heeded the behests of the merchants and by the factors' act of that year for the first time established a warehouse system.

"The contest had been waged even longer in England.

"Again quoting Mr. Kent:

"'The English system of warehousing goods was proposed by Sir Robert Walpole in his excise scheme, but not adopted. Its advantages were pointed out by Dean Tucker in 1750. The scheme was revived and recommended by Mr. Pitt, and digested in a practical shape by Mr. Addington. The statutes of 43 George III, chapter 132, laid the foundation of this wise and politic system * * *. The object of the warehousing system is to lodge imported articles in public warehouses of special security at a reasonable rent, without payment of the duties on importation till they are withdrawn for home consumption, and if reexported no duty is ever paid. It secures the duties on goods lawfully imported for use and sale in England and relieves the trader from immediate payment in cash and until the goods are withdrawn for home consumption. It allows the storage even of prohibited goods in British warehouses on specified security for reexportation, and permits the transfer of goods in the warehouse without requiring payment of the duties until they are withdrawn for use. If the goods are destroyed by inevitable accident before they are withdrawn, although the Government does not stand insurer for their safety, the duties are uniformly remitted.'

"When England, because of unique conditions, went upon a free-trade basis the entire island practically became a free zone. Heavy financial burdens imposed by the war necessitate the reestablishment of a high tariff system, in which event we have it upon the authority of Sir Eric Geddes, free zones in England will be established of necessity.

"By the light of history we know that in the forty-ninth year of Edward III (A. D. 1376) the Inquisition of Quinborough was taken 'by 18 expert seaman before William Nevil, admiral of the north; Philip Courtney, admiral of the west; and Lord Latimer, warden of the Cinque ports.' Among the offenses denounced 'against the public good of the Kingdom' was an article concerning 'Of such as turn away merchandise or victuals from the King's ports.' And among the 'offenses against the admiral, the navy, and the discipline of the sea' was the grievous one, numbered '5,' entitled 'Of such as freight strangers' bottoms when ships of the land may be had at reasonable rates.'

"These statutes evince a proper spirit of patriotism and love of country. They are based upon the laws of nature. Those laws, like the laws of physics and of morals, are of universal application.

"We have a duty to perform to ourselves and to our country. In performing that duty and in measuring up to the responsibilities imposed by our existing sea power re-created as a result of the war, now to be employed usefully in the arts of peace, we must be true to ourselves, 'and it must follow, as the night the day,' we can not then be false to others.

"The principle of the free zone has been indorsed by the National Merchants' Marine Association, the National Foreign Trade Council, the Detroit Chamber of Commerce, the New Orleans Association of Commerce, the Philadelphia Bourse, the Exporters and Importers' Association of Philadelphia, the Chamber of Commerce of Philadelphia, the Exporters' Round Table of Boston, the Baltimore Import and Export Board of Trade, the press generally, the Charleston Chamber of Commerce, Galveston Chamber of Commerce, Newport News Chamber of Commerce, the Los Angeles Chamber of Commerce, the Oakland Chamber of Commerce, Chamber of Commerce of the State of New York, the city of San Francisco, the municipality of

New Orleans—these are by resolution—the board of commissioners of the port of New Orleans, the New York and New Jersey Port and Harbor Development Commission, the Massachusetts Chamber of Commerce, a State-wide organization which has indorsed it after a thorough discussion; likewise the Boston Chamber of Commerce, the San Francisco Chamber of Commerce, the Seattle Chamber of Commerce, the Merchants' Association of New York, which I am informed by the secretary and president is composed of about 6,000 members, and from one-third to one-fourth of its members are manufacturers. The matter has been very thoroughly discussed and the discussion has been carried in the official journal of the association, and the association has indorsed the principle of the zone and has taken a very active part in its recognition. In fact, one of the directors of the Merchants' Association of New York is a director of the National Free Zone Association.

"It has also been indorsed by the interstate and foreign trade committee of the Chicago Association of Commerce, the Mississippi Valley Association, the Foreign Trade Club, of Chicago; also by the Associated Industries of Massachusetts.

"The Eastern States, as you know, are not formidable producers of raw materials. They manufacture raw material, both foreign and domestic.

"Mr. I. L. Stone, general manager of the Associated Industries of Massachusetts, writes this letter under date of October 9, 1919:

"'Our association has indorsed the principles embodied in the bill presented by your association, and you are at liberty to place the Associated Industries of Massachusetts on record as favoring the passage of such a measure.'

"Mr. Chairman and gentlemen, I will say a few words in conclusion as to the fear which seems to be entertained by warehousemen and those who at private expense maintain and operate facilities such as warehouses, wharves, and piers.

"In 1899, as the result of fire and flood, wars, pestilence, and reconstruction, New Orleans was humbled in the dust. She had hardly recovered at that time from the effects of those dreadful evils. Our assessed values at that time were about $129,000,000—that is, in the city of New Orleans.

"We had, of course, natural advantages, as Mr. Lockett has said, but it was necessary to make those potential values actual. If I may be permitted to say so, I have had the privilege of being connected for the last 15 years with the development of the port of New Orleans, both in and out of office.

"The question always arose as to what could be done under the law and how advantage could be taken of natural advantages and potential values made actual.

"We have been, as I say, humbled, but "He hath exalted the humble." We took note of the character of the people, their spirit, and their desire to help themselves. We encountered at first bitter and determined opposition in the development of the port, because the people were poor, there was not much commerce, and those who had the facilities did not welcome competition. They feared the competition of publicly owned and operated port facilities. The warehousemen especially feared that competition.

"It was not until 1913 that we were able, as a result of a constitutional amendment passed in 1910, to build and operate the cotton warehouses. The cotton business had almost left New Orleans, and what there was of it was handled, of course, by the cotton-press men, who had in connection with their presses storage facilities. They felt that with the provision of up-to-date, modern warehouses, with mechanical labor-saving devices and a low rate of insurance, their presses would be put out of business. The contrary has proven to be true.

"I stress this because in New York especially Mr. Bush, who has a large and very fine terminal, seems to fear the effect of the free zone upon his particular establishment.

"The result of our efforts has been, Mr. Chairman and gentlemen, not only to restore the cotton business to New Orleans, but to overwhelm all the facilities of the port, both public and private. The same is true of the grain elevators.

"This last winter so much cotton came that the presses were entirely filled. Cotton came from the Imperial Valley of California and from sections which had never shipped cotton to New Orleans before.

"Millions of bushels of grain came from California. Grain has come from the Middle West and the far Western States. Not only has nobody been put out of business by the establishment of our modern and increased facilities, but actually so much business has been brought to New Orleans that it has overwhelmed all facilities, both public and private—so much so as to cotton that this last season all facilities were congested and cotton had to be stored on the bank, covered with tarpaulins, and as there were not enough tarpaulins to go around there were heavy claims for damage to some of that cotton.

"We are actually engaged now in enlarging the cotton warehouses and building other warehouses. We are constructing a navigation canal connecting the Mississippi River with Lake Pontchartrain, with the idea, in a measure, that the free port principle will sooner or later be adopted—we think the sooner the better—and located on the navigation canal on which we are spending, as Mr. Lockett has told you, some fifteen or twenty millions of dollars. The lock itself is costing about $6,000,000. General Goethals is the engineer.

"One reason for the provision of that facility is that we believe sooner or later the free-zone system will be established and we desire to locate the free zone upon the canal.

"Our practical, actual experience has demonstrated that there need be no fear in the minds of those owning existing facilities that they will be put out of business by the creation of other facilities either in the free zone or in the port itself. Business seems to materialize out of the air. It is astonishing. Trade facilities are trade magnets, they are lodestones. They draw business to them. I am confident the fears which have been expressed by Mr. Bush—and maybe other gentlemen—are groundless.

"Senator SHEPPARD. How about the fears of interior points that they might be subjected to a handicap by reason of superior facilities at the ports?

"Mr. MCGUIRK. Well, the example set by New Orleans and Galveston in providing warehousing facilities is being followed, as you know, Senator, all over the cotton district. You will remember there has been an association formed for the purpose of encouraging the establishment of warehouses at the producing centers in order that our cotton people and our farmers or producers may store their cotton and hold it for a rise.

"You know what the experience of the past has been. In the fall, when the crop was made through the toil and sweat of the farmer, the country merchant, connected with the city bank, began to write letters, 'Ship your cotton.' He would write and telegraph and send out the representative of his house to force these people to ship their cotton. Of course, all the cotton then came to market at one time. It depressed the value of the cotton, and allowed the foreign buyers to clean up. You know for years the foreign buyers 'cleaned up' on our cotton. They bought it at the very lowest price, shipped it abroad and warehoused it there, and took advantage of the subsequent rises in the market.

"Now, these facilities that are being afforded and will be afforded by this free zone, because export cotton will be largely held in the free zone——

"Senator SHEPPARD. I was speaking of the interior points that manufacture for foreign trade.

"Mr. MCGUIRK. Oh, that manufacture for foreign trade?

"Senator SHEPPARD. Yes; that is what you had in mind, was it not, Senator LENROOT?

"Senator LENROOT. Yes; interior points that ship raw material in.

"Senator SHEPPARD. Yes; interior points that ship in raw material and mix it with domestic material and ship abroad.

"Mr. MCGUIRK. If this bill is approved by Congress, free zones can be established in these interior points, and the manufacturer can manufacture just as well in the free zones at interior points as he can at the seaboard."

Hon. John H. Rosseter is an experienced shipping man, and he presented the importance of this legislation and its bearing upon the development of our merchant marine, as follows:

"The foreign-trade zones will in effect bring the market places of other lands to our doors, making our ports the trade marts of the world—that is, will afford our manufacturers the advantages of purchasing raw materials, our merchants a convenient and advantageous buying market, and will be of dominating importance to our merchant marine, and will constantly increase the volume of our commerce by providing needed homeward cargo, and, secondly, the operation of transshipment or reexport business.

"I have had the opportunity, based on frequent visits abroad, to see the workings of the so-called free-zone systems, and, more to the point, have experienced its effect in commerce and shipping from the absence of such facilities in our own country.

"My long experience as a ship operator has made me intimately acquainted with our own system.

"The conclusions I have reached from a comparison of the two systems are based on long reflection and study. They are not sudden; they have grown slowly in my mind, which gives me added confidence in my convictions.

"I can not attempt to give an essay on the subject. A number of publications are available that will give the details and description of the practices in foreign countries.

"In international trade and in the merchant marine it must always be remembered that we do business in free competition with the rest of the world. Labor and capital of all descriptions are involved in the manifold operations incident to foreign trade. We must meet labor and capital of Europe and Asia under serious handicaps in many departments. If these handicaps are suffered to continue, we must inevitably fall behind.

"How are we to strengthen our situation as against the intrenched position of other nations, built up over a long period of years in world trade?

"I will attempt to answer that only briefly: Before the war England and Germany, our principal competitors, had decided advantages over us. One marked advantage was the greater facilities for conducting mercantile and shipping operations. This rested largely on the advantage in exchange of commodities adjacent to the ships, due to the absence of close and congested quarters, caused by customs operations, and abroad to the smoother and freer working of an unbonded warehouse system, where customs restrictions are unknown as contrasted with our bonded warehouse and drawback systems.

"Germany, having a high protective tariff, enjoyed this greater facility of port and warehouse operations by the institution of a free port.

"England, being substantially without customs, enjoyed the same facility because of a similar absence of customs restrictions.

"Is there any good reason why the advantages of this system can not be kept in our own country?

"The present bill is an effort in that direction. Free zones for conducting foreign trade in our various ports, as provided by the pending bill, would be nothing but improved large-scale harbors and warehouse facilities. Simply that and nothing more.

"I can not see that they involve the slightest change in our tariff policy or affect it in any way. The more strongly protective our tariff is made the more useful will be the foreign-trade zone as an adjunct to the protective system.

"In free-trade countries the system is unknown, because of the absence of customhouse restrictions. In protectionate countries it tends strongly to build up by facilitation that foreign trade which is so absolutely necessary in order to dispose of the surplus products of factory, farm, and mine. In accomplishing this the tariff conditions are absolutely preserved and in no way affected, inasmuch as that merchandise leaving the foreign zone to enter customs territory must submit to all the rules and regulations as well as the tariff schedules in force at that time.

"I direct particular attention to that with reference to the discussion that we have just informally had.

"I firmly believe that foreign-trade zone system, when in operation in the United States, will be of inestimable benefit to our national welfare as well as of benefit to all interests and an injury to none.

"I have referred to the handicaps we labor under in international competition. We must concentrate our attention on them and see if we can not overcome them one by one. If we can not overcome them at all, let us at least minimize them by legislative means in our power. We must analyze the factors involved, see what improvements are within our reach, and face them with determination.

"Superior efficiency, if attained, will count. Superior machinery, if obtained, will count. Those can be discussed at greater length.

"Economy of operation is absolutely essential to the success of our merchant marine. I do not mean low wages, and I do not mean cheeseparing.

"Economy of operation outside of labor costs presents a field for ingenuity and care. The economy here referred to is strictly relevant to the discussion here before us. It is the essence of the proposed bill. The foreign-trade zone system contributes enormously to effect this economy in both branches mentioned.

"Let us briefly consider the first branch—that covering freighting operations. The proposed system tends strongly to ease, quickness, and cheapness of the complex operations involved in the loading and unloading of cargo, its dispatch inland by trucks or car, for trans-

shipment or reexport in handling by lighter, or manually, in bonded and in unbonded warehouses located near the wharves within the zone.

"This is accomplished by the simple physical device of making and preparing a place especially devoted to foreign trade, roomy enough and adequately equipped. These physical improvements will cost money to install. The biggest improvement of all will not cost any money whatever, even to initiate, but money will be saved in its daily operation to an amount which can not be estimated with exactness, but it will certainly attain huge figures in the course of the year's work, when we consider the number of our ports that may avail themselves of the zone privilege and multiply the economies involved.

"Customs work is necessary. Nobody disputes that. The point simply is, can it be done elsewhere than on the wharves as at present? If it can without loss of duties, and not only without increased expense to the service but less expense, is there any good reason why a suggestion to remove the customs work to a better place should not be entertained?

"That substantially is the single idea involved in the foreign-trade zone system. Simply a reform in customs methods. Moreover, the customs work itself will be cheaper and more secure against smuggling.

"I do not dispute the necessity of customs officials' painstaking labor to collect and assess duties, but I say do these things elsewhere than on the wharves, which, from the nature of the case, make the operation very limited and difficult.

"Terminal costs are one of the major factors of ship expense, and delay to the ship is a very serious item in the cost of operation.

"Stripping the system to its bone, all there is to the zone system so far as the tariff is concerned, sampling, etc., are the same now as they are done elsewhere; the duties are the same, but are collected in a different manner. The quicker turn around of the vessel means just so much saved in the interest of the capital investment, which would be a big sum, considering the cost of modern steamers. Likewise, a considerable saving comes from the quicker turn around of the capital invested in the cargo.

"Through a proper arrangement of warehouse and fire-protection system, a very large saving would be effected in insurance as against present practices.

"By the proposed improvement in warehousing and in freedom of operations therein our transshipment or reexport business would be vastly enlarged.

"Experience abroad has shown free ports or free zones become magnets for international trade; they become points for the assembling and distribution of cargoes for use in other countries than our own. Naturally, such centralizing of operation would tend to secure full cargoes for our ships sailing as regular liners from the free zones to the countries with which we trade, and the tendency would work to supply cargoes both ways.

"Such ports become great market places, to which the foreign raw materials needed by our manufacturers would naturally gravitate, and where they would be handy and permit our manufacturers to make their selections in warehouses provided for that purpose in the zone.

"That covers in general, Mr. Chairman, the points I have in mind as to the importance of this legislation with respect to facilitating and expanding our foreign commerce, and incidentally, and of great importance, sustaining and developing our merchant marine.

"Senator FLETCHER. One of the things to be gained by this, Mr. Rosseter, would be the avoidance of congestion, would it not?

"Mr. ROSSETER. That is a very important point. At present a ship arriving at a wharf with partially transshipment cargo, partially free cargo, and partially bonded cargo, does suffer a very considerable delay, notwithstanding the best cooperation on the part of customs officials, whereas if you could have an enlarged area, where all of the cargo of that ship could be dumped out, so to speak, and sorted at leisure, and the ship proceed about her business, that is very desirable.

"Reference has been made during this testimony to the possibility of a ship discharging only the zone cargo within the zone. In other words, to begin the operation, or possibly to begin and terminate the operation of discharge at a wharf without the zone. At the outset that will undoubtedly be the condition, but the real object, the real important thing to attain, is to accomplish so far as possible a complete discharge of the ship within the zone area.

"Mr. DWYER. And also complete loading at the same place. That would be the ideal.

"Mr. ROSSETER. That would be the ideal. That, however, is subject at the outset to limiting factors. For instance, a ship coming in with foreign products will almost invariably to advantage discharge it within the zone, but when it comes to loading the outward cargo it would often be of convenience for the vessel to proceed to a wharf adjacent to the point of origin of such cargo. For instance, to a flour mill for a flour cargo, or to a smelter for smelter products, or to railroad piers occasionally, or railroad terminals for large lines of domestic production, domestic merchandise. Therefore the feature of shipping away from the free zone for the completion of loading is in no sense a disadvantage. It is simply to be measured from the proposition of whether it suits the ship better to load within the zone or to shift to some factory or terminal to complete the loading.

"Senator FLETCHER. What would be your idea, Mr. Rosseter, about the size of these zones? It would depend, I take it, very largely on the amount of commerce to be handled at the port, but in a general way what would you say as to the character of the zone, what it should include and what it should embrace?

"Mr. ROSSETER. It is highly desirable, so far as it can be attained, to have, first, very ample water frontage to provide sufficient berthing for the ships. That alone involves the question very considerably from the standpoint of each locality. According to the number of piers and according to the variety of the transshipment business a zone should, for any effective purpose whatever, be at least 300 acres and up, possibly to 1,000 acres in extent. In Hamburg I believe the area is something like 2,500 acres, if I recall it. The doctor will correct me on that.

"Doctor MACELWEE. Yes; that is right.

"Mr. ROSSETER. And a minimum for this facility at a port of importance would be, I should say, in the neighborhood of 500 acres of land and water. Mr. Dwyer has given the matter much study from that standpoint, and I would like to know at this time whether he would correct my impression.

"Mr. DWYER. I think that is a fair general statement. Of course the size of the zone will depend on the volume of trade in the particular port. A port like New York would need a much larger one than a smaller port.

"Senator LENROOT. From your statement, Mr. Rosseter, I take it that you are firmly convinced that it would strengthen our merchant marine. In addition to that, do you believe it would very substantially increase the trade and commerce of our domestic merchants with reference to foreign trade?

"Mr. ROSSETER. In stating an affirmative to strengthening our merchant marine I would like to add that I believe it is almost an essential to the successful establishment of our merchant marine. It would not only be an advantage but it is an essential.

"To the second question I think it would be of an untold value to our domestic commerce and to all domestic interests of the United States to have such ports presenting, as they do, the opportunity of a free market, you might say, of oriental and other foreign products, notably raw material and foodstuffs.

"As I said in my opening statement, I believe strongly that it would present the greatest advantages to our manufacturers as well as to our merchants.

"Mr. DUNNIGAN. I would like to suggest, Mr. Rosseter, that you give that illustration you gave to the Ways and Means Committee about providing a return cargo for American ships.

"Mr. ROSSETER. That has to do with the importance of return business in our ships. It is known to all of you gentlemen that we have very little difficulty, due to the wonderful position we occupy in the world's commerce, to load our ships outward. The great problem has been to provide homeward cargoes.

"Great Britain for years has enjoyed the very great advantage of having as its leading item of export coal, which runs to a very large tonnage. This has provided the outward cargo for their ships, their problem being the reverse of our situation, they being a very large importing nation, both in raw materials and foodstuffs. So their problem was to supply the outward business for the ships. Our problem is to supply the homeward business for the ship.

"Great Britain is at the moment facing a very serious problem of having lost an outward cargo through the fact that coal is no longer a factor in their export.

"Pre-war conditions showed a normal export of 77,000,000 tons. It is now at a point where it can be conservatively stated that their export is under 20,000,000 tons.

"Senator FLETCHER. Is that on account of their mining difficulties and on account of the lack of labor?

"Mr. ROSSETER. Due, I understand, to the feverish operation conducted during the war, sometimes described as gophering, due to the fact that mines are already approaching great depths, due to the fact that labor conditions with respect to the miners, always very deplorable, as brought out by this investigation, in the pre-war days, are now changed to where the miner has to be considered as a human being, and thus the cost of labor in the production of coal has gone up by leaps and bounds. To-day such coal as is obtainable in Great Britain for ships, for instance, and the facility of obtaining coal is limited to their own ships at present—the cost of bunker coal is now nominally 120 shillings, or $25 a ton. Under pre-war conditions it was about $7.50 a ton.

"Senator SHEPPARD. Mr. Rosseter, has the substitution of oil as a fuel affected the coal problem?

"Mr. ROSSETER. Only so far as our ships are concerned.

"You might be interested to know that in September of 1918 the Shipping Board decided definitely on a plan of constructing all of their ships as oil burners and proceeded to arrange bunker stations throughout the world, bunker stations with American control, so that our ships on long around-the-world voyages would have, first, steaming radius sufficient and stations favorably located whereby the ship could proceed from one American station to another. On the 29th of September we had the note from the British foreign office that, due to the conditions they were facing with respect to coal, they had to establish an order as follows: No bunker coal will be supplied at any home station—meaning in the British Isles—nor at bunker stations in the Atlantic or Mediterranean or the Black Sea to other than British ships, and we beg to express the hope that this will not seriously influence your merchant-marine interests.

"Fortunately at that time we had stations practically all over the world, thanks to a year's foresight, and it did not seriously affect our merchant-marine interests.

"Senator SHEPPARD. The British order was what date?

"Mr. ROSSETER. September 29, 1919.

"Senator SHEPPARD. And your determination to build the oil-burning vessels was September, 1918?

"Mr. ROSSETER. Approved September, 1918, and after a year was just practically coming into effect. At the time we reasoned it out, having experienced the effect of the British bunker license system on trade, that after-war conditions might easily develop a justification for the British to impose some regulations with respect to their bunker stations to which we could not take serious objections, even in times of peace, and it came sooner even than we suspected, inasmuch as it came in September last.

"Senator FLETCHER. I did not mean to interrupt your illustration. You were going on defining the different problems between Great Britain and ourselves and illustrating the point you wanted to reach.

"Mr. ROSSETER. Our conditions being reversed, Great Britain being a large importer and we a large exporter, Great Britain having a fairly balanced commerce through its coal, has now lost that commerce and finds itself at the same point of disadvantage that we are facing, namely, a one-way business.

"We are exporters and have not sufficient cargo for our import business.

"I would take a leaf out of the book of German experience and by this form of legislation endeavor to stimulate our inward business, bringing cargoes to this market place.

"Mr. DWYER. For transshipment purposes?

"Mr. ROSSETER. For transshipment purposes. Not only the developing of our local trade, but offering domestic buyers the advantages which would come from a market within their own territory, but also the very great improvement would stimulate again the transshipment of outward business, offering a larger variety and a greater scope of activity in export business.

"Rice, for instance, which in the pre-war days was grown in Indo-China and in Siam, was sent in patty form to Germany and there hulled and sorted and cleaned and in turn reexported to the entire world. The German ship carried it from Siam to Hamburg and German ships from Hamburg carried it to Central America, to South America, to the United States, and, in fact, to all parts of the world. Thus through their free-zone system they had the double advantage of increasing their inward business and stimulating their export trade.

"Mr. DUNNIGAN. In that illustration you gave about yourself purchasing rice in Hamburg?

"Mr. ROSSETER. Yes; in our business of dealers throughout Latin-American Republics we found it necessary to buy the rice for our own

stores at Hamburg, and our purchases ran as high as 10,000 to 15,000 a month, and notwithstanding that large volume——

"Mr. DWYER. That was oriental rice, too, was it not?

"Mr. ROSSETER. But notwithstanding that large volume, we found it necessary to go to Hamburg and buy rice grown on the opposite shores of the Pacific and which, according to ordinary commerce, would move across the ocean to our market, instead of which it moved through the artificial route of the Suez Canal to Hamburg and from there was distributed by us into the Latin-American markets.

"I mention the quantity to bring to mind the point this was not a disadvantage of dealing in so small a quantity that special ships and entire cargoes could not be used for the direct trans-Pacific movement, but the cost of rice to us was so much lower in Hamburg that it was absolutely essential we go there to supply our requirements.

"Mr. DWYER. Mr. Rosseter, may I ask you in this connection this general question: In your opinion is the United States geographically so situated, with the Atlantic on one side and the Pacific on the other, that it is a natural place for the transshipment and export, say, between Europe and Latin America and between the Orient and Latin America, and for the transshipment trade generally? Does our geographical position give us a natural advantage?

"Mr. ROSSETER. I am thinking so strongly on that point that my trade map pictures the United States in the center of the world rather than on the old theory of the Greenwich meridian. We have to the west the Orient, the great prize in the commerce of the world of trade, which has built the British Empire up into the third place in finance, and art, and trade, and influence in a period of the last 50 years. That is a matter of exchange between the western shores of the United States by direct water communication and the return of our ships from that distant shore.

"We have through the aid of the Panama Canal a bypath to exchange the products of the Atlantic shore with the Orient and the Orient back to the Atlantic.

"We have, then, immediately on the east the Mediterranean. We have to the north the Baltic. We have, of course, always our old markets of Central Europe.

"In fact, as I see the map of the world, we are sitting in the middle with our hands stretched out on both sides and we have just this natural inward and outward motion.

"Mr. DWYER. Do you think the free-zone system would facilitate the taking advantage of these natural facilities to a considerable extent?

"Mr. ROSSETER. I consider it absolutely necessary to fully realize or avail of the natural advantages we enjoy.

"Senator LENROOT. Are freight rates on imports into this country less than the export rates on the same commodities?

"Mr. ROSSETER. That would be a difficult comparison, Mr. LENROOT, and from the fact we practically import nothing that we export—but I understand your question to mean as to the general measure of rates?

"Senator LENROOT. Yes.

"Mr. ROSSETER. Generally speaking, homeward rates to the United States have been in certain trades at the so-called ballast basis. Ships were coming without full cargoes, and in order to get any revenue at all the policy has been to make lower rates homeward than they had to charge outward, because the operation of the ship contemplates a gross revenue for the outward and homeward voyage. Now, if the homeward voyage is only one-third of what is necessary for successful operation, two-thirds must fall on the outward voyage. Those outward rates are higher generally, and have been, than homeward rates.

"Senator LENROOT. Then if we had a free zone would that fact be an advantage to our own merchants to go into the world's market and purchase goods for sale to other countries like South America and Central America, land it in the free zone, and would that fact help them to compete with Europe in selling to that same market?

"Mr. ROSSETER. That would enable them to compete, if I might say it that way. Latin-American trade in many articles of Orient origin is made up largely of small items, the point being that it does not justify direct operation from any one point in the Orient to their own ports. Thus, no trade lines are in existence practically, and no regular trade lines to Latin America from the Orient. We have found it like that. We have found it to advantage to go and buy in carload or 100-ton or 500-ton lots or ton lots in the London market, in the Rotterdam market, or in the Hamburg market.

"I have often used the illustration, showing what we ourselves have done: Although the consumptive market for more than 50 per cent of the rubber of the world prior to the war and now the consumptive market for more than 70 per cent, our manufacturers found it necessary, in order to supply their requirements in rubber, that they should go to Rotterdam and London to buy this rubber, although the rubber had been produced on the distant shores of the Pacific Ocean. Trade influence, the influence of conference, the influence of regular lines had directed all of that commerce from the Orient to English docks or to Rotterdam. Such items as pepper sold in the market of California largely come from London—come through the Suez Canal to London, are landed there, are exported to New York, and from New York have been distributed over the United States. And while we are familiar with pepper usually in the form of a few grains that we find on the breakfast table, in point of fact it runs to a very large tonnage. After my first introduction to the pepper business, following the closing of the Suez Canal and thus handicapping London's business—my first introduction was in an order for 1,000 tons of pepper, which was a very great surprise to me, and possibly it would be to you gentlemen to think it ran to such volume, and that particular transaction moved for the first time across the Pacific Ocean."

This proposition, in one form or another, has been pending for a great many years. In the third session of the Fifty-third Congress Senate bill 1980 was introduced by Senator Chandler and referred to the Committee on Commerce. The RECORD of February 12, 1895, contains the following:

"Mr. VEST. I am instructed by the Committee on Commerce, to whom was referred the bill (S. 1980) authorizing the establishment of a free port at Fort Pond Bay, New York, to report it back with amendments. I am instructed to state that all the members of the committee do not consider themselves obligated to support the bill, but a majority thought it ought to be reported for the consideration of the Senate. I ask that certain exhibits, which are marked, shall be printed and that the bill go to the Calendar.

"The VICE PRESIDENT. The order will be made in the absence of objection."

The print of the Senate Miscellaneous Document No. 101, Fifty-third Congress, third session, containing those exhibits is practically exhausted and for this reason it is incorporated in full in this report:

[Senate Miscellaneous Document No. 101, Fifty-third Congress, third session.]

Mr. Vest, from the Committee on Commerce, presented the following letters from the Treasury Department and other papers relating to S. 1980, for the establishment of a free port at Fort Pond Bay, or elsewhere in the waters of Long Island, in the State of New York:

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, D. C., May 1½, 189½.

SIR: Referring to your letter of the 9th instant, with which was inclosed for an expression of my views thereon copy of House bill 7009, entitled "A bill authorizing the establishment of a free port at Fort Pond Bay, or elsewhere in the waters of Long Island, in the State of New York," I have the honor to state that without expressing any opinion as to the constitutionality of the proposed bill, in consideration of the provisions of the first paragraph of section 8 and the sixth paragraph of section 9, Article I of the Constitution of the United States, I can see no reason why proper regulations could not be prepared and enforced by this department if said bill should become a law.

Respectfully yours,

S. WIKE, *Acting Secretary.*

Hon. GEORGE D. WISE,
Chairman Committee on Interstate and Foreign Commerce,
House of Representatives.

—

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, D. C., May 23, 189½.

SIR: I have the honor to acknowledge receipt of a letter, dated the 21st instant, from your committee, with which was inclosed, with the request that I furnish the committee with such suggestions as may be deemed proper, copy of Senate bill 1980, entitled "A bill authorizing the establishment of a free port at Fort Pond Bay, or elsewhere in the waters of Long Island, in the State of New York," and in reply to say that in response to an inquiry from the chairman of the House Committee on Interstate and Foreign Commerce, who requested my views on a bill identical with that now before your committee, I stated that, without expressing any opinion as to the constitutionality of the proposed bill, in consideration of the provisions of the first paragraph of section 8 and the sixth paragraph of section 9, Article I, of the Constitution of the United States, I could see no reason why proper regulations could not be prepared and enforced by this department if said bill should become a law, and no reason is perceived for a change in the views then expressed.

Respectfully yours,

C. S. HAMLIN, *Acting Secretary.*

Hon. M. W. RANSOM,
Chairman Committee on Commerce, United States Senate.

—

A bill authorizing the establishment of a free port at Fort Pond Bay or elsewhere in the waters of Long Island, in the State of New York.

Be it enacted, etc., That Austin Corbin, Charles M. Pratt, Watson B. Dickerman, George L. Edgell, and their associates, either as partnership proprietors or organized as a corporation under the laws of the State of New York, are hereby authorized to establish and maintain, upon the conditions hereinafter imposed, a free port at Fort Pond Bay or elsewhere in the waters of Long Island, in the State of New York, provided the location shall be approved as suitable by the Secretary of the Treasury.

SEC. 2. That the proprietors aforesaid shall proceed to acquire lands bordering upon the waters constituting the free port which may be selected and shall erect piers and warehouses sufficient for the purposes of said port, and shall surround them by walls within which the loading and unloading of vessels may take place, all in accordance with plans and specifications to be first approved by the Secretary of the Treasury and to be completed under his supervision; and when said port, with its piers, warehouses, and all other suitable facilities, shall have been so completed said Secretary shall announce its completion and said port shall then be open for the admission of all vessels in accordance with the general laws of the United States except as modified by the provisions of this act.

SEC. 3. That the free port when established as aforesaid and opened for the admission of vessels shall be subject as a whole or in suitable subdivisions to be treated as a part of the warehouse system of the United States, and suitable bonds for the proper management of said port or said subdivisions thereof shall be given by the proprietors as now required by law in the case of a bonded warehouse.

SEC. 4. That foreign merchandise may be transshipped from one vessel to another in said port, and upon the piers thereof, upon being suitably inspected, without being entered or specially bonded; or the same may be entered for immediate admission into this country, or the same may be warehoused and bonded and afterwards exported or entered for consumption as provided by existing law. Factories may be maintained within the walls of said free port, and machinery, fuel, and materials may be brought and used therein for the manufacture of products for exportation under such regulations as the Secretary of the Treasury may prescribe.

SEC. 5. That all vessels entering and leaving said free port shall be free from tonnage dues and from entrance and clearance fees, and also from any local harbor master's fees, under State laws; but all charges for dockage and for use for merchandise of piers and warehouses and for all the other facilities afforded to commerce by the proprietors of said free port shall be regulated and controlled by the Secretary of the Treasury.

[New sections 6 and 7 proposed by the Senate committee.]

SEC. 6. That the proprietors aforesaid shall incur the whole expense of opening and of suitably maintaining at all times said port, including the construction of breakwaters, the erection of lights, the dredging of the channel, and all other facilities for commerce that may be deemed necessary by said Secretary of the Treasury.

SEC. 7. That the Secretary of the Treasury, upon due application and under similar circumstances and like conditions, shall allow the establishment of additional free ports in any other suitable places within the jurisdiction of the United States, and the proprietors of such ports shall be entitled to all the powers and privileges and be subject to all the responsibilities provided by this act in connection with the free port in this act provided for.

[Senate Miscellaneous Document No. 170, 53d Cong., 2d sess.]

Papers presented to the Senate in connection with Senate bill No. 1980, introduced by Senator Chandler on April 30, 1894, for the establishment of a free port at Fort Pond Bay, or elsewhere in the waters of Long Island, in the State of New York.

(1) A memorandum dated April 16, 1894, concerning the European free-port system, prepared by Mr. A. K. Tingle.
(2) Letter dated April 23, 1894, from E. Rosewater, Esq., editor of the Omaha Bee, advocating the experiment of a free port in the United States.
(3) A description of Fort Pond Bay.
(4) A copy of the proposed bill (Senate bill No. 1980).

—

[Memorandum concerning the European free-port system, prepared by Mr. A. K. Tingle at the request of Senator Chandler.]

THE FREE PORTS OF GERMANY.

The free ports of Germany are part of the warehouse system of that country. There are three kinds of warehouses: The general warehouse, the limited, and the free, the latter being located within the territory of the free ports, which are surrounded by walls, within which the lading and unlading of vessels take place. Goods may remain within these warehouses for five years, at the end of which period they must be either exported or entered for consumption. These warehouses are the property of either the State, corporations, or private individuals, and the charges in all of them are regulated by the Government. Vessels entering these ports are exempt from all tonnage dues and other Government charges, and are treated in all respects, so far as Government tax is concerned, as if they were in foreign territory. The principal free ports of Germany are located at Hamburg and Bremen, and consist of certain inclosed territory, including docks and warehouses into which vessels from foreign ports are admitted, discharged, and laden, free from all duties and Government charges, and without the formalities and expenses incident to the entry of foreign merchandise at places outside of these ports. Vessels are subject to moderate wharfage charges for dockage, and merchandise placed in warehouse to charges for storage. Warehouse receipts are issued to facilitate the transfer or hypothecation of such merchandise.

THE FREE PORTS AND DOCKS OF HAMBURG.

These extend over a large area, and the commerce served by them employs annually 8,000 ocean vessels, 6,000 of them being steamers, and more than 12,000 ships and smaller craft plying upon the Upper Elbe.

The enormous commerce of Hamburg has been developed, without doubt, to a great extent by the free-port system.

The free port of Bremen is not so extensive as that of Hamburg, but is ample for all requirements and is conducted upon the same general plan.

THE COPENHAGEN FREE PORT.

The Copenhagen free port, recently established, is situated on the northern extremity of the present harbor of Copenhagen. Its entrance from the sound is 300 feet in width and is protected by piers and breakwaters. It has more than 50 acres of water area, from 24 to 30 feet deep, surrounded by 12,000 feet of wharves or quays, with warehouses and all modern appliances for loading and unloading vessels. These wharves are also connected with railways for shipment to interior points. There is a large area of land within the inclosure, and all the inclosed space is exempt from taxation. Ground in close proximity to the wharves is available at a moderate rental for the erection of manufactories and other industrial establishments. Building materials for the erection of such establishments and machinery necessary for their equipment may be imported free of duty.

The principal objects aimed at by the establishment of this free port are:

First. To facilitate and develop such transit trade as already exists in Copenhagen by reducing to a minimum all loading and discharging expenses and by removing those trammels to trade inseparably connected with the collection of duties and the interference of customs officers.

Second. To assist such industries as have a chance of thriving there to compete in neutral markets, by allowing the erection of works and the carrying on of manufactures within the limits of the free port, thereby saving all unnecessary trouble and loss of time and expense in first clearing the raw materials liable to duty, advantages likely to surpass those offered by the Danish drawback system, which, even if administered with the utmost fairness, never entirely compensates for the import duty on raw materials, since waste, breakage, etc., during manufacture are not taken into account.

Under the warehousing laws of the United States foreign merchandise imported may be placed in bonded warehouse and remain there for three years, when it must be entered for consumption or exported. If not so entered it is regarded as abandoned by the owner and is sold by the Government to pay duties and charges.

All such merchandise must on arrival be entered at the customhouse and bond be given in double the amount of the duties thereon. It must be examined, appraised, weighed, gauged, or measured by the proper officials, and must be under the constant surveillance of a Government storekeeper, whose compensation is reimbursed by the proprietor of the warehouse, thus adding to the cost of storage. Foreign vessels bringing such merchandise are subject to a duty upon their tonnage capacity of 3 cents per ton if coming from certain foreign ports of America, and of 6 cents per ton if coming from other ports. Such duty, however, can not be collected from any vessel more than five times in any one year at these rates, and if any vessel shall become liable to both rates, not more than 30 cents per ton shall be collected in any one year. This amounts to a tax upon steamers of regular lines of $2,000 to $3,000 per annum. In addition, such vessels must pay regular entrance and clearance fees and port charges.

Our warehousing laws also permit the establishment of manufacturing warehouses, into which foreign goods in bond and domestic spirits subject to internal revenue may be transferred for the purpose of manufacture and export free from duty or tax. This privilege is now limited to materials used in the manufacture of medicines, preparations, compositions, extracts, cordials, and liquors, and crude metals or ores to be refined. The manufactured product can in no case be withdrawn except for export. These warehouses are also under the constant custody and oversight of customs officers, whose compensation is a charge against the proprietor.

A section of the pending tariff bill proposes to extend the privilege of manufacture in bond to all articles made in whole or in part of foreign materials, such materials to be exempt from duty or tax. This would greatly enlarge the system.

Our drawback laws encourage and promote the exportation of manufactured articles by the repayment to the exporter of the duties originally paid upon the foreign materials used in such manufactures, less 1 per cent of such duties. There is, however, involved in this drawback method not only the trouble and expense incident to the original entry of the materials for manufacture and the loss of interest on the duties paid, but the entry for export with benefit of drawback is attended with much detail and expense, so that, taking into account the retention of 1 per cent by the Government and the costs of original entry, interest, and final entry for drawback, the net amount received by the exporter falls considerably short of the duties paid on the imported materials used.

The advantages of the European free-port system over our warehouse and drawback methods may be summed up as follows:

First. The exemption of importing vessels from all fees, tonnage dues, and port charges.

Second. The absolute freedom of exchange of commodities within the limits of the free port by the exemption of all merchandise imported therein from duties or tax of any kind and the saving of brokers' charges, as well as the trouble and annoyance of making entry at the customhouse.

Third. Reduction of expenses for wharfage, storage, and labor by means of improved facilities of loading and unloading vessels and handling merchandise, all such costs being reduced to a minimum.

Fourth. Under the Copenhagen plan the privilege of erecting factories within the limits of the free port upon land granted at a nominal rental, building materials to be admitted free, including equipment machinery, the product of such factories made of materials thus exempt from duty to be exported, or if entered for consumption to pay duty at the rates prescribed for such manufactured articles.

APRIL 16, 1894.

—

[The Omaha Bee, editorial department, E. Rosewater, editor.]

OMAHA, *April 23, 1894.*

MY DEAR SENATOR: Responding to your inquiry about free ports and my views as to the feasibility of establishing such ports at several of our seaboard cities, I herewith submit a summary of my observations abroad and conclusions reached therefrom.

While sojourning a few days at Hamburg during the summer of 1891 my attention was called to the phenomenal growth of that city and the marked increase of traffic since the establishment of its free harbor. Availing myself of the assistance of the United States consul, I made a thorough inspection of the docks, depots, warehouses, and elevators, which constitute what might be called an international clearing house.

As you are doubtless aware, Hamburg had been a free city until 1881, 10 years after its annexation to the German Empire after the Franco-Prussian War. The commerce of Hamburg being for the most part international, any attempt to make it a customs port seriously interfered with the handling and rehandling of commodities and products that were to be reshipped to all parts of the world from Hamburg. To overcome these obstacles to free commercial exchange a tract of land with an area of nearly 4,000 acres adjacent to the River Elbe was set apart for a free harbor. The city of Hamburg expended $0,000,000 marks and the German Government donated 40,000,000 marks for deepening the channel of the Elbe and the construction of the canals that created several artificial islands, upon which international commerce is conducted without customs interference. Within the area surrounded by the river and canals colossal warehouses and elevators have been erected by a syndicate of Hamburg capitalists upon the condition of their reversion to the city of Hamburg at the end of 25 years from their completion in 1888. The magnificent quay, extending over 7 miles, forms the most important part of the harbor. There are, in all, 11 separate harbors in the free-port district, including the petroleum harbor, where the Standard Oil Co., of this country, has extensive warehouses and oil tanks. There are also shipyards, in which sailing vessels and steamships are constructed and fitted out.

The following facts as to the establishment of the Hamburg free harbor suffice to show the benefits derived therefrom: Within five years after its establishment the population of Hamburg had increased over 200,000; during the year ending July 1, 1891, more than 16,000 vessels, including 6,000 steamships, passed in and out of Hamburg. These steamers hailed from every country on the globe. I was informed, for instance, that the bulk of all Brazilian coffee destined for the United States is first shipped to Hamburg and then rehandled in the free harbor. The bulk of all the African colonial products destined for Europe and America is redistributed by the commission houses of Hamburg.

Of course, all commodities and products destined for Germany or the city of Hamburg proper are subject to customs duty the same as if they were unloaded at any other German port.

The merchants engaged in international traffic upon the free harbor assured me that the margin upon which they do business is so small that it would be impossible to maintain this traffic in competition with Great Britain and other countries if they were hampered by customs inspection and even the most trivial customs charge. The charge for storage and commission is very low, but owing to the enormous bulk of business done it has been found to be profitable.

It goes without saying that all persons employed at the free harbor reside in the city of Hamburg proper and therefore are part of its population.

So forcibly was I impressed with this free port that upon my return to America, in the fall of 1891, I brought with me plans of the Hamburg Harbor and the buildings in it. These were presented to Secretary Foster, who expressed himself as decidedly in favor of the establishment of free ports in America.

Incidentally, it would seem to me both practical and desirable to extend the privilege of manufacturing within the domain of the free harbor from raw materials imported into the country and exporting the goods there manufactured to foreign countries. Such a policy would enable us to give employment to our own workmen and compete with the free-trade countries by supplying the markets of the world with articles of American manufacture.

Yours, very respectfully,

E. ROSEWATER.

HON. WM. E. CHANDLER,
United States Senator, Washington, D. C.

FORT POND BAY.

Fort Pond Bay is a deep harbor on the north side of Long Island, about 6 miles from Montauk Point, which is the easterly extremity of the island. It is 125 miles from New York City, and in case it is a free port it will be reached by land by the Long Island Railroad, which now extends to within a short distance from the bay. The bay measures about 1 square mile, and is well sheltered from storms, being open only from the northeast around to the northwest. Its shores are composed of coarse sand and gravel, and the bottom of the bay has about 3 feet of mud overlying hard sand. It can be reached from the ocean by the channel between Montauk Point and Block Island, which is 14 miles wide with a maximum depth of 14 fathoms. It may also be reached by the channel between Block Island and Point Judith, R. I., which is 10 miles in width and has a maximum depth of 22 fathoms.

The surveys of Fort Pond Bay by the United States Government are described in the annual reports of the Chief of Engineers of the Army for 1888, part 1, pages 739–741, and for 1893, part 1, pages 1077–1082, and the account for the latter year is also printed as House Executive Document No. 110, of the Fifty-second Congress, second session.

The merits of Fort Pond Bay have been hitherto put forward in connection with a special project for a line of fast trans-Atlantic steamers from Montauk Point to Milford Haven, England; but the scheme has been opposed by the existing steamship companies, who prefer to deliver all their passengers and freight at New York City. Under these conditions the engineers have not advised the improvement of the harbor at Government expense.

The present plan for a free port at Fort Pond Bay is advocated, not in the interest of any new line of fast steamers but with a view to affording its facilities to all the existing steamship lines and to foreign and domestic vessels of all kinds, and to give to the State of New York and the whole country the great advantages of many kinds to be derived from the establishment of a free port.

"A bill authorizing the establishment of a free port at Fort Pond Bay or elsewhere in the waters of Long Island, in the State of New York.

"*Be it enacted, etc.*, That Austin Corbin, Charles M. Pratt, Watson B. Dickerman, George E. Edgell, and their associates, either as partnership proprietors or organized as a corporation under the laws of the State of New York, are hereby authorized to establish and maintain, upon the conditions hereinafter imposed, a free port at Fort Pond Bay or elsewhere in the waters of Long Island, in the State of New York, provided the location shall be approved as suitable by the Secretary of the Treasury.

"SEC. 2. The proprietors aforesaid shall proceed to acquire lands bordering upon the waters constituting the free port which may be selected, and shall erect piers and warehouses sufficient for the purposes of such port and shall surround them by walls within which the loading and unloading of vessels may take place; all in accordance with plans and specifications to be first approved by the Secretary of the Treasury and to be completed under his supervision; and when said port with its piers, warehouses, and all other suitable facilities shall have been so completed said Secretary shall announce its completion, and said port shall then be open for the admission of all vessels in accordance with the general laws of the United States, except as modified by the provisions of this act.

"SEC. 3. The free port, when established as aforesaid and opened for the admission of vessels, shall be subject as a whole or in suitable subdivisions to be treated as a part of the warehouse system of the United States, and suitable bonds for the proper management of said port or said subdivisions thereof shall be given by the proprietors as now required by law in the case of a bonded warehouse.

"SEC. 4. Foreign merchandise may be transshipped from one vessel to another in said port and upon the piers thereof upon being suitably inspected without being entered or specially bonded; or the same may be entered for immediate admission into this country, or the same may be warehoused and bonded and afterwards exported or entered for consumption, as provided by existing law. Factories may be maintained within the walls of said free port, and machinery, fuel, and materials may be brought and used therein for the manufacture of products for exportation under such regulations as the Secretary of the Treasury may prescribe.

"SEC. 5. All vessels entering and leaving said free port shall be free from tonnage dues and from entrance and clearance fees; and also from any local harbormaster's fees under State laws, but all charges for dockage and for the use for merchandise of piers and warehouses and for all the other facilities afforded to commerce by the proprietors of said free port shall be regulated and controlled by the Secretary of the Treasury."

The Secretary of Commerce, in commenting on this bill, under date of May 25, 1921, says:

"The general purpose of the bill is, of course, admirable and vitally necessary if we are to develop our foreign commerce."

The Secretary of the Treasury, in commenting on this bill, under date of May 18, 1921, says:

"The main purpose of the bill is to encourage foreign trade by providing a simple and ready means for the reexportation of foreign goods brought to the United States and for combining such foreign goods as deemed necessary with domestic products prior to their export from this country. Under the system proposed, articles of merchandise may be imported into the free zone without customs supervision and without the payment of duty, and may be there mixed, blended, repacked, manufactured, and reshipped without the intervention of customs officials.

"The plan proposed will not eliminate either the bonded warehouse or the drawback system, although it will, if adopted, necessarily lead to a considerable reduction in their value, for while the bonded warehouse, the bonded manufacturing warehouse, and the drawback law serve most useful purposes, they are not entirely adequate to meet the needs of a nation having a great foreign commerce."

Section 1 defines the terms used.

Section 2 authorizes the Secretary of Commerce to grant public corporations the privilege of establishing, operating, and maintaining foreign trade zones, ordinarily but one to a port. A public corporation as defined in section 1 is "a State, a legal subdivision thereof, or a municipality, or a lawfully authorized public agency of a State or a municipality."

Section 3 provides for admission of foreign and domestic merchandise to zones duty free and for the manipulation of goods so admitted. Manufacturing in the zone is not authorized. Foreign merchandise must pay the regular duty when brought into the country from the zone.

Section 4 requires the Secretary of the Treasury to assign to zones necessary customs employees to protect the revenue.

Section 5 places vessels entering or leaving the zone under the usual legal restrictions.

Section 6 specifies what shall be stated in applications for the creation of zones with respect to location and qualifications of the area in which it is proposed to establish a zone, the facilities and appurtenances which it is proposed to provide, the time within which construction will be commenced and completed, the proposed method of financing, and such other information as the Secretary of Commerce may require.

Section 7 provides for an appeal to a board consisting of the Secretary of Commerce, the Secretary of the Treasury, and the Secretary of War, where the Secretary of Commerce refuses the grant.

Section 8 requires the Secretary of Commerce to prescribe rules and regulations for carrying out the act.

Section 9 requires the Secretary of Commerce to cooperate with various governmental agencies in the exercising of police, sanitary, and other powers in connection with the free zone.

Section 10 authorizes the President to require other governmental departments to cooperate with the Secretary of State in connection with foreign trade zones, including the temporary detail of officers and employees.

Section 11 authorizes an agreement between the grantee and the department or officer of the United States having control with respect to the title or right of user of any Federal property included in a zone.

Section 12 provides that each grantee shall provide adequate terminal facilities, transportation connections, fueling, light and power facilities, water and sewer mains, quarters, and facilities for governmental employees of any character whose duties require their presence within the zone, inclosures to permit segregations of merchandise and such other facilities as may be required by the Secretaries of Commerce, War, and the Treasury acting jointly.

Section 13 authorizes the erection of structures by private parties in zones with certain restrictions.

Section 14 provides that each zone shall be operated as a public utility, for fair and reasonable rates and charges, and that the grantee shall afford uniform treatment to all applicants for use of the zone.

Section 15 precludes residence within the zone of any person other than governmental employees deemed necessary by the Secretary of Commerce; that rules and regulations concerning the protection of the revenue shall be approved by the Secretary of the Treasury; that certain goods may be excluded, and that no retail trade shall be conducted except under permits, any goods so sold being required to be brought into the zone from customs territory.

Section 16 provides that the form and manner of keeping the accounts of each zone shall be prescribed by the Secretary of Commerce; that annual reports shall be made to him; and that he shall make reports to Congress.

Section 17 prohibits the transference of a grant for a zone.

Section 18 authorizes the revocation of a grant in the event of repeated violations of the act by the grantee, and prescribes the course of conduct in such matters.

Section 19 would impose a fine of not more than $1,000 for each violation of this act or of any regulation made under it by the Secretary of Commerce.

Section 20 contains the usual language with respect to validity.

Section 21 reserves the right to alter, amend, or repeal the act.

The establishment of these foreign trade zones is permissive. No port is required to establish a zone. The United States incurs no obligation and is put to no expense other than what may be necessary in the proper enforcement of the customs laws and in supervising and facilitating the business of the zone when it is established and ready to operate.

The establishment of foreign trade zones—

Will not affect the principle or policy of protection to American industry and labor;

Will aid in better carrying out that policy;

Will encourage the investment of American capital in new industries;

Will employ American labor in work and enterprise now carried on in foreign countries;

Will develop American business in foreign markets and foreign trades;

Will build up centers in the United States for the distribution of merchandise throughout the world;

Will simplify, facilitate, and cheapen the handling of exports and imports;

Will establish great transshipment points in the United States;

Will expedite the loading and unloading of ships;

Will aid in securing return cargoes for American ships; and

Will aid in the development and maintenance of an American merchant marine.

Mr. McCUMBER. I request that the provision just adopted be put on page 286 as section 322.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KELLOGG. Mr. President, I desire to offer four amendments to this bill, two of them striking out certain sections and two of them inserting the sections stricken out in the free list, and when I am through explaining them, I shall ask that they be voted upon as one amendment.

On page 93 of the bill, lines 3, 4, and 5, I move to strike out paragraph 405, in the following words:

Paving posts, railroad ties, and telephone, trolley, electric-light, and telegraph poles of cedar or other woods, 10 per cent ad valorem.

On lines 10 and 11, I move to strike out paragraph 407 in the following words:

Pickets, palings, hoops, and staves of wood of all kinds, 10 per cent ad valorem.

I am not going to take 15 minutes to explain this amendment to the Senate. I do not know of anybody who wants a duty on these articles. There is undoubtedly greater demand in this country than can be filled at a reasonable price for every one of them, and the use of this small timber is destroying our forests.

I simply want to quote from a Mr. Lane, who stated that he represented 60 to 70 per cent of the producers of these articles. He said:

As I say, my information is that these people who sign this petition actually produce between 60 and 70 per cent of the poles produced in this country. They would be interested in obtaining protection if any were wanted. But the fact is cedar poles are so scarce that the interests want poles primarily. They have a market for everything they can get, whether in this country or in Canada.

With railroad ties going to abnormal prices and fence posts and poles of all kinds doing likewise, I take it for granted the Senate does not wish to destroy our forests by placing a duty on these articles. I ask that my four amendments be voted on together.

The PRESIDENT pro tempore. The Secretary will state the four amendments which the Senator from Minnesota has presented.

The READING CLERK. On page 93, the Senator moves to strike out lines 3, 4, and 5, which read:

PAR. 405. Paving posts, railroad ties, and telephone, trolley, electric-light, and telegraph poles, of cedar or other woods, 10 per cent ad valorem.

And to insert a new paragraph, on page 239 of the bill, as follows:

PAR. 1683b. Paving posts, railroad ties, and telephone, trolley, electric-light, and telegraph poles, of cedar or other woods.

Also, on page 93, to strike out lines 10 and 11, which read:

PAR. 407. Pickets, palings, hoops, and staves, of wood of all kinds, 10 per cent ad valorem.

And, on page 239, after line 23, to insert:

PAR. 1683c. Pickets, palings, hoops, and staves, of wood of all kinds.

The PRESIDENT pro tempore. The Senator from Minnesota asks unanimous consent that these four amendments may be considered and voted upon as one amendment. Is there objection? The Chair hears no objection.

Mr. McCUMBER. Mr. President, I desire to say, in response to the argument of the Senator from Minnesota, that I do not think these duties are required at all from the standpoint of protection. The committee did not so consider. It is, moreover, simply throwing away a revenue of $50,000.

As to whether that revenue is paid in a higher price for these posts and poles, I can not say definitely. I doubt very much if it affects the price at all; but I wanted it to be considered purely as a question of revenue, not as a question of protection.

Mr. JONES of Washington. Mr. President, naturally our State would be considerably interested in this matter, but all I have had in the way of communications from anyone in that State with reference to it has been an objection to the ad valorem rate of 10 per cent. They have sought to have that changed, if there is to be a duty, to a specific rate.

Mr. Lane, to whom the Senator from Minnesota referred, saw me yesterday, and he claims to represent practically all of the people who are interested in this matter in the various Western States. He said to me that those people preferred to have the articles on the free list, even preferring that to a specific duty. So I am not going to oppose the amendments of the Senator from Minnesota. I am inclined to think they are good amendments, unless from the standpoint mentioned by the chairman, that we ought to have the duties for revenue purposes; and if we do have a duty, I believe it ought to be specific rather than ad valorem, because the people interested point out that there are many vexatious questions arising, delays, and all that sort of thing, which would make it much better if we had a specific duty, if we are to have any duty at all.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the Senator from Minnesota [Mr. KELLOGG].

The amendment was agreed to.

Mr. KELLOGG. Mr. President, I wish to offer one other amendment, and then I shall be through. I think the Senator from Washington is interested in this, but I am not sure whether he agrees to it or not.

On page 91, I move to strike out all of paragraph 402.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The READING CLERK. On page 91, the Senator from Minnesota moves to strike out paragraph 402, which reads:

Logs of fir, spruce, and western hemlock, $1 per thousand feet board measure.

And to insert on page 239 the following as a separate paragraph:

PAR. 1683d. Logs of fir, spruce, cedar, and western hemlock.

Mr. JONES of Washington. Mr. President, I am opposed to that amendment.

Mr. KELLOGG. I will explain it. The amendment is to strike out all of paragraph 402 of the bill, which imposes a duty of $1 per thousand feet board measure on logs of fir, spruce, cedar, or western hemlock, and another amendment to place logs of fir, spruce, cedar, and western hemlock on the free list. Of course, under the reciprocal agreements—and the Senator from Washington will correct me if I am not correct—there is not now a duty, but a duty could be imposed if Canada should impose one on our products. I may be mistaken as to that.

By a very decisive vote the Senate placed shingles on the free list, and I assume that no manufacturer of shingles wants logs on the dutiable list when shingles are on the free list. As to the other logs, it seems to me that the same argument I have made before applies to them. I can not understand why the raw materials for manufacture, logs, coming from Canada into this country should bear a duty.

I do not believe in the policy of destroying our forests anywhere in the country by imposing a duty against foreign lumber or foreign logs in their natural state, and for that reason I ask to have the amendments adopted.

The PRESIDENT pro tempore. Does the Senator from Minnesota ask that the two amendments be combined?

Mr. KELLOGG. I ask that they be voted on together, because one is striking out the provision and the other is putting the articles on the free list.

The PRESIDENT pro tempore. The Senator asks that the two amendments which he has proposed shall be considered as one amendment and voted upon at the same time. Is there objection? The Chair hears none, and it is so ordered.

Mr. JONES of Washington. Mr. President, I do not think the Senate ought to adopt this amendment. The Finance Committee has thought there should be no further change made in this than has been made. This is a House provision. I want to call attention to the fact that under this provision itself there is no duty on these logs unless certain duties shall be imposed or certain acts shall be taken by Canada.

There was a reason for that provision. There is a custom or practice in British Columbia of dumping the logs of British Columbia on our markets and using the orders in council, and the methods of procedure which British Columbia has to depress our market, allowing logs to come in and be exported free if it suits their purpose, or putting an embargo or an export duty on if that suits their purpose. It was to meet that situation that the language of this bill was made as it is.

These logs can come in free under this proviso:

Provided, That any such logs cut from any particular class of lands shall be exempt from such duty if imported from any country, dependency, province, or other subdivision of government which has at no time during the 12 months immediately preceding their importation into the United States maintained any embargo, prohibition, or other restriction (whether by law, order, regulation, contractual relation or otherwise, directly or indirectly) upon the exportation of such logs from such country, dependency, province, or other subdivision of government, if cut from such class of lands.

I am not going to discuss the question the Senator has just raised. He has expressed his opinion with reference to the advisability of taking the duty off in the interest of conservation. I have an opinion which does not agree with his, but I am not going to take the time to try to impress that opinion upon the Senate. I am probably as strongly of my opinion as the Senator from Minnesota is of his. His opinion may be entitled to greater weight than mine. Nevertheless I have mine. I think this ought to be left as it is.

The Senator referred to the fact that cedar logs ought to be on the free list because shingles are on the free list. I would have no objection to putting cedar logs on the free list because shingles are on the free list, but there are other logs covered in this paragraph besides cedar logs, and shingles are not made out of the other logs—spruce, hemlock, fir, and so forth—and they should be left as they are here.

Therefore on the whole I think this provision should be left as the House passed it, and the Senate Finance Committee has approved it.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the Senator from Minnesota [Mr. KELLOGG].

Mr. KELLOGG. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. EDGE (when his name was called). I have a general pair with the senior Senator from Oklahoma [Mr. OWEN]. I transfer that pair to the junior Senator from Vermont [Mr. PAGE] and vote "nay." I will let this announcement stand for the day.

Mr. HALE (when his name was called). I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Maryland [Mr. WELLER] and vote "nay."

Mr. McCUMBER (when his name was called). I have a general pair with the junior Senator from Utah [Mr. KING]. I transfer that pair to the junior Senator from Washington [Mr. POINDEXTER]. This notice of transfer may stand on all votes during this calendar day. I vote "nay."

Mr. POMERENE (when his name was called). Again announcing my pair with my colleague [Mr. WILLIS], I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "yea." I desire to state that my colleague [Mr. WILLIS] is detained because of serious illness in his family. I make this announcement for the day.

Mr. TRAMMELL (when his name was called). I transfer my pair with the senior Senator from Rhode Island [Mr. COLT] to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. WATSON of Georgia (when his name was called). I have a general pair with the Senator from California [Mr. JOHNSON], who, if present, would vote "nay." If free to vote, I would vote "yea."

The roll call was concluded.

Mr. ERNST. I transfer my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from North Dakota [Mr. LADD] and vote "nay."

Mr. JONES of New Mexico. I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Nevada [Mr. PITTMAN]. I ask that this notice of transfer may stand for the day. I vote "yea."

Mr. HARRISON. Transferring my pair with the junior Senator from West Virginia [Mr. ELKINS] to the junior Senator from Rhode Island [Mr. GERRY], I vote "yea."

Mr. WALSH of Montana (after having voted in the affirmative). I inquire if the senior Senator from New Jersey [Mr. FRELINGHUYSEN] has voted.

The PRESIDENT pro tempore. That Senator has not voted.

Mr. WALSH of Montana. I am paired with that Senator, who is absent. Being unable to obtain a transfer, I withdraw my vote.

Mr. CURTIS. I wish to announce the following general pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from Minnesota [Mr. NELSON] with the Senator from Massachusetts [Mr. WALSH];

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from Missouri [Mr. SPENCER] with the Senator from Georgia [Mr. HARRIS]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

The result was announced—yeas 28, nays 26, as follows:

YEAS—28.

Ashurst	Jones, N. Mex.	Norbeck	Robinson
Borah	Kellogg	Overman	Sheppard
Capper	Kendrick	Phipps	Simmons
Cummins	McKellar	Pomerene	Smith
Dial	Moses	Rawson	Swanson
Harrison	Myers	Reed, Mo.	Trammell
Heflin	New	Reed, Pa.	Underwood

NAYS—26.

Ball	Ernst	McLean	Smoot
Broussard	Gooding	McNary	Stanfield
Bursum	Hale	Nicholson	Sterling
Calder	Harreld	Oddie	Sutherland
Cameron	Jones, Wash.	Pepper	Wadsworth
Curtis	Lodge	Ransdell	
Edge	McCumber	Shortridge	

NOT VOTING—42.

Brandegee	Gerry	McKinley	Townsend
Caraway	Glass	Nelson	Walsh, Mass.
Colt	Harris	Newberry	Walsh, Mont.
Culberson	Hitchcock	Norris	Warren
Dillingham	Johnson	Owen	Watson, Ga.
du Pont	Keyes	Page	Watson, Ind.
Elkins	King	Pittman	Weller
Fernald	Ladd	Poindexter	Williams
Fletcher	La Follette	Shields	Willis
France	Lenroot	Spencer	
Frelinghuysen	McCormick	Stanley	

So Mr. KELLOGG's amendment was agreed to.

Mr. HARRELD. Mr. President, I desire at this time to offer my amendment.

The PRESIDENT pro tempore. The Secretary will report the amendment proposed by the Senator from Oklahoma.

The READING CLERK. On page 229, line 6, strike out "crude, fuel, or." Page 23, after line 20, insert the following new paragraph:

PAR. 54n. Oils, mineral: Petroleum, crude, 35 cents per barrel of 42 gallons; fuel oil, 25 cents per barrel of 42 gallons.

Mr. HEFLIN. Mr. President, I trust that this amendment will not prevail. It simply means to tax every consumer of illuminating gas and gasoline in the country. It would impose a tax upon every farmer in the South and West and everybody else who uses in the home a gasoline stove. It would tax every grain grower in the West who uses a gasoline engine in threshing his wheat and his oats and for other purposes about the farm. It would impose a tax upon every cotton and grain farmer in the country who uses a tractor plow or auto truck operated by gasoline. It would impose a tax upon every man and woman in the country who uses gasoline in operating an automobile.

Mr. President, this amendment is utterly inexcusable and indefensible. Why should the American consumer be taxed 25 cents a barrel on this oil when our people are now exporting 3,000,000,000 gallons a year and selling it in the Old World markets in competition with the oils of foreign countries? What reason or justification is there, Mr. President, for holding up the already overburdened and hard-pressed masses of the United States and filching from their pockets money with which to increase the profits of the oil magnates of the United States?

Mr. President, I hold in my hand editorials from many of the great dailies of the country opposing this proposed tariff tax. I want to read part of an editorial from the Washington Times, as follows:

If there is one thing that ought not to have protection, it is the oil that the Lord created and put in the ground millions of years before there were any human beings here.

His divine industry certainly does not need protection. And the little man with his little car, the farmer with his gas engine, certainly do need protection from the oil crowd that tried to build a fence around outside supplies.

Here is another one from the New York Herald:

CHAIRMAN FORDNEY'S OIL DAM.

The American people know that for several years they have heard warnings from all sides that this country's oil supply is in danger of running dry. They know that the best engineering genius and the biggest statesmanship in the country have been patriotically contending that the welfare of the Nation demands that foreign consumers should not be permitted to drain us of our reserves while refusing to let us have our reasonable share of theirs.

The American people know that the Secretary of Commerce is deeply concerned over this grave national question. They know that the Secretary of State is vigorously insisting with great powers that this Nation have its rights to oil land grants in foreign territories recognized along with those European nations that claim exclusive first mortgages on them. They know that the President of the United States is contesting to the limit this deadly dangerous discrimination against us in foreign fields.

The American people know that every barrel of oil brought into this country is as good as a barrel of oil saved of our own home supply, and for that reason the foreign oil must not be shut out.

That simply means, Mr. President, that every barrel that comes in saves a barrel of our home supply for use at some future time.

Now, Mr. President, this morning I asked the Senator from Oklahoma [Mr. HARRELD], who is himself interested in the oil business and who will himself be benefited financially by the tax that he seeks by his amendment to have imposed upon the American people, if he thought it proper for him to participate in the settlement of this question. I do not believe that any Senator should use his position and power, which are given to him by a sovereign State to safeguard its interests and the welfare of the whole people, to vote money out of the pockets of other people into his own. The Senator from Oklahoma is part owner in a great oil well which is called the Homa-Okla.

That well gives out every day 8,000 barrels of oil. The Senator from Oklahoma asks the Congress solemnly to vote a 25-cent tax out of the pockets of the American people on every one of the 8,000 barrels of oil which flow daily from that well. That is what the proposition means. We all know that when taxes are imposed on the imports of oil into this country the price of oil and gasoline will be increased. Who pays that price, if you please? Every consumer of oil and gasoline in the country pays it; nobody else but the consumers pay it. When Senators vote to-day to impose a tax upon these everyday necessities they vote to take that tax directly out of the pockets of the American consumer. There is no way around it, Mr. President.

I recall some time back when there was another tariff bill under consideration in this body, before I became a Member of it, the senior Senator from Wisconsin [Mr. LA FOLLETTE] rose in his place in this Chamber and said to the Senate that he was interested in zinc and some other kind of ore, which were produced by a mine in Wisconsin, and that he would be benefited by the tax which was being sought, and that he felt he ought not in any way to use his position to place that tax on the statute books in order to put money in his pocket. He therefore declined to vote upon that question.

I have raised that question with the Senator from Oklahoma. I do not think the Senator from Oklahoma ought to vote upon this question. Mr. President, the oil question vitally affects practically every home in America. I want Senators to think to-day as we come to pass upon this question of the millions of men and women out yonder who have no voice in this Chamber except as some of us undertake to speak for them. I think that Congress will do well, amidst all the strife and unrest that we see about us on every hand, to go upon record saying to the consumers of oil in various forms, "We do not intend that Senators who are directly interested financially in great oil wells, in great oil products, shall secure the passage by the Senate of the American people of a proposition that increases their profits." This is a serious question, Mr. President.

Mr. HARRELD. Mr. President——

The PRESIDING OFFICER (Mr. McNARY in the chair). Does the Senator from Alabama yield to the Senator from Oklahoma?

Mr. HEFLIN. I yield to the Senator.

Mr. HARRELD. Mr. President, I should like to ask the Senator a question. I presume he was in the Chamber this morning when I began my speech and heard what I had to say about my interest in oil.

Mr. HEFLIN. I did not hear the first part of the Senator's speech.

Mr. HARRELD. I explained at that time my interest in this proposition, and I also explained that the interest was so very small as compared to the general public interest that I did not think I was disqualified.

Now I should like to ask the Senator if, in the last analysis, his contention does not come down to this: That if a Member of the Senate buys gasoline in the open market to run his car he is disqualified from voting? According to the Senator's argument he would be, would he not?

Mr. HEFLIN. Not at all.

Mr. HARRELD. Why would he not? He is interested, certainly. That is the logical conclusion from the Senator's argument.

Mr. HEFLIN. That is a ridiculous, infinitesimal proposition as compared to this.

Mr. HARRELD. So is my interest infinitesimal as compared to the public's interest in this matter.

Mr. HEFLIN. Since the Senator has raised the question, I want to ask him if he has not received one payment of a dividend or some sort of a settlement from one oil concern amounting to $250,000?

Mr. HARRELD. No; I have not.

Mr. HEFLIN. How much did the Senator get out of a settlement he made with an oil concern?

Mr. HARRELD. As I said this morning, I sold my production and sold it for a valuable consideration, but that is a private affair.

Mr. HEFLIN. It was several thousand dollars, was it not?

Mr. HARRELD. I have no production in which I am interested; I have no production at all, except in a company in which I have stock.

Mr. HEFLIN. Is not the Senator a stockholder in the Homa-Okla oil-well concern?

Mr. HARRELD. Certainly; I have said I was.

Mr. HEFLIN. And it gives out 8,000 barrels of oil a day. Does the Senator contend that that is a small matter?

Mr. HARRELD. It has paid one dividend in three years.

Mr. HEFLIN. The Senator is now fixing things so it will pay dividends regularly. If his amendment is adopted it will advance the price of his company's oil to the American consumer $2,000 a day and $730,000 a year, or three-quarters of a million dollars annually.

Mr. HARRELD. I said in my speech this morning that I was interested in oil, but that my interest was so infinitesimally small as compared to the public interest in this matter that it did not, in my judgment, interfere with my prerogative to vote on this question. I should like to ask the Senator does he not know that the Speaker of the House of Representatives ruled long ago, settling the question once and for all, how far the interest of a Member of the House should be considered as interfering with his right to vote, and that the rule then laid down by the Speaker of the House and concurred in by the House was that if a Representative or Senator has an interest, but that interest is infinitesimally small as compared with the public interest, he is not disqualified from voting?

Mr. HEFLIN. Mr. President, each Senator must be governed by his own conscience in this matter. The Senator from Wisconsin [Mr. LA FOLLETTE] was interested in a small way in the output of a zinc mine in his State, and yet so scrupulous was he upon the subject and so conscientious that he declined to use the power vested in him as a Senator in this body to enhance his own private fortune, and he would not vote. Of course, the Senator from Oklahoma must be his own judge in this matter, but I submit to the Senate when the Senator from Oklahoma admits that he cashed in on one of these concerns and took down several thousand dollars it is not a small or infinitesimal matter, and the country will agree that when the Senator undertakes to levy against every American consumer 25 cents a barrel on the oil and gasoline consumed it is not considered an infinitesimal amount or matter. It is a very serious matter.

The Senator must decide for himself whether under the circumstances he will vote on this matter. It is the duty of some of us to let the people at home know when this power has been intrusted to a man how he uses it, when he comes here in the name of his State as a Senator, whether he is using his office to protect the gasoline consumer who runs his little engine for a livelihood or who rides in his car or operates a truck or kindles a blaze in a little stove to keep himself and family warm in the winter, or whether he is voting money into the pockets of those who wish to increase their profits on oil.

The PRESIDING OFFICER. The time of the Senator from Alabama has expired.

Mr. EDGE. Mr. President, I propose to vote against the amendment offered by the Senator from Oklahoma, as, in my judgment, in view of the great quantity of oil imported, the result of the imposition of the duty proposed would mean a higher price for oils and gasoline to the domestic consumer.

I am rising not to discuss so much the subject matter of the amendment as to take very positive exception to the insinuations and imputations and innuendoes which seem of late to be so frequently suggested on the floor of the Senate as to the votes of Senators who may be in some way, directly or indirectly, financially interested in the question before the Senate or, rather, the adoption or defeat of some particular proposal which might affect such interest.

There was a time, Mr. President, when moderate success in business life or great success in business life was looked upon not necessarily as a reason for honor or distinction upon the part of the electors of a constituency in selecting a man to represent them in a place of public responsibility, but certainly it was not looked upon as a bar to such recognition and such public service. I believe legislative bodies should be well balanced, composed of men representing all classes of industry and activity—the farmer, the manufacturer, the private citizen, or the retired business man, or whatever his vocation may be—but when the time arrives when a Senator's vote is to be challenged on the floor of the Senate from the standpoint that he may have some direct or indirect interest, may it be, in a particular schedule, speaking now of the bill before us, or otherwise, then I fear for the future of free America.

So far as I am concerned, in a very modest way I have had some business success. I have some interest in various industrial and other corporations, and if the time should arrive when I felt that I could not vote on the floor of the Senate for what I believed conscientiously to be for the best interests of the majority of the people, I would not pass my vote, as I would look upon that as a direct admission that I was influenced because of private interest; rather I would first resign my seat in the Senate. Things have come to a pretty pass in the development of American life, in my judgment, when it is inferred that a Senator of the United States, voting as he may do at any time, is unwarrantedly influenced by some interest, large or small, which he may personally have.

Is it not wise to stop just for a moment and consider how Senators are sent here? We are selected through the electors of the respective States. It is reasonable to assume that the electors of a State, not so large as to make the condition otherwise, are reasonably well acquainted with the men they elect to the Senate.

They know what their activities have been. Certainly, as a rule, no man can stand for the Senate in these days without any misstep which he may have made, if he has made one, being thoroughly ventilated before the electorate. So that when a sovereign State, by a majority vote, selects a Senator, the electorate of that State must know whether he has been successful or unsuccessful from a business standpoint. They must know his activities and his interests, generally speaking; and with this knowledge they elect him, as the electors of a sovereign State, to represent them in the Senate.

I think the time has arrived when Senators with this great responsibility upon them, with 110,000,000 people throughout the country so dependent upon their broad action and unbiased consideration of these interests, which radiate to every activity of society, should consider a fellow Senator's position as one

that he is conscientiously taking, and should not libel the activities of this powerful deliberative body or its Members by insinuations, innuendoes, and inferences that Senators are false to their oaths, fail in their trust, or are untrue to themselves.

Mr. HARRISON. Mr. President, I did not expect to get into this discussion; but since it has turned on a question of interest of individual Senators when they cast their votes, and since a few days ago I offered a resolution stating that it was the sense of the Senate that where a Senator would be directly benefited from casting a vote on this bill he should refrain from voting and should adhere to the precedent as laid down in Jefferson's Manual and followed by the practice of many Senators and Representatives in the past, I feel that I should at least express myself at this time.

The Senator from New Jersey [Mr. EDGE] is no doubt conscientious in the position that he takes. I sometimes feel that in this body there is a lack of tolerance upon the part of its Members; that they are not willing to concede to each other honesty of convictions and sincerity of purpose.

I think when it comes down to voting upon a proposition where a Senator is interested he should consult his own conscience. It is a matter for his own judgment to lead him in the course that he is to pursue. If a Senator, for instance, is vitally interested in wool, and that is his particular business, if that is what he makes his money out of, and he is called upon to vote here on a proposition that will place money in his pockets—for my part, if I were that Senator, I would refrain from voting on that amendment. If I were interested in and most of my fortune, if I had any, were in the oil business, and the question came up of protecting oil in a way that would benefit me directly or indirectly, I would refrain from voting when the question was put; and all down the line I would make that the test, and that would be the standard by which I would measure my vote and give expression to my views.

I have no fault to find with the distinguished Senator from Oklahoma [Mr. HARRELD]. If his conscience leads him to advocate the adoption of an amendment that will put a protective duty upon oil, and he is interested in it and is to receive benefit therefrom, that is all right; that is a matter for him, his conscience, and his constituents. With reference to wool, the same thing is true. We heard much about that in the earlier stages of this discussion, when the Senator from Idaho [Mr. GOODING] tried so hard to have an investigation, and certain Senators on the Republican side were afraid of it and objected to it. They knew that certain matters might come out that would hurt the dominant party, and they strangled it, smothered it, and refused to cooperate with the Senator from Idaho, who was threatened with stains because of certain allegations that had been made against him.

The Senator from New Jersey [Mr. EDGE] does not agree with the position that has been taken by many distinguished Republican leaders in the past. Does the Senator forget that at one time, when the distinguished Senator from Maine, Mr. Frye, was called upon to vote on a question in which he felt himself interested, he rose in his seat and asked permission to refrain from voting, and when the rule was read to him he said he did not feel that he should vote, under the circumstances, and declined to vote? That is but one instance, but it has been followed in this body and the other body time after time. It was because of that precedent and because of that practice, both in the House and in the Senate, and with the hope that we would not allow the confidence of the people to be destroyed in their estimate of the Senate, that I offered some weeks ago Senate Resolution 331, which said, in simple language, the following:

> Whereas paragraph 21 of section 17 of Jefferson's Manual provides: "Where the private interests of a member are concerned in a bill or question, he is to withdraw. And where such an interest has appeared, his voice has been disallowed."
>
> *Resolved*, That it is the sense of the Senate that the principle enunciated in the rule is proper and wise.
>
> *Resolved further*, That it is the sense of the Senate that Senators, not only in the consideration of the pending bill (H. R. 7456), but on all other questions that may arise in the Senate, should adhere to the rule.

When I sought at least three times to obtain unanimous consent for the consideration and adoption of that resolution, merely expressing the sentiment and sense of the Senate touching these matters, objections came from the other side of the aisle.

Mr. WADSWORTH. Mr. President, will the Senator yield?

Mr. HARRISON. Yes.

Mr. WADSWORTH. I am prompted to ask this question in order to get the Senator's view: Does the Senator think that Senators should vote on a measure which fixes their own salaries?

Mr. HARRISON. Yes; but I have always voted against increasing my salary. Other Senators have voted to increase theirs. That is a very adroit way for the Senator from New York to put it, and I might say for the other side that if there is anyone in the world who could hatch up an excuse to defeat this resolution expressing the sentiment of the Senate, or to get away from the proposition advanced by the Senator from Alabama [Mr. HEFLIN], the distinguished and astute Senator from New York could do it. So he bases his opposition to this resolution on the ground that in the course of time Senators have increased their own salaries or voted for their own mileage or increased it. Now let me ask the Senator a question. Does the Senator think that if he had all of his resources tied up in wool he should stand here and fight day after day to increase the tariff on wool when he knew or thought or believed that it would indirectly put money into his own pocket?

Mr. WADSWORTH. It would all depend upon the circumstances surrounding the particular case.

Mr. HARRISON. Absolutely. That is what I have contended.

Mr. WADSWORTH. A categorical answer can not be made.

Mr. HARRISON. The Senator and I are together.

Mr. WADSWORTH. The Senator from New York may remind the Senator from Mississippi that the Senator from New York is in the wool business.

Mr. HARRISON. Oh, well, the Senator is in so many different businesses that he——

Mr. WADSWORTH. No; just one.

Mr. HARRISON. Just the wool business?

Mr. WADSWORTH. Just farming.

Mr. HARRISON. Why, the Senator is a big farmer up there.

Mr. WADSWORTH. I said "farming."

Mr. HARRISON. I thought the Senator said "the wool business."

Mr. WADSWORTH. That is farming—the business of farming.

Mr. HARRISON. The Senator has probably a hundred head of sheep in New York?

Mr. WADSWORTH. Never mind about the details.

Mr. HARRISON. Of course, I am not asking the Senator for the details; but he said that he was in the sheep business, as I understand.

Mr. WADSWORTH. I did not say the sheep business; I said the wool business, the farming business. Now, may I ask the Senator if he thinks that the Senators who voted in favor of increasing the congressional salary did wrong?

Mr. HARRISON. I have just told the Senator my view on that point. I never have voted for an increase.

Mr. WADSWORTH. I did not ask how the Senator voted. I said does the Senator believe that the Senators who voted for the increase did something morally wrong?

Mr. HEFLIN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Alabama?

Mr. HARRISON. One moment. Why, how in the world could the salaries be increased if the Congress did not pass the proposition? The Constitution gives to Congress the exclusive power to fix salaries. Let me say to the Senator, however, that I would not vote for it, and I never have voted for it——

Mr. WADSWORTH. I am not asking what the Sentaor voted for. I want the opinion of the Senator.

Mr. HARRISON. I have given it to the Senator. But I never have voted for an increase of mileage; and I can not see at all the comparison; the analogy is not there. Why, there is every difference between voting for an increase of salary and voting for a high tariff on something here that a Senator's whole business interests are wrapped up in, that he knows from which he is going to obtain benefit. Why, even if a Senator did vote a small increase in his salary the amount would be practically negligible on the American people; but when you vote to increase the rates on wool, if your whole resources are wrapped up in wool, then you tax every consumer, rich and poor alike, in higher clothing, blankets, and everything that is needed to keep one warm and comfortable, and not only thereby increase the burdens upon them but you are receiving the benefits therefrom.

Mr. HEFLIN and Mr. WADSWORTH addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Mississippi yield; and if so, to whom?

Mr. HARRISON. I yield to the Senator from Alabama.

Mr. HEFLIN. Mr. President, the increase of a Senator's pay is supposed to give him just compensation for faithful service to the people; and when Congress raised the salaries of

Senators and Members of the House it fixed the increase for the next Congress, so that the people would have their choice of electing the man who had voted to increase the salaries or electing a man outside, who was not a Member of the Congress. That is the difference.

Mr. LODGE. Mr. President, I rise to a question of order.

The PRESIDING OFFICER. The Senator from Massachusetts will state it.

Mr. HARRISON. Mr. President, I have the floor.

Mr. LODGE. I have the right to take the Senator off the floor by raising a question of order, and he knows it.

Mr. HARRISON. But the Senator would not do that until I have answered fully the question of the Senator from New York.

Mr. LODGE. Mr. President——

The PRESIDING OFFICER. The Chair recognizes the Senator from Massachusetts for the purpose of stating a question of order.

Mr. LODGE. This discussion is running on, and I raise the question of order that it is a violation of the unanimous-consent agreement, which provides that debate shall be confined to the question before the Senate or the bill itself. It has wandered far away from that now, and we are consuming the time which is reserved for those who have individual amendments to offer and who ought not to be deprived of their opportunity.

The PRESIDING OFFICER. The Chair is constrained, by virtue of the unanimous-consent agreement, to sustain the point of order raised by the Senator from Massachusetts.

Mr. HARRISON. Mr. President, I want to discuss this amendment. As I understand, an oil amendment is pending here.

The PRESIDING OFFICER. The amendment before the Senate is the amendment proposed by the Senator from Oklahoma [Mr. HARRELD].

Mr. HARRISON. Yes; and I understood the discussion was around the proposition of whether or not a Senator should vote on this amendment if he was personally interested in the matter.

Mr. LODGE. That is entirely irrelevant to an amendment putting a duty on oil, and everyone knows it.

Mr. HARRISON. May I ask the Senator from Massachusetts a question? He heard the speech of the distinguished Senator from New Jersey [Mr. EDGE], did he not?

Mr. LODGE. Yes; and I heard the speech of the distinguished Senator from Alabama [Mr. HEFLIN].

Mr. HARRISON. The Senator did not call the Senator from New Jersey to order, and did not make his point of order then.

Mr. LODGE. I did not call the Senator from Alabama to order, either; but now the debate is running on and going from one thing to another and taking up the time which under the unanimous-consent agreement belongs to other Members of the Senate to offer their individual amendments.

Mr. HARRISON. I ask the Senator if he will not allow me to read this decision when Mr. Frye asked permission to refrain from voting upon a proposition in the House, where he was personally interested.

The PRESIDING OFFICER. The Senator from Massachusetts can not grant permission. That must come by unanimous consent of the Senate.

Mr. HARRISON. I ask unanimous consent that I may be permitted to read that decision.

Mr. LODGE. No unanimous consent is permitted under the agreement.

The PRESIDING OFFICER. The Senator from Mississippi asks unanimous consent to read a certain decision. Is there any objection?

Mr. LODGE. Mr. President, the rule under the unanimous-consent agreement can not be set aside by unanimous consent.

Mr. HARRISON. Then the Senator objects?

Mr. LODGE. I do not object; but, under the unanimous-consent agreement, asking unanimous consent to extend the time has been ruled out of order.

Mr. HARRISON. Does the Senator hold that a unanimous-consent agreement can not be set aside by unanimous consent?

Mr. LODGE. I do.

Mr. HARRISON. Is that the ruling of the Chair?

The PRESIDING OFFICER. The present occupant of the chair thought that unanimous consent at this time was in order provided the Senator from Mississippi was within his limitation of time.

Mr. HARRISON. This is from Hind's Precedents:

On March 2, 1877, the yeas and nays were being taken on a motion to suspend the rules in order to take up the Senate bill (No. 14) to extend the time for the construction and completion of the Northern Pacific Railroad.

During the call of the roll Mr. William P. Frye, of Maine, said that he did not feel at liberty to vote on the bill until the Chair had ruled upon his right to do so, since he was a stockholder in the road.

The Speaker said:

"Rule 29 reads: 'No Member shall vote on any question in the event of which he is immediately or particularly interested.'

"Having read this rule, it is for the gentleman himself to determine whether he shall vote, not for the Chair."

Mr. Frye declined to vote.

Mr. President, I now ask unanimous consent for the present consideration of the resolution to which I have referred, Senate Resolution 331.

Mr. WADSWORTH. I object.

Mr. LODGE. I object. It is a violation of the unanimous-consent agreement.

Mr. HARRISON. Will not the Senator let me have it read?

Mr. WADSWORTH. No; I object to its being read.

The PRESIDING OFFICER. The present occupant of the chair will rule that that is not in order at this time. The question is upon the amendment of the Senator from Oklahoma [Mr. HARRELD].

Mr. HARRELD. Mr. President, I desire to speak to a matter of personal privilege. Since my motives in presenting this amendment and voting for it have been called in question, I feel that I should say something more than I said this morning. I have said already——

Mr. JONES of Washington. Mr. President, I do not like to question a Senator's right to make a statement based on personal privilege, but it does seem to me that it is out of order under the unanimous-consent agreement under which we are proceeding.

Mr. HARRELD. Is it out of order for a Senator to make a statement as a matter of personal privilege?

Mr. JONES of Washington. Yes; the unanimous-consent agreement excludes all matters——

Mr. HARRELD. I do not think I will take over three minutes.

The PRESIDING OFFICER. The Chair thinks the position of the Senator from Washington is correct in the matter, and that the Senator from Oklahoma can not proceed except by unanimous consent.

Mr. HARRISON. I ask unanimous consent that the Senator from Oklahoma may proceed for five minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi?

Mr. JONES of Washington. I think that would lead to some one else asking unanimous consent to proceed, and I object.

The PRESIDING OFFICER. Objection is made. The question is upon agreeing to the amendment offered by the Senator from Oklahoma.

Mr. HARRELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. HARRELD. Is it the ruling of the Chair that I can not rise at this time to a question of personal privilege?

The PRESIDING OFFICER. That is the ruling of the present occupant of the chair.

Mr. HARRELD. I appeal from the ruling of the Chair. I want to know now if a Senator can not have an opportunity to make a statement when he is attacked.

Mr. JONES of Washington. I move that the appeal be laid on the table.

The PRESIDING OFFICER. The question is on the motion of the Senator from Washington to lay the appeal from the decision of the Chair on the table.

The motion was agreed to.

Mr. JONES of New Mexico. Mr. President, I listened to the very able speech of the Senator from Oklahoma this morning, and I do not hold any brief for the oil companies to which the Senator from Oklahoma referred this morning, but that subject became a matter of controversy in the hearings upon the subject, and my attention has been called to a letter addressed to the Senator from Oklahoma, written by Mr. Herbert G. Wylie, vice president and general manager of the Pan American Petroleum & Transport Co. and the Mexican Petroleum Co.

That letter deals particularly with the connections of Mr. Edward L. Doheny, and inasmuch as the Senator from Oklahoma this morning intimated, at least, that Mr. Doheny was doing all of the things which he condemned, I think it is nothing but fair that this letter, which was addressed to the Senator from Oklahoma, be printed in the RECORD in connection with this discussion. It may be that that letter has been put into the RECORD at some time by the Senator from Oklahoma.

Mr. HARRELD. I think it has been put in the RECORD, and I have no objection to its being put in again. But I would like

to ask if Mr. Doheny denies now that he was interested in the Teapot Dome lease in Wyoming?

Mr. JONES of New Mexico. I know nothing about that whatever. I have not had the slightest information regarding that one way or the other. I have not seen Mr. Doheny, perhaps, for a year; I know him in rather a casual way, but inasmuch as this became the subject of controversy before the committee, I thought it advisable that that letter, which was printed in the hearings of the committee on this subject, ought to be inserted in the RECORD at this point.

Mr. HARRELD. I may say that one or two other Senators have asked me if I objected to having the letter of Mr. Doheny introduced into the RECORD, and I told them I had no objection—and I have none now.

Mr. JONES of New Mexico. I ask that this letter, which appears upon pages 4460 and 4461 of the hearings, written by Mr. Herbert G. Wylie, addressed to the Senator from Oklahoma, may be printed in the RECORD without reading.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 27, 1921.

Hon. JOHN W. HARRELD,
United States Senate, Washington, D. C.

MY DEAR SIR: I have to-day received and read a copy of your speech on the international aspects of production of oil by Americans, which speech was delivered before the Senate on August 23.

I find in this statement such serious errors in essential facts as to lead me to believe that you have been imposed upon by some individual or individuals who have some ulterior motive in misinforming you.

It is my belief that you would be the first to desire to know of these errors, and that, knowing of them, you will welcome the opportunity to make such correction thereof as may be necessary in order to avoid grave misapprehensions which otherwise would exist as to Mr. E. L. Doheny and as to the attitude of the companies controlled by him, of which I am vice president and general manager.

I ask your attention to the following facts:

1. From page 5529 of the RECORD I quote:

"This is the same Doheny who is one of the largest producers in California."

Mr. Doheny is a very small producer in California, having sold out his earlier interests in that State over 20 years ago.

2. "The General Petroleum Corporation—that is, the Doheny Co."

Mr. Donheny is not now and never has been connected with or interested in any way with the General Petroleum Corporation.

3. "Perhaps it is because the largest producers in California—Mr. Doheny and others," and so forth.

The total production of oil by Mr. Doheny and by all of his companies in which Mr. Doheny is interested in California at the present time is less than 2 per cent of the total production. He is not and has not been for years a large producer in the State of California.

4. "This is the same Doheny who recently opened an office in London, England, thus anglicizing his company.

"The same man who has a monopoly in the production in California and in Mexico has now anglicized his company.

"Why does Mr. Doheny * * * demand that this country give to a company that is organized in England the American market for its products?" (P. 5530. Other similar references are found in other parts of the speech.)

None of the companies producing petroleum in Mexico in which Mr. Doheny is interested are English companies. All but one are American companies, and that one is a Mexican subsidiary. Mr. Doheny and his family have for years personally controlled and still control more than a majority of the stock of these companies. Neither he nor any member of his family have sold any of this stock to any person or corporation in England at any time. None of his companies has ever been anglicized. Less than 1 per cent of the stock of these companies is held by Englishmen.

The British Mexican Petroleum Co., to which you refer, is a selling company, organized in England by the Pan American Petroleum & Transport Co. and certain Englishmen associated for the purpose of opening a wider market in Europe for a part of the petroleum produced in Mexico by these American companies. This British Mexican Petroleum Co. not only does not control or take over any of the assets of the American companies above alluded to but does not even own any stock in any of these companies, all of which remain, as above stated, in the sole control of the Doheny family; nor do any of the Doheny companies own the British company entirely, the ownership being divided, 50 per cent belonging to the Pan American Petroleum & Transport Co. (the parent Doheny company here) and the balance belonging to the group of English stockholders.

The entire basis upon which the British company was organized was as an instrument for the sale of petroleum produced in Mexico by American companies to England and other parts of Europe.

You are evidently under the impression that there is something improper, or at any rate unusual, in the organization of a company in England under the British laws for the purposes hereinbefore alluded to.

You will, however, find upon investigation that it is not only desirable from a commercial standpoint but in certain other aspects distinctly advantageous for American concerns desiring to do business in foreign countries to organize local distributing agencies under the laws of these respective countries. This is precisely what was done in this case and by many other American companies operating under similar conditions in foreign lands.

In this connection may I observe that the organization and operation of this British distributing subsidiary would seem to be clearly in line with what you desire to accomplish, inasmuch as it furnishes a means of selling in England and in Europe oil which otherwise might come to American ports.

5. "This is the same Doheny * * * it is reported from good authority sold to the English Government a large interest in its holdings in Mexico."

Neither Mr. Doheny nor any of his companies have ever sold to the British Government any interest whatsoever in any holdings in Mexico or elsewhere, or stockholdings in any of these companies.

6. "This is the same Doheny whose integrated companies produce more than 80 per cent of the crude produced in California."

As above shown, the California production in which Mr. Doheny is interested, either personally or as a corporate stockholder, is less than 2 per cent of the total production of the State.

7. You also allude, on page 5531, to the supposed result of the "oil business of this country gradually passing into the hands of these few mighty companies."

So far as Mr. Doheny and his companies are concerned, they have never operated in the mid-West, or, as above shown, been interested (except to a small extent) in California, and have not endeavored and are not endeavoring to acquire any oil business developed by the small or independent producers to whom you have referred in your speech.

8. I note that you allude to Mr. Doheny and others as "rapacious individuals" referred to in President Obregon's alleged statement.

The statement to which you refer (which was not written by President Obregon, but by an American journalist) is full of misstatements, which can be easily shown if time permitted. For the moment, I shall content myself by asking that you defer judgment as to the "rapacity" of Mr. Doheny until you have taken up, with some one familiar with the affairs of the Doheny companies, the amounts of their investments, the burdens which they have sustained and are sustaining, and the proportion of profits derived therefrom. You will then find that there is no foundation in fact for any such charge.

If you desire any further information upon any of the points above alluded to, or upon any other matters to which your speech refers, it would give me pleasure to assist you to the best of my ability.

In conclusion, may I express my hope and belief that in the light of the foregoing facts you will agree with me that it is just to Mr. Doheny, not only as a man but because of his patriotic services to this country, to put this letter upon the pages of the CONGRESSIONAL RECORD and to give it the same publicity as that which your speech will receive.

This letter is written by me during Mr. Doheny's absence in Mexico.

I am faithfully yours,

HERBERT G. WYLIE,
Vice President and General Manager,
Pan American Petroleum & Transport Co., Mexican Petroleum Co.

Mr. JONES of New Mexico. The Senator from Oklahoma also this morning referred to the manipulation of stocks, especially of the Mexican Petroleum Co. I have had my attention called to the fact that the managers of the New York Stock Exchange, after going into that matter, gave out this statement:

> The result of our investigations into Mexican Petroleum has not disclosed any condition which would lead us to believe that the recent advance in the stock has been due to any other factor than a preponderance of buyers optimistic over the future of the company.

I know nothing about these facts at all, but I think even these people who are engaged in the oil business ought to be treated fairly in the matter. I have no personal knowledge of any of their affairs and I do not represent any of them one way or the other, but I mention these matters just so that it may be understood that there are two sides to the question, and that all of the innuendoes which might be suggested from the statement of the Senator from Oklahoma are perhaps worthy of more serious consideration before reaching a conclusion upon the subject.

Mr. HARRELD. Mr. President, I desire to say that I am not inveighing against Mr. Doheny personally, or against any other man personally. I have tried to marshal the facts as they are, and if the name of Mr. Doheny is brought in incidentally it is not a personal matter. I have no objection to having inserted in the RECORD anything he wants to have inserted.

Mr. JONES of New Mexico. I disclaim having any personal knowledge regarding the facts at all. I merely present these matters, which seems to me to be relevant to the discussion, for the consideration of those who are interested in the subject.

Mr. HARRELD. I do not know that I have much to say in addition to what I said this morning, except that I want to say this—that I have insisted upon this tariff on crude petroleum because I think that by every rule of the game it is entitled to the protection we are asking for. That duty should be imposed because of the revenue it produces. It should be imposed because it protects the labor in that industry, hundreds of thousands strong. The duty should be imposed because it will protect the public, in my judgment, against a thing which is absolutely breaking up the market in this country and demoralizing the market in refined products to such an extent that the public generally is suffering because of it in the way of high prices.

Referring to the statement that I was personally interested in this matter, I want to say that the bulk of what I own of this world's goods is not in the oil business at this time at all. In fact, not over 5 per cent of what I own to-day is invested in the oil industry. That is a very infinitesimal part of my personal interests. I repeat what I said this morning that, in my judgment, the public interest is so much bigger, the public is so much more concerned in this than I am, regardless of what certain fellows who are very prudent or prudish, whichever way you wish to put it, have to say, that I am going to vote for this amendment when it comes to a vote, and I will take the consequences.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. HARRELD].

Mr. HARRELD. I ask for the yeas and nays on this amendment.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. HALE (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. SHIELDS]. I am informed that if he were present he would vote as I do and I therefore feel at liberty to vote. I vote "nay."

Mr. STERLING (when his name was called). I have a general pair with the Senator from South Carolina [Mr. SMITH]. I understand that that Senator, if present, would vote the same way I intend to vote, and therefore I feel at liberty to vote. I vote "nay."

Mr. TRAMMELL (when his name was called). Making the same transfer of my pair as on the last ballot, I vote "nay."

Mr. WALSH of Montana (when his name was called). I transfer my general pair with the senior Senator from New Jersey [Mr. FRELINGHUYSEN] to the senior Senator from Tennessee [Mr. SHIELDS], and vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. OVERMAN. I transfer the general pair which I have with the senior Senator from Wyoming [Mr. WARREN] to the senior Senator from South Carolina [Mr. SMITH], and vote "nay."

Mr. POMERENE. Announcing my pair with my colleague [Mr. WILLIS] as heretofore, I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK], and vote "nay."

Mr. HARRISON. Making the same announcement as before, I vote "nay."

Mr. McCUMBER (after having voted in the negative). I desire to announce that my general pair, the junior Senator from Utah [Mr. KING], would vote as I have voted on this amendment.

Mr. EDGE. Making the same announcement as before, I vote "nay."

Mr. ERNST (after having voted in the negative). I have a general pair with the senior Senator from Kentucky [Mr. STANLEY]. That Senator would have voted as I have voted, and therefore I allow my vote to stand.

The result was announced—yeas 9, nays 45, as follows:

YEAS—9.

Broussard	Curtis	McNary	Nicholson
Bursum	Harreld	New	Stanfield
Capper			

NAYS—45.

Ashurst	Harrison	Moses	Simmons
Ball	Heflin	Newberry	Sterling
Borah	Jones, N. Mex.	Oddie	Sutherland
Brandegee	Jones, Wash.	Overman	Swanson
Calder	Kellogg	Pepper	Trammell
Cameron	Kendrick	Phipps	Underwood
Dial	Keyes	Pomerene	Wadsworth
Edge	Lenroot	Rawson	Walsh, Mont.
Ernst	Lodge	Reed, Mo.	Watson, Ind.
Fletcher	McCormick	Reed, Pa.	
France	McCumber	Robinson	
Hale	McKellar	Sheppard	

NOT VOTING—42.

Caraway	Gooding	Norbeck	Spencer
Colt	Harris	Norris	Stanley
Culberson	Hitchcock	Owen	Townsend
Cummins	Johnson	Page	Walsh, Mass.
Dillingham	King	Pittman	Warren
du Pont	Ladd	Poindexter	Watson, Ga.
Elkins	La Follette	Ransdell	Weller
Fernald	McKinley	Shields	Williams
Frelinghuysen	McLean	Shortridge	Willis
Gerry	Myers	Smith	
Glass	Nelson	Smoot	

So Mr. HARRELD's amendment was rejected.

Mr. LODGE. Mr. President, I desire to offer an amendment in paragraph 348, page 70. I desire to make an addition, and I hope the committee will be willing to accept it, to the snap fasteners and clasps there enumerated. I desire to add a new classification of an article made in large quantities which is a fastener, but which would not be covered by the language here. It is known as the "sewed-on fastener." It is not put on with rivets, but is sewed on. It is made in large quantities. I should like to have it added to the paragraph by adding after the words "ad valorem" the words "sew-on fasteners, 20 cents per gross."

Mr. FLETCHER. Mr. President, can the Senator tell us what the equivalent ad valorem would be?

Mr. LODGE. We give now on tape 60 per cent ad valorem.

Mr. FLETCHER. My inquiry is what the ad valorem equivalent would be for the rate which the Senator asks for 20 cents per gross.

Mr. LODGE. It would be a heavy duty.

Mr. ROBINSON. Mr. President, we can not hear the statement of the Senator from Massachusetts, not that he is not speaking distinctly, but because there is a great deal of noise in the Chamber.

The PRESIDENT pro tempore. The Senate will please be in order. Conversation on the floor must cease.

Mr. ROBINSON. Is the article on the dutiable list now?

Mr. LODGE. No; not by name.

Mr. ROBINSON. Within what class would it come?

Mr. LODGE. It comes under paragraph 348, snap fasteners of a different kind from the others enumerated.

Mr. SIMMONS. Mr. President, what is the article? I could not understand the statement of the Senator from Massachusetts.

Mr. LODGE. It is called a sew-on fastener, in the nature of a snap fastener, sewed on instead of being riveted.

Mr. McCUMBER. I wish to ask the Senator from Massachusetts, where we say in the paragraph "mounted on tape," if it would not mean whether it was fastened on by rivets or whether it was sewed on or in any other way, provided it was fastened on?

Mr. LODGE. This is a different type of fastener. If the Senator thinks it would be well to word it "mounted on tape, including sew-on fasteners," that would be very satisfactory.

Mr. McCUMBER. If we say "mounted or sewed on tape," I think that would cover it. I simply want to be certain that it does not cover buttons or clasps that are sewed on dresses.

Mr. LODGE. It is called a sew-on fastener. That means that it is sewed on. I will withdraw the suggestion I made if the Senator will allow it to be put in as he suggested.

Mr. McCUMBER. If the Senator would say "mounted or sewed," then it would read "mounted or sewed on tape."

Mr. LODGE. But they do not sew them on tape; they sew them on dresses. I want them in that title, "mounted on tape, including sew-on fasteners." It would give them the same rate.

Mr. McCUMBER. I shall not object to it. We can fix it up in conference.

Mr. LODGE. I will change it to the form, "mounted on tape, including sew-on fasteners."

The PRESIDING OFFICER (Mr. ODDIE in the chair). The question is on agreeing to the amendment offered by the Senator from Massachusetts.

Mr. FLETCHER. Let the amendment be stated.

The READING CLERK. In paragraph 348, on page 70, line 10, after the word "tape" insert "including sew-on fasteners" so as to read, "mounted on tape, including sew-on fasteners, 60 per cent ad valorem."

The amendment was agreed to.

Mr. LODGE. I have another amendment to offer. On page 134, paragraph 1007, "hose, suitable for conducting liquids or gases, composed wholly or in chief value of vegetable fiber, 17 cents per pound and 20 per cent ad valorem." The duty has been cut to 10 per cent. I do not know whether it will be necessary for me to go through the form of reserving it, or whether it can be amended at this time.

Mr. McCUMBER. I will simply state that the 17 cents per pound is the compensatory duty.

Mr. LODGE. Yes; I know that.

Mr. McCUMBER. And the 10 per cent was changed from 20 per cent, as being sufficient probably for protection.

Mr. LODGE. I was going to suggest restoring the House rate of 26 per cent ad valorem, which had been cut by the Senate to 10 per cent, but inasmuch as that was an amendment made in the Senate in Committee of the Whole, I suppose strictly it is not in order, except to reserve the amendment. I can not offer it, I am afraid, as an amendment now if anyone chooses to make the point.

Mr. McCUMBER. I do not know that I understand entirely the argument of the Senator from Massachusetts, but if he will scan the paragraph closely he will find that the House gave only 26 per cent ad valorem and gave no specific duty at all.

Mr. LODGE. The Senator is correct. They did not give a compensatory duty.

Mr. McCUMBER. We changed that to 17 cents per pound as a compensatory duty and 10 per cent ad valorem.

Mr. LODGE. The Senate raised very largely the rates on yarn, which makes it very much more expensive than it is here.

Mr. McCUMBER. But that is covered by the 17 cents a pound.

Mr. LODGE. I hope it is. If the Senator makes the point of order I shall have to reserve it for a vote in the Senate.

Mr. McCUMBER. I hope the Senator will do that.

Mr. LODGE. Very well; I reserve it for a vote in the Senate.

Mr. ROBINSON. Mr. President, if I correctly understand the parliamentary status, no amendment is now proposed by the Senator from Massachusetts to paragraph 1007?

Mr. LODGE. My amendment was to change the Senate committee amendment, but under the rule it can not be done. I have withdrawn it and will reserve it for a vote in the Senate.

Mr. ROBINSON. While the matter is being discussed, I should like to ask if the Senator from Massachusetts or the Senator from North Dakota can state whether the Senate amendment is a reduction or an increase over the House rate?

Mr. WADSWORTH. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state the point of order.

Mr. WADSWORTH. No discussion is permitted on anything except what is pending before the Senate in the way of amendment.

Mr. LODGE. That is what the Senator from Arkansas is talking about.

Mr. WADSWORTH. There is no amendment pending on this question. If we are going back to discuss old amendments, we will never get through.

The PRESIDING OFFICER. The Chair sustains the point of order made by the Senator from New York.

Mr. ROBINSON. I merely wish to say that discussion had proceeded at some length——

Mr. WADSWORTH. The Senator from Massachusetts withdrew his amendment. So it is not pending.

Mr. ROBINSON. I was about to say that technically the point of order made by the Senator from New York is correct. The Senator from New York, however, has himself, in presenting the point of order, made an argument in violation of the rules of the Senate and the unanimous-consent agreement. The Senator from New York will therefore take a lecture back from the Senator from Massachusetts and the Senator from Arkansas as his compensation for his contribution to the debate.

Mr. LODGE. Mr. President, I have one other matter which I think can be disposed of, on page 104—barley. I should like to add, after the words "pearl barley," the words "patent barley." That is the way it is now classified and the duty is assessed. We have raised the duty, but the duty is now assessed, according to a letter which I have from the Secretary of the Treasury, under the provisions of paragraph 190 of the tariff act of October 3, 1913, which paragraph provides for that rate of duty upon barley—pearl, patent, or hulled. I simply want to put in the words "patent barley," so as to cover the situation.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 104, line 8, after the words "pearl barley," insert a comma and the words "patent barley."

Mr. LODGE. That is following the Treasury classification.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts.

The amendment was agreed to.

Mr. ASHURST. Mr. President, I offer the amendment which I send to the desk and ask the Secretary to report the same.

The PRESIDING OFFICER. The Secretary will report the amendment.

The READING CLERK. On page 236, after line 24, insert the following new paragraph:

PAR. 1671a. Tomatoes in their natural state, exported to the United States during the months of December, January, February, March, and the first 15 days of the month of April.

Mr. ASHURST. Mr. President, this amendment proposes that tomatoes imported into the United States during the months of December, January, February, and March shall be on the free list.

The reason for this amendment is as follows: Tomatoes from the west coast of Mexico reach American markets in the winter and do not come into competition with home-grown tomatoes. The Mexican crop does not enter into competition with the crop from Florida, California, or Texas.

I now ask to insert in the RECORD at this point a copy of the report of the American consul at Mazatlan, dated July 13, 1921. I also ask to include in the RECORD a copy of the statement of Mr. Frank J. Barry, of Nogales, Ariz., who represented the Nogales Chamber of Commerce before the Committee on Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

TOMATO CROP IN THE STATE OF SINALOA, MEXICO.

[Consul W. H. Chapman, Mazatlan, July 13, 1921.]

Tomato growers in the State of Sinaloa, Mexico, exported 923 carloads of tomatoes to the United States during the harvest season which began early in January and ended the latter part of May. There was an average of about 825 crates per carload, the crates averaging about 28 pounds each. There was, therefore, an average of about 23,300 pounds of tomatoes per carload, or a total of 21,455,900 pounds of tomatoes exported to the United States during the tomato season just closed.

The average gross price paid per crate in United States markets was $2.62. The costs of production, freight, etc., totaled about $1.83 per crate, giving a net profit per crate of $0.79 to the growers.

Taking these figures, which have been carefully obtained from the best sources of information available on the subject, it is apparent that the total net profits realized by the tomato growers on tomatoes exported to the United States during the season was $601,565.

COMPETITION WITH UNITED STATES TOMATO CROPS.

Nearly all of the tomatoes exported from the State of Sinaloa are marketed west of the Mississippi River, and for that reason, as well as the fact that the harvest begins during the first days of January, this crop is not a serious competitor of the Florida product, which is sold in the East, but it is quite impossible for Sinaloa producers to export at a profit 10 days after the California and Texas crops begin to flow to the markets. When the harvest of these crops begins the Sinaloa producers are forced to cease operations, no matter what quantity and quality of tomatoes they have on hand, as the freight and customs charges are so high and the selling price so low that they could only operate at a loss. The 94 cars of Sinaloa tomatoes were marketed in Texas before the crop in that State matured.

—

TOMATOES.

[Paragraph 770.]

STATEMENT OF FRANK J. BARRY, REPRESENTING NOGALES (ARIZ.) CHAMBER OF COMMERCE.

Mr. BARRY. Mr. Chairman and gentlemen, I am appearing as the representative of the Nogales (Ariz.) Chamber of Commerce. The reason that the Nogales Chamber of Commerce is interested in the matter I am representing them on is that we are located on the Mexican border.

Senator DILLINGHAM. What paragraph do you speak on?

Mr. BARRY. I speak on paragraph 770. We are located on the Mexico-Arizona border, at the town of Nogales, and through that point is imported all of the tomatoes grown on the west coast of Mexico. The growers of Mexican tomatoes are in the majority Americans, and a great many of them live in Nogales. Besides, those brokers who handle the products for the Mexican growers live in Nogales, and hence the interest of the Nogales Chamber of Commerce in the tomato business on the west coast of Mexico.

The American consul at Mazatlan has in the consular report of August 3, 1921, made a report on the Mexican tomato, and I would ask permission to file this in connection with my brief as a portion of it.

Senator MCCUMBER. That will be done.

Mr. BARRY. I am approaching this subject not as a free trader but as a protectionist; but I think that the circumstances of this particular situation, so far as the west coast of Mexico tomatoes are concerned, warrant some different duties than that provided in this tariff bill.

Senator SMOOT. Are you objecting to the 1 cent per pound?

Mr. BARRY. Yes, Senator.

Senator SMOOT. What do you want?

Mr. BARRY. We want it to remain as it is at present or better.

Senator MCCUMBER. What is it at present?

Mr. BARRY. At present it is 15 per cent ad valorem at the point of origin, which is about three-eighths cent per pound. It is valued by the customs authorities at Nogales at 2½ cents per pound, and 15 per cent of that is three-eighths cent per pound.

Senator MCCUMBER. You want to lower it?

Mr. BARRY. We want to have it lowered from 1 cent to the present rate; and if the committee would feel inclined to make it lower still, for the reasons I will show——

Senator SMOOT (interposing). Is that your brief?

Mr. BARRY. If I am permitted, I will read from the brief because I have it concisely stated there.

Senator SMOOT. There is no need of taking the time of the committee to read a brief, because they will have to go over that brief, and that is what they will find your figures from.

Senator MCCUMBER. Just give the basis for your position.

Mr. BARRY. As I stated, the present duty on tomatoes is 15 per cent ad valorem on the price of tomatoes at the point of origin, and that price is fixed by the customs authorities at 2½ cents per pound, and therefore the present duty is three-eighths cent per pound, coming into the United States.

The proposed bill raises this to 1 cent per pound, or an increase of five-eighths cent per pound, which is two and two-thirds times the present rate of duty.

As I stated, the records of our chamber of commerce at Nogales show that 77 per cent of the growers of tomatoes on the west coast of Mexico are Americans. I merely mention that for the purpose of showing that the industry affected is really an industry carried on by American citizens, many of whom reside in Nogales.

Tomatoes on the west coast of Mexico reach the United States during the months of December, January, February, March, April, and May.

There are no tomatoes grown in the United States, except possibly those that are grown in hothouses—and they do not amount to anything—during the months of December, January, February, or March. In April Florida produces tomatoes; next comes the Imperial Valley of California, and after that comes Texas.

Senator SMOOT. Does Arizona raise any tomatoes?

Mr. BARRY. Not to speak of, not for any outside consumption I know of. It does probably in the summer season, but not during those months I have mentioned. These winter tomatoes have been growing in Mexico now for some few years, probably 10 years.

Senator WATSON. You are an importer?

Mr. BARRY. No, sir; I am a director of the Nogales Chamber of Commerce, and I am sent here by them.

Senator WATSON. And they want to get tomatoes in from Mexico, do they?

Mr. BARRY. Yes, sir. It is to the interest of the community there, because the money received from those tomatoes is spent mostly there.

Senator MCLEAN. Do you make them into paste?

Mr. BARRY. No; they are imported only in the natural state.

Senator SMOOT. You say you are a resident of Nogales?

Mr. BARRY. I am a resident of Nogales.

Senator MCLEAN. Are those tomatoes sent East?

Mr. BARRY. They are sent to the Middle States; they do not come East. The cost of transportation is so high and the distance so far for a perishable commodity of this kind that it is inadvisable to send them East.

Senator MCLEAN. They come into this country in the months when there is no competition?

Mr. BARRY. That is the claim, and that is when they do come in; when competition might exist from Florida they never get into the Florida market, Florida being confined to the Atlantic Coast States, and only 4 per cent of the Mexico product last year reached the Atlantic Coast States; and, as I will afterwards show, the cost of production is so high that they can not compete with the Florida tomatoes.

Senator MCCUMBER. Are those tomatoes used for canning after coming into the United States?

Mr. BARRY. No; they are used for immediate consumption, for winter use only.

Senator MCLEAN. What is the retail cost?

Mr. BARRY. About 25 cents per pound retail.

Senator SMOOT. How many tomatoes do you want to bring over?

Mr. BARRY. Our people—probably a carload would be sufficient for a whole year locally.

Senator SMOOT. There are other sections of the country probably not fixed like you are, because you do not raise any, and they are raised right across the line. But there are people raising tomatoes in American and in competition with that foreign product.

Mr. BARRY. I beg your pardon: they do not raise them during the months that I speak of.

Senator SMOOT. It does not make any difference when they come over when they are sold or canned for future use.

Mr. BARRY. I know they do not can in Nogales. I am speaking of the whole consumption. They do not can any of these tomatoes. They are sold on the market, distributed in the natural state, and sold to the retailer in the natural state. It would be impossible to can tomatoes at a cost so great as these tomatoes bring on the market.

Senator MCCUMBER. But do you meet any competition that would result if we put them on the free list from other sections of the country——

Senator SMOOT (interposing). This does not apply to winter tomatoes. This applies to tomatoes of every kind.

Mr. BARRY. I know it does, and I distinguish in this argument that will follow between them and your summer tomatoes. We do not say the "summer tomato"; we propose that provision be put in section 770.

Senator SMOOT. You have not stated that.

Senator MCCUMBER. That is, that in certain months they shall not bear the same duty as those imported in other months; is that your claim?

Mr. BARRY. That is it, Senator.

Senator MCLEAN. You are in about the same fix as the potato men?

Mr. BARRY. I do not know anything about those potato men, Senator. Then, as I said, the Mexican crop does not enter into competition with Florida, California, or Texas. As a matter of fact, I have a number of letters from dealers in tomatoes in California, in Texas, and in the Northwest, urging that no increased tariff be put on Mexican tomatoes, and I think several Senators have been sent telegrams by their constituents and letters from those States along the same line.

As I stated before, only 4 per cent of this crop reaches the Atlantic Coast States, which is the market for the Florida tomato, and I may say that the Florida crop is not sufficient to supply the demand of the Atlantic coast. There is no competition whatever, therefore, between these tomatoes and the tomatoes that are raised in the United States during that period.

Moreover, the cost of producing and marketing these tomatoes is so high that they never can compete with the American-grown tomato. This is due mainly to the fact that it being a perishable product will not reach the market in a condition to be salable if it is not packed right. These tomatoes have to be packed in a certain condition in order that they may reach the market. Therefore, there are quite a number—probably one-half of the crop—that has to be laid aside at the time of picking, because it will not pack and ship, and they have no canning facilities in Mexico. Therefore, this is a great loss to the grower, and his cost is, therefore, much increased.

Senator MCCUMBER. What is the particular kind of tomato raised there?

Mr. BARRY. They raise several kinds. It is the same sort of American tomatoes.

Senator MCCUMBER. Will you give us the names of the different kinds raised?

Mr. BARRY. I could not, but I think they have the popular kinds used in the United States. I have heard them talk about Yellow Globe and a few of those other kinds.

Senator MCLEAN. You say they retail at 30 or 40 cents?

Mr. BARRY. I understand they retail for about 25 cents.

Senator DILLINGHAM. Where, in the North or South?

Mr. BARRY. In the Mississippi States, many of them going to Chicago.

Senator MCCUMBER. Is that a very large tomato that is raised there?

Mr. BARRY. No; it is not a large tomato. It is a medium-sized tomato, and hard. I can not say what they pay for them wholesale, understand.

Senator DILLINGHAM. At what price do they come into this country?

Mr. BARRY. In Chicago?

Senator DILLINGHAM. I mean where they are imported.

Mr. BARRY. There is no market there for them.

Senator DILLINGHAM. They have to be bought there, do they not, by somebody?

Mr. BARRY. When they buy them there they probably pay 15 cents a pound.

Senator DILLINGHAM. Are they shipped directly from Mexico to the Northern States?

Mr. BARRY. Yes, sir; they are shipped from the point of origin.

Senator DILLINGHAM. What is the wholesale price when they are shipped?

Mr. BARRY. When they are shipped it is about 8 or 9 cents a pound, at the market, in carload lots.

Senator MCLEAN. And the wholesaler gets about 15 or 20 cents in Chicago?

Mr. BARRY. I suppose so; I do not know. I am informed that it costs about 25 cents a pound to the final consumer. In addition to these packing costs they have high transportation charges, of course, coming from all the way down in Mexico. They have about 800 or 900 miles haul below the border, coming up from to Chicago, going up to the Northwest and to Washington State, and coming to Kansas City and to those other points where the consumption takes place.

Therefore, as a protective measure there is no necessity whatever for a tariff on Mexican-grown tomatoes that do not come in competition with our native product; and the cost of production is so high that the native product can drive them off the market.

The only other reason, therefore, for increasing the tariff on these tomatoes would be to increase our revenue, and that, of course, is an important matter to be considered.

During the last Mexican tomato season there were imported into the United States 24,272,000 pounds of tomatoes. That is the record that the Nogales Chamber of Commerce has, and the consul at Mazatlan states that the amount imported was 21,455,000. So we are practically agreed. Possibly some of these tomatoes came from Sonora and not from Mazatlan, where this consul is. There is only a difference of less than 1,000,000 pounds in their reports.

On that importation the Government of the United States received under the present rate of duty $91,020 in duties.

I am going to give you the costs of production of the La Louisiana farm owned by Americans, which is the only figures I could get. This is owned and run by Americans, and very economically and scientifically conducted, and here are the figures they give as to the cost of production of tomatoes.

Senator DILLINGHAM. That is located where?

Mr. BARRY. In the State of Sinaloa, Mexico, the second State below the border.

Senator MCCUMBER. That will be in your brief. Can you not give us your conclusion without going into it separately?

Mr. BARRY. The net profit to the grower, after paying all of the costs of growing, shipping, duties, and commissions is 0.4 cent per pound and a fraction; less than a half cent a pound they make in profit on them.

Senator MCLEAN. How many pounds are there to the bushel?

Mr. BARRY. They do not import in bushels.

Senator MCLEAN. I did not know but that you might know so that we could get that.

Mr. BARRY. They import in small crates of about 32 pounds to the crate, but they are not imported in bushels.

Senator MCLEAN. That crate holds a half bushel?

Mr. BARRY. If a bushel is 65 pounds it would be about half of it—32 pounds to the crate.

As I say, the profit to the grower on these tomatoes is less than a half cent a pound; and this does not take into consideration the interest on the grower's investment, nor does it take into consideration the bad seasons. Last season was a good one; the year before was a bad season. It was due to the fact that they had a Mexican strike on the railroads. Many cars of tomatoes were lost and rains came along at that time and not only destroyed the crop but also washed out railroad bridges, so that there were a number of cars destroyed, and consequently the cost of production was immeasurably increased.

If you deduct from this half cent per pound five-eighths of a cent duty you are going to absorb their entire profit and leave them a net loss of about one-fifth cent per pound.

Senator WATSON. Do we understand these tomatoes grow only in the wintertime?

Mr. BARRY. That is so.

Senator WATSON. And that they do not come in competition directly with the tomatoes grown anywhere else?

Mr. BARRY. No, sir; they do not.

Senator WATSON. And that you can not buy these tomatoes in the Salt River or Imperial Valleys or any other place in that part of the country?

Mr. BARRY. Not in any other place in that section.

Senator WATSON. Because they do not grow there in the wintertime?

Mr. BARRY. And the proof of that, Senator, is that the trade in California requests us—have written Senators urging that the duty be not increased on these Mexican-grown tomatoes.

Senator MCCUMBER. Your time is up, Mr. Barry, if you can bring it to a close now.

Mr. BARRY. I will, in just a minute. It may be asked, Can this price be passed on to the consumer? Of course, experience teaches that when you add five-eighths cent a pound to the cost of the tomatoes by duties, that by the time they reach the consumer that amounts up to several cents, and where the consumer is buying tomatoes at 25 cents a pound now he would then pay probably 30 cents a pound. Naturally that would reduce the consumption considerably. It is my opinion and it is the opinion of those familiar with this situation that it would reduce the consumption to about 25 per cent of its present quantity, which would be cutting off three-fourths of the present importations.

If you cut off three-fourths of the importation what do you do with your revenue? Assuming that you put it even at 1 cent a pound, you reduce your revenue at least $30,000 by the increase in tariff. There is no question about it but that three-fourths of the people down there would go out of business and that you would get $30,000 less on the importation of tomatoes by the increased duty.

Now, I have suggested that you put a proviso to your bill as follows: "*Provided*, That tomatoes imported in their natural state between the 15th day of December and the 15th day of May annually shall be admitted at three-eighths cent a pound duty," which is the present rate, or cheaper, if you can.

And I respectfully submit that to the committee.

BRIEF OF FRANK J. BARRY, REPRESENTING NOGALES (ARIZ.) CHAMBER OF COMMERCE.

The present duty on west coast of Mexico tomatoes of 15 per cent on a 2½ cents per pound valuation at point of origin is three-eighths cent per pound. The proposed bill raises this to 1 cent per pound, making an increase of five-eighths cent per pound or two and two-thirds times the present duty.

MEXICAN TOMATOES PRODUCED PRINCIPALLY BY AMERICANS.

The records of the Nogales (Ariz.) Chamber of Commerce show that 77 per cent of the tomatoes exported from the west coast of Mexico to the United States are raised by Americans. This being the fact, the plea of protecting American industry loses much of its force in the present case.

NO PROTECTIVE TARIFF NEEDED AGAINST MEXICAN TOMATOES.

Tomatoes from the west coast of Mexico reach American markets during the months of December, January, February, March, April, and May. No American-grown tomatoes are available for market during December, January, February, or March. Florida is the earliest State to produce tomatoes, but the Florida crop does not mature before April. The Imperial Valley in California follows Florida. Next comes Texas. No American State produces winter tomatoes, and the only winter tomatoes raised on the Western Continent are those produced on the west coast of Mexico.

Winter tomatoes have reached such a stage of popularity and are so wholesome a food as to be now properly classed as a necessity of our people. The Mexican crop does not enter into competition with the crop from Florida, California, or Texas. Florida's crop finds an ample market in the Atlantic Coast States, and by the time the California and Texas crops arrive the Mexican season is ended. Less than 4 per cent of the Mexican crop reaches the Atlantic coast markets. There is no competition in the market, therefore, between Mexican-grown tomatoes and those grown in the United States.

Moreover, the cost of producing and marketing Mexican tomatoes is so high that they can never successfully compete with the American product. This is due mainly to losses in the picking, packing, and shipping, because of the perishable nature of the commodity, high transportation costs, and import duties.

The imposition of an increased tariff on Mexican-grown tomatoes is unwarranted therefore as a protective measure from whatever angle the subject is viewed.

INCREASE OF TARIFF ON MEXICAN TOMATOES WILL REDUCE RATHER THAN INCREASE REVENUE.

The only other reason for increasing the tariff on Mexican tomatoes would be to increase the revenue. During the last Mexican tomato season there were imported to the United States from Mexico 24,272,000 pounds of tomatoes, on which the United States collected $91,020 in duties. One of the largest and most economically operated tomato farms in Mexico is "La Louisiana," at Los Mochis, Sinaloa, owned by Americans, and comprising 610 acres. The following is a table of the production and marketing costs for said farm for the last season:

	Per pound.
Cost of growing, including rent, interest, seed, labor, etc	$0.08550
Cost of packing materials and labor of packing	.01361
Cost of transportation, duties, and commissions	.03622
Total cost	.08533
Gross selling price	.08984
Net profit to grower	.00451

It will be seen that the grower's profit is less than one-half a cent per pound without taking into the calculation interest on his investment or bad seasons.

Now, if we add to the already high cost an additional five-eighths of a cent per pound, as is proposed, we find this entire net profit converted into a net loss of $0.00174, or nearly one-fifth of a cent per pound. The inevitable result will be the abandonment of the industry on the west coast of Mexico and the total loss to American consumers of a wholesome vegetable which has come to be a necessity of the winter table, as well as the loss to the United States of over $90,000 revenue.

It needs no further argument to show that as a revenue measure the proposed tariff would fail.

Can the selling price of tomatoes be increased so that the increased tariff may be passed along to the consumer? Possibly; but in such case the consumption would be greatly reduced, perhaps to less than one-fourth the present consumption. Experience teaches that when duties are passed on to the consumer they are many times multiplied on the way. Winter tomatoes at present cost the housewife about 26 cents per pound. Add five-eighths cent per pound to the present production cost and it is safe to say that the consumer will pay more than 30 cents per pound. Such a large increase in price may not kill the entire consumption but would be certain to kill three-fourths of it. What is the result? A net loss to the Government of over $30,000 per annum.

The importation of winter tomatoes should be encouraged rather than discouraged. Measures should be taken to reduce the price rather than increase it as long as no native industry suffers. The Government could well forego its tariff on such a desirable and necessary article of food during the winter season when fresh vegetables are unavailable. Certainly the importation should not be curtailed nor the price increased by an increase of duty. It is respectfully recommended, therefore, that winter tomatoes be placed on the free list or that the duty thereon be not to exceed three-eighths cent per pound.

The following proviso might be added to paragraph 770:

"*Provided*, That tomatoes imported in their natural state between the 15th day of December and the 15th day of May, annually, shall be admitted free of duty."

Mr. ASHURST. How much time have I consumed of my 15 minutes, Mr. President?

The PRESIDING OFFICER. The Senator from Arizona has consumed three minutes of his time.

Mr. ASHURST. Then, I have 12 minutes yet remaining?

Mr. SMOOT. The Senator has not that much time remaining if he yields the floor.

Mr. FRANCE. Mr. President, I desire to offer an amendment.

Mr. ASHURST. May a vote now be taken upon the amendment?

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. The Senator from Arizona [Mr. ASHURST] has the floor. Does he yield?

Mr. ASHURST. I yield, with the understanding that I have 12 minutes yet remaining.

Mr. SMOOT. Let us have an understanding in regard to the unanimous-consent agreement. I understand that a Senator can speak only once and not more than 15 minutes upon any amendment, and 30 minutes upon the bill itself. I desire a ruling of the Chair on the question at this time.

Mr. JONES of Washington. I desire to suggest that the President pro tempore ruled that a Senator's 15 minutes might be divided into two speeches on amendments.

Mr. SMOOT. If the matter has been ruled upon, then I have not any more to say; but I wish it definitely understood at this time.

Mr. ASHURST. Then, I am perfectly composed, because I understand I still have 12 minutes remaining which I may consume at a later time if I do not do so now.

Mr. FLETCHER. Mr. President, with reference to the amendment of the Senator from Arizona [Mr. ASHURST], I desire to say that, of course, it merely means putting Florida-grown tomatoes on the free list, which would benefit Mexico and the West India Islands and perhaps Cuba; but tomatoes grown in all the other States would still bear a duty of 1 cent per pound. It may be California, possibly the extreme southern portions of Texas and Louisiana, produce tomatoes marketable in February or March. Florida tomatoes are ready for market in January, and the months of February and March are the months when prices are best. The industry can not survive if the winter markets are taken away by importations from tropical countries south of us. After the spring and summer come on Florida does not ship. The States north of us come in and transportation shuts us out. Hence, I say the amendment in effect provides that tomatoes shall be admitted free of duty as against Florida producers, but as to producers in all the other States they shall bear a duty of 1 cent a pound, or about 60 cents a crate. There could not be a more glaring case of rank discrimination.

I am not a protectionist; I do not advocate any duty merely for the sake of protection; but I desire to call attention to the fact that Florida can produce all the tomatoes that the whole country may need in the wintertime; that Florida is actually shipping to the Pacific coast in the winter months tomatoes, beans, peppers, eggplants, and vegetables of similar character. Florida is shipping during the winter months—she did so last season and does so every season in increasing quantities—clear to the Pacific coast, early vegetables. One of the best markets Florida has for winter vegetables is California, strange as it may seem. So that the section of the country of the Senator from Arizona may be supplied with tomatoes which are grown in his own country without the slightest difficulty and at very reasonable prices.

I do not see any particular reason for putting tomatoes on the free list, except, as I have said, that it would help Mexico, it may be. Of course, that is not the Senator's object; his object is to supply his own people with these early vegetables. However, the fact is that these vegetables are produced in this country, and in the winter months, and may be had without calling on Mexico or the West India Islands for them.

Mexico ought to be able to compete with Florida in Arizona and pay the duty provided in the bill.

Mr. ASHURST. I will read from the report of Consul W. E. Chapman, the American consul at Mazatlan, Mexico, dated July 13, 1921, a paragraph relating to tomatoes. I will read it for the hearing of my distinguished and learned friends, the two Senators from Florida, both of whom are here:

Nearly all of the tomatoes exported from the State of Sinaloa are marketed west of the Mississippi River, and for that reason, as well as the fact that the harvest begins during the first days of January, this crop is not a serious competitor of the Florida product which is sold in the East, but it is quite impossible for Sinaloa producers to export at a profit 10 days after the California and Texas crops begin to flow to the markets. When the harvest of these crops begins the Sinaloa producers are forced to cease operations, no matter what quantity and quality of tomatoes they have on hand, as the freight and customs charges are so high and the selling price so low that they could only operate at a loss. The 94 cars of Sinaloa tomatoes were marketed in Texas before the crop in that State matured.

The point I am endeavoring to make, Mr. President, is that during the time when Florida and other parts of our country are not furnishing tomatoes the Southwest is able to get winter-grown tomatoes from Mexico during the months specified in the amendment, and that if the duty of a cent a pound is not imposed thereby the people of the Southwest may have both summer tomatoes and winter tomatoes.

I need not take up the time of the Senate at this hour expatiating on the value of the tomato. It is within the common knowledge of many if not most persons that tomatoes are nutritious and wholesome; that they have laxative and anti-scorbutic properties.

Mr. McCUMBER. Mr. President, I think the Senator from Arizona is correct. Both Senators from that State have presented the matter to me. I do not believe that the tomatoes that come in from Mexico to supply the southwestern portion of the United States during the winter months seriously com-

pete with the product raised anywhere else in the United States, especially in December, January, February, and March. Possibly to some extent in April some tomatoes might go from Florida to southern California; but, as the Senator from Florida has suggested, I do not think it is a serious matter, as the Florida producers are dependent almost entirely upon the sale of their product in the eastern section of the United States. So I desire to say that I have no objection to the amendment proposed by the Senator from Arizona.

Mr. FLETCHER. Mr. President, I want it understood that Florida produces tomatoes beginning in December and continuing through January, February, March, April, and May. We can produce tomatoes in sufficient quantities to supply the whole country, so far as that is concerned. We have some patches down there of 1,200 acres and 2,000 acres, respectively, and a great many other smaller fields; indeed, some 4,000,000 acres in Florida are adapted to the growing of tomatoes, for that matter, in the winter, before they can be produced elsewhere in this country commercially and successfully. We are to-day actually shipping tomatoes and some of the early winter vegetables to the Pacific coast, as far, I think, as the State of Washington.

They are shipped to all portions of the country. They must move at a time when the other States are not ready for market. The amendment proposes to allow tomatoes grown in the islands south of us and in Mexico to come into our markets free of duty only at the time the Florida-grown tomatoes must be shipped. When our season is over and tomatoes grown elsewhere in the United States are ready for market, the foreign product will face a duty of 1 cent a pound. I submit no proposal could be more unjust, unfair, and discriminatory.

Mr. ROBINSON. Mr. President——

Mr. FLETCHER. I yield to the Senator from Arkansas.

Mr. ROBINSON. The Senator from Arizona [Mr. ASHURST] just read a statement, which was in evidence before the committee, to the effect that there is a period in the early part of the season when the Florida crop is not ready for market, when tomatoes imported from Mexico may be used in the Southwest. I am interested to know whether he concedes the accuracy of that testimony or whether he disputes it.

Mr. FLETCHER. I think what the letter read by the Senator said was that the Florida crop did not move west of the Mississippi during that time, not that it was not actually on the market or being produced, but that it did not move west of the Mississippi. If it said Florida tomatoes were not being marketed in the months of January, February, and March, he is mistaken. Shipments begin in January and the months named yield returns which make the industry possible. As to that, I will say that recently one of the large vegetable growers of Florida, who was here asking me to interest myself in securing through rates and service from Florida to California and the Pacific coast, said, "One of the best markets we are having for our early vegetables is in that region of the country." That statement surprised me very much, because I thought California produced those vegetables and supplied the market out there. I know we are shipping celery in the winter to Los Angeles and other points in California; we shipped carloads of it last winter, and we are shipping beans, and egg plants, and tomatoes to the same region. It is a mistaken notion that the Florida market is confined entirely to the north Atlantic section and the territory east of the Mississippi, because the Florida producers are now extending their market clear to the Pacific coast, and find there a great demand for their early vegetables during those particular months. I do not think there will be any difficulty about supplying the people there with tomatoes.

The amendment ought to be defeated because the effect is to discriminate grossly against one State. It says there should be free imports of a commodity as to one State alone, but dutiable as to all the other States. It means there shall be a tariff on an article as to all the States except one and as to that one there shall be no duty. Furthermore, in effect, it provides there shall be free trade for three months and protection for seven months of the year. It is indefensible in principle and unsound in policy. It can not be justified on any ground. I hope it will be defeated.

Mr. ASHURST. Mr. President, if the Senator from Florida will yield to me, for my time is exhausted——

The PRESIDING OFFICER. The Senator from Arizona has spoken twice.

Mr. ASHURST. I have spoken twice, Mr. President.

Mr. TRAMMELL. Mr. President, I see no reason why the law should be changed or modified so as to bring our domestic tomatoes in competition with the foreign product. If there are certain sections of this country which are entitled to protection in the interest of the tomato growers, there is no reason why a similar sense of justice should not actuate the Senate in dealing with the Florida product.

Unquestionably, if you remove the duty during the months of December, January, February, and March, you will allow tomatoes to come in free of duty at least for a part of the time that they are produced and marketed from the State of Florida, probably some of the far Southwestern States, and probably part of Louisiana. I very much hope the amendment will not be agreed to.

We know that the freight problem has a great deal to do with the question of distribution of the vegetable crops and fruit crops. I do not know at just what rate they would be able to transport tomatoes across the continent, but, as a matter of fact, in dealing with citrus fruits California is able to put its citrus fruits into the eastern market at practically the same rate of freight at which we are able to put the fruits from Florida into the eastern market. There is very little difference in the freight; probably a difference of only 12 to 15 or 16 cents per box. Of course, that seems like a great discrimination against Florida or in favor of California, or not a proper equalization of the rates, but, nevertheless, that condition exists. If you have a similar condition existing here, it will not be a question merely of supplying this little section of the country out West that is asking to have the law modified so that it can get in free tomatoes during a certain season, but it will enable this product to be brought all the way across the continent and into the eastern market and the middle western markets that are to-day largely supplied from the far South—from my State and other States.

Mr. ASHURST. Mr. President, will the Senator yield to me at that point?

Mr. TRAMMELL. Certainly, for a question.

Mr. ASHURST. I shall have to make a brief statement first to lead up to the question.

The tomatoes grown in Florida and shipped to California, as Senators will remember, bear the rate from terminal to terminal. In other words, if the Florida producer desires to ship a carload of tomatoes—and I think that would be 825 crates—to the terminal at Los Angeles, the freight would be considerably lower than it would if they were shipped 600 miles nearer, because we are mercilessly injured, in fact exploited, by the long-and-short-haul discrimination. So if the Senator's argument should prevail it would mean that if we got the tomatoes from Florida we would have to pay the freight from Florida to California and back to Arizona. This amendment, in addition to giving us winter tomatoes, would relieve us from the extortion of the long-and-short-haul discrimination.

I thank the Senator.

Mr. TRAMMELL. It is not only a question of the competition with the Florida product that might result from removing this duty so as to bring in tomatoes from Mexico, but lying to the south of Florida in Cuba. I do not know to what extent tomatoes are being produced there at the present time, but if a condition is brought about in this country that will permit the extensive engaging in the production of tomatoes in Cuba it will be a question of only a very short time until the Florida producer will have Cuba as a competitor. When Cuba becomes a competitor in any of these products she will be able to market them, of course, at a much less cost of production and at a freight rate as far as the eastern market is concerned less than that from Florida to many of the eastern markets on account of having water transportation from Habana to New York and Philadelphia and all of the large eastern cities.

Take the question of the pineapple industry: On account of cheaper freight rates the Cuban competition has almost destroyed the pineapple industry in my State, and I think it would be very unfortunate and very unjust to the people of Florida who are producing these early tomatoes to have the tariff removed for some two or three months and at a time when the Florida products are being marketed quite extensively.

I hope the amendment will not be adopted.

Mr. CAMERON. Mr. President, I have tried to be very consistent here in my votes, and this is the first time I have ever advocated placing any American-grown article on the free list; nor would I do it now if I did not think it would be beneficial in every way to the American people.

I have listened to the Senator from Florida [Mr. FLETCHER] and to my colleague from Arizona [Mr. ASHURST], and I have here a brief statement that I should like to present that, I think, will put this thing up to the Senate in an intelligent way. I do not mean that the remarks of the other Senators have not been intelligent, but this is concise and is gotten up

by the Chamber of Commerce of Nogales, and I should like to read it:

The records of the Nogales (Ariz.) Chamber of Commerce show that 77 per cent of the tomatoes exported from the west coast of Mexico to the United States are raised by Americans. This being the fact, the plea of protecting American industry loses much of its force in the present case.

Tomatoes from the west coast of Mexico reach American markets during the months of December, January, February, March, April, and May. No American-grown tomatoes are available for market during December, January, February, or March. Florida is the earliest State to produce tomatoes, but the Florida crop does not mature before April. The Imperial Valley, in California, follows Florida. Next comes Texas. No American State produces winter tomatoes, and the only winter tomatoes raised on the Western Continent are those produced on the west coast of Mexico.

Winter tomatoes have reached such a stage of popularity and are so wholesome as a food as to be now properly classed as a necessity of our people. The Mexican crop does not enter into competition with the crop from Florida, California, or Texas. Florida's crop finds an ample market in the Atlantic Coast States, and by the time the California and Texas crops arrive the Mexican season is ended. Less than 4 per cent of the Mexican crop reaches the Atlantic coast markets. There is no competition in the market, therefore, between Mexican-grown tomatoes and those grown in the United States.

Moreover, the cost of producing and marketing Mexican tomatoes is so high that they can never successfully compete with the American product. This is due mainly to losses in the picking, packing, and shipping, because of the perishable nature of the commodity, high transportation costs, and import duty.

I might state that these tomatoes are raised on the west coast of Mexico, something like five to seven hundred miles south of the international line—

The imposition of an increased tariff on Mexican-grown tomatoes is unwarranted, therefore, as a protective measure, from whatever angle the subject is viewed.

Mr. President, I take the stand that as these tomatoes grown on the west coast of Mexico do not in any way interfere with any of our products grown in the United States, either in Florida, in Texas, or in California, it is only just and right that the Senate should adopt the amendment offered by the senior Senator from Arizona and put tomatoes on the free list. I hope this will be done.

Mr. TRAMMELL. Mr. President, according to that telegram, it would seem that if you are going to remove the duty at all you should remove it for the entire year, because the information there furnished would indicate that there is no competition with the crop produced in any particular section of the country. I insist that if you are going to remove it for these particular months it should be removed for the entire year. I should like to have the question submitted in that way. If we are going to remove it, let us remove it entirely. Let us not select two or three months when the Mexican product comes into competition with the Florida product and admit tomatoes free into this country for that period only, and build up a tariff wall around the remainder of the year, so as to protect production in other sections of the country. There can not be any more highly discriminatory and unjust action on the part of Congress than to select the three months in which Florida produces tomatoes and say: "We will admit them free at this time, but we will have a tariff wall built around the other months of the year to protect other States."

If you remove the duty, you open up the question of importation not merely from Mexico but from Cuba, the West Indies, probably Nassau, and South American countries; and the first thing you know, if the protection is worth anything, you will have destroyed the industry in the State of Florida and in other extremely far Southern States where they produce tomatoes at a very early season. Those are the only months, as suggested by my colleague [Mr. FLETCHER], in which they make any money upon the production of tomatoes, because after the season is on in full force and the very large bulk of the crop is being marketed tomatoes are sold for such ridiculously low prices that they produce but little more than the cost of transportation and harvesting, and in a great many instances they do not even bring prices equivalent to that. That is the profitable season of the year, when they get into the early markets.

Mr. CAMERON. Mr. President, will the Senator yield?

Mr. TRAMMELL. I am sorry that I must decline to yield, because I have but a limited amount of time.

Mr. CAMERON. Just a moment.

Mr. TRAMMELL. I dislike to decline to yield, but I do not want to lose my time, and I have only 15 minutes.

Mr. CAMERON. I just wanted to say that I am rather surprised that the Senator from Florida should be asking for any protection whatever.

Mr. TRAMMELL. The Senator is often surprised. There is nothing surprising about his surprises. I am surprised that he is asking for free trade for three months in the interest of Arizona at the expense of the State of Florida. I have no objection to his seeking free trade, but I hope he will not try to place the entire burden upon the State of Florida. Distribute it equally throughout the United States. Remove the duty entirely, if you are going to remove it, or else do not discriminate against the Florida season. Those particular months are the only three months when the duty really is of any benefit to the State of Florida.

Mr. President, I submit that this amendment should not be adopted and this highly discriminatory action taken against the State of Florida in the interest of Arizona and a few other States that want to bring in tomatoes from Mexico. I hope therefore that the Senate will vote down the amendment.

The PRESIDENT pro tempore. The question is upon the amendment proposed by the Senator from Arizona [Mr. ASHURST].

Mr. TRAMMELL. I call for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. HARRISON (when his name was called). I have a general pair with the junior Senator from West Virginia [Mr. ELKINS]. Being unable to obtain a transfer, I withhold my vote.

Mr. OVERMAN (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. WARREN]. Not being able to obtain a transfer, I withhold my vote.

Mr. POMERENE (when his name was called). Announcing my pair with my colleague [Mr. WILLIS] as heretofore I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. STERLING (when his name was called). I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Delaware [Mr. DU PONT] and vote "nay."

Mr. TRAMMELL (when his name was called). Making the same announcement as on the previous ballot in regard to my pair and its transfer, I vote "nay."

Mr. WALSH of Montana (when his name was called). Transferring my pair with the Senator from New Jersey [Mr. FRELINGHUYSEN] to the Senator from Rhode Island [Mr. GERRY], I vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same transfer as before, I vote "yea."

The roll call was concluded.

Mr. HALE. Making the same announcement as before, I vote "nay."

Mr. ERNST. Making the same announcement as that made on the last vote concerning my pair and its transfer, I vote "nay."

Mr. McKELLAR. I have a pair with the Senator from Indiana [Mr. NEW], and in his absence I withhold my vote.

Mr. EDGE. Making the same announcement as on the previous vote, I vote "nay."

Mr. CURTIS. I desire to announce the following general pairs:

The Senator from Missouri [Mr. SPENCER] with the Senator from Georgia [Mr. HARRIS];

The Senator from Minnesota [Mr. NELSON] with the Senator from Massachusetts [Mr. WALSH];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON];

The Senator from Illinois [Mr. McKINLEY] with the Senator from Arkansas [Mr. CARAWAY]; and

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS].

The result was announced—yeas 25, nays 24, as follows:

YEAS—25.

Ashurst	Harreld	Moses	Reed, Mo.
Bursum	Jones, Wash.	Myers	Simmons
Cameron	Kellogg	Nicholson	Sutherland
Capper	Kendrick	Norbeck	Watson, Ind.
Cummins	Keyes	Oddie	
Curtis	McCumber	Phipps	
France	McNary	Pomerene	

NAYS—24.

Ball	Fletcher	Lodge	Shortridge
Brandegee	Gooding	Pepper	Sterling
Culberson	Hale	Ransdell	Trammell
Dial	Heflin	Reed, Pa.	Underwood
Edge	Jones, N. Mex.	Robinson	Wadsworth
Ernst	Lenroot	Sheppard	Walsh, Mont.

NOT VOTING—47.

Borah	Harris	New	Spencer
Broussard	Harrison	Newberry	Stanfield
Calder	Hitchcock	Norris	Stanley
Caraway	Johnson	Overman	Swanson
Colt	King	Owen	Townsend
Dillingham	Ladd	Page	Walsh, Mass.
du Pont	La Follette	Pittman	Warren
Elkins	McCormick	Poindexter	Watson, Ga.
Fernald	McKellar	Rawson	Weller
Frelinghuysen	McKinley	Shields	Williams
Gerry	McLean	Smith	Willis
Glass	Nelson	Smoot	

So Mr. ASHURST's amendment was agreed to.

Mr. TRAMMELL. I desire to have reserved the right to have a separate vote upon the amendment just adopted when the bill gets into the Senate.

Mr. FRANCE. I offer an amendment which I send to the desk.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 8, line 7, to strike out the word "paracetaldehyde" and to insert in lieu thereof the words "and paracetaldehyde, 20 per cent ad valorem."

Mr. FRANCE. This merely slightly reduces the duty on some chemicals not manufactured in this country. I believe the chairman of the committee has no objection to the amendment, and I hope it may be adopted.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment.

The amendment was agreed to.

Mr. ASHURST. Mr. President, on page 113, line 16, after the words "natural state," I move to insert the words "not specially provided for."

The amendment was agreed to.

Mr. WADSWORTH. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 105, line 9, the Senator from New York moves to strike out the words "and other," and on line 10, after the word "cereals" and the comma, to insert the words "malt sprouts and brewers' grains."

Mr. WADSWORTH. Mr. President, just a word of explanation. It will be noted that paragraph 731, on page 105, carries duties on the by-products of the milling of wheat and other cereals, dried beet pulp, malt sprouts, and brewers' grains. It will be noticed also that bran, shorts, and other by-product feeds obtained in milling waste or other cereals carry a duty of 10 per cent ad valorem, whereas malt sprouts, brewers' grains, and dried beet pulp carry a duty of $5 per ton.

The amendment which I offer has this effect: It withdraws the malt sprouts and brewers' grains from the $5 per ton duty, and includes those articles, along with bran, shorts, and other by-product feeds, at the 10 per cent ad valorem rate.

Here is the situation: Since the advent of national prohibition, no brewers' grains are made in this country. Prior to the advent of national prohibition, of course, it is well known that brewers' grains were an exceedingly valuable and popular cattle feed.

Mr. McCUMBER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from North Dakota?

Mr. WADSWORTH. I yield for a question.

Mr. McCUMBER. Can the Senator give us any information as to the quantity of the importations of comparable articles?

Mr. WADSWORTH. I can not give the quantities of the importations. I know they are now being imported. They come, I think, almost entirely from Canada. They are not produced in this country. My criticism of the paragraph as written is that they bear a duty twice as high as bran, shorts, and middlings, and yet they are a stock feed which is needed by the live-stock feeders of the country just as much as are other feeds. Dried brewers' grains, of course, do not come into competition with any like product in this country, because we no longer make them.

Mr. SMOOT. As I understood the Senator's amendment, it was to strike out the words "or other."

Mr. WADSWORTH. "And other," simply to make it proper language. The paragraph would read as follows if my amendment were adopted:

> Bran, shorts, by-product feeds obtained in milling wheat or other cereals, malt sprouts and brewers' grains, 10 per cent ad valorem.

Then a further corrective amendment, if mine were adopted, would have to be made in line 13 by striking out "malt sprouts and brewers' grains." My amendment as printed does not cover that.

Mr. SMOOT. As I caught the amendment when read at the desk, I understood it was to strike out "or other" in line 10, but the Senator says it is to strike out "and other" in line 9.

Mr. WADSWORTH. Yes.

Mr. SMOOT. That is all right.

Mr. McCUMBER. I would ask the Senator if he has made any computation as to what difference it would make in the equivalent ad valorem duty.

Mr. WADSWORTH. Yes. Brewers' grains are now quoted to American importers at $19 and some cents per ton.

Mr. McCUMBER. Is not the Senator mistaken about that being the dried price?

Mr. WADSWORTH. No.

Mr. McCUMBER. My information is that that is the price on the wet, but that the dried, which is covered by the Senator's amendment, comes in at about $50 per ton.

Mr. WADSWORTH. No; the Senator is mistaken. I hold in my hand a letter in which that quotation is made. I have seen correspondence between the importer and the Canadian producer in which the quotation was made at $19 and some cents per ton. A duty of $5 a ton is 25 per cent ad valorem. I can see no excuse for assessing a duty of 25 per cent ad valorem on cattle feed highly prized by American live-stock men while bran and other cattle feeds, which have not the same protein content or the same feeding value, bear a duty of only 10 per cent ad valorem. My proposal is to let them all carry a duty of 10 per cent ad valorem. I think it will be for the benefit of the live-stock industry and certainly it will hurt no one.

The PRESIDENT pro tempore. If there be no objection, the two amendments offered by the Senator from New York will be considered as a single amendment. The Chair hears no objection.

Mr. McCUMBER. Mr. President, I have the figures here. Here is what the Summary of Tariff Information says: Dried grains and malt sprouts, quantity, 217 tons in 1918, at a value of $13,394. Certainly that would be more than $50 a ton. In 1919 the amount was 1,960 tons valued at $125,886. Of course, that is a high price. Taking the nine months of 1921 we imported 90 tons at $4,852. That would certainly be more than $50 a ton. Ten per cent ad valorem would be about $5, and that is the same as it is now at $5 per ton.

Mr. WADSWORTH. I have not implicit confidence in my own calculation. I only know that I have seen the correspondence between the Canadian producers of the brewers' grains and the people of the United States who have been importing it, and they want to continue to import it. Under this duty it is shut out. Notice is served that it can no longer be done. If that is the purpose of the committee it is accomplished by rejecting the amendment.

Mr. SMOOT. That is true as to the wet malt sprouts and brewers' grains, but, of course, if it is $5 a ton it would come in dry, and the dry is worth $52 a ton. The way the committee framed the provision it is true that no wet malt sprouts or wet brewers' grains could come in at the price of $19, but the dry is worth $50, and the committee sought to have a 10 per cent ad valorem duty upon it the same as the other.

Mr. WADSWORTH. I am surprised that there is such a spread between the wet and the dry brewers' grains.

Mr. SMOOT. There is almost 50 per cent difference in the wet and dry.

Mr. WADSWORTH. In valuation?

Mr. SMOOT. No; in weight. Of course, the weight makes the same spread in price and a little more, because they have to dry it. I can see what the Senator's correspondents want. No doubt they ship theirs from Canada in the wet form and it is used immediately.

Mr. WADSWORTH. Yes. Let me quote from one paragraph of a letter. This is not the only one I have. I am sorry I have not the others with me. This correspondent says:

> The proposed rate of $5 per ton will, if finally adopted, prohibit the importation of dried grains from Canada.

The other correspondence which I have from other people involved tells exactly the same story.

Mr. SMOOT. We do know that the valuation of those coming into this country in 1921 was $52 a ton for dried malt sprouts and dried brewers' grains. That is the value of those which came in in 1921.

Mr. WADSWORTH. My proposal is to assess an ad valorem duty of 10 per cent. Whatever the value is they would pay accordingly. I want them on the same basis as other feeds. What harm can be done in assessing a duty of 10 per cent ad valorem? That is the purpose of my amendment.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment offered by the Senator from New York.

The amendment was agreed to.

Mr. WADSWORTH. That amendment having been made, it will be necessary to strike out of line 13 the words "malt sprouts, brewers' grains, and," so that it would read "dried beet pulp."

Mr. McCUMBER. It will be necessary to reconsider the vote by which the amendment was adopted.

The PRESIDENT pro tempore. Is there objection to reconsidering the vote by which the amendment in line 13, page 105, was adopted? The Chair hears none. The question now is upon the motion of the Senator from New York to strike out the word "and" in that amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The ASSISTANT SECRETARY. The Senator from New York now proposes to strike from the House text the words "malt sprouts, brewers' grains" and the comma.

The amendment was agreed to.

Mr. STERLING. Mr. President, I offer the following amendment:

The PRESIDENT pro tempore. The Secretary will report the amendment offered by the Senator from South Dakota.

The ASSISTANT SECRETARY. On page 77, at the end of line 14, paragraph 360, add the following additional proviso:

Provided further, That all such articles imported for educational institutions and to be used solely for educational purposes shall be admitted free of duty.

Mr. STERLING. The proposed amendment follows the paragraph which provides for a duty upon philosophical, scientific, and laboratory instruments, apparatus, and so forth, and a very high tariff, too, I think. The tariff on these instruments has been increased about 120 per cent over what it has been heretofore—that is, upon these instruments generally. The proposition involved in the amendment is to exempt from a tariff duty the philosophical and scientific instruments, apparatus, and so forth, which are imported for educational institutions and used solely for educational purposes, and to put them on the free list. This has been done, as I understand it, for a great many years. Indeed, I do not recall when scientific instruments, used solely for educational purposes by educational institutions, had to pay a duty. I think whatever we may do in regard to other articles, whether they be articles of food, clothing, shelter, ornament, or what not, these articles, which are the very direct means and instrumentalities of education in educational institutions, should not have to bear the burden of a tariff duty.

I hope that the amendment will prevail. It is in accord with our practice heretofore to put these instruments and appliances on the free list.

Mr. President, in connection with my remarks I send to the desk a resolution adopted by the American Association for the Advancement of Science. I ask that it may be read.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Assistant Secretary read as follows:

THE AMERICAN ASSOCIATION FOR THE ADVANCEMENT OF SCIENCE—DUTY ON SCIENTIFIC APPARATUS FOR EDUCATIONAL INSTITUTIONS.

The following resolutions regarding duty-free importation of scientific materials and scientific books in the English language into the United States by educational institutions have been passed by the American Association for the Advancement of Science:

"Whereas the scientific education of the youth of the United States is among the most fundamental and important functions of the Republic, education being the only means by which the advantages of present civilization may be surely transmitted to coming generations of citizens and by which the future progress of the Republic may be assured; and

"Whereas the prosecution of the said scientific education of the youth requires unrestricted employment of the apparatus and materials of science in educational institutions, this being increasingly true for more advanced education; and

"Whereas the scientific materials and apparatus to be used in educational institutions ought to be selected as far as possible without consideration of their place of origin, since science is world-wide in its scope; and

"Whereas any increase in the cost of scientific equipment for education is to be greatly deplored, since the funds available for its purchase by educational institutions are invariably inadequate in comparison with the great needs and possibilities of education; and

"Whereas institutions for higher education must still be relied on for the most fundamental and far-reaching steps in the advancement of knowledge through the scientific researches of their faculties and students; and

"Whereas both financial and patriotic considerations clearly require that the Republic should aid fundamental scientific research in every possible way, especially avoiding the erection of artificial barriers across the path of the advance of true knowledge; and, finally,

"Whereas, in consideration of the foregoing clauses, the American Association for the Advancement of Science, with its 12,000 members, almost all of whom are citizens of the United States—representing the fundamental scientific interests of the country from the standpoint of scientific research as well as from that of instruction, and representing especially the institutions for higher education and their staffs—views with very serious concern the proposal to repeal section 573 of the tariff act of October 3, 1913, which allows the duty-free importation of scientific materials by educational institutions: Therefore be it

"*Resolved*, That the American Association for the Advancement of Science respectfully calls the attention of the Congress of the United States to the very great hindrance and burden that would be imposed upon the scientific education and research in the Republic if its educational institutions were to be deprived of the privilege of duty-free importation of scientific apparatus and materials, which they have enjoyed for many years; and be it further

"*Resolved*, That the American association also respectfully urges the restoration of the corresponding privilege of duty-free importation of single copies of scientific books in the English language by recognized educational institutions and the faculties, such books constituting an important item of both institutional and personal equipment for advanced instruction and research, especially since it is undesirable that scientific publications in languages other than English should be artificially favored in the United States; and be it finally

"*Resolved*, That these resolutions be forwarded to the proper committees of the Congress of the United States, to the National Academy of Sciences, to the National Research Council, and to the secretaries of the scientific societies affiliated with the American association, that they be published in Science, official organ of the association, and also that they be sent to each member of the association."

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from South Dakota.

Mr. SMOOT. Mr. President, it is true that in two preceding tariff bills these items have been put upon the free list. This industry was developed during the World War. The committee in the House of Representatives in considering the question of giving to educational institutions the privilege of importing these articles into the United States free of duty, after a thorough examination, decided it was wise to place them on the dutiable list. Your committee gave the question a great deal of consideration, and it developed beyond doubt that this privilege had been outrageously abused at times by the officials of a number of educational institutions in the United States.

I can not see why an educational institution desiring an instrument such as is covered by paragraph 360 should not pay the same rate of duty that is paid by others, if it is desired to maintain the industry in this country.

It is claimed by the manufacturers that the rates of duty which have been agreed upon are not sufficient, but the committee thought that, taking all things into consideration, they were sufficient. If we now open the door, however, to every professor and all of his relatives and friends, because of the fact that he is a member of the faculty of an educational institution, and give them the privilege of importing these goods into the United States free of duty, we might just as well put them on the free list.

I do not know that it is necessary to say anything more. The committee feel that if this amendment should be agreed to, the action of the committee of the Senate would be virtually annulled. Therefore I hope the amendment will not prevail.

Mr. UNDERWOOD. Mr. President, I can very easily visualize the position of the Senator from Utah and understand why he so earnestly opposes this amendment. Of course, the Senator from Utah looks at the pending bill primarily as a measure to throw its sheltering arms over all the industries of this country and, without check or balance, allow those industries to extract dollars from the American people. I am not surprised that surgical instruments, which are necessary in the hospitals of the country to take care of the sick and the needy, should be taxed. The Senate has already agreed to tax the bread which goes into the mouths of the poor; it has agreed to tax the doll in the baby's cradle, in order to grant a monopoly to an American industry. It is nothing but in keeping with that line of action and with that line of thought that the Senate should now reach into the hospitals and take from the surgeon's or the scientist's hand the instrument which is used to preserve and to safeguard the lives of the American people. It is in entire accord with what the Senate has heretofore voted to do. Notwithstanding that, Mr. President, I am opposed to the amendment.

I regard the levying of taxes at the customhouse as primarily being for the purpose of raising revenue to operate this great Government of ours, and any benefit that may accrue to industry from the levying of those taxes as an incident, but in levying taxes and in raising revenue to maintain the great Government of the United States, even if it is desired to go into the domain of protection, I think there should be some discretion used; that we should not say that everything shall be blanketed with prohibitive taxes.

Mr. President, the Senator from Utah has indicted the honesty and the integrity of the faculties and staffs of the great hospitals of America. They have been allowed to import into this country without taxation the instruments which are necessary for use in time of sickness.

Mr. SMOOT. The Senator from Utah only repeated the testimony that was given before the Committee on Finance, I will say to the Senator from Alabama.

Mr. UNDERWOOD. Then he repeated an indictment which I do not believe will stand. Some partisan witness may have appeared before the Finance Committee to indict the men who have heretofore enjoyed this privilege by saying that they have abused it—that is very easy to say—but the law provides that these instruments, which are intended to save the sick of America, may only be imported free of duty when they are to be used for medical and scientific purposes.

Mr. SMOOT. Mr. President, there is not a surgical or dental instrument which is embraced in paragraph 360. Those instruments are provided for in another part of the bill. This paragraph refers only to instruments which are used for philosophical, scientific, and laboratory purposes. This paragraph

does not embrace in any way whatever instruments which are to be used by the surgeon, the dentist, or the physician.

Mr. UNDERWOOD. Mr. President, it is all the same thing. The present law provides both for the instrument which is used for scientific purposes and the knife of the surgeon. What is the difference whether we shall tax the knife or shall tax the X-ray instrument which is used to ascertain when the surgeon shall use the knife? What is the difference whether we tax the instrument which is used to cut or we tax the instrument which is intended to ascertain whether or not the surgeon should cut or whether the patient has a fever or what is necessary in order to cure him? It is all the same thing. These are all necessary for the life and health of the people of this country.

What I contend, however, is that the Senator from Utah, in order to make his case good, has indicted on the floor of the Senate—that is, he has passed on the indictment of some prejudiced witness who has appeared before the Finance Committee—a class of men whose character stands among the highest in America. There are many professors and scientific men in the great colleges and hospitals of America who are giving their lives, at small salaries, in order to fight the battle to safeguard and save the lives of the people of America. One does not find any millionaires among them; one does not find a class of men who, as the object of their lives, are fighting in order to make dollars. They are a class of men who are sacrificing their lives and giving their time and their opportunity to aid the people of America. Now, the Senator from Utah comes here with an indictment and says that this privilege should be taken away from these men because they violate the law. When these men import instruments for scientific purposes they are required to make affidavit at the customhouse that those instruments are brought in for such purposes. When the Senator from Utah makes the statement which he has made he indicts as perjurers the faculties of great colleges and the staffs of the hospitals of America.

Mr. President, I do not believe that indictment can be sustained; I do not believe that it is true. In some particular instance a guilty man may be found; unfortunately throughout human life, among the very best classes, there is found one occasionally who has fallen by the wayside; but I say that the indictment is unjust; I say that it is unjustifiable.

So far as the revenue to the Government which is to be derived from this tax is concerned, it will be infinitesimal in the gathering of the great revenues of the country, but to the poor scientist, who lives on a meager salary, and who has accumulated none of the dollars of the rich, a tax of $30 or $40 may mean the difference as to whether or not he may go on and pursue the research to which he is giving his life for the benefit of the American people. To retain this clause in the bill would be only to make one more indictment against the bill and not against the scientific men of America.

Mr. POMERENE. Mr. President, I hope the amendment of the Senator from South Dakota [Mr. STERLING] will prevail. I am quite certain that every Senator knows that the colleges and universities of the land have been almost impoverished in the last three or four years. Many of them had endowment funds which were sufficient under conditions as they existed seven or eight years ago, but they are not sufficient now. The college professors are the poorest-paid men in the country. What is their work? They are trying to prepare the young men and young women upon whose shoulders will rest the responsibility of the future; and under these circumstances there are a few men who come in here and insist that these facilities which are to be used in the preparation of the young men and the young women of the country shall be further taxed for their financial benefit. I protest against it. The Senator from Utah says that the physicians and the dentists are cared for in another section. Perhaps that is so in part; but everyone knows that the laboratory is necessary in the life of every physician and surgeon when it comes to the diagnosis and treatment of diseases.

Mr. President, this is one of the propositions on which in my mind there is only one side. If we believe in the intellectual development of the coming generation, let us not obstruct it by making it harder for the young men and the young women of the country to get their education. Then we have a lot of splendid men who are looking for objects of charity and are willing to give endowments to these various colleges and universities. Why should they be compelled to pay, out of their beneficence, higher prices for these instruments and scientific works which are so much needed?

I hope the amendment will prevail.

The PRESIDENT pro tempore. The question is upon the amendment of the Senator from South Dakota [Mr. STERLING].

Mr. UNDERWOOD. I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. DILLINGHAM (when his name was called). I have a general pair with the junior Senator from Virginia [Mr. GLASS]. In his absence, not knowing how he would vote, I withhold my vote.

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. POMERENE (when his name was called). Again announcing my pair with my colleague [Mr. WILLIS], I am advised that if he were present he would vote as I intend to vote. I therefore feel at liberty to vote, and vote "yea."

Mr. TRAMMELL (when his name was called). Making the same announcement as before of the transfer of my pair, I vote "yea."

Mr. WALSH of Montana (when his name was called). I transfer my pair with the Senator from New Jersey [Mr. FRELINGHUYSEN] to the Senator from Rhode Island [Mr. GERRY], and will vote. I vote "yea."

Mr. WATSON of Indiana (when his name was called). Transferring my general pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the junior Senator from Delaware [Mr. DU PONT], I vote "nay."

The roll call was concluded.

Mr. EDGE. Making the same announcement as before as to the transfer of my pair, I vote "nay."

Mr. ERNST (after having voted in the affirmative). Making the same announcement as before as to the transfer of my pair, I will let my vote stand.

Mr. CURTIS. I desire to announce that the Senator from Pennsylvania [Mr. PEPPER] is detained on official business.

I also desire to announce the following general pairs:

The Senator from Michigan [Mr. TOWNSEND] with the Senator from Wisconsin [Mr. LA FOLLETTE];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON];

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from Minnesota [Mr. NELSON] with the Senator from Massachusetts [Mr. WALSH]; and

The Senator from Missouri [Mr. SPENCER] with the Senator from Georgia [Mr. HARRIS].

The result was announced—yeas 30, nays 26, as follows:

YEAS—30.

Ashurst	Heflin	Norbeck	Smith
Cameron	Jones, N. Mex.	Overman	Sterling
Capper	Kellogg	Pomerene	Swanson
Cummins	Kendrick	Ransdell	Trammell
Dial	Lodge	Reed, Mo.	Underwood
Ernst	McKellar	Robinson	Walsh, Mont.
Fletcher	Moses	Sheppard	
Harreld	Myers	Simmons	

NAYS—26.

Brandegee	Hale	New	Smoot
Broussard	Jones, Wash.	Newberry	Sutherland
Bursum	Keyes	Nicholson	Wadsworth
Calder	Lenroot	Oddie	Warren
Curtis	McCumber	Phipps	Watson, Ind.
Edge	McLean	Reed, Pa.	
Gooding	McNary	Shortridge	

NOT VOTING—40.

Ball	Frelinghuysen	McCormick	Shields
Borah	Gerry	McKinley	Spencer
Caraway	Glass	Nelson	Stanfield
Colt	Harris	Norris	Stanley
Culberson	Harrison	Owen	Townsend
Dillingham	Hitchcock	Page	Walsh, Mass.
du Pont	Johnson	Pepper	Watson, Ga.
Elkins	King	Pittman	Weller
Fernald	Ladd	Poindexter	Williams
France	La Follette	Rawson	Willis

So Mr. STERLING's amendment was agreed to.

Mr. SMOOT. Mr. President, in paragraph 304, on page 53, line 1, I move to strike out "25" and insert "20."

The PRESIDENT pro tempore. It will be necessary to reconsider the vote by which the committee amendment at that point was agreed to.

Mr. SMOOT. Yes; I ask unanimous consent to reconsider the vote by which it was agreed to.

The PRESIDENT pro tempore. Is there objection to the reconsideration? The Chair hears none, and it is reconsidered. The question now is upon the amendment offered by the Senator from Utah to the amendment of the committee, which will be stated.

The ASSISTANT SECRETARY. On page 53, line 1, it is proposed to strike out "25" and in lieu thereof to insert "20."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. SMOOT. On the same page, line 12, in paragraph 305, I ask that the vote by which the amendment was agreed to be

reconsidered, and in place of "10 per cent" I move to insert "8 per cent."

The PRESIDENT pro tempore. Is there objection to the reconsideration of the vote by which this amendment was agreed to? The Chair hears none, and it is reconsidered. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. On page 53, line 12, it is proposed to strike out "10" and in lieu thereof to insert "8."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. SMOOT. On page 165, in paragraph 1215, an amendment was agreed to yesterday striking out "10 cents per pound" and inserting "10 per cent ad valorem"; but inadvertently I did not ask to strike out the following words, "but not less than 15 per cent ad valorem." I now ask that the words "but not less than 15 per cent ad valorem" be stricken out.

The PRESIDENT pro tempore. Is there objection to the reconsideration of the vote by which the committee amendment was agreed to? The Chair hears none, and it is reconsidered. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. In the second line of the inserted amendment it is proposed to strike out the words "but not less than 15 per cent ad valorem."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. CALDER. Mr. President, on page 35, in paragraph 209, I submit the following amendment: In lines 7 and 8, strike out the words "one-half of 1 cent per pound" and insert in lieu thereof "25 per cent ad valorem."

The PRESIDENT pro tempore. The amendment of the Senator from New York will be stated.

The ASSISTANT SECRETARY. On page 35, lines 7 and 8, in paragraph 209, it is proposed to strike out in the House text the words "one-half of 1 cent per pound" and in lieu thereof to insert the words "25 per cent ad valorem."

Mr. ROBINSON. Mr. President, I inquire of the Senator from New York if he can state the ad valorem equivalent of the rate now in the bill, one-half of 1 cent per pound?

Mr. CALDER. The rates now in the bill run from about 30 per cent to 110 per cent, depending, of course, upon the value of the imports. Talc comes in from different countries, of course, at different prices, different grades of talc. It comes in at $9, $10, $13, $22, $24, $26, and $32 a ton, with a specific rate that would make the equivalent ad valorem from 30 to 110 per cent.

Mr. ROBINSON. The amendment proposed by the Senator from New York is a substantial reduction in the rate in the House provision?

Mr. CALDER. It is.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment offered by the Senator from New York.

Mr. POMERENE. Let the amendment be stated.

The ASSISTANT SECRETARY. On page 35, lines 7 and 8, in the House text, strike out the words "one-half of 1 cent per pound" and in lieu insert "25 per cent ad valorem," so that if amended it will read:

PAR. 209. Talc, steatite or soapstone, and French chalk, crude and unground, one-fourth of 1 cent per pound; ground, washed, powdered, or pulverized (except toilet preparations), 25 per cent ad valorem.

The amendment was agreed to.

Mr. SMITH. Mr. President, on page 6, line 14, paragraph 15, I propose to amend, where it provides 1 cent a pound on calcium carbide, so that it shall be $5 a ton. With the proposed rate of duty the tariff will be $20 per short ton.

Calcium carbide, as all Senators know, is used for the production of artificial lights in about 340,000 homes in this country. It is also used in oxy-acetylene welding for the purpose of welding iron.

The statistics as to the domestic production are not available, for the reason that great quantities of this material are used in what is known as cyanamide. That is a form of calcium cyanide used in the production of fertilizer, but the history of the Union Carbide & Carbon Corporation is very interesting, because of its incorporation, about 22 years ago, with a capitalization at that time of something like $14,000,000, it has absorbed, and owns directly or indirectly, the Union Carbide Co., the National Carbon Co., the Linde Air Products Co., the Prest-O-Lite Co., the Electro-Metallurgical Co., and the Oxweld Acetylene Co. It also controls the Michigan Northern Power Co., the Union Carbide Co. of Canada, the Electric Furnace Products Co., the Oxweld Railroad Service Co., the Haynes Stellite Co., and the Dominion Oxygen Co. (Ltd.).

It is also interesting to note that their dividends for the last 11 years have amounted to $37,924,211.75. As I understand, and as the figures which have been furnished me indicate, it owns about 83 per cent of all the carbide production in this country. According to the report of the Tariff Commission, there were exported to Cuba, South America, Mexico, and Canada about 80,000,000 pounds, making about 15,000 short tons. As I understand, the Union Carbide Co. owns the plant just across the Niagara River in Canada. That company has been able to increase its capital and absorb other and competing companies until to-day it is estimated that its capital stock is about $257,133,300.

There is no competition to speak of, because during all the period of its life the carbide has been upon the free list, and the company has increased its capital from something like $14,000,000 to something like $257,000,000 and has paid out in the form of dividends $37,924,211.

In view of the fact that the country homes, those the owners of which are unable to put in any form of electric lighting, Delco, or other similar systems, are dependent upon this cheap form of lighting——

Mr. WADSWORTH. Does the Senator say that the Delco is dependent upon this?

Mr. SMITH. No; I said that the homes which could not afford a Delco plant would use acetylene light, because they can get a drum of this calcium carbide and buy a generator, which is inexpensive. It is quickly soluble, or absorbs water, and gives off, in the chemical reaction from the presence of water, the acetylene gas which gives a light similar to the electric light and in many instances is preferred by individuals. It is a prime necessity in every welding and repair shop in the country, because nothing has been found to equal the acetylene flame in the welding of delicate metals, and coarser ones as well.

Mr. ROBINSON. Under the House provision in the bill the rate is 1 cent per pound, which is $20 a ton. The Senator proposes to reduce that to $5 a ton. Can the Senator state the approximate ad valorem equivalent of the rate in the bill?

Mr. SMITH. It would be very small, because, as I understand, this product sells at from $80 to $90 a ton. It would depend upon what calcium comes in. It would produce a very slight revenue. I will state to the Senator that there has been some imported from time to time from abroad, but the principal source from which the imports have come was Canada, and it is notorious that the calcium carbide which comes from these foreign countries, Canada excepted, is a very inferior form of calcium carbide and is not sold in this country to any extent because of the unsatisfactory nature of it. The people prefer the domestic article.

The only reason I proposed the 5 per cent was because there was a certain amount which would come in where those who import it would use it, perhaps, for other purposes than light producing, and it would bring in some degree of revenue. I think the country would be served absolutely adequately if we put a very slight revenue duty on it. According to the testimony of those who have investigated the matter, they think that it would produce some revenue. Therefore I propose this, for the simple reason that I do not believe we are justified in putting a duty of $20 a ton on an article which we ourselves possess 83 per cent of, underselling every competitor who comes in. Right now I understand that company is in the courts, being sued by some one for an infraction of the Sherman antitrust law.

If we proposed to help those who desire to use carbide in the 340,000 homes of this country, in the automobile shops, and in the railroad shops, I think this amendment ought to prevail. I think a mere statement of the facts should be sufficient to persuade the Senate to reduce this duty.

I would have incorporated in the RECORD the statement by the Tariff Commission, but I have given the salient facts. Here are the facts set forth indisputably, that the Union Carbide Co. have absorbed practically every company in this country producing calcium carbide. They also own the only company which could compete, which is a Canadian company, across the border.

I might state that it does take quite an amount of electric energy to produce the combination between the calcium and the carbon, and therefore it is essential for the factory to be located where they can get an abundance of hydroelectric power. They have monopolized all the companies engaged in this business, capitalized, as I understand, at $257,133,000, and consequently they have the country at their mercy.

Therefore I propose the amendment I have indicated.

Mr. McCUMBER. Mr. President, a great deal of consideration was given by the committee to this paragraph. There are two very important companies producing calcium carbide, one on the American side of the Niagara River and the other employing American capital but conducting its business on the Canadian side. The American capital went over to the Canadian side because, under the present law, the product is free,

and the cost per horsepower is enormously less on the Canadian side than on the American side of the Falls. That was carefully taken into consideration, and the committee arrived at the conclusion that it cost more than 1 cent per pound more to produce the article on the American side than on the Canadian side.

This is no small business. The amount of importations is enormous. I will read but one paragraph of the Tariff Commission report, in which they say:

> Import statistics are shown in combination with those for other articles.

Therefore, from the American reports we could obtain nothing of what the importations were. But further they say:

> Official Canadian export statistics show that for the fiscal years (ended March 31) 1916 to 1921 between 90,000,000 and 130,000,000 pounds of Canadian carbide were exported annually to this country, except in 1920, when only 63,000,000 pounds were shipped out.

One of the purposes of the bill, which Senators seem to forget entirely in discussing it, is to raise revenue. Here is one of the instances in which we can raise revenue and certainly not bring the product up to more than a fair competing basis with the American product. If we import 90,000,000 pounds at 1 cent per pound, it would be $900,000; if 130,000,000 pounds, we would receive $1,300,000. Now, it seems that we ought to take these things a little into consideration when we are considering a bill to raise revenue to meet the expenses of the Government. From the standpoint of revenue alone we ought not to reduce this from 1 cent to one-fourth of 1 cent per pound, as is proposed by the present amendment.

Mr. President, I have another report from the companies showing that in 1914 in nine months we imported only $53,000 worth. In 1915 it grew to $1,208,000; in 1916, $3,206,000; in 1917, $3,808,000; in 1918, $3,422,000; and in 1921 there was $3,440,000 worth of the material imported into the United States. In the United States we produce about 180,000,000 pounds annually, I should judge, and we import, it is said, from 90,000,000 to 130,000,000 pounds. That is pretty good competition. The cost of production being very much more upon the American side, if we are going to apply the principle of protection and a fair opportunity for the American to hold his own market, I see no reason in the world why we ought not to levy the duty as the committee have levied it and as the House have levied it, at 1 cent per pound.

Mr. SMITH. Mr. President, I did not understand the ruling of the Chair on this point. I suppose each Senator has 15 minutes on every amendment. Did the Chair hold that if one yields the floor, not having consumed the 15 minutes, he can not take the floor again on the same amendment?

The PRESIDENT pro tempore. The Chair has ruled that a Senator is limited to 15 minutes. He may use it at two different times on the same day.

Mr. SMITH. I did not use my 15 minutes.

The PRESIDENT pro tempore. The Senator from South Carolina has not consumed the time allotted to him. The Chair is advised that the Senator has five minutes remaining.

Mr. SMITH. Mr. President, I want to call the attention of the Senate to the fact that the main patents on the process of making calcium carbide have expired. Of course, under the use of the patents they were enabled largely to get a monopoly. Now that the patents have expired there is room for some competition in the country, and surely with their monopoly of it it would be to their advantage, if we put the duty on, to keep competition from coming in, because with their monopoly they could largely discourage any home competition. I think it is manifestly in the interest of the American public, who are so largely dependent upon this as a general utility, that we reduce the duty to as low a point as possible.

Mr. WADSWORTH. The mere fact that the patent expired, which happened, I think, in 1912, does not seem to guarantee competition in this commodity. The patent expired in 1912 and at that time the people who were manufacturing the product in the United States urged, while the preparation of the Underwood tariff law was under way, that in view of the expiration of the patent a protective duty be placed upon it, otherwise the manufacture of carbide, which must be used in the United States, would be largely transplanted to Canada. A protective duty was denied and promptly the manufacture of a very large portion of the carbide used in the United States was transplanted to Canada, and to-day one-third of the carbide used in the United States is manufactured in Canada.

As the Senator from North Dakota has stated, there is something more than the difference of 1 cent per pound in the cost of manufacture in the United States as compared with the cost in Canada. Power is cheaper in Canada. Incidentally it is not one company that makes it, because there are five or six others, and any company can make it now that the patents have expired. There is nothing to stop them as long as they can bring their manufacturing costs within the circle with which they have to compete. The very company to which the Senator referred, when the patent expired, when the Underwood law went into effect, was compelled, in order to retain a substantial portion of its business, to build factories abroad. They built one in Norway. Why? Because it could be made cheaper there. In doing so they displaced just so many working people in the United States and there was no particular substantial reduction in price to the consumer.

Mr. SMITH. But the Senator from New York must admit that since the expiration of the patent and during the life of it, being on the free list, they have wonderfully prospered, extended their business, monopolized it in America, and have now a capital of something like $257,000,000, controlling 83 per cent of the business, with a net profit declared of something over $37,000,000.

Mr. WADSWORTH. Of course, when the Senator speaks of profit he is talking also of business other than carbide. He is talking about all the business.

Mr. SMITH. I am talking about the Union Carbide Co.

Mr. WADSWORTH. We are considering carbide alone. The Senator must remember that, whereas the business has increased and the sales of the particular company, which is not the only one, have increased, the manufacture in this country has not increased to the same extent. They are selling Canadian-made carbide in the United States.

Mr. SMITH. But the Canadian carbide is produced, of course, by the American company.

Mr. WADSWORTH. And it is included in the figures quoted by the Senator.

Mr. SMITH. Precisely. That is what I am doing. A duty of $20 a ton given them on their Canadian product, as a matter of course, would be reflected upon every pound they produce in this country, for if they pay $20 a ton to import it, having a monopoly in the country, they would transfer $20 to all the other product, because they are not going to allow their Canadian plant to compete with their United States plant to the extent of whatever they import into the United States.

Mr. WADSWORTH. Of course, the Senator's statement is based upon an assumption, and that is that there is a monopoly. There can not be a monopoly. There is no patent to protect it. Anyone who can locate water power can make carbide. It is being made in Keokuk, on the Mississippi River, by an entirely different company, and the prospects for power there are just as good, both as to quantity and price, as they are at Niagara. The question is, How much carbide can the American public consume? That is all. There is room for just so much consumption, and if it can be made cheaper in Canada than it can be made here, the American public, with no protective tariff, of course will consume the Canadian-made carbide, and that is the only issue here.

Mr. SMITH. Mr. President, I must conclude. Of course, the statement of the Senator from New York confirms what I have said, that in spite of there being a monopoly 10 years after the life of the patent expired, no independents to speak of are in the field, the domestic people control 83 per cent of the carbide produced in the country, together with other products incidental to the production of it, and they control the entire market to-day.

Mr. McCUMBER. Mr. President, the Senator said there is practically no competition. I do not know just to what extent one company competes with another, but I know there are a sufficient number of manufacturers in the United States to create a very lively competition if they so desire. I know, now that the patent has expired, that one section of the country where they can get the water power at the same rate will have about as good an opportunity to operate a plant as at Niagara or any other place in New York.

I find, according to the report in the hearings, that there are the Union Carbide Co.; the National Carbide Co.; the American Carbolite Co., of Duluth, Minn.; the Gas Tank Recharging Co., of Keokuk, Iowa, which makes the sunlight carbide; the National Lead Co., also of Keokuk, Iowa; and the Standard Carbide Co., located at Plattsburg, N. Y. There is also another company located in Seattle or Portland—I do not remember at which place. I think that shows that we have a sufficient number of competitors, and we have already shown the necessity for the protection as well as the necessity for the three-quarters of a million dollars which will come in as revenue.

The PRESIDING OFFICER (Mr. ODDIE in the chair). The question is on the amendment of the Senator from South Carolina, which will be stated.

The ASSISTANT SECRETARY. On page 6, line 14, strike out "1 cent per pound" and insert "$5 per ton," so as to read: "Calcium carbide, $5 per ton."

Mr. SMITH. I ask for the yeas and nays. It is a matter of such importance that I think we had better get a record vote.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. POMERENE (when his name was called). Again announcing my pair with my colleague the junior Senator from Ohio [Mr. WILLIS], I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. TRAMMELL (when his name was called). Making the same announcement in regard to the transfer of my pair as on the previous vote, I vote "yea."

Mr. UNDERWOOD (when his name was called). I wish to announce that my general pair with the Senator from Massachusetts [Mr. LODGE] does not apply to this vote. I vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before in reference to my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. HALE. Making the same announcement with reference to my pair and its transfer as on the previous vote, I vote "nay."

Mr. DILLINGHAM. I transfer my general pair with the junior Senator from Virginia [Mr. GLASS] to the senior Senator from Pennsylvania [Mr. PEPPER] and vote "nay."

Mr. ERNST. Making the same announcement as heretofore concerning my pair and its transfer, I vote "nay."

Mr. JONES of Washington (after having voted in the negative). I understand the senior Senator from Virginia [Mr. SWANSON] has not voted. I am paired with him while he is absent, but I find I can transfer that pair to the junior Senator from Oklahoma [Mr. HARELD]. I do so, and allow my vote to stand.

Mr. CURTIS. I wish to announce the following general pairs:

The Senator from Michigan [Mr. TOWNSEND] with the Senator from Wisconsin [Mr. LA FOLLETTE];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON];

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from Minnesota [Mr. NELSON] with the Senator from Massachusetts [Mr. WALSH]; and

The Senator from Missouri [Mr. SPENCER] with the Senator from Georgia [Mr. HARRIS].

The result was announced—yeas 17, nays 40, as follows:

YEAS—17.

Ashurst	Lenroot	Reed, Mo.	Trammell
Dial	McKellar	Robinson	Underwood
Fletcher	Myers	Sheppard	
Heflin	Overman	Simmons	
Jones, N. Mex.	Pomerene	Smith	

NAYS—40.

Ball	Edge	McCumber	Ransdell
Brandegee	Ernst	McLean	Reed, Pa.
Broussard	France	McNary	Shortridge
Bursum	Gooding	Moses	Smoot
Calder	Hale	New	Stanfield
Cameron	Jones, Wash.	Newberry	Sterling
Capper	Kellogg	Nicholson	Sutherland
Cummins	Kendrick	Norbeck	Wadsworth
Curtis	Keyes	Oddie	Warren
Dillingham	McCormick	Phipps	Watson, Ind.

NOT VOTING—39.

Borah	Harreld	Nelson	Stanley
Caraway	Harris	Norris	Swanson
Colt	Harrison	Owen	Townsend
Culberson	Hitchcock	Page	Walsh, Mass.
du Pont	Johnson	Pepper	Walsh, Mont.
Elkins	King	Pittman	Watson, Ga.
Fernald	Ladd	Poindexter	Weller
Frelinghuysen	La Follette	Rawson	Williams
Gerry	Lodge	Shields	Willis
Glass	McKinley	Spencer	

So Mr. SMITH's amendment was rejected.

Mr. DIAL. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment proposed by the Senator from South Carolina will be stated.

The ASSISTANT SECRETARY. On page 84, line 18, after the word "form," where the language reads "in crude form," it is proposed to strike out "5 cents per pound" and to insert "shall be free of duty," and line 20 to strike out "9 cents per pound" and to insert the words "shall also be free of duty."

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from South Carolina.

Mr. DIAL. Mr. President, it seems to me as we have in this country a great abundance of the ingredients out of which aluminum is made and the industry engaged in making it has grown rapidly and has gotten beyond the stage of being an infant, aluminum should be placed upon the free list. I notice from the information we are furnished that this country is able to compete with the world in the production of this article and that we now produce much more than is consumed in the country; that, in fact, we produce about half the quantity which is produced in the world. I believe only one concern in the United States is engaged in the manufacture of aluminum. Aluminum is in universal use; it is found in every kitchen in the country. The articles which are manufactured of aluminum are used by the poor. As a manufacturing enterprise it has prospered most wonderfully. It does seem to me, therefore, that the article ought to be put upon the free list. It is an article which is being used in many lines of industry, and I think is one of the articles in the manufacture of which there is an absolute monopoly. I sincerely hope, therefore, that the amendment which I have presented may be agreed to.

Mr. REED of Missouri. Mr. President, will the Senator from South Carolina yield for a question?

Mr. DIAL. Yes.

Mr. REED of Missouri. What is the name of the American monopoly?

Mr. DIAL. It is the Aluminum Co. of America.

Mr. REED of Missouri. Can the Senator from South Carolina state who is interested in that company?

Mr. DIAL. The Senator from New Mexico [Mr. JONES] is better informed as to that than am I, and I shall be glad to yield to him to answer the question of the Senator from Missouri, as I was just going to yield the floor.

Mr. SIMMONS. I think the man who is in greatest authority in connection with the company is Mr. Davis. I do not know his initials.

Mr. REED of Missouri. Are some of the officials of the Government interested in the company?

Mr. SIMMONS. The Senator from Missouri knows as well as I do the connection with that company of one of the Secretaries.

Mr. REED of Missouri. The Secretary of the Treasury?

Mr. SIMMONS. Yes; the Secretary of the Treasury.

Mr. REED of Missouri. The very man who is the father of the bill now under consideration. As everybody knows, this bill was very largely prepared in the Treasury Department.

Mr. JONES of New Mexico. Mr. President, on yesterday I made a motion to reduce from 60 per cent to 30 per cent the duty on kitchen utensils which are made of aluminum. The motion carried for the time being. The Senator from Wisconsin [Mr. LENROOT], however, asked to reconsider the vote by which the amendment was agreed to, for the purpose of making some observations on the subject. Among other things, he referred to the fact that there should be a compensatory duty on the article because of the duty on the raw material. The duty on the raw material as provided for in the bill is 5 per cent.

Mr. LENROOT. Will the Senator from New Mexico yield to me?

Mr. JONES of New Mexico. I yield.

Mr. LENROOT. I wish to say that in the rush of things I had understood that the Senator's amendment which prevailed had cut out the compensatory duty, and that was the reason I made the observation.

Mr. JONES of New Mexico. I think the Senator from Wisconsin misconceived the situation as it existed. There is provided a duty of 5 cents on aluminum in the crude form, and in coils, plates, sheets, bars, and so forth, of 9 cents per pound.

Mr. SMOOT. Mr. President, will the Senator from New Mexico yield to me?

Mr. JONES of New Mexico. I yield.

Mr. SMOOT. Merely for the RECORD, I desire to say that, of course, the raw material of aluminum is bauxite, on which a duty of $1 a ton is imposed. Bauxite is the raw material for aluminum, and aluminum is the raw material for utensils, but it is the manufactured product from bauxite.

Mr. JONES of New Mexico. I am quite aware of that, Mr. President, but the duty on bauxite is only $1 a ton. I forget just the percentage of aluminum which is obtained from the bauxite, but it is quite large; it is around 50 per cent, I think, or perhaps more; perhaps it is 60 or 65 per cent. However, I do not care to be exact about that, because the $1 a ton duty is really inconsiderable. It certainly would not justify a duty of 5 cents per pound upon aluminum metal and then the 9 cents per pound upon aluminum metal as it appears in the shape of sheets and bars. As a consequence of this duty, we find a compensatory duty of 15 cents per pound on the manufactured utensils. Then, in addition to that, there is provided as a protection to this industry a duty of 60 per cent.

I desire now to give notice that when the bill gets into the Senate I shall ask that another vote be taken upon the duty upon aluminum kitchen utensils as well as upon the other articles in paragraph 339, which was discussed somewhat on yesterday.

As stated by the Senator from South Carolina, this is not only a monopoly but there is only one concern in North America which produces it, both in Canada and in the United States, and it produces one-half of the aluminum of the world. I want to read just an excerpt or two from the report of the Tariff Commission on this subject:

The production is a matter of companies rather than of nations. The North American output comes from one American company, which developed its process of manufacture, introduced the metal on the market, and has built up an enormous business. Three large financial groups, involving French, British, and German capital, control some 14 producing companies in Europe. There is also a small independent company in Italy and another in Norway. Prior to the war the European producers were well organized and controlled production and prices on the Continent.

Then we have some data here regarding the wonderful growth of this industry. I do not care to put in the figures; but suffice it to say that from 1890 to 1920 its output grew from 60,000 pounds—the value is not given; it gives the early production in pounds without any value—to 7,000,000, then 40,000,000, 90,000,000, 110,000,000, and 130,000,000 pounds, of a value in 1920 of $40,000,000; and that concern grew from a very modest capital. It has been piling up a surplus here surpassing that of perhaps any other concern in the United States or in the world. If there has been one extreme monopoly which, as I said yesterday, has a lead-pipe cinch monopoly, it is this Aluminum Co. of America. It is the only concern doing the business on this continent. It has built up this large business and has an absolute control not only of the bauxite of the country, the crude material of the country, but of the manufactures of the country. It has built this up, as I said, from a rather modest beginning; and what do we find in the illustration here about some of the kitchen-utensil ware? Take the Reynolds report, and you will find that the American prices of that ware to-day are two, three, and four times what they were prior to the war.

Mr. DIAL. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from South Carolina?

Mr. JONES of New Mexico. I do.

Mr. DIAL. I should like to call the attention of the Senator to the fact that in the transmission of electricity aluminum wire is interchangeable with copper wire.

Mr. JONES of New Mexico. It has many essential uses, and, as the Senator has said, it goes into practically every industry in this country. Its use is expanding enormously every day, and it is something that is in every household in the land, and is used in practically every industry in the land. It is an absolute necessity. The process is simply one of taking the crude product from mother earth and putting it into a form in which it may be used, and one concern is doing it, the one concern controlling not only the United States but Canada and the whole of North America; and prior to the war it had an absolute agreement with the concerns in Europe producing these articles that it should have the exclusive control of this market.

It is true that you will find some imports here. They are imports from Canada. They come in in bond, and after going through an additional process they are exported with a drawback of the duty which has been paid; so there is no appreciable revenue derived from them. They are sending out these wares to the various countries of the world. This is a concern which can compete with the manufacturers of these products anywhere on earth; and I submit that this duty on the crude material should be taken off, and that we then should revise the duties upon the manufactured product.

Mr. REED of Missouri. Mr. President, this case has been very well stated. I desire to insert in the RECORD as a part of my remarks the names of the officers and chief owners of this American monopoly.

I rise to inquire whether there is any limit to the cold and deliberate employment of legislative power for the purpose of robbing the American people. Here is an institution which is a complete monopoly in America, as has been said. The value of its product has grown in 20 years from $2,000,000 to $40,000,000. Its total production in 1890, only 32 years ago, was 60,000 pounds. Its production in 1920 was 130,000,000 pounds.

I read two or three lines of the report published by the Finance Committee:

This exceptionally rapid increase in production placed the United States far in the lead of all the aluminum-producing countries. Fully one-half of the world's output is produced in this country.

And the author should have added, "by one institution."

The argument has been made here that aluminum is made from bauxite, and that there is an import duty upon that. The same document from which I have read recites:

The American company has all these essentials—

That is, plant and dependable supply of raw materials. Let me read it:

The successful production of aluminum involves heavy expenditure for plant and requires dependable supplies of raw materials—especially bauxite—adequate transportation facilities, and cheap electric power. The American company has all these essentials, but is at some disadvantage compared with the foreign companies in the cost of assembling its bauxite and coal at East St. Louis for purification and the subsequent transportation of the purified material to the various eastern reduction works, where it is made into metal.

Mr. President, that is thrown in there; but a moment's consideration will teach anybody that those disadvantages are offset by other advantages—for instance, the shipment by foreign countries across 3,000 miles of ocean—and the most of these disadvantages are avoidable, as can be easily seen.

The same authority from which I have been reading and which is reported here with the approval of the majority members of the Finance Committee recites:

In addition to its large holdings of bauxite deposits in Arkansas, the Aluminum Co. of America owns extensive deposits in Guiana. Utilization of these South American ores, which may be refined at Baltimore, should reduce the disadvantage of the domestic producer as regards the supply of raw material.

Mr. President, here is a concern using a raw material which God Almighty made and put in the bosom of the earth; and I do not suppose we have yet gone to the extent of protecting the Lord against Himself, protecting Him on things that He created in America against things that He created across the ocean. Anyway, there is nothing to indicate that this bill has been in any manner inspired by High Heaven or any similar source.

We have, then, the case of an institution that has an abundant supply of raw material in the United States, and in addition to that has gone outside of the United States and acquired a great supply of raw material in South America; that has the advantages of railroad and river transportation and the great market of the United States; that is a complete monopoly; that has been prospering beyond any other institution in the United States and, I believe, in the world; and that institution, for which officers of this Government are asking protection in order to continue its monopolistic ability to extract money from the American people, comes here with a bill that is tainted by the self-interest of high officers of the Federal Government.

Mr. DIAL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from South Carolina?

Mr. REED of Missouri. I yield to the Senator.

Mr. DIAL. I merely want to suggest to the Senator that this material is manufactured by power that is donated by the Almighty, also. It is manufactured by hydroelectric power.

Mr. REED of Missouri. Yes. There can be but one reason for this tax, and that is to protect this monopoly against any possible competition from abroad, and enable it to raise its price to the American consumer. It has been and is making enormous profits. It holds this market for itself; but, of course, if a sufficiently high tariff wall is constructed around the country, it can stand back of that wall and increase its profits by exacting additional tribute from the people of the United States. If the wall is not there, and the industry raises its prices too high, some materials may come in from foreign countries which will compel it to cut its profits to a decent figure.

Upon whom are we levying this tax? There is nothing of more universal use to-day, I apprehend, than aluminum, with the possible exception of steel. It enters into the cooking utensil of the home, and a tax upon it is a tax upon the workingman, the working woman, the farmer, the mechanic, every class of our people. It reaches into the pockets of all of them. It filches the pennies from the pocket of the poor man, and it likewise filches dollars from the pockets of the rich man who buys an automobile the body of which or the parts of which are made of aluminum.

The Federal officer who would help to prepare a bill to put millions of dollars into the coffers of a corporation in which he holds a controlling interest ought to be impeached, and with a more healthful condition of public sentiment and of sentiment in this body that is exactly what would happen to a man engaged in that kind of practice.

No theory was ever advanced publicly for a tariff with which this particular tariff duty can be reconciled. It is not a tariff for revenue, because it is prohibitive. It is not a tariff to protect an infant industry, for this concern is no longer an infant

industry. It is not a tariff to make up the difference in the cost of production here and the cost abroad, for this institution can now ship its goods over the round world, and sell them in competition with every country and with every people. It is therefore reconcilable with but one theory, and that is the theory of robbery under the form of law.

Do I use too harsh an expression there? One of the greatest justices who ever sat upon the Supreme Court of the United States said that for a government to lay its hands upon the property of one man and transfer it to another under the form of a tax was none the less robbery because perpetrated under the form of a statute. That is not the exact language he used, but it is substantially the language.

This bill is full of many enormities. It is replete with iniquities. It smells to high heaven. But this particular item illustrates the fact that without limit and without stint it is proposed to exercise the powers of legislative bodies for the purpose of plundering the masses of the people and to transfer their savings into the coffers of one of the most unconscionable monopolies infesting this country to-day.

The PRESIDENT pro tempore. Does the Senator from South Carolina offer his two amendments as one, or does he desire a separate vote on each?

Mr. DIAL. I prefer to have them voted on at the same time.

The PRESIDENT pro tempore. The Senator from South Carolina asks that the two amendments which he has offered be treated as one. Is there objection? The Chair hears none.

Mr. McCUMBER. Mr. President, the Senator from Missouri has been long absent from the Senate on a matter which perfectly justified his absence, but he comes back and immediately informs us of some things which the committee, which has been working diligently during all those days, have never yet discovered. It may possibly be that some person high in the official circles of the Government had something to do with the drafting of the bill in the House. I simply do not believe it. I think the Senator is mistaken when he assumes that. I am absolutely certain that anything put into the bill in the Senate was not drafted by anyone but the members of the Senate Finance Committee themselves.

I do not think that every person who has stock in a company of any character becomes necessarily dishonest or that he becomes less a good American. I know that in this country American capital, in its investment and in the long struggle it has had, has reduced the price of aluminum from $8 a pound to 22 to 25 cents a pound. I think that is a pretty good accomplishment in a very few years, and it is because of the efforts of these great companies, in attempting to advertise this new material, to introduce its use in the manufacture of utensils, and so forth, that it has become a blessing to the American people.

Mr. President, the Senator is mistaken when he says this is a question simply of enriching some company which has made enormous profits. I have not the time to go into the statement of the profits and losses of the companies which have been engaged in the great business of producing aluminum, but I have a letter here showing where the profits which they did make went, and showing that the highest dividend they have declared has been only 4½ per cent upon the investment, and that anything that was made above that has gone into the business itself to expand it; that where 20,000 people were employed some time ago only about 8,000 are employed now; that an enormous stock has accumulated, which is being held because it can not be sold except at a loss in competition with that which is coming into the country at the present time.

The evidence before the committee shows that the cost of production of aluminum in this country is about 25 to 26 cents per pound. It is being offered, and is actually being imported in vast quantities now, at about 19 or 20 cents per pound. The cost of producing alone, without taking into consideration the matter of interest upon the investment, is about 26 cents per pound. We have therefore given a duty of 5 cents per pound, which measures the difference between what the article is sold for on the markets in this country and what it can be produced for in this country.

If we want to protect the industry I think we should give it that duty. If, having developed a great industry in the United States, we want to turn it over to foreign countries, we can do so; and there are only two producers in the foreign countries who control almost the entire output. I do not think it advisable, however, to now destroy the American industry, and I do not care whether it is one company or a dozen companies. It is at least producing in this country. It has at least reduced the cost in this country from about $8 per pound, when we first began to produce it a number of years ago, to about from 20 to 25 cents per pound, the price it is sold for to-day.

Mr. REED of Missouri. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Missouri?

Mr. McCUMBER. I yield for a question.

Mr. REED of Missouri. I call the Senator's attention to the table printed in the Summary of Tariff Information, sent here by the Tariff Commission, where it is shown that there were imported into this country 26,014,687 pounds in the nine months of 1921. That is aluminum in crude form, scrap, and alloys of any kind, and is not the regular aluminum. Of aluminum bars there were imported only 265,036 pounds, and of aluminum plates and sheets, 1,632,425 pounds. Those were the imports, while the exports were——

Mr. McCUMBER. The Senator utilized his entire 15 minutes and I have 15 minutes to reply.

Mr. REED of Missouri. I am practically through with my question.

Mr. McCUMBER. I yield for a question, but I do not yield for the Senator to take up all my time.

Mr. REED of Missouri. I shall not impose on the Senator's good nature.

Mr. McCUMBER. I do not want to yield to have the Senator go into a table. I wanted to produce the table myself, and I am afraid if the Senator takes my time in producing it, I shall not have any time left.

Mr. REED of Missouri. I will be through in a moment. Of aluminum ingot metal and alloys there were exported 1,024,346 pounds in the nine months of 1921, and of aluminum plates and sheets 927,873 pounds. Does the Senator say, in view of those figures, that this country is being flooded with aluminum from abroad?

Mr. McCUMBER. Mr. President, the imports for the entire year 1921 were 30,157,000 pounds. The exports in the nine months were 1,024,000 pounds as against an importation of 30,000,000 pounds.

Mr. REED of Missouri. Mr. President, if the Senator will pardon me, I am sure he wants to get his figures correct.

Mr. McCUMBER. I do not know how much time I have left, but we are proceeding under a time limitation, and I wish the Senator would allow me to finish.

The PRESIDENT pro tempore. The Senator has six minutes remaining.

Mr. McCUMBER. I will need the six minutes.

Mr. REED of Missouri. Very well.

Mr. McCUMBER. I have the importations of ingots and sheets. I will take 1911, when we imported 6,240,826 pounds of ingots, valued at $945,000, and 213,122 pounds of sheets and bar, valued at $149,000. That grew right along until 1913, when our imports increased, giving only the round numbers, from 6,000,000 to 26,000,000 pounds. Then, of course, during the war they decreased. In 1919 they increased again to 13,324,000 pounds; in 1920 to 35,917,000 pounds; and in the first six months of 1921, 22,538,891 pounds. The importations in 1921 have thus been at the rate of 45,000,000 pounds per annum, or approximately one-half of the total consumption of the United States under present conditions. With improved conditions and an inadequate tariff the volume of imports would be enormous and completely destructive of the American industry.

Mr. President, I desire to have printed in the RECORD as a part of my remarks a letter, of date June 13, 1922, from Mr. Arthur V. Davis, who is president of the Aluminum Co. of America, which letter deals with the subject discussed by the Senator from Missouri.

The PRESIDENT pro tempore. Without objection, leave is granted.

The letter is as follows:

ALUMINUM CO. OF AMERICA,
Washington, D. C., June 13, 1922.

The Hon. P. J. McCUMBER,
Chairman Finance Committee,
United States Senate, Washington, D. C.

DEAR SENATOR MCCUMBER: The argument that the profits of the Aluminum Co. of America have been abnormal has, in the first place, in our opinion, nothing to do with the present question, which is whether the industry will be ruined to-day, which ruin will involve all the past profits because these profits have been put back into the business. Viewing the question of our past profits, however, for what importance that side of the question may have, the company has been in business 33 years and in the early years of its existence put into the business about $1,500,000. It has earned on an average 16¾ per cent per annum on capital invested, paid in dividends 2½ per cent, and put back into the business 14¼ per cent. It is a simple mathematical calculation, therefore, to show that starting with this amount of money, that putting back each year 14¼ per cent would give a net worth of $110,000,000 at the end of 1921. During the war the company enlarged its plant to provide the necessary materials for airplane and other war purposes (which facilities are now idle), and borrowed therefor $30,000,000, so that the total capital invested is about $140,000,000 net capital. The net capital of $110,000,000 which arose out of earnings of 16¾ per cent per annum, which we contend were moder-

ate for a company which created the business, has given to the world a new and useful commodity, reducing the price thereof from $16 per pound to 20 cents per pound.

Another statement frequently made about us is that we are a trust, a statement which we very much resent, because starting with but very little we have constructed our own plants ourselves, and with one trivial exception (when we bought a two-thirds interest in a $600,000 rolling-mill plant at Cleveland), we have neither merged with nor bought plants or companies, and hence are not a trust in the ordinary acceptance of that word. Since our patents expired 15 years ago the field has been open to all.

Very truly yours, ARTHUR V. DAVIS, *President.*

Mr. McCUMBER. We have shown, beyond any possible question, that we can not produce in the United States and are not producing to-day at a cost at which we can compete with the German manufacturer, and the whole question is whether or not we should now yield to the demand for a reduction that will destroy the American industry and put us at the mercy of two companies which are working in harmony. Though they are all big companies, I think in the end it will pay the American people to keep the American company in operation.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the Senator from South Carolina [Mr. DIAL].

The amendment was rejected.

Mr. DIAL. Mr. President, on page 84, line 18, I move to strike out "5" and insert "3." I would like to dispose of both amendments at the same time, so I will propose my other amendment. On the same page, in line 20, I move to strike out "9" and insert "5."

Under the present law these rates are, respectively, 2 and 8½. This enterprise has grown from an infant into a stalwart individual. It seems to me the proposed rates ought to be satisfactory to the other side.

The PRESIDENT pro tempore. Does the Senator ask that the two amendments be treated as one and voted upon at the same time?

Mr. DIAL. I should be glad to have them treated as one.

The PRESIDENT pro tempore. Is there objection? The Chair hears none. The Secretary will report the amendment.

The READING CLERK. On page 84, line 18, strike out "5" and insert "3"; and in line 20 strike out "9" and insert "5," so as to read:

PAR. 374. Aluminum, aluminum scrap, and alloys of any kind in which aluminum is the component material of chief value, in crude form, 3 cents per pound.; in coils, plates, sheets, bars, rods, circles, disks, blanks, strips, rectangles, and squares, 5 cents per pound.

Mr. REED of Missouri. Mr. President, on the amendment I desire to say a few words in elucidation of figures which I gave a few minutes ago, and also in elucidation of figures given by the Senator from North Dakota [Mr. McCUMBER].

The table which is furnished by the committee recites that in the nine months of 1921 there were imported 26,014,687 pounds, but, as I said when I read the figures before, that is aluminum in crude form, scrap and alloys of any kind. It embraces everything and is really raw material. It is not a product manufactured for the market. It therefore has no place in the consideration of this question. But when the Senator gave us the imports for the whole year of 1921 he included those figures, a very deceptive process.

The fact is that manufactured aluminum received in the first nine months of 1921 aggregated 1,897,561 pounds while the exports of manufactured aluminum for the year 1921 aggregated 1,952,219 pounds. So that we exported of manufactured aluminum during the whole of the year 1921 considerably more than we imported during the first nine months. Figures for the last three months of 1921 on imports are not given, but the figures make it perfectly plain that the Senator's statement that this country is being flooded with aluminum is inaccurate, that he is mistaken about it, that his own figures in the book which he reported to the Senate contradict and destroy the force of his statement.

Now let me give a moment's attention to the wonderful thing that was done in reducing the price of aluminum from $8 a pound to 22 cents a pound. Why, Mr. President, aluminum was discovered only a little over 30 years ago. Of course, when they started to make the metal, the first of it that was produced was produced at an enormous cost. The Senator might have gone back a little further. I suppose the first ounce of aluminum that was produced might have cost $10,000. It is easy enough to conceive that. Some metallurgist may have spent a lifetime experimenting before he found the secret to the production of this new metal, or alloy, or whatever it is called. But when aluminum began to be manufactured for commercial purposes it had to be manufactured, of course, to compete with other metals. Aluminum at $8 a pound could not be used at all. When the Senator talks about this factory having produced cheapness in the material it is all moonshine. He might as well say that John D. Rockefeller should be enshrined in the hall of fame because the first gallon of oil that was produced probably cost somebody hundreds of dollars if he charged in the experimental work. That is no reason why Mr. Rockefeller should charge us a dollar a gallon for gasoline to-day. That is no justification for a tariff, because if we levy a tariff upon that theory, then we levy a tariff upon every advance that may be made in science or that may come as a result of experimentation.

Suppose we should apply that principle to the railroads and say that the first railroad engine that ever was built cost an enormous amount of money and, therefore, we ought to levy a tariff upon the modern locomotive, based upon the idea that the original inventor of the locomotive had spent a great deal of money in producing it. There is no use of pursuing an argument of that kind, because such an argument is so baseless in logic and in reason that it would not deceive anybody. It would not deceive even the Senator from North Dakota or anybody else.

Now, the Senator stated that men should not be debarred from taking part in these matters because of an interest. I do not agree with him. He said the Treasury Department, so far as he knows, has nothing to do with the bill. The Senator knows that the experts from the Treasury Department have been present at every hearing. The Senator knows that experts from the Treasury Department sit beside him to-day. I do not criticize the experts for sitting here. They have some useful information, and it is all right for them to be here. The Senator knows that in the last analysis revenue measures are prepared after consultation with the Treasury Department.

I deny the right of any man who is a member of the Federal Government to employ the influence of his position or the vote he may be authorized to cast for the purpose of feathering his own nest. Whenever that situation arises—that a Senator has a direct interest of a financial character in any matter—it is his business to do what the upright judge does when a case is presented to him in which he has an interest—to step aside and let the matter be decided by those who do not have a direct financial interest. If that proposition is denied, then we ought to fill Congress with men who have come here to look after their own financial concerns, who come here admittedly to tax the American people for their own profit and their own benefit. Then those buccaneers ought to get together and agree that each will help the other perpetrate his particular robbery in consideration of a return vote. Put that to the American people and see what they will say about it.

Mr. President, I do not desire to delay the Senate. I am looking for the information regarding this particular company, and when I get it I shall put it in the RECORD.

Mr. McCUMBER. Mr. President, of course, I do not know what the real purpose of the Senator is in offering one amendment and then another, unless it is to have the matter reargued here several times. I have presented what I thought were the important facts in this case. The Senator from Missouri seems to think that there is a great deal of wickedness on the part of anyone who desires to have this tariff rate represent the difference between the price for which the foreigner puts his article down in the port of New York and what it costs the American producer to manufacture that article. All his statements in reference to the figures which I gave being deceptive have not changed the facts at all. The figures are only deceptive to those who wish to be deceived. They are not deceptive to anyone who wishes to understand exactly what they mean. I stated the figures as to imports into the United States under the head of "Aluminum in crude form, scrap, and alloys of any kind, and so forth," from which the Senator took his figures. There were 26,014,687 pounds imported in nine months of 1921, but investigation, bringing the figures up to date, shows that there were, in round numbers, 30,152,000 pounds imported during the entire year. Those were the imports—something over 30,000,000 pounds.

Now I turn to see what the exports are of the same commodity, and on the next page we have the export figures for the calendar years from 1918 to 1921. For nine months of 1921 there were exported 1,024,346 pounds of exactly the same commodity—not the manufactured article any more than the other figures related to the manufactured article. They were in the shape of ingots, which is the principal form in which the commodity is imported into the United States. The quantity of the crude is negligible; it comes in usually in pigs or ingots; a portion comes in the form of bars, strips, and rods, and also as plates and sheets; but I have compared the identical articles, and the imports are 30,000,000 pounds as compared with ex-

ports of 1,000,000 pounds, or, taking nine months of 1921, the imports were 26,000,000 pounds as compared with 1,000,000 pounds.

Mr. President, again the Senator from Missouri charges the Treasury Department with interference in the framing of this legislation, and he says in substance that the Senate knows that the experts of the Treasury Department were the experts from whom we obtained the evidence to frame this bill.

I desire to say that not a single expert from the Treasury Department gave us any evidence whatever relative to this matter. The experts whom we have to assist and guide us in the matter of determining rates and ascertaining what the imports are, and so forth, are the experts of the Tariff Commission. The Tariff Commission is not a part of the Treasury Department; it is absolutely an independent commission, having no connection with the Treasury Department. There being a difference of 5 cents a pound in the foreign selling price in the port of New York and the American production price, I think we should provide a rate to cover that difference, if such rate is needed to continue the American production. In any event, if there is any objection to it, the objection certainly ought not to be based upon a charge against any official who is high in the administration.

Mr. REED of Missouri. Mr. President, I think I have a moment or two of time left. I now call attention to the digest description of the Aluminum Co. of America as it appears in Moody's Manual, Industrials, 1919, which I shall ask to have reproduced in the RECORD. I call attention to the fact that that company has as its officers Arthur E. Davis, president, and certain others, which I shall put into the RECORD without now pausing to read, including A. W. Mellon and R. B. Mellon. A number of companies are controlled by this company. One of them is the St. Lawrence River Power Co., which is controlled by stock ownership. Among the directors in that company I find the names of A. W. Mellon and R. B. Mellon. It also controls through stock ownership the Hannawa Falls Water Power Co. It also controls the St. Lawrence Transmission Co.; it also controls the Tallassee Power Co. I should like to have the part of Moody's Manual containing this information inserted in the RECORD.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

Aluminum Co. of America: Incorporated in 1888 in Pennsylvania as the Pittsburgh Reduction Co.; name changed to present title January 1, 1907. Owns extensive bauxite deposits in Saline County, Ark., from which it secures most of its aluminum ore. The mining plant in Arkansas has in operation crushing and drying apparatus and a short connecting railroad between the plant and the Rock Island and Iron Mountain Railroads. The bauxite mined in Arkansas is shipped to a refining plant at East St. Louis, Ill., where the impurities are removed. Company has reduction works where aluminum is made at Niagara Falls and Massena, N. Y.; Maryville, Tenn.; and Badin, N. C.; also a wire and cabling mill at Massena, a general fabricating plant at New Kensington, Pa., a plant for the manufacture of aluminum bronze powder and aluminum foil at New Kensington, Pa., and rolling mills at Niagara Falls, N. Y., and Edgewater, N. J. Annual capacity is 155,000,000 pounds of aluminum in the United States and 20,000,000 pounds in Canada, a total of 175,000,000 pounds.

The company also owns the Northern Aluminum Co., a Canadian corporation, which has a reduction plant and wire mill located at Shawinigan Falls, Quebec, and a fabricating plant at Toronto, Ontario; also the Demerara Bauxite Co. and the United States Aluminum Co.

In 1906 the company formed the St. Lawrence Securities Co., a New York corporation, and through this company purchased the St. Lawrence River Power Co. (see appended statement of last-named company), which has a power plant at Massena, N. Y., from which the company secures all of its power for its extensive plant at that point. Along with the St. Lawrence River Power Co. the company acquired control of several small companies with headquarters at Massena, N. Y., namely, the St. Lawrence Water Co. (capital $100,000), the Massena Electric Light & Power Co. (capital $50,000), and the St. Lawrence Transmission Co. (issued capital $10,000).

Acquisition of Southern Aluminum Co. plants, etc.: On November 1, 1915, the company took over the unfinished hydroelectric and aluminum manufacturing plants of the Southern Aluminum Co. (see Manual for 1915, Industrial and Public Utility Volume, p. 3310), at Badin, N. C., formerly controlled by French interests, which ceased operations at the outbreak of the European war in 1914. These plants were to have cost several million dollars. The Aluminum Co. of America plans to complete these plants and has organized the Tallassee Power Co., with $1,000,000 authorized capital, to take over and complete the hydroelectric development. The partially constructed aluminum reduction plant will be completed by the Aluminum Co. of America. Work on the dam for the power house was resumed and was completed in 1917. The Southern Aluminum Co. has been liquidated.

Capital stock: Authorized, $20,000,000; outstanding, $19,000,000; par, $100. Dividends in recent years have been paid as follows: 1906, 3½ per cent; 1907, 11 per cent; 1908, 1 per cent; 1909, 2 per cent; 1910–1913, 4 per cent yearly; 1914, 6 per cent; 1915, 6½ per cent; 1916 and 1917, 8 per cent each; 1918, 10 per cent; payments quarterly, February 1, May 1, August 1, and November 1. In addition, an extra dividend of 2 per cent was paid December 20, 1916.

Notes: Twelve million dollars, 6 per cent serial gold notes; dated March 1, 1919; due, $4,000,000 annually, March 1, 1921, to 1923, inclusive; interest March 1 and September 1, at Union Trust Co. of Pittsburgh, trustee, or at Guaranty Trust Co. of New York. Coupon, $1,000. Authorized, $12,000,000. The notes are not subject to redemption prior to their respective maturity dates. The indenture securing the notes provides that so long as any of the notes are outstanding the company will not create any new secured indebtedness against its properties or those of its subsidiaries, and that quick assets of company and its subsidiaries shall at all times be at least equal to the aggregate amount of their indebtedness, including the amount of these notes then outstanding. First publicly offered ($12,000,000) in February, 1919, at the following prices: Two-year notes, at par and interest, to yield 6 per cent; three-year notes, at 99½ and interest, to yield over 6 per cent; and four-year notes, at 99½ and interest, to yield over 6 per cent.

Sales: The company did a gross business of $25,940,427 in 1916 from the sale of 86,589,744 pounds of aluminum at an average price of 29.96 cents per pound. In addition, the company supplied to its subsidiary, the United States Aluminum Co., 24,821,061 pounds of aluminum, which was fabricated by the latter company.

Officers: Arthur V. Davis, president; G. R. Gibbons, vice president, secretary, and assistant treasurer; R. E. Withers, treasurer and assistant secretary.

Pittsburgh directors: George H. Clapp, Arthur V. Davis, D. L. Gillespie, Roy A. Hunt, Alvah K. Lawrie, A. W. Mellon, and R. B. Mellon.

Annual meeting, third Thursday in February.

General office, Oliver Building, Pittsburgh, Pa. New York office, 120 Broadway.

COMPANIES CONTROLLED BY ALUMINUM CO. OF AMERICA.

St. Lawrence River Power Co. (controlled by stock ownership): Incorporated July 19, 1902, in New York; successor to the St. Lawrence Power Co., sold under foreclosure. Owns 1,800 acres of land and valuable water rights at Massena, N. Y., with canal 3½ miles long and 200 feet wide from the St. Lawrence River to its power plant (85,000 horsepower capacity) at Massena, N. Y. The industries served by the plant are the extensive works of the Aluminum Co. of America, the Massena Electric Light & Power Co., the Massena Sash & Door Manufacturing Co., the Massena Machine Works, the Simpson McIntyre Co., etc. Owns all the $300,000 stock of Hannawa Falls Water Power Co. (see appended statement.)

Capital stock: Authorized, $3,500,000 common and $3,500,000 6 per cent noncumulative preferred; outstanding, $3,500,000 common and $3,000,000 preferred; par, $100. No funded debt. The St. Lawrence Securities Co. owns all the outstanding stock.

Officers: A. V. Davis, president; G. R. Gibbons, vice president, secretary, and assistant treasurer; R. E. Withers, treasurer and assistant secretary.

Directors: A. V. Davis, Roy A. Hunt, R. B. Mellon, A. W. Mellon, G. H. Clapp, D. L. Gillespie, and A. K. Lawrie.

Annual meeting in February.

Main office, Massena, N. Y.; New York office, 120 Broadway.

Hannawa Falls Water Power Co. (controlled by St. Lawrence River Power Co.): Incorporated March 30, 1899, to generate electricity. Controls through stock ownership the Potsdam Electric Light & Power Co.

Capital stock: Authorized and outstanding, $300,000; par, $100. All owned by St. Lawrence River Co.

Funded debt: $787,000 first and refunding collateral trust gold 5's dated July 1, 1913; due July 1, 1943; int. J. & J. 1, at Union Trust Co., Pittsburgh, trustee. Coupon $1,000. Authorized, $1,200,000. Subject to call at 102 and interest on any interest date upon four weeks' notice. A first lien on all property of company now owned or hereafter acquired. Mortgage contains tax-free covenant.

Officers: F. A. Stoughton, president, Potsdam, N. Y.; G. R. Gibbons, vice president, Pittsburgh, Pa.; P. B. Murphy, secretary and treasurer, Potsdam, N. Y.

Annual meeting, third Thursday in February.

General office, Potsdam, N. Y.

St. Lawrence Transmission Co. (controlled by stock ownership): Incorporated April 15, 1916, in New York, to sell, generate, and distribute electric light, heat, and power; a consolidation of Northern Power Co. and St. Lawrence Transmission Co. Property consists of transmission lines and equipment.

Capital stock: Authorized, $525,000; outstanding, $326,000; par, $100. No funded debt.

Officers: F. A. Stoughton, president, Potsdam, N. Y.; G. R. Gibbons, vice president, Pittsburgh, Pa.; P. B. Murphy, secretary and treasurer, Potsdam, N. Y.

Annual meeting, Monday following third Thursday in February.

General office, Potsdam, N. Y.

Tallassee Power Co. (controlled by stock ownership): Incorporated in North Carolina, to develop water power. Owns riparian rights and lands on the Little Tennessee River and riparian rights on the Yadkin River near Salisbury, N. C. The latter development is being pushed to completion, but the development on the Little Tennessee is at present not being pushed.

Capital stock: Authorized, $1,000,000; outstanding, $100,000; par, $100. No funded debt.

Officers: A. V. Davis, president; G. R. Gibbons, vice president; R. E. Withers, treasurer; G. R. Gibbons, secretary; J. S. Murray, purchasing agent, Pittsburgh, Pa.

Annual meeting in February, at Badin, N. C.

General office, Oliver Building, Pittsburgh, Pa.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from South Carolina [Mr. DIAL].

Mr. DIAL. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. McCUMBER. Mr. President, before the roll is called I wish to have printed in the RECORD a brief statement of the organization and development of the company of which the Senator has spoken. I ask that it may be printed in answer to the last statement made by the Senator from Missouri. It covers merely one page of pamphlet which I hold in my hand.

Mr. JONES of New Mexico. May I inquire what the pamphlet is?

Mr. McCUMBER. The pamphlet is entitled "Statement of Aluminum Co. of America."

The PRESIDENT pro tempore. Without objection, the matter referred to by the Senator from North Dakota will be printed in the RECORD.

The matter referred to is as follows:

Aluminum Co. of America not a monopoly: The Aluminum Co. of America is not a combination or merger. It has created the aluminum industry, beginning in 1889, when aluminum was selling at $8 a pound and the world consumption was only a few pounds per year, none of which was made in the United States.

During its 33 years of existence the Aluminum Co. of America has never bought an aluminum plant or merged with an aluminum plant. It has built all its plants with its own money, most of it earned in the business. With the exception of the first 17 years, when the Aluminum Co. had the protection of patents, the field of aluminum manufacture has always been open to anybody.

Profits: While the above is the average result of the company's history in 1920 and 1921, the profits of the company have either been small or a loss has been made.

Its growth has been due to the fact that it has put its earnings back into the business. It has been in business for 33 years, 1889 to 1921, inclusive. The first 3 years were used in getting started, and no profits were made. For the remaining 30 years, 1892 to 1921, inclusive, the company has made on the average 15½ per cent per annum on the capital invested, paid in dividends 2½ per cent, and put back into the business 13 per cent. The only unusual thing about the profits of the company has been that so small a percentage has been used as dividends and so large a percentage put back into the business.

Furthermore, its profits have largely come from fabricated goods, which have thus reached the consumer with but a single profit, and a relatively small profit at that, instead of the number of profits that usually burden a commodity before it reaches the consumer.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from South Carolina, on which the yeas and nays have been ordered. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. DILLINGHAM (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. HALE (when his name was called). Making the same announcement as before with regard to my pair and its transfer, I vote "nay."

Mr. POMERENE (when his name was called). I transfer my pair with my colleague [Mr. WILLIS] as heretofore announced to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. ERNST. Making the same announcement as heretofore with regard to the transfer of my pair, I vote "nay."

Mr. WALSH of Massachusetts. On this vote I am paired with the Senator from Minnesota [Mr. NELSON]. I transfer that pair to the Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. WARREN (after having voted in the negative). I transfer my pair with the Senator from North Carolina [Mr. OVERMAN] to the Senator from Vermont [Mr. PAGE] and let my vote stand.

Mr. CURTIS. I wish to announce the following general pairs:

The Senator from Michigan [Mr. TOWNSEND] with the Senator from Wisconsin [Mr. LA FOLLETTE];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON];

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from Minnesota [Mr. NELSON] with the Senator from Massachusetts [Mr. WALSH];

The Senator from Missouri [Mr. SPENCER] with the Senator from Georgia [Mr. HARRIS]; and

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN].

The result was announced—yeas 19, nays 35, as follows:

YEAS—19.

Ashurst	Heflin	Ransdell	Smith
Borah	Jones, N. Mex.	Reed, Mo.	Swanson
Capper	Kellogg	Robinson	Underwood
Dial	McKellar	Sheppard	Walsh, Mass.
Fletcher	Pomerene	Simmons	

NAYS—35.

Ball	Ernst	McCumber	Phipps
Brandegee	France	McLean	Shortridge
Broussard	Gooding	McNary	Smoot
Bursum	Hale	Moses	Sterling
Calder	Jones, Wash.	New	Sutherland
Cameron	Keyes	Newberry	Wadsworth
Cummins	Lenroot	Nicholson	Warren
Curtis	Lodge	Norbeck	Watson, Ind.
Dillingham	McCormick	Oddie	

NOT VOTING—42.

Caraway	Harris	Norris	Stanfield
Colt	Harrison	Overman	Stanley
Culberson	Hitchcock	Owen	Townsend
du Pont	Johnson	Page	Trammell
Edge	Kendrick	Pepper	Walsh, Mont.
Elkins	King	Pittman	Watson, Ga.
Fernald	Ladd	Poindexter	Weller
Frelinghuysen	La Follette	Rawson	Williams
Gerry	McKinley	Reed, Pa.	Willis
Glass	Myers	Shields	
Harreld	Nelson	Spencer	

So Mr. DIAL's amendment was rejected.

Mr. McCUMBER. Mr. President, I am about to ask unanimous consent for a recess until a certain hour to-morrow. I desire to ask the Senator from North Carolina, who has charge of the bill for his side of the Chamber, and who undoubtedly knows about what amendments there will be presented from that side, to indicate to what hour he would like the recess to be taken?

Mr. SIMMONS. I think it would be better to recess to 10 o'clock instead of 11 o'clock.

Mr. McCUMBER. I ask unanimous consent, then, that when the Senate closes its session on this calendar day it recess until to-morrow at 10 o'clock.

The PRESIDENT pro tempore. Is there objection?

Mr. LENROOT. Mr. President, before that request is put I should like to ask the Senator from North Carolina about how many individual amendments there will be from his side?

Mr. SIMMONS. I will say frankly to the Senator that I do not think there will be very many from this side; but there may be one or two of them that will take considerable time in discussion.

Mr. LENROOT. It was the understanding that we would have two night sessions—one to-night and one to-morrow night.

Mr. SMOOT. Does the Senator want one?

Mr. LENROOT. I have a number of amendments, and I do not feel——

Mr. SMOOT. We shall have 12 hours to-morrow.

Mr. LENROOT. I understand that the Senator from North Carolina does not think there will be many amendments from his side.

Mr. SIMMONS. I do not think there will be very many from this side of the Chamber, and I think we shall be able to get through with the amendments at a reasonable time to-morrow afternoon. In other words, I mean to say that I think we will have reasonable time for discussion of all amendments that probably will be offered to-morrow.

Mr. LODGE. I think so.

Mr. LENROOT. Mr. President, I shall not object, then; but I have several amendments here, and I had supposed that we would have this evening in which to consider them. While I shall consent to this recess, I do not think it is quite fair that we should be cut off from a proper consideration of those amendments.

Mr. SIMMONS. If the Senator desires to sit longer this afternoon, I have no objection to going on; but I thought ample time would be afforded by meeting an hour earlier to-morrow, in view of the fact that debate will not be foreclosed until 10 o'clock to-morrow night, as I understand.

Mr. LENROOT. May we have this understanding from the Senator from North Carolina, then, since he has agreed to this arrangement? Will he not be willing that early in the day to-morrow this side shall be recognized for the consideration of some of their amendments?

Mr. SIMMONS. I want to say to the Senator that I think his side of the Chamber to-day has had very much larger recognition than this side.

Mr. LENROOT. That may be; but the Senator now has made an arrangement whereby we are not to have a night session.

Mr. SIMMONS. Mr. President, I would rather withdraw the consent than to be trammeled about the division of time to-morrow.

Mr. ROBINSON. If the Senator from Wisconsin desires to have a night session let us have it.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from North Dakota? The Chair hears none, and it is so ordered.

Mr. NICHOLSON submitted sundry amendments intended to be proposed by him to the pending bill, which were ordered to lie on the table and to be printed.

Mr. STERLING and Mr. NEWBERRY each submitted an amendment intended to be proposed to the pending bill, which were ordered to lie on the table and to be printed.

ENROLLED BILL PRESENTED.

Mr. SUTHERLAND, from the Committee on Enrolled Bills, reported that on August 16, 1922, they presented to the President of the United States the enrolled bill (S. 848) to amend section 22 of the interstate commerce act, as amended.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHORTRIDGE:

A bill (S. 3913) to provide for the erection of a public building at Marysville, Yuba County, Calif.; to the Committee on Public Buildings and Grounds.

By Mr. SHORTRIDGE (for Mr. NORRIS):

A bill (S. 3914) granting a pension to Emma Titus; to the Committee on Pensions.

By Mr. BURSUM:

A bill (S. 3915) granting a pension to Anna M. Wright; to the Committee on Pensions.

DEATH OF REPRESENTATIVE PADGETT.

Mr. McKELLAR. Mr. President, I ask the Chair to lay before the Senate the resolutions of the House of Representatives on the death of Representative PADGETT, of Tennessee.

The PRESIDENT pro tempore laid before the Senate the resolutions of the House of Representatives, which were read, as follows:

IN THE HOUSE OF REPRESENTATIVES,
August 15, 1922.

Resolved, That the House has heard with profound sorrow of the death of Hon. LEMUEL PHILLIPS PADGETT, a Representative from the State of Tennessee.

Resolved, That the Clerk communicate this resolution to the Senate and transmit a copy thereof to the family of the deceased.

Mr. McKELLAR. Mr. President, on August 2 the Hon. LEMUEL PHILLIPS PADGETT, a distinguished Member of the House from the seventh congressional district of Tennessee, died. Mr. PADGETT had been a Member of the House for nearly 22 continuous years. For many of those years he was chairman of the Committee on Naval Affairs and made a great record as such.

He occupied this position during the World War and made good in the highest degree. He was held in the highest esteem by the people of Tennessee.

At a later day memorial services will be held in his honor, and therefore I shall not say more at this time, but content myself with offering the resolutions which I send to the desk and ask to have adopted.

The resolutions (S. Res. 338) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. LEMUEL P. PADGETT, late a Representative from the State of Tennessee.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Mr. McKELLAR. Mr. President, as a further mark of respect to the memory of the deceased, I move that the Senate do now take a recess until 10 o'clock to-morrow morning.

The motion was unanimously agreed to; and (at 5 o'clock and 37 minutes p. m.) the Senate took a recess until to-morrow, Thursday, August 17, 1922, at 10 o'clock a. m.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *August 16, 1922.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed Lord God, again Thou hast awakened our devout appreciation of Thy providence and we would pause to make humble acknowledgment of Thy mercy, which never faileth. Thou dost make complete the circuit of our days, and with gladness may we know the riches of our Father's love. Make strong human weakness, broaden human understanding, and inspire human courage that wise solution may be given to our country's problems. O may the barriers of selfishness, false standards, and the errors of opinion be swept away and let Thy wisdom move us to great and lasting service. Temper all utterance with all the alleviations that justice and charity can give. Take our time, our talent, and opportunity. Direct them for the extension of peace, cooperation, and fraternal understanding among all our fellow citizens, and honor and glory be ascribed unto Thee forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED.

Under clause 2 of Rule XXIV, Senate bills and joint resolutions of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 3793. An act to authorize the Gary Tube Co. to construct a bridge across the Grand Calumet River in the State of Indiana; to the Committee on Interstate and Foreign Commerce.

S. 3834. An act to authorize the Chicago, Lake Shore & Eastren Railway Co. to construct a bridge across the Grand Calumet River in the State of Indiana; to the Committee on Interstate and Foreign Commerce.

S. J. Res. 216. Joint resolution providing for the consent of the Congress of the United States of America to a compact and agreement between the State of Kansas and the State of Missouri respecting the erection, maintenance, and operation of the waterworks plants of the cities of Kansas City, Kan., and Kansas City, Mo.; the taxation thereof, and exercise of eminent domain in connection therewith by each State; to the Committee on the Judiciary.

S. 3733. An act granting the consent of Congress to the city of Warren, in the State of Ohio, its successors and assigns, to construct, maintain, and operate a dam across the Mahoning River in the State of Ohio; to the Committee on Interstate and Foreign Commerce.

S. 3840. An act to amend section 5147 of the Revised Statutes; to the Committee on Banking and Currency.

S. 2984. An act for the relief of Thurston W. True; to the Committee on War Claims.

S. 3103. An act to amend section 2294, United States Revised Statutes, relating to homesteads; to the Committee on the Public Lands.

S. 3531. An act to amend section 9 of the Federal reserve act; to the Committee on Banking and Currency.

S. 3721. An act providing for the erection of additional suitable and necessary buildings for the National Leper Home; to the Committee on Public Buildings and Grounds.

S. 3757. An act authorizing the Department of Commerce to collect and publish additional cotton statistics and information; to the Committee on the Census.

S. 3808. An act authorizing the Secretary of the Interior to investigate and report to Congress upon the Columbia Basin irrigation project; to the Committee on Irrigation of Arid Lands.

S. J. Res. 223. Joint resolution authorizing the Federal Reserve Bank of Kansas City to enter into contracts for the erection of a building for its branch office at Denver, Colo.; to the Committee on Banking and Currency.

S. J. Res. 229. Joint resolution authorizing the Federal Reserve Bank of Chicago to enter into contracts for the erection of a building for its branch office in Detroit, Mich.; to the Committee on Banking and Currency.

S. J. Res. 234. Joint resolution authorizing the Federal Reserve Bank of Atlanta to enter into contracts for the erection of a building for its branch office in Jacksonville, Fla.; to the Committee on Banking and Currency.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. PARKER of New York, indefinitely, on account of serious illness in his family.

To Mr. LITTLE, indefinitely, on account of illness in family.

To Mr. ELLIOTT, indefinitely, on account of illness.

EXTENSION OF REMARKS.

Mr. WINGO. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. GOLDSBOROUGH], who is unavoidably detained this morning, may have leave to extend his remarks in the RECORD on stabilizing the purchasing power of our money.

The SPEAKER. The gentleman from Arkansas asks unanimous consent that the gentleman from Maryland [Mr. GOLDSBOROUGH] may have permission to extend his remarks in the RECORD on the subject indicated. Is there objection?

There was no objection.

Mr. GOLDSBOROUGH. Mr. Speaker, since May 23 last, when I addressed the House on stabilizing the purchasing power of money, in which address I attempted to emphasize the incalculable value of stabilization to the farmer, the salaried man, and the wage earner, as well as to every other class in our complex and highly organized civilization, and on which date I introduced a bill for which the hope was expressed that it would serve as a basis for constructive legislation in the matter of this all-important subject, this body will be inter-

ested to know that the effort has been approved by farmers' organizations, labor organizations, and professional men, and also by the very highest authorities on national and world-wide finance, economics, and legislation. Without burdening the RECORD with the great mass of material which I have accumulated, I feel that this House will be glad to have inserted as a part of my remarks a letter from ex-Vice President of the United States Thomas R. Marshall; a letter from the Hon. CLAUDE KITCHIN, for long years a great national figure, chairman of the Ways and Means Committee of the House of Representatives during the Wilson administration, now the minority leader of this House, highly esteemed and much loved as he is by Democrats and Republicans alike; a letter from Roger W. Babson, president of Babson's Statistical Organization, Wellesley Hills, Mass., whose statistical work in the field of economics and whose analyses of business cycles are so well known and so important as to be found in most of the great business houses, banks, trust companies, and financial organizations throughout the country and also in the smaller ones which can afford them; a letter from the American Chamber of Commerce in Berlin, Germany; and a letter from William T. Foster, director of the Pollak Foundation for Economic Research, who sends with his letter his carefully worked-out views on the subject, which I will incorporate in these remarks immediately following his letter. The communications mentioned follow in their order:

FRANKFORT, IND., *August 9, 1922.*

Hon. T. ALAN GOLDSBOROUGH,
Washington, D. C.

MY DEAR MR. GOLDSBOROUGH: I am so glad that you have introduced a bill to stabilize the purchasing power of money. I wish I could be present at the hearing, but it will be impossible for me to do so. Don't let this matter drop or stop with a perfunctory hearing, because this is a thing that is going to come to pass, and you will be a very proud man to know that you had the honor of taking the initial step in the House of Representatives.

Cordially yours,

THOS. R. MARSHALL.

OFFICES OF MINORITY LEADER,
HOUSE OF REPRESENTATIVES,
Washington, D. C., August 4, 1922.

MY DEAR GOLDSBOROUGH: I thank you for sending me your excellent speech which I read with unusual interest. It was admirably conceived and logically and clearly put. I congratulate you. I made no mistake when I championed your candidacy for membership on the Banking and Currency Committee and am glad I withdrew in your favor our North Carolina candidate. I want you to be as watchful and diligent as possible on that committee. On every measure from the committee I suggest that you make a speech, however short, explaining and analyzing the bill. When the Democrats get control of the House we will have much important legislation before that committee. I want you to go right to the front with respect to the bills before it. Your power of analysis and clearness of expression, together with your practical experience, will justify your taking a leading part and becoming a most valuable and useful member.

Trust you have had a most restful and pleasant vacation and that no opposition in the primaries has or will arise. Your splendid record in Congress, together with the esteem and confidence of the membership of the House in you, should certainly prevent any such opposition.

With warm esteem,

Your friend,

CLAUDE KITCHIN.

P. S.: Am thankful to say that I will soon be back to my "old self" in good shape.

C. K.

REPORTS ON FUNDAMENTAL BUSINESS CONDITIONS FOR MERCHANTS, BANKERS, AND INVESTORS.

WELLESLEY HILLS, MASS., *August 4, 1922.*

Hon. T. ALAN GOLDSBOROUGH,
House Office Building, Washington, D. C.

MY DEAR MR. GOLDSBOROUGH: I understand from our correspondence that a hearing is to be held on your bill for stabilizing the dollar toward the end of August. I hope to be present and to make a statement in person, but whether I shall be able or not I want to tell you how glad I am that you have brought forward this proposal. If you can convince Congress of the grave need of this legislation at this time you will have accomplished one of the greatest tasks ever set before statesmen. If you do not succeed in your first attempt, I hope you will keep everlastingly at it. Depend upon it, some day the dollar will be stabilized.

It is the growing consciousness of the need of stabilization which has led not only to Professor Fisher's plan, which your bill embodies, but to the less worked-out plans of Edison, Ford, Senator LADD, etc.

Business men and bankers have expressed alarm over some of these proposals on the ground that they may produce inflation. Any proposal the effect of which would be inflationistic ought to be nipped in the bud. What we want is something to prevent both, and that is the object and effect of the bill which you have introduced. The common idea that we must on principle oppose any plan to change our currency system is simply sitting on the safety valve. If something is not done to give us a scientific and stable currency, some unscientific and unstable currency will be enacted. The only way to head off instability is to make greater stability. The conservative man who is afraid of a change ought to support your bill, because our present system changes our monetary standard every year. This constant change in the purchasing power of our dollar is the greatest foe of conservative business. It makes a speculation of everything. For years I have been studying the business cycle and trying to help the business man by foresight to struggle through the cycle. But I have repeatedly said in my speeches and writings on this subject that until we had the Fisher plan or some equivalent for stabilizing the dollar the business man would always be suffering from the business cycle. The trolley companies, which were at one time so prosperous, were literally ruined by the depreciation of our dollar. I have made a special investigation of this. I could give instance after instance of the evils which come from a changing yardstick in commerce.

As ex-Vice President Marshall has said, next to the peace problem the problem of stabilizing the dollar is of the greatest importance.

I have studied Professor Fisher's plan from time to time with great care and the objections which have been alleged against it. As I have often said, only those who do not understand it oppose it.

Let me add that my audiences of business men all over the country when they have had the idea explained to them like it immensely.

The Congress which stabilizes the dollar will deserve and receive the everlasting gratitude of the business world.

With the most earnest wishes for your success, I am,

Very sincerely yours,

ROGER W. BABSON.

AMERICAN CHAMBER OF COMMERCE IN GERMANY,
Berlin, July 19, 1922.

To the Hon. T. ALAN GOLDSBOROUGH,
House of Representatives, Washington, D. C.

DEAR SIR: I thank you for sending me a copy of your speech on the stabilizing of the purchasing power of money. I read it through with great interest and found many ideas in it that were entirely novel and I find many of my friends appreciate them as keenly as I.

Under separate cover I have taken the liberty to send you our publication. If at any time we can be of service to you will you please feel at liberty to call on us.

Thanking you again, I remain

Very truly yours,

THE AMERICAN CHAMBER OF COMMERCE IN GERMANY.
ARTHUR E. DUNNING, *Executive Secretary.*

NEWTON 58, MASS., *July 31, 1922.*

Hon. T. ALAN GOLDSBOROUGH,
Member of Congress, Washington, D. C.

MY DEAR SIR: I have been greatly interested in your speech of May 23 on the problem of stable money. I am glad to note that there is to be a hearing on your bill. At the request of Prof. Irving Fisher I send you the inclosed statement of my views on this problem.

With best wishes.

Faithfully,

WILLIAM T. FOSTER,
Director, Pollak Foundation for Economic Research.

THE DOMINANT NEED OF BUSINESS: A STANDARD OF VALUE.
(By William T. Foster, director of the Pollak Foundation for Economic Research.)

Before the World War, a carpenter in Vienna loaned 3,000 Austrian gold crowns, the savings of a lifetime, the equivalent of a full year's wages. After the war the debtor returned to the carpenter in full legal settlement 3,000 depreciated paper crowns, the wages of three days' labor. Still further to illustrate the mockery of money as "a standard of value," Joseph Szebenyei tells of a traveler in a second-class restaurant in Vienna who offered the waiter a $20 gold piece in payment for a dinner bill of 300 kronen. The bewildered waiter, after examining the treasure with curiosity and delight, went to the proprietor and said:

"Here is a gentleman, sir, who wants to pay with a $20 gold piece. How much am I to give for it?"

Having received instructions from the landlord concerning current rates of exchange, the waiter returned to the guest and said, seriously, "I am to give you as much change, sir, as you desire."

This story illustrates how far short money can come of being a standard of value or a standard of deferred payments. No matter how much value the monetary "standard" may measure at any one time, it may soon measure no value at all. On the other hand, we have not heard of a customer, even in Austria, asking how many yards of silk he could buy for a gold coin and receiving the answer, "I am to give you, sir, as many yards as you desire." The yardstick is a standard—that is to say, a virtually invariable unit—money is not. So sealously is the yardstick guarded against fluctuation in length that the visitor in Washington who wishes to observe the standard yard of alloy in the glass case in which it is kept at uniform temperature must view it through a telescope lest the heat of his body might change the length of the bar one ten-thousandth part of an inch. How ridiculous it would seem to substitute for this standard yard the waist measurement of the President of the United States. How the unit would have shrunk, as Professor Fisher remarks, upon the inauguration of Mr. Wilson. Yet at one time the "yard" actually did vary with the girths of the chieftains, and the monetary "standards" of the world still do vary far beyond the physiological ranges even of the fat lady and the living skeleton at the circus. That is why, since 1914, the use of index numbers of prices to measure the shifting values of monetary units has spread rapidly, though nobody has needed an index number to keep track of the length of the yardstick. It is a true standard; money is not.

For one purpose only is money a standard. As long as the gold basis is adequate the power of money to purchase gold does not change; and this is an advantage to dentists and goldsmiths. They know precisely what weight and fineness of gold their dollars will buy year in and year out. The rest of us are equally protected; we have reason to feel complete confidence that our "good United States dollars" in any form will continue to be a standard of purchasing power in terms of gold, but not in terms of anything else. Unfortunately for us, it is almost always something else that we want to purchase.

It is often said that the chief difference between a money economy and a barter economy is due to the introduction of something whose value varies but little. "Money," says Prof. Alfred Marshall, "tends to steady the market." With the statement that money introduces into the processes of exchange a commodity whose value might be made virtually constant, many would agree; others would not agree. The fact is, however, that monetary units never have measured purchasing power with a constancy approaching that of our units for measuring space or temperature or force. Since the World War began money "standards" have been chaotic rather than constant. Whatever money might have done, if otherwise administered, it has in fact frequently unsteadied the markets of the world. The folly of thinking of money as a standard should be widely proclaimed until we succeed in making it a standard.

Paper money, when it is not actually and freely convertible into something which is regarded as valuable, is ridiculously far from

being a standard of value. The history of every country teaches this lesson with painful iteration. During the war of the American colonies for independence the irredeemable continental issues fell off in purchasing power until the phrase "not worth a continental" passed current as the money would not. Early in the nineteenth century Spain issued paper pesetos until they had depreciated 96 per cent, although the Government still declared them to be legal tender. During the same period Austria printed so many florins that eight of them would not buy a single silver florin. In the Argentine, in 1840, fiat money was issued in such quantities that it took thirty-two times as many paper pesos as formerly to buy an ounce of silver. During the Civil War in the United States irredeemable "greenbacks" were issued until, in 1865, according to the index number of wholesale prices, it took $219 to buy what $100 would buy in 1860. In Uruguay, in 1875, paper money increased in volume until the premium on gold ran as high as 875 per cent. Following the Satsuma insurrection, Japan issued inconvertible Government notes until the total circulation was more than 100,000,000 yen and the premium on silver was 79 per cent. In spite of these lessons of history, many European countries, during the World War and after, plunged into veritable debauches of irredeemable paper money.

In England money fell to about one-third of its pre-war purchasing power. In France, it fell further; in Italy, still further; while in Germany the mark fell below one-seventieth of its pre-war exchange value. In Austria, where paper money poured forth from the printing presses until it cost more to print a krone than a krone would buy, the thrifty proprietor of "Kronen Bier" used paper money for labels in order to reduce his printing bill. It remained for Russia to say the last word concerning irredeemable paper money as a standard of value. Lenin and Trotski pursued the policy of fiat money to its logical conclusion. As a result, a Russian 1-ruble note which was worth about 33 cents on the pre-war gold basis is not worth a peasant's notice on no basis at all. It takes more of these notes than his pockets will hold to buy a copper cent's worth of bread.

Ridiculous as it is to call money a standard which is based on nothing but the fiat of a government, it is equally ridiculous to call money a standard merely because it is based on land or public credit. A ship is not held in place when it is made fast to another ship, which is itself drifting. If land or public credit were the basis of money, the value of the basis in terms of dollars would itself increase with the depreciation of the dollar and thus provide eventually for issues of paper money as boundless as Russian rubles. Equally futile is the attempt to stabilize the purchasing power of monetary units by having them "represent" energy units, or labor hours, or production capacity, or merely anticipated output of wheat, or fertilizers, or anything else. Unless by "represent" we mean actual and free convertibility into a commodity having the characteristics of gold, representative money is inevitably unstable money.

All this now appears obvious to most people. Not so obvious is the fact that money is not necessarily a standard even when it is convertible into gold. Yet the recent experience of the United States, to cite none of the other numerous examples, proves that the "gold standard" itself is not a standard; that paper money may be on a genuine gold basis—that is to say, actually and freely convertible into gold at a fixed parity up to the limits of the demand for conversion—and yet be unstable in purchasing power. So far does the gold basis fail to make money a standard of value or a standard for deferred payments that the United States dollar of 1920 was worth not more than 38 per cent of the dollar of 1913. In other words, the wholesale price level increased during those years about 165 per cent. Even in time of peace the fact that paper money is convertible into gold does not make it a standard. Before the war various commodities were freer than dollars from fluctuation in exchange value. A depositor who wished to protect his savings against any variation whatever in exchange value could have achieved this purpose most nearly, it appears, by taking his dollars out of the savings bank and investing them in carpets. Carpets came nearer than dollars to being a standard for measuring purchasing power in the sense in which the yardstick is a standard for measuring carpets. From 1873 to 1896 money appreciated in gold-standard countries about one-quarter; from 1896 to 1914, on the other hand, money depreciated about one-third. In short, whether in time of war or in time of peace, the so-called gold dollar has proved unreliable in exactly the same way, though not to the same extent, as the inconvertible paper dollar.

A gold basis evidently does not necessarily stabilize the purchasing power of the superstructure of paper certificates and bank credit. But is not gold itself stable in value? Would it not be possible, therefore, to have a stable dollar if all money were either actual gold coins or paper certificates backed by 100 per cent of gold reserves? Far from it, for gold itself is unstable. In point of fact, as Jevons long ago demonstrated by means of index numbers of prices, the value of gold has varied greatly from time to time. During the 20 years preceding 1809 gold prices doubled, which is the same as saying that the value of gold was reduced 50 per cent. During the next 40 years the situation was reversed; the value of gold doubled and prices were cut in two. Then followed a period of rising prices up to 1873, during which the purchasing power of gold was reduced one-third. Since 1873 these up-and-down movements have continued.

Nevertheless in gold-standard countries at the present time gold is often regarded as the standard of value. The generally accepted idea is that the value of gold determines the purchasing power of the paper money that is based on gold reserves. On the contrary, the purchasing power of the gold is determined by the value of the paper money and all the other money, of which the gold is a small part. If it were not for the use in the United States of paper money and bank credit based on gold reserve, the gold dollar might now be 5,000 per cent higher in purchasing power. In that case $1 would buy a bicycle, but it would take a laborer more than two weeks to earn the dollar. In short, although the value of gold has always varied widely, its value in gold-standard countries has not fluctuated as widely during the past few decades as it would have fluctuated had gold been the only medium of exchange. Some of our present-day critics of the Federal Reserve System and of the bank credit and paper money that it supports quite overlook the fact that our dollar comes very much nearer to stability than would have been possible had every dollar been made of a fixed quantity of gold.

The value of gold, like that of any other commodity, is affected by changes in supply and demand. The supply of gold may be increased suddenly by the discovery of new mines or new processes; it may be increased a thousand fold by the invention of methods of making gold out of baser metals or extracting it from the sea—achievements that are no more chimerical than the phonograph. The demand for gold, on the other hand, even if gold were the only medium of exchange, might be changed at any time by changes in the amount hoarded, in population, in fashions, in the use of substitutes for gold in the arts, and above all by changes in the volume of commercial transactions. In short, even if gold were the only medium of exchange, neither the demand for gold nor the supply of gold would naturally fluctuate in any known or predictable relation to fluctuations in the work which money is called upon to perform. Therefore gold itself would fluctuate in purchasing power.

We must conclude that everyday thinking concerning economics would be relieved of one of its many confusions if our unstable monetary units were not again referred to as standards of value. In connection with our personal affairs—investments, insurance, family budgets, and daily purchases—even those who regard these remarks as commonplace do not consistently take into account shifting price levels. In business enterprises as well, men who are perfectly aware that prices are changing nevertheless frequently fall into economic error because they disregard the full effects of changing prices. Looking upon their book profits as though dollars were standards of value and prices were stable, they joyously expand their operations, and they commit themselves to future payments in money, merely to find to their dismay that their profits are only in depreciated goods, while their debts are legally payable only in appreciated dollars. Optimistically relying on money as a standard measure of foreign trade, a leading financial journal assured us early in 1921 that "exports from the United States to Germany in the fiscal year which ends with June, 1921, will be of greater value, measured in good American dollars, than in any year in the history of our trade relations." "Good American dollars" are good for what? When we answer that question correctly we find that exports to Germany in the year in question were really less than they had been for 20 years. The false conception of money as a standard of value has obscured its actual effects on the economic order.

INFLATION AND DEFLATION.

Much current controversy is due not to conflicting ideas but to conflicting uses of the same word. This is true of the monetary term inflation. When a nation has too much money it is said to have inflation. That is about as near as we can come to an accepted definition of the term. As to what constitutes having too much money there is no agreement. Most commonly, however, inflation is defined as a quantity of currency or bank credit, or both, in excess of "the legitimate requirements of business." So far so good, but what are the legitimate requirements of business? The answers to this question are many and varied; they agree for the most part only in being hazy. Such phrases as "the requirements of commerce," "trade needs," "the financial demands of industry," and "enough money to do business with," while appearing to be quantitatively exact, are in reality far from it. As they are used in everyday discussions of monetary problems these phrases merely add confusion to subjects that are already confusing. Prices and volume of money are definite factors, subject to approximately exact measurement; but what is the measure of "trade needs"? No definite measure whatever is used in connection with most of our current discussions of money. Yet it is possible to define inflation and the financial needs of business with quantitative precision.

If we are right in the contention that the chief monetary need of business is a stable price level, our interest in the volume of money centers around its effect on the price level. After all, most people care nothing about fluctuations in the supply of money until something startling happens to prices. If the world had experienced extraordinary expansions of currency only in connection with equally extraordinary trade revivals, accompanied by no extraordinary rise in prices, it is safe to say that monetary discussions would have found no use for the term inflation. It seems best, therefore, to define inflation with reference to changing price levels.

If we use the term inflation to denote any condition of money that permits a rise in the general price level, we confine ourselves to a definite and logical use of the term and one which directs attention at once to the practical problem with which business is chiefly concerned. Similarly, we may well define deflation as any condition of money which permits a fall in the general price level. Fruitless controversies are thus avoided over the question what is normal and the question whether, with a given volume of money at a given time, we have inflation or deflation, or neither. We do not now speak of normal and abnormal degrees of fever. Any rise at all in the temperature of the human body above 98° is fever. On this point we do not argue or even ask the opinions of doctors; we read the thermometer. If we adopted an equally definite use of the term inflation, we should not consult economic doctors concerning the condition of money; we should read the index numbers of prices. If we found that the price level was rising—in other words, that the value of the monetary unit was falling—we should know that the currency had been inflated.

THE VICIOUS SPIRAL OF INFLATION.

Inflation leads naturally to further inflation. Once the upward movement of prices has started, there are at present no forces in the ordinary operations of business and finance sufficient to correct the fault. If the volume of money is freely "responsive to the needs of business," it is responsive to the needs of inflation. When prices are rising, no matter what the causes may be, prices tend to rise still higher. Higher prices lead to higher wages; higher wages lead to still higher prices. Higher dollar valuations of products are used as bases for larger bank loans; larger bank loans put more money into circulation and thus provide buyers with the means of further bidding up prices. In Germany, for example, following the World War, the danger of continued inflation decreased the value of the mark in foreign trade; this increased the real burden of the reparation payments; this, in turn, led the Government to call upon the Reichsbank for new loans, which caused still further depreciation of the mark. All this stimulated further speculation, which decreased the amount of money available for other uses, and thus led to new demands for new issues of currency, which led to higher prices, which incited the people to demand larger doles, which increased the Government budgets and forced upon those in power the recurrent alternative of printing more marks or being thrown out of office. Thus, wherever the volume of money is not regulated in the interests of a stable price level, the vicious spiral of inflation carries a nation on to a crisis.

Furthermore, inflation of the currency thrusts the financial burdens of a nation most disastrously upon people who are least able to bear them, on those with fixed incomes—clerks, teachers, some groups of wage earners, and all people with small salaries, and on widows and orphans dependent on pensions or insurance annuities or savings-bank accounts. Meantime, some holders of goods and some speculators in

the exchanges make vast fortunes out of the sufferings of others. In a remarkably sound and penetrating series of papers published in 1791, Pelatiah Webster describes the results of the contemporary inflation: "If it saved the State," he says, "it also polluted the equity of our laws; turned them into engines of oppression and wrong; corrupted the justice of our public administration; destroyed the fortunes of thousands who had most confidence in it; enervated the trade, husbandry, and manufactures of the country; and went far to destroy the morality of our people." In short, governments, by means of excessive issues of paper money or forced loans from the banks, destroy the standards which they themselves have set up, and thus deliberately repudiate large parts of their own debts. Inflation of the currency is, in fact, national, official repudiation of fundamental principles of justice.

DISASTROUS EFFECTS OF UNSTABLE MONEY.

Shifting price levels are disastrous morally, socially, economically.

Unstable monetary units are morally injurious because they are unjust. As a matter of justice, the dollars returned in payment for a loan should be the same as the dollars borrowed—the same in the only quality that matters, their purchasing power. Dollars are not standards of deferred payments unless their command over the general range of commodities remains virtually the same, year in and year out. When their purchasing power changes, either the debtor or the creditor loses more than justice demands. Our Austrian carpenter loaned his full year's wages and received in full payment the wages of three days. Thus does unstable money make a mockery of thrift. In gold-standard countries the injustice differs in degree, but not in kind.

Because shifting price levels provide these opportunities to get something for nothing, inflation does the moral damage of encouraging extravagance and wild speculation while it discourages thrift and honest labor. In describing the degenerating influences of one period of inflation, Andrew D. White says: "In city centers came a quick growth of stock jobbers and speculators, and these set a debasing fashion in business which spread to the remotest parts of the country. Then, too, as values became more and more uncertain there was no longer any more motive for care or economy, but every motive for immediate expenditure and present enjoyment. So came upon the Nation the obliteration of the idea of thrift. Luxury, senseless and extravagant, set in, and this, too, spread as a fashion. To feed it, there came cheating in the Nation at large and corruption among officials and persons holding trusts; and while the men set such fashions in business, private and official, women set fashions of extravagance in dress and living that added to the incentives to corruption. Faith in moral considerations, or even in good impulses, yielded to general distrust. National honor was thought a fiction cherished only by enthusiasts. Patriotism was eaten out by cynicism." It is impossible to tell, merely from reading this account, whether it was written to describe the condition of France during the "Mississippi bubble" orgy of speculation in the early eighteenth century, or the similar troubles of Austria in the early nineteenth century, or the reckless expansion of the continental currency in the United States during the Revolution, or conditions in central Europe in 1922, or—what the passage was written to describe—the experience of France during the revolution with the infamous paper assignats.

Travelers on the Continent now find business men, professional men, and even laboring men "exchange mad"; gambling seems to be their main occupation. This moral breakdown is only in small part, if at all, the necessary aftermath of war; it is, however, the inevitable result of vast inflation. It is sure to come, to some extent, with any degree of inflation. On the other hand, the alternative of financing a nation by depreciating the currency is the rigorous moral exercise of abstinence, economy, and hard work. There have been many futile attempts to make people moral by government regulation, but no government has had the courage to make full use of the most effective methods at its disposal. Nothing within the power of the State would do so much for public morality as stable money.

INFLATION AND SOCIAL UNREST.

Inflation leads to social unrest, for whatever is morally wrong is socially intolerable. Whenever certain groups, through no virtue of their own, are prospering, while other groups, through no fault of their own, are suffering, there is cause for protest against the established economic order. The protests are directed anywhere except in the right directions, for few people understand where their troubles begin. Meantime their troubles are real and their resentment is righteous.

Following inflation, profits inevitably rise faster than wages, and rising profits inevitably incite a rising spirit of revolt. Workers everywhere are more likely to be content with low wages when business is bad than with high wages when business is good. No wages whatever, no matter how far above the amount carefully figured by labor leaders or by economists as required "to keep a typical family of five in health and comfort," will be satisfactory as long as workers believe that the conditions of the business warrants higher wages. As the profits of war industries increased in England laborers demanded "a fair share of the increase." They had no means of knowing what a fair share would be, nor did they much care. It seemed to them that employers were making all they could make; there seemed nothing to do but follow the example. And as money profits were really piling up, employers put up wages rather than run any risk of strikes. The increased pay roll was promptly provided by the increased prices of the products. The consumers of these products paid the bill. Wherever the employers had war contracts on a cost plus commission basis they had no objection to higher wages; the higher the wages the higher the profits. In such cases the consumers were all the people, and all the people paid in taxes, direct and indirect, both the wages and the profits. Thus inflation led to the high cost of living and to widespread discontent. Says the French proverb, "After the printing press, the guillotine."

As wages rose in the United States during the war, wage earners went into the markets with the expectation of buying more goods than they had been accustomed to buy with their old wages, for they were still more or less attached to the idea of money as a standard of value. They thought that, with more dollars than they had ever dreamed of getting, they ought somehow to be better off than ever before; yet they felt that they were not as well off. And they were not. They said that the level of the river does not and can not change; it seems useless to seek their aid in the adoption of flood-prevention measures. Meantime, their refusal to face the facts and their failure to devise safe and practicable remedial measures make it easy for Mr. Ford and Mr. Edison, and innumerable other equally misguided though less distinguished reformers, to arouse popular enthusiasm for measures that would merely lead us from monetary confusion to monetary chaos.

INFLATION IS ECONOMICALLY DISASTROUS.

In the stress of a nation's need, inflation deceives the people generally, and often the Government itself, by making it seem easier than it really is to obtain the sinews of war—or the after-war sinews of bonus payments. On a boundless expanse of paper currency any loan whatever can be floated to-day and a larger one to-morrow. It is "easy money." The trouble does not begin until the Government tries to exchange the money for something useful—and the trouble does not end until the easy money is offset by hard work. If the process of raising a war loan doubles prices, the Government finds when it spends the money that it can obtain only half the needed cannons and shells. The dollars themselves do not go to the front. Meantime, no pressure has been brought to bear upon the people to produce more and to consume less. On the contrary, as we have already seen, inflation promotes extravagance in consumption, and, as we shall now see, it also promotes inefficiency in production.

Inflation, it is true, increases profits, and profits stimulate industry; but the stimulus falls like the gentle rain from heaven on the just and the unjust—the producers who hinder as well as those who aid the winning of the war and the winning of the peace that follows. Furthermore, the stimulus is only temporary. Although rising profits at first increase production, they also increase a kind of social unrest that soon interferes with production. The object of Government financing during the war was necessarily to obtain more goods, and more goods were obtained as long as increased bank credit enabled employers to put idle people and idle machinery to work. The country soon reached the point, however, where it was employing virtually every man and every woman who was able and willing to work. After that, employers could add to their own staffs only by taking laborers away from other employers. At this point competition among employers for workers inevitably resulted in higher wages and, consequently, in new demands on the banks for increased working capital. But bank credit created for the purpose of enabling somebody to take workers or orders away from somebody else did not increase production. There was no gain in the efficiency of the workers; on the contrary, the workers, already incensed over "war profiteering," had less incentive to efficiency than ever, since they knew that if they lost one job they had only to go across the street to find another job. Moreover, the unusually high profits led to careless business methods; and excess-profits taxes led to further extravagance, prompted by the thought that a large part of what might be saved would be taken by the Government in taxes. The net results of inflation—of thus placing new purchasing power on the markets without a corresponding increase in production—were a further rise in prices, followed by further inflation, followed by further economic inefficiency.

Morally, socially, and economically the dominant monetary need is a unit of exchange that is a true standard of value.

In the face of all these facts, obvious as they seem, we find leaders in the world of commerce and finance still insisting that the American gold dollar is a satisfactory standard, stable in purchasing power. In the editorial columns of the Commercial and Financial Chronicle appears this eulogy: "To-day, this dollar, in the confusion of finances, the disorder of so-called 'exchanges,' the debasement of foreign currencies, stands alone, unchanged, and unchanging. Because it exemplifies the gold standard, in itself, it is stable. Why or how has its 'purchasing power' diminished? This is a supreme fallacy—it has not. It stands out above the carping critics who would make it a shifting thing. Around it whirried a fateful war, and it stood fast. But only because back of the American dollar is the gold dollar, and back of the gold dollar is the gold standard—and that though 'tried' is not found wanting." In another editorial, we read that "the gold standard as a standard does not change at all," and the American dollar is the "sole and chief representative of stability in the monetary world of to-day." Thus is expressed that unreasoned faith in the stability of the gold standard which has become a cardinal point in the creed of many business men, and which prompts them hastily to reject, without due consideration, all proposals for stabilizing price levels—the worthy along with the unworthy. Such men obstruct economic progress. If people who are being carried away by a flood still insist again and again that they should be glad to return to their pre-war wages and pre-war prices. They believed that somehow they were being fooled. They condemned employers, shareholders, "profiteers," "Wall Street," the Federal reserve system; in short, they condemned everybody who seemed to be profiting by the war while they themselves seemed to be losing.

As wages were put up in "essential" war industries, they had to go up eventually in virtually all other industries. The substantial increases in the pay of munition makers in England, like the increases in the pay of metal workers, shipbuilders, and railroad men in the United States, unsettled the economic order. Ordinary and accepted relations between the wages of various groups of workers were upset. Unrest followed. As soon as the increased wages of munition workers were charged up to other workers in higher prices and higher taxes, the other workers demanded the wherewithal to pay the higher bills. But before they received their new wages the bills were higher still. So they demanded further increases. These increases promptly went into costs, and prices continued to rise. For wages, as a whole, it was an uphill struggle to overtake prices which had started up the hill first and seemed to keep the lead without even a struggle. Thus the vicious spiral of inflation is always a vicious cause of injustice, and so of industrial unrest.

Mr. HILL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing the correspondence between Prohibition Commissioner Haynes and myself on the interpretation of the Volstead Act.

The SPEAKER. The gentleman from Maryland asks unanimouse consent to extend his remarks in the RECORD on the subject indicated. Is there objection?

There was no objection.

UNDER THE VOLSTEAD ACT IS 2.75 PER CENT CIDER PERMITTED? IF SO, WHY NOT 2.75 PER CENT BEER?

Mr. HILL. Mr. Speaker, the housewives of Maryland are universally desirous of knowing what section 29 of the Volstead Act means in order that they may guide themselves in the preparation of home-made beverages for winter use. The farmers desire to know when they can and when they can not legally drink cider. The residents of the city are equally anxious to

know what kind of dandelion wine and home-made beer is legal. They are entitled to know.

Since April 26, 1922, I have been trying to find out from the Prohibition Commissioner. The following correspondence forces me to conclude that the Volstead Act is so worded that the Prohibition Commissioner can not interpret it. I therefore submit the whole correspondence to the House of Representatives for its consideration. There are eight letters following with their respective inclosures:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON MILITARY AFFAIRS,
Washington, D. C., April 26, 1922.

Maj. R. A. HAYNES,
Prohibition Commissioner,
Bureau of Internal Revenue, Washington, D. C.

DEAR SIR: Inclosed herewith copy of H. R. 11410, providing for the creation of Federal local option districts coordinate with existing congressional districts, and a vote next November in each of such districts on the question of the liberalisation of the national prohibition act as to 2.75 per cent beer and 2.75 per cent cider (including dandelion wine and other such fruit and vegetable beverages).

It was recently stated on the floor of the Maryland House of Representatives that the rules of your office permitted the possession and consumption in the home of cider with an alcoholic content of from 6 to 8 per cent. This statement was denied, and other conflicting statements in reference to this matter were made.

Therefore I desire to ask officially your reply to be used by me before the Ways and Means Committee in asking a hearing on the above entitled bill, the following questions:

1. Under the national prohibition act, what is the percentage of alcohol permitted by your office for use in the home as "nonintoxicating." I desire also to ask specifically whether cider containing 2.75 per cent of alcohol by volume is permissible for use in the home; and
2. Whether the same can be transported; and
3. Whether the same can be sold.

I shall be greatly obliged if I may promptly receive this information, together with any and all regulations of your office relating to the use of cider containing an alcoholic content of one-half of 1 per cent or over.

The information furnished by you I desire to be in such form as to be available for use by me either before the House of Representatives itself or before any of its committees.

Yours very truly,

JOHN PHILIP HILL,
Member of Congress.

—

A bill (H. R. 11410) to create Federal local option districts, to provide money to pay the expected deficit in the Treasury, to amend the revenue act of 1921, and for other purposes.

Be it enacted, etc., That the revenue act of 1921, Title VI, "Tax on beverages and constituent parts thereof," is hereby amended by the addition of the following section:

"SEC. 604. (a) That from and after the passage of this act each of the congressional districts from which a Member of the House of Representatives is chosen shall constitute a Federal local option district.

"(b) That in the election to be held for choosing such Members of the House of Representatives in November, 1922, the electors of each such Federal local option districts shall decide by vote whether there shall be manufactured, sold, or transported in such district beer or cider as hereinafter defined.

"(c) That the word 'beer' means any beverage obtained by the alcoholic fermentation of an infusion or decoction of barley, malt, and hops in drinkable water containing not more than 2.75 per cent of alcohol by volume. That the word 'cider' means any beverage obtained by the natural fermentation of apple, or other fruit, vegetable, or herb juices containing not more than 2.75 per cent of alcohol by volume.

"(d) That if in any such Federal local option district the majority of the said electors shall vote 'for beer' or 'for cider,' thereafter in such Federal local option district such beer or cider is hereby defined not to be an intoxicating liquor, the manufacture, sale, or transportation of which in said district is prohibited by the eighteenth amendment of the Constitution of the United States, but that thereafter said beer or cider may be manufactured, sold, or transported for sale in original packages for consumption in homes and places other than the place of sale.

"(e) That there shall be levied, assessed, and collected on all beer or cider so manufactured a tax of 20 cents per gallon, all moneys so collected to be used for the general purposes of the Treasury.

"(f) That all legislation inconsistent herewith is hereby repealed."

—

TREASURY DEPARTMENT,
BUREAU OF INTERNAL REVENUE,
OFFICE OF FEDERAL PROHIBITION COMMISSIONER,
Washington, May 2, 1922.

Hon. JOHN PHILIP HILL,
House of Representatives.

MY DEAR MR. HILL: Receipt is acknowledged of your letter of April 26, 1922, inclosing copy of a bill, H. R. 11410, introduced by you on April 24, 1922, for the amendment of the revenue act of 1921, by the addition of a new section, No. 604, to title 6 thereof, imposing taxes on beverages and constituents thereof. The bill would establish Federal local option districts and defines beer and cider for referendum purposes as nonintoxicating when containing not more than 2.75 per cent of alcohol by volume, and provides for a tax thereon.

The questions submitted by you are answered in the order in which stated, as follows:

1. Under the provisions of section 29 of title 2 of the national prohibition act this office has ruled that cider and other nonintoxicating fruit juices, manufactured exclusively for use in the home of the maker, are not necessarily limited to less than one-half of 1 per cent of alcohol by volume but must be intoxicating, in fact, to be in violation of the national prohibition act. No specific alcoholic limit has been publicly fixed. As at present advised, this office is not disposed to take action against the manufacture for use in the home of the maker of cider or other fruit juices containing not more than 2.75 per cent of alcohol by volume.

2. Cider or other fruit juices, nonintoxicating in fact, made exclusively for use in the home of the maker may be moved under permit from one residence of the producer to another. However, if cider or fruit juice for use in the home of the maker is manufactured otherwise than in the home it must be removed to the home before the alcoholic content reaches one-half of 1 per cent.

3. Under the provisions of section 29 of title 2 of the national prohibition act, nonintoxicating cider and other fruit juices made exclusively for use in the home may be sold only to vinegar makers who hold permits and pursuant to permits to purchase. The sale for beverage purposes, in the home or elsewhere, of cider or other fruit juices containing one-half of 1 per cent or more of alcohol by volume, or for such purposes after such alcoholic content has developed, is not permissible.

As requested by you, there are inclosed herewith one copy each of regulations 60, Treasury Decisions 3033 and 3077 (Pro. Mims. 84, 127, and 135), and a statement to the press dated September 20, 1921. The Pro. Mims. and the press statement relate more particularly to the manufacture of cider and other nonintoxicating fruit juices for use in the home exclusively. Particular attention is also called to sections 1, 3, 4, 6, 12, 17, 18, 19, and 29 of title 2 of the national prohibition act, the text of which will be found in the appendix to regulation 60. Attention is also invited to articles 2, 3, 5, and 8 of the regulations. Treasury Decision 3033 relates in part to penal sums of bonds for cider makers. Treasury Decision 3077 places the burden of proof on the manufacturer of cider and other similar alcoholic beverages or liquids to show that the alcoholic content was less than one-half of 1 per cent at the time of removal from the place of manufacture, in case such liquid is found on the market containing one-half of 1 per cent or more of alcohol by volume.

Sincerely yours,

R. A. HAYNES,
Prohibition Commissioner.

—

HOUSE OF REPRESENTATIVES,
COMMITTEE ON MILITARY AFFAIRS,
Washington, D. C., June 12, 1922.

Mr. ROY A. HAYNES,
Prohibition Commissioner, Bureau of Internal Revenue,
Treasury Department, Washington, D. C.

DEAR SIR: On May 2, answering my inquiry of April 26, you advised me officially that your office had ruled that cider and other alcoholic fruit juices manufactured exclusively for use in the home "are not necessarily limited to less than one-half of 1 per cent of alcohol by volume, but must be intoxicating in fact to be in violation of the national prohibition act." You then continued with the following official statement:

"No specific alcoholic limit has been publicly fixed. As at present advised, this office is not disposed to take action against the manufacture for use in the home of the maker of cider or other fruit juices containing not more than 2.75 per cent of alcohol by volume."

I have read with great interest your memorandum for Commissioner Blair, of June 7, 1922, released for publication in the papers of this morning, in which you attach a summary of the activities of the prohibition unit during the first year of your incumbency. I note with especial interest your remarks concerning the reorganization of your Washington office and the prohibition forces in the United States, and especially your statement prepared for publication, in which you say to Commissioner Blair, "And finally, Mr. Commissioner, I am gratified to inform you that, in spite of the tremendous volume of business now being transacted by this unit, the work is practically current, not only in the Washington office but also in the various offices scattered throughout the United States, a few exceptions being noteworthy."

Your office having been reorganized and your work being up to date, I am writing to ask you whether your statement of May 2 remains in force, that "no specific alcoholic limit has been publicly fixed" for cider and other alcoholic fruit juices.

At this season of the year, I am informed, the women of my district are making home-made grape wines, and they will soon be making blackberry cordials and other home-made beverages; also at this season of the year my farmer friends in Maryland are preparing to make their cider. I therefore ask you for an official definition of what is a "nonintoxicating fruit juice." You have already advised me that your office is not disposed to take action against the manufacture for use in the home of the maker of cider and other fruit juices containing not more than 2.75 per cent of alcohol by volume. Will you be good enough to advise me whether your office has yet changed its ruling that "no specific alcoholic limit has been publicly fixed"? I think the time has come when you should fix a specific alcoholic limit for cider and other nonintoxicating fruit juices for the information of the housewives and farmers of Maryland and other States. I should be obliged for a prompt and specific reply.

Yours very truly,

JOHN PHILIP HILL,
Member of Congress.

—

HOUSE OF REPRESENTATIVES,
COMMITTEE ON MILITARY AFFAIRS,
Washington, D. C., June 22, 1922.

Mr. ROY A. HAYNES,
Prohibition Commissioner,
Treasury Department, Washington, D. C.

SIR: In reference to my recent letter to you concerning the alcoholic content of cider, I inclose herewith a sheet from the Baltimore American of Tuesday, June 20, 1922, containing an open letter from A. J. Williamson, assistant superintendent Maryland Anti-Saloon League, in which he makes the following statement:

"The present regulations made in pursuance of the Volstead Act permit the farmer to make cider and let it ferment and become intoxicating, allows him to drink it in his home, or give it to his friends when they drop in—in fact, laying only one prohibition upon him, which is that he must not sell the same as a beverage after it becomes hard."

In view of this statement by the Anti-Saloon League, I again request that you advise me whether you have yet fixed a standard for the alcoholic content of cider and fruit juices made and to be consumed in the home.

Yours very truly,

JOHN PHILIP HILL,
Member of Congress.

[From the Baltimore American.]

WELL, IF THE FARMER IS ALLOWED TO MAKE AND KEEP INTOXICATING LIQUORS, WHY IN THE NAME OF THE CONSTITUTION SHOULD THE NONFARMER BE DISCRIMINATED AGAINST?

To the EDITOR OF THE AMERICAN:

So much has been published in the newspapers, especially in Baltimore, on the subject of the Volstead law, and so much of it is not only unfair but untruthful, that I am impelled, though reluctantly, to offer you the following:

You assume the position in your editorials that the saloon is gone, that you are glad of it, and that you believe the attempt to repeal the eighteenth amendment is useless and unwise. The amendment provides for the abolishment not only of the saloon specifically but of the manufacture, sale, etc., of intoxicating liquors as a beverage. There also rests upon the Congress and the several States the specific duty of enacting laws sufficiently strong and prohibitive for the accomplishment of the plain intent of the amendment.

The Volstead Act was very carefully scrutinized in the committees of both Houses of Congress, and is based on the experience gained in enforcing prohibition of the liquor traffic in 30 whole States, in cities, villages, and towns, and also represented the opinion of those representing various interests which would be affected by the new order. For instance, when it came to the question of the use of intoxicating liquors in the observance of religious rites, Jewish rabbis, Catholic priests, Lutheran and Protestant Episcopal ministers, whose custom it is to use wine in religious services, were invited to confer with the committee, to the end that these matters might be regulated so that the object sought might be obtained with the least trouble and inconvenience. It is a fact which has not been given any publicity to speak of that the head of every Jewish household may under the Volstead Act in exercising the rites of religion in the family use 10 gallons of wine a year. Notwithstanding that, a large number of the more intelligent rabbis in the country maintain that fermented wine is not necessary to the observance of their religious ceremonies.

The same care was taken regarding the manufacture and use of alcohol in the arts and sciences. The present regulations made in pursuance of the Volstead Act permit the farmer to make cider and let it ferment and become intoxicating, allows him to drink it in his home or give it to his friends when they drop in—in fact, laying only one prohibition upon him, which is that he must not sell the same as a beverage after it becomes hard. But before an officer can enter his home or make him trouble in any way he must have a warrant obtained from the proper officer upon legal proof, and is menaced with a high fine and imprisonment if he undertakes to perform his duties in any other way than is strictly provided for in the search and seizure provisions of the law.

Much has been said as to the injunction provisions of the act, and one would think from what he reads in the daily press that trial by jury is incidental and not characteristic of the law. The contrary is the truth. So far as I can learn, only one injunction has been issued by Federal Judge Rose in his court. All other cases have been tried by jury.

A great deal of nonsense has been uttered from time to time about the sacred right of a citizen to be tried by a jury of his peers. In days when kings were absolute, judges were not elected but appointed by the ruler. The courts were often subservient to the appointing power, and there was great danger that rapacity or desire for revenge by rulers should create monstrous injustice. But in these days in nine cases out of ten, a judge or a bench of judges elected by the people can and will pass upon cases with more certainty as to the law and to facts than a jury of 12 men, some of whom, at least, are likely to be ignorant if not prejudiced. Jurors often forget their oath on account of their sympathy for the offender and refuse to turn in a verdict of guilty when the case clearly shows the guilt of the accused.

If the amendment is to stay, then some law must be passed by Congress and some law should be passed by Maryland that will provide for an honest and fair enforcement of the amendment. Congressman HILL and his friends opposed to prohibition are asking for a law that would require any Congressman or Senator voting for the bill to violate his oath of office, in which he is solemnly pledged to uphold the Constitution of the United States. Is wine containing from 6 to 14 per cent alcohol intoxicating? Is beer an intoxicating liquor? It is impossible for a man to take off his shoe and put it on in the same action. So it is impossible to enact the eighteenth amendment prohibiting the manufacture and sale of intoxicating beverages and then enact a law which in effect says that the Constitution does not mean what it declares.

A. J. WILLIAMSON,
Assistant Superintendent Maryland Anti-Saloon League.

BALTIMORE, JUNE 17.

TREASURY DEPARTMENT,
BUREAU OF INTERNAL REVENUE,
OFFICE OF FEDERAL PROHIBITION COMMISSIONER,
Washington, June 20, 1922.

Hon. JOHN PHILIP HILL,
House of Representatives.

MY DEAR MR. HILL: Receipt is acknowledged of your letter of June 12, 1922, in which you make inquiry as to whether or not this office has fixed a specific alcoholic limit for nonintoxicating cider and fruit juices under the exempting provision of section 29 of Title II of the national prohibition act.

You urge that such limitation be now fixed by this office.

In regard thereto, you are informed that this office does not deem it expedient to fix such limitation, in view of the fact that Congress has not done so and the courts have not as yet definitely settled the question.

Sincerely yours,

R. A. HAYNES,
Prohibition Commissioner.

(Copy attached.)

HOUSE OF REPRESENTATIVES,
COMMITTEE ON MILITARY AFFAIRS,
Washington, D. C., June 27, 1922.

THE FEDERAL PROHIBITION COMMISSIONER,
Bureau of Internal Revenue, Treasury Department,
Washington, D. C.

DEAR SIR: I have your letter of June 20, in which you state that your office has not fixed a specific alcoholic limitation for so-called nonintoxicating cider and fruit juices under the exempting provision of section 29 of Title II of the national prohibition act. I note the position taken in your letter to the effect that your office "does not deem it expedient to fix such limitation, in view of the fact that Congress has not done so and the courts have not as yet definitely settled the question."

On June 5 I received a letter from the Secretary of the Treasury concerning charges I had filed against you in your official capacity, in which he stated that these charges had been referred to the Commissioner of Internal Revenue for investigation. On the same day I wrote to the Commissioner of Internal Revenue, in part, as follows:

"I take this occasion to add an additional specification to the previous charge against Prohibition Commissioner Haynes. I charge that he has flagrantly failed to enforce the provisions of the Volstead Act in reference to the manufacture of homemade cider.

"In an official letter to me of May 2, 1922, in answer to a question propounded by me and stated by me to be asked for the purpose of using in the House of Representatives or before some committee of Congress, the prohibition commissioner stated:

"'Under the provisions of section 29 of Title II of the national prohibition act, this office has ruled that cider and other nonintoxicating fruit juices, manufactured exclusively for use in the home of the maker, are not necessarily limited to less than one-half of 1 per cent of alcohol by volume, but must be intoxicating in fact to be in violation of the national prohibition act. No specific alcoholic limit has been publicly fixed. As at present advised, this office is not disposed to take action against the manufacture for use in the home of the maker of cider or other fruit juices containing not more than 2.75 per cent of alcohol by volume.'"

I presume that your letter to me of June 20 contains an answer to the above charge against you when you say that your "office does not deem it expedient to fix such limitation in view of the fact that Congress has not done so."

In order to meet this statement, I at once introduced H. R. 12141, a bill to amend the national prohibition act by putting cider and beer on precisely the same basis.

Under your ruling, as stated in your letter to me of May 2, your "office is not disposed to take action against the manufacture for use in the home of the maker of cider or other fruit juices containing not more than 2.75 per cent of alcohol by volume." You justify this ruling by the provisions of section 29 of Title II of the national prohibition act, which at present provides that "the penalties provided in this act against the manufacture of liquor without a permit shall not apply to a person for manufacturing nonintoxicating cider and fruit juices exclusively for use in the home."

H. R. 12141 inserts the word "beer" after the word "cider," and should this amendment to the national prohibition act be adopted, would bring beer under your ruling and would permit the manufacture for use in the home of the maker of beer as well as cider and other fruit juices containing not more than 2.75 per cent of alcohol by volume.

Since you have made no effort to have legislation passed by Congress to change the above ruling in reference to cider, I assume that you are in favor of putting beer on the same equality. I, therefore, request that you give to me for presentation to the Judiciary Committee of the House of Representatives an official communication as to whether or not you favor the extension of your liberal ruling on cider to beer, giving the reasons why you favor or oppose putting beer and cider on precisely the same basis.

I shall be obliged for a prompt response on this matter, since I desire to take up the matter with the Judiciary Committee prior to the proposed recess on Saturday, July 1.

Very truly yours,

JOHN PHILIP HILL,
Member of Congress.

A bill (H. R. 12141) to amend the national prohibition act.

Be it enacted, etc., That the act entitled "An act to prohibit intoxicating beverages, and to regulate the manufacture, production, use, and sale of high-proof spirits for other than beverage purposes, and to insure an ample supply of alcohol and promote its use in scientific research and in the development of fuel, dye, and other lawful industries," which became a law October 28, 1919, otherwise designated by its short title as the national prohibition act, be, and the same is hereby, amended in title 2, section 1, by inserting the word "cider" between the words "beer" and "ale" wherever such words occur, and in title 2, section 29, by inserting the word "beer" after the word "cider" wherever the same occurs.

TREASURY DEPARTMENT,
BUREAU OF INTERNAL REVENUE,
OFFICE OF FEDERAL PROHIBITION COMMISSIONER,
Washington, July 3, 1922.

Hon. JOHN PHILIP HILL,
House of Representatives.

MY DEAR MR. HILL: Receipt is acknowledged of your letter of June 27, 1922, inclosing copies of the proposed bill, designated as H. R. 12141, which apparently is designed to amend the national prohibition act and authorize the manufacture, sale, and use of malt liquors containing 2.75 per cent of alcohol by volume for beverage purposes.

Reference is also made in your letter to the communication addressed you by this office on May 2, 1922, which contains the statement that "as at present advised, this office is not disposed to take action against the manufacture for use in the home of the maker of cider or other fruit juices containing not more than 2.75 per cent of alcohol by volume."

In a letter addressed you on June 20, 1922, the statement was made that this office does not deem it expedient to fix a limit or percentage of alcohol by volume which will render nonintoxicating fruit juices manufactured exclusively for use in the home as provided by section 29 of title 2 of the national prohibition act intoxicating in fact. This office adheres to the ruling contained in the letter of June 20, 1922.

Relative to the declaration in letter of May 2, 1922, that this office would not proceed against persons manufacturing cider or other fruit juices containing as much as 2.75 per cent of alcohol by volume, this statement was embodied by the draftsman under a misapprehension of the position of this office, as such is not its view, and no instructions to that effect have been promulgated.

Relative to the indorsement or approval of proposed H. R. 12141 you are informed that this office is not disposed to approve the inser-

tion of the word "cider" between the words "beer and ale" wherever such words occur in section 1 of title 2 of the national prohibition act, or to insert the word "beer" after the word "cider" wherever same occurs in section 29 of said act.

The reasons for declining to approve your proposed measure are as follows:

The provisions for manufacturing nonintoxicating cider and fruit juices exclusively for use in the home differ very materially from the manufacture of malt liquors such as beer, ale, and porter exclusively for use in the home or elsewhere.

It has been the practice from time immemorial for farmers and other householders in rural communities to manufacture cider for conversion into vinegar, which is a condiment for family use, and also to manufacture grape and other fruit juices, which are frequently sterilized and preserved in sealed glass containers for family use. The manufacture of malt liquor such as beer, ale, and porter in the home by the housewife for family use has seldom, if ever, been practiced until the advent of local or national prohibition. They have always been used as beverages and have practically no use for conversion into condiments such as vinegar. Furthermore, it is entirely impracticable to make a satisfactory and wholesome malt liquor in the home, and the course suggested by you would necessarily mean the manufacture of the malt liquors in breweries and further amendments to laws to provide for their distribution, sale, and use with or without tax payment.

This office has not recommended liberalization or amendment of the national prohibition act on its own initiative, since such course is wholly at variance with the departmental rules and practice.

Sincerely yours,

R. A. HAYNES,
Prohibition Commissioner.

(Copy attached.)

—

HOUSE OF REPRESENTATIVES,
COMMITTEE ON MILITARY AFFAIRS,
Washington, D. C., August 15, 1922.

Mr. ROY A. HAYNES,
Prohibition Commissioner,
Treasury Department, Washington, D. C.

SIR: The House of Representatives reconvening to-day, I have made a careful check of my mail to find whether, further answering my letter of June 27, your office has yet promulgated for the information of the American housewives any interpretation of section 29 of title 2 of the Volstead Act, relating to cider and other nonintoxicating fruit juices.

During the recess of the House of Representatives I have been in touch with housewives all over Maryland and in Baltimore city and find that they are universally desirous of knowing what section 29 of the Volstead Act means in order that they may guide themselves in the preparation of homemade beverages for winter use.

I therefore repeat to you the question contained in my letter of April 26, 1922, you having in your letter of July 3 disclaimed the information on this subject given to me in your official letter of May 2.

In my letter of April 26, 1922, I said: "I desire to ask officially, your reply to be used by me before the Ways and Means Committee, the following question: 'Under the national prohibition act, what is the percentage of alcohol permitted by your office for use in the home as nonintoxicating?'"

In your letter to me of July 3 you stated:

"Reference is also made in your letter to the communication addressed you by this office on May 2, 1922, which contains the statement that 'as at present advised this office is not disposed to take action against the manufacture for use in the home of the maker of cider or other fruit juices containing not more than 2.75 per cent of alcohol by volume.'"

You then retracted the above statement made by your office in the following language:

"Relative to the declaration in letter of May 2, 1922, that this office would not proceed against persons manufacturing cider or other fruit juices containing as much as 2.75 per cent of alcohol by volume, this statement was embodied by the draftsman under a misapprehension of the position of this office, as such is not its view, and no instructions to that effect have been promulgated."

Will you kindly give me a corrected answer to my question propounded on April 26, "What are the regulations of your office in reference to section 29 of title 2 of the Volstead Act?" Also, under the national prohibition act, What is the percentage of alcohol permitted by your office for use in home brews as "nonintoxicating"?

Yours very truly,

JOHN PHILIP HILL,
Member of Congress.

On May 2, 1922, the prohibition commissioner thought 2.75 per cent cider legal. Now, he does not know.

On June 20, 1922, he stated that Congress had not fixed the alcoholic limit for cider.

I feel confident, my colleagues, that after considering the above correspondence you will agree with me that the Volstead Act must be repealed.

Mr. GARRETT of Tennessee. Mr. Speaker, I make the point that no quorum is present.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

Mr. GARRETT of Tennessee. And on that, Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 128, nays 64, not voting 235, as follows:

YEAS—128.

Anderson	Brooks, Pa.	Chindblom	Crago
Andrews, Nebr.	Butler	Clague	Curry
Ansorge	Cable	Clarke, N. Y.	Dale
Appleby	Campbell, Kans.	Clouse	Dallinger
Bacharach	Campbell, Pa.	Cole, Iowa	Darrow
Bixler	Cannon	Cole, Ohio	Davis, Minn.
Blakeney	Chalmers	Cooper, Ohio	Dunbar
Bond	Chandler, N. Y.	Cooper, Wis.	Dyer
Brennan	Chandler, Okla.	Coughlin	Echols
Fairfield	Hull	Morgan	Snell
Faust	Husted	Mudd	Snyder
Fenn	Hutchinson	Murphy	Speaks
Fess	Ireland	Paige	Sproul
Fitzgerald	Johnson, Wash.	Parker, N. J.	Stafford
Focht	Kelly, Pa.	Patterson, N. J.	Steenerson
Foster	Ketcham	Petersen	Stephens
Free	Kirkpatrick	Ransley	Strong, Kans.
Fuller	Kissel	Reece	Strong, Pa.
Gernerd	Kline, N. Y.	Reed, W. Va.	Swing
Gorman	Kraus	Rhodes	Taylor, Tenn.
Graham, Ill.	Lampert	Ricketts	Tincher
Green, Iowa	Layton	Robsion	Tinkham
Greene, Mass.	Lehlbach	Rodenberg	Treadway
Greene, Vt.	Longworth	Rose	Vaile
Griest	McLaughlin, Mich.	Rosenbloom	Vare
Hadley	McPherson	Rossdale	Vestal
Hawley	Mann	Sanders, N. Y.	Volk
Hays	Mapes	Shreve	Walters
Hersey	Michaelson	Siegel	Watson
Hill	Michener	Sinnott	Wurzbach
Hoch	Millspaugh	Smith, Idaho	Young
Hogan	Mondell	Smith, Mich.	Zihlman

NAYS—64.

Almon	Favrot	Lanham	Rouse
Bland, Va.	Gallivan	Lankford	Sandlin
Bowling	Garner	Larsen, Ga.	Smithwick
Box	Garrett, Tenn.	Lazaro	Stevenson
Brand	Garrett, Tex.	Lowrey	Sumners, Tex.
Buchanan	Gilbert	Lyon	Taylor, Colo.
Bulwinkle	Griffin	McClintic	Tillman
Byrnes, S. C.	Hardy, Tex.	McSwain	Tucker
Byrns, Tenn.	Hooker	Maloney	Upshaw
Cantrill	Huddleston	Martin	Vinson
Clark, Fla.	Hudspeth	Moore, Va.	Ward, N. C.
Davis, Tenn.	Humphreys	O'Connor	Weaver
Doughton	James	Oliver	Williams, Tex.
Drane	Jeffers, Ala.	Parks, Ark.	Wilson
Drewry	Jones, Tex.	Rankin	Wingo
Driver	Kincheloe	Rayburn	Wright

NOT VOTING—235.

Ackerman	Fairchild	Lee, N. Y.	Reed, N. Y.
Andrew, Mass.	Fields	Lineberger	Riddick
Anthony	Fish	Linthicum	Riordan
Arentz	Fisher	Little	Roach
Aswell	Fordney	Logan	Robertson
Atkeson	Frear	London	Rogers
Bankhead	Freeman	Luce	Rucker
Barbour	French	Luhring	Ryan
Barkley	Frothingham	McArthur	Sabath
Beck	Fulmer	McCormick	Sanders, Ind.
Beedy	Funk	McDuffie	Sanders, Tex.
Begg	Gahn	McFadden	Schall
Bell	Gensman	McKenzie	Scott, Mich.
Benham	Glynn	McLaughlin, Nebr.	Scott, Tenn.
Bird	Goldsborough	McLaughlin, Pa.	Sears
Black	Goodykoontz	MacGregor	Shaw
Bland, Ind.	Gould	Madden	Shelton
Blanton	Graham, Pa.	Magee	Sinclair
Boies	Hammer	Mansfield	Sisson
Bowers	Hardy, Colo.	Mead	Slemp
Briggs	Harrison	Merritt	Steagall
Britten	Haugen	Miller	Stedman
Brooks, Ill.	Hawes	Mills	Stiness
Brown, Tenn.	Hayden	Montague	Stoll
Browne, Wis.	Henry	Montoya	Sullivan
Burdick	Herrick	Moore, Ill.	Summers, Wash.
Burke	Hickey	Moore, Ohio	Swank
Burroughs	Hicks	Moores, Ind.	Sweet
Burtness	Himes	Morin	Tague
Burton	Hukriede	Mott	Taylor, Ark.
Carew	Jacoway	Nelson, Me.	Taylor, N. J.
Carter	Jefferis, Nebr.	Nelson, A. P.	Temple
Christopherson	Johnson, Ky.	Nelson, J. M.	Ten Eyck
Classon	Johnson, Miss.	Newton, Minn.	Thomas
Cockran	Johnson, S. Dak.	Newton, Mo.	Thompson
Codd	Jones, Pa.	Nolan	Tilson
Collier	Kahn	Norton	Timberlake
Collins	Kearns	O'Brien	Towner
Colton	Keller	Ogden	Tyson
Connally, Tex.	Kelley, Mich.	Oldfield	Underhill
Connell	Kendall	Olpp	Voigt
Connolly, Pa.	Kennedy	Osborne	Volstead
Copley	Kiess	Overstreet	Ward, N. Y.
Cramton	Kindred	Park, Ga.	Wason
Crisp	King	Parker, N. Y.	Webster
Crowther	Kitchin	Patterson, Mo.	Wheeler
Cullen	Kleczka	Perkins	White, Kans.
Deal	Kline, Pa.	Perlman	White, Me.
Dempsey	Knight	Porter	Williams, Ill.
Denison	Knutson	Pou	Williamson
Dickinson	Kopp	Pringey	Winslow
Dominick	Kreider	Purnell	Wise
Dowell	Kunz	Quin	Wood, Ind.
Dunn	Langley	Radcliffe	Woodruff
Dupré	Larson, Minn.	Rainey, Ala.	Woods, Va.
Edmonds	Lawrence	Rainey, Ill.	Woodyard
Elliott	Lea, Calif.	Raker	Wyant
Ellis	Leatherwood	Ramseyer	Yates
Evans	Lee, Ga.	Reber	

So the motion to adjourn was agreed to.

The following pairs were announced:

Mr. Burton (for) with Mr. Oldfield (against).

Mr. Wood of Indiana (for) with Mr. Sisson (against).

Mr. Thompson (for) with Mr. Tague (against).

Mr. Dowell (for) with Mr. Aswell (against).

Mr. Schall (for) with Mr. Jacoway (against).

Mr. Beck (for) with Mr. Sabath (against).

Mr. Lineberger (for) with Mr. Sanders of Texas (against).

Mr. Crowther (for) with Mr. Kitchin (against).

Mr. Keller (for) with Mr. Black (against).
Mr. Wyant (for) with Mr. Collier (against).
Mr. Osborne (for) with Mr. Ten Eyck (against).
Mr. Radcliffe (for) with Mr. Bell (against).
Mr. Scott of Tennessee (for) with Mr. Deal (against).
Mr. Knutson (for) with Mr. Woods of Virginia (against).
Mr. Madden (for) with Mr. Cockran (against).
Mr. Leatherwood (for) with Mr. Dupré (against).
Mr. Christopherson (for) with Mr. Overstreet (against).
Mr. A. P. Nelson (for) with Mr. Riordan (against).
Mr. Brooks of Illinois (for) with Mr. Hayden (against).
Mr. French (for) with Mr. Wise (against).
Mr. Kiess (for) with Mr. Bankhead (against).
Mr. Reber (for) with Mr. Swank (against).
Mr. Knight (for) with Mr. Tyson (against).
Mr. Mills (for) with Mr. Cullen (against).
Mr. McKenzie (for) with Mr. O'Brien (against).
Mr. Connelly of Pennsylvania (for) with Mr. Montague (against).
Mr. Funk (for) with Mr. Steagall (against).
Mr. Taylor of New Jersey (for) with Mr. Johnson of Kentucky (against).
Mr. McLaughlin of Pennsylvania (for) with Mr. Barkley (against).
Mr. Codd (for) with Mr. Logan (against).
Mr. Reed of New York (for) with Mr. Dominick (against).
Mr. Newton of Minnesota (for) with Mr. Pou (against).
Mr. Stiness (for) with Mr. Raker (against).
Mr. Patterson of Missouri (for) with Mr. Goldsborough (against).
Mr. Webster (for) with Mr. Thomas (against).
Mr. Kline of Pennsylvania (for) with Mr. Crisp (against).
Mr. Gahn (for) with Mr. Mead (against).
Mr. Cramton (for) with Mr. Connally of Texas (against).
Mr. Atkeson (for) with Mr. Mansfield (against).
Mr. Henry (for) with Mr. Quin (against).
Mr. Ackerman (for) with Mr. Hawes (against).
Mr. Haugan (for) with Mr. Rainey of Illinois (against).
Mr. Colton (for) with Mr. Fisher (against).
Mr. McArthur (for) with Mr. Carew (against).
Mr. Jones of Pennsylvania (for) with Mr. Kindred (against).
Mr. Kennedy (for) with Mr. Lea of California (against).
Miss Robertson (for) with Mr. Briggs (against).
Mr. Kendall (for) with Mr. Park of Georgia (against).
Mr. Olpp (for) with Mr. Fields (against).
Mr. Frothingham (for) with Mr. Rucker (against).
Mr. Lawrence (for) with Mr. Hammer (against).
Mr. Arentz (for) with Mr. McDuffie (against).
Mr. Goodykoontz (for) with Mr. Lea of Georgia (against).
Mr. Larson of Minnesota (for) with Mr. Carter (against).
Mr. Begg (for) with Mr. Blanton (against).
Mr. Kahn (for) with Mr. Stoll (against).
Mr. Hukriede (for) with Mr. Taylor of Arkansas (against).
Mr. Anthony (for) with Mr. Collins (against).
Mr. Luce (for) with Mr. Harrison (against).
Mr. Frear (for) with Mr. Fulmer (against).
Mr. Burtness (for) with Mr. London (against).
Mr. Dickinson (for) with Mr. Linthicum (against).
Mr. Ellis (for) with Mr. Kunz (against).
Mr. Nolan (for) with Mr. Sullivan (against).
Mr. Shaw (for) with Mr. Stedman (against).
Mr. Perkins (for) with Mr. Sears (against).
Mr. Yates (for) with Mr. Johnson of Mississippi (against).
Mr. White of Kansas (for) with Mr. Rainey of Alabama (against).

The result of the vote was announced as above recorded.

ADJOURNMENT.

Accordingly (at 12 o'clock and 32 minutes p. m.) the House adjourned until to-morrow, Thursday, August 17, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

667. A letter from the Secretary of Commerce transmitting a draft of a bill to abolish the inspection districts of Apalachicola, Fla., and Burlington, Vt., and the office of one supervising inspector, Steamboat-Inspection Service; to the Committee on the Merchant Marine and Fisheries.

668. A letter from the Secretary of War transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of Absecon Inlet, N. J. (H. Doc. No. 375); to the Committee on Rivers and Harbors and ordered to be printed.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SWING: A bill (H. R. 12317) authorizing the Secretary of War to set apart as a national cemetery certain lands of the United States military reservation of Fort Rosecrans, Calif.; to the Committee on Military Affairs.

By Mr. DAVIS of Tennessee: A bill (H. R. 12318) to amend an act to authorize the Secretary of War and the Secretary of the Navy to make certain disposition of condemned ordnance, guns, projectiles, and other condemned material in their respective departments; to the Committee on Military Affairs.

By Mr. GALLIVAN: Resolution (H. Res. 404) directing the United States Shipping Board to report concerning the purchase and sale of liquor on its ocean-going ships; to the Committee on the Merchant Marine and Fisheries.

By Mr. BRENNAN: Resolution (H. Res. 405) directing the United States Shipping Board to report concerning the purchase and sale of liquor on its ocean-going ships; to the Committee on the Merchant Marine and Fisheries.

By Mr. GARRETT of Tennessee: Resolution (H. Res. 406) authorizing the Clerk of the House to pay out of the contingent funds of the House to Frances C. Padgett and Ida L. Padgett one month's salary as clerks to the late Hon. Lemuel P. Padgett; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANSORGE: A bill (H. R. 12319) for the relief of Dorothy Joseph; to the Committee on Claims.

By Mr. BACHARACH: A bill (H. R. 12320) for the relief of Frederick W. Peter; to the Committee on Claims.

By Mr. CANTRILL: A bill (H. R. 12321) granting an increase of pension to Pollock T. Harbold; to the Committee on Pensions.

Also, a bill (H. R. 12322) granting an increase of pension to Anna R. McAdams; to the Committee on Invalid Pensions.

By Mr. CHALMERS: A bill (H. R. 12323) granting a pension to Frank A. Eley; to the Committee on Pensions.

By Mr. CLOUSE: A bill (H. R. 12324) for the relief of J. J. Jones; to the Committee on Claims.

By Mr. FAUST: A bill (H. R. 12325) granting a pension to Cora M. Zencker; to the Committee on Pensions.

By Mr. FITZGERALD: A bill (H. R. 12326) granting a pension to Eliza Ann Salomon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12327) granting a pension to Lina J. Harcourt; to the Committee on Invalid Pensions.

By Mr. FULLER: A bill (H. R. 12328) granting an increase of pension to Cynthia M. Bowles; to the Committee on Invalid Pensions.

By Mr. HERSEY: A bill (H. R. 12329) for the relief of William McIlroy; to the Committee on Claims.

By Mr. KRAUS: A bill (H. R. 12330) granting a pension to Leroy Mitchell; to the Committee on Invalid Pensions.

By Mr. LINEBERGER: A bill (H. R. 12331) granting a pension to Phoebe J. Sweeney; to the Committee on Pensions.

Also, a bill (H. R. 12332) granting a pension to Mary J. Tosh; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12333) granting an increase of pension to Louisa Gilmore Smith; to the Committee on Invalid Pensions.

By Mr. MERRITT: A bill (H. R. 12334) granting a pension to Robert S. Kelley; to the Committee on Pensions.

Also, a bill (H. R. 12335) granting an increase of pension to Kate M. Henry; to the Committee on Invalid Pensions.

By Mr. SHAW: A bill (H. R. 12336) granting an increase of pension to Alice Darr; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12337) granting a pension to Mary E. Berry; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12338) granting a pension to Sophronia O. Hubble; to the Committee on Invalid Pensions.

By Mr. SMITH of Michigan: A bill (H. R. 12339) granting a pension to Catherine Foster; to the Committee on Invalid Pensions.

By Mr. SWING: A bill (H. R. 12340) for the relief of Gordon G. MacDonald; to the Committee on Naval Affairs.

By Mr. TAYLOR of New Jersey: A bill (H. R. 12341) to remove the charge of desertion from the military record of Washington E. Hall, alias John Duffy; to the Committee on Military Affairs.

By Mr. TEMPLE: A bill (H. R. 12342) granting a pension to Kate Clear; to the Committee on Invalid Pensions.

By Mr. VAILE: A bill (H. R. 12343) granting a pension to Thomas Campbell; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6166. By Mr. BARBOUR: Petition of residents of Fresno and Madera Counties, Calif., in opposition to House bills 9753 and 4388 and Senate bill 1948, known as the Sunday bills; to the Committee on the District of Columbia.

6167. Also, petition of residents of California in opposition to House bills 4388 and 9753 and Senate bill 1948, known as the Sunday bills; to the Committee on the District of Columbia.

6168. By Mr. CHALMERS: Petition protesting against the passage of compulsory Sunday observance bill now pending before Congress; to the Committee on the District of Columbia.

6169. By Mr. CURRY: Petition of 18 residents of Lodi, Calif., protesting against passage of House bills 4388 and 9753, providing for Sunday observance in the District of Columbia; to the Committee on the District of Columbia.

6170. By Mr. DEMPSEY: Resolution of the board of directors of the Chamber of Commerce of the Tonawandas, Tonawanda, N. Y., favoring the removal of existing restrictions on immigration which tends to prevent an adequate supply of labor entering the United States; to the Committee on Immigration and Naturalization.

6171. By Mr. FULLER: Memorial of the City Council of Rockford, Ill., favoring the taking over and operating the coal mines by the Government for the benefit of the public, and paying the miners adequate compensation for their labor; to the Committee on Interstate and Foreign Commerce.

6172. Also, petition of the Rockford (Ill.) Chamber of Commerce, the Rockford Bolt Co., C. R. Wise, H. F. Norris, and the Fyrac Manufacturing Co., all of Rockford, Ill., protesting against the locating of a Federal reformatory at Camp Grant; to the Committee on the Judiciary.

6173. By Mr. KISSEL: Petition of the International Cork Co., Brooklyn, N. Y.; Lehn & Fink, Bernhard Ulmann Co. (Inc.), Ignaz Strauss & Co., Campbell, Metzger & Jacobson, all of New York, and board of commissioners of the port of New Orleans, regarding the flood control on the Mississippi; to the Committee on Flood Control.

6174. By Mr. LINEBERGER: Petition of 372 members of the Long Beach City Teachers' Club, requesting that the Towner-Sterling bill be brought out of committee and speedily passed by Congress; to the Committee on Education.

6175. By Mr. PATTERSON of New Jersey: Petition of residents of Camden County, N. J., opposing the passage of H. R. 9753, to secure Sunday as a day of rest in the District of Columbia; to the Committee on the District of Columbia.

6176. By Mr. ROSSDALE: Petition of Veterans of Foreign Wars, Department of New York, indorsing the ship subsidy bill; to the Committee on Interstate and Foreign Commerce.

6177. Also, resolution adopted by the Soldiers and Sailors' Club of New York, to reduce the present hours for vocational schools; to the Committee on Interstate and Foreign Commerce.

6178. Also, resolution adopted by the American Legion, Department of New York, demanding enactment and enforcement of suitable legislation giving to subdistrict offices the right and authority to rate claims of ex-service men examined in such subdistrict offices; to the Committee on Interstate and Foreign Commerce.

6179. By Mr. VARE: Memorial of the Philadelphia Board of Trade, asking defeat of H. R. 10598; to the Committee on the Post Office and Post Roads.

SENATE.

THURSDAY, *August 17, 1922.*

(*Legislative day of Thursday, August 3, 1922.*)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ball	Gooding	Myers	Sheppard
Bursum	Hale	Newberry	Shortridge
Cameron	Harrison	Nicholson	Smith
Capper	Heflin	Norbeck	Smoot
Colt	Jones, Wash.	Oddie	Sterling
Cummins	Kendrick	Overman	Sutherland
Curtis	Keyes	Pepper	Trammell
Dial	McCumber	Ransdell	Underwood
Dillingham	McLean	Rawson	Walsh, Mass.
Edge	McNary	Reed, Pa.	Walsh, Mont.
Ernst	Moses	Robinson	Watson, Ind.

The PRESIDENT pro tempore. Forty-four Senators have answered to their names. There is not a quorum present. The Secretary will call the roll of absent Members.

The Assistant Secretary called the names of the absent Senators, and the following Senators answered to their names when called:

Calder	Pomerene	Watson, Ga.

Mr. POMERENE. I desire to announce the absence of my colleague [Mr. WILLIS] because of serious illness in his family. I will let this announcement stand for the day.

The following Senators entered the Chamber and answered to their names:

Lodge	New	Phipps	Wadsworth
McKellar			

The PRESIDENT pro tempore. Fifty-two Senators have answered to their names. There is a quorum present.

Mr. SUTHERLAND. Mr. President, I desire to offer two amendments. I ask that they be printed and lie on the table, and I shall ask for a vote upon both amendments when the bill reaches the Senate.

The PRESIDENT pro tempore. The amendments will be printed and lie on the table.

Mr. NEWBERRY. Mr. President, I desire to offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be reported.

The ASSISTANT SECRETARY. The Senator from Michigan offers the following amendment: On page 37, line 10, paragraph 213a, graphite or plumbago, in the committee amendment already agreed to——

The PRESIDENT pro tempore. The Chair suggests to the Senator from Michigan that it will be necessary to reconsider the vote by which the paragraph was agreed to.

Mr. McCUMBER. Mr. President, we have gone over this subject, I think, a number of times. It would seem to me that it would be better to reserve the amendment until the bill reaches the Senate, and then we can bring up the subject as the Senator may desire.

The PRESIDENT pro tempore. Is there objection to the request for unanimous consent?

Mr. McCUMBER. I shall not object.

The PRESIDENT pro tempore. If there be no objection, the vote by which paragraph 213a was agreed to is reconsidered. The amendment offered by the Senator from Michigan to the amendment will be stated.

The ASSISTANT SECRETARY. In paragraph 213a, page 37, line 10, the Senator from Michigan proposes to strike out the words "amorphous, 10 per cent ad valorem."

Mr. NEWBERRY. Mr. President, the effect of the amendment would be to put amorphous graphite on the free list. The Senate has already considered the subject, so I shall not enter upon a consideration of the two principal forms of graphite, which are the flake or crystalline and the amorphous graphite. I may say, however, that flake or crystalline graphite is used chiefly for making crucibles, while amorphous graphite is used in the production of such products as paints, stove polish, foundry facings, lubricants, motor and generator brushes, pencils, powder glazing, paint making, and so forth.

There is produced in the United States no amorphous graphite which can be substituted for the imported article, and graphite of all kinds has been on the free list for more than 50 years.

There is in Michigan a manufacturer of graphite products who for more than 30 years has used exclusively in the preparation of the products above enumerated amorphous graphite taken from mines owned and operated by himself in Mexico for the very simple reason that, notwithstanding continuous and tireless research, he has never been able to obtain in the United States amorphous graphite which could be successfully substituted for the Mexican product. The diligence of this search for suitable raw material of domestic origin can be easily understood, for the average price of domestic amorphous graphite, according to the reports of the United States Geological Survey, is less than one-half of the cost of transportation alone from the Mexican mine to the Michigan factory. This fact is significant and speaks for itself. The desire to secure the domestic article is further evidenced by the fact

that a few years ago the same company took an option on the graphite mines in Gunnison County, State of Colorado, which mines produce probably the best amorphous graphite found in the United States, at a price of less than 5 per cent of the amount invested in their Mexican mines. They had shipped to their Michigan plant a number of carloads of the domestic ore, which they tried to use in the preparation of their products, but with unsatisfactory results, the graphite lacking certain necessary physical characteristics which are possessed by the imported amorphous graphite, and which render the latter superior for use in the important graphite products, such as pencils, motor and generator brushes, lubricants, paints, and so forth.

While it may be somewhat difficult for a layman clearly to understood just what is meant by "physical characteristics," their importance is only too well understood by persons experienced in the manufacture and sale of graphite products, and particularly those who, having engaged in the business over a long period of years, have endeavored to find a source of supply here in the United States.

It will help, however, to an understanding of the term "physical characteristics" to explain that for commercial purposes the purity of graphite is usually determined by placing a given weight, generally one-half gram, in a platinum crucible, suspending it over a flame and burning off the carbon contents. Then the ash, consisting of silica and other substances which will not burn, is weighed, and the remainder, carbon, is called graphite. Thus, if, say, 15 per cent of the weight placed in the crucible will not burn, then the remainder, or 85 per cent, is called "graphite."

The point is this: There are a number of forms of carbon. For example, coke, coal, diamonds, and graphite are each different forms of carbon.

If, then, the amorphous graphite mined in the State of Colorado, for instance, when tested in the above manner assays about the same as Mexican graphite, namely, 80 to 85 per cent carbon content, it might seem to a layman to possess an equal manufacturing value; whereas, as a matter of fact, it can not be successfully substituted for Mexican graphite in that it does not possess the necessary physical characteristic, that is to say, while having about the same carbon content, from 80 to 85 per cent, it physically resembles coal or coke more than graphite. It is not, for example, as slippery as Mexican graphite, and consequently little more satisfactory as a lubricant than coal would be. Neither does it afford a bright luster or polish when rubbed onto a surface, and, therefore, is not suitable for stove polish or powder glazing, and it is about as suitable for pencil leads as would be coal or coke.

The purpose of these statements of fact is to make clear to the Senate the position in which a tariff on amorphous graphite would place a long-established industry, and particularly this one Michigan concern.

The same company have also investigated all graphite deposits known in the United States, and, after exhaustive tests extending over the past 30 years, have satisfied themselves that the amorphous graphite mined in this country can not be satisfactorily used in the manufacture of their products. This is entirely due to the inferior quality of American amorphous graphite, which, as already stated, is freely offered at prices much below the cost of transportation alone of the Mexican graphite to Michigan.

It is obvious that the Michigan company would have taken up its option had the graphite from the Colorado mine proved satisfactory.

According to the latest available statistics of the United States Department of the Interior, which are embodied in a table which I shall later ask to have printed in the RECORD, there was imported into the United States during the nine years, from 1913 to 1921, a total of 64,301 tons of amorphous graphite, of which 42,326 tons, or more than 65 per cent, was for the account of the Michigan company, and of this tonnage 37,430 tons was taken from a Mexican mine owned and operated by Americans with American money and shipped to the Michigan factory over American-owned railroads to be turned into manufactured products by American labor.

Mr. President, at this point I ask unanimous consent to insert in the RECORD the table to which I have referred.

The figures are taken from the reports of the Bureau of Foreign and Domestic Commerce and are as printed in the booklet "Graphite," published by the Department of the Interior, United States Geological Survey.

There being no objection, the table was ordered printed in the RECORD as follows:

Statistics concerning amorphous graphite.

	Domestic.	Total value.	Value per ton.	Imported Mexican.	Total value.	Value per ton.	Imported Korean.	Total value.	Value per ton.
	Tons.			*Tons.*			*Tons.*		
1913	2,243	$39,428	$17.58	4,435	$198,000	$44.64	4,170	$58,199	$13.95
1914	1,725	38,750	22.46	4,259	190,075	44.63	6,327	90,433	15.24
1915	1,181	12,358	10.46	1,680	75,000	44.64	2,373	35,292	14.89
1916	2,622	20,723	7.90	5,331	238,000	44.64	5,375	103,619	19.25
1917	8,301	73,841	8.85	7,570	285,568	37.72	2,462	83,135	33.77
1918	6,560	69,455	10.59	5,600	134,183	23.95	568	24,455	43.05
1919	3,379	47,716	14.12	5,506	135,464	24.60	126	3,948	31.33
1920	4,694	49,758	10.60	3,659	131,832	36.03	810	29,936	36.96
1921	1,842	20,860	11.43	3,404	120,153	.....	646	15,145	23.44
Total	32,547	372,889	.....	41,444	1,508,275	.....	22,857	450,162	.....

Average cost per ton over 9 years: Domestic, $11.45; Mexican, $36.39; Korean, $20.

Mr. NEWBERRY. Mr. President, very briefly I desire to discuss the reasons why domestic amorphous graphite can not be substituted for imported graphite. In the case of lead pencils domestic graphite lacks smoothness, also tensile strength, causing points to break easily. In the manufacture of lubricants domestic graphite lacks the necessary "slippery" quality. For motor and generator brushes domestic graphite lacks electrical conductivity and lubricating value. For foundry facings domestic graphite lacks heat resistance; and in the case of paints domestic graphite lacks durability, and paints made with it have less covering power than when made with imported graphite.

Domestic amorphous graphite can be used in only a few low-grade products the consumption of which is not likely to increase noticeably. The products just referred to consume about 90 per cent of the total production of amorphous graphite.

No matter what tariff may be imposed, this company will have to continue importing its raw material; consequently a tariff would not benefit the domestic producer, and it would therefore be a tariff for revenue only. As a source of revenue it would defeat its own purpose, because at this time it seems impossible to increase prices to cover a tariff; consequently profits would be reduced.

I may say in passing that in 1921 the Michigan company lost $70,000 in their operations.

A tariff would, in fact, act to penalize the business of manufacturing graphite products, because we do not sell in the form of crude ore but wholly in manufactured graphite products.

Since the transportation cost alone of ore from the Mexican mine to Michigan exceeds the price freely quoted for the best domestic amorphous ore, this cost should afford ample protection, unless it is desired to give domestic producers an opportunity to secure undue profits.

The average selling value of domestic ore during the past nine years, according to statistics of the United States Geological Survey, has been much less than one-half the average value of imported amorphous graphite ore, which is conclusive proof that domestic amorphous graphite is inferior in quality, and also proof that domestic producers do not suffer by price competition.

The Colorado producers, who appear to be the only ones praying for a tariff on amorphous graphite, incorporated under the laws of Delaware in April, 1920, under the title of the Graphite Corporation, with offices at Milwaukee, Wis. In a statement their president, Mr. Eugene F. Yahr, said:

> These claims consist of graphite deposits, and the corporation proposes to develop and commence mining operations as soon as the pending tariff regulations before Congress have been definitely determined.

He further stated:

> The present market prices of graphite are not sufficiently high to make it profitable to mine their product, and their future operations are altogether dependent on the attitude which Congress takes toward the tariff on graphite.

In short, Mr. President, it is proposed to protect an industry which does not at present exist, as admitted in the preceding statements, at the expense of a well-established and reputable industry, established for more than 30 years, and whose personnel is composed entirely of Americans, with American capital, manufacturing all of its products in the United States.

Mr. NICHOLSON. Mr. President, I desire to offer a substitute for the amendment presented by the Senator from Michigan as to graphite. I should like to have my amendment, in the nature of a substitute, read.

Mr. SIMMONS. Mr. President, I understand that there is an amendment now pending, namely, the amendment offered by the Senator from Michigan. Is it in order to offer another

amendment or to discuss any other amendment until the pending amendment shall have been disposed of?

Mr. NICHOLSON. Mr. President, if the Senator from North Carolina will permit me to state, it was agreed between the Senator from Michigan and myself that if there was no objection when he offered his amendment to place graphite upon the free list I would follow up with my substitute, so that the matter might be disposed of with two roll calls. I offer my amendment as a substitute.

Mr. SIMMONS. But we can not consider two amendments at the same time unless there be a motion made that the two amendments may be consolidated and voted upon at the same time.

Mr. NICHOLSON. May not they be offered at the same time but voted upon separately?

Mr. SIMMONS. Mr. President, I make the point of order that the two amendments can not be acted upon at the same time.

The PRESIDENT pro tempore. The Chair is of the opinion that, pending the amendment offered by the Senator from Michigan, the amendment presented by the Senator from Colorado is not in order, because it is an amendment in the third degree.

Mr. MOSES. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from New Hampshire will state his parliamentary inquiry.

Mr. MOSES. Mr. President, may not the amendment offered by the Senator from Colorado be presented as a substitute for the amendment offered by the Senator from Michigan?

The PRESIDENT pro tempore. In the opinion of the Chair, it can not be; that is, that part of the amendment which the Senator from Colorado has offered which affects the amendment offered by the Senator from Michigan.

Mr. NICHOLSON. Mr. President, before voting upon the amendment offered by the Senator from Michigan, I desire to say a few words. As I was about to remark, this question has been before the Senate and has been discussed at great length. There have been some statements made by the Senator from Michigan, however, which are not in accord with the information in my possession.

The graphite manufacturing concern which is located at Saginaw, Mich., has a large graphite mine in Mexico, and that concern has for nearly 30 years been importing graphite from Mexico to Saginaw, Mich., free of duty.

This graphite is mined by peon labor in Mexico. During all of that time the manufacturers have had protection on the articles which they manufacture from graphite. That is, when the Republicans were in control they had a protective tariff; when the Democrats were in control they had a tariff for revenue imposed upon all articles produced from graphite imported from Mexico; and it seems to me that it is unfair for the Senator from Michigan to come in here and ask for free graphite when he has already voted to impose high duties upon articles manufactured from graphite and upon these products of manufacturing enterprises located in his own State.

When we last had this question up before the Senate it was argued that it would increase the price of lead pencils to the school children of this Nation if we imposed a duty upon graphite. Now, let us see what took place. A duty of 45 per cent ad valorem was imposed upon all pencils, including those used by school children, for which the Senator from Michigan voted. I voted to reduce that duty to 25 per cent ad valorem for the reason that we were denied adequate protection upon graphite sufficient to protect the American producer, and that the duty imposed upon graphite was not in keeping with the duties placed upon the manufactured articles of which graphite is a component part. What followed beyond that? A duty of 45 per cent ad valorem has been placed upon various other articles made from graphite, which graphite is imported into this country free of duty.

I contend that there is no better graphite to be found anywhere than the American graphite. It is the equal of any graphite produced anywhere, and yet we are told that it is an inferior article. Why is it an "inferior article"? Because it can be purchased cheaper abroad than at home. That is why it is an "inferior article." They want to make use of cheap labor in mining the graphite, but when they get it into our country then they want all the articles into the production of which graphite enters highly protected. It seems to me that it is very unfair for the people who want the manufactured article protected to ask to have the raw material come in free.

Mr. SIMMONS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Colorado yield to the Senator from North Carolina?

Mr. NICHOLSON. I yield to the Senator.

Mr. SIMMONS. I wish to ask the Senator some questions for information. I could not understand much that the Senator from Michigan said, but I understood him to say that amorphous graphite was not produced in this country. Am I correct about that?

Mr. NICHOLSON. The Senator may have made that statement, but I wish to quote for the information of the Senator from North Carolina from a letter written by the manufacturers of graphite products in Michigan to the producers of graphite ore in Colorado relating to the production of amorphous graphite:

> We have now entirely consumed all of the ore which you have thus far shipped us, and would like to inquire how soon we may expect shipment of the ore now past due for shipment under contract?

This was entirely amorphous graphite, over 800 tons; but that was during the war, Mr. President. As soon as the war was over, and they could get cars to transport their ore from Mexico, they resorted again to their Mexican production.

Mr. SIMMONS. Whether the amorphous quality of graphite is produced in this country or not, may I ask the Senator whether this amorphous graphite comes in competition with graphite of other types produced in this country?

Mr. NICHOLSON. It does.

Mr. SIMMONS. Then I suppose the Senator would argue that whether it is produced in this country or not, it comes in competition with the type of graphite which is produced in this country, and ought to be in the same category as that, so far as a tariff is concerned. I am rather disposed to agree with the Senator in that proposition. Now the Senator, as I understand, is making the argument that a duty has been placed upon the finished products of graphite, and that in addition to imposing that duty a compensatory duty has been added, in effect, because graphite has been put upon the dutiable list; and therefore, if graphite is put upon the free list, the finished product will have a protection to which it is not entitled?

Mr. NICHOLSON. That is my contention. The 10 per cent ad valorem duty now in the bill placed on amorphous graphite is much too low to warrant the duty of 45 per cent ad valorem which has been placed on the articles manufactured from this graphite, and we are justified from every viewpoint to ask for an increase over the 10 per cent rate now in the bill.

Mr. SIMMONS. And a part of that is intended to compensate for the duty on the raw material?

Mr. NICHOLSON. It may be, but it does not do it, because the protection of the raw material is practically nil. It is practically on the free list.

Mr. SIMMONS. I want to suggest to the Senator that if we shall now put amorphous graphite upon the free list, of course we would expect the Finance Committee at once to reduce proportionately the duty upon the finished product, and that is a result which I very much desire.

Mr. NICHOLSON. Mr. President, amorphous graphite is produced in this country in large quantities, and I desire to read from a letter from the Tariff Commission which is in the possession of the Finance Committee:

> Hon. SAMUEL D. NICHOLSON,
> *United States Senate, Washington, D. C.*
>
> MY DEAR SENATOR: At the request of Mr. Sharpe, of Alabama, I am sending you a carbon copy of a memorandum prepared for the chairman of the Senate Finance Committee covering some recent information secured by the Tariff Commission concerning graphite.
>
> The schedule pertaining to graphite adopted by the Senate reads as follows:
>
> "PAR. 213a. Graphite or plumbago, crude or refined: Amorphous, 10 per cent ad valorem; crystalline lump, chip, or dust, 20 per cent ad valorem; crystalline flake, 2 cents per pound."
>
> These rates are held by the Graphite Producers' Association of Alabama to be insufficient to afford protection to the domestic industry. According to this association, the minimum of protection requires the following rates:
>
> One cent per pound on amorphous graphite, 3 cents per pound on crystalline lump, chip, and dust, and 5 cents per pound on crystalline flake.
>
> These rates are practically double or more than double those contained in the paragraph above.

But, Mr. President, let me read to you the conclusions of the Tariff Commission on this question:

> On the basis of current prices, the tariff rates urged by the Alabama producers, while high, are not excessive when considered from the standpoint of the need of safeguarding the domestic industry.

That is the conclusion of the Tariff Commission on this question. Instead of asking in my amendment for the duties which the Alabama Graphite Producers' Association ask for I have asked for the following duties: Half a cent per pound on amorphous graphite, 2 cents per pound on crystalline lump, chip, or dust, and 3½ cents per pound on crystalline flake.

If the rates asked for by the Alabama Graphite Producers' Association are considered by the Tariff Commission as being

justified, I can see no good reason why the lower rates asked for in my amendment should not be accepted, nor can I understand how the Senator from Michigan [Mr. NEWBERRY] can come here and ask that this ore be placed upon the free list. When this question was before the Senate heretofore I discussed this matter at great length, and I do hope that the Senators who voted for the ad valorem duties upon all articles produced from graphite will be consistent enough to-day to vote for the duty which I am asking for on the raw material.

Mr. WALSH of Montana. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Colorado yield to the Senator from Montana?

Mr. NICHOLSON. I do.

Mr. WALSH of Montana. In the enumeration of articles into the manufacture of which graphite enters I trust the Senator will not overlook the fact that it is a very important item in the construction of crucibles used in the manufacture of steel, and that steel products pretty generally have a high protective duty under this bill.

Mr. President, unfortunately I was not in the Senate when the distinguished Senator from Michigan [Mr. NEWBERRY] made his argument in favor of putting graphite on the free list. My recollection is, however, that he has consistently voted for every duty——

The PRESIDENT pro tempore. The time of the Senator from Colorado has expired. The Chair recognizes the Senator from Montana.

Mr. NICHOLSON. I quite agree with the Senator from Montana; but, my time having expired, I can not say more.

Mr. WALSH of Montana. If the Senator from Michigan has ever heretofore voted for the reduction of a rate proposed by the committee or anyone else, or to put any item on the free list, it has escaped my notice. I merely rise to inquire upon what principle the Senator from Michigan now asks that graphite be placed upon the free list—simply because it is used in his State?

Mr. NEWBERRY. I did not understand the Senator's question.

Mr. WALSH of Montana. Upon what principle does the Senator from Michigan, in view of the record he has made here, ask that graphite be placed upon the free list?

Mr. NEWBERRY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Michigan?

Mr. WALSH of Montana. I yield.

Mr. NEWBERRY. In view of the Senator's ignorance of that record, I do not feel called upon to say more than that the Senator's statement as to my votes on this bill is incorrect. I voted, and shall continue to vote, for such reductions in these various schedules as I think desirable. If the Senator will kindly be well informed before he proceeds to determine what my attitude has been or will be, I shall be very glad. I should like to answer as civilly as possible the Senator's question as to why I suggest that this material be placed on the free list.

Mr. WALSH of Montana. I understand that. I asked, Upon what principle does the Senator make that request?

Mr. NEWBERRY. Because the proposed rate is not a protective rate, and is a very unimportant revenue rate.

Mr. WALSH of Montana. I agree with the Senator; but then why does he not vote to amend it by increasing the rate?

Mr. NEWBERRY. Because the rate can not be increased to a point where the American product will be profitably produced, in my judgment, for the reason that the imported Mexican ore sells for nearly three times or over twice as much as the American ore sells for in the market. Therefore they would have to put on, I should imagine, a protective tariff of approximately 100 per cent, which has already been voted on once by the Senate, I believe, and the Senate rejected it.

Mr. WALSH of Montana. The Senator has repeatedly voted for rates as high as that.

Mr. NEWBERRY. On what?

Mr. WALSH of Montana. On a number of articles.

Mr. NEWBERRY. Certainly, because I thought that the American producers ought to be encouraged to produce those articles. This is a natural product, and no matter what the duty is, you can not create any more amorphous graphite.

Mr. WALSH of Montana. Why does the Senator think that the American producers ought not to be encouraged to produce graphite?

Mr. NEWBERRY. Because they have not the product to produce.

Mr. NICHOLSON. Will the Senator yield for one question?

The PRESIDENT pro tempore. The Senate must proceed in order.

Mr. WALSH of Montana. I yield to the Senator from Colorado.

Mr. NICHOLSON. Does the Senator from Michigan believe that the information he has on this subject is better than the information which the Tariff Commission has?

Mr. NEWBERRY. I had no reason to doubt the correctness of the information I gave the Senate, or I certainly would not have given it.

Mr. WALSH of Montana. Mr. President, when this matter was before the Senate on a former occasion I called attention to the fact that my State could supply all the graphite the United States needs, and I made that statement on the information given us by the Tariff Commission, which I now repeat:

> There is, however, one deposit in Montana which has lately been producing crystalline graphite that is of the same physical character as the Ceylon material. The quantity ultimately available has not been proved, but is believed by the operators to be sufficient to supply domestic demands for many years to come.

Mr. GOODING. Mr. President, I can not accept the theory that we can not produce amorphous graphite in America, or at least that it is not here for development. The reason it has not been developed is that graphite has always been on the free list. The great forces of nature which made Mexico created all of North America, and no doubt deposited in many places the same materials and the same rich soils we have here. They have the same in Mexico, of course. There is a difference in climatic conditions to some extent, but not such a great difference even in climatic conditions.

I think one of the unfortunate things developing in America is for American capital to go abroad and develop industries with the underpaid labor in other countries. We have been able to accept that in the past, because the great question of finding employment for our own people never confronted America as it does to-day. That is the one big question of all, and if we are going on and develop foreign industries, and not give our own industries a chance to grow and develop, then we have reached the peak of greatness as far as this country is concerned.

In the great West we can furnish all the minerals of every kind and description that we need for the manufacture of every commodity of every kind. There are hundreds of square miles out there where a white man's foot has never trod. But with the cost of labor in this country and with the cost of transportation, unless we are given a rate which will measure the difference between the cost here and the cost abroad, of course we can not develop graphite mines, or any other industry, as far as that is concerned.

Mr. WATSON of Georgia. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Georgia?

Mr. GOODING. I yield.

Mr. WATSON of Georgia. Searching for information, I ask the Senator from Idaho if Germany built up her new industries without our money?

Mr. GOODING. She built them up under protection, under a protective policy, until she became the greatest commercial country in the world, second only to England in her exports, and through a protective policy.

Mr. WATSON of Georgia. What protective policy?

Mr. GOODING. Protection to her industries.

Mr. WATSON of Georgia. What law? Name the date.

Mr. GOODING. I have not time to discuss that with the Senator. My time is limited. But we do know that Germany's great development came about under a protective policy. If the laboring men of this country are willing to mine graphite as cheaply as they do in Mexico, we do not need any protection. But they are not willing to do it, and I am not willing to see them do it; and what holds good as to graphite holds good as to other industries in this country.

The protective policy of America has developed an American standard of wages, an American standard of living, and an American standard of citizenship, the best in all the world. If you break down that policy, you break down those standards, both as to wages, living, and citizenship, for the home is always better when the wolf is kept away from the door.

I think the graphite industry ought to be given a protection which will afford it an opportunity to grow and develop. It did develop when the war gave it protection. There was no question about using the graphite we produced in this country. I have censured the selfish interests of this country for going abroad and developing foreign industries, but, after all, the American Congress is more to blame than the selfish interests that want to exploit the underpaid labor of Europe and bring the product of that labor back into this country for a market, and it is nothing less than a crime to permit it to be done. It can have but one result, and that is to bring about a condition in this country in which we will have to commence to pass laws

for the benefit of the unemployed, granting old-age pensions, and other things which the Old World has been driven to.

The most serious thing which can confront any country is unemployment. It fills the penitentiaries, the asylums, and the graves, and if we are going to keep our standard of citizenship up to the standard of to-day, then we must protect it from those who have cheaper labor and cheaper freight rates into our own great markets than we have here in America.

There should not be any question about a protective duty on graphite.

Mr. McCUMBER. Mr. President, I do not know that it will be possible for me, in anything I may say, to allay this tempest in a teapot, but I think we can show very easily that there is no occasion for an extra breeze on the subject. I am perfectly willing to take the proposition suggested by the Senator from Michigan. He says we can not use the American graphite in the production of pencils. I will assume that to be true for the purpose of this argument. Those who represent the pencil industry in Michigan declare that they will have to get the Mexican graphite no matter what the tariff duty is. I will assume also that that is true.

We levy a duty of 10 per cent ad valorem upon Mexican graphite, which amounts to three-tenths of 1 cent a pound. We give a good protective duty upon lead pencils. How many lead pencils will a pound of graphite make? I do not know, but I can guess that it would make about half a carload of pencils, figuring the amount of graphite that is in each pencil, and this duty would make a difference of about a cent and a half or two cents on a carload of lead pencils.

We give a duty of 45 per cent on lead pencils, and if that 45 per cent duty will not take care of three-tenths of 1 cent upon a whole pound of graphite, I think we had better go out of the business.

That is all there is to this, Mr. President, except the revenue feature. I do not agree with those Senators who claim that the American graphite can be used just exactly as well as Mexican graphite in the production of lead pencils. I think the Mexican graphite will come in anyway, whether we put this duty upon it, or a duty three times as great. But we need the money, and the small amount represented by the duty can be absorbed without increasing the cost of the child's lead pencil.

We imported both flake and amorphous graphite under the one designation of "graphite." I do not know what amount of each was imported. If it was all amorphous graphite, we would receive about $45,000 from the importations. If it was all flake, we would receive about $80,000. It is probably safe to say that we would receive between $60,000 and $70,000 by the imposition of this 10 per cent duty upon the amorphous graphite and the 20 per cent duty upon the flake graphite. I do not know of any industry which would be injured in the slightest degree by this little extra duty. If we had failed to give the Michigan producers a compensatory duty, there might have been something in the argument of the Senator from Michigan; but having given them a sufficiently high protective duty, certainly, to take care of this three-tenths of 1 cent upon a pound of graphite, I see no occasion on earth for putting that particular kind of graphite on the free list.

Mr. WALSH of Massachusetts. Mr. President, graphite ought to remain on the free list, where it has been for 50 years. The manufacturers of graphite products have relied upon the importations of foreign graphite without the payment of a duty, and many of them are very large users of graphite. One concern in my own State uses each year flake graphite valued at $50,000. Another uses 14,000 pounds of graphite monthly. Probably there have been as many protests from manufacturers provoked on account of the proposed duty on this product as on account of any other duty.

On May 24 last, when the committee amendment levying duties on various kinds of graphite was before the Senate, this subject was very thoroughly gone into, and the fact was pretty thoroughly demonstrated that the manufacturers of graphite products are unable to use the domestic graphite; that it does not give the satisfactory result that the foreign graphite produces. Not only do the manufacturers of graphite products contend that the quality of the domestic graphite is not satisfactory but the prices of domestic graphite and the foreign graphite indicate that they are not competitive, for the price of the foreign graphite is in excess of the price of the domestic graphite. Our manufacturers are not imbeciles, and they would not buy foreign graphite at a higher price than the domestic graphite if they could use the domestic graphite satisfactorily.

I am not going to take up the time of the Senate to discuss the issue at length, but here are two facts which can not be seriously disputed: First, the domestic graphite is cheaper than foreign graphite, and, secondly, that the manufacturers of graphite products demand and require the imported graphite.

Mr. NICHOLSON. Mr. President, will the Senator from Massachusetts yield for a question?

Mr. WALSH of Massachusetts. I yield.

Mr. NICHOLSON. The Senator is now arguing for free graphite. Is he willing that all articles into the manufacture of which graphite shall enter may be placed upon the free list?

Mr. WALSH of Massachusetts. I am willing that every article——

Mr. NICHOLSON. Into which graphite enters shall be placed on the free list?

Mr. WALSH of Massachusetts. Into which graphite enters may be placed upon the free list, unless——

Mr. NICHOLSON. Oh, yes; "unless"!

Mr. WALSH of Massachusetts. Unless it can be proven that the conversion cost in the United States is greater than the conversion cost abroad. I think the Senator will admit that is a fair exception.

Mr. GOODING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Idaho?

Mr. WALSH of Massachusetts. I yield.

Mr. GOODING. The junior Senator from Montana, I am quite sure, read into the RECORD the report of the Tariff Commission showing that in Montana they have exactly the same class of graphite that they have in Michigan. Of course, that region has not been developed. I desire merely to call that to the attention of the Senator from Massachusetts. It may be true that the Mexican graphite is selling for a higher price, but that is not because we do not have the quality here in America. It is because it has not been developed in Michigan and we have not had an opportunity to develop it. I am sure the Senator from Massachusetts wants to be correct in his statement in that regard.

Mr. WALSH of Massachusetts. I am aware of the information presented to the Senate by the Senator from Montana, but I understand that the mines in Montana have not been fully developed; it has been asserted that the graphite there is capable of taking care of the domestic supply and is of a very high quality. However, the fact still remains that the domestic graphite is selling for $11.45 per ton, while the average price of Mexican graphite is $36.39 and the Korean graphite $20 per ton; that they do not compete with each other; that the foreign graphite is essential and necessary for the making of certain graphite products; and that the commodity ought to remain where it has been all these years, upon the free list. It does not seem to me that any good reason has been advanced for placing a duty upon graphite that was not heretofore considered in the drafting of previous tariff laws.

The Senator from North Dakota [Mr. McCUMBER] has referred to the slight amount of the duty, yet it amounts to a very large sum when the volume of graphite that is used by the manufacturers of graphite products is appreciated, and it bears very heavily upon many of our industries, especially our smaller foundries and other manufacturers of graphite products.

I do not think it is of any importance to ask a Senator if he is in favor of all graphite products being put upon the free list simply because he asks that the graphite itself be put upon the free list. Each of these products must be taken upon its own merits and upon information which can be obtained in reference to the protection, if any, each may need. It is quite a different question as to whether we shall have a duty upon graphite itself or whether we shall have a duty, and what duty it should be, upon graphite products.

Mr. GOODING. I should like to call the Senator's attention to the fact that the concern in Michigan now here asking to have graphite put upon the free list own their own mines in Mexico, so that it is not surprising at all that they would like to have it on the free list.

Mr. WALSH of Massachusetts. I understand that the concern in Michigan did import graphite from Mexico, and I remember when the matter was under discussion previously that question was gone into in detail. But the Michigan concern pays more money for the graphite it gets from Mexico than for the graphite it could buy in America, and it pays more money because it needs the foreign graphite, because it makes better pencils, and because it is absolutely necessary for the proper development of its industry. The investigation which I made for the minority at the time this subject was under discussion before led me to the conclusion that the domestic graphite did not meet the demands of the American manufacturers of graphite products.

Mr. President, graphite should remain on the free list if we desire to lessen the burdens and costs of production of many of our industries.

Mr. NEWBERRY. Mr. President, in order to complete the statement of the Senator from Idaho in regard to the mines owned in Mexico by the Michigan company, I will say that those mines are operated with American machinery, under American supervision, and as far as possible with American labor.

Mr. HEFLIN. Mr. President, foreign graphite has taken charge of the American market. It has practically killed the graphite industry in the United States. I am unable to conceive just how the high protectionists, who proclaim their devotion to American industry and American labor, can pursue a policy which means the destruction of an American industry.

The graphite in the United States is of a superior quality, a great deal of it. The graphite produced in my own State is of the flake variety, and a very fine grade of graphite it is. So is that produced in the State of the Senator from Montana [Mr. WALSH]. Senators on the other side seek to put graphite on the free list and continue in unemployment the labor that used to work in the graphite mines here, and in a measure enjoyed prosperity during the war, and to have those mines continue closed as they are to-day. How can Senators stand here and say that they are friends to American labor and friends to American industry when they follow such a course as that?

Mr. President, I supported the Underwood tariff law. That law brings to the Government to-day $300,000,000 of revenue annually. It compels duties to be paid upon that much of products that come into the United States. That is all right. That is in keeping with the Democratic position upon the question. Why should I not now vote to put a revenue duty upon graphite in order that the Government, struggling under the great debts of the war, may have this amount contributed to the sum with which to discharge those debts? Why should the foreign graphite concerns be permitted to come in and take charge of the American market, and drive from those concerns American labor and close those industries? There is no good to be accomplished for the Government itself by that course, and the home industry would be destroyed by such a process.

Where is the logic or reason for such a position as that? I do not believe that Senators on the other side of the Chamber who believe in protection will vote for the amendment of the Senator from Michigan. I do not believe that Senators on this side of the Chamber who believe in a tariff for revenue can support the amendment of the Senator from Michigan. Let us derive some revenue from this source, and if incidentally some benefit is derived by this infant struggling American industry, I do not object. Why should any Senator object?

The PRESIDENT pro tempore. The question is upon agreeing to the amendment offered by the Senator from Michigan [Mr. NEWBERRY] to the amendment of the committee.

Mr. NEWBERRY. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. DILLINGHAM (when his name was called). I have a general pair with the junior Senator from Virginia [Mr. GLASS]. In his absence, being unable to obtain a transfer, I withhold my vote.

Mr. EDGE (when his name was called). I have a general pair with the senior Senator from Oklahoma [Mr. OWEN]. I transfer that pair to the junior Senator from Vermont [Mr. PAGE] and vote "yea."

Mr. HALE (when his name was called). I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Maryland [Mr. WELLER] and vote "nay."

Mr. HARRISON (when his name was called). On this vote I am paired with the junior Senator from West Virginia [Mr. ELKINS]. I am unable to obtain a transfer and, therefore, withhold my vote.

Mr. JONES of New Mexico (when his name was called). I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Nevada [Mr. PITTMAN]. I ask that the announcement of this transfer of my pair may stand for the day. I vote "nay."

Mr. OVERMAN (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. WARREN]. He not being present, and I not being able to obtain a transfer of the pair, I withhold my vote.

Mr. POMERENE (when his name was called). Announcing my pair as heretofore with my colleague, the junior Senator from Ohio [Mr. WILLIS], I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK] and will vote. I vote "yea."

Mr. WALSH of Montana (when his name was called). I have a general pair with the Senator from New Jersey [Mr. FRELINGHUYSEN]. That Senator is absent, but I am advised that if he were present he would vote as I intend to vote. I accordingly feel at liberty to vote and vote "nay."

Mr. WATSON of Indiana (when his name was called). I have a general pair with the senior Senator from Mississippi [Mr. WILLIAMS] which I transfer to the junior Senator from North Dakota [Mr. LADD] and vote "nay."

The roll call was concluded.

Mr. ERNST. I transfer my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from Maryland [Mr. WELLER] and vote "nay."

Mr. DILLINGHAM. I find that I can transfer my pair with the junior Senator from Virginia [Mr. GLASS] to the senior Senator from Minnesota [Mr. NELSON]. I do so and vote "nay."

Mr. McCUMBER (after having voted in the negative). On this vote I transfer my general pair with the junior Senator from Utah [Mr. KING] to the junior Senator from Washington [Mr. POINDEXTER] and allow my vote to stand.

Mr. LODGE (after having voted in the negative). I understand the Senator from Alabama [Mr. UNDERWOOD], with whom I have a general pair, has not voted. I transfer that pair to the junior Senator from Oklahoma [Mr. HARRELD] and allow my vote to stand.

Mr. KENDRICK (after having voted in the negative). I desire to inquire whether the Senator from Illinois [Mr. McCORMICK] has voted?

The PRESIDENT pro tempore. The Senator from Illinois has not voted.

Mr. KENDRICK. I have a general pair with that Senator. I am unable to obtain a transfer, and so I withdraw my vote.

Mr. CURTIS. I wish to announce the necessary absence of the Senator from Minnesota [Mr. NELSON] on account of a recent death in his family.

I also wish to announce that the Senator from Ohio [Mr. WILLIS] is necessarily absent because of illness in his family.

I further announce the following general pairs:

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON];

The Senator from Illinois [Mr. McKINLEY] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON]; and

The Senator from Missouri [Mr. SPENCER] with the Senator from Georgia [Mr. HARRIS].

The result was announced—yeas 14, nays 44, as follows:

YEAS—14.

Dial	Norbeck	Reed, Pa.	Swanson
Edge	Pepper	Robinson	Walsh, Mass.
Kellogg	Pomerene	Simmons	
Newberry	Reed, Mo.	Smith	

NAYS—44.

Ashurst	Curtis	Lenroot	Rawson
Ball	Dillingham	Lodge	Sheppard
Borah	du Pont	McCumber	Shortridge
Brandegee	Ernst	McLean	Smoot
Bursum	Fletcher	McNary	Stanfield
Calder	Gooding	Moses	Sterling
Cameron	Hale	New	Sutherland
Capper	Heflin	Nicholson	Trammell
Colt	Jones, N. Mex.	Oddie	Wadsworth
Culberson	Jones, Wash.	Phipps	Walsh, Mont.
Cummins	Keyes	Ransdell	Watson, Ind.

NOT VOTING—38.

Broussard	Harrison	Myers	Stanley
Caraway	Hitchcock	Nelson	Townsend
Elkins	Johnson	Norris	Underwood
Fernald	Kendrick	Overman	Warren
France	King	Owen	Watson, Ga.
Frelinghuysen	Ladd	Page	Weller
Gerry	La Follette	Pittman	Williams
Glass	McCormick	Poindexter	Willis
Harreld	McKellar	Shields	
Harris	McKinley	Spencer	

So Mr. NEWBERRY's amendment to the amendment was rejected.

Mr. NICHOLSON. I offer the amendment which I have heretofore sent to the desk and ask to have it read, and on the amendment I ask for the yeas and nays.

The PRESIDENT pro tempore. The Chair desires to say to the Senator from Colorado that the first amendment which he has presented was voted upon in the exact terms on the 24th day of May last upon the motion of the Senator from Alabama. It is, therefore, the opinion of the Chair that the amendment is not now in order.

Mr. NICHOLSON. When will the amendment be in order, Mr. President?

The PRESIDENT pro tempore. The amendment will be in order when the bill reaches the Senate. The Senator from Colo-

rado, however, has two other amendments on the desk. Does he desire to offer them at this time?

Mr. NICHOLSON. May I offer the amendments which I now have at the desk when the bill gets into the Senate?

The PRESIDENT pro tempore. There will be an opportunity for the Senator to offer the amendments when the bill reaches the Senate.

Mr. NICHOLSON. Very well.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. LENROOT obtained the floor.

Mr. HARRELD. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Oklahoma?

Mr. LENROOT. I yield to the Senator.

Mr. HARRELD. I ask unanimous consent to have printed in the RECORD a telegram correcting one or two statements which I made in my speech on yesterday, and which corrections, I think, should be made.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The telegram is as follows:

TULSA, OKLA., *August 17, 1928.*

Hon. United States Senator HARRELD,
Washington, D. C.:

Received advance copy of your speech, and it is great. There are, however, one or two corrections that should be made. It was the Standard and not Dutch Shell that took over Producers & Refiners' Corporation; at least Bill Kunkle, who put the deal over, has always been the purchasing agent for Prairie Oil & Gas Co. in buying oil properties in Oklahoma. He is now on board of directors of Producers & Refiners and is known as a Standard man everywhere. The Standard have also through Atlantic Refining acquired Barnsdall Oil Corporation, which was done to get control of the Ramege process of refining, and now Standard is allowing Barnsdall to go ahead and take leases in the Galician field in Europe. But I want to correct your statement regarding Mariand. He has sold a half interest in four leases in Osage to Dutch Shell and also has interests with them in the Tonkawa field; but Mariand is absolutely on the level, and has just thrown a bomb into the camp of the Standard by offering to store oil for independent producers on same terms that oil is stored by pipe lines in Pennsylvania. Royal Dutch has no interest in Mariand Oil Co., and you will note that the Standard crowd is selling Mariand stock short to punish him for having made the storage offer. There was a lot of loose talk during the campaign about Mariand being backed by Dutch Shell while Owen was backed by Standard. Mariand's offer to store oil is considered by oil men here as having put a stop absolutely to any danger of another cut in oil. The rest of your speech is great.

W. H. PECK,
Oil Editor Tulsa World.

Mr. LENROOT. I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment proposed by the Senator from Wisconsin will be stated.

The ASSISTANT SECRETARY. On page 73 the Committee on Finance offered a complete substitute for paragraph 355, which substitute was agreed to. It is now proposed to insert at the end of the paragraph which was agreed to as an amendment the following additional proviso:

Provided further, That none of the articles specified in this paragraph shall pay a greater rate of duty than 60 per cent ad valorem.

The paragraph proposed to be amended is relative to table, butchers', carving, cooks', hunting, kitchen, bread, cake, pie, slicing, canning, and other knives.

The PRESIDENT pro tempore. May the Chair say to the Senator from Wisconsin [Mr. LENROOT] that, in the opinion of the Chair, the vote whereby the committee amendment was heretofore adopted must be reconsidered.

Mr. LENROOT. I think the Chair is correct.

The PRESIDENT pro tempore. Is there objection to the reconsideration of the vote by which paragraph 355 was agreed to?

Mr. McLEAN rose.

The PRESIDENT pro tempore. Does the Senator from Connecticut object?

Mr. McLEAN. The Senate must realize that when amendments of this kind are presented to the Senate without giving any notice the Senators who are deeply interested in the articles affected may be somewhat embarrassed. When no opportunity has been afforded to investigate the amendment which is thus offered the Senator having objection must object to the reconsideration of the vote whereby the amendment to which the amendment may be offered was previously agreed to.

The Senator from Wisconsin should have given Senators who are interested in this subject notice if he intended to offer an amendment the effect of which would be to reduce rates previously agreed to.

Mr. LENROOT. Mr. President, if the Senator from Connecticut wishes a contest as to whether or not the Senate is going to reconsider a rate previously agreed to, I will make the motion that it be reconsidered, and I propose to debate the motion now.

The Senator from Connecticut says that he should have had notice of my intention. We have not had a reprint of this bill from the very beginning. I am frank to say that I did not know that a complete substitute had been adopted for this paragraph. It is impossible for Senators to be familiar with the 2,087 amendments which are carried in the bill and to know whether or not there has been a complete substitute offered for any part of the bill. My purpose in offering the amendment was to amend the House text as well as the Senate amendment. I had supposed that this was the time when Senators would have a right to offer individual amendments.

I had no opportunity as the bill was originally reported to offer an amendment covering the articles in the paragraph, because, as the bill was reported from the Committee on Finance, only specific amendments were made. If there be a fault, it was the fault of the committee in reporting a bill here which Members have a right to rely upon as the action of the committee and then themselves, without notice, bringing in a complete substitute for a paragraph, which substitute is adopted, and of which we have not had a reprint.

If the Senator from Connecticut wishes to insist upon his objection to a reconsideration of the vote whereby the amendment was agreed to, I am going to ask for a roll call as to whether or not we may have such reconsideration, and also upon one or two other paragraphs where the duties proposed to be imposed are perfectly outrageous, as I think I shall be able to demonstrate.

Mr. McLEAN. Mr. President——

Mr. ROBINSON. Will the Senator from Wisconsin yield for a question?

Mr. LENROOT. I will.

Mr. ROBINSON. What are the maximum rates which will be levied under the committee substitute as adopted if the amendment which the Senator from Wisconsin now contemplates proposing be not adopted?

Mr. LENROOT. Because the imports are not segregated I have not the specific information as to them. The imports are all grouped together, but the average price is about $1 a dozen; and here are rates as originally fixed and reported—and I do not imagine that the substitute has changed them very materially—the equivalent ad valorem of which, in my judgment, will run as high as 200 per cent. I shall be able to show as to other paragraphs what the ad valorem rate is, but, unfortunately, I am not able to show that upon this paragraph. My amendment, however, proposes a maximum ad valorem of 60 per cent, which is double the present rate, with the importations less than one-half of our exportations.

Mr. McLEAN. Do I understand that it is the Senator's purpose to offer other amendments to the cutlery schedule?

Mr. LENROOT. Yes, sir; it is my purpose to offer two other amendments to that schedule.

Mr. McLEAN. Will the Senator from Wisconsin now inform the Senate what those amendments are?

Mr. LENROOT. One of the two will propose a maximum ad valorem rate of 100 per cent upon knives and the other will be upon scissors and shears.

Mr. McLEAN. Mr. President, I do not want to object to a reconsideration in order that the Senator may have an opportunity to offer his amendment, and I will not do so.

Mr. LENROOT. I want to say to the Senator right here that I did not know there was a complete substitute, or I should have taken advantage of the opportunity afforded then.

Mr. McLEAN. The Senator must realize that not having any notice, and these rates being very important, it would be very difficult at this stage of the proceedings to present these schedules to the Senate as they were presented when they were considered and when the Senate indorsed the recommendations of the committee.

Mr. LENROOT. Does the Senator object, then?

Mr. McLEAN. I withdraw my objection.

Mr. LENROOT. The amendment then being in order, Mr. President——

Mr. ROBINSON. Mr. President, I rise to a point of order. The Senator from Connecticut did not object to a reconsideration of the vote by which the committee amendment was agreed to.

The PRESIDENT pro tempore. The Chair understood the Senator to object to the unanimous consent asked for to reconsider the vote.

Mr. McLEAN. Mr. President, I have withdrawn my objection.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the vote by which the amendment was

adopted is reconsidered. The question now is upon the amendment proposed by the Senator from Wisconsin.

Mr. LENROOT. Mr. President, it is understood that my time heretofore occupied was upon the motion for reconsideration, and my 15 minutes now begins to run.

The PRESIDENT pro tempore. The Chair so understands.

Mr. LENROOT. Now, I should like to ask the Senator from Connecticut a preliminary question about his construction of the language of this paragraph, as to whether the 55 per cent ad valorem is in addition to all the specific duties named in the paragraph?

Mr. McLEAN. I should have to read the paragraph through in order to give the Senator an intelligent answer. It would appear so. He probably knows.

Mr. LENROOT. Mr. President, we have here the commonest table knives with duties ranging from 36 cents a dozen to $2.40 a dozen, plus 55 per cent ad valorem. We are exporting these knives, this table cutlery, to every part of the world. Our imports are practically negligible. The present rate of duty is 25 per cent and 30 per cent. My amendment doubles the duty under the Underwood law with 60 per cent; and unless we desire to create an embargo upon practically all of the articles named in this paragraph, it seems to me clear that the amendment I have proposed must be adopted.

Mr. BRANDEGEE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the senior Senator from Connecticut?

Mr. LENROOT. I do.

Mr. BRANDEGEE. My colleague [Mr. McLEAN] stated, in answer to the question of the Senator, that he had not read the whole paragraph, and therefore he was unable to answer the Senator as to whether the 55 per cent ad valorem provided for in lines 4 and 5 applied to all the other articles mentioned in the paragraph. It seems to me that it does not unless they exceed 4 inches in length.

Mr. LENROOT. No; it says:

In addition thereto, on all of the foregoing, 55 per cent ad valorem.

Mr. BRANDEGEE. Let me read the whole of it. The latter part of line 2 says:

If 4 inches in length or over, exclusive of handle, 10 cents each; and in addition thereto, on all of the foregoing—

That means, of course, if 4 inches in length or over.

Mr. LENROOT. Oh, no; the Senator is clearly mistaken, because then we would not have said "on all of the foregoing."

Mr. BRANDEGEE. Yes; we would; because——

Mr. LENROOT. We would have said, then, "upon the foregoing"; but when we say "upon all of the foregoing," it includes every article that has been enumerated in the paragraph.

Mr. BRANDEGEE. If the Senator will permit me to say so, I do not agree with him.

Mr. LENROOT. I want to say to the Senator that the substitute that the Senator from Connecticut says has been adopted may have corrected that, but it is very clear to me that that is what it means.

Mr. BRANDEGEE. I know it is, and it is very clear to me the other way. I will not take the time of the Senator to read paragraph 355, on the previous page. It contains 12 or 13 lines of different kinds of knives; and the part that I called attention to, referring to those more than 4 inches in length, imposes a duty of 55 per cent ad valorem additional, but it is additional upon "all of the foregoing," every kind of knife mentioned.

Mr. LENROOT. Oh, yes, Mr. President; and that includes every article named in the paragraph.

Mr. BRANDEGEE. That is what I think; but I disagree entirely with the Senator in his construction that the 55 per cent additional applies to them unless they are over 4 inches in length.

Mr. LENROOT. If we enumerate a number of articles upon which a specific rate of duty is given, and then say "in addition thereto, upon all of the foregoing, 55 per cent ad valorem," that means, of course, 55 per cent upon every article named in the paragraph preceding.

Mr. BRANDEGEE. If it says "upon all the foregoing if they are over 4 inches in length," it applies only to those that are over 4 inches in length.

Mr. LENROOT. It says "on all of the foregoing," and that means whether they are 4 inches in length or less than 4 inches in length.

Mr. BRANDEGEE. Mr. President, I am simply reading this hastily. I do not know what the intention of the committee was, and I am only saying what I thought the language meant. I may be wrong.

Mr. McCUMBER. Mr. President——

Mr. LENROOT. The chairman of the committee may be able to straighten it out.

Mr. McCUMBER. The Senator from Wisconsin is right except upon the rate. The rate was 45 per cent in the amendment, but it covers everything that precedes the 45 per cent.

Mr. BRANDEGEE. I hope it does.

Mr. LENROOT. Mr. President, what have we now? A specific rate of duty of $2.40 a dozen, of $1.20 a dozen, of 36 cents a dozen, of $1.20 a dozen, and in addition thereto 45 per cent ad valorem upon each one of them, while the imports in 1921, according to the statistics that I have before me, all together averaged only $1 a dozen, or about 8 cents apiece. So, without the ad valorem rate of 45 per cent at all we will have over 100 per cent duty, and in any case where the specific rate would afford 100 per cent duty, with 45 per cent additional, it will be 145 per cent duty.

Now what about the imports of table, kitchen, and carving knives, and so forth? During the nine months of 1921 the imports were valued at $173,000; of table and carving knives without handles, $18,000; of butcher knives, and so forth, $87,000, with handles; without handles, $2,000; making a total importation for those nine months of about $300,000, where we exported during the same period $1,072,000.

Mr. McLEAN. Mr. President, what year was that?

Mr. LENROOT. The first nine months of 1921. Our exports were three times our imports. The imports were very small under a 30 per cent duty and yet it is proposed to raise the duty so that it may run as high as 200 per cent, and the American manufacturers have been getting along very well on a rate of 30 per cent.

Mr. SMITH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from South Carolina?

Mr. LENROOT. I do.

Mr. SMITH. May I ask the Senator whether there is a specific duty under the existing law?

Mr. LENROOT. No; the duty is 25 per cent without handles, and 30 per cent with handles, as I recollect—a straight ad valorem duty.

Here we have a compound duty where the specific alone in innumerable instances will amount to 100 per cent, and then, with the substitute adopted, we add 45 per cent ad valorem besides.

Mr. McLEAN. May I ask the Senator from what report he got the valuations?

Mr. LENROOT. I have it here. It is the imports entered for consumption, Department of Commerce, 1921, showing 238,000 dozen with handles and 16,000 dozen without handles, the importation with handles being valued at $229,000, or a little less than a dollar a dozen.

Mr. McLEAN. That is an average.

Mr. LENROOT. I understand that it is an average. I said it was an average. I said they are all grouped. Of course, that means, though, that there are a good many of them worth a great deal less than a dollar a dozen, as well as others that are worth more than a dollar a dozen, whereas the very lowest rate here is 3 cents apiece, or 36 cents a dozen, plus 45 per cent ad valorem.

Mr. President, as I said a moment ago, while I appreciate the necessity for an increase in this cutlery schedule, it seems to me, in view of our imports and exports, that if we increase this rate 100 per cent, as is proposed by the amendment that is now pending, we will have done all that the Senate ought to consider. I want to say, further, that upon articles of common use, used in every home in the land, if we have to pay more than 100 per cent additional for the American products we had better import them for a while.

Mr. SMITH. Mr. President, the Senator from Wisconsin said a moment ago that he was unable to speak definitely as to the substitute that had been offered by the committee. Do I understand now that the only change in it is the change from 55 to 45 per cent?

Mr. LENROOT. That is what I understood from the chairman of the committee. I may be wrong about that.

So, Mr. President, I think this is a fair maximum. I want to say frankly that when this cutlery schedule was up before the committee were able to point out some specific cases where a very high duty, comparatively speaking, was necessary; but in the case of this paragraph—and that is true of other paragraphs as well as this one—the present duty is practically prohibitive. It has occurred to me, therefore, that we can properly reach the entire subject by a maximum ad valorem, the same as we did upon cotton cloth, the same as we did upon cotton gloves; and I want the Senate to bear in mind, in voting upon

this amendment, that it increases by 100 per cent the present rate, under which our exports are nearly three times our imports.

Mr. SIMMONS. Mr. President, I wish just to supplement what has been said by the Senator from Wisconsin, and said by him so ably and so pertinently. There is a fundamental vice in the manner in which these various articles are grouped in one paragraph. Take the paragraph to which the Senator's amendment applies, paragraph 355. I have not counted them, but I should say that there are probably 50 separate and distinct articles of cutlery embraced in that paragraph. All of the articles in that paragraph, without any reference to the difference in the cost of production, without any reference to the difference in the selling prices, without any reference whatever to the intrinsic value of the different articles, are catalogued together, and the same duty is placed upon each and all.

I have here a number of articles, some of them embraced in this paragraph and some of them not embraced in the paragraph, but embraced in other paragraphs where they are grouped with other articles, just as the articles mentioned here are grouped together, showing the ad valorem equivalents of the rates to be imposed upon these items if they were dealt with separately.

I have in my hand a kitchen knife. [Exhibiting.] I find that the duty imposed upon that will equal 218 per cent ad valorem.

I have here another knife, a smaller knife. [Exhibiting.] I find that the ad valorem equivalent of the duty imposed upon that would be 170 per cent.

I have here another knife. [Exhibiting.] I find that the ad valorem equivalent duty upon that would be 174 per cent.

I have another, and I find that the ad valorem equivalent duty upon that would be 180 per cent.

I have a number of additional articles, knives and other things, on which the duties would exceed 100 per cent, some of them going as high as 118 per cent. Yet those items are all grouped together and specific and ad valorem rates are fixed upon them, without any reference to the difference in the ad valorem equivalent of the specific rates applied to the different articles.

Nothing could be more vicious in tariff making than that. One article may have twice as much duty imposed upon it as, under the principle applied, it is entitled to; another may have less than it is entitled to under that principle.

We have gone over this. Of course, we can not cure that vice at this late hour; it is impossible; but the amendment of the Senator from Wisconsin corrects it to some extent. The Lenroot amendment not only brings all of these items more nearly upon a basis of parity, so far as the tax is concerned, but it makes it certain that whatever the ad valorem equivalent of the rate imposed in the paragraph may be upon a specific item—218 per cent in one case, 180 in another, 174 per cent in another—the ad valorem equivalent upon each and every one of these items shall never exceed 60 per cent. That is a maximum entirely too high. I wish the Senator had made it a bit lower. Forty-five per cent would have been a good maximum. But I doubt whether we could pass through the Senate a maximum as low as that, and there is some hope, I think, of passing the amendment offered by the Senator fixing a 60 per cent maximum. While I think that is entirely too high, while I wish we might get it down, it is such an improvement upon the paragraph as reported by the committee and as heretofore adopted by the Senate that I shall take pleasure in giving it my support.

Mr. SMITH. Before the Senator takes his seat I wish to say that while I have not investigated this particular paragraph, as I understood the Senator from Wisconsin, the present rate of duty is 25 and 30.

Mr. SIMMONS. In this particular paragraph.

Mr. SMITH. With a rate of 25 and 30, our exports are about three times our imports. As I understood the Senator, he read the imports and exports up to the present time. That means that under present conditions the 25 and 30 per cent ad valorem is practically prohibitive now.

Mr. SIMMONS. I say to the Senator that I do not think there is any real necessity for increasing the present rate, so far as this particular paragraph is concerned. I wish we might get it down, but I am talking about the practical side of it, what may be accomplished at this stage in the Senate.

Mr. SMITH. The point I was getting at was that if the present rates, the maximum of which is 30 per cent, are practically prohibitive, why we should even double, under the Senator's amendment, the present rate of duty as a compromise between that and what he has shown to be a monstrous proposition.

Mr. SIMMONS. The Senator probably does not understand that unless some limitation like this is placed upon the rate of duty which may be exacted these items will have to pay above 100 per cent.

Mr. SMITH. I understand that.

Mr. SIMMONS. And this provides that whatever the rate might be, applying the rates fixed in the paragraph, it shall not exceed 60 per cent. Suppose it should be 150 per cent. Then it must be cut down by the customhouse officials to 60 per cent. That is, of course, very much better than the high rates now prescribed in the bill.

Mr. SMITH. I understood that thoroughly, that in no event, whether it was a compound of the specific and the ad valorem or not, if it should reach 218, under the Senator's amendment it should not exceed 60 per cent.

Mr. SIMMONS. That is all that could be collected.

Mr. SMITH. The rates in the present law are practically prohibitive, if our statistics are reliable at all. I wanted to know if the Senator from Wisconsin could not, in place of offering a 60 per cent rate, get a rate which would be more in parity with what he has already discovered to be a satisfactory rate.

Mr. SIMMONS. I have expressed my wish in the same direction; but my understanding is that the Senator from Wisconsin will offer similar amendments to certain other paragraphs relating to cutlery, and he probably has concluded that the 60 per cent maximum is the best that we can hope to get adopted here.

Mr. LENROOT. I shall offer similar amendments to the pocketknife paragraph and to the scissors and shears paragraph.

Mr. SIMMONS. Fixing a maximum?

Mr. LENROOT. Fixing a maximum.

Mr. SIMMONS. So that, although the duty may far exceed that, the customhouse officials will not be permitted to collect more of the duty than 60 per cent, or a hundred per cent, as the case may be. That is a restraining amendment.

Mr. LENROOT. Exactly as has been done in the case of cotton gloves and cotton cloth.

Mr. JONES of New Mexico. Mr. President, I want to say just a word. Senators will recall that when this paragraph was originally before the Senate I discussed it at some length. I presented a great deal of information to the Senate, and at that time the fears which were expressed by some of those who favored these very high rates I could not believe were justified. That was relatively early in the discussion of the bill. Since that time even the Finance Committee has, I think with great pleasure, brought in many reductions to subsequent items in the bill. They have realized that conditions were changing, and I know of no rate which has been changed to a greater extent than with respect to the items in this paragraph.

I do not care to even review or restate the different factors entering into the rates in this paragraph, but conditions have changed to a very great extent since we acted upon the paragraph and it is quite as apparent to me, in view of all the facts involved in this industry at the present time, as when we considered it before, that this limitation should be made.

As has been stated, under the present law there are no importations threatening this industry in the United States, and the amendment of the Senator from Wisconsin is simply to limit the new rates to an advance of 100 per cent of the present rates. His limitation is 60 per cent of the value of the foreign commodity.

We must bear in mind the effect of such a blanket clause. Table cutlery involves many different items. I realize that we can not pick out specifically the vast number of items and put a separate duty upon each, and the operation of what we call a blanket provision is so unequal and unjust in many ways that I do not see how you can make such a paragraph reasonable except by adopting some such provision as that proposed by the Senator from Wisconsin.

The Senator from North Carolina has presented various articles to the Senate on which the duty will be far higher than anyone would be willing to vote definitely with respect to the individual items, and that is the vice, if I may call it such, of general legislation of this kind. As I said, I do not see how we can get away from it entirely, but we can mitigate its bad features by some such provision as that which is now offered. My judgment is that the limitation which the Senator from Wisconsin has offered is too high, but it is decidedly an advance in the right direction.

Mr. GOODING. Mr. President, I can understand how, if this bill provided for the American valuation, a Republican and a protectionist might think that some of the duties in the bill

were too high. I can understand that if normal conditions existed in all the countries of the world, a Republican and a protectionist might feel that some of the duties in this bill were entirely too high. But I can not understand how a Republican, standing on the Republican platform that is pledged to give a rate measuring the difference in the cost of production between this and foreign countries, can vote to reduce any of the protective duties in this bill. There is not an exception to the rule where this country comes in competition with Germany, with Austria, or any of the Old World countries, where the depreciated currency is worth practically nothing at all. I want to say that as far as the bill is concerned there is no protection at all to those industries in this country which must meet that competition in our own market.

I have before me the record of a knife that was exhibited here, sold in this country for $5. It would require 659 per cent to protect the manufacturer in this country as against the difference in the selling price of that knife in this country and what it costs in Germany. A great many articles were exhibited here which showed that as high as 2,000 per cent must be given in order to give a proper protection. The Senator from Utah admitted upon the floor of the Senate that it would take from 500 to 1,000 per cent on many articles to protect the American manufacturer. His excuse for not giving it was that the American people would not stand for it. Again, I want to say that the American people would stand for any duty that is necessary to protect an industry established in America, to continue it, and to give employment to American labor.

With all the countries on earth reducing their armies and scrapping their navies, I want to say again that the great question that confronts every country on earth to-day, new countries as well as the old, is that of finding employment for their own people. To my mind—I have said this several times, but I want to say it again, because I am seriously concerned over it—we are facing a crisis in America, and unless we give the manufacturers proper protection and all other American industries we shall not find employment for the army of unemployed that numbers more than 3,500,000 to-day.

This is what is going to happen. Germany and all the great manufacturing countries of the world will find every weak spot they can in the bill, and then are going to develop the particular industry to take advantage of it. They are forced to do it in order to find employment for their own people. That is the condition with which we are confronted. Germany has been busy during the two or three years since the war manufacturing for her own people. For four years she waged the greatest war of destruction civilization has ever known. During that time all her manufacturing institutions were employed in the manufacture of weapons of destruction, not articles of general use for the people. Now the Germans are turning their attention to the manufacture of the necessities of life. We learn from every source that the Germans are bending their backs and their manufacturing institutions are running full time. They have found it necessary, as I have said, to increase their own protective duty sixty-five times as against their own depreciated currency. My God, we are the only country in the world that is not willing to take the bankrupt condition of foreign countries into consideration. Austria has increased her protective duties two hundred times, and France, Belgium, and all the other countries have put in coefficients or multipliers to protect their own manufacturers, and in most cases have placed a direct embargo on those things which they manufacture, and yet here we are going along with a foreign valuation that does not mean anything at all, throwing our gates wide open to all the world.

Mr. SIMMONS. Mr. President, may I ask the Senator a question?

Mr. GOODING. Yes; the Senator may ask me a question.

Mr. SIMMONS. The Senator has spoken with reference to the high protective rates which obtain in Germany. The Senator has said they have gradually increased their rates.

Mr. GOODING. I make the statement that they have not only increased them but it is necessary to get a license to ship into Germany now, and that is never dependable at all. With reference to some things they do not permit even that—that is, as to those things they manufacture for themselves, it is impossible to get a license to ship them into Germany under any duty or any cost.

Mr. SIMMONS. I am not now concerned about the license. I am asking the Senator with reference to the high protective rates which he said now obtain in Germany. He said also that we are not able to compete with Germany. I want to ask the Senator, in view of those high protective rates which he declares now exist in Germany—prohibitive rates, I assume he means—how it is that America succeeded last year in selling to Germany nearly $400,000,000 worth of products produced in this country?

Mr. GOODING. I will say to the Senator that Germany is selling to this country to-day a greater volume, if it could be measured by the value of the mark before the war, than she ever sold.

Mr. SIMMONS. I want to say to the Senator, if he will permit me, that he is greatly mistaken in that, because while Germany sold us last year, measured in our own dollars, only about $85,000,000 worth of her products, we sold Germany, measured in our own dollars, nearly $400,000,000 worth.

Mr. GOODING. I beg to differ with the Senator. Germany sold us $87,000,000 worth of German products measured on the basis of the German mark—not in gold, but on the basis of the depreciated German mark.

Mr. McLEAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Connecticut?

Mr. GOODING. I yield.

Mr. McLEAN. I want to call the attention of the Senator from North Carolina to the fact that the exports of Germany are very largely confined to food products and raw materials. The German industrial religion is that they buy nothing and use nothing except what they can not produce or raise in Germany. It is only the raw materials and the foods that they import into Germany.

Mr. SIMMONS. Has the Senator taken the trouble to ascertain what proportion of the $400,000,000 worth which we export to Germany are manufactured articles?

Mr. McLEAN. A very large proportion.

Mr. SIMMONS. I will say to the Senator that a considerable part were manufactured articles and the Senator admits that Germany has no high tariff against our agricultural products.

Mr. GOODING. I wish to say to the Senator—and it appears in the RECORD over and over again—that it is impossible to get a license to ship manufactured articles into Germany that they can manufacture for themselves. That information is furnished by the Department of Commerce, and it has been placed in the RECORD over and over again.

Mr. SIMMONS. I would be very glad to have the Senator place in the RECORD as a part of his remarks the exact proportion of the $400,000,000 worth of exports to Germany that was of manufactured products.

Mr. GOODING. I have not the time to do that, and I think it has been done already. I can understand how a free trader or a tariff-for-revenue-only advocate can stand here and ask for a reduction of these protective rates which I insist, Mr. President, are not protective at all, owing to the fact that they are based on foreign valuation. With such a Senator I have no quarrel at all, but I can not understand how a Senator can stand on the floor of the Senate, on the Republican platform which has declared for the difference in the cost of production between this country and abroad, and not be willing to take into consideration the depreciated currency of the foreign country. There has been placed in the RECORD by the senior Senator from Utah [Mr. SMOOT] a contract between the employer and the employee in the textile districts of Germany showing that they are working there for one-tenth the price they are working for in this country, and I myself offered a letter along the same line.

Mr. LENROOT. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Wisconsin?

Mr. GOODING. I yield.

Mr. LENROOT. How does the Senator explain the fact that our exports are three times our imports under a 30 per cent duty—one-half of that now proposed?

Mr. GOODING. I want to say to the Senator that the world is not in a normal condition at all. Germany, of course, has had to buy a lot of raw materials that she destroyed during the war. She occupies a different position now.

Mr. President, I am just pleading for an opportunity to start the wheels of industry in America. I have no other thought in my discussion of the tariff question. I know that can not be done unless we are going in some way or other to take into consideration the depreciated currency in foreign countries. I do not believe the duties we have now will even start to relieve the situation at all. I hope the Senate will not make the mistake of granting any further reduction. If it is necessary to make a reduction, the President would be able to do it. If it is necessary to make an increase, he would be able to do it. But even in that event he can not go far enough. Should we not resolve any question of doubt in favor of our own industries in America and leave something for him to do under the administrative feature? I believe the Senator from Wisconsin was very active in getting that administrative feature into the bill and in amending it. Should we not leave something for the President to do, for some one who will be

able to get after the facts better than the Senate is and resolve all this question of doubt in the interest of the American laborer and the American home?

Mr. McLEAN. Mr. President, the Senator from Wisconsin [Mr. LENROOT] has announced that he proposes to introduce in addition to the amendment now under consideration two other amendments to the penknife and the scissors schedule. I am rather surprised that the Senator did not include razors, because the rate recommended by the committee with reference to razors is much higher than on any other schedule. But I am glad that he realized that the rates in the razor schedule are justified.

I want to say that if the Senator from Wisconsin understood the condition of the industry and the competitive conditions which now obtain in this industry he would not vote for the pending amendment, in my opinion, and he would not vote for either one of the other two amendments which he proposes to introduce. It is true, so far as the schedule is concerned, so far as it relates to table knives and butcher knives, that competition is not to-day as destructive as it is against the penknives and the scissors. But, Mr. President, even to-day our export trade has been reduced to nothing owing to competition from Germany. If the Senator would read the paragraph and consider it as I think he ought to, he would see that it is absolutely necessary to retain the compound duties. I think the committee made a mistake when they revised the ad valorem duty to 45 per cent.

I call the attention of Senators to just what the paragraph provides and I appeal to the intelligence of Senators and to their spirit of justice with regard to the rates as compared with other rates, many of them running much above the rate provided for in this paragraph. The section includes a great many varieties of knives—table, butcher, carving, cooks', hunting, kitchen, bread, cake, pie, slicing, cigar, butter, vegetable, fruit, cheese, canning, fish, carpenters', bench, curriers', drawing, farriers', fleshing, hay, sugar beet, beet topping, and so forth. It would seem to be unjust to impose a duty of 20 cents and 60 per cent ad valorem on those knives. However, when one reads the section through he finds that these are knives with handles of mother-of-pearl, or shell, or ivory, or deer, or other animal horn, or silver-nickel, or silver, or other metal than iron or steel.

Mr. President, the committee recommended a rate of 20 cents each on these knives and 60 per cent ad valorem, because these knives are all luxuries. Everyone who is familiar with the cutlery industry knows that there are certain knives that are made in Germany and England which rich people will have no matter what they pay for them.

Mr. LENROOT. Will the Senator from Connecticut yield for a question?

Mr. McLEAN. Yes.

Mr. LENROOT. Why did the Committee on Finance include in the same paragraph luxuries and the most common necessities?

Mr. McLEAN. If the knives have handles of mother-of-pearl or silver or nickel, they take the 20-cent duty; otherwise they do not.

Mr. LENROOT. They all take the 45 per cent ad valorem duty, do they not?

Mr. McLEAN. Forty-five per cent ad valorem is not an unreasonable rate for the common knife when a duty of 129 per cent has been placed on low grades of wool.

Now, let me call attention to the price of some of these knives. The Senator from Wisconsin struck an average, but, of course, everybody knows that is not a safe basis upon which to estimate the rate upon any one of these articles. It is entirely indefensible.

Included in this paragraph are butchers' knives which are brought into this country from Germany for 72 cents a dozen. Of course, when one strikes an average, these cheaper knives constitute a large proportion of the importations, but the small duty of 3 cents on these cheap knives amounts to practically nothing. If a knife comes in here for 6 cents, and one pays 3 cents duty on it, that makes the price of the knife 9 cents instead of 6 cents. Now, consider some of the knives the duty on which the Senator from Wisconsin would reduce. The foreign selling price of some of those knives is $40 a dozen and the American selling price is $107 a dozen. As another illustration take carving sets, the foreign price of which is $27.90 a dozen, and the American selling price when it reaches this country is $86.70 a dozen; another set, of which the foreign selling price is also $27.90 a dozen, is also selling in this country for $86.70.

I wish to say with regard to this particular schedule—and the same remark applies to the other schedule which the Senator from Wisconsin wishes to attack—that this industry has been torpedoed by Germany with the same ruthlessness that the *Lusitania* was torpedoed. The business now is really down and out; these manufacturers are simply keeping their organizations together in the hope that Congress will throw them a life line before they go down for the third time. I know the Senator from Wisconsin would like to please the importers who have been hanging around the Halls of Congress, and reduce this rate and the rates which are carried in the other two schedules, but I wish to say with emphasis that the importers will be the only individuals who will be benefited by this reduction. They will be the only ones who will be benefited, because the large importers, who have been so persistent in their efforts to cut these rates, are also the owners of large manufacturing establishments in Germany. There is no question about that. Consequently, they absolutely control the invoice value of these articles, and unless we put on a compound rate—a specific and an ad valorem rate—they will invoice these goods at any price which they see fit, and it will be impossible to impeach that invoice.

Then what will happen? Just what is happening now. They will bring these articles into the country and sell them for 200 and 300 per cent profit when they shall have driven the American manufacturer out of business.

It must be remembered that the American manufacturer does not retail; he is at the mercy of the jobbers; and the jobbers will buy nothing of the American manufacturer so long as they can get these goods for one-quarter of the price from the importer. The American manufacturer is put in a pocket where it is impossible for him to live.

The Senator from Wisconsin wishes the rate to be high enough in order to prevent competition from any other European country than Germany. The result of that will be absolutely to confine competition in this article to Germany, which, as I have said, is controlled by the importers in this country. When the American industry shall have been driven out of the market, the people in this country will pay "all that the trade will bear," and we have had evidence already introduced into the Senate that that price includes from 200 to 2,000 per cent profit. Will it benefit the German laborer? He will continue to work for the same starvation wages for which he is now working. Will it benefit the American consumers? They will pay three times the price that they now do.

I have in my hand a report which has just been made by a member of the Ways and Means Committee of the House of Representatives, Mr. TILSON. He has been in Europe during the vacation of the House investigating this subject, and he has made a report to Mr. FORDNEY, the chairman of the Ways and Means Committee of the House. That report is a complete answer to the assertion here that the conditions in Europe are changing and that prices are rising. On the contrary, Mr. President, the wages in Europe are lower than they were when the Reynolds report was presented to the Committee on Finance. I have a statement of the prices of razors, knives, and scissors which were purchased by Representative TILSON in Germany, which shows that the prices there are now even cheaper than they were when the experts secured information for the Finance Committee. I ask unanimous consent that the statement may be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

RAZORS.	Marks.
No. 56. 59 marks, per dozen	700
No. 50. 41.65 marks, per dozen	500
No. 163. 75 marks, per dozen	900
No. 60. 86.65 marks, per dozen	1,040
No. 14. 90 marks, per dozen	1,080
No. 59. 102.50 marks, per dozen	1,230
No. 137. 51.65 marks, per dozen	620
No. 10. 68.35 marks, per dozen	820
No. 90. 100 marks, per dozen	1,200
No. 64. 104.15 marks, per dozen	1,250
No. 44. 87.50 marks, per dozen	1,000
No. 88. 104.15 marks, per dozen	1,250
KNIVES.	
No. 4501. 800 marks, per dozen	9,600
No. 4307. 600 marks, per dozen	7,200
No. 4163. 750 marks, per dozen	9,000
No. 4422. 640 marks, per dozen	7,680
No. 4306. 180 marks, per dozen	2,160
No. 4431. 210 marks, per dozen	2,520
No. 4026. 150 marks, per dozen	1,800
No. 4001. 150 marks, per dozen	1,800
No. 4046. 100 marks, per dozen	1,200
No. 4089. 200 marks, per dozen	2,400
No. 4481. 160 marks, per dozen	1,980
No. 4163½. 200 marks, per dozen	2,400

SCISSORS.	Marks.
No. 724/7. 60 marks, per dozen	720
No. 725/6. 40 marks, per dozen	480
No. 701¼/4¼. 20 marks, per dozen	240
No. 703/4. 20 marks, per dozen	240
No. 705/5¼. 35 marks, per dozen	420
No. 703 gold/5¼. 50 marks, per dozen	600

Mr. McLEAN. Mr. President, as I said before, I did not anticipate this attack upon these schedules and I have not at hand all the information which I should like to submit to the Senate. As we know, these schedules were thoroughly discussed and were bitterly attacked on the other side of the Chamber when they were under discussion weeks ago. It will be remembered that the Senator from New Mexico [Mr. JONES] who had charge of these schedules for the other side of the Chamber introduced in the Senate a knife made, I think, by an importer by the name of Boker, or imported by him, and the Senator from New Mexico undertook to convince the Senate, upon the report made by this man, that the value of that knife had doubled since the Reynolds report was framed. I showed to the Senate a duplicate of that knife, bought in the open market for less than half what this importer represented to the Senator from New Mexico was the present price of the article, and I stated to the Senator from New Mexico that I thought this gentleman owed him an explanation.

The Senator from New Mexico agreed with me. It simply shows that the prices of these articles are absolutely in the control of the Germans. They can fix the invoice at any price they choose, and unless we put upon these articles a compound duty, adequate protection to the American industry will not be afforded. The duty recommended by the Senate committee on butcher knives is not anywhere near what the Senator from Wisconsin claims, based upon the average, and when we come to the cheaper knives——

The PRESIDENT pro tempore. The time of the Senator from Connecticut has expired.

Mr. OVERMAN. Mr. President, I desire to give notice, if it has not already been given, that I shall ask for a separate vote in the Senate on paragraphs 315, 316, and 317.

The PRESIDENT pro tempore. The Chair will take this opportunity of saying that the proper time for reserving amendments which have been agreed to as in Committee of the Whole is after the bill passes into the Senate. The Chair will ask the Secretary to prepare a list, so far as he is able to do so, of the notices which have been given from time to time in regard to reservations for separate votes. That list will be read to the Senate immediately after the bill passes into the Senate, and then if it is not complete Senators may supply whatever omissions are found in it.

Mr. UNDERWOOD. Mr. President, as I understand, the President pro tempore holds that after the bill goes into the Senate proper and before amendments are voted on en bloc any Senator will have the privilege of reserving such amendments as he desires for a separate vote?

The PRESIDENT pro tempore. The Chair is of the opinion that is the proper time to make reservations for separate votes, but the Chair will treat the notices which have already been given as such reservations, and will say again that the Secretary will read before the time has passed the notices which have been given.

Mr. OVERMAN. I think the Chair is entirely correct in his ruling, although the statute has been a little different heretofore.

The PRESIDENT pro tempore. The Chair understands that.

Mr. McCUMBER. Mr. President, the Senator from Wisconsin in giving his notice of the several amendments which he proposes to offer undoubtedly is governed by what he considers to be a proper rule of demarcation between what duty ought to be given to preserve the American industry and what duty ought not be given in order to protect the American industry. The Committee on Finance have operated under a rule which does not entirely harmonize with that idea. The committee have attempted to determine whether an industry was worth preserving in the United States, and when they determined that, after making allowance for what it would cost the American people to preserve such industry, they then fixed a duty which, in their opinion, would accomplish that result.

If the Senator's view is right, whenever an article in this schedule is not protected under a 60 per cent ad valorem duty we should turn the business over to the German, the French, or the British manufacturer. If the Senate desire to follow that view, they can, of course, vote in favor of the duty proposed by the Senator from Wisconsin; and that is true in a number of other industries.

I am not one of those who believe that if we place a lower duty upon these articles they are going to be sold for a lower price by the German importer. The whole history of our commerce in the last few years shows that this will not happen. A condition may come about in which competition will compel the German importer to lower his price; but I will take just a few of these articles and see what profit the German importer is making. He is selling just enough lower than the American selling price to get into this country and to sell his products. We will take the overhead, profit, and landed cost, including duty. In the one article from England there is a profit of 52 per cent. In the next one, from Austria, there is $2.39, or 239 per cent profit.

Now, I will take these pocketknives from Germany, taking the cost of purchasing them and selling them. Here are pocketknives where the profit is $2.60, or 260 per cent; more of them, 229 per cent; and so they run from 200 to 300 per cent profit that is being made by the importer.

Now, I want to take a few of the articles that the Senator wants to reduce to 60 per cent. I will take a carving set. This is from Germany. The cost is $27.90 per dozen. The landing cost is $2.79. The profit and overhead charges are $9.30. That brings the price landed, with all the profits and allowing them good profits of 33⅓ per cent, up to $39.99. Sixty per cent upon that basis would be $24, making a cost of $64. The American selling price is $91.20. Therefore, the 60 per cent basis would lack $27.20 per dozen of bringing it up to the selling price of the American article. The duty required to equalize the difference upon those particular sets would be 183 per cent. We have not given that duty.

Now, let us take German butcher knives. The German price is $3.77 a dozen. The landing cost is 38 cents. The profit is $1.25. That would bring the cost to $5.30. Sixty per cent duty would be $2.26, which would bring the price up to $7.56. The American selling prices are $8.25, $9.50, and $8; so there would be an insufficiency of duty ranging from 44 cents to $1.94 per dozen, and the duty required on the average would be about 100 per cent, ranging from 72 per cent to 112 per cent.

Now, let us take some of the cook knives. The cost in Germany is $6.98; the landing cost, 70 cents; the profit and overhead, $2.33, making a total of $10.01. Sixty per cent duty on the foreign cost would be $4.20, which would bring the cost up to $14.21. The American selling price is $15, so the duty would be 79 cents too low. In this instance the duty required to equalize, allowing the foreign producer 33⅓ per cent profit, would be 71½ per cent, while the limit of duty provided in the Senator's amendment would be 60 per cent.

I will take just one more, Mr. President—cook knives from Germany: Cost, $6.93; landing cost, $1.04; profits, $2.31; making a total of $10.28. Add 60 per cent duty to that and you will have $6.18, or a total of $16.46 selling price in the United States. The selling prices in the United States, however, are $17.50 to $17.75. The duty that would be required to equalize the difference would run from 104 per cent to 108 per cent.

So we come right back to this question: Do we want to continue the production of those articles in the United States, or do we want to surrender to our competitors every product where 60 per cent will not measure up to the required duty upon the protective basis? If we wish to do that, of course we should vote for the Senator's amendment. If we wish to say that we will allow the American producer to continue to produce, to continue to supply the American market, even though the duty be more than 60 per cent, we should vote against this amendment.

Mr. JONES of New Mexico. Mr. President, I want to call attention to some specific instances which will put an entirely different view upon the situation than that presented by the Senator from North Dakota and the Senator from Connecticut.

It must be borne in mind that the prices which the Senator from North Dakota referred to, mentioned in the Reynolds report—and largely the same thing may be said with regard to the figures which the Senator from Connecticut presented—are figures of a year past; and the change during this time, as everyone knows, has been very marked indeed. The truth of it is that the German competition should no longer be considered an important factor in the cutlery business. The prices of all steel products in Germany have advanced so greatly that no proper comparison can be made now with respect to what occurred a year ago.

Mr. McLEAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New Mexico yield to the Senator from Connecticut?

Mr. JONES of New Mexico. I do.

Mr. McLEAN. I have just put in the RECORD—I did not have time to read it—a report made by Congressman TILSON, who is a member of the Ways and Means Committee of the House. He has been in Germany investigating the cutlery business, and he has purchased these goods there for much less than they could have been purchased in August, when the Reynolds report was made.

Mr. JONES of New Mexico. Mr. President, I presume that statement may be true, because of the very recent additional decline in the price of the German mark. The German mark to-day is selling for about a tenth of a cent.

Mr. McLEAN. Is the reason important, if the fact must be admitted, that these products are being made and sold in Germany to-day for less money than they were in August?

Mr. JONES of New Mexico. But, Mr. President, the Senator knows that that condition there is only temporary; and he knows, further, that this country is not being flooded with these goods from Germany.

Mr. McLEAN. If the importations in March continued through the year, they would exceed 100,000,000 dozen of pocket-knives. There is more than a year's supply now in this country that has been imported from Germany within the last year.

Mr. JONES of New Mexico. Mr. President, I am sorry that I can not yield further, but my time is limited. I make the statement that in the case of this table cutlery, in 1920—the production in 1919, by the way, according to the United States census, was nearly $5,000,000 worth—we exported nearly three and a half million dollars' worth; in 1921 we exported $2,300,000 worth; and in 1921 we imported less than a quarter of a million dollars' worth.

Mr. McLEAN rose.

Mr. JONES of New Mexico. I beg the Senator's pardon, but I can not yield further.

Now I want to call attention to a few things.

Here is the bread knife which the Senator from North Dakota [Mr. McCUMBER] presented here. He did not state what this percentage of duty was based upon; but there is a bread knife in common use in perhaps the great majority of the homes of the land. It sells all over the world at 6½ cents each. That is the manufacturer's price for general sale throughout the world. Under this bill, the duty on it is 10 cents, plus 45 per cent. That is the American selling price, not the foreign cost; that is what the American product is sold for in the markets of the world, 6½ cents each, and a specific duty of 10 cents is proposed, and to that is to be added a duty of 45 per cent ad valorem.

Here is another knife, made in America, which sells all over the world for 7.3 cents each [exhibiting]. The specific duty is 10 cents, and the ad valorem duty 45 per cent. The specific duty is more than the selling price of the American article. I have here another little carving knife, of American manufacture, sold by the American manufacturer all over the world for 2.7 cents apiece [exhibiting]. The duty on that is 3 cents plus the 45 per cent ad valorem.

Here is a common butcher knife, used in perhaps all the homes of America [exhibiting]. The American selling price of this knife, which is sold all over the world, is only 8½ cents, and the duty on it is about 12½ cents under this proposal. How can those rates be justified?

Here is a common table knife, used perhaps in most of the restaurants of the country. [Exhibiting.] That knife is an American product, and is sold by the American manufacturer at 8.3 cents each, and the duty on it under this bill would be about 7 cents. It is made in competition with the manufacturers of the world. Germany can not make it. It is made by a machine which stamps out two at a time, and it can be manufactured in this country as cheaply as anywhere on earth. Yet you are piling up these duties upon these common articles of cutlery, which are needed in every home, and you are imposing a duty amounting, in the main, to more than a hundred per cent upon the American selling price.

I would like to know how that can be justified. There is no question here of exchange. There is no question of competition. But these are duties of more than 100 per cent upon the prices for which the American manufactures are selling throughout the world, and these are articles which are in common use, which are purchased by those who have to measure the value of the cent, the nickel, and the dime. The Senator from Connecticut minimizes the importance of these amounts, but I want to say to him again that there are people in the United States, by the thousands and hundreds of thousands, who do measure the value of the small sums of money. The Senator from Connecticut, raised in his environment, may not appreciate these things, but there are people in his own State, I venture to say, who do count the value of the dimes, the nickels, and even the pennies.

Mr. President, these rates are unjustified. We are exporting perhaps 40 per cent of the American production throughout the world, in competition with Germany and every other nation. We are selling the products at home and abroad for less than the amount of the duty. I ask how these rates can be justified. The Senator from Connecticut undertakes to justify them by saying that in this paragraph there are some luxuries. The Senator from Wisconsin asked a question which should be answered, to wit, if that be so, and if that be the excuse, why did not the committee separate these articles, so we might know what are luxuries and what are not?

This is another instance and example of the way this bill has been made up in many cases. They have thrown into some blanket paragraph some articles on which a duty will be justified, and used that as an excuse for putting exorbitant duties upon necessities of life, things which must be had by the people of moderate means, but people who want to live under God's sunshine, just as much as the Senator from Connecticut does.

Mr. McLEAN. Will the Senator permit me just to correct him? I know he does not want to make a mistake.

The PRESIDENT pro tempore. The time of the Senator from New Mexico has expired.

Mr. LENROOT obtained the floor.

Mr. McLEAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Connecticut?

Mr. LENROOT. I yield.

Mr. McLEAN. The Senator from New Mexico said we did not differentiate. Of course we did. On the cheaper knives—that is, knives with rubber or bone handles—we fixed a duty of 10 cents, and I have stated that our export trade was practically cut off. I know that business is dead at the present time, and I am informed that Germany has captured the entire foreign market.

Mr. LENROOT. Mr. President, I want to say, for the information of the Senator from Connecticut, that I have before me the Monthly Summary of Commerce, showing the imports and exports for the month of May last, and our exports in the month of May of this year of these articles were larger than our imports in the month of May last year.

Mr. McLEAN. What particular articles?

Mr. LENROOT. The whole schedule, which covers everything. I will read it to the Senator; our imports "of all other cutlery," other than pen and pocket knives, razors and parts of, scissors and shears, which leaves tableware, under paragraph 355, paragraph 356, and paragraph 359, all together. Our imports are less than our exports of tableware alone.

Mr. McLEAN. Will the Senator give the figures?

Mr. LENROOT. Our imports of all other cutlery, which includes everything in this paragraph and everything in two other paragraphs, for the month of May amounted to $44,744.

Mr. McLEAN. What were the exports?

Mr. LENROOT. The exports of tableware alone for that same month were $35,000, and of other cutlery, $53,000, or a total of $90,000, as against imports of $44,000.

Mr. McLEAN. And in 1921 our exports were over $3,000,000, which shows that that applies to a few specialties.

Mr. LENROOT. Our imports of articles under this paragraph, which includes paragraph 355, and the other paragraphs I have mentioned amounted in value for the 11 months ending May of this year to nearly $100,000 less than during the same period ending in May, 1921, showing that our imports of these articles, instead of increasing, are actually decreasing. I want to be entirely fair, and to say that our manufactures were decreasing also. But we are not being flooded with these imports, as some Senators would have us believe.

The Senator from North Dakota exhibited a fine carving knife, upon which there may be a great deal of handwork.

The PRESIDENT pro tempore. The time of the Senator from Wisconsin has expired.

Mr. LENROOT. Have I spoken 15 minutes?

The PRESIDENT pro tempore. The Senator has heretofore consumed 12 minutes of his time.

Mr. LENROOT. The Senator from New Mexico offered an amendment.

Mr. JONES of New Mexico. I moved an amendment to the amendment.

Mr. LENROOT. I thought there was another amendment pending.

Mr. JONES of New Mexico. I moved to amend the amendment proposed by the Senator from Wisconsin by striking out the numeral "60" and inserting in lieu thereof the numeral "55."

Mr. McCUMBER. Mr. President, I rise to a point of order.

The PRESIDENT pro tempore. The Senator will state his point of order.

Mr. McCUMBER. I think that is an amendment in the third degree. I understand the Senator from Wisconsin offered an amendment to a committee amendment, and now the Senator from New Mexico offers an amendment to that amendment.

Mr. LENROOT. Was not the original committee amendment a substitute, to be treated as an original question, in which case an amendment to the amendment might be offered?

The PRESIDENT pro tempore. Has the Senator from New Mexico sent his amendment to the desk?

Mr. JONES of New Mexico. The motion is simply to strike out the numeral "60" and insert in lieu thereof "55."

Mr. LENROOT. If I understood the chairman correctly, the original committee amendment was an amendment in the form of a substitute for the entire paragraph. Am I correct in that?

Mr. McCUMBER. That is correct, Mr. President.

Mr. LENROOT. If that be true, then, as I recollect the rule, that must be treated as an original question, to which an amendment may be offered, and an amendment to an amendment, without being in the third degree.

The PRESIDENT pro tempore. The Chair is inclined to think that that view is correct, and that the amendment of the Senator from New Mexico is in order. The question is upon agreeing to the amendment proposed by the Senator from New Mexico to the amendment offered by the Senator from Wisconsin.

Mr. LENROOT. Mr. President, I wish to be recognized on this amendment. I was saying that the chairman of the Finance Committee exhibited a carving set, which he stated was a luxury. The committee is evidently picking out a few articles on which a high rate of duty is justified and under that argument trying to get through the bulk of the articles enumerated in this paragraph under duties which are absolutely prohibitive. They do not defend the rates upon these other articles. The committee does not defend the rates they have proposed upon ordinary kitchen knives, upon bread knives, and similar things, because if they do they must admit that the rates imposed in this bill in some cases are as high, not only as the manufacturer's entire price, but as high as the retail price in a 5 and 10 cent store.

Mr. McCUMBER. Mr. President, I hope the Senator from Wisconsin will correct his statement that the chairman of the committee suggested that these articles to which he referred are luxuries. The chairman did not use the word "luxuries" in any respect in his argument.

Mr. LENROOT. Perhaps it was the Senator from Connecticut who used the term. I beg the chairman's pardon, because on reflection I remember it was the Senator from Connecticut who referred to these as being luxuries.

It seems to me that where the exports of these articles of common use are three times the amount of our imports it is little short of scandal if these rates are permitted to remain in this bill.

I shall not favor the amendment of the Senator from New Mexico. I am a protectionist and I want to resolve every doubt in favor of protective duties. But I must say that if there be one article in this paragraph which might require a higher rate than 60 per cent, and all of the rest of them do not justify even as high a rate as 60 per cent, the committee are not in a position where they can insist that the entire paragraph be adopted. It was within the power of the committee to separate those articles which did require a higher duty from the others, and the fault will not be that of the Senate if there be some one particular item which may not be fully protected, because the committee had the opportunity to protect it, and it neglected that opportunity if it were not high enough. The committee, under the guise of protecting some article, clearly is putting prohibitive rates upon the great mass of articles of common use that are exported to-day in competition with the world.

Mr. McLEAN. Mr. President, it is true that the imports of the articles covered by the paragraph do not compare with the imports of penknives and scissors. It is also true that our exports of these articles, which in former times have been very large, sometimes exceeding $3,000,000 and $4,000,000 worth a year, have been cut to nothing. The reason is that the manufacturers of the penknives and the scissors and the razors in Germany have taken up the manufacture of the cheap kitchen knives, and the potential competition is there. Unless we give the industry a reasonable protection—and the rates are not nearly as high as they are on the penknives—the same result will follow with regard to table knives that has already happened as to the penknives and the scissors.

I desire to read the imports of the penknives, indicating how disastrous the competition is. In 1918 we imported 85,000 dozen of penknives and pocketknives, and so forth, finished; in 1919, 97,000 dozen; in 1920, 314,000 dozen; in 1921, 427,000 dozen. I understand that the recent importations indicate that in the spring a year's supply was imported into this country.

With regard to imports of penknives and pocketknives valued at more than $1 a dozen, the imports in 1918 were 14,000 dozen; in 1919, 28,000 dozen; in 1920, 165,000 dozen; and in 1921, 170,000 dozen. Of clasp knives and pruning knives the imports were, in 1918, 70,000 dozen; in 1919, 68,000 dozen; in 1920, 149,000 dozen; and in 1921, 241,000 dozen.

Mr. President, I do not care to continue the discussion any longer. The chairman of the committee has stated that it is simply a question of whether we want to maintain the industry in America or not. It is my belief that it is the American producer who pays taxes and cuts prices. If we destroy American competition and put the American consumer at the mercy of the importers who have their factories in Germany the American people will realize when it is too late that they have made a mistake if they want to get these articles at reasonable prices.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the Senator from New Mexico to the amendment of the Senator from Wisconsin.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question is now upon agreeing to the amendment proposed by the Senator from Wisconsin to the amendment of the committee.

Mr. LENROOT. On that I demand the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. McCUMBER (when his name was called). I have a general pair with the junior Senator from Utah [Mr. KING], which I transfer to the junior Senator from Washington [Mr. POINDEXTER] and vote "nay."

Mr. POMERENE (when his name was called). Again announcing my pair with my colleague [Mr. WILLIS], I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. WATSON of Georgia (when his name was called). Transferring my general pair with the Senator from California [Mr. JOHNSON] to the junior Senator from Rhode Island [Mr. GERRY], I vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. HARRISON. I transfer my pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. EDGE. Making the same announcement as before, I vote "nay."

Mr. HALE. Making the same announcement as before, I vote "nay."

Mr. FRANCE. On this vote only I have a pair with the senior Senator from Minnesota [Mr. NELSON]. So I withhold my vote.

Mr. CURTIS. I wish to announce the following general pairs:

The Senator from Missouri [Mr. SPENCER] with the Senator from Georgia [Mr. HARRIS];

The Senator from Michigan [Mr. TOWNSEND] with the Senator from Wisconsin [Mr. LA FOLLETTE];

The Senator from Illinois [Mr. McKINLEY] with the Senator from Arkansas [Mr. CARAWAY]; and

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS].

The result was announced—yeas 28, nays 36, as follows:

YEAS—28.

Borah	Jones, N. Mex.	Overman	Smith
Capper	Kellogg	Pomerene	Sterling
Cummins	Kendrick	Ransdell	Swanson
Dial	Lenroot	Reed, Mo.	Trammell
Fletcher	McKellar	Robinson	Underwood
Harrison	Myers	Sheppard	Walsh, Mass.
Heflin	Norbeck	Simmons	Watson, Ga.

NAYS—36.

Ball	Edge	McLean	Rawson
Brandegee	Gooding	McNary	Reed, Pa.
Broussard	Hale	Moses	Shortridge
Bursum	Harreld	New	Smoot
Calder	Jones, Wash.	Newberry	Stanfield
Cameron	Keyes	Nicholson	Sutherland
Colt	Lodge	Oddie	Wadsworth
Curtis	McCormick	Pepper	Warren
du Pont	McCumber	Phipps	Watson, Ind

NOT VOTING—32.

Ashurst	Elkins	Frelinghuysen	Hitchcock
Caraway	Ernst	Gerry	Johnson
Culberson	Fernald	Glass	King
Dillingham	France	Harris	Ladd

La Follette	Owen	Shields	Walsh, Mont.
McKinley	Page	Spencer	Weller
Nelson	Pittman	Stanley	Williams
Norris	Poindexter	Townsend	Willis

So Mr. LENROOT's amendment to the amendment of the committee was rejected.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. LENROOT. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER (Mr. STERLING in the chair). The amendment will be stated.

The ASSISTANT SECRETARY. On page 74, paragraph 357, planing-machine knives, and so forth, the Senator from Wisconsin proposes to insert at the end of the paragraph, on line 14, page 75, a colon and the following:

Provided further, That none of the articles specified in this paragraph shall pay a greater rate of duty than 100 per cent ad valorem.

Mr. LENROOT. Mr. President, inasmuch as the amendment which has just been voted on has been defeated, which to my mind was such a clear case, I have no hope whatever of the amendment which I have now proposed nor the following amendment which I shall offer being adopted. But I am going to ask for a roll call upon the proposition, so that the American people may know just where Senators stand upon the rates which are being proposed.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Idaho?

Mr. LENROOT. I yield.

Mr. GOODING. I wish to ask the Senator from Wisconsin whether or not he knows that 100 per cent is a protective rate and will protect the American industry? I am willing to go on record; but let the Senator answer that question, and if he knows that it is protective let him give his information.

Mr. LENROOT. I know the Senator from Idaho is willing to vote for a thousand per cent rate. The rate of duty is entirely immaterial to the Senator from Idaho.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield further to the Senator from Idaho?

Mr. LENROOT. I do.

Mr. GOODING. The Senator must add, "if the industry needs 1,000 per cent protection." I have made that very clear.

Mr. LENROOT. Well, we might raise tea in North Carolina if we imposed a rate of duty of 5,000 per cent on that article; and under the policy enunciated by the Senator from Idaho he would vote for a 5,000 per cent rate of duty upon tea.

Mr. GOODING. No; the Senator from Wisconsin is entirely mistaken.

Mr. LENROOT. I do not know where the Senator from Idaho draws the line.

Mr. GOODING. I never have in my life been accused of being foolish or of desiring to hothouse any industry in America. I know what we can do on the soil of our country; that has been my life's work. I know we can not grow tea; I know we can not grow rubber; I know we can not grow coffee; and I am not in favor of a protective duty on tea or on rubber or on coffee. The Senator from Wisconsin must not put me in a foolish light here.

Mr. LENROOT. But the Senator from Idaho said that he was willing to vote for any rate of duty that was necessary in order to protect any American industry.

Mr. GOODING. Yes; an American industry.

Mr. LENROOT. And he has shown by his vote time and time again that he is entirely indifferent as to how much the American people may be taxed, or how much the rate of duty may cost the American people. For instance, the Senator from Idaho has voted for and has advocated a duty upon barites, which is a crude ore, which, in order to compete with foreign barites, a duty of more than 100 per cent is required upon material upon which the hand of man has not rendered one dollar's worth of labor except the mining; and yet the Senator from Idaho is perfectly willing to tax the American people 100 per cent more than they would otherwise be called upon to pay. That is not my idea of protecting the American people.

Mr. GOODING. I understand——

Mr. LENROOT. The Senator from Idaho is perfectly willing, in order that some product which the farmer must buy may be manufactured in this country, that the farmer shall pay 200 per cent more for it than he would have to pay if it were manufactured abroad.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin further yield?

Mr. LENROOT. I do.

Mr. GOODING. If the Senator from Wisconsin will show me that 100 per cent is a protective rate I shall vote for it; but I shall not vote for his amendment merely because he thinks a rate is too high because it is 100 per cent, when he does not give any information to the Senate as to the rate of duty which the industry needs. The difference between the Senator from Wisconsin and myself is that he would draw a deadline beyond which he would not permit the farmers and the miners of the West to go East with their products. That is the difference between the Senator from Wisconsin and me.

Mr. LENROOT. I wish to ask the Senator from Idaho this question: If upon this amendment it were shown that a rate of duty of 1,000 per cent were necessary in order to manufacture these shears in the United States, would the Senator vote for it?

Mr. GOODING. I have made my position very clear, and I do not care——

Mr. LENROOT. Will the Senator answer that simple question?

Mr. GOODING. Yes; and the Senator will know I have answered it, too, when I get through. [Laughter.] I have stated time and time again that if an industry in this country which is established and which is employing American labor needs 1,000 per cent protection at the present time, when the world is in a chaotic condition and will not return to normal for several years, then I will vote for the 1,000 per cent duty. It would be a crime to destroy such an American industry and thereby give employment to Germans, or anyone else, though I have no prejudice on earth against German citizens.

Mr. LENROOT. The Senator's statement answers the question.

Mr. GOODING. Does that answer the question?

Mr. LENROOT. That answers the question very fully.

Mr. GOODING. I should not care to fill up soup houses in this country.

Mr. LENROOT. What the Senator from Idaho has stated answers the question very completely and very satisfactorily. The Senator from Idaho is willing to compel the farmers of America to pay 1,000 per cent more for an article, if necessary, in order to have it manufactured in this country than to have it imported from abroad. I am not, Mr. President. That is the fundamental difference between the Senator from Idaho and myself. There is a limit beyond which I am not willing to tax the American people in order to have an article produced in the United States; and there is a limit, Mr. President, beyond which we can not, as protectionists and as Republicans, say that we are justified in taxing the American people in order to maintain an industry in the United States if it requires a protective duty of 200 or 300 or 1,000 per cent. I had supposed that that was accepted Republican doctrine; that there was some limit somewhere beyond which, as protectionists, we could not go; that there was some limit where we would, as a matter of industrial prosperity for the United States, much as we wish to manufacture everything that we can in this country——

Mr. GOODING. Will the Senator yield to me?

Mr. LENROOT. I will not say to the American manufacturer, if he can not get along without taxing the American people twice as much for an article as it may be imported for, "While we are sorry for you, the price is too great to continue your industry." That is very simple, Mr. President.

I am willing to go to the extent of imposing a duty of 100 per cent. In the case of cotton gloves I proposed an amendment, which was adopted by the Senate, fixing the limit at 75 per cent. It is in the bill to-day. The majority of the Senate took the position, and I believe correctly took the position, that if we could not produce the cheap cotton gloves which are used in every home in America, under a 75 per cent rate of duty, we had better import some of them, because, again, Mr. President, the Senator from Idaho does not seem to realize the fact—whether he does or not—that the farmer can not find a market for his wheat, the farmer can not find a market for his corn, the cotton grower can find no market for his cotton, if we are going to put up a tariff wall so high here that nothing shall come in.

The Senator from Idaho is perfectly justified, in view of his position that he is willing to favor a 1,000 per cent rate of duty, as he says he is, in voting against this amendment of mine. This is not quite so bad a case, for the highest ad valorem in this paragraph as proposed by the committee is only 345 per cent; it is not 1,000 per cent, but it is only 345 per cent ad valorem upon certain articles as the paragraph now stands.

I will read the figures, as I happen to have the equivalent ad valorem rates. The compound duties reduced to ad valorem will run 135 per cent, 141 per cent, 445 per cent—I ask the

pardon of the Senate; I said 345 per cent, but we are coming up pretty close to where the Senator from Idaho said he is willing to go—445 per cent ad valorem upon an article, in order to continue production, some say, but probably in order to build a tariff wall as high as the Senator from Idaho wants to build it, so that nothing can come in, and the foreign producer will have nothing with which to pay for our wheat, our corn, our cotton, and other commodities which we have to export.

Mr. McLEAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Connecticut?

Mr. LENROOT. I yield.

Mr. McLEAN. I understand the Senator from Wisconsin has no objection to the section which puts higher rates upon razors.

Mr. LENROOT. I will say very frankly that the safety razor is such an article that people can get along without the German razors; they do not have to buy the old-fashioned razor.

Mr. McLEAN. It is the same way with the 5-cent and 8-cent knives.

Mr. LENROOT. But I want to say that I have not proposed an amendment, for I realize its futility in that instance, to fix a maximum rate. I would so vote, but I have not thought it devolved upon me to do so.

But, Mr. President, I was giving the equivalent ad valorem rate of the duties that are now in this paragraph. The last rate I gave was 445 per cent. The other rates are 345 per cent, 285 per cent, 205 per cent, 165 per cent, 141 per cent, 125 per cent, 105 per cent. Those are the rates which have already been adopted by the Senate in Committee of the Whole upon various articles enumerated in this paragraph.

Mr. STANFIELD. Mr. President, will the Senator yield?

Mr. LENROOT. Yes.

Mr. STANFIELD. Are those duties in excess of the difference in the cost of manufacture here and in foreign countries with which we come in competition?

Mr. LENROOT. I do not know whether they are or not, but I want to say very frankly to the Senator that I am not willing to vote for any duty that requires 400 per cent to equalize the difference in the cost of production. I am not for it.

Mr. STANFIELD. Not even if the employment of American labor is dependent upon such a rate of duty?

Mr. LENROOT. I am not if it requires a duty of 400 per cent. Is the Senator willing to vote for a straight ad valorem duty of 400 per cent?

Mr. STANFIELD. Yes; or 4,000 per cent, if it takes such a rate to equalize the difference in the cost of manufacture in this country and the foreign country which produces the article competing with the American product.

Mr. GOODING. Mr. President, will the Senator yield?

Mr. LENROOT. No; I do not yield just now. There is a fundamental difference between the Senator from Idaho, the Senator from Oregon, and myself upon this proposition.

Mr. STANFIELD. If the continuation of the American industry and the employment of American labor are dependent upon a tariff rate it would not make any difference to me what the ad valorem is if such a rate is required to equalize the difference in the cost.

Mr. LENROOT. The question, then, resolves itself into this—that the Senator from Idaho and the Senator from Oregon, if it costs the American people four times as much to buy an American article as it does to buy a foreign article, are willing to tax the American people that 400 per cent. That is a perfectly consistent position——

Mr. GOODING. Mr. President, will the Senator yield?

Mr. LENROOT. No; I do not now yield. It is a very consistent position for both Senators to take, if they want to do so before the American people, that they are willing to vote in a tariff bill rates which, if put into full effect, would increase the price of an article to the American people 400 per cent, but I want to say deliberately to both Senators that that kind of tariff making does not spell prosperity for the United States of America.

Mr. STANFIELD. Mr. President, does the Senator from Wisconsin want to see American labor put out of employment and American industries closed because he objects to imposing a rate which he thinks would startle the American people and prejudice them against the principles of the Republican Party?

Mr. LENROOT. Does not the Senator think that a rate can be fixed so high that it is better for America to have the labor doing something else?

Mr. STANFIELD. Not if that rate is necessary to equalize the difference in the cost of production of the foreign article which comes in competition in the American market with the American product.

Mr. LENROOT. Then I do not know where the Senator would stop. The Senator from Idaho [Mr. GOODING] says he would stop at tea, but, if it requires 1,000 per cent to equalize the difference in the cost of production, I take it the Senator from Oregon agrees with the Senator from Idaho, and that they are both willing to tax the American people 1,000 per cent for the privilege of having an article manufactured in the United States. I am not; that is all.

Mr. STANFIELD. May I answer the Senator's question as to where I would stop?

Mr. LENROOT. Yes.

Mr. STANFIELD. I would stop when the rate is so high that it is not necessary to equalize the difference in the cost of production in this country and abroad, including labor and the other elements of cost.

Mr. LENROOT. So if it requires 5,000 per cent the Senator would vote for it.

Mr. STANFIELD. It would make no difference, because it would pay the American people to be kept employed. If American labor is out of employment the price makes no difference, because they have no purchasing power.

Mr. LENROOT. I understand the Senator's position, Mr. President. He is willing to vote for 1,000 per cent in order to make certain the production of an article in the United States.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired.

Mr. McCUMBER. Mr. President, the Senator from Wisconsin continually insists that whatever duty is placed upon these articles adds just so much to the cost to the American public. If any of the records of our commercial relations with other countries justified any such assertion, there might be some basis for his argument; but you may run over the importations and the selling prices of the imported American article for any number of years you see fit, and you will find that as a rule the foreign price is right up very close to the American price; and if the cost of production of the foreign article is not more than one-fifth of what it is in the United States, then the foreigner will make four-fifths, or 400 per cent. It pays him to do that better than to cut the price, even though in many instances he can do it, and in many instances he will do it if the conditions of trade demand it. He is not doing it to-day in the sale of scissors because he is making enormous profits.

I want to point out to the Senator just a few of these articles that come under metal manufactures.

I find here that taking scissors the foreign value is $1.41 a dozen. The same article is sold for $3.50 a dozen. That gives $1.60 profit after paying all costs of importation, and every penny of insurance and freight and duty. That gives the importer over 120 per cent profit.

Let us take the next item, scissors, steel forging. The foreign cost is $5.42 a dozen. The landing cost is 54 cents. The article is sold in this country by the importer for $15 a dozen. He makes clear, after paying all expenses, $7.42 on an article that cost him $5.42, and the Senator from Wisconsin wants to give him all that profit without charging him anything for coming into the American market.

Let us take another. Here is $2.91 for scissors of crucible steel, steel forging. That article cost $2.91. It was sold in this country for $16.66. The importer made clear $12.72 on an article which cost him $2.91. We say in this bill: "If you can manufacture scissors at that price and bring them over to the United States and sell them at a price that will give you 1,000 per cent profit, you can pay 183 per cent out of that 1,000 per cent if it becomes necessary."

So I could take most of these articles, long lists of them, and show from the importations the enormous profit that is made by the importer. The importers are not going to cut down the prices as long as they can get that profit. They are going to sell the articles very closely up to the American selling price of the comparable articles. Of course, the American is at their mercy whenever they want to take the market away from him entirely, but I do not think they have any intention of doing that. I want, however, to protect the American sufficiently so that he can take care of himself if they attempt to do so.

Mr. President, one would think from the argument of the Senator from Wisconsin that most of this bill was made up of rates that would result in extortionate duties and prices to the American people. I have asked the expert of the committee to go over all these schedules and to give us the number of items in each one of the schedules where the rate would be above 90 per cent. In the scissors schedule I will admit that

nearly all of them go above that, and in the cutlery schedule very many of them go above that.

Mr. LENROOT. Mr. President——

Mr. McCUMBER. I yield to the Senator.

Mr. LENROOT. I am sure the Senator does not wish to misquote me.

Mr. McCUMBER. I certainly do not.

Mr. LENROOT. I have never said that I thought most of the rates in this bill were extortionate.

Mr. McCUMBER. No; I did not say the Senator so stated. I stated that taking the trend of his argument, taking all of his statements together, they would rather indicate that he thought this bill imposed rates that were excessively high. On the contrary, as I have said again and again, the ad valorem rates in this bill are less than those in any Republican tariff bill that has ever been passed in the United States.

Now I want to take up the statement I have as to the number of items in each schedule above 90 per cent.

In Schedule 1, chemicals, there are nine items that run above 90 per cent ad valorem.

In the earthenware schedule there is just one item that runs above that.

In the metal schedule, in cutlery, there are quite a few items that go above that. I have not the number; maybe half of them.

Mr. JONES of Washington. Mr. President, it would be interesting in that connection, if the Senator has the information, if he would state how many items there are in each schedule.

Mr. McCUMBER. In the cutlery schedule I do not know, but I am giving the number of items. I stated that in earthenware, china, and so forth, there is just one item.

Mr. JONES of Washington. I mean it would be interesting if the Senator would contrast that one with the total number of items in the schedule, if the Senator has the total number of items.

Mr. McCUMBER. I can not do that now without going over it.

In the wood schedule there is not a single item that goes above 90 per cent.

In the sugar schedule there is one item, and that is blackstrap molasses.

In the tobacco schedule there are six items—cigars, snuff, and four other items.

In the agricultural schedule there is one item.

In the spirits schedule there are a number of wines and liquors. I do not know just how many there are, but they are wines and liquors only.

In the cotton schedule there are none.

In the fiber schedule there are none.

In the woolen schedule there are five items—three on raw wool, one on flannel, and one on roving.

In the silk schedule there are none.

In the paper and book schedule there is one item, which is playing cards.

In 14 sundries there is just one item, and whenever I get an opportunity I think I will move to reduce that, because it is slate pencils.

Mr. President, let me call attention now to some of the items under the paragraph to which the Senator's amendment relates. He says that on none of those items shall we have more than 100 per cent duty. He had complained heretofore that in some of these items we have taken only the luxuries. I have taken everything under scissors. Now, I will take these from Germany:

Cast-iron scissors, 7 inches in length: Cost, 91 cents a dozen; landing cost, 9 cents; profit, 31 cents—a profit of 33⅓ per cent. The total is $1.31. The American price, with a reasonable profit, is $3.16 a dozen. The duty required in that instance would be 203 per cent. The Senator would give 100 per cent. He might as well give none, unless he gives enough to protect.

Now we will take the cast-iron 5-inch scissors again: Cost, 62 cents a dozen; landing cost, 6 cents; profit, 21 cents; total, 89 cents. American selling price of comparable article, $2.75 a dozen, or about 25 cents per pair. The duty required would be 300 per cent. We can not manufacture them and sell them if we are to have a duty of 100 per cent, or only one-third of what is necessary for protection.

I will take the next: Bessemer steel 4-inch scissors: Cost, $1.43; landing cost, 7 cents; profits, 48 cents; total, $1.98. The American selling price of a comparable article is $6.20, and it would require 300 per cent to equalize those.

The next, crucible steel forging scissors, would cost in Germany $1.55 a dozen; landing cost, 8 cents; profits, 52 cents; total, $2.15. They sold in this country practically up to the American selling price, which is $6.90 a dozen, and it would require 307 per cent to equalize.

Now, let us take a high quality of steel scissors. The cost in Germany is $2.97; landing cost, 28 cents; profits, 99 cents; total, $4.24. The American selling price is $7.95, and on that we would require a duty of only 88 per cent. So we might continue to manufacture that particular one article of scissors, but on all the others we must either give the rate that is necessary to say that we will not allow the rate to be above a certain sum, in this instance 100 per cent, notwithstanding the fact that the importer is making from 120 to 1,000 per cent upon the products which he imports.

Mr. GOODING obtained the floor.

Mr. McLEAN. Mr. President——

The PRESIDING OFFICER (Mr. EDGE in the chair). Does the Senator from Idaho yield to the Senator from Connecticut?

Mr. GOODING. I yield.

Mr. McLEAN. I should like to ask the Senator from Wisconsin upon what article he figures the 400 per cent duty?

Mr. LENROOT. This is figured from a table prepared for me with a foreign valuation of 60 cents a dozen, with a specific rate of 20 cents each and with an ad valorem rate of 45 per cent.

Mr. McLEAN. There is no such bracket in the bill.

Mr. LENROOT. I have not compared the table with the bill.

Mr. McLEAN. That is the trouble with attacking a schedule of this bill upon information furnished by importers.

Mr. LENROOT. This was a manufacturer, as well as an importer.

Mr. McLEAN. He has made a grave mistake. There is no such item in the bill. We begin at $1.25, but not more than $3 per dozen, a 20-cent specific. The Senator would say that would be about 100 per cent.

Mr. LENROOT. What does the Senator say is the highest ad valorem in this bill?

Mr. McLEAN. The first item is on knives valued at not more than 40 cents a dozen, which means that anything which costs a cent a dozen would bear a specific duty of 2 cents each, and, of course, that will run just as high as you want to put the value under 40 cents a dozen. But when you treat the subject intelligently and realize that the rate on these cheap knives is only 2 cents each and 60 per cent ad valorem, there is nothing that should give anyone any concern. I repeat that the sale of these cheap knives, as well as the cheap razors and the cheap scissors, is an imposition on the public. They are a fraud, and there ought to be an embargo against their importation into the country. They simply displace American articles which might be of some use to the purchaser.

Mr. LENROOT. The Senator says this is not in the bill. I refer him to line 23, where it says, "valued at more than 50 cents per dozen, 20 cents each and 45 per cent ad valorem," which makes exactly what I said.

Mr. McLEAN. That is on a corn knife.

Mr. LENROOT. The Senator said it was not in the bill. It is in the bill.

Mr. McLEAN. It is there, provided you take the lower rates; but the Senator knows——

Mr. LENROOT. But the Senator just accused me of using figures which were not in the bill. The figures are in the bill, exactly as I stated them.

Mr. McLEAN. I supposed the Senator was referring to penknives. Those are corn knives.

Mr. LENROOT. I am talking about scissors.

Mr. GOODING. Mr. President, it must be remembered that in the discussion between the Senator from Wisconsin and myself we have not been considering infant industries which need protection for their development. My statement has been that I was willing to give any American industry that is a going concern, employing American labor, any rate of duty necessary to keep the wheels of that industry moving.

The Senator from Wisconsin has lately made the most remarkable statement ever made by any man who claims to be a Republican and a protectionist. He says he would not give any industry 400 per cent, if it was necessary to save the life of an American industry, which may have been established for more than a hundred years. I want to say again to the Senate and to the Senator from Wisconsin that the greatest question which confronts the American people is that of finding employment for our own people. Is the Senator willing to permit Germany, employing labor over there at practically nothing at all, one-tenth or one-twentieth of what we must pay in America, and with a freight rate lower than that for which we can ship here in America over an American railroad for a distance of 200 miles, to lay their goods down in our great markets, such

as New York and other great cities which can be reached by water transportation? If so, he is not going to permit American institutions to continue. If he takes into consideration the deplorable conditions which exist in the world at this time and is not willing to give any amount of protection that is necessary in order that we may keep our factories going, he lacks a lot of being a protectionist or believing in the great principle of protection, which has made this country the mightiest nation in all the world. How can the Senator bring in at this time, or make demand, if you please, for a provision to limit the duty to 100 per cent and not be prepared to back it up with any information showing that is all the protection the industry needs? I am unable to understand how the Senator would be willing to destroy an industry.

Mr. STANFIELD. Mr. President, would the Senator from Idaho be in favor of a duty which provided protection for a manufacturing concern to the point of becoming a monopoly, where they were taking unto themselves large and unconscionable profits; or is his idea only that they should be protected to the extent of the difference in the cost of production?

Mr. GOODING. Only to the extent of the difference in the cost of production, plus a reasonable profit. I never advocated anything else. It would be a crime for any Senator to advocate a rate higher than that necessary to equal the difference in the cost of production in this and foreign countries and a reasonable profit, and I want to say to the Senator that whenever you destroy American industries—as history for a hundred years has shown—when they have been broken down by a free-trade policy in this country, the American people have always paid higher prices for the article that institution produced, and I do not care what the article is. Over and over again history has repeated itself; when industry has been destroyed, the American people have paid for it dearly.

I am standing here advocating protection to the American manufacturer, the same as I have advocated protection to the American farmer, and if we will start in with proper protection to the American farmer, and develop those lines of industry in America which are not developed up to our own needs, we will not be forced to go to Europe with any wheat for a market. Within 10 years we will have a balanced condition on the farms, will be feeding our own people, and will be ready, if war comes, to furnish the needs of the American people in all the necessities of life.

Unless we follow a policy of that kind, this country will go backward. Unless you let us in the West develop our industries, so that we can make a market for the manufacturers, manufacturing industries can not develop in America, and the end is coming to our great development, and it is in sight, if you are going to permit American capital to go abroad and develop industries, which they are doing to-day.

I have said a lot of unkind things about the American who does that, and it is un-American, it seems to me, if you only stop and look at the needs of America to-day, and the importance of finding employment for our own people. But the man who does that is not to be damned half as much as the American Congress which permits the policy to be followed and continued in this country. We are all to blame if that is followed and continued, and not the selfish interests which are always destroying civilization if they are not curbed.

Mr. McLEAN. Mr. President, I want to apologize to the Senator from Wisconsin. I supposed he was discussing the rates under the penknife paragraph, when he stated that they exceeded 400 per cent. They do not. The rates in that paragraph are much less than the rates in the scissors paragraph, and I want to call attention to the fact that in the penknife paragraph the Payne-Aldrich rates were as high as 120 to 150 per cent.

With regard to the scissors, the Senator from Wisconsin can figure that out under this language, "Valued at more than 50 cents a dozen, 20 cents each and 60 per cent ad valorem."

Mr. LENROOT. That has been changed to 45 cents.

Mr. McLEAN. Valued at more than 45 cents a dozen. Of course, under this designation, good razors will come in. A razor lasts a man a lifetime.

Mr. LENROOT. This is not razors.

Mr. McLEAN. I beg the Senator's pardon. I mean scissors. Under this article a good quality of goods will come in. That was assumed by the committee, and I think it is a warranted assumption. The purchaser of an imported razor in this country will have to pay a duty of 20 cents each and 50 per cent ad valorem. The chairman of the committee has called attention to the enormous profits made by the importers of this article, and all I want to say, in answer to the Senator from Wisconsin, is that if I thought that his proposition would benefit the consumer, I would vote for it, but I have made a careful study of this trade and its conditions, and it has been brought to my attention by testimony that can not be disputed that large American importers of these goods are also large manufacturers abroad. When the Senator from Wisconsin says that a rate of 100 per cent is enough on any article, I disagree with him. I think it depends entirely on the nature of the competition and the control of that article. I think we agree that is true with regard to the dye industry. We know what Germany has done and will do if we do not protect ourselves against German competition in dyes, and that is because it is controlled by a German monopoly. The instant they drive the American producer out of the market, they will charge extortionate prices, and practically the same situation exists with regard to the cutlery industry. If you impose a rate of 100 per cent, you shut out competition from any other European country, you give the entire market over to the Germans, and it can not be disputed that those men who are here asking for a limitation of 100 per cent will be benefited by it. These importers are not afraid of this 100 per cent duty. If it is not protective, it is merely a sales tax, and they will still make large profits.

Mr. LENROOT. I want to say that no importer has suggested to me a rate of 100 per cent. That is not what the importers asked for.

Mr. McLEAN. I think they will be greatly pleased, because under the prices quoted, I am afraid these rates will not interfere very seriously with their importations. Of course, if they control the market, and drive the American producer out of the market, they will do precisely what they have done, charge anywhere from 200 to 1,000 and 2,000 per cent profit.

My request for reasonable protection for this industry is simply based upon the fact that I believe it will be for the benefit of the American users of scissors and razors in the long run to conserve domestic competition in those articles. I voted against the 75 per cent maximum on gloves. I believed that industry should have reasonable protection. If the 75 per cent is not sufficient, all you have done is to impose a sales tax upon the consumers of this country.

You turn the industry over to the French or the German competitor, and if there is no competition here, he will charge all the trade will bear, and it seems to me that every Member of the Senate ought to realize that.

It depends entirely upon the character of the industry and the nature of its control whether 100 per cent or more than 100 per cent is justified or not, and you have a confessed monopoly in this article which is not only selling the goods here, but manufacturing them in Germany, which, as I have said, has destroyed the domestic industry which is trying to keep its organizations together with the hope that the Congress will give it a chance to live, and if we do not do it the thousands of men engaged in this industry must walk the streets, we will turn the industry over to Germany, and the consumer will be at the mercy of the German monopolists, and you can imagine what will happen under those circumstances.

Mr. JONES of New Mexico. Mr. President, the paragraph which we are now considering includes a great variety of articles such as steel-laid scissors and shears and blades for the same, finished or unfinished, 10 cents each, and 55 per cent ad valorem; nail, barbers', and animal clippers, pruning and sheep shears, and all other scissors and shears, and blades for the same, finished or unfinished, valued at not more than 50 cents per dozen, 4 cents each, and 60 per cent ad valorem; valued at more than 50 cents per dozen, 20 cents each, and 50 per cent ad valorem.

It will be realized at once what a great variety of articles are comprehended in the paragraph. If any Senator believes as the Senator from Connecticut [Mr. McLEAN] and as the Senator from Idaho [Mr. GOODING] of course he can not vote for any limitation upon the duty. The Senator from Connecticut rather indicated his unwillingness to be put into the same class with the Senator from Idaho, but I submit that the argument which he has just made puts him in that very class. He tells us that it does not make any difference how much the duty should be except that it shall be sufficient for the protection of some American enterprise.

Mr. McLEAN. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator from Connecticut.

Mr. McLEAN. Certainly I stated my position clearly and I think the Senator understood me. I said I would vote for a higher rate if it was to prevent extortion by the foreign monopoly.

Mr. JONES of New Mexico. Yes, with that limitation; but I do not see that that is what is being done. I do not know of any foreign monopoly in the scissors, shears, and other articles comprehended in the paragraph. There is no evidence of it.

On the other hand, the evidence is that the articles are manufactured in this country and that the duties proposed to be put upon them are more than 100 per cent of the American price.

I have here some samples. Perhaps the ladies are all acquainted with the little kindergarten shears with blunt ends used by little children to cut articles of paper or something of that sort. These little shears, manufactured in the United States, prior to the war were sold for 2.25 cents each, or $3.25 a gross, and were exported to the rest of the world. Since the war the American price is 5.4 cents each, or $7.80 a gross. The duty proposed to be put upon these is 4 cents each and 45 per cent ad valorem, which, on the basis of the present selling price, amounts to 134 per cent, and if we take it upon the basis of the pre-war price it amounts to 204 per cent. These shears are being manufactured in this country and shipped all over the world, and that is being done now. So how can anyone ask a specific duty of 4 cents each and 45 per cent ad valorem?

Here [exhibiting] is another pair of scissors. These scissors sell at 7.5 cents each wholesale. The duty is 20 cents each and 50 per cent ad valorem. These scissors are made in the United States by machinery. There is no concern on earth that can make them any cheaper than they are made in the United States, and yet it is proposed to put a duty upon them of 316 per cent. If that is not for the purpose of making the American consumer pay more for them, what is the purpose? If it is not the purpose to raise the price, why is it proposed to levy these extortionate duties? If it does not have that effect, then the duty is not wanted. If it does have that effect the duty is not wanted unless it is believed, as is believed by the Senator from Idaho, that wherever we can make anything in this country at any price we ought to raise the duty so high that the foreign article can not enter the American market.

I submit that this is the time when we should weed out these hothouse plants. We must find a market abroad for some of the surplus products of the country. We can produce in the United States in competition with the world thousands and thousands of articles. We produce a surplus which must find a market abroad. If there are any hothouse plants, if there are ever produced in this country those things not essential to our existence and not essential to our comfort, for God's sake let us buy something from abroad and get that something in exchange for the things that we must send abroad. Our surplus agricultural products, our surplus manufactured products, must go abroad if we are to continue our prosperity or if we are to continue to increase the business interests of the country. How are the manufacturers in need where our capacity has so grown that they must find a market abroad for their surplus?

It seems to me that the manufacturers of the country who are engaged in producing things which must be exported should rise and condemn the bill, and I want to say that they are doing it. The farmers of the country realize that the factories of the United States, which must furnish employment to wage earners and consumers of agricultural products, are going to be shut down. Their business is going to be curtailed at least. They must stop producing a surplus of field products and other products which must find a market abroad.

Mr. FLETCHER. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator from Florida.

Mr. FLETCHER. The manufacturers of the articles about which the Senator has been speaking are old established industries, are they not? They are not infant industries, not newly developed and needing help in order to get on their feet?

Mr. JONES of New Mexico. They have been producing these articles for years and years.

Here [exhibiting] is another pair of shears that sells for 12 cents a pair. We are putting a duty on these of 20 cents each and 45 per cent ad valorem. Mr. President, that can not be justified.

There have been included in this paragraph sheep shears, which have heretofore been upon the free list as agricultural implements. They are included in the paragraph. When I was condemning the recommendation of the Finance Committee the Senator from Connecticut [Mr. McLEAN] retorted with the statement that they were putting a tariff upon wool, and that the woolgrower ought to give something to the American manufacturer of shears. That is what they are doing. They are selling to the farmers of the country these gold bricks. They are simply building up a tariff upon agricultural products, and in the same bill turning around and taking from him any advantage which the farmer might otherwise have by raising the rates to an enormous extent upon everything which the farmer must buy, and they do it, as the Senator from Connecticut said, because he thought inasmuch as the farmers were getting something they ought to give some of it to the manufacturers.

Mr. McLEAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Connecticut?

Mr. JONES of New Mexico. I yield.

Mr. McLEAN. The Senator from New Mexico voted for a 129 per cent ad valorem duty on coarse wool, which goes into the clothing that the poor man wears. I should like to have him comment upon that. Clothing is something everybody must have. Razors last a long time and so do scissors; so do penknives. Clothes wear out rapidly. I wonder how the Senator can justify the rate on coarse wool, about as high as the rate on the articles under consideration, in which the labor cost runs from 80 to 90 per cent.

Mr. JONES of New Mexico. Mr. President, I do not care to be diverted from the topic which we have under discussion.

Mr. McLEAN. No; I am not surprised that the Senator does not care to answer.

Mr. JONES of New Mexico. But just a word in response to what the Senator said. The Senator knows that we produce in this country but little of the wool on which that rate would be imposed. The Senator knows also that the specific duty which is levied upon anything operates in the way that he has said. Upon scissors, the specific duty of 20 cents on scissors that sell for 60 cents a dozen is 400 per cent. That is the mere fault of levying a specific duty.

Mr. McLEAN. But the duty on wool is a specific duty.

Mr. JONES of New Mexico. I understand that it is, and notwithstanding that I say that any specific duty, where there is variation in price, is unequal. It is bound to operate in that way.

Mr. McLEAN. And the Senator voted for a tariff on an article that is used by every human being in the country.

Mr. JONES of New Mexico. It does not make any difference what the article is, that is the effect of a specific duty. The Finance Committee in the pending bill have undertaken, wherever they could, to impose specific duties for the purpose, in my judgment, of increasing the percentage of duty without showing it in exact figures.

The PRESIDING OFFICER. The time of the Senator from New Mexico has expired.

Mr. McLEAN. The Senator from Wisconsin offered an amendment limiting the rate on wool to 60 per cent ad valorem, thus avoiding the trouble about which the Senator is complaining involving a specific duty, and the Senator from New Mexico voted against that amendment.

The PRESIDING OFFICER. The question is upon the amendment offered by the Senator from Wisconsin [Mr. LENROOT], which is an amendment to a committee amendment heretofore agreed to. Without objection, the vote by which the committee amendment was agreed to is reconsidered, and the question is upon the amendment offered by the Senator from Wisconsin to the amendment of the committee.

Mr. LENROOT. On that I demand the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

The PRESIDING OFFICER (when the name of Mr. EDGE was called). The present occupant of the chair desires to make the same announcement which he heretofore made in reference to his pair and its transfer, and he votes "nay."

Mr. HARRISON (when his name was called). Transferring my pair with the Senator from West Virginia [Mr. ELKINS] to the senior Senator from Texas [Mr. CULBERSON], I vote "yea."

Mr. McCUMBER (when his name was called). Transferring my pair as on the original vote, I vote "nay."

Mr. POMERENE (when his name was called). Again announcing my pair with my colleague, the junior Senator from Ohio [Mr. WILLIS], I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. DILLINGHAM. I transfer my pair with the junior Senator from Virginia [Mr. GLASS] to the junior Senator from Arizona [Mr. CAMERON] and vote "nay."

Mr. HALE. Making the same announcement as before in relation to my pair and its transfer, I vote "nay."

Mr. WALSH of Montana. I transfer my pair with the Senator from New Jersey [Mr. FRELINGHUYSEN] to the Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. CURTIS. I desire to announce the following pairs:

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON];

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from Missouri [Mr. SPENCER] with the Senator from Georgia [Mr. HARRIS]; and

The Senator from Michigan [Mr. TOWNSEND] with the senior Senator from Wisconsin [Mr. LA FOLLETTE].

The reading clerk recapitulated the vote.

Mr. UNDERWOOD (after having voted in the affirmative). I notice from the recapitulation of the vote that the senior Senator from Massachusetts [Mr. LODGE] has not voted. I have a general pair with him, which I transfer to the senior Senator from Arizona [Mr. ASHURST] and let my vote stand.

The result was announced—yeas 29, nays 33, as follows:

YEAS—29.

Borah	Kellogg	Reed, Mo.	Trammell
Capper	Kendrick	Robinson	Underwood
Cummins	Lenroot	Sheppard	Wadsworth
Dial	McCormick	Simmons	Walsh, Mass.
Fletcher	McKellar	Smith	Walsh, Mont.
Harrison	Overman	Stanley	
Heflin	Pomerene	Sterling	
Jones, N. Mex.	Ransdell	Swanson	

NAYS—33.

Ball	Edge	McNary	Reed, Pa.
Brandegee	Ernst	Moses	Shortridge
Broussard	France	New	Stanfield
Bursum	Gooding	Newberry	Sutherland
Calder	Hale	Nicholson	Warren
Colt	Jones, Wash.	Oddie	Watson, Ind.
Curtis	Keyes	Pepper	
Dillingham	McCumber	Phipps	
du Pont	McLean	Rawson	

NOT VOTING—34.

Ashurst	Harreld	Myers	Smoot
Cameron	Harris	Nelson	Spencer
Caraway	Hitchcock	Norbeck	Townsend
Culberson	Johnson	Norris	Watson, Ga.
Elkins	King	Owen	Weller
Fernald	Ladd	Page	Williams
Frelinghuysen	La Follette	Pittman	Willis
Gerry	Lodge	Poindexter	
Glass	McKinley	Shields	

So Mr. LENROOT's amendment to the committee amendment was rejected.

The PRESIDENT pro tempore. The question now is upon agreeing to the amendment of the Committee on Finance.

The amendment was agreed to.

Mr. LENROOT. Mr. President, I have one more amendment, which I now send to the desk.

The PRESIDENT pro tempore. The amendment proposed by the Senator from Wisconsin will be stated.

The READING CLERK. On page 73, at the end of paragraph 354, it is proposed to insert the following:

Provided further, That none of the articles specified in this paragraph shall pay a greater rate of duty than 100 per cent ad valorem.

Mr. LENROOT. Mr. President, I am not going to take the time of the Senate in debating this proposition, for it is certain to meet the same fate as that met by the two previous amendments. I merely wish to state that under the rates as they now stand in the paragraph to which the amendment is proposed the equivalent ad valorems run from 108 per cent to 300 per cent, while my amendment, if agreed to, will limit the rate to a maximum ad valorem of 100 per cent. I ask for the yeas and nays on the amendment.

Mr. UNDERWOOD. Mr. President, I wish to say a word before the vote is taken on the amendment. I have listened with much interest to the debate this morning and have watched with deep interest the result of the votes. It is clear to my mind that the developments this morning have clearly demonstrated the real purpose of this bill. Of course, there are a few low rates in the bill; there are a few competitive rates in it, especially on some basic products that the manufacturer wishes to use as a raw material; but the bill is not a revenue bill; it is not a protective-tariff bill in the sense that protection is explained by the platforms of the Republican Party, that is, to equalize the difference in the cost of production at home and abroad. It is a bill that has essentially been written and which will be enacted for the purpose of the protection of profits—not ordinary profits, but exorbitant profits.

The sentiment in favor of protecting profits is nothing new in this country. I think it has followed every war in which the country has ever engaged. The real origin of a protective tariff as a protective tariff came after the War of 1812, during which the manufacturers of iron and steel and some other commodities—but especially the manufacturers of iron and steel—had been enabled to make enormous profits. Of course, the industry at that time was small, but the profits were great. Due to the fact that the War of 1812 was largely a war on the seas and that the privateers of both nations had driven shipping from the seas and there were no importations from abroad, the American manufacturer sat behind the embargo which had been created by war and made enormous profits. When the war was over, his selfishness induced him to desire the right to have a law enacted that would guarantee the continuation of the collecting of those profits from the American people. So one may trace the history of every war during which our foreign commerce was affected, and he will find that immediately afterwards the manufacturers of this country, who had made enormous profits, who had in many cases increased their capitalization not on their actual assets but on the capacity of their companies to pay dividends, capitalizing the dividends and the inordinate profits of war conditions, desired to have those profits guaranteed by enactment of Congress. The votes which have been cast here this morning clearly demonstrate that that is the purpose of the pending bill.

The Senator from Wisconsin [Mr. LENROOT] proposed a very reasonable reduction in the rates of duty on household cutlery. I say it was a reasonable downward cut; it would still have left the rates so high that, as an initial proposition, I would not have voted for it; but as a reduction from the very high rates which have been fixed in the bill I was glad to accept it rather than to force on the people of the United States the rates that have been put in the bill in order to protect war profits. It was pointed out in debate that in many instances the tax exceeded the cost of the article on which the tax was levied. It was pointed out here that in the case of an ordinary kitchen knife that is used in the ordinary kitchen of America the wholesale cost of the knife was only about 6½ cents in the wholesale trade, and that is the basis on which the tax is levied, and yet the committee levied a tax of 10 cents on the knife and an additional tax of 45 per cent ad valorem, making the tax on the knife that was valued at 6 cents, and sold in the wholesale trade at 6 cents, over 13 cents per knife. That was only one instance. There were innumerable instances of the same kind in the particular schedule that is now under consideration, and the same thing applies to almost all of the finished products in this bill.

Mr. STANFIELD. Mr. President, will the Senator yield?

Mr. UNDERWOOD. Certainly.

Mr. STANFIELD. Do these rates more than equalize the difference in price at home and abroad, according to the principle that has been enunciated as the proper basis of a protective tariff?

Mr. UNDERWOOD. Any man who has enough gray matter to find his way around this Capitol must know that when the cost of a knife is only 6 cents, and the protection is 13 cents, it must exceed the difference in cost of production.

Mr. STANFIELD. Did I understand the Senator to say that the knife cost only 6 cents to produce here?

Mr. UNDERWOOD. That was the selling price of the knife. It was not the cost. I made a mistake in that respect. The selling price of the knife in the wholesale and foreign trade, where it went into competition in the world market, was 6 cents.

Mr. STANFIELD. Was that the American manufacturer's price?

Mr. UNDERWOOD. The American price of this knife that went into the foreign markets and competed in the world's markets was 6 cents.

Mr. STANFIELD. May not that have been the surplus production of factories for which they could not find a market at home?

Mr. UNDERWOOD. No; this was the general wholesale price. It was not a dumping proposition. It was the market price as given by the schedules of these companies, not only for the retail market at home but the wholesale price in foreign consumption; and yet the committee sees fit to put on that knife a tax that equals more than 13 cents. When a knife is being sold at that price in the wholesale trade in the markets of the world, of course with the manufacturer's profit added, I can not see how any man who does not want to blind his eyes and say he will not see can contend for one minute that when you put a tax of 13 cents and 45 per cent ad valorem on a similar knife coming into the United States it does not far exceed the difference in cost at home and abroad.

Mr. STANFIELD. Will the Senator help me to get this clear in my mind by answering another question?

Mr. UNDERWOOD. I do not want the Senator to take up too much of my time, because I am limited, and I am only starting.

Mr. STANFIELD. No; but the Senator is always reasonable, and I am asking for information.

Mr. UNDERWOOD. I shall be glad to answer the question if the Senator will make it brief.

Mr. STANFIELD. It is this: Is it the Senator's statement that 6 cents is the wholesale price with a profit to the American manufacturer, and then that the committee places a duty of 13 cents on the knife on which he was making a profit even in selling it at 6 cents? Is that the statement?

Mr. UNDERWOOD. He sold the knife in the foreign market in competition with the world's trade at 6 cents and made a profit.

Mr. STANFIELD. Was that yielding him a profit?

Mr. UNDERWOOD. Yes; that was yielding him his profit. I assume that he was not giving away his product, and that he was making his profit out of that.

Mr. LENROOT. He sold it in the domestic market at that price?

Mr. UNDERWOOD. Yes; he sold it in the domestic market, too. That was his wholesale price.

Mr. STANFIELD. That is not conclusive evidence that it was yielding him a profit. Oftentimes I have seen things sell for only a small percentage of their cost.

Mr. UNDERWOOD. But the testimony here was that this was the general trade price. A manufacturer may dump his product sometimes, but in this case there was no contest about the fact that the general trade price was 6 cents; and the Senator knows that when people manufacture goods and sell them in the general run of their business they are not selling them at a loss.

Mr. STANFIELD. I beg to differ with the Senator there. I have seen many industries in the past year, under this free trade that we have experienced, selling their product at a fraction of what it cost them to produce. I know that from personal experience, for I have done it myself. I have sold my produce for 15 and 20 per cent of what it cost me.

Mr. UNDERWOOD. Of course, if the Senator wants to theorize about some broken person, some broken company that is going out of business, he can do so; but that was not the condition that confronted this article, and nobody here challenged the proposition that the price given was the ordinary, general, wholesale price of the article, both in the domestic market and in foreign trade; and yet, on an article that was selling for 6 cents, this bill places a tax of over 13 cents.

Mr. STANFIELD. Mr. President——

The PRESIDENT pro tempore. Does the Senator yield further?

Mr. UNDERWOOD. I want to finish what I have to say, Mr. President.

That is not the only proposition. It is unreasonable to assume as to any manufactured product that the difference in the cost of that product here and abroad is more than 100 per cent. You might pick out some curiosity and prove that point, but every man who knows a thing about business conditions knows that in the ordinary run of trade 100 per cent is more complete protection than the difference in the cost of production at home and abroad. That is the Republican theory of protection, as they announce it in their platforms and on the stump through their speakers. The Senator from Wisconsin has just offered an amendment to limit these rates to 100 per cent, which is an exorbitant rate in itself, and yet those in favor of this bill have defeated that amendment.

Mr. President, with these votes in view and this demonstration here to-day, can any man in the country be fooled about what the purpose of this bill is—that it is not a bill that originated in a desire to protect the difference in cost at home and abroad, but that it is a bill to protect profits, to continue the war profits of certain manufacturers in the United States into the time of peace, and make the consuming masses of the American people pay the price?

One of the leaders on the other side of the Chamber this morning, an official representative of a large number of the majority party in this Chamber because he has been selected as the chairman to represent a certain bloc of votes in this Chamber, and everybody knows that he stayed with the Finance Committee through its deliberations in preparing this bill, although not a member of the committee, and has continually taken an active part in the preparation of this bill——

Mr. GOODING. Mr. President——

Mr. UNDERWOOD. Just one minute—that Senator announced this morning that if it was necessary in order to keep out of the American market foreign goods competing with these factories he would favor a tariff that would be as high as 1,000 per cent, and then, before taking his seat, he said yes, he would vote for a tariff under these conditions of 2,000 per cent.

The PRESIDENT pro tempore. The time of the Senator from Alabama has expired.

Mr. McCUMBER. Mr. President, I believe that under our rules we are required, if acting in good faith, to speak to the amendment, under the unanimous-consent agreement. The Senator who has just spoken has abandoned that practice, it seems to me, to some extent; but I will hang close to the subject, and I will show to the satisfaction of the Senator from Alabama that he himself stands for a policy that will protect enormous profits, and I will show it so conclusively that every Senator will understand that my statement is based upon mathematical calculations that no one can deny.

The Senator says, in substance, that it is impossible that an article should cost 100 per cent more in this country than it costs abroad. Let me take one article. Suppose here is a pair of scissors the material of which costs in Germany 50 cents in American money. The labor costs 50 cents. That is a dollar. The American labor averages eight times the German labor, but I will take six times. Six times 50 cents is $3. Therefore, if the raw material costs exactly the same, you will find that the labor alone will increase the cost 300 per cent; and that is true of almost everything in the knife and the cutlery and the scissors schedule. It does cost enormously more here. The material costs probably about the same. The labor costs from five to ten times as much, and if we should cut the cost of American labor in two we still could not compete with them.

Now let me see whether my first statement is true, that the Senator desires to uphold enormous profits. Let us look at the importers' profits for a minute. I do not know whether the American manufacturer, as a rule, is making good profits or not. I do not believe he is when his output is cut from one-half to one-third of the original output, because if he were making these big profits that the importers are making, why on earth does he not keep his mills and factories in full operation? The very fact that he does not is evidence that it is not profitable to do so.

I will take just a few of these. The first is a pocketknife from Germany, which cost $5.23 a dozen. The landing charge is 52 cents. The present duty is 55 per cent. Calculating 55 per cent on $5.23, you have $2.87. The profit is $7.38 on an article that cost $5.23, or about 150 per cent. The Senator from Alabama says let the importer maintain those profits. Do not raise the duty and compel him to share a little of those profits with the Government, which is maintaining a higher standard of living.

Let us take the next, which cost $4.48 a dozen. The duty is 55 per cent, or $2.46. The importer sells the article in this country for $13.75, and he makes a clear profit, above duty and everything, of $6.37 on an article which cost him $4.48, or about 150 per cent.

I do not know what the retail prices are. I got only the wholesale prices. They probably sell at retail for two to four times as much.

The next one is a pocketknife with a stag handle, costing $5.02 a dozen. They pay 55 per cent duty, or $2.76, and the importer sells them for $15.72 a dozen, making a clear net profit of $7.44 on an original investment of $5.02.

Take another pocketknife, costing $2.30 a dozen. The importer sells those for $7.50 a dozen, and after paying the tariff and everything, he makes a clear profit of $3.71 a dozen.

Here is one that costs a little more, $9.28 a dozen. The importer pays a duty of 55 per cent, which would be $5.10, and then he sells them for $26.75 a dozen and makes $11.45 a dozen clear.

We say that he can pay a little part of this additional profit between 55 per cent and 103 per cent, say, and still be making 75 to 80 or 90 per cent profit. The Senator's proposition is to maintain the mighty profits for the importers, but he is against the American producer having anything like a decent profit. Let us take another one.

Mr. McLEAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Connecticut?

Mr. McCUMBER. I yield.

Mr. McLEAN. I would like to insert figures showing just what the American manufacturers of pocketknives have made in the last few years. The Senator from Alabama has insisted that they are selling these knives at a profit in competition with foreign manufacturers.

There are 25 factories in this country, located in New York, Connecticut, Pennsylvania, Ohio, and New Jersey. Those 25 factories have a total investment of about $7,000,000 or $8,000,000, and they reported in 1921 an aggregate operating loss for the year of $664,000. The sales dropped from $11,200,000 in 1920 to $3,800,000 in 1921.

Mr. McCUMBER. Mr. President, I do not want to tire the Senate with a long list of figures, so I will take just one more illustration, and that, again, is pocketknives. Here are some [exhibiting] which are purchased for $4.14 a dozen. The duty is 55 per cent under the present law. That makes $2.28 duty. After paying all costs and duties, those knives are sold for $12 per dozen, with a net profit of $5.40 on an article which costs $4.14 a dozen, or about 159 per cent.

You can take all these articles—pocketknives, penknives, scissors, and articles of that character—and you will find the enormous profits which are being reaped to-day by the importer; and yet the Senator from Alabama says that is all right; let him have the profits, even though he takes away half of the business of the American producer.

I say no; if he holds his prices so close to the American prices that he can afford to double and treble his money on every dozen knives he imports, then for heaven's sake let him pay a little for the maintenance of a government which maintains a standard of living so immeasurably higher than the standards of living in the foreign countries. That is fair, and that is what, to a certain extent, we are trying to do by this bill.

Mr. GOODING. Mr. President, I merely want to answer the remark of the senior Senator from Alabama about my helping to frame the tariff bill we are now discussing. I wish to say to the Senator that I had nothing to do with the framing of this bill. I appeared before the committee, as did every other Senator who cared to appear before the committee, and advocated certain rates, but not until representatives of national agricultural organizations appeared before the committee first and presented their case. I followed them up, whenever I could, with additional evidence, of course, but I had nothing to do with framing the bill.

Mr. UNDERWOOD. Of course, I knew the Senator was not a member of the committee and did not participate in the actual framing of the bill. I may have been mistaken, but I have been advised, and so understood, that the Senator was constantly with the committee, advising with them as to what the rates of duty should be.

Mr. GOODING. That is a mistake; it is not true.

Mr. UNDERWOOD. The Senator has not advised with them except when he testified before the committee?

Mr. GOODING. There have been a great many things said about the bill. It has been charged that it was framed behind closed doors, conceived in corruption, and a great many other things which are not true.

I know the doors were never closed when I went to the committee. I know there were experts there who represented very largely the Democratic Party, and experts who represented the Republican Party, because you can find them of all characters and shades, as far as protection and free trade are concerned, in the employment of the Tariff Commission to-day. If there was ever a meeting held by the committee in framing the bill when experts were not there I never heard of it. If the doors were ever locked or closed once, if there were any side meetings, I never heard of it. I do not believe there were.

I doubt whether a bill was ever framed and discussed with more seriousness and consideration than the pending bill. I never saw men work harder in my life, and I have been a worker and a doer and a builder all my life. I believe the men who framed this bill were conscientious and honest in everything they did, and that they are trying to act in that way now. There is not any doubt about that in my mind.

It ill becomes the great Senator from Alabama to cast any reflection upon them, because I say they followed exactly the same procedure that the Senator from Alabama followed himself as chairman of the Ways and Means Committee over in the House, that much and nothing more.

Mr. UNDERWOOD. Oh, no; the Senator must not put me in a wrong light.

Mr. GOODING. I would not do that.

Mr. UNDERWOOD. I am sure the Senator says that because he does not know the facts. When the present law was written in the Ways and Means Committee, all the hearings were open, and it was not until the hearings were closed for everybody that the bill was written. Hearings were not open for anybody in the Ways and Means Committee after they were closed.

Mr. SMOOT. We had open hearings on this bill, and we followed just exactly that course.

Mr. UNDERWOOD. Except that I think after you closed your open hearings you had hearings where only a part of the committee was present. When I refer to having had open hearings when the present law was written, I mean that the Republican members of the committee sat at all the hearings when evidence was taken until the evidence was all in, and then there were no more hearings.

Mr. SMOOT. That was the case with this bill. All the evidence is printed here.

Mr. UNDERWOOD. I know it was all printed, but I will ask the Senator if the Republican members of the committee did not allow experts and other witnesses to come before them and explain the bill and their desires, after the Democratic end of the committee were excluded?

Mr. SMOOT. Just the same as has always been the practice in the past in the Senate.

Mr. UNDERWOOD. That may have been the practice in the Senate, but I wanted the Senator from Idaho to know that that was not the practice with the committee I presided over at the other end of the Capitol.

Mr. SMOOT. It has been the practice in the Senate ever since I have been here, and I have been here in the making of three tariff bills. Not only that, but I want to say to the Senator that whenever a Representative or a Senator asked to be heard, he was heard by the committee. It is true we had the experts from the Tariff Commission there all the time whenever any particular schedule was under consideration.

Mr. GOODING. Mr. President, of course I would not do the great Senator from Alabama an injustice. I am one of the new Senators. But according to my understanding it has always been the custom for Senators to appear and take witnesses before the committee, even after the general hearings are over. I may be mistaken about that. That has been done in this case.

Mr. UNDERWOOD. I did not say what the practice of the Senate was. The Senator referred to my action in the House. I say that did not occur when I was chairman of the Ways and Means Committee, and it was not the practice in the House. My Republican predecessors did not pursue that course.

Mr. GOODING. Of course I will have to accept that. But I do know that the meetings of the Finance Committee were always open, that these experts were there, and I have reason to believe that some of the Democrats on the other side were generally advised of what took place all the time. There was nothing wrong about that. The public was advised almost daily of everything that transpired before the committee.

I want to say to the Senator from Alabama that the rates you gave to the manufacturers in the Underwood-Simmons bill, based on foreign valuation before the Great War and when the mark was worth 23 and a fraction cents in gold, were immensely higher than the rates in this bill, when the mark is worth only one-seventh of 1 cent. A dollar's worth of gold buys of German labor ten times as much to-day as it did when the Underwood-Simmons bill was passed. The American manufacturer, in my judgment, had rates of anywhere from 200 to 500 per cent on some of the imports from Germany, where you gave them as high a duty as 60 per cent, and a great many duties ran from 35 to 40.

I wish Senators could take into consideration the condition of the world as a result of the Great War and how dangerous a bankrupt country or a bankrupt institution of any kind is as a competitor in business. Show me a bankrupt store in a town which sells out and I will show you how it demoralizes conditions. Some of the European countries are nearly bankrupt to-day, and that is why I am standing here pleading for a duty which will protect the American manufacturer.

Again I want to say, and I hope Senators on the other side will not put me in the wrong light, that if we had the American valuation and the duties as high as they are now, I would say they were too high, but I want to be understood as saying that with the foreign valuation they are not high enough, and Senators will see it and understand it before the winter is over.

Mr. UNDERWOOD. Mr. President, after listening to the remarks of the chairman of the committee I wish to offer an amendment. I move to strike out "100 per cent" in the amendment proposed by the Senator from Wisconsin and insert "55 per cent," and on that I wish to say just a few words.

I have listened to the reply of the Senator from North Dakota, the chairman of the committee, reacting on the proposition that 100 per cent was not high enough to protect American industry and contending that I favored a higher percentage because certain importers, he contended, were receiving more than 100 per cent profit on the goods they imported. Of course, I had nothing to do with fixing the price on the importers' goods and had no knowledge of their profits until I heard the assertion by the Senator from North Dakota.

But, Mr. President, I am satisfied in my own mind that the Senator from North Dakota was as far wrong about that asser-

tion as to their profits as he was about the profits of the retail stores in New York when he exhibited his cuckoo clock here some months ago, which was shown to be entirely an error on his part, because it was shown that the cost of selling had not been accounted for. I am satisfied, although I have not any information, that if we examined the figures which the Senator from North Dakota gave us as to the profits of the importer in this case, it would be found that he had not included in those figures the amount that it cost the importer to advertise, sell, and distribute his goods in the United States; that he had only counted the difference in the import price with the tariff added; and that the cost of selling and distribution is not included.

But that is not the thing which amazes me in the statement of the Senator. He said that I advocate the keeping up of the importers' prices by lowering the tariff. Why, Mr. President, the Senator from North Dakota seems to have lost sight entirely of the fundamental proposition in which we are engaged. We are engaged in the consideration of a bill to raise revenue for the Government of the United States, but that is lost sight of entirely in the effort of the committee to fix prices, high prices, excessive prices, for the American manufacturer and producer. We have nothing to do with the importers' profits. We are not passing a law to fix their profits. If they made a high profit out of selling their goods here they made it because the American producer was maintaining high prices in the American market and did not drive the prices down to the point where the high profits would be avoided.

I say that advisedly. I know the Senator may respond, "Oh, but the American producer could not have reduced the price more, because the cost of production prevented him from reducing the price more, and he could not meet this competition." But that is not reasonable. You can not ask a reasonable man to believe that in the face of the fact that the importer has not taken entire possession of the American market. Suppose you and I, Mr. President, were engaged in a business and were importers and found we had a profit of four dollars and some cents a case on a certain class of cutlery; that there was a clean, unobstructed profit of $4 for us if we brought them into the great American market that consumed them; that the original cost was not much greater than that; that on that profit the Senator asserts we are making over 100 per cent, assuming that we were the importers. Does anybody doubt for a minute that the importer would have taken absolute possession of the American market?

That is not the true situation. The imports were not excessive in these lines until within the last few months. Within the last year the Republican Party have been proclaiming to the world, both in the House and in the Senate, that they proposed to enact a tariff law that would carry practically prohibitive rates on cutlery. The bill passed the House a year ago, if I recollect right, and it has been staring the world in the face that these high rates were going to be enacted into law. The Senate has continued advertising to the world that the rates were going to be raised and the door closed against importations. Of course, they invited every man who wanted to sell goods in the American market to get his goods in before the door was closed by the high rates, and after inviting, by the delays in the legislation, these excessive importations then the Senator proposes to turn around and ask us to take his own manufactured proof, manufactured by reason of his high tariff taxes which he told the world he was going to levy, and his delay in enacting the bill into law, which brought about these importations and invited them.

I really have a high authority for that statement, because it is only a few weeks ago that I heard the Senator himself, when some one called to the attention of the Senate the large amount of imports that were coming in and the revenue being obtained under the present law, react on the statement by saying that the importers were rushing the goods in to get them here before the bill was enacted into law, and that accounted for the increased revenue. So I have the Senator from North Dakota himself as my authority for the statement that the condition produced increased imports.

But I object to the Senator placing before the Senate as an exhibit the evidence which is a result of the fact that he has delayed the bill. I am not charging the Senator from North Dakota particularly, but his party has delayed the enactment of the bill into a law since the 4th day of March a year ago, and at the same time has held out to the world that the high rates were going to be enacted into law. I am perfectly satisfied that under normal conditions excessive importations would not come in now from Germany any more than they came in before.

I am tired of listening to ad captandum statements of the cost of labor in Germany measured in the German mark. We know that conditions are temporarily chaotic in Germany. We know that labor must receive a living wage. We know that questions of that kind adjust themselves. We know that the cost of production has increased in Germany, although wages may have decreased relatively but not actually to some extent, that raw material has been more difficult to get and taxes and other costs of production have been pyramiding ever since the war.

Mr. President, when an industry which has lived and existed under a 55 per cent tariff duty comes to the Congress and then refuses to say that it is willing to accept a limitation on the tax of 100 per cent, it is a self-evident fact that the only purpose of levying the tax is to protect inordinate profits. Although the Senator from North Dakota may not ever acknowledge it—of necessity he must deny it—I say to him that he can never convince the people, who will have to pay the increased prices for their clothes, their cutlery, their food, and all that goes to make up the cost of living in America, that he and his party are not responsible for the increased costs which will follow the enactment of the bill into law.

Mr. NEW. Mr. President, like the Senator from Alabama, I have listened with very great interest to the debate of this morning, particularly that part of it which has taken place with reference to the item now under consideration. I am particularly impressed by the significance of the figures that were given by the Senator from Connecticut [Mr. McLEAN] and which, while they have once appeared in the RECORD, I think should again appear in connection with this discussion for the better understanding of Senators who are about to vote on this amendment.

I would like at this time to call attention specifically to this one statement:

> The industry—cutlery—as a whole during the year 1921 operated on a basis of not more than one-third of production capacity. Of the 27 factories above enumerated, all but two had been engaged in the manufacture of pocketknives for a considerable period prior to the outbreak of the war. These 25 factories have a total investment of $7,560,000 and report an aggregate operating loss for the year of $664,338. Sales dropped from $11,200,000 in 1920 to $3,800,000 in 1921. No factory in the industry reported a profit for the year.

Mr. President, I think that statement is full of meat and furnishes food for much thought in voting on the particular item now under consideration.

I also in this connection ask to have reprinted as a part of my remarks a portion of the debate—only two paragraphs long—found on page 9167 of the RECORD of June 8, 1922, in which the Senator from Connecticut has given additional figures.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

> The importations of pocketknives during the month of March, 1922, were 100,256 dozen, an increase of imports over March, 1921, of 56,000 dozen. For the nine months ending March 31, 1922, the importations of pocketknives were 644,000 dozen, an increase over the corresponding period of the year before of 326,937 dozen, or 103 per cent.
>
> * * * * * * *
>
> I will give the value. I call the attention of the Senator from New Mexico to this, that, figured at the March rate of importations, the annual imports would total 1,203,000 dozen, or more than twice the total sales of American pocketknives during the year 1921. When we come to the more recent importations, we find that in April of this year there were imported 123,000 dozen, an increase of 25 per cent over the March imports.

Mr. NEW. Mr. President, this whole debate has recalled to my mind a debate which I heard years ago, the points involved in which were exactly similar to those involved in this instance. That debate was in reference to the manufacture of tin plate, an industry which we in Indiana were then struggling to institute. If I should take the CONGRESSIONAL RECORD of that date and compare the arguments then made with reference to tin plate with those which have been made to-day against the increase of the duty on cutlery, it would be found that they followed exactly the same line; the comparison would be extremely close.

I could bring into this Chamber the files of the Indianapolis Sentinel, a Democratic paper which was published in Indiana at that time, which printed column after column of both news and editorials in reference to the result of the so-called investigations which were set on foot to inquire into the facts concerning the manufacture of tin plate and its possibilities in Indiana, and which denounced such manufacture as being an utter impossibility.

Mr. President, there was at that time one very small frame building at Anderson, Ind., which could have been placed in half the area of this Chamber, which was manufacturing tin

plate and doing it at a loss. It housed all there then was of the tin-plate industry in Indiana. I recall that the Sentinel printed a picture of that building and laughed the Republican Party and the tin-plate industry to scorn. That paper then said, in connection with the printing of the picture: "This is all there is to the tin-plate manufacture in the State of Indiana; we can not do anything with the manufacture of tin plate here." That paper ridiculed the idea without limit. By reason of the low duty which was then imposed upon tin plate, that little factory, of course, failed and went into the hands of a receiver. That fact was blazoned to the world with great acclaim and a wonderful degree of satisfaction.

However, Mr. President, as a result of the agitation for a protective duty on the manufacture of plate which was then set on foot in that Congress and in the Congress that succeeded it, the duties on tin plate were increased by just 100 per cent over what they had been, and the manufacture of tin plate began to thrive in Indiana. That action was responsible for the establishment of the city of Elwood, which is located in the same county as is Anderson, at which was located this poor, pitiful little wooden factory to which I have just made reference.

I went with William McKinley to the opening of those tin-plate mills in Elwood. To-day that town, according to the census of 1920, has a population of about 11,000, and nearly every one of them is either an employee of the tin-plate mills or depends upon its employees for his business. That factory, however, is small compared to the one which is located in the northern part of the State, at Gary.

What has been the history of the prices of tin plate? I am speaking of this now, Mr. President, in direct connection with the pending amendment, because I think the history of the one will follow closely the history of the other; that the analogy between these two items is complete. Tin plates which in 1880, before that duty was put on, sold for $6.75 sold in 1915 for $3.10. Not only that, Mr. President, but we are exporting tin plate from this country. Prior to the inauguration of this policy we did not make a pound of tin plate and imported from Wales all that we consumed.

Mr. President, I think the question involved in considering the rate of duty in this instance is whether the cutlery industry can exist in this country at all, whether it shall be perpetuated or whether it shall be permitted to continue to decline, as is indicated by the statements and the figures which have been furnished by the Senator from Connecticut. A figure which will insure the perpetuity of the industry is temporarily justifiable, for if we are to judge by past experiences, the ultimate result will be a lowering of prices.

Mr. McCUMBER. Mr. President, the Senator from Alabama [Mr. UNDERWOOD] has stated that it is not reasonable that the foreign importer should be making the profits which I have quoted from actual reports, because, if he were making such profits, of course he would take the entire American market. There is little in the argument that a thing is not reasonable and can not be so when it is so; there is little in the argument that a thing can not be done when it is being done. All of these reports are based upon actual importations and actual sales in this market of imports and comparable American articles.

I do not know what are the advertising costs of the man who wants to go over and buy foreign penknives, and I do not think the Senator from Alabama knows. I do not know that he pays anything; he brings them over and probably sells them upon the American market to the wholesaler. The wholesaler may do his own advertising. I have included in the figures I have given everything that went into the cost, the purchase price, transportation, insurance, duty, landing cost, and the expense of putting the articles upon the American market. On the other hand, I have given what the American selling price is. If the American selling price of an article of this kind, pocketknives, is $13 a dozen, and the American manufacturing concern is compelled to discharge two-thirds of its employees, I must conclude it is not able to continue to produce a sufficient quantity to supply this market at that price in conjunction with the quantity being imported into the American market. So the contention is reasonable.

Another thing that makes it reasonable, Mr. President, is this: I have admitted that the power is now in the hands of the foreigner so to reduce the price that he can drive the American manufacturer out of business. It is not to his interest to do so. When he can produce for one-quarter to one-third of what the American selling price is and can find a market for all he produces, he had better stick to the highest price he can get, and that is exactly what he is doing now—just selling up to the American selling price, in some instances a little more and in some instances a little less.

The Senator from Alabama says he is tired of listening to all of the talk about German wages. I am not only tired of listening to it, Mr. President, but I am also tired of realizing that the facts set forth are true, and I have no doubt that every American manufacturer is tired of reading of German costs and German wages. When, however, the Senator says that we are considering German wages only in their mark value he is making an error, for in every instance we have converted the mark into American gold, and in every table we have given we have given the wages in gold, in American dollars, and that is the basis of the calculation.

Mr. President, the Senator says we have forgotten that the purpose of this bill is to secure revenue. It is the Senator who is forgetting it. If the German can make an article for $1 and under the present law there is a duty of 55 cents upon that article, making $1.55, and he is selling that article in the American market for from $5 to $6, and we increase that duty by 50 cents, he can take care of that additional 50 cents and still have from 150 to 200 per cent profit. He will continue to send his products into the United States and we will derive the additional revenue.

Mr. UNDERWOOD. Mr. President, may I ask the Senator a question?

Mr. McCUMBER. I yield.

Mr. UNDERWOOD. Does the Senator expect under this bill that the importations will be as great as under the present rate?

Mr. McCUMBER. There may be some decrease, but I expect a sufficient quantity of them to come into the United States to give us a greater revenue than we are deriving now from foreign importations.

Mr. UNDERWOOD. The Senator is dealing now only in the realm of fancy.

Mr. McCUMBER. I am dealing in the realm of calculations which have been made by experienced experts.

Mr. UNDERWOOD. Then, according to the Senator's statement, although we levy this excessive rate, the foreign goods will occupy substantially the same position in the American market as they do to-day?

Mr. McCUMBER. No; I do not say that they will. I hope that they will not.

Mr. UNDERWOOD. Then the revenue will not be derived if they are not allowed to come in.

Mr. McCUMBER. Whenever we double the rate, although there may be a decrease in importations of one-third, we still are ahead so far as revenue is concerned. I expect there will be some decrease in the proportionate amount of importations as compared with the American production, but that a very considerable increase in revenue will be derived.

Mr. JONES of New Mexico. Mr. President, I realize that the Senator from North Dakota [Mr. McCUMBER], the chairman of the committee, necessarily has a great many things to think about; and I therefore am not surprised that he should have overlooked the discussion which took place some time ago regarding this paragraph and the evidence which was presented at that time to refute the inferences which he draws from a statement which he referred to in his discussion this afternoon.

The Senator from North Dakota has referred to the prices in the Reynolds report of more than a year ago. When this paragraph was under discussion I presented statements from the very importers to whose prices he referred, and the statements, which were inserted in the RECORD at that time, present a very different showing from that which the Senator from North Dakota would have us believe to exist now. It was explained in this way—that the importer must give his orders some months in advance of delivery. When the importer gives his order for the product, he buys foreign exchange at the then prevailing price. The German mark was worth 2 or 3 cents at that time; but when you come to get the importer's price for the purpose of fixing the duty upon it, you must put the valuation upon that foreign currency at the rate prevailing at the time of exportation; and that explains in great measure what appears to be a very high importer's profit.

Moreover, Mr. President, the statement was put into the RECORD at that time that the prices which existed at the time we had this paragraph originally under discussion were 25 per cent above the pre-war price, measured in gold, in Germany. It seemed to me that that specter should have been put back into the dark closet some time ago; and I can only attribute it to the fact that the Senator from North Dakota failed to remember the discussion which took place at that time and which appears in the RECORD.

Moreover, I wish to refer again to the fact that the production in Germany to-day is not more than 60 per cent of what it was prior to the war; that Germany is exporting to-day, and has been for the last year, less than 40 per cent of what she was exporting prior to the war. I wish further to say that of all Germany's exports only 7.1 per cent reach the shores of the United States. If what has been said here can be relied upon and shall be the measure of the conditions which exist in this country, I ask why there is a single factory in the United States to-day manufacturing pocketknives? I have personally talked with the representatives of two of them, however.

They tell me that their factories are running at full capacity; and since the war, in 1919, in the State of the Senator from Connecticut, a pocket-knife industry has been started. The Remington Arms Co. commenced making pocket knives, pocket cutlery, and that concern in the Senator's own State is running at full capacity to-day, and just a few days ago was advertising for more help.

In the face of such statements as that, I should like to ask how the Senator with a straight face can rise in this Chamber and say that the cutlery industry of the United States is being ruined by imports from Germany. The Remington Arms Co. started in the business after the war and is now running at full capacity and advertising for additional help, making pocket knives.

Just to illustrate what these duties mean, Mr. President, here is a knife which, I think, was made in the State of the Senator from Connecticut. It sells at wholesale at 6½ cents. The duty on it under this bill is 12 cents, plus 45 per cent ad valorem.

Mr. McLEAN. Mr. President, where was it made?

Mr. JONES of New Mexico. It was made in Connecticut.

Mr. McLEAN. Who made it?

Mr. JONES of New Mexico. I have not the name of the maker here.

Mr. McLEAN. The name is not on the knife? Is it one of those gold knives?

Mr. JONES of New Mexico. No; it is a nickel knife.

Mr. McLEAN. There is no name on it?

Mr. JONES of New Mexico. I have not examined it to see. I do not believe there is.

Mr. McLEAN. No; I do not think there is, and I do not think it was made in Connecticut.

Mr. JONES of New Mexico. Well, it was made in the United States.

Mr. McLEAN. I doubt that.

Mr. JONES of New Mexico. It may not have been made in Connecticut. I agree that not everything is made in the State of Connecticut.

Mr. McLEAN. I very much doubt if it was made in the United States. Germany is alive to what we are doing here, and I have seen several knives advertised as made in the State of Connecticut, and I could not trace one of them, and I have communicated with all the knife manufacturers. I think that knife was made in Germany.

Mr. JONES of New Mexico. Mr. President, the Senator can not deny, though, that they are making knives in the State of Connecticut, and they are doing it now, under the present duty, notwithstanding this alleged competition from Germany.

Mr. McLEAN. We are making a few. They are running at about 20 per cent of capacity, and they are selling what they make at a loss.

Mr. JONES of New Mexico. Mr. President, when the Senator adds the latter clause, "at a loss," I can understand how there may be overhead charges and all that sort of thing on a limited amount of production, as a result of which it may be said that they are running at a loss; but the Senator does not deny that the Remington Arms Co., in his own State, started up since the war making pocketknives, employs 900 men, is running at full capacity, and has been advertising for more help.

Mr. McLEAN. Mr. President, will the Senator pardon me?

Mr. JONES of New Mexico. I am glad to yield.

Mr. McLEAN. I am glad of that, if that is so. They are a new concern and they are experimenting, probably. I should like to know how much money they are making. I will say to the Senator, however, that my sole purpose in advocating these rates is to preserve American competition, because I have no doubt that if we do some inventive genius will discover a labor-saving device by which, in the long run, we can reduce the price of these articles to the American consumer. Perhaps the Remington Arms Co. has discovered some such process. I hope so.

Mr. JONES of New Mexico. I am sorry I can not yield further; but the pocketknife industry is not in an experimental stage in the United States. The Remington Arms Co. is not an infant industry. It is one of the best-known manufacturing institutions in the United States. It would not go into the production of pocketknives since the war under these duties, employing over 900 men, unless it knew what it was doing. I am sure that in the State of the Senator from Connecticut there is certainly enough intelligence among the business men who have been successful in the past not to engage in an experiment upon that scale in this chaotic condition of the world's business.

Mr. McLEAN. The Senator knows that the Remington Co. manufacture arms. They may have started the manufacture of knives as a side issue.

Mr. JONES of New Mexico. I am sorry that I can not yield further. I always enjoy listening to the Senator from Connecticut, but I can not yield much more of my time.

Again, Mr. President, this is not an infant industry. The total imports of this country from Germany amount only to about $80,000,000 a year, and we are selling to Germany nearly $400,000,000 of products a year; and if Germany could do the thing that the Senator from North Dakota and the Senator from Connecticut would have us believe, in the name of Heaven why does not all Germany go to work making pocketknives for the American market? Yet she is not doing it; and it does seem to me, Mr. President, that when Senators bring in here a few items, bought under peculiar circumstances, and attempt to levy taxes based upon such evidence, they are trifling with the intelligence of the American people.

Mr. BURSUM. Mr. President, I understand that we are working under a 15-minute rule.

The PRESIDENT pro tempore. The Senator is correct.

Mr. BURSUM. I am convinced that that rule has not been adhered to. There has been much more time taken up. There are many amendments besides this one pending, and we should like to have a chance to have them considered.

The PRESIDENT pro tempore. The Chair desires to advise the Senator from New Mexico that the rule has been adhered to so far as the Chair knows. The Senator who has just taken his seat had three minutes yet in which to address the Senate had he cared to consume the time.

Several SENATORS. Vote!

The PRESIDENT pro tempore. The question is upon the amendment proposed by the Senator from Alabama [Mr. UNDERWOOD] to the amendment of the Senator from Wisconsin [Mr. LENROOT].

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question now is upon the amendment proposed by the Senator from Wisconsin [Mr. LENROOT], upon which that Senator has asked for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. DILLINGHAM (when his name was called). Making the same announcement as on the last vote, I vote "nay."

Mr. HARRISON (when his name was called). Making the same announcement as before, I vote "yea."

Mr. McCUMBER (when his name was called). Making the same transfer of my pair as on the previous vote, I vote "nay."

Mr. POMERENE (when his name was called). Again announcing my pair with my colleague [Mr. WILLIS], I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. CURTIS. I desire to announce the following general pairs:

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON];

The Senator from Illinois [Mr. McKINLEY] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from Missouri [Mr. SPENCER] with the Senator from Georgia [Mr. HARRIS]; and

The Senator from Michigan [Mr. TOWNSEND] with the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. NEW (after having voted in the negative). I have a pair with the junior Senator from Tennessee [Mr. McKELLAR], which I transfer to the junior Senator from Oklahoma [Mr. HARRELD] and allow my vote to stand.

Mr. HALE. Making the same announcement as before, I vote "nay."

Mr. McCORMICK. If my colleague [Mr. McKINLEY] were present, he would vote "nay."

Mr. WALSH of Montana. I transfer my pair with the Senator from New Jersey [Mr. FRELINGHUYSEN] to the Senator from Rhode Island [Mr. GERRY] and vote "yea."

The result was announced—yeas 26, nays 33, as follows:

YEAS—26.

Ashurst	Heflin	Reed, Mo.	Swanson
Borah	Jones, N. Mex.	Robinson	Trammell
Capper	Kellogg	Sheppard	Underwood
Cummins	McCormick	Simmons	Walsh, Mass.
Dial	Norbeck	Smith	Walsh, Mont.
Fletcher	Overman	Stanley	
Harrison	Pomerene	Sterling	

NAYS—33.

Ball	Edge	McLean	Shortridge
Brandegee	Ernst	McNary	Stanfield
Broussard	France	Moses	Sutherland
Bursum	Gooding	New	Wadsworth
Calder	Hale	Newberry	Warren
Colt	Jones, Wash.	Nicholson	Watson, Ind.
Curtis	Keyes	Oddie	
Dillingham	Lodge	Phipps	
du Pont	McCumber	Reed, Pa.	

NOT VOTING—37.

Cameron	Hitchcock	Nelson	Smoot
Caraway	Johnson	Norris	Spencer
Culberson	Kendrick	Owen	Townsend
Elkins	King	Page	Watson, Ga.
Fernald	Ladd	Pepper	Weller
Frelinghuysen	La Follette	Pittman	Williams
Gerry	Lenroot	Poindexter	Willis
Glass	McKellar	Ransdell	
Harreld	McKinley	Rawson	
Harris	Myers	Shields	

So Mr. LENROOT's amendment to the amendment of the committee was rejected.

Mr. ODDIE. Mr. President, I send to the desk two amendments, which I will ask to have substituted for paragraphs 1610 and 1659, and as these amendments were offered several days ago and are now on the table I wish to state that the one to be substituted for paragraph 1659 contains, after the words "newsprint paper," the words "including rotogravure paper." I will eliminate those words from the amendment and introduce them later, providing this amendment carries, because they relate to rather a different matter, and I want to have it acted on separately.

On August 3 the Senate in Committee of the Whole restored the language of this paragraph as passed by the House.

The proposed amendment modifies the language adopted by the House by striking out the imposition of a 10 per cent ad valorem duty, which might be imposed in case a foreign country forbids or restricts exportation.

The manufacturers in the United States are able to obtain their wood from the freehold lands of Canada only, but are prevented from obtaining any wood from the so-called Crown lands, which are comparable to our public lands, for the reason that Canada has adopted a very strict policy with regard to the cutting of timber from the Crown lands in three of her Provinces, just as the United States has adopted policies restricting the exploitation of its timber, mineral, and oil lands.

The imposition, therefore, of a 10 per cent ad valorem duty on items which have been made the subject of regulation by law or otherwise by the Canadian Government would, it is feared, unnecessarily antagonize Canada without in the slightest affecting the situation, which would result in the imposition of a flat duty of 10 per cent ad valorem on all newsprint paper, mechanically ground wood pulp, and chemical wood pulp.

The effect of these amendments is to remove the 10 per cent penalty which, if allowed to remain, will positively nullify the action of the Senate in placing newsprint paper and its component elements on the free list. However, it leaves a retaliatory clause which protects the American producer and consumer against any export duty or other export charge which might be imposed.

I will state, Mr. President, that when Congress placed these items on the free list, in the face of conditions existing to-day, it showed its intention to keep them on the free list, and this rider in the form of a retaliatory clause, which, ipso facto, has the effect of taking them off the free list, should be eliminated, and my amendments eliminate it.

The purpose of giving free entry to the United States of newsprint paper and wood pulp from Canada is to protect the American consumers of these commodities against the deficiency in the domestic production. To impose the prescribed retaliatory duty would be inconsistent with this object and only result in aggravating the shortage and in increasing the cost to American consumers of newsprint and pulp, both domestic and imported.

The Canadian regulations to which these clauses appear to be aimed are based upon economic necessities of the Dominion of Canada and are not the result in any degree of commercial antagonism to the United States.

If therefore the United States has a substantial basis on which to seek the abrogation of the embargo it would be better to proceed by negotiation rather than by coercive measures, since there is nothing in the history of Canadian trade policy to lend support to the suggestion that Canada will yield under duress what it will not yield voluntarily.

It is quite obvious that the retaliatory clauses would become mandatory in their operation whenever any action on the part of the President should be evoked, and as such are tantamount to fixing a flat duty of 10 per cent ad valorem upon newsprint paper and mechanical and chemical wood pulp, thereby nullifying the intent of the Senate that these commodities are entitled to a free entry on their merits.

There is no question but that something has been overlooked in this matter. Congress wants to play fair, and I know that when individual Senators and the members of the committee study this matter carefully, they will see that a mistake has evidently been made. If this bill is allowed to go through as it reads now, an injustice will be worked, and something will be done which Congress does not intend doing. I hope these two amendments will be carried, and I ask that they both be voted on together.

The PRESIDENT pro tempore. The Senator from Nevada asks that the two amendments which he has sent to the desk shall be considered as one amendment and voted upon at the same time. Is there objection?

Mr. ROBINSON. I have no objection to the Senate voting on both amendments at once. I want to be heard on the amendments before the vote is taken.

Mr. JONES of Washington. I think they should be read.

Mr. ROBINSON. Let them be read.

The PRESIDENT pro tempore. The Secretary will read the two amendments.

The READING CLERK. On page 225, after line 16, strike out paragraph 1610 and insert:

PAR. 1610. Mechanically ground wood pulp, chemical wood pulp, unbleached or bleached: *Provided*, That whenever the President shall ascertain as a fact that any country, dependency, Province, or other subdivision of government imposes any export duty, export-license fee, or other export charge of any kind whatever upon printing paper, mechanically ground wood pulp, or wood for use in the manufacture of wood pulp, he may, by proclamation, declare such ascertainment, setting forth the facts; whereupon, and until said proclamation shall be revoked, there shall be levied, collected, and paid upon mechanically ground wood pulp and chemical wood pulp, unbleached or bleached, when imported either directly or indirectly from such country, dependency, Province, or other subdivision of government, an amount equal to the highest export duty or other export charge imposed by such country, dependency, Province, or other subdivision of government.

And, on page 233, after line 14, strike out paragraph 1659 and insert in lieu thereof:

PAR. 1659. Standard newsprint paper: *Provided*, That whenever the President shall ascertain as a fact that any country, dependency, Province, or other subdivision of government imposes any export duty, export-license fee, or other export charge of any kind whatever upon printing paper, wood pulp, or wood for use in the manufacture of wood pulp, he may by proclamation declare such ascertainment, setting forth the facts; whereupon, and until such proclamation shall be revoked, there shall be levied, collected, and paid upon standard newsprint paper, when imported either directly or indirectly from such country, dependency, Province, or other subdivision of government, an amount equal to the highest export duty or other export charge imposed by such country, dependency, Province, or other subdivision of government.

Mr. ROBINSON. Mr. President, I inquire of the Senator from Nevada whether his amendments are not identical with provisions which the Senate has heretofore voted on in the bill?

Mr. ODDIE. No; there is a difference. Certain things have been eliminated, and I will explain in a few words what that means. As I have stated, Canada has for 10 years had an embargo on the exportation of woods and pulp from certain of her lands—the Crown lands—in only three of her Provinces. The provision of the bill as it is now provides that whenever the President shall ascertain as a fact that any country, dependency, Province, or other subdivision of government forbids or restricts in any way, whether by law, order, regulation, contractual relation, or otherwise, directly or indirectly, the exportation of or imposes any export duty, export license fee, or other export charge of any kind whatever, and so forth, upon these products, he may by proclamation declare such ascertainment, setting forth the facts, and so forth, whereupon there shall be levied and collected upon these products an amount equal to the highest export duty or other charge imposed by such country, dependency, province, or other subdivision of government.

The embargo is embodied in the wording on line 22. It is included in the words "forbids or restricts in any way." The intent of the Congress is to place wood pulp and newsprint paper on the free list. It has so voted. They should be on the free list. If anybody should raise this point with the President, he would be compelled to declare a 10 per cent duty on these items, which is contrary to the intent of the Congress. I

think the Senator will see, if he looks at both of these amendments, that the wording is very similar.

Throughout the country there are many small newspapers which are struggling to-day. The depression in the country is reflected very largely in their financial condition. When conditions are bad their subscription lists decrease, and they have difficulty in collecting their subscriptions. I am speaking particularly for the small newspapers who need this help. The large newspapers also come under this provision. I want to see success come to any deserving enterprise, I do not care how large it is. When a man or an organization will embark in an enterprise, and put into it ability, energy, and capital, I want to see it succeed, if it is properly and honestly conducted. The small papers particularly need this help.

Mr. REED of Missouri. Mr. President, I want to get the Senator's view on how this will help the small or large newspapers. For instance, if Canada has an export duty on print paper of a cent a pound, it follows that our paper consumer has to pay that 1 cent. If our Government then proceeds to levy an additional tax of 1 cent a pound, how is that going to reduce the price of paper to the consumer?

Mr. ODDIE. Mr. President, Canada has no export duty now, but there are provisions remaining in each of these sections of the bill for levying and collecting an amount equal to the highest export duty or other export charge imposed by such country, dependency, province, or other subdivision of government.

Mr. REED of Missouri. I am not arguing the illustration. I am using the illustration to cover the general principle of the bill, which is that if an export tax is levied by a country shipping its paper here, that tax necessarily is added to the price of the paper when it is brought here. The Senator agrees with me on that, does he not?

Mr. ODDIE. I am not prepared to agree to that altogether, because——

Mr. REED of Missouri. Then if we levy an additional tax and add our import tax upon the other country's export tax, who has to pay those two taxes if it is not the gentleman who buys the paper?

Mr. ODDIE. I do not see how that comes into the question now, because Canada has no export tax, and if she does place an export tax we can meet it. The bill provides that the President can——

Mr. REED of Missouri. Let us leave Canada out of it. We have a bill here that proposes that if any country levies an export tax the President is then authorized to levy an import tax. If the foreign country should levy an export tax of, let us say, 1 cent per pound, that would increase the price of paper to the American consumer, would it not?

Mr. ODDIE. That is altogether up to those who sell the paper.

Mr. REED of Missouri. Then if we add another cent to it by way of import tax, that would also increase the price of the paper, would it not?

Mr. ODDIE. I am not prepared to agree with the Senator altogeher upon that.

Mr. REED of Missouri. Does the Senator think it would reduce it? Does he think that the adding of one tax to another tax would have a tendency to reduce the price to the American consumer?

Mr. ODDIE. I do not see that that necessarily comes into the matter, because there are certain items on which there is a duty, and it has been shown time and again that those items have been sold to the American consumer at a lower price than was originally contemplated when the duty was placed on them. So I do not see how that question comes in. I believe in climbing a hill when we get to it. Just now Canada has placed no export tax on these products, but in case she does the machinery is provided in the bill for taking care of that situation.

Mr. HALE. Mr. President——

The PRESIDENT pro tempore. The time of the Senator from Nevada has expired.

Mr. REED of Missouri obtained the floor.

Mr. HALE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Missouri yield to the Senator from Maine?

Mr. REED of Missouri. I yield to the Senator to ask me a question.

Mr. HALE. I would like to ask the Senator from Nevada a question.

The PRESIDENT pro tempore. The Chair has recognized the Senator from Missouri.

Mr. REED of Missouri. How much time have I?

The PRESIDENT pro tempore. The Senator has not spoken on this question at all?

Mr. REED of Missouri. No; I have not.

The PRESIDENT pro tempore. The Senator has 15 minutes.

Mr. REED of Missouri. If I may do so without violating the rule, I will yield to the Senator from Maine, who, I understand, wants to ask the Senator from Nevada a question in my time.

Mr. HALE. No; I desire to do it in my own time.

Mr. REED of Missouri. The Senator wants the floor. I yield the floor to the Senator from Maine.

Mr. HALE. Mr. President, I desire to ask the Senator from Nevada what would happen, under his amendment, if the Canadian Government should put on some restriction but did not put on an export tax? The Senator's amendment takes away the 10 per cent ad valorem duty that was in the House bill.

Mr. ODDIE. The language that is left in the bill provides for that.

Mr. HALE. How?

Mr. ODDIE. The President—

may by proclamation declare such ascertainment setting forth the facts; whereupon, and until said proclamation shall be revoked, there shall be levied, collected, and paid upon mechanically ground wood pulp and newsprint paper, when imported either directly or indirectly from such country, dependency, province, or other subdivision of government, an amount equal to the highest export duty or other export charge imposed by such country, dependency, province, or other subdivision of government.

Mr. HALE. I am asking the Senator what would happen if they did not put on any tax but if they simply put on a restriction of some sort.

Mr. ODDIE. I do not see that that would make much difference unless it came under the head of an embargo.

Mr. HALE. That was the very purpose of putting on the 10 per cent ad valorem tax in addition to the other.

Mr. ODDIE. The effect of it now is——

Mr. SIMMONS. Mr. President, I desire to interrupt the Senator who has the floor.

The PRESIDENT pro tempore. The Senator from Maine has the floor.

Mr. SIMMONS. I want to get this matter straight if I can, and I want to understand it. My understanding is that heretofore we have stricken out the proviso in paragraph 1610 and left Canadian wood pulp on the free list. That is what we have done heretofore.

Mr. HALE. But we have not stricken out the retaliatory clause.

Mr. SIMMONS. We have put it upon the free list, and we have, therefore, as I understand, eliminated that language from the paragraph.

Mr. HALE. No; not at all. We put it back the way it was before, the way the House left it.

Mr. SIMMONS. That is not my understanding of it. My understanding of it is that as it now stands there is no provision in the bill placing a duty upon wood pulp. There was a proviso in the paragraph to the effect that if any other Government or subdivision of government imposed any export duty upon wood pulp imported into this country, an import duty similar to that so imposed would be imposed by us, and also an additional amount equal to the export duty of the exporting country. Now, the Senator from Nevada proposes to provide, not that the 10 per cent duty imposed in the paragraph shall be imposed, but that a duty equal to the export duty imposed by the exporting country shall be imposed by the bill. In other words, we eliminate the proviso which carried the 10 per cent provision. Now the Senator proposes to restore that paragraph, leaving out the 10 per cent duty, and to impose a duty to the amount of the export duty imposed by the exporting country.

Mr. ODDIE. I will state that that provision is still in the bill. The Senate has voted on that proposition.

Mr. WADSWORTH. It is still in the bill. It was not stricken out.

Mr. SIMMONS. But the Senator from Utah just advised me that the proviso had been entirely eliminated.

Mr. SMOOT. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Maine yield; and if so, to whom?

Mr. HALE. I would like to have a little of my own time.

The PRESIDENT pro tempore. The Senator must protect himself in that respect.

Mr. HALE. The purpose of the amendment is apparently to make it easier for Canada to put on an export tax.

Mr. ODDIE. I do not think that condition enters into it, because the bill still has certain provisions relating to possible restriction on exportation by the country shipping the product in. The condition in my mind is very plain. The Senate placed these items on the free list. There is an embargo on these products from certain small sections of Canada, which,

if read with the wording of the bill as it is to-day, would mean a 10 per cent duty, and it was the intention of the Senate and the House to eliminate that duty.

Mr. HALE. It seems to me that by taking off the 10 per cent duty the Senator would make it easier for Canada to put on an export tax by just that amount.

Mr. ODDIE. We are not inviting Canada to do that. I think the retaliatory clause would have a bad effect on Canada. It might compel or induce Canada to do something of the kind and we want to avoid that.

Mr. HALE. Newsprint and chemical pulp have been put on the free list, as the Senator says. I was in favor of having a duty put on chemical pulp, but the Senate did not see fit to put on such a duty. Now, the Senator is going to the other extreme of encouraging a foreign country to put on an export tax.

The PRESIDENT pro tempore. The Chair must admonish Senators that the time of the Senator from Nevada can not be enlarged in this indirect manner.

Mr. SIMMONS. Mr. President, I want to say just a word. We have failed to do in this instance what heretofore has been done, I think, with reference to bills of this character. As we neared the time for the final vote and reached the stage where amendments were offered from the floor, we have had a reprint of the bill so as to show all the amendments that have been made by the committee. We have now adopted some 2,000 amendments, and we ought to have a reprint of the bill so that we might in offering new amendments and discussing them have before us the result of the action of the Committee of the Whole on the amendments offered by the Committee on Finance. The confusion about the pending measure grows out of the fact that that has not been done, but I think I now understand the situation. Understanding it, I want to take a little time to see if I am correct.

The proviso as it is now contained in the bill carries a duty of 10 per cent upon mechanically made pulp, plus any export duty that may be imposed by the importing country. Now, the Senator from Nevada has offered an amendment and that amendment is substantially the provision which is now in the bill, except that he has eliminated the 10 per cent duty, leaving only the duty to the extent of the export duty charged by the country of exportation. Am I correct about that?

Mr. ODDIE. I did not fully understand the latter part of the Senator's statement.

Mr. SIMMONS. I said that as I understand it now, the Senator from Nevada has offered as a substitute, in effect, for the provision that is now in paragraph 1610 a provision which strikes out the 10 per cent duty imposed in that paragraph, but retains the duty which is to be equal to the export duty imposed by the country of exportation. Is that correct?

Mr. ODDIE. That is, in case any country of exportation imposes an export duty.

Mr. SIMMONS. Yes; that is what I said.

Mr. ODDIE. That provision of the bill remains.

Mr. SIMMONS. The only change the Senator proposes is to strike out the 10 per cent duty?

Mr. ODDIE. Yes; in addition to what I have already stated.

Mr. WALSH of Montana. Mr. President——

The PRESIDENT pro tempore. The Senator from Montana.

Mr. WALSH of Montana. I rise, Mr. President, to endeavor to make clear the status of the question that is now presented to the Senate. The Senate in considering the amendment tendered by the committee declined to accede to the amendment which put chemical wood pulp on the dutiable list and which contained a proviso to the effect that, if any export duty or any restriction were imposed upon the export of wood pulp or print paper, a duty of 10 per cent should be imposed, and, in addition to that, an amount equal to the export duty or equivalent to the restrictive measure, whatever it might be. The Senate declined to agree to that amendment; so chemical wood pulp was left on the free list.

Mr. President, the free list contains two provisions to which the amendments of the Senator from Nevada are addressed. The item relating to mechanical wood pulp, now amended so as to include chemical wood pulp also, and the item referring to newsprint paper, have been both put on the free list by the action of the Senate, but with a proviso to the effect that if any export duty is imposed or if any restriction is imposed upon the exportation of either of those products, then there shall be levied a duty of 10 per cent, and, in addition to that, an amount equivalent to the export duty.

The Senator from Nevada leaves in the bill the provisos, the retaliatory provisions, but proposes to amend them in some particulars. I shall try to make clear what the difference is. The proviso as found in paragraph 1610——

Mr. McCUMBER. I should like to say that there seems to be some confusion in regard to the matter, and I think it may be cleared up by a very few words. The provision of the House text not only includes any export tax but it includes any of the other matters which are set forth, such as license fees or duties or any other charge of any kind whatsoever——

Mr. WALSH of Montana. I was about to say so.

Mr. McCUMBER. Whereas the amendment now offered limits it only to export duties, and covers nothing else.

Mr. WALSH of Montana. The amendment proposed by the Senator applies to the provision which "forbids or restricts in any way (whether by law, order, regulation, contractual relation, or otherwise, directly or indirectly) exportations," and then goes on, "or imposes any export duty, export license fee, or other charge of any kind whatever." The amendment of the Senator from Nevada proposes to take out the language "forbids or restricts in any way (whether by law, order, regulation, contractual relation, or otherwise, directly or indirectly) the exportation of," and leaves in the words "or imposes any export duty." So if a Canadian Province forbids the exportation of wood pulp altogether the retaliatory duty does not come into play; but if it imposes a duty upon the exportation of this commodity, then it does. The Senate provision continues:

> or other export charge of any kind whatever, either directly or indirectly (whether in the form of additional charge or license fee, or otherwise).

The Senator from Nevada proposes to take that out. Then, continuing on down, it is provided as stated that there is levied a duty of 10 per cent ad valorem. That is taken out by the Senator from Nevada, leaving the equivalent retaliatory duty.

Finally the provision as it now stands concludes:

> upon either an equal amount of mechanically ground wood pulp or an amount of wood necessary to manufacture such wood pulp, or an amount of printing paper ordinarily manufactured from such wood pulp.

That is taken out by the Senator from Nevada; that is to say, under the provision as it stands there would be an equivalent duty upon the newsprint paper if a duty were imposed upon wood pulp.

The amendment offered by the Senator from Nevada makes the provision more liberal than as it now stands, permitting greater freedom of importation of newsprint in the one case and of wood pulp in the other. I believe that the amendment offered by the Senator from Nevada is in accordance with the spirit manifested by the Senate in placing, as they supposed they placed, wood pulp on the free list; and it does seem to me that the same reason which actuated the Senate in that action ought now to actuate the Senate in supporting the amendment of the Senator from Nevada.

However, Mr. President, that does not really help the situation very much, because the truth about the matter is that Canada or the Provinces do not impose a duty, as I understand the matter, but absolutely prevent the exportation of the wood pulp.

Mr. HALE. From certain lands.

Mr. LODGE. From the Crown lands.

Mr. WALSH of Montana. So that the retaliatory provision, to my mind, ought to be stricken out altogether; and I think that course ought to be pursued by the Senate; but I shall support the amendment offered by the Senator from Nevada.

Mr. LODGE. This applies only to the Crown lands, as I understand.

Mr. WALSH of Montana. As I understand, the existing regulation applies only to Crown lands.

Mr. LODGE. That is what I meant.

Mr. WALSH of Montana. But if any Canadian Province or the Dominion should extend the restriction to anything else, then the provision would become operative. As I understand, now they do not extend the embargo upon exportation to any pulp wood except such as comes from the Crown lands.

Mr. LODGE. That is what I understand.

Mr. WALSH of Montana. But this contemplates that we may extend it to all wood pulp.

Mr. LODGE. If the Senator will allow me, I had supposed the intent of the Senate——

Mr. ODDIE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Nevada?

Mr. WALSH of Montana. I yield first to the Senator from Massachusetts.

Mr. LODGE. Mr. President, I had supposed the general purpose which the majority of the Senate had in mind was to make sure that newsprint and wood pulp should be secured, so far as possible, at the lowest prices for the users of those commodities. It seems to me now that we are removing the very assurance that they might obtain the commodities cheaply. I do not suppose there is any particular desire to pay an additional duty, resulting in an increase of the price of wood pulp.

Mr. WALSH of Montana. I take it that that provision was put in there with a view to force the Canadian Provinces to the abandonment of their policy of imposing an embargo upon the exportation of wood pulp from Crown lands. That is the only purpose that I can see in it.

Mr. LODGE. I thought it was aimed at their imposing an export duty.

Mr. WALSH of Montana. Exactly.

Mr. LODGE. If we take the action now proposed, what is to protect us from the imposition of export duties? I do not suppose we want to make the users of newsprint pay an export duty to Canada.

Mr. WALSH of Montana. The purpose of the Senator from Nevada is to retain the retaliatory provision, so far as the export duty is concerned. He does not propose to change it as to that. He changes it only in regard to the prohibition of exports. The two are covered by the provision as it stands.

Mr. LODGE. It is proposed to permit the prohibition of exports. What I am trying to make clear is that I do not see how the proposed action is going to benefit the users of newsprint.

Mr. WALSH of Montana. Of course, if the Canadian Government does impose these restrictions, then we put a duty on equivalent to the exportation burden and 10 per cent additional, which the American manufacturer of paper will, of course, be obliged to pay.

Mr. LODGE. Yes.

Mr. ROBINSON. Mr. President, in line with the suggestion of the Senator from Massachusetts, the remedy is to strike out the proviso and not incorporate any retaliatory provision.

Mr. LODGE. Then they could put an export duty on at once which we should have to pay.

Mr. KELLOGG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Montana yield; and if so, to whom?

Mr. WALSH of Montana. I yield the floor.

The PRESIDENT pro tempore. The Senator from Montana yields the floor.

Mr. KELLOGG. Mr. President——

The PRESIDENT pro tempore. The Senator from Minnesota.

Mr. KELLOGG. Mr. President, it seems to me——

Mr. McCUMBER. Mr. President, I should like to say just a word on the subject.

Mr. KELLOGG. I think I was recognized.

The PRESIDENT pro tempore. The Chair recognized the Senator from Minnesota.

Mr. McCUMBER. Very well; I did not know that the Senator from Minnesota had been recognized.

Mr. KELLOGG. Mr. President, it seems to me there is some misunderstanding about this matter. Paragraph 1659 of the bill as it now stands provides that if any country or any Province in Canada, for instance, forbids or restricts by regulation or otherwise the exportation of newsprint paper or imposes any export duty thereon, thereupon the President shall ascertain the facts and there shall be imposed on all paper coming from that Province 10 per cent, and, in addition thereto, a duty equal to the export duty which Canada levies. In other words, if one of the Provinces of Canada simply restricts the exportation of pulp wood or newsprint paper from Crown lands alone, there is automatically placed upon pulp wood or newsprint paper from Canada 10 per cent, and, in addition thereto, a duty equal to that which Canada imposes. That is the effect; so that to-day, there being in existence in Canada a restriction upon the exportation, say, of pulp wood from Crown lands alone, the President would be obliged immediately after this bill shall have been passed to impose a 10 per cent duty on all pulp wood, and if there should be an additional duty levied by Canada, he would be obliged to impose an additional duty equal to such duty.

The amendment of the Senator from Nevada simply provides that if Canada shall levy an export duty or charge the President is authorized to impose one equal to which Canada imposes. It seems to me that is all there is to the amendment.

I think it is rather unreasonable to impose a duty of 10 per cent merely because the Canadian Government wishes, perhaps, to conserve some of its Crown lands, while from all the rest of Canada the commodities may be exported. I think the amendment is liberal and should be supported; in fact, I would be willing to strike out any restriction whatsoever, so far as I am concerned.

Mr. McCUMBER. Mr. President, the Senator's last statement voiced my own sentiment, and that is, to strike out the entire provision.

Mr. KELLOGG. That will suit me.

Mr. McCUMBER. The whole matter then will go to conference, and I hope the Senator from Nevada will agree to that. Instead of making these changes, let us strike out all of the proviso. That will simply let the matter go to conference, and then we can thrash out any question that may arise under the provision of the House bill as it now stands.

Let me say to the Senators that the language used in the House bill is substantially the same as the language used in the present law. The present law provides:

> That if any country, dependency, province, or other subdivision of government shall impose any export duty, export license fee, or other charge of any kind whatsoever (whether in the form of additional charge or license fee or otherwise) upon printing paper, wood pulp, or wood for use in the manufacture of wood pulp, there shall be imposed upon printing paper, valued above 2½ cents per pound—

Here they say "valued above 2½ cents." I think it is all valued at more than that, so that it would come in now under that provision—

> when imported either directly or indirectly from such country, dependency, Province, or other subdivision of government, an additional duty equal to the amount of the highest export duty or other export charge imposed by such country, dependency, Province, or other subdivision of government, upon either printing paper, or upon an amount of wood pulp, or wood for use in the manufacture of wood pulp necessary to manufacture such printing paper.

Mr. President, we have stricken out in some instances and inserted in others these reciprocal or retaliatory provisions. We have done so with the idea of bringing them all into conference. I am perfectly willing to say, as I have said before, that I really do not think this is the proper way to build up a tariff law. I think, as a rule, where we follow whatever course we think is best for the protection of our own industries and our own commerce, without regard to what any other country does, we ought to accord to other countries exactly the same right, without imposing restrictive or retaliatory or reciprocal arrangements upon them. It seems to me, however, that as we have them in some of these instances it ought to be left finally to see what we can work out as to whether they shall all be applied or none of them applied. As the Senator from Nevada [Mr. ODDIE] by his motion desires simply to narrow this down to just the export or some other special provisions, I am willing to narrow it down still further and cut it out entirely; but if the Senator does not wish to do that, I will say that I am willing to accept his proposal.

Mr. ROBINSON obtained the floor.

Mr. WALSH of Montana. Mr. President——

Mr. ROBINSON. I yield to the Senator from Montana.

Mr. WALSH of Montana. I desire to inquire of the Chair if it would be in order to move, as a substitute for the amendment offered by the Senator from Nevada, to strike out the proviso in paragraph 1610 and the proviso in paragraph 1659?

Mr. ROBINSON. Mr. President, I suggest to the Senator from Montana that his object will be accomplished by simply striking out the proviso in the amendment of the Senator from Nevada——

Mr. WALSH of Montana. There is no doubt about that.

Mr. ROBINSON. And then agreeing to the amendment of the Senator from Nevada, which would place newsprint and wood pulp on the free list; and that, I will say, is the course that I am in favor of taking.

Mr. WALSH of Montana. Let me say to the Senator that that would be altogether agreeable; but if the amendment of the Senator from Nevada is thus amended it will then be just exactly as the text is, and there will be no occasion then for adopting it.

Mr. McCUMBER. It is already on the free list, with this proviso.

Mr. WALSH of Montana. Exactly.

Mr. McCUMBER. We do not need to go clear back and reenact what we have already enacted. I agree entirely with the Senator from Montana that we will accomplish everything by striking out the proviso in the bill.

Mr. ROBINSON. That is undoubtedly true, and I am utterly indifferent as to which way the Senate may proceed; but the motion of the Senator from Nevada is to strike out the whole paragraph in each instance and to insert in lieu thereof:

> Standard newsprint paper, including rotogravure paper—

And then the proviso.

Mr. ODDIE. I will state that rotogravure paper was eliminated from the motion, because I want to bring that up afterwards as a separate amendment.

Mr. ROBINSON. Very well; but, in any event, the Senator's motion is to strike out the entire paragraph and substitute a provision placing newsprint paper on the free list, with a new proviso. Now, the Senate can accomplish its purpose by substituting for the amendment of the Senator from Nevada the proposal of the Senator from Montana to strike out the proviso in the original text, and if that be agreed to we will leave newsprint on the free list. If we strike out the proviso in the amendment of the Senator from Nevada, which strikes out the entire paragraph and rewrites a part of it, we will have accomplished the same purpose; but the simpler method is that proposed by the Senator from Montana—simply to strike out the proviso in the bill—and since the Senate has gone on record in favor of placing these commodities—newsprint paper and wood pulp—on the free list, I think in the conference we ought to have that issue squarely presented to the conferees. If we adopt the amendment of the Senator from Nevada as it is now proposed, while it is an improvement over the present text from the standpoint of those who favor free newsprint paper and wood pulp, it will still narrow the subject matter in conference. The conferees might agree upon any proviso within the purpose of the House provision and the Senate provision; but under the rules governing conferences, now applied in both Houses, they might be embarrassed in striking out any proviso.

The simplest method is that proposed by the Senator from Montana—to substitute for the amendment of the Senator from Nevada an amendment striking out the proviso. That will leave both commodities on the free list absolutely.

This is purely a retaliatory provision. Of course, what the consumers of these products want, as was suggested a moment ago by the Senator from Massachusetts, or at least as I understood him to suggest, is to get these articles without paying a tax to any Government.

Mr. LODGE. Precisely.

Mr. ROBINSON. They would just as soon, and, in fact, would rather, pay an import duty to the United States than to pay an equivalent export duty to the Canadian Government. The presumption is that they would rather our Government would get the benefit of a tax than the Canadian Government; and the object of the provision, of course, is to prevent, if possible, the Canadian Government from levying a duty by the imposition of an equivalent import duty; but the users of newsprint paper and wood pulp would not be benefited, if the Canadian Government should see fit to impose an export duty, by having to pay, in addition to that export duty, an import duty to the Government of the United States.

Mr. LODGE. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Massachusetts?

Mr. ROBINSON. I yield to the Senator.

Mr. LODGE. The Senator has stated my proposition as I put it. I understand that the object of the Senate in making newsprint free—it certainly was the purpose for which I voted for it—was to give to the users of newsprint their paper at the lowest possible price. The same thing is true in regard to wood pulp. That was the purpose, undoubtedly, the only purpose. The only way I know of in which we can prevent an export duty being laid on newsprint in Canada is to put in the retaliatory clause. If we do not put that in, Canada then is at liberty to put any export duty she chooses on all the paper and wood pulp that comes here. If the users of this paper and pulp prefer paying a Canadian duty to paying no duty, they are very strange in their desires. I do not think they do, and I think they are making a mistake in advocating the taking off of the clause which is the only thing that protects them from additional duties in Canada. It is no gain for them to take off the American duty and have it immediately replaced by an export duty in Canada.

Mr. ROBINSON. Mr. President, in reply to that suggestion, I call the attention of my friend the Senator from Massachusetts to the fact that Canada is not now levying an export duty.

Mr. LODGE. I will admit that, but it proves nothing.

Mr. ROBINSON. It certainly does not prove that the failure to enact a retaliatory clause by the Congress would be an invitation to Canada to impose an export duty when no such export duty is imposed under present conditions.

Mr. LODGE. A retaliatory clause exists now, does it not?

Mr. ROBINSON. I am not sure about that.

Mr. WALSH of Montana. There is now in the law a provision retaliatory in character, but there has been no occasion for its operation. It might just as well not be there.

Mr. ROBINSON. What is the present retaliatory provision?

Mr. WALSH of Montana. It is practically the same as that found in the pending bill.

Mr. LODGE. I think I am correct in saying that the Senator from Alabama [Mr. UNDERWOOD], who is not here at this moment, when he introduced the joint resolution in regard to this matter with a view of getting free newsprint paper, provided in it for a retaliatory clause, which I think is what assures our getting newsprint at the lowest possible price from Canada, and which is what I supposed we wished to attain. It is true that Canada has not a duty now. That may be owing to the existence of a retaliatory clause.

Mr. ROBINSON. Yes; if a retaliatory clause is in force now——

Mr. LODGE. It may be that their people desire to sell us newsprint at the lowest possible price, and that they would not put on an export duty, but I do not feel perfect confidence that they will not seek to get revenue wherever they can.

Mr. ROBINSON. In any event, Mr. President, the amendment proposed by the Senator from Nevada, from the standpoint of those who favor free newsprint and wood pulp, is an improvement over the present provision.

Mr. LODGE. It takes out the additional duty, but I think in taking off the retaliatory clause we run a serious risk, because, while I suppose it may be considered a very reactionary remark, if a duty is to be paid on newsprint, I think it might as well be paid here as to Canada. I want to see newsprint and wood pulp, as we put them, on the free list, without any duty either in Canada or here, so that our users of those products will get them at the lowest possible price.

Mr. ROBINSON. So do I. At the same time it would not tend to decrease the price of newsprint paper or wood pulp to add an import duty to an export duty.

Mr. LODGE. I do not think that is necessary.

Mr. ROBINSON. That is what the retaliatory clause provides.

Mr. LODGE. It retains that.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the Senator from Nevada.

Mr. WALSH of Montana. I move as a substitute for the amendment offered by the Senator that the proviso in paragraph 1610 be stricken out, and for the other amendment that the proviso in paragraph 1659 be stricken out. I ask unanimous consent that both these amendments may be voted on as one.

The PRESIDENT pro tempore. Is there objection. The Chair hears none, and the amendments to the proposed amendment will be voted upon as a single amendment.

Mr. ODDIE. What is the vote now to be taken on?

The PRESIDENT pro tempore. The Senator from Montana has offered two amendments to the original text of the bill as it passed the House, and those are the amendments now pending, which the Secretary will state.

The ASSISTANT SECRETARY. It is proposed to strike out the provisos in paragraphs 1610 and 1659.

Mr. McCUMBER. Mr. President, I think we can well accept that.

The PRESIDENT pro tempore. The question is upon the amendment.

The amendment was agreed to.

The PRESIDENT pro tempore. The question now is upon the amendments proposed by the Senator from Nevada.

Mr. McCUMBER. That would not be applicable now, and I assume the Senator from Nevada would withdraw it.

Mr. ODDIE. Now that those two provisos have been stricken out, I withdraw my amendments. This applies to both sections, as I understand it.

Now I offer an amendment to paragraph 1659. In line 15, page 233, after the word "paper," I move to add the words "including rotogravure paper."

The PRESIDENT pro tempore. The Secretary will state the amendment.

The ASSISTANT SECRETARY. In paragraph 1659, page 233, all that is left of that paragraph are the words "standard newsprint paper." After the word "paper" it is proposed to insert a comma and the words "including rotogravure paper."

Mr. SMOOT. Does the Senator want to speak on the amendment?

Mr. ODDIE. I will state on the amendment that the total newsprint paper production in the United States, as I understand it, is less than 70 per cent of the amount required for domestic consumption and that Canada supplies about 95 per cent of what we import. This rotogravure paper, as is well

known, is used in all Sunday editions of the newspapers throughout the country, and I think it can be very easily included in the term "standard newsprint paper."

Mr. SMOOT. Mr. President, I do not think the amendment ought to be agreed to. Rotogravure paper is one of the high standards of paper. Why should we take that out of the paper schedule and put it over here? The only reason the Senator assigns is that it is because the newspapers use it for their Sunday issues. We might just as well take all of the other paper out of the paper schedule as to take out this high standard paper.

I think the Senator makes a mistake in offering an amendment to put that particular kind of paper on the free list. There is no comparison between the cost of making it and the cost of making newsprint paper. The making of that paper might be compared with the making of some of the highest priced paper found in the paper schedule. In fact, it is more costly than some of the lower grade writing papers.

The rates in the paper schedule of the bill are almost the same as the rates in the existing law. This is one of the schedules where the rates are very low. In fact, in one or two cases the rates are lower than those in existing law. I hope the amendment will not be agreed to.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment offered by the Senator from Nevada [Mr. ODDIE].

The amendment was rejected.

Mr. PHIPPS. Mr. President, I send to the desk an amendment, which I offer, and ask that it be reported.

The PRESIDENT pro tempore. The Secretary will read the amendment.

The ASSISTANT SECRETARY. On page 84, line 21, the Senator from Colorado moves to strike out the whole of paragraph 375 as heretofore amended and to insert in lieu thereof the following:

PAR. 375. Metallic magnesium: Crude, ingots, magnesium alloys and scrap, 10 cents per pound; in coils, plates, sheets, bars, rods, circles, disks, blanks, strips, rectangles, squares, and other unfinished forms, 20 cents per pound on the metallic magnesium content; ribbons, tubing, wire, powder, and all other finished articles, 40 cents per pound on the metallic magnesium content and 25 per cent ad valorem.

Mr. PHIPPS. Mr. President, I wish to say, briefly, that metallic magnesium is a substance lighter than aluminum and has greater strength. It has been found very useful in automobile and airplane construction. Its uses have been developed during the last few years and particularly during and since the late war.

The paragraph as it stands in the bill, having been amended as in Committee of the Whole, does not, to my mind, give a proper differential as between the crude, the semifinished, and the finished forms of this material. For that reason I have proposed this amendment.

The material is made by an electrical process. It may be made by two or three different processes, two of which I believe are patented. The material is one which can be generally introduced in the United States. It is now very largely used in Germany, where it is most largely produced, and, to a great extent, it supplements the uses of aluminum. As I have stated, it has greater strength and is of less specific gravity, being only about two-thirds the weight of aluminum.

The Senate has, on the advice of the Senate Committee on Finance, made reductions in the rates originally adopted by the House, which rates really would have amounted to an embargo.

The suggestion of this amendment is that the crude material shall come in at the rate of 10 cents per pound instead of 40 cents; that the semifinished forms take a rate of 20 cents, and that the highly finished forms pay a duty of 40 cents per pound and 25 per cent ad valorem.

Inasmuch as the Senate is already in disagreement with the House over this schedule, I suggest that at the same time, by simply adopting this amendment, the matter would be brought to the attention of the conferees, who could agree upon a rate in conference. I ask for a vote.

Mr. SMOOT. Mr. President, metallic magnesium is a new product. It has not been made in this country very long, and it is true that it is a very light metallic substance, even lighter than aluminum. It is very much stronger than aluminum, and there is a great opening for the use of it in the future. In fact, the manufacture of it has begun in this country already.

The House placed a duty upon the scrap and metallic magnesium of $1 a pound. The committee cut that rate to 50 cents a pound, and on further consideration, after a report made by a member of the Tariff Commission, it cut it to 40 cents a pound. It also cut the manufactures of magnesium, not provided for, from $1 a pound to 50 cents a pound, with a 20 per cent ad valorem.

The amendment of the Senator from Colorado means this: That the metallic magnesium shall be cut from 40 cents a pound to 10 cents a pound, and that in coils, plates, sheets, rods, bars, squares, disks, blanks, and strips it shall bear a rate of duty of 20 cents a pound, and on the ribbons, tubings, wire, and all finished articles 40 cents a pound and 25 per cent ad valorem.

That means that on the finished article the rate is increased a little in the Senator's amendment, but the rate on metallic magnesium itself has been decreased from 40 cents a pound to 10 cents a pound.

Mr. KELLOGG. Mr. President, does the Senator say that the rate is increased on the manufactured product?

Mr. SMOOT. Yes; it is 40 cents a pound and 25 per cent ad valorem. The Senate has agreed to 40 cents a pound and 20 per cent ad valorem on the manufactured article.

Mr. PHIPPS. Mr. President, I want to state that the amendment as I have submitted it was prepared under the advice of those who are supposed to be well informed, and their recommendation was accepted on the assurance that that was the scientific adjustment of this schedule, unless it were proposed to prevent the importation of the crude material, so that it might be manufactured here to advantage.

Mr. SMOOT. All I can say is that the members of the Tariff Commission who have this in charge were very much interested in this newly discovered product, and it was upon their recommendation first that the rate of $1 a pound was cut to 50 cents a pound, and then after further investigation they recommended that that be cut to 40 cents a pound. They gave the quotations not only in this country but in Germany and the cost of delivering it in this country; and if the information given to the Senate committee was correct, then they were entitled to the 40 cents a pound. But now it is proposed to reduce the rate of 40 cents a pound to 10 cents a pound, and the rate on the finished article is to be increased.

Mr. KELLOGG. Mr. President, will the Senator yield?

Mr. SMOOT. I yield.

Mr. KELLOGG. Did I understand the Senator to say that the increase on the finished article in the item was from 20 to 25 per cent ad valorem?

Mr. SMOOT. The way the Senate finally agreed to the item of manufactures of magnesium not specially provided for was 40 cents a pound and 20 per cent ad valorem.

Mr. KELLOGG. I ask the Senator from Colorado if he would accept an amendment making that 20 per cent instead of 25?

Mr. PHIPPS. I am quite willing to accept an amendment reducing the ad valorem rate back to 20 per cent.

Mr. KELLOGG. I move that "25" be stricken out in the seventh line of the Senator's amendment and "20" inserted.

Mr. PHIPPS. I accept that so far as I have the right to do so. I believe I have the right to modify my amendment, and I do so to that extent.

Mr. McCUMBER. Mr. President, I would like really to understand the amendment. It looks upon the face of it as though somebody wants to get the crude material in here—I mean by the crude material not the ore but the product of magnesium—at a much lower rate, and then manufacture it here, so that the parties interested would seem to be only those interested in the manufacture and not interested in the production. Am I right?

Mr. PHIPPS. I do not think entirely so. I think if the Senator and I were to consider engaging in business to-morrow we would want to know first whether there was a demand and a market for the finished product before we went to the extent of erecting a finishing plant, which would involve the expenditure of a large amount of money. The people who are interested and desirous of entering into the manufacture in this country of all the different finished forms wish to demonstrate first that there is a market and a demand for those finished forms. If that proves to be the fact, their intention is to manufacture the crude material themselves.

It appeals to me as being the best method of bringing about a general use of this very high grade product in the United States by enabling those who are willing to manufacture and distribute it to have the crude material upon which to work, instead of being compelled to start in at the first and install expensive plants, particularly without knowing that there is a sufficient demand for the finished product to justify the expenditure.

I suggest, the matter being already in disagreement, that the committee could well accept this amendment and determine upon the rate in conference.

Mr. McCUMBER. The Senator thinks 40 per cent is too high a rate on the metallic magnesium and he wishes to reduce it to 10 cents per pound?

Mr. PHIPPS. Yes; in the crudest form and 20 cents in that form in which it has reached the second stage and has had labor expended upon it.

Mr. McCUMBER. I have no objection. It can go into conference in that way.

The PRESIDING OFFICER (Mr. McNARY in the chair). Has the Senator from Colorado accepted any modification to his amendment?

Mr. PHIPPS. I have accepted a modification changing 25 to 20 per cent ad valorem in the last clause.

Mr. SIMMONS. Mr. President, I do not wish to discuss the paragraph, but I am entirely satisfied from information which has come to me that the rates are altogether too high. I have here a small brief, consisting of three and one-half pages in large type, which I am going to ask that the Secretary may read in my time.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The Assistant Secretary read as follows:

BRIEF SUBMITTED IN OPPOSITION TO RATE PROPOSED ON METALLIC MAGNESIUM AND ITS ALLOYS.

(Schedule 3—Paragraph 375.)

By committee amendment the Senate on June 24 fixed a rate of 40 cents per pound on metallic magnesium, or on the magnesium content of its alloys. This rate was adopted subject to further consideration, and it should be reduced because—

1. It constitutes an embargo on a metal necessary to American industry.

2. It is a subsidy which will perpetuate a monopoly in the light-metal field.

THE RATE IS AN EMBARGO.

A clerk to the Ways and Means Committee in the House stated to the writer that an embargo was intended and that all foreign metal was to be excluded.

Mr. Tyler, of the Tariff Commission (whose investigations are shown in the Reynolds report), stated to a Senator in the writer's presence that the 50-cent rate originally recommended by the Senate committee would effect an embargo, and the same expert stated in reply to a direct question that he would not deny that a 25-cent rate would effect an embargo.

Even in respect of dyes and chemicals, the Senate has declared that it will not grant any embargo despite the argument that the war preparations of the Government required it.

Certainly an embargo which will work for the benefit of the Aluminum Co. of America will not receive Senate approval.

THE SENATE RATE IS WHOLLY UNSCIENTIFIC.

A specific duty is imposed on crude and finished forms without distinction. This is wrong in principle.

It is obvious that the crude ingots and semifinished metal should come in at a nominal duty, since their import will supply work for American labor.

There is no justification for taxing finished and crude material at the same rate.

THE PRESENT RATE IS FOUR TIMES THE PROTECTION ASKED BY AN AMERICAN MANUFACTURER.

In the hearings before the House (Part I, Tariff Hearings, p. 22), Dow Chemical Co. asks only 10 cents per pound and 15 per cent ad valorem.

It naturally is satisfied with a duty which is four times what it asked for. But what excuse can there be for a tariff rate of 40 cents when a manufacturer says that only 10 cents is needed?

Unless this rate has been suggested by the Aluminum Co. of America, through the American Magnesium Corporation, which it controls, and figures are furnished which are not a matter of public record, there is no support for the present rate.

THE METAL COMPETES WITH ALUMINUM.

Metallic magnesium weighs only two-thirds of aluminum, one-fifth of copper, and one-fourth of steel. Its strength and machining advantages are extraordinary. In strength, weight, and texture it is superior to aluminum and will largely displace aluminum in the aircraft and motor field. Proof can be supplied that it is being sold and has been sold in Germany in competition with aluminum.

The Aluminum Co. of America wants to maintain its monopoly in the light metal field and so, through its controlled company, the American Magnesium Corporation, it is trying to get the Senate to approve an embargo on this foreign metal.

THE COST OF THE METAL.

In Germany the metal costs less than aluminum. In 1921 over 2 tons were imported by steamship *Oregonian* and cleared through the New York customhouse on October 5. The metal was partly crude and partly semifinished and the foreign cost was less than 38 cents per pound.

By reason of improvements in manufacture large lots can now be purchased at less than 15 cents a pound.

Under date May 25, 1922, by steamship *Hansa*, of United American Lines, a shipment was made at Hamburg for New York, arriving in June. The total shipment was about 300 pounds and consisted of ingots, rods, sheets, and tubes. The actual foreign cost for ingots was less than 15 cents and for semifinished and ingots together the average cost was less than 20 cents.

Yet it is proposed to tax a metal which can be produced at these figures more than twice the cost of production as a specific duty and to add an ad valorem besides.

THE RATE IS A SUBSIDY TO A MONOPOLY.

As shown above, the metal in price and use competes with aluminum. The American Magnesium Corporation (controlled by the Aluminum Co. of America) wants an embargo and has secured it in the 40-cent rate. This embargo will give the Aluminum Co. of America a further monopoly in the light-metal field, adding to its already huge profits at the expense of American industry. Worse than that, it will exclude from American industry a very valuable metal.

SUGGESTED RATES.	Cents.
Crude blocks and casting ingots	5
Semifinished castings, rods, sheets, and tubes	7
Finished products	10

No American producer offers for sale any crude blocks or casting ingots; no semifinished material such as rods, sheets, and tubes; and no finished products except pistons in small quantities.

No American industry can be affected therefore by a low duty on crude and semifinished forms of the metal.

The suggested specific duty on finished forms is exactly the rate requested by the piston manufacturer.

JAMES A. DELEHANTY.

The PRESIDING OFFICER. The question is upon agreeing to the amendment of the Senator from Colorado as modified.

The amendment as modified was agreed to.

Mr. DIAL. Mr. President, I desire to offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be reported.

The READING CLERK. On page 131, after line 20, insert the following:

That the second subdivision of section 5 of the United States cotton futures act, approved August 11, 1916, as amended, is amended to read as follows:

"Second. (a) Specify as the class of the contract one of the following classes:

"Class A, which shall include only middling fair, strict good middling, good middling, and strict middling grades;

"Class B, which shall include only strict middling, middling, strict low middling, and good middling yellow tinged grades;

"Class C, which shall include only strict low middling, low middling, strict middling yellow tinged, and good middling yellow stained grades.

"(b) Specify the basis grade for the cotton involved in the contract, which shall be one of the grades for which standards are established by the Secretary of Agriculture, and which shall be one of the grades included within a class in paragraph (a) of this subdivision; the price per pound at which the cotton of such basis grade is contracted to be bought or sold; the date when the purchase or sale was made; and the month or months in which the contract is to be fulfilled or settled.

"(c) If no other class is specified in the contract, or in the memorandum evidencing the same, the contract shall be deemed a class B contract.

"(d) If no other basis grade be specified in the contract, or in the memorandum evidencing the same, good middling shall be deemed the basis grade incorporated into a class A contract, middling shall be deemed the basis grade incorporated into a class B contract, and low middling shall be deemed the basis grade incorporated into a class C contract."

SEC. 2. That the third subdivision of section 5 of such act is amended to read as follows:

"Third. Provide that the cotton dealt with therein or delivered thereunder shall be of or within the grades for which standards are established by the Secretary of Agriculture, and of or within the grades included within the class so specified or incorporated as the class of the contract, and that cotton of any other grade or grades shall not be dealt with therein nor delivered thereunder."

SEC. 3. That the fifth subdivision of section 5 of such act, as amended, is amended to read as follows:

"Fifth. Provide that cotton that, because of the presence of extraneous matter of any character, or irregularities or defects, is reduced in value below that of strict middling in the case of a class A contract, strict low middling in the case of a class B contract, or low middling in the case of a class C contract, the grades mentioned being of the official cotton standards of the United States, or cotton that is less than seven-eighths of an inch in length of staple, or cotton of perished staple or of immature staple, or cotton that is 'gin cut' or reginned, or cotton that is 'repacked' or 'false packed' or 'mixed packed' or 'water packed,' shall not be delivered on, under, or in settlement of such contract."

SEC. 4. That the second paragraph of the seventh subdivision of section 5 of such act, as amended, is amended to read as follows:

"The provisions of the third, fourth, fifth, sixth, and seventh subdivisions of this section shall be deemed fully incorporated into any such contract if there be written or printed thereon, or on the memorandum evidencing the same, at or prior to the time the same is signed, the phrase 'subject to United States cotton futures act, section 5, class A,' if the contract is a class A contract, or the phrase 'subject to United States cotton futures act, section 5, class B,' if the contract is a class B contract, or the phrase 'subject to United States cotton futures act, section 5, class C,' if the contract is a class C contract."

SEC. 5. That the provisions of this act shall be effective on and after the thirtieth day after its passage, but such provisions shall not be construed as applicable to nor as affecting any right, power, privilege, or immunity under any contract entered into prior to such day.

Mr. DIAL. Mr. President, it will be seen that this amendment does not interfere with the pending bill at all. It merely seeks to add certain provisions to the bill without interfering with any of the rates which are proposed to be imposed by the bill. I should have preferred to have brought this measure before the Senate in the form of a separate bill, but on account of the session drawing to a close, and because the present crop of cotton is being put on the market, I desire, if possible, to obtain some legislation at this session. That is the reason why I now offer the amendment to the pending bill.

Moreover, it is appropriate that I should offer the amendment to this bill, because this is a revenue bill, and the cotton future contract law is a revenue law. For a long time it was doubted whether or not Congress had jurisdiction over the subject matter involved in that law, but eventually it was decided that Congress could take jurisdiction over it under the interstate

commerce clause or under the post office clause or under the taxing power of the Constitution. The taxing power is the power under which Congress assumed jurisdiction over the subject, and the existing law was passed on that basis. This amendment is proposed really as an amendment to that law, under which revenue is raised.

Mr. President, it is not necessary for Senators to follow the details of the amendment. I shall undertake briefly to point out the ills of the present future cotton contract law. My contention is that the prices of the "future" market control the prices of the "spot" market for cotton. Therefore it is essential that the "future" contracts be honest, equal, equitable, and mutual contracts, which now they are not. It took Congress 30 years to pass the present law. I say that, too, to the shame of Congress. The people of the section of the country where cotton is raised have been deprived of a large proportion of its value from the time the exchanges were inaugurated down until the present moment.

In 1884 bills were introduced in Congress, and they were pressed from that time down to 1914 before the present law was passed. The present law is a considerable improvement over the former practice. Under that practice all cotton contracts were sold, as they are now sold, on the basis of what is called "middling"—that is, cotton of a middling grade—and under that former practice the seller of the contract had a right to deliver any one of 32 grades of cotton embraced in the contract. The present law has annulled that practice, and so changed it that the number of grades of cotton, any one of which is tenderable on a "future contract," has been reduced to 10. But, Mr. President, right there is where the trouble comes. The seller of the contract sells it on the basis of "middling" cotton. There are 10 grades only which are allowed to be dealt in by law. All the grades have some differences, as Senators know. One sells a contract on the basis of "middling," but when the delivery date comes the seller has a right to deliver all of the quantity in one, any, or all of the 10 grades as he sees proper. It is the same as selling by sample and being allowed to deliver some other quality at an adjusted price. There is no similar practice followed elsewhere in the world; there is no such law in any other country in the world. The fault is not so much, however, with contracts as the working and the effect the contracts have upon the price of "spot" cotton. When the delivery date of the contract arrives, the purchaser, not knowing what he may get, almost universally sells out his contract. The cotton market is, therefore, made top-heavy. There will be continuous sales.

It will be said that there can not be a sale without a purchaser. That is true, but the purchaser will not give value for the commodity represented in the contract when he knows that he has no option of selection; that the seller of the contract has 10 options to his none.

It is true, Mr. President, that all these 10 grades of cotton are good, strong, sound, spinnable cotton; but they are not suitable for the different mills making different kinds of thread and different kinds of cloth. The mills which have fine machinery and make a fine cloth want a fine grade of cotton, while the mills making coarse goods desire a coarse grade of cotton. That is where the trouble comes in. No man will buy that contract at value.

Mr. President, the great difficulty that arises in my section of the country is that the manipulation of the contract fixes the price of the "spot" cotton. Not in 1 per cent of the cotton that is grown does the owner deal in contracts. He knows nothing about them, but when the quotation comes out on the contract that quotation fixes the price of his "spot" cotton, and he has to sell it accordingly.

As I have already said, no such custom prevails anywhere in the world with respect to any other commodity, nor is there any law in any other country in the world under which a basic commodity may be hawked around in any such fashion. The Congress of the United States is arrayed on the side of the bears—not intentionally so, of course, but the effect is just the same, so far as the producer of the cotton is concerned, as if every Member of Congress tried to depress the price of cotton.

I have been here for the last three months listening to speeches on the tariff bill; I have heard word pictures drawn of the plight of the poor people of the world; I have heard Senators explain how they are trying to take care of the laboring people of this country. Some time ago I introduced in the RECORD a report from the joint committee of Congress which showed that the growers of cotton in an average year, with an average crop, securing a price of 18 cents a pound, which is way above the average, only earn 10 cents a day. That is not my calculation; that is the calculation of a joint committee of Congress which I had placed in the RECORD, as I have said some time ago.

I wish to say to my friends in the Senate that this amendment has no politics in it. It simply represents an effort to take care of about 25,000,000 working people in this country, to bring the commodity which they produce up to a reasonable price, a price under which they can make a living. With all due respect to everybody, the present law on the subject has always been wrong.

The principle of allowing the seller of the contract to select all of the quantity in any of the 10 grades is totally wrong. It may be said that I brought no witnesses before the Agricultural Committee, and that is true, but I did not need any witnesses before the Agricultural Committee. I am speaking of a principle. If 10 shirts were to be put in a box and a man went into a store and asked to buy one shirt and the seller should tell him that he, the seller, had a right to deliver any kind of shirt out of the 10 that he wanted, the purchaser would not pay as much for the shirt as he would if he knew what kind of a shirt he was going to get.

It is preposterous that the Government should allow people to sell cotton which they have not, to sell more cotton than there is in existence, to sell more cotton even than there will be in existence for five years, and then when maturity day comes, if the purchaser of that contract stands up and says, "Give me my cotton," for the law then to step in and say to the seller, "You have a right to deliver to him any one of the 10 grades you see proper or mix them as you please." Apply that principle to shirts, apply it to shoes, apply it to automobiles, to mules, or to furniture or anything else, and it will be realized how it will depreciate the price of the commodity.

It is enough to bankrupt any country, and, Mr. President, if God had not blessed our section with a climate and a soil and a rainfall and the best people on earth that He had we would all have been in the poorhouse before now.

Now we have come to the parting of the ways. It is absolutely a physical impossibility for us to continue to grow cotton with any such law on the statute books. I appeal to every Member of the Senate to think of the principle and to give us relief. I do not ask Senators for any favors for the farmer. I am no hot-air artist; I am not here hollering their poverty with a view of getting any sympathy; I do not ask for sympathy, but I do ask and I demand that Congress pass a just, honest, fair, equal, and mutual law. No one should deny the growers this; we ask nothing more.

In 1920 on the New York and New Orleans exchanges alone there were sold over 128,000,000 bales of cotton, although in that year we produced in the United States only 13,342,000 bales, so that something like nine times more cotton was sold than there was raised during that whole year, and there were delivered on contract about 400,000 bales only.

Mr. President, we are taught that overproduction decreases the price of a commodity. It does not take any Solomon to understand that. Take the supply of eggs in a little town, or the supply of chickens or of watermelons or of anything else, if more of those commodities are raised than can be consumed, more than there is a demand for, then the price will be depreciated. When people are allowed to sell on the exchanges the unheard-of quantity of cotton which I have mentioned it is presumed that they have the cotton behind the contracts, and, of course, it depresses the price. The same results follow as in overproduction. The only wonder is that the price is not pushed clear out of existence. I talked with an officer of the Agricultural Department a year or two ago and he admitted that the present law does not function properly, and if anybody will stop a minute to consider he will see that is true.

It may be said that the question is a complicated one. Yes; but so were our A B C's complicated until we learned them. However, it is not really complicated at all; it is simply a question of allowing a man to make a contract giving him an option to deliver 10 qualities under that contract and let him select the quality. Under such circumstances no one will pay for the contract what the commodity is worth. The quotations on the exchanges are taken and the actual cotton is acquired on those spurious quotations. Those contracts can not be converted into any particular one of the ten grades of the selection of the purchaser, hence they are not worth what they claim to be. I mean to say a contract for a commodity ought to be converted into that identical commodity—a particular kind; definite kind. The quality to be delivered being uncertain, the contract will only be purchased at a discount, and the quotation fixes the price of spot cotton. The price of the spot cotton is too low by reason of this method of dealing.

The exchanges, I think, perhaps serve a very good purpose, since we export about half the cotton we make. I have no fault to find with them, but my complaint is with Congress, not, of course, that Congress has intended to do wrong, but I complain of the indifference of Congress. It is inexcusable. The proposal which I have presented is worth more to the people of my section than all the other laws we could pass put together. It would increase the price of cotton, stabilize it, prevent wild fluctuations, and so forth.

I should like to inquire why a system is permitted to continue under which the price of cotton is allowed to fluctuate so rapidly, going up one day and down the next. I am told that yesterday and to-day the price of cotton has fluctuated about $8.50 a bale in those two days alone. We can not stabilize the manufacturing of cotton; the banks do not know what to do; the producers do not know what to borrow in order to make their crops under any such system as now exists. The producers do not know when to sell.

Briefly, I desire to quote what a member of the New York Cotton Exchange, Mr. Harris, said some time ago:

> Now, I have been in the cotton business about 23 years, 17 years of which time I have been in the business for my own account. Prior to the passage of the Smith-Lever bill, of course, you might say there were no regulations as to the grades or classification or anything else. The New York market was almost constantly used by two or three of the big houses for manipulation purposes, and they were really slaughtering the lambs, both the exporters and the local merchants and everybody.

That is what a member of the exchange said at that time, and they have done no better since.

Mr. President, all I seek to do by my amendment is to classify the different grades of cotton constituting class A, the high-grade cotton, and to provide that under each contract one-third of the contract must be filled in that basic grade and the other two-thirds must be filled either in that basic grade or in the other grades mentioned of that class. Likewise with middle-grade cotton and low-grade cotton. If that can be done, the contract will be made definite; it will be made definite enough to be practical, and it will be made elastic enough to be traded in. We will not run honest people out of the business either on the exchanges or elsewhere, but we do need some legislation in order to protect and preserve the agricultural interests of my section of the country, which are deprived of hundreds of millions of dollars every year because of the present system. The time will soon come when the mills will have to shut down for want of production of cotton, and I hope our people will not plant another seed until Congress changes the law.

Mr. SIMMONS obtained the floor.

Mr. McCUMBER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from North Dakota?

Mr. SIMMONS. I yield to the Senator from North Dakota. I was only going to occupy a minute, however.

Mr. McCUMBER. I was simply going to make a very brief statement upon the proposition of putting into this bill the bill offered by the Senator from South Carolina.

Mr. SIMMONS. That was the purpose for which I rose, but I yield to the Senator.

Mr. McCUMBER. Mr. President, I want to say just a word, if the Senator will allow me, on behalf of the committee.

While I am in sympathy with the good purposes of the amendment offered by the Senator from South Carolina—which, I understand, is aimed at gambling in futures on cotton—I appreciate the fact that I know very little about the subject myself, and perhaps my sentiment is governed by my prejudice against gambling. I know so little about the matter that it seems to me at first glance that it ought not to be attached to a tariff bill, but if I were certain that all of the Senators from the cotton-growing States were agreeable to it and that the Senator from South Carolina [Mr. DIAL] and the Senator from Louisiana [Mr. RANSDELL] were in exact accord in the matter I do not know that I would offer any serious objection to having it placed upon the bill and go to conference. I do not, however, want to put it upon the bill if there is any serious conflict on the other side of the Chamber concerning its merits.

Mr. UNDERWOOD. Mr. President, I rise to say that I am in favor——

Mr. SIMMONS. Mr. President, I had the floor.

Mr. UNDERWOOD. I beg the Senator's pardon; I did not know that. I yield to the Senator if he desires to speak first.

Mr. SIMMONS. No; I yield to the Senator from Alabama. I am in no hurry, and I hope this matter may be cleared up before I have to say anything.

Mr. UNDERWOOD. I do not want to take the Senator's time.

Mr. SIMMONS. Go ahead; I yield to the Senator.

Mr. RANSDELL. Mr. President, will the Senator permit me, as the Senator designated by the Agricultural Committee to make an adverse report on this very bill, to say just this much: This identical measure——

Mr. UNDERWOOD. I do not want this to come out of my time.

Mr. RANSDELL. All right.

Mr. UNDERWOOD. I will yield to the Senator.

The PRESIDENT pro tempore. The Senator from Alabama has the floor.

Mr. UNDERWOOD. I yield the floor.

Mr. SIMMONS. Mr. President, I had the floor, and yielded to the Senator from Alabama.

The PRESIDENT pro tempore. Does the Senator from North Carolina yield the floor?

Mr. SIMMONS. I yield to both Senators.

Mr. RANSDELL. Will the Senator from North Carolina yield to me to make a statement before he makes his?

Mr. SIMMONS. Yes; I yield.

The PRESIDENT pro tempore. The Senator from Louisiana has the floor.

Mr. RANSDELL. Mr. President and Senators, I want only one moment to say that the identical amendment offered by the Senator from South Carolina was submitted to the Senate Committee on Agriculture and Forestry, was examined by a subcommittee of that body, a great deal of testimony was taken, not a single witness testified in favor of this proposition except the Senator from South Carolina himself, and a unanimous adverse report was made on the bill, which I hold in my hand.

The matter is one of the greatest importance. We discussed this measure very fully several years ago, when we passed what was known as the Smith-Lever cotton futures act. We made several amendments to the cotton futures act at that time. It is going to require prolonged debate to make another change in this act, and it certainly has no place in this tariff measure when we can not discuss it adequately.

There are several Senators from the Southern States on the Agricultural Committee, and the adverse report on this identical measure introduced by the Senator from South Carolina was a unanimous one.

Mr. DIAL. Mr. President, will the Senator let me ask him a question?

Mr. RANSDELL. I shall be delighted to have the Senator do so.

Mr. DIAL. How long did the Agricultural Committee pigeonhole that amendment?

Mr. RANSDELL. It never pigeonholed it at all.

Mr. DIAL. How long did the committee have it?

Mr. RANSDELL. The Senator introduced the bill some time last year, and he introduced another bill, if I recall correctly, in February of this year, and the Agricultural Committee had a number of hearings on it. We did not work with a great deal of expedition but we did about as fast work as we do usually in the Senate, I will say.

Mr. DIAL. Not very much.

Mr. RANSDELL. Perhaps not.

Mr. DIAL. The committee kept the bill for over a year, and then did they not report it out at my request?

Mr. RANSDELL. I will state, in reply to the Senator, that the committee were opposed to the legislation. We did not want to report it out at all. We did not care to turn down the Senator so hard; but he insisted upon having some kind of a report, and then we did make a unanimous adverse report against the bill, after very considerable hearings.

That is all I have to say.

Mr. SIMMONS. Mr. President, I do not desire to discuss the amendment. I was aware of the fact that there was great diversity of opinion on this side of the Chamber, where almost all of the Senators representing cotton States are, with reference to the wisdom of this legislation. I knew that the colleague of the Senator from South Carolina [Mr. SMITH] probably entertained views adverse to those of the junior Senator from that State; and I rose simply to suggest to the junior Senator from South Carolina that this amendment probably will lead to considerable debate, and we have quite a number of other amendments to be considered, and at 10 o'clock all debate will be closed. I wish the Senator might find it consistent with his views as to his duty in the premises to withdraw his amendment and let us take up this matter in the Senate as a substantive proposition instead of as an amendment to this tariff bill.

Mr. SMITH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from South Carolina?

Mr. SIMMONS. I do.

Mr. SMITH. If the Senator from North Carolina will allow me, I want to join with him in the request that my colleague allow this matter to come up on its own merits. I will use every power I possess to join with him for the purpose of having it brought up on its own merits and discussed. It has an adverse report; but, as the Senator insists that it shall be discussed, I certainly do not feel that I could do the subject justice in the limited time that is at our disposal now, and discuss adequately so far-reaching and important a subject as legislation looking toward the control of the cotton market.

I want to say in this connection, if the Senator will allow me, that I was a member of the subcommittee, and there was no disposition on my part and I do not know that there was any disposition on the part of any of the members of the committee to pigeonhole or unduly delay the consideration of this matter. The previous bill, the one that this seeks to amend, took from three to four years to be finally put into proper shape to meet the purpose for which we originally introduced the measure.

I thank the Senator for allowing me to make this statement in his time. Perhaps I may say something in my own time later on.

Mr. SIMMONS. Mr. President, I am quite certain that this is a subject which can not be properly discussed under the 15-minute rule, under which we are operating now. It requires considerable explanation in order that the Senate may understand it, and in order that Senators representing the cotton States may understand it sufficiently to have an individual judgment with regard to the matter. I have not heard it discussed. I am not on the Agricultural Committee. I have been busy about other matters, as have been many other Senators from the South, and I have not had time to look into it; and I am certain, from my knowledge of the very great complexity of the question, that it will be impossible for Senators opposing this amendment to present the case in such a way that we may be able to form an intelligent judgment about it in connection with this tariff bill.

I trust very much that the Senator from South Carolina will not press the matter now, first, for the reason that we have not the time to consider a matter of this magnitude in connection with amendments to this bill, and, secondly, because under the 15-minute rule it is utterly impossible for the Senate to get the light upon it that it ought to have in legislating about a serious matter. A mistake about this matter would be disastrous to the cotton-growing States.

The Senator may be entirely right about it, or he may be entirely wrong about it, as his colleague [Mr. SMITH] seems to think; and I should not like to see legislation here under such circumstances of doubt and uncertainty with reference to a question that is vital to a large section of this country.

Mr. DIAL. Mr. President, the bill was before the Agricultural Committee since May of last year, and I insisted on trying to get out some report, and at last I asked that they make an adverse report if they would not make any other. I am answering the Senator from North Carolina, if I am allowed to do so.

Mr. JONES of Washington. Mr. President——

Mr. McCORMICK. Mr. President——

The PRESIDENT pro tempore. The time of the Senator from South Carolina has expired.

Mr. JONES of Washington. Mr. President, in view of the statements on the other side of the Chamber, and because I would not want to vote on the merits of this proposition now, because I know nothing about it, I move to lay the amendment on the table.

Mr. UNDERWOOD. Mr. President, I hope the Senator will not engage in a performance of that kind, because if he does I will guarantee that there will not be much business done in the Senate until 10 o'clock to-night.

Mr. JONES of Washington. Of course, if the Senator from Alabama desires to discuss the amendment, I do not desire to cut off anybody at all.

Mr. UNDERWOOD. I want to make my statement about this matter. I do not agree with my colleagues here. We disagree. They may be right and I may be wrong, but I merely want the time to discuss the amendment briefly.

Mr. JONES of Washington. I do not desire to cut off the Senator at all and I withdraw the motion, Mr. President, although a good many of us have amendments that we would like to have considered that are in order on the bill.

Mr. UNDERWOOD. I do not want to delay it. If the Senator from South Carolina desires to withdraw his amendment, I have not anything further to say; but if it is before the Senate I want to make a statement about it, and, as I understand the Senator, it is before the Senate.

Mr. DIAL. I should like the Senator to make his statement; yes.

Mr. UNDERWOOD. Mr. President, the reason why I support this proposition is because I think action in regard to this question has been too long delayed. There is ample precedent for handling the matter in this way.

When the present law came before the Senate, the then senior Senator from Arkansas, Mr. Clarke, proposed an amendment on this very subject to the tariff bill that was then pending. It was agreed to by the Senate. When the tariff bill went back to the House, the House thought it was of so much importance, although they did not agree to his amendment, that they adopted a substitute. Unfortunately, in the tie-up in Congress the two bodies could not agree, and the matter had to go out; but substantially what was in the substitute was afterwards adopted as what is known as the Smith-Lever bill—I do not say actually, but the same lines of procedure.

Congress has already legislated in reference to wheat, to require that the man who sells the product shall deliver what he sells, and that is the principle involved here. As to the technical details, I may not be as well informed as others, but the difficulty in the cotton situation has been that under the exchanges a man may sell 1,000 bales of a certain grade of cotton and then, under the rules of the exchange, when he comes to deliver it, propose to deliver something else, with an arbitrary difference in price, originally fixed by the exchange, and now fixed by the Agricultural Department.

I have no objection to an exchange. I think it is useful in its way, but if a man proposes to sell a commodity on an exchange, he should be made to deliver what he proposes to sell, as far as it is possible to do so.

I understand that in the cotton business the grades of cotton run so close together that it may be difficult always to deliver the exact grade of cotton which the seller sold. Therefore the Smith-Lever bill limited the amount of deliveries to certain classes or grades of cotton, narrowing the basis of delivery. But even that has worked most disadvantageously to the producers of this commodity, because when the seller sold his 1,000 bales he could still offer to the buyer something he did not want, and it made the exchange an artificial market and not a real and honest market for what was sold. Until you make the exchanges deliver to a spinner, when he buys a contract, what can substantially fill his contract, and be spun in his mill, your exchanges are gambling affairs and are not an honest market.

The reason why I favor the proposal of the junior Senator from South Carolina is that this is an effort to make the man who sells cotton on the exchanges deliver, within a radius of grades, cotton which the buyer orders, if he is an honest spinner, and buys it not for gambling purposes but for use in his mill.

I recognize the fact that it might be better not to consider this question within the limited time at our command, as an amendment to this bill, but I recognize that if it is not considered now it probably will not be considered during this session, and there will be no other opportunity for its consideration. There may be gentlemen on the floor who are wiser than I am as to how the amendment should be drafted. They now have an opportunity to propose their amendments, and if this is not satisfactory, to make it satisfactory. When it goes to conference there will be an opportunity to make it satisfactory if this plan proposed is not satisfactory.

But that does not establish the principle involved, which is that when you sell a bale of cotton on the exchanges of this country it should be an honest sale, with the intention of delivering the goods sold, so that an honest buyer, intending real consumption, can go to the exchange and buy his goods. When you insure that you erect a barrier against the gambler, who sells cotton to reduce prices and not for honest sale, from manipulating the cotton crop. You have done this for wheat; it is nothing new. You have done it for the entire northern section of the country, and there is no reason why you should not do it for a great staple commodity of this country.

I think it is no answer to the proposition pending before the Senate that you do not agree with the technical details. It has been before the Senate so long that men in the Senate know what should be done, and if the proposal of the Senator from South Carolina does not meet the evil—and that is what I am talking about—then let those who have a better plan propose it. But I say that this is no time to withdraw the amendment. This is no time to avoid action, because if you

avoid action now the opportunity will not come at another time this session, and if nobody can propose a better solution of the problem than has the junior Senator from South Carolina, I say that his proposal is entitled to our support and our favorable consideration. That is the reason I propose to vote for the amendment offered by the Senator from South Carolina.

Mr. SMITH. Mr. President, as a matter of course, the time is too limited to discuss this proposition in its fullest details. The Senator from Alabama, of course, has a general knowledge of the manner in which cotton is handled and sold. I think the Senate will agree with me that I have devoted some considerable part of my time since I have been a Member of the Senate to trying to bring about a favorable condition for those who produce cotton.

The Senator has called attention to the fact that grain which is sold is delivered according to the thing that is sold. That is exactly what we have attempted to do in the case of cotton. I had an amendment adopted to an Agricultural appropriation bill appropriating something like $50,000 for the testing of the real intrinsic value of the different grades of cotton, from what is known as good ordinary, the lowest grade, to middling fair, the highest grade. The result of that test, made by the Agricultural Department, is in my possession now. We found that from, say, strict low middling, or from low middling upward, including some of the stains and tinges, there was no difference in the yarn-making, bleaching, and cloth-making qualities of the grades, but the trade have made an arbitrary difference that was detrimental to the producer.

We have been trying to demonstrate that there is not the difference. The present law restricts the number of grades deliverable under the terms of the law to those that would go in even-running lots. That is now the law. So that a man hedging or buying a contract on the New York Cotton Exchange can demand specific fulfillment of his contract and receive grades of cotton which would be assimilable in even-running lots, staple and color being taken into consideration.

The objection I have to my colleague's proposed amendment is principally this, that if you divide the 10 grades we now have into the 3 groups of 3 each and say that you can contract for group A, group B, and group C, it is tantamount to recognizing by legislation that there is a difference in value, and the result would be to counteract the very thing that I have attempted to do and am still working upon—to convince the public and the trade that for yarn making and cloth making in intrinsic value of grades there is practically no difference at all.

Besides that, if a farmer desires to sell his crop on the future market there is not a farmer producing cotton who can come within any one of these specific grades, because the weather and the other conditions which surround the gathering of it will determine what grade of cotton he will get. Therefore, so far as any farmer is concerned, he is not able to sell his cotton on the exchange, where he must specify within three grades the kind of cotton he makes. Under the present law he can tell within a very small percentage and deliver the cotton that he makes.

Mr. DIAL. Mr. President, can the Senator state about what proportion of the crop the farmer sells?

Mr. SMITH. I do not think the amount he sells is considerable. I do not think the amount the cotton mills buy on the exchange is considerable. I think the exchange is used for the purpose of hedging and reflecting the price of the cotton that is bought and sold.

Under the present law the trouble, in my opinion, is not the manner in which we deliver grades, but the law allows unlimited short selling. There is no limit. A man or any combination can go on the exchange and sell any amount of cotton that it sees fit to sell, whether it owns it or not. A man can sell twice the amount of cotton that is made. If we propose to amend this law, it ought to be worked out to restrict short selling and not to attempt to classify the grades which are now deliverable.

The fundamental trouble with the cotton market, as it has been with the grain market, is the privilege of any outsider selling millions and millions of dollars' worth of stuff he does not own, he does not propose to own, and intends to sell on margin, and if, by the weight of his sales, he can depress the market, he is the beneficiary to the extent of that depression.

The thing for us to do is to pass such legislation as will limit the unlimited power of short selling in our grain and cotton exchanges. As to the grades which are deliverable on the contracts as now embodied in the law, any mill can take them; any buyer who wants spot cotton can take them and never lose a penny, for the law provides that when the exchange delivers him the cotton and there is a difference in price or in grades that does not suit the purchaser the Agricultural Department is empowered and directed by law to ascertain what that grade of cotton is worth on the spot market on the day that cotton was delivered.

So there is no possibility of any mill or any individual being delivered cotton he does not want at a price that is not profitable to him, because he would only receive it at the price the trade was giving.

Mr. DIAL. Does not the Senator think that by reason of this method of selling future contracts the spot cotton on that spot market was less than it would have been if it had not been for this method, this mode, this scheme of exchange? That is what I am after, exactly. We are not far apart.

Mr. SMITH. I think that if you had but one grade of cotton and if the country made but one, but you allowed speculators and gamblers outside to sell, and sell without limit, a commodity they did not own and did not pretend to own and did not propose to own, they could depress the market regardless of whether the thing was tenderable or not. So in restricting the number of grades or grouping the number of grades, if any amendment to this bill is to be offered at all it must be worked out to restrict the unlimited short selling in the hands of those who have millions.

I do not feel that it is my duty as a representative of the men who make the cotton, myself a cotton grower, to allow a discrimination in the grades which are now tenderable that is not warranted by the tests made by the Agricultural Department. It is practically recognizing a difference which does not exist, and it makes it possible for them to take one-third of my crop at a minimum and the other two-thirds at such a discount that the average is far below the intrinsic value of all of it together.

It was for that reason that I thought perhaps my colleague's amendment was not just the proper thing, because all the grades that are tenderable now can be spun on any mill—every grade that is tenderable. Therefore why discriminate and make groups when the real facts are that they are all equal? If you want to cure the disease that is ruining the farmer, we should check the inordinate and unlimited short selling by those who do not own either an option, the actual cotton, or the ground that produces the cotton that they propose to sell. There is before the subcommittee now a bill looking toward that very object, and it is that to which we should address ourselves rather than trying to fix arbitrarily certain groups and thereby intimate that they have a difference in value when no difference of value exists.

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

Mr. SMITH. I yield.

Mr. ROBINSON. In the opinion of the senior Senator from South Carolina, would the adoption of the amendment proposed by the junior Senator from South Carolina prevent unlimited contracting in futures where neither party to the contract contemplates actual delivery?

Mr. SMITH. Not a particle. I could sell No. 1, No. 2, or No. 3 ad libitum. There would be no limitation whatever; there would be no more than there is now. So far as delivery is concerned, there is no mill, there is no buyer, so far as I have been advised, who has gone and demanded specific fulfillment under the law as now amended restricting the grades to 10, who has protested against the kind of grades and the price delivered.

Mr. DIAL. Mr. President, will my colleague yield?

Mr. SMITH. Certainly.

Mr. DIAL. Does the Senator think that a man would sell with as much rapidity and to such an extent where he was liable to be called upon to deliver one of three or four grades as he would where he is allowed to deliver any one of 10 grades?

Mr. SMITH. I answer that yes, for this reason: I thought when we restricted the number of grades deliverable from 32 to 10 that it would have a tendency to curtail short selling, because the 10 grades now deliverable can all be used in the mill in an even-running lot.

Mr. DIAL. Does the Senator mean that one mill, with one kind of machinery, making one kind of cloth, can use all 10 grades?

Mr. SMITH. Any mill making any kind of cloth can take the ordinary white cotton, from low middling to strict good middling, and make the same kind of cloth, according to the tests of the Agricultural Department at Danville, Va., and at Clemson College, S. C.

Mr. DIAL. There is much more waste in the off grades.

Mr. SMITH. But we eliminated the off grades.

Mr. SIMMONS. Mr. President, I want to ask the Senator a question if he will allow me.

Mr. SMITH. Certainly.

Mr. SIMMONS. We make very many grades of cotton. I ask him, if he limits the grades, what is going to be the effect upon the grades not tenderable?

Mr. SMITH. It would be the same effect that was produced when the Government issued an order that nothing below middling should be used for governmental purposes. The result was that all the grades below middling were outlawed, while the balance of the cotton did not go up very appreciably. I maintain that those grades of cotton which show an excess of foreign matter in the process of conversion are eliminated from the present tenderable grades. They now eliminate good ordinary, strict good ordinary, the blue, the blues and sandies. They can not be tendered on a contract. Only 10 grades can be tendered, 6 of the white cotton and 4 of the stains and tinges, which every cotton grower knows is just as good, because it is simply where the frost has thrown down the tannin in the boll and has not affected the fiber at all.

It was for that reason I say we should work out and ultimately we must work out some manner of checking this unlimited short selling. It is not a question of the grades which can be delivered. It is the unlimited power to take money and go on the market and sell thousands and thousands of bales that the seller does not own and has no option for and no land to produce.

The PRESIDENT pro tempore. The time of the Senator from South Carolina has expired. The question is on agreeing to the amendment offered by the junior Senator from South Carolina [Mr. DIAL].

Mr. HEFLIN. Mr. President, I have been giving a great deal of thought and study to the cotton question ever since I came to Congress. I helped to work out some regulatory legislation in the House that cut down the grades from 28 to 9 standard grades of cotton. That was beneficial. I helped to pass the present Smith-Lever Act. We sought in that bill to safeguard and felt that we had safeguarded the very thing that is being discussed here this afternoon. I suggested this provision myself, in subdivision 7 of the Smith-Lever Act:

> Seventh. Provide that, in case a dispute arises between the person making the tender and the person receiving the same, as to the classification of any cotton tendered under the contract, either party may refer the question of the true classification of said cotton to the Secretary of Agriculture for determination, and that such dispute shall be referred and determined, and the costs thereof fixed, assessed, collected, and paid in such manner and in accordance with such rules and regulations as may be prescribed by the Secretary of Agriculture.
>
> * * * * * * *
>
> The Secretary of Agriculture is authorized to prescribe rules and regulations for carrying out the purposes of the seventh subdivision of this section, and his findings, upon any dispute referred to him under said seventh subdivision, made after the parties in interest have had an opportunity to be heard by him or such officer, officers, agent, or agents of the Department of Agriculture as he may designate, shall be accepted in the courts of the United States in all suits between such parties, or their privies, as prima facie evidence of the true classification of the cotton involved.
>
> * * * * * * *
>
> SEC. 6a. That no tax shall be levied under this act on any contract of sale mentioned in section 3 hereof if the contract provide that, in case cotton of grade or grades other than the basis grade specified in the contract shall be tendered in performance of the contract, the parties to such contract may agree, at the time of the tender, as to the price of the grade or grades so tendered, and that if they shall not then agree as to such price, then, and in that event, *the buyer of said contract shall have the right to demand the specific fulfillment of such contract by the actual delivery of cotton of the basis grade named therein and at the price specified for such basis grade in said contract*, and if the contract also comply with all the terms and conditions of section 5 hereof not inconsistent with this section: *Provided*, That nothing in this section shall be so construed as to relieve from the tax levied by section 3 of this act any contract in which, or in the settlement of or in respect to which, any device or arrangement whatever is resorted to, or any agreement is made, for the determination or adjustment of the price of the grade or grades tendered other than the basis grade specified in the contract by any "fixed difference" system, or by arbitration, or by any other method not provided for by this act.

Now, Mr. President, we sought to fix it so that the buyer of cotton on the exchange could compel the seller to comply with the contract. I suggested the provision which I have read, that in case of dispute between the buyer and the seller as to cotton tendered on the contract, an appeal would lie by either one of them to the Secretary of Agriculture, where his experts could be called in to see whether or not the cotton tendered was what it was represented to be or in keeping with the contract made. If this is not being done, it ought to be done. If it is not being done, it is the duty of the Secretary of Agriculture to see that it is done.

I am in favor of doing with the law whatever may be necessary to compel the exchanges to deliver to the spinner or other buyer exactly the character of cotton that he buys. I want to make the exchanges helpful agencies in the distribution of the crop. I think that a spinner ought to be able, when he goes upon the exchange and buys cotton for his mill, to have spinnable cotton delivered to him and to have his contract complied with. We thought we had that provision in the law, and I still think we have it; but if the law is not being complied with, I want to do whatever is necessary to compel compliance with its provisions.

I confess that, as I understand it, I am afraid of the amendment of the junior Senator from South Carolina [Mr. DIAL]. I am afraid when the farmer goes into the market place with his cotton, consisting possibly of 5 or 6 or 7 grades of the 10 that we have recognized in the law, that a buyer may come out representing one mill or a set of mills and say, "I will give you, say, 25 cents a pound for this grade and that, but I do not want the other at all." Now, what effect would that have upon the market generally? It would, I fear, outlaw the other or lower grades. It would have the effect of lowering the price on those grades. What occurs now in the open markets of the country? The buyer goes out and says, "You have five or six or seven or eight grades. I will give you so much for this grade, so much for that and the other grade; in other words, I will give you an average price of so much for the whole lot of cotton," and all of it is taken and all of it is consumed. Do we want to put it in the power of any buyer to come into the market place and, after taking off the cream, say, "We do not want the skimmed milk"? That situation would enable the buyer to get the remainder of that lot of cotton at a low price, to the injury of the producer. We sell all of the cotton now that we produce, and it is all being consumed.

I was interested in the test of the tensile strength of cotton that my good friend the senior Senator from South Carolina [Mr. SMITH] had made a few years ago. We all know, and the whole South knows, that the South has never had an abler or better friend of the cotton industry in this Chamber or in the other than he, and none who knows the cotton subject better than he. He had the test made of the difference in the tensile strength of the different grades, and it was shown that the difference between the high and low grades was infinitesimal. What occurred? You could take the cotton of the lower grades and the fiber was practically as good and strong. Possibly it had a little stain on it because of rain, but they have a renovating process and dyeing process that disposes of that. I submit to the Senate to-day that I could take one of those lower grades and dye it red, as they do, or brown or green or black, and weave it into cloth, and no one but an expert could tell the difference between that and cloth made of the higher grade.

If the amendment of the junior Senator from South Carolina prevails I fear that the agent of the spinners who comes out and looks over the farmer's lot of cotton would say, "You have 10 bales; I will buy these three, but I do not want the other seven at any price." That plan could be adopted very easily and it would outlaw three-fourths of the cotton crop. I want the spinners to have a fair deal, and it is our business to protect the man who is toiling to produce that which must clothe the world and who is being fleeced by the exchanges and by some of the spinners through combinations operating on the exchanges.

Mr. DIAL. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from South Carolina?

Mr. HEFLIN. I yield to the Senator.

Mr. DIAL. What would be the objection to making the exchanges specify the identical grades in which they are going to trade? What is the objcetion to that?

Mr. HEFLIN. I contend that it is now in the law.

Mr. DIAL. In section 10, but not in section 5.

Mr. HEFLIN. I contend that those provisions are in the law. If they are not in it, let us put them in it. The junior Senator from Arkansas [Mr. CARAWAY] has an amendment pending which proposes some changes to the law that might meet every objection that has been raised.

Mr. DIAL. How does my proposed amendment change the method of buying cotton at the present time? What is there in the law now to make a man buy cotton that he does not want? Is there any difference in it? It does not change that at all.

Mr. HEFLIN. Why does the Senator want his amendment accepted, then?

Mr. DIAL. I want my amendment accepted so that we will make a good contract, a contract that will be worth 100 cents on the dollar, representing the actual cotton. The price of the actual cotton would be raised because it would be brought up to the value of the contract. We are buying under a spurious contract now.

Mr. HEFLIN. Mr. President, I want to say just this in conclusion: I want to do everything that I can to safeguard these contracts and to have the law complied with. I want a fair law. I want it fair to the spinner. I want it fair to the producer. But I am not willing to tie onto the tariff bill this afternoon an amendment that might work ruin to the cotton producers. Here we have two Senators from a Southern State, one of them a large cotton farmer, his interests consisting largely in the cotton-producing business; the other a cotton spinner, one who is largely interested in the cotton-spinning industry. Both sides of the industry are thus represented, and properly so. Both sides of the industry ought to be treated fairly; but I do not want to lug something doubtful into the plan that we have tried to provide for the safe handling of the cotton crop of the United States. I think we ought to have some day set apart when we may discuss this question separate and apart from these other matters.

We Senators from the South ought to want to do, and I think we all do want to do, what is best for the cotton producer. Let us have a time when we may work the matter out. If the amendment of the Senator from South Carolina [Mr. DIAL] is found to be the proper one, let it be adopted; but if it is not the proper one, let us amend the law which we now have and see that the spinner and the producer of cotton both have a fair deal. That is my position upon the matter.

Mr. McCUMBER. Mr. President, I have stated that if all Senators on the other side of the Chamber were absolutely in accord and felt that this was a good amendment I should have no objection to attaching it to the pending tariff bill, even though I consider that it is not pertinent to a bill of this character; but I find that there has been a unanimous report against it by the Committee on Agriculture and Forestry, which is one of the principal committees of the Senate, and that report was made even without a division. Now, to ask the conferees to take the matter up and fight it out in conference, with two or three Senators on this side and two or three Senators from the other side, and then bring in the conference report and have the matter all fought over, seems to me would be a rank injustice. That being the case, Mr. President, I am going to ask a ruling of the Chair on a point of order I shall make. The unanimous-consent agreement, which is still in operation, reads:

> It is agreed by unanimous consent that the bill (H. R. 7456) "An act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes," shall be kept before the Senate until the final vote is reached to the exclusion of all other matters, and the debate shall be confined to the question before the Senate or the bill itself, and no other business or irrelevant question or motion shall be entertained by the Chair unless, after a statement of the question, the unanimous consent of the Senate is given therefor.

I make the point of order that this amendment presents an "irrelevant question," and therefore is excluded from the consideration of the Senate by the unanimous-consent agreement.

Mr. DIAL. Mr. President, if the Senator from North Dakota will allow me, I will say that I think that the matter is germane to the bill, but, as I stated in the beginning, I should prefer to have presented it in a separate measure.

Mr. McCUMBER. Mr. President, my point of order must be decided without debate.

Mr. DIAL. I should like the Senator, if he will agree to it, to allow me to have a day fixed at the next session of Congress when this bill may be made the unfinished business, and I will then withdraw the amendment from the pending bill.

Mr. McCUMBER. Of course I can not agree to fix a day,

Mr. DIAL. I wish to make that request.

Mr. McCUMBER. Does the Senator withdraw the amendment now?

The PRESIDENT pro tempore. Does the Chair understand that the Senator from South Carolina withdraws his amendment?

Mr. DIAL. Yes, Mr. President; in order to expedite matters; but I should like to make a few remarks, covering not over two minutes. I ask unanimous consent to do that.

Mr. McCUMBER. That would not be proper.

The PRESIDENT pro tempore. The Chair is advised that the Senator from South Carolina has one minute of his time remaining.

Mr. DIAL. Mr. President, may I be allowed to speak for one minute?

The PRESIDENT pro tempore. The Senator will be permitted to speak for one minute.

Mr. DIAL. Mr. President, my friend from Alabama [Mr. HEFLIN] talks a great deal about things he does not know anything about. When he tries to put me in the attitude of sinning against the interest of the farmer, he can not do so. He is reckoning without his host.

Mr. HEFLIN. I never said that.

Mr. DIAL. It is not dignified to speak of one's property or of one's wealth; but, Mr. President, I own hundreds of acres of land, and I am as much interested in agriculture as is the Senator from Alabama or any other Senator; and I repudiate any such accusations being made here against me. I also own a modest amount of stock in cotton mills, and I am not ashamed of it.

Mr. HEFLIN. I did not say that.

Mr. DIAL. When the Senator from Alabama gets up here he can do his own talking, but he can not put my position in the RECORD in any way he wishes. The bill which I urge here, even if we did not pass any other bills but appropriation bills, would be worth more to the South than all other legislation put together. Congress could not take up its time better than to pass this bill.

However, I withdraw the amendment now, and I ask that we fix the fifth day after the convening of the next session when the bill which I have proposed as an amendment to the pending bill be made the unfinished business of the Senate.

The PRESIDENT pro tempore. The amendment of the Senator from South Carolina is withdrawn.

Mr. McCORMICK. I offer the amendment which I send to the desk.

Mr. DIAL. I should like to ask that my request be acted upon at this time. I ask unanimous consent.

Mr. McCUMBER. No other matter may come before the Senate at this time.

The PRESIDENT pro tempore. The amendment of the Senator from South Carolina is withdrawn, and there will, therefore, be no ruling on the point of order made by the Senator from North Dakota.

Mr. SIMMONS. Mr. President, I wish to inquire, Does the Chair mean to rule that it is out of order for the Senator from South Carolina to ask unanimous consent that his bill be made the unfinished business at a time in the future?

The PRESIDENT pro tempore. The Chair does not hear the inquiry of the Senator from North Carolina.

Mr. McCUMBER. It would not be in order for the Senator from South Carolina to prefer his request unless by unanimous consent.

Mr. SIMMONS. But the Senator has asked unanimous consent that he may do so.

The PRESIDENT pro tempore. Let the Senate be in order so that the Chair may hear the statements of Senators.

Mr. SIMMONS. I have asked, Is it out of order for the Senator from South Carolina to ask unanimous consent that the bill which he has offered as an amendment to the pending bill shall be made the unfinished business of the Senate on the fifth day after the Senate assembles in regular session in December next?

The PRESIDENT pro tempore. The Chair is of the opinion that it is out of order now to ask that any measure may be made the unfinished business of the Senate.

Mr. DIAL. I never before heard that to ask unanimous consent was out of order.

The PRESIDENT pro tempore. The bill referred to by the Senator from South Carolina may only become the unfinished business through the order of the Senate. The Senator from Illinois [Mr. McCORMICK] offers an amendment which will be stated.

The ASSISTANT SECRETARY. On page 21, paragraph 48, at the end of line 6, it is proposed to strike out the period and insert in lieu thereof a colon and the following proviso:

> *Provided*, That there shall be imposed and paid upon all importations of camphor, natural and synthetic, a duty of 25 per cent ad valorem when it is made to appear to the satisfaction of the President of the United States that manufacturers in the United States are producing 2,000,000 pounds of synthetic camphor per year. The President shall make known this fact by proclamation, and thereafter said rate of duty shall go into effect.

Mr. McCORMICK. Mr. President, the purpose of this amendment is to afford adequate protection to an industry the establishment of which was begun during the World War, but which languishes now by reason of the competition of the Japanese camphor monopoly. Senators know that until recently the Japanese monopoly has been complete and absolute, with the result that the Japanese exporter has control of the market and fixes the price everywhere. In 1910 the price was 45 cents, while 10 years later it was nearly seven times as much.

It was only two or three years ago that the manufacture of synthetic camphor was successfully begun in Germany, where great factories are now engaged in its production. A factory for the same purpose was partially completed in the United States, but the termination of the war promised the destruction of the American industry by reason of the competition of

the Formosan camphor. The industry is important not only to the localities in which the factories are or may be established but to all the turpentine-producing States.

The amendment differs from the run of amendments in that it provides that the ad valorem duty shall not be applied until production in this country has reached considerable proportions. I have called the matter to the attention of the Senator from Utah [Mr. SMOOT], in charge of the chemical schedule, who, I believe, now agrees that the amendment ought to be adopted.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Illinois.

Mr. SMOOT. Mr. President, before the war there was not an ounce of synthetic camphor made in the United States, but during the war there was one enterprising gentleman living in St. Louis, the president of the Monsanto Chemical Co., who spent about $500,000 in the erection of a plant for the manufacture of synthetic camphor. As every one knows, Japan controls the camphor market of the world. She fixes the price; she imposes export duties of whatever amount she desires, and, in fact, she can say whether one country shall have camphor and another shall not. That control is gradually being broken down by the manufacture of synthetic camphor.

Germany was the first country to manufacture synthetic camphor, and it was followed by the United States. The plant in this country, however, has been entirely closed, and this amendment is simply to provide that a 25 per cent duty upon camphor shall be imposed when it is demonstrated that there can be manufactured in the United States 2,000,000 pounds of camphor a year, and in the meanwhile the 6-cent rate provided in the bill will go into effect. I see no reason why the amendment should not be adopted and go to conference for consideration.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Illinois.

The amendment was agreed to.

Mr. FRANCE. Mr. President, I desire to offer an amendment which merely makes one of the schedules more specific.

The PRESIDENT pro tempore. The amendment will be stated.

The ASSISTANT SECRETARY. On page 184, in paragraph 1414, on line 13, after the word "thereof," it is proposed to insert:

Garlands, festooning, and Christmas-tree decorations, made wholly or in chief value of tinsel wire, lame or lahn, bullions or metal threads.

Mr. FRANCE. Mr. President, this merely describes more specifically certain articles which should be included in this schedule. The chairman of the committee, I believe, is willing to accept the amendment.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment.

The amendment was agreed to.

Mr. BURSUM. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The ASSISTANT SECRETARY. It is proposed to amend paragraph 25, coal-tar products, lines 17 and 18, on page 10, by striking out the words "50 per cent ad valorem and 7 cents per pound" and inserting in lieu thereof the following:

Seventy-five per cent ad valorem based upon American selling price (as defined in division (f) of section 402, Title IV) of any similar competitive article manufactured or produced in the United States, and 10½ cents per pound. If there be no similar competitive article manufactured or produced in the United States, then the ad valorem rate shall be based upon the foreign value or the export value, whichever is the higher, as defined in pargraphs (a), (b), and (c) of section 402, Title IV. For the purposes of this paragraph any coal-tar products provided for in this act shall be considered similar to or competitive with any imported coal-tar product which accomplishes results substantially equal to those accomplished by the domestic product when used in substantially the same manner: *Provided*, That no duty imposed under this paragraph shall be increased under the provisions of section 315.

Then follow other amendments for other pages.

Mr. BURSUM. The other amendments are to harmonize the other parts of the bill with this one.

The ASSISTANT SECRETARY. It is proposed to amend paragraph 26, on page 11, line 21, by inserting after the figures "1546" the words "all synthetic organic medicinals and chemicals not specially provided for."

Also, amend paragraph 26, line 6, page 12, by striking out, in line 6, the words "60 per centum ad valorem and 7 cents per pound" and substituting in lieu thereof the following:

Ninety per cent ad valorem based upon American selling price (as defined in division (f) of section 402, Title IV) of any similar competitive article manufactured or produced in the United States and 10½ cents per pound. If there be no similar competitive article manufactured or produced in the United States, then the ad valorem rate shall be based upon the foreign value or the export value, whichever is the higher, as defined in paragraphs (a), (b), and (c) of section 402, Title IV.

Also, amend lines 7, 14, and 17, on page 12, by striking out the figure "7" and inserting in lieu thereof the figures "10½."

Also, on page 15, line 16, after the word "impress," add the following:

For the purposes of this paragraph, any coal-tar product provided for, and all synthetic organic medicinals and chemicals not specially provided for, in this act shall be considered similar to or competitive with any imported coal-tar product or any synthetic organic medicinal or chemical not specially provided for, which accomplishes results substantially equal to those accomplished by the domestic product when used in substantially the same manner: *Provided*, That no duty imposed under this paragraph shall be increased under the provisions of section 315.

The PRESIDENT pro tempore. The Chair is of the opinion that certain votes in Committee of the Whole must be reconsidered before the amendment proposed by the Senator from New Mexico can be considered.

Mr. WADSWORTH. I ask unanimous consent that the votes be reconsidered.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the several votes connected with the amendment proposed by the Senator from New Mexico will be reconsidered.

Mr. JONES of Washington. Mr. President, I should like to make a parliamentary inquiry. Is it understood that this is to be considered as one amendment?

Mr. BURSUM. One amendment; yes.

Mr. JONES of Washington. I just wanted that to be understood.

The PRESIDENT pro tempore. By unanimous consent, the several amendments offered by the Senator from New Mexico will be treated as one amendment and voted upon at the same time.

Mr. SIMMONS. Mr. President, may I ask the Senator whether the general effect of his amendment is to increase the duties on these dyestuffs and to change the present basis of valuation to the American valuation?

Mr. BURSUM. It is.

Mr. SIMMONS. That is the general purpose?

Mr. BURSUM. It is.

Mr. GOODING. Mr. President, will the Senator yield for just a moment?

Mr. BURSUM. Yes.

Mr. GOODING. I send to the desk three amendments, and ask that they may lie on the table. I give notice that I will call them up and ask for separate votes on them when the bill is reported to the Senate.

The PRESIDENT pro tempore. The amendments will be received and lie on the table.

Mr. BURSUM. Mr. President, the serious question confronting the country at this time, which prompted the introduction of this amendment, is whether the dye industry of this country shall be permitted to live, whether it shall be preserved, or whether we will permit it to go on the rocks, and depend upon Germany, as we did prior to the war, for our supply of dyes.

The duties which are provided for under the bill are wholly inadequate. It would be impossible, upon the basis of the cost of production in this country, for the dye industry to continue business with those duties.

I have taken the first four dyes on a list of about 100, comparing the reparation prices of the German dyes with the cost in this country, and I find as follows:

Auramines: German cost, 50 cents. The duty accorded in the present bill is 60 per cent plus 7 cents, which would amount to 37 cents. Total landed cost of German dyes laid down in this country, 87 cents. American price, $1.50.

Naphthol yellow S: German cost, including duty, 32.7 cents; American cost, $1.75.

Chrysophenine G: German cost, together with duty, 29.4 cents; American cost, 90 cents.

Metanil yellow: Laid-down German cost, 44.8 cents; American cost, 90 cents.

Sulphur yellows, sulphur greens, and sulphur violets: Laid-down German cost, together with duty, 18⅜ cents; American cost, $1.50.

Alizarin 20 per cent paste: Laid-down German cost, 9.44 cents; American cost, 55 cents.

Indigo 20 per cent paste: Laid-down German cost, 16.6 cents; American price, 25 cents.

Sulphur blacks: Laid-down German cost, 18.2 cents, as compared with 30 cents.

Chrome blacks and diamond blacks: Laid-down German cost, 31 cents as compared with 80 cents.

It is obvious that under the rates which have been adopted here, for the dye industry to continue will be simply impossible. That fact is recognized by the Senate. It was for that reason, I take it, that the special provision was made authorizing the President, under section 315, to increase or decrease duties to the extent of 50 per cent and adopt the American valuation upon coal-tar products.

The amendment which I have introduced does specifically what the Senate authorized the President to do in the way of increase. The reason for this is manifest. It would be impossible for the Tariff Commission to investigate and report a schedule of duties upon the dyestuffs of this country within a shorter period than six months or possibly a year. The subject is a very intricate one. There are thousands of these dyes. To ascertain the costs abroad and at home is no small affair. It involves a great deal of work, and work by experts; and in the meantime the dye industry would be dependent upon the inadequate duties which have been provided for under the pending bill. For that reason it is eminently necessary that protection of some kind which will carry the industry over until the rates can be made shall be provided for.

Mr. President, we have had an embargo since 1918. It seems to me that it is entirely fair and reasonable that this industry, which has invested in this country something over $200,000,000, be given a reasonable time until adequate rates which will preserve it can be put in force. The country has not suffered greatly by reason of this embargo. Either the industry has been extremely fair and just with the country, or else we have considerable competition within the United States among the concerns engaged in the dye industry.

For instance, I have here a comparison of prices. Here is a dye the price of which in 1917 was $1.50; in 1921, $1.80; to-day it is 95 cents.

Here is another dye. The price in 1917 was $1.22; in 1921, 78 cents; in 1922, 70 cents.

Here is another dye. The price in 1917 was $2.24; in 1921, $1.20; to-day, 68 cents.

The average price for all dyes produced in 1917 was $1.26 per pound; for 1918 it was $1.07 per pound; for 1919 it was $1.07 per pound; for 1920 it was $1.08 per pound; and for 1921 is was 83 cents per pound. That shows that by reason of the protection which has been afforded to the country in keeping out ruinous competition from abroad the industry has so developed as to gradually give to the country a lower price, which has kept pace with the development, and it is not too much to expect that if due protection is given against ruinous competition, such as Germany threatens the world with to-day, we can expect in a very few years to have a dye industry which will furnish the dyes as cheaply as they can be bought in any country in the world; but it can not be done otherwise. England has pursued the policy of protecting her dye industry. England has found herself obliged to protect her people as against the ruinous competition of Germany. The same may be said of Japan.

Outside of protecting the industry, there is the question of national defense and the question of national progress. No country can progress in these times as a first-class nation of the world either from the point of national defense or from the point of national economic growth and prosperity unless her chemistry is in the forefront and up to date with the most modern progress.

I submit, Mr. President, that that standard of chemistry can not be maintained if we permit this dye industry to perish. It is idle to say that a knowledge of chemistry which would be of substantial and practical benefit to the country can be disseminated through the colleges or the universities, or that the Government can conduct an institution for the dissemination of chemical knowledge. It can not be done. There is only one way to preserve to the country the benefits of modern chemistry, which is the spirit of the age.

Chemistry is what is governing the world to-day, both in war and in peace, and progress in chemistry can not be maintained unless you preserve an actually going concern.

I submit that this amendment ought to be adopted. Personally, I believe an embargo would be perhaps better; but this amendment is the next best thing, and this can probably be passed if those in favor of the embargo will vote for it. I submit that we can well trust the President of the United States and the Tariff Commission, under the authority provided under section 315, to reduce these rates to what they ought to be, if they need reducing, and do it scientifically.

It has been asked why we should not leave the bill as it is and let the President raise the rate; that it can be done in 60 days. I do not believe it can be done in 60 days; but if it could be done in 60 days, the answer is that it takes no longer to reduce the rate than it does to raise the rate; and why should we have this great industry, with $200,000,000 invested in it in this country, this great industry, which is the key to the prosperity of the country, put to that burden? We ought not to have an industry which we have fostered, which was created in 1918, I believe, while the Democrats were in power, put to this burden. Really, it is the one baby which the Democrats created that is worth while, and I can not see how they can face their consciences and throw that baby out on the porch to perish.

I submit that no harm can come to the country from this. The consumer is protected. The consumer is always protected, no matter what kind of a tariff you would put on dyes. Even under an embargo he would be protected. He is protected by the competition of the manufacturer of the by-product which comes from abroad; and if anything should happen in this country to interfere with the possibility of successful manufacture in textiles, right then the market would cease for the producer of dyes.

The PRESIDENT pro tempore. The time of the Senator has expired.

Mr. McLEAN. I would like to ask the Senator a question in my time. Do I understand that if this amendment is adopted the Senator from New Mexico will still favor the embargo, if it can be secured?

Mr. BURSUM. Yes; I favor the embargo. I do not think there is a chance for it, however.

Mr. McLEAN. I understand a vote on that amendment has been reserved in the Senate, and I should seriously consider the wisdom of adopting the amendment of the Senator from New Mexico as long as there is a possibility of securing the embargo.

Mr. BURSUM. I will say to the Senator from Connecticut that we had the embargo question up, voted on it, and the embargo was defeated. I notice that usually in the Senate, when once a majority of the Senate take a position and a matter is passed upon, there is hardly ever any change.

Mr. McLEAN. I merely asked the Senator's position. I understand he still would prefer the embargo?

Mr. BURSUM. Yes; I am still for it.

Mr. STERLING. Mr. President, I feel considerable interest in this question. If the question were one of embargo instead of the amendment of the Senator from New Mexico, I should vote for an embargo, as I voted for it when that question was before the Senate, for I am impressed with the belief that an embargo, or the next thing to an embargo, as near as we can have it, is necessary for the preservation of this great industry in the United States.

Mr. FLETCHER. Mr. President, I did not quite hear the Senator. Is it his position that unless these amendments are adopted he would vote for the embargo, or, if these amendments are adopted he would not feel that an embargo was necessary?

Mr. STERLING. If the embargo amendment comes before the Senate, I am not saying but that I shall support the embargo. I occupy a good deal the same position occupied by the Senator from New Mexico in that regard.

Mr. FLETCHER. This would be really an embargo in effect.

Mr. STERLING. But, thinking that the embargo may not carry in the Senate, I am in favor of the amendment of the Senator from New Mexico.

I want to call attention just briefly to two or three facts and then cite some authorities which I think ought to have a controlling influence in this discussion.

It has been charged, of course, that there was great danger of a combination; that there was an actual combination between the dye-industry people. I have the honor of being a member of the subcommittee of the Judiciary Committee which investigated the dye industry. I was unable to hear all the testimony; very much of it I could not hear because of other pressing duties, but that which I did hear convinced me that there was no combination whatsoever among the various dye industries in this country. Indeed, the witness most relied upon by those who were asserting that there was a combination or monopoly admitted that there was the sharpest competition between the various companies engaged in the production of chemicals and dyes. That witness was Mr. Metz.

Briefly, I want to call attention to a little history. Interested in this question because I was a member of that subcommittee, I looked in my Encyclopedia Britannica, the edition of 1911, and I read that fascinating history found there in regard to dyeing and the growth of the dye industry. I thought perhaps there might be something later, and I turned to the sup-

plement, which is about up to date, and which I have lately received, and I found some references there which I think are of great importance. It is stated there—

Previous to the war the United States had a small dyestuff industry, distributed among about five plants. The manufacturing operations, however, were limited chiefly to the assembling of the coal-tar intermediates imported from Germany for the production of the finished dyes, so that the new industry had to be built from the ground up. To the great credit of the American chemist and chemical manufacturer it may be said that in a very short time the more important dyes were successfully made in the United States in such quantity that practically no dye-consuming industry was forced to shut down by reason of a lack of dyes.

Now comes a very important suggestion. We are protecting a great body of American laborers when we protect the dye industry. I read further:

These employed about 2,600 chemists and nearly 20,000 workmen, and the total value of the finished products amounted to over $112,000,000. There were 236 different intermediates manufactured and 360 different dyes. The total production of dyes amounted to over 88,000,000 pounds, as against a pre-war importation of about 70,000,000 pounds.

A little further on we have this:

The great production of dyes in the United States during the period 1917–1921 led to the building up of a considerable export trade, particularly to South America and the Orient. The total dyestuffs exported from the United States in 1920 amounted in value to nearly $30,000,000, of which $22,450,000 was for coal-tar dyes. This export trade, however, showed a rapid falling off from the beginning of 1921, due both to the general business depression throughout the world and to the fact that the German dyestuff manufacturers were again active in foreign trade.

Already, then, we have the tangible evidence that the German manufacturers are taking away the American dyestuffs trade and see the signs of what will follow unless we protect our own to the extent provided in this amendment. Then the writer of this article refers to what has been done by the other principal nations of the world in putting an embargo on dyes. He says:

In the meantime Congress was petitioned for an embargo on importation of dyes from foreign sources except under adequate license regulations which would restrict the imports to dyes not manufactured in the United States—

We all recall that provision of the emergency tariff act—

This was in line with similar action by Great Britain, France, Italy, and Japan, all these countries deeming it highly expedient to foster and build up a self-contained dyestuff and coal-tar chemical industry as a measure of national defense.

Mr. President, they did not mean this as a national defense in time of war alone, but they meant it as a national industrial defense as well. Let me quote very briefly from what is said in a remarkable letter addressed by Mr. James Morton, chairman of the Scottish Dyes (Ltd.), governor-director Morton Sundour Fabrics (Ltd.), addressed to the free-trade members of Parliament upon this question. It is alike applicable to free-trade members elsewhere. He states as follows:

But I want to refer to national defense in time of peace.

We are not in war now and we are pleading for national defense, national industrial defense, Mr. President, in shutting out to a large extent the introduction of these German cheaply manufactured dyes—dyes that will be most cheaply sold, for a time at least. He says further:

Before the war, by means quite other than her war lord or her gigantic army, Germany was silently amassing the wealth and power of the world. We reckon our textile trade and our coal and steel trades very big factors in world industry, but do we realize that before the war Germany's exports of dyes and chemicals were estimated at £27,500,000 per annum, a sum equal to about double our exports of coal at the same period, about as much as our coal and steel exports put together, and practically as much as our total exports of cotton goods to all countries.

Mr. President, do we not need to protect ourselves in industrial defense against an industrial attack such as is menacing and such as is, in fact, foretold by the statement here?

Here is a danger portrayed so clearly and vividly by Mr. Morton in this letter. He said:

But should we then, you will ask, be able really to compete with the German makers? I see no reason, when the exchange is normal and we are given bulk production, why we should not be able within reasonable time to make as cheaply and as well as the Germans; but that does not say that we could sell as cheaply as the Germans are willing to offer goods at the present time in this country. It is no use beating about the bush. The Germans would sell at any price today in this country to regain this market for their dyes and to extinguish our dye industry here.

In this respect he corroborates the statement of every chemist of standing and responsibility in the country who knows anything about the dye industry as to what Germany will do in the matter of selling her dye wares to the people of the United States.

As already said, they look upon organic chemistry and all its developments as their own private territory and would do anything to prevent our encroaching upon it. Instances have been given in Parliament and elsewhere to show how much less the Germans are now willing to charge for certain dyes as compared with prices here. I have no doubt about it. I go much further and will venture to say that the Germans would be willing to give us for the next year or two all our dyes free of any charge whatever, if our law would allow them. This is the real situation we have to face, and it is for us to decide whether we are willing to give ear to such overtures.

Then he relates the instance in regard to alizarin, called Turkey red dye, and how Germany, after she had broken down the English business, increased the price of that dye just six times.

One other authority, and it is one we ought to take into careful consideration, because he is a reputed free trader, is Mr. Taussig, formerly a member of the Tariff Commission. In his little booklet called Tariff Problems, I find this statement:

There are other reasons—to digress for a moment—why the dyestuffs industry stands by itself. Not so much that it is a "key" industry; the extent to which dyestuffs dominate the textile and other manufactures is often exaggerated. But the complete control in the industry which the Germans aimed at before the war and largely succeeded in securing, threatened consequences which the most convinced free trader must regard with apprehension. Combinations in the nature of gentlemen's agreements were in effect even then between the different concerns. Now, as all advices indicate, there is a firm kartell or tight combination. Here is a foreign monopoly—a real monopoly, and not merely (what is often styled a monopoly) localization in a foreign country—of an industry within which there are many competing concerns. A solid German kartell in the coal-tar industry is pretty sure to be a strenuous competitor. It will try to crush competition in foreign countries by selling at cost or below cost and then recoup by advanced prices when the competitors are destroyed. Possibilities of this sort are often paraded as a bugaboo by extreme protectionists, when the facts give little occasion for concern. But here is a case where there may be veritable need for industrial self-defense.

That is from Mr. Taussig, and we ought to regard it, it seems to me, under all the circumstances, as the highest kind of testimony.

Mr. President, I think I have not much more to add. I feel that interest in this very great and important industry. It has done so much within the short time it has been in existence since the beginning of the war, produced so much of wealth for the United States, given employment to so many thousand workmen, skilled and unskilled, in the United States, it seems to me that as American citizens, with pride in our industrial development, we should maintain and encourage it in the highest possible degree.

Mr. RANSDELL. Mr. President, I favor strongly the amendment of the Senator from Arizona. It seems to me, sir, that it has in it more possibilities for good to America and the world than any other feature of the bill. In considering this amendment we must bear in mind how necessary it is to establish and maintain a strong chemical industry in America, how essential this industry is for our welfare, our national defense, and, in a more important way, our public health.

The Germans, through their investigation of coal-tar products, have developed some marvelous remedies as an incident to the dye industry. They discovered and placed on the market salvarsan, which cures one of the most loathsome and terrible diseases that ever afflicted the human race. They discovered novocaine, one of the greatest deadeners of pain known to science, wonderful in that it is a nonhabit-forming drug, a most beneficial thing. Many other very helpful drugs have been developed by the efforts of the German chemists in connection with coal tar.

I can not believe, sir, that the wise men of Germany have even scratched the surface of the possibilities of the coal-tar industry. Coal, sir, was made by the great Chemist of nature, how many years ago none of us know, and in its manufacture everything that grows out of the ground, I imagine, was used, the most exquisite flowers, the sweetest balsams, the most healing plants and herbs of every kind and sort, and vast forests of giant trees. Coal furnishes more commodities for the use and health and comfort of mankind than anything I know of. The wonderful violet and rose perfumes which our ladies use are manufactured from coal. Saccharine, which is five hundred times as sweet as sugar, is manufactured from coal. All the beautiful dyes we admire so much are manufactured from coal. I could tell about many wonderful things, but have not time or opportunity to do so.

It seems, sir, that we should encourage in America in every possible way this enterprise which the Germans have set on foot and from which so much benefit has come to mankind. Does anyone believe that Germans have all the wisdom of the world? Does any American doubt that our composite American population is as wise and contains as smart people as Germany? Does anyone doubt that under proper encouragement American chemists will develop just as many valuable things from coal tar as have the Germans? As the German chemists have discovered novocaine and aspirin and salvarsan, why can not American chemists discover remedies for cancer and leprosy and that most fatal of all diseases—tuberculosis? Great efforts to that end have already been made by American chemists.

Let us encourage them in every possible way. American doctors have in the last 25 years demonstrated that they can do wonders in treating diseases. American doctors discovered the cause of hookworm and pellagra and treated them successfully. They found out that the Stegomyia mosquito was the cause of yellow fever and have practically eradicated that dread disease throughout the world. All we need to do, sir, is to give proper encouragement to American chemists and they will, in my judgment, prove by their medicinal discoveries just as beneficial to America and to the world as ever the Germans have been, and as helpful to suffering humanity as their brethren in the medical profession, for I can not believe that all the secrets in the interest of health hidden by the Architect of the Universe when He created coal have yet been unearthed. There are many secrets still hidden. Let us discover them, or at least let us try to discover them. This is only one phase of the case.

Many people say, and I agree with them, that the next war, if war must come—and unfortunately it has always come to the world—will be a chemical war. America must be ready for it at home. She must develop her own chemical resources and not depend upon other countries. She must create a great chemical industry, and make all known combustibles in order to be prepared for a possible war.

This matter of national defense is only one of many important things which can come from the development of the coal-tar industry. I sincerely hope, sir, that the amendment will be agreed to.

I now yield to the Senator from New Hampshire, if he still wishes to ask me a question?

Mr. MOSES. I merely wished to ask the Senator from Louisiana if he desired the chemical industry of this country to develop to the extent where saccharine would replace sugar?

Mr. RANSDELL. I do not think it is probable that it will at all interfere with the sugar industry of my State, I will say to the Senator, but if it can be made cheaper, and the good people of America can get the sweetening which they need from saccharine, I say, "Well and good, my friends; I want you to have just as cheap sweets as you can get," and, as one of the Senators from Louisiana, I will take my chances on saccharine as a competitor with cane sugar.

Mr. President, in conclusion, I ask permission to publish at the end of my remarks, without reading, a very interesting letting from Prof. Charles E. Coates, dean of the department of chemistry in the Louisiana State University at Baton Rouge.

The PRESIDING OFFICER (Mr. BRANDEGEE in the chair). Without objection, it is so ordered.

The letter referred to is as follows:

LOUISIANA STATE UNIVERSITY,
DEPARTMENT OF CHEMISTRY, AUDUBON SUGAR SCHOOL,
Baton Rouge, La., August 9, 1922.

Senator J. E. RANSDELL,
United States Senate, Washington, D. C.

MY DEAR SENATOR RANSDELL: A few days ago my attention was called to the fact that the question of the embargo on German dyes was coming up soon for final action and that the bill was in danger. The matter seemed to me so important that I went to New Orleans last Saturday and called a meeting of the executive committee of the American Chemical Society to discuss the question. I was in consequence requested to write you and Senator BROUSSARD in my capacity as national counselor for the American Chemical Society, but I have decided that it would be best for my letter to be personal, inasmuch as official statements are frequently discounted in advance.

I would not presume even to attempt to argue a matter of this sort, to which you have doubtless given very serious thought, but as it is so highly technical and at the same time so important, in ways which are both direct and indirect, I shall venture to call to your attention the views and convictions of every chemist with whom I have ever discussed the subject.

The American Chemical Society, as you probably know, is possibly the strongest scientific society in the world and is not in the least interested in dyes, per se, only a few of its members having anything to do with dyes professionally. But inasmuch as chemistry is a growing science which changes from day to day, all chemists of any consequence must keep abreast of chemical progress, and for this reason the status of the dyestuff industry has been well known to us for the last 20 years or more. During that time we have seen the development of the German industry and the crushing of its competitors in France, England, and America. As long as we considered this merely a matter of business we regretted our failure and thought little more of it, but when the first few months of the war showed us that it was to be a chemical war we realized suddenly what we should have known all the time, and that is that the dyestuff laboratories were the only schools in which a sufficient number of men would get that training in advanced organic chemistry which was necessary for the manufacture of ammunition and for the making of synthetic drugs. We believe to-day that the existence of this industry is an essential part of our national defense, and we look upon it therefore as a subject which should not be made a party matter but should be considered purely from a patriotic standpoint.

There is in addition the business end of the matter and this, too, chemists have been compelled to study, and they have discovered with astonishment the methods used by the German Dye Trust, which came within an ace of complete success. We are, therefore, on the lookout for German propaganda which would naturally try to make this subject a party matter if it could, just as it will naturally try to induce the President to proceed against the Chemical Foundation if it can. As I said, the whole question is so very technical that it would require years of study to master it, and for this reason it is the more significant that every chemist of my acquaintance, none of whom have one dollar's interest in dyes, are unanimously of the opinion that if Germany is allowed to send its excess dyestuffs to this country during the next three or four years it can sell them at a figure which will absolutely destroy the dyestuff industry in this country, a figure which, in fact, might well be much below the cost of production even in Germany.

It takes at least 8 or 10 years to train a man in chemistry to the point where he will be an efficient chemist in a dye works. Moreover, if 100 men should start out to take this training the nature of the training is such that not more than 5 would prove able, intellectually, to master the subject and to do efficient work. Of these five, in the course of six or eight years more, perhaps one man would have proved his ability to do creative work and this one man would then be a national asset of enormous value in time of peace as well as in time of war. The process is so slow that if the industry is once destroyed it could not be built up again in less than 10 years, and probably would not be built up at all, because no one would put capital into a losing venture. All the chemists of my acquaintance know this and know that Germany knows it. For the last eight years we have been building up the dyestuff industry in this country. It has made remarkable progress, but it is not yet able to stand alone. How much longer it would take is a matter of opinion; certainly three or four years, at the end of which time the return of normal conditions abroad will have prevented the accumulation of an excess stock of dyestuffs, and a moderate tariff would suffice for the protection of our industry. At present, however, the excess stock of foreign dyes has absolutely no value unless it can be used, for which reason the German dye trust could well afford to give these dyes away or even to offer a bonus for taking them, if by so doing they could not only crush out immediate competition but at the same time obliterate the American dyestuff industry. With the loss of this industry would come the loss to our country of the trained organic chemists whom we sorely need; but it is evident, in addition, that once our industry is destroyed, the German dye trust can advance prices and recoup itself with no fear of successful competition.

Chemists, therefore, are of the unprejudiced belief that there should be an embargo placed on foreign dyes which should not be removed for any particular dye until the possibility of the process known as dumping could no longer exist. We believe this to be a question which is national in nature and should not be made a party question. We particularly call attention to the fact that as a class we are competent to judge in this matter, that we are without financial interest of any sort, and that we are activated in taking our position only by what we consider to be the best interests of our country, not only at the present time but particularly in the future.

Very truly yours,

CHARLES E. COATES,
Counselor Louisiana Section, American Chemical Society.

Mr. MOSES. Mr. President, if the amendment offered by the Senator from New Mexico [Mr. BURSUM] singled out from paragraphs 25 and 26 of the bill those articles which require extreme protection I should not object to it. The vice of the amendment, however, is that it includes every article upon the list, not only those which are delicately and with difficulty procured from the coal-tar distillates but those which are produced in tonnage proportions. It includes those which are sold at 5 cents a pound, if such there be, and those that are sold at $5 a pound, and there are many of those. That, Mr. President, is the vice of the amendment. I think, also, that so far as those particular products which require extreme protection are concerned it will be found that they are adequately protected in the amendment which was adopted here the other night applying, in the wisdom of the President, the American valuation to these products. I think that any Member of this body with a piece of chalk and a barn door can prove it impossible to land in this country any product covered by the paragraphs below the American selling price.

Mr. WADSWORTH. Mr. President, as a part of my remarks, I ask that a letter written by the Secretary of War to the chairman of the Committee on Finance, the Senator from North Dakota [Mr. MCCUMBER], may be read by the Secretary.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The reading clerk read as follows:

WAR DEPARTMENT,
Washington, August 15, 1922.

CHAIRMAN UNITED STATES SENATE FINANCE COMMITTEE,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR MCCUMBER: On July 26, 1921, I wrote your committee, calling attention to the fact that the Fordney tariff bill would not protect the American organic chemical industry from destruction by German competition. Allow me to reiterate the importance of the preservation of this industry to the country from the standpoint of national defense.

The dye industry is the backbone of the organic chemical industry, on which all Governments are dependent for their high explosives, their medicines, and other materials. Inasmuch as the coal-tar industry, which is the basis of all dyes, is also the basis of all high explosives and of synthetic medicines, it is of vital importance to preparedness that the dye industry be developed to the fullest possible extent in this country. The use of explosives will be far greater in any future struggle than in the World War.

Notwithstanding that from 1914 to 1917 our great steel industries and our rapidly developing chemical industries had been working feverishly to increase their facilities to supply ammunition, guns, and rifles to the Allies, it was more than a year after we entered the war before those industries were able to supply ammunition, guns, rifles, etc., to meet the American needs. Even then our chemical industry was so undeveloped in 1917 that it was necessary for the Government to build large high-explosive plants and powder factories.

Germany realizes the importance of predominance in organic chemical industries as a most valuable means of preparedness and has formed of them one great trust. The German trust can produce

dyes and similar material so much cheaper than the Americans produce them that no ordinary tariff can prevent the destruction of the American industry, which will thereby cripple the whole organic chemical industry.

It is, therefore, urged that the dye-control provisions of the emergency tariff act of 1921 be extended another year to give the industry a chance to stabilize and to enable conditions in the dye industry to be carefully observed and the products determined which should be protected in order to firmly establish that industry in the United States.

Very truly yours, JOHN W. WEEKS,
Secretary of War.

Mr. WADSWORTH. Mr. President, it is apparent, of course, that the concluding paragraph of the letter of the Secretary of War is not applicable to the amendment which is now pending, because in that paragraph the Secretary urges the continuation of the selective embargo at present in force. I thought, however, it would not be amiss that the letter of the Secretary in which he discusses from the standpoint of the national defense the value of the organic chemical industry be placed in the RECORD at this time. I think that not even the most suspicious-minded man will accuse the Hon. John W. Weeks of being impelled by unworthy motives when he urges upon Congress the consideration of the chemical industry in connection with the defense of the Republic.

It is quite possible, Mr. President, that a good many Senators do not feel as deeply upon this subject as do I. Perhaps I feel too deeply upon it; I do not know; but, such as my feelings are, I intend to express them upon this occasion as briefly as possible.

From what I have been able to learn of the history of organic chemistry in this country, especially in the dye industry, prior to our entrance into the World War, during our participation in the war, and since the war, I am convinced that long before the United States actually declared a state of war the German Government and the cartel were in effect, although slyly, waging war against the peace and the safety of the people of the United States. We did not wake up to that situation until we ourselves got into the fight. The letter of the Secretary of War points out very briefly—all too briefly, according to my view—but sufficiently for the purposes of this discussion the predicament in which this Republic of ours found itself when we were called upon to engage in our own defense.

Manipulations of the German cartel in the matter of patents, the immense influence, politically and otherwise, which they maintained in this country before the European war must now be known to every sensible man. Their effort was deliberate; it was skillful, and it was successful up to a certain point. That effort was directed toward making and keeping the American people as helpless as possible in the event of any great crisis overtaking them in which the German Government might be a party.

We went into the war and we learned the lesson at the cost of billions of dollars and many thousands of lives. We participated in the great victory and at the conclusion of the contest we asked for no territory; we asked no reparations; we asked for nothing of value to be taken from the vanquished and we received nothing. The only thing which has come to the people of the United States of material value as a result of their efforts and sacrifices in the Great War is peace and security in the future and the guaranty of self-maintained public health; not one other thing or opportunity of a material character has come to this great people of ours out of that war.

We have the opportunity, as the result of the contest, an opportunity seized upon legally to maintain our public health with our own resources and without depending upon any foreign Government or any foreign cartel, corporation, or trust. We have secured the opportunity—and have secured it legally and properly as a result of our sacrifice and our efforts in the war—to maintain our national defense without depending upon any other nation, government, trust, or cartel of any kind whatsoever. That is the prospect which confronts the American people to-day.

Mr. President, I am not surprised that far-reaching efforts have been exerted in this country for the last two years once more to reduce us to that condition of comparative helplessness in which we dreamed and dreamed and dreamed in 1916. I am well aware of the influences which have been brought to bear here in Washington; I am well aware of the source of those influences; I know perfectly well that if this cartel can once more establish its domination over the organic chemical industry of the United States, such as it enjoyed prior to our entrance into the war, the enemies of America, actual and potential, will rejoice.

I question not the motives of Senators who do not see this question as I see it; without doubt they are sincere; but it passes my comprehension how they can fail to read the signs of the times. If there ever was a deliberate attempt to break down, to undermine, to weaken the power of American self-defense, it has been made in connection with the American organic chemical industry.

It does not do, Mr. President, in discussing this matter, to drag the names of American citizens into the discussion and accuse them of dishonest motives because, forsooth, they take an interest in the perpetuation of this chemical industry here in America. It does not do, Mr. President, to bring inferences and insinuations against Francis P. Garvan; not by any means. I care not what his politics are; I understand he is a Democrat; I have known him since 1895 and known him well. He is an honest man, and he has no thought in his mind or motive in his heart except the safety of this country. It does not do to bring unfair inferences and insinuations against men like Otto Bannard, of New York, who is one of the trustees of the Chemical Foundation, for he is an honest man, with no thought except the safety of his country.

I shall not discuss upon this occasion the wisdom or the unwisdom of the policy adopted by the last administration in the handling of the patents covering the dyes through the Chemical Foundation as trustee; that is not a part of this discussion; but I know full well, if I know anything about the psychology of this situation, that the attack upon the Chemical Foundation had a most material influence upon the votes cast on the question of the tariff on dyestuffs. It is for that reason that I deplored it at the time, although not publicly, for I had no opportunity to do so, but I deplore it now. It is not the question at issue.

Mr. President, as I said in my opening sentence, I feel deeply on this question. I believe that there is involved in it one great issue: America safe against attack from without and safe in the matter of public health, or America dependent upon some outside power and influence in the matter of its self-defense and in the matter of its public health.

This organic chemical industry lies at the bottom of nearly everything we use. I firmly believe that the progress of the race from now on will be measured more by the progress in organic chemistry than in any other human effort. I believe that in organic chemistry lies the solution of the secrets of the past and of the future. I believe that its establishment and maintenance in this country, even under an embargo, mean the happiness, the progress, and the security of 100,000,000 people. No rate of duty will frighten me and no embargo will frighten me.

I notice that England has put an embargo against the importation of dyestuffs. I notice that France has done the same thing. I notice that Italy has done the same thing. I notice that Japan, if she has not already done so, is about to do so. They have awakened to the significance and the importance of organic chemistry. I pray that the time will come when American public opinion will come to an appreciation of what organic chemistry means, of what research means, in the way of progress. We have been interested as a people in the development of material resources—the digging of iron and coal from the ground, the raising of crops upon the surface, and the engaging in transportation and other forms of commercial effort. As a people we have paid little attention and given little encouragement to scientific research, but, Mr. President and Senators, the progress of the future depends upon scientific research. It is the man working in the chemical laboratory who is to blaze the way for human progress.

I want to see the chemical laboratories of this country multiplied again and again. They can not be multiplied, they can not be maintained, no student will attempt to attend their courses, unless there is a chemical industry in which those students upon graduation may find a career.

The two things—research in the laboratory and the successful conduct of a chemical industry—go hand in hand. Neither can proceed without the other.

I regret that the Senate voted down the selective embargo. I think it made a mistake. I was in the minority upon that proposition. That is my first choice as a remedy. The Senator from New Mexico [Mr. BURSUM] has offered an amendment which, in my judgment, is next best. It will give some chance, at least, for the survival of this industry of ours, which already bids fair to be able to meet the demands of our people, although it has only been devoted to its task for three or four years, and research was almost unknown in this country. I think that industry will get a decent chance to survive under the amendment offered by the Senator from New Mexico. Feeling as I do upon this question, feeling that it is vital to the security and the happiness and the contentment of this great Nation, I beg for its adoption.

Mr. MOSES. Mr. President, the Senator from New York [Mr. WADSWORTH] can not possibly be more sincere in the position which he occupies than I am in that which I occupy. The Senator from New York can not have higher respect for the Secretary of War than I have. On the record, I doubt if the Senator from New York can qualify as well as I can, because the Senator and I both happened once to sit in the same Republican National Convention, and I voted twice for the Secretary of War as a candidate for President, and the Senator never voted for him at all.

This is not the first letter which the Secretary of War has signed with reference to the embargo; and I say "signed," Mr. President, because I happen to know that the first letter was not written by him, and I wonder if he wrote this one, and if he knew everything of its implications.

Mr. WADSWORTH. Mr. President, does the Senator really wonder about that?

Mr. MOSES. I doubt very much, Mr. President, if the Secretary of War, with all that he has to deal with, can possibly go into the ramifications of this subject.

Mr. WADSWORTH. I shall be most interested when the Senator from New Hampshire visits the Secretary of War and makes that suggestion to him. I should like to be present.

Mr. MOSES. I probably shall.

Mr. WADSWORTH. I doubt if the Senator will.

Mr. MOSES. The Senator is entitled to that opinion.

Mr. President, as for the influences, the exertions that are at work and that exist in Washington with reference to this measure, they are patent to everybody. We have seen them without number. We have seen, yesterday and to-day, the Capitol invaded by a horde of men bearing in their lapels the label "Chemist." I suppose, Mr. President, the way to become a chemist in this country is to put a label in your lapel. We have seen the exigent importunities of the Synthetic Organic Chemical Manufacturers' Association—an association known in the trade as the S. O. C. M. Association, the "Soak-'em" association, an appellation, Mr. President, which well befits their activities—and the sole question here is whether the items of protection already voted in this bill will sufficiently protect the chemical and dye industries of the country.

I hold that they will. I hold that the chemical and dye industries of the country are not sacrosanct; that they do not have to be singled out for special favor; that they may be developed behind the wall of a protective tariff as well as the tin-plate industry or the silk industry or any other industry that thrives in this country.

Mr. President, I wish to say in conclusion only that I am as eager as the Senator from New York to see the chemical laboratories of this country in full operation and manned by an entirely efficient personnel, and that if the chemical and dye manufacturers of the country would spend half as much time, half as much money, and half as much effort in their laboratories and in their factories in developing their processes and their products as they have spent in Washington in the last two years seeking special privilege we would not have such a question as this before us.

Mr. SHEPPARD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Texas suggests the absence of a quorum. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ashurst	Gooding	Myers	Simmons
Ball	Hale	New	Smith
Brandegee	Harrison	Nicholson	Smoot
Broussard	Heflin	Norbeck	Stanfield
Bursum	Jones, N. Mex.	Oddie	Stanley
Calder	Jones, Wash.	Overman	Sterling
Cameron	Kellogg	Pepper	Sutherland
Capper	Keyes	Phipps	Trammell
Cummins	Lenroot	Pomerene	Underwood
Curtis	Lodge	Ransdell	Wadsworth
Dial	McCormick	Rawson	Walsh, Mass.
du Pont	McCumber	Reed, Mo.	Walsh, Mont.
Edge	McKellar	Reed, Pa.	Warren
Ernst	McLean	Robinson	
Fletcher	McNary	Sheppard	
France	Moses	Shortridge	

The PRESIDING OFFICER. Sixty-one Senators having answered to their names, a quorum of the Senate is present.

Mr. SMOOT. Mr. President, I doubt whether any Senator has taken as much interest in this schedule as I. I have given days and nights and weeks of time to its consideration. No Senator wants to permit this industry to live more than I. The rates reported to the Senate in the dye paragraph, 7 cents a pound specific and 60 per cent ad valorem, granting to the President power to increase those rates from 50 per cent and transferring those rates from a foreign valuation to an American valuation, is virtually an embargo. The embargo was bad enough, but the proposed amendment is even more vicious and indefensible than the embargo.

I will take the six items which the Senator from New Mexico pointed to as evidence to show that there should be a duty higher than that imposed in the bill, and I want the Senator to follow me and see the result. The Senator from New Mexico pointed to six of the items in the bill, and he said that the American price on the first was 90 cents a pound, the foreign price 29.2 cents; the second, 90 cents, American price, and the foreign price 44.8 cents; the third, 55 cents, American price, and the foreign price 9.4 cents; the fourth, 25 cents, American price, and the foreign price 16.6 cents.

The fifth was 30 cents, as the cost in America, and in the foreign country 18 cents; on the sixth 80 cents was the cost in America, and the foreign price was 31 cents.

The average American cost of these six items is 61.66 cents a pound.

The amendment proposes to put a duty of 90 per cent and 10½ cents per pound upon those items, and 90 per cent of 61.66 cents is 55.49 cents. Then there is a specific duty of 10½ cents, making 65.99 cents.

The average of all of them is 61.66 cents; so, in order to get one of the articles named into this country, Germany, or any other country, would have to give the article away and pay the importer 4½ cents to get it into this country.

Embargo? If it was only an embargo, if they could give the product away to get it in, that is embargo enough. But the amendment provides more than that; they would have to give 4½ cents upon every pound of the articles coming into the United States before they could ever enter this country.

Mr. REED of Missouri. I do not want to interrupt the Senator further than to say that the argument he is now making will apply to every item in this bill.

Mr. SMOOT. I do not agree with the Senator, and, not only that, neither the Senator from Missouri nor anyone else can prove it.

Mr. REED of Missouri. I can come mighty near proving it.

Mr. SMOOT. I will say to the Senator that I do not agree with him.

Mr. WADSWORTH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from New York?

Mr. SMOOT. I yield, but I do not want to take too much time.

Mr. WADSWORTH. Just for a question.

Mr. SMOOT. I have not very much time.

Mr. WADSWORTH. Putting aside for a moment the question of a duty, and the prices and cost figures which the Senator is quoting, which I am not going to discuss, what will happen between the time of the passage of this act and any future possible raising of the rate by the President?

Mr. SMOOT. I am going to ask the Senate that the 60 days be stricken out and 15 days be inserted. The original amendment provided for 30 days. No one thought that in 30 days importers could get any great quantity of goods into this country; but I am willing to make it 15 days.

Mr. WADSWORTH. What sort of an investigation can be made in that period?

Mr. SMOOT. It is not the investigation; it is after the proclamation of the President that the added rates take effect.

Mr. WADSWORTH. How long will it take to make the investigation?

Mr. SMOOT. I can not say as to that.

Mr. WADSWORTH. That is the important thing.

Mr. SMOOT. I think the investigation is already being made.

Mr. WADSWORTH. By whom?

Mr. SMOOT. By the Tariff Commission. I do not think there is any question about it.

I want to say that 7 cents a pound and 60 per cent ad valorem on the foreign valuation is an absolute embargo upon 80 per cent of the dyes manufactured in this country.

Mr. POMERENE. What would it be on the American valuation?

Mr. SMOOT. It would increase that amount.

Mr. POMERENE. About how much?

Mr. SMOOT. I mean the amount of production. It would increase it up to 90 per cent. Let us take some of the items in general use and apply the proposed amendment.

Mr. SHEPPARD. Did the Senator base his last statement on the bill as reported, and not on the amendment?

Mr. SMOOT. The amendment as reported to the Senate. Let us take some of the items; for instance, synthetic indigo. Right after the war, when the manufacturers of synthetic indigo came here demanding the first embargo, it was

selling for 75 cents a pound. Your committee was told that in no case whatever could it be made and sold for less than 65 cents a pound. It was being exported at 75 cents a pound. But 65 cents a pound was the lowest that it could be made for, according to them. I know that they are selling it for 22 cents a pound to-day.

Mr. WADSWORTH. That is to their credit, is it not?

Mr. SMOOT. It was not to their credit to try to make the committee believe a year and a half ago that it could not be sold for less than 65 cents, since what has taken place of late.

Mr. WADSWORTH. You were not discussing tariff rates; you were discussing an embargo, to give them a chance to make the researches.

Mr. SMOOT. Eighty-five per cent of the items have nothing to do with medicine.

Mr. WADSWORTH. I am glad to know the embargo reduced the price of that one thing. That is what I have always suspected would happen.

Mr. SMOOT. I suppose the Senator from New York would be. What will happen if this amendment is agreed to?

Mr. LODGE. Mr. President——

Mr. SMOOT. I have but a few minutes. I hope the Senator will let me go on.

Synthetic indigo is selling for 22 cents. Ninety per cent of 22 cents is 19.8 cents. The balance is 2.2 cents. Then we have a specific duty of 10½ cents a pound, and 2.2 from 10½ leaves 8.3. In other words, no man can get that product into the United States, if this amendment goes into effect, unless he pays 8.3 cents for the privilege; yes, give it away and pay that amount to get it in.

Take the next article produced in great quantity in the country, acid black. To-day's price is 12 cents. Ninety per cent is 10.8, leaving 1.2 cents. With 10½ cents specific duty, deduct 1.2 cents, which would leave 9.6 cents that the exporter will be compelled to give besides the goods to get them into the United States.

Mr. President, the only reason I supported the rates as the committee reported them was because I want the small per cent of the products necessary for the defense of our country in time of war produced here. I have a letter admitting that it is only about 2 per cent, but suppose it was 15 per cent; I want the embargo in the form of rates, and I say now that if we have the power given the President, with 7 cents a pound and 60 per cent, increasing, under the American valuation, to 50 per cent, as provided for in the bill, this is what would happen: Suppose an item was $2 a pound, and suppose that same item sold for $20 a pound in the United States; 90 per cent of $20 is $18, and deducting that from $20 it leaves $2, and 10½ cents a pound leaves $1.89½. So, Mr. President, if the foreign price were $2 a pound and the price in this country were $20, under the provisions of the bill they could not get a pound of such produce unless they would give it away and pay the 11½ cents besides.

I am perfectly willing to do everything for this industry that any man on earth can do, but why take the whole industry and impose a duty of 10½ cents specific and 90 per cent ad valorem when there can not be a case pointed to where it does not amount to an embargo?

I want the President to have the power to impose an embargo upon certain articles. Let the President designate particular products which shall be assessed on the American valuation and bear not only the rates provided for in the bill but an increase of 50 per cent over and above them.

Mr. President, when the proper time comes I want to strike out "60 days" and insert "15 days," as I stated, so that it will read in this way:

But no such rate shall be decreased or increased more than 50 per cent of the rate specified in Title I of this act upon such merchandise—

Which refers not only to paragraph 26 but to paragraph 25—

Such rate or rates of duty shall become effective 15 days after the said proclamation of the President.

Mr. JONES of New Mexico. Will the Senator please read a little louder? We can not hear just what his proposal is.

Mr. SMOOT. I have not the time to read it again. I want to say to the Senate at this time that Mr. du Pont was a very fair witness before the committee. He told the committee that he did not want an ounce of dyes or chemicals to come into this country from any place on earth—not one ounce. He made the statement to me yesterday that that was his position now, and he wanted not only an embargo in every sense of the word, but he thought that it was absolutely necessary to build up the industry.

If I thought it was necessary to build up the industry I would not hesitate to vote for it. But I know it is not necessary.

Mr. DU PONT. Did Mr. du Pont give a written statement of his position?

Mr. SMOOT. Yes; he stated here——

Mr. DU PONT. Why does not the Senator read that?

Mr. SMOOT. Certainly; if the Senator wants me to read it, I will read it. After discussing the embargo and saying that an absolute embargo was the only thing that would preserve this industry, Mr. du Pont reiterated what his testimony was before the committee, that he did not want a single ounce of it to come into this country, and made this statement, and this is in his own writing, made yesterday. The Senator wants me to read it, and I will do so:

The present proposed duty upon coal-tar dyes does not protect the industry, and is therefore useless. This because the power given the President to increase the duties can not be invoked in time to prevent the importation of large quantities of German dyes.

In the amendment we provide 60 days. I have already an-announced to the Senate——

Mr. WADSWORTH. Will the Senator yield there just a moment? Is the Senator accurate in that?

Mr. SMOOT. In what?

Mr. WADSWORTH. Does not the 60-day provision apply to the period after the proclamation is announced?

Mr. SMOOT. Certainly.

Mr. WADSWORTH. But what happens before the proclamation is announced?

Mr. SMOOT. Nobody in Germany will know what the proclamation is going to be.

Mr. WADSWORTH. It would certainly be a raise, not a lowering.

Mr. SMOOT. I do not know about that. I say that if an investigation were made upon 85 per cent of these, there would be a lowering.

Mr. WADSWORTH. I disagree with that, of course.

Mr. SMOOT. The Senator may disagree with it, but I can prove it to the Senator, if he will take the prices of to-day.

Now, Mr. President, I do not care to say anything more. In fact I did not intend to say this much.

Mr. LODGE. Mr. President, I want to be clear about the 15 days. Can the President make the proclamation until the investigation has been had?

Mr. SMOOT. Why, no.

Mr. LODGE. The investigation has to come first?

Mr. SMOOT. Certainly. The bill provides:

That the ad valorem rate or rates of duty based upon such American selling price shall be the rate found upon said investigation by the President to be shown by the said differences in conditions of competition of trade in the markets of the United States necessary to equalize the differences so found in said conditions of competition in favor of either foreign manufacturers or producers, but no such rate shall be decreased or increased more than 50 per cent of the rate specified in Title I of this act upon such merchandise.

Mr. LODGE. I did not mean to have the whole bill read. I wanted to find out when the President should make his proclamation.

Mr. SMOOT. It provides further:

Such rate or rates of duty shall become effective 30 days after the date of the said proclamation of the President.

Mr. LODGE. He can not make the proclamation until the investigation has been made?

Mr. SMOOT. Why, no.

Mr. LODGE. I have here a letter dated August 16 from the Tariff Commission, which I shall ask to have printed in the RECORD, and in which this statement is made:

The time required for such an investigation is uncertain, but from experience gained in other chemical investigations we believe it will require from 8 to 10 months to make a satisfactory report on the subject.

During those 8 or 10 months, of course, the dyes would come in.

Mr. President, I did not mean to enter into this discussion. I took no interest whatever in the matter of rates or whether we keep out all other dyes or not. I have but one single interest in the question, which is derived from some years of experience in the Senate. I endeavored back in 1909, in conjunction with the Senator from Utah, to get some protection which would tend to give us an independent chemical production. We failed. We got into the war. We had no chemists who could furnish us with explosives and later with the gases. It was the same in England, which was then believing in the phantom of free trade. She found herself in the same condition. No one can possibly tell what that disadvantage, which weighed down upon both England and the United States, cost us in men, money, and time in the winning of the war. I made up my mind that, so far as I was concerned, I would use every effort in my power to see that the United States was never left again defenseless in that way.

I voted for the embargo when it was proposed by the Democratic Party. I voted for it during the war. I continued to vote for it when it was continued when the Democratic Party had not yet gone out of power. I voted for it for the sole reason that I wished the country to be independent in the matter of organic chemistry. No matter what it may cost, it is something that is worth any price they choose to pay to make the country independent in that direction.

Mr. President, I voted for it again for the same reason. It does not weigh with me that the dyes can come in at this price or can come in at another price. I want to do what the other countries have done who have learned something from their experience. I want this country to see to it, by tariff or embargo or in any other way, that organic chemistry in the United States is put in a position where we shall never find ourselves in the condition in which we were before. I am speaking not in the interest of any industry. I have not been approached by anybody representing an industry in that respect. I know the interests that are here. I have heard of the representatives of the German importing interests rejoicing in the lobbies here when the embargo was beaten the other day. I have taken this long interest in it for these years for but one reason, and I vote for this provision to-night for but one reason, and that is national defense and safety.

Mr. President, I ask that the letter from the Tariff Commission may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES TARIFF COMMISSION,
Washington, August 16, 1922.

Hon. J. S. FRELINGHUYSEN,
United States Senate, Washington, D. C.

MY DEAR SENATOR: We have your letter of August 15 in which you request the opinion of the Tariff Commission as to whether foreign costs of production in the dye and synthetic organic chemical industry can be obtained, and if so, what length of time will be required to complete an investigation sufficiently comprehensive for the purposes of section 315 of the pending tariff bill.

The commission is of the opinion that it is improbable that foreign costs of production can be obtained in any reasonable time from the cost records of foreign chemical manufacturers, especially those in Germany. It is probable, however, that cost data sufficiently accurate for the purposes of the pending bill can be made by chemists and accountants in the foreign field who are familiar with the manufacturing processes, labor conditions, costs of raw material, and the market price of the finished product.

The time required for such an investigation is uncertain, but from experience gained in other chemical investigations we believe it will require from 8 to 10 months to make a satisfactory report on the subject.

In reply to your request for the quantity and variety of dyes and other synthetic organic chemicals imported during 1921, we submit the following figures taken from the Census of Dyes and other Synthetic Organic Chemicals, 1921, a copy of which is inclosed. The total imports of coal-tar dyes were 3,914,036 pounds, valued at $5,156,779. Over 1,800 trade types were imported, as shown in detail beginning on page 91 of this report. The total quantity of dyes imported, in which most of the vat dyes are reduced to a single-strength basis, was 4,252,911 pounds.

In regard to the imports of other synthetic organic chemicals during the year 1921, the Department of Commerce lists separately only a part of those imported. The imports of these products, according to the partial list reported by the department, were 2,534,262 pounds, valued at $426,393. For further details we refer you to Tables 28 and 30, pages 155 and 156, of our census report referred to above.

If we may serve you further in this matter we shall be glad to do so.

Very truly yours,

THOMAS O. MARVIN, *Chairman.*

Mr. JONES of New Mexico. Mr. President, we have been discussing the bill for four months. We have developed the fact that there are many difficult problems with which to deal. Some of them, in fact most of them, I think, are being dealt with in the dark. We do not know what is going to be the effect of the action which we have taken, in my judgment, regarding the vast majority of the items in the bill. Confronted with these conditions, I have proposed an amendment. I offered it in the first place as a substitute for the bill that would leave the law where it was until we got sufficient light to intelligently change it. I believe now that is the course which we should take both for the welfare of the industries of the country and for the welfare of the country itself.

The discussion regarding the item demonstrated the wisdom of the amendment which I offered. We do not know what are the facts regarding the industry. We do not know the effect which it would have upon the textile industries of the country. We do not know the effect which it would have upon the chemical industry of the country. We are dealing in the dark. I do not believe in this kind of legislation. I do believe that before the Congress acts it should know what the facts are and have some information as to what the consequences would be. Regarding the industry we do not know either. We do not know what the facts are, nor do we know what the consequences would be.

I have been opposed to an embargo upon general principles. I am opposed to it now. An embargo means that the Government of the United States shall take under its wing the particular industry and manipulate its affairs according to its judgment. These are the principles which have actuated me in the discussion of the bill and in the votes which I have cast hitherto upon the question of the chemical industry and dyestuffs.

But my mind reverts to that time when the European nations were at war, when the industries of the United States were clamoring for dyes. I remember when I was in the Interior Department the agencies of the President of the United States were asking the manufacturers of the country to come to Washington to work out some plan whereby the organic chemical industry of the country could be organized and sustained for the benefit of the country as a whole. At that time we were in dire distress. These men came to Washington.

There was conference after conference, and even the then President of the United States, after considering the situation, virtually promised them the help of the United States if they would engage in those industries, if they would establish them and produce those things which were necessary for the welfare of the country. I recall those anxious days. What we should do now I do not know and you do not know. I venture to say that there is not a Senator within the sound of my voice who knows what it would cost to produce the different dyes, who knows what the profits would be under one rate of tariff or under another rate. We know nothing about it substantially. Certainly we do not have that clear and certain information which ought to guide the legislator in using the taxing power of his country. We do not know. But I do know that these people entered upon this industry with the virtual promise of their Government that they would be able to survive.

In these circumstances, Mr. President, I am willing to give the industry the benefit of the doubt. I do not know just what that will mean. I do not know how much profit it will put in the coffers of these corporations. But I do know that the Congress of the United States will be in session practically all the time from this period forward, and we can ascertain.

I do hope that the amendment which I have offered to the bill providing for an investigation of the industries may be adopted by the Congress. It is the first proposal in the history of legislation of which I have any knowledge providing the machinery for the investigation of domestic industries. We have levied duties which, in my judgment, will mean millions of unearned profits to some of the industries of the country, but the Congress is unwilling to confer power upon the Tariff Commission, which has been created to investigate the domestic industries and find out whether they need protection as prescribed in the bill or not.

I do not believe that the people of the country want to destroy any essential industry, but I do believe that the people of the country do not want to tax themselves for the mere profiteering of some industry. That we are legislating through this bill to put unearned dollars in the pockets of many of the people of the country I have not the slightest doubt.

I think that we should investigate the industries; that we should find out what they need, not what they want. Up to this good hour that is about all we have heard—how much does this industry want? Day after day in the Finance Committee I have listened to that query. When a witness would appear before the committee about the first question the distinguished Senator from Utah [Mr. SMOOT] would ask would be, "Well, what do you want?"

My God, is this to be the foundation of taxation legislation? I say no. For that reason did I offer my amendment to this bill. If we are going to tax the American people for the benefit of certain industries, in God's name why should we not know what we are doing before we do it? Why should we not investigate these industries? The other night, after my amendment was defeated, it was stated to me by a certain Senator on the other side of the Chamber that it was said that they had rather have seen the whole bill defeated than that my amendment should have been adopted. Why? Because they did not want the sunlight of investigation turned upon these industries. They desired to make statements to suit themselves; they desired interested parties to come here and say what they wanted and declined to let investigation be had.

However, Mr. President, here is an amendment which I think concerns a so-called key industry; I think it is an industry which is essential for the welfare of the country; I think it had the moral promise of support by this Government; and while I do not know what my vote may mean, I am willing to give to this industry the benefit of that vote, and I am going to support the amendment.

Mr. SIMMONS. Mr. President, I have only a few words to say in reference to this matter. When the Senator from New Mexico offered his amendment I asked him if the amendment in effect did not mean a substantial increase in the tariff rate prescribed for dyestuffs and if it did not substitute the American for the foreign valuation scheme. He answered that that was what the amendment meant.

Mr. President, a mere cursory consideration of the change in rates proposed by the amendment of the Senator from New Mexico shows that he proposes to increase the rates which are now in the bill from 33⅓ to probably 50 per cent. This side of the Chamber have voted every time the question has been presented against the rates that are now written in the bill. If they shall, therefore, vote for this high rate, they will be reversing themselves.

Secondly, the rates against which we have voted and which have been increased from 33⅓ to 50 per cent were based upon foreign valuation. If we shall now vote for the Bursum amendment, we shall vote not only to increase those rates from 33⅓ to 50 per cent, but, by substituting American valuation for foreign valuation, we shall practically vote to increase the rates in the pending bill more than 100 per cent.

Under those circumstances I can not believe that Senators on this side of the Chamber who have voted against the rates on dyestuffs which are contained in the bill based upon foreign valuation are now going to vote to increase those rates 33⅓ to 50 per cent and then base them upon the American valuation. I think a vote of that sort would be a vote of self-stultification, and I appeal to Democrats—I do not care what Republicans may do about this matter—but I appeal to the Democrats on this side of the Chamber not to stultify themselves in such a way as that.

Mr. EDGE. Mr. President, just a word. My colleague the senior senator from New Jersey [Mr. FRELINGHUYSEN] is unavoidably detained from this session of the Senate. As all the Members of the Senate very well know, he has, with facts and statistics at hand, I might say, led the fight for proper protection for this great industry in this country. Personally I feel, without any hesitation, that the embargo is in every way justified. I shall vote for an embargo, as I have before voted for it, if an opportunity is afforded; but I feel that the pending amendment certainly offers that much additional protection to this great industry, which employs so many thousands of men and which has been organized and developed during times of stress, and, to a great extent, at least, will afford the protection which is necessary. For that reason I shall support it.

I am sorry my colleague is not present to-night, because he has made such an exhaustive study of all the facts surrounding the necessary protection to this industry that I am sure the Senate and the country would have been benefited by the views which he would have expressed had he been present.

As I have said, I shall support the amendment simply on the conviction that it is an additional step in the direction of a proper protection to an industry which deserves the support and the protection of Congress at this time.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from New Mexico [Mr. BURSUM].

Mr. MOSES. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. EDGE (when his name was called). I have a general pair with the senior Senator from Oklahoma [Mr. OWEN]. I transfer that pair to the junior Senator from Maryland [Mr. WELLER] and vote "yea."

Mr. HALE (when his name was called). Making the same announcement as before with regard to my pair and its transfer, I vote "yea."

Mr. HARRISON (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. ELKINS] to the senior Senator from Texas [Mr. CULBERSON], and vote "nay."

Mr. POMERENE (when his name was called). As heretofore announced, I am paired with my colleague [Mr. WILLIS]. I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK], and vote "nay."

Mr. WALSH of Montana (when his name was called). I transfer my pair with the Senator from New Jersey [Mr. FRELINGHUYSEN] to the Senator from Rhode Island [Mr. GERRY], and vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement with reference to my pair and its transfer as on the last roll call, I vote "yea."

The roll call was concluded.

Mr. MCCUMBER. I have a general pair with the junior Senator from Utah [Mr. KING] who would vote against this amendment. I think I can transfer that pair to the junior Senator from Washington [Mr. POINDEXTER] who informs me that he is in favor of a high tariff, but is opposed to an embargo. On that telegram I base my right to transfer my pair to him, and will vote. I vote "yea."

Mr. DILLINGHAM. I have a general pair with the junior Senator from Virginia [Mr. GLASS]. In his absence, being unable to obtain a transfer, I am compelled to withhold my vote.

Mr. JONES of Washington (after having voted in the affirmative). The senior Senator from Virginia [Mr. SWANSON] is necessarily absent during the evening, and I am paired with him, with the understanding that I might transfer that pair if an opportunity should be afforded. I am unable, however, to secure a transfer, and therefore I withdraw my vote. If the Senator from Virginia were present, he would vote "nay."

Mr. MCCORMICK. I have a standing pair with the junior Senator from Wyoming [Mr. KENDRICK], with the understanding that if either of us believes that the other, if present, would vote in the same sense each shall be at liberty to vote. I do not know whether he has been in the Chamber or not. I vote "yea."

Mr. NEW (after having voted in the affirmative). I have a general pair with the junior Senator from Tennessee [Mr. MCKELLAR]. I should like to ask if he is recorded as voting?

The PRESIDENT pro tempore. The Senator from Tennessee has not voted.

Mr. NEW. Then I am compelled to withdraw my vote.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Michigan [Mr. TOWNSEND] with the Senator from Wisconsin [Mr. LA FOLLETTE];

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Arkansas [Mr. CARAWAY]; and

The Senator from Missouri [Mr. SPENCER] with the Senator from Georgia [Mr. HARRIS].

The result was announced—yeas 38, nays 23, as follows:

YEAS—38.

Ball	Edge	McNary	Sheppard
Brandegee	Ernst	Myers	Shortridge
Broussard	France	Nicholson	Stanfield
Bursum	Gooding	Norbeck	Sterling
Calder	Hale	Oddie	Sutherland
Cameron	Jones, N. Mex.	Pepper	Wadsworth
Colt	Lodge	Phipps	Warren
Cummins	McCormick	Ransdell	Watson, Ind.
Curtis	McCumber	Rawson	
du Pont	McLean	Reed, Pa.	

NAYS—23.

Ashurst	Kellogg	Pomerene	Smoot
Capper	Keyes	Reed, Mo.	Stanley
Dial	Lenroot	Robinson	Trammell
Fletcher	Moses	Shields	Underwood
Harrison	Newberry	Simmons	Walsh, Mont.
Heflin	Overman	Smith	

NOT VOTING—35.

Borah	Harreld	McKellar	Spencer
Caraway	Harris	McKinley	Swanson
Culberson	Hitchcock	Nelson	Townsend
Dillingham	Johnson	New	Walsh, Mass.
Elkins	Jones, Wash.	Norris	Watson, Ga.
Fernald	Kendrick	Owen	Weller
Frelinghuysen	King	Page	Williams
Gerry	Ladd	Pittman	Willis
Glass	La Follette	Poindexter	

So Mr. BURSUM's amendment was agreed to.

Mr. MOSES. I wish to give notice that I shall reserve a separate vote on this amendment in the Senate.

Mr. JONES of Washington. Mr. President, I have two amendments that I should like to combine, but, as they relate to different subjects, I can not do so. I shall take just a little of the time of the Senate, possibly, in presenting them.

I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The Secretary will state the amendment offered by the Senator from Washington.

The ASSISTANT SECRETARY. On page 29, line 13, after the word "nitrite," it is proposed to strike out "3" and insert "5," so that it will read:

Nitrite, 5 cents per pound.

Mr. JONES of Washington. Mr. President, sodium nitrite is a chemical compound composed of sodium, nitrogen, and oxygen. It is used chiefly in coal-tar dyes and in the dyeing industry. Our pre-war demand or need amounted to some five or six million pounds. Of this, we produced in this country about 1,700,000 pounds. Under the impetus of the war one plant was established in this country, using the arc process. This is established out in our State, and, as I am informed, they produced about half of the increased supply.

Our imports during the war increased very largely on account of the development of the dye industry. In 1920 I think

there were about 11,000,000 pounds imported, but in 1921 some two or three million pounds.

I just want to read briefly from a letter from the representative of the plant in my State, relating to the situation that confronts them. This letter is found in the hearings before the Finance Committee, and is addressed to me and I filed it with the committee. He states:

American manufacture of the chemical sodium nitrate, otherwise known as nitrite of soda, is in dire need of tariff protection against German and other foreign importations. This material is basic to the dyestuffs, ink, paint, rubber, and allied manufactures, and prior to the war it was secured almost exclusively from Germany and Norway, where it was, and still is, manufactured very cheaply by the air-fixation method, employing exceedingly cheap electric power for this purpose. The domestic manufacture, employing ordinary chemical methods, was very limited on account of necessarily high production costs. The country's pre-war needs aggregated about 3,000 tons per annum, valued at about $120 per ton, or 6 cents per pound. The demand increased rapidly during the war on account of the enormous expansion of our dyestuffs industry, and present needs are estimated at about 6,000 tons per annum. Owing to the dependence of this country upon Europe for most of its supply of this material and the great difficulty in securing same during the war, the price skyrocketed from 6 cents to 60 cents per pound—

That is a striking illustration of what our people, the consumers in this country, must bear if there comes a sudden demand for an article that we are not producing in this country. Here was a product that we had been getting for 6 cents a pound. Under the demand of the war, because it could not be supplied in this country, the price went up to 60 cents a pound that our people had to pay for the lack of development along these lines—

and would, without doubt, have gone a great deal higher if the American Nitrogen Products Co., of Seattle, Wash., had not entered the field about the time the United States declared war. We had begun preparations for the establishment of our air nitrogen fixation industry in 1916 and began operations in the spring of 1917, manufacturing sodium nitrite.

I desire that the Senate note this:

Our plant is the only commercially operating air nitrogen factory on United States soil employing the electric arc method and based upon utilization of hydroelectric energy.

They produced about one-half of the increased supply.

Mr. President, I am not going to take the time of the Senate further. They sent me a copy of a letter sent out by the representative of a German company to a firm in this country, representing to them that they can furnish this product at about 6 cents a pound, or even less than that, because of conditions confronting them. I ask to have this letter printed in the RECORD.

The PRESIDENT pro tempore. Without objection, it will be so ordered.

The letter is as follows:

PEERLESS COLOR CO. (INC.), *Bound Brook, N. J.*

GENTLEMEN: As previously advised you, we have for distribution in this country through American fiscal agents, that portion of nitrite of soda, as produced by the Badische Aniline & Soda Fabrik, of Germany, through their atmospheric nitrogen development, which has been allotted for consumption in the United States.

Naturally because of the existing business depression there is very little activity, with the result that prices have been reduced considerably; in fact, for spot material we can offer, subject to change, ton lots as low as 6 cents per pound, ex warehouse at New York, and for larger quantities it might be possible to shade this figure with a firm bid in hand, although the feeling here is very strong that the bottom of the market has been reached. We have on hand at the present time in New York approximately 50 tons, and no further shipments will come into this country until orders are placed for shipment from abroad.

We have instructions from Germany to find out the prospects of nitrite of soda consumption in the United States over the year 1921, and for this reason we are taking the liberty of addressing you to ask if you will kindly let us have your opinion in this regard. If the market has actually reached its lowest level, this might be a good time to consider requirement contracts for the coming year, and any suggestions that buyers have we shall be happy to cable abroad. The quality of our material is as good as that produced in any part of the world, and we shall be pleased to forward samples upon request.

Awaiting with interest your reply, we are,

Very truly yours,

C. B. PETERS CO. (INC.),
C. B. PETERS, *President*.

Mr. JONES of Washington. Upon that showing, I believe that this increase should be made.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment offered by the Senator from Washington.

On a division, the amendment was agreed to.

Mr. JONES of Washington. Mr. President, I have one other amendment, and then I will not detain the Senate further. I send it to the desk and ask to have it stated.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 32, it is proposed to strike out paragraph 204, as amended, and in lieu thereof to insert the following:

PAR. 204. Lime in cooperage, 50 cents per hundred pounds, gross weight; lime in bulk, 80 cents per hundred pounds, gross weight; hydrated lime, 40 cents per hundred pounds, gross weight; limestone, broken or crushed, in bulk, 15 cents per hundred pounds; ground limestone in bags, 7½ cents per 100 pounds; ground limestone in bulk, 5 cents per hundred pounds; including, in every case, the weight of the container.

Mr. JONES of Washington. Mr. President, this tariff proposal is to put the lime industry of the United States upon practically the same basis that Canada puts lime imports into that country. It is to meet especially a situation that confronts our industry on the Pacific coast.

While it is true that our State produces quite a small percentage of the total amount of lime produced in this country, yet, by reason of the peculiar situation confronting us there, the importations of lime—which are rather small, too, compared with the total amount of production—bear especially heavily upon our industry. These importations under the existing law have practically closed down the industry in our State; and this statement is borne out by the Tariff Commission, which says:

Of these imports approximately 90 per cent has come from Canada * * *.

Exports have been less than 1 per cent of production, 90 per cent going to Canada. This exchange of lime has caused severe competition between producers in British Columbia and the State of Washington.

That is true. I do not think the importations cause any particular trouble in the other sections of the country, and the principal effect of this amendment would be to meet the situation there.

I want to read a quotation from a letter that was put in the hearings by former Congressman Humphrey, of Washington, who appeared before the committee and presented this matter quite fully. In this letter it is said:

We know now, of course, what the House did with regard to lime. I am greatly disappointed that they gave us so low a rate of duty in the new bill. It is wholly inadequate and strikingly unfair.

This letter comes, I will say, from the president of the Roach Harbor Lime Co., the principal lime-producing company in our State, they having a capacity, as I understand, of about 450,000 barrels a year. Under the competition of the last few years this has run down to twenty or thirty thousand barrels. They are practically closed.

At the present market price on both sides of the line our lime would pay a duty to enter the Canadian markets of practically 65 cents per barrel. Under the new Fordney bill the rate of 10 cents per 100 pounds would mean 20 cents per barrel upon their lime coming into the United States from British Columbia. In other words, we are required to pay 65 cents per barrel under existing laws to enter the Canadian market, while our Congress is proposing to let them flood our markets with Chinese-made lime at a duty of 20 cents per barrel. This is so strikingly unjust and unfair that I can not properly characterize it. I sincerely hope you may be able to get a very important increase in the duty at the hands of the Senate committee. If they would give us a rate of duty which would be equivalent to that which we would have to pay to go into British Columbia, it would be more like it, although even that would not represent all the difference which exists. Their cost of manufacture is from 40 to 60 per cent less than ours. Their freight is considerably less than ours. In addition to both these advantages the rate of exchange is now about 14 per cent. Such a situation is simply intolerable. I am reliably informed that the Chinese and Hindus are now working all over British Columbia at common labor at $1 per day for 10 hours' work. It would require a duty of at least $1 per barrel, or 50 cents per hundred pounds, to equalize the difference in wages alone. That same difference would apply to the cost of their barrels, etc., and on top of that they would have the difference in freight rates by reason of the lower cost of operating British vessels, and they would have the 14 per cent or 15 per cent difference in exchange.

Mr. REED of Missouri. Mr. President, could this concern whose letter the Senator is reading enter the Canadian market if the Canadian Government did not levy a tax upon the goods made in America?

Mr. JONES of Washington. Possibly so, aside from the question of the cheaper labor. They say that this would not balance the difference in the labor conditions.

Mr. REED of Missouri. I observe that their chief reason for demanding the tariff is that there is a tariff upon our products.

Mr. JONES of Washington. That is not the chief reason. That is one of the reasons.

Mr. REED of Missouri. It is one of the principal reasons.

Mr. JONES of Washington. Yes.

Mr. REED of Missouri. The question I am addressing to the Senator is whether, if that tariff, which they bring in here as an argument, were wiped out, they could go into Canada and compete?

Mr. JONES of Washington. I do not know whether they could or not. The main thing they complain of is that they are placed at such a disadvantage in our own markets and that the Canadian has such an advantage in getting in here. They do not particularly seek to go into Canada.

Mr. REED of Missouri. I understood there was a statement in the letter—and I think I can almost quote it—that if it were not for the Canadian tariff the situation would not be so unfair, or some such expression.

Mr. JONES of Washington. It would not be so unfair, and that is one element of complaint, of course.

Mr. REED of Missouri. They must mean that without that they could gain some advantage by going into the Canadian market.

Mr. JONES of Washington. It does not mean that at all. It simply means that that is one of the disadvantages; it is one of their complaints. They do not say that one is more important than the other. They do say that they are put at this disadvantage in trying to get into the Canadian market by reason of the taxes they would have to pay to get in there. But that is not the only difference. There is the additional difference of the cheaper labor and lower wages, and that might prevent them from getting in even if these charges were removed. I think that is perfectly plain.

Mr. REED of Missouri. If the tariff cuts any figure, it must be because it bars out some of the American products.

Mr. JONES of Washington. Mr. President, I do not yield to the Senator further upon that proposition, because I understand his position, and I think he understands mine.

Mr. REED of Missouri. Very well.

Mr. JONES of Washington. I have not the time in the 15 minutes. I want it understood that they are not trying to get into the Canadian market. That is just as plain as can be. They do want, however, to have their own market, the American market; that is what they seek to have.

Mr. Humphrey points out here the importations which have come in, about a hundred thousand barrels, which have largely come in on the Pacific coast, from British Columbia. They have not only come into the markets of the State of Washington, but they have gone into California and into the Hawaiian Islands and taken the markets there which naturally and normally belong to our manufacturers.

He points out, and gives a table here showing, the difference in the wages and the character of the employment over in Canada as compared with ours. The cheaper freight rates they refer to here are not the railroad rates but the transportation rates on water. The Canadian lime mines are near the water, just as the Washington manufactory is; but it is generally conceded, I think, that the operation of the Canadian ships, the British ships, is cheaper, with lower rates, than ours. Those are the freight rates to which they refer.

I note in the hearings that it is contended that the lime produced in Canada is of a better quality or of a better class than that produced in the State of Washington. I am not a chemist, but I understand it is stated by Congressman HUMPHREY that the chemists of our State agricultural college and the chemists of the Agricultural Department have examined these limes and have found them substantially the same. That opinion is confirmed by the fact that the mines are located largely in the same territory, under the same natural conditions, and in the same natural surroundings, and one would naturally suppose that the lime rock is substantially the same in both localities. So I do not think there is any force in that contention.

This amendment is supposed to place our people upon substantially the same basis with the Canadians, so far as the rates which Canadians would have to pay to come into this country or the rates we have to pay to go into that country are concerned. They do not balance all of the differences. As a matter of fact, it is stated in this letter that it would take about a dollar a barrel, or 50 cents a hundred, and all that they ask here is 50 cents a barrel, or 50 cents for 200 pounds. In the interest of this American industry, I trust that this amendment will be agreed to.

Mr. McCUMBER. Mr. President, I want the attention of the Senate for just a moment, if I can have it. I appreciate the fact that we are mentally as well as physically tired, and when we get mentally tired we are likely to get a little careless. We have just adopted an amendment increasing the rate a thousand fold over the present rate, and we did not hear a whimper on the other side of the Chamber. The fact is, most of the Senators on the other side got up and voted for the amendment, which was too protective even for as staunch a protectionist as the Senator from North Dakota.

Mr. UNDERWOOD. I hope the Senator will recognize the fact that I rose in opposition to the proposal. I do not want him to say that there was no opposition to it on this side.

Mr. McCUMBER. I know the Senator did.

Mr. ROBINSON. I did the same thing.

Mr. McCUMBER. But the amendment was agreed to. It was carried because we were not paying much attention, and I simply mention it so that we will not get too careless about these matters just at the close of the discussion of the amendments upon the bill.

Mr. President, I want to call attention to this amendment. The other is agreed to, and we can take care of it in some way in conference, and try to make it as correct as we can, and if the article ought to have that much of an increase, I think we will allow it to stand. But let us take this matter of lime which comes in from Canada. I am rather surprised that somebody has not gotten up and talked about the poor man's home, which must go without being plastered, and all of that, which we heard discussed for a month or so when we were considering the rate on cement, brick, and so forth.

As a matter of fact, we import about 1 per cent of our consumption of lime in the United States, and most of those imports come in, as the Senator suggested, across the line in Washington. We also export just about the same amount of lime, and we export it over into Canada on the east side. So we have that seesaw between the United States and Canada, we exporting over on the east side and Canada importing on the west side into the United States. I suppose to equalize it Canada should have a duty at the east end as against the importation of American lime. The committee considered these matters when they were before it, and my opinion is that we ought not to change the rate at this late hour without some consideration.

Mr. ROBINSON. Mr. President, with respect to the last amendment voted upon, namely, the amendment proposed by the Senator from Washington [Mr. JONES] relating to nitrite, I voted against that amendment and now give notice that a separate vote is demanded upon the amendment when the bill gets into the Senate.

Concerning the pending amendment, under the act of 1913 there is a rate of 5 per cent ad valorem on lime. Limestone is on the free list under the present law. Under existing conditions the price of lime has increased very rapidly during the last few years. Commencing with 1916, the price averaged $4.52 per ton. In 1917 it was $6.29; in 1918 it was $8.36; in 1919 it was $8.84; and in 1920 it was $10.52, the figures for 1920 being the latest furnished.

The information submitted in the tariff surveys furnished by the Tariff Commission shows that the imports are less than 1 per cent of the domestic production. The exports are the same, namely, less than 1 per cent of the production. Ninety per cent of the imports come from Canada and 90 per cent of the exports go to Canada.

Under the facts furnished by the Tariff Commission, there appears to be no justification for imposing the proposed increase contemplated by the amendment of the Senator from Washington. It does seem as if this very useful and sometimes cheap commodity might be admitted with very small duties. The duties carried in the pending bill are the same as those provided in the Payne-Aldrich law. Under the existing law there are no importations to speak of, and the only effect of increasing the rate will be to accentuate or give further impetus to the already increasing prices of this product. I shall, therefore, vote against the amendment.

Mr. JONES of Washington. Mr. President, what I am about to ask is not in order, but the Senator from North Dakota discussed the amendment voted on a few minutes ago, and I ask unanimous consent to take just about a minute to refer to the statement he made. He said, as I understood him, that the previous amendment represented an increase of a thousandfold over the present tariff rate. That just illustrates what can be done with percentages. It does represent about 1,000 per cent increase of the present tariff rate, but the present rate is 5 per cent ad valorem, and this means, then, only 50 per cent ad valorem. That does not seem quite so large.

Mr. REED of Missouri. Mr. President, in the colloquy with the Senator who is the author of the amendment we did not quite agree as to the terms of the letter he read. I desire a moment to clarify that situation. The Senator read the letter, which is stated to be from the president of the largest lime-manufacturing plant on the Pacific coast. The letter states:

> Under the new Fordney bill the rate of 10 cents per 100 pounds would mean 20 cents per barrel upon their—

That is, the Canadian—

> lime coming into the United States from British Columbia. In other words, we are required to pay 65 cents per barrel under existing law to enter the Canadian market, while Congress is proposing to let them flood our market with some Chinese-made lime at a duty of 20 cents per barrel. This is so strikingly unjust that I can not properly characterize it. I sincerely hope you may be able to get a very important increase in the duty at the hands of the Senate committee. If they would give us a rate of duty which would be equivalent to that which we have to pay to go into British Columbia, it would be more likely, although that does not represent the entire difference.

Now, Mr. President, if that language means anything it means that we suffer a disadvantage because of the disparity in rates which are levied upon Canadian lime and duties which they

levy upon American lime. Manifestly there can be no disadvantage to us arising from any duty the Canadian levies upon our lime and the difference between that duty and the American duty unless we are able to make the lime and send it into Canada at a profit barring the duty.

More than that, we must be able to send it there and sell it at a profit if their tariff and our tariff are equal. When we come to analyze that statement and bring it down to its logical conclusion, it means that we are able to make lime and compete with Canada in the Canadian market in the absence of any tariff, and if that is true we certainly can compete in our own market against Canadian lime with the tariff that is placed in the bill at the present time without increasing it.

There is no answer to that. There can be no answer to it. I repeat, if we can go into Canada with a tariff equal to theirs and sell in their market, then we could go into Canada if there was no tariff in either country. That means that we could go into Canada and compete, and if we could compete in Canada in the absence of any tariff, we ought to compete at home with a high protective tariff such as is already written in the bill.

There is talk here about Chinese labor and India labor. Everybody who knows the facts knows that the rate of wages in Canada is higher than in the United States in almost every line. If it was not higher the people would not be living there, speaking broadly now and omitting special cases. People go into that new country and suffer the hardships that go with pioneer life because they can do a little better than they can in the United States, particularly when they have small capital. No man is going to work on that side when he can come a few miles south and get better wages. No man is going to work on our side of the line very long if wages are much higher in Canada, taking into account the increase in the hardships of life. There are but a limited number of inhabitants of India in Canada and only a very limited number of Chinese. They do not control the labor market or labor conditions, as everybody knows. This is another one of the cases which will not bear analysis.

Mr. President, the Senator in charge of the bill said that we increased some item a thousand per cent and that nobody on this side of the Chamber protested. Everybody protested who had an opportunity, but let me inquire why the distinguished and astute Senator in charge of the bill was not heard to protest against a thousand per cent increase? He is supposed to know more about the bill than anybody else, and yet I did not hear his clarion voice ring out a warning. He seems to have sat still and allowed the American people to be mulcted to the tune of a thousand per cent and now tries to shift the responsibility over on the devoted heads of the Democrats, who have been fighting against all this scheme of graft and robbery for some months.

We may have brain-fag, but our consciences are sufficiently alive so that if we had the information which the Senator has, even more men might have listened to protest. But what value is there in protest? We have protested against the various items by the hour, by the day, by the week, by the month, and argument has been as ineffective as an argument in favor of the innocence of the Savior would have been at the court of Pontius Pilate.

I submit that if the Senator in charge of the bill sees any more 1,000 per cent duties being levied, he ought to advise even the cloakrooms, and he ought to advise the country. He ought to let everybody know; for, after all, this is not a contest between the Democratic side and the Republican side. This is a question of a tax levied upon the American people; and it is a very poor excuse to be offered by any Senator that he sat still and saw 1,000 per cent added to a tax and that the other side of the Chamber did not rise to protest before it was worn out and had become weary in well-doing. I can understand, of course, how a Senator entertaining the views of our brethren on the other side of the aisle would think that 1,000 per cent tax was justifiable; and that, in fact, is a part of the very logic of their case. But the people of the United States have to pay the tax, and, thank Heaven, the people of the United States will have an opportunity to vote next November.

Mr. CALDER. Mr. President, the rate provided for in the amendment of the Senator from Washington is 50 cents per 100 pounds on lime which may be used for building purposes. The rate in the bill as reported from the Finance Committee is 5 cents per 100 pounds. The rate under the present law is 5 per cent. The rate under the Payne law was 5 cents per 100 pounds. It is possible that this commodity may be entitled to a higher rate than that given by the committee, but I can not for the life of me understand how under any circumstances it is entitled to the rate asked for by the Senator from Washington.

This is a commodity used in every building operation in the land, and while it is true that we only import about 1 per cent of our consumption, this large rate may tend to bring up the level of prices for all of the construction in the country. It seems to me that the rate is so high that the amendment ought to be defeated.

Mr. McCUMBER. Mr. President, the Senator from Missouri [Mr. REED] has been so long in a campaign in his own State that he has to carry the character of argument in his mind that he has probably been making there. Perhaps that would go down there, and if he would tell a Missourian that when a Senator moved to increase a rate from one-half a cent to 5 cents a pound he had increased the duty 1,000 per cent, they would believe it. He could perhaps convince them that the duty thereafter would be 1,000 per cent upon that article. That is what the Senator has just been stating in this Chamber. I think the average Senator who is a listener, however, understands that the raise was from one-half of 1 per cent to 5 per cent. That is 1,000 per cent increase over the present rate. It is not a 1,000 per cent duty, however, as was well explained by the Senator who made the motion to amend.

Mr. STANLEY. Mr. President, can the Senator state the ad valorem equivalent of the present rate?

Mr. McCUMBER. The present rate is one-half cent.

Mr. STANLEY. Can the Senator tell me the equivalent ad valorem?

Mr. McCUMBER. I understand it is 5 per cent ad valorem. That is the only point I desire to make, and I did not do it in a manner that was discourteous to anyone. I have never followed that kind of a rule in argument and have never attempted to be sarcastic in my argument on a serious matter. I have generally thought it was worth fair and candid consideration. I did call attention to the fact that the raise was heavy. I voted against it and voted loud enough to have been heard. When we were called upon for a division, I stood up against it. That was enough to indicate at least the view of the chairman of the committee, and when I saw a great many Senators upon the other side of the Chamber rising in support of it and carrying an amendment of that kind, I thought it very proper to utter a caution against considering matters of that kind or voting upon them without due consideration.

We have got to hurry on with the amendments, without much opportunity for consideration, there being only about three-quarters of an hour in which we may discuss amendments at all. I gave simply one case the action in which I thought ought to be a little lesson to guide us in the consideration of amendments which will come up when we can no longer discuss them.

I have not, Mr. President, failed in my duty. It was called to my attention just what the amendment was, rushed through as it was, suddenly, and I sought to sound a note of warning that I thought it was unduly high, and I did so both by voice and by standing up on a division to be counted against it.

Mr. REED of Missouri. Mr. President——

The PRESIDENT pro tempore. The Chair desires to remind both the Senator from Missouri and the Senator from North Dakota that there is a provision in the unanimous-consent agreement that requires Senators to speak upon the question pending.

Mr. REED of Missouri. I am going to speak on that.

The PRESIDENT pro tempore. The Chair allowed both Senators to transgress the rule.

Mr. REED of Missouri. Mr. President, the Senator from North Dakota in discussing this amendment that seems to be under discussion, said I was sarcastic with reference to him and that he never is sarcastic. I hope the Senator does not for a moment think that I have at all gotten out of his class in the matter of courtesy.

The Senator several times referred to the fact that I have been in a campaign. I have been. The Senator was in a campaign. He also made the statement that I might make something go in Missouri. I am not boasting about the result in Missouri, but I think that what I said in Missouri went quite as well as what the Senator said in his own State, estimating it by results.

Mr. McCUMBER. The Senator is not thoroughly acquainted with what has been going on. I attended to my duties here in the Senate and was not in my State a day during the entire summer, so that the Senator can not say what I said in my State or what I did not say, for I was not there. I wish he would stick to the facts.

The PRESIDENT pro tempore. The Chair desires to remind Senators that this discussion is out of order.

Mr. ROBINSON. It is intimately related to the line of thought.

Mr. REED of Missouri. I think so; and I think, since the Senator has stated that I misrepresented his statement, that I am entitled to correct him. I endeavored to quote his exact language and to follow it to its legitimate conclusion. I do wish to say this—and with that I shall be content to sit down—that whether I was here or in Missouri, whether the Senator from North Dakota was here or in his State, I think I served the country quite as well where I was as the Senator did where he was.

The PRESIDENT pro tempore. The question is on the amendment proposed by the Senator from Washington [Mr. JONES].

The amendment was rejected.

Mr. McLEAN. Mr. President, I ask unanimous consent that the vote by which paragraph 1435a, on page 198, was agreed to may be reconsidered, in order that I may offer an amendment. The paragraph reads as follows:

Harness valued at more than $70 per set, saddles valued at more than $40 each, saddlery, and parts (except metal parts) for any of the foregoing, 35 per cent ad valorem.

The PRESIDENT pro tempore. The Senator from Connecticut asks unanimous consent——

Mr. WALSH of Montana. Reserving the right to object, I ask the Senator from Connecticut to state the amendment which he proposes to the amendment.

Mr. McLEAN. I shall be glad to do so.

The PRESIDENT pro tempore. The motion of the Senator from Connecticut is out of order unless the vote by which the amendment was adopted heretofore shall be reconsidered.

Mr. McLEAN. The Senator from Montana (Mr. WALSH) desired that I explain the amendment before the request was put, and I am willing to do that; indeed, I prefer to do that.

Mr. President, the Senate will remember, I think, when hides were put upon the free list that a great many articles which are composed in whole or in part of leather were also put upon the free list, and among them were harness and saddlery.

As originally adopted and as recommended by the committee a rate of 35 per cent ad valorem was imposed on harness and saddlery. That amendment, however, was rejected by the Senate.

The Committee on Finance on the day following felt that that was a mistake, as saddles are made of pigskins, which bear an ad valorem rate of 20 per cent, and as Canada imposes a duty of 35 per cent ad valorem upon harness and it is a highly finished product involving considerable labor, it was felt that it was unfair to put these articles on the free list. Therefore, the amendment which has been adopted by the Senate is the amendment which I have just read, proposing to put a rate of 35 per cent ad valorem upon harness valued at more than $70 a set and upon saddles valued at more than $40 each.

I am reliably informed that good saddles may be bought for $20 each and, as I have stated, I am also informed that saddles are made of pigskins, which carry a rate of 20 per cent ad valorem. So it seems to me to be unjust to this industry to leave it in this condition, having to pay a duty on its raw material. For that reason I desire to offer the amendment to the amendment.

Mr. WALSH of Montana. Mr. President, I object.

Mr. McLEAN. Then I move that the Senate reconsider the vote by which the amendment was agreed to.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Connecticut to reconsider the vote by which paragraph 1435a was agreed to. [Putting the question.] The Chair is in doubt. Those who are in favor of the motion will rise and stand until they are counted. [A pause.] Those opposed will rise. [A pause.] The motion of the Senator from Connecticut is agreed to. The Senator will send the amendment which he proposes to the desk.

Mr. McLEAN. I send the amendments to the desk, and ask that the second amendment, which relates to saddles and saddlery, be first acted upon.

The ASSISTANT SECRETARY. In the committee amendment, on page 198, paragraph 1435a, in the second line of the paragraph, it is proposed to strike out the words "valued at more than $40 each."

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Connecticut to the amendment of the committee.

Mr. WALSH of Massachusetts. Mr. President, I understood that the reason why saddles and saddlery were put upon the free list after the vote to put hides upon the free list was because harness and saddlery are made chiefly of cowhide; and, as no duty is imposed on cowhide, it did not seem necessary to levy a duty upon harness or saddlery.

Now I am informed that practically all the saddlery and harness which is made in this country is made of cowhide. Under those circumstances it does not seem to me that there ought to be a duty levied upon saddlery and harness.

Furthermore, there are no importations of any consequence, and the action of the committee after the vote upon hides it seems to me ought to stand. Under a previous law and under the present law there is no such duty, but it is now proposed, with hides free, to place a duty upon certain classes of harness and saddlery.

Mr. WALSH of Montana. Mr. President, I objected to reconsidering the vote in view of the statement made by the Senator from Connecticut to the effect that saddles are made of pigskin and that pigskin bears a duty. I suppose it is probable that some saddles are made of pigskin. Probably the English saddle and possibly the McClellan tree are made of pigskin, but a man riding a pigskin saddle out West would be a curiosity.

Moreover, Mr. President, a pigskin saddle requires about one-fifth of the amount of leather which is employed in the manufacture of an ordinary stock saddle. But saddles, as a matter of course, as everybody knows, are made of cowhide and not of pigskin, so the reason did not seem to be persuasive to any degree whatever. I do not know how much of pigskin is imported into this country for use in the manufacture of saddles, but I do know that in the matter of the production of pigs—the real pigs that furnish the skins—we do not import many of them into this country. So I really do not believe that the fact that pigskin bears a duty of 20 per cent is going to burden to any extent whatever the manufacture of even pigskin saddles in this country. The amendment, in my judgment, ought not to prevail.

Mr. McLEAN. Mr. President, just a word in reply to the statement which was made by the Senator from Massachusetts [Mr. WALSH]. I am informed by the experts that the seats of all these saddles are made of pigskin. I will also say to the Senator from Montana [Mr. WALSH] that there are a good many expensive saddles which are imported from England and a good many expensive sets of harness, some of it gold plated or silver plated.

Mr. WALSH of Montana. We make no point on that. The Senator has taken care of that by providing that harness costing more than $70 shall pay a duty and saddles costing more than $40 shall pay a duty.

Mr. McLEAN. Imported saddles, I am informed, average not over $40.

Mr. WALSH of Montana. What is the difference?

Mr. McLEAN. Then they come in free.

Mr. WALSH of Montana. Why should they not come in free when leather is free?

Mr. KELLOGG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Connecticut yield to the Senator from Minnesota?

Mr. McLEAN. Yes.

Mr. KELLOGG. Do I understand that the proposition now is to put all saddles on the 35 per cent basis?

Mr. McLEAN. Yes.

Mr. KELLOGG. I thought if we had free leather we were going to have free manufactured products of leather. Now we have free leather and an effort is being made to increase the duty on saddles. Are you going to ask to put in boots and shoes next?

Mr. McLEAN. No. We have free iron ore, but we do not put knives on the free list.

Mr. KELLOGG. No; I notice that you do not.

Mr. McLEAN. There are a great many things that we did not put upon the free list where we have the raw material free. From 80 to 90 per cent of the value of the saddle is in the labor, and the pigskin that is used pays a duty of 20 per cent ad valorem, and it is no more than fair that these saddles should bear a reasonable rate of duty.

Mr. WALSH of Massachusetts. Mr. President, the original committee amendment provided for a rate of 35 per cent ad valorem on harness, saddles, and saddlery. Then the Finance Committee offered a substitute amendment fixing the rate of 35 per cent upon harness valued at over $70, and saddlery valued at over $40. That was abandoned after the vote upon hides, after the Senate had declared for free hides. Now the Senator from Connecticut proposes to restore the original amendment of the committee, which is higher than the substitute amendment of the committee, because the substitute amendment puts some limitations upon the value of the harness and saddlery that was to bear this duty of 35 per cent. How does the

Senator, in view of the action of the Senate for free hides, justify now asking the Senate to adopt a rate which is the same as the rate named by the committee when they were advocating a duty upon hides?

Mr. McLEAN. I certainly do justify it, and I have given my reasons. The action of the Senate in limiting the value of the saddle to $40 is of no benefit whatever, because they will all come in at less than that price.

Mr. WALSH of Massachusetts. Although the Senate has decided to admit hides free, the Senator says that it is now necessary, in order to protect this industry, to restore the rate which the Senate committee advocated when they were putting a duty upon hides?

Mr. McLEAN. Yes. The Senate put many varieties of fine leathers on the free list, and since that time it has reconsidered its action and put a tariff on those leathers.

Mr. WALSH of Massachusetts. Mr. President, it seems to me that harness and saddlery ought to be upon the free list, just as cowhides are.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the Senator from Connecticut to the amendment of the committee.

On a division the amendment to the amendment was rejected.

The PRESIDENT pro tempore. The Secretary will state the second amendment proposed by the Senator from Connecticut.

Mr. McLEAN. I withdraw the second amendment.

The PRESIDENT pro tempore. The amendment is withdrawn. The question is on agreeing to the amendment of the committee.

The amendment of the committee was agreed to.

Mr. SIMMONS. Mr. President, I send forward an amendment which I offer on behalf of the junior Senator from Utah [Mr. KING].

The PRESIDENT pro tempore. The amendment will be stated.

The ASSISTANT SECRETARY. On page 226, line 23, it is proposed to insert the following new paragraph:

PAR. 1611a. Menthol.

Mr. SIMMONS. Mr. President, I recognize that the time is short, and I have only a word to say with reference to this amendment.

Menthol is used exclusively in the manufacture of medicinal preparations. Booklet A–10 of the Tariff Information Surveys, at page 54, states:

> Menthol is used almost exclusively in medicine. It is an antiseptic and local anesthetic, valuable in neuralgia and irritations of the skin. Large quantities are also used in cough drops.

There is more about it which I will not read.

Menthol is one of the most valuable and widely used drugs in this country, and its use is enormously increasing. There is in my State a large establishment which was started in 1910–11, and they sold at that time 347,748 jars. In 1918–19 they were selling 17,628,192 jars, showing the extent to which one establishment has increased its business in the manufacture of medicines from menthol.

In addition to that, Mr. President, I am advised that not a pound of menthol is made in the United States. A tariff on menthol can afford no protection to any American growers or manufacturers, since menthol can not be made in this country. The establishment in my State to which I have referred states that it has never been able to buy a pound of menthol anywhere else in the world except from Japan.

Menthol in the House bill is dutiable at the rate of 25 per cent ad valorem, and the Senate proposes to tax it at the rate of 50 cents a pound.

As I have stated, menthol is used exclusively as a medicine, a very essential and necessary medicine, a medicine which has to do largely with nerve diseases and with coughs, pneumonia, and things of that sort. Medicine ought never, Mr. President, if it can be avoided, to be the subject of taxation, especially medicine that is commonly used among the people. That is a principle which I think will address itself to the intelligence and the humanity of every man, and which has prevailed in most tariff and taxation bills. For that reason and because menthol is not produced in this country and the importations therefore do not interfere with any domestic industry, but a duty upon them would simply add a burden to this medicine that is in common use among the people, I ask, in behalf of the Senator from Utah [Mr. KING] and myself, that this product be put upon the free list.

I ask that two pages of a statement which I have here, and from which I have read extracts, be printed as a part of my remarks without reading.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

H. S. Richardson, president and general manager of the Vick Chemical Co., in discussing this subject, uses the following language with reference to the manufacture of this product by his company:

"It is not believed that it is the intention of Congress to tax the sick by putting a duty on medicines, except where protection is needed for American manufacturers. If this be the case, menthol should never carry a duty, because—

"First. Menthol is used exclusively in the manufacture of medicinal preparations.

"Menthol is an important medicinal obtained from peppermint oil. Booklet A–10, Tariff Information Surveys, page 54, states:

"'Menthol is used almost exclusively in medicine. It is an antiseptic and a local anesthetic, valuable in neuralgia and irritations of the skin. Large quantities are also used in cough drops, mentholated vaseline, sprays, and inhaling tubes. As an external preparation it is used in alcoholic solution or as a salve (when mixed with petrolatum or other greases).

"'Official preparations of menthol are menthol inunction, compound menthol inunction, antiseptic solution with pepsin, camphorated menthol, aromatic oil spray, menthol spray, compound menthol spray, menthol petroxylin, and antiseptic powder.'

Menthol is one of the most valuable and widely used drugs known. The United States Dispensatory, the standard authority on drugs and their uses, says of menthol:

"When locally applied it stimulates the nerves for the perception of cold, but depresses those for pain. It is actively antibacterial. It is used for its local anesthetic influence in various skin diseases accompanied with itching, such as urticaria. In headache and other forms of neuralgia the external application of menthol will frequently produce a considerable degree of relief. It is employed for its antiseptic and anesthetic influence in inflammations of the upper respiratory tract, such as acute coryza, pharyngitis, and laryngitis."

A. THE USE OF MENTHOL IS STEADILY INCREASING.

As its virtues have gradually become known, the use of menthol has steadily increased in the United States.

"From 1910 to 1913 imports averaged 43,000 pounds. For the period 1914–1918 imports averaged 145,000 pounds. Maximum import was during 1919, when 243,000 pounds were imported." (Tariff Information Surveys.)

As an illustration of how the use of menthol has increased, my father, a druggist in a small North Carolina town, 20 years ago, when menthol was new in this country, became interested in the drug. He found a way to combine it with camphor and other volatile oils in a base of crude petrolatum, so that when the salve was applied to the throat or chest, the body heat released the volatile ingredients in the form of vapors. He thus had a cheap, efficient vapor lamp in salve form, as these vapors, being lighter than air, rose up and were inhaled with each breath through the air passages to the lungs. At the same time the product had a rubefacient and antiphlogistic effect through the skin. Beginning with a few packages sold over the prescription counter its use has greatly increased, as follows:

Number of packages of Vicks sold by years.

	Jars sold.
1910–11	347,748
1911–12	523,152
1912–13	1,027,068
1913–14	1,357,590
1914–15	1,462,330
1915–16	2,418,213
1916–17	4,302,564
1917–18	6,846,480
1918–19	17,628,192

and this is only one product. There are over 300 manufacturers who put up menthol in package form. In addition an enormous quantity of menthol is used for prescription work. Nearly every druggist makes up his own menthol cough syrup, menthol sprays, inhalers, etc.

I give these figures to show how widespread is the use of menthol as a medicine. So far as I know, it has no other use.

Second. Not a pound of menthol is made in the United States.

A tariff on menthol can afford no protection to any American growers or manufacturers since menthol can not be made in this country. We have never been able to buy a pound of menthol anywhere else in the world, except from Japan. Peppermint, from which menthol is obtained, is grown in this country, but it is not the right kind to produce menthol. The oil contains a very much lower percentage of menthol, and requires more elaborate processes for extraction. So that unless we succeed in growing the same variety of black mint as that used in Japan, we do not believe that production in this country is possible.

For these two reasons, therefore—

Because menthol is used widely and exclusively as a medicine, and because a duty would give protection to no one, we respectfully urge that menthol be placed on the free list. The revenue derived from the present duty of 50 cents per pound on menthol is very small, running from $8,000 in 1908 to $57,000 in 1915, $86,000 in 1917, and $121,000 in 1919.

Mr. McCUMBER. Mr. President, the Senator from North Carolina says that there is no menthol manufactured in the United States. The Senator is absolutely right. There is none manufactured in the United States. There is none manufactured anywhere in the world except in Japan, if my information is correct. They have a complete monopoly, under Government control. They charge whatever they see fit, and what they see fit is what the trade will bear. It is sold here at about $5 a pound. The duty, therefore, would be about 10 per cent ad valorem. I think the product would absorb the duty, and, in my opinion, it would not raise the price.

Mr. SIMMONS. Mr. President, may I interrupt the Senator? Does the Senator think because a product of a foreign country, of which there is none produced in this country, is controlled by a trust, and they charge, therefore, a high price, especially

when that product is a medicine of the people, that we should impose a duty and thereby further advance this enormous, and it may be unconscionable, price?

Mr. McCUMBER. That is on the supposition that we necessarily advance the price by imposing a duty. Inasmuch as the Japanese can charge anything they have a mind to charge for this product, I have an idea that they are charging about what they think the traffic will bear to the consumers in North Carolina.

We will get from this duty, at this rate, about $150,000 a year. It is a revenue duty, pure and simple. I do not think that every product that we do not produce in the United States must necessarily be put upon the free list if it will bear a duty and bear it without an unjust imposition upon the American people. I think this is one of the cases where it will, and I think the Japanese Government, or its people, whoever controls the trust that controls the prices in Japan, can well afford to pay the $150,000 into the United States Treasury.

Mr. SIMMONS. Mr. President, just one word. If it is the policy of the Republican Party to place a revenue duty upon a medicine which is in common use by all of the 110,000,000 people of this country, of course the Senator is consistent.

Mr. UNDERWOOD. Mr. President, before this debate closes, I want to say that I have listened with much interest to the Senator in charge of the bill in his advocacy of revenue rates in this bill. I believe in a revenue tariff myself—it is the only kind of tariff I believe in—not a protective one; but whenever the Senator has been unable to sustain his rate for any other reason in the debate on this bill, he has said that it would produce a revenue.

If revenue is really what the Senator from North Dakota wants, why does he limit it to the articles named? If he wants revenue that does not protect anybody, there is a very much larger field to go into if he does not propose to discriminate. There is no coffee produced in continental United States. Most of our coffee comes from Brazil, and the Government of Brazil levies an export tax that the American people have to pay. If the Senator wants a revenue measure, why does he not tax coffee? I do not believe, myself, in levying revenue duties or protective duties on food products as a rule; but if I had to choose between levying a revenue duty on medicine and levying it on food, I would let the medicine come in free and put the tax on food.

Although I have great respect for the Senator in his ideas about this bill, I do not think he has been consistent in his defense of duties because they are revenue rates. If the Senator really desires to raise revenue, he has left out of this bill many, many articles that would produce very considerable revenue at a low rate of taxation. I know that his party has never stood for levying taxes on that class of articles that has not produced protection as well. I do not understand why this particular rate of duty is proposed; but I want to make this last appeal to the Senator: If there is nothing in this duty of a protective nature—and the Senator admits in his argument that it is not levied for the sake of protecting an industry—if we are going to discriminate and leave items on the free list, and there is no violation of the principles of the Republican Party whether this duty is levied or not, why should we tax a medicine that is necessary to the health of the American people?

In regard to an article of this kind, even if we do have to pay high prices for it, I do not believe one degree of increased burden should be added, and I do not think the Senator has justified his course in the matter at all by simply pointing out that some little revenue will come to the Government from levying this tax.

Mr. McCUMBER. Mr. President, I suppose that a duty if levied by the Republican Party is exceedingly offensive, but that it is absolutely right when it is levied by the Democratic Party. I do not try to work Republicanism and Democracy into a discussion of this tariff bill; I am simply discussing it from the American standpoint.

In the Underwood tariff law the Senator put 50 cents a pound upon menthol. What did he do it for? It was just as much a medicine then as it is a medicine now. Coffee was free, and we make coffee free. We are continuing the same duty and the same freedom from duties upon the same articles.

Mr. OVERMAN. Mr. President, the House made the duty 25 per cent ad valorem, and the Senate committee made it 50 cents a pound.

Mr. McCUMBER. Twenty-five per cent ad valorem is very much higher than 50 cents a pound. I am stating that the Senator from Alabama, in his perfect revenue bill, placed a duty of 50 cents a pound upon medicine which the American people use, and we carry that same duty, that same awful imposition, into this bill. It is a revenue duty, as I stated. The Senator was right when he had inserted in the bill which bears his name a provision placing a duty of 50 cents a pound upon menthol. We are right in carrying the 50 cents a pound on menthol, not as a protection, but as a revenue duty, pure and simple.

Mr. UNDERWOOD. Mr. President, the Senator is right about the bill, but not right about my attitude. Of course, I have to carry the burden of many things which are in the law which happens to bear my name in part, but my attitude in reference to such a class of medicines and such a class of foods is that they should go on the free list, that they should be untaxed. That was my attitude when the bill was written and it is my attitude now. I do not justify all the rates in the present law because it happens to bear my name. I have said on the Senate floor many times in this debate that, in my judgment, many of the rates were too high; that they were too conservatively written; and that if I had an opportunity now, with the light of the past before me, I would lower the rates. I still contend that if you are going to put this rate in only for a revenue purpose you should levy your revenue rates on something else besides a necessary medicine.

Mr. McCUMBER. I heard no protest from the Senator in 1913 against this duty when he had his bill before the Senate, and I think he will look in vain for a single word of protest.

Mr. UNDERWOOD. Mr. President——

The PRESIDENT pro tempore. Both the Senators have spoken twice upon this amendment and there can be no further debate.

Mr. UNDERWOOD. In the Senator's time, if he will permit me, I want to say that I was not in the Senate then, and he could not have heard my voice.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the Senator from North Carolina [Mr. SIMMONS].

Mr. SHEPPARD. Mr. President, I do not desire to discuss this amendment, but I want to make an announcement. I had intended to offer amendments to certain paragraphs in the metal schedule and to the spun silk and sewing silk paragraphs of the silk schedule, the House text of which has remained unchanged, amendments to which therefore could not be offered by individual Senators while the committee amendments were pending. Inasmuch, however, as the issues connected with those schedules have been thoroughly made up, and inasmuch as reductions could not be hoped for, I shall not offer those amendments.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment offered by the Senator from North Carolina, which the Secretary will again state.

The ASSISTANT SECRETARY. On page 226, at the foot of the page, the Senator from North Carolina moves to insert a new paragraph, as follows:

PAR. 1611a. Menthol.

Mr. SIMMONS. I ask for a division.

On a division, the amendment was rejected.

Mr. WALSH of Montana. I inquire whether any change has been made in the text of paragraph 374, on page 84.

The ASSISTANT SECRETARY. The only change is that the word "coils" is inserted before the word "plates," on line 18.

Mr. WALSH of Montana. Then I move to amend by striking out, in line 18, the words "in crude form, 5 cents per pound," and to further amend by striking out "9," in line 20, and inserting "3½." If that amendment shall prevail, I shall move a further amendment to the free list, to read as follows:

Aluminum, aluminum scrap, and alloys of any kind in which aluminum is the component material of chief value.

So that aluminum, aluminum scrap, and alloys of aluminum will be on the free list, and aluminum in coils, plates, sheets, bars, rods, circles, disks, blanks, strips, rectangles, and squares will bear a duty of 3½ cents per pound, which is the duty prescribed in the existing law.

Mr. President, I do not desire to say anything in support of this amendment. I desire to have a yea-and-nay vote from the Senate, however, upon the question as to whether we shall put practically a prohibitive duty upon crude aluminum, aluminum scrap, and alloys of aluminum, when, as has been repeatedly declared in the Senate and not controverted, and which can not be controverted, the production of aluminum in the United States is in the hands of one single company, a complete, iron-bound monopoly, with no competition of any kind or character whatever; while, on the other hand, there are a large number of independent manufacturers of household utensils and other household goods of aluminum, and aluminum has become a

most essential factor in the automobile industry and in many other industries.

I simply desire to know whether the Senate will go upon record in favor of a protective tariff upon a commodity that is absolutely controlled by one single monopoly, and that in many respects an exceedingly offensive monopoly.

The PRESIDENT pro tempore. Does the Senator from Montana ask unanimous consent that both amendments shall be considered as one and that a single vote upon the amendments shall be taken?

Mr. WALSH of Montana. I ask unanimous consent that the two may be considered together.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the amendments proposed by the Senator from Montana will be treated as a single amendment.

Mr. WALSH of Montana. I ask for the yeas and nays.

The yeas and nays were ordered.

The reading clerk proceeded to call the roll, and Mr. ASHURST responded in the affirmative.

Mr. PHIPPS. I would like to have the amendment reported again.

Mr. ROBINSON. Mr. President, a point of order. The roll call has begun.

The PRESIDENT pro tempore. The roll call has begun and a response has been made.

Mr. WALSH of Montana. If the amendment is not understood, I ask unanimous consent that the Secretary restate it.

The PRESIDENT pro tempore. The Chair will ask the Secretary to state the amendment.

The ASSISTANT SECRETARY. On page 84, paragraph 374, relating to aluminum, aluminum scrap, and alloys, on line 18 it is proposed to strike out the words "in crude form, 5 cents per pound."

Then, where it relates to coils, plates, sheets, bars, and so forth, on line 20, it is proposed to strike out "9" and to insert in lieu thereof "3½," so that if amended it will read:

Three and one-half cents per pound.

Mr. WALSH of Montana. I think the Secretary should state that it is also proposed to insert as a separate paragraph, at page 209, the following words:

Aluminum, aluminum scrap, and alloys of any kind in which aluminum is the component material of chief value.

So as to put those articles on the free list.

The PRESIDENT pro tempore. The Secretary will proceed with the roll call.

The reading clerk resumed the calling of the roll.

Mr. EDGE (when his name was called). Transferring my pair with the senior Senator from Oklahoma [Mr. OWEN] to the junior Senator from Vermont [Mr. PAGE], I vote "nay."

Mr. McCUMBER (when his name was called). Transferring my pair as on the previous vote, I vote "nay."

Mr. POMERENE (when his name was called). Transferring my pair, as heretofore announced, with my colleague [Mr. WILLIS] to the senior Senator from Nebraska [Mr. HITCHCOCK], I vote "yea."

Mr. WALSH of Montana (when his name was called). Transferring my pair as announced on the previous vote, I vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same transfer as before, I vote "nay."

The roll call was concluded.

Mr. HARRISON. I desire to announce that I am paired with the junior Senator from West Virginia [Mr. ELKINS]. In his absence I withhold my vote. If permitted to vote, I should vote "yea."

Mr. JONES of Washington (after having voted in the affirmative). As heretofore announced, I am paired for the evening with the senior Senator from Virginia [Mr. SWANSON]. However, understanding that he would vote, if present, as I have voted, I allow my vote to stand.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON];

The Senator from Missouri [Mr. SPENCER] with the Senator from Georgia [Mr. HARRIS];

The Senator from Illinois [Mr. McKINLEY] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from Michigan [Mr. TOWNSEND] with the Senator from Wisconsin [Mr. LA FOLLETTE];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS]; and

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES].

The result was announced—yeas 24, nays 33, as follows:

YEAS—24.

Ashurst	Kellogg	Rawson	Smith
Capper	McKellar	Reed, Mo.	Stanley
Cummins	Myers	Robinson	Trammell
Dial	Norbeck	Sheppard	Underwood
Fletcher	Overman	Shields	Walsh, Mass.
Jones, Wash.	Pomerene	Simmons	Walsh, Mont.

NAYS—33.

Ball	Gooding	Moses	Stanfield
Brandegee	Hale	New	Sterling
Bursum	Harreld	Newberry	Sutherland
Calder	Keyes	Nicholson	Wadsworth
Cameron	Lodge	Oddie	Warren
Colt	McCormick	Pepper	Watson, Ind.
Curtis	McCumber	Phipps	
Edge	McLean	Shortridge	
Ernst	McNary	Smoot	

NOT VOTING—39.

Borah	Gerry	Ladd	Ransdell
Broussard	Glass	La Follette	Reed, Pa.
Caraway	Harris	Lenroot	Spencer
Culberson	Harrison	McKinley	Swanson
Dillingham	Heflin	Nelson	Townsend
du Pont	Hitchcock	Norris	Watson, Ga.
Elkins	Johnson	Owen	Weller
Fernald	Jones, N. Mex.	Page	Williams
France	Kendrick	Pittman	Willis
Frelinghuysen	King	Poindexter	

So the amendment of Mr. WALSH of Montana was rejected.

Mr. WALSH of Montana. Mr. President, I give notice that I shall reserve a vote on this question in the Senate.

The PRESIDENT pro tempore. The Chair may state at this moment that an amendment not agreed to as in Committee of the Whole need not be reserved for a vote in the Senate. It can be renewed when the bill reaches the Senate. The hour of 10 o'clock p. m. having arrived, debate has now ceased under the unanimous-consent agreement until after the bill has been reported to the Senate.

Mr. McCUMBER. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The ASSISTANT SECRETARY. On page 131, line 25, after the word "noils" insert the following: "crin, vegetal, or palm-leaf fiber, twisted or not twisted," so as to read:

Flax tow and flax noils, crin, vegetal, or palm-leaf fiber, twisted or not twisted, three-fourths of 1 cent per pound.

The amendment was agreed to.

Mr. McCUMBER. On page 103, line 24, I ask unanimous consent to reconsider the vote by which the amendment was agreed to in that line and to disagree to the same.

The PRESIDENT pro tempore. The Senator from North Dakota asks unanimous consent to reconsider the vote by which the amendment which will now be stated by the Secretary was adopted.

The ASSISTANT SECRETARY. On page 103, line 24, after the words "crab meat" the Senate inserted the words "and lobster meat."

The PRESIDENT pro tempore. Is there objection? The Chair hears none. The question is upon agreeing to the amendment.

Mr. McCUMBER. I ask that the amendment be disagreed to.

The amendment was rejected.

Mr. JONES of Washington. Mr. President, I desire to reserve a separate vote in the Senate on the amendment made as in Committee of the Whole striking out the tariff on shingles and also the amendment adopted yesterday striking out the paragraph relating to logs.

Mr. SHORTRIDGE. Mr. President, I offer two amendments, which I ask may be considered together.

The PRESIDENT pro tempore. The Senator from California offers two amendments, which he asks may be considered together. Is there objection? The Chair hears none, and it is so ordered. The amendments will be stated.

The ASSISTANT SECRETARY. The amendments are to the House text, on page 107, line 19, after the word "in," to insert the words "bulk, crates," and a comma, with reference to the shipment of grapes.

Mr. UNDERWOOD. Mr. President, I rise to a point of order.

The PRESIDENT pro tempore. The Senator will state the point of order.

Mr. UNDERWOOD. As there can be no debate, I think the Secretary should report the paragraph as it would read if amended, so that the Senate may have some information on the subject.

The PRESIDENT pro tempore. The Chair is of that opinion, and the Secretary will state the paragraph as it would read if the amendments were agreed to.

The ASSISTANT SECRETARY. On page 107, line 19, paragraph 742, relating to grapes, the Senator from California proposes after the word "in" to insert the words "bulk, crates," so as to read:

Grapes in bulk, crates, barrels, or other packages.

The second amendment is, on the same page, 107, line 20, after the word "of," where it appears the first time in the line, to insert the words "such bulk, or," so that if amended it would read:

Grapes in bulk, crates, barrels, or other packages, 25 cents per cubic foot of such bulk or the capacity of the packages.

After the word "packages" it is proposed to insert the words "according as imported."

Mr. FLETCHER. Mr. President, I realize that no debate is in order, but I assume the Senator wants to——

The PRESIDENT pro tempore. There can not be debate upon the amendment.

Mr. FLETCHER. I am asking to correct the proposed amendment. "Grapes in bulk, crates, barrels, or other packages, 25 cents per cubic foot of the capacity of the packages" does not make sense. "Grapes in bulk or in crates or packages or barrels" might do, but if they are in bulk they are not in packages.

The PRESIDENT pro tempore. Does the Senator from Florida offer an amendment to the amendment?

Mr. FLETCHER. I am merely suggesting that that amendment should be made.

Mr. SHORTRIDGE. Let it be so amended.

Mr. FLETCHER. I merely suggest it for the Senator's consideration, because grapes that come in bulk are, of course, not in a package.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from California as modified.

The amendment as modified was agreed to.

The ASSISTANT SECRETARY. The Senator from California offers the further amendment, on page 118, after line 2, to insert the following:

Grape juice, grape sirup, and other similar products of the grape, by whatever name known, containing or capable of producing less than 1 per cent of alcohol, 70 cents per gallon; containing or capable of producing more than 1 per cent of alcohol, 70 cents per gallon, and in addition thereto $5 per proof gallon on the alcohol contained therein or that can be produced therefrom.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment. [Putting the question:] The noes seem to have it.

Mr. SHORTRIDGE. I ask for a division.

Mr. BRANDEGEE. Mr. President——

The PRESIDENT pro tempore. The Senator from Connecticut.

Mr. BRANDEGEE. I do not want to interfere with the Senator if he wants a division on the question. I will wait until that is taken.

Mr. SHORTRIDGE. Satisfied that Senators should have listened to the Secretary, who read the first paragraph——

Mr. ROBINSON. Mr. President, a point of order. No debate is in order.

Mr. SHORTRIDGE. I think Senators voted under a misapprehension.

Mr. ROBINSON. No debate is in order.

Mr. SHORTRIDGE. I am not debating. I am asking for a division.

The PRESIDENT pro tempore. The Senator from Connecticut will state his inquiry.

Mr. BRANDEGEE. I was going to make a parliamentary inquiry, but the Senator from California desires a division and I did not want to interfere with the division.

The PRESIDENT pro tempore. The Senator from California did not demand a division.

Mr. SHORTRIDGE. Begging the Chair's pardon, I have asked for a division.

The PRESIDENT pro tempore. The Chair was not advised of that demand.

Mr. REED of Missouri. Mr. President, a point of order. Did the Senator from California say he demanded a division before the question was decided, or is he demanding it now? If he is demanding it now, I make the point of order against it.

Mr. BRANDEGEE. Mr. President, if I may be permitted, I heard the Senator demand a division as soon as the vote was announced.

Mr. ROBINSON. Mr. President, a point of order. Debate is not in order.

The PRESIDENT pro tempore. Strictly speaking, the time had passed for a demand for a division; but the Chair feels that the rule ought to be construed with some latitude, and therefore orders a division. The question is on the amendment offered by the Senator from California.

On a division the amendment was agreed to.

Mr. BRANDEGEE. Now, Mr. President, it may be that the Chair has already ruled upon my inquiry; but, if so, I was not in the Chamber. In order to have a separate vote on an amendment in the Senate is it necessary to give notice in Committee of the Whole that a Senator demands a separate vote?

The PRESIDENT pro tempore. It is not necessary.

Mr. UNDERWOOD. Mr. President, I rise to a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state the inquiry.

Mr. UNDERWOOD. Is it not in order in the Senate tomorrow, when we have 10-minute debate, to propose amendments similar to those which have just been passed upon?

The PRESIDENT pro tempore. When the bill reaches the Senate and after the amendments which have been made in the Committee of the Whole are disposed of, either by a vote en bloc or by separate votes, then the bill will be in the Senate and open to amendment.

Mr. UNDERWOOD. These amendments can be proposed then and there will be 10 minutes' debate?

The PRESIDENT pro tempore. The Chair so understands.

Mr. UNDERWOOD. Then I do not understand why the chairman of the committee is keeping us here to-night.

Mr. SMOOT. Mr. President, I offer the following amendment.

The PRESIDENT pro tempore. The Secretary will report the amendment proposed by the Senator from Utah.

The ASSISTANT SECRETARY. On page 260, after line 3, strike out all of paragraph 8 of section 308 and insert in lieu thereof the following new paragraph:

PAR. 8. Containers for compressed gases which comply with the laws and regulations for the transportation of such containers in the United States.

The amendment was agreed to.

Mr. SMOOT. Mr. President, I move that the vote whereby the Senate agreed to the committee amendment on page 383, beginning with line 6 down to the end of line 20, may be reconsidered in order that I may offer an amendment to it.

The PRESIDENT pro tempore. Is there objection to the reconsideration of the vote whereby the amendment referred to was agreed to? The Chair hears none, and the vote is reconsidered.

Mr. SMOOT. Now, I offer an amendment, which I send to the desk, to the amendment of the committee at that point.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. On page 383, beginning with line 6, it is proposed to strike out all down to and including line 20, and insert in lieu thereof the following:

Comptrollers of customs shall examine the collector's accounts of receipts and disbursements of money and of receipts and disposition of merchandise and certify the same to the Secretary of the Treasury for transmission to the General Accounting Office. They shall perform such other duties as the Secretary of the Treasury may from time to time prescribe, and their administrative examination shall extend to all customs districts assigned to them by the Secretary of the Treasury.

Comptrollers of customs shall verify all assessments of duties and allowances of drawbacks made by collectors in connection with the liquidation thereof. In cases of disagreement between a collector and a comptroller of customs the latter shall report the facts to the Secretary of the Treasury for instructions.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment offered by the Senator from Utah to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. TRAMMELL obtained the floor.

Mr. McCUMBER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from North Dakota?

Mr. McCUMBER. I was about to ask the Senate to take a recess so that those who desire to arrange for separate votes in the Senate may have an opportunity to do so. The amendment of the Senator from Florida can come in just as well in the morning unless he desires to present it now.

Mr. TRAMMELL. I will occupy but a moment merely for the purpose of giving notice that I shall ask for a separate vote in the Senate on paragraph 743, on page 107.

The PRESIDENT pro tempore. The reservation of the Senator from Florida will be noted.

The bill is before the Senate as in Committee of the Whole and open to further amendment. If there be no further amendments to be offered as in Committee of the Whole, the bill will be reported to the Senate.

Mr. McCORMICK. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The ASSISTANT SECRETARY. It is proposed to amend paragraph 207, page 34, lines 5, 6, and 7, so as to read:

fuller's earth, unwrought and unmanufactured, $1 per ton; wrought or manufactured, $2.50 per ton.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment offered by the Senator from Illinois.

The amendment was rejected.

Mr. NEWBERRY. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The Secretary will state the amendment offered by the Senator from Michigan.

The ASSISTANT SECRETARY. On page 30, line 1, after the word "Potato," it is proposed to add the words "and wheat."

The PRESIDENT pro tempore. The question is upon agreeing to that amendment.

Mr. CURTIS. I ask that the amendment be stated, so that we may know to what it relates.

The PRESIDENT pro tempore. The Secretary will state the context of the amendment.

The ASSISTANT SECRETARY. So that if amended it will read:

PAR. 80. Starch: Potato and wheat, 2 cents per pound.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Michigan.

On a division, the amendment was agreed to.

The PRESIDENT pro tempore. The bill is still before the Senate as in Committee of the Whole and open to further amendment. If there be no further amendment to be offered as in Committee of the Whole, the bill will be reported to the Senate. The Senate has had under consideration as in Committee of the Whole the following bill——

The ASSISTANT SECRETARY. An act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDENT pro tempore. The bill is now in the Senate. The question is on concurring in the amendments made as in Committee of the Whole, except those which may be reserved.

Mr. McCUMBER. I move the Senate take a recess until to-morrow at 11 o'clock.

Mr. LENROOT. Mr. President, will the Senator withhold that motion for a moment?

Mr. McCUMBER. I withhold the motion.

Mr. LENROOT. I should like to inquire if we may not have unanimous consent that to-morrow and while the bill is in the Senate, although unreserved amendments may be concurred in en bloc, any amendment may be offered whether to reserved amendments or not? I make this request because I have endeavored to get a reprint of the bill; but we are informed it can not be done. Senators can not know what are amendments to amendments and what are amendments to committee amendments.

Mr. McCUMBER. I think the Senate should be extremely liberal in the allowance of the reconsideration of any amendment that has been adopted which it is necessary to reconsider for the purpose of offering an amendment, and I believe the Senator will have no difficulty along that line. We have followed that rule so far.

Mr. LENROOT. Yes; but I am speaking now only of the great mass of amendments which will be concurred in en bloc to-morrow. I am referring to that class of amendments.

Mr. McCUMBER. I have no objection.

Mr. LENROOT. Then, Mr. President, I ask unanimous consent that while the bill is in the Senate, if any Senator desires to offer an amendment to a committee amendment which has been concurred in en bloc, unanimous consent shall be given for reconsideration for that purpose only.

Mr. McCUMBER. I do not object to that.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and it is so ordered.

Mr. LODGE. Mr. President, if the Senator from North Dakota will allow me, I merely desire to make an inquiry. A number of reservations as to different amendments have been announced and filed. I take it those notices will be read and the amendments in question will be considered as reserved from concurrence en bloc.

The PRESIDENT pro tempore. The Chair has already stated that to-morrow morning or before the amendments which have been agreed to as in Committee of the Whole are concurred in in the Senate, the Secretary will read the list of amendments reserved so far as he has been notified of them. The Chair desires to suggest, however, that under the unanimous consent just given it makes no difference whether an amendment has been reserved or not.

Mr. CALDER and Mr. PEPPER each submitted an amendment, intended to be proposed to the pending bill, which were ordered to lie on the table and to be printed.

Mr. SUTHERLAND and Mr. GOODING each submitted amendments, intended to be proposed to the pending bill, which were ordered to lie on the table and to be printed.

PETITIONS AND MEMORIALS.

Mr. PEPPER presented a petition of the Philadelphia (Pa.) Board of Trade, praying for the passage of House bill 12235, providing for reduction in the cost of issuing passports, etc., which was referred to the Committee on Foreign Relations.

He also presented a memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the passage of House bill 11548, to amend the Federal farm loan act, etc., and indorsing House Joint Resolution 314, amending the Constitution of the United States so as to prevent the further issuance of tax-exempt securities, etc., which was referred to the Committee on Banking and Currency.

He also presented a memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the passage of Senate bill 3844, to exempt interest on farm-land securities from taxation under the revenue act of 1921, which was referred to the Committee on Finance.

PENSIONS AND INCREASE OF PENSIONS.

Mr. BURSUM, from the Committee on Pensions, reported the following bills, which were read twice by their titles, and he submitted reports thereon:

A bill (S. 3919) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors (Rept. No. 860); and

A bill (S. 3920) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors (Rept. No. 861).

The PRESIDENT pro tempore. The bills will be placed on the calendar.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McNARY (for Mr. NORRIS):

A bill (S. 3916) granting a pension to Matilda Bordenstab; to the Committee on Pensions.

By Mr. DILLINGHAM (for Mr. NELSON):

A bill (S. 3917) to amend section 876 of the Revised Statutes; and

A bill (S. 3918) to amend section 51 of chapter 4 of the Judicial Code; to the Committee on the Judiciary.

By Mr. SIMMONS:

A bill (S. 3921) granting a pension to Charles A. Stockard (with accompanying papers); to the Committee on Pensions.

By Mr. LENROOT:

A bill (S. 3922) abolishing the customs collection district of Duluth and Superior; to the Committee on Commerce.

ADDITIONAL CLERK TO THE DISTRICT COMMITTEE.

Mr. BALL submitted the following resolution (S. Res. 339), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That Senate resolution No. 182, agreed to December 15, 1921, authorizing the continuance during the present session of Congress of Senate resolution No. 68, agreed to May 31, 1921, which authorizes the Senate Committee on the District of Columbia to employ an additional clerk to be paid out of the contingent fund of the Senate, be, and hereby is, extended and continued in full force and effect until the end of the Sixty-seventh Congress.

RECESS.

Mr. McCUMBER. I move that the Senate take a recess until to-morrow morning at 11 o'clock.

The motion was agreed to; and (at 10 o'clock and 25 minutes p. m.) the Senate took a recess until to-morrow, Friday, August 18, 1922, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

THURSDAY, *August 17, 1922.*

The House met at 12 o'clock noon and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou art still with us, O Lord. In reverence we bow before each coming day, for it is the handiwork of Thy Providence. Help us to make anew our vows of service and meet with full understanding and directness the demands of duty. Keep us in sympathetic and faithful pursuance of the work to which our country has called us. We ask Thee, our Heavenly Father, to most graciously bless our Republic. Strengthen more and more the great fundamentals on which it was built. Bring deliverance to the helpless, recovery to the blind, and liberty to men everywhere. Continue Thou with us until the shadows lengthen and the evening comes; then grant us rest and peace. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to—

Mr. CODD (at the request of Mr. MICHENER), indefinitely, on account of illness;

Mr. SEARS, indefinitely, on account of serious illness in his family;

Mr. SWING, for three weeks, on account of important business;

Mr. BRIGGS, for this week, on account of illness; and

Mr. FULMER, for two weeks.

DUTIES OF MEMBERS OF CONGRESS WITH RESPECT TO THE COURTS.

Mr. TUCKER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the relation and obligation of Members of Congress and of the courts, respectively, to legislation by Congress.

The SPEAKER. Is there objection?

There was no objection.

Mr. TUCKER. Mr. Speaker, the casual remark of a Member of this House to a friend the other day in my hearing is my apology for trespassing briefly upon the time of the House. The remark which I heard in passing was this:

I doubt whether this bill is constitutional, but we can pass it up to the courts, and they can decide that question.

I may add that this was not the first time I had heard such a sentiment expressed, nor was it the last time. It is a question of great importance and one about which there seems to be some confusion of thought and of duty.

I think it can be safely stated that the courts will not declare a law unconstitutional unless in their judgment it is plainly unconstitutional beyond a reasonable doubt. A great many decisions of the courts, Federal and State, could be quoted in support of this position. I will give only a few:

In Knox *v.* Lee (12 Wall. 457) the court says:

A decent respect for a coordinate branch of the Federal Government demands that the judiciary should presume, until the contrary is clearly shown, that there has been no transgression of power by Congress, all the Members of which act under the obligation of an oath of fidelity to the Constitution.

Chief Justice Waite declares in the Sinking Fund cases (99 U. S. 700):

The declaration (that an act of Congress is void) should never be made except in a clear case. Every possible presumption is in favor of the validity of a statute and this continues until the contrary is shown beyond a rational doubt.

In Ogden *v.* Saunders (12 Wheat. 213) the court says:

It is but a decent respect due to the * * * legislative body, by which any law is passed, to presume in favor of its validity, until the violation of the Constitution is proved beyond all reasonable doubt.

In Fletcher *v.* Peck (6 Cranch) the court says:

It is not on slight implication and vague conjecture that the legislature is to be pronounced to have transcended its powers and its acts to be considered as void. The opposition between the Constitution and the law should be such that the judge feels a clear and strong conviction of their incompatibility with each other.

Justice Miller, in the Trade-Mark cases (100 U. S. 96-97), says:

We adopt this course because when this court is called on in the course of the administration of the law to consider whether an act of Congress or any other department of the Government is within the constitutional authority of that department a due respect for a coordinate branch of the Government requires that we shall decide that it has transcended its powers only when that is so plain that we can not avoid the duty.

See also Osborne *v.* Staley (5 W. Va. 94) and Tate's Executors *v.* Bell (26 American Decisions, 222), where the court says:

It is here proper to remark that it is with reluctance the court will declare a law unconstitutional; not from any fears of consequences which might arise from conflict of opinion with another coordinate branch of the Government, but because the court might incline the more to doubt that opinion, where, on the same point, it may seem to have been formed upon deliberation by others officiating in a high and responsible sphere. Hence this court, in a doubtful case, would permit a law called in question to have its effect. But when the court is satisfied, there is an obligation resting upon them that it would be criminal to compromise.

In "The Origin and Scope of the American Doctrine of Constitutional Law," Professor Thayer treats this subject most interestingly, in the course of which he says:

It (the court) can only disregard the act when those who have the right to make laws have not merely made a mistake but have made a clear one, so clear that it is not open to rational question.

Many other authorities could be adduced, but these are sufficient to show that judges considering the constitutionality of a law regard the law as occupying the position of the prisoner in the dock, who has the right to claim his innocence unless the evidence shows him guilty beyond all reasonable doubt.

The reason why a judge can not declare the law of Congress unconstitutional unless he be satisfied beyond a reasonable doubt that it is unconstitutional rests upon strong grounds. First, the law has been passed by a coordinate branch of the Government, which is entitled to great respect at the hands of the court, and it will naturally hesitate to undo its work. Secondly, that reason is strongly enforced because the Members of Congress are required, upon taking their seats, to take an oath to support the Constitution of the United States. That oath carries with it the presumption that no bill will be voted for that the Member of Congress believes to be unconstitutional; so that the law comes to the court with the imprimatur of approval of 435 Members of the House and 96 Senators; and the weight of their approval, with the presumption of their examination of the bill, and of their conclusion as to its validity, must be, and ought to be, both compelling and persuasive. If a Member of the House or Senate can pass legislation up to the courts free from any responsibility for its validity themselves, what does the requirement of the oath which he takes mean? Is it merely a matter of form or is it a reality? The fact that we live under it carries with it the implication of obedience to the Constitution; and when a Member of Congress attempts to relieve himself of passing upon the constitutionality of a bill because the courts may have that duty to discharge, has he not failed to discharge the duty imposed upon him by his oath to support the Constitution—that is, to uphold it; not to pull it down, and not to do any act that will impair its integrity[Our oath is to support the Constitution.

Under the law of the land every man is required to support his wife and his family. If he doubts whether certain action on his part will contribute to the support of his wife and family, he must reject it; and any failure to contribute to their comfort, consistent with his condition in life, is a failure to support; and no man can justify his action in his relation to his family, about which he is uncertain, and the propriety of which he doubts.

And so a Member of Congress, in voting on a bill, must consider with care whether it be constitutional or not, and if he doubts its constitutionality it is held that he is not living up to the letter and spirit of his oath if he votes for it. So that if a Member of Congress doubts the constitutionality of a bill it is held that he should not vote for it, while the judge must declare it constitutional when it comes before him, unless beyond a reasonable doubt he believes it unconstitutional. That a Member of Congress, in obedience to his oath, is expected to consider seriously and carefully the constitutionality of a bill before he votes for it is recognized by all of the authorities.

Willoughby on the Constitution, page 1220, declares:

From necessity the Constitution must have intended that the legislative and executive departments should have the power, in the first instance at least, of determining the extent of the powers constitutionally granted to them, and that therefore the judiciary should not substitute its judgment for theirs except in cases where there is no doubt that the action which has been taken is not constitutionally warranted.

Judge Cooley, in his Constitutional Law, pages 153–154, says:

Legislators have their authority measured by the Constitution; they are chosen to do what it permits and nothing more, and they take solemn oath to obey and support it. When they disregard its provisions they usurp authority, abuse their trust, and violate the promises they have confirmed by an oath. To pass an act when they are in doubt whether it does not violate the Constitution is to treat as of no force the most imperative obligations any person can assume. * * * A witness in court who would treat his oath thus lightly and affirm things of which he was in doubt would be held a criminal. Indeed, it is because the legislature has applied the judgment of its members to

the question of its authority to pass the proposed law, and has only passed it after being satisfied of the authority, that the judiciary waive their own doubts and give it their support.

Tucker on the Constitution, page 379, declares:

He (the legislator) is bound to support the Constitution, to uphold it as one of the pillars to an edifice. He is under the Constitution, not above it. He can not support it by doing an act repugnant to it.

His public office is a public trust. If he doubts his power to do under the authority of the Constitution he is bound to resolve the doubt against the act, not in favor of it.

Hon. James M. Beck, Solicitor General of the United States, in a recent brief before the Supreme Court on this subject uses the following language:

It is the common belief that groups of men can agitate for any kind of a law without considering its constitutional aspects; for, if it be unconstitutional in substance or in motive, the Supreme Court will avert the evil of its enactment. This indifference to our form of government, which is now so widely prevalent, has its reflex action upon the representatives of the people both in the legislatures of the States and of the Nation. When laws are discussed which go to the verge of constitutional power the principal and sometimes the only discussion is that of policy, while the effect of such legislation upon our constitutional form of government is given little attention. The prevalent disposition seems to be to ignore constitutional questions by shifting them to the Supreme Court, in the belief that that court will exercise the full powers of revision, which I have tried to show the framers of the Constitution did not intend this court to have. The result may be an exaltation of this court, as a tribunal of extraordinary power; but, in the matter of constitutionalism, it inevitably leads to an impairment of the powers and duties of Congress and, above all, to the impairment of the popular conscience; for, in the last analysis, the Constitution will last in substance as long as the people believe in it and are willing to struggle for it.

Judge Cooley, in his Constitutional Limitations, page 254, seventh edition, puts more powerfully than any other author the duties of the legislator and the courts, and the reasons therefor:

The constitutionality of a law, then, is to be presumed, because the legislature, which was first required to pass upon the question, acting, as they must be deemed to have acted, with integrity and with a just desire to keep within the restrictions laid by the Constitution upon their action, have adjudged that it is so. They are a coordinate department of the Government with the judiciary, invested with very high and responsible duties, as to some of which their acts are not subject to judicial scrutiny, and they legislate under the solemnity of an official oath, which it is to be supposed they will not disregard. It must therefore be supposed that their own doubts of the constitutionality of their action have been deliberately solved in its favor, so that the courts may with some confidence repose upon their conclusion as one based upon their best judgment. For although it is plain upon the authorities that the courts should sustain legislative action when not clearly satisfied of its invalidity, it is equally plain in reason that the legislature should abstain from adopting such action if not fully assured of their authority to do so. Respect for the instrument under which they exercise their power should impel the legislature in every case to solve their doubts in its favor, and it is only because we are to presume they do so that courts are warranted in giving weight in any case to their decision. If it was understood that the legislators refrained from exercising their judgment, or that in cases of doubt they allowed themselves to lean in favor of the action they desired to accomplish, the foundation for the cases we have cited would be altogether taken away.

The position of the legislator and the court, therefore, on this subject is this: The legislator can not, in accordance with his oath, vote for any bill if he doubts its constitutionality. The judge who is sitting in judgment on that same law, if he doubts its constitutionality, as did the legislator, must, unless in his judgment it is plainly and beyond a reasonable doubt unconstitutional, declare it constitutional. He must have a clear vision of its repugnancy to the Constitution. The judge, before he can declare it unconstitutional, must have no rational doubt of its validity, while the legislator can not vote for it if he has any doubt as to its constitutionality. The reasons for these positions seem clear. Bound by his oath to support the Constitution, the Member of Congress must not enact a law whose constitutionality he doubts, for to doubt its validity and then enact it does not square with his oath to support the Constitution. The position of the judge, however, is very different. He approaches the consideration of the validity of the law passed by a coordinate department of the Government with every presumption of its validity, not only because it has been passed by a coordinate branch of the Government, but because every member of that coordinate branch, the court has a right to believe, by voting for it, has examined it to determine whether it was valid, and having found it constitutional enacts it into law. So that the law comes to the court with the sanction of every Member of both Houses of Congress, fortified and strengthened by the fact which the court takes cognizance of, that every legislator in House and Senate has examined the bill and has voted for it because he had no doubt of its validity and constitutionality. The legislator might be unable to vote for a bill because of his doubts as to its constitutionality, and though he voted against it as a Member of Congress, if, after the passage of such a bill, he be transferred to the bench and has to pass upon the validity of that law, though he could not vote for the bill when in Congress because he doubted its constitutionality, he can not, as a judge, declare it unconstitutional unless beyond all reasonable doubt he believes it to be so.

Tucker sums up the argument as follows (Tucker on the Constitution, p. 380):

In the case of the lawmaker the question to be asked is: "Have I a right under the Constitution to pass the act?" The onus is for him to show his authority. In the case of the judge the question is: "Is the law clearly unconstitutional? In annulling the law in support of the Constitution will I transcend my judicial functions and usurp the legislative; or is the repugnancy so strong that I will only act judicially in annulling the effect of the law and not transcend the boundary of my power?" The burden shifts in the two cases. The legislator must show that he has the right; the judge must show the legislator was clearly wrong.

Hence the lawmaker may not justify a vote for a measure which as judge he could not declare void; but, if the judiciary declares such an act unconstitutional, it should forbid the lawmaker to pass similar legislation. On the other hand, though the judiciary can not declare a law unconstitutional because not clearly repugnant, it does not justify the lawmaker in voting for it.

If these principles are correct, how can we consent to abdicate our functions in this body? And if so, will the courts continue to be bound by the rule that is predicated on the discharge of our duty in this body which we now abandon? If that duty be abandoned, will the courts continue to recognize it as existing? Will the courts recognize as an existing fact what Members of Congress openly repudiate? Judge Cooley, in the language above quoted, indicates clearly that the courts will not be bound if the Members of Congress fail to live up to their obligations; and Chief Justice Taft shows the same tendency in his recent opinion in the case of Bailey against the Drexel Furniture Co. (child-labor case), when he says:

In the light of these features of the act, a court must be blind not to see that the so-called tax is imposed to stop the employment of children within the age limits prescribed. Its prohibitory and regulatory effect and purpose are palpable. All others can see and understand this. How can we properly shut our minds to it?

Why should the courts be bound by a rule which is openly and notoriously violated? Will they not, as indicated in the above case of Bailey against the Drexel Furniture Co., take judicial notice of such an open and notorious fact? To refuse to live up to our obligation and yet expect the courts to consider it as still existing is a fraud upon the courts and Congress would never knowingly be a party to such an act.

I invoke the careful consideration by the House of this principle that our Government may continue to meet the demands of the people in the orderly and constitutional performance of our duties and in the continued progress of this great people under the protecting care of our Constitution faithfully and obediently followed, which is our best, our only hope of progressive development.

SENATE BILLS REFERRED.

Under clause 2, Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees as indicated below:

S. 3808. An act authorizing the Secretary of the Interior to investigate and report to Congress upon the Columbia Basin irrigation project; to the Committee on Irrigation of Arid Lands.

S. 3519. An act defining the rights of the Mescalero Apache Indians in the Mescalero Indian Reservation, providing for an allotment of certain lands therein in severalty to the Mescalero Apache Indians, and creating and defining the All Year National Park, and for other purposes; to the Committee on Indian Affairs.

SECOND-CLASS POSTAL RATES.

Mr. KELLY of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a statement on second-class postal rates, made by myself.

The SPEAKER. Is there objection?

There was no objection.

Mr. KELLY of Pennsylvania. Mr. Speaker, on June 9 I introduced in the House H. R. 11965, which is a measure to amend the provisions of the revenue act of 1917 by striking out the provision which increased the rate on second-class mail matter July 1, 1920, and July 1, 1921, and fixing as permanent the rates established on July 1, 1919. This bill seeks to repeal the last two increases, but provides that the first two shall stand.

The bill was referred to the Postmaster General for report, and the views of the department are contained in the following letter:

JUNE 22, 1922.

Hon. HALVOR STEENERSON,
Chairman Committee on the Post Office and Post Roads,
House of Representatives.

MY DEAR MR. STEENERSON: Referring to your request for an opinion on H. R. 11965, by Mr. KELLY of Pennsylvania, which contemplates a reduction in postal rates for second-class mail matter from the present zone rates and substituting those in effect July 1, 1919.

The department will give sympathetic attention to any rate readjustment in the joint interests of the public and the publishers and will heartily approve legislation looking to that end.

It is believed in the department that the postal rates now charged are excluding from the mails thousands of tons of second-class matter, which is being distributed through agencies other than the Post Office Department. It would appear that efforts to secure the reentry of this matter into the mails and with it an equitable revenue would be proper procedure.

Whether the loss sustained by the department following a reduction of our present rates would be offset by the increase of the matter offered to it for shipment is conjectural and can not be determined at this time except by experiment.

Whether the rates now charged by the Post Office Department are so much in excess of express and baggage charges as to be prohibitive to publishers is a matter for determination by analyses, already in process in the department by order of the joint commission, for which an appropriation has been made.

Each class of mail should compensate the department for its distribution, and our annual deficit is inexcusable. The Post Office Department must regard itself as a business branch of the Government and should support itself, and no class of mail should be in turn compelled to carry another class because it happens to be operated at a loss.

An increase of parcel-post rates to at least approach the cost of handling is under consideration by the department. The postage rates for the two classes of mail can not be viewed from the same standpoints entirely. The periodicals have an educational and news value, while the parcel post contributes chiefly to business transactions. Although the reduction contemplated in the Kelly bill relates only to the rates for advertising matter, it is recognized that they carry with them educational features.

It is generally held by Members of Congress whom I have consulted that the rates applied to zones far distant from the point of entry are now too high, and this may be found to apply to the other zones when a careful analysis has been made by the joint committee. If so, the department will lend every assistance toward an equitable readjustment.

I remain, very respectfully yours,

HUBERT WORK.

The House Committee on the Post Office and Post Roads held a hearing on this measure Tuesday, June 27. After consideration, it was decided to postpone action until December 1, in view of the fact that the Joint Postal Commission is making a study of the rates of all classes of mail and expects to have its report ready for submission at that time.

For the information of those who may be interested in this vexed question of second-class mail rates, I desire to print in the RECORD the statement made by myself before the Committee on the Post Office and Post Roads:

Mr. Chairman and Gentlemen of the Committee: The United States Postal Commission in 1844 gave the best definition of the true purpose of the Postal Service when they said it was created: "To render the citizen worthy by proper knowledge and enlightenment of his important privileges as a sovereign constituent of the Government; to diffuse enlightenment, social improvement, national affinities; elevating our people in the scale of civilization and bringing them together in patriotic affection."

It is not too much to say that the American Republic would have been impossible without the Postal Service. The history of the downfall of great nations in the past is simply the record of triumphant peoples which overran countries and then settled down into isolated communities and lost contact with each other. The one time hardy conquerors, inspired by common aims and common purposes, degenerated into important groups when they lost their common ideas and ideals. There was no organization of communication to keep the people in touch with each other as they considered common problems and common perils. The result was inevitable collapse before a handful of invaders who acted under self agreed discipline in the ranks of any army.

It was impossible, without the cementing force of common ideas in the minds of the people, to have a real national community of more than a few thousand people. It was true then and it is just as true today, that a nation must in the final analysis be limited in size by the possibility of communicating knowledge of common aims and purposes to the mass of the people.

America is an empire greater than any of the famous nations of ancient times. Her borders are further flung and her people more numerous than those of Assyria, Babylon, Persia, Greece, or Rome. Her success in accomplishing what Aristotle said was an impossibility has been due largely to an institution of which Aristotle knew nothing, the Postal Service. Without the Postal Service America would be a melee of warring nations, a Balkan of enmities, a jungle war for survival.

"Communication of intelligence with frequency and dispatch from one part to another of this continent is essentially requisite to its safety" declared the Continental Congress in the midst of its plans for independence through war.

To-day, education through easy communication of ideas to the people of every community in the land is essentially requisite to American unity, prosperity, and progress.

That education and communication of common ideas in America has come almost solely through the newspapers and periodicals which have become an inseparable part of our national life. Henry Ward Beecher well said, "Newspapers are the schoolmasters of the common people, a greater treasure to them than uncounted millions of gold." Half the readers of America read nothing else. The same publication has circulated in New York, and California, Minnesota, and Florida.

The press dispatch read in Chicago is read by the dwellers in Gopher Prairie. The magazine read in Washington is carefully perused by the American who lives under the Arctic Circle in Alaska.

This successful welding of a great nation through the cementing force of common ideas communicated through the press is the result of a determined Government policy. Congress declared in legislation that the unifying effect of a national press justified the granting of low postage rates. This action was for the direct encouragement of the distribution of newspapers and other periodicals to every part of the country.

George Washington had visioned the benefits of such a policy so clearly that he urged in 1789 that newspapers and other publications be sent through the mails without charge of any kind. Thomas Jefferson declared that the Post Office Department should not be conducted from the "standpoint of revenue, but from the standpoint of service of the public."

The first law on postal rates for newspapers and periodicals provided a rate of 1 cent per sheet for 100 miles and 1½ cents per sheet for distances over 100 miles. In 1851 newspapers were ordered distributed through the mails free within the county of publication, and a graduated scale of rates was fixed outside the county.

Under this plan the subscriber paid the postage. It was in the day of the stage coach, pony express, and mounted mail carriers, but still the rates were not as high as those which must be paid to-day under the revenue law in force.

The rates of 1851, reasonable as they were in comparison with the present rates, were permitted to remain but a single year. There was universal objection from the people, and in 1852 the zone rates were repealed and a cent a copy for any distance was substituted. In 1874 the postal rates for newspapers and other periodicals were fixed at 2 cents a pound for any distance. Then in 1885 the rate was made 1 cent a pound, and remained at that figure until the passage of the revenue act of 1917, the measure which provided for raising funds for the World War.

In the fall of 1917—to be exact, on October 3—without any public hearings before either the Post Office and Post Roads Committee of the Senate or the House, Congress passed a bill which established the present zone system as a war-revenue measure. This law became effective July 1, 1918, by Order No. 1458, having four regular advances on that portion of a publication devoted to advertising.

That law overthrew the policy which had been in force for 65 years and provided for a zone system of eight zones. It established a new principle when it provided for different rates upon the news and the advertising portions of newspapers and other periodicals.

There is not involved just now the problem of the zone system for newspapers. I do not believe in that system, for I believe it means breaking up the country into sections, and is a blow at national unity. The founders of this Nation who welded the thirteen Colonies into one Republic feared greatly that the empire they had constructed might be too wide and vast to be enduring. Their fears were without foundation only because there developed new methods of communication and a national press which carried common ideas to all parts of the country. A uniform postage rate for the newspapers and periodicals of America annihilated the distance between the boundaries of America, and thus a vastly greater territory than was dreamed by the founders of the Nation was welded into one united country.

But that is not the question now. The one issue involved in this measure is the wisdom and justice of scaling down the rates fixed in the revenue act of 1917.

In the first place, those rates were forced as a war-revenue measure, and they never could have been written into law save under whip and lash as a method for securing funds for the prosecution of the war against the Imperial German Government. Even under such conditions, there was such doubt as to the policy involved that it was provided that the rates should not go into effect for a year after the passage of the measure so that revision might be made.

Senator SIMMONS, in reporting the revenue bill to the Senate, declared that he was opposed to taxing publications through extra postage even as a war measure. He declared that he was glad that the conference committee had postponed the operation of the rates for a year and urged that the Post Office Committee utilize the intervening time to work the matter out in a satisfactory manner.

This was not done, and the rates went into effect with a new burden added on July 1 for four successive years. The war was completed and a new revenue measure adopted which removed or reduced all war taxes with this single exception. In spite of every appeal, there has been no relief granted in this case. The very one which should have had first attention from Congress. For this is not simply a question of taxation; it is a question of policy which involves grave injury to America.

If we judge wholly from the standpoint of the rates themselves, we find flagrant inconsistencies.

Under present rates any individual in America can send a newspaper more cheaply through the mails than the publisher.

The individual sender gets the advantage of a flat rate of 4 cents a pound any distance. He also sends in a separate package, which requires the Postal Service to pay the cost of collection, stamp cancellation, sorting, and handling.

The publisher, on the other hand, must pay a rate of from 5 to 10 cents a pound on the advertising matter even though he relieves the Postal Service of the expense of collecting, sorting, and delivering on board the mail car.

Such a condition is absurd and should immediately be corrected. From every standpoint of common sense the publisher should be given a more favorable rate than the individual who sends a single copy through the mails.

In mailing newspapers to foreign countries the same absurdities in rates are in evidence.

Any newspaper or publication of the second class can be sent under separate wrapper to a foreign land at the rate of 4 cents a pound. I can mail a newspaper here in Washington addressed to a city in Japan and it will be carried across all eight zones of the United States and across the Pacific Ocean for less than it costs the Washington publisher to mail a copy to his subscriber in California. Distance is eliminated for the readers of American newspapers in foreign countries, but there are high barriers for readers within the United States. Such inconsistencies in rates mean that New England publishers could save money by mailing their newspapers to subscribers on the Pacific coast through the Canadian postal system.

The same injustice is seen in the fourth-class rate for books. A catalogue of one of the great mail-order houses, weighing 8 ounces, goes any distance for 4 cents. The post office must collect, weigh, sort, and handle these catalogues, with all the expense involved.

But if that catalogue were printed as part of a newspaper or magazine permanently established and presumably performing a public service, it would cost the publisher more than the mail-order house.

Newspapers and other periodicals are only given second-class permits when they meet very strict requirements. They must be published for the dissemination of information and they must have a bona fide list of subscribers.

Still, any fly-by-night mail-order enterprise may issue its catalogue full of deceptive advertising and send it through the mail at lower rates than the newspaper whose name and reputation is a guaranty of honest business methods and straightforward advertising.

Further absurdities are shown in comparing present second-class rates with parcel-post rates.

A 10-pound package of fourth-class matter can be sent to the first and second zones for 14 cents, but it costs 20 cents if it is second-class matter. A 50-pound package, fourth class, goes to the first and second zones

for 54 cents, but the same weight package of second class costs $1. The inconsistencies may better be understood by realising that the fourth-class matter may require large space, while the package containing newspapers and periodicals occupies little room and packs solidly in the car.

The total poundage of fourth-class matter is carried at a lower rate than the newspaper publications of the country.

The Postmaster General's report for 1921 shows that the average return for all fourth-class matter is 3½ cents per pound. The 1922 rate for second-class matter means an average return of 4 cents a pound. It must be remembered, too, that the expense of handling fourth-class matter is greater than second-class matter.

I am a believer in parcel post and have advocated it from its inception. But I do not believe that a national press should pay higher postal rates than potatoes. I believe carrying news is just as important a function of the post office as carrying butter and eggs.

There is a great hue and cry raised by so-called economists that a great deficit arises every year because of the carrying of second-class mails.

Wild speculation is indulged in without the slighest foundation. I defy any person in the Post Office Department or outside of it to state the cost of handling second-class mail matter to-day.

The Penrose-Overstreet Commission made a comprehensive study of postal matters in 1907 and made the following report:

"The Post Office Department is not now able and has never been able to furnish statistics as to the costs of the various classes of mail class by class. Its inability to do so is demonstrated by the fact that from the beginning of the controversy its only way of getting at the relative cost of second-class matter has been the crude method of dividing the total cost of the service by the total number of pounds carried and declaring the quotient to be the cost of carrying a pound of second-class matter. Until the entire system of expenditure, accounting, and bookkeeping in the Post Office Department is completely overhauled and put upon a new basis, it will be impossible, even with all the results from the present weighing statistically to ascertain the cost of the respective classes."

The average publisher delivers his publication, properly sorted, direct to the mail cars. There is no expense to the Postal Service here since the loading is done by railroad employees and is included in the rate paid the railroads by the Government.

It is possible to estimate the transportation cost of handling second-class matter. A publisher loads a car with 42,000 pounds of his periodical destined for a city in the third zone, 226 miles.

The Government pays the railroad company 35 cents a mile, or $79, which is the lowest rate granted any shipper. The publisher pays postage amounting to $945, or $866 more than the transportation cost. In the fourth zone the Government pays $221 and the publisher $1,365. In the fifth zone the Government pays $336 and the publisher $1,575. In the eighth zone the Government pays $1,130 and the publisher pays $2,415.

There is left the final operation of distribution at the point of destination. Other classes of mail average 12 handlings by postal employees, but second-class matter in bulk is handled only at the post office of final delivery.

Here is where it is impossible to even approximate the cost, because the carriers will be handling first class and other kinds of mail while delivering the periodicals.

But suppose that the carload of 42,000 pounds, or 21,000 magazines, goes to a single post office. The Post Office Department states that a carrier can make 300 stops in a day. That would mean that 70 carriers would deliver this mail shipment in a single day.

At $5 a day the cost would be $350. The transportation profit to the eighth zone was $1,285. Subtracting the cost of delivery leaves $935 for all other overhead expenses.

I maintain that it is possible for private enterprises, without the postal organization and paying higher rates of transportation, to make a handsome profit on this distribution.

It is inconceivable that the Post Office Department should have to confess that it can not perform this essential postal operation more cheaply than any private enterprise.

The fact is that private distributing companies are doing this work and making a profit.

To-day an express company will call at the plant of the publisher, collect bundles of periodicals, and deliver them at the door of the addressee in a city many miles distant at a lower cost than if those publications were sent by mail.

Private means of distribution are rapidly replacing the Post Office Department, which was organized to serve all the people.

Reports from the post offices where publishing is chiefly centered shows a marked tendency to a falling off of entry on the part of large shippers of second-class matter. In verification of this, I wish to quote a letter from the Third Assistant Postmaster General, W. Irving Glover, under date of June 21, 1921, in which he states as follows:

"It will be observed from the foregoing that the increase in the postage on second-class matter for the fiscal year of 1921 over that for the fiscal year of 1920 is far less than the increase in the postage for the fiscal year of 1920 over that for the 1919 year, as well as far less than that for the year 1919 over the postage for the year 1918. This is due in part to a falling off in the weight of mailings and in part to the fact that a number of publications of wide circulation have sent considerable portion of their copies by freight to certain distributing points, where they enter the mails for distribution within the near-by zones, thus receiving a lower rate of postage on the copies than if they had been mailed in the city of publication."

At my request the Post Office Department prepared a statement giving the weights of second-class matter mailed at Chicago, New York, and Philadelphia during 1920, 1921, and 1922.

This statement, with fourth quarter estimated by myself, is as follows:

Office.	Quarter.	Fiscal year 1920.	Fiscal year 1921.	9 months fiscal year 1922.
		Pounds.	*Pounds.*	*Pounds.*
Chicago	September	22,626,497	20,514,552	19,407,219
Do	December	29,396,760	20,797,224	20,357,220
Do	March	28,796,714	20,368,798	22,016,430
Do	June	25,400,611	20,095,987	[1] 20,502,626
Total		106,220,615	81,776,561	82,374,504

[1] Estimated.

Office.	Quarter.	Fiscal year 1920.	Fiscal year 1921.	9 months fiscal year 1922.
		Pounds.	*Pounds.*	*Pounds.*
New York	September	61,250,430	60,524,831	47,339,522
Do	December	43,033,912	62,749,895	50,591,535
Do	March	73,505,274	54,976,038	53,945,724
Do	June	72,760,717	50,163,609	[1] 50,625,591
Total		250,550,333	228,414,373	202,502,367
Philadelphia	September	30,353,993	38,423,724	16,149,528
Do	December	34,934,233	29,398,729	15,481,358
Do	March	39,402,508	22,521,549	17,707,596
Do	June	42,767,620	17,711,540	[1] 17,446,171
Total		147,458,494	108,055,542	66,784,685
Grand total		504,229,352	418,246,476	351,661,553

[1] Estimated.

Taking for granted that the last quarter of 1922 in Philadelphia alone will equal that of the third quarter, we note that the 1922 mailings in that one city are less by 80,000,000 pounds than the 1920 mailings. In other words, that great amount of mail matter has been taken out because the excessively high rates made it good business to send it by private means of transportation.

Any business man would be guilty of asinine folly if he did not use these private means.

Take a look at the situation. That 80,000,000 pounds of second-class mail means 1,900 carloads of 42,000 pounds each.

To get one of these loaded cars to the fourth zone costs the Post Office Department $221 each, and the 1,900 cost $419,900, but each one costs the publisher at present rates $1,365, or a total of $2,593,500.

But this mail matter can be sent by express to the fourth zone for 1½ cents a pound, which means $1,200,000 for the entire amount. The delivering can be made for less than a cent apiece, which would cost $400,000, or a total cost by private means of $1,600,000. That is $1,000,000 less than the postal charge under present rates.

Is it any wonder that second-class mail matter, which was once carried almost entirely by the Post Office Department, is disappearing from the mails?

Let us look at it from another angle. Taking the average for the year as a fair basis for the last quarter in 1922 we find that there was a drop of 152,567,796 pounds of second-class mail matter in 1922 in three cities.

Three thousand three hundred and sixty-two carloads can be sent to the fifth zone at a cost to the Post Office Department of $336 a car, or a total of $1,220,352.

At the rate provided in my bill, half reading and half advertising, the publishers would pay $3,813,600. There would be a clear transportation profit of $2,593,248. By express these periodicals could be sent at almost $400,000 less cost than even under these reduced rates provided in my bill. By fast freight they could be sent at a saving of almost $2,000,000 over these reduced rates.

Surely no further argument is needed to prove that these reduced rates are as high as can be levied in all justice.

Just what effect these reductions will have on revenues is shown by the following table, showing percentage of second-class mail by zones, covering the total pounds entered at the pound rate for the fiscal year 1921, with comparison of postage collectible thereon under present rate and the rate effective July 1, 1919, which is the rate fixed in my bill:

Zones.	Percentage of total pounds.	Pounds.	Postage at rate of July 1, 1921.	Postage at rate of July 1, 1919.	Per cent of decrease.
1 and 2	45	529,716,541.50	$11,270,039.46	$8,845,748.11	14.28
3	16	188,343,659.20	4,237,732.32	3,296,014.03	22.23
4	13.6	160,092,110.32	5,202,993.57	3,602,072.47	30.76
5	11	129,486,265.70	4,855,734.93	3,237,156.63	33.33
6	5.3	62,388,837.11	2,651,525.57	1,715,693.01	35.28
7	2.5	29,428,696.75	1,545,066.54	956,431.62	38.11
8	6.6	77,691,759.42	4,467,276.14	2,719,211.56	39.13
Total		1,177,147,870.00	34,230,368.53	24,372,327.42	[1] 30.44

[1] Average percentage.

On the 1921 figures, which are much higher than those of 1922, there would be a decrease in revenue of $9,857,981.11, with computation based on 50 per cent advertising and 50 per cent reading matter. Three hundred million pounds of second-class matter now being sent by private methods of transportation would more than make up that reduction.

But the critics say that it would be good policy to lose all this second-class matter since it is unprofitable business. Such a statement is based on fallacy, aside from the fact that the Post Office Department in so acting would betray its own mission.

The expenses of the Post Office Department would be reduced to a very small degree. No postmaster would be discharged and very few carriers, clerks, or supervisors would lose their jobs. There would be lessened payments to the railroads, but for every dollar lower expense there would be several dollars less revenue.

We should understand that here is a great business subject to the law of increasing returns. The great plant is there, fully equipped with all overhead expense which is practically the same regardless of business done.

Think of it for a moment—326,000 postal workers are employed in this great distributing organization, or one for every 337 persons in America.

It has an expense of more than half a billion dollars a year. Does any sane person think that if we put prohibitive rates on second-class matter and drive the business into private channels that that will benefit the service? This measure means that about $7,000,000 less revenue will be received on the present weight; but the second-class matter now being carried by private enterprise, if put back into mails would make up that loss in revenue without adding to present costs. It is common

sense to add business to the very peak of the volume which can be handled without adding to the expense of operation.

In any case I do not consider that this question hinges entirely on the profits to be made from the second-class mail. The newspaper and periodical help to promote education, inspire Americanism, and stimulate a united public mind. They are books, pulpits, platforms, and forums in one.

The rural free delivery is a service which is very expensive and which means a direct loss of many millions; but because there is a vital value in enabling farmers to keep in touch with their friends and relatives, to read publications which keep them abreast of current events and to dispel the isolation of rural existence, there is no demand for the discontinuance of this service.

The first letters to Alaska were delivered at a cost of $450 per letter; but those pathfinders in the new American empire were kept within the range of communication through the post office, and no regard was paid to the cost of that particular service.

There is a public benefit in the continuous dissemination of information to the people of America. Without it free institutions can not long endure.

The present rates strike a blow at the national press such as is shown in a letter I have just received. It stated:

"You will be interested to know that the revenue act of 1917 has very greatly hindered our publication in becoming a national medium. The circulation of Woman's Weekly at the present time is restricted to zones within a radius of 500 miles of Chicago, whereas we should have gone after national distribution long ago had it not been for the prohibitive tax that kept us from doing so."

Is it not wise to encourage a national press by advantageous rates, even though it should be proven that there is some difference between cost of the service and revenue received?

One thing is certain, the rates charged by the post office, the greatest distributing organization in the world, should not be so high as to divert the business to private methods of transportation. Aside from any question of policy the transfer of newspapers and periodicals to other transportation, simply argues a woeful inefficiency on the part of the Postal Service or unwise legislation by Congress.

There is a specious argument being made that these excessively high postage rates apply only to the portion of the periodical devoted to advertisements and that reading matter goes at flat rates.

Such a plea would argue that the advertising and reading matter are separate and distinct. The fact is that there could be no reading matter without the advertisements.

The average newspaper publisher pays more for the white paper than he receives in subscriptions. He could not supply the news, editorial articles, pictures, and other informational and educational features without the advertising revenue. A single great press association spends $5,000,000 a year to gather news of the world for its members.

It costs the newspapers of this country at least $10,000,000 a year to cover the national news in Washington. Without this expenditure it would be impossible under present conditions to inform the American public as to the conduct of their own Government.

The great trade papers and reviews dealing with certain phases of industry, art, literature, etc., would be impossible to produce were it not for the advertising columns. The advertiser make possible the circulation of the medium of information which help to stabilize conditions and perpetuate American institutions.

It is foolish to argue that advertisements have no educational value. The Hughes Commission, in its report of 1912, states that "The amount of space given to advertising is no criterion of the educational value of a magazine." The advertisements carry to the public the news of every advance in industrial achievement. They chronicle every step in the upward climb of mankind to secure new comforts and conveniences. They light the fires of ambition in the minds and hearts of countless Americans and widen the horizon of every reader in the land. They have helped the manufacturer to appeal direct to the consumer, resulting in standardised production which has made America the foremost commercial Nation.

The advertising pages are business highways of the Nation. Would you tax only those who use the waterway or roadway, because perchance they secure a direct benefit from it? Not a sale can be made nor a pound of goods moved without communication between buyer and seller and the interchange of information. The whole life of the country depends upon its facilities for intercommunication.

Would anyone suggest that traveling salesmen be taxed by special levy because they sell goods? On the contrary, there is a worthy measure pending in Congress granting traveling salesmen a 25 per cent discount in railroad rates. Then why should there be levied excessively high rates on advertising pages, which are so many business messengers going direct to the homes of the people?

The contention that this is a tax that can be shifted to an advertiser is obviously unsound. It can not be passed on to the advertiser for the very reason that it is levied on only a part of the advertising in newspapers and periodicals. The New York department store will not pay a higher rate in order that California readers may see the advertisement. The advertising rate is determined not according to the cost of delivering the publication to subscribers but according to the number of subscribers and their potential buying power. This advertising rate is governed by competition with rates for advertising in nonmailed and therefore untaxed newspapers and periodicals, and the other untaxed means of advertising such as billboards and posters, as well as the cost of alternative methods of promoting sales, and publicity by additional sales agents, discounts to trade, prizes, window displays, sampling, etc. The conclusion that this tax in the form of an excess charge for the advertising portion of newspapers and periodicals distributed through the mails can be passed on to the advertiser whose announcements are thus carried is untenable.

That additional advertising has not been secured to cover these increased rates may be seen from the four-year record of June advertising in Printers' Ink issue of June 8, 1922.

A list of 61 leading magazines shows that in June, 1920, 2,676,735 lines of advertising were carried. In June, 1922, the total was 1,644,109, showing a 40 per cent loss in the amount of advertising carried.

It should not be levied by the government which seeks to promote business nor by the government which depends upon the newspapers and periodicals to carry messages to the public. These publications are the medium through which vital information as to tax laws, tax methods, and countless Government needs is taken to the American people. I do not believe that special supertaxes should be levied upon this cooperating industry, especially when it is subject to all other taxes levied upon industry as a whole.

Then, if it is desirable to tax their profits it can be done through a vastly more efficient system than this. This system means greater costs to collect than any other. The average rate of 4 cents a pound is 2½ cents above the flat rate of 1½ cents. On 500,000,000 pounds that means a revenue of $12,500,000. Clerical and auditing work in segregating advertising and reading matter costs the post office and the publishers at least $1,000,000. Paying 8 per cent for collection is too high for any form of taxation.

Finally, let me say that this country has been made possible because information highways were provided by the Postal Service over which knowledge might pass with the least interference possible. It can not live and grow on the idea that these publications are outlaws to be driven from the highways into the byways.

Already great injury has been inflicted by the postal rates of the revenue law of 1917. For a great number of valuable publications the comfort of this measure will come too late. It will be like a pardon after execution. They have disappeared—destroyed or merged into some other publication.

"The power to tax is the power to destroy," said Chief Justice John Marshall. But because Congress has the power to tax newspapers and periodicals out of business is no argument for the use of that power. Oppressive taxation is a most effective method of destroying the press whose freedom is guaranteed in the Constitution.

Finally, on a dollar and cent basis it is a wise policy to grant advantageous rates to second-class matter. It is the fountain source of first-class matter upon which the Government reaps a handsome profit. It is a selling service for the Post Office Department, but it receives no commissions and apparently very little credit for developing business.

Not an activity of the Postal Service but is freely and widely advertised in the press. Civil-service examinations, parcel-post rules, postal-savings plans, uncalled-for letters, and a host of other messages of the department to the people are carried without charge. One circular letter without postage sent to the patrons of the Post Office Department would cost several million dollars. Material for a hundred circular letters is carried every year into almost every home in America without the cost of a single penny.

Just how important is this service is shown by the statement issued by Postmaster General Hubert Work, May 12. He said:

"Postal-improvement week, which marked the close of a year's constant effort to improve the Mail Service, has now passed into history, but the effect will survive for many years to come, because of the applied principles of good service, which made of it an outstanding success, both in the way of actual physical handling of the mail and in the more intangible achievement of a better understanding the public has gained of our service.

"The department is indebted to the newspapers and other publications for a generous and invaluable publicity."

Every other department of the Government, too, uses the press as the medium for the dissemination of information which otherwise would have to be sent out through circulars or booklets at tremendous cost.

Surely there should be no quibbling over the question of the exact cost of sending through the mails the publications which perform so vital a service. Surely there should be no valid objection now to modifying the war rates to a point which still means an increase of 175 per cent over the pre-war rates.

In order that the situation may be seen at a glance, I have prepared the following table showing the comparison of freight, express, present second-class rates, and the rates provided in my bill per hundred pounds from New York City to cities in the several zones:

Zones.	Freight.	Express.	Second-class mail.	Proposed 1919 rate.
Zone 1, 50 miles: zone 2, 50 to 150 miles: Albany, N. Y.	$0.35½	$1.45	$1.75	$1.50
Zone 3, 150 to 300 miles: Boston, Mass.	.55½	1.50	2.25	1.75
Zone 4, 300 to 600 miles: Columbus, Ohio	.82	1.49	3.25	2.25
Zone 5, 600 to 1,000 miles: Atlanta, Ga.	1.58½	2.22	3.75	2.50
Zone 6, 1,000 to 1,400 miles: Galveston, Tex.	2.87	3.84½	4.25	2.75
Zone 7, 1,400 to 1,800 miles: Denver, Colo.	2.90½	4.05	5.25	3.25
Zone 8, over 1,800 miles: Salt Lake City, Utah	4.13½	5.47½	5.75	3.50

NOTE.—Freight rates shown herein are subject to a 10 per cent reduction effective July 1, 1922. Second-class mail rates are based on 50 per cent advertising and 50 per cent reading matter. A water rate of 70½ cents applies on magazines and periodicals to Galveston, Tex. (7th zone), and a rate of $1.25 to Pacific coast points (8th zone) via Panama Canal.

ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

The question was taken.

Mr. GARRETT of Tennessee. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 134, nays 71, not voting 222, as follows:

YEAS—134.

Anderson	Brooks, Pa.	Chindblom	Dallinger
Andrews, Nebr.	Burke	Clague	Darrow
Ansorge	Butler	Clouse	Davis, Minn.
Appleby	Cable	Cole, Iowa	Denison
Bacharach	Campbell, Kans.	Cole, Ohio	Dunbar
Bird	Campbell, Pa.	Cooper, Ohio	Dyer
Bixler	Cannon	Coughlin	Echols
Blakeney	Chalmers	Crago	Edmonds
Bond	Chandler, N. Y.	Curry	Ellis
Bowers	Chandler, Okla.	Dale	Fairfield

Faust	Hull	Morgan	Speaks
Fenn	Ireland	Mudd	Sproul
Fess	Jefferis, Nebr.	Murphy	Stafford
Fitzgerald	Johnson, Wash.	Olpp	Steenerson
Focht	Kelly, Pa.	Paige	Stephens
Foster	Ketcham	Parker, N. J.	Strong, Kans.
Free	Kissel	Petersen	Strong, Pa.
Fuller	Kline, N. Y.	Reece	Taylor, Tenn.
Gernerd	Kraus	Reed, W. Va.	Tincher
Goodykoontz	Lawrence	Rhodes	Tinkham
Graham, Ill.	Layton	Ricketts	Towner
Green, Iowa	Leatherwood	Robsion	Treadway
Greene, Mass.	Lehlbach	Rodenberg	Vaile
Greene, Vt.	Longworth	Rose	Vestal
Griest	McKenzie	Rosenbloom	Volk
Hadley	McLaughlin, Mich.	Rossdale	Volstead
Hawley	McPherson	Sanders, Ind.	Walters
Hays	Maloney	Sanders, N. Y.	Watson
Henry	Mann	Shreve	Woodyard
Hersey	Mapes	Sinnott	Wurzbach
Hill	Michaelson	Smith, Idaho	Young
Himes	Michener	Smith, Mich.	Zihlman
Hoch	Millspaugh	Snell	
Hogan	Mondell	Snyder	

NAYS—71.

Almon	Gallivan	Lankford	Rouse
Bland, Va.	Garner	Larsen, Ga.	Sanders, Tex.
Bowling	Garrett, Tenn.	Lazaro	Sandlin
Box	Garrett, Tex.	Lowrey	Scott, Tenn.
Brand	Gilbert	Lyon	Smithwick
Buchanan	Griffin	McClintic	Stevenson
Bulwinkle	Hammer	McDuffie	Sumners, Tex.
Byrnes, S. C.	Hardy, Tex.	McSwain	Tillman
Byrns, Tenn.	Hooker	Mansfield	Tucker
Cantrill	Huddleston	Martin	Upshaw
Clark, Fla.	Hudspeth	Moore, Va.	Vinson
Clarke, N. Y.	Humphreys	O'Connor	Ward, N. C.
Cooper, Wis.	James	Oliver	Weaver
Davis, Tenn.	Jeffers, Ala.	Park, Ga.	Williams, Tex.
Doughton	Jones, Tex.	Parks, Ark.	Wilson
Drane	Kincheloe	Pou	Wingo
Driver	Lampert	Rankin	Wright
Favrot	Lanham	Rayburn	

NOT VOTING—222.

Ackerman	Fields	Lineberger	Riordan
Andrew, Mass.	Fish	Linthicum	Roach
Anthony	Fisher	Little	Robertson
Arentz	Fordney	Logan	Rogers
Aswell	Frear	London	Rucker
Atkeson	Freeman	Luce	Ryan
Bankhead	French	Luhring	Sabath
Barbour	Frothingham	McArthur	Schall
Barkley	Fulmer	McCormick	Scott, Mich.
Beck	Funk	McFadden	Sears
Beedy	Gahn	McLaughlin, Nebr.	Shaw
Begg	Gensman	McLaughlin, Pa.	Shelton
Bell	Glynn	MacGregor	Siegel
Benham	Goldsborough	Madden	Sinclair
Black	Gorman	Magee	Sisson
Bland, Ind.	Gould	Mead	Slemp
Blanton	Graham, Pa.	Merritt	Steagall
Boies	Hardy, Colo.	Miller	Stedman
Brennan	Harrison	Mills	Stiness
Briggs	Haugen	Montague	Stoll
Britten	Hawes	Montoya	Sullivan
Brooks, Ill.	Hayden	Moore, Ill.	Summers, Wash.
Brown, Tenn.	Herrick	Moore, Ohio	Swank
Browne, Wis.	Hickey	Moores, Ind.	Sweet
Burdick	Hicks	Morin	Swing
Burroughs	Hukriede	Mott	Tague
Burtness	Husted	Nelson, Me.	Taylor, Ark.
Burton	Hutchinson	Nelson, A. P.	Taylor, Colo.
Carew	Jacoway	Nelson, J. M.	Taylor, N. J.
Carter	Johnson, Ky.	Newton, Minn.	Temple
Christopherson	Johnson, Miss.	Newton, Mo.	Ten Eyck
Classon	Johnson, S. Dak.	Nolan	Thomas
Cockran	Jones, Pa.	Norton	Thompson
Codd	Kahn	O'Brien	Tilson
Collier	Kearns	Ogden	Timberlake
Collins	Keller	Oldfield	Tyson
Colton	Kelley, Mich.	Osborne	Underhill
Connally, Tex.	Kendall	Overstreet	Vare
Connell	Kennedy	Parker, N. Y.	Voigt
Connolly, Pa.	Kiess	Patterson, Mo.	Ward, N. Y.
Copley	Kindred	Patterson, N. J.	Wason
Cramton	King	Perkins	Webster
Crisp	Kirkpatrick	Perlman	Wheeler
Crowther	Kitchin	Porter	White, Kans.
Cullen	Kleczka	Pringey	White, Me.
Deal	Kline, Pa.	Purnell	Williams, Ill.
Dempsey	Knight	Quin	Williamson
Dickinson	Knutson	Radcliffe	Winslow
Dominick	Kopp	Rainey, Ala.	Wise
Dowell	Kreider	Rainey, Ill.	Wood, Ind.
Drewry	Kunz	Raker	Woodruff
Dunn	Langley	Ramseyer	Woods, Va.
Dupré	Larson, Minn.	Ransley	Wyant
Elliott	Lea, Calif.	Reber	Yates
Evans	Lee, Ga.	Reed, N. Y.	
Fairchild	Lee, N. Y.	Riddick	

So the motion to adjourn was agreed to.

The Clerk announced the following pairs:

On the vote:

Mr. Burton (for) with Mr. Oldfield (against).

Mr. Thompson (for) with Mr. Tague (against).

Mr. Nolan (for) with Mr. Riordan (against).

Mr. Dickinson (for) with Mr. Linthicum (against).

Mr. Wood of Indiana (for) with Mr. Sisson (against).

Mr. Crowther (for) with Mr. Kitchin (against).

Mr. Schall (for) with Mr. Jacoway (against).

Miss Robertson (for) with Mr. Aswell (against).

Mr. Shaw (for) with Mr. Johnson of Kentucky (against).

Mr. Osborne (for) with Mr. Stoll (against).

Mr. A. P. Nelson (for) with Mr. Carew (against).

Mr. Webster (for) with Mr. Lee of Georgia (against).

Mr. Parker of New Jersey (for) with Mr. Ten Eyck (against).

Mr. Stiness (for) with Mr. Dupré (against).

Mr. Evans (for) with Mr. Rainey of Illinois (against).

Mr. Taylor of New Jersey (for) with Mr. Hawes (against).

Mr. Sinclair (for) with Mr. Sullivan (against).

Mr. Langley (for) with Mr. Woods of Virginia (against).

Mr. Codd (for) with Mr. Bell (against).

Mr. Patterson of New Jersey (for) with Mr. Carter (against).

Mr. Winslow (for) with Mr. Thomas (against).

Mr. McArthur (for) with Mr. Wise (against).

Mr. Radcliffe (for) with Mr. Collins (against).

Mr. Keller (for) with Mr. Mead (against).

Mr. Atkeson (for) with Mr. Deal (against).

Mr. Kline of Pennsylvania (for) with Mr. Overstreet (against).

Mr. Newton of Minnesota (for) with Mr. Lea of California (against).

Mr. MacGregor (for) with Mr. Swank (against).

Mr. Dowell (for) with Mr. Barkley (against).

Mr. Beck (for) with Mr. Johnson of Mississippi (against).

Mr. Knutson (for) with Mr. Kindred (against).

Mr. Connolly of Pennsylvania (for) with Mr. Black (against).

Mr. Lineberger (for) with Mr. Taylor of Colorado (against).

Mr. Colton (for) with Mr. Drewry (against).

Mr. Brennan (for) with Mr. Fields (against).

Mr. Kendall (for) with Mr. Rucker (against).

Mr. Burtness (for) with Mr. Fulmer (against).

Mr. Frear (for) with Mr. Hayden (against).

Mr. Arentz (for) with Mr. Steagall (against).

Mr. Hukriede (for) with Mr. Raker (against).

Mr. Anthony (for) with Mr. Fisher (against).

Mr. McFadden (for) with Mr. Sears (against).

Mr. Morin (for) with Mr. Harrison (against).

Mr. Gahn (for) with Mr. Quin (against).

Mr. Frothingham (for) with Mr. Dominick (against).

Mr. Williams of Illinois (for) with Mr. Sabath (against).

Mr. Hutchinson (for) with Mr. Goldsborough (against).

Mr. Brooks of Illinois (for) with Mr. Tyson (against).

Mr. Jones of Pennsylvania (for) with Mr. Briggs (against).

Mr. Beedy (for) with Mr. Logan (against).

Mr. Kearns (for) with Mr. Collier (against).

Mr. Haugen (for) with Mr. Kunz (against).

Mr. Cramton (for) with Mr. Bankhead (against).

Mr. Luce (for) with Mr. Connally of Texas (against).

Mr. Kahn (for) with Mr. Cullen (against).

Mr. Begg (for) with Mr. O'Brien (against).

Mr. Madden (for) with Mr. Cockran (against).

Mr. Kiess (for) with Mr. Montague (against).

Mr. Brown of Tennessee (for) with Mr. Crisp (against).

Mr. French (for) with Mr. Blanton (against).

Mr. White of Kansas (for) with Mr. Taylor of Arkansas (against).

Mr. Reed of New York (for) with Mr. London (against).

Mr. Yates (for) with Mr. Rainey of Alabama (against).

Accordingly (at 12 o'clock and 28 minutes p. m.) the House adjourned until to-morrow, Friday, August 18, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

669. Under clause 2 of Rule XXIV, a letter from the Secretary of the Treasury, transmitting two suggested paragraphs of legislation to relieve the accounts of former Acting Collector of Internal Revenue J. L. Flynn and of Collector of Internal Revenue John P. McLaughlin, both of the first California district, was referred to the Committee on Claims.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. EDMONDS: A bill (H. R. 12344) to provide for the deportation of aliens who participate in riotous gatherings, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. MOORE of Virginia: A bill (H. R. 12345) to authorize and direct the construction and maintenance of a memorial highway connecting Mount Vernon, in the State of Virginia, with the city of Washington, in the District of Columbia, and for other purposes; to the Committee on Roads.

By Mr. WARD of North Carolina: A bill (H. R. 12346) to require the Interstate Commerce Commission to fix and regulate the compensation of all interstate railroad service; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CABLE: A bill (H. R. 12347) granting a pension to Lavenia A. Collett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12348) granting a pension to Perry Davis; to the Committee on Pensions.

Also, a bill (H. R. 12349) granting a pension to George W. Sowers; to the Committee on Invalid Pensions.

By Mr. CROWTHER: A bill (H. R. 12350) granting a pension to Cornelia de C. Williams; to the Committee on Pensions.

By Mr. MICHENER: A bill (H. R. 12351) granting a pension to Thirza C. Gifford; to the Committee on Invalid Pensions.

By Mr. SANDERS of New York: A bill (H. R. 12352) granting a pension to Sarah A. Parks; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12353) granting an increase of pension to Arminda Russell; to the Committee on Invalid Pensions.

By Mr. SWING: A bill (H. R. 12354) for the relief of J. Jessup & Sons; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6180. By Mr. FOCHT: Petition of Penns Creek Grange, No. 1723, protesting against the proposed duty on potash; to the Committee on Ways and Means.

6181. By Mr. FULLER: Petition of the Illinois Agricultural Association favoring a tariff on soy beans and their products and other vegetable oils; to the Committee on Ways and Means.

6182. By Mr. KISSEL: Petition of Preiss Bros., New York City, N. Y., relating to the tariff on wool; to the Committee on Ways and Means.

6183. Also, petition of the Omaha Chamber of Commerce relating to the decision of the Supreme Court of the United States in the Central Pacific case, requiring a separation of the Central Pacific Railroad from the Southern Pacific Co.; to the Committee on Interstate and Foreign Commerce.

6184. Also, petition of Hawley & Hoops, New York City, N. Y., relating to the industry of confectionery; to the Committee on Ways and Means.

6185. By Mr. MOORE of Virginia: Petition of the Arlington County Civic Federation relative to railroads, mines, and telephone and telegraph lines; to the Committee on Interstate and Foreign Commerce.

6186. By Mr. SANDERS of New York: Petition of the congregation of the First Baptist Church of Batavia, N. Y., urging the United States to help the Armenians by giving financial support in their efforts against Turkish oppression; to the Committee on Foreign Affairs.

SENATE.

FRIDAY, *August 18, 1922.*

(Legislative day of Thursday, August 3, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. Mr. President, I ask unanimous consent to have printed in the RECORD a brief statement on "United States tariffs and periods of prosperity and adversity," prepared by Mr. Frederic E. Kip. I think it is a valuable contribution in the way of information. I ask that it may be printed in 8-point type and italicized as therein indicated.

Mr. HEFLIN. Mr. President, what is the Senator's request?

Mr. McCUMBER. To have printed in the RECORD a brief relative to American tariffs, with data, and so forth.

Mr. HEFLIN. I have no objection.

The PRESIDENT pro tempore. Without objection, the request of the Senator is granted.

The matter referred to is as follows:

UNITED STATES TARIFFS AND PERIODS OF PROSPERITY AND ADVERSITY (1789 TO 1922).

(By Frederic E. Kip, Montclair, N. J.)

"TARIFF FOR REVENUE ONLY" AS AGAINST "PROTECTIVE TARIFF."

"Tariff for revenue only" (since its adoption in 1832 by the Democratic Party) *has been highly detrimental to our workers, our farmers, and directly or indirectly to all our people.*

Notwithstanding the positive evidence of this, to-day again, as in times past, Democratic Senators, Democratic editors, and Democratic professors of colleges are strenuously denouncing the "Fordney-McCumber Republican tariff bill" now before the United States Senate, claiming that the higher rates of duties in this bill over the rates of the present "Democratic Underwood tariff bill" will raise the cost of living and do all sorts of other damage.

We hear volumes in speeches from Democratic Senators on the floor of the United States Senate, and many articles are written by Democratic newspapers and professors relative to the new rates of the "Republican tariff bill" being a tax upon the people, a burden on our workers, farmers, and consumers and a benefit only to big business and trusts. How is it that these Senators, editors, and professors can be so grievously mistaken when history records *in no uncertain terms* the disastrous results attending each and every Democratic "tariff for revenue only" bill since the formation of our Government in 1789 right to this very date, including the present "Democratic Underwood tariff bill"?

By what reasoning, therefore, can these Democratic Senators, editors, and professors espouse a cause so disastrous to our people's best interests? Granting that they are sincere, then the only answer is that they base their conclusions on a false premise, and, consequently, their foundation being faulty, their entire structure becomes erroneous; in fact, this is the case, as will soon be seen, viz:

Under the dispensation and conception of the Democratic Party the tariff rates are *actually a tax on all consumers because the rates of duties* are fixed and applied by the Democratic Party only in relation to "tariff for revenue" and without regard to any beneficial results flowing out of production from a new domestic industry or the increase of production from a previously established domestic industry.

Under the Democratic theory of "tariff for revenue only," if a foreign article costs abroad $1, and the duty is 25 per cent, viz, 25 cents, the article would cost our consumers, plus selling expenses, $1.25, and that is the end of the matter under Democratic theory and practice. Under their theory there are no compensating benefits, no balancing at the other end, and hence a duty of 25 per cent, *as always applied by the Democratic Party, is without question a tax and burden on our people.*

The trouble with the Democratic Party is that having had their minds directed since 1832 to a "tariff for revenue only," and knowing that such tariff is a tax on the people, they can not adjust their minds to the significant great truth, that although rates of duty under a tariff for revenue are a tax on the people, *a tariff for protection is not a tax but a great benefit to our workers, our farmers, and all our people.*

Under the Republican Party's protective tariff principles the duty rates are fixed with the express purpose of producing in the United States articles not previously produced here, thereby building up our domestic industry and employing American operatives that formerly have been employed abroad.

Again we will take the same example, viz: The foreign article costs abroad $1; a protective duty of 40 per cent has built up a domestic industry, therefore the foreign price plus duty, viz, 40 cents, making the price $1.40. This price is in effect only for a short period; intensive competition between the old foreign and the new United States producer results in the lowering of prices, so instead of the article being sold at $1.40 it is sold at $1.35 and finally at $1.25; then by that time the production of the domestic industry has been built up to large proportions and internal competition and large production still further reduce prices, so that under the Republican protective tariff system not only is the article sold to the American con-

sumer at $1 to $1.15, against $1.25 under the Democratic tariff for revenue system, but under the Republican system thousands of additional operatives are employed in the United States and their additional purchasing power helps to make better times in the most prosperous Nation in the whole world and the envy of all Christendom.

The McKinley bill, passed October 6, 1890, illustrates and proves the great benefits of the Republican protective tariff system. In this bill, among other articles that were accorded protective rates, were tin plate, silk velvets and plushes, and collars and cuffs.

There was then (1890) no tin-plate industry in the United States and only a small industry in velvets and plushes and collars and cuffs. Besides that, the foreign tin-plate manufacturers claimed we could never make tin plate here, because we had no mines of tin in the United States; so here was a case, if there ever was one, to prove the Democratic contention that the increase of duties on tin plate must add to the prices and place an extra burden on the people.

Well, even in this case did it do it? Here are the real true facts:

First. We unearthed deposits of tin, principally in the State of Indiana.

Second. Capital immediately started to build proper plants for the making of tin plate.

Third. Within two years we were making in our mills in the United States from tin supplied entirely from our own mines the finest quality of tin plate in the world, *and selling it at much less than the imported article was formerly sold* when we had a much lower rate of duty, and by our enormous production, reducing cost, we are to-day selling a better quality of tin plate at about one-half the price at which the foreign article was formerly sold when the tariff rates were lower.

Through this development we are employing great numbers of workers and are putting up and selling all over the world immense quantities of canned goods, vegetables, fruits, meats, etc., requiring enormous amounts of tin plate, to the great benefit of our workers, farmers, and all of our people.

Again, the same record with the other two industries, viz, velvets and plushes and collars and cuffs.

To-day the consumers are buying both much lower than formerly, when the rates of duty were less, and lower than ever would have been the case had we confined ourselves entirely to the foreign article. As a matter of fact, to-day collars and cuffs can be purchased retail in the United States as cheaply as they can be purchased in England, without any duty, from whence they were formerly all imported.

And, mark you, with these and similar developments thousands and thousands of additional operatives are employed here, who in turn make demand for our farm and other products. By our large production, machinery equipment, invention, etc., we are enabled to pay the highest wages in the world and still produce many articles (automobiles, sewing machines, special tools, etc.) at such prices as to enable us to export largely to foreign countries having wages to-day one-tenth or even one-twentieth of the wages paid our workers.

FALLACY OF CONTENTION OF LOW TARIFF TO INCREASE EXPORT TRADE AND ENABLE EUROPE TO PAY HER DEBTS.

Considerable stress has been laid on the argument that to-day, we being a creditor nation instead of, as formerly, a debtor nation, we should now operate on low tariff rates—which in reality means lower wages to all our employed labor—and thereby increase our export trade and better enable Europe to pay her debts.

This entirely ignores the fact that the consumptive power of the United States to-day is more than all of the rest of the civilized world combined, and under the Republican Party's beneficial protective tariff system it operates as follows:

Our 110,000,000 people have a purchasing power—due to the amount of wages earned in proportion to their living expenses—equal to six times that of Europe, including Great Britain, France, Germany, Italy, etc. Therefore our country has a purchasing power, gauged by that of Europe, of not 110,000,000 but 660,000,000 people.

This enormous purchasing power enables the building up of plants with tremendous production, as, for instance, the Ford automobile, where hundreds of thousands of dollars can be invested in one machine, and whereby large American wages can be paid—at the present time six, eight, and ten times those of Europe—and at the same time the cost per unit can be so reduced that many, many articles, as, for instance, automobiles, sewing machines, special tools, etc., can be exported and sold in enormous quantities in competition with countries having much lower wages but higher unit cost of production.

This is the Republican Party's method of maintaining the wages of our operatives, as against the other method, which is nothing more or less than John C. Calhoun's theory of "tariff for revenue only," promulgated in 1832 by the Democratic Party, which has proven disastrous to labor and to our country during each and every period that it has been tried since 1816, as is set forth more fully herein.

WHICH SYSTEM IS BETTER?

Now, which is the better system, the Democratic system of "tariff for revenue only," which adds a positive tax burden upon the people *and keeps labor of foreign countries employed in such foreign countries*, with little or no purchasing power for United States products, or *the Republican Party's system of protective tariff rates, that builds up a domestic industry, reduces prices to our consumers, and employs labor within the borders of the United States, with a great purchasing power that benefits our farmers and all our people?* Well, history has answered the question for you, viz:

The present United States Nation, the greatest, richest, and most beneficial nation in the wide world, is the answer, and at least 95 per cent of all its marvelous achievement and development has been due to and under the régime of the Republican Party's protective tariff upbuilding policies.

FUNDAMENTAL SECURITY OF A NATION.

Another great and fundamental truth, and one that should be remembered for all time by this and every nation, is that "*not only the wealth and independence but the very fundamental security of a nation is only obtainable through diversity of manufacturing within her own borders.*"

This was seen and splendidly expressed by our greatest analytical genius, Alexander Hamilton, way back in 1800:

"Not only the wealth but the independence and security of a country appear to be materially connected with the prosperity of manufactures."

Almost the identical thought was expressed 120 years later by Reginald McKenna, chancellor of the British exchequer, and the death knell of England's free trade was sounded when he promulgated in 1919 the following as a truth, at last most bitterly learned by England:

"The experience of the war has shown that the strength and safety of the British nation in time of peril *lie in the possession by this nation of the power to produce its requirements from its own soil and its own factories*, rather than in the possession of values which may be exported and exchanged for products and manufactures of foreign countries."

It has taken "free-trade" England 100 years and the agony of the greatest war in all history to find out what young Hamilton knew in 1800 and to discover the fallacy of "free trade."

ENGLAND BECOMES A PROTECTIONIST NATION.

In 1920 and 1921 England—our low-tariff advocates' shining example—passed her so-called "safeguarding the realm acts," viz, bills placing duties of 33⅓ per cent on over 6,000 articles and creating a supreme board with power to add additional duties of one-third—33⅓ per cent—their value if investigation shows that a foreign article is being sold for less than cost of production in Great Britain plus a reasonable profit, *so "free-trade" Great Britain becomes protectionist Great Britain.*

VIEWS OF FORMER PRESIDENTS AND PROMINENT MEN.

In view of England's complete abandonment of "free trade" and "tariff for revenue only," the writings of some of our early Presidents—many of them Democrats—and some of our leading men from 1789 to 1920, are most apt and interesting.

1. George Washington—letter to Lafayette:

"However unimportant America may be considered at present and however Britain may affect to despise her trade there will assuredly come a day when this country will have some weight in the scale of empires."

2. Alexander Hamilton:

"Not only the wealth but the independence and security of a country appear to be materially connected with the prosperity of manufactures."

3. Thomas Jefferson—message, 1802:

"To cultivate peace, maintain commerce and navigation, to foster our fisheries, *and protect manufactures adapted to our circumstances*, etc., are the landmarks by which to guide ourselves in all our relations."

4. James Madison—letter to Joseph C. Cabell, September 18, 1828:

"The meaning of the phrase 'to regulate trade' must be sought in the general use of it; in other words, in the objects to which the power was generally understood to be applicable when the phrase was inserted in the Constitution.

"The power has been understood and used by all commercial and manufacturing nations as embracing the *object of encouraging manufactures*. It is believed that not a single exception can be named."

5. James Monroe—message, December 2, 1817:

"Our manufactures will require the continued attention of Congress. The capital employed in them is considerable, and the knowledge required in the machinery and fabric of all the most useful manufactures is of great value. Their preservation, which depends on due encouragement, is connected with the high interests of the Nation."

6. Daniel Webster:

"That is the truest American policy which shall most usefully employ American capital and American labor and best sustain the whole population. Agriculture, commerce, and manufactures will prosper together or languish together."

7. Henry Clay—speech before Congress, 1842:

"The greatest want of civilized society is the market for the exchange and sale of its surplus produce. This market may exist at home or abroad, but it must exist somewhere if society prospers. The home market is first in order and paramount in importance."

A GREAT CONCEPTION AND A GREAT TRUTH.

8. Mathew Carey:

"If there be any one truth in political economy more sacred and irrefragable than another, it is that the prosperity of nations bears an exact proportion *to the encouragement of their domestic industry* and that their decay and decrepitude commences and proceeds *pari passu* with their neglect of it."

A GREAT TRUTH SUCCINCTLY STATED.

9. Henry C. Carey:

"*Manufactures are at once an evidence and a measure of civilization.*"

10. Abraham Lincoln:

"I do not know much about the tariff; but I know this much, when we buy manufactured goods abroad we get the goods and the foreigner gets the money. When we buy the goods manufactured at home we get both the goods and the money."

11. James G. Blaine:

"The benefits of protection go, first and last, to the men who earn their bread in the sweat of their faces."

SO IN 1897 AND DOUBLY SO IN 1922.

12. William McKinley:

"We lead all nations in agriculture; we lead all nations in mining; we lead all nations in manufacturing. These are the trophies which we bring after 29 years of a protective tariff."

"Not only the wealth and independence but the very fundamental security of a nation is *only* obtainable through diversity of manufacturing within her own borders."

DEMOCRATIC PARTY FORMERLY A PROTECTIONIST PARTY.

From the speeches of Democratic Senators and articles of Democratic editors and professors one would get the idea that "low tariff" or "tariff for revenue only" had always been a principle of the Democratic Party. Would therefore call particular attention to the fact that all Democratic Presidents for 32 years—1800 to 1832—also Presidents George Washington and John Adams for 12 years previous thereto—1789 to 1800—were extreme protectionists, and that the great Thomas Jefferson—the first President elected by the Democratic Party—founder and great leader of the Democratic Party, was an extreme protectionist, and while President of the United States actually embargoed shipments of all foreign articles. The Democratic Party espoused, for the first time in its history, "low tariff" or "tariff for revenue only" in 1832, and entirely for selfish sectional reasons. (For full particulars, see Note A.)

PRESIDENTS OF THE UNITED STATES FROM 1789 TO 1922.

The following is a record of all the Presidents (from George Washington, elected in 1789, to the present occupant of the White House), with the notations as to the political faith and tariff views of each; consequently the political faith of their Cabinets and the statesmen surrounding them:

TABLE T–1.—*Table of Presidents.*

Elected in year—	Names.	Political party.	Tariff views.	Administrations of—		Remarks.
				Protection.	Low tariff—Tariff for revenue.	
1789	George Washington	Federalist	Protectionist	Period 1		
1792	do	do	do	Period 2		
1796	John Adams	do	do	Period 3		
1800	Thomas Jefferson	Democrat	do	Period 4		
1804	do	do	do	Period 5		
1808	James Madison	do	do	Period 6		
1812	do	do	do	Period 7		
1816	James Monroe	do	do	Period 8		Low-tariff period A.
1820	do	do	do	Period 9		
1824	John Quincy Adams	Federalist	do	Period 10		
1828	Andrew Jackson	Democrat	do	Period 11		
1832	do	do	do	Period 12		
1836	Martin Van Buren	do	Tariff for revenue only		1	Low-tariff period B.
1840	William Henry Harrison	Whig	Protectionist	Period 13		
1844	James K. Polk	Democrat	Tariff for revenue only		2	Low-tariff period C, 16-year Democratic control.
1848	Zachary Taylor	Whig	Protectionist	Period 14		
1852	Franklin Pierce	Democrat	Tariff for revenue only		3	
1856	James Buchanan	do	do		4	
1860	Abraham Lincoln	Republican	Protectionist	Period 15		
1864	do	do	do	Period 16		
1868	Ulysses S. Grant	do	do	Period 17		
1872	do	do	do	Period 18		
1876	Rutherford B. Hayes	do	do	Period 19		
1880	James A. Garfield	do	do	Period 20		
1884	Grover Cleveland [2]	Democrat	Tariff for revenue only		5	Low-tariff period D.
1888	Benjamin Harrison	Republican	Protectionist	Period 21		
1892	Grover Cleveland	Democrat	Tariff for revenue only		6	Low-tariff period E.
1896	William McKinley	Republican	Protectionist	Period 22		
1900	do	do	do	Period 23		
1904	Theodore Roosevelt	do	do	Period 24		
1908	William H. Taft	do	do	Period 25		
1912	Woodrow Wilson	Democrat	Tariff for revenue only		7	Low-tariff period F.
1916	do	do	do		8	
1920	Warren G. Harding	Republican	Protectionist	Period 26		
	Total administrations			34		

[1] Kindly note that every United States President previous to 1836 was a strong protectionist.
[2] House and Senate were Republican, so no detrimental Democratic legislation was passed.

THIRTY-FOUR PRESIDENTIAL ADMINISTRATIONS—WASHINGTON TO HARDING.

There have been, as shown by the table T–1, 34 presidential elections or administrations since our Government was formed in 1789, and you will note from this table of Presidents this significant fact, that of the 34 presidential terms 26 were protective administrations and only 8 were "tariff for revenue only" or "low tariff."

The eight "low-tariff" administrations extended over five periods, totaling 46 years, as shown in the following table, T–2.

The first administration of President Cleveland, 1884 to 1886 (period "D"), is not counted, because both the Senate and the House were Republican, preventing Democratic tariff and other bills from being passed.

TABLE T–2.—*Low-tariff periods.*[1]

Period.	Tariff.	Years.	Operating under—	War.	Results.
A	*Low tariff*	*1816 to 1824 (8 years)*	*Low-tariff bill, Apr. 27, 1816*	*No war*	*Adversity for entire period.*
B	*Tariff for revenue*	*1832 to 1840 (8 years)*	*Compromise bill, Mar. 2, 1833*	*No war*	*Adversity for entire period.*
C	*Tariff for revenue*	*1844 to 1860 (16 years)*	*Walker bill, July 30, 1846, and still lower tariff, Mar. 3, 1857.*	*War, 1848 to 1855*	*Prosperity during period of the foreign wars. Great adversity for entire period other than war.*
E	*Tariff for revenue*	*1892 to 1896 (4 years)*	*Wilson-Gorman bill, Aug. 27, 1894*	*No war*	*Great adversity for entire period.*
F	*Tariff for revenue*	[1] *1912 to 1922 (10 years)*	*Underwood bill, Oct. 3, 1913*	*No war for first year*	*Great adversity for the period previous to war.*
				War, 1914 to 1919	*Prosperity for the war period (1915 to 1919), then great adversity.*

[1] *Total of 46 years of "low tariff" or "tariff for revenue only."*)

If "low tariff" and "tariff for revenue only" are as beneficial as claimed for them by our Democratic friends (Senators, editors, and professors), the history of the periods when "low tariff" and "tariffs for revenue only" were in force for over 100 years should prove it. Therefore the study of the results of these periods as set forth in full in Table T–4 is of the utmost importance.

The 26 protective administrations extend also over five periods, totaling 87 years, as shown in Table T–3.

TABLE T–3.—*Protective-tariff periods.*

Period.	Tariff.	Years.	Operating under—	War.	Results.
No. 1	Protective	1789 to 1816 (27 years)	Bill, July 4, 1789, and 15 other protective tariff bills, 1789 to July 5, 1816.	No war 1789 to 1812. War 1812–1814.	Prosperity; from almost ruin in 1789 to great prosperity and development.
No. 2	do	1824 to 1832 (8 years)	Bills, May 22, 1824, May 19, 1828. Specific minimum, compound ad valorem, 20 per cent to 50 per cent.	No war	All duties advance to protective point, 20 to 50 per cent. The greatest kind of prosperity replacing previous adversity.
No. 3	do	1840 to 1844 (4 years)	Bill, September 11, 1841. Bill, August 31, 1842. Specific minimum, compound ad valorem, 1 per cent to 50 per cent.	No war	Duties again advanced to a protective point (1 to 50 per cent), and again prosperity replaced the adversity which had resulted from the "low tariff" compromise tariff act of 1833.
No. 4	do	1860 to 1892 (32 years)	Bill, April 12, 1861, and 23 additional protective bills (for complete list see page 23), including the tariff commission bill, July 1, 1883, and McKinley bill, October 6, 1890.	War 1861 to 1865. No war 1865 to 1892.	The financial agony, chaos, and distress which came to its culmination in the years 1855 to 1860, so vividly portrayed by the then ruling Democratic President, was cured by these protective tariff bills. Great prosperity from 1865 to 1873. Panic conditions, 1873 to 1877, due to overspeculation, coupled with reduction in tariff (bill of June 6, 1872); the detrimental effects of such reductions were recognized and the previous rates restored by tariff act of March 3, 1875. Immense prosperity, 1877 to 1892, and tremendous amount of development in industry, agriculture, and all over the country.
No. 5	do	1896 to 1912 (16 years)	Dingley bill, July 24, 1897. Compound specific and ad valorem rates. The most scientific and successful tariff enacted up to this date, Payne-Aldrich bill, August 5, 1909; substantial reductions and many compound and specific rates. Most successful tariff bill.	No European war	The Dingley bill (1897) cured the tremendous depression of President Cleveland's administration (1892 to 1896) and reestablished prosperity. The development of our industries, commerce, agriculture, and arts, during this fifth protective tariff period, was tremendous and probably the greatest of any period in our history. Under the Payne-Aldrich bill there was still further development with labor fully employed and the country more prosperous than ever before.

A MARVELOUS DEVELOPMENT OF THE UNITED STATES.

No one can gainsay that a wonderful and marvelous development has been made, from the puny Government that could not pay its debts in 1789 and was well-nigh bankrupt to our to-day's greatest, richest, and most beneficial Government on the face of the globe.

The development, achievement, and wealth of the United States are to-day the wonder and envy of the world; and yet a few years previous to 1800 (1796) Benjamin Franklin, then United States ambassador to England, importuned all the courts of Europe for a loan of $100,000 for the United States Government; the loan was refused by every court of Europe, including France, but was finally granted by France. During the Great War, viz, in 1917 and 1918, the United States loaned to European governments—principally Great Britain and France—considerably over $10,000,000,000, *so no one can gainsay the fact that our country has been marvelously developed and successful during these past 125 years.* From asking a loan of $100,000 to loaning over $10,000,000,000 is a pretty big jump.

Has the Democratic Party, through its theory of "low tariff" or "tariff for revenue only" contributed its share to this marvelous development?

The combined prosperity, adversity, and development table (Table T–4) fully answers this all-important question.

THE UNION OF COLONIES—THE FORMATION OF OUR FEDERAL GOVERNMENT—EARLY FREE TRADE AND EARLY PROTECTION.

After winning our independence in the war of 1776 we existed as a "Union of Colonies" with entire "free trade." The free trade of this period was accompanied by most disastrous results. The wares of foreign countries, particularly Great Britain, were dumped upon our shores, for which our money went abroad until we were actually drained of all our specie and had hardly a dollar left in circulating medium.

Because the greater part of our goods came from abroad our own laborers were idle and nothing but debt and ruin stared us in the face.

This deplorable state of affairs was one of the principal causes which led to Washington making his call upon the States for a business conference, which resulted in the adoption of the Constitution in 1787 and the formation of the Federal Government in 1789. The debt and distress which resulted from free trade under the "Union of Colonies" were cured at the very inception of our new Government by protective tariff duties.

The very first bill passed by the new Government (after bill No. 1, relating to the "time and manner of administering certain oaths" required by the sixth article of the Constitution, was passed) was bill No. 2, a protective tariff bill, passed July 4, 1789, and signed by President George Washington.

The preamble of this bill reads as follows:

"Whereas it is necessary for the support of Government, for the discharge of the debts of the United States, and the encouragement and *protection of manufactures* that duties be laid on goods, wares, and merchandise imported."

The third measure passed by the Congress was bill No. 3, "An act imposing duties on tonnage," signed by Washington July 20, 1789.

The fourth measure passed by Congress was bill No. 4, "Establishing the State Department," and was signed by Washington July 27, 1789.

The fifth measure passed by Congress was bill No. 5, providing for the "Collection of duties on merchandise and tonnage," signed July 31, 1789.

It will be seen from this record that the paramount thought in the minds of our first legislators and President was raising of revenue and *"protection to American industries."*

TABLE T-4.—*Illustrating prosperity, adversity, and development from 1789 to 1932.*

[The protective-tariff periods are printed in roman type and the low-tariff periods are printed in italics.]

Period.	Years.	War.	Operating under—	Record of prosperity, adversity, and development.
1.....	27 years.....	War of 1812-1814..	Protective tariffs, 1789–1816. First tariff bill, July 5, 1789. Other bills: July 20, 1789. July 27, 1789. July 31, 1789. Aug. 10, 1790. Mar. 3, 1791. May 2, 1792. June 7, 1794. Jan. 25, 1795. Mar. 3, 1797. July 8, 1797. May 13, 1800. Mar. 26, 1804. Mar. 27, 1804. July 1, 1812. July 29, 1813. July 5, 1816.	This, the first United States protective tariff act (note the preamble about protection of manufacturing), was introduced by James Madison, a protectionist Democrat, who later became President, and was signed by George Washington, a Protectionist, then President. THE BENEFICIAL EFFECTS OF THIS FIRST TARIFF WERE SEEN AT ONCE IN THE INDUSTRIAL PROGRESS MADE IN BOTH AGRICULTURE AND MANUFACTURES, IN SPITE OF ATTEMPTS OF THE MOTHER COUNTRY TO CRUSH OUT THE INFANT INDUSTRIES OF THE STATES. NOTE.—So from the very beginning of our Government protective tariff duties started us along the lines of our great development. The tariff bill of July 1, 1812, imposed double (or so-called war) duties. After the passage of this act, and until the low tariff of 1816 came into operation, the advance made in industry and other development was (for these early days) simply marvelous notwithstanding the short war of 1812 with Great Britain. *Development.* Great development in industry for those early days (1789 to 1816). Woodrow Wilson (when professor at Princeton College) says in his History of the American Republic—"Distinct manufacturing regions began to develop in the Middle States and in the East."
A.....	*8 years..... 1816–1824 (8 years).*	*No war.....*	*First low tariff duties.* *Tariff bill:* *Apr. 27, 1816.* *Apr. 20, 1818.* *Mar. 3, 1819.*	*"Congress considered that they could repeal many of the war taxes and still have rates remain sufficiently protective. Made many reductions, but in this opinion they were mistaken. The duties in the new bill were not sufficiently high to keep out excessive importations and with the determination of Great Britain to ruin our infant industries the years following this tariff proved most disastrous. Bankruptcy and general financial ruin followed, and the evils of 'low tariff' were most apparent."* *The evil effects of the conditions brought about by the low tariff at this period are graphically told by Woodrow Wilson, then professor at Princeton University, in the third volume of his "History of the American People."* *"Peace changed the face of trade, English merchants poured their goods once again into the American ports, so long shut against them by embargoes and war. Manufactories had sprung up while the ports were closed. In the year 1815 close upon $50,000,000 had been invested in the manufacture of textile fabrics alone. The new movement did not stop with the establishment of cotton fabrics. The manufacture of wool and flax and hemp and even silk was added. Iron manufactures, so long ago set up, but tentative and feeble hitherto, increased from hundreds of thousands to millions in value under the stimulation of foreign trade cut-off. Almost everything in general use in the country was sooner or later added to the growing list* *"Industry, long ago begun upon a small scale, took heart to grow, and those which Americans had hitherto not dreamed of attempting were heartily embarked upon. Distinct manufacturing regions began sensibly to develop in the Middle States and in the East, with interests and characteristics which statesmen could not afford to overlook. It was manifestly injurious to every young industry that a flood of English imports should continue to pour into the country at the open ports. The remedy was a protective tariff, such as Mr. Hamilton had wished to see at first, and the young Republican leaders of Congress did not hesitate to advocate and establish it."* *Kindly note the significant fact that Woodrow Wilson, then a professor, and free to use his own opinion, states unequivocally that the remedy for the disastrous times was a "protective tariff."* *Also kindly note that there was no war to interrupt the normal working of this low tariff and that the detriment, distress, and financial ruin were continuous with the running of the low tariff rates, viz, from 1816 to 1824, when a protective tariff bill replaced the low tariff duty rates.*
2.....	1824–1832 (8 years)	No war.....	May 22, 1824, to July 14, 1832: Restoration of protective tariff rates. Specific, compound, minimum, and ad valorem bill of May 22, 1824. Bill, May 19, 1828: Known by its enemies and foreigners as the "Tariff of abomination." Specific, compound, minimum, and ad valorem rates, 20 to 50 per cent.	The agitations for higher duties (kindly bear in mind that the Presidency and Congress were controlled entirely by Democrats) were so earnest that in 1824 a new law was passed which restored many duties to a protective point, which resulted in great prosperity and development in all kinds of industrial enterprises—so much so that many of our leading statesmen of that day, including Daniel Webster, who had been free traders, became permanently stanch Protectionists. This change of sentiment resulted in 1828 in a new tariff based upon specific, compound, minimum, and ad valorem rates, averaging duties from 20 to 50 per cent. This law was called by its enemies and foreigners a "Tariff of abomination," but it proved to be a most beneficial law, because of its thoroughly protective features. Capital was invested in industry and agriculture, and our industries, particularly in the North, received an impetus unknown before in any previous period of our history. Right at this time the Democratic Party changed its colors from protection to the contrary, and the doctrine of "free trade" and "Tariff for revenue only" was born. (For full account of this complete reversal of policy see Note A.)

NOTE A.

REASON FOR DEMOCRATIC PARTY'S CHANGE FROM PROTECTION OF "LOW TARIFF" OR "TARIFF FOR REVENUE ONLY."

John C. Calhoun, who in the early years had always been a protectionist, now believing that free trade or "low tariff" was better for the South, because he thought and claimed the *South would always remain an agricultural country and would, therefore, benefit more by selling its one staple product, cotton, abroad as high as possible, and buying manufactured goods abroad as cheaply as possible, became an advocate of low tariffs.* He was followed by his fellow statesmen and the entire slave power of the South, who thought they saw special advantages which the North was getting against the South, under the so-called American system of protection.

Now that we have history to look back to, only a slight investigation will show how erroneous was the opinion of John C. Calhoun and the entire South when they thought that the South would never become an industrial country, and through selfish, sectional spirit threatened in 1832 secession from the Union.

The following is a record of the South's production of cotton:

	Number of bales produced.
1830	732,218
1831	805,439
1832	815,909
1833	930,962
1834	962,343
1835	1,061,821
1836	1,129,016
1837	1,428,384
1838	1,092,980

1839	1,653,722
1840	1,347,640
1841	1,398,282
1842	2,035,481
1843	1,750,060
1844	2,078,910
1845	1,806,110
1846	2,603,763
1847	2,128,433
1848	2,615,031
1849	2,066,187
1850	2,136,083
YEARLY AVERAGE.	
1851–1855	2,924,937
1856–1860	3,598,676
1861–1865	1,785,866
1866–1870	2,607,371
1871–1875	3,622,468
1876–1880	5,036,215
1881–1885	5,865,845
1886–1890	7,231,521
1891–1895	8,040,225
1896–1900	10,152,934
1901–1905	11,006,613
1906–1910	12,175,867
1911–1915	14,169,707
1916–1920	12,689,212

The following are the number of bales consumed by the cotton factories in the Southern States for the years ending July 31, 1916 and 1920:

States.	1916	1920
	Bales.	*Bales.*
North Carolina	1,105,000	1,154,142
South Carolina	930,000	847,201
Georgia	820,000	820,005
Alabama	345,000	372,244
Tennessee	123,000	123,990
Texas	70,000	84,147
Mississippi	37,000	39,206
Louisiana	32,000	42,424
Kentucky	30,000	26,361
Missouri	30,000	322,867
Arkansas	7,000	
Oklahoma	6,000	
Virginia and other States	512,000	
Total	4,047,000	3,832,587

John C. Calhoun and his Democratic friends were just as strenuously positive that protective duties were bad for the South and that the South would never be an industrial country as our Democratic friends are to-day that protective duties are bad not only for the South but for the whole country. The following proves how far wrong they were:

Through the benefit and results of protective tariffs in the years that have passed between 1832 and now, and in spite of their own intention and prophecy—

	Bales of cotton.
The textile mills of one of the Southern States (North Carolina) consumed in the fiscal year ending July 31, 1920	1,154,142
The mills of four principal industrial Southern States, namely, North Carolina, South Carolina, Georgia, and Alabama, consumed for the same period	3,193,592
And the mills of the entire Southern States consumed for the year ending July 31, 1920	3,832,587

The total number of bales of cotton raised in 1832, when South Carolina threatened to secede, was 815,900 bales.

So you see the present total consumption of cotton by the textile mills of the Southern States is nearly five times the quantity of cotton that was raised in the entire South in 1832, the year the South first promulgated their new theory of "tariff for revenue only" and protection is unconstitutional. In the light of these significant figures history has certainly proven the opinion of John C. Calhoun and his Democratic followers to be entirely erroneous.

Protection and protection alone has already built up the industries of the Southern States to this remarkable extent, and if Republican tariff bills like the coming Fordney-McCumber bill are kept on the statute books it will still further build them up.

The following is the consumption of American cotton of the entire textile mills of the North for the years ending July 31, 1916 and 1920:

States.	1916	1920
	Bales.	*Bales.*
Massachusetts	1,274,297	462,222
New Hampshire	282,157	294,333
New York	235,068	251,997
Rhode Island	234,014	305,791
Maine	188,751	194,572
Connecticut	124,755	149,058
New Jersey	42,590	46,433
Vermont	12,922	12,902
Total	2,394,554	1,717,308
Used by the Southern States	4,047,000	3,832,587

So that the South to-day, through the operation of beneficial tariffs put upon our statute books, contrary to their wishes and against their protest, is actually consuming almost double the amount of cotton the North is consuming, and the outlook for a much larger consumption in the South during the next few years is most promising.

TABLE T–4.—*Illustrating prosperity, adversity, and development from 1789 to 1922*—Continued.

Period.	Years.	War.	Operating under—	Record of prosperity, adversity, and development.
B.....	*1832 to 1840 (8 years)*	*No war*.....	*Compromise tariff act, Mar. 2, 1833, in effort to save the Union, reducing biannually by one-tenth all duties in excess of 20 per cent.*	*In 1832, notwithstanding that Andrew Jackson, a great advocate of protection, was the Democratic President, some concessions were made to the southern demands with a view of pacifying the Southern States, but these concessions were not satisfactory and the South demanded most important tariff reductions, and, if same were not granted, threatened to secede from the Union; in fact, an ordinance of nullification was adopted by the State of South Carolina, which declared that the Federal tariff acts of 1828 and 1832 were null, void, and no law nor binding upon the State, its officers, or citizens. It also prohibited the payment of duties under either act within the State after Feb. 1, 1833.* *This will give you some idea of the pitch that the South had worked themselves up to on account of thinking that the North got all the benefit of protection and that they, for their advancement, must have "low duties," "tariff for revenue only."* *South Carolina's threat of secession was vigorously answered by Andrew Jackson's famous announcement, "The Union must and shall be preserved." This proclamation of Dec. 10, 1832, ending with the words, "The Constitution and the laws are supreme and the Union indissoluble," are among the ablest and most interesting of our state papers. Congress passed a bill empowering the President to enforce the laws. But Jackson was naturally reluctant to use force, especially against his native State. "To preserve the Union," a compromise on the tariff was effected under the leadership of Henry Clay. Jackson signed the force bill and the tariff bill on the same day, Mar. 2, 1833. Two weeks later South Carolina repealed her nullification ordinance.* *This compromise to the South, to prevent secession, the so-called "compromise tariff" of Mar. 2, 1833, provided for a gradual reduction in duties by a sliding scale of one-tenth biannually of all duties in excess of 20 per cent.* *The result upon the country was most apparent, and soon it suffered one of the most terrific and disastrous periods of its existence. The Government and the people became almost bankrupt, idleness of labor existed everywhere, and there was intense suffering among all classes of people. However, notwithstanding this condition of affairs, the Democratic national platform of 1840 condemned protection and indorsed free trade.* *Certainly there was no development of any industrial enterprise during this stagnation period.* *Again, take particular note of the fact that there was no war and the distress, ruin, and unemployment ran the entire period of Democratic control.*
3.....	1840 to 1844 (4 years). Acts of Sept. 11, 1841; Aug. 31, 1842.	No war.....	Restoration of protective rates in bill, Aug. 31, 1842: Many specific and compound rates ranging from 1 to 50 per cent.	The result of this tariff bill was simply marvelous, and great development was made in industry during these four years. The Democratic Party came again into power four years later (1844) and obtained the executive and legislative functions of the Government through the election of a Democratic President, James K. Polk, by a campaign of deception—
C.....	*1844 to 1860 (16 years).*	*War with Mexico, 1846.*	*The Walker tariff of July 30, 1846, and still lower tariff rates of tariff bill Mar. 3, 1857.*	*President Polk, posing as a protectionist in Pennsylvania and the North, and as a free-trader in the South, and many of the voters believed that they were voting for a candidate who was not hostile to the industrial interests of the country.*

TABLE T–4.—*Illustrating prosperity, adversity, and development from 1789 to 1922*—Continued.

Period.	Years.	War.	Operating under—	Record of prosperity, adversity, and development.
C.....	*1844 to 1860 (16 years)*—Con. *Acts of Walker, July 30, 1846; March 3, 1857.*	*War with Mexico, 1846*—Con. *Discovery of gold in California, 1848–1850. The Crimean War of 1853. This war ended in 1855; no war 1855 to 1860.*	*The Walker tariff, etc.*—Continued.	*The Walker law or tariff of 1846 was passed. For a certain period under this law the detrimental effects were not apparent, owing to the war with Mexico in 1846, discovery of gold in California in 1848–1850, and the great Crimean War, involving Great Britain, France, Turkey, and Russia, which made an abnormal demand (just as the Great War did in 1915 to 1918), for supplies, foodstuffs, and shut off to a great extent foreign-made goods from coming into the United States from foreign countries, or (and please get the full significance of this) in other words, war acted to bring about similar conditions to a protective tariff, and while the conditions similar to protective tariff conditions were maintained there was a fair measure of prosperity, even under the Democratic legislation, but when the war ended (as it did in 1855), immediately again Democratic adversity became rampant. The Democratic Party did not attribute this great adversity and depression to their low tariff rates, but evidently thought to cure matters by a still lower tariff embodied in their new tariff bill of 1857. Then panic and ruin came swift and sure. The disaster to industry and agriculture and the agony and distress of mind and body of our people were the most severe and disastrous of any period of our history and were simply heart-rending.* *No historian, in a few words, could with more force describe the agony and ruin of this period after 16 years of continuous Democratic control and the carrying out of the fallacious Democratic theories of "low tariff" and "tariff for revenue only," than did the Democratic President of that day in his annual addresses to Congress of 1858 and 1860.* *PRESIDENT BUCHANAN'S SECOND ANNUAL MESSAGE TO CONGRESS, DECEMBER 6, 1858.* *"With all the elements of national wealth in abundance our manufactures were suspended, our useful public and private enterprises were arrested, and thousands of laborers were deprived of employment and reduced to want. Universal distress prevailed among the commercial, manufacturing, and mechanical classes. All were experiencing sad reverses at the same moment, our manufacturers everywhere suffered severely—not because of the recent reduction in the tariff of duties on imports, but because there was no demand at any price for their productions."* *AGAIN THE DEMOCRATIC PRESIDENT BUCHANAN DESCRIBES THE SITUATION IN HIS LAST ANNUAL MESSAGE TO CONGRESS OF DECEMBER 4, 1860, IN THE FOLLOWING LANGUAGE:* *"Panic and distress of a fearful character prevailed throughout the land. Our laboring population is without employment, and consequently deprived of the means of earning their bread. Indeed, all hope seems to have deserted the minds of men."* *Think of what these words mean; particularly when spoken by the then ruling Democratic President, who with his party had had complete control of our Government for 16 years and were responsible for the appalling condition of the country.* *It is pretty strenuous and agonizing times, when our President in his message to Congress and the people, after due deliberation states:* *"Indeed, all hope seems to have deserted the minds of men, and* *"There was no demand at any price for their productions."* *It would also be well to note the great philanthropist and humanitarian Peter Cooper's description of existing conditions of that time:* *"British iron and cloth came in and gold went out, and with each successive day the dependence of our farmers on foreign markets became more complete. With 1857 came the culmination of the system, merchants and manufacturers being ruined, banks being compelled to suspend payment, and the Treasury being reduced to a condition of bankruptcy nearly approaching that which had existed at the close of the 'free trade period' of 1817 and 1839. The distress was universal and deplorable in the extreme."* *Kindly realize that this Democratic President and the great humanitarian-philanthropist, Peter Cooper, are stating the true facts written by them at that time and truthfully portraying as then existing the condition of labor, industry, commerce, and the agony of our people, and this was the result after the experiment of low tariffs and tariff for revenue only for 16 years with the Democratic Party in constant and complete control of the Presidency and all other functions of our Government.* *Certainly it was a most deplorable ending of a period of purely sectional politics, "Tariff for revenue only," and the trial of a sectional tariff law. The Democratic Party took control of the Government at a time when the nation was enjoying an amazing period of prosperity and business expansion. The test of the free-trade policy was made under the most favorable conditions posible and proved a complete and dismal failure.* *Ruin and disaster were on hand everywhere, owing to Democratic domination of the Presidency and Congress for 16 years and the continuous application of the principles of "Tariff for revenue only" and "Free trade."* *That great period of depression is now 72 years ago and outside the memory of the present generation, but it is well to refer to the history of those dark days, particularly when we are now being asked by the same Democratic Party to adopt the same policies of low tariff that resulted in this most terrible appalling ruin and distress.* *It has been estimated that 75 per cent of all our industries had either suspended or ceased to operate and nearly all labor was idle. No wonder "Indeed, all hope seems to have deserted the minds of men."* *"It is stated by our statisticians that between 1846 and 1860 not a single new competitive industry was established in the United States."* *WHAT A RECORD! WHO, THEN, HAS BUILT UP THIS GREAT COUNTRY FROM THE WEAKLING IT WAS THEN TO THE GREATEST INDUSTRIAL COUNTRY IN THE WHOLE WORLD?*
4.....	1860–1892 (32 years)	Domestic war 1860 to 1865; no war, 1865 to 1870; Franco-Prussian War, 1870; no war, 1871 to 1892.	Republican protective tariff rates, principally the Morrill bill of Apr. 12, 1861; commission-tariff bill of July 1, 1883; McKinley bill, Oct. 6, 1890, and 20 minor tariff bills, viz: Aug. 5, 1861. Dec. 24, 1861. July 14, 1862. Mar. 3, 1863. Apr. 20, 1864. June 30, 1864. June 5, 1865. Mar. 15, 1866. July 28, 1866. Mar. 2, 1867. July 14, 1870. Dec. 20, 1870. May 1, 1872. June 6, 1872. Feb. 8, 1873. June 22, 1874. Mar. 3, 1875. July 1, 1879. July 14, 1880. May 6, 1882. Dec. 3, 1882. Mar. 3, 1883. Oct. 6, 1890.	Complete Republican control for 32 years. (President Cleveland was elected November, 1884, but both House and Senate being Republican, no Democratic bills were passed. The domestic war of the Rebellion interrupted everything because the very life of the Nation hung in the balance. After the war ended in 1865 there began the great industrial development and achievement in agriculture, in the arts and commerce, entirely under Republican tariffs and laws. This development was interrupted by the panic of 1873. This panic was mainly caused by inflation and overspeculation after the War of the Rebellion and was accelerated and probably supported by the reduction of 10 per cent on all duty rates passed by tariff act of June 6, 1872. This reduction in the tariff was thought by many to have precipitated the panic of 1873, and for this reason was entirely repealed on Mar. 3, 1875, leaving the duties at the point where they were before the tariff act of June 6, 1872, was put in operation. Within a year or two from the date of repeal, in 1875, of such reduced rates prosperity again asserted itself, and the improvement in times was manifest from 1876 on. Then came one of our greatest periods of prosperity and development—principally from 1877 to 1894. The development of all our resources, mines, agriculture, industry, etc., was larger than ever and simply marvelous and beyond anything the world has ever experienced before. Great credit and honor are due to the Republican Party for its tremendous share in the developing and aiding to make our country the greatest country on earth. Of all of the Republican tariff bills passed from 1861 to 1890, the two most conspicuous for benefit were the Morrill bill, passed Apr. 12, 1861, and the McKinley bill, passed Oct. 6, 1890. The McKinley bill established a number of new industries, which had never before successfully operated in the United States, notably the tin-plate industry (which has grown to tremendous proportion to the great benefit of our consumers), silk, velvets and plushes, and collars and cuffs (full particulars of which are set forth on page 4 hereof).

TABLE T–4.—*Illustrating prosperity, adversity, and development from 1789 to 1922*—Continued.

Period.	Years.	War.	Operating under—	Record of prosperity, adversity, and development.
E.....	1892 to 1896 (4 years).	No war.....	President Cleveland's low Wilson-Gorman tariff bill of Aug. 27, 1894.	The Democratic President, Grover Cleveland, was elected the first time in 1884, but as both the House and the Senate were Republican, no Democratic tariff bills were passed.
			Aug. 27, 1894.....	*Therefore, since 1860, the two periods in which the Democratic party had control of both the Executive and legislative branches of the Government were under President Grover Cleveland (1892 to 1896) and President Woodrow Wilson (1912 to 1920).* *President Cleveland had served notice upon employers that protection was to be destroyed and that wages must be reduced. He had warned importers to cease importing until duties were lowered, and wholesale and retail merchants not to buy American manufactures, but rather to wait until the agents of foreigners appeared to solicit their orders. This was the plain effect of what Mr. Cleveland said in his inaugural address, and what the people understood him to say.* *Nine days after Mr. Cleveland's election, the New York Commercial Bulletin, a free-trade journal, informed American workingmen that "labor may be expected to yield its quota of concession," and that "those who have taught workingmen that a reduction of the tariff does not mean a relative reduction in wages have adulterated a great reform with a very paradoxical doctrine."* *Within a year from the passage (Aug. 27, 1894), of the Wilson-Gorman "tariff for revenue only" bill, it seemed as though all industry was paralyzed, and millions of honest, sincere workmen were walking the streets seeking employment in vain, and distress and financial agony were on most of our people. Coxey's Army marched on to Washington with placards, "We don't want charity—We want work." Some 50 per cent of our railroads and 20 per cent of our national banks were in the hands of receivers. The distress and agony of the people were the worst ever experienced, excepting the awful period of 1855 to 1860. After having experienced four years (1892 to 1896) of normal results from the "tariff for revenue only" (no great European war than to give us war prosperity), the people to a unit were through with it at any cost. Even the Democratic platform of 1896 was as silent as a tombstone as to "tariff for revenue only." To have mentioned the subject at all would have been like waving a red rag before an enraged bull.* *In 1896 all the American people were completely through with the fallacies of "free trade" and "tariff for revenue only." The distress of mind and body and the agony of those fearful four years had taught them its bitter lessons.* The result was that William McKinley, the author of protective tariff and father of the McKinley tariff bill, was elected President by a tremendous majority.
5.....	1896 to 1912 (16 years).	No war.....	Highly protective, scientific tariff bill. Many compound and specific rates of duty. Dingley bill passed July 24, 1897.	The Republican Party, being again in power, passed July 24, 1897, the Dingley protective tariff bill, considered the most perfect enacted up to this time. Many compound and specific rates were substituted for ad valorem duties. This bill brought new development in industry and agriculture everywhere and the people flourished as never before. There was a panic in 1907 known as a financial panic. It was confined to financial centers. Industry and agriculture were in no way detrimentally affected.
			Payne-Aldrich protective tariff bill of August 5, 1909.	On August 5, 1909, the Payne-Aldrich protective tariff bill was passed. Substantial reductions were made in some schedules and others were altered in accordance with changed conditions of industry and labor. Under this bill the country was still further developed and labor fully employed. Our prosperity was at its peak in 1912 when the Democratic Party was again returned to power. It took a new generation to forget the agonies placed upon the people by the Democratic Party in 1894 and 1857, and a great split in the Republican Party, to return the Democratic Party again to power. The high-water mark of prosperity, judged by the remuneration to labor and the returns in industry and agriculture, was reached in 1911 and 1912. Labor was fully employed from Maine to California at the highest wages ever paid in the United States previous to the declaration of the great European war, and the conditions of industry and agriculture were more prosperous than at any period ever reached in our industrial and agricultural development.
F.....	*1913 to 1921 (10 years).*	*No war 1913 and up to July 31, 1914; great European war, July 31, 1914, to November 11, 1918; no war 1919 to 1922.*	*Low tariff: Democratic Underwood tariff bill of October 3, 1913; lowest tariff of any civilized country in the world.*	*The Underwood tariff, as shown in Note "B," is the lowest tariff in the world, and, therefore, no wonder that after its passage the disastrous result of this half free-trade tariff bill was immediately felt in every city, town, and hamlet of our country. Many factories closed completely and honest labor walked the streets by thousands upon thousands vainly searching for employment.* *The distress was so great that the churches in New York City were opened to lodge the unemployed, and for the first time in history the morgue in New York was opened up at night by order of the city officials as a lodging place for the unemployed who had no place to sleep. Again, under the Democratic low tariff the disastrous and distressful conditions of 1848 to 1860 and 1892 to 1896 were being duplicated. Estimated number of unemployed over 4,000,000. Absolutely no industrial or other development previous to breaking out of the Great War, July 31, 1914. The Great War found the United States industries without business and Great Britain, France, Italy, and Russia poured orders in great volume into the United States for war supplies. Realizing, due to war and restricted production, shortage of food supplies, all of our foodstuffs began to advance immediately.* *The Great War, therefore, suspended to a large degree importations and stimulated all domestic industrial activities, or in other words, acted to produce the same results as a protective tariff would produce, and mark this specially, as it is of the utmost importance, prosperity was obtained under adverse Democratic laws by changing the conditions to those conditions that would have been produced under a protective tariff.* *So we had for four years war prosperity, and—mark you this again most carefully—when the war was over and conditions similar to those of a protective tariff were removed, we returned again (as previous to the war) to extreme adversity and the very greatest kind of depression, with between 5,000,000 and 6,000,000 out of employment.* *Is it possible to obtain any more definite or convincing proof than this, of the benefits or detriments of the two systems? Certainly no development in any considerable degree in this last Democratic (the present) period.* *The cure again, as in the past four other Democratic periods of depression, will be Republican tariff and other constructive Republican legislation.*
			Emergency tariff act of May 27, 1921.	Republican protective tariff relating to farm products only.
			June, 1922, Fordney-McCumber tariff bill now (June, 1922) before the U. S. Senate.	Republican tariff created on the theory of protection to American industry and workmen. Expected to furnish employment for our millions of present unemployed.

NOTE B.—Owing to a split in the Republican Party the election of November, 1912, put the Democratic Party in full control of the executive and legislative functions of our Government, and shortly after, March 4, 1913, President Wilson called a special session of Congress to consider the framing of a new tariff bill. When Congress convened and the general public obtained an inkling of the character of the tariff bill that would be enacted, immediately thereafter, like a biting frost over night, the business of this country in all lines of industry restricted itself by every means possible and the high-water mark of prosperity in industry commenced rapidly to recede, resulting in constantly increasing curtailment of business, closing of factories, and loss of employment for labor. Finally, on October 3, 1913, the Underwood-Simmons tariff bill was passed. Now at last the country knew that all the Democratic platform and campaign promises not to disturb labor, legitimate business, or industry were simply fakes and evidently made to be broken, because here was a bill, now an actual law, granting to foreigners by far the lowest duty rates ever heard of in the United States. In fact, the lowest duties of any civilized country in the world.

The periods of depression and panic are shown in italics in the foregoing table. You will have seen that these periods of depression, disaster, and panic are coincident with the periods of "low tariff" or "tariff for revenue only," and that they run consistently from 1789, when our Government was formed, to the present time, except for the time thereof that their normal operations were interrupted by foreign wars.

SINCE THE FORMATION OF OUR GOVERNMENT IN 1789 WE HAVE HAD FIVE PERIODS OF PROTECTIVE TARIFF AND FIVE PERIODS OF LOW TARIFF.

Tariff Table "T–4" shows that since the formation of our Government in 1789 we have had five periods—periods 1, 2, 3, 4, and 5—working under protective-tariff duty rates extending over 87 years of time, and that we have had five periods—

periods A, B, C, E, and F—working under "low-tariff" or "tariff-for-revenue-only" duty rates, extending over 46 years of time; so that the 133 years, since 1789 to 1922, have been divided into 87 years operating under protective-tariff duty rates and 46 years operating under "low-tariff" or "tariff-for-revenue-only" duty rates.

The historical evidence for periods A, B, C, E, and F of 108 years—1816 to 1922—overwhelmingly proves that "low tariff" or "tariff for revenue only" *whenever indulged in, has always brought distress, ruin, and agony to our industries, our workers, and directly or indirectly to all our people,* and in further proof that the Republican policy of protection is the correct and upbuilding policy for the United States. During two of these five Democratic periods of great depression the detrimental Democratic conditions were set aside temporarily, on account of *foreign wars acting to create conditions similar to protective tariff,* viz, restriction of articles of imports and large domestic industrial activity, and during the temporary change from Democratic to Republican conditions the country was successful with industry active and labor well employed. When, however, the wars ended and we returned to normal conditions—suspended during the wars—*Democratic adversity immediately reappeared in full measure.* A better proof of the two systems could not possibly be obtained.

OUR DEVELOPMENT AND PERIODS OF ADVERSITY AND PROSPERITY.

Absolutely no one can gainsay that our country has made wonderful and marvelous development since Benjamin Franklin's day (1796) to to-day. Certainly that does not have to be proven, and some system and some laws are in a great measure responsible for this tremendous development.

How much, therefore, of this marvelous development has been achieved under the 46 years of low-tariff rates and how much under the 87 years of protective-tariff rates?

RESULTS OF 46 YEARS OF "LOW TARIFF" OR "TARIFF FOR REVENUE ONLY."

Democratic Presidents and prominent Democrats have answered the query relative to the 46 years of low-tariff rates.

Woodrow Wilson (then professor) in his history of the American Republic, speaking relative to period "A" (1816 to 1824):

"It was manifestly injurious to every young industry that a flood of English imports should continue to pour into the country at the open ports."

The Democratic President, Buchanan, in his annual addresses to Congress of 1858 and 1860, speaking relative to period "C":

"With all the elements of national wealth in abundance our manufactures were suspended, our useful public and private enterprises were arrested, and thousands of laborers were deprived of employment and reduced to want. Universal distress prevailed among the commercial, manufacturing, and mechanical classes.

"Panic and distress of a fearful character prevailed throughout the land. Our laboring population is without employment, and consequently deprived of the means of earning their bread.

"*Indeed, all hope seems to have deserted the minds of men.*"

It was stated by our statisticians that between 1846 and 1860 not a single new competitive industry was established in the United States.

Of the period "B" (1833 to 1840) it was recorded that "*the Government and the people became almost bankrupt. Idleness of labor existed everywhere and there was intense suffering among all classes of people.*"

So much for three of the five low-tariff-rate periods, viz:

"A," 1816 to 1824, 8 years.

"B," 1833 to 1840, 7 years.

"C," 1844 to 1860, 16 years.

Absolutely no industrial or other development during these three periods extending over 31 years.

The other two low-tariff-rate periods, viz:

"E," 1892 to 1896, 4 years,

"F," 1913 to 1922, 9 years,

are well within the memory of the present generation.

In the period of 1892 to 1896 ("E") we know that practically all industry was paralyzed, millions of honest workmen seeking work from Maine to California in vain. Coxey's army marching on to Washington with their placards—

"We don't want charity, *we want work.*"

With 50 per cent of the railroads and 30 per cent of the national banks in the hands of the receivers, *it goes without saying there was no industrial, agricultural, or any other development in those four dark years.*

Now, as to the last low-tariff period, 1913 to 1922 ("F"), history of the 1892–1896 period was repeating itself under the low tariff rates of the Underwood bill, passed October 3, 1913. In the winter of 1913 and 1914, as stated, it was estimated that over 4,000,000 were unemployed. Soup kitchens were opened in every large city. Unemployed workmen were sleeping in the city churches and in the morgue, and financial ruin and distress were on every hand.

Then came the great foreign war, the greatest the world has known, and involving practically all of Europe. The war made war prosperity and war developments. The war is now over, but we still have the low Democratic Underwood tariff rates (the lowest in the world) and we still have the old Democratic adversity.

Therefore as to the 46 years of operation of our country under low tariff rates the historical record thereof proves beyond a shadow of doubt that during the entire period (*except when the normal working of the low tariff rates were set aside through foreign wars*) there was ruin, distress, and financial agony on our industries, our agriculture, and our people, *and that during all of this 46-year period little contribution was made to our enormous industrial and other development.* Certainly not a record to be proud of!

RESULTS OF 87 YEARS OF PROTECTIVE TARIFF.

The 87-year periods of protective tariff rates *are almost entirely responsible* for (say, at least 95 per cent responsible) our marvelous development from the puny Nation of 1789 to the greatest, richest, and most important Nation on the face of the globe.

FOREIGN MONEY VALUES AND FOREIGN WAGES NOW INFINITELY LOWER THAN AT ANY TIME IN THE WORLD'S HISTORY.

Now, please take in another most important and controlling fact, the outcome of which is very far-reaching, viz: That these detrimental conditions have occurred when low tariff rates have been indulged in over these many years, but *during all that time the wages paid in the United States have been approximately two to two and one-half times the wages paid in the competing foreign countries.*

Now, through the cataclysm of the great foreign war and the resultant depreciation in foreign money values (exchange) the wages paid in the United States are six to ten times the wages paid in the competing foreign countries, and whereas low tariff duty rates have been consistently and distressingly detrimental to our workers, our farmers, and our country during the past 108 years, now, owing to the greater difference in the wages of foreign competing countries, they are many times more detrimental, and it is simply suicidal to even consider to-day low tariff duty rates. A few facts and figures will prove this beyond a shadow of doubt.

The following table, "B," shows the normal and the present value of the currency of the foreign countries:

TABLE B.

	Normal.	Present value.	Percentage of depreciation.
Germany (mark)	23.8 cents	¼ cent	98
Austria (crown)	20.3 cents	0.01 cent	99
Italy (lira)	19.3 cents	5¼ cents	75
France (franc)	do	9½ cents	50
Belgium (franc)	do	8¾ cents	50
Great Britain (pound)	$4.88	$4.50	7½
Japan (yen)	49.8 cents	47.8 cents	4
Russia (ruble)	51.46 cents	0.07 cent for 100 rubles.	99
Poland (mark)	23.8 cents	0.02 cent	99

To-day an ounce of gold pays the American worker for 17 hours of labor in the United States, as against 50.16 hours of labor in Great Britain, 95.5 hours of labor in Japan, 117.31 hours of labor in France, 117.31 hours of labor in Belgium, 201.55 hours of labor in Germany, 203 hours of labor in Russia, and 203 hours of labor in Poland.

And whereas "low tariff rates" and "tariff for revenue only" have been greatly detrimental all these years in the past, to-day the same are bound to be infinitely more detrimental. And how patriotic Democratic Senators, editors, and professors can to-day espouse the cause of low tariff is utterly inconceivable and seemingly beyond the analysis of reason.

For over 100 years low tariff rates have been greatly detrimental, and when the wages in the—

United States were twice what they were in England, now wages in the United States are three times higher.

United States were two and one-fourth times what they were in France, now wages in the United States are six times higher.

United States were two and one-half times what they were in Germany, now wages in the United States are ten times higher.

United States were two and one-half times what they were in Italy, now wages in the United States are eight times higher.

If the record of 108 years shows low tariff so detrimental to our country when our wages were on an average of about twice those of Europe, what would be the result if our Democratic Senators, editors, and professors had their way in retaining the Underwood tariff rates, when the average wages in the United States to-day are six to ten times more than those now paid by competing foreign countries?

It goes without saying that to maintain in the United States at this time low tariff rates out of all proportion to the present labor cost abroad would result in the greatest depression yet visited upon the American people.

The only hope of prosperity for the American people is through the pending Republican tariff bill now before the United States Senate.

Again, although very few people are aware of the fact, the duty rates that we are now operating under, viz:

OUR PRESENT DEMOCRATIC RATES (UNDERWOOD) ARE THE LOWEST IN THE WORLD.

The Democratic Underwood tariff rates (passed October 3, 1913) are the lowest duty rates of any country in the world.

The following are the average rates of duty collected for the 12 months ending December 31, 1920, under this Democratic tariff:

	Per cent.
January, 1920	6.12
February, 1920	5.81
March, 1920	6.78
April, 1920	5.81
May, 1920	6.86
June, 1920	6.46
July, 1920	5.96
August, 1920	6.00
September, 1920	7.02
October, 1920	7.72
November, 1920	7.08
December, 1920	7.52

or an average for the year of 6.49 per cent.

The average duties of the principal foreign countries are as follows:

	Average duty.	Probable rates to-day are—
	Per cent.	*Per cent.*
Great Britain, 1919-20	8.56	15
France, pre-war	8.55	25
Germany, April-December, 1919	15.66	25
Italy, pre-war	7.78	18

Think of it. The average rates of duties collected in the United States under the Democratic Underwood tariff are far lower than any civilized country in the world. The average duties in so-called "free-trade" England were, in 1919, 30 per cent higher than the United States (8.56 for England and 6.49 for the United States), and to-day England's rate will not be less than an average of 15 per cent, or double the Underwood rates of duties.

On the basis of $4 per day wages paid in the United States for a certain vocation, the wages paid at the present time in competing with foreign countries, due to depreciation in foreign money values (exchange), would be as follows:

Wage Table T–5.

Wages paid in the United States are following times higher than foreign countries—	Countries.	Per day.	Against wages paid in United States of per day.	Against wages paid in these foreign countries before the Great War.
10 times higher than Germany	Germany	43 cents	$4.00	$1.40
11 times higher than Austria	Austria	32 cents	4.00	1.40
8 times higher than Italy	Italy	65 cents	4.00	1.00
6 times higher than Belgium	Belgium	$1.00	4.00	1.50
6 times higher than France	France	$1.00	4.00	1.50
4½ times higher than Japan	Japan	75 cents	4.00	.60
2 to 3 times higher than England	England	$2	4.00	1.65
12 times higher than Russia	Russia	25 cents	4.00	1.25
12 times higher than Poland	Poland	25 cents	4.00	1.20

This table shows the vast difference now existing between the foreign and United States wages in comparison to what they were before the war.

If low tariff has been so detrimental in the past under a ratio of wages far more favorable to our workers, how infinitely more so must it be now.

Before the war wages in the United States were two and one-half times more than in Germany. Now in the United States they are nine times higher than in Germany.

HOW EUROPEAN NATIONS HAVE PROTECTED THEMSELVES AND THEIR LABOR.

England, France, Italy, Germany, etc., and our Democratic Senators, editors, and our importers are all clamoring to retain the present low Underwood tariff duty rates, but what have these countries done themselves to meet this war result of the lowest wages to labor in foreign countries known to Christendom?

Great Britain passed in 1920–21 what they style "safeguarding of the realm acts." These bills place a duty of 33⅓ per cent on over 6,000 articles; beside that they create a supreme board who shall investigate, and if they determine that *any article is being imported into Great Britain at less than cost of production in Great Britain, plus a reasonable profit*, this board can by proclamation place an additional duty of 33⅓ per cent (total of 66⅔ per cent) on any such article. Our "low tariff," "tariff for revenue only" friends used to point with great pride to "free-trade" Great Britain as the shining example of the desirability of their theory. Well, they can not longer do so. England has deserted them and turned strongly into a protectionist nation.

The cable news acquaints us with the English Premier's and Great Britain's great alarm.

[From New York Tribune, July 10, 1922.]

"LONDON, July 9.—Thursday night Lloyd-George issued a statement in which he said: 'Nobody contemplated the possibility of the German mark being 2,000 to the pound sterling, with a prospect of greater depreciation. It has started on a run, and nobody knows where it is going to end. I am alarmed at the prospects in Germany. Everything I hear tends to deepen the alarm I feel. It is a serious possibility with which we are confronted—that you may get the most highly industrialized country in Europe, excepting our own, organized, intelligent, enterprising, employing workmen at wages 40 to 50 per cent below our own, sending goods for competition throughout the world. We could not leave this country absolutely without defense against possibilities of that kind.'"

Our Democratic Senators and low-tariff advocates should mark well Lloyd-George's closing words:

"*We could not leave this country absolutely without defense against possibilities of that kind.*"

So Great Britain protects herself by her above-mentioned "*safeguarding of the realm acts*" imposing duties which may amount to a total of 66⅔ per cent on any article of foreign manufacture sold in Great Britain at less than its cost in Great Britain plus a reasonable profit. If that is not the Republican Party's protective-tariff system and principle, will some Democratic Senator or low-tariff advocate please tell us what it is?

So much for England's protection of her industries and workers from the present foreign pittance in wages.

What has France done to protect herself?

France has a sliding scale of duties to be applied to countries in accordance with their currency depreciation and consequently their wages.

For instance, when anything is shipped from the United States or any other country into France, it must be accompanied by a "certificate of identification." If such a certificate shows that a certain piece of metal was made in the United States the duty is 40 per cent; if produced in Germany or similar low value currency countries, the duty is 140 per cent.

If anyone has any doubts on this matter they can prove it by inquiry of the French consul at New York City.

Canada for duty purposes allows only a 50 per cent depreciation in exchange.

Italy and the other countries have also protected themselves.

It is rather inconsistent of them, also our Democratic Senators (we would expect it from our importers), to protect themselves and then ask us to throw open our customs ports by low duties (the Underwood rates average the lowest in the world) with foreign wages (the big element in cost of production) being to-day about one-fifth of what they were before the Great War.

Again, and most emphatically, too, the present Democratic Underwood tariff rates, under which we are to-day collecting our duties, are, as we have already proven (page 35), the lowest tariff rates of any country in the world, viz:

	Per cent.
Average rates, United States	6.49
Average rates, Great Britain, 1919–20	8.56
Since 1919–20 the British "safeguarding of the realm acts" have about doubled their previous duties, so that the average customs duty collected in Great Britain to-day is approximately	15

Or, in other words, 150 per cent (one and one-half times) more than the United States duties collected under the present Democratic Underwood tariff bill.

In all sincerity we ask our low tariff advocates, Do facts not count with them? Have they lost all ability to analyze according to facts as they actually exist?

Emphatically, and positively, this is the one period in the history of the world when low tariff can not be indulged in without subjecting our people and our country to the greatest agony, distress, and financial ruin ever visited upon any free people, and if our Democratic Senators, newspapers, and other low tariff advocates can not see the unmistakable evidence of the storm that will rage if an adequate tariff bill is not passed, when already the thunderings are rumbling and lightnings are seen playing all over the world, with so-called "free trade" England protecting herself with duties of 66⅔ per cent, and now looking for other means for further protection, and other countries doing likewise—then they do not deserve to further represent the American people, because, under such circumstances, it is not proper representation, but simply misrepresentation.

TARIFF AND ITS RELATION TO WAGES AND COST OF PRODUCTION.

This whole question of tariff is to the minds of many surrounded by much mystery, but on analysis it is perfectly simple. It is simply a question of foreign wages and cost of production abroad, as against domestic wages and cost of production in the United States.

For clearness of understanding we will divide the subject into two classes:

Class A. Instrumentalities (services or articles) that *can not* be transported from abroad.

Class B. Instrumentalities (services or articles) that *can* be transported from abroad, such as any article of commerce.

About one-third (33⅓ per cent) of our vocations in the United States come under the nontransportable class A.

And about two-thirds (66⅔ per cent) come under the transportable class B.

The builders, masons, bricklayers, carpenters, and our professional classes—lawyers, doctors, professors, teachers, and so forth—come under class A. Most of our lawyers, professors, and professional classes lean toward low tariff or the theory of free trade (particularly directly after coming out of college and being imbued with the erroneous teachings of college professors as to the benefits of low tariffs), they thinking they should buy their wants in the lowest markets of the world as they have no protection in their vocation. There is where they are greatly mistaken. They have the greatest kind of protection from foreign labor, viz, that of prohibition, the extremest of all protection. For instance, a builder (mason, bricklayer, carpenter, and so forth) can not build a house in Germany to be occupied by a family in New York City. A lawyer can not try a case in France to be decided by a judge in Boston. Nor can a doctor prescribe in England for a patient living in Philadelphia. So, instead of not being protected they are protected entirely from foreign competition by the most complete of all protection, viz, prohibition, and it would be well for our lawyers and professional men to realize in the future that they are not at all exempt from the benefits of protection directly and that they are infinitely benefited by it indirectly.

Now as to transportable articles, which we class as B:

The rates of freight on these transportable articles are no higher than the railroad freight from our more inland cities, so in that regard they stand alike.

You have seen that wages that were before the war in Germany $1.40 per day are to-day (due mainly to depreciation in their currency) 43 cents per day and that in most other foreign countries the wages are also to-day much lower than before the Great War.

Death, to a healthy man, seems a long way off, and so do these pittances of wages abroad seem a long way off, but we are all paid, whether in America, Germany, France, England, abroad, or anywhere, not for working, but for producing some article, some product, whether of hand or brain.

If our workmen knew that 100,000 men of the utmost skill in their vocation were going to land shortly in America under contract to work for 43 cents per day, or 50 cents per day, they certainly would be beside themselves with indignation and determination to prevent such a disastrous occurrence at any cost.

Yet labor is paid for producing something, some produce, some article, not for working as work, and in all seriousness, therefore, what is the difference (unless there is some compensatory duty to pay for entry into *the United States*) *between 100,000 expert men coming here to work for 40 to 50 cents per day, or millions of expert men working abroad producing the same article, for sale in the United States, on exactly that basis.* There is absolutely no difference, and that is all there is to this seeming mystery of tariff duties. It is cost of foreign production, made up principally by foreign wages and overhead cost, as against domestic wages and domestic overhead cost.

LOW TARIFF PERIODS AND RATIO OF FOREIGN AND DOMESTIC WAGES.

No one can gainsay the fact that during the period of 46 years of this country's operation under "low tariff" or "tariff for revenue only" there was distress, agony, and financial ruin on the country and our people, excepting for a few years when the normal operation of existing laws was suspended by the changed conditions brought about by war.

Furthermore, that none of this long period of 46 years contributed, in any marked degree, to our country's marvelous and unique development.

No one can gainsay—due mainly through the results of the Great War in depreciation of foreign moneys—that to-day wages in the United States are three, four, six, and ten times more than in competing foreign countries as against two to two and one-half times more before the Great War.

In view of such facts, to have anyone advocate the continuance of the present Underwood duty rates—the lowest in the world—or any system of low tariff duty rates *would seem almost traitorous.*

PROGRESS OF 87 YEARS OF PROTECTION AND FUNDAMENTAL SECURITY OF OUR NATION.

Again, the following two great significant facts should rivet every citizen's most profound attention, viz, that the marvelous development and achievement of this, to-day the greatest of all countries, has been mainly accomplished during five periods of protective tariff laws, extending over 87 years of our country's 133 years of existence, and that *security of this Nation is required for the safety of the world, and that—*

"Not only the wealth and independence but the very fundamental security of a nation is only obtainable through diversity of manufacturing within her own borders."

After reading this true historical account of 133 years (1789 to 1922) *recording the disaster and adversity to our country and people during each and every low tariff period, and the prosperity of protective tariff periods; and after knowing that the wages paid in the United States during all of these periods were two to two and one-half times more than in the competing foreign countries, and also knowing that the wages paid in the United States to-day are six, eight, and ten times more than now paid by competing foreign countries, surely no one can in his sane senses conscientiously advocate, under the present extraordinary circumstances, low tariff duties.*

Duplicate copies of this tariff statement can be obtained on request from

FREDERIC E. KIP,
Montclair, N. J.

JULY 4, 1922.

The PRESIDENT pro tempore. The Secretary will read the list of amendments which have been reserved for a separate vote in the Senate.

Mr. McCUMBER. Mr. President, before the list is read I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Fletcher	McCumber	Shortridge
Ball	Frelinghuysen	McKellar	Simmons
Borah	Gerry	McLean	Smith
Brandegee	Glass	McNary	Smoot
Broussard	Gooding	Moses	Stanley
Bursum	Hale	New	Sterling
Calder	Harreld	Newberry	Sutherland
Cameron	Harrison	Nicholson	Swanson
Capper	Heflin	Norbeck	Trammell
Colt	Hitchcock	Oddie	Underwood
Culberson	Jones, N. Mex.	Overman	Walsh, Mass.
Cummins	Jones, Wash.	Pepper	Walsh, Mont.
Curtis	Kellogg	Phipps	Warren
Dial	Kendrick	Pomerene	Watson, Ga.
Dillingham	Keyes	Ransdell	Watson, Ind.
du Pont	Lenroot	Reed, Pa.	
Edge	Lodge	Robinson	
Ernst	McCormick	Sheppard	

Mr. CURTIS. I desire to announce that the Senator from Minnesota [Mr. NELSON] is absent on account of a death in his family.

I also wish to announce that the junior Senator from Ohio [Mr. WILLIS] is necessarily absent because of serious illness in his family.

Mr. UNDERWOOD. I wish to announce that the Senator from Nevada [Mr. PITTMAN] is necessarily absent on account of illness.

The PRESIDENT pro tempore. Sixty-nine Senators have answered to their names. There is a quorum present.

The Secretary will read the list of reserved amendments.

The ASSISTANT SECRETARY. Reading the list of reservations by pages and paragraphs as they appear in the bill, those noted are as follows:

Pages 10, 11, and 15, in paragraph 25, the five amendments offered by Mr. BURSUM on synthetic chemicals and explosives; reserved by Mr. MOSES.

Page 29, line 13, in paragraph 78, the nitrite amendment; reserved by Mr. ROBINSON.

Page 33, paragraph 204 (a), crude magnesite; reserved by Mr. CALDER and Mr. JONES of New Mexico.

Page 36, paragraph 213, china, porcelain, etc.; reserved by Mr. JONES of New Mexico and Mr. CALDER.

Page 39, paragraph 218, bottles and articles of glass; reserved by Mr. JONES of New Mexico.

Page 40, line 24, in paragraph 218, rates of illuminating articles; reserved by Mr. SUTHERLAND.

Page 42, line 10, in paragraph 219, rate on cylinder, crown, and sheet glass; reserved by Mr. JONES of New Mexico.

Page 53, paragraph 305, line 12, the amendment relative to steel alloys; reserved by Mr. CALDER.

Page 66, paragraph 337, card clothing; reserved by Mr. JONES of New Mexico.

Page 67, line 19, in paragraph 339, tableware, rates on, composed of iron or steel and enameled or glazed with vitreous glasses; reserved by Mr. SUTHERLAND.

Page 67, paragraph 339, rates on aluminum tableware; reserved by Mr. JONES of New Mexico.

Page 83, paragraph 371, bicycles, etc.; reserved by Mr. CALDER.

Page 83, paragraph 372, beginning with line 24, textiles and machinery; reserved by Mr. JONES of New Mexico.

Page 86, paragraph 382, woven fabrics, with metal threads; reserved by Mr. JONES of New Mexico.

Page 93, paragraph 408, shingles; reserved by Mr. JONES of Washington.

Page 95, paragraph 501, line 17, sugar schedule and rates on sugar; reserved by Mr. HARRISON.

Page 107, line 24, paragraph 743, citrus fruits; reserved by Mr. TRAMMELL.

Page 114, paragraph 776, chocolate and cocoa; reserved by Mr. CALDER.

Page 134, paragraph 1007, hose, suitable for conducting liquids or gases; reserved by Mr. LODGE.

Page 146, paragraph 1109, woven fabrics, etc.; reserved by Mr. LENROOT.

Page 156, paragraph 1205, silk fabrics; reserved by Mr. JONES of New Mexico.

Page 161, paragraph 1206, silk plushes and pile fabrics; reserved by Mr. JONES of New Mexico.

Page 163, paragraph 1207, silk ribbons, etc.; reserved by Mr. JONES of New Mexico.

Page 165, paragraph 1215, artificial silk waste, etc.; reserved by both Mr. PEPPER and Mr. CALDER—Mr. PEPPER on the fourth line from the end of the paragraph, the amendment of the committee.

Page 175, paragraph 1309, jacquard designs on ruled paper; reserved by Mr. JONES of New Mexico and Mr. CALDER.

Page 181, paragraph 1406, lines 18 and 19, straw hats; reserved by Mr. CALDER.

Page 193, paragraph 1430, laces and embroideries; reserved by Mr. JONES of New Mexico.

Page 195, line 14, in paragraph 1431, leather; reserved by Mr. CALDER.

Page 199, line 15, in paragraph 1438, ivory tusks, etc.; reserved by Mr. CALDER.

Page 201, paragraph 1444, rosaries, chaplets, etc.; reserved by Mr. REED of Missouri.

Page 236, a new paragraph, 1671a, relative to free importation of tomatoes during certain months; reserved by Mr. TRAMMELL and Mr. FLETCHER.

Page 238, paragraph 1683, logs, etc.; reserved by Mr. JONES of Washington.

Page 267, line 16 to line 20, in section 312, bonded smelting warehouses; reserved by Mr. JONES of New Mexico.

Page 272, and following, sections 315, 316, and 317, the executive powers; reserved by Mr. OVERMAN.

Page 286, section 321, embargo on dyes, reserved by several Senators.

Mr. McCUMBER. Mr. President, if the Secretary has concluded the reading of the list of reserved amendments——

The PRESIDENT pro tempore. Allow the Chair to make one observation before recognizing the Senator from North Dakota. This is the proper time and the last opportunity for reservations for separate votes upon amendments agreed to as in Committee of the Whole; and if any Senator desires to make a reservation which is not found upon the list which the Secretary has read, this is the time to do it.

Mr. McCUMBER, Mr. TRAMMELL, and Mr. HARRISON addressed the Chair.

The PRESIDENT pro tempore. The Senator from North Dakota.

Mr. McCUMBER. I desire to add to the reservations of amendments which have been read by the Secretary the following reservation:

On page 3, line 7, where the motion to strike out the word "paracetaldehyde" and to insert in lieu thereof the words "and paracetaldehyde, 20 per cent ad valorem," was agreed to.

Mr. McLEAN. Mr. President, on page 198, paragraph 1435a, I wish to reserve a separate vote on the following amendments:

Line 2, to strike out the words "valued at more than $40 each"; and in line 1 to strike out the words "valued at more than $70 each."

Mr. JONES of Washington. On page 91, paragraph 402, there is a portion of the amendment which the Secretary has read as having been reserved by me. That is the paragraph relating to logs, which was stricken out and transferred to the free list. The Secretary only indicated the item in the free list. I also wish to reserve the item which was stricken out on page 91, paragraph 402.

Mr. LENROOT. Mr. President, if a reservation has not already been made of the amendments of the committee on page 29, lines 8 and 9, I wish to make the reservation.

Mr. BRANDEGEE. Mr. President, I do not know whether all the Senators who are now present were here last night, but I wish to call the attention of Senators, in connection with the reservations for separate votes that are being requested, to page 11515 of the RECORD of August 17, where the following appears:

Mr. LENROOT. Then, Mr. President, I ask unanimous consent that while the bill is in the Senate, if any Senator desires to offer an amendment to a committee amendment which has been concurred in en bloc, unanimous consent shall be given for reconsideration for that purpose only.

Mr. McCUMBER. I do not object to that.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and it is so ordered.

So that, as it seems to me, if I may say so, in the way of a parliamentary inquiry, after all the committee amendments have been agreed to en bloc, the Senate has already given unanimous consent that the vote by which any one of those amendments was concurred in may be reconsidered and amendments be offered to it and voted upon.

Mr. LENROOT. For the purpose only of offering amendments.

Mr. BRANDEGEE. I say it may be reconsidered and amendments may be offered to the amendment, and the amendment which is offered may be voted upon; which is equivalent to a separate vote in the Senate, so far as the proposition of amending the amendment is concerned.

The PRESIDENT pro tempore. The observation of the Chair to which the Senator from Connecticut [Mr. BRANDEGEE] has referred is a little too broad. The unanimous-consent agreement does not cover the whole situation.

Mr. McCUMBER. Mr. President, I was going to suggest at the proper time a unanimous-consent agreement that we pass upon all of the reserved amendments before we concur in the amendments en bloc. That will very materially assist in facilitating the business of the Senate, and will obviate the necessity of a request for a reconsideration of the vote by which each paragraph was agreed to. I also desire to couple with that request for unanimous consent an additional request for unanimous consent that whenever a paragraph is reserved for a separate vote in the Senate any amendment to that paragraph may then be considered and the paragraph be disposed of.

Mr. SMITH. Mr. President, on page 193, paragraph 1430, I reserve the amendment which I will send to the desk and have read when the opportunity presents itself for me to offer it.

Mr. ASHURST. Mr. President, on page 120, line 19, I desire to reserve a separate vote on the amendment I have heretofore offered and which has been voted upon, striking out the numeral "7" and inserting the numeral "10."

The PRESIDENT pro tempore. The amendments being reserved are those which were agreed to as in Committee of the Whole.

Mr. ASHURST. I thank the Chair. I will reserve the amendment which I have indicated for a separate vote.

The PRESIDENT pro tempore. An amendment that may be proposed is not material at this time.

Mr. WALSH of Massachusetts. I should like to reserve for a separate vote in the Senate paragraph 1102, placing a duty upon certain wools.

Mr. JONES of New Mexico. Mr. President, a parliamentary inquiry. The Senate as in Committee of the Whole adopted a new section relating to the Tariff Commission. As in Committee of the Whole I offered a substitute for that provision, which was not adopted. My inquiry is, Is it necessary to reserve a separate vote upon that section in order to secure another vote upon the subject?

The PRESIDENT pro tempore. The Chair understands that the amendment offered by the Senator from New Mexico was not agreed to?

Mr. JONES of New Mexico. It was not.

The PRESIDENT pro tempore. Then, it is not necessary to reserve it.

Mr. FLETCHER. Mr. President, at the time we were considering paragraph 333, relating to the duty on horseshoes, it was passed over. I was not present later when it was considered, and I do not know just what shape it is now in; but I reserve a vote on paragraph 333, page 66.

Mr. SHORTRIDGE. Mr. President, I desire to reserve for a separate vote in the Senate the item in respect to citrate of lime, the House having fixed a certain rate, the committee reporting a certain rate. We asked to have it increased and the Senate as in Committee of the Whole passed upon the matter.

The PRESIDENT pro tempore. On what page and paragraph?

Mr. SHORTRIDGE. On page 20, paragraph 46.

The PRESIDENT pro tempore. Does the Senator from North Dakota desire to present his request for unanimous consent?

Mr. McCUMBER. I ask unanimous consent that the reserved amendments, and so forth, may be disposed of before the unreserved amendments are adopted en bloc, and that during the time when reserved amendments are under consideration the paragraph to which any such amendment may relate may be subject to any amendment which may be offered.

The PRESIDENT pro tempore. The Chair prefers that the request be reduced to writing so that there may be no misunderstanding about it as we proceed with the disposition of these amendments.

Mr. McCUMBER. I have just stated the request, and I think it can be read as I have given it.

Mr. LODGE. Mr. President, in connection with the request for unanimous consent which is asked——

Mr. WATSON of Georgia. Mr. President, we are being asked to agree to enter into a unanimous-consent agreement which we can not hear. We should like to hear distinctly what it is we are asked to consent to unanimously.

Mr. McCUMBER. I can state the request to the Senate, if I may have order while I am doing so. We entered into a unanimous-consent agreement yesterday evening that any unreserved amendments might be amended, although they were adopted in block. Now, to avoid the reconsideration of any one of that block of amendments in order to offer an amendment, I asked unanimous consent that we might consider these reserved amendments and that at the same time we considered those reserved amendments the paragraph to which the amendment relates might be subject to such further amendment as might be offered. We could then dispose of the paragraph at one time, without going back to it again after we have adopted or rejected the reserved amendment and then subjecting the same paragraph to other amendments. The purpose of this simply was to facilitate the disposition of each one of these amendments.

Mr. LENROOT, Mr. LODGE, and Mr. BRANDEGEE addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from North Dakota yield; and if so, to whom?

Mr. McCUMBER. I yield to the Senator from Wisconsin.

Mr. LENROOT. I should just like to suggest that that would be entirely agreeable provided we could dispose of all the committee amendments by 4 o'clock to-morrow; but if that agreement were made and individual amendments were offered to each paragraph we might reach 4 o'clock to-morrow without the committee amendments being disposed of.

Mr. LODGE. Precisely. I was about to make that point myself.

Mr. McCUMBER. Very well. We can meet that, then, by simply having a unanimous-consent agreement that we shall first consider the reserved amendments in the order in which they have been taken down by the Secretary and read to the Senate.

Mr. LODGE. Mr. President, under the rules of the Senate the amendments to be agreed to in block, unless I am mistaken, must be put first. After the reservations are made, the practice is to put the question on those that are not reserved, and to which it is assumed there is no objection. The trouble with this, it seems to me, is that we may find ourselves to-morrow with the hour of 4 o'clock striking—for evidently there are many amendments and many reservations—and we shall have to vote on the bill without the Senate having agreed to the great mass of unobjected amendments. I think that is a great risk to take.

The PRESIDENT pro tempore. The Senator from Massachusetts has stated the rule correctly.

Mr. McCUMBER. That is certainly correct.

The PRESIDENT pro tempore. It provides that the first question after a bill passes into the Senate shall be, Will the Senate concur in the amendments which have been made as in the Committee of the Whole?

Mr. McCUMBER. Of course, Mr. President; but that can be changed by a unanimous-consent agreement.

The PRESIDENT pro tempore. The Chair is inclined to think it can be changed by unanimous consent.

Mr. LODGE. I think it can, but that is just what I object to. I think we run the risk of finding ourselves voting on the bill without any amendments agreed to except the few that may be agreed to in the next 24 hours.

Mr. McCUMBER. If the Senator objects to it, of course the only difference will be that possibly we will have to reconsider very many of these amendments which we agreed to in block.

Mr. LENROOT. But it will not be necessary to put that question, because we already have unanimous consent to reconsider in those cases.

Mr. McCUMBER. Yes. Very well; I will withdraw the request, Mr. President.

The PRESIDENT pro tempore. The request is withdrawn. The question is upon concurring in the Senate in the amendments which have been agreed to as in Committee of the Whole, with the exception of those amendments which have been reserved for a separate vote.

The amendments made as in Committee of the Whole, not reserved, were concurred in.

The PRESIDENT pro tempore. The Secretary will read the first amendment so reserved.

Mr. UNDERWOOD. The understanding, Mr. President, is that the amendments will come up now in the order in which they were reserved?

The PRESIDENT pro tempore. Unless the Senate otherwise directs, they will be presented in the order in which they are found in the bill.

Mr. UNDERWOOD. In the order in which they are found in the bill? I just wanted to know what the rule was.

The PRESIDENT pro tempore. The Chair does not know of any rule in regard to that.

Mr. UNDERWOOD. I mean, I wanted to know the holding of the Chair so that there may not be confusion. I have no interest in the matter, but I should like to know the order in which they are to come up. They can either come up in the order in which they have been reserved and are on this paper that was read or they can come up in the order in which they are found in the bill. I ask the Chair which order he intends to observe?

The PRESIDENT pro tempore. The Chair understands that the Secretary will read them in the order in which they are found in the bill.

Mr. UNDERWOOD. Then, I ask unanimous consent that it may be understood that the reserved amendments shall be taken up in the order in which they are found in the bill.

The PRESIDENT pro tempore. Is there objection?

Mr. SIMMONS. Mr. President, I understood that a list had been made of all the reserved amendments.

Mr. LODGE. It has, and it has been read.

Mr. SIMMONS. Why would it not be better, then, to take up the amendments in the order in which they appear upon that list?

Mr. LODGE. As I understand, that is just what the Senator from Alabama asks for. The list was made on the basis of the bill.

Mr. UNDERWOOD. I just wanted a permanent order. I do not care which way it is made, but I wanted a permanent order made so that we can know what we are doing; that is all.

Mr. BRANDEGEE. Mr. President, was the list of the reserved amendments, as read by the Secretary, a list in the order in which they occur in the bill?

The PRESIDENT pro tempore. It is.

Mr. BRANDEGEE. Very well. Then, it is immaterial which order is made. I ask unanimous consent that the reserved amendments may be considered in the order in which they appear in the list read by the Secretary.

Mr. UNDERWOOD. That is the same thing.

The PRESIDENT pro tempore. The Secretary read them in the order in which they are found in the bill.

Mr. BRANDEGEE. That is the reason why I am in favor of it.

Mr. McCUMBER. But after the Secretary read those, there were quite a number of others found; and I do not know whether they were put on in the regular order or not.

The PRESIDENT pro tempore. They were put upon the list in the order in which they are found in the bill.

Mr. McCUMBER. Very well; that covers it.

Mr. McCORMICK. Mr. President, do I understand that an amendment not formally reserved may not be considered in the Senate?

The PRESIDENT pro tempore. An amendment that was agreed to in Committee of the Whole and not reserved will be subject to the——

Mr. McCORMICK. No; an amendment which was not agreed to in Committee of the Whole.

Mr. LODGE. It will have to be reoffered.

The PRESIDENT pro tempore. An amendment which was not agreed to is as open as an amendment can be. It can be offered at any time when the bill is in the Senate.

Mr. McCORMICK. I just wanted to be sure.

The PRESIDENT pro tempore. The Secretary will read the first amendment reserved.

Mr. UNDERWOOD. Mr. President, I should like to know whether that unanimous-consent agreement was made—not that it is material, except that I think we should have an orderly procedure and stand by it. Has it been agreed that these amendments shall be read as they appear on this list?

The PRESIDENT pro tempore. The Chair heard no objection to the request for unanimous consent preferred by the Senator from Alabama, and it is so ordered.

The ASSISTANT SECRETARY. On page 3, line 7, the Senator from North Dakota [Mr. McCUMBER] reserved the amendment by which the Senate, as in Committee of the Whole, struck out the word "paracetaldehyde" and inserted the words "and paracetaldehyde, 20 per cent ad valorem" and a semicolon.

The PRESIDENT pro tempore. The question is upon concurring in the amendment made as in Committee of the Whole.

Mr. McCUMBER. Mr. President, I wish to state briefly what occurred yesterday when this amendment was offered:

> Mr. FRANCE. I offer an amendment which I send to the desk.
> The PRESIDENT pro tempore. The Secretary will state the amendment.
> The ASSISTANT SECRETARY. On page 3, line 7, to strike out the word "paracetaldehyde" and to insert in lieu thereof the words "and paracetaldehyde, 20 per cent ad valorem."
> Mr. FRANCE. This merely slightly reduces the duty on some chemicals not manufactured in this country. I believe the chairman of the committee has no objection to the amendment, and I hope it may be adopted.

Mr. President, I think the Senator from Maryland was mistaken when he said that these were chemicals not manufactured in this country. They are synthetic chemicals, coal-tar products, and I think should bear the same rate of duty that other coal-tar products bear. In addition to that, Mr. President, I understand that there is a great deal of capital invested to-day in the manufacture of this product in the United States, and that this amendment will seriously handicap, if not destroy, the business in this country. Therefore I ask that that amendment be not concurred in.

The PRESIDENT pro tempore. The question is upon concurring in the amendment made as in Committee of the Whole.

The amendment was nonconcurred in.

The PRESIDENT pro tempore. The Secretary will state the next amendment reserved.

The ASSISTANT SECRETARY. On pages 10, 11, and 15, five amendments offered by the Senator from New Mexico [Mr. BURSUM] to synthetitc chemicals and explosives were considered as one amendment.

The first of those amendments, in paragraph 25, page 10, strikes out in line 17 "50 per cent ad valorem and 7 cents per pound" and inserts in lieu thereof the following words:

> Seventy-five per cent ad valorem based upon American selling price (as defined in division (f) of section 402, Title IV) of any similar competitive article manufactured or produced in the United States, and 10½ cents per pound. If there be no similar competitive article manufactured or produced in the United States, then the ad valorem rate shall be based upon the foreign value or the export value, whichever is the higher, as defined in paragraphs (a), (b), and (c) of section 402, Title IV. For the purposes of this paragraph any coal-tar products provided for in this act shall be considered similar to or competitive with any imported coal-tar product which accomplishes results substantially equal to those accomplished by the domestic product when used in substantially the same manner: *Provided*, That no duty imposed under this paragraph shall be increased under the provisions of section 315.

The PRESIDENT pro tempore. In the Committee of the Whole the five amendments proposed by the Senator from New Mexico were considered as one amendment, and they will be so considered in the Senate.

Mr. MOSES. Mr. President, when this action was taken in the Committee of the Whole last night I reserved a separate vote on the amendment in the Senate. The Senate, however, by such a decisive majority decided in favor of the rates contained in the amendment offered by the Senator from New Mexico that I have no desire to detain the Senate and waste its time, in view of the limited number of hours at our disposal. I therefore shall not press the right to a separate vote which I asked for last night.

Mr. LODGE. Mr. President, for information, the amendment read by the Secretary——

Mr. SIMMONS. Mr. President, there is so much confusion in the Chamber that I can not hear a word the Senator is saying.

Mr. LODGE. I will try to make the Senator hear.

Mr. SIMMONS. I know the Senator is trying to make me hear, but the Senate will not permit me to hear.

Mr. LODGE. They do not permit it, but I will try to penetrate the noise if I can. I asked whether the amendment offered by the Senator from New Mexico last night and adopted by a decisive majority in regard to the duty on dyes is not practically the same as the one which has just been read as a reservation?

Mr. MOSES. It is the one.

Mr. LODGE. That is what I supposed. Then why should we waste our time over it now?

The PRESIDENT pro tempore. It was reserved for a separate vote, and it must be voted on at this time.

Mr. LODGE. I understand.

Mr. SMOOT. Mr. President, I do not believe Senators know in detail what their vote meant yesterday. If this amendment is adopted it means that every dye and chemical the product of coal tar coming into this country shall pay 90 per cent ad valorem and 10½ cents per pound specific. Do Senators realize what burden they are placing upon the users of these dyes and chemicals?

Mr. BURSUM. Mr. President, I know the Senator does not desire to mislead us in this matter, but on the dyes which are not manufactured here and which we are obliged to bring in from the outside the foreign valuation applies, so that the duty is less, of course.

Mr. SMOOT. Mr. President, the duty is not less. The duty is only less as far as the transfer from the American to the foreign valuation is concerned, but the duty is still 90 per cent ad valorem and 10½ cents a pound.

Mr. BURSUM. But 90 per cent on the American and 90 per cent on the foreign valuation are entirely different propositions.

Mr. SMOOT. It is an embargo a thousand times over, and worse than an embargo.

This means that every coal-tar product which is not made in the United States will bear a rate of duty of 90 per cent ad valorem and 10½ cents per pound. In other words, in most of the cases of goods coming into this country they would have to pay a rate of duty so high that it is a crime to impose it.

Mr. FRELINGHUYSEN. Will the Senator support an embargo, if this provision is defeated?

Mr. SMOOT. I say that I would rather a thousand times have an embargo than this provision, and so would the Senator from New Jersey. If the Senator from New Jersey will tell the Senate what he really believes, he will say that he would rather have the embargo than this provision; and he wants to protect this industry, and so do I. But this means that no matter whether a similar product is made in this country or not, there is to be a duty of 90 per cent on importations and 10½ cents specific. If the item costs 10½ cents a pound, then the specific duty is 100 per cent, and the ad valorem duty is 90 per cent besides. Why load the American user with that kind of a burden?

Mr. SIMMONS. Mr. President, will the Senator yield?

Mr. SMOOT. I have only a few moments.

Mr. SIMMONS. I just want to ask a question. What will be the aggregate increase over the duties in the bill if we raise the rate to 90 per cent ad valorem and 10½ cents specific, and then adopt the American valuation?

Mr. SMOOT. Of course, if we adopt American valuation, none of the articles can come into this country, even if they are given away, without paying to the importer a certain amount of money. In answer to the other question of the Senator, I will say that it is a 50 per cent raise over and above the rates put in the bill, which I supported.

Mr. SIMMONS. Changing from the American to the foreign valuation would probably double the rate, or more than double it?

Mr. SMOOT. It would more than double it as to these items. I want to say to the Senator from New Jersey that rather than have this outrageous thing put into law I would prefer to vote for the limited embargo. I will say further to the Senator from New Jersey that no human being can defend this before the American people. It is impossible of successful defense.

Mr. McCUMBER. Mr. President, the embargo provision was defeated by a vote in the Committee of the Whole some time ago. The Committee on Finance reported in favor of an embargo. I agree entirely with the Senator from Utah that this will be a complete embargo. That is why I shall vote for it.

Mr. FRELINGHUYSEN. Mr. President, I offered the amendment to the bill providing for an embargo of one year, with a further provision allowing the President, if it was necessary, to extend it for another year. That was defeated in the Committee of the Whole.

I had an amendment prepared to offer in the Senate. I am not convinced that the Senate is willing to vote for an em-

bargo. I believe that this industry needs all of the protection which can be given in this bill, and therefore I am in favor of the rates imposed in the Bursum amendment, because I want to see the industry preserved in this country. I am willing to take my chances that some of these rates are too high, and stand for a readjustment under the presidential power; but my primary interest in this amendment is that it protects the industry beyond the original provision for rates in this bill.

When you realize that England has provided a subsidy of $50,000,000 to encourage an independent dye industry, and embargoes against other countries; when you realize that Italy has an embargo; that Japan guarantees 8 per cent return and profit to every dye industry established within her country; when you realize that France has an embargo, you must understand that it is necessary for us to adopt drastic provisions to protect this industry, which has grown from an investment of $3,000,000 capital, when the war broke out, to $174,000,000 capital; and that, apart from this, the chemical industry in this country has expanded until to-day it represents an investment of $2,500,000,000.

Germany dominated the dye industry prior to the war. The question now is whether we shall protect this industry and make it independent in this country. There are in my State 55 plants; and I am not referring to the Du Ponts, or the Allied Chemical Corporation. There are 55 individual plants, with capital from $1,000 to $1,000,000, which have been built up under this embargo. They are manufacturers who, when called upon by the textile interests of the country to furnish dyes, conducted experiments and furnished dyes to the American textile industry, and kept the workers employed during the war.

There is a higher motive in my desire to have the protective duties in this amendment adopted, and that is the question of national defense. When we realize that it was due to the genius of the German chemists, and the advance in the science by the German industries, that enabled Germany to get almost to the channel ports; when we realize that the next war will be fought with chemicals, I think it is our patriotic duty to give this industry the highest protection that can be imposed. Therefore, that is why I am for this amendment, realizing that there are not enough votes in this Chamber to pass the embargo provision, although I would have preferred that policy to this.

Mr. BURSUM. Mr. President, it is idle to debate whether or not the rates are based upon equity, and whether or not they are exactly just. Everyone knows that with a multitude of rates and thousands of dyes, it would be impossible for Congress to definitely fix the multitude of rates which would be required to cover this industry. Even the Tariff Commission, our scientific agency, do not feel equipped at this time to provide these rates within any very short period.

There is no hazard to be risked by the enactment of this amendment, so far as the country is concerned.

We can trust the President and our Tariff Commission to frame a just and equitable rate at the earliest possible opportunity, and in the meantime the amendment simply tides this great industry over until those rates can be promulgated by the President under and by virtue of section 315.

No nation can be considered as a leading nation among the nations of the world unless it can establish within its borders superiority in chemistry, and that applies not only to national defense but to the development of every industry. It applies to the development of our farms, and to nearly every other line of business.

It has not been long since we sent to the other side of the seas 2,000,000 Americans to suppress the ambition of Germany to set up an autocracy of the world. American blood was shed on foreign soil to save the world, and if we are to allow this industry now to perish, that shedding of blood will have been in vain. We will have set aside what was obtained through the great World War. We will have put America at the mercy of the Germans again.

I say that when Mr. du Pont wrote the Senator from Utah that he favored the manufacture of all dyes in this country he was right, and I am in favor of Americans making these dyes. There is no reason why they should not make them as well as the manufacturers in any other country on the face of the earth, and if we make these dyes we will have the money at home and we will have the dyes. We will have them available for the country's defense, and the country can compete with any nation on the earth.

I think the amendment ought to be concurred in.

Mr. EDGE. Mr. President, in connection with the consideration of this subject there appeared in Washington yesterday a delegation of 50 or more young men who have been engaged and are engaged as working chemists in some of the plants throughout the country. They prepared what appeals to me as a very interesting statement of their interest in this matter, and as it is short, I would like to have the Secretary read it in my time.

The PRESIDENT pro tempore. The Secretary will read the statement.

The reading clerk read as follows:

WASHINGTON, D. C., *August 16, 1922.*

To the President and Members of the Congress:

We are chemists employed in the research, operating, and analytical departments of manufactories of drugs, dyestuffs, and other organic chemicals. We want you to know what will be the position of America's chemists of to-day and the future if this industry is permitted again to fall under German control.

The events of the past two weeks have suddenly made clear to us the danger to us and our science. The omission of the selective embargo from the pending tariff will mean the permanent loss of the organic chemical industry to America.

We approach this matter as chemists do, from a scientific and humanitarian standpoint, in a simply logical fashion. We want to present the chemists' point of view. We believe that this has not yet been done effectively.

We have spent from four to six years in collegiate courses specializing in some branch of chemistry, a highly technical subject. The last few years we have devoted whole-heartedly to the advancement of America's knowledge and ability in organic chemistry. Failure to include in the tariff bill the one positive guaranty of our continued existence will sweep into oblivion our time, our positions, and, above all, our special training.

Already the results are apparent in this industry. No man among us to-day can advise his younger brothers to take up this work with any hope of reward—indeed, he would even have no hope for a job. We ourselves can not see ahead opportunities for making a living.

Already research work, which can be accomplished by trained chemists alone, has been discontinued, even abandoned. But few will endow research for its own sake, and the work accomplished under such auspices, excellent though it may be, must be far less than our important position in the world demands.

Plainly, the industry which he had hoped to make our life work faces financial disaster. Daily additional firms are overtaken by it. There is no one to whom the trained chemists thus abandoned by the wayside can turn to use their special abilities and knowledge. The remaining firms are overburdened now.

New and enlarged facilities and instructing staffs recently provided in many of our educational institutions call for still more new students. They will not come under present circumstances. More than $40,000,000 are now invested in buildings and equipment devoted to chemical instruction and research in the colleges and universities throughout the country. Recent investments in chemical educational facilities include: New York, $6,700,015; Massachusetts, $4,146,017; Ohio, $3,196,204; Connecticut, $3,786,495; Pennsylvania, $2,444,521; Minnesota, $2,351,210; Illinois, $1,886,983; California, $1,390,587; Michigan, $1,390,850; and Indiana, $1,098,726. Shall these facilities be scrapped and the instructors sent out into the already overcrowded field? They must be unless we retain our organic chemical victory so hard fought for and dearly won.

The world to-day depends on the chemist for its advancement. Who is to replace gasoline and create new lubricants? Who has replaced the silkworm? Who is to lead in eliminating present manufacturing waste? The chemist. There is no industry where his works can not be seen. Is this industry which is a training school in knowledge and technique—this industry which is peculiarly the chemist's own to be discontinued by lack of knowledge, by inattention, or, we hesitate to think, by neglect?

Transcending the chemist's own welfare, however, is the future of all the people of our country beside which that of the chemist is negligible. Dyes we could live without, but those new therapeutics of recent years have become indispensible. Without this industry, whence will come those sinews of defense which we were so slow in producing in the war should the time again come when they must be had to preserve our personal and national lives? The knowledge which will enable us to maintain a position of equality can be gained only through constant research.

America must not abandon this industry. We must continue to increase our power. The administration has assured us that we shall be permitted to live, and this we entreat—yes; demand—shall be kept for the welfare of our fellow citizens, for ourselves, and for American posterity.

COMMITTEE OF AMERICAN CHEMISTS,
A. J. PASTENE, *Chairman.*

During the reading of the statement—

Mr. SIMMONS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state the inquiry.

Mr. SIMMONS. I make the inquiry as to whether a Senator may be allowed more than 10 minutes for the reading of an article?

The PRESIDENT pro tempore. When the 10 minutes have expired, the reading will cease.

Mr. FRELINGHUYSEN. Mr. President, may I inquire if I have any further time on the amendment?

The PRESIDENT pro tempore. The unanimous-consent agreement provides that no Senator shall speak more than once nor longer than 10 minutes after the bill is in the Senate. The Senator from New Jersey has spoken once and therefore can not be recognized again on the amendment.

Mr. SIMMONS. Mr. President, as I discussed this matter last night, I do not desire to discuss it at length again. The Senator from Utah [Mr. SMOOT], who is familiar with it, has advised us that the placing of these rates upon the American

valuation instead of upon the foreign valuation, upon which all other rates in the bill are based, would increase the rates of the bill, at least 100 per cent, as I understood, and I think that is a correct statement on the part of the Senator from Utah.

The rates in the present bill, to which the Senate has heretofore agreed, are 50 per cent ad valorem and 7 cents a pound. The amendment we are now considering would increase that ad valorem from 50 to 90 per cent and the specific rate from 7 to 10 cents. That would be undoubtedly an increase in the rate to the extent of certainly not less than 50 per cent. A 90 per cent duty upon the foreign valuation basis would be 180 per cent duty upon the American valuation. So the effect of the amendment is practically to impose an ad valorem rate of 180 per cent, plus a specific rate of 10 cents a pound, upon the various dye products mentioned in the paragraph.

There are two objections to this amendment, Mr. President: First is the fundamental objection that, having imposed the foreign valuation throughout the bill, we now propose with reference to this particular item to substitute the American valuation, a principle which the Finance Committee itself has overwhelmingly condemned as unsound and a proposition which, if it were to be applied to the general items in the bill, would be overwhelmingly voted down by the Senate. It is proposed to establish that principle and write it into the bill with reference to the enormous quantity products which are the result of the operation of the dye industry in this country. I object to it for that reason.

I object to it also, Mr. President, upon the ground that we have repudiated the idea of an embargo upon dyestuffs. That was discussed thoroughly in the Senate in Committee of the Whole and was voted down. The embargo which we voted down was only a limited embargo and was to expire at the end of one year, with the privilege of renewing it only for an additional year. Its possible life was only two years, but we voted it down. Now, here we have revived the principle of an embargo, for these duties admittedly are an embargo. No man can question the fact that 150 per cent ad valorem plus 10 cents a pound on dyestuffs would be an embargo in effect. Now, we have revived the principle of the embargo and it is not limited in the amendment to two years, but on the contrary once the amendment is written into the law it would become a permanent law of the United States until repealed.

I want to say to Senators on this side of the Chamber that we have voted against the American valuation principle or announced ourselves against it. We have voted against an embargo. Shall we now stultify ourselves by voting not only for an embargo but voting for the American valuation and voting in effect for a permanent embargo in favor of an industry which we have already favored more than any other industry ever was favored before? When we first began to raise the duties upon these articles at the request of the manufacturers they told us that the raise was all they required in order to enable them to meet German competition, and that was before we went into the war.

The PRESIDENT pro tempore. The Senator from North Carolina will suspend while the Senate receives a message from the House of Representatives.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the Speaker of the House had signed the following enrolled bills and joint resolutions, and they were thereupon signed by the President pro tempore:

H. R. 314. An act for the relief of Forrest R. Black;

H. R. 6817. An act to authorize the Secretary of the Interior to issue patent to the State of Michigan, in trust, of a certain described tract of land to be used as a game refuge;

H. R. 7598. An act authorizing the Secretary of the Interior to dedicate and set apart as a national monument certain lands in Riverside County, Calif.;

H. R. 7812. An act to extend the time for cutting timber in the Coconino and Tusayan National Forests, Ariz.;

H. R. 8244. An act permitting Frances Mack Mann to purchase certain public lands;

H. R. 8845. An act for the relief of Mattie Alexander;

H. R. 9048. An act to authorize the California Débris Commission to reimburse the city of Sacramento, Calif., for money expended by said city in the construction of the Sacramento weir;

H. R. 9257. An act to permit adjustment of conflicting claims to certain lands in Mohave County, Ariz.;

H. R. 9746. An act for the relief of Emmett Otto Cooney;

H. R. 9814. An act amending the proviso of the act approved August 24, 1912, with reference to educational leave to employees of the Indian Service;

H. R. 10517. An act providing for the confirmation of title of certain purchasers from the State of Louisiana of lands formerly included in the Fort Sabine Military Reservation, in Cameron Parish, La., now abandoned;

H. R. 10957. An act to rebuild the school building of the Indian school near Tomah, Wis.;

H. R. 11054. An act to validate certain deeds executed by members of the Five Civilized Tribes, and for other purposes;

H. R. 11233. An act authorizing the Secretary of Commerce to convey certain land to the county of Muscatine, Iowa;

H. J. Res. 170. Joint resolution to approve the holding of a national and international exhibition in the city of Philadelphia in 1926 upon the Fairmount Park and parkway site selected by the Sesquicentennial Exhibition Association, and lands contiguous thereto that may be acquired for that purpose, as an appropriate celebration of the one hundred and fiftieth anniversary of the signing of the Declaration of Independence; and

H. J. Res. 316. Joint resolution authorizing the reappointment of Frederick Mears as a commissioned officer of the Regular Army and making him available, when so reappointed, for service as chairman and chief engineer of the Alaskan Engineering Commission.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 64) providing for the assembling of the two Houses at 12.15 to-day in the Hall of the House of Representatives for the purpose of receiving a communication from the President of the United States, in which it requested the concurrence of the Senate.

JOINT MEETING OF THE TWO HOUSES.

Mr. LODGE. I ask unanimous consent that the Senate concur in the concurrent resolution just presented from the House.

The PRESIDENT pro tempore. The Chair lays before the Senate a concurrent resolution from the House of Representatives, which will be read.

The concurrent resolution (H. Con. Res. 64) was read, considered by unanimous consent, and agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Friday, the 18th day of August, 1922, at 12.15 o'clock in the afternoon, for the purpose of receiving such communication as the President of the United States shall be pleased to make to them.

Mr. LODGE. Mr. President, in accordance with the terms of the concurrent resolution just agreed to, I move that the Senate take a recess, to reconvene immediately after the delivery of the message of the President.

The motion was agreed to.

The PRESIDENT pro tempore. In accordance with the concurrent resolution of the two Houses, the Senate will proceed to the Hall of the House of Representatives to receive a communication from the President of the United States. The Sergeant at Arms will take charge.

Thereupon the Senate, preceded by its Sergeant at Arms, the President pro tempore, and the Secretary, proceeded to the Hall of the House of Representatives.

ADDRESS BY THE PRESIDENT OF THE UNITED STATES.

The address of the President of the United States this day delivered at the joint meeting of the two Houses of Congress is as follows:

GENTLEMEN OF THE CONGRESS: It is manifestly my duty to bring to your attention the industrial situation which confronts the country. The situation growing out of the prevailing railway and coal-mining strikes is so serious, so menacing to the Nation's welfare, that I should be remiss if I failed frankly to lay the matter before you and at the same time acquaint you and the whole people with such efforts as the Executive branch of the Government has made by the voluntary exercise of its good offices to effect a settlement.

The suspension of the coal industry dates back to last April 1, when the working agreement between mine operators and the United Mine Workers came to an end. Anticipating that expiration of contract, which was negotiated with the Government's sanction in 1920, the present administration sought, as early as last October, conferences between the operators and miners in order to facilitate either a new or extended agreement in order to avoid any suspension of production when April 1 arrived. At that time the mine workers declined to confer, though the operators were agreeable, the mine workers excusing their declination on the ground that the union officials could have no authority to negotiate until after their annual convention.

A short time prior to the expiration of the working agreement the mine workers invited a conference with the operators in the central competitive field, covering the States of Pennsylvania, Ohio, Indiana, and Illinois, and in spite of the union declination of the Government's informal suggestion for the

conference, five months before, the Government, informally but sincerely, commended the conference, but it was declined by certain groups of operators, and the coal-mining controversy ended in the strike of April 1. It was instantly made nation-wide, so far as the organized mine workers could control, and included many districts in the bituminous field where there was neither grievance nor dispute, and effected a complete tie-up of the production in the anthracite field.

It is to be noted that when the suspension began large stocks of coal were on hand, mined at wages higher than those paid during the war, there was only the buying impelled by necessity, and there was a belief that coal must yield to the postwar readjustment. When the stocks on hand began to reach such diminution as to menace industry and hinder transportation, approximately June 1, overtures were initiated by the Government in the hope of expediting settlement. None of these availed. Individual and district tenders of settlement on the part of operators—in some instances appeals for settlement—were wholly unavailing. The dominant groups among the operators were insistent on having district agreements; the dominant mine workers were demanding a nation-wide settlement. The Government being without authority to enforce a strike settlement in the coal industry, could only volunteer its good offices in finding a way of adjustment.

Accordingly, a conference of the coal operators' associations and the general and district officials of the United Mine Workers was called, to meet in Washington on July 1. The designation of representation was left to the officials of the various organizations, and there was nation-wide representation, except from the nonunion fields of the country. Before the joint meeting I expressed the deep concern of the country and invited them to meet at a conference table and end the disputes between them. The conference did not develop even a hope. The operators were asking for their district or territorial conferences; the workers demanded national settlement on old bases. Appraising correctly the hopelessness of the situation, I again invited both operators and workers to meet with me, and tendered a means of settlement so justly inspired that it was difficult to see how anyone believing in industrial peace and justice to all concerned could decline it. In substance, it called on the operators to open their mines, on the mine workers to resume work at the same pay and under the same working conditions as prevailed at the time the strike began. In turn, the Government was to create at once a coal commission, or two of them, if preferred by all parties to the dispute, so that one could deal with the bituminous situation, the other with the problems in the anthracite field.

Among the commissioners were to be representatives of the operators, representatives of the mine workers, and outstanding, disinterested, and able representatives of the American public. The commission was to be instructed to direct its first inquiry to the rate of wage to be paid for the period ending next April 1, and then to enter upon a fact-finding inquiry into every phase of the industry, and point the way to avoid future suspensions in production. The disputants all indorsed the suggestion of a fact-finding commission. The anthracite operators promptly accepted the entire proposal. The mine workers refused to resume work under the arbitration plan. The majority of the bituminous operators filed an acceptance, but a considerable minority declined the proposal.

Under these circumstances, having no authority to demand compliance, the Government had no other course than to invite a resumption of production under the rights of all parties to the controversy, with assurance of Government protection of each and every one in his lawful pursuits. This fact was communicated to the governors of all coal-producing States, and with two exceptions assurances of maintained law and order were promptly given. In some instances concrete proof of effective readiness to protect all men, strikers and nonstriking workmen alike, was promptly given. But little or no new production followed. The simple but significant truth was revealed that, except for such coal as comes from the districts worked by nonorganized miners, the country is at the mercy of the United Mine Workers.

Governors in various States reported that their operators and miners had no dispute and were eager to resume production. District leaders informed me that their workmen were anxious to return to their jobs but that they were not permitted to do so. Hundreds of wives of workmen have addressed the White House, beseeching a settlement, alleging that they knew no grievance, and there is an unending story of appeals for relief where necessity or suffering were impelling, where a mere expression of need ought to find ready compliance.

At every stage the Government has been a just neutral regarding wage scales and working contracts. There are fundamental evils in our present system of producing and distribution which make the wage problem difficult. In the bituminous coal fields are vastly more mines than are requisite to the country's needs, and there are 200,000 more mine workers than are needed to produce in continuous employment the country's normal requirements. By continuous employment I mean approximately 280 working days in the year. In many instances last year men were employed less than 150 days, in some cases much fewer than that. In the overmanned sections men divide the working time, and high wages are necessary to meet the cost of the barest living. Interrupted transportation, sorely broken employment, the failure to develop storage against enlarged demands and inadequate carrying—all these present problems bearing on righteous wage adjustment, and demand constructive solution.

Because of these things, because of the impressions of many cases of unjustifiable profits in the industry, and because public interest demands investigation, and demands the finding of facts be given to the public, I am asking at your hands the authority to create a commission to make a searching investigation into the whole coal industry, with provision for its lawful activities and the bestowal of authority to reveal every phase of coal production, sale, and distribution. I am speaking now on behalf of mine workers, mine operators, and the American public. It will bring protection to all and point the way to continuity of production and the better economic functioning of the industry in the future.

The necessity for such a searching national investigation with constructive recommendation is imperative. At the moment the coal skies are clearing, but unless we find a cure for the economic ills which affect the industry and therein find a basis for righteous relationship, we shall be faced with a like menacing situation on next April 1 on the expiration of the wage contracts which are now being made.

The need for such investigation and independent consideration is revealed by both operators and mine workers in the provision in the Cleveland agreement so recently made. The Government will gladly cooperate with the industry in this program so far as it is the public interest so to do, but I have an unalterable conviction that no lasting satisfaction or worthwhile results will ensue unless we may have a Government commission, independent of the industry, clothed with authority by the Congress to search deeply, so that it may advise as to fair wages and as to conditions of labor and recommend the enactment of laws to protect the public in the future.

The almost total exhaustion of stocks of coal, the crippled condition of the railways, the distressed situation that has arisen and might grow worse in our great cities due to the shortage of anthracite, the suffering which might arise in the Northwest through failure to meet winter needs by lake transportation, all these added to the possibility of outrageous price demands, in spite of the most zealous voluntary efforts of the Government to restrain them, make it necessary to ask you to consider at once some form of temporary control of distribution and prices.

The administration earnestly has sought to restrain profiteering and to secure the rightful distribution of such coal as has been available in this emergency. There were no legal powers for price control. There has been cordial cooperation in many fields, a fine revelation of business conscience stronger than the temptation to profit by a people's misfortune. There have been instances of flat refusal. I rejoice to make grateful acknowledgment to those who preferred to contribute to national welfare rather than profit by a Nation's distress.

If it may have your approval, I recommend immediate provision for a temporary national coal agency, with needed capital, to purchase, sell, and distribute coal which is carried in interstate shipment. I do not mean that all interstate coal shall be handled by such a Federal organization; perhaps none will be necessary; but it will restore its capital to the Public Treasury and will be the instrumentality of guarding the public interest where private conscience is insensible to a public need.

This proposal does not relate to any possible employment in intrastate shipments. Price restraint and equitable distribution in intrastate shipments is a responsibility of the State's own government. In such voluntary activities as have been carried on thus far the Federal Government has endeavored to reestablish the authority and responsibility in the States which was undermined in the necessary centralization of authority during the World War.

The public menace in the coal situation was made more acute and more serious at the beginning of July by the strike of the Federated Shop Crafts in the railroad service—a strike against a wage decision made by the Railroad Labor Board, directly affecting approximately 400,000 men. The justice of

the decision is not for discussion here. The decision has been lost sight of in subsequent developments. In any event, it was always possible to appeal for rehearing and the submission of new evidence, and it is always a safe assumption that a Government agency of adjustment deciding unjustly will be quick to make right any wrong.

The Railroad Labor Board was created by Congress for the express purpose of hearing and deciding disputes between the carriers and their employees, so that no controversy need lead to an interruption in interstate transportation.

It was inevitable that many wage disputes should arise. Wages had mounted upward, necessarily and justly, during the war upheaval, likewise the cost of transportation, so that the higher wages might be paid. It was inevitable that some readjustments should follow. Naturally these readjustments were resisted. The administrative government neither advocated nor opposed. It only held that the Labor Board was the lawful agency of the Government to hear and decide disputes, and its authority must be sustained, as the law contemplates. This must be so, whether the carriers or the employees ignore its decisions.

Unhappily, a number of decisions of this board had been ignored by the carriers. In only one instance, however, had a decision, challenged by a carrier, been brought to the attention of the Department of Justice, and this decision was promptly carried to the courts and has recently been sustained in the Federal court of appeals. The public or the Executive had no knowledge of the ignored decisions in other cases, because they did not hinder transportation. When these failures of many of the carriers to abide by decisions of the board were brought to my attention, I could more fairly appraise the feelings of the strikers, though they had a remedy without seeking to paralyze interstate commerce.

The law creating the Railroad Labor Board is inadequate. Contrary to popular impression, it has little or no power to enforce its decisions. It can impose no penalties on either party disregarding its decisions. It can not halt a strike, and manifestly Congress deliberately omitted the enactment of compulsory arbitration. The decisions of the board must be made enforceable and effective against carriers and employees alike. But the law is new, and no perfection of it by Congress at this moment could be helpful in the present threatened paralysis of transportation.

Happily it is always lawful and ofttimes possible to settle disputes outside of court, so, in a desire to serve public welfare, I ventured upon an attempt at mediation. Those who had preceded me in attempted settlements had made some progress. I submitted to the officials of the striking employees and the chairman of the Association of Railway Executives, in writing, on the same day, a tentative proposal for settlement. Knowing that some of the carriers had offended by ignoring the decisions of the board and the employees had struck when they had a remedy without the strike, I felt it was best to start all over again, resume work, all to agree to abide faithfully by the board's decisions, make it a real tribunal of peace in transportation, and everybody serve the public. The barrier to be surmounted was the question of seniority. By the workmen these rights are held to be sacred, and unsurrendered by a strike. By the carriers the preservation of seniority is the weapon of discipline on the one hand and the reward of faithful employees on the other. It has been an almost invariable rule that when strikes have been lost seniority and its advantages have been surrendered; when strikes have been settled seniority has been restored.

In the tentative proposal which I sponsored it was provided that everybody should go to work, with seniority rights unimpaired, that there should be no discrimination by either workmen or carriers against workmen who did or did not strike. I realized that the proposal must carry a disappointment to employees who had inherited promotion by staying loyally on the job, and to such new men as had sought jobs looking to permanent employment, but I wanted the fresh start and maintained transportation service, and I appraised the disappointment of the few to be less important than the impending misfortune to the Nation. It was not what I would ask ordinarily to be considered or conceded, but at that moment of deep anxiety, with the coal shortage gravely menacing, I was thinking of the pressing demands of the welfare of the whole people. I believed the sacrifice brought to the men involved could be amply compensated for by the carriers in practical ways. I believed that the matter of transcendent importance was the acceptance of the proposal to respect the Labor Board's decisions on the questions which formed the issue at the time of the strike. The public compensation would be complete in guarding by law against recurrence.

The proposal was rejected by the carriers. Though the rejection did not end all negotiation, it left the Government only one course—to call the striking workmen to return to work, to call the carriers to assign them to work, and leave the dispute about seniority to the Labor Board for decision. When negotiation or mediation fails, this is the course contemplated by the law and the Government can have no chart for its course except the law.

To this call a majority of the carriers responded favorably, proposing to reemploy all strikers except those guilty of violence against workmen or property, to restore the striking workmen to their old positions where vacant, or to like positions where vacancies are filled; questions of seniority which can not be settled between the employer and employees to go to the Labor Board for decision. The minority of the carriers proposed to assign jobs to workmen on strike only where the positions were vacant. Neither proposal has been accepted.

Thus the narrative brings us to the present moment, but it has not included the developments which have heightened the Government's concern. Sympathetic strikes have developed here and there, seriously impairing interstate commerce. Deserted transcontinental trains in the desert regions of the Southwest have revealed the cruelty and contempt for law on the part of some railway employees, who have conspired to paralyze transportation, and lawlessness and violence in a hundred places have revealed the failure of the striking unions to hold their forces to law observance. Men who refused to strike and who have braved insult and assault and risked their lives to serve a public need have been cruelly attacked and wounded or killed. Men seeking work and guards attempting to protect lives and property, even officers of the Federal Government, have been assaulted, humiliated, and hindered in their duties. Strikers have armed themselves and gathered in mobs about railroad shops to offer armed violence to any man attempting to go to work. There is a state of lawlessness shocking to every conception of American law and order and violating the cherished guaranties of American freedom. At no time has the Federal Government been unready or unwilling to give its support to maintain law and order and restrain violence, but in no case has State authority confessed its inability to cope with the situation and asked for Federal assistance.

Under these conditions of hindrance and intimidation there has been such a lack of care of motive power that the deterioration of locomotives and the noncompliance with the safety requirements of the law are threatening the breakdown of transportation. This very serious menace is magnified by the millions of losses to fruit growers and other producers of perishable foodstuffs, and comparable losses to farmers who depend on transportation to market their grains at harvest time. Even worse, it is hindering the transport of available coal when industry is on the verge of paralysis because of coal shortage, and life and health are menaced by coal famine in the great centers of population. Surely the threatening conditions must impress the Congress and the country that no body of men, whether limited in numbers and responsible for railway management or powerful in numbers and the necessary forces in railroad operation, shall be permitted to choose a course which so imperils public welfare. Neither organizations of employers nor workingmen's unions may escape responsibility. When related to a public service the mere fact of organization magnifies that responsibility and public interest transcends that of either grouped capital or organized labor.

Another development is so significant that the hardships of the moment may well be endured to rivet popular attention to necessary settlement. It is fundamental to all freedom that all men have unquestioned rights to lawful pursuits, to work and to live and choose their own lawful ways to happiness. In these strikes these rights have been denied by assault and violence, by armed lawlessness. In many communities the municipal authorities have winked at these violations, until liberty is a mockery and the law a matter of community contempt. It is fair to say that the great mass of organized workmen do not approve, but they seem helpless to hinder. These conditions can not remain in free America. If free men can not toil according to their own lawful choosing, all our constitutional guaranties born of democracy are surrendered to mobocracy and the freedom of a hundred millions is surrendered to the small minority which would have no law.

It is not my thought to ask Congress to deal with these fundamental problems at this time. No hasty action would contribute to the solution of the present critical situation. There is existing law by which to settle the prevailing disputes. There are statutes forbidding conspiracy to hinder interstate commerce. There are laws to assure the highest possible safety in railway

service. It is my purpose to invoke these laws, civil and criminal, against all offenders alike.

The legal safeguarding against like menaces in the future must be worked out when no passion sways, when no prejudice influences, when the whole problem may be appraised, and the public welfare may be asserted against any and every interest which assumes authority beyond that of the Government itself.

One specific thing I must ask at your hands at the earliest possible moment. There is pending a bill to provide for the better protection of aliens and for the enforcement of their treaty rights. It is a measure, in short, to create a jurisdiction for the Federal courts through which the National Government will have appropriate power to protect aliens in the rights secured to them under treaties and to deal with crimes which affect our foreign relations.

The matter has been before Congress on many previous occasions. President Tyler, in his first annual message, advised Congress that inasmuch as "the Government is charged with the maintenance of peace and the preservation of amicable relations with the nations of the earth, it ought to possess without question all the reasonable and proper means of maintaining the one and preserving the other."

President Harrison asked for the same bestowal of jurisdiction, having encountered deep embarrassment which grew out of the lynching of 11 aliens in New Orleans in 1891. President McKinley, dealing with a like problem in 1899, asked the conferring upon Federal courts jurisdiction in that class of international cases where the ultimate responsibility of the Federal Government may be involved. President Roosevelt uttered a like request to Congress in 1906, and President Taft pointed out the defect in the present Federal jurisdiction when he made his inaugural address in 1909. He declared that "it puts our Government in a pusillanimous position to make definite engagement to protect aliens and then to excuse the failure to perform these engagements by an explanation that the duty to keep them is in States or cities not within our control. If we would promise, we must put ourselves in a position to perform our promise. We can not permit the possible failure of justice, due to local prejudice in any State or municipal government, to expose us to the risk of war which might be avoided if Federal jurisdiction were asserted by suitable legislation by Congress."

My renewal of this oft-made recommendation is impelled by a pitiable sense of Federal impotence to deal with the shocking crime at Herrin, Ill., which so recently shamed and horrified the country. In that butchery of human beings, wrought in madness, it is alleged that two aliens were murdered. This act adds to the outraged sense of American justice the humiliation which lies in the Federal Government's confessed lack of authority to punish that unutterable crime.

Had it happened in any other land than our own, and the wrath of righteous justice were not effectively expressed, we should have pitied the civilization that would tolerate and sorrow for the Government unwilling or unable to mete out just punishment.

I have felt the deep current of popular resentment that the Federal Government has not sought to efface this blot from our national shield, that the Federal Government has been tolerant of the mockery of local inquiry and the failure of justice in Illinois. It is the regrettable truth that the Federal Government can not act under the law. But the bestowal of the jurisdiction necessary to enable Federal courts to act appropriately will open the way to punish barbarity and butchery at Herrin or elsewhere, no matter in whose name or for what purpose the insufferable outrage is committed.

It is deplorable that there are or can be American communities where even there are citizens, not to speak of public officials, who believe mob warfare is admissible to cure any situation. It is terrorizing to know that such madness may be directed against men merely for choosing to accept lawful employment. I wish the Federal Government to be able to put an end to such crimes against civilization and punish those who sanction them.

In the weeks of patient conference and attempts at settlement I have come to appraise another element in the engrossing industrial dispute of which it is only fair to take cognizance. It is in some degree responsible for the strikes and has hindered attempts at adjustment. I refer to the warfare on the unions of labor. The Government has no sympathy or approval for this element of discord in the ranks of industry. Any legislation in the future must be as free from this element of trouble making as it is from labor extremists who strive for class domination. We recognize these organizations in the law, and we must accredit them with incalculable contribution to labor's uplift. It is of public interest to preserve them and profit by the good that is in them, but we must check the abuses and the excesses which conflict with public interest, precisely as we have been progressively legislating to prevent capitalistic, corporate, or managerial domination which is contrary to public welfare. We also recognize the right of employers and employees alike, within the law, to establish their methods of conducting business, to choose their employment and to determine their relations with each other. We must reassert the doctrine that in this Republic the first obligation and the first allegiance of every citizen, high or low, is to his Government, and to hold that Government to be the just and unchallenged sponsor for public welfare and the liberty, security, and rights of all its citizens. No matter what clouds may gather, no matter what storms may ensue, no matter what hardships may attend, or what sacrifice may be necessary, government by law must and will be sustained.

Wherefore I am resolved to use all the power of the Government to maintain transportation and sustain the right of men to work.

The Senate returned to its Chamber at 1 o'clock and 5 minutes p. m., and the President pro tempore resumed the chair.

On motion of Mr. MOSES it was—

Ordered, That the address this day delivered by the President of the United States before the two Houses of Congress be printed as a Senate document, and that 50,000 additional copies be printed for the use of the Senate.

THE TARIFF.

The Senate resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDENT pro tempore. The Chair desires to announce to the Senator from North Carolina [Mr. SIMMONS] that the time he has consumed will not be reckoned against him in view of the circumstances under which he was interrupted.

Mr. SIMMONS. I thank the Chair for the ruling, but my speech was cut off. However, as I had nearly finished I shall not say anything further.

The PRESIDENT pro tempore. The question is upon concurring in the amendment made as in Committee of the Whole offered by the Senator from New Mexico [Mr. BURSUM].

The amendments were to amend paragraph 25, coal-tar products, lines 17 and 18, on page 10, by striking out the words "50 per cent ad valorem and 7 cents per pound" and inserting in lieu thereof the following:

Seventy-five per cent ad valorem based upon American selling price (as defined in division (f) of section 402, Title IV) of any similar competitive article manufactured or produced in the United States and 10½ cents per pound. If there be no similar competitive article manufactured or produced in the United States, then the ad valorem rate shall be based upon the foreign value or the export value, whichever is the higher, as defined in paragraphs (a), (b), and (c) of section 402, Title IV. For the purposes of this paragraph any coal-tar products provided for in this act shall be considered similar to or competitive with any imported coal-tar product which accomplishes results substantially equal to those accomplished by the domestic product when used in substantially the same manner: *Provided*, That no duty imposed under this paragraph shall be increased under the provisions of section 315.

Amend paragraph 26, on page 11, line 21, by inserting, after the figures "1546," the words "all synthetic organic medicinals and chemicals not specially provided for."

Also amend paragraph 26, line 6, page 12, by striking out in line 6 the words "60 per cent ad valorem and 7 cents per pound" and substituting in lieu thereof the following:

Ninety per cent ad valorem based upon American selling price (as defined in division (f) of section 402, Title IV) of any similar competitive article manufactured or produced in the United States and 10½ cents per pound. If there be no similar competitive article manufactured or produced in the United States, then the ad valorem rate shall be based upon the foreign value or the export value, whichever is the higher, as defined in paragraphs (a), (b), and (c) of section 402, Title IV.

Also amend lines 7, 14, and 17, on page 12, by striking out the figure "7" and inserting in lieu thereof the figures "10½."

Also, on page 15, line 16, after the word "impress," add the following:

For the purposes of this paragraph, any coal-tar product provided for, and all synthetic organic medicinals and chemicals not specially provided for, in this act shall be considered similar to or competitive with any imported coal-tar product or any synthetic organic medicinal or chemical not specially provided for which accomplishes results substantially equal to those accomplished by the domestic product when used in substantially the same manner: *Provided*, That no duty imposed under this paragraph shall be increased under the provisions of section 315.

Mr. UNDERWOOD. If the debate is concluded, I ask for the yeas and nays.

The PRESIDENT pro tempore. It is the understanding of the Chair that the five amendments proposed by the Senator

from New Mexico will be treated as one amendment, to be voted upon at the same time, as was done in Committee of the Whole. The yeas and nays are demanded on concurring in the amendment.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. EDGE (when his name was called). I transfer my general pair with the senior Senator from Oklahoma [Mr. OWEN] to the junior Senator from Maryland [Mr. WELLER] and vote "yea." I will let this announcement of my pair and transfer stand for the day.

Mr. HARRISON (when his name was called). Transferring my pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from California [Mr. JOHNSON], I vote "nay."

Mr. JONES of New Mexico (when his name was called). I have a general pair with the Senator from Maine [Mr. FERNALD]. I am informed that on this question he would vote as I intend to vote. I therefore vote "yea."

Mr. McCUMBER (when his name was called). I have a general pair with the junior Senator from Utah [Mr. KING]. I transfer that pair to the junior Senator from Washington [Mr. POINDEXTER]. This notice of transfer may stand on all the votes to-day unless otherwise stated. I vote "yea."

Mr. POMERENE (when his name was called). As heretofore announced, my colleague [Mr. WILLIS] is detained because of serious illness in his family. I am paired with him. I transfer that pair to the senior Senator from Nevada [Mr. PITTMAN] and vote "nay."

Mr. WATSON of Georgia (when his name was called). I have a general pair with the senior Senator from California [Mr. JOHNSON]. However, I am informed that on this question his vote would be the same as mine, and I am therefore at liberty to vote. I vote "nay."

Mr. WATSON of Indiana (when his name was called). I transfer my general pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the junior Senator from North Dakota [Mr. LADD] and vote "yea."

The roll call was concluded.

Mr. CURTIS. I wish to announce that the Senator from Wisconsin [Mr. LA FOLLETTE] is paired with the Senator from Michigan [Mr. TOWNSEND]. On this question the Senator from Wisconsin would vote "nay" and the Senator from Michigan would vote "yea."

I also wish to announce that the Senator from Colorado [Mr. NICHOLSON] is paired with the Senator from Minnesota [Mr. NELSON]. On this question the Senator from Colorado would vote "yea" and the Senator from Minnesota would vote "nay."

I also wish to announce the following general pairs:

The Senator from Missouri [Mr. SPENCER] with the Senator from Georgia [Mr. HARRIS]; and

The Senator from Illinois [Mr. McKINLEY] with the Senator from Arkansas [Mr. CARAWAY].

The result was announced—yeas 39, nays 31, as follows:

YEAS—39.

Ball	du Pont	McCumber	Reed, Pa.
Brandegee	Edge	McLean	Sheppard
Broussard	Ernst	McNary	Shortridge
Bursum	France	New	Stanfield
Calder	Frelinghuysen	Norbeck	Sterling
Cameron	Gooding	Oddie	Sutherland
Colt	Hale	Pepper	Wadsworth
Cummins	Jones, N. Mex.	Phipps	Warren
Curtis	Jones, Wash.	Ransdell	Watson, Ind.
Dillingham	Lodge	Rawson	

NAYS—31.

Ashurst	Harrison	Moses	Smoot
Borah	Heflin	Newberry	Stanley
Capper	Hitchcock	Overman	Swanson
Dial	Kellogg	Pomerene	Trammell
Fletcher	Kendrick	Robinson	Underwood
Gerry	Keyes	Shields	Walsh, Mont.
Glass	Lenroot	Simmons	Watson, Ga.
Harreld	McKellar	Smith	

NOT VOTING—26.

Caraway	Ladd	Norris	Townsend
Culberson	La Follette	Owen	Walsh, Mass.
Elkins	McCormick	Page	Weller
Fernald	McKinley	Pittman	Williams
Harris	Myers	Poindexter	Willis
Johnson	Nelson	Reed, Mo.	
King	Nicholson	Spencer	

So the amendment was concurred in.

The PRESIDENT pro tempore. The Secretary will state the next amendment which has been reserved.

The ASSISTANT SECRETARY. The next reserved amendment is on page 20, paragraph 46, lime citrate. As in Committee of the Whole, the Senate struck out "7" and inserted "6," so that the paragraph now reads:

Lime, citrate of, 6 cents per pound.

The PRESIDENT pro tempore. The question is on concurring in the amendment.

Mr. SHORTRIDGE. Mr. President, I propose that in lieu of the numeral "6," in line 16, page 20, the numeral "9" be inserted before the word "cents," so that the paragraph shall read: "Lime, citrate of, 9 cents per pound." The subject matter has been very generally discussed. When the bill was before the Committee of the Whole on May 15 there was elaborate argument for and against the report of the committee which fixes the rate of duty on citrate of lime at 6 cents. The House fixed the rate at 7 cents per pound. Now the Senate has fixed a rate of 18 cents per pound on citric acid, and we are asking for 9 cents per pound on citrate of lime. The question is, What is the proportion in justice to all parties concerned? Senators are familiar with the subject matter, I am assuming, and necessarily I must be very brief in my remarks.

From citrate of lime we get citric acid. After a very thorough consideration, as stated, the Senate has fixed a duty of 18 cents on citric acid. We of California raise lemons and produce citrate of lime. Eastern manufacturers convert the citrate of lime into the citric acid. Our chief competitor is Italy. For manifest, obvious reasons we can not compete with that competitor. This is recognized by all thoughtful men.

If the figures submitted are accurate and correct, then it follows that if the American manufacturer is entitled to an 18-cent tariff on citric acid the lemon growers are entitled to a tariff of 9 cents on the citrate of lime. Turn to the debate on this question as it appears in the RECORD and it will be seen that my colleague demonstrated that in theory and in fact citrate of lime should be accorded a protection of, at the very least, 9 cents per pound.

For illustration, the citrate of lime which is produced from the lemon in California is shipped to New Jersey, and the matter of freight is to be considered. There the manufacturer converts it into citric acid. The authoritative testimony submitted demonstrates what I have just stated. The bill as now framed gives the manufacturer in New Jersey or of any other State at least a 3-cent advantage or compensation in the conversion process. Of course, I admit that there is some controversy as to what conversion allowance the manufacturer should have; what conversion recognition or allowance should be given te the manufacturer; but I hasten to add that no one has proved by analysis that the conversion allowance should be more than 3 cents, although an allowance of 6 cents is claimed and an allowance of at least 4 cents is demanded.

I have stood here and, full well recognizing what I was doing, gladly voted for ample and adequate protective-tariff duties for many manufacturing establishments in this country, and I am appealing to those who believe in a protective-tariff doctrine to give the producers of citrate of lime, the lemon growers, at least 9 cents per pound on this product. This will do no injury to the manufacturer; it will not in any appreciable degree, if at all, affect the profits of that industry, which are great.

I do not know whether I can appeal with hope of success to Democratic Senators; but this is really not a political question; it is a very practical proposition. Assuming that the 18-cent rate on citric acid will remain in the bill, then, to equalize it, 9 cents should be accorded on the item of citrate of lime.

I will not enlarge upon the details or upon the figures which prompt and, I think, fully justify me in making these more or less broad and declarative statements of fact. The matter was argued here on the 15th of May, a vote was taken, and the result is there recorded. I am assuming that those who then favored a 9-cent rate, for which we asked, still believe they were right, and I am hoping that there may be some Senators who then thought otherwise will now come to recognize the justice of what I have thus briefly set forth.

Mr. President, I have here in my hand a telegram received to-day. It comes from the California Citrus League. It states our case briefly and clearly:

LOS ANGELES, CALIF., *August 18, 1922.*

Hon. SAMUEL M. SHORTRIDGE,
United States Senate, Washington, D. C.:

Understand Senate rate of 6 cents on citrate of lime, paragraph 46, is to be considered under Senator JOHNSON'S amendment August 4 last year raising rate to 9 cents. Proposed 9-cent rate is much below rate requested by California Citrus League and 6-cent rate is entirely out of relationship to adequate ratio between citric acid and citrate of lime. Giving consideration to recovery of citric acid from citrate of lime and allowing for difference between labor cost of converting in Italy and this country justifies a rate of more than 9 cents on citrate of lime as compared with 18 cents on citric acid. Any rate less than this figure gives an excess protection to converter of Italian citrate. We urge your support of 9-cent rate on citrate of lime in order to adequately protect American lemon growers as compared with American converters who manufacture citric acid from imported citrate of lime and to give measure of protection intended under 18-cent rate on acid.

E. G. DESELL,
Chairman Tariff Committee California Citrus League.

So that, in the first instance, Mr. President, this may be said to be a matter of competition between America and Italy; and, in the second instance, the controversy is as between the producers of citrate of lime and the manufacturers of citric acid. We are asking for a just and proper ratio of 9 to 18—9 cents on citrate of lime, which is absolutely necessary, and 18 cents on citric acid, which has already been fixed.

The PRESIDING OFFICER (Mr. ODDIE in the chair). The time of the Senator from California has expired.

Mr. WALSH of Montana. Mr. President, when the paragraph relating to olive oil was under consideration I made bold to inquire of the colleague of the Senator who has just addressed the Senate as to what kind of answer I could make to the people of my State, the farmers of my State, if I voted for a duty of 60 cents a gallon on olive oil. I want to address a similar inquiry to the junior Senator from California in connection with the rate which he now advocates. The competitor of the domestic producer in this matter is Italy, and the purpose of the increased rate is to exclude to a certain extent importations from Italy, to be replaced by the product of California.

We have been struggling in the State of Montana for the last five years—happily the situation is much relieved this year—from a series of droughts, the like of which has never been known in our history, one year after another, so severe that the Congress of the United States has generously appropriated in successive years considerable sums of money to be loaned to the farmers of that State in order that they might buy seed to plant another crop.

In that situation of affairs, Mr. President, the scientists of the Agricultural Department experiment stations have been endeavoring to discover drought-resisting varieties of the various grains; and it has been discovered that durum wheat will endure droughts that no other variety of wheat will withstand, and our people have been encouraged accordingly to the cultivation of durum wheat instead of the ordinary varieties, and it has been planted in very considerable quantities.

Durum wheat is practically valueless for the manufacture of our form of bread. It is consumed in the manufacture of macaroni and vermicelli, and so on, a quality of food that our people do not consume in large quantities, but that, as is well known, is consumed in great quantities in Italy. So that Italy became the great market for the sale of durum wheat, and the farmers realized a very comfortable amount for the durum wheat which they planted and which they were able to produce notwithstanding the prevalence of the drought. The purchasing power of Italy, however, has collapsed, much as has that of all Europe, but that country has suffered particularly. As a consequence, durum wheat is a drug on the market, and fell during the last marketing season to 50 cents a bushel. It will remain there until the purchasing power of Italy is restored.

How am I going to vote for this duty, the purpose of which is further to place obstacles in the way of a resuscitation of industry in Italy? In other words, the Senator wants me to vote money out of the pockets of my people for the purpose of enriching his—his, blessed with a genial soil and a magnificent climate, a lovely place to live in. Our people go there and spend the winter, and they come back and try to make a living out of the soil of Montana; and the Senator wants me to vote a tax on those people in order to help out the growers of citrus fruits, who cultivate their crops on property worth from $1,000 to $10,000 an acre in the State of California.

Of course, citrate of lime is a small matter. Here is the duty on lemons, the duty on prunes, the duty on peaches—high, practically prohibitive duties upon everything that Italy exports, everything out of which she can possibly realize the money with which to buy our durum wheat; but I do not speak about durum wheat alone. We are in the same situation with respect to everything else. We export annually 250,000,000 bushels of wheat, almost one-third of the entire American production. That is turned back upon the American market by reason of the policy which is here advocated, and which has been so often evidenced, of imposing prohibitive duties upon the importation into this country of European products. The consequence is that the great bulk of that 250,000,000 bushels will be turned back upon the American market, depressing the price until I am keenly apprehensive, notwithstanding the way in which Providence has blessed us with an abundant crop this year, that the farmers in my State will still be in a state of destitution.

Mr. FRELINGHUYSEN. Mr. President, the Senator from California [Mr. SHORTRIDGE] stated that this was a New Jersey industry. It is not a New Jersey industry entirely; but there are several manufacturing companies, old-established concerns, that have been producing citric acid from citrate of lime for many years.

The rate of duty under the Payne law was 7 cents per pound on citric acid and citrate of lime was free. We placed a duty of 18 cents per pound on citric acid and 6 cents per pound on citrate of lime. We did it because the Tariff Commission said that any other differential increasing the rate of duty on the citrate of lime would maladjust the rates, and this is their report:

> The rates of duty between citrate of lime (7 cents per pound) and citric acid in paragraph 1 (12 cents per pound) are maladjusted. Citrate of lime is a raw material used for the manufacture of citric acid, 2 pounds of citrate of lime being required to produce 1 pound of citric acid; hence a duty of 7 cents per pound on citrate of lime is equivalent to 14 cents per pound on the citric-acid content, which is 2 cents greater than the duty provided for citric acid. Therefore manufacturers engaged in converting citrate of lime into citric acid are placed at a disadvantage of 2 cents per pound in purchasing their raw material, as compared with imported citric acid.

So the Senate committee reduced the rate of duty on citrate of lime to 6 cents per pound and placed a rate on citric acid of 18 cents per pound, 6 cents covering the difference in labor costs in making citric acid and 12 cents the duty on citrate of lime in the ratio of 2 pounds to 1, making the rate 18 cents per pound, the committee believing that to be a fair differential. If the rate of duty suggested by the Senator from California should prevail a duty of 24 cents a pound should be placed upon citric acid.

The industry has been referred to as a small one. It is quite considerable. Citrate of lime was imported to the extent of 2,961,000 pounds in 1918, 3,864,000 pounds in 1919, 12,490,000 pounds in 1920, and 754,000 pounds in nine months of 1921. The people of California hope to raise the lemons to make the citrate of lime from which the citric acid is produced, but they do not produce enough. The United States will be obliged to cease producing citric acid if this industry is cut out. Californians will only be able to supply perhaps one-quarter of the consumption, with a problematical increase to one-half of the consumption within five years, and the balance will be imported and supplied by the foreign makers, throwing out of employment American labor and taking away from them that part of the industry which they now enjoy.

The Senator from California asks for a rate that is prohibitive. I hope that his amendment will not prevail.

Mr. SIMMONS. Mr. President, I just can not understand these propositions. Under the present law citrate of lime is dutiable at 1 cent per pound. The Finance Committee reported and we adopted a rate of 6 cents per pound, six times the present rate. Now the Senator from California wants to double that rate.

Mr. SHORTRIDGE. Mr. President, not to double it. I asked for 9 cents a pound.

Mr. SIMMONS. Nine cents? I thought it was 12 cents.

Mr. SHORTRIDGE. Oh, no. If I may repeat, citric acid carries a duty of 18 cents per pound. The House bill, the Senator will observe, carries a rate of 7 cents per pound on citrate of lime. The committee reduced it to 6 cents. We are asking for 9 cents a pound.

Mr. SIMMONS. Mr. President, I do not pretend to understand all the facts with reference to this industry in California or upon the Atlantic seaboard; but I see from the Tariff Commission's statement that citrate of lime is produced in California from cull lemons but in amounts much below imports. That is to say, this particular product is made out of lemons that probably are not merchantable for other purposes. They are the waste of the orchards. That is to say, California, producing to the full capacity of the raw material which is grown in that State, and I assume only in that State on the Pacific coast, is unable to produce anything like the amount required for consumption in this country, and of necessity we are compelled to import a much larger amount of this product than is produced in the United States.

Of course, it is clear that under those circumstances, if a duty is placed upon that part of this article which is imported, the full amount of that duty will be added to the price charged the consumer for the domestic product. In other words, this is a tariff that will be effective not only upon the imports but upon the entire domestic production to the full extent of the duty. I have not the facts as to the consumption in this country, and I can not estimate how much the American people will have to pay as the result of this increase in duty, but it will be a very large sum. Over and above that, however, Mr. President, as I understand, this raw material is needed for the purpose of producing the finished product by manufacturers of that product located upon the Atlantic coast. If this duty is increased to 9 cents a pound the manufacturers of this product

upon the Atlantic coast will have to pay a duty of 9 cents a pound upon their raw material or go out of business. If they use the California product they will have to pay, in addition, the freight upon that product from the Pacific coast to the Atlantic coast.

I do not know, Mr. President, but I suppose the purpose of this proposition is to force the American consumers of this raw material in the manufacture of the finished product upon the Atlantic coast to buy their materials from California to the extent that California is able to supply that demand. It does not seem to me that that is good business. It does not seem to me that in the interest of cull lemons grown in one State in this Union we ought to impose an excessive duty upon a raw material manufactured 3,000 miles away from there.

It may be a small matter; I am speaking without very accurate information; but it looks to me as if it was a proposition of that character, and that is the kind of proposition which does not appeal to my conscience or to my intelligence, and I hope the increase will not be made.

Mr. SHORTRIDGE. Mr. President, in order that there may be no misunderstanding as to the matter before the Senate, I understand the question to be that the Senate concur in the amendment made as in Committee of the Whole. My amendment proposes to raise the rate from 6 to 9 cents.

The PRESIDING OFFICER (Mr. ODDIE in the chair). The Secretary will state the amendment.

The ASSISTANT SECRETARY. The Senator from California moves to strike out "6," the rate adopted in Committee of the Whole, and in lieu to insert "9," so that it will read:

Lime, citrate of, 9 cents per pound.

Mr. SHORTRIDGE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ashurst	France	McLean	Sheppard
Ball	Frelinghuysen	McNary	Shields
Brandegee	Glass	New	Shortridge
Broussard	Gooding	Newberry	Simmons
Bursum	Hale	Nicholson	Smith
Calder	Harreld	Norbeck	Smoot
Cameron	Heflin	Oddie	Stanfield
Capper	Hitchcock	Overman	Stanley
Colt	Jones, N. Mex.	Pepper	Sterling
Culberson	Jones, Wash.	Phipps	Sutherland
Curtis	Kellogg	Pomerene	Swanson
Dial	Kendrick	Ransdell	Trammell
Dillingham	Keyes	Rawson	Underwood
Edge	Lodge	Reed, Mo.	Walsh, Mass.
Ernst	McCormick	Reed, Pa.	Walsh, Mont.
Fletcher	McKellar	Robinson	

The PRESIDING OFFICER. Sixty-three Senators having answered to their names, a quorum is present. The question is on agreeing to the amendment of the Senator from California to the amendment made as in Committee of the Whole.

Mr. CALDER. May the amendment be stated again, Mr. President?

The ASSISTANT SECRETARY. In paragraph 46, page 20, line 16, the Senate in Committee of the Whole changed the rate on citrate of lime from 7 cents to 6 cents per pound. The Senator from California moves to strike out "6" and to insert "9," so that if amended it will read:

Lime, citrate of, 9 cents per pound.

Mr. SHORTRIDGE. I ask for the yeas and nays on agreeing to the amendment to the amendment.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. HARRISON (when his name was called). I have a pair with the Senator from West Virginia [Mr. ELKINS], which I transfer to the Senator from Montana [Mr. MYERS] and vote "nay."

Mr. POMERENE (when his name was called). Again announcing my pair with my colleague [Mr. WILLIS], I transfer that pair to the senior Senator from Nevada [Mr. PITTMAN] and vote "nay."

The roll call having been concluded, the result was announced—yeas 13, nays 46, as follows:

YEAS—13.

Ball	Capper	Nicholson	Warren
Broussard	Gooding	Oddie	
Bursum	Jones, Wash.	Shortridge	
Cameron	McNary	Stanfield	

NAYS—46.

Borah	Dial	Frelinghuysen	Kendrick
Brandegee	Dillingham	Glass	Keyes
Calder	Edge	Hale	Lenroot
Colt	Ernst	Harrison	McCumber
Culberson	Fletcher	Hitchcock	McKellar
Curtis	France	Kellogg	Moses
New	Pomerene	Simmons	Trammell
Newberry	Rawson	Smith	Underwood
Norbeck	Reed, Mo.	Smoot	Walsh, Mass.
Overman	Reed, Pa.	Stanley	Walsh, Mont.
Pepper	Sheppard	Sterling	
Phipps	Shields	Swanson	

NOT VOTING—37.

Ashurst	Johnson	Nelson	Townsend
Caraway	Jones, N. Mex.	Norris	Wadsworth
Cummins	King	Owen	Watson, Ga.
du Pont	Ladd	Page	Watson, Ind.
Elkins	La Follette	Pittman	Weller
Fernald	Lodge	Poindexter	Williams
Gerry	McCormick	Ransdell	Willis
Harreld	McKinley	Robinson	
Harris	McLean	Spencer	
Heflin	Myers	Sutherland	

So Mr. SHORTRIDGE's amendment to the amendment made in the Committee of the Whole was rejected.

The PRESIDING OFFICER. The question now is on concurring in the amendment made in Committee of the Whole.

The amendment was concurred in.

The PRESIDING OFFICER. The Secretary will state the next amendment reserved for a separate vote.

The ASSISTANT SECRETARY. Paragraph 50a, vegetable oils, page 22, was reserved by the Senator from Idaho [Mr. GOODING].

Mr. GOODING. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The Seretary will state the amendment to the amendment.

The ASSISTANT SECRETARY. In paragraph 50a, page 22, on line 6, the Senator from Idaho proposes to strike out all of the matter after the word "pound" down to and including the word "reason" in line 19, or the proviso, being the remainder of the paragraph.

Mr. GOODING. I ask that the Secretary read the proviso proposed to be stricken out.

The PRESIDING OFFICER. The Secretary will read as requested.

The ASSISTANT SECRETARY. It is proposed to strike out the proviso in the following words:

Provided, That such oils may be imported under bond in an amount to be fixed by the Secretary of the Treasury and under such regulations as he shall prescribe; and if within three years from the date of importation or withdrawal from bonded warehouse satisfactory proof is furnished that the oil has been used in the manufacture of articles unfit for food, the duties shall be remitted: *Provided further*, That if any such oil imported under bond as above prescribed is used in the manufacture of articles fit for food there shall be levied, collected, and paid on any oil so used in violation of the bond, in addition to the regular duties provided by this paragraph, 3 cents per pound, which shall not be remitted or refunded on exportation of the articles or for any other reason.

Mr. GOODING. Mr. President, I am quite sure if there had been time to consider this important schedule, important to agriculture, at the time it was before the committee, this proviso giving to the soap manufacturers of the country free vegetable oil would not have been found in the bill. I am rather inclined to think possibly that the great dairy interests are somewhat to blame as they were under the impression that they would be protected by edible oil bearing a reasonable protective duty. But upon investigation it is easy to understand that the dairy interests and no other interests in the country which furnish the edible oils would be protected unless this proviso were stricken out.

Of course the soap manufacturers, as a business proposition, would of necessity buy the cheapest vegetable oils they could find in the world. The price of vegetable oils in Manchuria, in Japan, in China, plus the freight, would be the price of vegetable oils in this country because it is understood by those who are familiar with the use of vegetable oils that there can be an interchange of practically all vegetable oils in their use for nonedible purposes.

To show how the great agricultural interests in the country, the dairy interests of the country, and the fish-oil interests of the country are vitally affected, I send to the desk and ask to have read a resolution and the names of those who have signed it. Many of these national bodies were represented by the heads of the organization, who have been in the city for the last week, and many Senators have had the matter presented to them.

The PRESIDING OFFICER. The Secretary will read as requested.

The reading clerk read as follows:

Resolution—Vegetable oils.

To the Congress of the United States:

We, the undersigned representatives of farm organizations comprising the producers of vegetable, animal, and fish oils and other fats, respectfully petition your honorable body to eliminate from paragraph 50a of the permanent tariff bill of 1922 the proviso which would remit to manufacturers or users of imported vegetable oils the imposed tariff rates when such oils have been shown to have been used in the manufacture of nonedible commodities. This provision would absolutely

destroy whatever benefit was intended to be granted to domestic producers of oils and fats, would reduce present revenues, and in a large measure would destroy the protection already given the dairy industry in the dairy schedules of the bill.

Respectfully submitted.

National Grange, by T. C. Atkeson; American Farm Bureau Federation, by Gray Silver; Southern Tariff Association, by John H. Kirby; National Dairy Union, by A. M. Loomis and J. R. Morley; National Milk Producers' Federation, by C. W. Holman; National Dairy Products Committee, by J. J. Farrell; Dairymen's League Cooperative Association, by J. F. Creswell; American Association Creamery Butter Manufacturers, by George L. McKay; Ohio Dairy Organization, Ohio Farm Federation, Ohio State Grange, by E. D. Waid; Iowa Dairy Association, Holstein-Friesian Association of America, by W. B. Barney; New York State Grange, by Albert Manning; National Swine Growers' Association, by W. J. Carmichael; American Fish Oil Association, by R. O. Norris, jr., C. H. Chilton, and W. A. Larner; National Farm Board Organizations, member organizations—Farmers' Educational and Cooperative Union of America, Farmers' National Congress, National Agriculturist Organization Society, National Conference on Marketing and Farm Credits, Pennsylvania Rural Progress Association, Farmers' Society of Equity, Federation of Jewish Farmers of America, American Association for Agricultural Legislation, Inter-Mountain Farmer Association, Pennsylvania State Grange, Farmers' Equity Union, and Wisconsin State Union of American Society of Equity, by C. W. Holman; United Peanut Association, National Peanut Shellers' Association, by P. D. Bain; Peanut Growers' Exchange, by F. H. Birdsong and E. M. de Pencier; United Peanut Association, by M. M. Osborn; National Peanut Cleaners and Shellers' Association, by S. M. Lawrence; Georgia Peanut Growers' Association, by W. W. Webb; Texas Peanut Growers' Association, by N. T. Haskins.

Approved:

M. C. ALLGOOD,
Commissioner of Agriculture, Alabama.
W. A. MCRAE,
Commissioner of Agriculture, Florida.
J. J. OWEN,
Assistant Commissioner of Agriculture, Virginia.
J. J. BROWN,
Commissioner of Agriculture, Georgia.
H. L. KENT,
President State College of Agriculture, New Mexico.

WASHINGTON, D. C., *August 14, 1922.*

Mr. GOODING. I ask to have printed as a part of my remarks a letter received from J. A. Arnold transmitting the names of 381 southern newspapers which have indorsed the duty on vegetable oils and other southern agricultural farm products. Three hundred and seventeen of the newspapers are in Texas, 17 in Georgia, 32 in Arkansas, 3 in Louisiana, 5 in Missouri, and 1 in North Carolina. It gives the names of the papers and the names of the editors and their addresses.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

SOUTHERN TARIFF ASSOCIATION (NONPARTISAN),
Washington, D. C., August 16, 1922.

Senator F. R. GOODING,
Washington, D. C.

DEAR SENATOR GOODING: We inclose resolution favoring a duty on vegetable oils and other southern products, signed by 381 newspapers in the South.

In Texas 81 per cent of the newspapers have joined with the producers in demanding a duty on southern products. In other States we have just begun to canvass, but sufficient progress has been made to justify the estimate that 90 per cent of the rural press of the entire South is favorable to the resolution.

Yours truly, J. A. ARNOLD, *Manager.*

Resolution favoring a tariff.

We favor a tariff on vegetable oils, peanuts, live stock, meats, hides, wool, grain, poultry, dairy products, and all agricultural, pastoral, and mineral products and urge our Senators and Congressmen to support a national tariff policy that will preserve American industries against destructive foreign competition.

We must have a duty on these products that will equalize the cost of production in our section with that of similar products of foreign countries.

We indorse the schedule demanded by the various organizations authorized to represent these industries as submitted by the Southern Tariff Association to the Senate tariff bloc.

We favor American valuation as a basis of levying ad valorem duties.

Daily Reporter, Abilene; Taylor County Times, E. Fisk, Abilene; the Scalper, J. H. Lutzer, Austin; Firm Foundation, G. H. P. Showalter, Austin; the Bulletin, J. F. Pardue, Alvarado; the Alvin Sun, John P. Beck, Alvin; Two County Times, L. W. Renley, Alba; the Avalanche, Alpine; Progress, Anahuac; the Southwest Plainsman, Amarillo; Albany News, Albany; Citizens' Journal, J. M. Harrell, Atlanta; the Angleton Times, W. E. Reed, Angleton; the Alice News, C. L. Turner, Alice; News, L. T. Kornegay, Burleson; Byers Herald, Byers; Toyah Valley Herald, Balmorhea; Bryan Daily Eagle, L. J. Rountree, Bryan; the Baird Star, W. E. Gilliland, Baird; Star, W. G. Davis, Boerne; the News, W. D. Riser, Big Lake; Index, W. L. Graves, Bridgeport; the Belton Journal, Chas. W. Pyle, Belton; Sentinel, M. S. Sellers, Brady; Ward County News, Barstow; Benjamin Post, Benjamin; Times, Brookshire; Bells Tribune, Bells; Brandon News, Brandon; Beeville Bee, R. W. Barry, Beeville; Beeville Picayune, Beeville; Bogata News, Bogata; Bandera News Era, Bandera; Bishop News, A. S. Hornbeck, Bishop; Bullard Herald, Bullard; Courier, Lee Brown, Blanco; Brownsville Herald, Brownsville; Blooming Grove Times, C. C. Woodson, Blooming Grove; Bastrop Advertiser, R. E. Scott, Bastrop; Brady Standard, H. F. Schwinkler, Brady; Comfort News, Comfort; Cotulla Record, Cotulla; Claude News, Claude; Canadian Record, L. P. Loomis, Canadian; Hartley County, Channing; Colorado Citizen, Columbus; News, Clarendon; Messenger, Carbon; Valley News, Chillicothe; Review, W. D. Hart, Cooper; Colorado Record, F. B. Whipkey, Colorado; Carrollton Chronicle, C. C. Hayley, Carrollton; Cleveland Advocate, R. W. Jeffris, Cleveland; Cameron Herald, J. B. White, Cameron; Childress Post, J. C. Thomas, Childress; Childress Index, Childress; Review, Cleburne; Cleburne Enterprise, J. R. Ransone, Cleburne; Union Standard, G. W. Vinson, Cleburne; Coleman Democrat, Harvey Hubert, Coleman; Times, Corpus Christi; Cotton Grower, Corpus Christi; Cherokee Herald, G. Burke, Cherokee; the Champion, R. M. Gilmore, Center; Montgomery County News, J. W. Coleman, Conroe; Hardware and Implement Journal, M. L. Sammons, Dallas; Building and Engineering Digest, M. L. Sammons, Dallas; Southern Pharmaceutical, Dallas; Dixie Independent, E. G. Genter, Dallas; Building and Engineering, Dallas Digest; Motherhood Magazine, Mrs. N. B. Ford, Dallas; Daily Commercial Record, W. H. Talaferro, Dallas; Daytonite, W. S. Neel, Dayton; Campus Chat, Fred C. Hughes, Denton; Daedalian Quarterly, Denton; Decatur News, L. W. Tyler, Decatur; Devine News, W. L. Dolon, Devine; Progress, Dublin; West Texas News, Del Rio; El Campo Citizen, El Campo; Record News, El Campo; Eden Echo, J. A. Willhelm, Eden; Elkhart Record, Elkhart; Electra News, Electra; Edinburg Valley Review, M. McIlhenny, Edinburg; Rains County Ledger, T. W. Hill, Emory; Commercial Review, Charles R. Rollinson, El Paso; El Paso Herald, H. D. Slater, El Paso; Daily Guide, T. L. Baxter, Eagle Pass; Facts, Falfurias; Star, Frost; Facts, C. P. Kendall, Freeport; Pioneer, Fort Stockton; Times, J. D. Boykin, Farmerville; Standard, O. R. Schumacher, Fredericksburg; Fort Davis Post, Frank Ritchie, Fort Davis; Record, Leonard Withington, Fort Worth; Cattleman, E. B. Spiller, Fort Worth; Skiff, Fort Worth; Union Banner, C. W. Woodman, Fort Worth; Daily Court, Homer Tomlinson, Fort Worth; Texas Oil Ledger, W. B. Alley, Fort Worth; Southwestern Swine Breeder, Ray W. Smith, Fort Worth; the Transmitter, J. A. Smith, Fort Worth; National Oil Journal, Garfield Crawford, Fort Worth; Texas School News, S. Brogdon, Fort Worth; Frisco Journal, M. E. O'Neill, Frisco; State Line Tribune, R. B. Boyle, Farwell; News, Granbury; Hood County Tablet, A. W. Crockett, Granbury; Signal, W. W. Leverett, Gainsville; Herpenian, George T. Yates, Gainsville; Goldthwaite Eagle, E. E. Wilson, Goldthwaite; Gasser, Frank Boyer, Goose Creek; News, R. A. Alford, Granger; Sun, W. E. Keeling, Grapevine; Reporter, J. G. Calling, Glen Rose; Enterprise, Garland Buck, George West, Tex.; Trinity County News, F. B. Russell, Groveton; Inquirer, Gonzales; Banner, C. C. Cantrell, Greenville; Weekly News, J. Dearing, Garrison; Oil City News, Humble; Herald, Hamlin; Peoples Review, Henrietta; News, L. D. Shaw, Higgins; News, J. C. Mecklin, Hubbard; Review, L. L. Mesmer, Hallsville; Sabine Co., Hemphill; Free Press, Sam A. Roberts, Haskell; Texas World Publishing Co., Mrs. J. H. Palmer, Houston; Thresher, A. D. Batjer, Houston; Harris County Suburbanite, O. B. Granum, Houston; Texas Jewish Herald, L. L. Kuppin, Houston; Bulletin, P. K. Fulton, Houston; Southwestern Electric & General Construction, 3509 Audubon Place, Houston; Magnolia Park Record, Houston; Southland Farmer, Houston; Southwestern Oil Review, E. O. Baker, Iowa Park; Record, Frank Chancellor, Iredell; Atascosa News, F. N. Potter, Jourdonton; Jefferson Jimplecute, Jefferson; Eagle, Junction; Star, A. S. Bunger, Joshua; Kerrville Mountain Sun, J. L. Tullis, Kerrville; Record, R. C. Mecklin, Kingsville; Herald, Monroe Drew, Kaufman; Tribune, C. N. Noble, Kerens; Kirbyville Banner, Fred Haley, Kirbyville; Herald, W. T. Carter, Killeen; Karnes Citation, A. C. Dietze, Karnes City; Chronicle, Charles R. Shockley, Kilgore; News, M. S. Boggess, Kemp; Enterprise, N. J. Hamilton, Lexington; Leader, J. A. Hicks, Leakey; News, L. H. Miller, League City; Post, O. R. Porterfield, Lott; Zavalla County Sentinel, Jack Stinebaugh, La Pryor; Enterprise, Jack Lewis, Lewisville; Avalanche, Lubbock; Ledger, Join C. Bildige, La Coste; News, L. J. Scholl, Malakoff; Eagle, O. F. Knape, Moulton; Messenger, J. A. Tyler, Miles; Monitor, R. D. Davidson, McAllen; News, M. L. Moody, McLean; Times, Mrs. James Watson, Mission; News Era, H. H. Kilpatrick, Marfa; Meteor, Madisonville; Enterprise, R. E. Bradbury, Mullin; Noonday, C. A. Beehn, Marshall; News, Milford; Democrat, Montague; Reporter, Midland; Messenger, Menard; News, Moran; Daily, Mount Pleasant; Times, Munday; Daily Sentinel, Nacogodoches; Enterprise, New Ulm; Commonwealth, M. J. Webb, North Zulch; Breeze, Omaha; Stockman, Bill C. Easterly, Ozona; Oracle, B. Y. Baggett, Oakwood; Dinner Horn, W. E. Boyd, Paris; Post City Post, E. A. Warren, Post; Labor Forum, Port Arthur; Enterprise, Pecos; Clarion, Pharr; Progress, S. T. Compton, Mount Enterprise, Tex.; Ochiltree County Herald, Perryton, Tex.; Leader, C. H. Hudson, Pearsall, Tex.; Rustler, W. E. Boatwick, Palmer, Tex.; News, J. M. Smith, Tampa, Tex.; Wave, C. E. Wickers, Port Lavaca, Tex.; Herald, E. E. Manny, Panhandle, Tex.; Review, Quinlan, Tex.; Leader, Charles F. Mills, Round Rock, Tex.; Karnes County News, Runge, Tex.; Success, B. A. Gaines, Rockwall, Tex.; Review, F. Dickson, Refugio, Tex.; Round-Up, W. D. Riser, Rankin, Tex.; X-Ray, W. T. Curtis, Rising Star, Tex.; Texas Coaster, Richmond, Tex.; News, Rosebud, Tex.; Banner, W. H. Morris,

Balls, Tex.; News, Roxton, Tex.; Echo, S. Harlen, Richardson, Tex.; Record, M. L. Dale, Robstown, Tex.; Eye-Witness, C. I. Bentley, Richland Springs, Tex.; Rustler, W. Fischer, Riesel, Tex.; Reporter, John E. Cook, Rockdale, Tex.; Press-Journal, W. M. Ellis, Rusk, Tex.; Enterprise, Howard Roach, Streetman, Tex.; Southwest Farmer and Investor, San Antonio, Tex.; Harspoon, San Antonio, Tex.; Frie Press of Texas, San Antonio, Tex.; Texas Hotel News, R. L. Souder, San Antonio, Tex.; Tribune, Stephenville, Tex.; Bayton County Banner, O. C. Harrison, Seymour, Tex.; Empire, W. H. Hawkins, Stephenville, Tex.; Epitone, San Jose, Tex.; North Texas Press, M. D. Townley, Sherman, Tex.; Gazette, Shiner, Tex.; Reporter, Sweetwater, Tex.; Leader, Stamford, Tex.; Devils River News, Sonora, Tex.; Times, Henry Gates, Sanderson, Tex.; Wheeler County Texan, Shamrock, Tex.; Sheep and Goat Raisers' Magazine, James T. Elliott, San Angelo, Tex.; Reporter, Oran Kelly, Spearman, Tex.; Investor; Times, G. F. Bastian, Smithville, Tex.; Times, G. A. MacNaughton, San Marcos, Tex.; Live Oak County Leader, J. M. Cunningham, Three Rivers, Tex.; Sun, John R. Broughier, Texas City, Tex.; Hustler, J. E. House, Thornton, Tex.; Chronicle, Tague, Tex.; Tribune, L. R. Campbell, Trinity, Tex. Enterprise, J. A. Staffer, Texline, Tex.; Tribune, Tom Holmes, Trenton, Tex.; Lynn County News, R. B. Haynes, Tahoka, Tex.; News, W. F. Boyette, Tyler, Tex.; Four States Press, Texarkana, Tex.; Express, J. W. Gay, Venus, Tex.; Victoria Fact, Victoria, Tex.; Leader, R. S. Fulton, Van Alstyne, Tex.; Advocate, Van Horn, Tex.; Record, Vernon, Tex.; Tribune, W. H. Carter, Valley Mills, Tex.; Wheeler News Review, J. F. Dunkle, Wheeler, Tex.; Democrat, H. A. McEachin, Weatherford, Tex.; Hustler, N. L. Ball, Walnut Springs, Tex.; West News, J. A. Fore, West, Tex.; Enterprise, Ed P. Eason, Winters, Tex.; Spectator, F. W. Shannon, Wharton, Tex.; Sun, Hal C. Wings, Wolfe City, Tex.; Light, W. Crosby, Waxahachie, Tex.; Waco Press, Clyde Essex, Waco, Tex.; News, G. B. Beckham, Yorktown, Tex.; Progressive Advertiser, H. A. Turner, De Kalb, Tex.; Hood County Tablet, Ashley W. Crockett, Granbury, Tex.; Giddings News, C. M. Bishop, Giddings, Tex.; Cushing Journal, J. G. Williams, Cushing, Tex.; Progress, J. W. Cockrell, Gorman, Tex.; Graphic, R. C. May, Leonard, Tex.; Dallas Craftsman, A. M. Reilly, Dallas, Tex.; Ennis Weekly Local, John M. Weekley, Ennis, Tex.; Texas Carpenter, R. E. Roberts, Dallas, Tex.; Progress, J. Travelstead, Holland, Tex.; Southwest Magazine, W. N. Beard, Fort Worth, Tex.; Messenger and Star Forum, Davis R. Hall, Gatesville, Tex.; the Mercury, Brooks & Yoder, Weimar, Tex.; Lindale Reporter, C. C. Ward, Lindale, Tex.; the Panola Watchman, R. M. Park, Carthage, Tex.; Giddings Volksbailt, J. A. Proske, Giddings, Tex.; Wood County Democrat, P. N. Thomas, Quitman, Tex.; Dalhart Texan, C. H. Walker, Dalhart, Tex.; Cisco Daily News, R. W. H. Kermon, Cisco, Tex.; Harlingen Star, V. P. Dubose, Harlingen, Tex.; the Courier, C. A. Ricks, Lufkin, Tex.; Christoval Observer, Frank C. Van Horn, Christoval, Tex.; Lometa Reporter, Gayle Talbot, Lometa, Tex.; Taft Tribune, W. S. Clark, Taft, Tex.; the Hunt County News, Nelson & Morris, Greenville, Tex.; the Milano Gazette, Ewol B. Wilson, Milano, Tex.; Motley County News, H. O. Ward, Matador, Tex.; Rusk County News, D. R. Harris, Henderson, Tex.; Patria, Cia. Editora de la Patria, El Paso, Tex.; Weslaco News, T. E. Thompson, Weslaco, Tex.; Eagle Lake Headlight, Norman & Taylor, Eagle Lake, Tex.; South Bend Derrick, J. W. Travers, South Bend, Tex.; the Times, C. F. Curtis, Tom Bean, Tex.; Johnson County Review, Cecil Horne, Cleburne, Tex.; Daily Tribune, E. Y. Horn, Terrell, Tex.; Texasky Rolnek, L. W. Dongres, Taylor, Tex.; Rosenberg Herald, M. E. Parrott, Rosenberg, Tex.; the News, W. A. Halford, Garland, Tex.; Quanah Observer, O. T. Vinson, Quanah, Tex.; Czecho-Slovak Publishing Co., J. E. Krizan, West, Tex.; Kenedy Advance, A. D. Chestnutt, Kenedy, Tex.; La Tribuna Italiana, L. C. Adin, Dallas, Tex.; Navy Domor, J. W. Kotecty, Hallettsville, Tex.; Laredo Oil Ledger, Jeff McLemore, Laredo, Tex.; Miami Chief, Fred R. Betry, Miami, Tex.; the Echo, Bell & Hicks, Tom Ball, Tex.; the American Railroad Chronicle and the Union News and Farm Journal, R. J. Dowling, Texarkana, Tex.; American Oil Examiner, John Wall, Mexia, Tex.; Herald, E. R. Gibson, Throckmorton, Tex.; Santa Anna News, J. J. Gregg, Santa Anna, Tex.; Deutsche Zeitung, La Grange, Tex.; Tribune, James A. Greer, Gustine, Tex.; Des Arc Advocate, Chas. Eury, Des Arc, Ark.; the Sun-Times, C. C. Watson, Monette, Ark.; Grant County News, W. V. Goforth, Sheridan, Ark.; the Rector Post, H. H. James, Rector, Ark.; the Observer, C. R. Campbell, Crossett, Ark.; Messenger, P. L. Cooper, Mansfield, Ark.; Magnolia News, F. B. Turner, Magnolia, Ark.; the Trade Record, Parke Harper, Little Rock, Ark.; Shield, Jas. R. Turner, Helena, Ark.; Warren Watchman, A. L. Katz, Warren, Ark.; Courier, L. M. Ross, Blytheville, Ark.; the Mena Star, V. W. St. John, Mena, Ark.; News Press, P. W. Hampton, Glenwood, Ark.; the Leader, G. C. Graham, Holly Grove, Ark.; the Headlight, R. W. Blanchard, Sheridan, Ark.; Enterprise, W. H. Noyer, McRae, Ark.; Batesville Record, W. M. Shelly, Batesville, Ark.; the Tribune, Mrs. Gertrude Webb, Hoxie, Ark.; Malvern Meteor, J. T. Anderson, Malvern, Ark.; Courier-Democrat, J. A. Livingston, Russellville, Ark.; the Herald, W. E. Watson, Linisville, Ark.; Arkansas Countryman, Chas. L. Patterson, Fayetteville, Ark.; Branch Argus, C. B. Metherny, Branch, Ark.; Stephens News, Chas. J. Parker, Stephens, Ark.; Bearden Leader, J. W. Barr, Bearden, Ark.; the Republic, D. C. Ambrose & Son, Fayetteville, Ark.; Nashville News, C. E. Ferguson, Nashville, Ark.; El Dorado Daily News, C. A. Berry, El Dorado, Ark.; the Times, E. C. Hawkins, Nashville, Ark.; the Times, E. J. Higgins, Mulberry, Ark.; the Star of Hope, Ed McConcke, Hope, Ark.; Conway News, J. B. Parker, Conway, Ark.; Brantley County News, Robert Kirby, Hoboken, Ga.; School and Home, Wilbur Colvin, Atlanta, Ga.; Covington News, W. E. Lightfoot, Covington, Ga.; the Graphic, A. G. Wesdall, La Grange, Ga.; the Chronicle, L. J. Whitehurst, Abbeville, Ga.; the Echo, W. A. Shackelford, Lexington, Ga.; Jones County News, M. C. Greene, Gray, Ga.; Metter Advertiser, Josephus Camp, Metter, Ga.; Herald Journal, J. C. Williams, Greensboro, Ga.; Sparta Tribune, Joe W. Lewis, Sparta, Ga.; Liberty County Herald, R. W. Morton, Hinesville, Ga.; the Independent, Jake M. Angler, Lumpkin, Ga.; the Enterprise, Chas. Temple, Cornelia, Ga.; Lumber Trade Journal, Walter C. Wright, New Orleans, La.; the Louisiana Grocer, A. A. Larose, New Orleans, La.; Caldwell Watchman, W. W. Lantrip, Columbia, La.; the Record, J. B. Crouch, Bunkie, La.; the Call, Jos. A. Gil, Eunice, La.; Mercurio, A. Vivas, New Orleans, La.; the Enterprise, M. W. Fisher, New Iberia, La.; El Mundo Azucarero, Dr. R. E. Blouin, New Orleans, La.; the Pythian, B. Mendleson, New Orleans, La.; the Patriot, G. W. Cooper, Glennora, La.; St. Marys Banner, W. H. Lathaus, Franklin, La.; Louisiana Planter, Dr. R. E. Blouin, New Orleans, La.; the Weekly Gazette, T. P. Ashlock, Ville Platte, La.; Bolivar Herald, F. L. Stuffiebarn, Bolivar, Mo.; Bethany Republican, Ben G. Crouch, Bethany, Mo.; the East Prairie Eagle, David Bright, East Prairie, Mo.; Knox County Democrat, S. R. Hoover, Edina, Mo.; Times, Geo. G. Tedrick, Altamont, Mo.; the Review, W. L. Stanley, High Point, N. C.

Mr. GOODING. I think one of the arguments that had some weight in the Senate when vegetable oils were under consideration was the charge or the claim that was made that it would dam up the fats in the country and deprive the American manufacturer of soap or of vegetable oils a market in Europe. I want to read the exports——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GOODING. I ask to have printed in connection with my remarks the statement giving the exports, and so forth.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

COCONUT OIL.

Rate in emergency tariff, 20 cents per gallon.
Value per pound, based on import valuation, 1921, 10 cents per pound.
Rate in Senate bill, 4 cents per pound.
Computed ad valorem, based on import value, 40 per cent.

COTTONSEED OIL.

Rate in emergency tariff, 20 cents per gallon.
Value per pound, based on import valuation, 1921, 9 cents per pound.
Rate in Senate bill, 3 cents per pound.
Computed ad valorem, based on import value, 33⅓ per cent.

SOYA-BEAN OIL.

Rate in emergency tariff, free.
Rate in Senate bill, 3 cents per pound.
Value per pound, based on import valuation, 1921, 4 cents per pound.
Computed ad valorem, 75 per cent.

PEANUT OIL.

Rate in Senate bill, 4 cents per pound.
Value per pound, based on import valuation, 10 cents per pound.
Computed ad valorem, 40 per cent.

Exports of principal oils and fats.

(In millions of pounds.)

Commodity.	1913	1914	1915	1916	1917	1918	1919	1920	1921
Cotton oil	265	216	352	188	125	119	193	185	253
Peanut oil	0	0	0	0	0	0	4	1	2
Soya-bean oil	0	0	0	2	4	1	46	47	2
Coconut oil	0	1	1	0	2	1	127	29	10
Copra in terms of oil	0	0	0	0	3	0	14	1	2
Lard	536	438	451	427	373	549	761	612	360
Neutral lard	39	22	35	27	9	6	23	23	23
Lard substitutes	64	63	64	50	49	44	125	32	48
Total	904	740	903	694	565	720	1,293	930	1,210

Imports of principal oils and fats.

(In millions of pounds.)

Commodity.	1913	1914	1915	1916	1917	1918	1919	1920	1921
Cotton oil	11	16	12	17	14	18	28	9	1
Soya-bean oil	14	13	21	145	265	336	196	112	17
Peanut oil	2	1	1	2	4	9	21	13	0
Coconut oil	72	58	63	64	163	356	291	216	190
Copra in terms of oils	20	39	70	103	239	280	167	140	123
	119	127	167	331	685	999	693	490	331

Balance of trade in above oils.
(In millions of pounds.)

	1913	1914	1915	1916	1917	1918	1919	1920	1921
Exports over imports	785	613	736	363	.....	.....	600	440	879
Imports over exports	.....	.....	.....	.....	220	279	.....	.....	.....

If the provision exempting from tariff duties such imported vegetable oils as are used in the manufacture of soap and other inedible products is enacted into law, the entire vegetable-oil tariff program will be nullified and no protective benefit will accrue to the American farmer nor will there be any revenue derived by the Federal Government. The extensive interchangeability of the different oils and fats affords an easy means of completely avoiding the rates that now are contemplated for the protection of domestic edible oils and fats.

Soya beans, peanut and cotton oils are all usable to advantage in the manufacture of lard substitutes, cooking oils, margarines, and soap, and it would be entirely practicable to divert the incoming soya-bean oil entirely to technical uses, which would take from the domestic producer his market in the soap and other nonedible industries and throw on the edible market the entire domestic production of oils and fats.

While coconut oil can not be used to advantage in the manufacture of lard substitutes, it is the best oil for margarines, filled milk, and soap, and if used in the soap industry it also will replace large quantities of home-grown oils.

It is the same with the other oils, and for economic purposes the imported and domestic oils can be considered in the aggregate.

A great deal is said to the effect that certain foreign oils are not competitive with our domestic agriculture, but such claims are fallacious, as every importation of vegetable oils in some way competes with our domestic dairy, cotton, corn, hog, peanut, flaxseed, soya-bean, and fish oil industry.

One of the arguments used by the advocates of free trade in vegetable oils is that tariff duties will divert foreign oils directly to Europe and this country, therefore, will lose such foreign trade. However, it must be recalled that such of the fats and oils produced in the Orient and South Sea Islands as were needed in Europe actually went directly there before the war. The shifting of such shipments from this country is merely a restoration of the former trade movements following the opening up of the old trade routes and channels. Considering the matter from a world angle, it seems reasonable that Europe can get directly its oils and fats cheaper than by permitting them to pass through this country and to be increased in value by our high transportation, handling, and manufacturing costs.

It also is argued that the emergency tariff has caused the falling off of our cotton-oil exports, whereas 1921 showed the largest cotton-oil exports for the last six years and also showed by far the largest lard exports in history. Had it not been that lard was relatively cheaper than cotton oil there is no question that the cotton-oil exports would have been vastly greater. During 1921 the excess of exports over imports of the principal oils and fats was 879,000,000 pounds, also the largest in history.

There is no doubt that the emergency tariff had a marked influence in the increased price scale for oils and fats in this country. This fact is recognized by the Tariff Commission in its recent report. Other factors, of course, were involved, such as a short cotton crop and a large foreign demand for lard and oils, but without the emergency tariff there is no doubt that agriculture would have been in a far worse position and would have required a much longer time for recovery. The dairy, hog, and corn industries were greatly aided through the effect of this measure on the oil market.

These foreign oils are produced and prepared for market by the cheap labor of the Orient and the South Sea Islands. With lowered water and rail transportation rates, with the correction of the present wasteful practices of handling and marketing and with improved transportation and marketing facilities, there seems to be a certainty that these oils can be delivered in future to our consuming centers at much lower prices than have been possible in the past. Economies can be, and with the development of the industry will be, effected that will largely offset the duties on oils, and if such duties do not become fully effective such economies will increase the great competition that existed prior to the emergency tariff.

Mr. EDGE. Mr. President, I am rather surprised that this eleventh-hour attempt to circumvent the final action of the Finance Committee in this matter should be made.

Mr. McCORMICK. Mr. President——

Mr. EDGE. I want to make clear in my few moments——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Illinois?

Mr. EDGE. I have only 10 minutes.

Mr. McCORMICK. I merely wished to ask the Senator if he meant to use the term "circumvent." Certainly we are free to offer amendments.

Mr. EDGE. I will withdraw the term. Perhaps the word was not well chosen.

I am afraid Senators may be confused as to the intent of the amendment prepared by the Finance Committee. The amendment simply provides that upon the taking out of bonds importations of vegetable oil to be used for the production of nonedible commodities may be received duty free, but not for the production of any commodities that can be used for food purposes but solely and alone for industrial purposes.

I can not understand why the dairymen or the farmers or any other class of citizens should be particularly interested in trying to keep out of the country that lower class of vegetable oils which everyone understands are used in the production of industrial products—soap and other things. They do not use the same type of vegetable oils that are generally produced in this country for edible purposes, and it is absolutely essential that industrial concerns import from various parts of the Orient in order to meet the competition necessary in the production of soap and other commodities for export and domestic purposes.

The Senate has given the dairymen the highest duties they have ever had on milk and cream and eggs, and it does seem to me for the dairymen to be worried about an industrial production which is in no way in competition, so far as I can follow the arguments, with their products, is going a step beyond reason.

Let me read a resolution which referred to this subject and which was subscribed to by the secretary of the National Dairy Union, as follows:

> We also recognize the importance of these oils in the industries and arts, and would suggest that importers and refiners be allowed a suitable rebate on all such oils that are denatured and used for any purpose other than human food.

The secretary of the National Dairy Union subscribed to that resolution passed at a meeting of dairymen. It would seem to me that the secretary of the Dairy Union was thoroughly familiar with what he was doing at that time. When the Finance Committee considered the entire subject they arrived at the very businesslike conclusion that if the imported vegetable oils were to be used alone for industrial purposes, then there would be no reason for the imposition of a duty, thus raising the price of the product.

Mr. McCORMICK. Mr. President——

Mr. EDGE. I will yield in just a moment. Again the Senator from Idaho [Mr. GOODING] has referred to exportations. The exportation of food products produced by vegetable oils mainly produced in this country are very large, indeed. Out of a total of something like 3,600,000,000 pounds of various edible products 1,396,000,000 pounds have been exported—over one-third, in other words, produced in this country and exported. That, it seems to me, is proof conclusive of the greatness of the industry and the continued use of products raised by farmers, so far as the higher grade vegetable oils that are raised in this country are concerned.

The Senator from Idaho referred to the fish-oil industry. Out of a total of 509,705 pounds of various oil products consumed in this country I am informed there was a total of less than 13,000 pounds of fish oil. Compare 13,000 pounds of fish oil, half of it produced along our coast and the other half imported, with 509,000 pounds of other types of oil. It does not seem to me it is an industry that should be greatly affected, anyhow.

Mr. McCORMICK. Mr. President, before the Senator takes his seat will he tell the Senate the tariff on soap as proposed to-day?

Mr. EDGE. I can not tell the Senator offhand; but let me say to the Senator from Illinois that so far as the soap manufacturers are concerned I think the evidence before the Finance Committee will bear me out that they do not care whether there is any tariff on soap or not. It was put on mainly for revenue purposes. They have never asked for a tariff on soap, according to my understanding.

Mr. GOODING. Does the Senator object to having a little tariff on vegetable oils for revenue purposes?

Mr. EDGE. I was answering the question of the Senator from Illinois as to the tariff on soap, a finished product, not a raw material.

Mr. McCORMICK. Mr. President, if the tariff on soap be levied for revenue purposes and be unnecessary for the protection of the soap industry, then, with the advantage accruing to the soap industry by reason of the revenue tariff, that industry will not suffer from the tariff on oils. The Senator from New Jersey, who is unusually well informed, will remember that it is in the high-priced soap that these oils are used. Am I not right as to that?

Mr. EDGE. I am informed that a very small proportion of the higher grade of oil is used.

Mr. McCORMICK. The low-grade soaps are made in part of tankage and similar material, rather than of the more valuable vegetable oils. Perhaps the Senator from New Jersey can give us the names of the officers of the dairy union and tell us where their offices are located.

Mr. FRELINGHUYSEN. Mr. President, I know the Senator from Illinois does not wish to have a false and misleading impression go in the RECORD. He spoke of tankage being used in the low-grade soaps. There is not enough tankage produced in this country to manufacture one one-hundredth part of the low-grade laundry soap which is manufactured in this country.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Idaho?

Mr. McCORMICK. I yield to the Senator.

Mr. GOODING. I will say to the Senator from Illinois that no vegetable oils go into the manufacture of laundry soap. That soap is made out of the cheaper fats. Vegetable oils are only used in the making of high-priced soaps, on which there is a 50 per cent ad valorem.

Mr. EDGE. Mr. President, the Senator from Illinois [Mr. McCORMICK] asked me for my authority for the resolution which I read. I now desire to state that the resolution was adopted by the representatives of the dairy association which was assembled at Buffalo, N. Y., and is signed and approved by the secretary of the National Dairy Union.

Mr. GOODING. Who are the officers?

Mr. EDGE. A. M. Loomis is the secretary and Milo D. Campbell is the chairman.

Mr. McCORMICK. Here is an amazing thing. The names of Mr. Loomis and Mr. Morley for the National Dairy Union are signed to a resolution to the contrary.

Mr. EDGE. Yes; that is exactly what this circular letter marvels at—why the change of position.

Mr. McCORMICK. What did the Senator say?

Mr. EDGE. That is exactly what this circular letter marvels at—why the change of position from the meeting of the delegates in Buffalo and a later meeting in Washington.

Mr. McCORMICK. It may marvel, but a man in the light of new information may change his mind. That has been known to take place even on the floor of the Senate.

Mr. EDGE. Perhaps the information was misinformation.

Mr. McCORMICK. Even Senators are guided by misinformation at intervals.

Mr. GOODING. Mr. President, will the Senator yield to me for a moment?

Mr. McCORMICK. My time is growing short.

Mr. GOODING. I wish to say that Mr. Loomis has been here in the District Committee room for two days of this week. Several Senators have met him; they have heard him plead for a duty on vegetable oils; so there can not be any question about the position of Mr. Loomis at the present time, and of the position of the organization which he represents.

Mr. LODGE. Mr. President——

Mr. McCORMICK. If the Senator from Massachusetts desires to interrupt me, I yield.

Mr. LODGE. I do not wish to take up any of the Senator's time, and I shall take but a moment. The Senator from New Jersey, greatly to my surprise, referred to the total production of fish oil, as I understood him, as being 13,000,000 pounds. I do not know who gave him that information.

Mr. EDGE. The figures in this table are the only authentic figures which may be obtained. Let me say, they are taken from Bulletin 769 of the United States Department of Agriculture and are for the year 1917, the last year for which the statistics are available.

Mr. LODGE. There are later statistics quoted in the Tariff Summary. In 1920 menhaden oil alone was produced to the extent of 27,000,000 pounds. There was also herring oil, the production of which amounted to 2,852,000 pounds, and whale oil, of which 23,000,000 pounds were produced. The production of menhaden oil alone, as I have stated, amounted in 1920 to 27,000,000 pounds, and 21,000,000 pounds represent the production for nine months in 1921.

Mr. McCORMICK. Mr. President, I think I know something of the names which are attached to this memorial and the associations which are parties to it. In a small way, I have something to do with the dairy industry but in a fashion which is in no wise affected by the pending bill. The ordinary dairyman, the producer of commercial milk, so called, has been in dire distress, as every informed man knows, for the last year or year and a half, in the State of the Senator from New Jersey, in New York, and wherever there has been a great dairy industry. No wonder they protest, and protest vehemently, that if a tariff for revenue, forsooth, is to be imposed on soap, the manufacturers of soap enjoying that protection may very well bear the protection demanded by the dairymen.

Mr. FRELINGHUYSEN. Mr. President, before the Senator takes his seat will he answer one question?

Mr. McCORMICK. I yield to the Senator.

Mr. FRELINGHUYSEN. How is the tariff on vegetable oils going to affect the dairyman? I should like to have the Senator answer that question.

Mr. McCORMICK. Oh, the Senator knows very well that edible oils and the fats derived from milk enter into competition with one another.

Mr. FRELINGHUYSEN. What does the Senator consider edible oils? Is soya-bean oil edible? I am asking the Senator a question.

Mr. McCORMICK. Is the soya bean not used for forage purposes?

Mr. FRELINGHUYSEN. The soya bean is not edible. Soya-bean oil is used for forage purposes.

Mr. FRELINGHUYSEN. Mr. President——

Mr. McCUMBER. Mr. President, I wish to speak for a few moments.

Mr. FRELINGHUYSEN. I yield to the Senator from North Dakota.

Mr. McCUMBER. I merely desire to state briefly the conditions and the considerations which actuated the committee in fixing these rates. This was a matter in which intense interest was evidenced on the part of the dairymen who desired a duty and on behalf of the producers of soap, paints, and so forth, who desire to bring in the raw product free. The dairymen at the time the question was first presented to the Senate Finance Committee made the contention as the basis of their argument that vegetable oils came in and were used for edible purposes mixed with milk, or took the place of milk or butter or cream. I might say that practically all their objections to the free vegetable oils were based upon that assumption.

Mr. President, we sought to reach a conclusion that would meet the demands at that time of the dairy people and at the same time allow the products to come in free for those who use them for nonedible purposes. Therefore, of all the vegetable oils which come into this country we relieved from duty only four of them, and we relieved those from duty only upon condition that they should not be used for any edible purpose. What were those four? First, coconut oil. We ascertained that there are consumed in the United States 168,602,000 pounds of coconut oil. That oil can be used for edible purposes in making coconut butter, and so forth, and it is a serious competitor of good dairy butter. But how can we meet that situation? There is just one way to meet it, and that is to get rid of the Philippine Islands, because 90 per cent of all of our importations of that product comes in from the Philippine Islands, and therefore no duty would affect that which is imported from those islands, as we have no right to impose a duty upon them.

Next comes cottonseed oil. There are produced and consumed in the United States 126,390,000 pounds of cottonseed oil. Where is that produced? It is all produced in the United States, only $25 worth being imported in the year ending June 30, 1922. Therefore, as to product, so far as the dairyman's interest is concerned, it does not make any difference whether we put a duty on it or whether we do not, because it is all produced in the United States, and to the extent that cottonseed oil may conflict with the dairy interests we are without any remedy whatever.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Idaho?

Mr. McCUMBER. I yield.

Mr. GOODING. The Senator understands, does he not, that soya-bean oil can be used interchangeably with any of the other vegetable oils?

Mr. McCUMBER. If the Senator will allow me, I will take that up in a moment. I stated a moment ago there were four of the important vegetable oils which have been relieved from duty. I have shown that the two most important ones perhaps, namely, coconut oil and cottonseed oil, are beyond any remedy that could be provided by a tariff, because they are produced at home or in the Philippine Islands.

I next refer to peanut oil. The quantity of peanut oil consumed in the United States amounts to 15,126,000 pounds annually, and in the year ending June 30, 1922, there were imported but $322,000 worth. Peanut oil can be used to the extent that it may be imported in edible products. It may be used in making some kinds of imitation butter, and, to the extent that it is so used, of course it came in conflict with the dairy product.

Mr. GOODING. Mr. President——

Mr. McCUMBER. I yield to the Senator from Idaho.

Mr. GOODING. The point to which I wish to call the attention of the Senator is that the great importation of soya-bean oil into this country will control the price of all the other oils. Of course, the soap people will draw their supply from Manchuria and from China and Japan. They will buy all that character of oil they can and will then fix the price of the other oils here in America.

Mr. McCUMBER. I agree with the Senator that if there is added to the quantity of such oil even one-tenth of 1 per cent it may have some influence on the price of vegetable oils, but I want to be fair, and so I will say I think the influence of that much oil brought into the United States would be infinitesimal in the matter of fixing prices. I do not know what proportion could be used for edible purposes.

Take the next item, soya-bean oil, is a very important factor, because we import annually into the United States 124,000,000 pounds of it, but I do not understand that that can be used for edible purposes at all.

Mr. GOODING. The soya bean?

Mr. McCUMBER. The soya-bean oil. I do not understand that, so far at least, it has been used for edible purposes; but whether it can be so used or not, this bill as amended provides that none of it may be used for edible purposes unless it pays the duty. So we get down finally, Mr. President, to the mere matter of displacement, because that is really what is involved in the question.

To what extent do these oils displace the American oils and fats? Because if the soap makers and other industries can not obtain the foreign oils it will compel them, of course, to use the American product. As the Senator from Idaho [Mr. GOODING] has often stated, we are producing more of the American product than we consume in the United States; and his argument is—and there is some force in that argument—that to that extent it would have an influence upon the price of all American oils and fat products that otherwise would go into soap.

I am simply presenting both sides of the proposition as fairly as I can, so that Senators may balance the one as against the other in arriving at a conclusion.

Mr. GOODING. Mr. President, I want to say to the Senator that in 1917—these are the latest figures I was able to get—425,000,000 pounds of vegetable oils were used in the manufacture of soap. It is such a tremendous quantity that it will absolutely control the prices of all vegetable oils in America, and that is the reason why we have had a campaign or a propaganda on here for 18 months by the soap people, in which they have sent out——

The PRESIDENT pro tempore. The time of the Senator from North Dakota has expired.

Mr. FRELINGHUYSEN. Mr. President, as I understand this situation, the Senator from Idaho [Mr. GOODING] has made a motion to strike out what is known as the bonding provision—a provision that provides that vegetable oils imported for nonedible purposes shall be imported in bond, and the tariff rate imposed in this act shall be remitted; that where those oils go into edible products there shall be a duty on coconut oil of 4 cents per pound, which is 50 per cent ad valorem; on cottonseed oil of 3 cents per pound, which is 50 per cent ad valorem; on peanut oil of 4 cents per pound, which is 70 per cent ad valorem; and on soya-bean oil 3 cents per pound, which is 60 per cent ad valorem.

A good deal of misinformation about vegetable oil has been given on this floor to-day. It has been stated that in common soap there is no coconut or soya-bean oil or offgrade cottonseed oil. Practically the prime ingredients of the common laundry and white soap are cottonseed, soya-bean, and coconut oils. There is a duty of 5 per cent on the cheaper grades of soap, but as far as the soap makers are concerned they do not care for that duty. You can take it off.

Mr. GOODING. Mr. President——

Mr. FRELINGHUYSEN. Mr. President, I refuse to yield until I finish my remarks. Then I will yield to a question from the Senator from Idaho.

On the finer toilet soaps there is a duty of 50 per cent, which is purely a revenue duty, placed there because they are luxuries. There are soaps imported that cost $1 and $2 a cake, and there is absolutely no competition whatever in regard to those importations; but the result of this duty is this: The dairymen of the country think that this is going to benefit them. It will not benefit them at all. The prejudice that they entertain is against the coconut oil which goes into filled milk, and they can not relieve it by this duty, because millions of pounds are imported from the Philippines free and will be no matter what duty is imposed in this bill. Ninety per cent of all of the vegetable oils imported are used in the soap-making industry. Not one pound of those oils—coconut and soya-bean—is produced in this country, and of the soya-bean oil—and it ran last year into imports of 112,000,000 pounds—only 350,000 pounds were used remotely in edible products. If you put on this high duty, however, you do one of two things: You lay a tax of $25,000,000, approximately, on an industry in this country unnecessarily, because we are not making a pound of these oils here, or else you create an embargo and back up those oils in continental Europe, where they are used for edible purposes, and therefore throw back on this country the immense amount of cottonseed oil we have in surplus and the billion pounds of hog-lard products that we have as a surplus, for which an outlet is needed.

Mr. President, I would not say a word if we were going to encourage an infant industry in this country. I would not say a word if it could be remotely shown from any of the hearings or any of the testimony that these oils could be produced here; but the farmer who needs an outlet for his surplus food products, his fats, and his cottonseed oil is going to suffer much more by this tax than he realizes.

Mr. GOODING. Mr. President——

Mr. FRELINGHUYSEN. If you impose it, it means that you are going to destroy your export market needlessly. I think that this duty, imposed without the bonding provisions for the remission of taxes to the industry using this product commercially, is unnecessary, unwise, and vicious taxation.

Mr. GOODING. Mr. President, will the Senator yield for a question?

Mr. FRELINGHUYSEN. I yield.

Mr. GOODING. I ask the Senator if he knows anything about the price of what are called the lower fats to-day?

Mr. FRELINGHUYSEN. I know nothing about the price of the lower fats. It has nothing to do with this matter.

Mr. GOODING. The Senator made the statement that these vegetable oils went into laundry soaps and the lower-grade soaps. I want to read, for his information, the price of cottonseed oil. Its price is from 11 to 11¼ cents a pound. The price of coconut oil is 8¼ to 8¾ cents a pound. The price of soya-bean oil is 11¼ cents a pound. The price of peanut oil is 12 to 12½ cents a pound. You can buy laundry soap for less than 12 cents a pound, and yet the Senator would have the Senate believe that these valuable oils are going into laundry soaps and the cheaper soaps.

Mr. RANSDELL. Mr. President, the Senator from New Jersey [Mr. FRELINGHUYSEN], who has just taken his seat, and his colleague, the junior Senator from New Jersey [Mr. EDGE], I notice, have been very strongly in favor of protective duties on many commodities of manufacture. I do not criticize them; I applaud them. I have tried to do the best I could for everything from my part of the country, and I glory in a Senator who does that; but at the same time, where a Senator does that, he ought to have a little generosity, it seems to me, in carrying out the same policy toward other industries, whether they be agriculture or manufacture.

The amendment we are considering is designed to protect agriculture; and I say to you, sir, that it is to protect the soya-bean industry of this country, which is a very important one, as I shall show. It is also necessary to protect our cottonseed-oil and peanut-oil industries, both of which are very important. Then there is another great industry which has not been mentioned in this debate—not of the farm—the menhaden fish-oil industry. I heard some gentlemen yesterday, testifying before a committee of Senators, say that there was about $50,000,000 invested in that industry. It is a very promising one. It extends on the Atlantic coast from Maine around to the western coast of Texas. It is growing rapidly and produces a large quantity of fish oil and fertilizer material. These Senators, of whom I was one, were assured that if this provision is allowed to stay in the bill and soya-bean oil is brought in absolutely free from Manchuria for nonedible purposes—for that is what it means—it will completely destroy this great fish-oil industry.

I said, sir, that soya beans are a product of this country, a very important agricultural product of this country.

Mr. REED of Missouri. Mr. President——

Mr. RANSDELL. I can not yield for the moment. I have only 10 minutes, and I can not get into a debate on this subject. I want to talk for my 10 minutes.

Permit me to read to the Senate a very brief dispatch from this city which appeared in the New Orleans Times-Picayune of the 16th instant. It reads thus:

WASHINGTON, Aug. 15.—The soy bean rapidly is taking a place as a major crop in the farming systems of the Corn Belt, replacing oats to a considerable extent and taking part of the corn acreage, says the Department of Agriculture. Although primarily used for forage, pasture, and ensilage, the growing of seed during the last few years has become a very profitable industry. The production of seed has increased to the point where the supply greatly exceeds the demand for planting.

Listen to this, Senators:

Two mills in Illinois have planned to use about 750,000 bushels this season, it has been reported to the department, while other mills are planning on a smaller scale to extract meal and oil.

Soy-bean oil is used in the manufacture of soaps and paints, and also used in the manufacture of lard and butter substitutes, rubber substitutes, linoleum and printing ink, and as a salad oil. The cake or meal is a superior cattle feed and of high value for human consumption.

That is in the Corn Belt, Mr. President. I wish to say to Senators from the cotton States that in my judgment soya beans present the most promising crop of which I have any knowledge under boll-weevil conditions. I have had a little experience myself with soya beans. I have investigated the industry pretty thoroughly. I know full well that an ordinarily good farmer can cultivate 40 to 50 acres of land in soya beans. He can not cultivate more than 10 or 20 acres in cotton and gather it. Soya beans can be cultivated entirely by improved implements, without ever getting off the plow that prepares the land, the improved machine that plants the seed, the cultivator that cultivates it, the machine that gathers the ripe beans. It can all be done by machinery. It is a wonderfully promising industry in the Cotton Belt.

One of the things that troubles us most in the Cotton Belt under boll-weevil conditions is the extremely high price of fertilizer. The soya bean carries a great quantity of nitrogen into the ground. It is almost as good a nitrogen bearer as cowpeas.

When you gather the soya beans themselves—from 20 to 35 bushels per acre—you harvest them by machinery and leave the stalks standing. Those stalks, with the leaves, the branches, and the main stems, contain a considerable quantity of nitrogen and potential humus. That nitrogen can then be turned into the ground with the stalks, thereby enriching the soil and giving a good return to the farmer. It is my honest opinion that not only will soya beans assist materially to build up the cotton industry in the South, but they will furnish an excellent means of diversifying the crops of the South, with great benefit to the Nation.

Mr. FRELINGHUYSEN. Mr. President——

Mr. RANSDELL. I can not yield. I have only 10 minutes, and that is about exhausted.

I think that we ought to adopt this amendment, because if we do not we will seriously check the development of the soya bean as a great agricultural crop which can be grown successfully throughout the Union. We will injure the cottonseed industry and do great harm to the peanuts. If we can believe the testimony of the gentlemen engaged in the menhaden fish-oil industry, that promising business will be completely destroyed, for they say it is a low-grade oil, suitable mainly for nonedible purposes, such as soaps and things of that kind, and that it can not possibly compete with free soya-bean oil from Manchuria.

This bill is a protective-tariff measure and, in my judgment, we should by all means carry out the same degree of protection to the agricultural interests of the Nation that we give to the manufacturing interests.

Mr. ASHURST. Mr. President, in my time, I ask unanimous consent that the Secretary read the following letter at the desk. It is from the Piatt County Farm Bureau, addressed to the Senator from Idaho [Mr. GOODING].

The PRESIDENT pro tempore. The Secretary will read as requested.

The Assistant Secretary read as follows:

THE PIATT COUNTY FARM BUREAU,
Monticello, Ill., July 28, 1922.

Senator FRANK R. GOODING,
Washington, D. C.

DEAR SIR: Piatt County, Ill., is a small county in the east central part of the State, with about 1,300 farmers. The farmers of this county are appreciative of the work which you have done in attempting to establish a duty on soy bean and allied vegetable oils in the new tariff. It is rather strange to us that when the bill was voted upon in the Senate of all the Corn Belt Senators there was only one who voted in favor of this duty. I write you to let you know we appreciate and approve your action.

As you know, the soy bean is being raised in increased acreages in Illinois and other Corn Belt States. The increase in acreage of soy beans in our county this year is probably from 1,000 to 1,500 per cent over last year. In addition the farmers here have become so interested that they have organized a cooperative company to establish a plant to crush soy beans.

We need this new crop, because corn and oats are becoming more and more unprofitable to the Corn Belt farmer. The vegetable oil offers a ready substitute. With a fair protection, the soy bean will be a profitable crop to Illinois farmers, and the mills crushing beans can do so at a profit to themselves and to the farmer. However, if there is no duty established, soy beans will barely pay us the cost of production and the mills will go broke.

Does there yet remain anything which might be done to obtain this tariff? We are hoping that such is the case.

Very respectfully yours,

J. W. WATSON,
Farm Adviser, Piatt County Farm Bureau.

Mr. HARRELD. Mr. President, I confess that when this proposition was first advanced to amend this schedule providing for the remission of the duty on imported vegetable oils not used in edible products I was struck with it favorably. On reflection, however, I have come to the conclusion in my own mind that the amendment offered by the Senator from Idaho should be adopted.

I was struck by the remark which the Senator from North Dakota [Mr. MCCUMBER] made a while ago when he said this was largely a question of displacement. There is in this country a demand for a certain amount of vegetable oils. It is admitted that the production of vegetable oils in this country is amply sufficient to supply that demand, and any oils shipped into this country simply displace and destroy the market for our home production. That was the basis of my argument in regard to a duty on mineral oils.

I can remember when a man would take his cotton to the gin, and the cotton seed was thrown in a heap and allowed to decay, or was used as fertilizer; there was absolutely no market for it. But there grew up such a demand within a few years for that product of the farm that a few years ago it reached a price of $80 a ton. Then suddenly in a very short time the price of the cotton seed dropped from $80 a ton to $20 a ton, and people began to wonder what was causing the drop. An investigation was started, and it was soon ascertained that it was caused by the importation of vast quantities of soya-bean oil from the Orient, and whereas the farmer would take his cotton to the gin and get almost as much for his seed as he got for the cotton, he found all at once that he got hardly anything for his cotton seed, and it was directly because of the importation of the soya-bean oil from the Orient.

I repeat, we have a certain demand for these vegetable oils which we produce, and as long as that demand is supplied by our own farmers in this country there is no reason for allowing the importation of vast quantities of vegetable oils into this country free of duty to compete with that product. The farmers of this country are having a hard enough time. They are not getting to-day a living price for the things they produce, and if there is any set of men in this country to-day who need protection in the way of a tariff, it is the farmers of this country. They are coming here asking that they be given this protection against the importation of cheap vegetable oils which are produced in the Orient with the cheap labor and cheap conditions surrounding its production. I favor this amendment.

Mr. REED of Missouri. Mr. President, I have been attracted by the argument of the Senator from Louisiana, and so much so that I can not refrain from giving it a moment's attention. He tells us two important things; first, that if we do not stop the importation of soya-bean oil and other oils from the Orient for manufacturing purposes, we are going to destroy the fish-oil industry in this country, and that there is some one concern, the name of which the Senator thought he recollected, that is interested in producing fish oil.

Mr. RANSDELL. If the Senator will permit me, I said the industry extended from Maine down to the Rio Grande, and there are quite a number of concerns engaged in it. I do not pretend to know them all.

Mr. REED of Missouri. I thought the Senator mentioned only the Menhaden Fish Oil Co.

Mr. RANSDELL. No, Senator. Menhaden is the name of a fish. It is a little fish that is fit for oil and nothing but oil. It is not edible.

Mr. REED of Missouri. Is that the fish that has $50,000,000 invested in that industry?

Mr. RANSDELL. I understand it has, and they say about that little fish that they once found a school of them in the ocean 100 miles long and 25 miles wide. I do not know anything about it. It is one of the fish stories they tell us, however.

Mr. REED of Missouri. And we have had a very fishy argument about it.

Mr. RANSDELL. That is all right.

Mr. REED of Missouri. It seems that this fish stretches through the Atlantic Ocean or the Pacific—it does not make any difference which—for hundreds of miles. The Senator said that the fish has $50,000,000 invested in the business. He did not exactly mean that; he meant that somebody has $50,000,000 invested in the business of getting oil out of the fish.

Mr. RANSDELL. The industry.

Mr. REED of Missouri. I am not acquainted with this variety of fish. I plead all proper ignorance. But the idea of the Senator is, of course, that this fish ought to be protected against the pauper fish of Europe. Here is a fish that grows out in the ocean, which stretches in schools hundreds of miles long, and in order to protect the business of taking that fish, the oil of which is unfit for any edible purpose, it is proposed to put a duty upon soya-bean oil, which is shipped from the

other side of the world. If that be not protection gone crazy, I do not know where you would find an example of it.

But let us follow the Senator's argument. He says that soya beans are a better crop than cotton. He says that one man can raise many times more in acreage of soya beans than he can of cotton. He says that practically all the work is done by machinery. He says that the soya bean planted in this country not only produces this remunerative and easily handled crop, more profitable than cotton, but that it fertilizes the soil and leaves it rich; and having said all of that, he then tells us that that industry has to be protected against soya beans raised in other places. Having argued that the soya-bean oil coming into this country will destroy the fish industry, he proposes to promote an enormous production of soya-bean oil here, which of course would destroy his flock of fish and their industry. That is the argument—an argument which destroys itself.

The Senator tells the farmers of this country that here is the most productive crop—for cotton has always been king—that can be produced, with all the benefits and with but little labor, and yet it must be protected against competition from abroad. Then he tells us that the fish-oil industry will be destroyed by soya beans. Then he proposes to raise the soya bean right under the nose of the gentleman who is catching the fish, to promote the industry.

Mr. President, is there anything in the world that we can do without protection by law? Are we the most helpless people in all the world? Is it true that no American citizen can make a living unless we have a law passed to give him an advantage over every other man in the world? Is it true that there is no one thing in the country that can be produced except back of a tariff wall? If so, then there is no one thing we can sell abroad and we are indeed a hermit Nation, a Nation made hermit by incapacity and by inability of its own people to compete with the world.

When we lay down along with the cold facts of life the bald statement that we can compete on nothing we find as a matter of fact that we do export enormous quantities of goods and that the exports have been increasing from year to year and from day to day with a marvelous rapidity. Of course, everybody but a dyed-in-the-wool protectionist knows that if we can sell abroad in competition with the world any particular article we can certainly sell that article at home in competition with the world. If we sell it abroad in competition with the world, and then demand a law which will increase the price of the competitive article coming from abroad to the domestic market, it follows that the proponent of that law intends to rob the American people by charging them a high price and to give the foreigner the benefit of the low price. So that at the end of 50 years of protection the proposition is that the prices shall not be reduced to our people, who have taxed themselves all of those years, but we shall continue to pay the high prices and the benefits of our manufactures and the reduction in prices shall go to the foreigners who have never paid a dollar of that tax.

The PRESIDENT pro tempore. The time of the Senator from Missouri has expired. The question is upon agreeing to the amendment proposed by the Senator from Idaho [Mr. GOODING] to the amendment made as in Committee of the Whole.

Mr. REED of Missouri. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. EDGE (when his name was called). I transfer my pair with the senior Senator from Oklahoma [Mr. OWEN] to the Senator from Vermont [Mr. PAGE] and vote "nay."

Mr. McCUMBER (when his name was called). I am informed that my general pair, the junior Senator from Utah [Mr. KING], would vote as I shall vote on this amendment. I therefore vote. I vote "nay."

Mr. POMERENE (when his name was called). Again announcing my pair with my colleague [Mr. WILLIS], I desire to state that on the same question in Committee of the Whole my colleague and I voted the same way, so I feel free to vote at this time. I vote "nay."

Mr. SIMMONS (when his name was called). I have a general pair with the junior Senator from Minnesota [Mr. KELLOGG]. In his absence I withhold my vote.

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "yea."

The roll call was concluded.

Mr. JONES of New Mexico. I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Nevada [Mr. PITTMAN], and vote "yea."

Mr. SWANSON. My colleague [Mr. GLASS] is paired with the senior Senator from Vermont [Mr. DILLINGHAM]. My colleague is unavoidably detained from the Senate.

Mr. CURTIS. I wish to announce the following general pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON];

The Senator from Illinois [Mr. McKINLEY] with the Senator from Arkansas [Mr. CARAWAY]; and

The Senator from Missouri [Mr. SPENCER] with the Senator from Georgia [Mr. HARRIS].

The result was announced—yeas 38, nays 26, as follows:

YEAS—38.

Ashurst	Harreld	McNary	Sheppard
Ball	Heflin	Moses	Shortridge
Broussard	Hitchcock	Nicholson	Stanfield
Cameron	Jones, N. Mex.	Norbeck	Sterling
Capper	Jones, Wash.	Oddie	Swanson
Cummins	Kendrick	Pepper	Trammell
Fletcher	Keyes	Phipps	Warren
France	Lenroot	Ransdell	Watson, Ind.
Gooding	Lodge	Rawson	
Hale	McCormick	Reed, Pa.	

NAYS—26.

Brandegee	Ernst	Newberry	Sutherland
Bursum	Frelinghuysen	Pomerene	Underwood
Calder	Gerry	Reed, Mo.	Wadsworth
Colt	McCumber	Robinson	Walsh, Mass.
Curtis	McKellar	Smith	Walsh, Mont.
Dial	Myers	Smoot	
Edge	New	Stanley	

NOT VOTING—32.

Borah	Harris	McLean	Shields
Caraway	Harrison	Nelson	Simmons
Culberson	Johnson	Norris	Spencer
Dillingham	Kellogg	Overman	Townsend
du Pont	King	Owen	Watson, Ga.
Elkins	Ladd	Page	Weller
Fernald	La Follette	Pittman	Williams
Glass	McKinley	Poindexter	Willis

So Mr. GOODING's amendment to the amendment made as in Committee of the Whole was agreed to.

The PRESIDENT pro tempore. The question now is upon concurring in the amendment made as in Committee of the Whole as amended in the Senate.

The amendment as amended was concurred in.

The ASSISTANT SECRETARY. The next reserved amendment, reserved by the Senator from Wisconsin [Mr. LENROOT], is on page 29, lines 8 and 9, in paragraph 78, where the committee propose to increase the rate on chloride or salt, in bags, sacks, barrels, or other packages, to 20 cents per 100 pounds, and in bulk to 16 cents per 100 pounds.

Mr. LENROOT. Mr. President, I shall not occupy the time of the Senate except to say that the Senate rates practically double the rates as proposed by the House. I demand the yeas and nays on concurring in the amendment.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. POMERENE (when his name was called). Again announcing my pair with my colleague, the junior Senator from Ohio [Mr. WILLIS], I transfer that pair to the senior Senator from Tennessee [Mr. SHIELDS] and vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before relative to my pair and its transfer, I vote "yea."

The roll call was concluded.

Mr. POMERENE (after having voted in the negative). A moment ago I transferred my pair with my colleague the junior Senator from Ohio [Mr. WILLIS] to the senior Senator from Tennessee [Mr. SHIELDS]. The Senator from Tennessee has since come into the Chamber and voted. I therefore cancel that transfer, allow my pair with my colleague to stand, and withdraw my vote.

Mr. WATSON of Georgia. I have a general pair with the Senator from California [Mr. JOHNSON]. Not knowing how that Senator would vote if present and being unable to secure a transfer of the pair, I withhold my vote.

Mr. HARRISON. I transfer my pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Texas [Mr. CULBERSON] and vote "nay."

Mr. JONES of New Mexico (after having voted in the negative). I neglected to state the transfer of my pair. I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Nevada [Mr. PITTMAN]. I ask that that announcement may stand for the day, and I will let my vote stand.

Mr. EDGE. I transfer my pair with the senior Senator from Oklahoma [Mr. OWEN] to the Senator from Vermont [Mr. PAGE] and vote "yea."

The result was announced—yeas 33, nays 35, as follows:

YEAS—33.

Ball	Ernst	New	Shortridge
Brandegee	France	Newberry	Smoot
Broussard	Frelinghuysen	Nicholson	Stanfield
Bursum	Gooding	Oddie	Sutherland
Calder	Harreld	Pepper	Wadsworth
Cameron	Lodge	Phipps	Watson, Ind.
Colt	McCumber	Ransdell	
Curtis	McLean	Rawson	
Edge	McNary	Reed, Pa.	

NAYS—35.

Ashurst	Heflin	Moses	Smith
Borah	Jones, N. Mex.	Myers	Stanley
Capper	Jones, Wash.	Norbeck	Swanson
Cummins	Kellogg	Overman	Trammell
Dial	Kendrick	Reed, Mo.	Underwood
Fletcher	Keyes	Robinson	Walsh, Mass.
Gerry	Lenroot	Sheppard	Walsh, Mont.
Hale	McCormick	Shields	Warren
Harrison	McKellar	Simmons	

NOT VOTING—28.

Caraway	Harris	Nelson	Spencer
Culberson	Hitchcock	Norris	Sterling
Dillingham	Johnson	Owen	Townsend
du Pont	King	Page	Watson, Ga.
Elkins	Ladd	Pittman	Weller
Fernald	La Follette	Poindexter	Williams
Glass	McKinley	Pomerene	Willis

So the amendment made as in Committee of the Whole was not concurred in.

The PRESIDENT pro tempore. The Secretary will state the next reserved amendment.

The ASSISTANT SECRETARY. On page 29, in the same paragraph, line 13, the vote by which the rate on nitrate was changed as in Committee of the Whole from 8 cents per pound to 5 cents per pound was reserved by the Senator from Arkansas [Mr. ROBINSON].

Mr. ROBINSON. Mr. President——

Mr. LENROOT. Will the Senator from Arkansas yield for a moment?

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Wisconsin?

Mr. ROBINSON. I yield.

Mr. LENROOT. A parliamentary inquiry. There were two amendments embraced in the last reservation. Was the last vote on both the amendments together?

The PRESIDENT pro tempore. The Chair omitted to say that it was the understanding that the two amendments were to be voted upon at the same time as one amendment.

Mr. LENROOT. So that the record will show that the vote was upon both amendments?

The PRESIDENT pro tempore. The record will so show.

Mr. ROBINSON. Mr. President, the pending amendment is not of great relative importance. There have been reserved for a separate vote in the Senate something more than 45 amendments. Many of them are of very great importance. Therefore, the Senate ought to pursue a policy that will enable us to vote upon all of the reserved amendments, particularly those that are important, prior to the hour for the final vote on the bill, 4 o'clock to-morrow afternoon. We have consumed from 11 o'clock until almost 3.30 o'clock, barring the time that was consumed in the delivery of the President's address, in the consideration of four amendments, one of which, the last, was not discussed at all. I am therefore going to limit my remarks on the pending amendment to a very few statements.

The present rate on this commodity is one-half cent per pound. The House provision carries a duty of 3 cents per pound. The dye industry, in which this commodity is used in the production of coal-tar dyes and in other ways, has greatly developed in the United States during the last few years. The House provision, in my judgment, is adequate, if not excessive.

The amendment of the Senator from Washington [Mr. JONES], which contemplates increasing the rate from 3 cents a pound, as fixed by the House, to 5 cents a pound, was characterized by the Senator from North Dakota [Mr. MCCUMBER] on yesterday as reckless, careless legislation. I shall content myself, Mr. President, with suggesting to the Senate that the amendment of the Senator from Washington has only the amiable personality and the forceful suggestions of that very lovable Senator to commend it—nothing else. The amendment ought to be rejected.

Mr. JONES of Washington. Mr. President, I agree with the Senator from Arkansas that we ought to conserve the time so that these amendments may all be voted upon by to-morrow afternoon, and I shall conserve the time just as much as possible and shall only take a moment or two on the pending question.

I am inclined to think that the Senator from Arkansas uttered his last very nice sentence to take away the effect probably of the criticism of the chairman of the committee which led to the reservation of the amendment. It is rather peculiar and it illustrates how things which happen here on the floor of the Senate may influence even learned Senators in their action on the bill.

The only objection made by the Senator from North Dakota to the amendment was that it raised the rate over the present law about 1,000 per cent. He called that to the attention of Senators on the other side of the Chamber. I can not see where that has anything to do with the merits of the proposition; but I have scanned this bill and I find that one provision reported by the Finance Committee raises the rates on an item under the present tariff over a trillion quadrillion per cent and then some more.

Mr. ROBINSON. Will the Senator from Washington yield to me?

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Arkansas?

Mr. JONES of Washington. Yes.

Mr. ROBINSON. The Senator from Washington certainly, in view of the action of the Senate touching many of the amendments, does not argue that as a justification for this excessive increase?

Mr. JONES of Washington. Oh, no; I merely make that suggestion as showing the only argument submitted by the chairman of the committee against the amendment. Then, just a while ago we voted an item into the bill as to which the Senate committee reported a rate 500 per cent higher than that of the present law. Five hundred per cent, of course, is very small. There are many items in this bill on which a rate of duty is imposed but on which the present law levies no tariff rate at all. Then we put a tariff on. The Senator from New York [Mr. CALDER] suggests to me that that would represent an increase of 1,000 per cent. He will have to study his arithmetic again. He can not tell us what the per cent of increase is in a case of that kind.

Mr. President, I stated the facts last night with reference to this commodity. Before the World War we produced in this country about a million and a half pounds of this article, and our consumption was about 6,000,000 pounds.

During the war a new plant started up. It happened to start up out in my State, and they produced about half of the additional supply needed. They state that they have the only plant of its kind in the United States, using the arc process of fixation of nitrogen from the air. That is an industry that we would like to have developed in this country, and they present a showing here that I have not seen presented with reference to any of the other articles.

Our Democratic friends have gotten tired of our references to Germany, and I must say that there have been a great many references to Germany without very much proof as to what they are actually doing; and yet I presented a letter from a German agent, representing the people who produce this article in Germany, showing that they have on hand a supply that they propose to sell in this country at a lower rate, even, than it sold for before the war, on account of business conditions. The only proposition is as to whether or not we want to continue the development of this industry in this country.

Of course, unless my Democratic friends can see something in this duty from a revenue standpoint I can not complain of their voting against it; but I want to say that I can not understand why a Republican can not well vote for this proposition. I want to call attention to what I stated last night, that the actual ad valorem rate with this duty of 5 cents is only 50 per cent, and we have a great many rates higher than 50 per cent ad valorem on items in this bill. So from the protectionist standpoint it seems to me that we are not only justified in voting for this duty but that the necessities of the situation require that we should give encouragement to the development of this industry in this country.

Mr. MCCUMBER. Mr. President, I just want to correct a statement of the Senator from Washington. I did not urge as a reason for not raising the duty that it was 1,000 per cent above the present duty.

Mr. JONES of Washington. No; but that was the only suggestion the Senator made.

Mr. MCCUMBER. I simply made that suggestion for the purpose of basing upon it the statement that we ought to consider these matters a little before voting on them.

Mr. JONES of Washington. It was more effective, probably, than any argument the Senator could have presented.

Mr. McCUMBER. Possibly. I hope not, however.

The PRESIDENT pro tempore. The question is on concurring in the amendment made as in Committee of the Whole.

The amendment was nonconcurred in.

The PRESIDENT pro tempore. The Secretary will state the next amendment reserved.

The ASSISTANT SECRETARY. On page 33, paragraph 204 (a), crude magnesite, the committee inserted a new paragraph, 204 (a), which was amended in three particulars in Committee of the Whole.

On line 1, "five-sixteenths" was stricken out and "one-half" inserted in lieu thereof.

On line 2, "five-eighths" was stricken out and "three-fourths" was inserted.

On line 4, "four-tenths" was stricken out and "three-fourths" was inserted.

So that as amended the paragraph now reads:

PAR. 204. (a) Crude magnesite, one-half of 1 cent per pound; caustic calcined magnesite, three-fourths of 1 cent per pound; dead-burned and grain magnesite, not suitable for manufacture into oxychloride cements, three-fourths of 1 cent per pound.

Mr. CALDER. Mr. President, I submit an amendment to the paragraph, which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The Secretary will state the amendment proposed by the Senator from New York to the amendment made as in Committee of the Whole.

Mr. ROBINSON. Mr. President, I inquire if the amendment presented by the Senator from New York is an amendment to the pending paragraph?

Mr. CALDER. Mr. President, my amendment, if adopted, would bring the rates back to those submitted by the Finance Committee, which the Senate in Committee of the Whole rejected.

The PRESIDENT pro tempore. The amendment will be stated.

The ASSISTANT SECRETARY. The Senator from New York proposes three amendments in one, to change the rates back to the rates as originally reported:

On line 1, strike out "one-half," which was agreed to in Committee of the Whole, and insert "five-sixteenths," the reported sum.
On line 2, strike out "three-fourths" and insert "five-eighths," the original sum reported.
On line 4, strike out "three-fourths" and insert in lieu thereof "four-tenths."

Mr. CALDER obtained the floor.

Mr. ROBINSON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Arkansas?

Mr. CALDER. I do.

Mr. ROBINSON. I wish to inquire the effect of the amendment proposed by the Senator from New York. It is to reduce the rates that were agreed to in Committee of the Whole, is it?

Mr. CALDER. It is.

Mr. ROBINSON. And it restores the rates to the basis originally reported by the Committee on Finance?

Mr. CALDER. That is correct.

Mr. McCUMBER. Mr. President——

Mr. CALDER. I yield to the Senator.

Mr. McCUMBER. There is no necessity for an amendment. This is simply a proposal to disagree to the amendment made in Committee of the Whole.

Mr. CALDER. I wanted to be certain about it.

Mr. McCUMBER. However, we can take it up in that form.

Mr. CALDER. The Senator from North Dakota suggests that the proper course would be to disagree to the amendment made in Committee of the Whole. I offer this as an amendment, however, Mr. President.

The PRESIDENT pro tempore. The question is upon concurring in the amendment made as in Committee of the Whole. To that paragraph the Senator has now offered a certain amendment. Under the unanimous-consent agreement the Chair is of opinion that he has a right to offer this amendment.

Mr. CALDER. Mr. President, my amendments, if agreed to, will bring this paragraph back to the rates proposed by the Finance Committee. To-day magnesite is free. It ought to have some protection. In the consideration of this particular paragraph the Finance Committee considered all of the elements concerning it.

Mr. ROBINSON. Mr. President, will the Senator yield to me?

Mr. CALDER. Yes.

Mr. ROBINSON. I think, under the unanimous-consent agreement secured by the Senator from Wisconsin [Mr. LENROOT] yesterday evening, the Senator from New York is entitled to have the vote by which this amendment was agreed to reconsidered in order that he may offer his amendment. Under the parliamentary status as impliedly, at least, suggested by the Chair, his amendment would not be in order; but the Senator from Wisconsin, as I recall, secured consent yesterday afternoon to reconsider the vote by which any amendment was agreed to in Committee of the Whole if any Senator desired to offer an amendment to that amendment before the vote to concur finally was taken.

The PRESIDENT pro tempore. The Chair is considering the matter from the standpoint that the vote has been reconsidered, inasmuch as the unanimous-consent agreement seems to the Chair to have that effect.

Mr. ROBINSON. Very well. The Chair is correct. I thought the Chair had suggested that the amendment could not be offered.

The PRESIDENT pro tempore. No. Were it not for the unanimous-consent agreement it could not be.

Mr. ROBINSON. It could not be; the Chair is right; but that was the object of my suggestion.

Mr. CALDER. Mr. President, I stated a moment ago that this commodity is on the free list to-day. It always has been on the free list. The proposition now is to levy a duty upon it. The Finance Committee believed it ought to have a duty; but those who came before the committee and urged the rate that is now in the bill wanted to have a rate of duty high enough not only to pay for the production of the commodity but to pay for the freight rate all the way from the west to the east coast. It seemed to the committee, and I concurred in their views, that it was a fair thing to ask for a fair market for this commodity; and therefore we gave them a duty high enough, it seemed to me, to bring their product all the way around—they took the water route—and back to Pittsburgh, and then have sufficient to pay them under the rate the Finance Committee reported.

Mr. President, there are some things about this proposition that were not discussed when the matter was up before. Nothing was said then, or not much was said, of the use made of this commodity in building operations generally. I am informed that every year in this country we construct something like 50,000 houses of this so-called stucco, and this caustic calcined material is used in that stucco work, so this very largely increased duty would tend materially to increase the cost of building houses.

I have here a memorandum, sent to me by some people interested in this matter in New York who have to do with this stucco construction work, and they say this, among other things:

For the year 1921, 51 per cent of the magnesite received by their concern was domestic California magnesite, and 48 per cent was imported. The average price paid for the domestic product was $59.03 f. o. b. New York, while the average price paid for the imported article was $64 f. o. b. New York. In fact, they were compelled to pay a higher price for the caustic calcined magnesite when imported than they were compelled to pay for the domestic product. For the first three months of this year, 41 per cent of the magnesite required in connection with this plastic cement was domestic, and the average price was $56. The average price of the imported product was $58.

So, Mr. President, it seems to me that the duty carried in this bill as reported by the Finance Committee, and as now proposed by me, is sufficient to give this commodity all the protection it ought to have. We can not expect here, when this commodity is mined only on the far west coast, to give it a duty that will bring it all the way to the east coast and give them the entire market. They have a right to a fair chance, but not a right to a complete monopoly of this business.

Mr. NICHOLSON. Mr. President, before the Senator sits down may I ask him a question concerning this matter?

Mr. CALDER. The Senator may. I yield.

Mr. NICHOLSON. What per cent of magnesite is used in each ton of the stucco material of which the Senator speaks?

Mr. CALDER. I can not answer the Senator's question. I have not that information.

Mr. NICHOLSON. I will state for the information of the Senate that the cost it will add to the material which the Senator from New York has been discussing amounts to very little. I doubt if it will add 50 cents per ton of stucco used to the cost. That is my best information.

Mr. CALDER. I can not answer the Senator's question. I do not know. I have never made that inquiry; but I do say, in response to the Senator, that this commodity has a right to a protective duty; it has a right to be assisted in every way in that regard; but it has no right to expect the entire business of the country.

The PRESIDENT pro tempore. Treating the three amendments as one, the question is upon agreeing to the amendment offered by the Senator from New York to the amendment made as in Committee of the Whole.

Mr. POMERENE. Mr. President, I want to say a word in behalf of this lower rate.

I have been advised that there is in California a deposit of magnesite of an inferior quality. There is, as I am told, in the State of Washington a deposit of a superior quality. Prior to these discoveries most of the magnesite which came to this country came from Austria. It is largely owned, I believe, by American capital—at least, I am so told.

I know that the iron and steel industries of the country are very much opposed to these increased rates, and I think with reason. I am told also that this Washington deposit of magnesite is owned and controlled by one very rich man, and this higher duty is for the benefit of that one rich man. At least, that is the information I get from those who claim to be conversant with the subject. It may be that his friends may be defeating themselves by this higher rate, as I am told, because while some time ago magnesite occupied a certain field in the steel industry, some of the manufacturers have found a substitute for it. The higher rate proposed here may cut off all importations. If so, it defeats the revenue feature of the bill so far as it relates to this item. If the higher rate is placed on this item and the price of magnesite is advanced abnormally it may encourage the production of this substitute.

I am not going to object to reasonable duties, but when it happens that there has been a very excellent deposit discovered, and it is now in the control of an individual, I do not know why we should be so very solicitous about enriching him at the expense of every user of steel in the country. That is the situation as it presents itself to me through those who are conversant with the industry. For this reason I shall oppose the higher duty.

Mr. FLETCHER. Mr. President, very briefly I would state that my information is that with magnesite on the free list, as it is to-day, American producers are supplying over 80 per cent of this country's needs, three years after the war. That is taking place to-day. That would seem to prove conclusively that the domestic producers are able to withstand foreign competition without any tariff whatever on this article.

I am in favor of the reduction of the duty. In fact, I believe that really in the public interest there should not be any duty at all on this article.

Mr. JONES of Washington. Mr. President, we can get different contentions, apparently, from those who are interested. Referring to the statement made by the Senator from Florida, a statement has been given to me, which I think is reliable, showing that the imports into this country in the month of June amounted to 14,000 tons. At that rate the imports per year would be greater than the imports were before the war.

The Senator from Florida suggests that magnesite is on the free list now. It is on the free list. Before the war we were producing practically no magnesite in this country. I believe that only about 4,000 tons per annum were produced in this country, and our consumption was nearly 200,000 tons. It was not known that we could supply the market in this country.

Under the impetus of the war, because of the necessities of the war, our production rose to about 300,000 tons. In other words, we were supplying the home market in this country. With adequate protection, we can supply the home market, and it does seem to me that in a matter of this kind, which apparently is vital to some of the industries of this country, and which would be vital to the problems which would grow out of a war, if we should get into one again, we should do everything which may be necessary to develop the industry in this country.

The Senator from Ohio [Mr. POMERENE] stated that he understood that one man owns this company out in my State. I do not know about that. I do not know who owns the company. But I am very reliably informed that there are just two companies in Austria, which control all the magnesite there, and that is the principal source of the foreign magnesite. There are only two companies there.

I would rather have the industry in this country controlled by one man than to get our supply from an industry controlled by two companies in a foreign country.

I doubt, however, if only one man owns the plant in our State. But that is not the only plant in the country. It is a large plant. We have developed this industry very greatly in our State, but it has been developed in several of the Western States, until, as I said a while ago, the annual production during the war was about 300,000 tons, or sufficient to supply the needs of this country.

I just want to call the attention of the Republicans to this situation. They will remember that the House of Representatives passed some emergency tariff legislation. After they had passed an emergency omnibus bill they passed some independent bills covering propositions which they considered important and necessary to legislate upon. One of those emergency bills was a bill covering magnesite, and they recommended the very rate which the Senate, in the Committee of the Whole, has adopted, the proposition that is pending before the Senate. That bill came over to the Senate, and the Finance Committee of the Senate reported it favorably and had it placed upon the calendar. After very carefully investigating the matter, they came to the conclusion that the industry required this amount of duty and, as I said, reported the bill favorably. But the matter was never brought up in the Senate.

This is a vital proposition, I think, in the way of national defense as well as in the development of an industry here. It is very important out in my State. One of the great plants was developed there. People went into it at the behest of the Government, at the urgency of the Government, invested six or seven million dollars in it, and got their plant constructed and in operation, with four or five hundred men employed.

The Senator from Florida says he has information to the effect that we are supplying our home needs. That plant, I know, is not supplying any part of the needs of this country. Instead of 450 men employed they have 9 caretakers. The plant is shut down. They can not run in competition with the Austrian magnesite, which is rapidly taking the market in this country, 14,000 tons a month being imported, while the imports before the war, as I said awhile ago, were only about 160,000 tons a year.

The Senator from New York says that some stucco company or representative urges that this rate should not be so high. I can cite some people who use magnesite who urge this duty. There appeared before the committee Mr. Schundler, of Joliet, Ill., who said: "I am here on my own behalf as the largest dealer in plastic magnesite of the United States."

He is not asking for a reduction of duty. He is asking for the duty in the bill as it passed the House. What is the reason he gives? He says that he wants good magnesite for his business. He says the magnesite produced in this country is far better than that produced in Greece or in Austria. I have not time to read his testimony. It will be found on pages 1083 and 1084 of the hearings. He wants a staple supply of good, uniform magnesite, in order to turn out good work for his customers, the business which comes to him here in this country.

Mr. President, I could take more time, but I do not feel I ought to do it in justice to the other amendments. But this is a vital amendment to our section of the country, and I believe it is vital to the needs of the whole country. I believe it is vital in time of war, and with the consideration that has been given to it, with the recommendations which have been made by the House, the recommendations which have been made by the Finance Committee, and the recommendations which have been made by the Senate in Committee of the Whole, I believe that we are fully justified and that we ought to vote down the amendment of the Senator from New York.

Mr. GOODING. Mr. President, I wish the good people over in the great city of New York would just stop long enough to think of the great wealth pouring into that city from the West and what the building of the West means to them. Every year, twice a year, all the merchants of the West make pilgrimages to New York City to buy their supplies. Especially is that true of manufactured goods.

You can not go on building New York unless you let the West grow and unless you let us have an opportunity to develop our industries in the West. I want to say to the Senator from New York that a man working in a magnesite mine in any Western State is worth to the manufacturers of the East 20,000 miners working in Austria. You will not even give us an opportunity to furnish you with the raw material. You want to go abroad to get it.

Mr. CALDER. The Senator knows that the Committee on Finance carefully considered this subject, and believed that the duty fixed by them, which is equivalent to 45 per cent, was ample.

Mr. GOODING. The House gave it very much greater consideration, spent very much more time on it, and concluded that it needed the protection they gave it.

Mr. CALDER. I do not think they spent any more time on it than the Finance Committee did.

Mr. GOODING. I know that tremendous influence was brought to bear, but, of course, I do not say that that had anything to do with the Committee on Finance. I know something

about what a great task it is to prepare a tariff bill. I have been around the committee long enough to know that it is a human impossibility for the members of the committee to understand fully the needs of every industry.

I am just pleading that you make New York City bigger. I want you to become a little more American over there, however, instead of turning up your trousers when it rains in London. Remember that you are under the same flag and a part of America and do not covet all the wealth of the country. Let us go on and develop our mines out there, and we will continue to pour money into New York, as we have in the past.

The development of this ore means millions of dollars paid to the transcontinental railroads. We will give them freights, which I hope will mean a lowering of freight rates on agricultural products, which must be accorded, it seems to me, if the agricultural interests of the West are to live and survive.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from New York [Mr. CALDER] to the amendment made as in Committee of the Whole.

Mr. JONES of Washington. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. EDGE (when his name was called). Making the same announcement as before, I vote "yea."

Mr. HARRISON (when his name was called). I understand that my pair, the Senator from West Virginia [Mr. ELKINS], would vote as I intend to vote on this proposition. I vote "yea." If my pair were present, I understand he would vote "yea."

Mr. McCUMBER (when his name was called). On this vote I transfer my general pair with the junior Senator from Utah [Mr. KING] to the junior Senator from Maryland [Mr. WELLER] and vote "yea."

Mr. POMERENE (when his name was called). Announcing my pair with my colleague [Mr. WILLIS] as heretofore, I understand that if he were present he would vote as I intend to vote. I therefore feel at liberty to vote. I vote "yea."

The roll call was concluded.

Mr. McKELLAR (after having voted in the affirmative). I transfer my pair with the Senator from Indiana [Mr. NEW] to the senior Senator from Texas [Mr. CULBERSON] and allow my vote to stand.

Mr. McCUMBER (after having voted in the affirmative). There is some question about the transfer of my pair. I wish to withdraw the transfer and also withdraw my vote. That will leave me paired with the junior Senator from Utah [Mr. KING].

Mr. CURTIS. I wish to announce the following general pairs:

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON];

The Senator from Michigan [Mr. TOWNSEND] with the Senator from Wisconsin [Mr. LA FOLLETTE];

The Senator from Illinois [Mr. McKINLEY] with the Senator from Arkansas [Mr. CARAWAY]; and

The Senator from Missouri [Mr. SPENCER] with the Senator from Georgia [Mr. HARRIS].

The result was announced—yeas 34, nays 27, as follows:

YEAS—34.

Brandegee	Gerry	Phipps	Stanley
Calder	Glass	Pomerene	Sutherland
Colt	Harrison	Reed, Mo.	Swanson
Dial	Heflin	Reed, Pa.	Trammell
Dillingham	Hitchcock	Robinson	Underwood
Edge	Kellogg	Sheppard	Wadsworth
Fletcher	McKellar	Shields	Walsh, Mass.
France	Newberry	Simmons	
Frelinghuysen	Pepper	Smith	

NAYS—27.

Broussard	Ernst	McCormick	Oddie
Bursum	Gooding	McLean	Ransdell
Cameron	Hale	McNary	Rawson
Capper	Jones, N. Mex.	Moses	Shortridge
Cummins	Jones, Wash.	Myers	Stanfield
Curtis	Kendrick	Nicholson	Warren
du Pont	Lodge	Norbeck	

NOT VOTING—35.

Ashurst	Johnson	New	Sterling
Ball	Keyes	Norris	Townsend
Borah	King	Overman	Walsh, Mont.
Caraway	Ladd	Owen	Watson, Ga.
Culberson	La Follette	Page	Watson, Ind.
Elkins	Lenroot	Pittman	Weller
Fernald	McCumber	Poindexter	Williams
Harreld	McKinley	Smoot	Willis
Harris	Nelson	Spencer	

So Mr. CALDER'S amendment to the amendment made as in Committee of the Whole was agreed to.

The PRESIDENT pro tempore. The question is upon concurring in the amendment made as in Committee of the Whole as amended in the Senate.

The amendment as amended was concurred in.

The PRESIDENT pro tempore. The next reserved amendment will be stated.

The ASSISTANT SECRETARY. On page 36, paragraph 213, china, porcelain, etc., reserved by Senators CALDER and JONES of New Mexico. The committee proposed to increase the rates to 60 per cent and 70 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, I desire briefly to call the paragraph to the attention of the Senate. It relates to chinaware and porcelain. It was discussed at considerable length when we were originally going over the bill and discussing committee amendments. I think I may suggest that at that period of the consideration of the bill there was no disposition to lower any rate which the committee had suggested, but later on a more liberal feeling developed. I believe, in view of all the discussion that has occurred since that time, and the development of the industry, that even the Finance Committee would be willing to make some modification in the rates.

The rates in this paragraph are higher than those in the Payne-Aldrich law. In the present law the rates are high, being 50 per cent and 55 per cent. The rates in the Payne-Aldrich law were only 55 and 60 per cent. The rates proposed by the committee and adopted as in Committee of the Whole would increase those rates to 66 and 70 per cent, I believe higher than ever occurred in any previous tariff law.

On the previous argument we showed the very small amount of the importations compared with the American production and we also showed that the importations were of a different class of design from those made in this country; that it gave to the consumers of the country an opportunity to get some other designs, something that might suit their tastes and convenience better at a more reasonable price.

On page 37, line 4, I move to strike out the numeral "60" and insert "50" and in line 8 to strike out the numeral "70" and insert "60," making the rates 50 per cent and 60 per cent, respectively. I ask that the amendments may be voted on together, as they are in the same relative proportion, being a reduction in the one case from 60 to 50 per cent and in the other case from 70 to 60 per cent.

Mr. FRELINGHUYSEN. Mr. President, I hope there will be no change in the rates of duty in the china and earthen ware schedule. At the time the matter was discussed and the rates were debated I pointed out to the Senate the situation which existed with regard to the competition of the various pottery-making countries of Europe. I had prepared by the examiners at Baltimore and New York certain figures showing the importations, the consular invoice price, the invoice export value, the invoice date, and the home value. I pointed out to the Senate that there was an association in Germany, a cartel, which required the export value to be higher than the foreign home value. The investigation showed that the percentage of increase of the export value over the home value amounted to 238 per cent.

In white earthen tableware the invoice showed the foreign home value to be 70 cents, landing charge 43 cents, and the selling price of the comparable domestic article was $4.90, requiring a rate of duty of 364 per cent to equalize the difference.

The Senate rate was 60 per cent for white table chinaware. In the case of an importation in March, 1922, from the Hutchenreuter factory, consular invoice 1408 showed an export value of $908 and a home value of $218, or a difference of 316 per cent. Coming under the other paragraph, decorated china tableware from the Kohla factory, consular invoice 1733 shows an export value of $605 and a home value of $151, so that more than 300 per cent would be required to equalize the difference.

The imports of German china are showing a gradual increase, as are the imports from Czechoslovakia, as well as from Japan. An international investigation which was made by the Department of commerce just before the outbreak of the World War indicated the cost of production in the United States f. o. b. factory, per unit of production, was 129 per cent higher than it was in the best potteries of Austria and 197 per cent higher than the German china potteries.

The labor cost in the manufacture of china in the United States was shown to be 73 per cent higher than the cost of producing English earthenware, 182 per cent higher than the labor cost of the Austrian china, and 314 per cent higher than that of the German potteries.

Mr. President, we have in this country $25,000,000 invested in this industry, and there are over 27,000 wage earners em-

ployed in it. There is a change, however, which can be made in this paragraph and which will be made, and that is a reduction in the rate on what is known as "bone china"; but, so far as the competition in the other items is concerned, these rates are not sufficient to meet the difference between the cost of production in Germany and here. Germany at any time also can lower its export rates and sell under the American manufacturing cost. I hope the amendment will not prevail.

Mr. McCUMBER. Mr. President, I wish to commend the arguments of both Senators who have spoken upon this question for their brevity; and in view of the fact that at the rate we are proceeding, if we run every hour and minute until 4 o'clock to-morrow, we shall not quite have gotten through with all of the reserved amendments, I hope that Senators will be as brief as possible upon some of the amendments so that Senators who intend to propose independent amendments may also have an opportunity to propose them.

I only wish to say in connection with the pending amendment that under the present law the rates are 50 and 55 per cent. That duty is for revenue. For both revenue and protection we have increased the 50 per cent to 60 per cent and the 55 per cent to 70 per cent.

Mr. JONES of New Mexico. Mr. President——

The PRESIDENT pro tempore. The Senator from New Mexico has already spoken upon the amendment. The question is——

Mr. JONES of New Mexico. Then, I should like to ask the Senator from North Dakota [Mr. McCUMBER] a question. I desire to ask the Senator from North Dakota if he does not believe that the present rates of 50 per cent and 55 per cent are protective rates? The Senator from North Dakota said that those rates were for revenue only. I ask the Senator if he does not believe that there is protection afforded by those rates?

Mr. McCUMBER. I will answer that I do not. We would not have increased the rates if we had thought they were already protective.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from New Mexico [Mr. JONES].

Mr. JONES of New Mexico. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. MOSES. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from New Hampshire will state his parliamentary inquiry.

Mr. MOSES. The pending question before the Senate is what?

The PRESIDENT pro tempore. The pending question is the amendment offered by the Senator from New Mexico [Mr. JONES].

The reading clerk proceeded to call the roll.

Mr. HARRISON (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. ELKINS] to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

The roll call was concluded.

Mr. WATSON of Indiana. Making the same announcement as heretofore with regard to my pair and its transfer, I vote "nay."

Mr. CURTIS. I wish to announce the following pairs:

The junior Senator from Ohio [Mr. WILLIS] with the senior Senator from Ohio [Mr. POMERENE];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON];

The Senator from Michigan [Mr. TOWNSEND] with the Senator from Wisconsin [Mr. LA FOLLETTE];

The Senator from Illinois [Mr. McKINLEY] with the Senator from Arkansas [Mr. CARAWAY]; and

The Senator from Missouri [Mr. SPENCER] with the Senator from Georgia [Mr. HARRIS].

The result was announced—yeas 28, nays 36, as follows:

YEAS—28.

Ashurst	Glass	McKellar	Shields
Borah	Harrison	Myers	Simmons
Broussard	Heflin	Overman	Smith
Capper	Hitchcock	Ransdell	Swanson
Dial	Jones, N. Mex.	Reed, Mo.	Trammell
Fletcher	Kellogg	Robinson	Underwood
Gerry	Kendrick	Sheppard	Walsh, Mass.

NAYS—36.

Ball	Cummins	Frelinghuysen	McCumber
Brandegee	Curtis	Gooding	McLean
Bursum	Dillingham	Hale	McNary
Calder	du Pont	Jones, Wash.	Moses
Cameron	Edge	Keyes	New
Colt	Ernst	Lodge	Newberry
Oddie	Reed, Pa.	Stanfield	Wadsworth
Pepper	Shortridge	Sterling	Warren
Phipps	Smoot	Sutherland	Watson, Ind.

NOT VOTING—32.

Caraway	King	Norbeck	Spencer
Culberson	Ladd	Norris	Stanley
Elkins	La Follette	Owen	Townsend
Fernald	Lenroot	Page	Walsh, Mont.
France	McCormick	Pittman	Watson, Ga.
Harreld	McKinley	Poindexter	Weller
Harris	Nelson	Pomerene	Williams
Johnson	Nicholson	Rawson	Willis

So the amendment of Mr. JONES of New Mexico was rejected.

Mr. FRELINGHUYSEN. I offer the amendment which I send to the desk to the pending paragraph.

Mr. BALL. Before that is considered, will the Senator yield to me?

Mr. FRELINGHUYSEN. I will yield to the Senator from Delaware in a moment.

The PRESIDENT pro tempore. The Chair is of the opinion that the amendment submitted by the Senator from New Jersey is not in order at this time.

Mr. FRELINGHUYSEN. Will the Chair please state why? It is an amendment reducing the rate on a certain class of china falling within this paragraph.

The PRESIDENT pro tempore. The Senate is acting upon reserved amendments and amendments to reserved amendments.

Mr. FRELINGHUYSEN. A separate vote was reserved on this paragraph.

The PRESIDENT pro tempore. A separate vote was reserved upon the amendments which have been agreed to as in Committee of the Whole in this paragraph.

Mr. UNDERWOOD. Mr. President, this morning, not having any idea of the amendment the Senator desired to offer, but in order that there might not be any confusion about this matter and so that it might be made certain, I asked unanimous consent that we dispose of the amendments in the order in which they were listed in the paper read at the desk. That was agreed to by unanimous consent, and it seems to me that excludes any other amendment until the reserved amendments shall have been disposed of.

The PRESIDENT pro tempore. The Senator from Alabama is correct.

Mr. FRELINGHUYSEN. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from New Jersey will state his parliamentary inquiry.

Mr. FRELINGHUYSEN. The amendment proposed by me reduces the rate on a certain class of china known as "bone china," which is covered by this paragraph. I should not think the Senate would object to a reduction of the rate, and, inasmuch as it affects this paragraph, I ask unanimous consent that the amendment offered by me may now be considered.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from New Jersey?

Mr. McCUMBER. I hope the Senator will not ask that, because he can return to it again the moment we get through with the reserved amendments, and if the precedent is established other Senators will be entitled to ask the same thing.

Mr. FRELINGHUYSEN. If there will be an opportunity to offer the amendment to this paragraph later, I will now withdraw it.

Mr. McCUMBER. There will be such opportunity.

The PRESIDENT pro tempore. The question is on concurring in the amendments made as in Committee of the Whole on page 37, lines 4 and 8.

The amendments were concurred in.

Mr. BALL. Mr. President, some weeks ago the senior Senator from New Hampshire [Mr. MOSES] made certain statements to the effect that the Government had loaned the Du Ponts some ninety-nine million, nearly $100,000,000; that no interest had been paid on those loans, and that $35,000,000 of that amount had not yet been accounted for. I hold in my hand a statement from the Du Pont Co. itemizing their receipts, giving the numbers of their checks, and so forth, which I ask unanimous consent to have printed in the RECORD.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

MEMORANDUM OF REPLY TO STATEMENT OF SENATOR MOSES IN UNITED STATES SENATE ON JULY 14, 1922.

During the discussion of the tariff bill in the United States Senate on Friday, July 14, Senator MOSES, of New Hampshire, made statements concerning the dealings of E. I. du Pont de Nemours & Co. and its subsidiaries with the United States Government in the late World War which I feel should not be allowed to stand uncorrected. He said:

"I have here a tabulation drawn from official sources showing that, beginning with January 10, 1918, and running through to a latest date

of February 11, 1919, the Du Pont Co. and two of its subsidiaries secured advances from the Federal Treasury in the gross sum of $99,250,552.80. This money, Mr. President, was paid for the purpose of creating huge establishments which bear the Du Pont name and which were devoted to furnishing supplies to the Government during the war. Thus the people of the United States not only financed the Du Ponts in the tremendous extension of their business but were also mulcted by the Du Ponts to an extent which enabled the company to increase its plant value to an admitted $220,000,000, while at the same time taking out net profits which in one year amounted to $129,000,000.

"The Du Ponts still hold, as of July 1, 1922, $35,121,066.02 of Government funds unaccounted for, although the war ended almost four years ago. On practically none of this $100,000,000 of public money advanced to them did the Du Ponts pay interest; and the only security they ever gave for any portion of this huge sum of the public's funds was their own notes or bonds."

The money advanced by the United States Government to E. I. du Pont de Nemours & Co. (hereinafter referred to as Du Pont Co.) was used for the purchase of raw materials for the fulfillment of contracts to supply the Government with explosives, with the exception of $8,870,000 advanced by the Navy under contract 35819 for the construction of a plant for the production of T. N. T. for the Navy.

The Du Pont Co.'s war construction work to meet the demands of foreign Governments for explosives was virtually completed before the United States went into the war, and none of the funds advanced by our Government in 1918 could have been used "to increase its plant value to an admitted $220,000,000." The same statement applies to the profits which were mentioned in the Senator's speech.

The records show that the $54,807,380.93 advanced to the Du Pont Co. has been completely liquidated and accounted for by the completion of contracts, the delivery of material, the settlement of claims, or the return of cash to the United States Treasury.

To a subsidiary of the Du Pont Co., viz, the Du Pont Engineering Co., the Government advanced money to be used and which was used only in connection with the construction and operation of Government-owned plants.

For the construction of Government-owned plants the Du Pont Engineering Co. received direct advances from the War Department totaling $24,506,250, and in addition thereto the sum of $160,579.87, making a total of $24,666,829.87. The sum of $160,579.87 represented profit which had accrued to the Du Pont Engineering Co. under the first contracts for the construction of these Government-owned plants, which profit was waived in favor of the United States under the later contracts. The cost of construction of the Government-owned plants, the greatest of which was the Old Hickory smokeless powder plant near Nashville, Tenn., totaled $99,923,608.23. These plants were built by the Du Pont Engineering Co. at a profit to it of $1 per plant, but as the third plant was not completed, due to the armistice, the total profit paid to the Du Pont Engineering Co. on construction work totaling $99,923,608.23 was $2.

The remainder of the funds advanced by the Government to the Du Pont Engineering Co., viz, $20,667,800, was advanced for use in the procurement of raw materials, payment of labor, etc., in connection with the operation of Government-owned plants.

As of June 30, 1922, the Du Pont Engineering Co. had on hand $940,960.60. This sum of $940,960.60 remained because some accounts were still in process of adjustment with the War Department. A total of $45,334,629.87 was advanced to the Du Pont Engineering Co. in connection with the construction and operation of Government-owned plants. There was returned to the United States by four checks, dated June 30, 1920, of Du Pont Engineering Co., a total of $3,174,000; by check dated January 19, 1921, the sum of $133,981.57; and by check dated March 23, 1921, the sum of $16,516.20, or a total of $3,324,497.77 returned in cash to the United States. The balance of the funds advanced to Du Pont Engineering Co. were expended in connection with the construction and operation of the Government-owned plants, all of which expenditures have been approved by the War Department with the exception of certain items in dispute involving approximately $361,709.

All moneys advanced by the Government to the Du Pont Engineering Co. were kept in separate bank accounts and were drawn on only for use in connection with the contracts for the Government-owned plants, and all interest on unexpended funds advanced accrued to the benefit of the United States.

To another subsidiary of the Du Pont Co., viz, the Du Pont American Industries (Inc.), the Government advanced $5,400,000, to be used by the Du Pont American Industries (Inc.), as agent for the United States, in the purchase of cotton linters for the United States and its allies. These funds were kept in separate bank accounts, and interest to the amount of $147,965.28 accrued to the benefit of the United States.

Du Pont American Industries (Inc.) was accountable for the total sum of $5,547,965.28, and by five checks, dated July 19, 1920, it returned to the United States in cash the total sum of $5,410,105.62 and has been credited with the return of an additional sum of $77,849.98 through the approval by the United States of certain accounts. Pending final settlement of one or two accounts, the Du Pont American Industries (Inc.) has in hand only $62,175.62, which includes accrued interest.

The attached statement gives a detail of the advances made by the United States on and after January 10, 1918, to E. I. du Pont de Nemours & Co. and its subsidiaries, the Du Pont Engineering Co., and the Du Pont American Industries (Inc.).

Advances made by the United States to E. I. du Pont de Nemours & Co. on and after January 10, 1918, for use in the procurement of supplies and materials and the construction of a plant for the Navy.

Government contract number.	Amount of advance.	Date advances were received.	Security.
Navy, 20070	$426,590.13	Jan. 10, 1918	Delaware Surety Co.
Army, GE-140	70,000.00	Jan. 30, 1918	Demand note of contractor for $27,484,264.29. Secured by indorsement of P. S. du Pont and J. J. Raskob.
Army, GE-142	100,000.00	do	Do.
Army, GE-150	200,000.00	do	Do.
Army, GE-152	900,000.00	do	Do.
Army, GE-154	3,800,000.00	do	Do.
Army, GE-167	414,264.29	do	Do.

Advances made by the United States to E. I. du Pont de Nemours & Co. on and after January 10, 1918, etc.—Continued.

Government contract number.	Amount of advance.	Date advances were received.	Security.
Army, G610-811E	$800,000.00	Jan. 30, 1918	Demand note of contractor for $27,484,264.29. Secured by indorsement of P. S. du Pont and J. J. Raskob.
Army, 15467	750,000.00	do	Do.
Army, GE-151	3,000,000.00	do	Do.
Army, G628-312E	5,750,000.00	do	Do.
Army, G674-314E	12,000,000.00	do	Do.
Navy, 32833	1,114,285.00	Mar. 8, 1918	Delaware Surety Co.
Navy, 35819	1,290,000.00	Apr. 8, 1918	Do.
Navy, 35819	1,290,000.00	June 8, 1918	Do.
Navy, 35819	1,290,000.00	Aug. 10, 1918	Do.
Army, P-13360-1289E	1,237,500.00	Aug. 24, 1918	Do.
Army, P-15386-1446E	8,413,600.00	Sept. 28, 1918	Bond of E. I. du Pont de Nemours & Co.
Army, P-15386-1446E	5,849,055.74	Feb. 12, 1919	Do.
Army, P-16920-1560E	1,652,777.51	Oct. 29, 1918	Do.
Army, P-16920-1560E	1,150,944.26	Feb. 12, 1919	Do.
Army, P-15092-1428E	2,888,361.00	Oct. 29, 1918	Do.
Navy, 39669	720,000.00	Nov. 18, 1918	Delaware Surety Co.
Total	54,807,380.93		

Advances made by the United States to the Du Pont Engineering Co. during the World War for use only in connection with Government-owned plants.

Government contract number.	Amount of advance.	Date advances were received.	Security.
P-4755-711E	$18,750,000.00	Apr. 1, 1918	Bond of E. I. du Pont de Nemours & Co.
	125,000.00	May 27, 1918	Do.
	6,318,000.00	May 24, 1918	Do.
	6,318,000.00	Sept. 17, 1918	Do.
	2,000,000.00	Dec. 23, 1918	Do.
	4,318,000.00	Dec. 26, 1918	Do.
P-2337-1228A	1,556,250.00	Apr. 26, 1918	Do.
	35,579.87	May 17, 1918	Do.
	713,800.00	May 29, 1918	Do.
P-3509-643-E	500,000.00	Aug. 21, 1918	Do.
P-9050-960-E	500,000.00	Aug. 21, 1918	Do.
P-15271-1483E	4,200,000.00	Oct. 10, 1918	Do.
Total	45,334,629.87		

Advances made by the United States to the Du Pont American Industries for use only in connection with the procurement of cotton linters as agent for the United States.

Government contract number.	Amount of advance.	Date advances were received.	Security.
P15261-1432E	$3,825,000.00	Jan. 20, 1919	Bond of E. I. du Pont de Nemours & Co.
	1,575,000.00	June 16, 1919	Do.
Total	5,400,000.00		

The PRESIDENT pro tempore. The Secretary will state the next reserved amendment.

The ASSISTANT SECRETARY. On page 39, in paragraph 218, relating to bottles and all articles of every description composed wholly or in chief value of glass or paste, in Committee of the Whole the Senate struck out the whole paragraph as it appeared in the House bill and inserted a new paragraph, which occupies two pages in the bill.

The PRESIDENT pro tempore. The reading of it will be dispensed with if there be no objection. The Chair hears none.

Mr. JONES of New Mexico. Mr. President, the rate of duty fixed in the paragraph as amended I have not before me. Will the Secretary state the rate of duty upon bottles?

The PRESIDENT pro tempore. The Secretary will state the rates referred to.

The ASSISTANT SECRETARY. Upon articles composed wholly or in chief value of glass or paste the rate is 75 per cent ad valorem.

Upon illuminating articles of every description, including chimneys, globes, shades, and prisms—the words "incandescent electric light bulbs, with or without filaments," were stricken out—the rate is changed from 70 to 45 per cent ad valorem.

On semitranslucent glass, or combinations of the same, the rate is 70 per cent ad valorem.

On table and kitchen articles and utensils and all articles of every description not specially provided for composed wholly or in chief value of glass or paste the rate is 65 per cent ad valorem.

On table and kitchen articles and utensils composed wholly or in chief value of glass or paste or a combination of glass

and paste, when pressed and unpolished, the rate is 50 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, the Secretary has read quite enough. That amendment brought in a number of very high rates, and I do not care to take up the time of the Senate in discussing each one of them. I do not think we have had much encouragement in proposing amendments or reductions of those rates. I should like to have a vote upon concurring in the committee amendment which the Secretary has just stated. I shall content myself with voting against the amendment as it is proposed.

Mr. SUTHERLAND. Mr. President, when the Senate considered paragraph 218 in Committee of the Whole it ratified all the items as fixed by the committee, with the exception of the second bracket, which covers illuminating articles of every description. Quite an extended debate was carried on with reference to that one bracket, because it included incandescent-light bulbs, with or without filaments. These words were more recently cut out of that bracket and made a separate paragraph—229—and the rate was lowered to 35 per cent.

While voting upon the entire bracket with those words in it, however, the Senate, having mostly in mind that this covered the incandescent-light bulbs, fixed the rate at 45 per cent. I do not know exactly what the amendment is that the Senator is now proposing. I have pending an amendment which would restore the original committee rate of 70 per cent to the other items in that bracket.

The PRESIDENT pro tempore. The Senator from New Mexico has offered no amendment.

Mr. SUTHERLAND. Then my amendment, which I have before the Senate, proposes to restore the rate in line 24 to the original Senate rate of 70 per cent, and the reason for that is this: I think it was perfectly proper to cut out the incandescent-light bulbs. I do not think they belonged in this paragraph. Those bulbs are manufactured almost entirely by machinery. All the other items in the bracket, however—chimneys, globes, shades, and prisms for use in connection with artificial illumination—are manufactured by hand, by expensive labor, and the cost of manufacture in this country and Europe are very far apart.

For instance, in Czechoslovakia the labor cost of producing one hundred 10-inch duplex lamp chimneys is 7 cents. In Germany it is 12 cents. In the United States it is $2.11. That is just the labor cost.

The labor cost of producing one hundred 12-inch duplex lamp chimneys in Czechoslovakia is 10 cents, in Germany 14 cents, and in the United States $2.96.

The labor cost of producing a small shade, under 6 inches in size, is 31 cents per 100 in Czechoslovakia and $2.48 in the United States.

The skilled-labor cost of producing 100 pieces of a 10-inch shade in Germany is 26 cents and in the United States $4.23.

My amendment proposes to restore the 70 per cent in order to make this item harmonize and agree with the other items in paragraph 218. It would be an absolute injustice to the workers in this industry to cut down the duty to 45 per cent. They could not possibly maintain the industry in this country in competition with the shipments from Czechoslovakia and Germany and Austria, and I hope it will be the pleasure of the Senate to restore the original rates. The entire paragraph then will go to conference.

I ask to have my amendment stated.

The PRESIDENT pro tempore. The Secretary will state the amendment proposed by the Senator from West Virginia [Mr. SUTHERLAND] to the amendment made as in Committee of the Whole.

The ASSISTANT SECRETARY. On page 40, in the committee amendment, line 24, it is proposed to strike out "45" and insert "70," so that it will read "70 per cent ad valorem."

Mr. PEPPER. Mr. President, I very much hope that the amendment proposed by the Senator from West Virginia [Mr. SUTHERLAND] will prevail.

When this paragraph was originally reported to the Committee of the Whole it contained, as has been explained, a bracket dealing with incandescent bulbs. These articles were given the same rate of protection as various other articles specified in the same paragraph. The presence of the illuminating-bulb bracket drew forth a very effective opposition from the Senator from New Mexico [Mr. JONES], who directed his attention to a perfectly valid criticism of the presence in this paragraph of the illuminating-bulb bracket. Unfortunately, however, he aimed at the bulbs not with a rifle but with a shotgun, and he shattered, in addition to the bulbs, the shades, the prisms, and various types of glass which require a high degree of skill in their production.

The way the matter now stands is that the illuminating-bulb bracket has been transferred from paragraph 218 to paragraph 229, and in paragraph 229 it carries an ad valorem duty of 35 per cent instead of 45 per cent. At present, therefore, paragraph 218 stands with a 45 per cent rate, which is far too low to be protective of the only articles that are left therein, the rate having been adopted with reference to the presence in the paragraph of something that has now been taken out of it. The amendment of the Senator from West Virginia would merely have the effect of restoring the committee rate as to all the articles that are left in paragraph 218, illuminating bulbs having been transferred and having taken their proper duty in paragraph 229.

Mr. SUTHERLAND. Mr. President, may I interrupt the Senator?

Mr. PEPPER. I yield.

Mr. SUTHERLAND. I call the Senator's attention to the fact that he was mistaken, just as I was; that the electric incandescent-light bulbs have been placed in paragraph 229 and reduced to 20 per cent. The rate fixed is 20 per cent instead of 35 per cent.

Mr. PEPPER. The Senator is correct, Mr. President. It was originally 35 per cent, I think, in paragraph 229. Subsequently it was reduced to 20 per cent; but the rate on the incandescent bulbs is now 20 per cent under paragraph 229, and therefore the Senator from New Mexico has accomplished the purpose which he had in mind when he made his very effective argument against their presence in paragraph 218. If the amendment proposed by the Senator from West Virginia were to prevail, we should have the policy of the committee exactly carried out and the criticism of the Senator from New Mexico adequately met.

The PRESIDING OFFICER (Mr. BRANDEGEE in the chair). The question is on the amendment proposed by the Senator from West Virginia to the amendment made as in Committee of the Whole.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is upon concurring in the amendment made as in Committee of the Whole as amended.

The amendment as amended was concurred in.

The ASSISTANT SECRETARY. The next reserved amendment is on page 42, line 10, paragraph 217, cylinder, crown, and sheet glass. The amendments in that paragraph were reserved by the Senator from New Mexico [Mr. JONES].

Mr. JONES of New Mexico. Mr. President, this paragraph includes a number of different rates, and on a previous discussion of the paragraph I presented a great deal of information.

This industry can produce this glass in the United States as cheaply as it can be produced anywhere. I have no doubt that the Senator from West Virginia will be able to present some figures about Czechoslovakia or Austria, but none of this glass is coming in from those countries now. I am not going to take up the time arguing the question of these erratic statements regarding the difference in wages in Germany and Austria and in this country at a time about which we have no information in regard to wages, the result being that there is no great influx of importations.

I think it would be useless to take up the time of the Senate to have even a vote on as important a paragraph as this, to change those amendments. That they are extremely important I think there is no doubt. I think this is one of those extortionate provisions in this bill, and wholly unnecessary.

Mr. SMITH. What is the rate of duty imposed on incandescent bulbs?

Mr. JONES of New Mexico. That is in another paragraph, but I may say that that rate has been reduced to 20 per cent.

Mr. SMITH. This relates to certain forms of manufactured glass?

Mr. JONES of New Mexico. All sorts of cylinder, crown, and sheet glass, by whatever process made. It includes window panes, and all forms of glass made by that process, by machinery. The greater portion of it is made by machinery, and they can get a cylinder of this glass about 9 feet long and 2 or 3 feet in diameter in a short time, and by a simple mechanical process. It is true some of it is produced by mouth blowing, but that, of course, is smaller cylinders, which are much more expensive.

The business is divided up, in a way. The duties vary. There are specific duties which run into large percentages, much higher than the rates in the present law.

I think it is a waste of time to argue it, however, and as Senators are getting impatient to reach other items I shall con-

tent myself by asking again a general vote en bloc on the rates in paragraph 219. I will not even ask for the yeas and nays.

The PRESIDING OFFICER. The question is on concurring in the amendments made as in Committee of the Whole in paragraph 219.

The amendments were concurred in.

The next amendment reserved was, in paragraph 305, page 53, line 12, on steel and alloys of steel, reserved by the Senator from New York [Mr. CALDER].

Mr. CALDER. Mr. President, the amendment I contemplated offering to this paragraph I find is an amendment to the House text, and it is not in order now.

The amendment was concurred in.

The next amendment reserved was on page 66, paragraph 333, horseshoes and nails, reserved by the Senator from Florida [Mr. FLETCHER].

Mr. FLETCHER. Mr. President, this is not a very important item. It affects a good many people, all people who own horses and use horses, and I think the present law putting common horse, mule, or ox shoes, of wrought iron or steel, on the free list, ought to be maintained.

My proposal is, in order to put horseshoes on the free list, to strike out the words "common horse, mule, or ox shoes, of wrought iron or steel" from this paragraph and insert a new paragraph, paragraph 1585a carrying that language, so that horse, mule, or ox shoes, of wrought iron or steel, should go on the free list.

Then I would propose that the duty on the remaining described articles, horse, mule, or ox shoes, punched, drilled, or tapped, of wrought iron or steel, for use with adjustable wrought iron or steel skid calks, and solid drop-forged calked shoes of wrought iron or steel, be given a rate of one-fifth of 1 cent a pound.

I call attention to the fact that horseshoes have been on the free list up to this time; that the production in this country in 1914 amounted to $9,000,000, and that the importations are practically negligible. The importations in 1917 amounted to $16,517 in value. They come chiefly from Canada. In 1918 the value of the importations was $4,185; in 1919 it was $2,796; in 1920 it was $3,496; and in the nine months of 1921 only $629 worth or 7,945 pounds were imported.

The exports are quite large. In 1918 we exported, in quantity, 6,399,934 pounds; in 1919 we exported 7,581,585 pounds; in 1920 we exported 4,108,908 pounds, and in the nine months of 1921 we exported 1,048,461 pounds.

The industry needs no protection, and we get very little revenue from it, because the importations amount to nothing of consequence. Therefore I move that the language "common horse, mule, or ox shoes, of wrought iron or steel," be stricken out, and that those words be transferred to paragraph 1585a, so that they will go on the free list.

If I may do so, in the same motion I move that the remainder of this paragraph, beginning with line 7 and going through line 10, be included in paragraph 333, and that the rate be one-fifth of 1 cent per pound instead of 2 cents per pound on that portion of the paragraph.

Mr. McLEAN. Is the Senator willing that the vote should be taken on both the amendments at once?

Mr. FLETCHER. I am. I propose that. So that the duty on all the portion of the paragraph beginning in line 7, down to line 10, would be one-fifth of a cent per pound instead of 2 cents, and the articles in the other portion of the paragraph, down to and including the word "steel" in line 6, should go on the free list.

Mr. McLEAN. I want to call attention to the fact that we have reduced the Payne-Aldrich rate on horseshoes to six-tenths of a cent per pound. That is a very reasonable duty. I realize that there are very few importations, but those which are imported are, I take it, fancy shoes, which certain gentlemen insist upon having for their horses. This duty would produce a little revenue and ought to be imposed. It is a reduction from the Payne-Aldrich rate.

The provision with regard to the nails is more important. The Senator must bear in mind that some of these nails are made of Swedish steel, and that steel bears a duty of six-tenths of a cent per pound. Canada imposes a duty of 7 cents a pound on horseshoe nails, and they are making them there and are taking our foreign trade. When you take into consideration the fact that we have to-day six-tenths of a cent a pound upon the imported Swedish steel, the duty seems very reasonable.

Mr. FRELINGHUYSEN. Mr. President, there are four factories at the present time which are making these special products called "Never-Slip" shoes. There are two factories in Wisconsin, one in New Jersey, and one in Minnesota. These are special shoes, and the labor is over 60 per cent of the cost of production. They cost about $7 per hundred pounds. The duty of 1 cent, therefore, is about .30 per cent ad valorem. There is trade competition with Germany and with Czecho-slovakia, I am informed. The committee reduced the rate from 2 cents, and it is only 1 cent.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Florida [Mr. FLETCHER] to the amendment made as in Committee of the Whole.

Mr. FLETCHER. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. HARRISON. Transferring my pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Texas [Mr. CULBERSON], I vote "yea."

Mr. POMERENE. Announcing my pair with my colleague [Mr. WILLIS], I transfer that pair to the senior Senator from Montana [Mr. MYERS] and vote "yea."

The result was announced—yeas 26, nays 35, as follows:

YEAS—26.

Ashurst	Heflin	Reed, Mo.	Swanson
Capper	Jones, N. Mex.	Robinson	Trammell
Dial	Kellogg	Sheppard	Underwood
Fletcher	McKellar	Shields	Walsh, Mass.
Gerry	Overman	Simmons	Walsh, Mont.
Glass	Pomerene	Smith	
Harrison	Ransdell	Stanley	

NAYS—35.

Ball	du Pont	McCumber	Reed, Pa.
Brandegee	Edge	McLean	Shortridge
Broussard	Ernst	McNary	Smoot
Bursum	Frelinghuysen	Moses	Sterling
Calder	Gooding	New	Sutherland
Cameron	Hale	Newberry	Wadsworth
Colt	Jones, Wash.	Oddie	Warren
Curtis	Keyes	Pepper	Watson, Ind.
Dillingham	Lodge	Phipps	

NOT VOTING—35.

Borah	Hitchcock	Myers	Rawson
Caraway	Johnson	Nelson	Spencer
Culberson	Kendrick	Nicholson	Stanfield
Cummins	King	Norbeck	Townsend
Elkins	Ladd	Norris	Watson, Ga.
Fernald	La Follette	Owen	Weller
France	Lenroot	Page	Williams
Harreld	McCormick	Pittman	Willis.
Harris	McKinley	Poindexter	

So Mr. FLETCHER's amendment to the amendment, made as in Committee of the Whole, was rejected.

The PRESIDING OFFICER. The question is on concurring in the amendments made as in Committee of the Whole.

The amendments were concurred in.

The ASSISTANT SECRETARY. On page 66, paragraph 337, card clothing, the amendment in the paragraph reserved by the Senator from New Mexico [Mr. JONES].

Mr. JONES of New Mexico. Mr. President, the question was discussed at considerable length. I wanted to give the Senate a chance to reconsider its action. The House proposed a rate of 35 per cent on card clothing. The Senate increased that rate to 45 per cent in Committee of the Whole. It seems to me that 35 per cent as fixed by the House is at least as high as the rate should be. It is the highest rate provided by present law on all classes of card clothing. If the committee amendment were not agreed to, it would leave the House rate of 35 per cent ad valorem. The paragraph was discussed at considerable length, and I do not care to discuss it further, but I ask for the yeas and nays on concurring in the amendment.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. HARRISON (when his name was called). Making the same announcement as before, I vote "nay."

Mr. POMERENE (when his name was called). Again announcing my pair with my colleague [Mr. WILLIS], I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "yea."

The roll call was concluded.

Mr. WALSH of Montana (after having voted in the negative). I am paired with the senior Senator from New Jersey [Mr. FRELINGHUYSEN]. I transfer that pair to my colleague [Mr. MYERS] and allow my vote to stand.

The result was announced—yeas 38, nays 24, as follows:

YEAS—38.

Ball	Bursum	Capper	Dillingham
Brandegee	Calder	Colt	du Pont
Broussard	Cameron	Curtis	Edge

Ernst	Keyes	Newberry	Sterling
France	Lodge	Oddie	Sutherland
Gooding	McCumber	Pepper	Wadsworth
Hale	McLean	Phipps	Warren
Harreld	McNary	Reed, Pa.	Watson, Ind.
Jones, Wash.	Moses	Shortridge	
Kendrick	New	Smoot	

NAYS—24.

Ashurst	Heflin	Reed, Mo.	Stanley
Dial	Jones, N. Mex.	Robinson	Swanson
Fletcher	McKellar	Sheppard	Trammell
Gerry	Overman	Shields	Underwood
Glass	Pomerene	Simmons	Walsh, Mass.
Harrison	Ransdell	Smith	Walsh, Mont.

NOT VOTING—34.

Borah	Johnson	Nelson	Spencer
Caraway	Kellogg	Nicholson	Stanfield
Culberson	King	Norbeck	Townsend
Cummins	Ladd	Norris	Watson, Ga.
Elkins	La Follette	Owen	Weller
Fernald	Lenroot	Page	Williams
Frelinghuysen	McCormick	Pittman	Willis
Harris	McKinley	Poindexter	
Hitchcock	Myers	Rawson	

So the amendment made as in the Committee of the Whole was concurred in.

The PRESIDING OFFICER. The Secretary will state the next reserved amendment.

The ASSISTANT SECRETARY. On page 67 line 19, in paragraph 339, enameled tableware, as in Committee of the Whole the Senate disagreed to the reported amendment, which proposed to strike out "30" and to insert "50."

Mr. SUTHERLAND. Mr. President, last Tuesday I was out of the city for the day attending a State convention, and during my absence the action was taken with reference to this matter, which is shown in the RECORD of that date. The Senate by a very decisive vote refused to reduce the rate of duty on enameled tableware to 25 per cent. Then, apparently under a misunderstanding, but few Senators being present in the Chamber, as I have been informed, on the question being put, in the opinion of the Chair, the committee amendment was disagreed to.

The committee went very carefully over all the facts relating to the manufacture of enameled ware, and, based upon the statements of production costs in this country and abroad, while it was shown that it would really require a much larger rate than that proposed by the committee to equalize the difference between the cost of production in this country and abroad, the committee decided to impose a rate of duty at 50 per cent, which was regarded as being very fair and reasonable.

The rate under the Payne-Aldrich law, I believe, was 40 per cent. The conditions now are, of course, very different from those which then existed, owing to the debasement of currencies in countries on the other side of the ocean. When the Underwood bill was passed importations of these articles increased immediately to the extent of 25 per cent. That occurred during the few months when the Underwood law was in operation before the World War began. The importations have been increasing very largely also in the last few months.

I ask that the rate recommended by the Committee on Finance of 50 per cent on this item may stand, because from the investigations which were conducted by the committee the imposition of that rate is absolutely necessary in order to maintain this industry in competition with the industry abroad.

The PRESIDING OFFICER. The Senator from West Virginia, then, desires that the Senate shall nonconcur in the amendment which was made as in Committee of the Whole?

Mr. SUTHERLAND. I desire that the Senate shall nonconcur in the amendment which was so made but shall restore the rate of duty which was reported by the committee.

The PRESIDING OFFICER. If the committee amendment shall be disagreed to the rate will be restored.

Mr. SUTHERLAND. Yes.

Mr. JONES of New Mexico. Mr. President, I merely wish to state that in 1913 we exported large quantities of enameled tableware, the exports going principally to Canada, Argentina, Mexico, England, and Cuba. Since that time our exports have increased enormously.

I do not understand just what would be the effect of the question as submitted to the Senate by the Chair. The House proposal was for a duty of 30 per cent, and that is the rate which now stands. I think the Senator from West Virginia would have to move to amend that rate by inserting another rate in order to accomplish what he has in mind.

Mr. SUTHERLAND. I will ask for a ruling of the Chair on the question.

The PRESIDING OFFICER. As the Chair understands, the committee amendment recommended that the House rate of 30 per cent be stricken out, and that a rate of 50 per cent be substituted therefor; and that that amendment was disagreed to. Therefore, the House rate of 30 per cent was left in the bill. The question is on concurring in the amendment which was made as in Committee of the Whole.

Mr. SUTHERLAND. And if it is nonconcurred in, then the original committee rate would stand, would it not, Mr. President?

The PRESIDING OFFICER. There was no amendment made by the Senate as in Committee of the Whole. The question, therefore, is on concurring in the action taken as in Committee of the Whole, as the Chair has stated. If the Senator from West Virginia does not want that action concurred in, and if it is not concurred in, then he may move to insert a different rate, the Chair assumes.

Mr. SUTHERLAND. That action would not restore the original rate which was recommended by the committee?

The PRESIDING OFFICER. The Chair does not think it would, but that it would leave the duty at the rate fixed by the House.

Mr. SUTHERLAND. Then, would it be proper to make a motion to nonconcur in the amendment made as in Committee of the Whole and restore the House rate?

The PRESIDING OFFICER. The question is on concurring in the amendment which has been made as in Committee of the Whole, and the Senator from West Virginia would want that voted down?

Mr. SUTHERLAND. Yes.

Mr. WALSH of Montana. I desire to offer a little further information about this particular commodity. Our production in 1914 was over $20,000,000 worth, and, of course, has increased very largely since. For the nine months ending in the month of March last our importations were $248,666 worth, and for the similar period of the preceding year they were $309,043 worth.

In other words, it would appear that not only our importations are inconsequential as compared with the total amount which is produced in this country but the importations are actually falling off.

Mr. SUTHERLAND. Mr. President, I move to strike out "30" and in lieu thereof to insert "50" in paragraph 339, on line 19, page 67.

The PRESIDING OFFICER. That amendment is in order. The question is on the amendment proposed by the Senator from West Virginia. [Putting the question.] In the opinion of the Chair, the "noes" have it.

Mr. SUTHERLAND. I ask for a division.

The PRESIDING OFFICER. Those in favor of the motion of the Senator from West Virginia to strike out "30" and insert "50" will rise and stand in their places and be counted. [A pause.] Those opposed will rise and stand and be counted. [A pause.] The ayes are 15 and the noes are 22. There is no quorum voting. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Frelinghuysen	McNary	Shortridge
Ball	Gerry	New	Simmons
Brandegee	Gooding	Nicholson	Smith
Broussard	Hale	Norbeck	Smoot
Bursum	Harreld	Oddie	Stanley
Calder	Harrison	Overman	Sutherland
Cameron	Heflin	Pepper	Swanson
Capper	Jones, N. Mex.	Phipps	Trammell
Curtis	Jones, Wash.	Pomerene	Underwood
Dial	Kellogg	Ransdell	Wadsworth
Dillingham	Kendrick	Rawson	Walsh, Mass.
du Pont	Keyes	Reed, Mo.	Walsh, Mont.
Ernst	Lodge	Reed, Pa.	Warren
Fletcher	McCumber	Robinson	
France	McLean	Sheppard	

The PRESIDENT pro tempore. Fifty-eight Senators have answered to their names. There is a quorum present.

Mr. SUTHERLAND. Mr. President, I ask for a yea-and-nay vote on my motion to restore the rate recommended by the committee.

Mr. ROBINSON. Mr. President, I desire to be heard on the amendment.

A moment ago the Senate took a division on the pending amendment, and it appeared from the division that the amendment was lost. The then occupant of the chair saw fit to announce the vote on the amendment, which, of course, disclosed that a quorum had not voted. Throughout the proceedings on this bill, certainly during the last 24 hours, a quorum has not voted on any division. I wonder if the count had disclosed the reverse of what was actually shown, namely, that the amendment had been agreed to, if the then occupant of the chair would have seen fit to announce the count and then declare the absence of a quorum. I wonder if it is the policy to compel a quorum to vote upon all votes by a division. If that is the case, it will result in a record vote upon every issue that hereafter arises, for we do not propose to have the Chair compel a quorum to

vote on a division when the result of the vote does not suit the individual who happens to be in the chair and to have the other rule applied when the count pleases the occupant of the chair.

Of course these remarks do not apply to the President pro tempore. The President pro tempore, the Senator from Iowa [Mr. CUMMINS], has usually made the count, and in accordance with the practice in the Senate has announced the result without compelling on his own motion the attendance of a quorum. The object of taking the vote by division instead of by roll call usually is to avoid the necessity of compelling the attendance of a quorum.

In view of the course that this matter has taken, in view of the fact that the amendment proposed by the Senator from West Virginia was lost by a large vote, and the occupant of the Chair saw fit to announce the count, I hope the Senate will stand by its action upon the division and defeat the amendment.

Mr. BRANDEGEE. Mr. President, the Senator says that the occupant of the Chair saw fit to announce that there was no quorum present in view of the fact that the vote had gone as it did. I hope the Senator will believe me when I say to him that, in my opinion, where there has been a viva voce vote and a Member of the Senate asks for a division for the purpose of a more accurate count, and there is a division by a rising vote, the Senate is entitled to know how many voted "yea" and how many voted "nay." I never have agreed with the practice which was established by former Vice President Marshall, as I recall.

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

Mr. BRANDEGEE. Certainly.

Mr. ROBINSON. The Senator admits that it has been the practice of the Senate and has been the practice during the course of the consideration of this bill to pursue the other course, namely, to declare the result without announcing the number unless, of course, some Senator demanded the number?

Mr. BRANDEGEE. I agree to that entirely. It has been the practice, and I think the very unwise practice for this reason: The object of asking for a division is that a Senator may not have his rights decided simply by the sound, which is no criterion whatever of the number who have voted, but may see those who stand up and vote. The count is taken so quickly by the clerks—it is not done by the Chair, as the Senator knows, but is done by the clerks and reported to the Chair—it is done so quickly that a Senator does not have time himself to count the yeas and then to count the nays; so that if the count discloses the absence of a quorum and the Chair knows it, the Chair has the right to make the point of no quorum just as much as any Senator on the floor has.

Mr. ROBINSON. I have not questioned the power of any Senator to make the point of no quorum.

Mr. BRANDEGEE. I understand that. I am simply saying that in the course of my remarks to justify myself, because I say to the Senator that I should make the point of no quorum no matter which way the vote had gone, because I believe that a quorum ought to vote. Nevertheless, I think it is the right of the Senate, whether a quorum always ought to vote or not, to know the number of those who voted "yes" and the number who voted "no."

Mr. ROBINSON. Will the Senator permit me to interrupt him?

Mr. BRANDEGEE. Certainly.

Mr. ROBINSON. If any Senator desires to do so, he certainly has the right to make that demand. I doubt, under the precedents and practices of the Senate, the propriety of the occupant of the chair volunteering to do so, unless he chooses to exercise his right to demand the presence of a quorum, which I have conceded from the beginning he has the power to do; but the effect of the action taken by the Senator from Connecticut in the chair is to compel a record vote upon all of these amendments and the attendance of a quorum.

Mr. BRANDEGEE. Why, the idea of it and the effect of it is to have entered upon the RECORD, so that the public may see, the number who voted "yes" and the number who voted "no." I have always announced publicly, from the chair and otherwise, that whenever I was called to preside over the Senate I should never maintain a secret the number of those that were whispered to me by the clerk as having voted "yes" or having voted "no," but should make announcement of the fact; and if I do make an announcement and less than a quorum has voted I have the right, as the Senator admits, to make the point of no quorum.

Mr. LODGE. Mr. President, the Senator has the right to make the point of no quorum in his capacity as a Senator; there is no doubt about that; but, in my judgment, he has no right to say that because the rising vote does not disclose a quorum there is not a quorum present. There may be a quorum present. He has no authority whatever to go upon. There may be Senators sitting here who have not risen. It does not follow in the least because the rising vote shows less than a quorum that there is not a quorum sitting in the Chamber at that moment.

Mr. BRANDEGEE. No; it does not.

Mr. LODGE. And it never can disclose it.

Mr. BRANDEGEE. No; it can not.

Mr. ROBINSON. Mr. President, if the Senator will yield, the Senator from Massachusetts, in my opinion, is absolutely correct. The only official way in which the absence of a quorum can be determined is either upon a call of the Senate for that purpose or upon a record vote. That is the object of demanding a record vote. You can not get the advantage of failing to take a record vote and the speed of action that results therefrom unless, when your side of the proposition loses, you are willing to take your medicine.

Mr. BRANDEGEE. I am always willing to take my medicine. It is very sweet medicine for me to take to ascertain the truth. As I say, if I stated in my remark that a quorum was not voting, I would not contend that because——

Mr. LODGE. My point is——

Mr. McCUMBER. Mr. President, I call for the regular order.

Mr. LODGE. My point is that the announcement by the Chair of the number of Senators who have voted on a rising vote does not disclose the absence of a quorum, and no amount of announcing it will make it disclose the absence of a quorum. Nothing will disclose the absence of a quorum except a call of the Senate.

The PRESIDENT pro tempore. The Chair will observe that that is not the question now before the Senate. The question is on agreeing to the amendment of the Senator from West Virginia.

Mr. LODGE. It is a question of order that has been raised, and a very important one.

Mr. JONES of New Mexico. Mr. President, a parliamentary inquiry.

Mr. LODGE. I raise the point of order——

The PRESIDENT pro tempore. And the Chair sustains it.

Mr. LODGE. I raise the point of order that the declaration of a rising vote does not disclose the absence of a quorum. I want to make that a part of the RECORD.

The PRESIDENT pro tempore. The Chair understands that since that time there has been a call of the Senate, which has developed a quorum, and therefore the question is upon agreeing to the amendment of the Senator from West Virginia.

Mr. UNDERWOOD. But, Mr. President——

Mr. ROBINSON. Mr. President, I make the point of order that that amendment was rejected. It follows as a matter of law from the sustaining of the point made by the Senator from Massachusetts that upon the vote that was taken and declared by the then occupant of the chair, the amendment of the Senator from West Virginia was rejected.

Mr. LODGE. Undoubtedly.

Mr. ROBINSON. I make that point, and therefore that the question does not now recur upon the amendment of the Senator from West Virginia, but upon the next amendment reserved.

The PRESIDENT pro tempore. The Chair feels bound by the decision of the then occupant of the chair, and the only manner in which that decision could be reversed would be upon appeal from his decision.

Mr. SUTHERLAND. Mr. President, I ask for a yea-and-nay vote on my amendment.

The PRESIDENT pro tempore. The Chair holds that the question is upon agreeing to the amendment proposed by the Senator from West Virginia.

Mr. SUTHERLAND. Upon that I ask for the yeas and nays.

The PRESIDENT pro tempore. The Senator from West Virginia asks for the yeas and nays. Is the request seconded?

Mr. SUTHERLAND. Mr. President, as I understand now, the question is upon the amendment which I offered to the paragraph before the Senate, which was to restore the committee rate of 50 per cent in this paragraph. On that I ask for the yeas and nays.

Mr. ROBINSON. Mr. President, within my time, which I have not quite consumed, I point out to the present occupant of the chair, the President pro tempore, that there was an express ruling by the then occupant of the chair that a quorum had not voted. The occupant of the chair did not pass upon the question as to whether the amendment had been

agreed to. He saw fit to declare that a quorum had not voted, and to order the calling of the roll for the purpose of determining whether a quorum was present. In accordance with the ruling that the Chair made a few moments ago, when the Chair announced that 14 Senators had voted "yea" and 21 Senators had voted "nay," it followed as a matter of law that the amendment was rejected; and the suggestion of the absence of a quorum by the Senator from Connecticut did not vitiate the action already taken by the Senate. It simply means, if this practice is to be pursued, that when you demand a division and lose, after having lost, if the occupant of the chair is willing to do so and to lend himself to that sort of parliamentary practice, you can have another test of the matter, to try the case over again.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment.

Mr. SUTHERLAND. I should like to have the Chair rule as to what I can do now in order to get the matter——

The PRESIDENT pro tempore. The Secretary will state the amendment now pending.

The ASSISTANT SECRETARY. On page 67, on line 19, it is proposed to strike out "30" and insert "50."

Mr. ROBINSON. Mr. President, I make the point of order that that amendment has been disposed of by the Senate.

The PRESIDENT pro tempore. There is no record before the Chair that will enable him to rule upon that point of order.

Mr. ROBINSON. I make the point of order that the announcement of the vote by the occupant of the chair automatically effected the defeat of the amendment, and that that amendment is not now before the Senate. I want that passed upon, so that I can appeal from the decision of the Chair if the Chair overrules my point of order.

The PRESIDENT pro tempore. In order to enable the Senate to decide the matter the Chair overrules the point of order.

Mr. ROBINSON. Mr. President, from the decision of the Chair I respectfully appeal, and on that question I demand the yeas and nays.

The yeas and nays were ordered.

Mr. WATSON of Indiana. I move to lay the appeal on the table.

Mr. JONES of New Mexico. Upon that motion I ask for the yeas and nays.

The PRESIDENT pro tempore. The Chair must state the question first. The question is, Shall the ruling of the Chair stand as the judgment of the Senate?

Mr. ROBINSON. No, Mr. President; a point of order. That is not the question. The question is upon the motion of the Senator from Indiana, who moved to lay my appeal upon the table.

The PRESIDENT pro tempore. The Chair has not yet concluded his statement. The Senaor from Indiana moves to lay the appeal upon the table, and the yeas and nays have been demanded upon that question. Is the demand seconded? It is sufficiently seconded, and the Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. HARRISON (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. ELKINS] to the Senator from Montana [Mr. MYERS] and vote "nay."

Mr. POMERENE (when his name was called). I transfer my pair with my colleague [Mr. WILLIS], heretofore announced, to the senior Senator from Texas [Mr. CULBERSON].

The roll call was concluded.

Mr. DILLINGHAM (after having voted in the affirmative). I have already voted, but I observe that the junior Senator from Virginia [Mr. GLASS], with whom I have a general pair, has not voted. I therefore transfer that pair to the senior Senator from Minnesota [Mr. NELSON] and allow my vote to stand.

Mr. JONES of Washington (after having voted in the affirmative). I understand the senior Senator from Virginia [Mr. SWANSON] has not voted. He told me a short time ago that he had to leave the Senate for a while, and I agreed to pair with him. I transfer my pair with that Senator to the junior Senator from Maryland [Mr. WELLER] and allow my vote to stand.

The result was announced—yeas 31, nays 31, as follows:

YEAS—31.

Ball	Edge	McLean	Phipps
Brandegee	Ernst	McNary	Rawson
Calder	France	Moses	Reed, Pa.
Cameron	Gooding	New	Shortridge
Capper	Hale	Newberry	Smoot
Colt	Harreld	Norbeck	Sutherland
Dillingham	Jones, Wash.	Oddie	Watson, Ind.
du Pont	Keyes	Pepper	

NAYS—31.

Ashurst	Hitchcock	Pomerene	Stanley
Broussard	Jones, N. Mex.	Ransdell	Sterling
Dial	Kellogg	Reed, Mo.	Trammell
Fletcher	Kendrick	Robinson	Underwood
Frelinghuysen	Lodge	Sheppard	Wadsworth
Gerry	McCumber	Shields	Walsh, Mass.
Harrison	McKellar	Simmons	Walsh, Mont.
Heflin	Overman	Smith	

NOT VOTING—34.

Borah	Harris	Nelson	Swanson
Bursum	Johnson	Nicholson	Townsend
Caraway	King	Norris	Warren
Culberson	Ladd	Owen	Watson, Ga.
Cummins	La Follette	Page	Weller
Curtis	Lenroot	Pittman	Williams
Elkins	McCormick	Poindexter	Willis
Fernald	McKinley	Spencer	
Glass	Myers	Stanfield	

So the Senate refused to lay the appeal from the decision of the Chair on the table.

The PRESIDENT pro tempore. The question now is, Shall the ruling of the Chair stand as the judgment of the Senate? The yeas and nays have been ordered.

Mr. SHORTRIDGE. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state his inquiry.

Mr. SHORTRIDGE. What is the question to be voted upon?

The PRESIDENT pro tempore. The question is, Shall the ruling of the Chair made upon the point of order presented by the Senator from Arkansas [Mr. ROBINSON] stand as the judgment of the Senate on which the yeas and nays have been ordered?

The reading clerk proceed to call the roll.

Mr. DILLINGHAM (when his name was called). Making the same announcement as to my pair and its transfer as before, I vote "yea."

Mr. HARRISON (when his name was called). Making the same announcement as before, I vote "nay."

Mr. JONES of Washington (when his name was called). Making the same announcement with reference to my pair and its transfer as before, I vote "yea."

Mr. POMERENE (when his name was called). Again transferring my pair with my colleague [Mr. WILLIS] to the senior Senator from Texas [Mr. CULBERSON], I vote "nay."

The roll call having been concluded, resulted—yeas 33, nays 30, as follows:

YEAS—33.

Ball	Edge	McLean	Rawson
Brandegee	Ernst	McNary	Reed, Pa.
Bursum	France	Moses	Shortridge
Calder	Gooding	New	Smoot
Cameron	Hale	Newberry	Sutherland
Capper	Harreld	Norbeck	Watson, Ind.
Colt	Jones, Wash.	Oddie	
Dillingham	Keyes	Pepper	
du Pont	Lenroot	Phipps	

NAYS—30.

Ashurst	Jones, N. Mex.	Ransdell	Sterling
Broussard	Kellogg	Reed, Mo.	Trammell
Dial	Kendrick	Robinson	Underwood
Fletcher	Lodge	Sheppard	Wadsworth
Gerry	McCumber	Shields	Walsh, Mass.
Harrison	McKellar	Simmons	Walsh, Mont.
Heflin	Overman	Smith	
Hitchcock	Pomerene	Stanley	

NOT VOTING—33.

Borah	Harris	Nicholson	Townsend
Caraway	Johnson	Norris	Warren
Culberson	King	Owen	Watson, Ga.
Cummins	Ladd	Page	Weller
Curtis	La Follette	Pittman	Williams
Elkins	McCormick	Poindexter	Willis
Fernald	McKinley	Spencer	
Frelinghuysen	Myers	Stanfield	
Glass	Nelson	Swanson	

The PRESIDENT pro tempore. On this question the yeas are 33 and the nays are 30. So the ruling of the Chair stands as the judgment of the Senate. The question is now upon the amendment proposed by the Senator from West Virginia to the amendment made as in Committee of the Whole, on which the yeas and nays have been ordered.

The reading clerk proceeded to call the roll.

Mr. HARRISON (when his name was called). Making the same announcement as before, I vote "nay."

Mr. JONES of Washington (when his name was called). Announcing my pair as before, I desire to state that I am informed that my pair, the senior Senator from Virginia [Mr. SWANSON], would vote the same as I shall vote, and therefore I am at liberty to vote. I vote "nay."

Mr. McCUMBER (when his name was called). I have a general pair with the junior Senator from Utah [Mr. KING]. I do not know to whom I could transfer that pair, and I therefore withhold my vote.

Mr. POMERENE (when his name was called). I again transfer my pair with my colleague [Mr. WILLIS] to the senior Senator from Texas [Mr. CULBERSON] and vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before as to my pair and its transfer, I vote "yea."

The roll call having been concluded, the result was announced—yeas 20, nays 44, as follows:

YEAS—20.

Ball	Cameron	McNary	Reed, Pa.
Brandegee	Edge	Norbeck	Shortridge
Broussard	Frelinghuysen	Oddie	Sutherland
Bursum	Gooding	Pepper	Wadsworth
Calder	McLean	Phipps	Watson, Ind.

NAYS—44.

Ashurst	Glass	Lodge	Sheppard
Capper	Harreld	McKellar	Shields
Colt	Harrison	Moses	Simmons
Cummins	Heflin	New	Smith
Curtis	Hitchcock	Newberry	Smoot
Dial	Jones, N. Mex.	Overman	Stanley
Dillingham	Jones, Wash.	Pomerene	Sterling
Ernst	Kellogg	Ransdell	Trammell
Fletcher	Kendrick	Rawson	Underwood
France	Keyes	Reed, Mo.	Walsh, Mass.
Gerry	Lenroot	Robinson	Walsh, Mont.

NOT VOTING—32.

Borah	Johnson	Nelson	Stanfield
Caraway	King	Nicholson	Swanson
Culberson	Ladd	Norris	Townsend
du Pont	La Follette	Owen	Warren
Elkins	McCormick	Page	Watson, Ga.
Fernald	McCumber	Pittman	Weller
Hale	McKinley	Poindexter	Williams
Harris	Myers	Spencer	Willis

So Mr. SUTHERLAND's amendment to the amendment made as in Committee of the Whole was rejected.

The ASSISTANT SECRETARY. In the same paragraph, paragraph 339, and in the following line, aluminum tableware, in Committee of the Whole, on page 67, line 20, the Senate struck out "28" and inserted in lieu "15 cents per pound and 60," so that when amended it will read "composed wholly or in chief value of aluminum, 15 cents per pound and 60 per cent ad valorem." Reserved by the Senator from New Mexico [Mr. JONES].

Mr. JONES of New Mexico. Mr. President, this relates to aluminum ware and has been fully discussed, but I think we ought to have another vote on it. Senators will observe that there is a specific duty of 15 cents per pound, which is fully compensatory for the duties which were levied upon sheet aluminum. Aluminum ware is produced solely by one concern in the United States, and the importations, in my opinion, do not justify the rate.

I move to strike out the numeral "60" and insert "30." That would leave a specific duty of 15 cents per pound and an ad valorem duty of 30 per cent.

The PRESIDENT pro tempore. The Secretary will report the proposed amendment to the amendment.

The ASSISTANT SECRETARY. On page 67, in line 21, in the amendment, strike out "60" and insert "30," so that if amended it would read "15 cents per pound and 30 per cent ad valorem."

Mr. JONES of New Mexico. Upon that I ask for the yeas and nays.

The yeas and nays were ordered and the Assistant Secretary proceeded to call the roll.

Mr. HARRISON (when his name was called). Making the same announcement as before, I vote "yea."

Mr. McCUMBER (when his name was called). I transfer my general pair with the junior Senator from Utah [Mr. KING] to the junior Senator from Washington [Mr. POINDEXTER] and vote "nay."

Mr. POMERENE (when his name was called). Again transferring my pair with my colleague [Mr. WILLIS] to the senior Senator from Texas [Mr. CULBERSON], I vote "yea."

The roll call having been concluded, the result was announced—yeas 30, nays 35, as follows:

YEAS—30.

Ashurst	Harrison	Pomerene	Smith
Borah	Heflin	Ransdell	Stanley
Capper	Hitchcock	Rawson	Trammell
Cummins	Jones, N. Mex.	Reed, Mo.	Underwood
Dial	Kellogg	Robinson	Walsh, Mass.
Fletcher	Kendrick	Sheppard	Walsh, Mont.
Gerry	McKellar	Shields	
Glass	Overman	Simmons	

NAYS—35.

Ball	du Pont	Lodge	Pepper
Brandegee	Edge	McCumber	Phipps
Broussard	Ernst	McLean	Shortridge
Bursum	Frelinghuysen	McNary	Smoot
Calder	Gooding	Moses	Sterling
Cameron	Hale	New	Sutherland
Colt	Harreld	Newberry	Wadsworth
Curtis	Keyes	Nicholson	Warren
Dillingham	Lenroot	Oddie	

NOT VOTING—31.

Caraway	King	Norris	Swanson
Culberson	Ladd	Owen	Townsend
Elkins	La Follette	Page	Watson, Ga.
Fernald	McCormick	Pittman	Watson, Ind.
France	McKinley	Poindexter	Weller
Harris	Myers	Reed, Pa.	Williams
Johnson	Nelson	Spencer	Willis
Jones, Wash.	Norbeck	Stanfield	

So the amendment of Mr. JONES of New Mexico to the amendment made as in Committee of the Whole was rejected.

The PRESIDENT pro tempore. The question now is upon concurring in the amendment made as in Committee of the Whole.

The amendment was concurred in, there being on a division—ayes 33, noes 20.

The PRESIDENT pro tempore. The Secretary will state the next amendment reserved.

The ASSISTANT SECRETARY. On page 83, paragraph 371, bicycles, reserved by the Senator from New York [Mr. CALDER].

Mr. CALDER. Mr. President, I submit the amendment which I send to the desk.

The PRESIDENT pro tempore. The Secretary will report the amendment proposed by the Senator from New York.

The ASSISTANT SECRETARY. On page 83, line 8, strike out "30" and insert "45," so as to read "bicycles and parts thereof, not including tires, 45 per cent ad valorem."

Mr. CALDER. Mr. President, the amendment offered places a duty on bicycles exactly as recommended by the Finance Committee. This rate was arrived at after a careful study of all the facts. This business is entitled to protection. The bill as it came from the House provided a duty of 30 per cent on the basis of American valuation. The duty under the Payne-Aldrich law was 45 per cent.

The industry is a large one in this country and produces about $5,000,000 worth of bicycles every year. It has had a most difficult task in the past to contend with foreign competition. It is also true that some importations have taken place since the war, but there was a very heavy importation before the war. I might say that bicycles sold in this country to-day are no higher in price than they were before the war, because in this country there is very severe competition. I trust the amendment may be agreed to.

Mr. SIMMONS. Mr. President, I do not care to discuss the question at length, but it seems to me from the statement of the Senator from New York that no case for this high duty is made out. The Senator admits that importations to this country at this time are very small, and that they are not as large as they were before the war. The Senator, however, asks that the duty be imposed upon the ground that there is competition among the domestic manufacturers, but I can not conceive of that being a reason for the imposition of a duty.

Mr. CALDER. If the Senator will permit me, I might add that to-day there are many orders being taken in this country for the English production.

Mr. SIMMONS. Mr. President, before the World War, when imports were much larger than they now are, we were competing with great Britain, and instead of imports having increased they have declined. Of course, orders are now being taken, if we are buying from abroad at all, as orders were taken before the war. That does not prove anything at all. But I had understood, Mr. President, that in the production of automobiles, of motor cycles, and bicycles, and all the articles which are used as vehicles of travel, we in the United States were upon a basis of production cost that gave us at least a fair opportunity for competition with any country in the world producing like articles. The American automobile and the American motor cycle and the American bicycle have found a market in every country in the world in competition with like products of every other country. It would seem under those circumstances that we do not need a 45 per cent duty in order to protect the American manufacturer in the production of such articles.

We have not at this time any serious competition from Germany in the manufacture of any of these articles. The old cry of cheap German production does not avail with reference to America. Our competitor is not Germany, but our competitors are countries that are more nearly equal to us than is Germany in the cost of production.

If it is necessary, Mr. President, to protect these articles to the extent of 45 per cent duty, then it is necessary to protect everything that is produced in the United States to a like extent, for if we can not maintain competition with reference to these articles, in the manufacture of which we are the pioneers and the chief producers in the world, then we can not compete with the world in anything.

Mr. President, we are the greatest exporters in the world; our exportations of various products to-day amount in value to over $4,000,000,000. Those products are sold in the world, in competition with the balance of the world. There is no article which we produce and sell abroad in which the conditions of competition are more advantageous to us than they are in these particular articles.

Mr. CALDER. Will the Senator permit me to interrupt him?

Mr. SIMMONS. Yes.

Mr. CALDER. I desire to say that the exports of these vehicles are almost entirely of motor cycles.

Mr. SIMMONS. I am not talking particularly about exports; I am talking about our ability to manufacture articles of this character in competition with the world. If we can not compete against the world in these articles, we can not compete in any articles. No country has specialized to a greater extent than we in the production of motor and other vehicles. There is no country which has been able to invent and discover machinery and methods of production which tend to reduce cost in the production of automobiles, motor cycles, and bicycles to a greater extent than has the United States.

Mr. President, I hope the Senate will not increase this rate. It is already too high.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New York.

Mr. SIMMONS. I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. McCUMBER (when his name was called). Transferring my pair as on the previous vote, I vote "nay."

Mr. POMERENE (when his name was called). Again announcing my pair with my colleague [Mr. WILLIS], I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before concerning my pair and its transfer, I vote "yea."

The roll call having been concluded, the result was announced—yeas 23, nays 38, as follows:

YEAS—23.

Ball	Ernst	Keyes	Phipps
Bursum	France	McNary	Reed, Pa.
Calder	Frelinghuysen	New	Shortridge
Cameron	Gooding	Nicholson	Wadsworth
du Pont	Hale	Oddie	Watson, Ind.
Edge	Harreld	Pepper	

NAYS—38.

Broussard	Hitchcock	Pomerene	Stanley
Capper	Jones, N. Mex.	Ransdell	Sterling
Cummins	Kellogg	Rawson	Sutherland
Curtis	Kendrick	Reed, Mo.	Trammell
Dial	Lenroot	Robinson	Underwood
Dillingham	McCumber	Sheppard	Walsh, Mass.
Fletcher	Moses	Shields	Walsh, Mont.
Gerry	Myers	Simmons	Warren
Glass	Newberry	Smith	
Heflin	Overman	Smoot	

NOT VOTING—35.

Ashurst	Harrison	McKinley	Spencer
Borah	Johnson	McLean	Stanfield
Brandegee	Jones, Wash.	Nelson	Swanson
Caraway	King	Norbeck	Townsend
Colt	Ladd	Norris	Watson, Ga.
Culberson	La Follette	Owen	Weller
Elkins	Lodge	Page	Williams
Fernald	McCormick	Pittman	Willis
Harris	McKellar	Poindexter	

So Mr. CALDER's amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question now is upon concurring in the amendment in paragraph 371 made as in Committee of the Whole.

The amendment was concurred in.

The PRESIDENT pro tempore. The Secretary will state the next amendment reserved.

The ASSISTANT SECRETARY. On page 83, paragraph 372, textile machinery, reserved by the Senator from New Mexico [Mr. JONES].

Mr. JONES of New Mexico. Mr. President, the amendment to which I desire to call attention relates to the basket clause on page 84, line 5, covering articles not specially provided for. The rate originally reported by the committee was 50 per cent, but the committee brought in a subsequent amendment reducing that to 35 per cent. The clause reads:

Knitting, braiding, and insulating machines, and all other textile machinery or parts thereof, finished or unfinished, not specially provided for, 35 per cent ad valorem.

I have no objection at this time regarding the machines, but I wish to call the attention of the Senate to the effect of that part of the language which includes "machinery not specially provided for."

I wish to give some prices of American-made machines and the prices of English-made machines. It will be observed that the prices of the English-made machines to which this rate of duty applies are just about twice, on the average, the American prices.

I read:

The price of an American carding machine is $925. The landed cost of a similar English machine, exclusive of duty, is $1,413. The landed cost of the English machine, including the present duty, which is 20 per cent, is $1,674.

The price of an American drawing frame is $830. The price of the English frame, without duty, is $1,427; and with the present duty of 20 per cent it is $1,697, or more than twice the price of the American machine.

The price of an American intermediate machine is $1,430. The price of the same English machine, exclusive of duty, is $2,315. With the present duty, it is $2,756.

The price of an American finisher lapper is $1,300. The English price, without duty, is $2,565. With the present duty, it is $3,048.

Mr. President, on line 3, after the word "machines," I move to insert "35 per cent ad valorem; all other textile machinery, or parts thereof, finished or unfinished, not specially provided for, 20 per cent ad valorem."

Mr. McCUMBER. Mr. President, the Senator is not reading from the paragraph as it was amended on the motion of the committee in the Senate, and he will have to consider the committee amendments if he wants to change them. The committee amendment reads, as I remember, that on page 84 we struck out all of the matter beginning with the word "knitting," in line 3, down to and including "ad valorem," on line 5, and inserted in lieu thereof the following:

Knitting, braiding, lace-braiding, and insulating machines, and all other similar textile machinery, or parts thereof, finished or unfinished, not specially provided for, 50 per cent ad valorem; all other textile machinery, or parts thereof, finished or unfinished, not specially provided for, 50 per cent ad valorem; all other textile machinery, or parts thereof, finished or unfinished, not specially provided for, 35 per cent ad valorem.

That is the way it now stands.

Mr. JONES of New Mexico. I thank the Senator for advising me on that point. Referring to the last numeral there, "35 per cent," which covers the class of machinery to which I have just made reference, I move to strike out "35" and insert "20."

The PRESIDENT pro tempore. The Secretary will state the amendment proposed by the Senator from New Mexico to the amendment made as in Committee of the Whole.

The ASSISTANT SECRETARY. In the amendment inserted on page 84, after "ad valorem," in line 5, it is proposed to strike out "35" where it occurs in the last line of the amendment and to insert in lieu thereof "20."

Mr. JONES of New Mexico. Upon that I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. POMERENE (when his name was called). I again transfer my pair with my colleague [Mr. WILLIS] to the senior Senator from Texas [Mr. CULBERSON] and will vote. I vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. HARRISON. I transfer my general pair with the Senator from West Virginia [Mr. ELKINS] to the senior Senator from Tennessee [Mr. SHIELDS] and will vote. I vote "yea."

Mr. JONES of Washington (after having voted in the negative). Making the same announcement as before with reference to my pair and its transfer, I will allow my vote to stand.

Mr. CURTIS. I have been requested to announce the following general pairs:

The Senator from Michigan [Mr. TOWNSEND] with the Senator from Wisconsin [Mr. LA FOLLETTE];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON];

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Arkansas [Mr. CARAWAY]; and

The Senator from Missouri [Mr. SPENCER] with the Senator from Georgia [Mr. HARRIS].

The result was announced—yeas 22, nays 43, as follows:

YEAS—22.

Ashurst	Heflin	Pomerene	Trammell
Dial	Hitchcock	Ransdell	Underwood
Fletcher	Jones, N. Mex.	Robinson	Walsh, Mass.
Gerry	McKellar	Sheppard	Walsh, Mont.
Glass	Myers	Simmons	
Harrison	Overman	Smith	

NAYS—43.

Ball	Bursum	Capper	Curtis
Brandegee	Calder	Colt	Dillingham
Broussard	Cameron	Cummins	du Pont

Edge	Kellogg	New	Shortridge
Ernst	Keyes	Newberry	Smoot
France	Lenroot	Nicholson	Sterling
Frelinghuysen	Lodge	Oddie	Sutherland
Gooding	McCumber	Pepper	Wadsworth
Hale	McLean	Phipps	Warren
Harreld	McNary	Rawson	Watson, Ind.
Jones, Wash.	Moses	Reed, Pa.	

NOT VOTING—31.

Borah	King	Owen	Stanley
Caraway	Ladd	Page	Swanson
Culberson	La Follette	Pittman	Townsend
Elkins	McCormick	Poindexter	Watson, Ga.
Fernald	McKinley	Reed, Mo.	Weller
Harris	Nelson	Shields	Williams
Johnson	Norbeck	Spencer	Willis
Kendrick	Norris	Stanfield	

So the amendment of Mr. JONES of New Mexico to the amendment made as in Committee of the Whole was rejected.

The PRESIDENT pro tempore. The question now is upon concurring in the amendment made as in Committee of the Whole.

The amendment was concurred in.

Mr. JONES of New Mexico. Mr. President, I withdraw the special request regarding paragraph 382, on page 86.

The PRESIDENT pro tempore. The question now is upon concurring in the amendments made in that paragraph as in Committee of the Whole.

The amendments made as in Committee of the Whole were concurred in.

The ASSISTANT SECRETARY. The next amendment reserved is on page 91, paragraph 402, which also includes a paragraph of the free list—paragraph 1683, on page 238, the tariff regarding logs.

Mr. JONES of Washington. Mr. President, I know the sentiment of the Senate with reference to this item, and I shall not take the time of the Senate to ask for a vote upon it, but will allow it to go to conference. I withdraw my request for a further consideration, and it may be voted upon.

The PRESIDENT pro tempore. The request for a separate vote being withdrawn, the question is upon concurring in the amendments made as in Committee of the Whole.

The amendments were concurred in.

Mr. JONES of Washington. That also includes the item on the free list.

The PRESIDENT pro tempore. Does the Senator also withdraw the reservation in regard to paragraph 1683?

Mr. JONES of Washington. I withdraw my request as to the item in the free list that covers the same matter.

The PRESIDENT pro tempore. The reservation having been withdrawn, the question is, Will the Senate concur in the amendments made as in Committee of the Whole in paragraph 1683?

The amendments were concurred in.

The ASSISTANT SECRETARY. The next amendment reserved is on page 93, paragraph 408, relative to shingles.

Mr. JONES of Washington. Mr. President, the Senate has expressed itself very emphatically with reference to that. I know there will be no change in the vote, and I therefore shall not take the time of the Senate to give further consideration to that amendment. I withdraw my request and will allow it to come to a vote.

The PRESIDENT pro tempore. The question is upon concurring in the amendment made as in Committee of the Whole in paragraph 408.

The amendment was concurred in.

The ASSISTANT SECRETARY. On page 95, line 18, in the sugar schedule, where in Committee of the Whole the Senate changed the rate on sugar testing by the polariscope above 50 sugar degrees, and not above 75 sugar degrees, the Senate struck out "1 16/100" in the House text and inserted in lieu thereof "1 25/100."

Mr. HARRISON. I desire to offer an amendment to that.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The ASSISTANT SECRETARY. The Senator from Mississippi moves to strike out "1 25/100 cents" and insert in lieu thereof the words "seventy one-hundredths of 1 cent."

Mr. HARRISON. Mr. President, when this matter was before the committee it was very fully discussed; certain assertions were made touching it and certain defenses made. I shall not rehash what was said then. The amendment I propose would place a duty of 1.4 cents a pound on sugars imported from Cuba. The bill as passed by the House and as reported by the Committee on Finance to the Senate carried a duty of 1.6 cents a pound upon Cuban sugar.

I am led to offer this amendment because of the letter I read to the Senate, written by the Senator from Utah [Mr. SMOOT], who offered this amendment raising the duty carried in the committee bill from 1.6 cents to 1.84 cents. The Senator from Utah [Mr. SMOOT] stated in the letter to General Crowder that he was head of the sugar schedule, as a member of the Committee on Finance; that he was holding it, waiting and wishing for a prompt reply to the proposition to Cuba to reduce her crop to two and a half million tons this last year, and that he would use his influence to see that the rate was placed at 1.4 cents a pound on Cuban sugar.

Mr. President, if the distinguished Senator from Utah, who knows as much about the subject as any Senator here, who has taken such a deep interest in the proposition, believed that 1.4 cents a pound on the importation of Cuban sugars was sufficient at that time to be written into the permanent law, there is no excuse or reason now for making it higher. Indeed, there is every reason, from an investigation into present-day conditions, comparing them with the conditions of last year, that the rate ought not to be even 1.4 cents a pound. I shall read the letter of the Senator from Utah to refresh the memories of the Members of the Senate, so that we can vote intelligently upon this rate, which probably means more and affects directly more consumers in this country than any other rate carried in the bill. Indeed, there is no rate in the bill which would be felt to such an extent and so quickly as will the high rate imposed on sugar. It means an increase to the consumers over the rate carried in the Underwood tariff law of practically $100,000,000.

Here is the letter which was written by the Senator from Utah, in charge of the sugar schedule, as he says in the letter——

Mr. SMOOT. The Senator is mistaken there.

Mr. HARRISON. I am going to read, and the letter can speak for itself, because I do not want to do the Senator any injustice.

Mr. SMOOT. I was not at the head of it and I was not in charge of it.

Mr. HARRISON. The Senator says at the end of the letter:

I have had the sugar schedule in the pending bill passed over until I hear definitely from you.

Mr. SMOOT. The same as many other items were passed over.

Mr. HARRISON. I am not criticizing the Senator about that. I am just saying that in the committee he had the power to hold it over, and told General Crowder, when he wrote this letter a few months ago, "Give me a quick response, because I am holding the sugar schedule over until I hear from you." Those who know the Senator realize his influence in this matter as well as in other matters coming before the Committee on Finance. Here is what he said:

DEAR GENERAL CROWDER: I hope that you will lay before the President of Cuba my attitude toward the sugar industry both of Cuba and of the United States.

I will not read the second paragraph, because that affects the bringing in of the sugar in bond and shipping it out immediately.

I am sure that the limitation of the Cuban crop of sugar for the present year—

Nothing about the years to follow, merely the present year—

to two and a half billion tons will be the solution of the problem, not only for Cuba but for the United States as well. So sure am I of this that I think that it would be wise to have incorporated into the pending tariff bill—

That is, the permanent law—

a rate of duty of 1¼ cents per pound, which would make the duty on Cuban sugar 1.4 cents per pound.

Mr. President, I ask Senators how they can justify voting for a higher rate than 1.4 cents on the importation of Cuban sugars when this authority upon sugar says that he will use his influence to have that rate incorporated into the permanent law?

I submit that when the emergency tariff law was up last year the 1.6 cents was written into it—an increase over the Underwood permanent tariff law of 0.6 of a cent—on the theory that the price of raw sugars produced in Cuba was 1½ cents a pound, and that they needed the 1.6 cents in order to protect and safeguard the sugar-beet interests of this country.

Is that the condition now? Indeed it is not. Raw Cuban sugars are selling to-day for from 3¾ to 4 cents a pound, and the cost to make this crop in the United States is less than it was last year. So whatever justification there may have been for a 1.6-cent rate on sugars last year in the emergency tariff bill, when Cuban sugar was selling at 1¼ cents a pound, could not apply now, because it is selling in Cuba, as I have said, at from 2 to 2½ cents per pound more than that.

This is a grant to the sugar-beet interests of the country, which is small, because it produces only one-tenth of the sugar

consumed in this country. It is too much, Senators; it is too big a burden to impose upon the consumers of the country.

I am not unaware of the fact that in his very powerful speech the other day the Senator from Utah, by the illustration of his charts upon the wall, impressed certain Senators that the tax on sugar was not reflected on the consumers of the country. Indeed he employed this language in speaking of me. He said:

I have heard it often stated upon the floor that the duty placed upon sugar immediately was passed on to the consumer of the country in the amount of the added duty. Is that so?

And he pointed to me when he said that.

Let us take the facts—not windjamming, but the facts.

And he said further:

Do not think that the American consumer is going to get it. History proves otherwise.

Here is what he did to you who had not investigated the question: He presented a chart showing the difference in the selling prices before the various tariff bills went into effect and afterwards; but he took the prices on dates close to the times of the passage of the tariff bills, when he knew that they did not reflect the real situation as they would if he had taken the average throughout the year.

Mr. SMOOT. Mr. President——

Mr. HARRISON. I have but 10 minutes.

Mr. SMOOT. I recognize that fact.

Mr. HARRISON. But I will yield to the Senator.

Mr. SMOOT. Oh, no; go ahead.

Mr. HARRISON. The Senator from Utah answered a question propounded by the senior Senator from Ohio [Mr. POMERENE]. He said he got those figures from Willett & Gray, I believe. I have here what Willett, of that firm, said. The Senator from Utah knows that when a tariff bill is being discussed, and some people have wool which they want to bring in, they will rush it in before the bill is passed. The same thing is true of sugar. They want to avoid the increased rate. If we are debating for three or four months the imposition of a high rate on sugar, and the refiners have it abroad, they are going to bring it in before they think the law can be passed, in order to escape the payment of the duty. So, if the Senator had gone back three or four months before the laws were passed, or had gone backward three or four months after the laws had been passed, and had taken the averages, he would have seen that the tariff is reflected in the price to the American consumer.

Here is what Mr. Willett, one of the statisticians the Senator relies upon, and from whom he obtained the statistics he pictured in his charts, said before the Hardwick committee:

I would like to have the committee satisfied that any reduction of duty goes to the consumer, and any addition of duty is paid by the consumer in any year under any duty which differs from any other duty, making necessary allowances for market fluctuations affected by supply and demand.

The PRESIDENT pro tempore. The time of the Senator has expired.

Mr. HARRISON. I can speak 10 minutes on the amendment adopted in the Committee of the Whole, can I not?

The PRESIDENT pro tempore. The Chair is of the opinion that the Senator is limited to 10 minutes. The unanimous-consent agreement reads in this way upon that point:

After the bill is reported to the Senate and unreserved amendments made in Committee of the Whole are concurred in, no Senator shall speak more than once nor longer than 10 minutes upon any reserved amendment or any amendment that may be offered in the Senate or upon any motion or motions made in regard thereto.

Mr. HARRISON. Does the Chair hold that I can not talk any longer than the 10 minutes I have occupied?

The PRESIDENT pro tempore. The Chair is of the opinion that the Senator can not talk longer than 10 minutes upon the amendment which he has offered.

Mr. NICHOLSON. I ask unanimous consent that the time of the Senator from Mississippi be extended five minutes.

Mr. McCUMBER. That can not be done under the unanimous-consent agreement.

Mr. SMOOT. Mr. President, I want to say to the Senator that in January, 1921, when the emergency tariff bill was under consideration I made a statement, and believed it to be a fact, because I had never made an investigation to find out otherwise, that the rate that was placed upon the sugar was immediately reflected in the price of the sugar to the consumers in the United States. At that time I believed it.

Following that statement upon the floor of the Senate, Mr. Ballou and also Mr. Palmer called on me in my office and said, "You evidently have not followed the history of the influence of a change in rate on the price of sugar."

I told them I believed the statement I had made. I thought whenever sugar was coming into this country at a certain rate of duty that the duty was immediately transferred to the consumer in the United States. But when I asked my clerk to get the weekly quotations on sugar from the first tariff law up until the present date I discovered the change in the price from one week to another, and in some cases from one day to another, and at times a violent change.

I wondered to myself why such a thing happened. I turned to the dates where the violent changes took place and found in every case that it was where a change of duty had been enacted into law, and found wherever the duty had been increased the price of Cuban sugar had declined, and wherever the rate of duty had been decreased the price of Cuban sugar the very next day had increased.

Every paper in Cuba is condemning the increase in the rate on sugar because of the fact that if the increase is made Cuban sugar will be just that much less in price. If that is true then the increase in the duty does not apply to the consumer in the United States. I call the Senate's attention to the fact that about three-fourths of all the sugar produced in the Cuban islands to-day is by these same refiners who have conducted the propaganda against the increase in duty.

The Senator refers to the fact that to-day Cuban sugar is selling at 3¾ to 4 cents a pound. Why is it selling for that instead of 1.6 cents as at the time when they had the sugar industry in this country by the throat and would have destroyed it, in my opinion, if strenuous efforts had not been made to save it? The reason why Cuban sugar is selling to-day at 3¾ to 4 cents a pound as against 1.6 cents, as referred to by the Senator from Mississippi, is because of the fact that the domestic sugar crop is off the market and the refiners producing sugar in Cuba bring it into this country, and double the price of sugar as soon as the domestic crop is off the market. I ask Senators, if they have the time, to read my speech on this subject delivered a few days ago. Every year as soon as the domestic crop comes upon the market sugar declines. As soon as the domestic crop is exhausted sugar increases in price.

I am not going to repeat what I said the other day, but I say now to Senators that in the figures which I gave of the prices of sugar just before the enactment of past laws affecting prices of sugar I did not in my investigation confine myself to one week before or one week following. I took the month before and I took the month after so as to be perfectly fair.

Mr. President, I want to say that it is claimed by the press and the people of Cuba that any advance in the duty on sugar decreases the price of Cuban sugar, compelling them to sell Cuban sugar at a lower figure in an amount equal to the advance in duty. I could bring into the Chamber numerous clippings from Cuban papers and every one of them contain that statement. The Senator from Mississippi and the refiners claim the advance in duty will increase the price of sugar to the American consumer. I will say frankly to the Senator from Mississippi that I thought so too until I looked into the question. It can not be true that it decreases the price of sugar in Cuba and increases the price of sugar in the United States unless the same refiners are taking a royalty on both ends.

The Senator referred to the fact that the price was affected by rushing in sugar just before a duty became effective. Does the Senator think that when the duty is lowered they are going to rush the sugar in?

Mr. HARRISON. Does the Senator ask me a question?

Mr. SMOOT. Yes; I should like an answer to that question.

Mr. HARRISON. I think without question that the higher the rate on the proposition the more it is going to be reflected on the consumers of the country, and when the rate is doubled it would naturally have an influence and cause the people in Cuba to bring the sugar here before the increased duty is imposed, of course, and that enables the big sugar people in the West to increase their prices, of course.

Mr. SMOOT. But the trouble is, when the rate was lowered, did the same thing happen? Why, Mr. President——

Mr. HARRISON. Why, of course not.

Mr. SMOOT. It came in just the same, and after the price was lowered the very next day the New York price was increased nearly in amount to the decrease in the rate of duty. That will be so as long as the refiners control the sugar, not only in Cuba but of the United States.

I want to warn Senators and I want to warn the American people that if they destroy the beet-sugar industry in this country they will pay not only the amount that they would otherwise pay in duty, but they will pay a great many times every year what the duty would amount to, and every year they will pay more than the cost of all the sugar factories in the United States. That developed in the year 1911 when the

beet-sugar crop was almost a failure, as was also the Louisiana crop.

The PRESIDENT pro tempore. The time of the Senator from Utah has expired.

Mr. GERRY. Mr. President, I should like to call the attention of the Senator to the fact that in the year 1913–14 the world produced 1,500,000 tons more of sugar than was produced in the year 1921–22. Besides that, the American market is using nearly 5,000,000 tons of sugar instead of 4,500,000 tons, with the result that there has been a demand for sugar from the Cuban market to make up the deficit of 2,000,000 tons which the world as a whole requires. The result has been that the American market has been taking something like 600,000 tons a month. That includes 66,000 tons which was refined and shipped to Europe.

It is the old question over again of the law of supply and demand. The demand was greater than the supply. As a matter of fact, for the next six months there will be only sufficient sugar from Cuba and the home market to supply something like 275,000 tons a month and this at a time of year when all the canning is being done and when there is a great demand for sweet drinks and other sugar consumptions. If we take all this into consideration, it is very easy to see why the price of sugar has gone up and why it is very likely to continue to go up in the future, especially with an added duty.

Mr. President, if under the proposal of the beet-sugar people voiced by the Senator from Utah they had been able to limit the Cuban crop to 2,500,000 tons, the country would have been in dire straits in the next six months, because the Cuban crop this year was something like 3,900,000 tons, and even with that production we are going to have a shortage of sugar.

The beet-sugar industry has been able to thrive on lower duties, as I have shown in certain statistics which I have previously put in the RECORD, and has been able to pay large dividends, is still producing large quantities of sugar and will undoubtedly continue to do so.

Mr. NICHOLSON. Mr. President, will the Senator yield for a question?

Mr. GERRY. I have only 10 minutes and can not yield. It is a most extraordinary argument which the Senator from Utah makes, if I understand him correctly, that an increased duty will not increase the price of sugar. If it will not increase the price of sugar, then there is no reason why the beet-sugar companies and the Louisiana producers should be so vociferously demanding an increased duty to protect their industries.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. GERRY. I yield to the Senator for a question.

Mr. SMOOT. I just want to say to the Senator that the only reason would be that if we had the higher rate on sugar, if it was the desire to destroy the industry entirely, we would have that guaranty that they could not do it within that limit. That is all.

Mr. GERRY. The Senator from Utah practically admits that the duty does have an effect on the sugar market and tends to hold up the price.

Another contention that has been made is that if it were not for the beet-sugar industry the market would be entirely controlled by the Cuban crop. I think the answer to that is what happened in 1920, when sugar was brought in from different parts of the world and the price dropped from something like 22 or 23 cents a pound to 6 or 7 cents a pound, if I am correct in my recollection, for I am speaking now from memory.

The beet-sugar industry, in my opinion, under the Underwood rate could supply its share of sugar and the American public would not have an added tax of something like $200,000,000 or more, for that is what this increased duty will mean with the pyramiding that always takes place when an increased duty is added—$200,000,000 or more on the American public in these hard times, when the high cost of living has such an important meaning to so many of the people.

Mr. HEFLIN. Mr. President, on the pending question I demand the yeas and nays.

Mr. BROUSSARD. Mr. President, I shall take only a moment. I wish to comment on the argument which has been made by my friend from Rhode Island [Mr. GERRY]. The statement is made that the Cuban sugar crop is short; that the world production of sugar this year is short; therefore the price is increasing, because, says the Senator, the price responds to the law of supply and demand. That is absolutely the argument that we have been making right along, that sugar, being a product universally used, has a world market; that that market fluctuates with the supply and demand, and naturally whenever a duty is put on that article when imported into this country the producer or importer must absolutely absorb that duty, just the same as he absorbs the freight. The result is, Mr. President, that it makes no difference to the consumer whether there is a duty or not, so far as the price of the article is concerned.

Mr. President, I shall not take the time to refer to the hearings before the committee in reference to this matter, but every one of the representatives of the Cuban sugar interests who testified before the Finance Committee stated that any addition in the tariff on sugar would have to be absorbed by the Cuban producer. They have made that argument here; the hearings are full of it. That exactly answers the argument which has been made by my friend from Rhode Island. This commodity in the United States has its price fixed by the world supply and demand, and whenever there is a duty placed on it those who import it here must pay that duty. That was demonstrated, Mr. President, in 1890, when under the McKinley law sugar went on the free list.

Mr. GERRY. Will the Senator yield to me?

Mr. BROUSSARD. I will yield for a question, but I should like to finish as soon as I can.

Mr. GERRY. I merely wish to ask the Senator if he does not think that the proposed duty on sugar will make the price of sugar higher?

Mr. BROUSSARD. It will not.

Mr. GERRY. Then why are the Louisiana producers of sugar so much in favor of the duty?

Mr. BROUSSARD. Of course, the Senator from Rhode Island is diverting me from my argument; but if the Senator is interested in that matter, I can explain that in a very short time. The only reason why we want a tariff on sugar is in order to put the American sugar producer, whose cost is higher than that of the Cuban producer, on a basis where there will be similarity of cost, so that in years of plentiful crops the cheap Cuban crop will not come in here and destroy the crop of the higher cost of production. That is the only reason we seek the duty. So long as the average production of sugar keeps up with the demand for sugar, these duties will not be effective, but if there shall be years when Cuba increases her production, as she did two years ago, to over 4,000,000 tons, when four years ago she only produced 2,500,000 tons, the Senator from Rhode Island can readily see that, being the cheaper producer, she will put us out of business during such years and absolutely destroy the higher cost American-produced sugar. That is why we want this duty.

However, we make the contention—and it is absolutely sound—that in the average years the duty plays no part at all, except that it brings revenue into the United States Treasury. It can not be claimed that that is not a correct proposition. There is no question that it is a correct proposition; nor is there any question that this duty is a fair one. I have read into the RECORD, and I have before me at this moment, but I shall not take the time of the Senate to read them again, statements from four governmental sources of information, including the War Finance Corporation, the Agricultural Department, and the Department of Commerce, showing that the difference of cost of production between Louisiana sugar and Cuban sugar averages over 2½ cents. The cost of the beet-sugar producer is just a little below our cost. So when I asked for a duty of 2 cents here I was strictly within the facts as established and presented to us by various departments of the Government. A duty of 1.84, Mr. President, is certainly away below 2½ cents, the difference in the cost of production; so, to my mind, we should take no action to reduce the duty of 1.84, which has been put into the pending bill.

Mr. SHORTRIDGE. Mr. President, I crave the hearing of Senators present for a moment only. Time was when we were practically dependent upon foreign countries for our sugar supply. I am assuming that Senators are familiar with the history of this industry. There were those, in other days, who thought it wise to put sugar on the free list and, in lieu of a tariff, to impose a bounty. Such was the provision in the McKinley law. There was one thorough protective tariff member of that committee who now adorns the Supreme Court of the United States, then a Representative from my State of California, who filed a single minority, dissenting report in which he pointed out the folly of substituting a bounty for adequate tariff duties, the policy which was indorsed by the Ways and Means Committee of the House of Representatives. History has demonstrated that the then Hon. Joseph McKenna, now Mr. Justice McKenna, was economically right.

Time was when we were dependent upon foreign countries for sugar. To-day we have the great sugar-producing industry in our own dear land. Louisiana is deeply concerned in this matter; Utah, Colorado, California, and other States are also interested in it. Under the system of protection we are no

longer so dependent upon foreign countries. Vast capital is now invested in this industry. Hundreds and thousands of our fellow citizens are profitably employed in it. The farmers of California are directly interested; the producers in every one of the beet-sugar and cane-sugar producing States of our Union are directly interested. They come before this Congress—the Senate at this moment—and say "We can not live or prosper without this protection." The manufacturers of beet sugar, honorable men, patriotic men, Republicans and Democrats, rising all above party feeling, come here and tell us the same thing. It is a great and important industry, employing men, women, and children in the fields and in the factories.

We are not legislating here for this moment; I know we look into the future; and, as a practical proposition, as a simple fact which is presented to us, we are to decide whether this industry, so essential, so beneficial, shall survive and prosper or shall perish.

The same argument thus briefly intimated applies to many other industries in our country. It is true of products of the great State of Arkansas; it is true of the products of the great State of Missouri; it is true as to many of the agricultural products of my own State and other States represented by patriotic Senators here gathered.

I am not troubling you, Mr. President, and myself with going into figures. I merely wish to call attention to the past and to the present. The industry has grown; it has developed. The price of sugar is not exorbitant, and we are here asking American Senators, American lawmakers, to have regard, not for Cuba, not for the Hawaiian Islands although they belong to us, not for the Philippines over which our flag flies, not for any of the West Indies or the Central American sugar-producing peoples, but to have first regard for our own people. What I am trying to do in a few words, poorly spoken, is to impress upon the thoughtful minds of men who love their country and would see its people prosper that we can produce sugar in America; that the domestic industry gives employment to our own people; and to urge Senators to devote their thoughts, as our hearts are consecrated, to the interests of the people of our own country. The consumers will not suffer.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. SHORTRIDGE. I yield to the Senator.

Mr. HARRISON. Does the Senator think that in order to take care of 10 per cent of the people of this country we should levy a tax of $200,000,000 on the consumers of the country? Is that just and fair? Ought we not have some regard for the consumers as well as for the producers?

Mr. SHORTRIDGE. I have answered the Senator. I invited his mind to go backward to consider the time when we were dependent upon foreign countries for our sugar, assuming that he would remember, as I assume the country remembers, what we paid for sugar then and what we are paying for it now. As the Senator from Utah [Mr. SMOOT] has said, strike down and destroy the American industry and put us in a position of dependency upon foreign countries, whether it be Cuba or any other country, and the price of sugar will go mounting sky high. Therefore the argument seems to me unanswerable. I may look through a glass darkly, but I know the history of my country, and I happen to know the history of this industry.

I mentioned the name of a Californian here a few months ago in a passing colloquy, I think, with the Senator from Arkansas, when I called attention to the fact that Claus Spreckels, German born, conceived the idea that we in California could raise as good sugar beets as could be raised in Germany. He went to Germany; he brought back German sugar-beet seed; he brought here highly trained chemists, and by a process of development and cultivation we are raising high-grade sugar beets in California. He, in a sense, was the pioneer of the great American sugar-beet industry. It has grown; and instead of producing probably not more than 10 per cent of the sugar consumed in this country, see what we are producing now and consider the price of sugar then and what it is now.

So I wish to appeal to American Senators who love their country to shape their conduct with first and sole regard to this land of ours. The consumers will not suffer—let me answer directly my friend from Mississippi—by this proposed tariff, but the consumers will suffer if by folly on our part and failure to give adequate protection to this industry we shall once more become dependent upon foreign countries.

It is for America, for American men and women in every State in the Union that I am urging upon the thoughtful minds of Senators, regardless of politics, to stand for the rate thus far fixed. It is my earnest belief that in so doing we will serve our country, and as for me I wish it once and for all to be understood that I think I serve my party best when I serve my country best.

The PRESIDING OFFICER (Mr. STERLING in the chair). The time of the Senator from California has expired.

Mr. GOODING. Mr. President, I just want to ask one question. Is there a Senator on the other side of the Chamber, or one on this side, who does not know that the American Sugar Trust own and control practically all the sugar plantations of Cuba?

Mr. HARRISON. Mr. President, may I ask the Senator a question?

Mr. GOODING. Yes.

Mr. HARRISON. Does not the Senator know that the Utah-Idaho Sugar Co., in which certain Senators have said that they own an interest, and which has holdings in the Senator's State, was indicted for practicing conscienceless profiteering upon the American consumers, and the case was only dropped by the Department of Justice because the Lever law was declared unconstitutional?

Mr. GOODING. Mr. President, I am not aware that they were indicted. I am not familiar with the case; but I do know that every time the Sugar Trust of this country, who own the plantations in Cuba, have had control of this market the American people have always paid a higher price for their sugar. The American sugar crop grown by Americans sold for an average of 5 cents a pound. The price of sugar is now 7 cents a pound and is still going up. Is there any doubt in any Senator's mind that that great trust, which we know has existed in America for a number of years, will take advantage of every opportunity to rob the American people?

Let me say to you that in the West to-day contracts are entered into with all the farmers upon a sliding scale, so that if the price of sugar increases at all, the farmers get the benefit of it all.

Mr. GERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. STERLING in the chair). Does the Senator from Idaho yield to the Senator from Rhode Island?

Mr. GOODING. Yes; I yield.

Mr. GERRY. Is it not also true that Mexican and Russian labor has been brought in and child labor has been employed?

Mr. GOODING. I answered that question the other day—only to the extent that during the war, when 4,000,000 of our boys answered the country's call, in order to produce sugar for the American people, this Government permitted them to be brought in, very properly; and you would deny them all in the interest of the Sugar Trust of Cuba! You would destroy our industries for the Sugar Trust of America! There is not any question about your position.

Mr. GERRY. And they also employ child labor, to the detriment of the children.

Mr. GOODING. That is not true.

Mr. GERRY. It is a matter of record in the Children's Bureau.

Mr. SMOOT. I want to say to the Senator that that is not true.

Mr. NICHOLSON. Mr. President, I want just a minute to reply to the question asked by the Senator from Rhode Island. If children are working in the beet fields, it is because the farmer is underpaid for his beets; and you who live in the East are now asking that these poor children work in the beet fields for little or nothing in order that you, who are well able to pay a price sufficient to obviate the working conditions in the beet fields complained of by the Senator, but will not, may enjoy cheap sugar in your tea and coffee.

Mr. CALDER. Mr. President, the Committee on Finance of the Senate, after hearings extending over a number of days and after careful deliberation, recommended to the Senate a rate of 2 cents a pound on sugar and 1.60 on Cuban sugar. The pending amendment provides for a rate of 1.40 on Cuban sugar. I shall vote against that amendment, and if it is defeated shall offer the amendment provided for in the committee's report.

Mr. President, the rate recommended by the Committee on Finance is the highest rate ever carried in any bill passed by the American Congress. It is the rate in the emergency tariff bill passed last year by this very Congress, at a time when it was believed that many American industries, particularly our agricultural industries, needed protection. The 1.60 rate for Cuban sugar is a protective rate, and, from my study of the subject, ought to be sufficient to protect the American beet and cane producer. At the time it was agreed upon in the Finance Committee it meant a rate of about 80 per cent ad valorem. At the price of Cuban sugar to-day, the rate is a little under 50 per cent.

If the Cuban crop had been limited, as was proposed, the price to-day would be immeasurably higher than that asked for

Cuban sugar. The price is as high to-day, Mr. President, because there is no sugar available for the American consumer except the Cuban crop.

Mr. BROUSSARD. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Louisiana?

Mr. CALDER. I will not yield. I only have a few minutes.

Mr. BROUSSARD. Just for a question.

Mr. CALDER. I will not yield, I will say to the Senator.

The PRESIDING OFFICER. The Senator from New York declines to yield.

Mr. CALDER. Mr. President, if the rate of 1.84 for Cuban sugar, or 2.31 for sugar generally, prevails, it will not profit the American producer, for he has sold all of his sugar; but it will profit the speculators, who have already begun to fill up our warehouses, and will make vast sums of money, running into the millions, perhaps, as the result of this increased rate.

Much has been said of the American refiner and how he will profit by this. Mr. President, I know of some refiners in this country who are not very much interested in just what this rate will be, because these refiners are interested alike in the importation of sugar and also in the sugar raised in America. It seems to me that the rate recommended by the Finance Committee, as I said in the beginning, is sufficient to give a protective duty to American industry and at the same time deal reasonably with the American consumer.

Mr. SIMMONS. Mr. President——

Mr. NICHOLSON. Mr. President, I desire to ask the Senator a question.

Mr. CALDER. I yield to the Senator.

Mr. SIMMONS. Mr. President, have I the floor or have I not the floor? I thought I was recognized, and I have been taken off my feet once or twice.

The PRESIDING OFFICER. The Chair had not recognized the Senator from North Carolina. The Chair will recognize him.

Mr. SIMMONS. Mr. President, I am grateful for this tardy recognition.

I do not want to take much time in discussing this sugar proposition, and yet I recognize the fact that the sugar industry in the United States is not an infant. So far as the American cane-sugar industry is concerned, it was established about 100 years ago, and it has made very little progress during that 100 years, although every time we have had a tariff bill that industry has been before the Congress claiming that if given a bit more protection it would be able gradually more largely to supply the American demand.

It has been the same story with the beet-sugar industry in the United States. It grew up and flourished as the beet industry in Europe grew up and flourished; but the beet industry here and the beet industry in Europe, as well as the cane industry in this country, could not without Government subsidy have lived a day in competition with cane-made sugar in the home of the cane-made sugar—that is to say, in the West India Islands.

They talk about the cane industry in Louisiana! The cane industry in Louisiana is not in trouble because of any difference in the labor cost of this country and Cuba. It may be slightly greater in the United States than in Cuba; but this great trust to which the Senator from Idaho referred a little while ago, this American corporation that is producing sugar over in Cuba, is employing negro labor just as negro labor is employed in Louisiana in the production of cane sugar.

Mr. BROUSSARD. Mr. President——

Mr. SIMMONS. I do not yield to the Senator. I have not enough time now to yield. I say that if this trust or this corporation to which the Senator from Idaho has alluded is producing sugar in Louisiana and sugar in Cuba, in both countries it is employing negro labor.

Mr. GOODING. Mr. President——

Mr. SIMMONS. And the negro labor of Cuba is just about as intelligent as the negro labor in America and commands very nearly the same compensation.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Idaho?

Mr. SIMMONS. I do not yield. I have already said that I am not going to yield any of my 10 minutes.

The trouble with the cane producers of Louisiana is not the difference in labor cost. It is the difference in natural conditions; and they are asking the American people to give them a subsidy in order that they may be put upon a parity with Cuba, because a disparity is present because of natural conditions. The first of those natural conditions is the seasons. By reason of the early frosts that they have in Louisiana very frequently the crop is destroyed, and if you will examine the tables you will find that occasionally in one year Louisiana produces twice as much sugar as it does the next year. It is because an early frost often destroys the crop. That is one of the natural reasons why we can not produce in competition with Cuba; and the other natural reason why Louisiana can not without subsidy produce sugar in competition with Cuba is the fact that in Louisiana it is necessary to replant frequently, every one or two years, while in Cuba it is not necessary to replant more than once in 15 years. The futile and unjust thing is now being proposed that we shall tax the American people to the extent of $115,000,000 under this measure in order vainly to try to equalize natural differences that exist between the production of this article in the United States and in Cuba.

That much I have to say about the cane-sugar business.

Now, with reference to the beet-sugar business:

Mr. President, Europe attempted to raise its supply of sugar by the production of beets. Europe granted enormous bounties to the beet-sugar producers of that country in order to enable them to make sugar in competition with the cane sugar of the islands. That thing went on and on. It became such a burden to the people of Europe that they held a convention at Brussels, and as the result of that convention they decided that they would stop these bounties. While these bounties were being given the beet-sugar production of the world was 64 per cent of the entire consumption. That was about 20 years ago. Today the beet-sugar production of the world is less than 21 per cent of the consumption of the world, showing that since the bounties upon this product were withdrawn by the governments of the world the beet sugar can not stand, can not live, can not exist in competition with the cane-sugar production.

We are asked here that the American people be saddled year after year—a hundred years after the production of sugar has begun in this country—that they be saddled year after year, from now on until doomsday, with taxation to the extent of $115,000,000 a year in order that we may hothouse cane sugar and hothouse beet sugar.

Mr. BROUSSARD. Mr. President, I have a few minutes of my time left.

The PRESIDING OFFICER. Under the unanimous-consent agreement, a Senator can speak but once. The question is on agreeing to the amendment of the Senator from Mississippi.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Frelinghuysen	McLean	Sheppard
Ball	Gerry	McNary	Shields
Brandegee	Glass	Moses	Shortridge
Broussard	Gooding	Myers	Simmons
Bursum	Hale	New	Smith
Calder	Harreld	Newberry	Smoot
Cameron	Harrison	Nicholson	Stanfield
Capper	Heflin	Norbeck	Stanley
Colt	Hitchcock	Oddie	Sterling
Cummins	Jones, N. Mex.	Overman	Sutherland
Curtis	Jones, Wash.	Pepper	Trammell
Dial	Kellogg	Phipps	Underwood
Dillingham	Kendrick	Pomerene	Wadsworth
du Pont	Keyes	Ransdell	Walsh, Mass.
Edge	Lenroot	Rawson	Walsh, Mont.
Ernst	Lodge	Reed, Mo.	Warren
Fletcher	McCumber	Reed, Pa.	Watson, Ind.
France	McKellar	Robinson	

The PRESIDING OFFICER. Seventy-one Senators having answered to their names, a quorum is present. The question is on agreeing to the amendment of the Senator from Mississippi [Mr. HARRISON] to the amendment made as in Committee of the Whole.

Mr. SMOOT. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. JONES of New Mexico (when his name was called). I have no pair on this subject, and I therefore vote "nay."

Mr. CURTIS (when Mr. LA FOLLETTE'S name was called). The Senator from Wisconsin [Mr. LA FOLLETTE] is paired on this vote with the Senator from Michigan [Mr. TOWNSEND]. If present the Senator from Wisconsin would vote "yea" and the Senator from Michigan would vote "nay."

Mr. POMERENE (when his name was called). I transfer my pair with my colleague [Mr. WILLIS] to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. McCUMBER. I transfer my pair with the junior Senator from Utah [Mr. KING] to the junior Senator from Washington [Mr. POINDEXTER] and vote "nay."

Mr. HARRISON (after having voted in the affirmative). I transfer my pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Oklahoma [Mr. OWEN] and allow my vote to stand.

Mr. EDGE. I am informed that if present the senior Senator from Oklahoma [Mr. OWEN] would vote "yea." I shall therefore vote. I vote "yea."

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The Chair desires to state that he transfers his pair with the senior Senator from Virginia [Mr. SWANSON] to the senior Senator from Maine [Mr. FERNALD] and allows his vote to stand.

The result was announced—yeas 24, nays 47, as follows:

YEAS—24.

Ashurst	Harrison	Pomerene	Smith
Dial	Heflin	Reed, Mo.	Stanley
Edge	Hitchcock	Robinson	Trammell
Fletcher	McKellar	Sheppard	Underwood
Gerry	Myers	Shields	Walsh, Mass.
Glass	Overman	Simmons	Walsh, Mont.

NAYS—47.

Ball	Ernst	Lodge	Ransdell
Brandegee	France	McCumber	Rawson
Broussard	Frelinghuysen	McLean	Reed, Pa.
Bursum	Gooding	McNary	Shortridge
Calder	Hale	Moses	Smoot
Cameron	Harreld	New	Stanfield
Capper	Jones, N. Mex.	Newberry	Sterling
Colt	Jones, Wash.	Nicholson	Sutherland
Cummins	Kellogg	Norbeck	Wadsworth
Curtis	Kendrick	Oddie	Warren
Dillingham	Keyes	Pepper	Watson, Ind.
du Pont	Lenroot	Phipps	

NOT VOTING—25.

Borah	King	Owen	Watson, Ga.
Caraway	Ladd	Page	Weller
Culberson	La Follette	Pittman	Williams
Elkins	McCormick	Poindexter	Willis
Fernald	McKinley	Spencer	
Harris	Nelson	Swanson	
Johnson	Norris	Townsend	

So Mr. HARRISON's amendment to the amendment made as in Committee of the Whole was rejected.

Mr. HARRISON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. HARRISON. Is debate open on the amendment now pending, as adopted in the Committee of the Whole?

The PRESIDING OFFICER. It is debatable.

Mr. HARRISON. I have spoken 10 minutes on the subject.

The PRESIDING OFFICER. The question is on concurring in the amendment adopted in the Committee of the Whole.

Mr. HARRISON. Am I permitted to speak again?

The PRESIDING OFFICER. The Senator has spoken on his own amendment, as the Chair understands it.

Mr. HARRISON. That is correct.

The PRESIDING OFFICER. The Senator is recognized.

Mr. HARRISON. Mr. President, the real proposition is whether we are going to indorse the action of the Finance Committee in placing 1.6 cents duty on sugar from Cuba or stand by the previous action of the Committee of the Whole in raising the rate to 1.84 cents. That is the vital question now, and the decision of that question will affect the American consumer to the extent of from twenty-three to fifty million dollars.

It has been argued that this tax will not be reflected in the price to the consumer. I want to read what the Senator from Utah has said on that subject, in order that Senators may not be led astray when voting upon this proposition, and offer as an excuse hereafter that they were led by the Senator from Utah, in his speech the other day, to believe to the contrary. This occurred during the debate on the emergency tariff bill on January 26, 1921:

Mr. HARRISON. I want the figures of the Senator from Utah on sugar, to see if he is as far wrong on sugar as he was on shoes.

Mr. SMOOT. Of course, Mr. President, the Senator can make that statement, broadly speaking; but the Senator from Utah does not generally make a statement on the floor of the Senate unless he knows what he is talking about.

This is an emergency bill, to remain in effect until the other bill is put into force. The 80,000,000 pounds of sugar that is consumed by the American public takes in all the sugar that is made into candy and all that goes into the manufacturing of products. If you take it all, say there is 80,000,000 pounds of sugar consumed, and that is the full crop of Cuban sugar, if it all came here at the peak of production it would be $160,000,000.

Mr. HARRISON. One hundred and sixty million dollars it would cost the American people.

Mr. SMOOT. No; I say if that took place, at 2 cents; but I have not any idea, in the first place, that the bill is going to become a law, because I do not think the Senator from Mississippi, as well as others, intends it to.

Mr. HARRISON. I can not prevent it, and the Senator knows that.

Mr. SMOOT. There are others who will prevent it. So far as that is concerned, if it did become a law it would not be in operation a year. The amount that would be collected from the Cuban sugar would, I will say to the Senator, all go into the Treasury of the United States, and Cuba is where the great sugar crop comes from.

Mr. HARRISON. Where would the tax come from? It would come from the consumers of the country.

Mr. SMOOT. Yes; but it would go into the Treasury of the United States.

Mr. STANLEY. Mr. President——

Mr. HARRISON. I yield to the Senator from Kentucky.

Mr. STANLEY. I should like to ask the Senator from Utah if he is calculating now simply on the amount of tax to be collected from the Cuban producer?

Mr. SMOOT. This would be about our consumption. There are 100,000,000 people, and this would be 80,000,000 pounds, and that is 80 pounds per capita.

Mr. STANLEY. The Senator is assuming that the entire consumption of the American people would be the amount produced in Cuba, or 80,000,000 pounds.

Mr. SMOOT. No; I was not assuming that at all. In fact, all of the Cuban crop does not come here, but most of it does. I am saying that is the largest crop, but with 100,000,000 people, 80 pounds per capita is 800,000,000 pounds. Of course, 2 cents a pound will bring us $160,000,000.

* * * * * * *

Mr. STANLEY. The reason I asked that question was that we can not figure the Cuban sugar crop alone when we figure imports, because the duty will affect the beet sugar and the Louisiana sugar in the same way.

Mr. SMOOT. We understand that.

Mr. UNDERWOOD. That was the question I intended to ask the Senator. In his statement he had left out of the calculation the fact that if we put the duty on at the customhouse, it would not only raise the value to the American consumer of the imported sugar, but it would practically to the same extent put up the price of American sugar raised in this country.

Mr. SMOOT. There is no doubt about it at all.

Mr. UNDERWOOD. Then the American people would pay the increased price.

Mr. SMOOT. That is what I say. I was figuring the amount per capita.

Mr. HARRISON. That is the purpose of the bill, to make the American people pay the price in order to help the producers of the country.

Mr. SMOOT. The Senator stated that only half of the tax on importations went into the Treasury of the United States.

Mr. HARRISON. I expect to show before the debate is over that part of that, only about half of it, goes into the Treasury of the United States.

Mr. SMOOT. I will admit that whatever sugar is produced in this country there is nothing that goes into the Treasury of the United States on that sugar, but on every pound of sugar that is imported into the country the amount of tax paid, no matter whether 1 cent or 2 cents or 3 cents, or whatever it may be per pound, all goes into the Treasury of the United States.

Mr. HARRISON. But it raises the price of sugar in this country under those circumstances so much to the consumer. That is what I am trying to bring out.

Mr. SMOOT. That is what I say. I have not said that it did not.

Mr. HARRISON. We do not differ.

Mr. SMOOT. Just the same as any article, for instance, like coffee. Coffee comes in free. If there were a duty put upon it and the coffee is not produced in this country, of course the consumer pays it. No one ever questioned that that I know of.

* * * * * * *

Mr. SIMMONS. What would be the aggregate?

Mr. SMOOT. I can not tell how long the bill will be continued in effect.

Mr. SIMMONS. Assuming it will be in operation a year?

Mr. SMOOT. Nor can I tell what the price of Cuban sugar is going to be. Cuban sugar is so low now that it seems to me it can not stay at the figure at which it is now. Cuban sugar delivered at New York is 4¾ cents a pound.

Mr. SIMMONS. The Senator's calculation, I understood, was based upon the assumption that Cuban sugar would go up 8 cents.

Mr. SMOOT. No; I did not say that. If it went to 8 cents, though, under the bill it would not cost the people anything for tax.

Mr. SIMMONS. I do not see how the Senator figures that.

Mr. SMOOT. If the Senator will read the amendment he will see that is exactly what the amendment provides.

Mr. SIMMONS. It will be effective only to the extent of raising it to 8 cents.

Mr. SMOOT. Whenever Cuban sugar reaches the price of 8 cents per pound, then there is no additional duty upon it.

Mr. SIMMONS. No additional duty, but the duty operates until it gets to 8 cents a pound and if the duty forces it to 8 cents a pound then it does not apply any longer. Suppose sugar sells to-day for 6 cents a pound and it is forced up by reason of the duty to 8 cents a pound, would not the duty have been the reason and the cause for the increased price?

Mr. SMOOT. That duty would be collected by the Government of the United States. There is no doubt of that at all.

Mr. SIMMONS. It would be collected by the United States and a like increase would be made in the price of all domestic sugar.

Mr. SMOOT. There is no doubt about it, because of the fact that such a small amount of domestic sugar is raised in the United States, comparatively speaking. Whatever the Cuban price is in New York, and the refiners name that price, so is all the sugar manufactured in the United States based upon that same price. That is understood by the Senator and by everybody else.

Mr. SIMMONS. Cuban sugar sells to-day, as I understand, at between 4 and 5 cents a pound.

And yet the Senator by his argument, adroit as it was, led Senators to vote for the unconscionably high tax on the consumers of the country of 1.84 cents per pounds, because they believed that the consumers of the country would never have to pay it; in other words, that it would bear down the price in Cuba.

Senators, the question is before you. If you are going to place this tax of $200,000,000 on the American consumers when they are in no position to bear it, then vote "yea" on the next roll call. On the other hand, if you want to help the consumers in a little way, just a slight way, vote "nay." That would relieve them some, just a little bit, though not very much.

Let me tell you, Senators, that before this incident is closed the American people will know everything behind the scenes where this rate was adopted and this scheme was attempted to be put over on the Cuban people at the expense of the consumers of sugar in the United States. If you would allow my resolution to pass and investigate everything behind this matter you would see that not only was the great and influential and powerful member of the Finance Committee [Mr. SMOOT] writing this proposal to Crowder, our representative to Cuba, that if they would restrict the crop to two and one-half million tons that year that he would use his good offices to put over the tariff at 1.4 permanently in the law, but that it was O. K.'d by Herbert Hoover and the letter was handed over to the President of Cuba. Vote as your conscience dictates, and when the Senate adjourns, as it will in just a few days, aye, perhaps in a few hours, you must give an account to your constituents for the imposition of this unconscionable rate that you are imposing. It is indefensible, aye, inexcusable, and you must make answer for it.

Mr. President, on the pending question I demand the yeas and nays.

Mr. SMOOT. Mr. President, there are some Senators now in the Chamber who were not present when the Senator from Mississippi made that same statement in his first speech on the pending amendment this evening. He did not read that part of the RECORD before, but asked it be printed in the RECORD. I remember well that when the emergency tariff bill was up, as I have already stated, that I thought and believed that every cent of duty that was imposed upon Cuban sugar would be paid by the American consumer. But, Mr. President, the investigation which I have made since then, and I have told the Senate how it came about, demonstrated beyond any question of doubt that they do not pay it in whole. I have had sent to me hundreds of clippings from the Spanish papers of Cuba and the English papers published on that island claiming that if the duty on sugar was increased the price of Cuban sugar would drop just to the amount of the increase. I want to say that in the past that has been the history, as I demonstrated beyond any question of doubt when I spoke upon this subject the other day. No Senator has risen on the floor to deny those figures. They can not be denied.

I want to say to Senators that sugar conditions are rapidly changing in Cuba and have been changing in late years. The refiner was not satisfied with the profits made upon the refined sugar, twice the amount that was made upon an equal amount of sugar raised from the soil by the toil of thousands of people, but tampered with the scales so as to rob the Government of the United States in the matter of the duty collected.

Mr. REED of Missouri. Who did that?

Mr. SMOOT. In conclusion, Mr. President, I want to make just this statement again. It is claimed by the people and the press of Cuba——

Mr. REED of Missouri. Mr. President——

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Does the Senator from Utah yield to the Senator from Missouri?

Mr. SMOOT. I yield for a question.

Mr. REED of Missouri. I want to inquire who it was that tampered with the scales.

Mr. SMOOT. The Senator certainly must remember the case the Government instituted against a company in New York who robbed the Government of hundreds of thousands of dollars by tampering with the scales.

Mr. REED of Missouri. I do not remember it, and I ask the Senator to remind me of it.

Mr. WALSH of Montana. I remember that the American Refining Co., who owns a great and important share in the beet-sugar companies here, was involved.

Mr. SMOOT. They do not own a single, solitary share in the Idaho Sugar Co.

Mr. WALSH of Montana. They own all the factories in Colorado. They own factories in my State.

Mr. SMOOT. I do not know anything about what they own in Montana.

I want to say that such a thing has never been charged against any local sugar producer. I say now that the refiners have a strangle hold upon the production of sugar in Cuba, the six great refiners producing all but a few hundred thousand tons of the sugar that comes into this country from Cuba, and I say without question of doubt that when the local domestic crop was coming onto the market they reduced the Cuban sugar to 1.67 cents, but just as soon as consumption of the local sugar crop occurred and the domestic people had none to sell outside of their local customers they have advanced their sugar to-day to nearly 4 cents a pound.

Mr. JONES of New Mexico. Mr. President——

Mr. SMOOT. I have but 10 minutes, but I yield for a question.

Mr. JONES of New Mexico. I want to ask, if all that is true, how the sugar-beet growers of the United States are going to get the benefit of the tariff on sugar?

Mr. SMOOT. I have already answered that question this afternoon when the Senator was not here, and it would take the balance of my time or I would gladly answer it again. I think I could convince the Senator from New Mexico and other Senators how they would get the advantage.

Mr. STANLEY. Mr. President——

Mr. SMOOT. I can not yield.

Mr. STANLEY. I just want to ask the Senator——

The PRESIDING OFFICER. The Senator from Utah declines to yield.

Mr. SMOOT. I have only two minutes left.

Mr. STANLEY. I just want to ask the Senator a question.

The PRESIDING OFFICER. The Senator from Utah declines to yield.

Mr. SMOOT. I want to make this statement in closing: It is claimed by the people and press of Cuba that any advance in the duty on sugar decreases the price of Cuban sugar, compelling them to sell Cuban sugar at a lower price equal to the advance in duty. The Senator from Mississippi and the refiners claim the advance in duty will increase the price of sugar to the American consumer unless the refiners, who are the Cuban sugar producers to-day, absorb the claimed decrease in Cuba and the claimed increase in the United States, or both, and this no doubt they intend to do.

I have demonstrated that the Cuban price decreased with the increased duty, and the American consumer was not called upon to pay the full increase.

Mr. President, I did not know that a year ago, as I said, and it only came when I asked for the quotations of sugar from the beginning of the production of beet sugar in the United States week by week and as laws have been enacted, beginning with the Wilson law, and then followed by the Dingley law, then the Underwood law and the Cuban reciprocity act, it demonstrated that whenever the rates were changed the price of sugar in Cuba changed. I did not take the prices for one week before or one week after. I took two months before and two months after and averaged the prices. The price quoted changed greatly in a day, and I did not know the reason until I had analyzed the figures in a detailed investigation to learn why it was, and it showed the date of the passage of the law corresponded with the radical change in price.

The PRESIDING OFFICER. The time of the Senator from Utah has expired.

Mr. STANLEY. Mr. President, I would like to ask the Senator from Utah in my time if there is more than one sugar refiner in the United States.

Mr. SMOOT. Yes; there is more than one sugar refiner in the United States.

Mr. STANLEY. Then, if there is such a change in price, it is due to an understanding between the refiners as to a concurrent increase in price automatically with the Federal regulation.

Mr. SMOOT. I have no doubt of it. What I put in the RECORD the other day shows what the rates were and the quotations on sugar weekly. I say that the six great refiners absolutely control the situation. We are in their power, and I say if the domestic sugar industry is destroyed they will have the full 12 months in the year to make the American people pay tribute to them, as there will be no domestic sugar to interfere.

Mr. STANLEY. Mr. President, this startling statement of the Senator from Utah is the most damning confession of the utter ignorance and impotence of those in charge of the execution of the laws that has ever been heard on the floor of this body. It is the most humiliating and the most abominable admission of the utter incompetence of the Federal Government. Boiled down and analyzed, what does the statement of the Senator amount to? It is simply this: If we lower the duty, according to the natural laws which the Senator from Utah believed were in operation, we would also lower the cost of this product. He admits now that by the bungling imposition of one duty upon raw sugar and another duty upon refined sugar, half a dozen trusts will gobble up any reduction

as fast as it is made. This increase in price following instantly upon the passage of the law would be evidence enough to convict any crook on earth in the eyes of an Attorney General who knew the difference between a jayhawker and a Sunday-school teacher. Your Department of Justice is either corrupt or it is imbecile if this thing can be done and go unwhipped of justice. I have often thought it was one or the other, or both, and now I know it. This is the last admission that damns the already doubly damned Attorney General of the United States. Tell the Senate why we can not relieve the people. Because the trusts, and not the public, would get the benefit, and probably they would. If that is the case, somebody ought to find a new Attorney General and a Department of Justice that will function.

I have spent some years of my life investigating the question of the violation of the antitrust acts of the United States, and I tell you, Mr. President, that thing can not be done without leaving the palpable, unquestioned, admitted proof of guilt. If these big sugar refiners can alter their prices and absorb these profits instantly upon the passage of this bill, increase these prices to increase as we decrease the duty, slap the Senate in the face, then the Department of Justice deserves the contempt and the pity of every sensible lawyer in the world if it does not stop it.

Mr. President, we have become so accustomed to regard the enforcement of the Sherman antitrust law with indifference or contempt, we have become so accustomed to relieving this malefactor and excusing that one and substituting commissions for courts and investing this, that, and the other lame duck and discredited politician with the right to determine that which is dearest to the people, their property rights, their liberty, their taxes, their everything, that we forget that there is a law in the land. We are going to fix the price of sugar by the trust, the price of coal by commissions. Why not do away with the courts? Why not repeal the laws and let one great corrupt autocracy run the country, with such assistance as a protective tariff and a reactionary Republican Congress can give it?

Mr. SMOOT. Will the Senator yield to me for just a moment?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Utah?

Mr. STANLEY. Yes; I yield.

Mr. SMOOT. I simply wish to ask at this time, Mr. President, to insert in the RECORD the tables to which I referred the other day, showing exactly the facts as I have stated them in relation to the price of sugar following the passage of various tariff bills, beginning with the Wilson tariff bill in 1894.

Mr. STANLEY. I am inclined to agree with the Senator that the prices automatically rise as we lower the tariff; but when they do that they slap the Government in the face; they defy the Department of Justice; they are worse outlaws than were Robin Hood or Jesse James when they went unpunished in the presence of sheriffs and county judges; and they are doing this damnable thing in the presence of the Attorney General by the word of the leader in the Republican Party, and you can not drag an indictment out of this poor crippled thing that you have in charge of the Department of Justice with a fifth chain.

Mr. SMOOT. I desire to suggest to the Senator from Kentucky that of course these things mostly took place at the time when the other party was in power. If there is no objection, I should like to have the tables printed in the RECORD.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The tables are as follows:

The Wilson tariff and the price of sugar.

	New York in bond price of raw sugar per 100 pounds.	United States duty per 100 pounds.	New York duty-paid price of raw sugar per 100 pounds.	Refiners' margin.	New York wholesale price of granulated sugar per 100 pounds.
June 28, 1894	$3.125	.....	$3.125	$0.855	$3.98
July 5, 1894[1]	3.125	.....	3.125	.855	3.98
July 12, 1894	3.180	.....	3.180	.800	3.98
July 19, 1894	3.125	.....	3.125	1.105	4.23
July 26, 1894	3.125	.....	3.125	1.105	4.23
Aug. 2, 1894	3.125	.....	3.125	1.225	4.35
Aug. 9, 1894	3.375	.....	3.375	1.095	4.47
Aug. 16, 1894	3.500	.....	3.500	.970	4.47
Aug. 23, 1894	3.750	.....	3.750	.850	4.60
Average	3.270	.....	3.27	.984	4.25

[1] Aug. 28, 1894, Wilson bill effective, imposing sugar duty of 40 per cent ad valorem.

The Wilson tariff and the price of sugar—Continued.

	New York in bond price of raw sugar per 100 pounds.	United States duty per 100 pounds.	New York duty-paid price of raw sugar per 100 pounds.	Refiners' margin.	New York wholesale price of granulated sugar per 100 pounds.
Aug. 30, 1894[1]	$2.680	$1.07	$3.750	$0.97	$4.72
Sept. 6, 1894	2.680	1.07	3.750	.97	4.72
Sept. 13, 1894	2.680	1.07	3.750	.97	4.72
Sept. 20, 1894	2.680	1.07	3.750	.79	4.54
Sept. 27, 1894	2.680	1.07	3.750	.66	4.41
Oct. 4, 1894	2.680	1.07	3.750	.60	4.35
Oct. 11, 1894	2.680	1.07	3.750	.60	4.35
Oct. 18, 1894	2.500	1.00	3.500	.85	4.35
Oct. 25, 1894	2.500	1.00	3.500	.85	4.35
Average	2.64	1.056	3.694	.81	4.50

[1] Aug. 28, 1894, Wilson bill effective, imposing sugar duty of 40 per cent ad valorem.

DISTRIBUTION OF $1.056 DUTY IMPOSED.

After adding a duty of $1.056 per 100, the New York wholesale price of granulated sugar increased only 25 cents per 100, 80.6 cents per hundred, or 76.3 per cent of the entire duty, being absorbed by the foreign producers and American refiners.

The Dingley tariff and the price of sugar.

	New York in bond price of raw sugar per 100 pounds.	United States duty per 100 pounds.	New York duty-paid price of raw sugar per 100 pounds.	Refiners' margin.	New York wholesale price of granulated sugar per 100 pounds.
May 27, 1897	$2.321	$0.929	$3.250	$0.980	$4.230
June 3, 1897	2.364	.946	3.310	.920	4.230
June 10, 1897	2.500	1.000	3.500	.970	4.470
June 17, 1897	2.500	1.000	3.500	.970	4.470
June 24, 1897	2.500	1.000	3.500	.970	4.470
July 1, 1897	2.500	1.000	3.500	.970	4.470
July 8, 1897	2.500	1.000	3.500	1.090	4.590
July 15, 1897	2.589	1.036	3.625	.965	4.590
July 22, 1897	2.589	1.036	3.625	1.035	4.660
Average	2.435	.994	3.478	.986	4.460
July 29, 1897[1]	2.065	1.685	3.750	.970	4.720
Aug. 5, 1897	2.065	1.685	3.750	.970	4.720
Aug. 12, 1897	2.065	1.685	3.750	.970	4.720
Aug. 19, 1897	2.065	1.685	3.750	.970	4.720
Aug. 26, 1897	2.065	1.685	3.750	.970	4.720
Sept. 2, 1897	2.065	1.685	3.750	.970	4.720
Sept. 9, 1897	2.190	1.685	3.875	.945	4.820
Sept. 16, 1897	2.190	1.685	3.875	.945	4.820
Sept. 23, 1897	2.255	1.685	3.940	.880	4.820
Average	2.114	1.685	3.798	.954	4.750

[1] July 24, 1897, Dingley bill effective, imposing duty on 96° sugar at $1.86¼ per 100 pounds.

DISTRIBUTION OF 69.1 CENTS ADDITIONAL DUTY.

After increasing the duty 69.1 cents per hundred, the New York wholesale price of granulated sugar increased only 29 cents per 100, 40.3 cents per hundred, or 58.3 per cent of the entire duty, being absorbed by the foreign producers and American refiners.

The Underwood tariff and the price of sugar.

	New York in bond price of raw sugar per 100 pounds.	United States duty per 100 pounds.	New York duty-paid price of raw sugar per 100 pounds.	Refiners' margin.	New York wholesale price of granulated sugar per 100 pounds.
Jan. 2, 1914	$1.882	$1.348	$3.230	$0.690	$3.920
Jan. 8, 1914	1.882	1.348	3.230	.690	3.920
Jan. 15, 1914	1.942	1.348	3.290	.630	3.920
Jan. 22, 1914	2.007	1.348	3.355	.565	3.920
Jan. 29, 1914	2.132	1.348	3.480	.440	3.920
Feb. 5, 1914	2.132	1.348	3.480	.440	3.920
Feb. 11, 1914	2.132	1.348	3.480	.440	3.920
Feb. 19, 1914	2.072	1.348	3.420	.500	3.920
Feb. 26, 1914	2.042	1.348	3.390	.530	3.920
Average	2.025	1.348	3.37	.658	3.920
Mar. 5, 1914[1]	2.000	1.01	3.010	.910	3.920
Mar. 12, 1914	1.940	1.01	2.950	.872	3.822
Mar. 19, 1914	2.000	1.01	3.010	.763	3.773
Mar. 26, 1914	1.940	1.01	2.950	.823	3.773
Apr. 2, 1914	1.940	1.01	2.950	.825	3.775
Apr. 8, 1914	1.910	1.01	2.950	.755	3.675
Apr. 16, 1914	1.970	1.01	2.980	.695	3.675
Apr. 23, 1914	2.000	1.01	3.010	.725	3.735
Apr. 30, 1914	2.030	1.01	3.040	.695	3.735
Average	1.970	1.01	2.980	.785	3.765

[1] Mar. 1, 1914, Underwood bill effective, reducing duty on Cuban sugar from $1.348 to $1.01 per 100 pounds.

DISTRIBUTION OF 33.7 CENTS REMISSION OF DUTY.

After lowering the duty another 33.7 cents per 100, the New York wholesale price of granulated sugar declined only 15½ cents per 100, 18.2 cents per 100, or 54 per cent of the entire reduction, being appropriated by American refiners.

Cuban reciprocity treaty and the price of sugar.

	New York in bond price of raw sugar per 100 pounds.	United States duty per 100 pounds.	New York duty-paid price of raw sugar per 100 pounds.	Refiners' margin.	New York wholesale price of granulated sugar per 100 pounds.
Oct. 15, 1903	$2.190	$1.685	$3.875	$0.675	$4.550
Oct. 22, 1903	2.190	1.685	3.875	.675	4.550
Oct. 29, 1903	2.190	1.685	3.875	.625	4.500
Nov. 5, 1903	2.125	1.685	3.810	.690	4.500
Nov. 12, 1903	2.125	1.685	3.810	.690	4.500
Nov. 19, 1903	2.065	1.685	3.750	.700	4.450
Nov. 27, 1903	2.065	1.685	3.750	.610	4.360
Dec. 3, 1903	2.005	1.685	3.690	.670	4.360
Dec. 10, 1903	1.940	1.685	3.625	.735	4.360
Dec. 17, 1903	1.940	1.685	3.625	.735	4.360
Dec. 24, 1903	1.875	1.685	3.560	.800	4.360
Average	2.034	1.685	3.749	.691	4.440
Dec. 31, 1903 [1]	2.122	1.348	3.470	.840	4.310
Jan. 4, 1904	2.122	1.348	3.470	.840	4.360
Jan. 7, 1904	2.122	1.348	3.470	.840	4.360
Jan. 14, 1904	2.002	1.348	3.350	1.010	4.360
Jan. 21, 1904	1.962	1.348	3.310	1.050	4.360
Jan. 28, 1904	1.962	1.348	3.310	1.050	4.360
Feb. 4, 1904	2.002	1.348	3.350	.910	4.260
Feb. 11, 1904	2.002	1.348	3.350	.910	4.260
Feb. 18, 1904	2.002	1.348	3.350	.910	4.260
Feb. 25, 1904	2.027	1.348	3.375	.885	4.260
Average	2.033	1.348	3.380	.925	4.31

[1] Dec. 27, 1903, Cuban reciprocity effective, reducing duty on 96° sugar to $1.348 per 100 pounds.

DISTRIBUTION OF 33.7 CENTS REMISSION OF DUTY.

After lowering the duty 33.7 cents per 100, the New York wholesale price of granulated sugar declined only 13 cents per 100, 20.7 cents per 100, or 61.4 per cent of the entire reduction, being appropriated by American refiners.

Mr. HARRISON. Mr. President, I hope the Senator will insert the tables, and I desire to follow them up by placing in the RECORD the average price of sugar for the year preceding the passage of each of the tariff laws and the average price for the year immediately following.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

On page 3548 of the report of the Hardwick hearings Mr. Willett submits the following table:

METHOD NO. 1.—*Effect of reduction of $2.24 per 100 pounds duty on 96° sugar to free sugar.*

	100 pounds.	107 pounds.
During 3 years and 3 months preceding free duty (Jan. 1, 1888, to Apr. 1, 1891) the average cost to refiners of 100 pounds of 96° test centrifugals was	$5.849	
It requires 107 pounds of 96° test raws to make 100 pounds of granulated of 100° test; 107 pounds 96° test, at $5.849, is		$6.258
During 3 years and 5 months of free duty (Apr. 1, 1891, to Aug. 1, 1894) the average cost to refiners for 100 pounds of 96° test raws was	3.390	
It requires 107 pounds of 96° test to make 100 pounds of 100° test granulated; 107 pounds raws, at $3.39 per 100 pounds is		3.627
Refiners gain by reduction of duty and lower cost of raws		2.631
During the 3 years and 3 months preceding free duty refiners sold granulated at average price per 100 pounds of	6.921	
During 3 years and 5 months of free duty at average price of	4.409	
A difference (reduction) of		2.512
Refiner kept the difference between $2.631 and $2.512 per 100 pounds		.119
During the 3 years 3 months preceding free duty the duty on 96° test raws per 100 pounds was	2.240	
Duty on 107 pounds raws, 96° test (to make 100 pounds granulated), at $2.24, was	2.397	
Refiner's gain from removal of duty and lower cost of raws as above		2.631
Duty taken off of 107 pounds 96° test raws		2.397
Leaving refiners saving from lower-cost raws		.234
Refiners kept part of this saving, as above stated		.119
The consumer received the rest of this saving per 100 pounds		.115
The consumer therefore received the benefit of the full duty taken off of 107 pounds raws, $2.397 plus the $0.115		2.512
During the time of free duty the consumer paid for granulated		4.409
During the time of $2.24 duty the consumer paid for granulated		6.921

METHOD NO. 1.—*Effect of reduction of $2.24 per 100 pounds duty on 96° sugar to free sugar*—Continued.

[Hardwick hearings, p. 3553, testimony of Wallace P. Willett.]

	100 pounds.	107 pounds.
From Jan. 1, 1888, to Apr. 1, 1891 (3 years and 3 months preceding reciprocity), the duty on raw sugar of 96° test was, per 100 pounds	$2.24	
From Apr. 1, 1891, to Aug. 1, 1894, 3 years and 5 months of free duty		
Before free duty refined granulated averaged	6.921	
Before free duty raw 96° averaged	5.849	
Difference between raw and refined	1.072	
During free duty refined averaged	4.409	
During free duty raws averaged	3.390	
	1.019	
Difference between the above difference was	.053	
Duty on 100 pounds 96° raws at $2.24 equals duty on 107 pounds raws required to make 100 pounds of granulated		$2.397
Refined before free duty sold at per 100 pounds	6.921	
Duty taken off price 100 pounds refined was	2.397	
Leaving free duty value with duty off	4.524	
Difference between raws and refined, less under free duty	.053	
Under free duty refiners should sell refined at	4.471	
During free duty refiners sold refined at	4.409	
Benefit to consumer from low cost of raws	.062	
Giving the consumer the benefit of the full duty on 100 pounds refined	2.397	
Total benefit to consumer	2.459	
Before free duty the difference between raw and refined was	1.072	
Cost of refining under $2.24 duty was	.714	
Refiners' profit and surplus was	.358	
During free sugar the difference between raw and refined was	1.019	
Cost of refining under free duty was	.548	
Refiners' profit and surplus under free duty was	.471	
Refiners' profit and surplus under $2.24 duty was	.358	
Refiners saved under free duty	.113	

The first method gave refiners increased profit under free sugar of $0.119 and consumers a total benefit of $2.512 per 100 pounds.

METHOD NO. 1.—*Effect of reduction of $2.24 per 100 pounds duty on 96° sugar to free sugar.*

[Hardwick hearings, p. 3548, testimony of Wallace P. Willett.]

	100 pounds.	107 pounds.
The 40 per cent ad valorem duty equaled average of	$0.915	
Free duty	.000	
Difference in duty	.915	
The duty on 107 pounds 96° test raws, at $0.915		$0.979
The duty on 107 pounds 96° test raws, free		.000
The difference in duty on 100 pounds refined was		.979
The period of 40 per cent ad valorem duty from Aug. 28, 1894, to July 24, 1897, was 155 weeks. The period of free duty from Apr. 1, 1891, to Aug. 28, 1894, was 179 weeks.		
The average price of 96° test centrifugals for 155 weeks of 40 per cent duty was	3.434	
And for 179 weeks of free duty	3.390	
Reduction in raws under free duty	.044	
It requires 107 pounds of 96° to make 100 pounds 100° test; under 40 per cent duty 107 pounds raws, at $3.434, cost		3.674
Under free duty 107 pounds raws, at $3.39, cost		3.627
Under free duty refiners paid less for raws		.047
Under 40 per cent duty refiners sold granulated at	4.311	
Under free duty refiners sold granulated at	4.409	
Under free duty refiners sold granulated at more by	.098	
Under free duty refiners saved in price of raws	.047	
Under free duty refiners were better off (than under 40 per cent duty, by	.145	

Or to reverse it, refiners lost $0.145 per 100 pounds by the change from free to $0.979 duty and the consumer paid $0.834 per 100 pounds of the increased duty.

In other words, the refiner paid $0.145 of the increased duty and the consumer the balance—$0.834.

METHOD No. 1.—*Effect of reduction of $2.24 per 100 pounds duty on 96° sugar to free sugar.*
[Hardwick hearings, p. 3549.]

	100 pounds.	107 pounds.
The Dingley duty on 96° centrifugals was	$1.685	
The 40 per cent ad valorem	.915	
Difference in duty	.770	
Duty on 107 pounds 96° test raws, at $1.685, equals		$1.803
Duty on 107 pounds 96° test raws, at $0.915, equals		.979
		.824
The period of the Dingley law $1.685 duty was from July 24, 1897, to Dec. 27, 1903, when reciprocity began, 340 weeks, and the period of 40 per cent duty from Aug. 28, 1894, to July 24, 1897, 155 weeks.		
The average price of 96° centrifugals for 340 weeks of Dingley bill, was $4.075 per 100 pounds	4.075	
And for 155 weeks of 40 per cent duty	3.434	
Less under 40 per cent duty	.641	
It requires 107 pounds 96° test to make 100 pounds test. Under Dingley bill 107 pounds 96° cost, at	4.075	4.360
Under 40 per cent bill 107 pounds 96° cost, at	3.434	3.674
Under 40 per cent duty refiners paid less for raws		.686
Under Dingley bill refiners sold granulated at	4.897	
Under 40 per cent bill refiners sold granulated at	4.311	
Under 40 per cent refiners sold granulated at less by	.586	
Under 40 per cent refiners paid less for raws	.686	
Refiners were better off under 40 per cent duty	.100	

To reverse, refiners lost $0.10 per 100 pounds by the change from 40 per cent to $1,685 duty and consumers paid $0.720 per 100 pounds of the increased duty. The difference between $0.724 of duty paid by consumers and only $0.586 increase in the price of granulated was because of the lower range of prices for raws, owing to overproduction of supplies. From 1897 to 1903 beet sugar increased about 1,000,000 tons; cane sugar increased about 1,300,000 tons.

The PRESIDING OFFICER. The question now is on concurring in the amendment made as in Committee of the Whole.

Mr. HARRISON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Mississippi suggests the absence of a quorum. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Gerry	McNary	Simmons
Ball	Glass	Moses	Smith
Brandegee	Gooding	Myers	Smoot
Broussard	Hale	New	Stanfield
Bursum	Harreld	Newberry	Stanley
Calder	Harrison	Nicholson	Sterling
Cameron	Heflin	Norbeck	Sutherland
Capper	Hitchcock	Oddie	Swanson
Colt	Jones, N. Mex.	Overman	Trammell
Cummins	Jones, Wash.	Pepper	Underwood
Curtis	Kellogg	Phipps	Wadsworth
Dial	Kendrick	Pomerene	Walsh, Mass.
Dillingham	Keyes	Ransdell	Walsh, Mont.
du Pont	Lenroot	Reed, Pa.	Warren
Edge	Lodge	Robinson	Watson, Ind.
Ernst	McCumber	Sheppard	
Fletcher	McKellar	Shields	
France	McLean	Shortridge	

The PRESIDING OFFICER. Sixty-nine Senators have answered to their names. A quorum is present. The question is on concurring in the amendment made as in Committee of the Whole.

Mr. HARRISON. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. CURTIS (when Mr. BORAH's name was called). The Senator from Idaho [Mr. BORAH] is paired with the Senator from Maryland [Mr. WELLER]. If the Senator from Idaho were present, he would vote "nay" and the Senator from Maryland, if present and permitted to vote, would vote "yea."

Mr. HARRISON (when his name was called). I have a general pair with the junior Senator from West Virginia [Mr. ELKINS], but I understand he would vote as I intend to vote on this question. Therefore I feel at liberty to vote, and vote "nay."

Mr. KELLOGG (when his name was called). On this question I am paired with my colleague [Mr. NELSON]. If I were permitted to vote, I should vote "nay."

Mr. KEYES (when his name was called). On this question I have a pair with the junior Senator from Vermont [Mr. PAGE]. If permitted to vote, I should vote "nay."

Mr. CURTIS (when Mr. LA FOLLETTE's name was called). The Senator from Wisconsin [Mr. LA FOLLETTE] is paired with the Senator from Michigan [Mr. TOWNSEND]. Were the Senator from Wisconsin present he would vote "nay." The Senator from Michigan, if present and permitted to vote, would vote "yea."

Mr. McCUMBER (when his name was called). I have a general pair with the junior Senator from Utah [Mr. KING]. If he were present, he would vote "yea" and I should vote "nay"; but, not being able to obtain a transfer of that pair, I withhold my vote.

Mr. POMERENE (when his name was called). I again transfer my pair with my colleague [Mr. WILLIS] to the senior Senator from Texas [Mr. CULBERSON] and vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement with reference to my pair and its transfer as before, I vote "yea."

The roll call was concluded.

Mr. EDGE. Making the same announcement as before concerning my pair and its transfer, I vote "nay."

Mr. CURTIS. I wish to announce the following general pairs:

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from Missouri [Mr. SPENCER] with the Senator from Georgia [Mr. HARRIS]; and

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON]; and

The Senator from Maine [Mr. FERNALD] with the Senator from West Virginia [Mr. ELKINS].

The result was announced—yeas 35, nays 33, as follows:

YEAS—35.

Ball	du Pont	Moses	Reed, Pa.
Brandegee	Ernst	New	Shortridge
Broussard	Gooding	Newberry	Smoot
Bursum	Harreld	Nicholson	Stanfield
Cameron	Jones, N. Mex.	Norbeck	Sterling
Capper	Jones, Wash.	Oddie	Wadsworth
Cummins	Kendrick	Pepper	Warren
Curtis	McLean	Phipps	Watson, Ind.
Dillingham	McNary	Ransdell	

NAYS—33.

Ashurst	Glass	Overman	Sutherland
Calder	Hale	Pomerene	Swanson
Colt	Harrison	Reed, Mo.	Trammell
Dial	Heflin	Robinson	Underwood
Edge	Hitchcock	Sheppard	Walsh, Mass.
Fletcher	Lenroot	Shields	Walsh, Mont.
France	Lodge	Simmons	
Frelinghuysen	McKellar	Smith	
Gerry	Myers	Stanley	

NOT VOTING—28.

Borah	Kellogg	McKinley	Rawson
Caraway	Keyes	Nelson	Spencer
Culberson	King	Norris	Townsend
Elkins	Ladd	Owen	Watson, Ga.
Fernald	La Follette	Page	Weller
Harris	McCormick	Pittman	Williams
Johnson	McCumber	Poindexter	Willis

So the amendment, made as in Committee of the Whole, was concurred in.

The PRESIDENT pro tempore. The Secretary will state the next amendment reserved.

The ASSISTANT SECRETARY. The next amendment reserved is, on page 107, paragraph 743, citrus fruits, reserved by the Senator from Florida [Mr. TRAMMELL]. In paragraph 743, in Committee of the Whole, the committee reported an amendment which was amended upon its suggestion as follows: After the word "limes," in line 24, the following words were stricken out:

Oranges, and grapefruit, 1 cent per pound.

And the following words were inserted:

In their natural state or in brine, and oranges, 1 cent per pound; grapefruit, one-half of 1 cent per pound.

Mr. FLETCHER. Mr. President, it will be seen that the bill as it came from the House provided for a duty on lemons of 2 cents per pound, and for a duty on limes, oranges, and grapefruit of 1 cent per pound. I ask the Senate to retain the provision just exactly as it came from the House, and therefore to decline to concur in the amendment made as in Committee of the Whole.

The Committee of the Whole, for some reason or other, drew a distinction between oranges and grapefruit. That distinction does not exist naturally and has no foundation or basis in reason. Oranges and grapefruit are produced in the same orchards. They are cultivated alike. They mature alike. The grapefruit and the orange go to market alike, in the same way and under similar conditions. The provision for 1 cent per pound is the same that was carried in previous legislation, under the Payne-Aldrich law.

There were some differences under the act of 1913 with respect to the different packages—certain size packages 18 cents, certain other sizes 35 cents, and then in bulk half a cent a pound, on oranges and grapefruit alike. Oranges and grapefruit have always been treated, in previous legislation, upon precisely the same footing. Why the committee saw fit to draw the distinction and make the discrimination embodied in the amendment of the committee is beyond my comprehension.

Mr. WALSH of Montana. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Montana?

Mr. FLETCHER. I do.

Mr. WALSH of Montana. It may have occurred to the Senator that it was because grapefruit are produced in Florida, and oranges in California.

Mr. FLETCHER. I had a sort of secret notion to that effect, but I did not care to utter it, because I hate to believe that because lemons are produced in California and nowhere else they get a duty of 2 cents, and because California produces oranges, certain kinds of oranges—the "Sunkist" kind, particularly—there is no difficulty in maintaining a duty of 1 cent a pound on oranges, but because California does not produce grapefruit to any great extent, the duty on grapefruit must be placed at one-half a cent per pound. Florida happens to be in the same class as to oranges, and therefore Florida gets the 1 cent a pound on oranges; but since California does not produce any grapefruit worth while, at least she does not pride herself on it, there is discrimination as to that duty. She produces grapefruit, but, of course, it does not compare in flavor and in juice and in quality with that produced in Florida, and she does not make any special boast, I think, as to her grapefruit. For that reason, perhaps, California has not insisted on the 1-cent duty on grapefruit.

The grapefruit industry is an important one in Florida, however, and the only real competitor we have is Cuba. The States producing grapefruit—and my authority for that is the statement furnished in this compilation of tariff information—are the following: It is grown commercially in Arizona to a small extent, and it is also found in home orchards in Texas, Louisiana, Mississippi, and Alabama, and it is produced in California; but the production in Florida has grown immensely, and the chief production in this country is in Florida.

The imports practically all come from Cuba, as stated in this book of information and as I know. Cuba has a differential of 20 per cent on all these duties, and consequently it may be that some good American citizens who pride themselves on their patriotism—and with that kind of patriotism I must confess I have precious little sympathy—take their capital and go down to Cuba and invest it in enterprises in Cuba and then come here to the Congress of the United States and ask for special privileges because they are Americans, and are able to have their products grown in a foreign country, relieved of tariff duties that they may the better compete with our domestic producers.

Mr. GOODING. Mr. President, will the Senator yield for a minute?

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Idaho?

Mr. FLETCHER. I have but a very brief time.

Mr. GOODING. I want to help the Senator. I assure him of that.

Mr. FLETCHER. I yield for that purpose.

Mr. GOODING. I want to say to the Senator that they have 40,000 coolie laborers in Cuba working on their plantations down there and doing their work, and they are increasing by about 8,000 a year.

Mr. FLETCHER. Precisely.

Mr. GOODING. You would not have any trouble at all in growing grapefruit if we repealed the Chinese exclusion act, which, of course, we are not going to do; but that is what we have to meet, and that is what you fruit growers in Florida have to meet when you come in competition with Mr. Cuban or, worse than that, Mr. American Capitalist employing that cheap labor.

Mr. FLETCHER. That is what the Americans do; they go to Cuba, where they can get this cheap labor and where the soil is fertile so that they do not have to use very much fertilizer in producing their crops, and then they have the audacity to come to Congress and ask Congress to give them special favors on the products that they produce in foreign countries.

Mr. GOODING. Out of reach of our Sherman antitrust law, too.

Mr. FLETCHER. And the same way, perhaps, in Mexico with their tomatoes. We will get to that a little later, however.

I say that we ought not to exert ourselves very much to help out these people who leave their own country, when there are opportunities here for investing their capital and developing enterprises in their own land, where they can get cheap labor and other favorable conditions, and then come to Congress and say, because they are Americans and because they employ American capital, that we ought to give them special favors.

So I insist, Mr. President, that since the importations of grapefruit amount to something over $800,000 a year in value the duty yields a revenue, a very important revenue. Those importations are from Cuba. They will increase, of course, but there is no warrant for us to give American capital the benefit of reduced duties when they go to Cuba, where they already have a differential of 20 per cent. They can produce these commodities there at a great deal less cost than they can in this country, and hence they go there; but this Government is under no obligation to grant them special favors simply because they happen to be American citizens.

I make the point, first, that there is a revenue of considerable importance to be derived from this duty. Importations of grapefruit from Cuba—and there is where the importations come from into this country—amount in value to some $800,000 a year; and, second, there is a clear discrimination, if you concur in this amendment, between the products produced almost exclusively in Florida and products produced elsewhere. There is a discrimination in the amendment of the committee between the orange and the grapefruit which does not belong there naturally and for which there is no foundation in reason or justice.

I therefore ask that the amendment made as in Committee of the Whole be rejected and that we go back to the House rates, as provided in this bill, treating grapefruit and oranges precisely on the same footing, as all previous legislation has treated them, and give a duty of 1 cent a pound on oranges and grapefruit and limes.

The PRESIDENT pro tempore. The time of the Senator from Florida has expired.

Mr. SHORTRIDGE. Mr. President, I shall enter into no controversy with the learned Senator from Florida [Mr. FLETCHER] as to the relative merits of the California and the Florida produced grapefruit. I am willing for the moment to salute Florida as the champion grapefruit-producing State in our glorious Union.

I understand the Senator to contend that the State of Florida needs and asks for a duty of 1 cent a pound on grapefruit, and I understand the Senator to appeal to us and say that that is necessary for the prosperity of his State. I assume that he is earnest and sincere in his view. I very fully and unqualifiedly agree with him; and I say that whether we raise a single grapefruit in the State of California or not.

I have heretofore said, in the course of some discussions—and I remember that I mentioned the State of Florida—that I would vote for a tariff to encourage, protect, and benefit an industry in Florida as gladly as I would for a similar product or industry in my own State. I also wish to say to Senators and to the committee and to gentlemen from other States whose climate is so inclement as not to be able to produce oranges or lemons or grapefruit, due to the moonshine that filters down through the leaves of their great forests, that there is no distinction in reason—I say this with deference—for placing grapefruit at one-half cent per pound and oranges at 1 cent per pound.

But I have troubled you too long. I merely rose to say that I agree with the Senator from Florida, and I hope that his amendment will prevail.

Mr. TRAMMELL. Mr. President, I wish to thank the Senator from California for his indorsement of the position of my colleague and myself that there should be no discrimination between the orange and grapefruit in a tariff bill.

In my State we produce probably about one-third as many grapefruit as oranges. In other words, that constitutes one-third of the citrus-fruit industry in the State of Florida. When the House was dealing with the question, as had previously been the case, the House fixed a rate of duty at the same figure upon grapefruit, oranges, and limes, giving a higher rate, however, 2 cents a pound, to lemons, which are produced almost exclusively in California.

I have investigated the matter since I found that the committee recommended this reduction from the House rate. As before stated, the House rate was the same on oranges, on grapefruit, and limes, and that has been the history heretofore in dealing with the citrus-fruit industry. The three have been placed in the same class heretofore and bore a similar rate at all times.

But the Senate Finance Committee, I feel, laboring under a misapprehension, due to the fact that certain American citizens who had entered upon the grapefruit industry in the Isle of Pines, appeared before the committee and asked for a reduction, made this reduction. Its recommendation for a reduction was made exclusively upon the recommendation of three citizens from the United States who have made investments in the grapefruit industry in the Isle of Pines. The idea, of course, is to encourage and build up the industry there, to the detriment of the United States, and to the detriment in particular of the State of Florida.

It has been no easy thing to build up the grapefruit industry in my State. Years ago there was but little demand for grapefruit in our country. The people did not understand the grapefruit. They did not care for them; they did not think of them as being as palatable and as delicious as they are, and it has only been by the expenditure of time and money and effort for years and years that the people of Florida—because the people of Florida produce, I believe statistics show, probably 90 per cent of all the grapefruit produced in the United States—have built up a reasonably good market for grapefruit here in our own country. And now that market having been built up, the industry being reasonably profitable, some American capitalists go to the Isle of Pines, make investments there, and upon the claim that they are American citizens representing American capital ask the American Congress for a discrimination in the tariff bill in favor of the products produced by them.

This reduction is not only one-half cent per pound, being one-half the rate fixed upon oranges, but with the differential of 20 per cent allowed to Cuba the rate is cut to where we will have only the protection of two-fifths of 1 cent upon our grapefruit, and yet the rate on oranges would remain 1 cent a pound.

I can not believe that the committee, had it understood fully the facts surrounding the industry in America, and in Florida in particular, would have recommended that the rate be only two-fifths of a cent per pound upon grapefruit when they allowed a rate of 1 cent a pound upon oranges.

In the name of justice, Mr. President and Senators, we appeal to the Senate to defeat the amendment offered by the committee and to stand for the duty as fixed by the House, which will allow 1 cent a pound upon oranges and grapefruit alike, and it should be the same duty.

One is no more profitable and no less profitable than the other, and if oranges are entitled to a protection of 1 cent per pound certainly grapefruit should enjoy the same protection of 1 cent a pound. I hope that the amendment of the committee will be rejected, and that the rate prescribed in the bill as it came from the House, which will work no discrimination against Florida or any part of the United States, will be allowed to stand.

Mr. REED of Missouri. Mr. President, the Senator from Florida is in error. The committee were not mistaken. The members of the committee knew exactly what they were doing. They were playing politics with the people's money. They were levying these taxes in response to political demands. They were impelled by only one motive, and that was to win an election, and they put all of their money, if I may use a sporting phrase, on one card, and that was the card of political advantage.

This bill is consistent with nothing except the desire to serve special interests in return for special favors. The committee made no mistake. The guiding spirits were the most astute politicians of the opposing party. They sought to build a tariff wall which would protect their friends and reward those who had contributed to their campaign funds. They undertook to erect a structure by which their benefactors could become beneficiaries and their sponsors could become profiteers. They have succeeded with a degree of perfection that is a compliment at once to their intelligence and an inverse compliment to their consciences.

My friends from Florida utter a plaintiff plea that their product shall be placed upon an equality with the products of the great State of California. They forget the important consideration which controlled the members of the committee framing the bill. The members of that committee fully understood that California was a political battle ground, and that Florida was not a political battle ground. The benefaction conferred upon the citrus-fruit growers of California might turn the vote of that great State, and as it turned the election might correspondingly turn; whereas it was understood in advance that the vote of Florida would not be determined by any such sinister or sordid consideration, that Florida would vote according to her idea regarding the principles of the Federal Government, while California would vote, or might vote, according to the principle of profits. So, naturally, a distinction is made between the products of these two great States.

I have sat here for some days following the course of this debate. I have heard in one paragraph of an address, a eulogy upon California, how the golden sunlight falls in drifting waves of powdered benefaction and blessing upon the hills and valleys of the great Pacific State; how the stars smile as beneath them sweeps the majestic acreage of California; of how the dews fall with a peculiar gentleness upon the soil of that beloved and heaven-blessed State, and of how her people, better than any other class of men or women on earth, represent the highest production of Almighty God's handiwork.

All this of California; and yet she is the universal pauper. She is the one State which can compete in nothing. The genius of her sons falls prostrate before the productive capacity of pauper labor of all countries on earth. Her handiwork is inferior in the markets of the world to that which is produced by the dull fingers of the illiterate of other nations. Her fields refuse to produce the products of sunshine and of shower, and they bring forth only a sterile crop, which can not compete with the products of any other land on earth. They must be protected and coddled in the cradle of national care and solicitude; they must have applied to their lips the pap bottle of favor, and they must be nursed and diapered by the salaried hands of a taxed people. This is California as painted here to-day by her representatives upon the floor of the Senate.

I entertain no such view of California. I believe that she has been blessed beyond most States by the fertility of her soil and by the kindness of Heaven. I believe that her people are progressive in everything except the character of her statesmanship, and that has only suffered because her statesmanship has subordinated State pride to State cupidity, and that, as a matter of fact, what California needs is some one to proclaim her greatness, and not add, as a sort of corollary to that greatness, the fact that she is incapable of taking care of herself, and must be nursed by the public pap.

The PRESIDENT pro tempore. The time of the Senator has expired.

Mr. REED of Missouri. I had not gotten well started.

Mr. McCUMBER. Mr. President, the wonderful argument to which we have just listened will fall to the ground when we consider what changes we have made in the paragraph, and show that we have considered both the California and Florida interests. Under the good Democratic tariff Florida got one-half of 1 cent per pound upon limes and oranges in bulk. We give her 1 cent a pound. The only producer of limes that amounts to anything in this country is Florida.

Mr. FLETCHER. We have only 1 cent on limes.

Mr. McCUMBER. Yes; 1 cent on limes.

Mr. TRAMMELL. And 2 cents on lemons.

Mr. McCUMBER. It has been increased at least one-half of 1 cent. The quantity of grapefruit raised in California does not amount to a great deal. I do not know just the cost of producing oranges and grapefruit, but we have to take into consideration the competition, whatever there may be of the one with the other. The grapefruit weighs a great deal more according to its bulk than the orange. There is more water in it. There was the question of the importations from a little country which we own ourselves in the South and also from the Isle of Pines. The committee, after hearing both sides, gave one-half of 1 cent to the one, which was the present rate, and raised the other from one-half of 1 cent to 1 cent, raising the oranges from one-half of 1 cent to 1 cent and raising lemons to 2 cents. The protection is the same wherever it may be grown and whatever State may produce it.

I would be perfectly willing, so far as I am concerned, to accept the proposition made by the Senator from Florida if he thinks that we are not giving a sufficient protection for his Florida products, but I desire to call the attention of the Senator to the fact that we have inserted after the word "limes" the words "in their natural state or in brine." I think that ought to be continued in some way in the provision.

Mr. FLETCHER. I have no objection to that.

Mr. McCUMBER. If the Senator desires that we should disagree to the committee amendment and then after the word "limes" insert "in their natural state or in brine," I have no objection to it.

Mr. FLETCHER. That would be entirely satisfactory.

The PRESIDENT pro tempore. The question is, Will the Senate concur in the amendment made as in Committee of the Whole?

Mr. FLETCHER. I suggest that we disagree to the committee amendment first.

Mr. McCUMBER. I ask the Senator if we can not accomplish the same thing by striking out the words "one-half of" in line 26?

Mr. TRAMMELL. That would accomplish the result.

Mr. McCUMBER. Then before we vote upon the committee amendment, I move to amend the amendment by striking out "one-half of" in line 26.

The PRESIDENT pro tempore. The question is upon the amendment proposed by the Senator from North Dakota to the amendment.

The amendment to the amendment was agreed to.

The PRESIDENT pro tempore. The question is, Will the Senate concur in the amendment made as in Committee of the Whole as amended in the Senate?

Mr. FLETCHER. Let the amendment be stated as it would then read.

The ASSISTANT SECRETARY. If amended, it would read "lemons, 2 cents per pound; limes in their natural state or in brine, and oranges, 1 cent per pound; grapefruit, 1 cent per pound."

Mr. WATSON of Indiana. Mr. President, on that question I demand the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. EDGE (when his name was called). I transfer my pair with the senior Senator from Oklahoma [Mr. OWEN] to the Senator from Vermont [Mr. PAGE] and vote "yea."

Mr. McCUMBER (when his name was called). I transfer my general pair with the junior Senator from Utah [Mr. KING] to the junior Senator from Washington [Mr. POINDEXTER] and vote "yea."

Mr. SUTHERLAND (when his name was called). I transfer my pair with the senior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from Maryland [Mr. WELLER] and vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as to my pair and its transfer, I vote "yea."

The roll call was concluded.

Mr. POMERENE. I transfer my pair with my colleague [Mr. WILLIS] to the senior Senator from Texas [Mr. CULBERSON] and vote "nay."

The result was announced—yeas 42, nays 20, as follows:

YEAS—42.

Ashurst	du Pont	Lodge	Reed, Pa.
Ball	Edge	McCumber	Sheppard
Brandegee	Ernst	McLean	Shortridge
Broussard	Fletcher	McNary	Smoot
Bursum	France	Moses	Stanfield
Calder	Gooding	New	Sutherland
Cameron	Hale	Nicholson	Trammell
Capper	Harreld	Norbeck	Warren
Cummins	Jones, N. Mex.	Oddie	Watson, Ind.
Curtis	Jones, Wash.	Pepper	
Dillingham	Kendrick	Phipps	

NAYS—20.

Dial	Lenroot	Reed, Mo.	Sterling
Frelinghuysen	McKellar	Shields	Swanson
Glass	Myers	Simmons	Underwood
Hitchcock	Overman	Smith	Wadsworth
Kellogg	Pomerene	Stanley	Walsh, Mont.

NOT VOTING—34.

Borah	Heflin	Newberry	Spencer
Caraway	Johnson	Norris	Townsend
Colt	Keyes	Owen	Walsh, Mass.
Culberson	King	Page	Watson, Ga.
Elkins	Ladd	Pittman	Weller
Fernald	La Follette	Poindexter	Williams
Gerry	McCormick	Ransdell	Willis
Harris	McKinley	Rawson	
Harrison	Nelson	Robinson	

So the amendment made as in Committee of the Whole, as amended, was concurred in.

The PRESIDENT pro tempore. The Chair is advised that the reservation on page 114, paragraph 776, has been withdrawn. The question is, Will the Senate concur in the amendment made as in Committee of the Whole?

Mr. UNDERWOOD. Mr. President, I do not care to delay the matter, but I do not understand the proposition on which the Senate is asked to vote. It has not been reported.

The PRESIDENT pro tempore. The Secretary will report the amendment reserved.

The ASSISTANT SECRETARY. The reservation made on page 114, paragraph 776, on chocolate and cocoa, has been withdrawn. There are two amendments in the paragraph made as in Committee of the Whole.

The PRESIDENT pro tempore. The question is, Will the Senate concur in the amendments made as in Committee of the Whole?

The amendments were concurred in.

The ASSISTANT SECRETARY. On page 120, line 19, in reference to the rate on long-staple cotton, the Senate, as in Committee of the Whole, inserted a new paragraph in the bill after line 17, as follows:

PAR. 900. Cotton having a staple of 1⅛ inches or more in length 7 cents per pound.

Mr. ASHURST. Mr. President, on July 12 the Senate rejected the amendment which I tendered proposing to strike out the numeral "7" and to insert the numeral "10." I now move, on page 120, line 19, that the numeral "7" be stricken out and that the numeral "10" be inserted.

The PRESIDENT pro tempore. The Secretary will state the amendment proposed by the Senator from Arizona to the committee amendment.

The ASSISTANT SECRETARY. On page 120, line 19, it is proposed, before the word "cents," to strike out the numeral "7" and in lieu thereof to insert the numeral "10," so that the paragraph will read:

Cotton having a staple of 1⅛ inches or more in length, 10 cents per pound.

Mr. TRAMMELL. Mr. President, I hope the amendment proposed by the Senator from Arizona [Mr. ASHURST] to the committee amendment will be adopted. If there is any industry in the country which needs to be encouraged by protection, I feel that it is the long-staple cotton industry. Our domestic long-staple cotton competes with the Egyptian or sea-island cotton, which is produced at about one-half the cost for which it can be produced in this country. Under a rate of 7 cents a pound there is still an advantage in favor of the Egyptian cotton of probably 17 or 18 cents per pound.

Even during the World War and following that war, on account of Egypt being able to produce this class of cotton at a lower cost than it could be produced in the United States, the product in this country was allowed to accumulate, to be stored in the warehouses to quite an extent, and our producers were unable to dispose of it at a price that would equalize to them the cost of production and cover the higher wage cost and the cost of fertilizers.

In my own State, in the northern tier of counties, we produce what is known as long-staple or sea-island cotton. We have realized that our industry there has been interfered with to quite an extent on account of the competition of the Egyptian cotton, which is produced by cheap labor and at a far less expense. My understanding is from those who are familiar with the figures that it costs in Florida approximately probably from 40 to 42 cents a pound, while in Egypt it costs only 23 cents a pound, to produce this particular grade of cotton.

Mr. McKELLAR. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Tennessee?

Mr. TRAMMELL. I yield.

Mr. McKELLAR. I merely wish to ask the Senator what is now the price of long-staple cotton?

Mr. TRAMMELL. My recollection is that the price of long-staple cotton is from 35 to 40 cents per pound at the present time. Within the first two years after the war the American producers were obliged to dispose of it at a price less than the cost of production, and on account of the competition in my State, where for a time this particular grade of cotton was produced rather extensively, Florida being one of the extensive cotton-producing States of the Union, the industry has been very much crippled and impaired, due to that fact, and also, of course, to the ravages of the boll weevil.

I desire, Mr. President, to indorse the amendment which has been offered by the Senator from Arizona to the committee amendment, and I hope it may be adopted.

Mr. REED of Missouri. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Missouri?

Mr. TRAMMELL. I yield.

Mr. REED of Missouri. Before the Senator takes his seat, I desire to ask what is the acreage of long-staple cotton in Florida?

Mr. TRAMMELL. I do not know the exact acreage, but the acreage is much less than it was a few years ago.

Mr. REED of Missouri. The acreage has been growing less for a number of years, has it not?

Mr. TRAMMELL. It did not grow less until the crop was attacked by the boll weevil. Even now we are trying to produce it, and do produce it, although it is not reasonably profitable to the farmer.

Mr. REED of Missouri. Without desiring to protong this colloquy, I desire to ask, is it not a fact that this variety of cotton is raised in a very limited territory?

Mr. TRAMMELL. In the United States it is raised in a very limited territory.

Mr. REED of Missouri. Are not the lands on which it is grown speedily reduced in their productive capacity?

Mr. TRAMMELL. No; I do not think that is true. I do not think the land where that variety of cotton is grown becomes exhausted any more quickly than it would if any other crop were grown.

Mr. REED of Missouri. Can the Senator tell me what proportion of the cotton which is raised in the United States is long-staple cotton?

Mr. TRAMMELL. The long-staple cotton is a very small proportion, compared to the number of acres devoted to the cultivation of cotton, and the consumption of this character of cotton is very small in comparison with that of short-staple cotton. The production, however, I think, is proportionate to the consumption in comparison to short-staple cotton.

Mr. REED of Missouri. Is it not true that we can not produce in this country at the maximum one-tenth of the consumption of long-staple cotton?

Mr. TRAMMELL. I think we can produce considerably more of long-staple cotton in this country than is consumed in this country. I think that that can be done.

Mr. REED of Missouri. I do not want to contradict my friend, for whom I entertain the highest opinion, but he is the only man I have ever heard make that assertion.

Mr. TRAMMELL. Mr. President——

Mr. STANLEY. Will the Senator yield to me?

Mr. TRAMMELL. I have only a few moments, if the Senator will pardon me. I can not make a half-hour speech in 10 minutes.

The Government, realizing that the importations were crowding out the domestic product, during the first year following the war for a time put an embargo on the importation of Egyptian cotton. That in itself is a concrete illustration of the fact that for at least a year or two following the war there was a greater production of the long-staple cotton in this country than was being consumed or, at least, than was being purchased. I forget the exact length of time during which the embargo was operative, but it was a very wise and very just provision.

Mr. FRELINGHUYSEN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from New Jersey?

Mr. TRAMMELL. I do not know whether or not my time has expired.

Mr. FRELINGHUYSEN. I merely desire to ask the Senator a question. I should like to ask the Senator for information regarding long-staple or sea-island cotton which was raised in the South Atlantic States. Is it not true that that cotton is of a very fine quality?

Mr. TRAMMELL. Yes; it is a very fine quality cotton.

The PRESIDENT pro tempore. The Chair advises the Senator from Florida that he has but one minute remaining.

Mr. TRAMMELL. That is the character of cotton to which I have had reference—the long-staple and sea-island cotton, which is more commonly called in our part of the country long-staple cotton.

Mr. FRELINGHUYSEN. Why is it not raised now?

Mr. TRAMMELL. The production has been cut down very largely on account of the ravages of the boll weevil, just as the production of short-staple cotton has also been reduced; but the acreage of long-staple cotton is being extended at the present time.

Mr. FRELINGHUYSEN. Will a high tariff stop the boll weevil?

Mr. TRAMMELL. If the Senator is inspired to ask me such a question I do not know that the answer would have a tendency to edify him or to inform him upon the subject, so I do not care to answer the question.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment offered by the Senator from Arizona.

Mr. STANLEY. Mr. President, as a Democrat I most earnestly hope that this duty will not be imposed. There is only less excuse for the imposition of a duty on long-staple cotton than there is for a duty on short staple wool. In the light of history, when an enlightened public opinion has had an opportunity to express itself upon the iniquities of this tariff bill, the two things which will stand out utterly indefensible and absolutely iniquitous will be the duty on cotton and on wool, and the one excuse that the convicted wool grafters can offer will be that "we are limed with the same stick," and that there were found in the South men who were just as willing to eat from this dirty dish, feast from these same filthy fleshpots as were the men who were willing to prosper at the expense of the nakedness of the American people.

Not one-fifth of the long-staple cotton ever was or ever will be raised in the United States. The sea-island cotton has gone; the boll weevil has destroyed it. The production of long-staple cotton is a government-fostered institution; it is raised in government infirmaries upon a few acres of land, reclaimed by the Government, for which the occupants have promised to pay at some distant date. I repeat it is grown on reclaimed land, under peculiar conditions, and a few thousand bales of it are produced. Four-fifths of the cotton of this character which is used in the United States comes from abroad and always will come from abroad. For every 10 cents a pound duty that is put on this cotton 50 cents are added to the cost of the cotton, because it is necessary to pay five times the 10 cents for the imported bale for every bale that is protected.

Now, where does this cotton go? I have looked into that question. We have been told that it goes into fine fabrics, into automobile tires. This is the thread of America. All our fine threads, all our sewing threads are made from long-staple cotton. There is not a sewing woman in the United States, there is not a widow left struggling to keep the wolf from the door with a slender needle who is not placed under tribute by the growers of long staple cotton in Arizona and in the Imperial Valley of California.

Of all the people on earth to plunder, the women at the sewing machine are the last!

Our fathers were moved to tears by the story of—

> A woman clad in unwomanly rags,
> Singing the song of the shirt;
> Sewing at once with a double thread,
> A shroud as well as a shirt.

There is not a sweatshop, there is not a woman bowed above her machine, eking out a slender existence for herself and her orphan children, who is not placed under tribute by this abominable and conscienceless exaction. There is no excuse for it. It is a duty upon a necessity of life, and it is a duty levied, I am sorry to say, at the demand of some of my own colleagues.

It hurts me worse to hear this doctrine of plunder, this doctrine of protectionism, this doctrine of subsidizing industries preached by my own colleagues. I can forgive the tariff barons upon the other side. I can forgive the hungry hordes upon the other side of this Chamber. I can say of them, as my Savior said of those who crucified him:

> Father, forgive them, they know not what they do.

But I am at a loss to find any excuse for so intelligent a statesman as the Senator from Arizona [Mr. ASHURST], for so gifted a Representative as the great Senator from Florida [Mr. FLETCHER], when they rise in their places and recant the doctrines of their fathers and spit upon a Democratic principle and a Democratic platform, and attempt to lay tribute upon the sewing women of America and to make the very threads in their garments the prey of this abominable protectionism.

Mr. CAMERON. Mr. President, I am very glad to note that the Senator from Kentucky has seen fit to discuss his colleagues rather than the article that we have before the Senate, and upon which we are asking a duty.

The senior Senator from Arizona [Mr. ASHURST] well knows the worth of protection on long-staple cotton, and so does the senior Senator from Florida [Mr. FLETCHER]. The idea is this, gentlemen of the Senate:

We can produce enough long-staple cotton in the United States, or in Arizona alone, to supply the entire United States. There is no question about that. The duty of 10 cents a pound which we are asking upon this article is not too much; and I believe, from the way some of the Senators upon the other side have been voting to-night on grapefruit and other matters, that there is no reason why we should not expect their support on this article.

We know that the duty of 7 cents a pound, the rate now established, is not enough to maintain the industry in our State and in California. I hope, therefore, that when the Senators vote upon this matter they will agree to the amendment of the Senator from Arizona, and give us a duty of 10 cents per pound.

Mr. SIMMONS. Mr. President, just one word.

If the Senator from Arizona is correct in the statement that enough cotton of the long-staple variety can be raised in the State of Arizona to supply the entire demand of America—and I do not think the statement is correct—that would not interfere, in my judgment, except to a very meager extent, with the importation of cotton from Egypt.

Senators are laboring under the erroneous impression that the competition between the Egyptian cotton and the American cotton is as to the length of the staple. That is not the fact. If we raised five times as much long-staple cotton in this country as we do raise, we would still import from Egypt practically as much as we now import from Egypt, because the competition is not as to the length of staple. We can grow as long a staple here as they can grow in Egypt, but we can not grow here the finer staple that they grow in Egypt. The Egyptian cotton, as I have said, is sought by the spinners of fine yarn and the manufacturers of fine cotton goods in Europe and in the United States not because of its length of staple so much as because of the fineness of that staple. There is no other spot upon the earth where they can raise the particularly fine grade of long-staple cotton that is demanded and is necessary

in the production of the fine cotton yarn and cotton goods, and that is the point of competition.

You will not keep out Egyptian cotton by placing a duty upon long-staple cotton. Our spinners have to have it. They make fine cotton goods, and they will have it regardless of the price they have to pay for it.

The trouble about this business is that when we impose a duty of 10 cents a pound upon long-staple cotton the duty is carried forward to the yarns and to the cotton goods, and when it gets to the yarns and the cotton goods it will be 12 or 15 cents a pound, and that 12 or 15 cents a pound will have to be paid not only upon the cheaper goods that are made out of American long-staple cotton but it will have to be paid on all the fine cotton goods that are manufactured in America out of fine Egyptian cotton, and it will have to be paid upon all the fine cotton goods that we import from Europe, and there is where we get the most of our fine cotton goods. It will have to be paid upon every pound of that, because all of these fine goods that we import from Europe, or practically all of them, are made out of cotton of which Egyptian cotton is the material of chief value.

So it will turn out that in order to enable a few farmers—probably two or three thousand farmers in Arizona and probably a few hundred farmers in some of the valleys of the Mississippi and in California—to get 10 cents a pound more, or 7 cents a pound more, as the case may be, for their cotton—I believe 30,000 bales were raised in Arizona last year, as against probably forty or fifty or sixty thousand bales a year or two ago—while they will get 7 cents a pound more or 10 cents a pound more, as the duty may be fixed at 10 or 7 cents a pound, every consumer in the United States of goods made out of long-staple American cotton or made out of cotton of which Egyptian or long-staple cotton is the element of chief value, will have to pay from 12 to 15 cents a pound more for his cotton goods. The result will be, Mr. President, that the American consumer of cotton goods will probably have to pay by reason of this duty into the Treasury of the United States and into the pockets of a few producers in this country from five to ten dollars for every dollar that will go into the pockets of the producers of long-staple cotton in this country.

I wish the Senator from Arizona would not press his amendment. It can not be justified upon any principle of public welfare.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. SIMMONS. I yield to the Senator from Tennessee.

Mr. McKELLAR. I just want to call the attention of the Senator to the fact that in 1920 there were only 1,868 bales of this long-staple cotton raised in the whole sea-island country—practically none.

Mr. SIMMONS. I knew there was very much less raised after the emergency tariff act, which put a 7-cent duty upon it, went into operation, than there was before. That is on a parallel with the effect of this emergency tariff upon many other things. Since the emergency tariff went into effect, putting a high duty upon wheat, wheat has gone down from $1.50 a bushel until it is selling in Chicago for less than $1 a bushel. Corn has gone down from something near $1 a bushel until it is selling for not much more than 50 cents a bushel; and so have oats and rye and everything else. It seems now, from the statistics which the Senator from Tennessee has just given, that that tariff is about to destroy the long-staple cotton industry in the State of Arizona; and yet, with that fearful example staring the Senator from Arizona in the face, he wants to increase the duty, and probably, if he does, that will result in the complete destruction of the industry in his State!

Mr. ASHURST. Mr. President, it is particularly unfortunate for me that I must follow such an able and well-informed statesman as the Senator from North Carolina [Mr. SIMMONS]. When he appeals to me to withdraw the amendment it is a powerful appeal, and only the conviction that I have a duty to perform to the people of the United States precludes me from withdrawing the amendment.

Personal friendship and the affection which has ever existed between the Senator from North Carolina and myself must not interfere, however, between me and the performance of a public duty. I am also particularly unfortunate this evening that I must follow the distinguished and eloquent Senator from Kentucky [Mr. STANLEY], whose speeches are like long-entangled skeins of silver braid, but upon close observation we see that he simply leaped from lambent flame into brilliant fire with a passionate and eager ardor, and that if he had consulted Senator TOM HEFLIN and Senator ED SMITH he might have made an accurate speech regarding cotton.

The Senator from Kentucky [Mr. STANLEY]—and that affection which I feel for the Senator from North Carolina is advancing upon the Senator from Kentucky, and I forgive him—I forgive him for his undemocratic vote on the Underwood tariff bill which laid a duty of 35 per cent ad valorem on the clothes which we wear, and let the raw material come in free. Mr. President, I also forgive him for voting for the Underwood tariff bill, which levied a duty on thread that the housewife used. He tells ue about the song of the shirt; but when the Underwood tariff bill was up he was, oh, so silent about levying a duty upon thread and at the same time putting the raw material upon the free list.

In front of me is the Senator from South Carolina [Mr. SMITH]; and I should hesitate to put into the scales my poor knowledge of cotton as against his knowledge. A great statesman from his State, John C. Calhoun, once said:

> There is no principle of government better established than that the burdens and benefits of government should rest equally and alike upon all.

That is the principle for which southern, eastern, northern, and western Democrats stand. We stand here to insist that if you tax the shirt, the trousers, and the coat, you must also tax the raw material. We say here that if protection be a good thing for the barons of Wall Street and for the manufacturers in New Jersey, New York, Delaware, and Pennsylvania, it is a good thing for the cowboy and the rancher on the plains of Wyoming and Arizona. We practically apply the doctrine of John C. Calhoun, that there is no principle of government better established than that the burdens and benefits of government do and should extend alike upon all.

No man can defend a vote laying a duty, a tax upon clothing, and then putting wool upon the free list. It can not be defended in the forum of conscience; it can not be defended parliamentarily.

What is the situation as to Arizona cotton? The Senator from Kentucky inveighs against it; but men went out under a burning sun a few years ago, where the cacti lifted their thorny arms into the brazen gloom, and American industry is now spreading a mantle of white cotton in the summer out upon those deserts. There it is in its raw state. [Exhibiting.] Here it is in the skein. Here it is in the bobbin, and here it is, Mr. President, woven into luxurious cloth, which the rich only buy.

I can not afford to wear it; it costs too much for my lean, thin purse. If I were writing a revenue bill—one to produce revenue and put money into our Treasury, the first things I would tax would be diamonds and long-staple cotton, because this cotton goes into this character cloth, this luxurious cloth, the names of which only those who have achieved familiarity with European customs and modes and fashions can pronounce.

Yet, the Senator says that should be untaxed. Would the Senator tax the clothing which the common people wear and not tax this luxurious character cloth nor the raw material? He says it should not be taxed, that it should be on the free list, that the raw material should be free. I am surprised that the Senator from Kentucky, who represents a State bottomed upon the true faith, should say that the poor man's article of food and the poor man's article of clothing should be taxed, but that this luxurious cloth, worn only in the parlors of the dilettante, should not be taxed.

Mr. STANLEY. Mr. President——

Mr. ASHURST. I have only two or three minutes. I can not yield at this time.

Mr. STANLEY. I am sorry——

Mr. ASHURST. I decline to yield.

Mr. STANLEY. Because I did not say anything of that kind.

Mr. ASHURST. I am very glad to know, then, that the Senator did not say it. The truth is that the Senator, in the superabundance of his elastic eloquence, says many things which at times we do not ourselves understand.

I am composed this evening. I do not feel that I have declared a heresy simply because I insist that in making a tariff bill, if it be right to put clothing upon the dutiable list, it is right to put wool upon the dutiable list. If it be correct to put leather goods upon the dutiable list, it is correct to put a duty upon the cattle which the cowboy must go out and raise and send to market after he has worked 15 hours a day with his herds.

I stand here to speak for those who can not speak for themselves, that great inarticulate mass of people who will some day be penetrated by the profound and sublime truth that you can not have protection in the East and free trade in the West, that you can not have protected fabrics and free raw material.

I see my friend from Missouri [Mr. REED] coming down the aisle and entering the lists. I am now disturbed and much discomposed, Mr. President, because frequently, without much to support his case, he apparently can make a good case. He is just fresh from a contest in Missouri that was watched not only by Washington but by all America as well, and he emerged the victor. But with his really wonderful eloquence, before

which I gladly bow, he can not, he dare not, say, for he is too honest a man to say, too great a statesman to say, that it is right to protect the products of the factory but wrong to protect the products of the farm. He is bound to say that if protection is to be the policy of this country, it must apply to all alike. If a tariff for revenue is to be the policy of this country, it shall fall equally and upon all alike.

The PRESIDENT pro tempore. The question is upon the amendment proposed by the Senator from Arizona to the amendment agreed to in Committee of the Whole.

Mr. CAMERON. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. REED of Missouri. Mr. President, I wanted to ask the Senator from Arizona a question. I have no desire to make a speech. How many acres of ground in his State raise this particular variety of cotton?

Mr. ASHURST. The Senator is entitled to an absolute answer.

Mr. REED of Missouri. Oh——

Mr. ASHURST. Two hundred thousand acres in Arizona, and about 200,000 acres in California.

Mr. REED of Missouri. I knew California had to be protected, of course. How many acres are in cultivation?

That is an infinitesimal amount compared with the importations of long-staple cotton. It is a bagatelle. The fact is that in addition to that, the long-staple cotton, so called, raised upon these irrigated lands, is inferior to the cotton raised in Egypt.

Mr. ASHURST. Will the Senator let me have two or three minutes time to answer that?

Mr. REED of Missouri. I have only 10 minutes.

Mr. ASHURST. Let me say in reply to that statement that when civilization was imperiled, when our cavalrymen of the clouds were carrying the pennant of victory in their beaks and the American emblem in their talons our brave aces and aeronauts felt secure. They knew they would not fall, because the wings of their steeds were made of Arizona long-staple cotton.

Mr. STANLEY. Mr. President, now I am going to yield the palm for spread-eagle oratory. The Senator sailed clear off of the earth. In truth, we never had an airplane made out of long-staple cotton in the war, and everybody knows that. We did not get any airplanes over there.

The PRESIDENT pro tempore. The time of the Senator from Arizona has expired.

Mr. ASHURST. I am asking the Senator from Missouri to yield to me.

Mr. REED of Missouri. I could not fail to yield to my friend from Arizona for a reasonable length of time.

Mr. ASHURST. The Senator from Kentucky has stated that there was no airplane wings made of the Arizona cotton. Let me say to him that not only were there airplane wings made of the long-staple cotton, but the Bureau of Standards, the Secretary of Agriculture, and the Secretary of Commerce urged Arizona to speed up its production of this cotton. Moreover, they urged them to plant the castor beans so that we might have the acetone for the airplanes. Yet Arizona's cotton crop is derided here. We forget part of her history.

Mr. ODDIE. Mr. President——

Mr. REED of Missouri. Mr. President, I hope I may proceed. I can not hear the Senator. I do not want to decline to yield.

This is a glorious evening, Mr. President, a wonderful epoch in history, when we can describe the cavalry in the air as carrying in their beaks huge pennants of Arizona cotton.

Mr. ASHURST. Mr. President, I said nothing of the sort. [Laughter.] I said they carried the pennant of victory in their beaks.

Mr. REED of Missouri. The cavalry of the air carrying in their beaks the pennants of victory, and grasping in their talons something else—I do not remember what it was.

Mr. STANLEY. That is a nightmare, and not real cavalry. [Laughter.]

The PRESIDENT pro tempore. Does the Senator from Missouri yield?

Mr. REED of Missouri. I am yielding, of course, to anybody. If we get as badly mixed in our logic as we do in our metaphors, God knows where we will end before this discussion is over.

The fact about the matter is that nearly all of the long-staple cotton we use is imported into this country; that the American cotton is a very inferior product. Somebody may have wanted it during the war. Every man who is at a loss for logic goes back to the war for his main premise, and generally for his conclusion. But we have to import long-staple cotton from Egypt if we promote the manufacture of goods in this country. That is legitimate. It does not involve any tax. It tends to promote American industry in conformity with what our friends on the other side of the aisle believe in, and in conformity with that which we believe in.

The Senator from Arizona makes only one mistake. He insists that if an iniquitous, an unjustifiable, an indefensible tariff is levied for the protection of a particular industry, that affords a justification for levying a similar tribute upon the American people for some other product.

That is a strange kind of logic. A horse thief of Arizona, or of any other State, might just as well justify himself by declaring that horse stealing was prevalent in Massachusetts, and therefore it ought to be encouraged by law in Arizona.

How a man can stand and declare himself to be the enemy of all crime and the champion of all virtue of course is not only the position of the Senator from Arizona, but is the justifiable position of every Democratic Senator, and at the same time justify himself in levying a robber tariff for the benefit of his people upon the hypothesis that those whom he has denounced as robbers, pickpockets, marauders, and buccaneers, have in the pursuit of their various avocations levied a tribute on the particular goods they may produce—how that can afford a justification is beyond my ken.

Now, either one of two things is true. Either a tariff levied for the purpose of shutting out foreign competition and enabling the American manufacturer to raise his price to a point where he makes a profit—I omit where he is able to perpetrate a robbery—is justifiable, or it is an unjustifiable proposition. If it is justifiable, then every man in this Chamber, Democrat and Republican, ought to sign that creed, acknowledge that faith and go along with that crowd.

The PRESIDENT pro tempore. The time of the Senator from Missouri has expired.

Mr. REED of Missouri. Let me in one sentence conclude what I was saying. If it is unjustifiable, then we can not justify our conduct in adopting a similar method on the ground that the iniquity originated on the other side of the aisle.

Mr. ODDIE. Mr. President, I would like to ask a question of the Senator from Arizona in regard to the matter. I ask him if it is not a fact that recently one of the large automobile-tire concerns has built a large plant in southern California for the purpose of utilizing the long-staple cotton from Arizona and other Western States?

Mr. ASHURST. I think that is true; in fact, I know it to be true.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the Senator from Arizona [Mr. ASHURST] to the amendment made as in Committee of the Whole, upon which the yeas and nays have been ordered. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. McCUMBER (when his name was called). Transferring my pair as on the previous vote, I vote "nay."

Mr. POMERENE (when his name was called). I transfer my pair with my colleague [Mr. WILLIS] to the senior Senator from Texas [Mr. CULBERSON] and vote "nay."

The roll call was concluded.

Mr. DILLINGHAM. I have a general pair with the Senator from Virginia [Mr. GLASS]. However, I am informed that he would vote as I intend to vote. So I am at liberty to vote. I vote "nay."

Mr. UNDERWOOD. I wish to announce that the junior Senator from Mississippi [Mr. HARRISON] is paired with the junior Senator from West Virginia [Mr. ELKINS].

The result was announced—yeas 18, nays 47, as follows:

YEAS—18.

Ashurst	Gooding	Nicholson	Shortridge
Bursum	Jones, N. Mex.	Norbeck	Trammell
Cameron	Jones, Wash.	Oddie	Warren
Capper	Kendrick	Ransdell	
du Pont	McNary	Sheppard	

NAYS—47.

Ball	Gerry	Moses	Simmons
Brandegee	Hale	Myers	Smith
Calder	Heflin	New	Smoot
Colt	Hitchcock	Newberry	Stanley
Cummins	Kellogg	Overman	Sterling
Curtis	Keyes	Pepper	Sutherland
Dial	Lenroot	Phipps	Swanson
Dillingham	Lodge	Pomerene	Underwood
Edge	McCormick	Rawson	Wadsworth
Ernst	McCumber	Reed, Pa.	Walsh, Mass.
Fletcher	McKellar	Robinson	Walsh, Mont.
Frelinghuysen	McLean	Shields	

NOT VOTING—31.

Borah	Harreld	Nelson	Stanfield
Broussard	Harris	Norris	Townsend
Caraway	Harrison	Owen	Watson, Ga.
Culberson	Johnson	Page	Watson, Ind.
Elkins	King	Pittman	Weller
Fernald	Ladd	Poindexter	Williams
France	La Follette	Reed, Mo.	Willis
Glass	McKinley	Spencer	

So Mr. ASHURST'S amendment to the amendment made as in Committee of the Whole was rejected.

The PRESIDENT pro tempore. The question now is, Will the Senate concur in the amendment as in Committee of the Whole?

The amendment was concurred in.

Mr. LODGE. Mr. President, I desire to propose an amendment on page 134, paragraph 1007, "hose, suitable for conducting liquids or gases, composed wholly or in chief value of vegetable fiber."

The amendment made to the paragraph by the Finance Committee fixes a duty of 17 cents per pound and 10 per cent ad valorem. I move that the 10 per cent be increased to 20 per cent. I do not think that 10 per cent gives sufficient protection, owing to the heavy duties placed upon the yarns of which the hose is made. The 17 cents is supposed to be a compensatory duty. It seems to me that the industry needs a further protection, and therefore I make the motion.

The PRESIDENT pro tempore. The Secretary will report the amendment offered by the Senator from Massachusetts.

The ASSISTANT SECRETARY. On page 134, in paragraph 1007, "hose, suitable for conducting liquids or gases," in the committee amendment agreed to as in Committee of the Whole, the Senator from Massachusetts moves to strike out "10" and insert "20," so that as amended it would read "17 cents per pound and 20 per cent ad valorem."

The PRESIDENT pro tempore. The question is upon the amendment proposed by the Senator from Massachusetts.

The amendment was rejected.

The PRESIDENT pro tempore. The question now is, Will the Senate concur in the amendment made as in Committee of the Whole?

The amendment was concurred in.

Mr. LODGE. Mr. President, I ask permission to have printed in the RECORD in this connection a letter and a short brief in regard to the matter.

The PRESIDENT pro tempore. Without objection, the request is granted.

The matter referred to is as follows:

MALDEN, MASS., *April 28, 1922.*

Hon. HENRY CABOT LODGE,
United States Senate, Washington, D. C.

MY DEAR SENATOR LODGE: May we take the liberty of troubling you again about our difficulties with regard to the new tariff bill as reported out of your Finance Committee?

We are referring to the duty on manufactured linen fire hose, paragraph 1007, and on yarns of which they are made, paragraph 1004.

There are only a few manufacturers of linen fire hose in this country, and we speak for them all.

We requested both before the House and Senate committees that the tariff on finished hose be placed at 50 per cent ad valorem. The Senate bill at present prices amounts to practically 50 per cent. This request was made on the assumption that the tariff on yarns would be no more than the amount asked for by the yarn manufacturers and as reported in the Fordney bill.

The practical application of the tariff as reported out of the Senate committee increases the duty on yarns and also the duty on hose, but the duty on hose is not increased sufficiently to take care of the increase in the duty on yarns, and it is our opinion that paragraph 1007 should be amended so as to more nearly take up the differential between the two proposed rates. Should the tariff on yarns be passed as reported by the Senate Finance Committee the duty on finished hose is not high enough.

This is so because the English manufacturer can sell his hose for $1 a pound. His duty under paragraph 1007 would amount to 37 cents, the freight and insurance would bring his cost f. o. b. America's ports, say, $1.40 per pound, largely on account of the difference between American and English labor.

We are obliged to charge for our hose under the present low tariff on yarns prices ranging from $1.65 to $1.78, and necessarily under the increased yarn duties the price would be higher, and in the fact of this condition we are wondering what is going to happen to our industry. Frankly, we do not see how we can exist with the tariff on yarns left where it is in paragraph 1004, unless a provision like this is added to paragraph 1007, which will, we think, take care of the situation under the return of normal conditions.

"*Provided*, That the duty on the foregoing shall not be less than 60 per cent ad valorem."

If this is done the foreign manufacturer will be able to land his hose here on present schedules at around $1.60 a pound, and we will be able to compete with that within our price ranges. The factor of 60 per cent ad valorem will take care of the declining market abroad in raw material and labor.

The paragraph as we suggest in amendment will be as follows:

"PAR. 1007. Hose, suitable for conducting liquids or gases, composed wholly or in chief value of vegetable fiber, 17 cents per pound and 20 per cent ad valorem: *Provided*, That the duty on the foregoing shall not be less than 60 per cent ad valorem."

We are not asking for protection to give us a chance to charge exorbitant prices, but merely to have a fair run with foreign competitors, and we do not see how we are going to under these conditions.

Yours truly,

CHAS. NIEDNER'S SONS CO.,
WM. NIEDNER, *Treasurer.*

Brief for Eureka Fire Hose Manufacturing Co., Charles Niedner's Sons Co., and William & Charles Beck (Inc.) on Schedule 10, flax-line yarns, paragraphs 1004–1007.

GENTLEMEN: This brief is submitted by and in behalf of every linen fire-hose manufacturer in the United States.

There are three contentions:

1. That flax-line yarns imported solely for the manufacture of linen fire hose should be admitted free from duty.

2. That if it seems wise to impose a duty upon flax-line yarns admitted for this or any other purpose the duty should be upon an ad valorem and not upon a specific basis.

3. The duty imposed on finished hose under paragraph 1007 in the proposed bill is insufficient.

1. Linen fire hose, such as you see hanging in the corridors of all large buildings and about industrial plants, is a high-grade product, manufactured to comply with specifications as determined by the boards of fire underwriters. It is made exclusively from imported flax-line yarns of grades between 8 and 20 lea, inclusive.

There is not grown in this country a suitable flax, nor is there manufactured in this country a flax-line yarn suitable for making high-grade fire hose.

Necessarily any duty whatever which is paid by the manufacturers of linen fire hose upon the yarns entering into their products only forces the consumer of fire hose in this country to pay just so much more for the finished product. Inasmuch as this is an item entering into building costs, everything should be done to decrease these costs and encourage new construction rather than to increase them. Further, as no one needs protection for this class of raw material, it seems to us highly advisable that flax-line yarns imported solely for the manufacture of linen fire hose should be admitted free from duty.

If it should be admitted that it is possible to procure a character of yarn in this country to make a cheap and inferior grade of fire hose, evidence and proof is available that there is no adequate supply to satisfy the requirements of the hose manufacturers.

2. It is submitted that the specific duty on yarns as proposed in paragraph 1004 is wholly impracticable and unscientific and may, under conditions which it is quite probable will arise in the near future, drive out of existence manufacturers using this class of material.

Under the proposed bill the completely manufactured foreign goods with which we have to compete are assessed only at an ad valorem duty of 26 per cent, while the raw material or yarns is advanced from an ad valorem duty of 20 per cent to a specific duty amounting to from 35 to 40 per cent of present-day values and which would amount to from 70 to 80 per cent ad valorem should these goods reach the prewar values, which is entirely probable.

It may be argued that under the proposed American valuation clause the foreign article with which we must compete will pay a higher duty than if assessed upon the foreign values, which we admit; but even so, the foreign goods may well be landed here at less cost than we are able to manufacture them for.

To illustrate specifically this conclusion, let us take an actual example. In May, 1921, our Underwriter's hose, 2½-inch, was selling at approximately $2 per pound. The duty on such hose under the proposed Fordney bill, 26 per cent ad valorem, would be 52 cents per pound. Now, bear in mind that slightly more than 1 pound of boiled yarn, 30 lea, would be required to make 1 pound of hose, so that the duty as scheduled in the proposed bill upon that 1 pound of hose would be 20 cents. Therefore the net protection would amount to 52 cents per pound of hose minus 20 cents, leaving 32 cents, which is a protection of 16 per cent upon the domestic price. It will be obvious, of course, that as prices gradually recede to normal the percentage at a specific rate of duty will constantly increase, while the imported finished hose which competes with our goods will pay less and less duty, until finally we will have to pay as much duty in actual dollars and cents upon yarn and raw material per pound as our foreign competitor pays upon his finished article, as we will show.

Assume that the hose mentioned above selling at $2 a pound was selling at 75 cents a pound in 1914 and the yarn now costing us 75 cents a pound without duty would have cost us 25 cents a pound in 1914, and consider this with regard to our ratio of protection. If our selling price recedes to pre-war or 75 cents a pound for the hose we are now selling at approximately $2 a pound, the duty that the foreign manufacturer will pay will be 26 per cent of 75 cents, or 19½ cents per pound. Now, under the present schedule if we are required to pay a specific duty of 20 cents per pound (which is 19 cents plus 1 cent for waste) on 25-cent yarn, this is equal to an ad valorem duty of 80 per cent, while our foreign competitor is paying 26 per cent upon the finished article. The only answer to this appears to be that the price will not recede. Our contention is just as sound that it will recede, and in any event the contingency should be provided against and the American manufacturer protected.

Let us look for the moment at the foreign manufacturer's price and assume, which is substantially correct, that he can manufacture hose for $1.25 per pound, which is comparable to our hose at $2 a pound. This is, of course, accounted for by his cheaper labor and material. Importing this hose at $1.25 he would, under the proposed bill, pay a duty of 52 cents (26 per cent of $2, the American valuation), which would land his hose in this country at $1.77 per pound, which is 23 cents less than we could sell the same hose for, and this he is able to do notwithstanding the present high prices in Europe, so that if hose in this country reaches the 1914 price of 75 cents per pound the foreign manufacturer's selling price would be about 50 cents a pound. Add to this his duty at 26 per cent, or 19 cents, which is 26 per cent of 75 cents, American valuation, he will be able to sell his product at 69 cents a pound in this market, while if our raw material costs us 25 cents a pound we pay specific duty on yarns of 20 cents per pound, making the price of our material 45 cents a pound, and we could not sell our hose for less than 75 cents a pound, or 6 cents above the price of our foreign competitor.

All of this justifies us, we think, in asking that even if any duty be imposed on flax-line yarns used in the manufacture of linen fire hose it should, like the finished article, be upon an ad valorem basis, for on a falling market the foreign manufacturer gets the advantage and the domestic merchant is penalized.

It will be observed that the proponents of the specific duty on flax-line yarns as reported in the bill are yarn manufacturers. They are unable to supply the demand for suitable flax-line yarn from this country. To place a specific duty upon linen yarns under so broad a classification as they request is to practically put a noncompetetive price upon flax-line yarn, suitable for the manufacture of linen fire hose, upon which they need no protection, for they can not supply it.

The differential between American and foreign labor and raw material is, in our opinion, in the future to be so high as to warrant the duty on linen fire hose being placed as high as 50 per cent ad valorem. This is especially true should your committee deem it advisable to place a specific duty upon the yarn, for the arguments used in the preceding paragraphs should convince one that the differential resulting between the foreign conditions and specific duty and 26 per cent ad valorem on the finished goods is by no means wide enough, and we beg to state that in our opinion the duty upon manufactured linen fire hose should be 50 per cent ad valorem.

And, in general, in our opinion the so-called "American valuation" is unscientific and will be a poorly operating system.

We beg to recommend to you the following:

First. The addition to paragraph 1004 of the proposed bill the words: "Provided, That flax-line yarns of 8 lea and not finer than 20 lea, imported solely for the manufacture of linen fire hose, shall be admitted free of duty."

Second. Should it be deemed wise not to adopt the preceding recommendation, then instead of a specific duty on flax-line yarns of 8 lea and not finer than 20 lea, an ad valorem duty of 20 per cent.

Third. A change in paragraph 1007 from 26 to 50 per cent ad valorem.

Fourth. In any event, a differential between the ad valorem value of flax-line yarn of 8 lea and not finer than 20 lea, and finished linen fire hose of 30 per cent.

EUREKA FIRE HOSE MANUFACTURING CO.,
Jersey City, N. J.
CHARLES NIEDNER'S SONS CO.,
Malden, Mass.
WM. & DEAS. BECK (INC.),
Lawrence, Mass.
LINUS C. COGGAN, *Counsel.*

The PRESIDENT pro tempore. The Secretary will report the next amendment reserved.

The ASSISTANT SECRETARY. On page 140, paragraph 1102, relating to wool, reserved by the Senator from Massachusetts [Mr. WALSH].

Mr. WALSH of Massachusetts. Mr. President, the Senate in Committee of the Whole voted to levy a duty of 33 cents per pound on wool in the clean content. That duty is the highest ever levied under any law upon wool. It is higher than the duty levied in the Payne-Aldrich law. It is higher even than the duty levied in the House text of the pending bill. It is one of the duties in the bill that everyone agrees will be effective in increasing the price of woolen goods to the American people.

This duty will increase the price to the manufacturers of woolen goods $72,000,000; this duty when pyramided will increase the price to the consumers of woolen goods the enormous sum of $200,000,000.

Mr. GOODING. Mr. President——

Mr. WALSH of Massachusetts. Mr. President, I do not yield. There is no question whatever here about the duty being effective in increasing prices; there is no question whatever about the amount that the consumers of America will have to pay by reason of the increased duties that the Senate amendment levies.

I am not going to take the time of the Senate to go over the reasons why this duty should not be levied. The question was fully and extensively debated when we were considering this amendment as in Committee of the Whole. I do wish, however, to make a final protest against asking the American public to assume this tremendous burden; I do wish to ask the Senate to hesitate before it undertakes to impose this duty; and I ask it to realize the tremendous consequences in increased prices for the clothing which the people of America must wear and for the blankets and other woolen goods which must protect them in the years to come.

There is absolutely no reason why this duty should be levied, except that the demands of the woolgrowers must be satisfied; and this is the rate which they demand and which they are asking the United States Senate to support and to approve.

Mr. President, the issue is a very simple one: Are we willing and prepared in this hour of great business depression, of deflation in prices, when the American public is demanding reduction in the cost of production, when wages have been reduced, to levy a duty of these extreme proportions and upon so essential a commodity as wool and one so necessary for the health and protection and comfort of the American people?

I repeat, we are now about to vote upon one of the most burdensome duties which are levied in this bill. We are about to levy the highest known duty upon raw wool. We are now about to vote upon a measure which will exact from the consumers of America $200,000,000 for the wool in the clothing which they wear and in the blankets which protect them from the cold. It seems incredible that the Congress of the United States should at this juncture proceed to levy such a high duty as this upon raw wool.

Under the present law, until the passage of the emergency law, wool was on the free list, and even under the emergency tariff law and, indeed, even under the Payne-Aldrich law no such high rate was provided as is provided for in this amendment.

Mr. STANFIELD. Mr. President——

Mr. WALSH of Massachusetts. I am sorry I can not yield. I have only 10 minutes.

The House of Representatives, which is Republican by an overwhelming majority, after long deliberation, after full consideration of this subject, at a time when this industry was passing through its greatest depression a year ago, considered 25 cents per pound ample and sufficient protection; yet the Senate proposes to increase that duty by 33 per cent, and to levy here to-day a duty of 33 cents per pound. Mr. President, I do not believe it can be justified; I do not believe it can be defended.

That this industry has suffered since the war no man questions; that the woolgrowers have had to bear heavy and severe financial losses no man can question, but so have the women and the men of America who wear woolen clothing; so have the men and women of America who wrap themselves up on cold winter nights in woolen blankets had to bear this depression—to bear the losses that have come as the result of the World War. It is not fair, it is not honest, it is not just, it is not right to ask them to go into their pockets to the extent of $200,000,000 in order to place $30,000,000 in the pockets of the woolgrowers of this country. It can not be defended, it can not be justified.

I ask the Senate in the vote that is now about to be taken to reduce this rate, to reduce this burden, to lessen this obligation upon the men and women and children of America, who must pay for every pound of wool that goes into their clothing, for every pound of wool that goes into their underwear, for every pound of wool that goes into the blankets that protect them against the cold. I ask the Senate to hesitate about imposing this obligation on 100,000,000 of our people in order that those who are engaged in one industry may receive the benefit of this duty.

No one here can question or doubt the result of this vote. All agree that we must import wool, that we must import 50 per cent of the wool that we consume, and that this duty will be effective not only upon the wool that we import but also upon the domestic wool; and that, therefore, when we vote to place this duty we vote to tax the American people who use wool in their clothing for the benefit of one industry. That can not be justified; I repeat, it is not fair, it is not sound policy to burden the American public with this duty.

I ask, Mr. President, that a record vote be taken, so that the American public at least may know those who propose to use the taxing power of this Nation to tax innocent people—millions of them—on the pretext of bringing prosperity to a depressed industry.

The PRESIDENT pro tempore. The time of the Senator from Massachusetts has expired.

Mr. ODDIE. Mr. President, I ask permission to have printed in the RECORD an article from The Protectionist of August, which gives the opinion of some noted foreigners as well as Americans on the question of whether or not a protective tariff results in raising or reducing prices to the consumer. This article shows very plainly the fallacy of the arguments we have heard from the other side, and shows clearly that when industries are built up by proper protection it results ultimately in the lowering of prices to the consumer.

The PRESIDENT pro tempore. Without objection, the article presented by the Senator from Nevada will be printed in the RECORD.

The article referred to is as follows:

[From the Protectionist, August, 1922.]

DOMESTIC PRICES NOT INCREASED BY IMPORT DUTIES—EVIDENCE COMPILED BY SIR GUILFORD L. MOLESWORTH FOR THE BRITISH PRIME MINISTER OF PARTICULAR INTEREST JUST NOW.

In these troublous times when opponents of the tariff are crying from the roof tops that the Fordney-McCumber bill, if enacted, will add billions to the cost of living, it is interesting and instructive to read the testimony of a well-known English economist. In 1919 Sir Guilford L. Molesworth addressed the following letter to the British Prime Minister:

"SIR: In the present financial crisis, when the nation is verging on bankruptcy, and there is a talk of largely increasing our already intolerable burden of direct taxation, we are recklessly neglecting an enormous source of revenue from indirect taxation.

"Supplies of all kinds are now pouring into England from Germany and other countries, which, if taxed, would produce a magnificent revenue; but this measure has not been adopted, owing to the prevailing fallacy that it would increase the cost of imported articles.

"If you wish it I shall be glad to furnish you with overwhelming evidence that when a duty has been imposed, if not prohibitive, it has fallen on the foreign importer or his agent, and not on the consumer; and that the cost of the articles taxed has diminished instead of increasing. I can also furnish you with an explanation of the causes of this apparent paradox.

"I remain, sir, your obedient servant,

"GUILFORD L. MOLESWORTH.

"THE MANOR HOUSE, BEXLEY, KENT, *October 22, 1919.*"

Following up the suggestion made in this letter, Mr. Molesworth collected the "overwhelming evidence" and sent it to the Prime Minister the following month (November, 1919). We give it in full herewith:

EVIDENCE OF THE FALL OF PRICES UNDER IMPORT DUTIES.

In a very large number of cases the imposition of import duties has been followed by a fall of prices, numerous examples of which are given in the following pages.

To shallow thinkers such a result appears impossible, but a little consideration will serve to explain the apparent paradox:

1. Before the import duty comes into force, there is a rush on the part of the foreign producer, or his agent, to send in as much produce as possible so as to escape the duty. This naturally has a tendency to depress prices, and the fall is rendered permanent by development and competition in the home market.

2. The home manufacturers, being protected from wholesale dumping of surplus goods, are in a position to carry on their industry on a more satisfactory footing than before.

3. The foreign producer must sell his surplus produce, and the import duty is generally borne by him.

4. The revenue brought in from import duties—if the import duty be general and not partial—saves direct taxation, and the home producer is thus enabled to produce at lower rates than when heavily taxed.

5. A foreign monopoly which has maintained high prices is often killed by an import duty.

The philosophy of the whole matter has been explained by that great American statesman, Alexander Hamilton, in his famous report of 1791, as Secretary of the Treasury:

But, though it were true that the immediate and certain effect of a tariff was an increase of price, it is universally true that the contrary is the ultimate effect, with every successful manufacture. When a domestic manufacture has attained to perfection, and has engaged in the prosecution of it a competent number of persons, it can be afforded, and accordingly seldom or never fails to be sold cheaper, in process of time, than the foreign article for which it is a substitute. The internal competition which takes place soon does away with everything like monopoly, and by degrees reduces the price of the article to the minimum of a reasonable profit on the capital employed. This accords with the reason of the thing, and with experience.

EXAMPLES OF FALL IN PRICES.

The following cases afford a few instances proving that the imposition of a tariff does not necessarily raise the price.

M. Thiers, in his speech of January 22, 1870, stated that a tariff on linen and cotton thread had reduced the price of a kilogram of linen thread from 7 to 3½ francs, and that the price of cotton thread had been reduced in greater proportion. In introducing the tariff, M. Thiers said:

"It is urged that all the protection accorded to industries constitute monopolies; and, to enrich a few monopolies, we burden the whole country. It is true there is a monopoly, but it is not in France, it is in England. I say this little monopoly which you accord to French industry destroys the monopoly of foreign industry."

Under the high protective tariff in the United States between the years 1860 and 1883, cotton hosiery was reduced to nearly one-half the prices of 1860.

In 1867 a protective duty was imposed on wool. In 1872 there were in the United States 143 looms producing 1,500,000 yards of Brussels tapestry. In 1880 there were 1,070 looms producing 16,950,000 yards. The price fell from $2.30 in 1872 to $1.50 in 1880 and to 93 cents in 1890.

Mr. Wycoff, United States census agent, stated that the average decline in the value of silk goods was not less than 25 per cent, probably as much as 30 per cent, in 15 years.

Salt under a tariff fell in price from $1.80 in 1866 to 74 cents in 1882.

Mr. T. Dudley, formerly United States consul at Liverpool, gave the following rates of fall under the protective tariff between 1861 and 1883: Cotton goods, 25 per cent; woolen goods, carpets, etc., 25 per cent; silk, 35 per cent to 40 per cent; crockery, 37 per cent. In 1860 the duty on crockery was 24 per cent; the tariff imposed a duty of 40 per cent, which was afterwards raised to 55 per cent ad valorem; and now many kinds of crockery are sold in the United States at lower rates than in England.

The manufacture of steel rails in the United States commenced in 1867; at that date steel rails cost $150 per ton. The duty was changed to $28 per ton, and in 1872 the price had fallen to $112. In 1874 it fell to $49, in 1876 to $39, and in 1885 to $27.

The report of the committee authorized by the Senate to investigate the result of the McKinley Act has stated that in 28 months the retail prices of 214 articles of common consumption declined 64 per cent and that wages advanced 75 per cent.

From an official estimate prepared for the use of the Senate of the United States it appears that:

The price of barley, protected in 1890, declined 80 per cent, giving additional employment to 40,000 persons.

The price of beet sugar, protected in 1897, declined 20 per cent, giving additional employment to 5,000 persons.

The price of carpets, protected in 1861, fell 10 per cent, with additional employment to 6,600 persons.

The price of lace curtains, protected in 1897, fell 10 per cent, giving additional employment to 3,000 persons.

The price of gypsum, protected in 1897, fell 33 per cent, giving additional employment to 3,700 persons.

The price of wire nails, protected in 1883, fell 25 per cent, with increased employment to 8,000 persons.

The price of steel rails, protected in 1870, fell 80 per cent, with increased employment to 18,000 persons.

The price of watches, protected in 1870, fell 50 per cent, with increased employment to 1,880 persons.

The price of silk, protected in 1861, fell 25 per cent, with increased employment to 77,000 persons.

Wages paid to operatives employed in the manufacture of silk rose from $297,000 in 1850 to $25,276,000 in 1905.

The number of operatives employed in silk manufacture in Great Britain diminished from 180,723 in 1851, to 39,035 in 1901.

TARIFFS AND WHEAT PRICES.

Many of those who are not satisfied with our present fiscal policy object to giving their adhesion to the movement in favor of tariff reform, on the ground that they disapprove of the taxation of food. This is an objection which a careful study of facts would at once remove. It is based on the mistaken assumption that a tax on foodstuffs must increase their price. Experience has proved that this is not the case. The price of corn is generally regulated by the laws of supply and demand, and by the general conditions of exchange, currency, transport and production. Tariffs, in their direct action, have but little influence on prices, unless they are excessive or prohibitory. Under a well-regulated system of moderate import duties, there is an action tending to the equalization of prices in different countries, and this is maintained by constant telegraphic communication of brokers with the principal markets of the world. A few examples will suffice to show that not only is the duty paid by the foreigner, but, in most cases, the consumer gains, by a reduction in the price of foodstuffs under an import duty. The committee of the Belgian House of Representatives, in their report of 1886, stated that, on several occasions on which duties were imposed on wheat, the price thereafter fell; and when the duty was abolished, it rose, except in one instance.

Again, in a consular report dated May 14, 1883, Sir E. Malet wrote: "Eight years' experience has shown that the higher duties introduced in 1879 had been attended with the most successful results, fiscally, but they had failed as protective duties—that is, they failed to raise the price of wheat. Prices had fallen instead of rising."

Again Mr. Vansittart, consul at Wurtemburg, reported in 1888: "Since the addition of the duties, all kinds of grain were cheaper than ever."

In 1888 the duty on wheat in Italy was raised from 1 franc per quintal to 4 francs, and practically the price of bread remained unchanged, the tendency being rather to a fall than a rise, although large quantities of foreign wheat were imported into Italy. Similar results ensued in Germany in 1892, when the duty was raised, and the price of wheat fell 9 per cent. Also in France in 1895, when the duty was raised, the price of bread fell 7 per cent.

Again, when the duty of 1s. a quarter was imposed in Great Britain in 1902 the price of imported wheat fell slightly, and it was only after this useful tax had been wantonly flung away by Mr. Ritchie's economic pedantry that the price of wheat rose. A valuable source of revenue was thus foolishly sacrificed and the burden of taxation, which had been borne by the foreigner, was transferred to the British taxpayer without a single compensating advantage.

In all these cases it is evident that the burden of taxation fell upon the foreign producer, not upon the consumer. In the Colony of Victoria, in 1888, under an import duty of 9s. 8d. per quarter on wheat, bread was cheaper than in New South Wales, which admitted wheat duty free, the reason being that the Victorian farmer was protected from the influx of foreign surplus, and consequently was able not only to grow wheat with confidence, but owing to the reduction of other taxation, caused by the revenue derived from foreign imports, he was in a position to grow wheat at a cheaper rate. The internal competition was thereby stimulated to an extent which tended to a fall rather than a rise in prices.

Of course, if the duty be so heavy as to be prohibitive, the price will rise in times of scarcity, as was the case when a duty of 12s. 6d. was imposed in France, when the "outside level" of prices was as low as 27s. or 28s. The price of wheat in France has lately been lower than in England. Few people realize the fact that wheat is only one of the many factors which make up the retail price of bread.

THE TIN-PLATE INDUSTRY.

In 1890, the year of the McKinley tariff, the duty of 1 cent per pound on tin plate imported into the United States was raised to 2.2 cents. The price at that time was 3.5 cents; and it fell to 2.9 cents under the increased duty in 1894, and thereafter steadily fell, until in 1898 it touched the low price of 2.2 cents.

The benefit, however, was not confined to tin plate, but it led to increased revenue and capital to the country and increased prosperity, employment, and wages to those industries that were affected by the tin-plate industry.

The measure on which Mr. McKinley laid the greatest stress in putting forward his bill was the development of the tin-plate industry. In reply to his opponents he said:

"They insist that we can not make tin plates; so they said about plate glass and cutlery and pottery."

Before the passing of the McKinley bill there was an import duty of 1 cent per pound on tin plates, but this was insufficient to keep the Welsh manufacturers' combine from swamping the struggling industry in the United States. In 1890 (the year of the McKinley Act) the Welsh Tinplate Association had raised the price of tin plates from 2.9 cents to 3.5 cents per pound, with the duty added. The import duty, therefore, was increased to 2.2 cents; and this, according to the theory of free traders, ought to have raised the price to 4.7 cents, but, on the contrary, the price fell to 2.9 cents in 1894, and thereafter it fell steadily, year by year, until, in 1898, it touched the low price of 2.2 cents per pound.

The great development of the canning trade and the consequent demand, however, caused a rise in the price of tin plates; and this tendency was increased by the great coal strike, and also by a strike of the tin-plate operatives, who obtained a substantial increase of wages, so that in 1898 the price rose to 3.2 cents, but it has since fallen to 2.8 cents in 1906, as against 3.5 cents in 1891.

In the 10 years succeeding 1891 the yearly import of foreign plates to the United States fell from 327,000 to 52,000 tons, whilst the domestic production increased from 1,000 to 400,000 tons.

Now, to sum up the results:

(1) The tin-plate industry has been successfully developed and the Welsh monopoly destroyed.
(2) Capital has been largely attracted to the United States.
(3) Revenue has been increased by the import duty.
(4) Increased employment has been afforded.
(5) Wages of the tin-plate operatives increased.
(6) Cost of tin plates considerably reduced.
(7) A saving of nearly $2,000,000 yearly, compared with the cost when the consumer was dependent on foreign supplies.
(8) The payment which formerly went to the foreigner for tin plates now circulates through the wage earners, amongst retail traders, and gives additional employment to industries allied to the tin-plate industry, such as chemical works, iron works, mining, etc.
(9) The canning establishments have increased.
(10) More employment has been afforded in canning.
(11) More fruit and vegetables have been canned.
(12) An export trade of tin plates has sprung up in the United States.

McKinley estimated that if the tin plates consumed were made in the United States it would give employment to 23,000 men, but the benefit would not stop there, the additional labor in mining the coal and

ores, the lead, the tin, the lumber for boxes, and the sulphuric acid, would furnish labor to 50,000 workmen and bring support to 100,000 people.

In the face of past experience, as evidenced by the foregoing figures, is it possible that the intelligent reading public can take seriously the statement of the junior Senator from Massachusetts that the resultant increase in prices of agricultural products in the Bay State alone will exceed $52,000,000 if the pending tariff bill becomes a law, and that the increase in the cost of living throughout the United States will amount to $1,316,569,449?

As a matter of fact, under the present Underwood tariff, the lowest tariff in our history, we have had the highest prices and the most profiteering of any period of our national existence. The present Underwood tariff has succeeded only in creating widespread unemployment and destroying the purchasing power of the consumer.

The New York Mail, in a recent editorial, summed up the situation very aptly:

"Free-trade Democrats in the Senate are assailing the pending bill with prophecies that it will add to the cost of living. That is an old, old story with free traders. For nearly a century they have been saying it over and over again until it has worn so deep a groove in the Democratic platform that no Democrat can see over the sides of it.

"All that they have said in the present debate was uttered in precisely the same terms by their Democratic predecessors of years ago, in denouncing every protective tariff law before enactment.

"Never do these same Democrats (nor did their predecessors) justify their argument by taking the figures of a protective-tariff period to prove that protection has ever added a penny to the cost of living. They do not do it, because results do not show it.

"Democrats talk fiercely of what a protective tariff will do; but you never can get a word out of them as to what a protective tariff has done. The difference is the difference between prophecy and results."

DOES A PROTECTIVE TARIFF CRIPPLE OUR EXPORT TRADE?

One of the favorite arguments of free traders, importers, and internationalists, who are more concerned about "abroad" than they are about America, is that a protective tariff will cripple America's foreign market and result in diminished exports. All sorts of twisted reasoning is offered in support of this argument, says the National Republican.

The best test of its soundness and validity is the experience of the United States under protective tariffs. If a protective tariff curtails our foreign market the records of exports during the periods when a protective tariff was in force should and would show the fact.

But the records of foreign trade issued by the Department of Commerce show just the contrary.

The McKinley protective tariff law was enacted in 1890. The following is the official record of our exports during the years the McKinley tariff law was in force:

1891	$884,480,810
1892	1,030,278,148
1893	847,665,194
1894	892,140,572

The Dingley protective tariff law was enacted in 1897. The following is the official record of our exports during the 11 years that tariff law was in operation:

1898	$1,231,482,330
1899	1,227,023,302
1900	1,394,483,082
1901	1,487,764,991
1902	1,381,719,401
1903	1,420,141,679
1904	1,460,827,271
1905	1,518,561,666
1906	1,743,864,500
1907	1,880,851,078
1908	1,860,773,346

The Payne-Aldrich protective tariff law was enacted in 1909. The following is the official record of our exports during the operation of that tariff act:

1909	$1,663,011,104
1910	1,744,984,720
1911	2,049,320,199
1912	2,204,822,409
1913	2,465,884,149

These official figures conclusively prove the falsity of the propaganda that a protective tariff means a loss of our foreign markets. They are an absolute refutation of the free trade and importing propaganda that unless we permit foreign producers to grab our markets we can not hope to sell abroad.

Mr. STANFIELD. Mr. President, the argument of the Senator from Massachusetts is that of the free trader who does not recognize the necessity for American independence in all lines of production. The answer to his argument as to the necessity of this duty is undoubtedly reflected in the statistical reports showing the shrinkage of the sheep industry in the United States. Under the free-trade policy of the Democratic Party the number of sheep in the United States has diminished from 50,000,000 to 35,000,000 head.

There is no reason why the United States should not be independent in its wool production, but if the policy of the Senator from Massachusetts shall be followed out, and we are not to have protection to equalize the difference in the cost of production of wool in the United States and the cost in foreign countries, the United States will soon be dependent upon the outside world for its wool. I wish to say to Senators that we will then pay more than this duty will mean; the tax imposed upon America will be a much larger tax, and it will be paid to a foreign monopoly if we destroy the American woolgrower. It is certainly necessary that we should have the rates here provided, and even more than those rates, for the reports of the Government indicate that the difference in the cost of production is more than the rate proposed in this bill.

Mr. WALSH of Massachusetts. Mr. President, I ask for the yeas and nays on concurring in the amendment made as in Committee of the Whole.

Mr. BURSUM, Mr. LENROOT, and Mr. GOODING addressed the Chair.

The PRESIDENT pro tempore. The Senator from New Mexico.

Mr. WALSH of Massachusetts. Has the Chair ruled on the question of whether or not the yeas and nays were ordered?

The PRESIDENT pro tempore. The Chair will state——

Mr. GOODING. There will be no question about having the yeas and nays ordered on the amendment.

The PRESIDENT pro tempore. The Chair will put that question to the Senate the moment the discussion shall have been ended.

Mr. BURSUM. Mr. President, I think I have the floor.

The PRESIDENT pro tempore. The Senator from New Mexico has the floor.

Mr. BURSUM. Mr. President, the duty of 33 cents a pound imposed upon wool by the pending bill is a very fair duty. Of all the duties levied in this bill based upon the actual difference between the cost of production of the American product and the foreign article the duty on wool comes nearer passing muster under a scientific examination by experts than almost any other duty levied by the bill.

The Senator from Massachusetts has complained that this duty will cost $70,000,000, which will go into the pockets of the wool men of the country. I take it the Senator does not intend to mislead anyone. The estimate of $70,000,000 is evidently intended to cover the total consumption, including the imports of wool from other countries, which constitute about 50 per cent of our consumption. Therefore, out of the $70,000,000, $35,000,000 will go into the Treasury for the purpose of defraying the expenses of the Government.

No one can say that every citizen ought not to contribute toward the maintenance of the Government. Even the Democratic Party demands that; it has been their principle to favor a tariff for revenue, and a tariff for revenue means that those who are the consumers must pay the duties, of course, and they are paid for the purpose of running the Government. So in this case one half of the duty will go into the Treasury and the other half for the purpose of aiding the woolgrowers. It is for the purpose of protecting the woolgrowers of this country against the competition of cheap labor of foreign countries.

The Senator from Massachusetts [Mr. WALSH] states that $130,000,000 is charged up to the consumers of this country by reason of this duty, making in all $200,000,000. The $130,000,000 is a protective duty given to the manufacturers—the manufacturers of the State of Massachusetts, more than those of any other State, for Massachusetts has large woolen mills and employs hundreds and thousands of wage earners to work in those factories. If this duty raises the cost of the manufactured article it can be for no other legitimate purpose than to raise the wages of those workmen so that they may live upon an American standard, so that they may live as men desire to live in this country of ours. I say that if that $130,000,000 is for that purpose—and it manifestly is, and it can not be for any other legitimate purpose—it could not be applied to a better purpose; and this duty, therefore, will help create a condition of prosperity in the State of Massachusetts, from which the distinguished Senator hails, so that his people can enjoy a living wage under the American standard. It does do that, and that is what we claim for it.

We have not only given duties on the wool but we have given duties on every kind of manufactures in the State of Massachusetts that needs a duty.

There are in this bill duties much higher than these duties, Mr. President, on articles manufactured in the State of Massachusetts. That State has cotton mills by the score; it has lace factories; it has hosiery factories and woolens which are protected, and they are protected because the manufacturers of the State require that protection to protect them against ruinous competition from other countries. After this tariff bill gets into force and gets into working and the country benefits by its results there will no longer be any reason for stating upon this floor the great suffering on account of the depression which the people of Massachusetts have suffered and the woolgrowers of the West have suffered. This tariff bill will cure all of that.

The State of Massachusetts even has such things as we have heard of to-day—dye works and chemical works. Those concerns are protected against the ruinous competition of Germany. The principle of protection extends not only to the woolgrower but to every manufacturer. It extends to every part of the

Union, and it is extended to the State of Massachusetts more in proportion to her size, on account of her numerous industries, than to any other State in the Union. I am glad of it; and I know that two years hence we will hear the story of approval from the great State of Massachusetts and the appreciation of what this Congress did in protecting American labor against the cheap labor of other countries.

Mr. GOODING. Mr. President, the great junior Senator from Massachusetts [Mr. WALSH] makes a most remarkable statement. If he believes that the people are going to pay $200,000,000 more for clothing because there is a duty of 33 cents a pound on scoured wool, then he has a duty to perform here to the American people by protecting them in some way or other against the profiteers.

The American wool clip is worth about $65,000,000. Will the Senator tell me why it should be pyramided over and over again until it reaches $200,000,000, or, as Mr. Goldman says, $360,000,000? If the duty on wool is pyramided, is not the duty on manufactures pyramided, too, just the same? Why have you selected wool to show that the American people are going to be robbed merely because there is a duty on the raw material?

Mr. WALSH of Massachusetts. Mr. President——

Mr. GOODING. I have asked the Senator a question; and if he will answer it quickly, I will yield. I have only 10 minutes.

Mr. WALSH of Massachusetts. The Senator has asked me a question, and I shall be glad to answer it. My authority is the expert of the Tariff Commission, who communicated to the Senator from New York [Mr. CALDER] the information that this duty upon wool, when pyramided, would represent to the American consumers $200,000,000.

Mr. GOODING. Yes; I know that.

Mr. WALSH of Massachusetts. Not for the finished product but for the cloth.

Mr. GOODING. I will not yield any longer. The Senator does not answer my question at all. He merely says that the Tariff Commission stated something to the Senator from New York [Mr. CALDER]. Admitting that to be true for the sake of the argument, I want to say that there is a most serious condition existing in America. If an industry can not be given proper protection so as to let it live without the profiteers of America pyramiding the duty three or four times over, then I say that we want to commence filling up the penitentiaries of America just as quickly as possible, because no Government can exist under such selfish conditions as those.

I do not believe that the Senator believes that is possible. I am not ready to believe that the wholesalers and the retailers are following out the policy that Mr. Goldman has laid down. If they are, then you and I must do something very quickly to protect the American people. I know, or I have reason to believe, that this is just a part of a propaganda that they are scattering over this country to make an excuse for increasing the cost of clothing; and it comes, of course, to the Democratic Party as water on their wheel. They believe that if the American people can be alarmed, as they were years ago when the Republican Party tried to give protection to the tin-plate industry, it will wreck the Republican Party. That is the reason why the Senator is talking that way—not because he believes it, but because he believes that it is good Democratic policy to tell the people that they are going to be robbed.

Then I wonder if the Senator from Massachusetts knows that the Underwood-Simmons bill gave not only 35 per cent ad valorem on cloth that was made out of all wool but 70 per cent ad valorem?

Mr. STANFIELD. Mr. President, will the Senator yield?

Mr. GOODING. I wonder if the Senator knows anything about the conversion cost in this tariff question? It has had little or no discussion upon this floor. That is what your manufacturers have had all the time.

Mr. STANFIELD. Mr. President——

Mr. GOODING. I can not yield. I have not the time. I want to say something to the Senator from Massachusetts.

I made the statement upon this floor, and it is true, that this city alone pays more for its woolen goods than came into this country under the Payne-Aldrich law each year. It is not the tariff on wool that fixes the price of woolen goods; it is the compensatory duty that is given to your manufacturers that tells how much shall be paid on a dollar's worth of cloth when it is imported into this country. I want to say to the Senator that I found upon investigation that this man Goldman took more for distributing a yard of cloth to the merchant tailors of this country than the woolgrower who grew the wool, the railroad that hauled it to Boston, the manufacturer who manufactured it into a yard of cloth, and the tariff that is on the wool all put together. I traced that wool from Idaho to Boston, and I traced the yard of cloth back to the merchant tailor, and I found that Mr. Goldman took more for a yard of cloth, merely for distributing it, than all the rest of the forces combined that entered into the production of that yard of cloth.

The Senator may be right that the people are going to be robbed, but not because there is a duty on wool, because the Senator must admit that a Democratic duty on the cloth was pyramided; that if one duty is pyramided, they are all pyramided; and the question comes: My God! Can we live, can we permit any industry to live in America, simply because it must be protected? It means that it can not live if that is true.

So there is something to be done here in this country if it is true. I am not willing to admit that it is true, by the way; but if the resolution that I introduced here calling for an investigation of Mr. Goldman is passed, I will prove that it is not true. If it is true, then we want to begin getting ready to take care of his kind of people. I think the Senate has something to do, and has to do it quickly, because there is too much profiteering in America. It is just a question of whether we can protect an industry and let it live or not.

The farmers have not got anything, even in this bill, compared with the manufacturers. When you figure the conversion cost in the Underwood bill, you gave ten times as much protection to the manfacturers as you gave the farmers; and this bill gives four or five times as much to the manufacturers as it gives to the farmers. You have not any right, as a manufacturer, to claim protection on my labor or my money that is put into a pound of wool. You are only entitled to protection on your conversion cost. I told that story once before, and gave the figures, and showed it very clearly upon this floor. It has been forgotten. We have entered into the discussion of this tariff question in a pretty small way, after all. Now the mask is torn off, and the selfish interests of this country are shown up just a little bit.

Mr. McCUMBER. Mr. President, a number of the younger Senators who are getting tired and sleepy are importuning me to get their usual night's rest, and I should like to help them out, but I want to be certain that we shall dispose of all of these committee amendments and also have a good, reasonable time in which to dispose of individual amendments before 4 o'clock to-morrow.

I am going to ask at this time, therefore, an additional unanimous-consent agreement—that at 2 o'clock to-morrow the reserved committee amendments which at that time have not been disposed of may be voted on en bloc without further debate. That would give the other two hours, certainly, for individual amendments and would insure that all of these amendments shall be acted upon.

Mr. SIMMONS. Why does the Senator ask that those which have not been voted upon be voted upon en bloc? Why not simply ask that they be voted upon without further debate?

Mr. McCUMBER. I thought of saving a little time. I will change my request so that it will read that each may be voted upon immediately, without further debate, after the hour of 2 o'clock.

Mr. SIMMONS. In their order.

Mr. MOSES. Does the Senator mean that at 2 o'clock any reserved amendment which has not been discussed shall be disposed of without any debate whatever?

Mr. McCUMBER. That is what it means.

Mr. MOSES. And that reserved amendments shall be taken up in their order as they appear in the bill?

Mr. McCUMBER. Certainly. We have already agreed by unanimous consent that the reserved amendments shall be taken up in the order in which they appear in the bill.

Mr. MOSES. I shall have to object to that request.

Mr. McCUMBER. If that is objected to, I will make another attempt, and ask unanimous consent at this time to deviate from our previous unanimous-consent agreement that the items which have been reserved shall be taken up in their order, and ask that we shall take up at this time the paragraphs on page 272, sections 315, 316, 317, covering the presidential powers, which were reserved by the Senator from North Carolina.

Mr. MOSES. I shall have to object to that also.

Mr. McCUMBER. The reason is that they may require considerable debate, and I would like to have them disposed of, and be certain that they will be disposed of before 4 o'clock.

Mr. UNDERWOOD. If they are not disposed of before 4 o'clock they would have to be voted on without debate.

Mr. McCUMBER. Is that the construction the Senator gives to the unanimous-consent agreement? I am doubtful, under the unanimous-consent agreement, whether we could vote on any amendment after 4 o'clock. My understanding of the agreement is that everything that is not voted upon in the shape of

an amendment by 4 o'clock will be out of existence, so far as this bill is concerned, and we shall have to vote on the bill as it then stands, without those amendments.

Mr. UNDERWOOD. Mr. President, I have no desire in the world to prevent the Senator from reaching a vote, and I do not know that there will be a great deal of debate on those particular sections of the bill; but at this late hour of the night I am not going to agree to enter into a discussion of that particular amendment if I can avoid it.

Mr. McCUMBER. I was trying to accommodate the Senator and to accommodate other Senators.

Mr. UNDERWOOD. I was perfectly willing to agree to the proposition that any reserved amendments which were not reached by 2 o'clock should be voted on without further debate, but I am not going to agree to dispense with the order and consider at this time of night, when everyone is tired out, the most important feature of the entire bill.

Mr. McCUMBER. The Senator from New Hampshire will not agree to that, so that puts that out of the way.

Mr. MOSES. Mr. President, the basis of my objection to the unanimous-consent request which the Senator asks is that all the reserved amendments to the administrative features are not included in his request. There is a reserved amendment on page 384 which is not on the printed list, I may say to the Senator, because the printed list is erroneous, and it will be found at the Secretary's desk that there is another reserved amendment on page 384.

Mr. McCUMBER. My unanimous-consent proposition stated that all reserved amendments should be considered.

Mr. MOSES. But the Senator enumerated certain paragraphs in which there were reserved amendments in the administrative feature, and omitted this one. Because of that, I object. If that other paragraph is included among those which are to be taken up, I shall not object. I can not at the moment turn to the provision.

Mr. McCUMBER. The Senator is mistaken about my mentioning any particular paragraph to be voted upon. I said all paragraphs.

Mr. MOSES. Then the Senator enumerated three by number.

Mr. McCUMBER. That was in my second proposition, when I asked that those be taken up immediately.

Mr. MOSES. May I ask the Senator to restate the unanimous-consent agreement which he is asking?

Mr. McCUMBER. In substance, my first request was that at the hour of 2 o'clock p. m. to-morrow the Senate should proceed to vote, without further debate, upon any reserved amendments which had not before that time been disposed of.

Mr. UNDERWOOD. May I ask what amendment the Senator from New Hampshire reserved? I just want to know for information.

Mr. MOSES. It is the addition to section 526, which was put on last night, page 384, reached last night too late to have any word of debate upon it. I raised a point of order against it upon the ground that ethically, at least, it was the same amendment which had been disposed of by a disagreeing vote earlier in the consideration of the bill. I was overruled in that, and it was kept in the bill. I then reserved a separate vote on it.

Mr. UNDERWOOD. What is the subject matter?

Mr. MOSES. The subject matter is that written consent of the American holder of trade-marks must be had before any trade-marked goods can come into this country. I will say to the Senator that that vitally affects a piece of legislation in which he is greatly interested.

Mr. UNDERWOOD. The Senator means the American claims bill?

Mr. MOSES. It is absolutely vital to it.

Mr. UNDERWOOD. I have no objection to the Senator having the right to have a vote on that amendment before 2 o'clock, if that is all that stands in the way of the Senator's consent.

Mr. MOSES. I want 10 minutes on it also.

Mr. UNDERWOOD. I have no objection to that, either.

Mr. CURTIS. Mr. President, I suggest that the Senator from North Dakota modify his request, and ask that the reservation covering the administrative features, and the trade-mark amendment——

Mr. MOSES. That is in the administrative section.

Mr. CURTIS. Be taken up to-morrow morning at 11 o'clock, and be disposed of the first thing.

Mr. MOSES. I shall not object to that.

Mr. UNDERWOOD. I shall have no objection if the Senator wants to take up the administrative features, and the amendment reserved by the Senator from New Hampshire, at 11 o'clock.

Mr. MOSES. That is also in the administrative features.

Mr. UNDERWOOD. As far as I am individually concerned I will have no objection, but I do seriously object to going into those questions to-night.

Mr. MOSES. I do not want the Senator from Alabama to segregate the reserved amendments. The reservation which I have made is also in the administrative section.

Mr. UNDERWOOD. I have no objection to what the Senator wants to do, if it is done to-morrow and not to-night.

The PRESIDENT pro tempore. I think the Chair ought to say at this point that although he has had great difficulty in reaching a conclusion with respect to the proper interpretation of the unanimous-consent agreement last made, as at present advised, the Chair will hold that it is impossible to carry a bill through the regular parliamentary stages without giving an opportunity to vote upon the reserved amendments and upon any other amendments which may be offered in the Senate. The bill can not pass to a third reading and be finally voted upon without those stages being observed.

Mr. UNDERWOOD. I think the President pro tempore is clearly correct in his ruling. Of course, if you wanted to drop overboard these administrative features, I would have no objection; but I agree with the ruling of the Chair entirely that this agreement must be construed in a reasonable way, and the reasonable way is that the bill shall be considered in its entirety. So I think the Chair is right that if we do not reach the administrative feature before 4 o'clock it will have to be voted on without debate.

Mr. McCUMBER. Mr. President, if I am assured that that rule will be followed by the Senate, then I have no objection to our recessing now.

Mr. UNDERWOOD. I do not think there can be any question about it.

The PRESIDENT pro tempore. That rule will be followed by the Chair, but the Chair can not predict what the action of the Senate may be.

Mr. JONES of New Mexico. Mr. President, it is evident that there are a number of reserved amendments which Senators want to discuss at least briefly, and I think it is quite evident that unless there is some change in the unanimous-consent agreement, the time will come when we must vote without any discussion whatever, without any opportunity to explain the objects in view; and I make the suggestion that we amend the unanimous-consent agreement by limiting debate from this time forward to five minutes instead of ten. I suggest that to the Senator from North Dakota, hoping that he may make a request that from this time forward speeches shall be limited to five minutes on all motions and amendments.

The PRESIDENT pro tempore. The Chair has much more doubt in regard to the validity of a unanimous-consent agreement of that kind than the interpretation just mentioned. The rules of the Senate provide that a unanimous-consent agreement fixing a time for voting upon a bill shall not be changed without one day's notice. The Chair is not entirely clear whether that rule applies to the present unanimous-consent agreement, but he entertains some doubt upon the subject.

Mr. OVERMAN. Mr. President, since the ruling of the Chair has been announced, why should the Senator want a unanimous-consent agreement? After 4 o'clock, if we have not completed the amendments, we can vote on them.

Mr. MOSES. But there will be no chance for any word of debate.

Mr. OVERMAN. That is true.

Mr. MOSES. I do not intend to have some of these amendments go in without any word of debate whatever.

The PRESIDENT pro tempore. Under the unanimous-consent agreement, all debate will cease at 4 o'clock.

Mr. McCUMBER. With the construction of the agreement given by the Chair, I move that we take a recess until to-morrow at 11 o'clock.

Mr. MOSES. Let us see just what is the disposition of the reserved amendments—the flexible section.

Mr. SIMMONS. Let us vote on the matter now pending.

Mr. WALSH of Massachusetts. Yes. I hope we may have a vote on the pending paragraph before we take a recess. We have ended the debate upon it.

Mr. McCUMBER. I would be glad to do so, but I was informed that there are quite a number who wish to speak on it.

Mr. WALSH of Massachusetts. I am informed that there are no other Senators who wish to speak on it.

Mr. McCUMBER. Then I shall be glad to withhold the motion for a recess.

The PRESIDENT pro tempore. The question is, Will the Senate concur in the amendment of the Finance Committee in paragraph 1102?

Mr. WALSH of Massachusetts. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. HARRISON (when his name was called). I transfer my pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Oklahoma [Mr. OWEN] and vote "nay."

Mr. CURTIS (when Mr. LA FOLLETTE's name was called). I was requested to announce that the Senator from Wisconsin [Mr. LA FOLLETTE] is paired with the Senator from Michigan [Mr. TOWNSEND]. If present, the Senator from Wisconsin would vote "nay" and the Senator from Michigan would vote "yea."

Mr. McCUMBER (when his name was called). Transferring my pair as on the previous vote, I vote "yea."

Mr. POMERENE (when his name was called). I transfer my pair with my colleague [Mr. WILLIS], as heretofore announced, to the senior Senator from Texas [Mr. CULBERSON] and vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "yea."

The roll call was concluded.

Mr. EDGE. I understand that my pair, the senior Senator from Oklahoma [Mr. OWEN], if present, would vote as I propose to vote. I vote "nay."

Mr. CURTIS. I desire to announce the following general pairs:

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON];

The Senator from Illinois [Mr. McKINLEY] with the Senator from Arkansas [Mr. CARAWAY]; and

The Senator from Missouri [Mr. SPENCER] with the Senator from Georgia [Mr. HARRIS].

The result was announced—yeas 45, nays 28, as follows:

YEAS—45.

Ashurst	Ernst	McLean	Reed, Pa.
Ball	France	McNary	Sheppard
Brandegee	Frelinghuysen	Moses	Shortridge
Broussard	Gooding	New	Smoot
Bursum	Hale	Newberry	Stanfield
Cameron	Harreld	Nicholson	Sterling
Capper	Jones, N. Mex.	Norbeck	Sutherland
Colt	Jones, Wash.	Oddie	Warren
Cummins	Kendrick	Pepper	Watson, Ind.
Curtis	Keyes	Phipps	
Dillingham	Lodge	Ransdell	
du Pont	McCumber	Rawson	

NAYS—28.

Borah	Heflin	Overman	Stanley
Dial	Hitchcock	Pomerene	Swanson
Edge	Kellogg	Reed, Mo.	Trammell
Fletcher	Lenroot	Robinson	Underwood
Gerry	McCormick	Shields	Wadsworth
Glass	McKellar	Simmons	Walsh, Mass.
Harrison	Myers	Smith	Walsh, Mont.

NOT VOTING—23.

Calder	Johnson	Norris	Townsend
Caraway	King	Owen	Watson, Ga.
Culberson	Ladd	Page	Weller
Elkins	La Follette	Pittman	Williams
Fernald	McKinley	Poindexter	Willis
Harris	Nelson	Spencer	

So the amendment made as in Committee of the Whole was concurred in.

Mr. JONES of New Mexico. Mr. President, I ask unanimous consent that all speeches on any motion or amendment from this time forward shall be limited to five minutes.

Mr. MOSES. Mr. President, may I ask the Senator, in order to avoid a multiplicity of requests for unanimous consent, that he also include in the request that at the beginning of the session to-morrow the reserved amendments to the administrative sections shall be taken up?

Mr. WATSON of Indiana. I do not think the two should be coupled, because the Chair indicated that he might not hold an agreement to limit debate to five minutes in order.

Mr. MOSES. If there is any doubt about how the Chair would rule, I will ask the Senator from New Mexico to withhold his request until I proffer mine.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from New Mexico?

Mr. MOSES. Mr. President, the Senator from New Mexico and myself are trying to come to some understanding as to whether another unanimous-consent request shall be coupled with it. My present understanding is that the Senator from New Mexico withholds his request for the moment to permit me to ask unanimous consent that upon the opening of the session of the Senate to-morrow the Senate will proceed to the consideration of the reserved amendments to the administrative features of the bill.

Mr. JONES of New Mexico. The Senator refers to sections 315, 316, 317, and 317a?

Mr. MOSES. And section 526.

Mr. JONES of New Mexico. I have no objection to that.

The PRESIDENT pro tempore. Will the Senator from New Mexico state his modified request?

Mr. JONES of New Mexico. My modified request is for unanimous consent that henceforth the debate on all motions and amendments be limited to five minutes, and that upon the convening of the Senate to-morrow morning we shall proceed to the consideration of the so-called presidential power sections 315, 316, 317, 317a, and 526.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. WATSON of Indiana. The unanimous consent has been granted?

The PRESIDENT pro tempore. In response to the question of the Senator from Indiana, the Chair advises the Senate that the unanimous consent agreement has been entered into.

Mr. McCORMICK. Both as regards limitation of speeches to five minutes and——

The PRESIDENT pro tempore. Speeches are limited to five minutes, and the Senate proceeds to-morrow morning to the consideration of the sections relative to presidential powers.

ADJUSTED COMPENSATION TO WORLD-WAR VETERANS.

The PRESIDENT pro tempore laid before the Senate a telegram from Robert G. Woodside, commander in chief of the Veterans of Foreign Wars of the United States, favoring the prompt passage of the so-called soldiers' bonus bill, which was ordered to lie on the table and to be printed in the RECORD, as follows:

[Postal telegram.]

SEATTLE, WASH., *August 17, 1922.*

President pro tempore and Members United States Senate,
Washington, D. C.:

The Veterans of Foreign Wars of the United States in national encampment assembled in Seattle, Wash., comprising State commanders and delegates from every State in the Union, including our ladies' auxiliaries, representing over 5,000,000 ex-service men and their families, respectfully urge upon you the fulfillment of your resolution to take up and dispose of the veterans' adjusted compensation bill immediately after the passage of the tariff bill. This measure has been pending in Congress for over three years, and the citizens of the country are in favor of its passage by a vote of three to one whenever given opportunity to express their sentiments.

ROBERT G. WOODSIDE,
Commander in Chief.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WADSWORTH:

A bill (S. 3923) for the relief of the State of New York; to the Committee on Claims.

By Mr. HARRISON (for Mr. KING):

A bill (S. 3924) to authorize the Secretary of the Interior to extend the time for payment of construction charges on the Strawberry Valley reclamation project; to the Committee on Irrigation and Reclamation.

By Mr. SUTHERLAND:

A bill (S. 3925) granting a pension to Sarah P. Cunningham; to the Committee on Pensions.

ADDITIONAL CLERK TO MILITARY AFFAIRS COMMITTEE.

Mr. WADSWORTH submitted the following resolution (S. Res. 340), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That Senate Resolution No. 184, agreed to December 13, 1921, authorizing and directing the Senate Committee on Military Affairs to employ an additional clerk at the rate of $1,600 per annum, to be paid out of the miscellaneous items of the contingent fund of the Senate during the second session of the Sixty-seventh Congress, be, and the same is hereby, extended and continued in full force and effect until the end of the Sixty-seventh Congress.

RECESS.

Mr. McCUMBER. I move that the Senate take a recess until to-morrow morning at 11 o'clock.

Mr. JONES of New Mexico. Will the Senator make it 10.30? It has been suggested by some Senators on this side to make it 10.30.

Mr. McCUMBER. Very well; I move that the Senate take a recess until to-morrow morning at 10.30 o'clock.

The motion was agreed to, and (at 11 o'clock and 10 minutes p. m.) the Senate took a recess until to-morrow, Saturday, August 19, 1922, at 10.30 o'clock a. m.

HOUSE OF REPRESENTATIVES.

FRIDAY, *August 18, 1922.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord, the Father's care and the Father's love are still over us like the brooding sky. O may we know Thee as the true and living God. Strengthen our inner lives by reflection, faith, and discipline. Pardon our offenses and make the grace of forgiveness the sinew of our breasts. Preserve our country from all the follies that follow in the wake of greed, self-indulgence, and extravagance. Spare us and make a way of escape from the destroying illusions of the day. We beseech Thee to lead us toward those high moralities and ideals which are summed up in the character and government of Him whose cross is the symbol of His power and glory and whose life is the example for all men. In His name. Amen.

The Journal of the proceedings of yesterday was read and approved.

ORDER OF BUSINESS.

Mr. MONDELL. Mr. Speaker, I present the following resolution——

The SPEAKER. The gentleman from Wyoming presents a resolution which the Clerk will report.

Mr. MONDELL. And ask for its immediate consideration.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Friday, the 18th day of August, 1922, at 12 o'clock and 15 minutes in the afternoon, for the purpose of receiving such communication as the President shall be pleased to make to them.

Mr. HUDDLESTON. Mr. Speaker, I make the point of order that there is no quorum of the House present.

Mr. GARRETT of Tennessee. Will the gentleman from Alabama withhold that for a moment?

Mr. HUDDLESTON. I will.

Mr. GARRETT of Tennessee. Mr. Speaker, upon the 7th of August I received a message from the office of the gentleman from Wyoming stating that it was desirable that the Members be here on the 15th because of the strike situation. I do not mean to say that the message was sent by the gentleman from Wyoming, but it was sent, however, by Mr. Barrow. I immediately wired, or had wired, to the Democrats suggesting their presence. We have now had three roll calls showing a much larger number of Democrats present in proportion than there are of the majority side. I do not think that the program arranged for to-day should be interfered with, and I hope the gentleman from Alabama will withdraw his point. The RECORD shows the Democrats here in a larger proportion than the Republicans.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. GARRETT of Tennessee. Certainly I will yield.

Mr. HUDDLESTON. I would like to inquire of the majority leader, Mr. MONDELL, whether it is intended that the House shall adjourn immediately after the President's message is delivered?

Mr. MONDELL. That is our present purpose.

Mr. HUDDLESTON. Does not the gentleman feel like it would be fair, not only fair but expedient and for the public welfare, that Members should have some opportunity to express themselves upon the important matters expected to be dealt with by the President's message? Or are we coming here to sit like a lot of dummies, hear the President's message, then disband and go home?

Mr. PARKS of Arkansas. That is what we have been doing.

Mr. HUDDLESTON. I am not willing to continue to do that.

Mr. MONDELL. I have no manner of doubt but what gentlemen will have in due time opportunity to express themselves in regard to the President's message, but I think we have never had discussion of the President's message at the time it is delivered.

Mr. HUDDLESTON. Will the gentleman from Wyoming tell us what the program for to-day is?

Mr. MONDELL. Well, the present program is to adjourn for to-day.

Mr. HUDDLESTON. What will we do to-morrow?

Mr. MONDELL. That has not been fully determined upon, but my present thought is that we shall have a session to-morrow.

Mr. HUDDLESTON. Will the gentleman from Wyoming tell us what that session will be devoted to?

Mr. MONDELL. I could not tell the gentleman at this time, but I do not expect that important business will be transacted. The gentleman will in time have ample opportunity to express himself upon the subject of the President's message.

Mr. HUDDLESTON. It has been stated that it is the purpose of the gentleman from Wyoming, and those whom he leads, to adjourn the House from day to day and to hold sessions merely for the purpose of considering conference reports and matters which may come up in that connection. It occurs to me that it is stultifying the House to follow any such procedure in a national crisis such as the present, and I for one am not willing to do so.

Mr. MONDELL. There is no arrangement, understanding, or agreement to that effect at all.

Mr. HUDDLESTON. If the gentleman merely wishes to marshal the House without the presence of a quorum for the purpose of hearing the President's address, I think the Members should be here for other purposes also. I am strongly inclined to insist—although I regret very greatly to run counter to the wishes of the minority leader—my inclination is very strongly to insist that if the House is worth being here at all, a quorum should be here and hear the President. It is not merely for the purpose of giving him a forum in which to speak to the newspapers that we assemble here. Without a quorum the House is not here, and if we have not a quorum, why should we hear the President or anybody else? I hope that our leader, the gentleman from Tennessee [Mr. GARRETT], will not insist upon my withdrawing the point of order. If he does insist, then I shall withdraw it, but not otherwise.

Mr. MONDELL. I think the gentleman will embarrass his side more than this side by pursuing that policy.

Mr. GARRETT of Tennessee. Mr. Speaker, if the gentleman will permit, that sort of talk does not help.

Mr. MONDELL. Whether or no it helps, it is true.

Mr. GARRETT of Tennessee. We have here more minority Members, as demonstrated on three roll calls, than there are majority Members.

Mr. MONDELL. Mr. Speaker, that is not the fact.

Mr. GARRETT of Tennessee. Well, I mean in proportion.

Mr. MONDELL. The roll calls will not bear out such an assertion.

Mr. HUDDLESTON. The issues about to be discussed before the House by the President are not partisan matters. They relate to the public welfare. The question is, Shall the House perform its functions or not? That is the proposition.

Mr. GARRETT of Tennessee. Mr. Speaker, as I recall the roll-call showing, it was 65 Democrats and 131 Republicans on the first day.

Mr. MONDELL. Well, the gentleman from Tennessee said "a greater number."

Mr. GARRETT of Tennessee. Well, I said "in proportion to the membership" on a side. I hope the gentleman from Alabama will withdraw the point.

Mr. HUDDLESTON. Mr. Speaker, may I say that solely out of deference to the gentleman from Tennessee [Mr. GARRETT] I will withdraw the point? I do not do so in pursuance of my own judgment or for what I regard as the public welfare. I merely defer to him as our accredited leader.

The SPEAKER. The question is on agreeing to the resolution submitted by the gentleman from Wyoming.

The question was taken, and the resolution was agreed to.

MESSAGE FROM THE SENATE.

A message from the Senate by Mr. Craven, its Chief Clerk, announced that the Senate had passed the following resolution:

Senate Resolution 338.

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. LEMUEL P. PADGETT, late a Representative from the State of Tennessee.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased, the Senate do now take a recess until 10 o'clock to-morrow morning.

The message also announced that the Senate had passed without amendment House resolution of the following title:

House Concurrent Resolution 64.

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Friday, the 18th day of August, 1922, at 12.15 o'clock in the afternoon, for the purpose of receiving such communication as the President of the United States shall be pleased to make to them.

ENROLLED BILLS SIGNED.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills and joint resolutions of the following titles, when the Speaker signed the same:

H. R. 9814. An act amending the proviso of the act approved August 24, 1912, with reference to educational leave to employees of the Indian Service;

H. R. 7598. An act authorizing the Secretary of the Interior to dedicate and set apart as a national monument certain lands in Riverside County, Calif.;

H. R. 9048. An act to authorize the California Débris Commission to reimburse the city of Sacramento, Calif., for money expended by said city in the construction of the Sacramento weir;

H. R. 10957. An act to rebuild the school building of the Indian school near Tomah, Wis.;

H. R. 11233. An act authorizing the Secretary of Commerce to convey certain lands to the county of Muscatine, Iowa;

H. J. Res. 316. Joint resolution authorizing the reappointment of Frederick Mears as a commissioned officer of the Regular Army and making him available, when so reappointed, for service as chairman and chief engineer of the Alaskan Engineering Commission;

H. R. 9257. An act to permit adjustment of conflicting claims to certain lands in Mohave County, Ariz.;

H. R. 8845. An act for the relief of Mattie Alexander;

H. R. 7812. An act to extend the time for cutting timber in the Coconino and Tusayan National Forests, Ariz.;

H. R. 314. An act for the relief of Forrest R. Black;

H. R. 6817. An act to authorize the Secretary of the Interior to issue patent to the State of Michigan, in trust, of a certain described tract of land to be used as a game refuge;

H. R. 9746. An act for the relief of Emmett Otto Cooney;

H. R. 10517. An act providing for the confirmation of title of certain purchasers from the State of Louisiana of lands formerly included in the Fort Sabine Military Reservation in Cameron Parish, La., now abandoned;

H. R. 11054. An act to validate certain deeds executed by members of the Five Civilized Tribes, and for other purposes;

H. J. Res. 170. Joint resolution to approve the holding of a national and international exhibition in the city of Philadelphia in 1926 upon the Fairmount Park and parkway site selected by the Sesquicentennial Exhibition Association, and lands contiguous thereto that may be acquired for that purpose, as an appropriate celebration of the one hundred and fiftieth anniversary of the signing of the Declaration of Independence; and

H. R. 8244. An act permitting Frances Mack Mann to purchase certain public lands.

LEAVE OF ABSENCE.

Mr. WISE, by unanimous consent, was granted leave of absence, for two weeks, on account of important business.

RECESS.

The SPEAKER. The first three rows of seats will please be reserved for Members of the Senate and the Cabinet.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that the House stand in recess, subject to the call of the Chair.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that the House stand in recess subject to the call of the Chair. Is there objection?

There was no objection.

Accordingly (at 12 o'clock and 15 minutes p. m.) the House stood in recess, subject to the call of the Chair.

The recess having expired, the House (at 12 o'clock and 18 minutes p. m.) resumed its session.

JOINT SESSION OF SENATE AND HOUSE.

At 12 o'clock and 19 minutes p. m. the members of the President's Cabinet entered the Hall and took seats at the left of the Speaker's rostrum.

At 12 o'clock and 20 minutes p. m. the Doorkeeper announced the President pro tempore of the Senate and the Members of the Senate.

The Members of the House rose.

The Senate, preceded by their President pro tempore and by their Secretary and Sergeant at Arms, entered the Chamber.

The PRESIDENT pro tempore of the Senate took the Chair at the right of the Speaker and the Members of the Senate took the seats reserved for them.

The SPEAKER. The Chair appoints as a committee on the part of the House to wait upon the President and escort him to the Chamber the gentleman from Wyoming [Mr. MONDELL], the gentleman from Kansas [Mr. CAMPBELL], the gentleman from Minnesota [Mr. DAVIS], the gentleman from Tennessee [Mr. GARRETT], and the gentleman from Texas [Mr. GARNER].

The PRESIDENT pro tempore of the Senate. On behalf of the Senate the Chair appoints the Senator from Massachusetts [Mr. LODGE], the Senator from North Dakota [Mr. MCCUMBER], the Senator from Utah [Mr. SMOOT], the Senator from Alabama [Mr. UNDERWOOD], and the Senator from Arkansas [Mr. ROBINSON].

At 12 o'clock and 23 minutes p. m. the President of the United States, escorted by the committee of Senators and Representatives, entered the Hall of the House, was announced by the Doorkeeper, and stood at the Clerk's desk amid applause on the floor and in the galleries.

The SPEAKER. Gentlemen of the Senate and of the House of Representatives, the President of the United States. [Applause.]

ADDRESS OF THE PRESIDENT.

The PRESIDENT. Gentlemen of the Congress, it is manifestly my duty to bring to your attention the industrial situation which confronts the country. The situation growing out of the prevailing railway and coal-mining strikes is so serious, so menacing to the Nation's welfare, that I should be remiss if I failed frankly to lay the matter before you and at the same time acquaint you and the whole people with such efforts as the executive branch of the Government has made by the voluntary exercise of its good offices to effect a settlement.

The suspension of the coal industry dates back to last April 1, when the working agreement between mine operators and the United Mine Workers came to an end. Anticipating that expiration of contract, which was negotiated with the Government's sanction in 1920, the present administration sought, as early as last October, conferences between the operators and miners in order to facilitate either a new or extended agreement in order to avoid any suspension of production when April 1 arrived. At that time the mine workers declined to confer, though the operators were agreeable, the mine workers excusing their declination on the ground that the union officials could have no authority to negotiate until after their annual convention.

A short time prior to the expiration of the working agreement the mine workers invited a conference with the operators in the central competitive field, covering the States of Pennsylvania, Ohio, Indiana, and Illinois, and in spite of the union declination of the Government's informal suggestion for the conference five months before, the Government, informally but sincerely, commended the conference, but it was declined by certain groups of operators, and the coal-mining controversy ended in the strike of April 1. It was instantly made nation-wide, so far as the organized mine workers could control, and included many districts in the bituminous field where there was neither grievance nor dispute, and effected a complete tie-up of the production in the anthracite field.

It is to be noted that when the suspension began large stocks of coal were on hand, mined at wages higher than those paid during the war; there was only the buying impelled by necessity, and there was a belief that coal must yield to the post-war readjustment. When the stocks on hand began to reach such diminution as to menace industry and hinder transportation, approximately June 1, overtures were initiated by the Government in the hope of expediting settlement. None of these availed. Individual and district tenders of settlement on the part of operators—in some instances appeals for settlement—were wholly unavailing. The dominant groups among the operators were insistent on having district agreements; the dominant mine workers were demanding a nation-wide settlement. The Government being without authority to enforce a strike settlement in the coal industry, could only volunteer its good offices in finding a way of adjustment.

Accordingly a conference of the coal operators' associations and the general and district officials of the United Mine Workers was called, to meet in Washington on July 1. The designation of representation was left to the officials of the various organizations, and there was nation-wide representation, except from the nonunion fields of the country. Before the joint meeting I expressed the deep concern of the country and invited them to meet at a conference table and end the disputes between them. The conference did not develop even a hope. The operators were asking for their district or territorial conferences; the workers demanded national settlement on old bases. Appraising correctly the hopelessness of the situation, I again invited both operators and workers to meet with me and tendered a means of settlement so justly inspired that it was difficult to see how anyone believing in industrial peace and justice to all concerned could decline it. In substance, it called on the operators to open their mines, on the mine workers to resume work at the same pay and under the same working conditions as prevailed at the time the strike began. In turn, the Government was to create at once a coal commission, or two of them if preferred by all parties to the dispute, so that one could deal with the bituminous situation, the other with the problems in the anthracite field.

Among the commissioners were to be representatives of the operators, representatives of the mine workers, and outstanding, disinterested, and able representatives of the American public. The commission was to be instructed to direct its first inquiry to the rate of wage to be paid for the period ending next April 1, and then to enter upon a fact-finding inquiry into every phase of the industry, and point the way to avoid future suspensions in production. The disputants all indorsed the suggestion of a fact-finding commission. The anthracite operators promptly accepted the entire proposal. The mine workers refused to resume work under the arbitration plan. The majority of the bituminous operators filed an acceptance, but a considerable minority declined the proposal.

Under these circumstances, having no authority to demand compliance, the Government had no other course than to invite a resumption of production under the rights of all parties to the controversy; with assurance of Government protection of each and every one in his lawful pursuits. This fact was communicated to the governors of all coal-producing States, and with two exceptions assurances of maintained law and order were promptly given. In some instances concrete proof of effective readiness to protect all men, strikers and nonstriking workmen alike, was promptly given. But little or no new production followed. The simple but significant truth was revealed that, except for such coal as comes from the districts worked by nonorganized miners, the country is at the mercy of the United Mine Workers.

Governors in various States reported that their operators and miners had no dispute and were eager to resume production. District leaders informed me that their workmen were anxious to return to their jobs but that they were not permitted to do so. Hundreds of wives of workmen have addressed the White House, beseeching a settlement, alleging that they knew no grievance, and there is an unending story of appeals for relief where necessity or suffering were impelling, where a mere expression of need ought to find ready compliance.

At every stage the Government has been a just neutral regarding wage scales and working contracts. There are fundamental evils in our present system of producing and distribution which make the wage problem difficult. In the bituminous coal fields are vastly more mines than are requisite to the country's needs and there are 200,000 more mine workers than are needed to produce in continuous employment the country's normal requirements. By continuous employment I mean approximately 280 working days in the year. In many instances last year men were employed less than 150 days, in some cases much fewer than that. In the overmanned sections men divide the working time, and high wages are necessary to meet the cost of the barest living. Interrupted transportation, sorely broken employment, the failure to develop storage against enlarged demands, and inadequate carrying—all these present problems bearing on righteous wage adjustment and demand constructive solution.

Because of these things, because of the impressions of many cases of unjustifiable profits in the industry, and because public interest demands investigation, and demands the finding of facts be given to the public, I am asking at your hands the authority to create a commission to make a searching investigation into the whole coal industry, with provision for its lawful activities and the bestowal of authority to reveal every phase of coal production, sale, and distribution. I am speaking now on behalf of mine workers, mine operators, and the American public. It will bring protection to all and point the way to continuity of production and the better economic functioning of the industry in the future.

The necessity for such a searching national investigation with constructive recommendation is imperative. At the moment the coal skies are clearing, but unless we find a cure for the economic ills which affect the industry, and therein find a basis for righteous relationship, we shall be faced with a like menacing situation on next April 1, on the expiration of the wage contracts which are now being made.

The need for such investigation and independent consideration is revealed by both operators and mine workers in the provision in the Cleveland agreement so recently made. The Government will gladly cooperate with the industry in this program so far as it is the public interest so to do, but I have an unalterable conviction that no lasting satisfaction or worth-while results will ensue unless we may have a Government commission, independent of the industry, clothed with authority by the Congress to search deeply, so that it may advise as to fair wages and as to conditions of labor, and recommend the enactment of laws to protect the public in the future. [Applause.]

The almost total exhaustion of stocks of coal, the crippled condition of the railways, the distressed situation that has arisen and might grow worse in our great cities due to the shortage of anthracite, the suffering which might arise in the Northwest through failure to meet winter needs by lake transportation, all these added to the possibility of outrageous price demands, in spite of the most zealous voluntary efforts of the Government to restrain them, make it necessary to ask you to consider at once some form of temporary control of distribution and prices.

The administration earnestly has sought to restrain profiteering and to secure the rightful distribution of such coal as has been available in this emergency. There were no legal powers for price control. There has been cordial cooperation in many fields, a fine revelation of business conscience stronger than the temptation to profit by a people's misfortune. There have been instances of flat refusal. I rejoice to make grateful acknowledgment to those who preferred to contribute to national welfare rather than profit by a Nation's distress.

If it may have your approval, I recommend immediate provision for a temporary national coal agency, with needed capital, to purchase, sell, and distribute coal which is carried in interstate shipment. I do not mean that all interstate coal shall be handled by such a Federal organization; perhaps none will be necessary; but it will restore its capital to the Public Treasury and will be the instrumentality of guarding the public interest where private conscience is insensible to a public need.

This proposal does not relate to any possible employment in intrastate shipments. Price restraint and equitable distribution in intrastate shipments is a responsibility of the State's own government. In such voluntary activities as have been carried on thus far the Federal Government has endeavored to reestablish the authority and responsibility in the States which was undermined in the necessary centralization of authority during the World War.

The public menace in the coal situation was made more acute and more serious at the beginning of July by the strike of the Federated Shop Crafts in the railroad service—a strike against a wage decision made by the Railroad Labor Board, directly affecting approximately 400,000 men. The justice of the decision is not for discussion here. The decision has been lost sight of in subsequent developments. In any event, it was always possible to appeal for rehearing and the submission of new evidence, and it is always a safe assumption that a Government agency of adjustment deciding unjustly will be quick to make right any wrong.

The Railroad Labor Board was created by Congress for the express purpose of hearing and deciding disputes between the carriers and their employees, so that no controversy need lead to an interruption in interstate transportation.

It was inevitable that many wage disputes should arise. Wages had mounted upward, necessarily and justly, during the war upheaval, likewise the cost of transportation, so that the higher wages might be paid. It was inevitable that some readjustments should follow. Naturally, these readjustments were resisted. The administrative Government neither advocated nor opposed. It only held that the Labor Board was the lawful agency of the Government to hear and decide disputes, and its authority must be sustained, as the law contemplates. [Applause.] This must be so, whether the carriers or the employees ignore its decisions.

Unhappily a number of decisions of this board had been ignored by the carriers. In only one instance, however, had a decision, challenged by a carrier, been brought to the attention of the Department of Justice, and this decision was promptly carried to the courts and has recently been sustained in the Federal Court of Appeals. The public or the Executive had no knowledge of the ignored decisions in other cases, because they did not hinder transportation. When these failures of many of the carriers to abide by decisions of the board were brought to my attention, I could more fairly appraise the feelings of the strikers, though they had a remedy without seeking to paralyze interstate commerce.

The law creating the Railroad Labor Board is inadequate. Contrary to popular impression, it has little or no power to enforce its decisions. It can impose no penalties on either party disregarding its decisions. It can not halt a strike, and manifestly Congress deliberately omitted the enactment of compulsory arbitration. The decisions of the board must be made enforceable and effective against carriers and employees alike. But the law is new, and no perfection of it by Congress at this moment could be helpful in the present threatened paralysis of transportation.

Happily it is always lawful and ofttimes possible to settle disputes outside of court, so, in a desire to serve public welfare, I ventured upon an attempt at mediation. Those who had pre-

ceded me in attempted settlements had made some progress. I submitted to the officials of the striking employees and the chairman of the Association of Railway Executives in writing on the same day, a tentative proposal for settlement. Knowing that some of the carriers had offended by ignoring the decisions of the board and the employees had struck when they had a remedy without the strike, I felt it was best to start all over again, resume work, all to agree to abide faithfully by the board's decisions, make it a real tribunal of peace in transportation, and everybody serve the public. The barrier to be surmounted was the question of seniority. By the workmen these rights are held to be sacred, and unsurrendered by a strike. By the carriers the preservation of seniority is the weapon of discipline on the one hand and the reward of faithful employees on the other. It has been an almost invariable rule that when strikes have been lost seniority and its advantages have been surrendered; when strikes have been settled seniority has been restored.

In the tentative proposal which I sponsored it was provided that everybody should go to work, with seniority rights unimpaired, that there should be no discrimination by either workmen or carriers against workmen who did or did not strike. I realized that the proposal must carry a disappointment to employees who had inherited promotion by staying loyally on the job, and to such new men as had sought jobs looking to permanent employment, but I wanted the fresh start and maintained transportation service, and I appraised the disappointment of the few to be less important than the impending misfortune to the Nation. It was not what I would ask ordinarily to be considered or conceded, but at that moment of deep anxiety, with the coal shortage gravely menacing, I was thinking of the pressing demands of the welfare of the whole people. I believed the sacrifice brought to the men involved could be amply compensated for by the carriers in practical ways. I believed that the matter of transcendent importance was the acceptance of the proposal to respect the Labor Board's decisions on the questions which formed the issue at the time of the strike. The public compensation would be complete in guarding by law against recurrence.

The proposal was rejected by the carriers. Though the rejection did not end all negotiation, it left the Government only one course—to call the striking workmen to return to work, to call the carriers to assign them to work, and leave the dispute about seniority to the Labor Board for decision. When negotiation or mediation fails, this is the course contemplated by the law and the Government can have no chart for its course except the law. [Applause.]

To this call a majority of the carriers responded favorably, proposing to reemploy all strikers except those guilty of violence against workmen or property, to restore the striking workmen to their old positions where vacant, or to like positions where vacancies are filled; questions of seniority which can not be settled between the employer and employees to go to the Labor Board for decision. The minority of the carriers proposed to assign jobs to workmen on strike only where the positions were vacant. Neither proposal has been accepted.

Thus the narrative brings us to the present moment, but it has not included the developments which have heightened the Government's concern. Sympathetic strikes have developed here and there, seriously impairing interstate commerce. Deserted transcontinental trains in the desert regions of the Southwest have revealed the cruelty and contempt for law on the part of some railway employees, who have conspired to paralyze transportation, and lawlessness and violence in a hundred places have revealed the failure of the striking unions to hold their forces to law observance. Men who refused to strike and who have braved insult and assault and risked their lives to serve a public need have been cruelly attacked and wounded or killed. Men seeking work and guards attempting to protect lives and property, even officers of the Federal Government, have been assaulted, humiliated, and hindered in their duties. Strikers have armed themselves and gathered in mobs about railroad shops to offer armed violence to any man attempting to go to work. There is a state of lawlessness shocking to every conception of American law and order and violating the cherished guaranties of American freedom. At no time has the Federal Government been unready or unwilling to give its support to maintain law and order and restrain violence, but in no case has State authority confessed its inability to cope with the situation and asked for Federal assistance.

Under these conditions of hindrance and intimidation there has been such a lack of care of motive power that the deterioration of locomotives and the noncompliance with the safety requirements of the law are threatening the breakdown of transportation. This very serious menace is magnified by the millions of losses to fruit growers and other producers of perishable foodstuffs, and comparable losses to farmers who depend on transportation to market their grains at harvest time. Even worse, it is hindering the transport of available coal when industry is on the verge of paralysis because of coal shortage, and life and health are menaced by coal famine in the great centers of population. Surely the threatening conditions must impress the Congress and the country that no body of men, whether limited in numbers and responsible for railway management or powerful in numbers and the necessary forces in railroad operation, shall be permitted to choose a course which so imperils public welfare. [Applause.] Neither organizations of employers nor workingmen's unions may escape responsibility. When related to a public service the mere fact of organization magnifies that responsibility and public interest transcends that of either grouped capital or organized labor. [Applause.]

Another development is so significant that the hardships of the moment may well be endured to rivet popular attention to necessary settlement. It is fundamental to all freedom that all men have unquestioned rights to lawful pursuits, to work and to live and choose their own lawful ways to happiness. In these strikes these rights have been denied by assault and violence, and by armed lawlessness. In many communities the municipal authorities have winked at these violations, until liberty is a mockery and the law a matter of community contempt. It is fair to say that the great mass of organized workmen do not approve, but they seem helpless to hinder. These conditions can not remain in free America. [Applause.] If free men can not toil according to their own lawful choosing, all our constitutional guaranties born of democracy are surrendered to mobocracy and the freedom of a hundred millions is surrendered to the small minority which would have no law.

It is not my thought to ask Congress to deal with these fundamental problems at this time. No hasty action would contribute to the solution of the present critical situation. There is existing law by which to settle the prevailing disputes. There are statutes forbidding conspiracy to hinder interstate commerce. There are laws to assure the highest possible safety in railway service. It is my purpose to invoke these laws, civil and criminal, against all offenders alike. [Applause.]

The legal safeguarding against like menaces in the future must be worked out when no passion sways, when no prejudice influences, when the whole problem may be appraised, and the public welfare may be asserted against any and every interest which assumes authority beyond that of the Government itself.

One specific thing I must ask at your hands at the earliest possible moment. There is pending a bill to provide for the better protection of aliens and for the enforcement of their treaty rights. It is a measure, in short, to create a jurisdiction for the Federal courts through which the National Government will have appropriate power to protect aliens in the rights secured to them under treaties and to deal with crimes which affect our foreign relations.

The matter has been before Congress on many previous occasions. President Tyler, in his first annual message, advised Congress that inasmuch as "the Government is charged with the maintenance of peace and the preservation of amicable relations with the nations of the earth, it ought to possess without question all the reasonable and proper means of maintaining the one and preserving the other."

President Harrison asked for the same bestowal of jurisdiction, having encountered deep embarrassment which grew out of the lynching of 11 aliens in New Orleans in 1891. President McKinley, dealing with a like problem in 1899, asked the conferring upon Federal courts jurisdiction in that class of international cases where the ultimate responsibility of the Federal Government may be involved. President Roosevelt uttered a like request to Congress in 1906, and President Taft pointed out the defect in the present Federal jurisdiction when he made his inaugural address in 1909. He declared that "it puts our Government in a pusillanimous position to make definite engagement to protect aliens and then to excuse the failure to perform these engagements by an explanation that the duty to keep them is in States or cities not within our control. If we would promise, we must put ourselves in a position to perform our promise. We can not permit the possible failure of justice, due to local prejudice in any State or municipal government, to expose us to the risk of war which might be avoided if Federal jurisdiction were asserted by suitable legislation by Congrgess."

My renewal of this oft-made recommendation is impelled by a pitiable sense of Federal impotence to deal with the shocking crime at Herrin, Ill., which so recently shamed and horrified the country. [Applause.] In that butchery of human beings, wrought in madness, it is alleged that two aliens were murdered. This act adds to the outraged sense of American justice the humiliation which lies in the Federal Government's confessed lack of authority to punish that unutterable crime.

Had it happened in any other land than our own, and the wrath of righteous justice were not effectively expressed, we should have pitied the civilization that would tolerate and sorrow for the government unwilling or unable to mete out just punishment.

I have felt the deep current of popular resentment that the Federal Government has not sought to efface this blot from our national shield; that the Federal Government has been tolerant of the mockery of local inquiry and the failure of justice in Illinois. It is the regrettable truth that the Federal Government can not act under the law. But the bestowal of the jurisdiction necessary to enable Federal courts to act appropriately will open the way to punish barbarity and butchery at Herrin or elsewhere, no matter in whose name or for what purpose the insufferable outrage is committed. [Applause.]

It is deplorable that there are or can be American communities where even there are citizens, not to speak of public officials, who believe mob warfare is admissible to cure any situation. It is terrorizing to know that such madness may be directed against men merely for choosing to accept lawful employment. I wish the Federal Government to be able to put an end to such crimes against civilization and punish those who sanction them. [Applause.]

In the weeks of patient conference and attempts at settlement I have come to appraise another element in the engrossing industrial dispute of which it is only fair to take cognizance. It is in some degree responsible for the strikes and has hindered attempts at adjustment. I refer to the warfare on the unions of labor. The Government has no sympathy or approval for this element of discord in the ranks of industry. [Applause.] Any legislation in the future must be as free from this element of trouble making as it is from labor extremists who strive for class domination. We recognize these organizations in the law, and we must accredit them with incalculable contribution to labor's uplift. It is of public interest to preserve them and profit by the good that is in them, but we must check the abuses and the excesses which conflict with public interest, precisely as we have been progressively legislating to prevent capitalistic, corporate, or managerial domination which is contrary to public welfare. [Applause.] We also recognize the right of employers and employees alike, within the law, to establish their methods of conducting business, to choose their employment, and to determine their relations with each other. We must reassert the doctrine that in this Republic the first obligation and the first allegiance of every citizen, high or low, is to his Government, and to hold that Government to be the just and unchallenged sponsor for public welfare, and the liberty, security, and rights of all its citizens. No matter what clouds may gather, no matter what storms may ensue, no matter what hardships may attend or what sacrifices may be necessary, government by law must and will be sustained. [Applause.]

Wherefore I am resolved to use all the power of the Government to maintain transportation and sustain the right of men to work. [Applause, the Members rising.]

At 1 o'clock and 2 minutes p. m. the President and the members of his Cabinet retired from the Hall of the House.

Whereupon the President pro tempore and the Members of the Senate returned to their Chamber.

The SPEAKER. The joint session of the two Houses is now adjourned.

ADJOURNMENT.

At 1 o'clock and 5 minutes p. m. the House resumed its session.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

Mr. GARRETT of Tennessee. Will the gentleman withhold that motion for a moment?

Mr. MONDELL. I will.

Mr. GARRETT of Tennessee. Mr. Speaker, will it be agreeable to the gentleman to allow half an hour of debate at this time?

Mr. MONDELL. I think not now, Mr. Speaker. I think it is not usual to have debate immediately following the presentation of a message from the President. I think I shall have to insist upon my motion at this time.

The SPEAKER. The gentleman from Wyoming moves that the House do now adjourn.

Mr. GARRETT of Tennessee. Mr. Speaker, on that motion I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 131, nays 65, not voting 231, as follows:

YEAS—131.

Anderson	Dunbar	Kendall	Robsion
Andrews, Nebr.	Dyer	Ketcham	Rodenberg
Ansorge	Echols	Kissel	Rose
Appleby	Edmonds	Kline, N. Y.	Rossdale
Bird	Ellis	Kreider	Sanders, Ind.
Blakeney	Fairfield	Lampert	Scott, Tenn.
Bond	Faust	Lawrence	Shreve
Brennan	Fenn	Lea, Calif.	Sinnott
Brooks, Ill.	Fess	Leatherwood	Smith, Idaho
Burke	Fitzgerald	Longworth	Smith, Mich.
Butler	Focht	McKenzie	Snell
Cable	Foster	McLaughlin, Mich.	Snyder
Campbell, Pa.	Free	McPherson	Speaks
Cannon	French	MacGregor	Sproul
Chalmers	Fuller	Maloney	Stafford
Chandler, N. Y.	Gorman	Mann	Stephens
Chandler, Okla.	Green, Iowa	Mapes	Strong, Kans.
Chindblom	Greene, Mass.	Michaelson	Strong, Pa.
Clague	Greene, Vt.	Michener	Taylor, Tenn.
Clarke, N. Y.	Hadley	Millspaugh	Thomas
Cole, Iowa	Hawley	Mondell	Tincher
Cole, Ohio	Hays	Moore, Ohio	Tinkham
Colton	Henry	Moores, Ind.	Towner
Cooper, Ohio.	Hersey	Morgan	Treadway
Cooper, Wis.	Hill	Mudd	Valle
Crago	Himes	Murphy	Vestal
Curry	Hoch	Paige	Volstead
Dale	Hull	Parker, N. J.	Walters
Dallinger	Ireland	Petersen	Watson
Darrow	Jefferis, Nebr.	Reece	Woodyard
Davis, Minn.	Johnson, S. Dak.	Reed, W. Va.	Wurzbach
Denison	Johnson, Wash.	Rhodes	Zihlman
Dowell	Kelly, Pa.	Ricketts	

NAYS—65.

Almon	Garrett, Tenn.	Lazaro	Smithwick
Bland, Va.	Garrett, Tex.	Lowrey	Steagall
Bowling	Gilbert	Lyon	Stevenson
Box	Griffin	McClintic	Sumners, Tex.
Briggs	Hammer	McDuffie	Taylor, Colo.
Buchanan	Hardy, Tex.	McSwain	Tillman
Bulwinkle	Harrison	Mansfield	Tucker
Byrnes, S. C.	Huddleston	Moore, Va.	Upshaw
Byrns, Tenn.	Hudspeth	O'Connor	Ward, N. C.
Cantrill	Humphreys	Overstreet	Weaver
Crisp	James	Parks, Ark.	Williams, Tex.
Davis, Tenn.	Jeffers, Ala.	Pou	Wilson
Doughton	Jones, Tex.	Quin	Wingo
Drane	Kincheloe	Rankin	Wright
Driver	Lanham	Rouse	
Favrot	Lankford	Sanders, Tex.	
Garner	Larsen, Ga.	Sandlin	

NOT VOTING—231.

Ackerman	Coughlin	Hutchinson	Miller
Andrew, Mass.	Cramton	Jacoway	Mills
Anthony	Crowther	Johnson, Ky.	Montague
Arentz	Cullen	Johnson, Miss.	Montoya
Aswell	Deal	Jones, Pa.	Moore, Ill.
Atkeson	Dempsey	Kahn	Morin
Bacharach	Dickinson	Kearns	Mott
Bankhead	Dominick	Keller	Nelson, A. P.
Barbour	Drewry	Kelley, Mich.	Nelson, J. M.
Barkley	Dunn	Kennedy	Nelson, Me.
Beck	Dupré	Kiess	Newton, Minn.
Beedy	Elliott	Kindred	Newton, Mo.
Begg	Evans	King	Nolan
Bell	Fairchild	Kirkpatrick	Norton
Benham	Fields	Kitchin	O'Brien
Bixler	Fish	Kleczka	Ogden
Black	Fisher	Kline, Pa.	Oldfield
Bland, Ind.	Fordney	Knight	Oliver
Blanton	Frear	Knutson	Olpp
Boies	Freeman	Kopp	Osborne
Bowers	Frothingham	Kraus	Park, Ga.
Brand	Fulmer	Kunz	Parker, N. Y.
Britten	Funk	Langley	Patterson, Mo.
Brooks, Pa.	Gahn	Larson, Minn.	Patterson, N. J.
Brown, Tenn.	Gallivan	Layton	Perkins
Browne, Wis.	Gensman	Lee, Ga.	Perlman
Burdick	Gernerd	Lee, N. Y.	Porter
Burroughs	Glynn	Lehlbach	Pringey
Burtness	Goldsborough	Lineberger	Purnell
Burton	Goodykoontz	Linthicum	Radcliffe
Campbell, Kans.	Gould	Little	Rainey, Ala.
Carew	Graham, Ill.	Logan	Rainey, Ill.
Carter	Graham, Pa.	London	Raker
Christopherson	Griest	Luce	Ramseyer
Clark, Fla.	Hardy, Colo.	Luhring	Ransley
Classon	Haugen	McArthur	Rayburn
Clouse	Hawes	McCormick	Reber
Cockran	Hayden	McFadden	Reed, N. Y.
Codd	Herrick	McLaughlin, Nebr.	Riddick
Collier	Hickey	McLaughlin, Pa.	Riordan
Collins	Hicks	Madden	Roach
Connally, Tex.	Hogan	Magee	Robertson
Connell	Hooker	Martin	Rogers
Connolly, Pa.	Hukriede	Mead	Rosenbloom
Copley	Husted	Merritt	Rucker

Ryan	Steenerson	Thompson	White, Kans.
Sabath	Stiness	Tilson	White, Me.
Sanders, N. Y.	Stoll	Timberlake	Williams, Ill.
Schall	Sullivan	Tyson	Williamson
Scott, Mich.	Summers, Wash.	Underhill	Winslow
Sears	Swank	Vare	Wise
Shaw	Sweet	Vinson	Wood, Ind.
Shelton	Swing	Voigt	Woodruff
Siegel	Tague	Volk	Woods, Va.
Sinclair	Taylor, Ark.	Ward, N. Y.	Wyant
Sisson	Taylor, N. J.	Wason	Yates
Slemp	Temple	Webster	Young
Stedman	Ten Eyck	Wheeler	

So the motion to adjourn was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Burton (for) with Mr. Oldfield (against).

Mr. Wood of Indiana (for) with Mr. Sisson (against).

Mr. Crowther (for) with Mr. Kitchin (against).

Mr. Nolan (for) with Mr. Riordan (against).

Mr. Dickinson (for) with Mr. Linthicum (against).

Mr. Schall (for) with Mr. Jacoway (against).

Mr. Olpp (for) with Mr. Aswell (against).

Mr. Reed of New York (for) with Mr. Hooker (against).

Mr. Davis of Minnesota (for) with Mr. Sears (against).

Mr. White of Kansas (for) with Mr. Bankhead (against).

Mr. Newton of Minnesota (for) with Mr. Johnson of Kentucky (against).

Mr. Taylor of New Jersey (for) with Mr. Steadman (against).

Mr. Begg (for) with Mr. Barkley (against).

Mr. Newton of Missouri (for) with Mr. Clark of Florida (against).

Mr. Hukriede (for) with Mr. Lee of Georgia (against).

Mr. A. P. Nelson (for) with Mr. Ten Eyck (against).

Mr. Evans (for) with Mr. Connally of Texas (against).

Mr. Brown of Tennessee (for) with Mr. Mead (against).

Mr. Frear (for) with Mr. Fields (against).

Mr. Patterson of New Jersey (for) with Mr. Gallivan (against).

Mr. Goodykoontz (for) with Mr. Rayburn (against).

Mr. Burtness (for) with Mr. Hayden (against).

Mr. Keller (for) with Mr. Sabath (against).

Mr. Perkins (for) with Mr. Cockran (against).

Mr. Kiess (for) with Mr. London (against).

Mr. Radcliffe (for) with Mr. Vinson (against).

Mr. Luce (for) with Mr. Cullen (against).

Mr. Knutson (for) with Mr. Montague (against).

Mr. Brooks of Pennsylvania (for) with Mr. O'Brien (against).

Mr. Layton (for) with Mr. Deal (against).

Mr. McFadden (for) with Mr. Dupré (against).

Mr. Kahn (for) with Mr. Dupré (against).

Mr. Connolly of Pennsylvania (for) with Mr. Bell (against).

Mr. Christopherson (for) with Mr. Johnson of Mississippi (against).

Mr. Kennedy (for) with Mr. Stoll (against).

Mr. Lee of New York (for) with Mr. Carew (against).

Mr. Coughlin (for) with Mr. Taylor of Arkansas (against).

Mr. Graham of Pennsylvania (for) with Mr. Collier (against).

Mr. Bacharach (for) with Mr. Martin (against).

Mr. Ackerman (for) with Mr. Woods of Virginia (against).

Mr. Beck (for) with Mr. Dominick (against).

Mr. Larson of Minnesota (for) with Mr. Rainey of Illinois (against).

Mr. Atkeson (for) with Mr. Fisher (against).

Mr. Lineberger (for) with Mr. Goldsborough (against).

Mr. McArthur (for) with Mr. Hawes (against).

Mr. Anthony (for) with Mr. Rucker (against).

Mr. Gahn (for) with Mr. Fulmer (against).

Mr. Frothingham (for) with Mr. Raker (against).

Mr. Kline of Pennsylvania (for) with Mr. Collins (against).

Mr. Lawrence (for) with Mr. Drewry (against).

Mr. Madden (for) with Mr. Brand (against).

Mr. Webster (for) with Mr. Kunz (against).

Mr. Thompson (for) with Mr. Tague (against).

Mr. Winslow (for) with Mr. Swank (against).

Mr. Osborne (for) with Mr. Kindred (against).

Mr. Arentz (for) with Mr. Sullivan (against).

Mr. Cramton (for) with Mr. Logan (against).

Mr. Griest (for) with Mr. Wise (against).

Miss Robertson (for) with Mr. Tyson (against).

Mr. Hutchinson (for) with Mr. Black (against).

Mr. Steenerson (for) with Mr. Blanton (against).

Mr. Wyant (for) with Mr. Clark of Florida (against).

Mr. Funk (for) with Mr. Park of Georgia (against).

Mr. Yates (for) with Mr. Rainey of Alabama (against).

Accordingly (at 1 o'clock and 26 minutes p. m.) the House adjourned until Saturday, August 19, 1922, at 12 o'clock noon.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. VOLSTEAD: A bill (H. R. 12355) to amend section 876 of the Revised Statutes; to the Committee on the Judiciary.

Also, a bill (H. R. 12356) to amend section 51 of chapter 4 of the Judicial Code; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DRANE: A bill (H. R. 12357) making additional appropriation for improvement of the channel from Clearwater Harbor through Boca Ceiga Bay to Tampa Bay, Fla.; to the Committee on Claims.

By Mr. ECHOLS: A bill (H. R. 12358) granting a pension to Georgia Ann Scarbrough; to the Committee on Invalid Pensions.

By Mr. FRENCH: A bill (H. R. 12359) granting a pension to Hester E. Aldrich; to the Committee on Invalid Pensions.

By Mr. KEARNS: A bill (H. R. 12360) granting an increase of pension to Henry T. Hertslet; to the Committee on Pensions.

Also, a bill (H. R. 12361) granting a pension to Florence S. Bradbury; to the Committee on Invalid Pensions.

By Mr. LAMPERT: A bill (H. R. 12362) granting a pension to Georgia M. Sabin; to the Committee on Pensions.

Also, a bill (H. R. 12363) granting a pension to William N. Bamforth; to the Committee on Pensions.

By Mr. LINEBERGER: A bill (H. R. 12364) granting a pension to Charity I. Haskell; to the Committee on Invalid Pensions.

By Mr. SNELL: A bill (H. R. 12365) granting a pension to Ida Nelson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12366) granting an increase of pension to Jennie E. Nelson; to the Committee on Invalid Pensions.

By Mr. WATSON: A bill (H. R. 12367) granting a pension to James Mullen; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6187. By Mr. ANSORGE: Petition of Edward S. R. Sequin, of New York City, advocating the passage of the Underwood bill amending the act to provide compensation for employees of the United States suffering injuries while in the performance of their duties; to the Committee on the Judiciary.

6188. By Mr. DARROW: Petition of the Philadelphia Board of Trade in opposition to Senate bill 3844, to exempt interest on farm-land securities from taxation under the revenue act of 1921; to the Committee on Ways and Means.

6189. By Mr. FULLER: Petition of the executive committee of the La Salle County (Ill.) Farm Bureau, favoring an amendment to the farm loan act raising the limit on loans from $10,000 to $25,000; to the Committee on Agriculture.

6190. By Mr. KISSEL: Petition of the American Sugar Refining Co., New York City, regarding import duties on sugar; to the Committee on Ways and Means.

6191. Also, petition of Soldiers' and Sailors' Club, New York City, opposing the working hours of from 8 to 5 daily and 8 to 12 Saturdays for the various vocation schools under the United States Veterans' Bureau; to the Committee on Interstate and Foreign Commerce.

6192. Also, petition of Dry Goods Economist, New York City, opposing a bonus for soldiers of the World War; to the Committee on Ways and Means.

6193. By Mr. RAKER: Petitions of the Sacramento Clearing House and the Sacramento Valley Development Association, of Sacramento; the Lake Tahoe Railway & Transportation Co. and the Coos Bay Lumber Co., of San Francisco; the Board of Trustees of the City of Nevada, of Nevada City; and the Berkeley Manufacturers' Association, of Berkeley; all in the State of California, protesting against the separation of the Central Pacific Railway Co. and the Southern Pacific Railroad Co. in California; to the Committee on Interstate and Foreign Commerce.

6194. Also, petitions of the Chamber of Commerce of Williams, Colusa County; the Pacific Lumber Co, by Howard MacDonald, president; the Mutual Business Club, of San Francisco; the Santa Fe Improvement Association, of Oakland; and the Chamber of Commerce of the City of Grass Valley, all in the State of California, protesting against the proposed separation

of the Central Pacific and Southern Pacific Railroad systems in California; to the Committee on Interstate and Foreign Commerce.

6195. Also, petitions of L. R. Smith, general chairman, Brotherhood of Railroad Signalmen of America, Southern Pacific system, of Oakland; the Berkeley Chamber of Commerce; the Earl Fruit Co. (Inc.), of Sacramento; and the Accountants' Association, by Edward O. Mills, president, of San Francisco, all in the State of California, protesting against the separation of the Central Pacific Railway Co. from the Southern Pacific Co. in California; to the Committee on Interstate and Foreign Commerce.

6196. Also, petition signed by 263 residents of Red Bluff, Tehama County, Calif., protesting against the enactment of the pending compulsory Sunday observance bills in Congress, namely, House bills 4388 and 9753, and Senate bill 1948; to the Committee on the District of Columbia.

6197. By Mr. TEMPLE: Evidence in support of House bill 12342, granting a pension to Kate Clear; to the Committee on Invalid Pensions.

SENATE.

SATURDAY, *August 19, 1922.*

(*Legislative day of Thursday, August 3, 1922.*)

The Senate met at 10.30 o'clock a. m., on the expiration of the recess.

THE TARIFF.

The Senate resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names.

Ashurst	Ernst	McNary	Smith
Ball	Frelinghuysen	Moses	Smoot
Borah	Gooding	Myers	Sterling
Brandegee	Hale	New	Sutherland
Broussard	Harreld	Nicholson	Trammell
Calder	Harrison	Norbeck	Underwood
Cameron	Jones, Wash.	Oddie	Wadsworth
Capper	Kellogg	Overman	Walsh, Mass.
Colt	Kendrick	Pomerene	Walsh, Mont.
Culberson	Keyes	Ransdell	Warren
Cummins	Lodge	Reed, Pa.	Watson, Ga.
Curtis	McCormick	Robinson	
Dillingham	McCumber	Sheppard	
Edge	McLean	Shortridge	

Mr. UNDERWOOD. I desire to announce the absence of the Senator from Nevada [Mr. PITTMAN], on account of illness.

The PRESIDENT pro tempore. Fifty-three Senators having answered to their names, there is a quorum present.

Mr. STERLING. Mr. President, I ask unanimous consent that I may be permitted to make a brief statement—not exceeding, I think, five minutes—on an amendment which at one time I had expected to propose. It is a matter of great public interest, and I desire to state the reason for not presenting the amendment formally and asking for its adoption.

The PRESIDENT pro tempore. Is there objection? [After a pause.] The Chair hears no objection.

Mr. UNDERWOOD. Let it be read. I could not hear what the Senator said, the noise in the Chamber was so great.

The PRESIDENT pro tempore. The Senate will be in order.

Mr. STERLING. I ask unanimous consent that I may make a very brief statement in regard to an amendment which I had intended to propose to the tariff bill, but which, under the circumstances, I do not propose to offer. As I said, it is a matter of such public interest that a statement of this kind ought to be made.

The PRESIDENT pro tempore. Is there objection?

Mr. MOSES. I did not hear what the request was.

The PRESIDENT pro tempore. The Senate will be in order, and nothing will be done until the Senate is in order.

Mr. STERLING. I will say to the Senator from New Hampshire that the request is to make a very brief statement in regard to an amendment which I had intended to present.

The PRESIDENT pro tempore. The Chair hears no objection.

Mr. STERLING. I send the amendment to the desk and ask that it may be read.

The PRESIDENT pro tempore. The amendment will be read for the information of the Senate.

The READING CLERK. On page 396, line 15, at the end of section 581, insert the following:

Officers of the customs, the Coast Guard, the Treasury Department, or other officers whose duty it is to enforce the national prohibition act, may go on board any vessel, at any place in the United States or within 4 marine leagues of the coast of the United States, and hail, stop, and board such vessel in the enforcement of the laws prohibiting, regulating, taxing, or relating to the liquor traffic; and such officers shall have all of the authority conferred by this section and by section 3067 of the Revised Statutes (act of March 2, 1799, ch. 22, 1 Stat. L. 668) upon customs officers in the enforcement of the customs laws.

Mr. STERLING. Mr. President, the object of the amendment is apparent. The smuggling of liquor into the United States is one of the most difficult problems with which the prohibition enforcement officers have to contend, and much of the smuggled liquor comes by way of the sea. It is believed that more liquor is smuggled into the United States along the Atlantic coast from North Carolina to Florida than in any other place in the country. The Bahama Islands are a great source of supply. The original amendment, of which this is a modification, was presented and printed as an amendment, intended to be proposed, on July 6 last.

I subsequently learned that our Secretary of State had taken up the question with the representative of the British Government for the purpose, if possible, of arriving at an agreement under which Great Britain would not object to the search of her vessels for the purpose of ascertaining whether they carried contraband liquor on board within a reasonable distance beyond the 3-mile limit. It was ascertained that the Secretary of State was of the opinion that the 3-mile limit was generally accepted among the principal maritime nations of the world as the limit of a nation's jurisdiction over the adjacent sea, and that this Government had on more than one occasion committed itself to that limit. Hence, in the view of the Secretary, there should be an international understanding or agreement in regard to the matter. Otherwise, interference with foreign vessels outside the 3-mile limit might bring about international complications and subject this Government to claims for damages.

With this as the situation, it was thought that a law of Congress which authorized the boarding and search of foreign vessels beyond the 3-mile limit might involve serious controversy and possibly claims for damages on the part of the nations whose vessels had been thus interfered with, although in pursuance of our municipal law. For this reason it was decided not to press the amendment at this time. It is to be hoped that a reasonable understanding with Great Britain will be reached in regard to our right to go beyond the 3-mile limit for the purpose of securing the better enforcement of our national prohibition law. Such an arrangement with Great Britain would, I am satisfied, be followed by similar understandings with other maritime nations.

Mr. SHEPPARD. Mr. President, may I ask the Senator a question there?

Mr. STERLING. Mr. President, I have begged the indulgence of the Senate in order that I might make this statement, and I hope not to be interrupted, if the Senator will excuse me.

Mr. SHEPPARD. Very well.

Mr. STERLING. The limit of 3 miles was fixed, if fixed at all, in the eighteenth century, when that distance was the greatest range of cannon, and was upon the theory that a nation could exercise territorial jurisdiction over the sea as far as it could effectively control the sea by force of arms. Since the range of cannon has increased to a distance of four or five times beyond what it was in the eighteenth century, so, likewise, has the distance over which effective control can be exercised. Nearly all the publicists agree that the reason of the rule having failed, the rule itself should no longer prevail, and agree also that there is need for the extension of the limit beyond 3 miles from the shore. Great Britain has hitherto held to the 3-mile limit, claiming that it was the limit now recognized in international law, and our Government has itself on occasion denied the right of other nations to extend this limit.

It is earnestly hoped that an understanding may be reached; if not, the question will remain as to whether the United States will not be justified in extending her jurisdiction over territorial sea to a distance of 10 or 12 miles at least from the shore, in order to secure the enforcement of our own national legislation and the welfare of our people.

A law thus extending our jurisdiction might not conform to a rule of international law as at present understood, but a rule having its origin in the range of a cannon shot nearly two centuries ago, yet it would conform to present-day needs, not only as they actually exist in our own case, but as such needs are recognized by the great majority of international jurists throughout the world.

I think I have read the opinions of every international jurist, from Bynkershoek, who wrote in 1744, down to the present day, upon the subject of the extent of the marginal sea. I have made excerpts from the writings of those jurists and publicists, and I ask unanimous consent that I may put these excerpts in the RECORD in connection with my remarks.

There being no objection, the matter was ordered to be printed in the RECORD.

The following, being the excerpts referred to, are from the book entitled "The Extent of the Marginal Sea," largely a compilation by Henry G. Crocker and published in 1919:

THE EXTENT OF THE MARGINAL SEA.

Sir Thomas Barclay, senior vice president of the Institute of International Law; vice president of the International Law Association; examiner in jurisprudence and international public and private law at the University of Oxford.

Problems of International Practice and Diplomacy (1907) (p. 109). He says: "No branch of international law is in a more unsatisfactory condition than that of the rights and duties arising out of the possession and use of the margin of sea, along the coast line of States, called 'territorial waters.' No general understanding has yet been arrived at on such an essential matter as the width of the margin, and even the nature of the dominion the adjacent State is entitled to exercise is still the subject of controversy" (p. 3).

Johann Kaspar Bluntschli, German; president of the Institute of International Law; professor of law in the University of Zurich and other German universities; generally considered one of the greatest European authorities on international law.

Le Droit International Codifie (1895) (par. 302): "When the open sea forms the frontier of a State, we include within the national territory that part of the sea over which the State from the shore can enforce its power—that is, a strip of sea extending up to the range of a cannon shot from the shore" (p. 8).

Henri J. F. X. Bonfils, professor of commercial law at the University of Toulouse. His work is considered in France a standard authority on international law and has run through seven editions.

Manuel de Droit International Public (1914) (par. 491): "* * * almost all the modern authors and several diplomatic treaties admit that the extent of the jurisdictional sea is equal to the greatest range of cannon. This is the reasonable standard and the limit of general law, excepting special conventions" (p. 11).

Cornelius van Bynkershoek, a Dutch jurist; president of the Supreme Court of Holland.

De Dominio Maris (1744) (pp. 363–365). After describing different opinions he says: "Wherefore on the whole it seems a better rule that the control of the land (over the sea) extends as far as cannon will carry, for that is as far as we seem to have both command and possession. I am speaking, however, of our own times, in which we use those engines of war; otherwise I should have to say in general terms that the control from the land ends where the power of men's weapons ends; for it is this, as we have said, that guarantees possession" (p. 15).

Carlos Calvo. Argentinian publicist and diplomat; member of the Institute of International Law; minister at Berlin and Paris; leading Spanish writer on international law.

Le Droit International Theorique et Pratique, fifth edition (1896). (Par. 355): "Publicists are far from agreeing as to the extent to be assigned to territorial waters." Paragraph 356: "From these general principles it is easy to draw the conclusion that territorial waters should include only the space capable of being defended from the mainland, or of serving as a base for attacks on the adjacent coast. Since the invention of firearms this space has generally been limited to 3 nautical miles from the shore line at low tide. * * * This distance of 3 nautical miles is not, however, unalterable. It is agreed to-day that this distance is too short, as it no longer agrees with the range of the newly perfected guns, whose balls can be projected to a distance of 5 miles; it is only just, then, that this limit should be proportionately extended" (pp. 20, 21).

Giuseppe Carnazza-Amari. Italian publicist; member of the Institute of International Law; professor at the University of Catania.

Traité de Droit International Public en Temps de Paix (1880, 82). Section 12: "The State possesses in the interest of its security a right of surveillance and jurisdiction over territorial waters. It follows that it may take all measures which its defense and its needs require. Thus, it has the right of demanding explanation of all vessels passing through the seas which belong to it in order to establish the intention with which they approach; to prevent acts of hostility between foreign vessels, which might interfere with its tranquillity; to establish customs ordinances, and visit ships suspected of contraband; to regulate maritime ceremonials; * * * to exercise civil and penal jurisdiction over all acts of nationals and over all aliens which may exercise any influence upon its territory—in a word, take all the measures which its safety and its needs require" (p. 38).

Sir Edward Shepherd Creasy. English historian; author of "Fifteen Decisive Battles of the World," and other books.

First Platform of International Law (1876), page 241: "* * * a nation's right to compel others to keep the peace in the open sea near its coast extends over so much of the sea as the nation could command by artillery placed on its coast. This extent has hitherto been fixed by general consent at a maritime league, or 3 miles seaward; but from the great improvements which have recently been made in the range of cannon, it is probable that a line of 5 miles will hereafter be adopted as the measure." Page 245: "States may exercise a qualified jurisdiction over the seas near their coast for more than the 3 (or 5) mile limit for fiscal and defensive purposes; that is, for the purpose of enforcement of their revenue laws, and in order to prevent foreign-armed vessels from 'hovering on their coasts' in a menacing and annoying manner. Both Great Britain and the United States have prohibited the transshipment within 4 leagues of their coasts of foreign goods without payment of duties. The American Supreme Court has declared this regulation to be founded on international law" (pp. 44, 47).

Ferdinand Baron de Cussy. French publicist and diplomat.

Phases et Causes Celebres du Droit Maritime des Nations (1856): "* * * the sovereignty over the territorial sea reaches as far as the range of cannon shot from the shore, so far as concerns the protection which a neutral State owes to vessels of a belligerent nation; but the surveillance which ought to be exercised in the matter of customs, to prevent smuggling, may extend still farther" (p. 52).

Frantz Clément René Despagnet. French publicist; member of the Institute of International Law; professor of international law at the University of Bordeaux; has written many books with many editions.

Cours de Droit International Public, fourth edition (1910).

Despagnet (1910): "The limit of the territorial sea seawards has varied greatly. The old authors extend it very far, to exaggerated or ill-defined distances, some a hundred miles and others to the visual horizon. Bynkershoek first stated the principle that the power of the land ends where the force of arms ends. To-day it is agreed that the limit of the territorial sea is fixed at the extreme point at which the State may, from the shore, compel respect for its sovereignty—that is, the greatest range of cannon. This range clearly varies according to the progress of ballistics, and it is now estimated at 20 kilometers.

"Treaties may fix the limit between the contracting States for customs police, which is usually admitted in international conventions or municipal laws to extend to 4 or 5 leagues. Finally, numerous treaties already existing relating to fishing adopt 3 marine miles from low-water mark. (Hague Convention, May 6, 1882, art. 2; Declaration of Constantinople, October 20, 1888, regarding the neutralization of the Suez Canal.)

"We must remark that this last limit has been adopted because we have taken account of the older usual range of cannon. But we must not conclude from this that it constitutes the normal limit outside special conventions. The limit of common law always remains, excepting conventions to the contrary, the greatest range of cannon at the time in question." (See letter of Messrs. Courcel and Gram, arbitrators in the conflict between Great Britain and the United States on the question of fishing on the Bering Sea, Annuaire de l'Institut de Droit International, vol. 13, p. 282.)

William Edward Hall, British publicist and member of the Institute of International Law. His "Treatise on International Law" has run through six editions, and has been regarded as an authority from the date of its appearance.

Treatise on International Law, seventh edition, 1917:

"SEC. 41. Their precise extent, however, is not so certain [referring to marginal waters]. Generally their limit is fixed at a marine league from the shore; but this distance was defined by the supposed range of a gun of position, and the effect of the recent increase in the power of artillery has not yet been taken into consideration, either as supplying a new measure of the space over which control may be efficiently exercised or as enlarging that within which acts of violence may be dangerous to persons and property on shore. It may be doubted, in view of the very diverse opinions which have been held until lately as to the extent to which marginal seas may be appropriated, of the lateness of the time at which much more extensive claims have been fully abandoned, and of the absence of cases in which the breadth of territorial water has come into international question, whether the 3-mile limit has ever been unequivocally settled; but in any case, as it has been determined, if determined at all, upon an assumption which has ceased to hold good, it would be pedantry to adhere to the rule in its present form; and perhaps it may be said without impropriety that a State has theoretically the right to extend its territorial waters from time to time at its will with the increased range of guns. Whether it would in practice be judicious to do so; whether it would be politic for a country, which wished to avoid dangerous friction between itself and other nations, to act in this direction without having secured the concurrence of the more important maritime States, either by the negotiation of separate treaties, or through the acceptance of the principle in a conference of the powers, is a widely different matter, and one which is outside the purview of law." In a footnote he says: "The question of the principle upon which the extent of marginal waters should be founded, and of the breadth of water that should be included, has of late attracted a considerable amount of attention. It is felt, and growingly felt, not only that the width of 3 miles is insufficient for the safety of the territory but that it is desirable for a State to have control over a large space of water for the purpose of regulating and preserving the fisheries in it," etc. (pp. 74, 75).

Hautefeuille (1868), Kluber (1874), Latour (1889), Perels (1885), Piedelievre (1894), Schmalz (1823), Ralston (1910), and Testa (1886), all hold that the limit of the maritime frontier is determined by the longest range of cannon. But Piedelievre, differing from some authors who hold that the 3-mile limit is the general practice, says: "It is certain that in the absence of all conventions the extent of the marginal sea is measured by the greatest range of cannon placed on shore."

"Secondary law has sanctioned this rule; the majority of treaties on the subject have adopted the same rule. * * * Almost all modern publicists of greatest authority have taken the range of cannon as the only limit of the territorial sea which was rational and in conformity with principles of primitive law. This natural limit has been recognized by a great number of States in their municipal laws and regulations" (pp. 105, 106).

James Kent, American jurist; professor of law in Columbia College; justice of the State supreme court; his "Commentaries" has passed through fourteen editions and continues to rank as a legal classic.

Commentaries on American Law, 1896, volume 1, page 26: "It is difficult to draw any precise or determinate conclusion, amidst the variety of opinions, as to the distance to which a State may lawfully extend its exclusive dominion over the sea adjoining its territories, and beyond those portions of the sea which are embraced by harbors, gulfs, bays, and estuaries, and over which its jurisdiction unquestionably extends. All that can reasonably be asserted is, that the dominion of the sovereign of the shore over the contiguous sea extends as far as is requisite for his safety, and for some lawful end. A more extended dominion must rest entirely upon force and martime supremacy. According to the current of modern authority, the general territorial jurisdiction extends into the sea as far as cannon shot will reach and no farther; and this is generally calculated to be a marine league; and the Congress of the United States have recognized this limitation, by authorizing the district courts to take cognizance of all captures made within a marine league of the American shores." (P. 180, 181.)

Rev. Thomas Joseph Lawrence, English publicist; member of the Institute of International Law; lecturer on international law at the Royal Naval College, Portsmouth; deputy professor of international law at Cambridge; professor of international law in the University of Chicago; written several books on international law.

Principles of International Law, fifth edition, 1913: "A State's territory includes the sea within a 3-mile limit of its shore. * * * A few attempts have been made in recent times to extend the limit in order to keep pace with the increased range of modern artillery, * * * and are justified by the increase of the range of cannon from 3 to 15 miles" (pp. 280, 281).

Franz Von Liszt. German publicist; member of the Institute of International Law; professor at Giessen, Marburg, Halle, Berlin; director of the college of criminal law at the University of Berlin. Has written many books on criminal law.

Das Volkerrecht, fifth edition, 1907, page 86: "Coastal waters are those parts of the open sea which the adjacent State may control from the coast. The determination of the limit of the coastal waters is disputed. Ancient literature accepted cannon-shot distance * * *. In the modern law of Germany and other countries, as well as in the most important modern treaties, the distance is frequently established at 3 sea miles, this distance to be reckoned from low-water mark. * * * But we can not speak of a general recognition of this method of calculation. The objection to the '3-mile zone' is that formerly it may have corresponded with the extent of cannon distance, but that now, in expert tests, the distance would amount to from 5 to 7 miles, or 9 to 12 kilometers. In deciding the boundaries you have to go on this principle; you define the littoral rights from the point of view of the defense of the State on the one hand, and on the other their power to maintain this. The border of coastal waters must extend as far as the adjacent State is able to assure its jurisdiction and interest. For this reason it is advisable to return to the old rule by which the utmost border of coastal waters is determined by cannon shot. Certainly each adjacent State can make the extent narrower, or measure it differently for the execution of its different laws; thus make the extent greater for customs and sanitary police than for the exercise of jurisdiction, taking it for granted that they stay all the time within cannon distance" (pp. 292, 293).

Fedor Fedorovich Martens. Russian publicist; member of the Institute of International Law; member of the permanent court of arbitration at The Hague; professor, diplomat, and arbitrator. Has written several works on international law which have been translated into other languages and have had several editions.

Le Tribunal d'Arbitrage de Paris et la Mer Territoriale, 1894, page 39. "Finally, the imperium of the adjacent State is absolute in the radius of territorial waters dominated by cannon. We must recognize, however, that the limits of the territorial sea ought to change with the modifications in the range of cannon. However, if at a certain time this range was 3 miles, the extent of territorial sea was only 3 miles.

"If a present cannon carry to 12 or 15 miles, the territorial sea of modern adjacent States ought also to extend to 15 miles," page 43: "An agreement between the powers with respect to the limits of the territorial sea is a condition sine qua non of success in establishing measures of protection in the open sea for the preservation of the legitimate interests of the nations and the rights of their subjects.

"It is desirable that this agreement be arrived at soon by reason of the great interests connected with maritime fishing which States are obliged to defend in virtue of their own sovereignty with the concurrence of other nations.

"However, up to the time when this international agreement shall have become an accomplished fact, each State has the incontestable right of declaring, as its territorial sea, the waters which it dominates by batteries from the shore. In view of the necessity of defining the range of cannon and in view of the exigencies of maritime navigation and international commerce the adjacent State may limit this range of cannon to a distance of a number of miles fixed by itself. Instead of the limit of 3 marine miles the adjacent State has the incontestable right of taking 10 miles or even more.

"In our opinion the limit of 10 miles is more in accord with the mean range of modern cannon and a more efficacious protection of the interests of the adjacent population which live upon maritime fishing" (pp. 294–295).

George Friedrich von Martens. German jurist; professor of natural and international law at the University of Gottingen.

Précis du Droit des Gens Moderne de l'Europe, 1864 (p. 141): "A nation may assume an exclusive right over those neighboring portions of the sea susceptible of control from the shore. * * * All nations of Europe to-day agree that the rule is that straits, gulfs, and the adjacent sea belong to the owner of the shore, at least as far as the range of a cannon placed on the shore" (p. 295).

Antoine Louis Nuger. His book is cited with approval by many writers on international law.

Des Droits de l'Etat sur la Mer Territoriale, 1887. He says, after having referred to the territorial waters jurisdiction act of 1878 and to the fact that when it was presented to the English Parliament the extent to assign to the territorial sea was not discussed, and to the declaration of the Government establishing the limit within the range of cannon, or 3 miles, which did not meet with any opposition, as follows:

"The truth is that this identification, correct at one time when the range of cannon did not exceed 3 miles, is to-day nonsense. This distance has been sanctioned in certain treaties relating to special questions and having quite a distinct object. But it is evident that these can only be effective so far as the point the parties have in view is concerned. For the rest it is necessary to refer to principles." He says further, "It is not even absolutely true to say that the distance of 3 miles has definitively been adopted in practice, except, of course, in relation to fishing." Summing up the doctrine he has sustained, he states the following propositions:

"First. The longest range of cannon according to the progress of ballistics at each period is the common measure, the only rational one; it is that of the universal law of nations, which must be observed in the absence of treaty.

"Second. An international agreement for the adoption of a fixed and invariable distance under a definite standard is not desirable.

"Third. It is desirable, however, that the exercise of certain rights of the State be regulated by treaties, as, for instance, fishing, the control and supervision of customs, etc."

Marquis de Olivart. Spanish publicist; member of the Institute of International Law; author of numerous works on international law.

Tratado de Derecho Internacional Publico, fourth edition, 1903, section 41: "The generally practiced international law, repeatedly confirmed by conventional law, limits the extent of territorial sea to the range of cannon, which is considered to be 3 nautical miles; but, as in such case the rule laid down by Bynkershoek is applicable, such geographical limit can not be considered invariable, as at all times it is dependent upon progress in arms of warfare"; and he further states that "the State can extend its sphere of action to a zone wider than 3 miles in order to check contraband trade, especially smuggling carried on by its own people" (p. 332).

L. F. L. Oppenheim, professor of international law at the University of Cambridge and a recognized authority.

International Law, second edition, 1912.

Oppenheim says that "although Bynkershoek's rule, terre potestas finitur ubi finitur armorum vis, is now generally recognized by theory and practice, and consequently a belt of such breadth is considered under the sway of the littoral State as is within effective range of the shore batteries, there is still no unanimity on account of the fact that such range is day by day increasing. Since at the end of the eighteenth century the range of artillery was about 3 miles, or 1 marine league, that distance became generally recognized as the breadth of the maritime belt." In a note to this statement he says: "But not universally. Thus Norway claims a breadth of 4 miles and Spain even a breadth of 6 miles." Further he says that "no sooner was a common doctrine originated than the range of projectiles increased with the manufacture of heavier guns, and although Great Britain, France, Austria, the United States of America, and other States in municipal laws and international treaties still adhere to a breadth of 1 league, the time will come when by a common agreement such breadth will be very much extended."

Jean F. T. Ortolan, French naval officer; his work is a standard authority in international maritime law.

Regles Internationales et Diplomatic de la Mer, second edition, 1853. "The greatest range of cannon is the common standard of measurement adopted by the universal law of nations, which must be observed by all in the absence of treaty." He expresses his opinion that treaties establishing a fixed limit should not "digress far from this latter standard, the danger being of opposing the principles of reason upon which the special control over the territorial sea is based" (p. 351).

Sir Robert Joseph Phillimore, distinguished English jurist, member of the Institute of International Law; held several high positions in England.

Commentaries upon International Law, third edition, 1879:

"The rule of law may be now considered as fairly established, namely, that this absolute property and jurisdiction does not extend, unless by the specific provisions of a treaty or an unquestioned usage, beyond a marine league (being 3 miles) or the distance of a cannon shot from the shore at low tide."

"This is the limit fixed to absolute property and jurisdiction; but the rights of independence and self-preservation in times of peace have been judicially considered to justify a nation in preventing her revenue laws from being evaded by foreigners beyond this exact limit" (p. 375).

Alphonse Rivier, Swiss publicist; professor of international law at the University of Brussels; member of the Institute of International law.

Principes du Droit des Gens, 1896: Takes the position that the marginal or territorial sea "extends so far from the coast as the territorial power can be defended and maintained—that is, to the range of a cannon shot." After mentioning that some nations claim a territory of greater extent for customs purposes, Rivier says: "It is undoubtedly correct that by virtue of the liberty of the sea, and not merely to assure the customs service but also for the sanitary police and for other objects, that national establishments may be placed beyond the limits of the territorial sea properly so called."

Walther M. A. Schucking, German publicist; member of the Institute of International Law; professor of public law in Marburg; author of numerous works on international law.

Das Kustenmeer im Internationalen Rechte, 1897: "Since the necessity of the protection of the coast against a hostile attack is one of the most urgent reasons for the extension of the sovereignty of the adjacent States, we must agree with Bynkershoek that the sovereignty of the State shall extend as far as an effective control can be exercised." He refers to the suggestion of Mr. Seward, our Secretary of State, in regard to a change in the 3-mile limit and says: "But is there any need of an agreement to abandon the 3-mile limit? We think not, because of the 3-mile limit having never wholly replaced the cannon-shot range, nor of it ever having been generally accepted." He later says: "We should rather define the law thus, that every adjacent State has the right to extend its boundaries as far over the sea as it thinks necessary for its protection against disease, smuggling, etc., but it shall not trespass in the limit marked by a cannon's range."

Emmeric de Vattel. Swiss jurist and publicist. His works are famous and have been translated into numerous foreign languages and is still of great value.

The Law of Nations, or the Principles of Natural Law Applied to the Conduct and to the Affairs of Nations and of Sovereigns. Translated into English in 1916. "Each State may regulate as it thinks best the use of those waters as far as the affairs of its citizens either with one another or with the sovereign are concerned; but between nation and nation the most reasonable rule that can be laid down is that in general the sovereignty of a State over its marginal waters extends as far as is necessary for its safety and as far as it can be effectively maintained" (p. 458).

John Westlake, English writer; member of the Institute of International Law; professor of international law in the University of Cambridge.

International Law, second edition, 1910: "Hence that distance, namely, the range of a cannon, then considered to be 3 miles measuring from low-water mark, became a commonplace among authors for the width of the littoral sea, and we may say that the agreement on it as a minimum is universal; no State claims less. As a maximum, the agreement is not universal, and it may be doubted whether it is so nearly such as to make it a rule of international law while the increased range of cannon shot, as well as the increased protection for shore fisheries against trawl nets and other destructive devices, has made the reason for it quite obsolete and inadequate."

The following are from American authors not referred to in Mr. Crocker's book:

Hershey (1912), professor of international law at the University of Indiana, in his "Essentials of International Public Law," says: "There can be no doubt that an extension of the 3-mile limit for all territorial purposes would be desirable. The marine league no longer satisfies the needs of modern requirements for defense. An extension to meet these requirements is certainly favored by an ever-increasing number of publicists and is strongly recommended by the Institute of International Law."

Roland R. Foulke, of the Philadelphia bar, in his treatise on international law, says, section 311: "There is no common agreement as to the distance from the shore to which this jurisdiction extends or as to the starting point from which to measure. The 3-mile, or 1 maritime league, limit was suggested in the eighteenth century, as that was then the range of shot fired from cannon at a fixed position on shore. This limit has been generally assented to, but claims have frequently

been made to jurisdiction over a greater distance," citing Norway, Spain, and the so-called "hovering" statutes of Great Britain and the United States.

Reference is made to sections 2811, 2812, 2813, 2814, 2867, and 2868, Revised Statutes, act of March 2, 1799, and to section 3067, Revised Statutes, act of March 2, 1799, which have never been repealed.

Section 3067 is as follows:

"It shall be lawful for all collectors, naval officers, surveyors, inspectors, and the officers of the revenue cutters to go on board of vessels in any part of the United States, or within 4 leagues of the coast thereof, if bound to the United States, whether in or out of their respective districts, for the purposes of demanding the manifests and of examining and searching the vessels; and those officers, respectively, shall have free access to the cabin and every other part of a vessel."

Mr. SHEPPARD. May I ask the Senator a question before he takes his seat?

Mr. STERLING. Certainly.

Mr. SHEPPARD. The Senator has evidently given this subject very thorough study. I ask him if, in his opinion, Congress has the right to extend the 3-mile limit?

Mr. STERLING. Congress may pass such a law, undoubtedly, but at the risk of international complications, which might subject us to claims for damages because of interference with the vessels of other nations. Let me say to the Senator that I hope arrangements will be made with other nations covering that matter. I think the Secretary of State is in entire good faith endeavoring to make such an agreement.

Mr. SHEPPARD. I trust the Secretary of State will be successful. It is a matter, however, which we can not allow to rest until permanently and satisfactorily settled.

Mr. STERLING. I agree with the Senator from Texas.

The PRESIDENT pro tempore. The Chair holds that the regular order this morning is upon the sections reserved by the Senator from North Carolina [Mr. OVERMAN], and the Chair desires to ask the Senator from North Carolina whether all the amendments reserved by him shall be treated as one amendment and voted upon at one time?

Mr. OVERMAN. Yes, Mr. President; I want them considered as one amendment.

Mr. President, I demanded that this amendment be reserved, not for the purpose of discussion, because in the Committee of the Whole it was very ably and fully discussed, but I regard it as the most important amendment that has been adopted of all the amendments adopted on this tariff bill. It goes a bowshot further than anything that has ever been done by Congress to undermine the great superstructure upon which this Republic was built.

This bill that we are about to pass I think is the most indefensible bill ever passed by any Congress, having no friends except those parties it was framed to serve and for whose benefit it is to be passed, taxing 100,000,000 of people in order to serve 265,000 manufacturers. It is indefensible and most iniquitous, and not only so, but by the adoption of this amendment it will be made absolutely revolutionary. Great Senators, representing a great people, absolutely abdicate the sacred trust reposed in them by a free people to preserve and maintain the Constitution. The power reserved by the people in section 8, Article I, of the Constitution, which says that Congress shall levy all taxes and imposts, this bill proposes to delegate to one man, centralizing in the Executive the power to kill or to make alive. The power to tax is the power to destroy, and this power delegated to the Executive will enable him to reward friends or destroy enemies, to reward his friends especially who furnish the campaign funds.

Mr. President, I think the greatest opportunity ever presented to a President will be presented to Warren G. Harding when this bill is handed to him for his signature, to put aside the purple crown and restore the liberties of the people which this Congress has frittered away so ruthlessly.

I simply wanted to protest not only against this bill, but against this violation of the Constitution of the United States, and in behalf of a great State, representing a great people, always jealous of their rights, desiring to preserve the Constitution and the liberties of the people guaranteed to them, protest against the passage of the bill and most emphatically the adoption of this amendment, and I ask for the yeas and nays upon its passage.

The PRESIDENT pro tempore. The Chair hears no objection to the request of the Senator from North Carolina that the amendments made as in Committee of the Whole as to sections 315, 316, 317, and 317a be treated as a single amendment, and be voted on at the same time.

Mr. UNDERWOOD. If there is to be no further debate, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. McCUMBER. Mr. President, I want to make only one statement upon these sections. I want to make it because I want to correct what I regard as a misunderstanding—that is, the general idea which seems to be so prevalent in the Senate that the President, under subdivision (b), adopting the American selling price as the standard, may place upon these products any duty, may raise the duty to any extent. There is one limitation beyond which he can not go. In the matter of the levying of additional duties he can not go, under any circumstances, beyond what equalizes the difference in the costs of production at home and abroad, because that is specially provided for.

Mr. ROBINSON. Will the Senator yield?

Mr. McCUMBER. I yield.

Mr. ROBINSON. The President has to determine what constitutes the difference between the costs of production at home and abroad, does he not?

Mr. McCUMBER. He does.

Mr. ROBINSON. His decision on that would be conclusive, would it not?

Mr. McCUMBER. Oh, yes.

Mr. ROBINSON. If he made a mistake, there would be no review of it?

Mr. McCUMBER. That has been argued out already.

Mr. ROBINSON. The whole subject has been argued out. Of course, the Senator understands that it can not be argued out in five minutes.

Mr. McCUMBER. That one subject has not been. When we changed it, so as not to cover the difference between competitive conditions, but the difference between the cost of production at home and abroad, we placed a limitation upon the amount of duty which could be imposed, which was not in the bill as originally reported.

Mr. ROBINSON. Will the Senator yield for a question?

Mr. McCUMBER. Yes.

Mr. ROBINSON. In almost every controversy which has arisen before the Finance Committee and before the Senate about what constitutes the difference in the costs of production at home and abroad there have been very great differences, have there not?

Mr. McCUMBER. We have had very little evidence on that subject, because of our inability to get the costs of production at home and abroad, and therefore, there being very little evidence upon the subject, there was necessarily very little controversy upon it.

Mr. ROBINSON. Mr. President, that does not answer the question as it exists in my mind. I may not have made it clear to the Senator from North Dakota. Throughout the history of tariff legislation in the United States controversies have frequently arisen, both in the Congress and before the committees having jurisdiction of the subject, as to what constitutes the difference in the costs at home and abroad, and those differences have been very great, one party in interest contending for one amount and other parties in interest contending for a very much less or a very much greater amount. So the ascertainment of the difference in the costs of production at home and abroad involves a very complicated investigation, which may not result in an accurate, scientific conclusion.

Mr. McCUMBER. That is true of every other question of fact which must be established by a court or by anybody upon evidence. We have not had that subject considered to any great extent in the consideration of any of the tariff bills, because we have never made a systematic attempt to arrive at the cost of production abroad. Our tariffs have been based upon the selling price of an article abroad, and that is all we have considered in the making up of our tariff bills, and we have compared that with the selling price of the same or similar articles in the United States. Under this bill, as we have now amended it, the Tariff Commission will proceed immediately to ascertain, if it is possible and practicable, the difference in the costs of production at home and abroad.

Mr. POMERENE. Mr. President, sections 315 and 316 have been substantially changed for the better by the action of the Senate in Committee of the Whole, but I want to call the Senate's attention to the provisions of this bill as they now are.

Under section 315, as reported to the Senate by the Finance Committee, it is declared "that in order to regulate the foreign commerce of the United States and to put into force and effect the policy of the Congress by this act intended," the President is given certain powers to investigate the difference in the conditions of competition in trade in the United States and foreign countries. For the first time in the history of tariff legislation it was here attempted not only to have the tariff cover the difference in the costs of production between this and foreign countries, but it was to cover the difference in conditions of competition. In other words, it was sought to pro-

tect the present profits of manufacturers and producers as well as wages in cost of production.

When this section was before the Senate many Republicans as well as Democrats objected to it, and it was so amended as to require the President, upon investigation, to ascertain the difference in the "cost of production." That harks back to the old system of the tariff which looked to the difference in the wage costs in this country and in other countries.

But let me remind Senators that when we passed upon nearly all of the amendments and voted in all of the rates we were acting under the policy defined by section 315, which related to competitive conditions. So it may be assumed, I think, that up until the time we voted upon section 315, on August 11, we had before us the rates which were reported to the Senate by the Finance Committee which looked to the preservation of competitive conditions, as the other rates intended to protect profits as well as costs of production; or, to put the proposition in another form, the rates fixed up to that date related to competitive prices. We fixed, therefore, rates which protected the difference not only in wage costs, but in profits as well. It may therefore be assumed that all of the rates fixed before August 11 protect the profits of the producer as well as the wage costs. Will it mean that the task is before the President to reduce all of the rates approved before August 11? Now the duty of the Tariff Commission will be to look into the difference in wage costs, but we have adopted rate scales which protect the profits as well.

It seems to me, therefore, while the provision as now amended would indicate to the public mind that our purpose was only to cover the difference in wage cost, that we can not conceal the fact that up until August 11 we adopted rates which protected profits as well as the difference in cost of production.

The PRESIDENT pro tempore. The time of the Senator has expired. The Chair understands that unanimous consent has been given to vote upon the four sections at the same time and as a single amendment.

Mr. MOSES. The four sections or the sections reserved by the Senator from North Carolina?

The PRESIDENT pro tempore. The sections reserved by the Senator from North Carolina.

Mr. WALSH of Montana. Mr. President, the provisions under consideration have undoubtedly undergone some improvement from the standpoint of policy. The powers given the President are wisely restricted, but so far as my consideration of them has enabled me to speak, I do not think the provisions now change the legal aspect of the question presented at all. I think the same infirmity inheres in the amended provision as was pointed out in the original amendment proposed by the committee.

I have not had an opportunity to examine with the care which it deserves the elaborate brief prepared by Judge Devries put into the RECORD in support of the provisions, but the cursory examination which I have been enabled to give it does not disclose that it consists of anything more than an elaboration of the arguments, if they may be so called, advanced on the floor in support of the provisions.

I desire to invite attention, however, to two features, namely, that no argument whatever was made on the floor nor does any appear in the brief at all in answer to the contention that it is impossible to ascertain either the differences in competition, the language of the original provision, or the differences in the cost of production in this country and abroad, for the simple reason that the cost of production abroad differs in different countries and differs in the same country as among different producers, and the cost of production in this country differs as between different producers.

Likewise, no argument whatever is made in answer to the suggestion that while the President is obliged to proceed according to a certain rule after he shall have entered upon an investigation, he is under no obligation to begin the investigation. So that it is left entirely in his discretion as to whether the rates shall remain as they are or whether they shall be changed. So in truth and in fact, he is invested with unlimited discretion with respect to the change of the rates. It will be understood that that feature is not changed by the amendments which the original provisions have undergone.

All in all, Mr. President, I think this is a most unwise power to confer upon any executive or administrative officer. It is a surrender of the most sacred power invested by the people in the Congress. I believe that provision was taken in the preparation of our Constitution to guard against this improvident delegation by placing it beyond the power of Congress thus to delegate the power to any executive officer.

Mr. BORAH. Mr. President, of course, it is impossible to discuss the proposition in five minutes even if it were necessary to go into it. It has been very fully discussed by very able Members of the Senate. I only want to say that after reading the brief in favor of the constitutionality of the proposition I am unable to reach that conclusion myself. It is so clearly and distinctly in contravention of the constitutional principles of our Government that I can not give my support to it and I can not give my support to the bill if it is in the bill. I would not vote for the bill, however, for other reasons.

But, aside from the constitutional proposition, it is to my mind the most serious departure from a wise policy with reference to tariff making that we could well conceive of. I should be very glad to see a commission created and exhaust the powers of Congress upon that commission and enable it to go as far as it is possible for us to send it in the way of establishing facts and upon those facts recommending rates; but, even aside from the constitutional question, I am not willing to turn over to another department of the Government, which is clearly and distinctly a political department of the Government, the power to deal with these important matters. As I said, it is impossible to discuss it at this time. I simply wanted to state my position.

Mr. HEFLIN. Mr. President, I heartily concur in what the Senator from Idaho [Mr. BORAH] has said. There is no Member of this body who could be elected by the people of his State if he were to tell them that he was going to vote to take the taxing power out of the hands of Congress and put it in the hands of the President. I feel that it is an abuse of the confidence, a violation of the trust that the people have reposed in us. When they elected us they never dreamed that their servants would undertake to do what is undertaken to be done here to-day.

Mr. President, the tariff barons come down here with rates which they have fixed, rates which they say will give them profits. They submit those rates to leaders of the Republican Party, and the Republican leaders in the main have put those rates in the bill. Now they are not satisfied with that; they are not satisfied with having their will executed by the Members of this body. They want to put it in the hands of one man to raise those taxes, to increase their profits when Congress is not in session. I do not wonder at the Senator from Idaho [Mr. BORAH], who is a big, brave, and able American, for saying to his colleagues and to the country that if that provision goes in the bill he will not support it.

Mr. President, this is one of the most dangerous propositions that has ever been submitted to Congress since I have been a Member. Senators, what would your constituents do if you should stand before them and say to them, "If you elect me to the Senate I am going to vote to confer the taxing power upon one man. Instead of leaving it in the hands of 435 Members of the House and 96 Senators, two from each sovereign State, I am going to vote to concentrate this power in the hands of one man, that he may use it as he pleases when your Congress is not in session."

Why, you would not get enough votes to count. The tariff barons can flock about the White House if this amendment is adopted, annoy the President, and persistently insist that this rate and that rate be increased, and you are going to confer upon the President the power to tax the American people by use of the Executive order, and you do it in violation of the Constitution of the United States. What are we coming to in this great legislative body? One hundred millions of Americans with their Senate sitting in the Capitol, betraying the people, surrendering their rights, conferring upon the Chief Executive the right to tax the American people, the right to increase the profits of the tariff barons who contribute money to the campaign fund of the Republican Party.

Mr. President, I did not want this provision to be adopted without entering my humble protest against this further betrayal of the American people.

Mr. LENROOT. Mr. President, the pending section does not, in my judgment, delegate to the President power to tax the American people. The section makes a declaration that the rate of duty shall cover the difference in the cost of production at home and abroad. Then it merely delegates to the President the ascertainment of the fact as to what is the difference in the cost of production and that thereby becomes the rate, not fixed by the President, but fixed by the Congress itself.

I am very frank to say that I wish it might have been a little differently worded. I hope when it goes to conference it will be differently worded, so that there shall be a flat legislative declaration that Congress itself fixes the rate within the limits prescribed as determined by the difference in the cost of production at home and abroad. Then, in my judgment, it would come clearly within the doctrine of Field against Clark that there is no delegation of legislative power

but merely a proper delegation of the ascertainment of facts. When those facts shall have been ascertained, the legislative will applies, not in the discretion of the President, but when those facts are determined, then Congress says the President must proclaim the rate of duty fixed by Congress, namely, a rate to measure that difference.

Mr. President, just one other word in connection with this paragraph. To my mind, this is one of the most saving provisions of the pending bill. The Senator from Idaho [Mr. BORAH] has stated that with this provision in the bill he can not vote for the bill. I occupy just the contrary position. If it were not for this paragraph, it would be difficult for me to vote for the bill.

Mr. BORAH. May I ask the Senator a question?

Mr. LENROOT. Yes.

Mr. BORAH. I only wish to say that the Senator assumes that the power will be exercised in behalf of a better bill, but suppose it should be exercised in behalf of a worse bill?

Mr. LENROOT. Mr. President, I am not going to assume, as the bill is now framed, that the Tariff Commission will do otherwise than act judicially in the ascertainment of the facts, and I am going to assume that the President will accept the facts as found by the Tariff Commission.

Mr. President, I am going to vote for this bill, although I think there are many excessive rates in it. There will, however, be an opportunity in conference to frame a bill that will be in accord with Republican principles, eliminating from the bill excessive rates and substituting therefor rates that will meet with the approval of the American people. With that hope, I shall vote for the bill, but if this paragraph should finally be eliminated, if the excessive rates which are now in the bill are not reduced in conference, when the conference report comes before the Senate, if the bill does not then conform to what I believe is in accord with the Republican doctrine of protection, I shall exercise the liberty and the right and perform the duty of voting against it.

Mr. UNDERWOOD. Mr. President, I discussed this feature of the bill some days ago, and I did not intend to say anything further this morning; but I am not going to allow the vote to come after the statement which has just been made by the Senator from Wisconsin without challenging it from my viewpoint.

The Senator from Wisconsin has stated that this bill does not confer the power of taxation on the President, for, he says, the Tariff Commission is to ascertain the cost of production here and abroad, and the President must fix the rate to measure the difference in the cost of production. Theoretically that may be a statement of the case, but, practically speaking, it leaves the President without any great limitations on his power, with the absolute power to fix the rates of taxation within his own discretion within the limitation, of course, that he can not increase or decrease rates more than 50 per cent of those which are contained in the bill.

In the first place, the Tariff Commission is authorized to investigate and report the facts to the President, but there is nothing in the proposed legislation that confines the President of the United States, in determining what shall be done, to the facts reported by the commission; in fact, it has been stated on the floor—and I think possibly it was the Senator from Wisconsin who made the statement—that the President not only could consult the Tariff Commission but he could consult many other boards of the Government. Indeed, he may consult anybody he desires. When this question comes within the chambers of the Executive office, he may consult the men who are interested in the business; he may consult the manufacturers, or he may consult the importers who desire the rates reduced. On their conclusions, he may fix the tax. However, it is idle to say, when so great a range of difference in the cost of production here and abroad exists, that the discretion of fixing the tax does not rest in the mind of the Executive.

Mr. President, I sat on the Ways and Means Committee of the House of Representatives for many years; and I have heard the best business men in the country discuss these very details; men who were honest; men who, possibly, were prejudiced in favor of their own business but who were absolutely honest; and yet I have heard those same men time and time again vary over 100 per cent in their estimates as to the difference in the cost of production on a particular article. That is necessarily the case.

Take the pig-iron business. I think the cost of production here in the best furnaces and the cost of production abroad in the best furnaces is about equal; but there is no limitation made in this proposed legislation as to what basis the President shall take in determining the difference in the cost. If he is to take the weaker furnaces, the dilapidated furnaces, in the United States, those furnaces which can only run when the prices of the commodity are pyramided and on extraordinary occasions, and then, on the other hand, go to the foreign market and take the best, the newest, and the most efficient furnaces and make the comparison from the standpoint of our weak industrial children with the strongest and most virile industrial children abroad, of course, he would find a great difference in the cost of production. So that in the end the real basis of fixing these taxes without limitation, except that they shall not be raised or decreased more than 50 per cent of the rates provided in the bill, lies in the hands of the President of the United States to exercise as he sees fit.

The PRESIDENT pro tempore. The time of the Senator from Alabama has expired. The question is on concurring in the amendment made as in Committee of the Whole.

Mr. OVERMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Frelinghuysen	McLean	Sheppard
Ball	Gerry	McNary	Shortridge
Borah	Glass	Moses	Simmons
Broussard	Gooding	Myers	Smith
Bursum	Hale	New	Smoot
Calder	Harreld	Newberry	Stanfield
Cameron	Harrison	Nicholson	Stanley
Capper	Heflin	Norbeck	Sterling
Colt	Hitchcock	Oddie	Sutherland
Culberson	Jones, N. Mex.	Overman	Swanson
Cummins	Jones, Wash.	Pepper	Trammell
Curtis	Kellogg	Phipps	Underwood
Dial	Kendrick	Pomerene	Wadsworth
Dillingham	Keyes	Ransdell	Walsh, Mass.
du Pont	Lenroot	Rawson	Walsh, Mont.
Edge	Lodge	Reed, Mo.	Warren
Ernst	McCumber	Reed, Pa.	Watson, Ga.
Fletcher	McKellar	Robinson	Watson, Ind.

The PRESIDENT pro tempore. Seventy-two Senators having answered to their names, there is a quorum present.

Mr. REED of Missouri. Mr. President, not only is it true, as was stated by the Senator from Alabama [Mr. UNDERWOOD], that it is impossible to ascertain differences in cost of production between the mills of our own country, but it is even more difficult to ascertain the difference in cost of production in the mills abroad. It follows that these differences which exist between the plants of the various countries can not be reconciled under any rule laid down in the bill. Are we to take the highest cost of production or the lowest cost, or are we to take the average cost? If we take the highest cost of production here and the lowest cost of production in Europe, we will arrive at one result; if we take the lowest cost of production here and the highest cost of production abroad, we will arrive at an entirely different result. If we take the highest cost of production here as the basis of comparison, then our people will be taxed for the benefit of the poorest mill in the United States, and our efficient mills will be granted protection far beyond their needs. If we take the difference between the average cost of production here and the average cost of production there, then the purposes of the bill as proclaimed by its advocates will fail as to all those American manufactures which are above the average line in production costs.

So that, Mr. President, we have set up an impossible rule, an impossible task. Moreover, the difference between the cost of production in one foreign country and the cost of production in another foreign country multiplies the difficulties I have referred to and creates a labyrinth through which human intelligence can not find its way.

It has been claimed here that Germany produces much more cheaply than England. If that is true, how is the rule of the bill to be applied? Shall we apply it so that it will fix a special duty upon articles made in Germany? If we do that, we violate at once our trade treaties with that country. If we avoid violating our trade obligations under our treaties, then we at once are compelled to take the German standard, and in that case the tariff might be absolutely prohibitive as to the English mill. So that we set up an impossible task, an insoluble task, and we say that when that task is accomplished the President may act.

Mr. President, boiled down, all this bill means is that the President may do whatsoever he thinks he wants to do, or else he can do nothing.

The Senator from Wisconsin [Mr. LENROOT] makes a very remarkable statement. It is that this bill must be changed in the committee of conference or he will not support it. If that is true, then the Senator is now proposing to delegate to the committee of conference the writing of the bill instead of writing it here in the Senate.

The PRESIDENT pro tempore. The time of the Senator from Missouri has expired.

Mr. JONES of Washington. Mr. President, the statement of the Senator from Wisconsin [Mr. LENROOT] expresses very largely my views with reference to this bill, and I take the liberty of adopting, in the main, the statement of his views as a statement of mine on this bill. I want to add just a word or two to it.

I believe the people of the country are becoming much dissatisfied with the methods of Congress in framing tariff bills. They are realizing more and more the impossibility of Congress properly fixing tariff rates upon all the products and affecting all the industries of this country. It is impossible for any committee of Congress or for Congress itself in the space of two, three, four, or six months or longer to acquaint itself with the details of all the businesses in this country, and yet that is what Congress must do if it would act wisely upon tariff rates. Congress can and must determine principles and standards, but it can not fix and should not spend its time in trying to fix the actual rates that shall be put on a pound of potash or a yard of cloth.

Mr. GOODING. Mr. President——

Mr. JONES of Washington. I am sorry, but I can not yield to the Senator.

Mr. President, I hope to see the test made as to whether or not the delegation of power in this bill is constitutional. I believe that it is; and if it is found to be constitutional, then, in my judgment, it is inevitable that Congress, instead of spending its time for months and even years haggling over rates and whether this rate shall be 2 cents or 3, will place permanently within some governmental agency the ascertainment and fixing of these rates upon principles laid down by Congress itself. The people will demand this and insist that Congress spend its time on more important matters. That body, in my judgment, should be the Tariff Commission. The responsibility should not be placed upon the President but it should be placed upon the Tariff Commission, a permanent body that should give all of its time to studying and ascertaining the facts and whose members should make it their life work to make themselves expert in such matters. Congress can not go into as much detail as it deems wise to lay down the principles that shall govern this body in determining the rates. It should be most careful in this, and it can well spend a month or two in determining such rules and standards. In taking this action Congress is abdicating its right, its power, or its duty to levy and fix taxes. If it fixes in detail the principles that shall govern and the standard that shall control, we will get far better results, act with greater wisdom, and far better serve the people's interests and welfare than to continue as we have been doing in the framing of tariff bills and spend our time wrangling over rates about which the great majority of us know nothing——

Mr. WATSON of Georgia. Mr. President——

Mr. JONES of Washington. I can not yield to the Senator. I have only two or three minutes. I should be glad to yield if I had the time.

Mr. President, I shall vote for this bill, as I have said, for practically the same reason that the Senator from Wisconsin [Mr. LENROOT] stated. I think this provision and the foreign-trade zone provisions are the two great, important provisions of this measure. I will go further and say that these provisions alone justify the passage of the bill. The ultimate results that will come from them if they become law far transcend any benefits that may come from other provisions of the bill. Many of the rates in this bill may be too high; some of the rates may be too low; but, taking it on the whole, I believe that it is a better measure to meet the situation that confronts the industries of this country at this time than the existing tariff law.

I sincerely and earnestly hope that the ultimate result will be that we will have a permanent body established to fix rates within the limits of the rules and in accordance with a standard that Congress, after very careful consideration, shall adopt and declare.

Mr. ROBINSON. Mr. President, this bill has been indicted, expressly and by implication, by Senators on the other side of the Chamber, some of whom have announced their purpose to vote for it in the hope that it will be improved in conference. The bill has been under consideration for almost a year and a half. The Senator from Idaho [Mr. BORAH] announces that unless the provisions in the bill authorizing the President to adjust rates fixed by Congress to meet standards prescribed in the bill are eliminated he will vote against the bill. Those provisions will not be eliminated, and therefore it may be expected that the Senator from Idaho [Mr. BORAH] will vote against the bill.

The Senator from Wisconsin [Mr. LENROOT] has announced that unless the bill is reformed in conference he will vote against the conference report. It is a pitiable confession of the failure of the majority to write a satisfactory tariff bill after the most prolonged efforts to accomplish that end that have been put forth by any party in the history of the country.

I have no disposition to impose limitations on the action of the Senator from Wisconsin, but I respectfully suggest to him that the Constitution having reposed in the Congress the obligation to prescribe tariff duties, and the Senate having failed to reform this bill according to the standards that he has fixed in his own mind and conscience, it would be wiser and safer for him to vote against the bill than to rely upon the conference committee to reform it to meet his ideas.

The Senator from Washington [Mr. JONES] has, in substance, declared that after the Senate has had this bill under consideration for many months, the Finance Committee having reported 2,087 amendments in the beginning and a large number subsequently, in his opinion, it is impossible for Congress to write a tariff bill that anyone can justify. He expresses the hope that in the future tariff bills will be written by some other body than the Congress. The Constitution makes it the duty of Congress to prescribe tariff rates. With all due respect to those who, in repudiating in fact this bill, apologize for voting for it, I suggest that the way to secure a tariff bill which is acceptable to the people of this country and to their standards is to vote against bills which do not rise to those standards. This bill ought to be defeated because it increases to unreasonable proportions tariff-tax burdens relating to the necessities of life.

Mr. GOODING. Mr. President, I am of the opinion that the sooner we can come to a show-down on the great principle of protection within the Republican Party the better off the Republican Party is going to be, and the whole country. When Senators can stand upon this floor, as they do, and advocate rates which in the minds of the Finance Committee are excessive, as the Senator from Wisconsin [Mr. LENROOT] did and the Senator from Washington [Mr. JONES] did, and then stand upon this floor and serve notice that unless other schedules are reduced in conference they are going to vote against this bill, I think those Senators are entitled to serve notice upon the Finance Committee of the rates they have in mind, so that this question may be carried to the country. I think we ought to come to a show-down as far as the great principle of protection is concerned. We have had some support on the other side, and perhaps we could do a little trading without any injury to either party. I consider it mighty unfair, Mr. President, for Republican Senators to make such a threat against those who are going to handle this bill in conference—that unless reductions are made they will vote against the bill.

I want to make the statement again that I do not think the manufacturers of this country, under foreign valuation, have any protection at all when they come into competition with Germany and Austria with their depreciated currency. The sooner we come to a show-down and the country knows where we stand and the people of the respective States know where we stand on the great principle of protection the better off we all will be.

I am ready to go to the bat and meet the issue.

Mr. SMOOT. Mr. President, I gave notice that I would move to strike out the provision for 60 days, in section 315, and insert 15 days. That will be found on the fourth page, the fifth line, of the amendment submitted to section 315a by the Senator from North Dakota [Mr. MCCUMBER]. It is simply to strike out 60 days and insert 15 days.

Mr. UNDERWOOD. I do not understand the proposal the Senator has made. I have not the papers before me.

Mr. SMOOT. I thought the Senator was in the Chamber when we discussed it. I will read it. It provides that "such rate or rates of duty shall become effective 15 days after the said proclamation of the President," and so forth. That is, instead of 60 days, I propose 15 days.

Mr. UNDERWOOD. I do not desire to detain the Senate on the question. I suppose it is open to debate.

The PRESIDENT pro tempore. The Senator from Utah offers it as an amendment to this section?

Mr. SMOOT. I do; to strike out "60" and insert "15." This applies only to the rate or rates of duty when the proclamation has been made and it applies only to the coal-tar products. If it were 60 days, the importer could perhaps get sufficient of the goods into this country to furnish America for two years.

Mr. UNDERWOOD. I can see the Senator's standpoint, and there may be a good deal in it from his standpoint. On the other side is the standpoint of general business. When you

change rates of duty, you change competitive values and business conditions, and 60 days is not an unreasonable notice to give business of a change of rates which may go to the very vitals of all the business. There are two sides to it, I recognize.

The PRESIDENT pro tempore. The amendment is not before the Senate, and it ought to be reported by the Secretary. The Secretary will report the amendment to the amendment.

The READING CLERK. In paragraph 315, in the original amendment as presented by the Senator from North Dakota, on page 4, line 5, the Senator from Utah proposes to strike out the word "60" and insert "15," so that it will read:

Such rate or rates of duty shall become effective 15 days after the date of the said proclamation of the President, whereupon the duties—

And so forth.

The PRESIDENT pro tempore. The question is upon the amendment offered by the Senator from Utah to the amendment.

Mr. SMOOT. This applies only to coal-tar products, and nothing else. It is in that section.

Mr. KELLOGG. Mr. President, I have heard the speech of the Senator from Idaho [Mr. GOODING], in which he proposes to read out of the Republican Party every man who votes for lower rates than he thinks should be placed in this bill. I want to say to the Senator from Idaho that I voted for a great many reductions, because I thought the rates were too high, and I am going to vote for some more. Yet I am a protectionist, and I am perfectly willing to be responsible to my people in the State of Minnesota.

I think a Republican can be a protectionist and vote for some rates lower than have been advocated by the Senator from Idaho, and I am going to do it. I shall probably vote for this bill. I think the provision in the bill which allows the President, through the Tariff Commission, to arrive at a real scientific basis of cost of production, is a good provision, and I am inclined to think that if it was not in the bill I would not vote for it at all. But when I believe a rate is too high I am going to vote to reduce it, and I hope I shall get a chance to vote for some more reductions.

Mr. BURSUM. Mr. President, I desire to ask the Senator from Utah what the object of this amendment is, what purpose it will serve?

Mr. SMOOT. After the President makes a proclamation as to a rate affecting coal-tar products that rate shall go into effect 15 days after the proclamation, instead of 60 days. In other words, it is to prevent any coal-tar products coming into the country, after such a proclamation, in such quantities as to destroy the manufacture of any particular items. In 60 days they could get the product in from Germany, and perhaps enough of a special kind to destroy the local market for two or three years.

Mr. BURSUM. What about the investigation? Of course, it can not be made in that time.

Mr. SMOOT. That could not be done, because nobody will know whether the President will increase the rate or decrease the rate.

Mr. BURSUM. The investigation, of course, can not be curtailed.

Mr. SMOOT. There is no curtailment of the investigation.

Mr. BURSUM. I do not think we ought to change it from the way we have it.

Mr. SMOOT. I will say to the Senator that it is changed in conformity with the ideas of his closest friends, who have asked it. The only complaint they had was that if the time is made 60 days, the foreign manufacturers could get goods into this country in sufficient quantity to destroy a particular industry, and if the Senator understood it he would see that it was just exactly what he was trying to do.

Mr. BURSUM. Of course, I take it that the industry is thoroughly protected by the rates we have established.

Mr. SMOOT. All that will be in conference, and this provision will be in conference. But if it is not amended to 15 days, it will not be in conference. The object is to try to fix it so as to conform to the wishes of the people in whom the Senator is interested.

Mr. BURSUM. And it will have no bearing on the investigation?

Mr. SMOOT. None whatever.

Mr. BURSUM. Very well.

Mr. McCUMBER. Mr. President, I shall address myself for a minute to the amendment of the Senator from Utah, and my remarks will be as pertinent to that 15-day proposition as the remarks of other Senators have been to the matter that was just discussed.

I have no objection to any Senator selecting any political party, new or old, as his standard. I do not object to those who, while claiming to be protectionists, are, to my mind, far from protectionists. That is a difference of opinion. They can have their views and I will have mine.

But I do get a little bit tired of those Senators who appear before the committee and insist on and request rates which the committee consider are unconscionable, and attempt to force them down the throats of the committee, coming up and complaining about rates being too high in other schedules, when the rates, measured by the ad valorem, in many instances are nowhere near as high as those which they have advocated.

Mr. GOODING. Will the Senator yield?

Mr. McCUMBER. I would rather not yield. I want to say another word. Of course, we have tariff for revenue only Republicans on this side of the Chamber, and we have protectionist Democrats on the other side of the Chamber. They are all entitled to their own views, and I do not think that any Senator has a right to criticize another for his particular views as to what ought and what ought not to be protected. Each Senator necessarily looks after what he regards as the interests of his own people.

I want to remind those Senators who think that there are high rates in this bill that the average ad valorem rates in this bill will be lower than in any Republican tariff bill that has ever passed. They can, if they see fit, abandon the protection ship, as a great many abandoned it and gave us the Wilson-Gorman tariff bill, but, Mr. President, the country did not need more than four years to come back to its senses, and it did come back with a vigor that might be a lesson to those who think that because some rates in this bill are not according to their views they will abandon the Republican policy of protection.

We need no excuse for this bill. There is not an item in it that any good Republican who is in heart a protectionist can not defend before any person upon the face of the earth who wants to get the truth and who does not desire to govern his course entirely by his prejudices. As it will go to the conference to-day it has been cut almost in two, compared with the rates of duty passed by the House, and the rates are lower, figured on an ad valorem basis, than in any protective tariff bill that has ever passed Congress.

Mr. BORAH. Mr. President, the difficulty which confronted the Finance Committee at the time it undertook the task of framing a tariff bill was perhaps the most pronounced difficulty which ever confronted a committee of the Senate. I do not think that under the conditions as they obtain at the present time it is practically possible to formulate a tariff bill upon the true principles of a protective policy.

There were no facts, in my judgment, upon which a bill could be framed. The best evidence of that is the method and the manner in which this bill has been discussed and treated here in the Senate. From day to day the committee would offer amendments, and offer them upon the supposition and upon the statement that the change of conditions had necessitated the change in proposed duties. The able Senator from Indiana stated very frankly here on the floor that in view of changing conditions it was absolutely necessary for the Finance Committee to suggest amendments from day to day. Under such conditions it seems self-evident that it would be practically impossible to frame a permanent measure upon the true principle of protection.

Therefore, Mr. President, the difficulty which confronted the committee being one which was almost insuperable, I am not disposed to make a personal quarrel with the committee or any member of the committee for having failed to do that which I think is practically impossible at this time, to wit, make a tariff bill based upon the real principle of the Republican theory of protection.

I trust that the amending and the modifying of the rates of the bill will continue until the conference report shall have been made up, and that when the conference report comes back we will have a much better bill than we have now, as it is now conceded that we have a much better bill than we had two months ago.

That will not be by way of disparagement of anybody's ability; it will be by reason of a condition which has confronted us from the beginning, a condition which is here, and which it is not within the power of the human mind to remedy. The relentless march of events must remedy that condition.

But, Mr. President, I am unable to vote for the bill as it goes to conference for the simple reason that I feel that my vote should be in accordance with my earnest desire that the bill be remedied, and if I should vote to indorse it as it now stands I would have no right to complain of the committee if

it brought back here a bill in precise accord with its present terms. I look, therefore, upon my vote against the bill at the present time as it is up for passage the same as I look upon my vote upon certain schedules. I regard it as one step in the process of making the bill. I vote that way because I record my earnest desire that the committee may continue to use its great ability, its industry, and its outlook for the betterment of the bill as it has done for the last two months. If I had voted for these duties as a majority have, of course I would vote for the measure.

Now, it is said that this is a bill based upon Republican principles of protection. It is not, as I understand it. I make no profession of my partisanship or my loyalty to the Republican Party. Others can do that, and especially my own constituency can judge it. That question is to be settled in another form. But I had always supposed that I understood the principles of protection as advocated by the Republican Party. As I understand them, I have voted for them continuously and persistently in the bill in so far as it was possible to acquire the facts upon which to base an opinion at all. When there were no facts I have given the doubt to the more reasonable rule. The theory of protection is based upon the supposition that we shall formulate a duty here which would represent the difference in the cost of production at home and abroad, and that after that is represented we place domestic manufacturers and those abroad upon an even scale and say to them, Now you can compete for the customers. We are not supposed to build a wall around the United States which gives to the producer in the United States a monopoly of the American market, which enables him to charge all which conscience or the lack of conscience will permit. It has always been my understanding of protection that we keep alive competition but that we favor the American manufacturer or producer to the extent of starting him off even, as it were, by giving him a duty respecting which he must pay in the way of increased cost of production. But this bill is prohibitory of all foreign importations as to many duties upon articles which the people of this country must have in order to live.

Mr. HEFLIN. Mr. President, the amendment gets worse. The Senator from Utah [Mr. SMOOT] has offered a proposition that makes the proclamation of the President go into effect in 15 days. What is that done for? It is to protect the tariff barons in the United States. If a tariff tax is to be raised the increase will go into the profits of the tariff barons, and thus the people are to have snap judgment taken upon them. There are only 15 days, two weeks, before the rate goes into effect.

Mr. SMOOT. Mr. President——

Mr. HEFLIN. I yield to the Senator from Utah.

Mr. SMOOT. I merely want the Senator to know that that provision applies to coal-tar products and to nothing else in the bill.

Mr. HEFLIN. Mr. President, that is done in order that when the people who manufacture the product besiege the President and ask him to increase the rate, it may be done so quickly, done overnight, that the consuming mass of the American people will not have the benefit of the competition that would be produced by the bringing in of such material at such a time. It is done to practically place an embargo against such necessities, to build a wall around the American people, to leave the consuming mass of our people at the mercy of those who would have a monopoly in that particular thing. That is the effect of the amendment.

Senators on the other side of the Chamber chide the Senator from Idaho [Mr. BORAH]. Mr. President, it is well for those who still remain in the Republican Party, who still believe in the principles of Lincoln, that there are such men in the party as the Senator from Idaho.

I recall another time when he gave his party timely warning. That was when the Republican convention of 1920 sat in Chicago, and the effort was made to buy the presidential nomination, and he made a speech and told his party and the country that he was reminded by what he saw in the convention of the days when the emperorship of Rome was sold to the highest bidder. It was BORAH who cried out against it. It was BORAH who was trying to keep his party clean. It was BORAH who was denouncing the power of boodle in a convention of his party. I say that he rendered the service of a patriot when he did it. When he stands here to-day and sees his party betraying the people, betraying the trust committed to it, giving over to the President the taxing power of the Republic, he is again rendering signal service to his party and his country. Let them criticize him, those who want to serve their predatory masters, and let him continue to cry out against the betrayal of the American people. The sober, serious senses of the people can be relied upon to stand by a public servant who is able and fearless, and I predict that Senator BORAH will be here serving his people long after some others have gone out of this legislative body. Senators are face to face with the proposition here to-day as to whether or not they will protect and safeguard the constitutional rights of the people or surrender them into the hands of the tariff barons of the country.

Mr. McCORMICK. Mr. President——

Mr. HEFLIN. I yield to the Senator from Illinois.

Mr. McCORMICK. I hope the Senator will continue his apostrophe to the Senator from Idaho so as to include his warning to the country that the people would repudiate anyone who supported the League of Nations.

Mr. HEFLIN. Mr. President, I am glad to be interrupted by the Senator from Illinois, even to hear him say "Listen to my tale of woe." I venture to remind him of the old familiar lines:

If you would have me sing and play as once I played and sung,
Take this time-worn lute or ("loot") away and bring one newly strung.

[Laughter.]

The PRESIDENT pro tempore. The time of the Senator from Alabama has expired.

Mr. WALSH of Montana. Mr. President, in view of the lecture just read by the distinguished chairman of the Finance Committee to his Republican brethren who seem to evince some dissatisfaction with the bill, I read the following from the New York Times of this morning:

From first to last the Republicans have neglected nothing that could bring disaster upon their party. They have deliberately and ostentatiously plundered the mass of the people. The people will return their thanks in November. How cheering it must be to Mr. McCUMBER and his fellow sages to read Republican appreciations of their work such as this testimonial from the Boston Transcript, so long so close to the gracious bosom of HENRY CABOT LODGE:

"It would be hard for Congress to draft a worse tariff than that to be sent to conference by the Senate this week. It ought to be easy to purge the bill of some of its more flagrant schedules in the wake of the rebuke which we hope and believe the party in power will receive at the polls next November."

The PRESIDENT pro tempore. The Chair gives notice that from this time forward he will enforce the rule which requires debate to be confined to the question before the Senate. That provision has been violated frequently. The question is upon agreeing to the amendment proposed by the Senator from Utah [Mr. SMOOT] to the amendment made as in Committee of the Whole.

On a division the amendment to the amendment was agreed to.

Mr. JONES of New Mexico. Mr. President, I have heard some Senators express themselves as being dissatisfied with the bill, but that by reason of this provision of the bill they feel that they can safely support the measure as a whole.

Mr. McCUMBER. Mr. President, I rise to a point of order.

The PRESIDENT pro tempore. The Senator from North Dakota will state the point of order.

Mr. McCUMBER. I inquire what amendment is before the Senate?

The PRESIDENT pro tempore. The amendment made as in Committee of the Whole is pending.

Mr. McCUMBER. What is the question?

The PRESIDENT pro tempore. The question is, Will the Senate concur in the amendment made as in Committee of the Whole as amended in the Senate?

Mr. McCUMBER. I hope the Chair will enforce the rule.

Mr. JONES of New Mexico. Mr. President, the provision now before the Senate is used as the justification for the support of the bill. It confers upon the President the power to change rates. The kind of power conferred upon the President has been very distinctly limited, to change rates equalizing the difference in the cost of production at home and abroad. That is the only basis, and it has been said, even by supporters of the measure, that if it were not so definitely stated in the law it would be unconstitutional and could not be supported.

I ask Senators to consider just what the provision means, the ironclad difference in the cost of production at home and abroad. It has already been called to the attention of the Senate that there are differences in the cost of production among the industries of a country both at home and abroad. There are differences in the cost of production as between the different countries abroad. I want to call attention to the fact, as I have previously done, that as to many industries it is impossible to ascertain the cost of production either at home or abroad. As to many commodities there must be an arbitrary allocation.

I have previously used the illustration of ascertaining the cost of production of wool and the cost of production of mutton. The person does not live who can by any definite method ascertain those costs here or elsewhere. There must be an arbitrary allocation of so much to the cost of production of

wool and so much to the cost of production of the mutton or the meat. So that practically all—I was about to say practically all, but not all; there are some simple industries in the country where they are engaged in making only one item, but that is not the rule; it is not representative of American industry. There are by-products, there are joint products, and wherever that occurs there must be an arbitrary allocation of the cost. That cost can not be ascertained by any scientific or mathematical means. There is no question they are under this rule, and whether the industry is one which should be fostered or not makes no difference.

The PRESIDENT pro tempore. The time of the Senator from New Mexico has expired. The question is, Will the Senate concur in the amendments made in sections 315, 316, 317, and 317a as amended in the Senate?

Mr. OVERMAN. I ask for the yeas and nays, Mr. President.

The PRESIDENT pro tempore. The yeas and nays have been ordered, and the Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. JONES of New Mexico (when his name was called). I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Nevada [Mr. PITTMAN], and vote "nay." I ask that this announcement of the transfer of my pair may stand for the day.

Mr. CURTIS (when Mr. LA FOLLETTE's name was called). The senior Senator from Wisconsin [Mr. LA FOLLETTE] is paired with the Senator from Michigan [Mr. TOWNSEND]. The Senator from Wisconsin, if present and permitted to vote, would vote "nay," and the Senator from Michigan, if present and permitted to vote, would vote "yea."

Mr. McCUMBER. (when his name was called). I transfer my general pair with the junior Senator from Utah [Mr. KING] to the Senator from Washington [Mr. POINDEXTER] and vote "yea."

Mr. UNDERWOOD (when Mr. PITTMAN's name was called). The senior Senator from Nevada [Mr. PITTMAN] has been detained from the Senate on account of sickness. He has had to undergo a surgical operation. He wired me that he expected to be able to return to the Senate in time to vote on the pending bill, but this morning I am in receipt of a telegram from his surgeon, which I desire to read to the Senate in reference to his absence. The telegram reads:

BATTLE CREEK, MICH., *August 17, 1922.*

SENATOR OSCAR UNDERWOOD,
United States Senate, Washington, D. C.:

Senator KEY PITTMAN underwent a minor operation here at the sanitarium on the 10th instant. He has not yet fully recovered, and traveling at this time would be hazardous. I have urged him to remain two or three days longer.

W. F. MARTIN.

Mr. WATSON of Georgia (when his name was called). I have a general pair with the senior Senator from California [Mr. JOHNSON]. If he were present and permitted to vote, he would vote "yea," and if permitted to vote I should vote "nay."

Mr. WATSON of Indiana (when his name was called). I have a general pair with the senior Senator from Mississippi [Mr. WILLIAMS], which I transfer to the junior Senator from North Dakota [Mr. LADD] and vote "yea." I wish this notice of this transfer to stand throughout the day.

The roll call was concluded.

Mr. EDGE. I transfer my general pair with the senior Senator from Oklahoma [Mr. OWEN] to the junior Senator from Vermont [Mr. PAGE] and vote "yea."

Mr. POMERENE. I desire to announce that my colleague, the junior Senator from Ohio [Mr. WILLIS], is detained because of serious illness in his family. I ask that that announcement may stand for the day. I have a pair with my colleague, but I am not able to secure a transfer, and I therefore withhold my vote. If permitted to vote, I should vote "nay."

Mr. HARRISON. Mr. President, on this vote I have a pair with the junior Senator from West Virginia [Mr. ELKINS]. That Senator is unavoidably detained from the Chamber, but I understand that if he were present he would vote "yea." I should vote "nay," if permitted to vote.

Mr. ROBINSON. I desire to announce that my colleague, the junior Senator from Arkansas [Mr. CARAWAY], is necessarily absent. On this vote and on all other votes on the bill and amendments thereto he is paired with the junior Senator from Illinois [Mr. MCKINLEY].

Mr. UNDERWOOD. The senior Senator from Georgia [Mr. HARRIS] has gone to Europe with a party to attend an international conference. He asked me when he left here to announce that on this vote he is against the pending amendment and is also against the passage of the bill. He is paired with the junior Senator from Missouri [Mr. SPENCER], who would vote for the proposition. I wish the RECORD to show that.

Mr. CURTIS. I am requested to announce that the junior Senator from Illinois [Mr. MCKINLEY] is paired with the junior Senator from Arkansas [Mr. CARAWAY]. If present and permitted to vote, the Senator from Illinois would vote "yea."

The result was announced—yeas 45, nays 26, as follows:

YEAS—45.

Ball	Edge	McCormick	Rawson
Brandegee	Ernst	McCumber	Reed, Pa.
Broussard	France	McLean	Shortridge
Bursum	Frelinghuysen	Moses	Smoot
Calder	Hale	Nelson	Sterling
Cameron	Harreld	New	Sutherland
Capper	Jones, Wash.	Newberry	Wadsworth
Colt	Kellogg	Nicholson	Warren
Cummins	Kendrick	Norbeck	Watson, Ind.
Curtis	Keyes	Oddie	
Dillingham	Lenroot	Pepper	
du Pont	Lodge	Phipps	

NAYS—26.

Ashurst	Heflin	Reed, Mo.	Swanson
Borah	Hitchcock	Robinson	Trammell
Culberson	Jones, N. Mex.	Sheppard	Underwood
Dial	McKellar	Shields	Walsh, Mass.
Fletcher	Myers	Simmons	Walsh, Mont.
Gerry	Overman	Smith	
Glass	Ransdell	Stanley	

NOT VOTING—25.

Caraway	King	Page	Watson, Ga.
Elkins	Ladd	Pittman	Weller
Fernald	La Follette	Poindexter	Williams
Gooding	McKinley	Pomerene	Willis
Harris	McNary	Spencer	
Harrison	Norris	Stanfield	
Johnson	Owen	Townsend	

So the amendment made as in Committee of the Whole, as amended in the Senate, was concurred in.

The PRESIDENT pro tempore. The Secretary will now state the amendment in section 526.

The READING CLERK. On page 384, after line 14, section 526 was inserted, reading as follows:

SEC. 526. (a) That it shall be unlawful to import into the United States any merchandise if such merchandise, or the label, sign, print, package, wrapper, or receptacle bears a trade-mark registered in the Patent Office by a person domiciled in the United States, under the provisions of the act entitled "An act to authorize the registration of trade-marks used in commerce with foreign nations or among the several States or with Indian tribes, and to protect the same," approved February 20, 1905, as amended, if a copy of the certificate of registration of such trade-mark is filed with the Secretary of the Treasury, in the manner provided in section 27 of such act, and unless written consent of the owner of such trade-mark is produced at the time of making entry.

(b) Any such merchandise imported into the United States in violation of the provisions of this section shall be subject to seizure and forfeiture for violation of the customs laws.

(c) Any person dealing in any such merchandise may be enjoined from dealing therein within the United States or may be required to export or destroy such merchandise or to remove or obliterate such trade-mark and shall be liable for the same damages and profits provided for wrongful use of a trade-mark, under the provisions of such act of February 20, 1905, as amended.

The PRESIDENT pro tempore. The question is on concurring in the amendment made as in Committee of the Whole.

Mr. MOSES. Mr. President, the history of this amendment is interesting. It was written by a lawyer well known in the precincts of the Capitol; it was inserted in the bill originally, without hearing, upon the votes of four Senators; it was removed from the bill by a disagreeing vote on the 6th of June, upon an understanding, as I believed, that if it were to be taken up again it should be taken up as a separate measure on its own merits and before the Committee on Patents, which properly has jurisdiction of the subject matter. It was put back in the bill among the myriad amendments brought in by the committee the other morning after their midnight session, and it may be fairly classified now as one of the midnight amendments, like the "midnight judges" of the John Adams administration.

It has no place, Mr. President, in a tariff bill. It is a matter particularly of international relations, bearing upon our international treaty and trade-mark conventions, and is a proper subject for either the Committee on Foreign Relations or the Committee on Patents to discuss and consider. It contravenes our treaty obligations; it constitutes but another diamond-studded link in the chain with which the Committee on Finance seems bound to adorn the buxom bosom of certain interests in this country. Especially, Mr. President, it runs counter to two pieces of legislation already pending in this body, one introduced by the senior Senator from Kentucky [Mr. STANLEY], and pending before the Committee on Patents, and the other introduced by the senior Senator from Alabama [Mr. UNDERWOOD], and pending before the Committee on the Judiciary. The adoption of this amendment might contravene the effect of

either of those measures, and certainly would conflict with the great and important questions which those measures involve.

In addition, Mr. President, the whole subject matter involved in this amendment is now before the courts of the United States for determination. A case involving its entire principle has been heard in the circuit court of appeals and is now on its way to the Supreme Court of the United States for final determination. I submit to the Senate that if by an obscure amendment in a tariff bill, put in by the votes of four Senators, as I have indicated, we are to interfere in litigation and are to determine causes before the courts, there will be open to Congress new avenues of activity for lawyers, and we shall be besieged constantly for amendments to bills which will affect the causes of clients and the fees of attorneys.

Mr. President, if this measure is to be determined at all, if it is to be taken up by the Senate at all, it should not be taken up under conditions such as now confront the consideration of this amendment, when only a few minutes may be permitted to discuss the great constitutional and legal questions involved and when the subject matter of the whole amendment belongs properly to other committees.

I trust that the Senate will refuse to concur in the amendment as made in the Committee of the Whole, in order that the subject matter may be remitted to the proper hands, those of the Committee on Foreign Relations or the Committee on Patents.

Mr. KELLOGG. Mr. President, candidly, I think if Senators understand this amendment they will not adopt it upon this tariff bill.

The amendment provides, in substance, that it shall be unlawful to import into the United States any merchandise if such merchandise, or the label, sign, print, package, wrapper, or receptacle bears a trade-mark registered in the Patent Office by a person domiciled in the United States.

Mr. President, this is the first time I ever heard of in legislation that the United States proposed to enforce the trade-mark laws by a prohibition and an embargo against shipments. Remember, Mr. President, we have reciprocal treaties on trade-marks with every nation in the world. I wish I had time to recite them; but the substance of those treaties is that trade-marks of the United States may be registered in those countries and their trade-marks registered here as provided by law, and that rights of action are given to foreign citizens in our courts, and rights of action in foreign countries by our citizens to enforce their rights under trade-marks if there is any infringement. I never before heard, however, that because it was claimed that goods were being shipped in here in violation of a local trade-mark there should be an embargo and no chance whatever to test the matter in the courts. Why, there are any number of suits where foreigners have come here and under the treaties have brought suits to enforce their rights against Americans where they claimed there were conflicting trade-marks.

Take the case of France. Here is one clause of the French treaty, and the treaties with all countries are substantially the same:

> Every reproduction in one of the two countries of trade-marks affixed in the other to certain merchandise to prove its origin and quality is forbidden and shall give ground for an action for damages in favor of the injured party, to be prosecuted in the courts of the country in which the counterfeit shall be proven, just as if the plaintiff were a subject or citizen of that country.

Suppose a citizen of France claims the right to ship in a certain class of goods with a certain trade-mark and an American citizen claims that he has a trade-mark. There is a dispute for the courts, and we legislate that the Frenchman can not even ship into this country his goods because the American has a trade-mark registered in the Patent Office. Why, Mr. President, that will violate every treaty we have with every country in the world.

I do not care whether it applies to dyes or not; this amendment applies to everything. I do not know who drew it; I do not know who got it on the bill; but we ought to hesitate, under a five-minute rule, to adopt an embargo against any foreign country shipping goods here where an American claims he has a trade-mark upon them.

Mr. SUTHERLAND. Mr. President, as to the origin of this proposed legislation, I would refer the Senate and the Senator from New Hampshire to the report made by the American Bar Association, the section of it sitting upon this question, in the twenty-ninth paragraph of which, on page 34, are set out all of the provisions of this proposed section of this bill. It is recommended by the American Bar Association, after a careful consideration of the entire question, not only in relation to its effect upon our commerce but in relation to its effect upon our international relations, the Senator from Minnesota to the contrary notwithstanding.

Mr. President, all that this paragraph does is to prevent fraud, and I believe that the Senate is in favor of protecting the property rights of American citizens who have purchased trade-marks from foreigners, and when these foreigners deliberately violate the property rights of those to whom they have sold these trade-marks by shipping over to this country goods under those identical trade-marks.

Mr. CURTIS. Mr. President——

Mr. SUTHERLAND. It prevents, and its only aim is to prevent, a palpable fraud. The treaties which are referred to by the Senator from Minnesota are for the purpose of protecting citizens of all these countries in the enjoyment of trade-mark rights.

A trade-mark does not provide a monopoly. Mr. Justice Pitney, in a celebrated case, delivered himself of this opinion.

In the case of United Drug Co. *v.* Rectanus (248 U. S. 90) Mr. Justice Pitney said:

> A trade-mark in truth * * * confers no monopoly whatever in a proper sense, but is merely a convenient means for facilitating the protection of one's good will in trade by placing a distinguishing mark or symbol—a commercial signature—upon the merchandise or the package in which it is sold.

The prohibition against the shipping over to this country of merchandise under specific trade-marks which have been bartered away to citizens of the United States does not create a monopoly at all, nor does it prevent the shipping over to this country of the identical merchandise, having the same constituent elements as are protected by the trade-mark.

For instance, American citizens have purchased the trade-mark of the Hunyadi Janos water. If this section becomes a law the owners of that water on the other side can not ship over that water under that trade-mark. They can ship over shiploads of the same water, having the same effect upon the human anatomy, without any infringement of this law at all. It does not provide a monopoly. It only protects a property right which has been sold, and in the enjoyment of which every citizen of the United States ought to be willing to see the purchaser protected.

Mr. LENROOT. Mr. President, just a word.

As I understand this language, an American citizen goes to the city of Toronto and purchases some goods of American manufacture, bearing an American trade-mark, that he would prefer to purchase rather than some other goods not made in the United States. He puts the merchandise in his grip and crosses the line with it. Under this section that merchandise must be confiscated. Am I correct?

Mr. SUTHERLAND. And it ought to be.

Mr. LENROOT. And it ought to be? If an American exports merchandise to Canada, having there a trade-mark, and an American citizen buys that merchandise in Canada with that trade-mark, and is willing to pay the duty that may be imposed, if there be any, it is to be confiscated?

Mr. EDGE. Mr. President, may I ask the Senator to go a step further? Suppose the American citizen purchased and brought back to this country a product of foreign manufacture, with a foreign trade-mark, and paid the duty on it in the regular way: Would he be entitled to bring it in?

Mr. LENROOT. No; if that happened to be a trade-mark that was registered by some one domiciled in the United States, he would not be. Take another case along the Canadian border——

Mr. KELLOGG. Mr. President, will the Senator permit an interruption?

Mr. LENROOT. Just a moment. Wonder flour is one of the best products of flour we have. Along the Canadian border an American citizen crosses the line and buys a sack of Wonder flour. Unless he has the written permission of the maker of that flour, that sack of flour is to be confiscated under this paragraph.

Surely the Congress of the United States is not going to enact any such legislation as this.

Mr. McCUMBER. Mr. President, this will be subject to an amendment now, I understand. I can offer an amendment to the proposed amendment?

The PRESIDENT pro tempore. It is open to amendment.

Mr. McCUMBER. I move, after the word "merchandise"—I think it will be in line 2 of the amendment—to insert "of foreign manufacture."

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the Senator from North Dakota to the amendment made as in Committee of the Whole.

Mr. MOSES. Mr. President, I merely wish to point out that that amendment does not cure the great vice of the whole amendment, which is——

Mr. McCUMBER. I will discuss that, Mr. President, if I can get this amendment agreed to.

Mr. POMERENE. I ask to have the amendment stated.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The PRINCIPAL LEGISLATIVE CLERK. In the second line of the section, after the word "merchandise," it is proposed to insert "of foreign manufacture," so that the section would read:

That it shall be unlawful to import into the United States any merchandise of foreign manufacture if such merchandise—

And so forth.

Mr. MOSES. Mr. President, is the Senator from North Dakota holding the floor?

Mr. McCUMBER. No.

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from New Hampshire?

Mr. McCUMBER. I yield the floor. Then I want to discuss the amendment, after the Senator is through.

Mr. MOSES. Mr. President, I merely wish to point out that even the amendment proposed by the Senator from North Dakota does not cure the vice of the general amendment, which is an interference with the proper, orderly proceedings now taking place in the courts of the United States. My chief objection to the amendment as it stands is that its main purpose will be to interfere with litigation now going on; and I protest that the Congress of the United States should not be used for the purpose of advancing the cause of litigants or attorneys.

Mr. McCUMBER. Mr. President, I want to say but one word in reference to the amendment.

I offered the amendment to meet the possible case suggested by the Senator from Wisconsin [Mr. LENROOT]. The question now is whether this amendment is a vicious amendment of itself?

As shown, the courts have held that we can not prevent any product being shipped into the United States if it is in violation of a trade-mark where the foreign maker has sold trade-mark and all, patent and everything, in the United States.

I am going to give but a single illustration. I will take Bayer's aspirin. Suppose not only the patent but the trade-mark, which is "Bayer's Aspirin" with a red cross, is sold to an American concern outright. The patent will defend against any importations so long as the patent lasts; but suppose, now, the patent expires. Then the German firm, notwithstanding that they have sold all rights, including the trade-mark, begin to ship in Bayer's Aspirin with the same kind of a trade-mark that they had before, although the right is owned in the United States. According to the decision that was read by the Senator from West Virginia the American purchasers of these rights are entirely unprotected, and this is to give the opportunity to protect the American purchaser. That is all there is to it, and there is no treaty against it.

Mr. SIMMONS and Mr. WADSWORTH addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from North Carolina?

Mr. McCUMBER. I simply give this as an illustration. I do not know who or what might have purchased these particular articles. I do not care about going into that.

Mr. WADSWORTH. Mr. President——

Mr. McCUMBER. I yield.

Mr. WADSWORTH. Will the Senator, if he can, state the parties to this suit?

Mr. SIMMONS. Mr. President, a point of order.

The PRESIDENT pro tempore. The Senator will state his point of order.

Mr. SIMMONS. I addressed the Chair, and the Chair asked if the Senator from North Dakota yielded to me. The Senator from New York was directing a question to the Senator from North Dakota without getting the consent of the Chair, according to the rule. He took me off my feet.

I want to ask the Senator from North Dakota, who has just taken his seat, one question with respect to this matter. I am asking it because when the matter came up a few days ago we had a division, and this side of the Chamber voted for this paragraph. I do not know whether we voted under a misapprehension or not. I do not think I did, but some other Senators on this side think probably they did.

As I understand the Senator, this provision does not prohibit the importation into this country of foreign goods at all, unless the particular importation bears a trade-mark which is the property of an American citizen?

Mr. McCUMBER. That is right.

Mr. SIMMONS. It is not a prohibition against the importation?

Mr. McCUMBER. Not at all.

Mr. SIMMONS. The article may be imported ad libitum, but it must not bear the trade-mark?

Mr. McCUMBER. It is a prohibition against the violation of his contract.

Mr. SIMMONS. Have you not all through the bill written provisions to the effect that unless certain things were done with reference to labels, stamps, and things of that sort the articles should not be permitted to enter the American market?

Mr. McCUMBER. In a thousand ways we have guarded against fraud, and this one among the thousand.

Mr. SIMMONS. Mr. President, I voted for the provision upon the rising vote to which I referred, but I understood this was about the situation, which had been represented to me by persons interested in this matter: It was brought to my attention by some West Virginians who were interested in this subject. I give it merely as an illustration of the principle. As I understood from them, the Bayer Co., of Germany, produced aspirin. It had a patent. A New York corporation was organized, financed entirely by German capital, and became the owners of that patent and that trade-mark in the United States. As long as the patent existed, as the Senator said, they were absolutely protected, but when the patent expired they were protected only to the extent of their trade-mark.

The Alien Property Custodian seized the property of that corporation because it was composed of Germans; he sold it at auction, and these West Virginia people bought it, paying $5,000,000 for it, I believe.

Mr. SUTHERLAND. Three million dollars.

Mr. SIMMONS. The thing of large value in the purchase, if not of chief value, was the trade-mark with reference to aspirin. Now it is proposed not to put any prohibition upon the imports of aspirin made by the Bayer Co., of Germany, or aspirin made by any other foreign company, but if the Bayer Co. puts the trade-mark which now belongs to American citizens upon those goods the goods are to be excluded, because it is an invasion of the rights of American citizens. Take the trade-mark off, and though the product is the same as the one produced by the American company it can come in. The importation of the article is not prohibited. You merely prohibit the use of the trade-mark which belongs to American citizens.

Do you not do that with reference to an American citizen duplicating the trade-mark of another American citizen? You protect a citizen against that sort of an invasion of his rights.

The PRESIDENT pro tempore. The time of the Senator has expired.

Mr. POMERENE. Mr. President, it is my purpose, if under my pair I can get a transfer, to vote for this amendment as well as for the amendment offered to the amendment by the Senator from North Dakota.

I have heard a statement of the facts substantially like that made by the Senator from North Carolina. As I understand it, the title to this trade-mark was acquired in a perfectly legitimate way and in accordance with the law as it existed at the time. I understand also that, under the present law, if a patented article is brought to the customs office which infringes an American-owned patent, it can be excluded. I think I am right about that.

It seems to me that perhaps there is a doubt as to whether the same principle would apply to a trade-mark. As I understand it, a valuable part of the asset which was acquired by this company—not the valuable part, but a valuable part—was the trade-mark. It is not proposed under this legislation to prohibit the importation of the article of manufacture in question. It is proposed in this amendment to prevent foreign manufacturers from entering into this market or selling in this market articles when they bear this particular trade-mark.

What is wrong about it? The Senator from New Hampshire refers to some pending litigation. If this amendment is agreed to it will not determine that litigation. That litigation will be determined by the state of the law as it existed at the time the facts arose which were involved in the controversy. This amendment, if it becomes the law of the land, will be a declaration of what the Congress of the United States believed should be the national policy hereafter.

That is all there is in it, and it seems to me, under the circumstances as I understand them, this is simply an exercise of good faith on the part of Congress toward the people who have acquired the rights to this trade-mark under laws heretofore enacted by the Congress of the United States.

Mr. EDGE. Mr. President, I would like to have one point made clear and I will address a question as to the operation of this amendment to the chairman of the Finance Committee, who can answer in my time.

If an American wholesale house, for instance, secured the selling rights of a foreign-produced article with a trade-mark, and imported large supplies of whatever the product might be, not obtaining any copyright for American distribution but simply acting as a selling agent, as it were, if I make myself clear, for some foreign house producing, say, Pears' soap, or whatever the foreign product may be, would this amendment, if adopted, serve in any way to hinder the importation and sale of that article under that foreign trade-mark?

Mr. McCUMBER. Certainly not, because there must be one domiciled in this country who is the owner of the trade-mark, and the trade-mark must be registered in the United States. Therefore it would not affect anything as to which there was not a trade-mark owned here and registered in the Patent Office in the United States.

Mr. EDGE. In other words, when an American purchased foreign goods for sale, the trade-mark is automatically registered in the United States? Is that what the Senator means?

Mr. McCUMBER. No; I mean that there are cases in which not only is there a patent of a foreign country sold to an American or an American firm, and having the patent, of course they can be protected. But the court in a late decision, which I shall not take the time now to discuss because I have not the time, has held that a trade-mark did not protect a party at all against importations of the article from the very firm which sold it, stating that the trade-mark is simply to indicate the character of the goods, or the maker, so that we will know what the goods are; and the courts will not protect the individual.

Mr. EDGE. Then, as I understand, either a selling agent or any wholesale house on this side, not necessarily a selling agent but simply one purchasing a consignment of foreign-made goods with a trade-mark, would in no way be interfered with in selling those goods on this side?

Mr. McCUMBER. Certainly not.

Mr. LENROOT. Mr. President, perhaps I do not understand the facts of this situation. I want to ask the Senator from North Dakota a question. We will assume that Pears' soap, to which he has referred, is not registered in the United States. It is sold in the general markets throughout the world, but the makers of Pears' soap desire a monopoly in the United States. They have American agents who register a trade-mark of Pears' soap here in the United States.

I want to inquire whether any American could purchase Pears' soap abroad and import it without the written consent of their agent here in the United States, and if not, why not? There is no fraud, no deceit. It is the same identical article, with the trade-mark registered here protecting the maker of the article. I yield to the Senator to answer.

Mr. McCUMBER. Mr. President, if there has been no transfer of trade-mark, that presents an entirely different question. But suppose the trade-mark is owned exclusively by an American firm or corporation. The mere fact of a foreigner having a trade-mark and registering that trade-mark in the United States, and selling the goods in the United States through an agency, of course, would not be affected by this provision.

Mr. LENROOT. This is an international trade-mark of Pears' soap, registered here by an American, with American domicile. Under it Pears' soap could not be bought in the markets of the world and sold here without the written consent of the Pears Soap Co., or their agent domiciled here in America.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment offered by the Senator from North Dakota [Mr. McCUMBER] to the amendment made as in Committee of the Whole.

On a division, the amendment to the amendment was agreed to.

The PRESIDENT pro tempore. The question is, Will the Senate concur in the amendment made as in Committee of the Whole?

Mr. MOSES. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. GLASS (when his name was called). I transfer my pair with the Senator from Vermont [Mr. DILLINGHAM] to the Senator from Texas [Mr. CULBERSON] and vote "nay."

Mr. HARRISON (when his name was called). On this vote I am unable to obtain a transfer of my pair with the Senator from West Virginia [Mr. ELKINS]. I therefore withhold my vote.

Mr. CURTIS (when Mr. LA FOLLETTE'S name was called). I was requested to announce that on this question the Senator from Wisconsin [Mr. LA FOLLETTE] is paired with the Senator from Michigan [Mr. TOWNSEND]. If present, the Senator from Wisconsin would vote "nay" and the Senator from Michigan would vote "yea."

Mr. McCUMBER (when his name was called). Transferring my general pair with the junior Senator from Utah [Mr. KING] as on the previous vote, I vote "yea."

Mr. POMERENE (when his name was called). Again announcing my pair with my colleague [Mr. WILLIS], I have been advised that if he were present he would vote as I intend to vote. I therefore feel at liberty to vote. I vote "yea."

Mr. TRAMMELL (when his name was called). In the absence of my pair, the senior Senator from Rhode Island [Mr. COLT], being unable to obtain a transfer, I withhold my vote.

Mr. WATSON of Georgia (when his name was called). I have a general pair with the senior Senator from California [Mr. JOHNSON]. He being absent, I withhold my vote.

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "yea."

The roll call was concluded.

Mr. LODGE (after having voted in the affirmative). I observe that my pair, the senior Senator from Alabama [Mr. UNDERWOOD], is absent. I transfer that pair to the Senator from Maryland [Mr. WELLER] and allow my vote to stand.

Mr. CURTIS. I was requested to announce that the junior Senator from Illinois [Mr. McKINLEY] is paired with the junior Senator from Arkansas [Mr. CARAWAY], and that the junior Senator from Missouri [Mr. SPENCER] is paired with the senior Senator from Georgia [Mr. HARRIS].

The result was announced—yeas 44, nays 15, as follows:

YEAS—44.

Ball	Fletcher	Myers	Shields
Brandegee	Frelinghuysen	New	Shortridge
Broussard	Gerry	Oddie	Simmons
Bursum	Gooding	Pepper	Stanfield
Calder	Jones, Wash.	Phipps	Sterling
Cameron	Kendrick	Pomerene	Sutherland
Capper	Lodge	Ransdell	Wadsworth
Cummins	McCormick	Rawson	Walsh, Mass.
Curtis	McCumber	Reed, Pa.	Walsh, Mont.
du Pont	McLean	Robinson	Warren
Ernst	McNary	Sheppard	Watson, Ind.

NAYS—15.

Dial	Kellogg	Nelson	Smith
Glass	Keyes	Newberry	Stanley
Hale	Lenroot	Nicholson	Swanson
Hitchcock	Moses	Reed, Mo.	

NOT VOTING—37.

Ashurst	Harreld	McKinley	Townsend
Borah	Harris	Norbeck	Trammell
Caraway	Harrison	Norris	Underwood
Colt	Heflin	Overman	Watson, Ga.
Culberson	Johnson	Owen	Weller
Dillingham	Jones, N. Mex.	Page	Williams
Edge	King	Pittman	Willis
Elkins	Ladd	Poindexter	
Fernald	La Follette	Smoot	
France	McKellar	Spencer	

So the amendment made as in the Committee of the Whole, as amended in the Senate, was concurred in.

The PRESIDENT pro tempore. The Secretary will report the amendment reserved by the Senator from Wisconsin [Mr. LENROOT] in paragraph 1109.

The READING CLERK. On page 146, paragraph 1109, woven fabrics, reserved by the Senator from Wisconsin [Mr. LENROOT].

Mr. LENROOT. Mr. President, this paragraph was adopted in Committee of the Whole by the very narrow margin of 2 votes. I want to say a word with reference to the paragraph in general and the compensatory duties, as well as the protective duties contained therein.

During the debate in Committee of the Whole it was constantly asserted that the duties upon wool—and I am now speaking of the compensatory duties in this paragraph—were lower than the rates of the present emergency tariff law. That was true as to the high-class wools. It is a reduction of about 30 per cent on that class of wools, but it is an increase on the low shrinking wools, shrinking 30 per cent instead of 70 per cent, of 50 per cent under the present emergency tariff law.

Mr. President, I understand that it is necessary to carry the compensatory duties into this paragraph, the Senate having adopted the 33-cent rate upon raw wool. I still think, however, that the compensatory duties are more than necessary to compensate for the raw wool. I am going to reoffer the amendment which I offered in Committee of the Whole upon the subject. The protective duties, outside of the compensatory duties, are very clearly higher than are necessary to protect these cloths; in fact, the present duty is practically prohibitive except for specialties. I send to the desk the same amendment which I offered in Committee of the Whole reducing the protective duties 5 per cent.

The PRESIDENT pro tempore. The amendment offered by the Senator from Wisconsin will be stated.

The READING CLERK. On page 146, in line 25, strike out "40" and insert "35"; on page 147, line 2, strike out "50" and insert "40"; and, on line 5, strike out "55" and insert "45."

Mr. LENROOT. I ask unanimous consent that the amendments be voted upon as one amendment.

The PRESIDING OFFICER (Mr. WADSWORTH in the chair). Without objection, it is so ordered.

Mr. LENROOT. On this question I demand the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. McCUMBER (when his name was called). Transferring my general pair with the junior Senator from Utah [Mr. KING] as on the previous vote, I vote "nay."

Mr. POMERENE (when his name was called). Again announcing my pair with my colleague the junior Senator from Ohio [Mr. WILLIS], I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. WATSON of Georgia (when his name was called). I have a general pair with the senior Senator from California [Mr. JOHNSON]. If present and permitted to vote, the Senator from California would vote "nay," and if permitted to vote I should vote "yea." I withhold my vote.

The roll call was concluded.

Mr. FRELINGHUYSEN. I transfer my general pair with the Senator from Montana [Mr. WALSH] to the junior Senator from Maryland [Mr. WELLER] and vote "nay."

Mr. HARRISON. On this vote I have a pair with the junior Senator from West Virginia [Mr. ELKINS]. I understand that if he were present and permitted to vote, the junior Senator from West Virginia would vote "nay." If permitted to vote, I should vote "yea." I withhold my vote.

Mr. EDGE. Making the same announcement as before concerning my pair and its transfer, I vote "nay."

Mr. CURTIS. I desire to announce that the Senator from Illinois [Mr. McKINLEY] is paired with the Senator from Arkansas [Mr. CARAWAY], and that the Senator from Missouri [Mr. SPENCER] is paired with the Senator from Georgia [Mr. HARRIS].

The result was announced—yeas 34, nays 35, as follows:

YEAS—34.

Ashurst	Hitchcock	Newberry	Smith
Borah	Jones, N. Mex.	Overman	Stanley
Capper	Jones, Wash.	Pomerene	Sterling
Cummins	Kellogg	Ransdell	Swanson
Dial	Lenroot	Reed, Mo.	Trammell
Fletcher	McCormick	Robinson	Underwood
Gerry	McKellar	Sheppard	Walsh, Mass.
Glass	Myers	Shields	
Heflin	Nelson	Simmons	

NAYS—35.

Ball	du Pont	McLean	Reed, Pa.
Brandegee	Edge	McNary	Shortridge
Broussard	Ernst	Moses	Smoot
Bursum	Frelinghuysen	New	Stanfield
Calder	Gooding	Nicholson	Sutherland
Cameron	Hale	Oddie	Wadsworth
Colt	Keyes	Pepper	Warren
Curtis	Lodge	Phipps	Watson, Ind.
Dillingham	McCumber	Rawson	

NOT VOTING—27.

Caraway	Harrison	Norbeck	Townsend
Culberson	Johnson	Norris	Walsh, Mont.
Elkins	Kendrick	Owen	Watson, Ga.
Fernald	King	Page	Weller
France	Ladd	Pittman	Williams
Harreld	La Follette	Poindexter	Willis
Harris	McKinley	Spencer	

So Mr. LENROOT's amendment to the amendment made as in Committee of the Whole was rejected.

The PRESIDING OFFICER. The question now is on concurring in the amendment made as in Committee of the Whole.

Mr. LENROOT. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. McCUMBER (when his name was called). I have a general pair with the junior Senator from Utah [Mr. KING], which I transfer to the junior Senator from Washington [Mr. POINDEXTER], and vote "yea." I will allow this announcement of the transfer of my pair to stand upon all votes during the day, unless otherwise stated.

Mr. POMERENE (when his name was called). Again announcing my pair with my colleague [Mr. WILLIS], I transfer that pair to the senior Senator from Texas [Mr. CULBERSON], and vote "nay."

Mr. WATSON of Georgia (when his name was called). I have a general pair with the senior Senator from California [Mr. JOHNSON], who, if present, would vote "yea." If permitted to vote, I should vote "nay." I withhold my vote.

The roll call was concluded.

Mr. FRELINGHUYSEN. Making the same announcement as to my pair and its transfer as before, I vote "yea."

Mr. HARRISON. I transfer my pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "nay."

Mr. EDGE (after having voted in the affirmative). Making the same announcement as before with reference to my pair and its transfer, I will let my vote stand.

Mr. CURTIS. I desire to announce that the Senator from Illinois [Mr. McKINLEY] is paired with the Senator from Arkansas [Mr. CARAWAY], and that the Senator from Missouri [Mr. SPENCER] is paired with the Senator from Georgia [Mr. HARRIS].

The result was announced—yeas 38, nays 27, as follows:

YEAS—38.

Brandegee	France	McNary	Reed, Pa.
Broussard	Frelinghuysen	Moses	Shortridge
Bursum	Gooding	New	Smoot
Calder	Hale	Nicholson	Sterling
Cameron	Jones, Wash.	Norbeck	Sutherland
Colt	Kendrick	Oddie	Wadsworth
Curtis	Keyes	Pepper	Warren
Dillingham	Lodge	Phipps	Watson, Ind.
Edge	McCumber	Ransdell	
Ernst	McLean	Rawson	

NAYS—27.

Borah	Heflin	Newberry	Simmons
Capper	Jones, N. Mex.	Overman	Smith
Dial	Kellogg	Pomerene	Swanson
Fletcher	Lenroot	Reed, Mo.	Trammell
Gerry	McKellar	Robinson	Underwood
Glass	Myers	Sheppard	Walsh, Mass.
Harrison	Nelson	Shields	

NOT VOTING—31.

Ashurst	Harreld	McKinley	Stanley
Ball	Harris	Norris	Townsend
Caraway	Hitchcock	Owen	Walsh, Mont.
Culberson	Johnson	Page	Watson, Ga.
Cummins	King	Pittman	Weller
du Pont	Ladd	Poindexter	Williams
Elkins	La Follette	Spencer	Willis
Fernald	McCormick	Stanfield	

So the amendment made as in Committee of the Whole was concurred in.

The PRESIDING OFFICER. The Secretary will state the next reserved amendment.

The READING CLERK. On page 156, in paragraph 1205, "woven fabrics in the piece, composed wholly or in chief value of silk," not specifically provided for, 55 per cent.

Mr. ROBINSON. Mr. President, that amendment was reserved for a separate vote in the Senate by the Senator from New Mexico [Mr. JONES]. He is not in the Chamber at this moment. I hope there will be no objection to the amendment being passed over until his return to the Chamber.

Mr. McLEAN. Mr. President——

Mr. ROBINSON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Gooding	Nelson	Shortridge
Brandegee	Hale	New	Simmons
Broussard	Harrison	Newberry	Smoot
Bursum	Heflin	Nicholson	Stanfield
Calder	Jones, N. Mex.	Norbeck	Sterling
Cameron	Jones, Wash.	Oddie	Sutherland
Capper	Kellogg	Pepper	Swanson
Curtis	Lodge	Phipps	Trammell
Dial	McCormick	Ransdell	Underwood
Dillingham	McCumber	Rawson	Wadsworth
Edge	McKellar	Reed, Pa.	Walsh, Mass.
Fletcher	McLean	Robinson	Watson, Ga.
Gerry	McNary	Sheppard	
Glass	Myers	Shields	

The PRESIDING OFFICER. Fifty-four Senators having answered to their names, a quorum is present. The question is on concurring in the amendment made as in Committee of the Whole to paragraph 1205.

Mr. JONES of New Mexico. Mr. President, I do not believe I am justified in taking up the time of the Senate in the special consideration of that paragraph and also the next two paragraphs, and I withdraw the application for a separate vote.

The PRESIDING OFFICER. On all three?

Mr. JONES of New Mexico. On all three.

The PRESIDING OFFICER. Without objection, the reservations on pages 156, 161, and 163 are withdrawn. The question is on concurring in the amendments made as in Committee of the Whole.

The amendments made as in Committee of the Whole were concurred in.

The READING CLERK. The next paragraph reserved is on page 165, paragraph 1215, artificial silk waste, reserved at the request of the Senator from Pennsylvania [Mr. PEPPER] and the Senator from New York [Mr. CALDER].

Mr. PEPPER. Mr. President, in pursuance of the reservation, I offer an amendment to paragraph 1215.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. In paragraph 1215, after the words "less rate of duty than," it is proposed to strike out the numeral "35" and insert "45."

Mr. PEPPER. Mr. President, under the schedule as drawn, artificial silk yarns and filaments carry certain specific rates of duty, and the paragraph concludes with a safeguarding clause to the effect that none of these items shall carry a duty of less than 35 per cent ad valorem.

Mr. President, the fact is that the items to which this amendment refers are now disclosed as having a foreign selling price such that the specific duties given them in the paragraph are of a less percentage ad valorem than the safeguarding 35 per cent. It is necessary to raise "35" to "45" in order that the safeguarding process intended by the committee shall go into actual operation and effect, regard being had to the prices shown by the latest reports from abroad as being the foreign prices.

I refer specifically to the fact that the average price per pound of all artificial silk yarns, taken from the Monthly Summary of Foreign Commerce of the United States for May, 1922, is $1.90, and for the 11 months ending May 30, 1922, is $1.74. The rate under the Senate bill is, therefore, in effect the same as it is under the Underwood tariff, because the ad valorem equivalent of the specific rate is less than the safeguarding clause.

I therefore press, sir, the amendment which would change "35" to "45," and by so doing I think it is demonstrable that I create no discrimination against the foreign product, but precisely equalize the difference in production costs and enable the home producer to sell on equal terms with the product brought in from abroad.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Pennsylvania [Mr. PEPPER] to the amendment made as in Committee of the Whole.

The amendment to the amendment was agreed to.

Mr. CALDER. Mr. President, I reserved the right to offer an amendment to this paragraph. I send it to the desk and ask to have it stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The READING CLERK. On page 165, line 21, it is proposed to strike out "50" and insert "60."

Mr. CALDER. Mr. President, this amendment is made to the last ad valorem in this paragraph. It was the rate that the committee originally recommended. The paragraph, however, was entirely rewritten on the floor, and the Senator from Utah [Mr. SMOOT] had the rate fixed at 50 per cent.

This particular provision refers to what is usually called outerwear—silk and imitation of silk sweaters, and knit fabrics of like character, shawls, and things of that sort. The manufacturers of these commodities insist that they ought to have compensatory duty of 70 cents a pound and 80 per cent ad valorem. That duty seemed to the Finance Committee, of course, to be too high, and the compensatory rate fixed in the bill in the paragraph under consideration is 45 cents a pound. I do not propose to change that, but I recall distinctly that there was doubt in the minds of some of us when the rate I seek to amend was agreed to. I remember at the time that the Tariff Commission expert, in discussing the matter with me here in the Senate Chamber, said that he was inclined to believe that the rate ought to be at least 60 per cent.

I may say that the imports of this commodity are increasing. They were very considerable before the war—very large indeed. About one-half of our consumption was imported at that time, but of course since the war we have not had these big importations. They are, however, beginning to come in again, and I am sure that the rate proposed is not too high.

Mr. SIMMONS. Mr. President, I do not wish to discuss this matter. It relates to knit goods, ribbons, and other fabrics, and articles composed wholly or in chief value of any of the foregoing, chiefly silk products. The rate fixed by the committee was 45 cents per pound, and, first, 40 per cent ad valorem. That was changed to 50 per cent ad valorem. The Senator now asks that that be changed to 60 per cent ad valorem. It seems to me that 45 cents per pound and 50 per cent ad valorem is enough for these knit goods.

Mr. SHEPPARD. Mr. President, this artificial silk industry has grown amazingly in the United States within the last few years. It has multiplied itself about fifteen times over, and the rates really ought to be decreased rather than increased. However, I do not care to enter into a detailed discussion of the matter at this time, inasmuch as I endeavored to present the case in all its aspects a few days ago. I showed that there was no industry in American history that had grown more rapidly than this, that no industry needed the supporting hand of the Government less than this.

Mr. SIMMONS. Mr. President, I want to ask the Senator from Utah [Mr. SMOOT], who has just risen, if he can tell us what is the ad valorem equivalent of the rate proposed by the Senator from New York?

Mr. SMOOT. The 45 cents a pound on the average would be between 9 and 10 per cent ad valorem. That is the equivalent ad valorem; and of course that, added to the 60 per cent, would be about 69 per cent.

Mr. President, there is some question about this matter. The importations, according to the reports that we have gotten so far, would not justify the amendment. I have no objection, however, to allowing the amendment to be agreed to to-day and letting it go into conference, and between now and the time it is finally decided in conference I will undertake to find out just what the importations have been during the last two months. So I think we had better let it go in, and then take it up in conference.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from New York [Mr. CALDER] to the amendment made as in Committee of the Whole.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is on concurring in the amendment as amended.

The amendment as amended was concurred in.

The next amendment reserved was on page 175, paragraph 1309, Jacquard designs on ruled paper, reserved by the Senator from New York [Mr. CALDER].

Mr. CALDER. I submit an amendment to the amendment, which I send to the desk.

The PRESIDING OFFICER. The Secretary will state the amendment to the amendment.

The PRINCIPAL LEGISLATIVE CLERK. On line 10, strike out "1½" and insert in lieu thereof "2."

Mr. CALDER. Mr. President, the printed bill shows a rate on wall paper of 3 cents per pound and 20 per cent ad valorem. This was changed by a Finance Committee amendment which was agreed to in the Committee of the Whole on the day when debate on amendments had ceased, and a rate of 1½ cents was agreed to by the Senate without debate.

I seek now to strike out 1½ cents a pound and insert 2 cents a pound. This is 1 cent less than the original provision recommended by the committee, but half a cent more than the amendment adopted in the Committee of the Whole.

I have been moved to do this by a careful study of this whole subject of the admission of wall paper into this country. It seems that we are admitting a great deal of cheap oatmeal wall paper from Germany. That paper costs to-day, laid down at the customhouse, about 3 cents a pound. The duty under the present law is 25 per cent. I propose that the rate shall be 2 cents a pound and 20 per cent ad valorem.

This morning I took occasion to purchase a roll of German wall paper, and I would like to have the attention of the Senators present. I regret that there is not a larger attendance.

This roll of wall paper is 3 pounds in weight [exhibiting]. I have the importer's word for it that it cost him 3¼ cents a pound. In other words, this roll, weighing 3 pounds, cost 9¾ cents at the customhouse in New York. The duty is 25 per cent ad valorem, a matter of about 2¼ cents for this whole roll, bringing the cost at the customhouse duty paid to a little less than 12 cents.

I was charged this morning at a wholesale wall-paper establishment in the city of Washington 90 cents for this roll of paper, German wall paper, which cost the importer, including the duty, 12 cents.

But I want to point out that the cheapness in price is not carried to the American consumer. Wall paper of like character made in this country costs 6¼ cents a pound. It costs 3¼ cents more a pound to produce the American article than the German can lay it down for at the port of New York.

I have asked an increase in this duty from 1½ cents a pound, the rate fixed in the Committee of the Whole, to 2 cents a pound, and the rate I propose is simply a cent and a half more on this roll of paper, 3 pounds in weight, than the rate fixed by the committee.

It may be argued in discussing the subject that this would mean a very considerable ad valorem duty. This paper cost, laid down in New York City, without the duty paid, less than 10 cents, and the duty upon it under my amendment would be 2 cents a pound and 20 per cent ad valorem; it would be about 8 cents duty. It is true, that would look like 70 per cent, and it seems like a great deal on the ad valorem basis, but as you

go to the higher class of paper, to the fancy English papers, which come over here at a dollar a roll, it means only about 30 per cent. But in papers of this quality it is impossible for the American producer to compete.

Eighty per cent of the paper of this sort consumed in this country in the past six months has been of foreign make. We have been able to get into use only 20 per cent of our own manufacture. In the State of Vermont, where the senior Senator from that State, whom I see in the Senate, resides, they have a great factory, and they have been compelled to close up. In my own State we have three plants engaged in the manufacture of this kind of paper which are working part time.

Mr. SMOOT. Mr. President, this is one of the items to which the committee gave a great deal of consideration. If we had a duty of 2 cents a pound, that would amount to about 80 per cent on the cheapest paper that is put upon the walls in any home.

What the Senator from New York says is true, that on the high-priced paper it would mean only about 20 per cent. Nobody cares whether the duty on that kind of paper is 25 or 28 or 70 or 100 per cent. But this is a class of paper which goes into the homes of all the people of the United States, and it is going too far to put a rate of between 75 and 80 per cent upon this paper, according to the view of the committee. So that all I have to say is that I hope the amendment will not be agreed to.

Mr. FLETCHER. Mr. President, I do not see how by tariff legislation we are going to cure the kind of profiteering mentioned by the Senator from New York. In other words, here is a concern which makes some 900 per cent on the paper. We can not raise the duty to 900 per cent in order to protect against that situation.

Mr. CALDER. Mr. President, I am not trying to do that. I am only seeking to increase this duty one-half cent a pound over the rate fixed in the Committee of the Whole, and if this is done it will give the American manufacturer of this product a bare chance in the market.

Mr. FLETCHER. That only means, as the Senator from Utah has said, a duty of something like 80 per cent on paper that is used by people of moderate means, and I can not see how it is justified.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York to the amendment made as in Committee of the Whole.

Mr. CALDER. I ask for a division.

On a division the amendment to the amendment was rejected.

The amendment made as in Committee of the Whole was concurred in.

The next amendment reserved was, on page 181, lines 18 and 19, in paragraph 1406, braids, plaits, laces, etc.

Mr. CALDER. I submit an amendment, which I send to the desk.

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. On page 181, line 22, the Senator from New York moves to strike out "50" and insert in lieu thereof "60."

Mr. CALDER. Mr. President, a careful examination of the rates fixed by the Senate in Committee of the Whole will make it clear that the rates in this paragraph have been increased over the House rates; that is, in converting the rates into foreign valuation they have been increased so that the rates now are the same as they would be under the American valuation, except in the case of the finished hat. Senators will observe that on page 181, line 22, we have fixed a rate of 50 per cent on straw hats.

There are very few industries in this country where the manufacturers are harder hit than in the straw-hat industry. If members of the committee will examine the paragraph they will find on line 17 a rate of 50 per cent ad valorem on hats that are not finished, while only 50 per cent is given on this class of hats. [Exhibiting.]

The particular hat I have in my hand is of German make. Its price, laid down at the customhouse, was 43 cents. Under the present rate in the Underwood Act the duty would be 17 cents, so that the cost of that hat, laid down at the customhouse plus the duty, is 60 cents plus.

With the rate I offer, 60 per cent ad valorem, the duty would be increased only 9 cents, and even that would be hardly worth considering when one comes to consider what it costs to manufacture a similar hat here. This hat was sold in New York City for $3 at retail, although, with the duty paid, it cost only 60 cents.

Mr. SIMMONS. On what line is the amendment?

Mr. CALDER. My amendment is offered on line 22, page 181. I point out to the Senator from North Carolina the fact that on line 17 we have provided a rate of 50 per cent for hats which are not finished, and this, of course, is a finished hat.

An examination of the records will show that the importations are increasing very rapidly, and that the very life of the straw-hat industry is threatened. It seems to me, when one comes to consider a hat of that kind being sold for 43 cents, and, with the duty paid, for only 60 cents, the Senate can afford to raise the rate 9 cents.

Mr. SIMMONS. If the Senator will pardon me, on the printed list I have he reserves the amendment on lines 18 and 19, which refers to harvest hats.

Mr. CALDER. I have reserved no amendments on the harvest-hat provision. I am only seeking to increase this duty on the finished straw hats, the more expensive kind.

Mr. SIMMONS. The Senator has not reserved it, then, because it is not on the list. The one he reserves is stated here as being on page 181, lines 18 and 19.

Mr. CALDER. I am not responsible for lines 18 and 19 being written on the list. I did not write the figures on it. I reserved a vote on this paragraph.

Mr. SMOOT. The question has been considered by the committee a number of times. Those interested made a pretty fair case for an increase of duty upon the hats, but after a full consideration of it, it was decided by the majority of the committee not to increase the rate over 50 per cent.

Mr. McLEAN. I hope the acting chairman of the committee will let it go to conference. There are very large importations.

Mr. SMOOT. If the Senator had just waited a moment, he would have found that I was going to state the same thing. As far as I am personally concerned, I recognize the fact that perhaps this industry has sharper competition than any other industry coming under this paragraph.

Another thing we have to take into consideration is the increased duties on about every article used in the manufacture of these hats. I am perfectly willing, as far as I am concerned, to vote for the amendment and let it go to conference. In the meantime I desire to find out what the importations have been in the last two months, and we can do that before we finally decide upon it; and if the importations in the last two months have not increased more than they did during the two months preceding over the two months preceding that, then I want to say frankly to the Senator from New York that as one of the conferees I do not propose to support the 60 per cent.

The PRESIDING OFFICER. The question is upon agreeing to the amendment offered by the Senator from New York to the amendment made as in Committee of the Whole.

The amendment to the amendment was agreed to.

The amendment made as in Committee of the Whole as amended in the Senate was concurred in.

The PRESIDING OFFICER. The Secretary will state the next amendment reserved.

The READING CLERK. On page 193, paragraph 1430, laces and embroideries, reserved on the request of Mr. JONES of New Mexico.

Mr. SMITH. Mr. President, this matter was reserved by the Senator from New Mexico [Mr. JONES] and also by myself. I presume it is useless to call attention to the outrageous duties which have been levied here, not for the sake of protection, but for the sake of guaranteeing an absolute monopoly. There is not any evidence submitted by those whom we have appointed to gather information and furnish it to us, not a scintilla of evidence, that we need any such duty as 90 per cent on the laces covered by this schedule and those embroideries which are in the nature of laces.

When I previously discussed the matter I submitted a table showing that a majority of these articles really need no duty at all. Now I call attention to the information that I have received that even in the Finance Committee some of the leading members of the committee were not in favor of such an outrageous and indefensible duty as 90 per cent on these ordinary things which the women of the country wear. This duty of 90 per cent has been put on practically every form of lace and embroidery that is not a luxury, but a necessity in civilized life among decent people. It is an imposition upon the efforts of the women of the country to make themselves more beautiful. Of course, that is difficult to do. It is like painting the rose, but they have the right to try.

The Tariff Commission and the Department of Commerce have brought the information down to August 1, 1922. On the embroidery and laces which are now comprehended under the 90 per cent rate of duty, they say that the letter of the appraiser of New York of August 1, 1922, indicates gross profits

of 60 per cent and on the basis of the profits applied to the foreign article the duty necessary to equalize would figure 43 per cent.

After figuring on those articles that really show a difference in cost of production at home and abroad, certain forms of laces and embroideries which are covered in the bill and were largely separated from the others, they said 43 per cent was all that was necessary.

They say further that figured on three actual transactions under subdivision (B) as separated by the Tariff Commission on the selling price of the domestic goods, the duty necessary to equalize was 17 per cent. In place of that the Senate Finance Committee has asked for a duty of 90 per cent on the laces and embroideries which approximate laces in their manufacture and use, and 75 per cent on the remainder. This is simply another evidence of an embargo for the purpose of protecting a few manufacturers in the country.

Instead of the amendment which I sent to the desk, I move to amend the paragraph by striking out "90" where it appears and inserting in lieu thereof "75," so that the highest rate of duty on any of these items may at least come within the enormous ad valorem of 75 per cent.

The PRESIDING OFFICER. The Senator's time has expired. The question is on the amendment of the Senator from South Carolina to the amendment, which will be stated.

The READING CLERK. On page 194, paragraph 1430, laces, in line 16, strike out "90" and insert "75."

Mr. McLEAN. Mr. President, I merely wish to say that this paragraph as it is written in the bill was prepared by the Tariff Commission with the advice of the experts, so far as the description of the articles is concerned, the designation of the laces and the embroideries. It is a very dangerous thing at this stage of the proceedings to undertake to differentiate or change the rates, provided we want to protect the industry in this country against destructive competition from abroad.

Mr. President, I simply call attention to the fact that the competition is so fierce that it is three or four times the American production, and yet the Senator from South Carolina has said that there is no danger to the industry. It now has a 60 per cent duty under the Underwood law, and had a 70 per cent duty under the Payne-Aldrich law, and yet he thinks that an additional 15 per cent would operate as an embargo. In 1914 we imported $48,000,000 worth; in 1918, $22,000,000 worth; in 1919, $30,000,000 worth; in 1920, $50,000,000 worth; in 1921, $42,000,000 worth; and the total production in the country this year was about $12,000,000.

Mr. SMITH. Mr. President——

Mr. McLEAN. I decline to yield. Nearly all the plants in this country to-day are practically shut down. There are 50,000 men and women out of employment as the result, and unless we give them reasonable protection it means that American consumers will be at the mercy of the importers.

I favor this rate in the interest of the consumer. Unless we give some protection to the industry in this country and stimulate competition here, those who want to buy these luxuries will pay three times for them what they pay now.

I do not know where the Senator gets his information as to the necessity for the rates he proposes.

Mr. SMITH. I get it from the Tariff Commission and from the Department of Commerce. There is no justification at all for the rates, save to put on an embargo in favor of the domestic manufacturer.

Mr. McLEAN. I want to say again that the very lowest rate reported in the Reynolds investigation is 90 per cent.

Mr. SMITH. Brought down to what date?

Mr. McLEAN. They can manufacture these laces to-day——

Mr. SMITH. The Senator is quoting from the Reynolds report brought down to what date? What is the date of the Reynolds report from which he is quoting? I have that information brought down to August 1, and they state that 43 per cent is sufficient.

Mr. McLEAN. I do not know where the Senator got his information. I do not know where he got the samples which he exhibited the other day; but I do know that wages in the competing countries are lower than they were in August last.

Mr. SMITH. The Senator declined to yield to me to answer a question in his time, but I have the information from the officials——

The PRESIDING OFFICER. The Senator from South Carolina is out of order. The time of the Senator from Connecticut has expired.

Mr. PEPPER. Mr. President, the best that can be said in favor of the amendment offered by the Senator from South Carolina is that it is an arbitrary and unreasoned reduction of a rate arrived at by the application of a scientific calculation. There is no reason at all, except the reason of expediency, as to what may be accomplished by an amendment which leads to the fixing of 75 per cent rather than 70 or 65.

The fact is, Mr. President, that a most careful calculation shows that even a rate of 90 per cent, extravagant as the statement may sound, is wholly inadequate by way of protection as to some of the articles which are covered by the paragraph. The fact is that the 90 per cent rate, large as it seems, is inadequate to cover some of them and barely covers in other cases. I believe it is true that if we were to subdivide the paragraph and assign a separately calculated rate to each item or bracket, in a few instances—perhaps two—a rate lower than 90 per cent could be justified, but that is exceptional and is necessarily incident to the classification in bulk, which is the only feasible way to handle the schedule.

Upon the whole, sir, the 90 per cent rate, I submit, is shown by the facts to be necessary for protection in practically all the cases and inadequate for protection in several of them. To reduce would mean to create the consequences which the Senator from Connecticut has so clearly pointed out. I hope the amendment will not prevail.

Mr. FLETCHER. Mr. President, I have received some telegrams protesting against these very high rates. My information is that the higher classes of goods under the 90 per cent ad valorem rate are not produced in this country at all; that we make only the lower grades, and that those are really the competing articles. I shall not have time to go into the details, but I wish to read the following telegram:

[Western Union telegram.]

The Glenham Embroidery Co., Beacon, N. Y., the largest embroidery factory in the United States, with bleaching facilities equal to the best Swiss standard, is at a complete standstill at present, respectfully requests your consideration on the embroidery tariff schedule. Founded in 1911 with a capital investment of one and one-half millions of dollars, we reached an output of over $2,000,000. The war seriously curtailed the creation of fashions in Europe favoring embroideries; practically eliminating them as a fashionable article for women's wear. A higher duty would act as a boomerang to our domestic industry as it would eliminate the importation of fashionable embroideries. The success of the domestic embroidery industry is reflected by the fashions shown in Europe and imported into the United States. A higher protective tariff would protect our industry to death. We respectfully suggest to uphold present rates of duty on the basis of which we can successfully compete in the United States.

THE GLENHAM EMBROIDERY CO.

This company ought to know what they are talking about. It seems that the rates ought not to be increased as provided in the committee amendment.

Mr. McLEAN. Mr. President, in reply to my statement the Senator from North Carolina asked what the tariff information report shows as to profits. It shows that they are making anywhere from one to two hundred per cent on these laces at the present rate.

Mr. SMITH. Mr. President, on my amendment I ask for the yeas and nays.

The yeas and nays were ordered and the reading clerk proceeded to call the roll.

Mr. HARRISON (when his name was called). I have a pair with the junior Senator from West Virginia [Mr. ELKINS]. I am unable to obtain a transfer. If permitted to vote, I should vote "yea."

Mr. POMERENE (when his name was called). Again announcing my pair with my colleague, the junior Senator from Ohio [Mr. WILLIS], I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. CURTIS (when Mr. TOWNSEND's name was called). The Senator from Michigan [Mr. TOWNSEND] is paired on this question with the Senator from Wisconsin [Mr. LA FOLLETTE]. If the Senator from Michigan were present and permitted to vote he would vote "nay," and if the Senator from Wisconsin were present and were permitted to vote he would vote "yea."

The roll call having been concluded, the result was announced—yeas 27, nays 39, as follows:

YEAS—27.

Ashurst	Hitchcock	Ransdell	Stanley
Borah	Jones, N. Mex.	Reed, Mo.	Swanson
Capper	Kellogg	Robinson	Trammell
Fletcher	McKellar	Sheppard	Underwood
Gerry	Myers	Shields	Walsh, Mass.
Glass	Overman	Simmons	Walsh, Mont.
Heflin	Pomerene	Smith	

NAYS—39.

Bull	Ernst	McLean	Reed, Pa.
Brandegee	Frelinghuysen	McNary	Shortridge
Broussard	Gooding	Moses	Smoot
Bursum	Hale	Nelson	Stanfield
Calder	Jones, Wash.	New	Sterling
Cameron	Kendrick	Newberry	Sutherland
Colt	Keyes	Nicholson	Wadsworth
Curtis	Lodge	Oddie	Warren
Dillingham	McCormick	Pepper	Watson, Ind.
Edge	McCumber	Rawson	

NOT VOTING—30.

Caraway	Harreld	McKinley	Spencer
Culberson	Harris	Norbeck	Townsend
Cummins	Harrison	Norris	Watson, Ga.
Dial	Johnson	Owen	Weller
du Pont	King	Page	Williams
Elkins	Ladd	Phipps	Willis
Fernald	La Follette	Pittman	
France	Lenroot	Poindexter	

So Mr. SMITH's amendment to the amendment made as in Committee of the Whole was rejected.

The PRESIDING OFFICER. The question recurrs on concurring in the amendment made as in Committee of the Whole.

The amendment was concurred in.

The PRESIDING OFFICER. The Chair understands that the request that the amendment relating to leather be reserved has been withdrawn.

Mr. CALDER. I have withdrawn my request for that reservation.

The PRESIDING OFFICER. Without objection, the amendment made as in Committee of the Whole will be concurred in.

The next reserved amendment was on page 198, paragraph 1435a, harness and saddlery, which had been reserved by Mr. MCLEAN.

Mr. McLEAN. I offer an amendment to the amendment made as in Committee of the Whole.

The PRESIDING OFFICER. The amendment proposed by the Senator from Connecticut to the amendment made as in Committee of the Whole will be stated.

The ASSISTANT SECRETARY. On page 198, in line 2, paragraph 1435a, it is proposed to strike out the words "valued at more than $40 each."

Mr. McLEAN. Mr. President, the amendment which I desire to amend applies to saddlery, saddles, and parts thereof. Originally the recommendation of the Committee on Finance was that a duty of 35 per cent ad valorem be imposed on these articles. However, when the Senate put hides on the free list it also, in a spirit of resentment, I think, put a great many things which are composed of leather upon the free list which ought to have reasonable protection. Among those articles are saddles and saddlery. We give traveling bags, suit cases, and trunks an ad valorem duty of 35 per cent. Those articles are made of leather, and the labor cost in making the saddle is probably about the same as it is in making these other articles.

More than that, Mr. President, the hardware which goes into a saddle pays an ad valorem duty of 35 per cent, and the pigskin which goes into the seat of the saddle pays a duty of 20 per cent.

The Senator from Florida last night called the attention of the Senate to a discrimination in the tariff upon grapefruit. The rate on grapefruit was originally fixed, I think, at the request of some very commendable American citizens who make their homes in the Isles of Pines. I do not think that the committee considered the injustice that would result to the producers of grapefruit in Florida by that discrimination in the first instance, and we were quite willing to remedy that clear discrimination. I want to say to the Senator from Florida and the other Senators on his side of the Chamber who want to be just in these matters that the ad valorem rate provided for grapefruit is, I am told by the experts, in excess of 35 per cent ad valorem. In the case of saddles and saddlery, we have a manufactured article which is produced in this country, the labor cost of which is high and on which Canada imposes a duty of 35 per cent.

I appeal to the sense of justice of the Senate to let this amendment go to conference, because unless the producers of saddles and saddlery secure this protection they will be obliged to pay a high rate upon their hardware; they will be obliged to pay a high rate upon their pigskin; and yet they will get no protection whatever. Furthermore, Canada may sell like articles in this country free of all duty, while if we want to sell a similar article in Canada we will have to pay a duty of 35 per cent ad valorem.

I am sure Senators from the great States of the West who regretted the vote which put hides on the free list will realize that it is not fair to carry that rule to these highly manufactured articles. Certainly, if we leave a rate of 35 per cent upon suit cases and trunks, we ought to give the same protection to the manufacturers of saddles and saddlery.

Mr. McCUMBER. Mr. President, the rates originally proposed upon hides, raw or uncured, or green or pickled, was 2 cents per pound, and on dried hides 4 cents per pound. Those rates were recommended in the interest of the producers of hides. When the Senate voted upon that question, rejected the amendment, and placed hides upon the free list, it was contended that there should be no duties levied upon leather or upon the products of leather made from the hides. The tanner said, "If you will give us free hides, we will not ask for any duty upon leather." The manufacturer of shoes said, "If you will give us free hides, we will not ask for any duty upon shoes." So we gave them free hides.

We did modify the rule in the committee to a certain extent. We said, "Inasmuch as the farmer now gets no protection for his hides, the leather goods which he ordinarily buys, such as harness, he shall also have free." The farmer, however, does not buy $100 harness sets; he does not buy $70 harness sets. The fancy-priced harness sets are purchased only by those in the cities who can afford to keep horses and who can afford the expense of maintaining them in the city. We ascertained that there are coming over from Great Britain harnesses for which such people would pay any price, and so we said, "If the harnesses are worth more than $70, a duty upon them must be paid." I am willing to leave it in that shape; but I am not willing to agree to the position of the Senator from Connecticut that all harnesses, no matter how cheap, shall take a rate of duty of 35 per cent.

Mr. McLEAN. Mr. President——

Mr. McCUMBER. I yield to the Senator.

Mr. McLEAN. We are not talking about harness now; we are talking about saddles, and I want to say to the Senator that a good saddle can be bought at retail for $20.

Mr. McCUMBER. I understood that the Senator had two amendments, the first relating to harness.

Mr. McLEAN. I called up the saddle amendment first, and we are now discussing that.

Mr. McCUMBER. Then the Senator is discussing the second one. I will only say, in reference to that, that I have no objection to having a compensatory duty upon the saddles that are made out of pigskin and other skin that is dutiable, and I am willing to vote for an amendment that might be suggested by the Senator which will bring about that result; but I am unalterably opposed to giving a duty upon that which is made of cowhide, where no duty is placed upon the raw material.

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. On line 2 it is proposed to strike out the words "valued at more than $40 each."

Mr. McLEAN. Mr. President, I will say that that will leave the duty on saddles at 35 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, I do not know of any saddles in my country that are made out of pigskin. If the Senator from Connecticut will change his amendment, and make it relate only to pigskin saddles, I do not know that we would have very much objection to it.

Mr. McLEAN. I will say to the Senator from New Mexico that the experts inform me that the seats of all saddles are made of pigskin.

Mr. JONES of New Mexico. That demonstrates that the experts do not know it all. If there is a cowboy saddle in the country that is made out of pigskin, I do not know where you will find it. It simply is not the fact. You can not find a saddle in New Mexico or the West anywhere, used on the ranges, that is made out of pigskin; and it is going to be a sorry story to take back to the cattlemen of the West that you put their hides on the free list and taxed the saddles which they ride in taking care of their cattle.

Mr. McLEAN. Mr. President, at 9 o'clock last night the Senator voted for a tariff of 80 per cent ad valorem on sugar, which the cowboy uses at times.

Mr. JONES of New Mexico. That is another story, Mr. President.

Mr. McLEAN. Yes; of course.

Mr. JONES of New Mexico. It has no connection with this. We are talking about these saddles that are made out of leather. I think the Senators who come from the western section of the country, where they ride leather saddles, will meet with some embarrassment in attempting to explain why they declined to put a tariff upon hides and then put it upon leather saddles.

Mr. McLEAN. If you destroy this industry in this country, and they are dependent upon foreign countries for their saddles, they will realize what it means.

Mr. JONES of New Mexico. I have heard that argument before, and I take no stock whatever in it. If the Senator will change his amendment so as to put a tariff upon pigskin saddles, I shall not have a word further to say; but when it includes leather saddles I protest.

Mr. McLEAN. I ask for the yeas and nays on my amendment.

Mr. UNDERWOOD. Mr. President, just a word.

This leather schedule and hides are on the free list now Nobody has been "broke" under the present condition. For months the leather and the shoe people were standing in the

corridors of this Capitol saying that if they could get free hides they were willing to put everything else on the free list. The manufacturers said that. We gave them free hides, and I think we gave them to them properly; but if, after giving them free hides, they are going to take the back track we might as well find it out now. I hope the roll will be called so that we can find out who are in favor of taking the back track on this schedule after we have put hides on the free list.

Mr. LODGE. Mr. President, I took some part in securing free hides; and I stated here what I was informed by all the boot and shoe manufacturers and all the tanners, that they were willing that all their products should be placed on the free list if they had free hides. The Senate has given them free hides; and articles made out of cattle hides—bovine hides, as the bill calls them—ought to remain on the free list, in my judgment. Personally, I should be acting in bad faith if I were to attempt to put a duty on manufactures of hides, which have been put on the free list.

Mr. HEFLIN. Mr. President, I do not hear from my good friend from Idaho [Mr. GOODING], who is generally alert and looking out for the interests of the western farmer and cattleman. When his friend the Senator from Connecticut is seeking——

Mr. GOODING. Mr. President, I will state to the Senator from Alabama——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Idaho?

Mr. HEFLIN. In just a moment. In the closing hours of this tariff debate the Senator from Connecticut [Mr. MCLEAN] seeks to levy a tax upon articles made of leather. I think the people ought to know who their friends are, and I think they are entitled to hear from their friends, and I yield to the Senator from Idaho just for a brief interruption, because my time is limited.

Mr. GOODING. I want to say to the Senator that I have been voting for protection in the interest of the laboring man. I believe that the manufacturers of harness and saddles in the East employ a great deal of labor, and I am going to vote for protection to that industry.

Mr. HEFLIN. Mr. President, I wanted to smoke out the Senator from Idaho.

Mr. GOODING. The Senator did not have any trouble about it.

Mr. HEFLIN. I see that I did not. The Senator has become very bold, and he has now come squarely up to the side of his friend, the Senator from Connecticut, and votes for rates that are sky-high on the things that are protected in his State, while the Senator from Idaho has been content with practically nothing for the people of his State. This proposition provides for free hides, free leather, and high protection upon the leather goods that the farmers of his State must buy and that all the people in Idaho must buy.

The Senator from Idaho boasts in the closing hours of this debate that he is with the Senator from Connecticut in taxing leather goods, harness, and saddles. The Senator from Connecticut would not know a pigskin saddle from a leather suitcase. He is advocating a tariff of this sort to tax every cowboy's saddle in the West, and every other person who buys saddles.

The Senator from Connecticut reminds me of the city chap from one of the cities in his State who went out into the country and while taking a meal with a farmer became jubilant over the rich yellow butter served and inquired: "Where do you get this butter?" The farmer's wife said: "We keep a cow." Then they passed him the honey, and when he tasted it he exclaimed with interest: "Do you keep a bee?" [Laughter.] So the Senator from Connecticut, Mr. President, has shown fully as much knowledge of the subject of pigskin saddles as this constituent of his did about honey.

Mr. McLEAN. Mr. President——

Mr. HEFLIN. I yield to the Senator.

Mr. McLEAN. I think the rate we are asking for on saddles is just about equal to the rate on graphite. [Laughter.]

Mr. HEFLIN. Mr. President, I want to say to the Senator, in reply to that, that the graphite industry in the United States under Republican rule is already prone upon its back, but saddle-producing pigs that the Senator is seeking to protect are still able to root around. [Laughter.]

Mr. President, let the country know that the people have been deceived; that although the Republican leaders indicated to them that they were to have free hides, free leather, free boots, and free shoes, in the closing hours of the debate they are seeking in the New England States to slip in leather goods and tax the whole American people. Let the record at least show what they are doing here.

Mr. GOODING. Mr. President, I have stood upon this floor and defended the great principle of protection in the interest of the laboring man. Now, because the cattle growers of the country are not given protection on hides, I am not going, just merely for what I should consider spite work, to destroy the harness industry and the saddle industry in the East.

I do not think we have been treated fairly. I think it was an outrage on the part of New England when they voted to put hides upon the free list. I am a protectionist upon principle, not because I want to see the cow men of the West get protection on hides or the woolgrowers get protection on wool. If there is anything in protection at all, there is a principle involved that goes all the way through. There is only one man interested in it, in my judgment, and that is the laboring man. If he is willing to work in this country just as cheaply as they do in England and other foreign countries making saddles, we would not need any protection; but who would have him do that? No friend of the laboring man would ask him to do that.

So I am going to vote for protection on saddles and on harness if it comes up, so that the American laboring man, whose employment I am interested in, will not have to work as cheaply as they do in foreign countries and, above everything else, will have a job and an income to keep the wolf from the door.

Mr. HEFLIN. Mr. President, will the Senator yield?

Mr. GOODING. Yes; I yield.

Mr. HEFLIN. Will not the Senator give some consideration to the man who buys the harness made out of this leather, and the saddles made out of this leather? Does the Senator consider how he is to keep the wolf from the door——

Mr. GOODING. Yes; I have considered that.

Mr. HEFLIN. When he has to pay high prices for everything he has to buy?

Mr. GOODING. I do not yield any further, Mr. President. I know this—that the farmers of this country can not be prosperous unless the manufacturers are prosperous. The farmer can not sell his products unless the wheels of industry in the East are moving and the labor is employed, nor can the manufacturers of this country be prosperous unless the farmers are prosperous. That is why I am for protection all the way through. It does not make any difference where the article is produced. When it came to grapefruit in Florida, I voted for it. Wherever the product is grown or produced or manufactured, I have stood upon this floor and voted for protection on it, and I am going to vote that way to the end. I can defend my principle before an intelligent audience anywhere in America. If the Senator does not think so, let him come on and see.

Mr. BURSUM. Mr. President, when the Senate adopted free hides it was generally understood—at least I so understood—that we would have free leather goods produced from hides. It seems to me that to take any other course at this time would not be keeping the faith. If there is any hardware which is necessary in the manufacture of saddles, it seems to me that that portion of it should be taken care of in the shape of a compensatory duty, and if it is not already taken care of I should be very glad to support that part of it. They would be entitled to a compensatory duty so far as the hardware is concerned which is included in the manufacture of saddles, which is given an extra duty.

Mr. McLEAN. I will say to the Senator from New Mexico that the hardware that goes into harness and saddles bears a rate of 35 per cent ad valorem.

Mr. BURSUM. That is on the hardware?

Mr. McLEAN. Yes; if they import that hardware in the saddle or in the harness, it comes in free.

Mr. BURSUM. I understand that thoroughly, and it would not be unjust to allow a compensatory duty on the hardware which is used in the saddle if that can be figured out. But to place any duty or any protection on the manufactured articles, so far as the leather is concerned, would not be keeping faith.

Mr. McLEAN. I make this suggestion to the chairman of the committee, as he proposed this rate. He will be chairman of the conference committee——

The PRESIDENT pro tempore. The Senator from Connecticut has already spoken once upon this subject and he is not now in order.

Mr. McLEAN. I merely desired to say that if we let it go to conference it will be entirely within the control of the Senator from North Dakota.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the Senator from Connecticut to the amendment made as in Committee of the Whole.

Mr. UNDERWOOD. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. WATSON of Georgia (when his name was called). I have a pair with the Senator from California [Mr. JOHNSON]. If present he would vote "yea," and if free to vote I would vote "nay."

The roll call was concluded.

Mr. POMERENE. I am paired with my colleague [Mr. WILLIS], but I have been advised that if he were present he would vote as I shall vote. I therefore vote. I vote "nay."

Mr. HARRISON. I have a pair on this vote with the junior Senator from West Virginia [Mr. ELKINS]. I understand that if he were present he would vote as I intend to vote, so I vote. I vote "nay."

The result was announced—yeas 12, nays 57, as follows:

YEAS—12.

Brandegee	Dillingham	Gooding	Nicholson
Calder	Ernst	Keyes	Pepper
Cameron	Frelinghuysen	McLean	Shortridge

NAYS—57.

Ashurst	Heflin	Newberry	Stanfield
Ball	Hitchcock	Oddie	Stanley
Broussard	Jones, N. Mex.	Overman	Sterling
Bursum	Jones, Wash.	Phipps	Sutherland
Capper	Kellogg	Pomerene	Swanson
Colt	Kendrick	Ransdell	Trammell
Culberson	Lenroot	Rawson	Underwood
Cummins	Lodge	Reed, Mo.	Wadsworth
Curtis	McCumber	Reed, Pa.	Walsh, Mass.
Dial	McKellar	Robinson	Walsh, Mont.
Fletcher	McNary	Sheppard	Warren
Gerry	Moses	Shields	Watson, Ind.
Hale	Myers	Simmons	
Harreld	Nelson	Smith	
Harrison	New	Smoot	

NOT VOTING—27.

Borah	Glass	McKinley	Spencer
Caraway	Harris	Norbeck	Townsend
du Pont	Johnson	Norris	Watson, Ga.
Edge	King	Owen	Weller
Elkins	Ladd	Page	Williams
Fernald	La Follette	Pittman	Willis
France	McCormick	Poindexter	

So Mr. MCLEAN's amendment to the amendment made as in the Committee of the Whole was rejected.

Mr. McLEAN. I withdraw the second amendment.

The PRESIDENT pro tempore. The Senator from Connecticut withdraws the second amendment to paragraph 1435a. The question now is, Will the Senate concur in the amendment made as in Committee of the Whole?

The amendment was concurred in.

The READING CLERK. The next reserved amendment is on page 199, line 15, paragraph 1428, "ivory tusks," reserved by the Senator from New York [Mr. CALDER].

Mr. CALDER. I reserved an amendment in that paragraph, but I shall not press my amendment to it.

The PRESIDENT pro tempore. The question is, Will the Senate concur in the amendment made as in Committee of the Whole?

The amendment made as in Committee of the Whole was concurred in.

The READING CLERK. The next reserved amendment is on page 201, paragraph 1444, "rosaries, chaplets," and so forth, reserved by the Senator from Missouri [Mr. REED].

The PRESIDENT pro tempore. The question is, Will the Senate concur in the amendment made in this paragraph as in Committee of the Whole?

The amendment was concurred in.

The READING CLERK. The next reserved amendment is, on page 228, paragraph 1624, "fish," reserved by the Senator from Massachusetts [Mr. LODGE].

Mr. LODGE. Mr. President, that which I desire to speak about is an amendment which was adopted as in Committee of the Whole, but which does not appear in the print of the bill. This is an amendment to follow the fish paragraph, paragraph 1624. The committee adopted this amendment:

No fish packed or frozen in a foreign country shall be exempt from duty under this paragraph.

That does not appear in the print of the bill, but it is what was adopted. The amendment was offered by the junior Senator from Washington [Mr. POINDEXTER] in a very different form, first, relating only to northwestern fisheries. There was a good deal of running debate upon it, and the amendment was withdrawn and changed a good deal on the floor and finally reached the form which I have read.

Since then I have given the matter some attention, and I think that this is an amendment, as it stands, which would be very harmful, certainly to the fisheries on the eastern coast, I think to the Lake fisheries, and perhaps to others, for it entirely takes away the privilege of transporting fish, the product of American fisheries, in bond anywhere into this country. It puts a duty on all fish the product of American fisheries coming into this country in bond.

Take the case of the fisheries with which I am most familiar, the eastern fisheries, the bank fisheries. The "bankers," as they are known, go to the Great Banks and fish. At a certain time they have to get additional ice. They may have a small fare or a large fare, but they have to return to get ice and supplies. If they are obliged to go to Gloucester or to Boston, of course it takes nearly double the time which would be occupied in going to Halifax, shipping their fish in bond to the United States, getting their ice and provisions, and going back to the banks. It would put a very great burden upon those fishermen. It would also put a great burden on consumers generally.

Of course, the privilege of transporting fish in bond is a mutual privilege with Canada, and I should be very sorry to see this country and our fishing interests deprived of that privilege. Of course, it is not here limited to Canada. It would affect every part of the country, and for that reason I hope this amendment, in the form in which I have read it and in which it was adopted, will not be accepted by the Senate.

Mr. McCUMBER. Mr. President, I think a word ought to be said as to the genesis of this provision. The Senator from Washington first introduced that amendment, the purpose of which was to require that all fish caught around Puget Sound should be brought into American ports before they could be received in the United States at all without paying the duties.

I objected to it at the time on the ground, mainly, that it was an attempt to compel fishermen to take their products into an American port, although they might do better by bringing them into a Canadian port, and under the provision as it was drawn if they brought them into a Canadian port and shipped them over the Canadian Pacific they could not come into the United States at all; the catch would not be admissible in our markets. The whole purpose of that was to divert the fish from a Canadian port into Ketchikan. I think that is the name of the American port. The Senator from Washington then modified his amendment and I agreed that it might go in in the form in which we now have it and go to conference. As now contained in the bill, it reads:

No fish packed or frozen in a foreign country shall be exempt from duty under this paragraph.

Upon second consideration I am even yet doubtful of the propriety of it in that form, but I think the Senator from Washington [Mr. JONES], who is now in the Chamber, possibly can explain it.

Mr. JONES of Washington. I did not know the matter had been reserved.

Mr. LODGE. It was printed in the list and I gave due notice of it.

Mr. JONES of Washington. I did not understand that the notice covered paragraph 1624.

Mr. LODGE. That is where it was in the bill.

Mr. JONES of Washington. The situation is this. The matter was discussed very extensively. The embargo proposition which I presented to the Senate was discussed very fully. While the Senate concluded not to put that in, I think as the result of the discussion the Senate, practically with unanimity, inserted the amendment in question.

It was deemed necessary to have some provision and I hope that the proposition will be allowed to go to conference. Of course, I have not the time to discuss it again in five minutes, but the situation is very serious in our section, and that is what we were trying to take care of with the provision I offered and which was discussed for a full day. As a result of that discussion, we adopted the proposition which was accepted, I believe, by everyone.

I think that at this time at any rate it ought not to be disturbed, but the matter ought to go to conference and we ought to allow the conferees to work it out so as to take care of the situation in our section and other sections if it is necessary to do so. I did not have in mind, of course, any situation in the other sections of the country and supposed that Senators from those sections were satisfied; in fact, I never had any intimation to the contrary. I did not know as a matter of fact that the amendment had been reserved and I overlooked the fact that the bill as printed did not show the amendment that was put on.

Mr. LODGE. That is the difficulty. We have not had the bill reprinted. I wish we had.

Mr. JONES of Washington. The bill was printed as originally reported from the committee.

Mr. LODGE. If it were only a local matter I would not desire to interfere with it, but it is a nation-wide proposition.

Mr. JONES of Washington. I would not object if the proposition came out of conference in that shape. It would suit me entirely.

Mr. NELSON. Mr. President, in the form in which the amendment is now worded, it is really a tax on exports and violates in principle that provision of the Constitution which says there shall be no tax on exports from the United States. As I understand the amendment, it requires the tax to be paid before the fish can be sold in this country.

Mr. LODGE. Yes; they have to pay the duty.

Mr. NELSON. It may be that as to Alaska, being in the unfortunate position of not being a State, it would be held that the provision did not apply, but it does apply to the States.

Mr. LODGE. It applies to everything.

Mr. NELSON. I think it violates the provision of the Constitution which prohibits an export tax.

Mr. LODGE. It applies to Alaska. It reads:

> No fish packed or frozen in a foreign country shall be exempt from duty under this paragraph.

It covers Alaska and everywhere else. I confess I can not assent to concurring in the language as it stands. If it is modified I would have no objection to it.

Mr. JONES of Washington. If the Senator suggests a modification I would have no objection to it including the words "northern waters of the Pacific."

Mr. NELSON. I do not know why the poor fishermen of Alaska should be discriminated against.

The PRESIDENT pro tempore. The Chair desires to understand the situation. Does the Senator from Massachusetts offer an amendment?

Mr. LODGE. No; my position is that the Senate should not concur in the amendment.

The PRESIDENT pro tempore. The Senator has spoken once upon the subject. The question is, Will the Senate concur in the amendment made as in Committee of the Whole?

Mr. JONES of Washington. I ask for the yeas and nays on the question.

The yeas and nays were ordered.

Mr. HITCHCOCK. I ask to have the issue stated.

The PRESIDENT pro tempore. The Secretary will state the amendment upon which the vote is to be taken.

The READING CLERK. On page 228, after line 15, in paragraph 1624, which reads:

> Oils, animal: Spermaceti, whale, and other fish oils of American fisheries, and all fish and other products of such fisheries; and all cod and cod-liver oil.

There was added the following:

> No fish packed or frozen in a foreign country shall be exempt from duty under this paragraph.

The PRESIDENT pro tempore. The Secretary will call the roll on concurring in the amendment.

The reading clerk proceeded to call the roll.

Mr. HARRISON (when his name was called). I am paired with the Senator from West Virginia [Mr. ELKINS]. Being unable to obtain a transfer, I withhold my vote. If permitted to vote, I would vote "nay."

Mr. POMERENE (when his name was called). Again announcing my pair with my colleague [Mr. WILLIS], I find that I am unable to obtain a transfer. If I were able to vote, I would vote "nay." I withhold my vote.

Mr. WATSON of Georgia (when his name was called). I am paired with the Senator from California [Mr. JOHNSON], who, if present, would vote "yea." If at liberty to vote, I would vote "nay."

The roll having been concluded, the result was announced—yeas 12, nays 55, as follows:

YEAS—12.

Brandegee	Curtis	Jones, Wash.	Oddie
Bursum	Ernst	McNary	Stanfield
Capper	Gooding	Nicholson	Sutherland

NAYS—55.

Ball	Glass	Myers	Simmons
Borah	Hale	Nelson	Smith
Calder	Harreld	New	Smoot
Cameron	Heflin	Newberry	Stanley
Colt	Hitchcock	Overman	Sterling
Culberson	Kellogg	Pepper	Swanson
Cummins	Kendrick	Phipps	Trammell
Dial	Keyes	Ransdell	Underwood
Dillingham	Lenroot	Reed, Mo.	Wadsworth
Edge	Lodge	Reed, Pa.	Walsh, Mass.
Fletcher	McCumber	Robinson	Walsh, Mont.
France	McKellar	Sheppard	Warren
Frelinghuysen	McLean	Shields	Watson, Ind.
Gerry	Moses	Shortridge	

NOT VOTING—29.

Ashurst	Johnson	Norris	Townsend
Broussard	Jones, N. Mex.	Owen	Watson, Ga.
Caraway	King	Page	Weller
du Pont	Ladd	Pittman	Williams
Elkins	La Follette	Poindexter	Willis
Fernald	McCormick	Pomerene	
Harris	McKinley	Rawson	
Harrison	Norbeck	Spencer	

So the amendment was nonconcurred in.

The PRESIDENT pro tempore. The Secretary will report the next amendment reserved.

Mr. SMOOT. Mr. President, there is one more amendment to the administrative provisions which was not noted until last night. I ask unanimous consent to offer the amendment at this time to correct the item on page 437. I send to the desk the amendment to which I refer.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Utah?

Mr. TRAMMELL. Mr. President, I shall object for the present.

Mr. SMOOT. It would take only a moment.

Mr. TRAMMELL. That is what I wanted to inquire.

Mr. SMOOT. It is simply to correct an administrative feature, something that we have to do.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Utah?

Mr. UNDERWOOD. In order to protect the rights of Senators who have amendments which they have reserved, I ask the Senator to withdraw his request for just a few moments.

Mr. SMOOT. I will withdraw it.

Mr. UNDERWOOD. I shall have no objetcion to the request when the proper time comes, but I think this list of reserved amendments should first be disposed of.

The PRESIDENT pro tempore. The Secretary will state the next reserved amendment.

The READING CLERK. Page 236, paragraph 1671a, relative to tomatoes, was reserved by Mr. TRAMMELL.

Mr. TRAMMELL. Mr. President, under the provisions of the House bill, and also under the provisions of the bill as reported from the Senate Committee on Finance, a duty of 1 cent per pound is fixed upon tomatoes coming into this country in their natural state from foreign countries. The Senator from Arizona [Mr. ASHURST] proposed an amendment to place tomatoes upon the free list during the months of December, January, February, March, and to April 15, the contention being made in support of that amendment that to allow the importation of tomatoes into this country free of duty during that particular period would not bring about any competition with the American product. That was the basis upon which the amendment, by a vote of 26 to 25, was adopted by the Senate a few days ago.

That idea, however, is erroneous when we consider the facts relative to the time of the harvesting and of the marketing of the tomato crop which is produced in certain parts of our own country, more particularly in the State of Florida. In Florida the tomatoes are harvested to begin with in December and January. In February the shipments become rather extensive; and during March and April we find there is the most extensive marketing of our crop of tomatoes. So if the amendment shall be adopted to this bill it will place tomatoes on the free list during the months of December, January, February, March, and for half of April. It will work the height of discrimination against the State of Florida; in fact, we might just as well strike from the bill the provision which fixes a duty upon tomatoes if we are going to except those particular months, because those are the months in which the American product has competition, and they have it not at any other time.

I have here telegrams from growers' associations, from extensive individual growers, and from the Board of Trade of Bradentown, Fla., supporting my statement that the Florida crop is marketed more or less in January; the market is extended quite largely during February; and that March and April are among the heaviest months of production and marketing in that State.

The only object and purpose of adopting this amendment are to allow some Americans living near Nogales, Ariz., who have gone over on the Mexican side to engage in the production of tomatoes, to bring those tomatoes in free, to allow brokers and others who are located in Nogales and who handle the marketing of the Mexican crop to have the benefit of bringing them in free during the months designated in the proposed amendment.

I feel, Mr. President, that it would be a great injustice to the State of Florida to select these particular months and allow importations of tomatoes free of duty at the time when they particularly come in competition with the Florida product.

During the months in question there are extensive importations from the West Indies, Bahamas, and Nassau. The products from these countries come directly in competition with our Florida tomatoes.

While you are writing a protective tariff law, if we are not going to extend its provisions to the Florida product, how can protection be justified upon the products of any other State in the Union by the advocates of the protective-tariff policy? Why should we say that we will fix this duty so that it will protect California during the time it is producing tomatoes and Texas during the time it is producing tomatoes, and probably Maryland and other States? If we throw down the bars and admit tomatoes free of duty during the months specified, it will encourage the production in Mexico, the West Indies, Nassau, and other countries as against this country. All the States that produce tomatoes will be interested because tomatoes will be imported for canning purposes, and canneries will be established along the Mexican and Arizona border, and the first thing we know in every State in the Union where the canning of tomatoes is being carried on we shall have competition with the Mexican tomato that is being canned in Arizona. I hope the amendment will not be adopted.

Mr. President, I ask the privilege of having certain telegrams with regard to this subject inserted in the RECORD in connection with my remarks.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

BRADENTOWN, FLA., *August 18, 1922.*

Hon. PARK TRAMMELL,
United States Senate, Washington, D. C.:

East coast shipment tomatoes heaviest during January, February, and March. West coast heaviest March, April, and May.

W. A. MANNING,
Secretary Bradentown Board of Trade.

—

GOULDS, FLA., *August 18, 1922.*

Hon. PARK TRAMMELL,
Washington, D. C.:

Answering your wire to Mr. Fletcher, marketing of tomatoes is begun and extends through months of December, January, February, March, April, and May. Tomatoes imported from points mentioned, months November, December, January, February, and March.

GOULDS FRUIT AND VEGETABLE GROWERS' ASSOCIATION.

—

PLANT CITY, FLA., *August 18, 1922.*

Hon. PARK TRAMMELL,
United States Senate, Washington:

Answering, Florida tomatoes marketed from January 1 to August 1. We should be protected over this period. West Indies and Nassau tomatoes imported from January to March, inclusive. We should have protection during first seven months of the year.

W. E. LEE.

—

JACKSONVILLE, FLA., *August 17, 1922.*

Hon. PARK TRAMMELL,
United States Senate, Washington, D. C.:

Shipments from West Indies, Nassau, and other countries south are heavy December and January. Shipments from Florida light in December and January; heavy February, March, April.

L. M. RHODES.

Mr. FLETCHER. Mr. President, I wish to point out with emphasis the effect of this amendment. If the Senate shall concur in this amendment, then practically all tomatoes produced in foreign countries will come into the United States free of duty, because there are no importations from foreign countries worth mentioning after the date fixed in this amendment. In other words, the effect of the amendment will be to put tomatoes on the free list, because there are no importations into this country after the 15th of April.

The amendment provides that for the months of December, January, February, March, and to the 15th of April there shall be no duty on tomatoes. All the importations from Cuba, from the Bahamas, from the West Indies, and from Mexico come to this country before the 15th of April, and none of them after that time. So we might just as well write off all duty on tomatoes as to concur in this amendment.

This matter came up suddenly the other day, and I had to rely upon my recollection and the best information I had at the time as to dates and figures, but the matter is much more serious than I even then supposed. In the first place, the absurd proposition is presented to the Senate for the first time, so far as I know, of having as to a particular commodity free trade during certain months of the year and protection during certain other months of the year. Outside of that, however, last season there were shipped into this country 20,000,000 pounds of tomatoes; so that a duty of 1 cent a pound means $200,000 revenue to the Government. If we adopt this amendment, we will destroy absolutely all prospect of deriving any revenue at all under the tariff, and we will admit all foreign-grown tomatoes into this country free of duty.

I made some inquiry as to that matter after the discussion the other day, and I have in my hand here a telegram from Mr. Thomas J. Peters, of Miami, Fla., who is one of the largest tomato growers in the State, and who is a gentleman of unimpeachable integrity. In reply to my inquiry he states that in Cuba, the Bahama Islands, and the West Indies they begin shipping in November and they finish in April. So the statement is absolutely correct that practically all importations from those countries, including Mexico, come into the United States prior to the 15th of April.

I ask at this point, Mr. President, that my telegram to Mr. Peters and his reply may be inserted in the RECORD.

There being no objection, the telegrams were ordered printed in the RECORD, as follows:

WASHINGTON, D. C., *August 16, 1922.*

THOMAS J. PETERS, *Miami, Fla.:*

Advise quick when Cuba and Bahamas usually begin and end shipping tomatoes. When growers lower east coast Florida usually begin shipping tomatoes. To what extent, if any, do such shipments from Cuba and Bahamas compete with lower east coast Florida?

DUNCAN U. FLETCHER.

—

MIAMI, FLA., *August 16, 1922.*

DUNCAN U. FLETCHER,
United States Senate, Washington, D. C.:

Replying, Cuba and Bahamas begin shipping tomatoes November; finish April; heaviest shipping January, February, and early March. East coast Florida begins small way December; finish June; heaviest shipping March, April, May. Cuba and Bahamas produce with cheap labor and with practically no fertilizer cost. Hard for us to compete because our labor is high and fertilizer cost alone here is more per acre that their entire cost of production. Their soil rich quality influenced by rain or irrigation, moisture releases excessive ammonia and nitrogen causing large vine growth with poor fruit which is detrimental to our markets. Dry seasons their quality is good. Shipments from lower Florida east coast November to June; last season more than 6,000 cars of tomatoes.

THOS. J. PETERS.

Mr. FLETCHER. I submit, Mr. President, that this amendment ought not to be concurred in. We will derive absolutely no revenue from the duty on tomatoes if the amendment is concurred in, and the shipments from foreign countries will find their place in the markets of this country at the very time when Florida is shipping her crop. Shipments from Florida begin in December and continue to June, the heaviest movement being in February, March, and April. They produced on the east coast of Florida last season 6,000 cars and quite as many more on the west coast and other portions of the State. I hope this amendment will not be concurred in.

The PRESIDENT pro tempore. The time of the Senator from Florida has expired.

Mr. ASHURST. Mr. President, I am sandwiched between two of the most perspicacious Senators, the senior Senator from Florida [Mr. FLETCHER] in front of me, and the junior Senator from Florida [Mr. TRAMMELL] behind me.

Neither of them has said, however, because it can not be said, what quantity of their tomatoes reach the Southwest. Tomatoes from Florida can not go the long distance of 2,000 miles and reach the market in western Texas, in New Mexico, and in Arizona. Mr. President, the truth is that only 4 per cent of the tomatoes from Mexico reach any market except that of the Southwest.

I need not pause at this hour, when every moment is precious, to tell the Senate that tomatoes are wholesome and nutritious and that they have abundant laxative and antiscorbutic properties. Cuba might produce and ship millions of pounds of tomatoes into Florida, but Cuban tomatoes would not reach the Pacific coast in the wintertime. The long distance of 2,000 miles would prevent it; the high freight rates would preclude the possibility of the people of the West getting tomatoes from Cuba.

It is true, fairness requires me to say, that the enterprising people of Florida are now attempting to develop a tomato market in California, and they have, indeed, in an experimental way—and if I am wrong I will yield time enough for the Senator from Florida to correct me—attempted to capture the California market, but they can not send their tomatoes 2,000 miles to the California market.

The PRESIDENT pro tempore. The question is, Will the Senate concur in the amendment made as in Committee of the Whole?

The amendment was nonconcurred in.

Mr. CAMERON. Mr. President, I should like to offer an amendment.

The PRESIDENT pro tempore. The Senator is not in order at this time. The Secretary will state the next amendment reserved.

The READING CLERK. On page 267, section 312, bonded smelting warehouses.

Mr. JONES of New Mexico. Mr. President, this morning when we voted upon the section on page 272—the presidential powers—I did not know that section 317a was coupled with the other. I ask unanimous consent to reconsider the vote by which section 317a was adopted this morning so that I may

get a vote upon my substitute for it, which has been explained before and which I will not discuss at any length.

Mr. McCUMBER. That is satisfactory.

Mr. JONES of New Mexico. Mr. President, the Senate will understand that this is an amendment proposed by me and heretofore discussed, enlarging the powers of the Tariff Commission. I will not take any time in discussing it, but I will ask that it be substituted for section 317a. It includes all of the powers already granted in section 317a and some others.

The PRESIDENT pro tempore. The Chair suggests that the amendment that has been reserved should be concurred in before the request for reconsideration is considered. The question is upon concurring in the amendment made as in Committee of the Whole.

Mr. JONES of New Mexico. If we have not already concurred in the amendment, I take it I have a right to offer this amendment now.

The PRESIDENT pro tempore. Section 312 has not been concurred in.

Mr. JONES of New Mexico. I do not object to that.

The PRESIDENT pro tempore. The question is on concurring in the amendment made as in Committee of the Whole to section 312.

The amendment was concurred in.

The PRESIDENT pro tempore. This completes the list of reserved amendments. The Senator from New Mexico [Mr. JONES] asks unanimous consent to reconsider the vote by which section 317a was concurred in, for the purpose of offering an amendment to that section. Is there objection?

Mr. UNDERWOOD. As I understand, under the agreement that was made, it is not necessary to move to reconsider. It is understood that reconsideration is already ordered in the case of amendments being offered.

The PRESIDENT pro tempore. As the Chair recollects, that agreement was applicable only to the action of the Senate on reserved amendments, and is not in force at this time. Is there objection?

Mr. FRELINGHUYSEN. Mr. President, what is the motion?

The PRESIDENT pro tempore. Does the Senator object?

Mr. FRELINGHUYSEN. I should like to know what the proposition is.

The PRESIDENT pro tempore. To reconsider the vote by which section 317a was concurred in in the Senate.

Mr. FRELINGHUYSEN. Mr. President, I understand that the object of this request is to propose a substitute for this section. The Senate has already voted upon that question. The substitute provides that the commission shall recommend to Congress rates of duty according to their findings laid down in specific rules under this substitute. I want the Senate to know what the substitute relates to. I will withhold any objection.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the vote by which the amendment was concurred in is reconsidered. The Senator from New Mexico offers a substitute, which has already been read, and which will now be submitted to the Senate.

Mr. JONES of New Mexico. On the adoption of the substitute I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. POMERENE (when his name was called). Again announcing my pair with my colleague [Mr. WILLIS], I find that I am not able to get a transfer, and I therefore withhold my vote. If at liberty to vote, I should vote "yea."

The roll call was concluded.

Mr. HARRISON. I have a pair with the junior Senator from West Virginia [Mr. ELKINS], who is unavoidably detained, and therefore withhold my vote. If at liberty to vote, I should vote "yea."

Mr. CURTIS. I have been requested to announce the following general pairs:

The Senator from Illinois [Mr. McKINLEY] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from Missouri [Mr. SPENCER] with the Senator from Georgia [Mr. HARRIS]; and

The Senator from Michigan [Mr. TOWNSEND] with the Senator from Wisconsin [Mr. LA FOLLETTE].

The result was announced—yeas 34, nays 36, as follows:

YEAS—34.

Ashurst	Culberson	Frelinghuysen	Hitchcock
Borah	Dial	Gerry	Jones, N. Mex.
Bursum	Edge	Glass	Jones, Wash.
Capper	Fletcher	Heflin	Kendrick
McKellar	Reed, Mo.	Simmons	Underwood
Myers	Reed, Pa.	Smith	Walsh, Mass.
Nicholson	Robinson	Stanley	Walsh, Mont.
Overman	Sheppard	Swanson	
Ransdell	Shields	Trammell	

NAYS—36.

Ball	France	McLean	Rawson
Brandegee	Gooding	McNary	Shortridge
Calder	Hale	Moses	Smoot
Cameron	Kellogg	Nelson	Stanfield
Colt	Keyes	New	Sterling
Cummins	Lenroot	Newberry	Sutherland
Curtis	Lodge	Oddie	Wadsworth
Dillingham	McCormick	Pepper	Warren
Ernst	McCumber	Phipps	Watson, Ind.

NOT VOTING—26.

Broussard	Harrison	Norris	Townsend
Caraway	Johnson	Owen	Watson, Ga.
du Pont	King	Page	Weller
Elkins	Ladd	Pittman	Williams
Fernald	La Follette	Poindexter	Willis
Harreld	McKinley	Pomerene	
Harris	Norbeck	Spencer	

So the amendment of Mr. JONES of New Mexico, in the nature of a substitute, to the amendment made as in Committee of the Whole, was rejected.

The PRESIDENT pro tempore. The question now is, Will the Senate concur in the amendment made as in Committee of the Whole?

The amendment was concurred in.

The PRESIDENT pro tempore. The amendments made as in Committee of the Whole, and reserved for separate votes, having now been disposed of, the bill is in the Senate and open to amendment.

Mr. SMOOT. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 437, line 14, it is proposed to strike out "and III," and insert in lieu thereof "III and V."

Mr. SMOOT. Mr. President, this becomes necessary on account of the action of the Senate in striking out section 321 of the bill, on page 286. It is simply a repealing clause of Title V of the existing emergency tariff law.

The PRESIDENT pro tempore. The question is on the amendment proposed by the Senator from Utah.

The amendment was agreed to.

Mr. FRELINGHUYSEN. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. In paragraph 213, on page 37, line 8, it is proposed to strike out the period and insert in lieu thereof a semicolon and the following:

Any of the foregoing articles containing 25 per cent or more of calcined bone, not painted, colored, tinted, stained, enameled, gilded, printed, or ornamented or decorated in any manner, 60 per cent ad valorem; painted, colored, tinted, stained, enameled, gilded, printed, or ornamented or decorated in any manner, 55 per cent ad valorem.

Mr. FRELINGHUYSEN. Mr. President, this amendment can not be objected to. It takes the bone china out of the paragraph and reduces the rate from 60 to 50 per cent on the undecorated and from 70 to 55 per cent on the decorated. It has been agreed to under a resurvey by the Tariff Commission and is a reduction in the present paragraph.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment.

The amendment was agreed to.

Mr. FRELINGHUYSEN. I offer the following amendment.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The READING CLERK. On page 231 after line 14, the Senator from New Jersey moves to insert a new paragraph, as follows:

Par. 1639a. Radio vacuum tubes.

Mr. FRELINGHUYSEN. Those are the radio tubes used by amateurs. They now pay 40 per cent under the metal schedule. I ask that they be put on the free list, owing to the fact that they are largely used by amateurs and are much needed for research and experimentation.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment.

On a division, the amendment was agreed to.

Mr. CAMERON. I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The READING CLERK. In paragraph 770, tomatoes, on page 113, line 16, strike out "1" and insert "one-half of 1," so that it will read:

Tomatoes, one-half of 1 cent per pound.

Mr. CAMERON. The rate I have proposed will make the duty one-eighth of a cent higher than the present rate, and there is no reason why it should not be adopted. I ask for the adoption of the amendment.

Mr. TRAMMELL. Mr. President, the whole basis of the effort to have this rate changed is to accommodate one little town down in Arizona. The secretary of the chamber of commerce of that town came here and said that seemed to be the center of the importation of Mexican tomatoes, and that while they consumed only about one carload a year the brokers handling the Mexican crops lived there; that about 77 per cent of the people operating the tomato industry in Mexico are Americans, and they wanted the rate reduced for the purpose of encouraging the Mexican industry to the detriment of the American industry.

There is no more reason why this should be reduced one-half cent a pound than there is that you should go a bracket or two above and reduce the rate on peas which are produced in other parts of the country, which is fixed at 1½ cents a pound. There are other items bearing a rate of 1 or 2 cents a pound. There is no more reason why you should reduce this than that you should reduce the 45 per cent ad valorem on tomato paste. The idea of giving them protection of 45 per cent ad valorem upon tomato paste and then proposing to reduce the rate upon the tomatoes themselves to one-half cent per pound. This is another piece of discrimination against the American farmer and in favor of the manufacturer.

One-half cent per pound, considering the rates carried in this bill, on everything else from a box of hairpins to a diamond ring, considering the demands upon the people of my section of the country and other sections of the country who are compelled to buy their goods in a protected market, is too low, and the rate should be allowed to remain at 1 cent per pound.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the Senator from Arizona [Mr. CAMERON].

On a division the amendment was agreed to.

Mr. JONES of Washington. I offer the following amendment.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The READING CLERK. On page 87, after line 14, insert:

And on the metallic nickel contained in ores of nickel and nickel matte.

Mr. JONES of Washington. There are two amendments, the other relating to the free list, and they ought to be acted upon together.

The READING CLERK. On page 229, in lines 10 and 11, after the word "gold," insert the word "or," and after the word "silver" strike out the words "nickel, and nickel matte."

The PRESIDENT pro tempore. By unanimous consent, these amendments will be considered together and voted upon at the same time.

Mr. JONES of Washington. The effect of this amendment will be to make the metallic contents of the nickel ore and nickel matte dutiable at the same rate as the manufactured nickel. I read now from a statement of the Chamber of Commerce of Seattle. It says:

There are no nickel mines in operation in the United States, but some nickel is produced as by-products from other ores mined in the United States. Several large deposits of nickel ores have been discovered in Alaska, and these are now under development.

They express the view that they need some protection. I am not going to take further time. I should like very much to have this amendment go to conference.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment offered by the Senator from Washington.

The amendment was rejected.

Mr. GOODING. I offer the following amendment.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The READING CLERK. On page 111, line 14, after the words "soya beans," strike out "four-tenths of 1 cent per pound" and insert "1 cent per pound."

Mr. GOODING. Mr. President, I want to say that we do not grow any soya beans in Idaho. Four-tenths of 1 cent is not a protective duty. The raising of soya beans is becoming a great industry in the South, where the boll weevil is destroying the cotton, and in Indiana and other States, where the fertility of the soil is lost and where the farmers are leaving because of the poor soil.

The PRESIDENT pro tempore. The Chair is compelled to state that unless the vote heretofore had is reconsidered the amendment proposed by the Senator from Idaho can not be considered.

Mr. GOODING. I ask for a reconsideration.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the vote is reconsidered. The question now is upon the amendment offered by the Senator from Idaho to the amendment made as in Committee of the Whole.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. Without objection, the amendment made as in Committee of the Whole is concurred in in the Senate.

Mr. BURSUM. Mr. President, I offer an amendment at the request of the Delegate from Porto Rico to restore the one-half cent per pound on coconuts, as provided by the House, and 3 cents on the manufactured article in this country. Porto Rico is dependent upon the protection which may be extended to her by the Congress. She is just as much entitled to this protection as any State in the Union would be. Porto Rico can not get along without it.

The PRESIDENT pro tempore. The amendment offered by the Senator from New Mexico can not be considered until the former action of the Senate is reconsidered.

Mr. BURSUM. I ask unanimous consent that it may be reconsidered.

The PRESIDENT pro tempore. The Senator from New Mexico asks unanimous consent that the vote by which the amendment made as in Committee of the Whole was concurred in in the Senate shall be reconsidered. Is there objection? The Chair hears none, and the vote is reconsidered. The question now is on agreeing to the amendment offered by the Senator from New Mexico to the amendment.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. Without objection, the amendment made as in Committee of the Whole is concurred in in the Senate.

Mr. SHORTRIDGE. I offer the following amendment.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The READING CLERK. The Senator from California moves to strike out all of paragraph 1604, lines 6, 7, and 8, reading as follows:

PAR. 1604. Lemon juice, lime juice, and sour orange juice, all the foregoing containing not more than 2 per cent of alcohol.

Mr. SHORTRIDGE. Mr. President, just one sentence. In view of what the Senate has voted in respect to citric acid and citrate of lime, the adoption of this amendment will automatically carry those items into the section already adopted by the Senate, and if there is anything wrong in it the conferees can adjust it. I wish that the amendment may be adopted.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the Senator from California.

The amendment was rejected.

Mr. CALDER. Mr. President, I submit an amendment on page 438, after line 15, adding a new section to the bill entitled "Officers of the customs and their duties." This section simply reorganizes the customs branch of the Government, and is recommended by the Treasury Department.

The PRESIDENT pro tempore. The Senator from New York offers an amendment, which, by unanimous consent, will be read——

Mr. ROBINSON. I inquire of the Senator from New York whether the amendment was presented to the committee.

Mr. CALDER. No; it was not.

Mr. ROBINSON. It has not been considered at all by the Committee on Finance; yet the Senator proposes to ask the Senate to adopt it within four minutes of the time when we must vote on the bill.

Mr. CALDER. It was submitted to the Secretary of the Treasury for his approval, and the recommendation came too late for the section to be incorporated in the bill.

Mr. SIMMONS. Let us vote on it.

Mr. JONES of New Mexico. I hope the amendment will be adopted.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment.

Mr. McCUMBER. I am willing that it may go in and receive consideration in conference, but that is all I can say for it.

Mr. REED of Missouri. I call for the reading of the amendment.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment. The Chair is of the opinion that the amendment is of such length that it could not be read before 4 o'clock.

Mr. CALDER. I ask unanimous consent that the question be put without having the amendment read.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment.

The amendment was rejected.

Mr. McCUMBER. I offer the following amendment.

The PRESIDENT pro tempore. The Secretary will report the amendment offered by the Senator from North Dakota.

The READING CLERK. On page 103 strike out lines 7 to 12, both inclusive, and insert in lieu thereof the following:

PAR. 720. Herring and mackerel, pickled, salted, kippered, and otherwise prepared, preserved, 10 per cent ad valorem.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment.

The amendment was rejected.

Mr. PEPPER. I offer the following amendment, which I ask to have read by the Secretary.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The READING CLERK. Insert on page 129, after line 22, a new paragraph to be numbered paragraph 915a, as follows:

PAR. 915a. Infants' and children's hose, selvaged, fashioned, seamless or mock-seamed, finished or unfinished, composed of cotton or other vegetable fiber, made wholly or in part on knitting machines, or knit by hand, of yarns of more than one color, valued at not more than $1 per dozen pairs, 45 cents per dozen pairs; valued at more than $1 and not more than $2 per dozen pairs, 50 cents per dozen pairs; valued at more than $2 per dozen pairs, 55 cents per dozen pairs; and in addition thereto, on all the foregoing, 35 per cent ad valorem.

Mr. PEPPER. Mr. President, the Senate has developed considerable facility in shouting a chorus of noes. This proposed amendment gives them an opportunity to vote unanimously in favor of an amendment which merely supplements the provisions of paragraph 915 by applying to the cheaper grades of children's hosiery a rate which is absolutely essential to give them protection against an increasing and destructive foreign competition. I press the amendment.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the Senator from Pennsylvania.

The amendment was rejected.

Mr. SIMMONS. Mr. President, I ask unanimous consent to have printed in the RECORD, without reading, certain tables and data, a part of it furnished me by official experts assigned to the minority of the Committee on Finance in collaboration with the expert of the Fair Tariff League.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

Memorandum on sugar furnished by the expert of the Committee on Finance.

Fiscal years.	United States imports.	Domestic production.
	Pounds.	*Pounds.*
1921	6,700,000,000	
1922	7,300,000,000	
1923 (estimated)	8,500,000,000	4,000,000,000

Total	pounds	12,500,000,000
Estimated exports, 1923	do	2,000,000,000
United States consumption	do	10,500,000,000
Increase per pound to consumer		$0.015
Total increased cost to consumer		$157,500,000
1913 tariff rate, per pound		$1.00
Pending rate, per pound		$1.84
Increase, per pound		$0.84
Added spread from refiner to retailer, at 50 per cent, per pound		$0.42
Total, per pound		$1.26
Nearest one-half cent, per pound		$1.50
Increased revenue to Government:		
Net imports	pounds	6,500,000,000
Increased duty	do	$0.0084
Increased revenue to the Government		$54,600,000
Increased cost to consumer		$157,500,000

Wool schedule, calendar year 1921.

Articles.	Paragraph.	Difference in rate.	Underwood rate.	Senate rate.	Unit.	Imports, 1921.	Exports, 1921.	Production.	Consumption.	Increased cost.
Wool, raw, unmanufactured.	1101-04	33 cents pound	Free [4]	33 cents pound on cl. cont.	Pound	$308,996,851	$1,927,174	$224,664,000	[1] $372,409,000	$94,462,005
Wool wastes, including wool rags.	1105		Free	23 cents pound	do	10,269,410	1,863,073	[2] 259,584,000	267,990,000	
Wool and hair—further advanced than scoured but not further advanced than roving (tops).	1106		8 per cent equals 5 cents pound.	36 cents pound plus 25 per cent equals 52.5 cents pound.	do	15,370,000		[2] 203,424,000	218,794,000	
Wool yarns	1107		18 per cent equals 22.5 cents pound.	32 cents pound plus 40 per cent equals 82.5 cents pound.	do	5,135,000		[3] 370,418,000	375,553,000	
Wool, cloths, dress goods, and flannels.	1108-09	10 cents pound [5]	35 per cent equals 60 cents pound.	40 cents pound plus 50 per cent equals 138.5 cents pound.	do	8,522,466	2,206,227	[2] 298,190,000	304,506,000	[6] 30,450,600
Wool carpets and carpeting.	1117-18	28 cents square yard.	50 per cent equals 2.75 cents.	55 per cent equals 3.06 cents.	Square yard.	1,600,000		50,873,000	52,473,000	14,092,440
Total										139,005,045

[1] Consumption figures from Department of Agriculture.
[2] Production figures for 1919.
[3] Average production 1915-16-17.
[4] Consumption of wool on basis of 50 per cent shrinkage would be 286,248,500 pounds.
[5] Estimated.
[6] In view of small percentage of imports it is assumed that only one-third of protection rate will be effective.

Assuming that the pyramided profits will be at least 40 per cent, the total increased cost to the consumers would be $195,447,063.

Increases in rates on wool wastes, wool partially manufactured, and wool yarns have been purposely omitted because of the small ratio of imports to consumption, and moreover to include those duties on articles for further manufacture would be incorrect since the duty is reflected in the duty on fabrics

Cotton schedule, calendar year 1921.

Articles.	Difference in rate.	Underwood rate.	Senate rate.	Unit.	Imports, 1921.	Exports, 1921.	Production.	Consumption.	Increased cost.
Cotton having a staple of 1⅛ inches or more in length.	7 cents pound	Free	7 cents pound	Pound	$8,065,537			$16,451,000	$1,151,572
Countable cotton cloth	1 cent square yard [1]	7½ to 27½ per cent—23 per cent—6.9 cents.	15½ to 40 per cent—46 per cent—13.8 cents.	Square yard.	112,340,000	$551,512,942	$5,628,858,000	5,189,685,000	[1] 51,896,850
Tapestries and Jacquard woven upholstery goods.	Seven-tenth cents square yard.	35 per cent—1.66 cents.	50 per cent—2.31 cents.	Yard	[2] 67,548,000		21,656,000	89,204,000	624,423
Cotton hosiery	40 cents dozen pair	40 per cent—0.80 cents.	60 per cent—$1.20	Dozen pair.	703,874	2,508,258	60,613,000	58,808,000	23,523,200
Total									77,196,050

[1] Estimated. [2] Imports for 7 months only. [3] Approximate.

The pyramided profits, which would be at least 40 per cent, would make the total increased cost to the consumers $108,074,470.

Increase estimated to be 1 cent square yard because of excess of exports and production over small imports.

[Furnished by expert of the Finance Committee, in collaboration with the expert of the Fair Tariff League.]

THE STEEL AND IRON INDUSTRY AND THE PENDING TARIFF BILL.

The United States has the largest, richest, and most conveniently located deposits of iron ore, copper, lead, and zinc in the world, and coal for their reduction, being the five principal minerals.

In the Alabama district iron ore and coal are in close proximity, virtually eliminating transportation costs in their assemblage.

In the North the world's greatest iron-ore deposits are on the shores of Lake Superior, whence they are carried by water at marvelously little expense to meet coal in the reduction furnaces near Chicago (the freight cost per ton is 17 cents from Superior to Chicago) and in Pittsburgh and elsewhere.

MARVELOUS EFFICIENCY.

Said Henry W. Oliver in a letter to Mr. Frick, July 27, 1897, when they were acquiring some 50 per cent of the known deposits of the Lake Superior region: "We are mining it at present for less than 6 cents per ton for labor." Eight men in 10 hours with one steam shovel mined and loaded into cars 5,800 tons of ore in 10 hours and 164,000 tons in one month. Three steam shovels mined "from its natural bed 915,000 tons of ore during the season of 1900, working day shift only. Five tons of ore are lifted by the steam shovel (like sand or gravel) at each stroke, and five full-weight lifts will fill a car. A 25-ton car can be filled in 2½ minutes, which is at the rate of 600 tons an hour."

The most efficient and cheapest rail transportation on earth is that of the Pittsburgh, Bessemer & Lake Erie, owned by the United States Steel Co., whose vice president, Mr. J. T. Odell, said of it in 1897, "The lowest rate per ton mile, the highest average length of revenue haul in proportion to its track mileage, the greatest density of tonnage in proportion to its freight-train mileage, the greatest average paying load, and the lowest 'ton-mile cost' of any road on the American Continent reporting to the Interstate Commerce Commission." Nine ships can be docked at the same time. Twenty-five thousand tons of all classes of freight can be handled every 10 hours. * * * A 6,000-ton ship can be cleared in 14 hours and in the same time from the moment the hatches are opened the ore can be at the furnaces at Pittsburgh. A new steam shovel was completed last winter by which a train of 35 to 40 cars will be loaded with ore in two hours. A 40-ton car of coal can be unloaded and partly trimmed in the ship in 36 seconds."

These feats were in the infancy of the industry. To-day, says J. G. Butler, a veteran of the industry, the great car dumpers will lift a car containing 110 tons of coal, dump its load and repeat at the rate of 30 cars per hour, with no manual labor beyond pressing a button.

"Now we have vessels loading as high as 12,000 tons at the upper ports in one or two hours with one or two men on the dock, and unloading their cargo directly into 50-ton cars in about the same time, with practically no manual labor.

"Now we handle this vast tonnage entirely by machinery. Steam shovels mine the ore; it flows by gravity into great vessels; huge unloaders transfer it to railroad cars, and car dumpers empty it under ore bridges, all the work being done by power and at a speed little short of miraculous."

THE COST OF THE PROPERTIES.

And what did these properties cost? Said Mr. Oliver, in 1897, "I propose at a risk of using our credit to the extent of $500,000, or possibly $1,000,000, to secure these properties." Says an authority associated with the United States Steel Corporation, in 1903, "On the organization of the United States Steel Co. the Carnegie, Oliver Co. owned two-thirds of the known northwestern supply of Bessemer ore—roughly 500,000,000 tons—which Mr. Schwab has since valued at $500,000,000." Says this authority, supposedly with Mr. Frick's approval, concerning the railroad just mentioned, "It cost nothing beyond initial bonds, which the volume of traffic furnished by the Carnegie Steel Co. itself made good."

These statements show that special congressional grants or taxing powers need not be given this or any other steel company because of the cost to them of their properties.

The State of Minnesota retained its own mineral lands in the Superior region for its educational institutions instead of selling them for a song. Consequently, the University of Minnesota is estimated to own $100,000,000 of ore properties at a valuation far below Mr. Schwab's estimate above.

THE COST OF PRODUCTION.

With these facilities "by 1897 the cost of steel rails on cars at the Braddock Mill was only $12 a gross ton"—2,240 pounds. Said Mr. Schwab, May 15, 1899, in a letter to Mr. Frick, "I know positively that England can not produce pig iron at actual cost for less than $11.50 per ton, even allowing no profit on raw materials, and can not put pig iron into a rail with their most efficient works for less than $7.50 (additional) per ton. This would make rails at net cost to them of $19. We can sell at this price and ship abroad so as to net us $16 at works for foreign business, nearly as good as home business has been. What is true of rails is equally true of other steel products. As a result of this we are going to control the steel business of the world.

"You know we can make rails for less than $12 per ton, leaving a nice margin on foreign business. Besides this the foreign costs are going to increase year by year because they have not the raw materials, while ours is going to decrease."

WE HAVE THE TRADE OF THE WORLD.

Said Mr. Carnegie in 1919: "We have to supply the world—note last week's British advices * * * coke near $8.75 per ton and scarce. Impossible to increase supply of either coke or ore."

"Since we reach Atlantic ports at $1 per ton, we have the trade of the world."

These predictions came true. For some 20 years England has made no attempt to get American business. Her costs will not permit. Only Belgium sends an occasional driblet to us, usually as ballast to the Pacific coast. In 1920 our imports of pig iron were 1.6 per cent of 1919 (census) production and three-fourths of 1 per cent in 1921, with pig iron on the free list; of cast-iron pipe, imports were four one-thousandths of 1 per cent in 1921 against exports of 14.3 per cent; likewise on wrought-iron pipe, with imports averaging $217,000 of structural iron in 1920 and 1921 against exports averaging $32,500,000 under the present duty of 10 per cent, which it is now proposed to increase to 25 per cent.

PRICE FIXING AND WATERED STOCKS.

It is commonly known that the half dozen great steel corporations of this country are a family group in essential respects. Usually they have fixed their prices to a penny and as high as the traffic would bear.

Properties valued at $400,000,000 were capitalized in 1901 in the United States Steel Co. for about $400,000,000 in bonds and funded debt and $1,000,000,000 of common and preferred stock, all water, selling a little later at $8 a share.

Bar iron that had commonly sold a few months before this and other consolidations for 80 cents per 100 pounds, was held by these price-fixing organizations for years at $1.60 per 100 pounds, and a further enormous sum added to profits by the exaction of the Pittsburgh rate of freight in all cases. A buyer, for instance, at whose door the steel competitors delivered their product for $6 per carload freight, was charged by the corporation $37 per carload, unlawfully as the courts are likely to decide in pending cases.

By these price and other exactions the Steel Corporation quickly secured from the public profits that have given its preferred stock intrinsic value and accumulated against its common stock $1,318,864,413 after paying hundreds of millions in dividends.

While some of the smaller companies produce less advantageously than the great corporation, they are superior to foreign competitors.

PRICE FIXING AND THE TARIFF.

Said Andrew Carnegie in the American Manufacturers, July 25, 1884: "We are creatures of the tariff, and if ever the steel manufacturers here attempt to control or have any general understanding among them the tariff would not exist one session of Congress. The theory of protection is that home competition will soon reduce the price of the product so it will yield only the usual profit. Any understanding among us would simply attempt to defeat this. There has never been nor never will be such an understanding."

Said Mr. Phipps, in 1899, to Mr. Carnegie, "I am gratified that we are not to go out of business and especially to make room for a trust, which is by no means a creditable thing. As you say, the tariff would be repealed on rails and rightly so."

This was sound philosophy; the books of the Carnegie Steel Co. for 1889, however, show price agreements and pool settlements in large amounts with protection running merrily on and Congress indifferent. For years following the consolidation American prices were European prices plus the duty and sometimes plus also freight to New York. In these same years the American producers were exporting freely at European prices, as they have done in recent years in enormous and unprecedented volume.

Justice Day, of the Supreme Court, in his dissenting opinion of March 1, 1920, held that the United States Steel Corporation "for many years after its formation had exerted its power to control and maintain prices by pools, associations, trade meetings, and dinners, and that in combination with its competitors it had an ability to fix prices and restrain the free flow of commerce upon a scale heretofore unapproached in the history of corporate organizations in this country."

It is the imperative duty of Congress, guardian of the public interest, to give no penny of duty not required upon definite proof.

The Senate, however, proposes duties upon all kinds of iron and steel products for which no slightest excuse can be found in the theory of protection as our costs are the lowest in the world, as steel producers commonly allow.

PROFITS.

No protection is needed on account of the financial condition of these steel companies because they are the richest and most powerful of all the business organizations upon earth.

Organized with $400,000,000 of tangible property, covered by bonds, and about $1,000,000,000 of watered stock the net tangible assets of the United States Steel Corporation on December 31, 1921, amounted to $1,318,864,513 applicable to common stock. The aggregate net profits available for dividends in the 10 years 1912–1921 were $1,097,177,135.

Other steel companies have prospered correspondingly. The Bethlehem Steel Co.'s pre-war profits were approximately $4,250,000 annually. The average annual profits of 1916–1918 were approximately $29,000,000. The pre-war profits of the Cambria Steel Co. were approximately $3,800,000. In the two years 1916 and 1917 Cambria Steel made more than $50,000,000 of profit on a capital stock of $45,000,000. Crucible Steel and Republic Steel followed similar methods of capitalization, production, and sales prices as the other corporations and to similar advantage.

United States Steel in 1916 earned net $271,531,730. In 1917 it made $349,651,016 after allowing $283,465,435 for Federal war taxes, etc. In 1918 it made $229,201,511 after paying for Federal taxes $274,277,835.

Eighteen steel companies in the pre-war years 1912–1914 averaged a net income of $74,750,000 per annum.

These 18 companies and the Midvale Co., which was organized during the war, averaged in 1916–1918 profits of $337,000,000, on four and one-half times their pre-war profit. Their profits for these three war years totaled over $1,000,000,000.

To subsidize the steel industry, organized in half a dozen companies and virtually controlled by two or three financiers who think alike, is to legislate the money of the private citizen into such other private pockets as have least need of it.

To lay with one hand the power of the Government on the property of the citizen, and with the other to bestow it upon favored individuals to aid private enterprise and build up private fortunes is none the less robbery, because it is done under the forms of law and is called taxation. (Supreme Court of the United States. Marshall case.)

PIG IRON.

(Now free; proposed duty, 5 per cent to 41 per cent; wages, 9.3 per cent.)

We produced in 1914, $313,000,000 of pig iron at a wage cost at the furnace of 7.2 per cent of the selling price of the product, and yet the Payne tariff gave a protection of 7.6 per cent, or more than the total wage cost of production. Wages plus salaries and superintendence was only 9.1 per cent. In 1911 wages were 9.3 per cent of furnace selling price of product.

In 1919, with pig iron on the free list, the product was valued at $794,000,000 with a wage cost of 7.6 per cent. We exported in 1919 $12,313,000 and imported $6,565,000, because our producers, invited imports by charging all the traffic would bear. They were making enormous profits. These imports, however, were only eight-tenths of 1 per cent of domestic production. In 1920 we exported $10,000,000 and

imported $12,802,000, being one-sixth of 1 per cent of 1919 production. In 1921, still on the free list, we imported only $2,015,000, or three-tenths of 1 per cent.

COST OF PROPOSED DUTIES.

It is now proposed to give 5 per cent "protection" to pig iron, with 34 per cent on pig that carries manganese and 41 per cent carrying silicon, which alloys are necessary to us for high quality of steel.

The entire wage cost of conversion is only 7.6 per cent of the selling price. These duties, if used by the producers, will add $159,000,000 to their prices, which sum will be, at least, doubled to consumers in so far as they enter into the production of highly finished products like machinery and cutlery and by amortization charges on heavier materials.

Says Senator UNDERWOOD: "I am in the business myself. I represent a great iron and steel district. I would not willingly harm a people that I represented, but neither would I willingly betray a people I represented by taxing them unjustly for special interests. I know this iron and steel schedule and I know that it is a fraud and a shame upon the people of this country. I know that it is not even in the interest of the industry in the end. * * * It can compete anywhere in the world. We are the master iron makers of the world."

Regarding the farmer, he says: "Where the fallacy of this argument comes is that under the guise of doing something to help the farmers in some particular item their support is asked for a bill, of which, as a whole, it seems that for every dollar the farmers may derive from the bill they will pay $100 in taxes for the benefit of somebody else."

Senator UNDERWOOD thinks the pig-iron producers are competing to such an extent that they can not add this $159,000,000 to their prices. This, however, does not excuse Congress from offering them the opportunity.

Moreover, in every period of prosperity the comeptition has been from the other side. Consumers of pig iron, manufacturers of farm implements, stoves, and all other steel products, have played into the hands of the producers by outbidding one another for supplies and themselves raised prices. Manufacturers with large contracts for their steel supplies have been compelled to buy in the open market at 20 to 30 per cent advance, while their own contracted supplies were going to others at similar emergency advances in prices.

Will Congress do what it reasonably can to protect consumers, or will it invite a repetition of these experiences?

BAR STEEL.

(Present duty, 13 per cent; proposed duty, 27 per cent; wage cost, 22.2 per cent.)

We are the world's greatest producers. We exported in 1914, pre-war, 10.4 per cent of our domestic production. In 1919 we exported 16.1 per cent, or $57,000,000 worth. Under the present duty, which averages 13 per cent on bars and billets, the wage cost of converting ore into bars is only 22.2 per cent of the mill selling price, and yet 27 per cent protection is proposed. Our wage cost is the lowest in the world because of our large scale of production, the energy and skill of our workers, and our unsurpassed mechanical devices. With the present duty of 13 per cent we imported in 1919 only one-half of 1 per cent. With such marvelous judgment do our steel producers lift their prices to the top of the tariff wall and hold them there with just enough imports trickling in to show that they can't make prices any higher.

COST OF PROPOSED DUTY.

The proposed duty of 27 per cent would add $67,000,000 to manufacturers' prices, which would be doubled in amount in the agricultural implements, automobiles, household utensils, and like articles, and amortized in coarser products, a final cost of $134,000,000. Twenty years' experience shows that the duty would be added to domestic prices.

STEEL RAILS, STRUCTURAL STEEL AND BARS.

(Now free; proposed, 10 per cent; wage cost, 21.4 per cent.)

The situation here duplicates bar steel, except that exports are still greater, being $10,000,000, or 19 per cent on a production of $54,009,918 in 1914 and 42 per cent, or $39,000,000 of domestic production of $92,849,481 in 1919, 39 per cent of that production in 1920, and 19.8 per cent in 1921, with importations running a fraction of 1 per cent. And yet these commodities are on the free list. Imports are virtually embargoed now, not by tariff but by our lower costs of production. The wage cost is 21.4 per cent only. The proposed duty of 10 per cent makes a present to this industry of $8,000,000 to be doubled in amount against the consuming public, totaling $16,000,000.

STRUCTURAL IRONWORK.

(Present duty, 10 per cent; proposed, 25 per cent fabricated and 4 per cent unfabricated; wages, 20.3 per cent.)

If one iniquity exceeds another, here is a climax. The producers themselves say they beat the world. Exports in 1920, $38,000,000. Imports under the present 10 per cent duty, $284,000, or six one-hundredths of 1 per cent. Exports in 1921, $26,824,000, with imports $149,000, or three one-hundredths of 1 per cent of domestic production. It was not in vain that a representative of the steel industry haunted the room of the Finance Committee. Think of it! Congress proposes to increase the existing 10 per cent duty under which imports are impossible to 25 per cent on the fabricated materials—as definite a tender of the people's money to a special and selfish interest as was ever made by a medieval despot, except that in this case the collection is to be made in such ways as may be by the grantee. The wage cost is only 20.3 per cent.

COST OF PROPOSED DUTY.

If collected the grantee secures $18,000,000 and the public pays $36,000,000 in amortization charges, freights, etc., and rents upon its bridges and skyscrapers. The dwellers in hovels pay rent on skyscrapers, for in them is conducted to-day the principal enterprises of the world. "To him that hath shall be given, and to him that hath not shall be taken even that he hath."

All through this bill some low rates are named apparently to deceive the public, being conditioned upon impossibilities. Here, for instance, unfabricated structural steel would be admitted at 4 per cent instead of 25 per cent for fabricated. With a price difference of $20 per ton it has been found in the past impossible to import mill lengths unfabricated, because on arrival they would have to go for fabrication to an American mill with great wastage in cutting up and handling and an additional freight charge to point of erection.

The entire wage cost of converting ore into structural iron was in 1914, pre-war, 21 per cent of the mill price of product. The wage cost plus salaries was 28.6 per cent. In 1919 the wage cost was 20.3 per cent. The duty now proposed on fabricated is 125 per cent of the entire wage of conversion.

CAST-IRON PIPE—INDICTED FOR CONSPIRACY.

(Duty now, 10 per cent; proposed, 20 per cent; wages, 29.3 per cent.)

This is one of many industries recently indicted by Federal grand juries. But Congress doesn't mind a little thing like this.

The indictment (Dec. 28, 1921, U. S. Court of So. N. Y.) says they manufacture a universal necessity, "cast-iron soil pipe and fittings extensively used in the construction of apartment houses, hotels, dwellings and office buildings, manufacturing plants, and structures of similar character."

They "have fixed and maintained arbitrary, uniform, and excessive prices."

"Each of said corporate defendants has had full information as to amount of tonnage * * * in the stock of each" of the others, "and as to the amount of tonnage" "due on orders placed with all corporate defendants."

In 1921 this Cast Iron Pipe Trust, if so it is, exported 3,575 times more than was imported of cast-iron pipe. This in the face of alleged "arbitrary, uniform, and excessive prices" in the American market that would have made imports great in volume if possible.

In 1920 it exported $9,753,000, or 19.3 per cent, of (census) production. Imports were $41,074, or eight one-hundredths of 1 per cent of production.

Seven months' notice of this, and to-day Congress is trying to shut off debate and by a tariff of 20 per cent rush a gift of $8,000,000 to this trust, as the indictment defines it. This $8,000,000 would become $16,000,000 to consumers at retail.

The duty isn't wanted for revenue, for only $8,000 of duties would be collected.

WROUGHT PIPE.

(Duty now, 20 per cent; proposed, 27 per cent; wages, 18.2 per cent.)

Forty-three million dollars, or 13.4 per cent, of 1919 production was exported in 1920, and $49,000,000,000, or 15 per cent, exported in 1921. Only two one-hundredths of 1 per cent, or $53,862, imported in 1921, and $66,816 in 1921, under the present duty of 20 per cent, which should be eliminated. Honest protection has put agricultural implements, shoes, sewing machines, and cash registers on the free list, because they are produced cheaper here than elsewhere. The Senate bill offers 27 per cent, or $70,000,000, to the makers of wrought pipe, if they can collect it. The wage cost is 18.2 per cent of mill price of product. The Senate would require the Government to prevent importations except on this basis of a duty of 150 per cent above the entire mill's wage cost of production. Is this in the wage earner's behalf?

TIN PLATE AND TERNEPLATE.

(Present, 15 per cent; proposed, 8 per cent; wages, 5.9 per cent.)

Production in 1914, $68,000,000. The wage cost of converting billets into these plates was only 5.8 per cent, yet the Payne duty was 35.1 per cent. Thus was the wage earner "protected." He got one-sixth of the duty supposedly given for his especial benefit. The manufacturer got the rest. Wages plus superintendence were only 6.9 per cent. Wages in 1919, 5.9 per cent. Exports were 5.5 per cent of domestic production and prices kept so high that 2.2 per cent came over the tariff wall, though we are exporting freely at the foreign price.

In 1920 we exported $40,545,000, or 41.6 per cent of our entire domestic production, while importing $127,168, or one-tenth of 1 per cent of domestic production. In 1921 we exported $17,425,000 domestic production, while importing $127,168, or one-tenth of 1 per cent of domestic production. In 1921 we exported $17,425,000, or 17.9 per cent, of 1919 production, and imported $126,000, or one-tenth of 1 per cent. This under the present tariff of 15 per cent, which the Senate proposes to reduce to 8 per cent, or 1 cent per pound. The proposed rate is 135 per cent of the wage cost.

COST OF PROPOSED DUTY.

It gives $7,000,000 to the manufacturers at a cost of much more than twice this to consumers, because the products must go through so many hands, including the tin-plate men, the stamping works, wholesaler, and retailer. Cost to consumers, $15,000,000.

HARDWARE.

(Present duty, 20 per cent; proposed duty, 40 per cent; wages on locks, 31.1 per cent; builders, 32.1 per cent; others, 27.2 per cent.)

Locks, builders' hardware, and all others, except saddlery. Production, 1914, $73,000,000, with exports $6,000,000. Production in 1919, $154,525,000, and exports $11,691,000, or 4.9 per cent of production. Exports in 1920, $17,000,000, or 11.3 per cent of production. Exports in 1921, $7,969,000, or 5.2 per cent of production; 1921 exports would be approximately 40 per cent more in price than here indicated, except for price reductions in 1921. Imports not of enough importance to be separately listed by the Government agencies.

Wages in 1914 were 30.8 per cent of the factory selling price. Wages plus superintendence averaged 40.8 per cent, yet the Payne duty was 45 per cent. In 1919 wages on locks were 31.1 per cent; builders', 32.1 per cent; all others, 27.2 per cent. The proposed duty is 40 per cent, although the industry has prospered and exported freely under the present duty of 20 per cent. The duty proposed gives $44,000,000 to manufacturers, to be doubled against consumers—$88,000,000.

ELECTRICAL MACHINERY, APPARATUS, AND SUPPLIES.

(Present duty, 26.8 per cent; proposed, 41 per cent; wages, 23.9 per cent.)

Production, pre-war, 1914, $355,170,194, with exports $23,060,844. The wages were only 22 per cent of the selling price of the product. With this 22 per cent of labor in 1914 being the principal difference in cost here and abroad, the Payne tariff averaged 37.3 per cent, and virtually embargoed imports, which, so far as classified, were four-tenths of 1 per cent. Our workers and our methods are so much speedier than abroad that any difference in wage cost per unit is questionable.

The industry is in few hands and completely dominated by the world-powerful General Electric and Westinghouse companies. It must be manifest that any tariff on these products will be added substantially in full by the manufacturers. It would be difficult to conceive any business reason that would prevent these great corporations

from using any permit from the Congress of the United States to maintain or to raise prices. In the manufacture of electric bulbs the domination of two companies is so great that the Census Bureau can not divulge cost figures without violating the law against publishing private information. Indictments for price fixing are now demanded against bulb manufacturers by the Lockwood committee of New York.

PRODUCTION, EXPORTS, AND IMPORTS.

In 1919 the total domestic production was $997,968,119—a round billion dollars. Exports were $89,089,711, or 9 per cent, while imports, under the present tariff, which averages 26.8 per cent, were, so far as classified, four one-hundredths of 1 per cent. We had then a virtual embargo, fostering price maintenance, by act of Congress under the present duty of 26.6 per cent. This situation holds to-day, for exports in 1920 were $102,000,000, or 20 per cent of 1919 production, while classified imports were eight one-hundredths of 1 per cent. In 1921 exports were $95,817,885 and imports $732,357, or seven one-hundredths of 1 per cent of production. Can there be clearer proof that the present duty should be decreased or eliminated, as now on agricultural machinery, shoes, and sewing machines, which are on the free list because made as cheaply in the United States as anywhere?

COST OF PROPOSED DUTY.

The Senate proposes, however, to nearly double the duty by making it 41 per cent average, against a wage cost of 23.9 per cent. This invites the industry to charge domestic customers $290,000,000 above the prices of their foreign competitors, which prices these producers meet throughout the world on their exports of $100,000,000 per annum. This $290,000,000 would reach consumers as $580,000,000.

WIRE, WIREWORK, INCLUDING WIRE ROPE, ETC.

(Present: Wire, 15 per cent; wirework, 19 per cent. Proposed: Wire, 28 per cent; wirework, 39 per cent. Wages, 18.6 per cent on wire; 17.1 per cent on wire products.)

Production in 1914, $190,747,732, of which we exported $15,233,000, or 8 per cent. Production in 1919, $444,697,689, of which we exported $31,210,000 of wire and $10,403,000 of wirework; total, $61,600,000, or 13.9 per cent, under the present duty of 15 per cent on wire and 19 per cent on wirework. These duties virtually embargoed imports, which were one-tenth of 1 per cent. With what nicety did our manufacturers hold their prices at the top of the tariff wall, as indicated by this driblet of imports. With what masterly strength did they meet world prices in all quarters with $61,613,000 of exports. In 1920 exports were virtually the same as in 1919, totaling $61,834,000, with imports four one-hundredths of 1 per cent of production, or $1,509,000.

In 1921, with foreign markets depressed, exports totaled $19,000,000, with imports $1,433,000, or three-tenths of 1 per cent.

Wages in wire mills in 1914 were 13.5 per cent of the mill price of the product and 16.1 per cent on wire products. In 1919 they were 18.6 per cent on wire and 17.1 per cent on wire products.

Instead of lowering the present duties of 15 per cent on wire and 19 per cent on wirework and thereby assuring to the American public approximately the international price of these products, the Senate bill proposes to almost double the duty on wire, making it 28 per cent, and to more than double it on wirework, making it 39 per cent, the proposed duties being twice the wage per cents, and absolutely unjustifiable on grounds of protection.

COST OF PROPOSED DUTY.

The proposed rates are a congressional permit to the manufacturers to add $108,000,000 to their prices at the mills, which sum would be greatly increased to consumers, making the total cost $216,000,000.

STAMPED AND ENAMELED WARE, N. E. S.

(Present duty, 25 per cent; proposed, 51 per cent; wages, 25.7 per cent.)

The enameled-ware industry was relatively small in 1914, pre-war, with small exports and imports. It has become great under the present duty of 25 per cent, exporting freely, with imports virtually embargoed.

Production in 1919, $37,636,584, with exports $4,073,455, or 10.8 per cent, and imports only $65,828, or two-tenths of 1 per cent. Exports in 1920, $5,054,000, or 13 per cent, against imports of $866,328, or 1 per cent of 1919 production. In 1921 exports fell, in dollars, to $1,835,233. Careful estimates of price decline indicate that if the prices of former years had held, the 1921 exports would have brought $2,735,000. Imports in 1921, $368,467, or 1 per cent of production. These imports would have brought $460,000 at the prices current in 1919.

The foregoing international trade was under the present tariff of 25 per cent, which Congress proposes to double, making it 51 per cent. A great manufacturer is reported as saying recently that he had nothing to fear from competition under any tariff. The total wages in manufacture in 1914 were 26.2 per cent of the factory selling price. Wages, plus superintendence, were 30 per cent. In 1919 wages were 25.7 per cent, or almost precisely the present tariff rate.

The proposed rate, namely, 51 per cent, will permit the industry to charge distributers $13,000,000, which would be easily doubled against consumers, $26,000,000.

STAMPED WARE.

(Present duty, 20 per cent; proposed, 50 per cent; wages 23.4 per cent.)

The statistics on stamped ware are meager. It is virtually the same product as enameled ware minus the enamel. Production in 1914, $49,000,000. In 1919 the product brought at the factory $101,094,000. The total wage cost of production in 1914 was 22.1 per cent of the factory selling price. Wages, plus salaries, were about 31 per cent. In 1919 wages were 23.4 per cent of factory selling price. The tariff is now 20 per cent.

COST OF PROTECTION.

The Senate bill will increase the tariff 250 per cent, making it 50 per cent, and over twice the wage cost of production, permitting the industry to charge $34,000,000 above foreign prices, to become easily twice that, or $68,000,000, against consumers.

BATHTUBS, LAVATORIES, AND SINKS.

(Present duty, 20 per cent; proposed, 40 per cent; wages, 30.5 per cent.)

We lead the world in these products. Production in 1919, $4,923,000, with exports 19.9 per cent of production; 39.6 per cent in 1920 and 21.9 per cent in 1921. Volume of imports not given. The present duty is 20 per cent. The Senate proposes 40 per cent.

Why not reduce the present duty to an industry that sells one-third of its products at international prices? Its entire wage cost is 30.5 per cent of its selling price. In pre-war, 1914, it was 31.9 per cent.

It is generally believed that price understandings rule in this industry. Buyers have been refused merchandise for cash in the usual way and required to buy through accredited dealers at the latters' "standard" prices.

NAILS, WIRE.

(Now free; proposed, 16 per cent; wages, 14.8 per cent.)

We have led the world in this product since its invention. Thirty years ago we were supplying a great part of the demands of free-trade England at prices so much below domestic prices that the American product was bought in England and reimported into this country at a great saving as against domestic prices. Production in 1914, $24,703,633. The pre-war Payne duty was 10 per cent, yet we exported 6.9 per cent, with imports only six one-hundredths of 1 per cent.

In 1919 production was $44,426,860, of which we exported 19.4 per cent. Although nails were then, as now, on the free list, we imported only six-tenths of 1 per cent. In 1920 exports increased to $11,880,398, or 21.4 per cent of 1919 production, with imports 3 per cent of production. In 1921 exports fell to $3,172,054, partly accounted for by a decline of 32 per cent in prices, with imports $44,038, or eight one-hundredths of 1 per cent. Thus is our market controlled, with nails, like agricultural machinery and shoes, on the free list. The Senate, however, proposes a duty of 16 per cent, being 60 per cent more than the Payne rate and, allowing for the difference in prices, more than double, in dollars, the Payne rate.

COST OF PROPOSED DUTY.

The proposed duty offers $8,000,000 to an industry that dominates all markets, to be doubled to consumers at retail, making $16,000,000.

The wage cost in the mills in 1914 was 9.1 per cent of the mill selling price, and in 1919 14.8 per cent. The proposed duty exceeds the total wage per cent of production.

SCREWS, WOOD.

(Present duty, 25 per cent; proposed duty, 25 per cent; wages, 31.5 per cent.)

Production in 1914, $6,216,940, rising in 1919 to $15,459,582, with exports $2,738,000, or 17.7 per cent, and imports $507, or three one-hundredths of 1 per cent. In 1920 imports were two one-hundredths of 1 per cent, and in 1921 one one-hundredth of 1 per cent. Wages in 1914 and 1919 were 31.5 per cent of mill selling price. Wages, plus superintendence, were 40.1 per cent.

Imports, fiscal year 1914, were $590, or nine one-thousandths of 1 per cent of domestic production. Some returning traveler must have brought in a pocket full. The duty then averaged 66.1 per cent. Exports then and for long years before were made at one-half the domestic price. By act of Congress the American dollar in the purchase of screws was made to go no further than the Englishman's 2-shilling piece, worth 50 cents at the same New England factory. Said a screw manufacturer: "I don't like this; but so long as Congress invites it, how could we help it?" Prices were "rigged to a nicety." In 1920 exports were $1,968,496, or 12.7 per cent of 1919 production, with imports $2,595, or two one-hundredths of 1 per cent. Wages were 31.5 per cent. Last year, 1921, exports 26.9 per cent, or $1,068,995, and imports $2,595, or one one-hundredth of 1 per cent.

It is interesting to note that these postwar imports are under the present tariff of 25 per cent, and that to-day we may reasonably believe that exports are lower than domestic prices, not only by the old 50 per cent but by the present duty of 25 per cent, which the Senate bill proposes to continue to the advantage of the screw manufacturers in the amount of $3,000,000, which would be doubled at retail to consumers, $6,000,000.

FILES.

(Present duty, 25 per cent; proposed duty, 44 per cent; wages, 38 per cent.)

Ordinary sizes and kinds are made in the United States so cheaply that substantially none are imported. The present duty is 25 per cent, which is just the increase to-day in the prices of our file makers to domestic users above their lower prices to foreign users.

Wages, 1914, 38 per cent of factory price of product. Wages plus superintendence, 46.4 per cent. Wages in 1919, 35.2 per cent.

Congress is in the file business to the extent of this 25 per cent as definitely and precisely as the man at the lunch counter is chargeable with his meal ticket. The transaction is definite to a penny. Congress is subsidizing the file business to-day to the extent of $4,000,000 annually, at a retail cost to consumers of $8,000,000. The Senate bill proposes to nearly double the subsidy by making the rate 44 per cent instead of 25 per cent.

Production in 1919, $17,616,563, of which 29.4 per cent was exported, against imports of three-tenths of 1 per cent, these imports being different in kind from domestic production, mostly extra fine, for use of jewelers, manicuring, and the like. Exports in 1920, $5,550,619, or 31.5 per cent, and in 1921, $2,542,153, or 14.4 per cent, which in volume would be much greater than these figures of money value indicate, because of price reductions in 1921. Imports for each of these years, six-tenths of 1 per cent. A recent investigation indicated a single ownership of most of the file companies of the United States and a tendency to identical prices in all quarters.

A representative of the File Trust taking an order for Spain this month was asked, "How can you sell abroad?" "We can undersell the world." "Then why do you want protection?" "To maintain domestic prices."

CASH REGISTERS.

(On free list; proposed duty, 25 per cent; wages, 29.1 per cent.)

Duty 30 per cent under the Payne law. On the free list since 1914, with less percentage of imports under the free list than previously; with no imports of any account under either law. Wages, 29.17 per cent. Proposed duty, 25 per cent. Production in 1919, $31,000,000, of which 14.1 per cent was exported and two one-thousandths of 1 per cent imported. Somebody brought in a cash register. Exports in 1920, $5,942,000, or 19.2 per cent, with imports $324, or one one-thousandth of 1 per cent of production. Imports were $4,045, or one one-hundredth of 1 per cent in 1921, with exports $2,849,303, or 9.2 per cent. All this under the free list. The Senate bill proposes 25 per cent, against a wage cost of 29.1 per cent. If added to prices, this duty will give this industry, which is under a single control, $6,000,000.

It may be said that this duty is put on for revenue purposes. If so, the Government takes a chance on increasing the consumers' price $6,000,000 that the Government may itself collect 25 per cent on imports, which totaled $597 in 1919, $324 in 1920, and $4,045 in 1921.

Such a "revenue" argument was made in support of the proposed duties of 5 per cent on ordinary pig iron, rising to 40 per cent on

silicon pig. In 1921 these duties on pig iron would have netted the Government about $500,000, with the risk, which would be a certainty in good times, of profiting domestic manufacturers to the extent of $159,000,000, with twice that expense to the general public, or $318,000,000.

ADDING AND CALCULATING MACHINES.

(Present duty, 15 per cent; proposed duty, 30 per cent; wages, 25.7 per cent.)

Production in 1914, including cash registers, was $30,519,537. In the fiscal year 1914, under the Payne tariff rate of 30 per cent, which was 150 per cent of the total wages, we exported, including cash registers, 21.3 per cent at international prices. Production in 1919, $52,606,142, and exports, $3,863,217, or 6.7 per cent of production. In 1920 exports were about doubled, being 12.9 per cent of 1919 production. Imports not segregated. These postwar years were under the present duty of 15 per cent, which it is now proposed to double, 30 per cent, thereby inviting the industry, which is a necessity now in our business life, to add $12,000,000 to its factory prices, which would be doubled against consumers. It is submitted that a well-established industry that exports freely at international prices a product made mostly by semiautomatic machinery should be required to submit absolute proof, including factory and other costs, before getting an increase in duty.

COST OF PROPOSED DUTY.

Several domestic producers have recently consolidated. What they can do is evident. The proposed duty invites them to add $12,000,000 to their foreign prices, costing consumers approximately $24,000,000.

The per cent of wages to factory selling price was 20 per cent in 1914 and 25.7 per cent in 1919, or 4 per cent less than the proposed rate of duty. In 1914 wages plus superintendence were 38 per cent of the factory selling price.

SEWING MACHINES AND PARTS OF.

(Now on free list; proposed duty, under $75 value, 25 per cent, over $75 value, 40 per cent; wages, 44.2 per cent.)

It should be a source of national pride that with the highest wages in the world we make sewing machines as cheaply as anywhere on earth. In this fact is the justification and fruition of protection—high wages and low costs. It is said that one American company makes 80 per cent of all the sewing machines made in the world. It fills its orders from the Orient, which are great in volume, from its factory in New Jersey, because it is a little cheaper to do so than from its great and equally well-equipped factory in free-trade England. It is for these reasons that sewing machines are on the free list to-day with agricultural implements, shoes, steel rails, and some other highly finished products. It is for this reason, and this only, that certain other highly finished products, like the majority of cotton goods, table cutlery, and cheap hosiery, should be on the free list.

Protection was never meant to be a perpetual burden upon the American people. It is an economic falsehood to say that in many cases our rate of wages requires this, because the per cent of the product going to wages is often as little here as anywhere in the world, and duties, therefore, benefit the employer only. This is the judgment of many leaders who are posted in the premises.

The per cent of labor in the production of sewing machines was 41.4 per cent in 1914, pre-war. Labor plus superintendence was 50.1 per cent. In 1919 labor got 44.2 per cent of the factory selling price.

In 1914 exports of sewing machines were $11,494,081, or 53.7 per cent of the entire American production. This proved our ability to meet world prices. It was a public scandal that in pre-war years under the Payne duty of 30 per cent domestic prices were much higher than export prices, the entire duty being apparently used against the American consumer. The Senate now proposes to restore this duty, making the rate 25 per cent on sewing machines valued at $75 or less and 40 per cent on more expensive machines, which rates, on the basis of recent imports, will average just 30 per cent.

Although exporting 53.7 per cent of production in 1914, imports were only 2.7 per cent, consisting mostly, if not entirely, of special designs not produced here.

In 1919 production was $43,649,919, of which amount there was exported $12,774,124, or 25.5 per cent of production. Although on the free list in 1919, imports were only $225,541, or one-half of 1 per cent. This low per cent of imports has continued to date, showing our unrivaled supremacy and the increased cost and relative inferiority of European production consequent upon Europe's permanent hurt from the war.

Still under free trade, in 1920 exports were $15,581,843, or 35.7 per cent of 1919 production, against imports of $346,519, or seven-tenths of 1 per cent. In 1921 exports were $7,306,074, or 16.7 per cent, this shrinkage being presumably largely in prices only. Imports in 1921 were nine-tenths of 1 per cent.

COST OF PROTECTION.

The proposed duties invite our sewing-machine companies to add $10,000,000 to domestic factory prices above the prices at which they sell a large proportion of their product abroad. It taxes especially the poor. To say that the proposed tax is for revenue purposes is to admit that Congress seeks a revenue of $120,000 at the risk of increasing factory prices $10,000,000, which would be trebled to consumers under current methods of retailing sewing machines.

PROFITS.

Whether the American manufacturer needs the financial assistance of the Senate of the United States, and what will be done with the money, is indicated in part by the following statement of the earnings of the company which makes substantially all of our sewing machines, having a few competitors, also prosperous.

The capital stock of this company in 1912 was $60,000,000. It had no bonded debt. The following dividends are recorded:

1912, 13 per cent on $60,000,000	$7,800,000
1913, 16 per cent on $60,000,000	9,600,000
1914, 12 per cent on $60,000,000	7,200,000
1915, 8 per cent on $60,000,000	4,800,000
1916, 9 per cent on $60,000,000	5,400,000
1917, 11 per cent on $60,000,000	6,600,000
1918, 10 per cent on $60,000,000	6,000,000
1919, 7 per cent on $60,000,000	4,200,000
1920, stock dividend, 50 per cent	30,000,000

In fact, for the first time in history the principle of protection has been publicly and definitely dishonored by its sponsors in the Senate. Honest protection keeps prices low by making duties equal only "the difference" in the cost of production here and abroad. Sewing machines cost no more, therefore they should be on the free list, as they are.

Chairman MCCUMBER, however, declared (CONGRESSIONAL RECORD, June 10, 1922), "The duty should measure the difference between the landing cost of the foreign article in the American market and the selling price of the manufactured article by the manufacturer in the American market." For clarity he repeated the statement, "The difference between the importing price and the selling price of the comparable American article by the American manufacturer."

Every line in the Senate bill shows this purpose of the maintenance of prices, and whatever prices manufacturers dare demand hereafter.

It should be a matter of pride that American wages in the production of sewing machines, as in many other industries, are the highest in the world, because of American efficiency. This coupling of high wages with low wage cost was the purpose and hope of Washington and Hamilton in establishing the protective policy 150 years ago. Think of debauching the principle of protection now, upon the fruition of its accomplishment.

BOLTS, NUTS, WASHERS, AND RIVETS.

(Present duty, 10.5 per cent. Proposed duty, 11 per cent. Wages, 23.4 per cent.)

Made by automatic machines. A single operator, as in the case of screws, simply feeds long rods into as many machines as he can tend. The bolts drop out at the other end cut to length, threaded, headed, with the nut on, and so fast as to blur the vision. Total wages in the industry in 1914, 25.5 per cent. Wages plus superintendence, 32.9 per cent. Wages in 1919, 23.4 per cent. The Payne rate of duty was 21.4 per cent. Under this rate we exported in the fiscal year 1914 4.9 per cent of 1914 production, which was $33,085,790, against imports of $45,724, or one-tenth of 1 per cent, presumably Swedish steel or special-purpose bolts.

Production in 1919 under the present tariff of 10.5 per cent, $109,333,177, of which we exported $7,760,893, or 7.1 per cent, against imports of $42,305, or four one-hundredths of 1 per cent. Exports were seventy-one times greater than imports. In 1920 exports were 6.7 per cent of 1919 production, and in 1921, 4.5 per cent, against imports of seven one-hundredths of 1 per cent in 1920 and five one-hundredths of 1 per cent in 1921. In other words, exports in 1920 were ninety-five times greater than imports, and in 1921 ninety times. Our bolt makers are good friends, as they should be. Why invite them by nods and winks to "fix" materially higher prices on domestic business than export?

COST OF PROPOSED DUTY.

The proposed duty, averaging 11 per cent, offers the industry $11,000,000, which would be at least doubled against consumers, and sometimes trebled, because bolts frequently go through more hands from production to consumption than the average article.

SADDLERY HARDWARE.

(Present duty, 20 per cent; proposed duty, 35 per cent; wages, 28.6 per cent).

Production in 1919, $14,136,556. Exports and imports not enumerated separately in Government statistics. Wages in 1914 were 30.9 per cent, and in 1919 28.6 per cent. Wages plus superintendence in 1914, 39.7 per cent. The proposed duty, 35 per cent, offers the industry $4,000,000, to be doubled against consumers.

STEAM LOCOMOTIVES.

(Present duty, 15 per cent; proposed duty, 20 per cent; wages, 24.8 per cent).

We lead the world. A recent German report tells of our getting foreign business at both lower prices and better deliveries than Germany can make. Under the Payne law, 30 per cent duty, we exported 8.5 per cent of our domestic production with substantially no imports. Under the present duty of 15 per cent production in 1919 was $156,269,730, of which we exported $30,275,728, or 19.4 per cent. Imports were entirely negligible, being two one-hundredths of 1 per cent or about $40,000. Somebody brought in a few parts.

In 1920 exports rose to $63,629,847, or 34.3 per cent, with imports four one-hundredths of 1 per cent. Exports were eight hundred and fifty-seven times greater than imports. In 1921, presumably at lower prices, we exported $33,696,331, or 21.6 per cent of 1919 production, with imports still further decreasing to $20,050, being less than half the price of one ordinary railway locomotive, and one one-hundredth of 1 per cent of our 1919 (census) production.

Does not honest protection, which safeguards consumers as carefully as producers, call for free trade in locomotives instead of a 33 per cent increase in the present duty or 20 per cent as proposed by the Senate? He who would put a duty on everything without regard to relative cost of production, reads himself out of the ranks of protectionists by its every definition.

No nation compares with us in skill and mechanical ingenuity in the production of locomotives. In 1914 the wage cost in the factories was 25.6 per cent of the selling price of the product, or less than the Payne duty of 30 per cent. Wages plus superintendence was only 32 per cent. In 1919 wages were 24.8 per cent as against the proposed duty of 20 per cent.

COST OF PROPOSED DUTY.

The proposed duty invites our locomotive builders to add about $31,000,000 to domestic prices above their export prices, at which a fourth to a third of their product is sold. There are few makers and nothing so easy as a price understanding.

STEAM ENGINES OTHER THAN LOCOMOTIVES.

(Present duty, 15 per cent; proposed duty, 30 per cent; wages, 22.7 per cent).

In the pre-war year 1914 (fiscal) we exported 5 per cent of our domestic production against one-tenth of 1 per cent imports. We are shipping to all parts of the world. An Imperial German commission reported long ago in the heyday of German production that the city of Berlin could buy the huge engines for her city water works in Milwaukee, Wis., with all charges of transportation and installation, to better advantage than from any German producer.

Production in 1919, $101,952,710, of which we exported 3.5 per cent against imports of three-tenths of 1 per cent. In 1920 we ex-

ported $4,009,225, or 3.9 per cent of 1919 production, with imports $148,878, or one-tenth of 1 per cent of our production. In the poor year 1921 we exported $1,944,155, or 1.9 per cent, with imports $5,735, or five one-thousandths of 1 per cent. In this bad year exports were forty times greater than imports. The factory wage cost of production in 1919 was 22.7 per cent of the factory selling price. The Senate proposes a duty of 30 per cent, or nearly 150 per cent of the wage cost of production.

WATER WHEELS, TURBINES, TRACTOR ENGINES, ETC.

These are made under the same conditions as steam engines. Many of the census enumerations cover all these things in a single group.

Production in 1919, $188,444,153. Factory wage cost, 22.7 per cent of the selling price of product. Present duty, 15 per cent; proposed duty, 30 per cent.

INTERNAL-COMBUSTION GAS ENGINES.

(Present duty, 15 per cent; proposed duty, 30 per cent; wages, 22.7 per cent).

Production in 1919, $174,377,872. We exported 12.4 per cent of the product of 1914, which was $72,121,112. Post-war exports and imports are not separately shown. Conditions are substantially the same as in steam engines described above. The Senate proposes to double the present duty of 15 per cent, making it 30 per cent, against a wage cost of 22.7 per cent. Whatever part of this is unnecessary it militates against every farmer, automobile user, many small manufacturers, and all other citizens indirectly.

PUMPS, STEAM AND OTHER.

Production in 1919 of power pumps, $55,745,502, and all other pumps $31,656,488. Exports in 1919, $9,067,458, or 10.6 per cent of production. This increased in 1920 to $13,684,468, or 16 per cent. In 1921, exports $11,966,469, or 14 per cent of 1919 production. Allowing for price reductions, 1921 exports were not less than 1920. Imports not available.

Labor got 28.3 per cent of the factory selling price of the product in 1914 on power pumps, and 21.9 per cent on other pumps, yet the Payne rate was 30 per cent. In 1919 the wage per cent was 25.6 on power pumps, and 18.9 per cent on other pumps. The present duty is 15 per cent on both kinds, which the Senate bill would double, 30 per cent, against a wage cost in 1919 of 15.9 per cent.

WASHING MACHINES AND WRINGERS.

(Present duty, 15 per cent; proposed duty, 30 per cent; wages, 15.9 per cent).

Production in 1914, $7,599,802, rising in 1919 to $40,771,285. Under the Payne duty of 30 per cent in the fiscal year 1914 we exported 14.8 per cent of production. In the postwar years, under the present duty of 15 per cent, exports were, in 1919, 2.9 per cent; in 1920, 5 per cent; in 1921, 3.2 per cent.

The Senate bill gives 30 per cent, or twice the present duty of 15 per cent and twice the wage cost, which was 15.9 per cent in 1919. Exports are not enumerated in the official figures.

WINDMILLS.

(Present duty, 15 per cent; proposed duty, 30 per cent; wages, 21.6 per cent).

The modern windmill is an American invention. Our supremacy is unrivaled. Production in 1919, $9,952,585. Exports in 1919, 11 per cent of production; in 1920, 22.7 per cent; in 1921, 17.7 per cent. Imports not known. Has anyone ever seen in the United States an imported windmill of modern design in operation? Our exports dot all the earth's semiarid regions. Factory wage costs in 1914, 22.8 per cent of its selling price; wages plus superintendence, 32 per cent. Wages in 1919, 21.6 per cent. Present duty, 15 per cent; proposed duty 30 per cent. The proposed duty, if used, would make domestic prices at the factory about 30 per cent more than export prices, being an additional $3,000,000, doubled to consumers at retail, $6,000,000.

PROPOSED DUTIES AND HIGH PRICES.

"The only good reason for allowing products to come into this country to compete with our own is to hold down and prevent any extortionate charges being made by the producers in our own country. We want foreign competition to prevent combination."—Chairman MCCUMBER, CONGRESSIONAL RECORD, July 26, 1922.

Some of the duties in the Senate bill are so high that only insanity could prompt the manufacturers to whom they are granted to add them to their prices. This does not excuse Congress, the trustee of the public interest, which violates its trust if it either invites or makes possible any increase in prices whatsoever not required by an accurate and just disclosure of facts, and particularly of the cost of production in this country, and when possible of foreign costs. No considerable attempt has been made by Congress to get any costs of production whatsoever.

A manufacturer's cost book is his business Bible. He lives by it. If the committees of Congress wanted domestic costs they would get them with absolute ease by simply signifying the fact and requiring authentic costs as a part of every hearing or claim for protection from a would-be beneficiary. Those who don't use facts as a basis of action don't want the facts.

Says Chairman FORDNEY, of the Ways and Means Committee: "Whatever duty you put on is for the purpose of bringing the foreign value (price) up to our value." The United States Tariff Commission, after years of experience and investigation, says: "The tendency on any article that is continuously imported in any considerable quantity and is made both here and abroad is to make the domestic price at least equal the foreign price, plus the duty and more." No one will import unless assured of a price in the United States equal to his foreign price plus freights and handling charges, plus also a profit above his costs of doing business. An analysis of over 100 articles in the (Reynolds) report of the 71 tariff experts employed by the Senate Finance Committee to report on foreign and domestic prices shows that importers invariably sell for all they can reasonably get in the American market, and that in every case the price of the domestic article determines the price of the foreign. The importer often gets higher than domestic prices because his goods are preferred.

To make our prices higher than necessary by such a bill as proposed is to tax our consumers $100 to $1,000,000 for each $1 that it will be possible to collect at the customhouse.

In fact, ordinary articles of general consumption sold in our stores and "made both here and abroad," as the Tariff Commission says, cost American consumers about double the price they cost foreign consumers, and ordinary fancy articles like handbags, beads, and even eyeglasses, that carry 50 per cent and higher duties, retail here at about five times the foreign manufacturers' prices, so rapidly do percentages pyramid through many successive sellers to the consumer.

It is not unusual for a customs appraiser handling innumerable petty imports, and knowing, for instance, that an article of this sort retails for $5, to clear it offhand, at $1 as a fair foreign manufacturer's price. This is on the basis of a foreign factory price of, say $1, to which would be added 10 per cent landing charges, plus duty of, say, 60 per cent, making the cost to the importer, landed, $1.70. To this he would be entitled to 50 per cent additional for costs of doing business in such articles, making $2.55 to the retailer and $5 to the consumer. This is for modest luxuries, so called. Margins would be greater on some things, and much less on articles of general service. In any case the importer rightly figures his margins on his landed costs, duty paid. The duty is as much a part of the cost as the foreign price. What part of his final cost goes to a foreign manufacturer and what part to ocean freight and to duties is immaterial to him. It is, however, for Congress to heed the fact that duties are pyramided, and each duty is doubled and often trebled in the ordinary course of normal business against the consumer. Duties, like prices, should be as low as circumstances warrant in every case.

This fivefold increase in prices of fancy articles is regarded as legitimate by impartial public servants who have figured percentages carefully. The increase, however, is a burden upon American life. It is not chargeable to retailers or others, for at this rate no one gets an excessive profit. These things can be bought, however, at retail in Europe usually for one-half the American price. A 50 per cent tariff alone often adds from 100 per cent to 200 per cent to the foreign factory price by the time the article reaches the consumer. When these facts are known protectionists will make certain that carelessness and partiality in tariff making does not aggravate this burden of high prices.

A CONGRESSIONAL GIFT—$445,000,000 TO MAKERS OF HEAVY STEEL PRODUCTS.

The duties proposed in the Senate bill embargo importations. They carelessly offer to the makers of heavy steel products, pig iron, cast and wrought iron pipe, structural iron, tin plate and terneplate, bar steel, steel rails, wire and wirework, $445,000,000, which sum will be doubled to consumers, making about $900,000,000 to be paid partly in the direct cost of highly finished products like automobiles and machinery, and the balance in amortization charges.

IMPORTS EMBARGOED—REVENUES NEGLIGIBLE.

Imports would be negligible on these basic steel products with no revenue accruing worth collecting. If, however, the quantities imported in 1921 can be imagined as coming in under these high duties, and consequently as selling here, as would be necessary, at foreign prices plus duty and landing charges, this would be conclusive proof that the entire $900,000,000 tariff benefit had been added to domestic prices. On this basis the revenue from imports of heavy steel products here considered would total $1,287,043. The Government would get this; the people would lose $900,000,000 per year so long as these conditions prevailed. The Government would collect $1 for each $770 it made the public liable for.

TO MAKERS OF LIGHT STEEL PRODUCTS, $1,500,000,000.

To the above $900,000,000 of protection on heavy steel products would be added a possible $1,500,000,000 on only 21 of the many highly finished steel products upon which the Government would collect only $1 against each $268 it made the public liable for.

Cost of protection and revenue derived under proposed rates—basis 1919 production.

Article.	Tariff allowance to manufacturers.	Cost to consumer.	Revenue to Government.
Bolts, nuts, washers, and rivets	$11,000,000	$22,000,000	$5,975
Electrical machinery	290,000,000	580,000,000	329,561
Stamped and enameled ware	48,000,000	96,000,000	187,916
Sewing machines	10,000,000	30,000,000	119,549
Adding and calculating machines	12,000,000	24,000,000	(1)
Cash registers	6,000,000	12,000,000	1,911
Screws	3,000,000	6,000,000	576
Nails, wire	8,000,000	16,000,000	7,045
Hardware, saddlery	4,000,000	8,000,000	(1)
Hardware, locks, builders', other	44,000,000	88,000,000	(1)
Files	5,000,000	10,000,000	47,016
Cutlery and edge tools	43,000,000	86,000,000	870,559
Steam locomotives	30,000,000	60,000,000	3,008
Other steam engines	20,000,000	40,000,000	860
Gas engines	52,000,000	104,000,000	(1)
Water wheels, motors, etc	56,000,000	112,000,000	(1)
Machine tools	70,000,000	140,000,000	30,828
Pumps, power	16,000,000	32,000,000	(1)
Pumps, other than power	9,000,000	18,000,000	(1)
Washing machines	12,000,000	24,000,000	(1)
Windmills	3,000,000	6,000,000	(1)
Total (21 highly finished steel products)	782,000,000	1,514,000,000	5,603,907
Heavy steel products:			
Pig iron	150,000,000	318,000,000	503,732
Cast and wrought iron pipe	78,000,000	156,000,000	18,470

[1] Not shown.

Cost of protection and revenue derived under proposed rates—basis 1919 production.—Continued.

Article.	Tariff allowance to manufacturers.	Cost to consumer.	Revenue to Government.
Heavy steel products—Continued.			
Structural iron	$18,000,000	$36,000,000	$5,964
Tin plate and terneplate	7,000,000	14,000,000	10,068
Bar steel	67,000,000	134,000,000	206,239
Steel rails and structural bars	8,000,000	16,000,000	84,121
Wire and wirework	108,000,000	216,000,000	458,449
Total 7 heavy steel products	445,000,000	990,000,000	1,287,043
Grand total 7 heavy and 21 light products	1,197,000,000	2,504,000,000	6,890,950

The Government would get $1 of revenue (column 4) for each $270 it made the public liable for.

A round billion two hundred million of dollars ($1,197,000,000—col. 1), mostly unwarranted, to steel men, and a burden of two and a half billions of dollars upon consumers (col. 2), or as much of this amount as manufacturers can exact.

Here is a potential, and mostly unnecessary, addition to the American cost of living on heavy steel products plus only 20 of the great number of highly finished steel products, of two and a half billion dollars ($2,504,000,000—col. 3).

We invite the criticism that these figures are preposterous. The Senate bill is preposterous. Consequently, its effect upon American life can only be preposterous. Its evil proposals can never be fully availed of by its beneficiaries. It gives these beneficiaries, however, the supporting arm of the Government for price rigging and price maintenance, with the consumer's recourse only to the Department of Justice against unlawful practices to which the bill incites its beneficiaries.

It prohibits importation in prosperous times when manufacturers can charge what they want because of the excessive consumption demand. It starts protection, like the swine of old, "Down a steep place into the sea"—a sea of disrespect and corruption.

STEEL PRODUCTS—RELATION OF PROPOSED RATES TO WAGES, EXPORTS, AND IMPORTS.

Tariff rates often (cols. 2 and 3 below) exceed our total wage cost of production, instead of the difference in cost here and abroad. It enormously favors industries that freely sell abroad at international prices—for instance, wrought-iron pipe, of which we export (col. 3) 3,575 times more than we import.

	Per cent of wages to factory selling price.	Senate tariff rate.	1921 exports exceed imports by "indicated number of times."
Heavy steel products:	*Per cent.*	*Per cent.*	*Times.*
Pig iron	7.6	5 to 41	1/3
Bar steel	22.2	27	24
Steel rails	21.4	10	22
Structural ironwork	21	25	190
Cast-iron pipe	29.3	20	3,575
Wrought-iron pipe	18.2	27	750
Tin plate and terne plate	5.9	6	179
Wire	18.6	28	14
Wirework	17.1	39	
Light steel products:			
Electrical machinery	22.9	41	137
Hardware—			
Locks	34.8		
Builders'	32.4	[1]40	
All other	28.9		
Stamped and enameled ware—			
Stamped ware	23.4	50	
Enamel ware	26.7	51	4
Bathtubs, lavatories, etc	30.5	[1]40	30
Wire nails	14.8	16	70
Screws, wood	31.5	25	2,600
Files	53.2	25	24
Cash registers	29.1	25	920
Adding and calculating machines	25.7	30	
Sewing machines	44.2	30	13
Bolts, nuts, washers, etc	23.4	11	90
Saddlery hardware	28.6	35	
Locomotives, steam	24.8	20	2,160
Other steam engines		20	380
Internal-combustion engines	22.7	30	
Water wheels, motors, turbines		30	
Pumps—			
Steam	23.6	30	
All other	18.9	30	
Washing machines and wringers	15.9	30	
Windmills	21.6	30	
Aluminum and wares			
Copper			

[1] Less. [2] Not given. [3] Estimated.

A DIFFERENCE OF OPINION.

[Extracts from the Senate debate on wool, from CONGRESSIONAL RECORD, July 26, 1922.]

Senator LENROOT. The Payne-Aldrich bill was crooked, yet if it had not hurt the American people * * * there would have been no such political revolution as followed * * *.

There is very little difference between the Payne-Aldrich bill and the duties as reported in this bill.

Senator MCCUMBER. We died for principle. That is the real thing that was back of the defeat of the Republican Party in 1912.

The Senators who will vote on this matter have their minds made up, enough of them. They will come in at the ring of the bell.

BASIC IRON AND STEEL PRODUCTS.

The adequacy of present tariff rates to protect basic steel products, and indeed, their ability to do without any protection whatever is indicated by the following table:

Iron and steel.

Product.	Calendar year.	Domestic exports.	Imports for consumption.
Pig iron	1919	$12,313,183	$6,565,106
	1920	10,074,377	12,901,834
	1921	933,093	2,014,926
Total, 3 years		23,320,653	21,381,866
Cast and wrought iron pipe	1919	40,407,502	93,821
	1920	53,527,742	94,936
	1921	56,218,936	68,962
Total, 3 years		150,154,180	257,719
Structural iron	1919	28,956,816	131,669
	1920	38,384,609	284,167
	1921	26,824,258	149,097
Total, 3 years		94,165,764	504,923
Tin and terneplate	1919	36,997,634	66,944
	1920	40,545,291	127,168
	1921	17,415,152	125,856
Total, 3 years		94,958,077	319,968
Bar steel	1919	56,672,314	1,666,900
	1920	62,726,372	2,823,930
	1921	15,156,074	763,843
Total, 3 years		134,554,760	5,254,673
Steel rails	1919	38,986,855	651,830
	1920	36,193,689	1,894,226
	1921	18,395,580	841,214
Total, 3 years		93,576,124	3,387,270
Wire and wirework	1919	61,613,546	577,930
	1920	61,834,718	1,609,884
	1921	19,609,463	1,432,652
Total, 3 years		143,057,727	3,620,466
Total of products, 3 years		733,787,285	34,786,900
		34,786,900	
Excess of exports		699,000,385	
Per cent of exports to imports		2,109.4	

Exports are 20 times imports.

Exclusive of pig iron exports were $675,680,000 against imports of $13,405,034. Exports were 50 times greater than imports.

As Judge Gary is reported to have said, our steel industry is the greatest exporting industry in the world.

Costs differ between domestic factories (lines a–e above). They likewise differ between foreign factories.

There is, however, an average and "fair cost" abroad, and there is a "fair cost" in the United States that deserves protection.

A "fair tariff wall" (see chart) protects fair costs and the fair prices naturally flowing from fair costs. It does not protect stupid or careless manufacturers like domestic "e" above, who can live off the public under excessive protection, but under fair protection must reform or quit.

BY PRICE-FIXERS FOR PRICE-FIXERS.

An "excessive tariff wall" is made by price-fixers for price-fixers. It prevents importations in any volume under any circumstances. It enslaves the American people to the highest prices her manufacturers dare charge, and often far higher than these same manufacturers charge foreigners on their own sales abroad.

The Senate tariff bill is the worst ever offered in these reports.

The Fair Tariff League consists of representatives of 2,500,000 farmers, manufacturers, officers of 500,000 wage-earners, merchants, and others, who believe in ample protection for American standards of living and wages.

It opposes the misuse of protection at the behest of great and selfish interests. It desires the cooperation of all who so believe.

Metal products—Relation of customs tariff rates

Metal products.	Domestic production, manufacturers' sales prices.		Domestic exports, value.				Imports for consumption, value.			
	1914	1919	1914	1919	1920	1921	1914	1919	1920	1921
Iron and steel:										
Blast furnaces—										
Pig iron	$312,761,617	$785,960,412	$2,859,830	$12,313,183	$10,074,377	$933,093	[3] $3,195,941 [4] 1,695,378	$5,935,744 629,362	$12,082,388 719,446	$1,626,506 388,420
Other products (slag, gas, etc.)	4,892,366	8,506,146	.....	.....	.....	.....	.....	.....	.....	.....
Total	317,653,983	794,466,558	2,859,830	12,313,183	10,074,377	933,093	4,891,319	6,565,106	12,801,834	2,014,926
Bar steel	71,352,396	313,907,923	7,392,163	56,672,314	62,726,372	15,156,074	2,580,414	1,666,900	2,823,930	763,848
Steel rails	54,009,918	92,849,481	10,259,109	38,986,855	36,193,689	18,395,580	205,765	651,830	1,894,226	841,214
Tin plate and terneplate	68,342,962	97,404,720	3,643,806	36,997,634	40,545,291	17,415,152	1,510,636	66,944	127,168	125,856
Structural ironwork	216,853,223	473,464,107	12,533,063	28,956,816	38,384,690	26,824,258	419,349	131,669	284,167	149,097
Pipe—										
Cast-iron	26,659,365	50,539,563	14,337,973	[5] 5,177,752	9,753,446	7,265,747	3,393	6,226	41,074	2,146
Wrought-iron	98,772,555	327,344,911		[5] 35,229,750	43,774,296	48,953,189	403,496	87,595	53,862	66,816
Total	125,431,920	377,884,474	14,337,973	40,407,502	53,527,742	56,218,936	406,889	93,821	94,936	68,962
Wire and wirework	190,747,732	444,697,698	15,233,299	61,613,546	61,834,718	19,609,463	1,441,984	601,897	1,609,884	1,433,721
Bolts, nuts, washers, and rivets	33,085,790	109,333,177	1,635,707	7,769,893	7,274,411	4,884,596	45,724	42,305	74,522	54,317
Cutlery and edge tools—										
Table cutlery	5,606,000	4,862,906	168,623	2,379,848	3,458,756	1,168,575	267,377	43,435	241,832	249,183
Razors, plain and safety	4,912,000	24,554,337	472,252	4,150,803	5,715,089	2,309,870	473,045	70,462	428,964	488,634
Knives (except table)	4,085,000	9,691,928	507,120	3,606,376	3,999,082	1,249,538	[6] 1,302,255	139,442	585,376	919,366
All other cutlery	4,838,000	14,771,658					856,679	215,406	630,409	989,366
Edge tools	6,100,000	12,748,741	1,115,303	6,015,901	5,904,442	3,864,673	(6)	(6)	(6)	(6)
Total	25,541,000	66,629,570	2,263,298	16,352,928	19,077,369	8,583,656	2,899,356	468,745	1,886,581	2,647,143
Files	5,608,157	17,616,563	.....	5,181,792	5,550,619	2,542,153	101,949	49,855	100,471	106,854
Hardware—										
Locks	9,271,000	14,374,476	1,450,557	4,145,325	6,387,214	2,174,986				
Builders' hardware	24,280,000	53,942,790	4,581,322	3,268,435	4,870,974	2,204,268				
All other (except saddlery)	39,768,697	86,207,622	.....	4,267,125	6,216,636	3,590,173	(6)	(6)	(6)	(6)
Saddlery hardware	4,039,971	14,136,556	(6)	(6)	(6)	(6)				
Total	77,359,668	168,661,444	6,031,879	11,680,885	17,474,824	7,969,427				
Machinery—										
Cash registers and calculating machines—										
Adding and calculating	30,519,587	52,606,142	1,670,585	3,863,217	6,790,407	2,652,991	(6)	(6)	(6)	(6)
Cash registers and parts of		30,932,883	4,834,626	4,375,526	5,942,070	2,849,303	914	597	324	4,045
Total	30,519,587	83,539,025	6,505,211	8,238,743	12,732,477	5,502,294	.....	.....	.....	.....
Engines, steam, gas, and water (except locomotives)	72,121,112	464,774,735	12,926,447	89,520,789	92,024,352	37,139,309	[7] 45,871	[7] 344,092	[7] 148,878	[7] 5,733
Locomotives (not made by railroad companies)	43,374,141	156,269,730	3,692,225	30,275,728	53,629,847	33,696,331	28,322	37,785	63,739	20,050
Machine tools	31,446,660	212,400,158	14,011,359	22,627,477	21,536,366	7,751,983	306,026	139,619	432,581	205,519
Pumps—										
Steam and other power	17,864,311	53,745,502	3,723,337	9,067,458	13,684,468	11,966,469	(6)	(6)	(6)	(6)
All other pumps	6,350,411	31,656,438								
Total	24,214,722	85,401,940	3,723,337	9,067,458	13,684,468	11,966,469	.....	.....	.....	.....
Sewing machines and parts of	21,391,917	43,694,919	11,494,801	7,774,124	15,581,843	7,306,074	586,945	225,541	346,519	398,495
Washing machines and clothes wringers	7,599,802	40,771,285	1,125,354	1,195,789	2,040,748	1,304,064	(6)	(6)	(6)	(6)
Windmills	5,496,591	9,932,585	1,618,349	1,091,543	2,256,750	1,753,827	(6)	(6)	(6)	(6)
Nails, wire	24,703,633	55,426,950	1,693,632	10,744,696	11,880,398	3,172,054	15,009	346,636	1,688,774	44,038
Screws, wood	6,216,940	15,459,582	.....	2,737,716	1,968,496	1,068,995	590	507	2,595	2,303
Aluminum manufactures	19,597,465	75,277,948	1,101,920	3,890,326	5,630,781	3,108,857	1,412,578	277,846	2,288,271	2,056,114
Brass, bronze, and copper products:										
Copper smelting and refining	444,021,958	651,101,591	146,222,556	106,601,776	122,776,334	87,023,984	[3] 39,823,690 [4] 169,105	8,060,408 66,686	20,913,095 236,436	9,218,835 61,818
Copper manufactures	30,723,000	78,338,948								
Brass and bronze manufactures	123,580,000	389,550,094	4,758,274	14,841,037	15,866,275	8,658,508	1,126,556	491,598	946,005	963,938
All other	7,896,019	14,423,748	.....	.....	.....	.....	.....	.....	.....	.....
Total	606,220,977	1,133,414,381	150,980,830	121,442,813	138,642,609	95,682,492	41,119,351	8,618,692	22,095,536	10,244,591

[See pp. 11626 and 11627 for footnotes.]

to production, wages, trade extension, etc.

Per cent of exports to production.				Per cent of imports to production.				Domestic wages.		Per cent of wages to domestic manufacturers' selling price.			Tariff rates, equivalent ad valorem.			Per cent tariff rates to wages.		Tariff protection to manufacturers, in millions of dollars.		
										1914		1919 wages.	Payne law, imports, fiscal year 1913.	Underwood law, calendar year 1919.	Senate bill 1922.[2]	1914, Payne rates.	1919, Underwood rates.			
1914	1919	1920	1921	1914	1919	1920	1921	1914	1919	Wages.	Wages and salaries.							1914	1919	Senate bill.[1]
P. ct.	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.			P. ct.	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.			
0.9	1.6	1.3	0.1	1.5	0.8	1.6	0.3	$22,780,626	$73,769,395	7.2	9.1	9.3	7.5	Free. 15.0	25.0	104	0	22	0	196
.....	.....	.....	.....	.....	.....	.....	.....	22,780,626	73,769,395	7.2	9.1	9.3	7.5	Free.	25.0	104	0	22	0	196
10.4	18.1	20.0	4.8	3.6	.5	.9	.2	[3] 14,413,184	69,687,559	[3] 20.2	[3] 24.2	22.2	21.4	13.0	27.0	106	59	13	36	75
19.0	42.0	39.0	19.8	.4	.7	2.0	.9	[3] 10,531,934	[3] 19,869,789	[3] 19.5	[3] 23.4	21.4	15.8	Free.	10.0	81	0	7	0	9
5.3	38.0	41.6	17.9	2.2	.07	.1	.1	3,924,447	5,756,417	5.8	6.9	5.9	35.1	15.0	8.0	605	254	18	13	7
5.7	6.1	8.1	5.7	.2	.03	.06	.03	[3] 45,539,177	[3] 96,113,214	21.0	28.6	20.3	24.7	10.0	4.0	118	49	43	43	17
11.4	10.2	19.3	14.3	.01	.01	.08	.004	[3] 7,064,732	[3] 14,808,092	26.5	20.4	29.3	14.8	10.0	20.0	55	34	3	5	10
	10.8	13.4	15.0	.4	.03	.02	.02	[3] 15,113,201	[3] 59,576,774	15.3	18.6	18.2	30.1	20.0	27.0	197	116	28	55	74
11.4	10.7	14.2	14.9	.3	.02	.03	.02	[3] 22,177,933	[3] 74,334,866	17.7	21.1	19.7	.....	.....	.....	.....	.....	26	60	84
8.0	13.9	13.9	4.4	.8	.1	.4	.3	[3] 27,276,925	[3] 78,711,493	14.3	19.1	17.7	41.1	16.8	32.0	257	95	50	64	122
4.9	7.1	6.7	4.5	.1	.04	.07	.05	[3] 8,436,876	[3] 25,583,963	25.5	32.9	23.4	21.4	10.5	11.0	84	45	6	10	11
3.0	48.9	71.1	24.0	4.6	.9	5.0	5.1	2,083,000	2,114,878	37.2		43.5	42.2	30.0	225.0	113	69	2	1	8
9.6	16.8	23.2	9.3	9.6	.3	1.7	1.9	811,000	3,942,711	16.5		16.1	68.6	54.3	204.0	416	337	2	9	33
5.7	14.7	16.3	5.1	31.9	2.1	8.8	13.9	2,045,080	4,456,697	50.1	44.0	46.0	75.5	49.2	197.0	151	107	2	3	13
13.2	47.2	46.3	30.3	7.8	.8	2.4	3.8	1,971,000	5,418,997	40.7		36.7	52.1	30.0	151.0	128	82	2	3	17
				.....	.....	.....	.....	2,166,000	4,115,182	35.5		32.3	45.0	20.0	40.0	127	62	2	2	4
9.0	24.5	23.6	13.8	11.4	.7	2.8	4.0	9,076,000	20,048,465	35.5	44.0	30.1	63.0	39.3	184.0	177	131	10	18	74
.....	29.4	31.5	14.4	1.8	.3	.6	.6	2,135,436	6,192,444	38.0	46.4	35.2	56.1	25.0	44.0	148	71	2	3	6
15.6	28.8	44.4	15.1	.....	.....	.....	.....	3,229,000	4,475,487	34.8		31.1				129	64			
18.9	6.1	9.0	4.1	.....	.....	.....	.....	7,865,000	17,314,477	32.4	40.8	32.1	45.0	20.0	40.0	139	62	23	26	52
.....	4.9	7.2	4.2	.....	.....	.....	.....	11,499,132	23,499,988	28.9		27.2				156	74			
.....	.....	.....	.....	.....	.....	.....	.....	1,248,441	4,043,799	30.9	39.7	28.6	45.0	20.0	35.0	146	70	1	2	4
7.8	6.9	10.4	4.7	.....	.....	.....	.....	23,831,573	49,273,749	30.8	40.7	29.2	.....	.....	.....	.....	.....	24	28	56
23.1	6.7	12.9	5.0	.....	.....	.....	.....	6,110,271	13,524,908	20.0	33.6	25.7	45.0	20.0	30.0	225	78	8	9	13
	14.1	19.2	9.2	.006	.002	.001	.01		9,012,357			29.1	30.0	Free.	25.0	150	0		0	6
23.1	9.9	15.2	6.6	.....	.....	.....	.....	6,110,271	22,537,265	20.0	33.0	27.0	.....	.....	.....	.....	.....	8	9	19
17.9	19.3	19.8	8.0	.06	.07	.03	.001	21,420,737	105,435,453	29.7	39.6	22.7	45.0	15.0	30.0	152	66	22	61	121
8.5	19.4	34.3	21.0	.07	.02	.04	.01	11,085,375	38,798,641	25.6	32.0	24.8	30.0	15.0	15.0	117	60	10	20	20
44.6	10.7	10.1	3.6	1.0	.07	.2	.1	[3] 8,867,958	60,178,969	[3] 28.2	[3] 37.9	31.2	30.0	15.0	15.0	106	43	7	28	28
15.4	10.6	16.0	14.0	.....	.....	.....	.....	4,163,743	13,763,526	23.3	33.9	25.6	30.0	15.0	30.0	129	59	4	7	14
				.....	.....	.....	.....	1,391,465	5,968,121	21.9	31.1	18.9	30.0	15.0	30.0	137	79	1	4	8
15.4	10.6	16.0	14.0	.....	.....	.....	.....	5,555,208	19,731,647	22.9	33.2	23.1	30.0	15.0	30.0	.....	.....	5	11	22
53.7	26.5	35.7	16.7	2.7	.5	.7	.9	8,980,843	19,333,378	41.4	50.1	44.2	30.0	Free.	30.0	72	0	5	0	13
14.8	2.9	5.1	3.2	.....	.....	.....	.....	1,220,882	6,431,378	16.1	25.3	15.8	45.0	20.0	30.0	280	197	2	7	10
29.4	11.0	22.7	17.7	.....	.....	.....	.....	1,252,330	2,145,301	22.8	32.0	21.6	45.0	20.0	30.0	197	93	2	2	3
6.9	19.4	21.4	5.7	.06	.6	3.9	.04	2,248,031	8,263,173	9.1	[3] 13.3	14.8	10.0	Free.	16.0	110	0	2	0	9
.....	17.7	12.7	20.9	.009	.003	.02	.01	1,950,498	4,864,613	31.4	40.1	31.5	66.1	25.0	25.0	211	79	2	3	3
5.6	5.2	7.5	4.1	7.2	.4	3.0	2.7	2,611,251	13,327,306	13.3	15.8	17.7	45.0	20.4	48.7	339	129	6	13	30
30.8	14.6	16.8	11.9	8.4	1.1	2.9	1.3	16,149,251	25,723,371	3.5	4.4	4.0	Free.	Free.	Free.	0	0	0	0	0
												15.1	Free.	Free.	Free.	0	0	8	12	32
3.9	3.8	4.1	2.2	1.0	.1	.2	.2	25,084,281	12,084,924 79,567,785 2,479,409	15.5	19.8	20.4	35.0	18.8	48.0	226	125	37	67	145
												17.2	42.8	20.7	45.0	276	101	0	0	0
.....	.....	.....	.....	.....	.....	.....	.....	41,233,532	119,855,489	6.8	8.6	10.6	.....	.....	.....	.....	.....	45	79	177

Metal products—Relation of customs tariff rates

Metal products.	Domestic production, manufacturers' sales prices.		Domestic exports, value.				Imports for consumption, value.			
	1914	1919	1914	1919	1920	1921	1914	1919	1920	1921
Clocks and watches:										
Clocks	$11,031,720	$23,380,190	$1,552,725	$3,920,514	$4,897,972	$2,492,533	$931,040	$157,137	$531,095	$1,022,791
Watches (including parts of clocks and watches)	23,120,815	53,004,769	1,460,424	2,273,045	2,145,463	819,043	3,344,168	12,222,466	14,260,047	9,718,077
Total	34,152,535	76,384,959	3,013,149	6,193,559	7,043,435	3,311,576	4,275,208	12,379,603	14,791,142	10,740,868
Electrical machinery and supplies	335,170,194	997,968,119	23,060,844	89,089,711	101,990,004	95,817,885	[3] 1,224,806	[3] 428,248	[3] 840,222	[3] 732,357
Stamped and enameled ware:										
Stamped ware	48,837,000	101,094,308	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]
Enameled ware	18,706,000	37,636,584	321,590	4,073,455	5,054,296	1,835,233	[3] 833,251	[3] 65,828	[3] 386,238	[3] 368,467
Bath tubs, lavatories, and sinks	578,301	4,922,985	779,369	981,419	1,949,435	1,554,562	[4]	[4]	[4]	[4]
Total	68,121,301	143,653,877	1,100,959	5,054,874	7,003,731	3,389,795				
Tinware, n. e. s.	81,930,880	233,964,000	1,553,010	4,507,715	5,612,317	2,692,371	184,718	26,873	86,792	[3] 91,223
Grand total	2,595,265,206	6,785,249,818	313,791,554	730,386,409	845,922,774	493,196,764	64,537,044	33,230,939	64,849,330	33,119,741

[1] 1919 production.
[2] 1921 valuation.
[3] Free.
[4] Dutiable.
[5] Estimated.

The PRESIDENT pro tempore. The hour of 4 o'clock has arrived, and the question is, Shall the amendments made as in Committee of the Whole be engrossed and the bill be read a third time?

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDENT pro tempore. The question is, Shall the bill pass?

Mr. ASHURST. On that question I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. ROBINSON (when Mr. CARAWAY's name was called). My colleague, the junior Senator from Arkansas [Mr. CARAWAY], is necessarily absent. He is paired with the junior Senator from Illinois [Mr. MCKINLEY]. If my colleague were present and not paired, he would vote "nay."

Mr. EDGE (when his name was called). I have a general pair with the senior Senator from Oklahoma [Mr. OWEN]. I transfer that pair to the junior Senator from Vermont [Mr. PAGE] and vote "yea."

Mr. LODGE (when Mr. FERNALD's name was called). I desire to announce that the Senator from Maine [Mr. FERNALD] is paired with the Senator from New Mexico [Mr. JONES]. If present, the Senator from Maine would vote "yea."

Mr. UNDERWOOD (when Mr. HARRIS's name was called). I wish to announce that the senior Senator from Georgia [Mr. HARRIS] is absent from the country. He is paired with the junior Senator from Missouri [Mr. SPENCER]. If present, the Senator from Georgia would vote "nay."

Mr. CURTIS (when Mr. LA FOLLETTE's name was called). I was requested to announce that the Senator from Wisconsin [Mr. LA FOLLETTE] is paired with the Senator from Michigan [Mr. TOWNSEND]. If present, the Senator from Wisconsin would vote "nay" and the Senator from Michigan would vote "yea."

I also desire to announce that the junior Senator from Missouri [Mr. SPENCER], if present, would vote "yea."

Mr. MCCORMICK (when Mr. MCKINLEY's name was called). I was requested by my colleague [Mr. MCKINLEY] to announce that if he were present he would vote "yea." He is paired with the Senator from Arkansas [Mr. CARAWAY]. Both Senators are absent from the country.

Mr. MCCUMBER (when his name was called). I have a general pair with the junior Senator from Utah [Mr. KING]. I transfer that pair to the junior Senator from Washington [Mr. POINDEXTER] and vote "yea." I wish to announce that if present the Senator from Washington [Mr. POINDEXTER] would vote "yea" and the Senator from Utah [Mr. KING] would vote "nay."

Mr. GERRY (when Mr. PITTMAN's name was called). I wish to announce that the Senator from Nevada [Mr. PITTMAN] is absent on account of illness.

Mr. POMERENE (when his name was called). I again announce my pair with my colleague [Mr. WILLIS], who is detained by serious illness in his family. Being unable to obtain a transfer, I am obliged to withhold my vote. If permitted to vote I should vote "nay."

Mr. WATSON of Indiana (when his name was called). I have a standing pair with the senior Senator from Mississippi [Mr. WILLIAMS]. I transfer that pair to the junior Senator from North Dakota [Mr. LADD], and vote "yea." I am informed that if the Senator from Mississippi [Mr. WILLIAMS] were present, he would vote "nay," and that if the Senator from North Dakota [Mr. LADD] were present, he would vote "yea."

The roll call was concluded.

Mr. BORAH. I desire to state that the Senator from Nebraska [Mr. NORRIS] is necessarily absent from the city. I am authorized to say that if he were present he would vote "nay."

Mr. CURTIS. I was requested to announce the necessary absence of the junior Senator from Maryland [Mr. WELLER], and that if present he would vote "yea."

Mr. LODGE. I desire to announce that the senior Senator from California [Mr. JOHNSON] is paired with the junior Senator from Georgia [Mr. WATSON]. If the Senator from California were present, he would vote "yea."

Mr. JONES of New Mexico. I desire to announce the transfer of my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Nevada [Mr. PITTMAN]. The Senator from Nevada [Mr. PITTMAN] is absent on account of illness. If he were present he would vote "nay."

Mr. HARRISON (after having voted in the negative). I have a general pair with the junior Senator from West Virginia [Mr. ELKINS] who is unavoidably absent. Being unable to obtain a transfer, I withdraw my vote. If permitted to vote I would vote "nay" and the Senator from West Virginia would vote "yea."

I also desire to announce that the junior Senator from Georgia [Mr. WATSON] is paired with the senior Senator from California [Mr. JOHNSON]. If the junior Senator from Georgia were present, he would vote "nay."

Mr. HALE. I desire to announce that my colleague [Mr. FERNALD] is necessarily absent. If he were present he would vote "yea."

Mr. BALL. I wish to announce the necessary absence of my colleague [Mr. DU PONT]. If present he would vote "yea."

Mr. SHORTRIDGE. I wish to announce that my colleague [Mr. JOHNSON] is necessarily absent, and that if present he would vote "yea."

to production, wages, trade extension, etc.—Continued.

Per cent of exports to production.				Per cent of imports to production.				Domestic wages.		Per cent of wages to domestic manufacturers' selling price.			Tariff rates, equivalent ad valorem.			Per cent tariff rates to wages.		Tariff protection to manufacturers, in millions of dollars.		
										1914		1919 wages.	Payne law, imports, fiscal year 1913.	Underwood law, calendar year 1919.	Senate bill 1922.[2]	1914, Payne rates.	1919, Underwood rates.			
1914	1919	1920	1921	1914	1919	1920	1921	1914	1919	Wages.	Wages and salaries.							1914	1919	Senate bill.[1]
P. ct.	P. ct.	P. ct.[1]	P. ct.[1]	P. ct.	P. ct.	P. ct.[1]	P. ct.[1]			P. ct.	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.			
14.6	16.8	21.0	10.7	8.4	.7	2.3	4.4	$3,653,146	$7,891,611	33.1	41.7	33.6	40.3	30.0	58.0	122	89	3	5	10
6.3	4.3	4.0	1.5	14.4	23.1	26.9	18.3	9,842,118	21,012,443	42.6	48.4	39.6	34.4	27.8	40.0	81	70	6	12	17
8.8	8.1	9.2	4.3	12.5	16.2	19.4	14.1	13,496,264	28,874,054	39.5	46.3	37.8	35.8	27.8	41.0	91	74	9	17	27
6.8	10.0	10.2	9.6	.04	.04	.08	.07	73,906,329	23,188,852	22.0	32.5	23.9	37.3	26.6	41.0	170	111	91	210	323
.....	.....	.....	.....	.....	.....	.....	.....	10,148,000	25,675,506	22.1	30.9	23.4	45.0	20.0	50.0	204	85	15	17	42
1.7	10.8	13.0	4.1	4.5	.2	1.0	1.0	4,910,000	9,670,172	26.2		25.7	45.0	25.0	51.0	172	97	6	8	15
134.8	19.9	39.6	31.6	.....	.....	.....	.....	184,586	1,505,633	31.9		30.5	45.0	20.0	40.0	141	66	....	1	2
.....	.....	.....	.....	.....	.....	.....	.....	15,242,586	34,851,311	23.4	30.9	24.2	.....	.....	.....	.....	.....	21	26	59
1.8	1.8	2.4	1.1	.2	.01	.04	.04	12,217,359	34,493,399	14.9	19.1	14.7	45.0	20.0	40.0	302	136	25	39	78
12.1	10.8	12.4	7.2	2.5	.5	1.0	.5	417,302,661	1,282,641,587	16.0	.....	18.8	.....	.....	.....	.....	.....	499	800	1,599

[1] Not separately enumerated.
[2] Steam engines only.
[3] Carbon manufactures and electric lights only.
[4] Of iron and steel.

The result was announced—yeas 48, nays, 25, as follows.

YEAS—48.

Ball	Ernst	McCormick	Phipps
Brandegee	France	McCumber	Ransdell
Broussard	Frelinghuysen	McLean	Rawson
Bursum	Gooding	McNary	Reed, Pa.
Calder	Hale	Moses	Shortridge
Cameron	Harreld	Nelson	Smoot
Capper	Jones, Wash.	New	Stanfield
Colt	Kellogg	Newberry	Sterling
Cummins	Kendrick	Nicholson	Sutherland
Curtis	Keyes	Norbeck	Wadsworth
Dillingham	Lenroot	Oddie	Warren
Edge	Lodge	Pepper	Watson, Ind.

NAYS—25.

Ashurst	Heflin	Robinson	Trammell
Borah	Hitchcock	Sheppard	Underwood
Culberson	Jones, N. Mex.	Shields	Walsh, Mass.
Dial	McKellar	Simmons	Walsh, Mont.
Fletcher	Myers	Smith	
Gerry	Overman	Stanley	
Glass	Reed, Mo.	Swanson	

NOT VOTING—23.

Caraway	Johnson	Owen	Townsend
du Pont	King	Page	Watson, Ga.
Elkins	Ladd	Pittman	Weller
Fernald	La Follette	Poindexter	Williams
Harris	McKinley	Pomerene	Willis
Harrison	Norris	Spencer	

So the bill was passed.

Mr. McCUMBER. Mr. President, I move that the Senate insist on its amendments, ask for a conference with the House on the disagreeing votes of the two Houses, and that conferees be appointed by the Chair on behalf of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. McCUMBER, Mr. SMOOT, Mr. McLEAN, Mr. SIMMONS, and Mr. JONES of New Mexico conferees on the part of the Senate.

On motion of Mr. SMOOT it was—

Ordered, That the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, be printed with the amendments of the Senate numbered.

AMERICAN VALUATION PLAN.

Mr. JONES of New Mexico. Mr. President, I do not know how much attention may be required in conference on the tariff bill with respect to the American valuation plan, but I have a copy of a brief which I believe is the best statement of the subject I have seen. It is prepared by the National Council of American Importers and Traders, and anyone who desires to study the question, I am sure, will receive great assistance from this brief. I ask, therefore, that it may be printed in the RECORD in 8-point type.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The brief referred to is as follows:

[National Council of American Importers and Traders, New York City.]

TARIFF UNCERTAINTY PARALYZES TRADE.

"We can not hope to sell where we are not willing to buy."—President Harding.

AMERICAN VALUATION PLAN.

Section 402 of the Fordney bill provides:

"Domestic value: The domestic value of the imported merchandise shall be the price at the time of exportation of the imported merchandise at which similar domestic merchandise, packed ready for delivery in the principal markets of the United States, is sold or freely offered for sale to all purchasers in such markets in the ordinary course of trade and in the usual wholesale quantities.

"Import value: The import value of imported merchandise shall be the price at the time of exportation of such merchandise to the United States at which such or similar imported merchandise is freely offered for sale, packed ready for delivery, to all purchasers in the principal markets of the United States in the ordinary course of trade and in usual wholesale quantities.

"Export value: The export value of the imported merchandise shall be the price at the time of exportation of such merchandise to the United States at which such or similar merchandise is freely offered for sale to all purchasers in the principal markets of the country from which exported in the usual wholesale quantities and in the ordinary course of trade for exportation to the United States, plus, when not included in such price, the cost of all containers and coverings and all other costs, charges, and expenses incident to placing the merchandise in condition, packed ready for shipment to the United States, less the amount, if any, included in such price, attributable to any additional costs, charges, and expenses and the United States import duties incident to bringing the merchandise from the place of shipment in the country of exportation to the place of delivery in the United States, and plus, if not included in such price, the amount of any export tax imposed by the country of exportation on merchandise exported to the United States.

"Cost of production: The cost of production of imported merchandise shall be the sum of (a) the cost of materials and of fabrication, manipulation, or other process employed in manufacturing or producing identical or substantially identical merchandise at a time preceding the date of shipment of the particular merchandise under consideration which would ordinarily permit the manufacture or production of the particular merchandise under consideration in the usual course of business; (b) the usual general expenses (not less than 10 per cent of such cost) in the case of identical or substantially identical merchandise; (c) the cost of all containers and coverings and

all other costs, charges, and expenses incident to placing the particular merchandise under consideration in condition, packed ready for shipment to the United States; and (d) and an addition for profit, not less than 8 per cent of the sum of the amounts found under paragraphs (a) and (b), equal to the profit which is ordinarily added in the case of merchandise of the same general character as the particular merchandise under consideration by manufacturers or producers in the country of manufacture or production who are engaged in the same general trade as the manufacturer or producer of the particular merchandise under consideration.

"Value: The value of imported merchandise shall be (1) the domestic value; (2) when the domestic value can not be ascertained to the satisfaction of the appraising officer, then the import value; (3) if neither the domestic value nor the import value can be ascertained to the satisfaction of the appraising officer, then the export value, plus, if not included in such price, duty, cost of transportation, insurance, and other necessary expenses from the place of shipment to the port of arrival in the United States and a reasonable addition for profits and general expenses, not less than 16 per cent; and (4) if neither the domestic value, the import value, nor the export value can be ascertained to the satisfaction of the appraising officer, then the cost of production, plus duty, cost of transportation, insurance, and other necessary expenses from the place of shipment to the port of arrival in the United States and a reasonable addition for profits and general expenses, not less than 16 per cent."

REASONS FOR REJECTING SECTION 402, THE SO-CALLED "AMERICAN VALUATION" PLAN.

As Senator Penrose has announced that the Senate Finance Committee has decided to adopt the so-called "American valuation" plan and does not care to hear further arguments on the subject, the only remaining appeal is to public opinion and to individual Members of the Congress. Since any tariff policy now adopted must influence every phase of the great reconstruction problems facing the United States and the world in a far-reaching way, a restatement of the case becomes a duty.

Secretary Hoover has recently said:

"Our whole standard of living greatly depends upon our imports, and our exports are the great balance wheel for our production. Exports are vital to the stabilization of our industries, of price levels, of wages, and of employment. While our exports do cover but a small per cent of our total production, on the other hand they comprise a large percentage of the production of certain industries. For instance, we generally export 20 per cent of our wheat, 60 per cent of our cotton, 75 per cent of our copper, not to mention others. Unless we find a market for the surplus production of our great industries we shall continue to keep some 25,000,000 of our people in reduced buying power. We might even drive them into poverty during the many years that would be required to shift the whole basis of our internal production."

The problem could not have been better stated, and its solution has a direct relation to the "American valuation" plan, because in its application that plan must materially advance prices and seriously reduce both imports and exports.

It has been intimated that the assessing of duties on "American wholesale market prices" is in the nature of an emergency measure, that after the conditions change, which are asserted to make the adoption of the present plan necessary, the tariff can be changed also. If it were simply necessary to change the rates under the "American valuation" plan in accordance with changing economic conditions that would be a relatively easy matter, but it is our conviction that the effects of this plan in its present form, or in any form that has so far been advocated, will do such serious injury to American industry and our international commerce that the plan itself, if adopted, will very soon have to be materially modified or dropped entirely.

In view of the revolutionary change involved in the proposed new law and the complete disorganization of business that is bound to follow its introduction, the return to the well-tried foreign valuation principle, when it inevitably becomes necessary, will mean further complication and added loss. "American valuation" should not be attempted even on restricted lines, unless we are quite sure that it can be continued wherever it is resorted to or dropped without inconvenience.

That this plan will be exceedingly hard to apply, that the new rates, even after careful preparatory study, will remain disconcertingly doubtful in their effect is recognized by all officials actually familiar with the workings of our customs service. Secretary Hoover admitted these difficulties in their broader aspects in his testimony before the House Ways and Means Committee as early as May 3, 1921. He then testified that in view of the unstable currency and exchange situation he thought there was practically no alternative but "American valuation" as an emergency measure, and added:

"I do not think it would be at all advisable in any other circumstances. I would be glad, indeed, if some one could suggest a device that would be less troublesome to the trade and Government. Its administration will be very difficult. But I have seen no inspiration of a better method of a workable alternative that would meet the wide variation between economic levels and exchange levels."

Secretary Hoover in this carefully qualified manner indorsed "American valuation" purely as an emergency measure, and mistakenly, we think, appears to assume throughout his testimony that it is recommended generally by its advocates simply in order to meet the exceptional conditions described by him. These conditions, he himself admitted, were likely soon to correct themselves, as Germany could not long continue the direct and indirect subsidies to industry which he detailed, and he predicted that Germany would soon be forced, from economic necessity, to abandon these objectionable expedients. Secretary Hoover did not recommend the measure as a permanent policy, as other advocates of the change do, nor on the grounds they allege, namely, first, "because only through American valuation can undervaluation be avoided," and second, "because only through American valuation can we assess the same amount of duty against all countries alike, regardless of their cost of production."

As to the first: The actual amount of fraudulent undervaluation practiced under "ad valorem" duties has always been grossly exaggerated. In the course of years a mass of information has been accumulated on foreign values by our customs service, and appraisers and examiners have acquired remarkable skill in establishing actual dutiable values. Experienced Government officials assert that with an increase in the force of special Treasury agents abroad, fraudulent undervaluation would be made impossible.

As to the second: That neither the American producer nor the consumer can be benefited by imposing a uniform amount of duty on any commodity on which there is competition between different foreign countries in this market is perfectly clear. The country with the lowest manufacturing cost will necessarily still retain that natural advantage as compared with other competitors in this market; the high-cost countries may find their goods entirely excluded.

Can it be denied that the situation with regard to depreciated exchange is exactly parallel? Let us assume for a moment to be true the deliberately untruthful assertion that foreign prices are about the same now as they were before the war. Then the duty collected would really be less now than before the war, on account of the lower exchange rate, but it would still remain a fact that the same amount of duty assessed on the merchandise from a country with low exchange, as on similar goods from countries with less depreciated currencies, will leave undiminished the advantage to the country with the lowest exchange rate. The undeniable result will be unintended discrimination against the countries whose exchange rates are nearest to normal.

It is not true, however, that prices abroad are as low as they were before the war. They have, on the contrary, risen in inverse ratio to the decline of the exchange rates, and are to-day much higher in dollars than in 1914, as was conclusively demonstrated before the Senate Finance Committee, and can be verified at any time.

As exchange rates decline prices advance.

Since when there is no competition no emergency on account of foreign importations can exist, Secretary Hoover would probably indorse Special Agent Davis's suggested compromise, that "American valuation" be made to apply only when the Secretary of the Treasury or some other designated person or body has, after careful investigation, determined that the imported merchandise actually is "similar in material, quality, construction, and kind" to specific American goods, and in competition with them. Such investigation as to the facts is to be made upon request of the American interests claiming destructive competition. This limited adoption of "American valuation" would enable the administration to test the new measure gradually, and would not result in suddenly upsetting our well-tried customs practice and our entire international trade basis, which will place a grave responsibility upon those voting for this revolutionary measure—a measure condemned by leaders in trade and finance.

Is it true that "American valuation" is a specific remedy proposed to meet temporary conditions now prevailing? We do not think so. It is not at all a new proposal. It was urged repeatedly during our fiscal history, when there was no undue depreciation in foreign exchange rates and when there were no

unusual fluctuations of them, and probably by interests similar to those that are sponsoring the plan to-day.

Such a scheme was proposed to the Ways and Means Committee in 1908, then considering the revision of the tariff. It was again presented to the Ways and Means Committee as well as to the Senate Finance Committee during the tariff revision of 1913, and was further urged upon the Tariff Commission in 1917. What the advocates of the measure had then in mind was high protective duties in the guise of apparently low rates. In 1842 a sort of "port valuation" or a modified American-valuation plan became law for two months, but was quickly superseded by the act of August 30, 1842. Now, the experiment is to be repeated, although it is admitted that repeal may again become necessary. The harm done meanwhile will be very much more grave than in 1842, as our financial and trade situation has completely changed since then. We are to-day a creditor Nation, dependent upon interchange of products with all the world for our prosperity.

President Harding has said: "We can not hope to sell where we are not willing to buy."

Certain well-intentioned advocates of the new plan recommend it, not on account of the fraudulent undervaluations which it is alleged are excessive under the present system, but because the activities of some of our foreign special agents have been found objectionable by friendly governments. It is certainly desirable to prevent friction, but why apply a remedy which will hamper our entire foreign trade and probably provoke retaliation?

Our exporters have good reason to fear retaliation; it might take an unpalatable form, such as foreign countries making our wholesale American selling prices the dutiable value, a procedure to which, for obvious reasons, we could not object.

A scarcely disguised purpose of some of the interests that are so eager to have "American valuation" adopted is to maintain the dominating position gained by them during the war because of the virtual exclusion of foreign merchandise. Having enjoyed the privileges of monopoly, they hope to retain them by the proposed scheme, which conceals their real purpose under rates nominally lower than those now prevailing, but often outrageously excesssive.

Under "American valuation" duties will be collected on the importer's cost price plus duty, plus all transportation charges, plus his gross profit, and when the duty is assessed on the value of similar American goods, on the selling price of the American goods, including the manufacturers' gross profits. This domestic gross profit becomes an essential factor in the attempt to arrive at reasonable rates under the Fordney plan, and can not be disregarded. It is therefore a serious omission on the part of the Treasury Department that no provision has been made for ascertaining or recording domestic profits in the instructions to the customs agents, to whom it has assigned the exceedingly difficult task of securing data on American wholesale selling prices. The result is likely to be price advances far beyond what is necessary to protect American industries and labor.

The profits to the beneficiaries of the tariff may be greatly increased; living costs to American labor and all consumers certainly will be.

In themselves foreign and American valuation do not imply either low or high duties. In practice under the new plan it will be impossible, because of administrative difficulties, to adjust rates to the degree of protection sought, and they will tend to be excessive and even prohibitive. The present system is free from these objections.

The value of the emergency tariff to the farmer as a producer of agricultural products has been disputed, but that as a consumer he will have to pay high prices under the Fordney bill can not be denied.

When the rates of duty provided in the "ad valorem" schedules of the Fordney bill were established by the Ways and Means Committee the method apparently adopted was, in the great majority of cases, simply to add the former Payne-Aldrich rate to the foreign value, calling the result the American selling price, and finding what percentage the Payne-Aldrich rate was on the so-called selling price thus ascertained.

In other words, the foreign value plus duty only was considered the selling price, and the rate thus found is very much higher than if a proper allowance had been made for freight, insurance, general expenses, other incidentals, and profit. (See Appendix, Tables 1A and 1B.)

The entire inadequacy of this formula, the application of which has intentionally resulted in the excessive rates of the Fordney bill, is now frankly acknowledged by the Senate Finance Committee, and it is engaged in collecting data in an attempt to rectify them. In order to do so a reasonable percentage of gross profit will have to be adopted in correcting the above formula. This gross profit must be sufficient to cover all expenses of doing business in this country, of taxes, etc., besides a sufficient profit for the merchant.

In submitting data for the national council we have, for the sake of convenience, adopted a gross profit of 33⅓ per cent on the cost on all classes of exhibits, which is equivalent to 25 per cent gross on the selling price. For some classes of merchandise this gross percentage is entirely insufficient; for others it may be somewhat high. But it must be borne in mind that certain lines of goods, by reason of their character, have to be sold at a greater percentage of gross profit to cover hazardous business. The gross profits customary in the trade, dealing in the commodities covered by a schedule, must be allowed for when revising each individual schedule, otherwise unreasonable rates of duty must result.

To adopt a general average rate of gross profit for all schedules can not lead to scientific or fair rates. But even if a fair average percentage of profit was adopted for each individual schedule, derived from the gross profit usual in the trade dealing with the lines concerned, a further element, which is even more important in determining the percentage of the revised rates of duty, remains to be considered.

That element is the percentage of transportation costs on the cost of the goods. This percentage differs greatly as between classes of merchandise, and the many items coming under the same tariff schedule show wide variations in the percentages of transportation costs, according to value and bulk, increasing with the bulk and decreasing with the value. The percentage will be greatest when the bulk is greatest and the value least, and vice versa. On classes of goods, such as toys, the percentages of transportation expenses may vary from 2 per cent to more than 66⅔ per cent of costs.

Necessarily, therefore, to arrive at approximately reasonable rates under "American valuation," the same percentage of transportation cost can not be assumed for all schedules. In the calculation for each schedule due allowance must be made for a percentage of transportation cost usual on the class of goods coming under its provisions.

It is clear that the necessity of providing for these two important and fluctuating factors infinitely complicate the problem of finding reasonable rates of duty under this plan and makes scientific rates quite impossible.

In Table II (see Appendix) we show, for a series of Fordney rates of duty, the effect, expressed in percentages on foreign selling price, of varying percentages (from 5 per cent to 25 per cent) of landing expenses, assuming for convenience a uniform gross profit of 25 per cent on the importer's selling price. Taking 25 per cent as an illustrative rate of duty under the Fordney bill, the table shows that if the landing expenses on foreign value are 5 per cent, the equivalent percentage of duty on foreign cost as compared to 25 per cent Fordney duty on American selling price will be 52 per cent, while if the transportation expenses are 10 per cent it will be 55 per cent; while if the transportation expenses are 15 per cent it will be 58 per cent; while if the transportation expenses are 20 per cent it will be 60 per cent; while if the transportation expenses are 25 per cent it will be 62 per cent, thus indicating an advance of 10 per cent in the rate of the duty expressed on foreign cost as between transportation expenses of 5 per cent and 25 per cent. The higher the rate of duty under the Fordney bill the greater, of course, the corresponding differences as expressed in relation to the foreign cost. A 42 per cent duty under the Fordney bill on a 5 per cent landing expense basis is equivalent to 133 per cent duty on foreign cost; if the landing expense were 25 per cent, then 42 per cent Fordney rate would be equivalent to 159 per cent, or an advance of 26 per cent in the rate of duty, as a result of an advance in transportation expenses from 5 to 25 per cent. As under the lowest transportation percentage, the Fordney duty of 25 per cent results in a percentage of duty on foreign cost of 52 per cent, the effect of these concealed additional duties resulting from higher transportation costs, if not considered in establishing the rate under "American valuation," may be prohibitive.

In order to illustrate on a definite commodity the great variation due to transportation costs, we give in Table III (see Appendix) a characteristic series of toy exhibits, showing how, under "American valuation," a given rate of duty will result in enormous fluctuations in percentages of duty figured on foreign selling price on account of transportation cost differences alone.

The rate of duty under the Fordney bill is 40 per cent on toys, which is equivalent in percentage on the foreign cost to 125 per cent when the transportation expenses are 10 per cent of the selling price, and will be equivalent to 188 per cent when the transportation expenses are 64⅔ per cent of the selling price.

This range of percentages is, of course, unexpected—it is at once disconcerting and ridiculous.

The effects of this new plan when duties are assessed on the "ad valorem" basis are objectionable, but when the schedules provide for so-called "compound duties"—"ad valorem" and specific duties together—and both apply on the same articles, the evils described are greatly exaggerated, particularly when the rate of the specific duty operates on a sliding scale of values, as is the case in the cutlery schedule and others. When a sliding scale of specific duties applies a small difference in the selling price may mean a disproportionate increase or decrease in the duty collected. The effect of this on the question of dutiable value is obvious.

Under section 402 absurdities are likely to occur whenever the schedules contain compound rates, as is the case in the examples cited below. According to section 402 the word "value" means the American wholesale selling price. This seems to have been entirely overlooked when these compound schedules were drawn.

Paragraph 354 provides that penknives, and so forth, valued at more than 50 cents per dozen—that is, selling in this country for, say, 51 cents per dozen—are to be assessed 5 cents each, which is equivalent to 60 cents per dozen, and in addition thereto 30 per cent on the American selling price of 51 cents equals 15 cents, a total duty of 75 cents on a knife supposed to sell for 51 cents per dozen. The result on knives over $1.25 and $3 per dozen is equally absurd. Paragraph 357, which provides for scissors, contains similar absurdities. So does paragraph 358 on razors.

Paragraph 365 provides that rifles valued at more than $5 apiece—that is, selling for, say, $5.01 apiece—are to be assessed $4 each, and in addition thereto 35 per cent on the American selling price of $5.01 equals $1.73, a total duty of $5.73 on a rifle supposed to sell at $5.01.

Paragraph 368 provides that clocks valued at more than $1.10 each—that is, selling for, say, $1.11 each—are to be assessed 70 cents each, and in addition thereto 35 per cent on the American selling price of $1.11 equals 38 cents, a total duty of $1.08 on a clock supposed to sell for $1.11.

Surely it is absurd to write schedules which make the duty greater than the selling price, of which it naturally can only be a part.

The plan to publish American wholesale prices on all commodities is a stupendous, and, except on staples, an impossible undertaking, though obviously essential to enable the importer to establish his dutiable values on imported articles of international commerce. It would, however, to the extent it is found feasible, distinctly tend to increase prices to the consumer.

Importers will be induced, when there is no similar American-made article, to make their selling prices agree with the American wholesale selling value of similar imported articles established as dutiable by the examiner whenever such similarity is found. Many imported lines will be so affected, for the great majority of them are imported for the very reason that they are not comparable with American goods; that they differ in some peculiar way. There is a natural desire among purchasers to seek the uncommon. This is not only true of women's wear and men's wear but of many other lines as well.

American manufacturers, on the other hand, will also naturally tend to adopt as their selling price the average selling price published by the Government whenever they discover that their own prices are below such figure. The result must be a legalized form of open-price agreements.

But the domestic manufacturer is likely to act on still another and less innocent possibility. It is a fact that when, as a result of "American valuation," the foreign article has to sell for more than the present wholesale selling price of the American article, domestic manufacturers can often force the import price up still further by advancing their own selling prices and so compelling the importers to pay higher duties while preserving their own competitive advantages under the Fordney bill. They can do so by advancing their prices to near a certain point which will bring about an equalization between the selling prices of the foreign and domestic article, which point will be at a level much above the normal market prices it was intended to protect.

As can be seen by referring to Table IV, this equalization point can readily be calculated by means of a simple formula. The price limit obtained will be reduced somewhat if the importer can either secure a lower price from the foreign manufacturer or can afford to reduce his profit. The probability of American manufacturers resorting to this method of advancing prices will be greatest in those lines which most readily lend themselves to domestic price agreements. That this danger was felt to be real from the first is obvious from the fact that in the earlier drafts formulating the new plan specific legal provision was made to prevent just such an undesirable development.

The illustrations on Table IV show that without losing the selling advantage secured under "American valuation" the domestic manufacturers can actually raise their prices considerably. They can not do so indefinitely, because if they advance their prices beyond the equalization point, they will thereafter expose themselves to being undersold by the importer in a progressively increasing degree. But they can pyramid up to fairly near that point.

These price increases which the domestic manufacturer can force upon the buying public will vary according to the rate of duty, the rate of gross profit, and the original difference in price, under the Fordney bill, between the imported article and the then American wholesale market price.

The undeniable and disquieting fact is that the converging tendency of "American valuation" and the Government action necessary to make even a limited application of it practicable will be toward general price stabilization, elimination of competition, and resulting high cost of living.

The promise:

"More business in Government and less Government in business" was generally acclaimed, yet the plea has been made for this new device that it will help to regulate retail prices. Our women, who do 92 per cent of all household shopping (and they now have the vote), will, it is supposed, gladly pay high prices for their family needs if only they can be sure that those prices have been regulated. But will regulation stop there? We know what "regulation" has done for our railroads. Do our basic industries long for a similar fate?

As it is, under section 402, our appraising officers will have extraordinary and hitherto unheard of discretionary powers, alarming in their scope, to manufacturers and merchants alike.

The difficulty of ascertaining foreign market values under our present system is deliberately exaggerated, while it has been assumed, quite without foundation, that wholesale market values in America can readily be ascertained, and the difficulty of establishing them has been systematically minimized. It seems to be thought that American goods of the same kind are usually sold at the same prices by different American makers, or at the same prices by the same maker, in the different cities of the Union. This is not true even in the same city. The same merchandise is often sold at different prices at the same time on account of competition, because of financial need, greater or less credit risk, freight conditions, interest rates, etc. The "quantity" to be designated as "a wholesale transaction" will depend upon the section of the country in which the sale takes place. What would be considered only a jobbing sale in one section may constitute a large wholesale transaction in another. Such differences are in every respect greater in the United States than they are in the several relatively small European countries we import from.

Unless the dutiable American wholesale selling price of American-made goods similar to the imported merchandise, when similarity and competition have been established, are to be promulgated by the Secretary of the Treasury in advance of importations, for which no provision whatever is made in the Fordney bill, all importers and dealers in imported merchandise must for many months confront a staggering uncertainty as to dutiable values, which can only result in greatly reduced imports and unfavorable economic effects generally.

Our foreign trade, export as well as import, will be paralyzed.

International trade is almost entirely transacted on an advance-order basis. Orders for export as well as for import are usually taken many months ahead of the delivery dates. It is essential, therefore, for manufacturers and merchants alike, when transacting international business, that they be able to estimate with reasonable accuracy what the goods are going to cost them. The more factors of uncertainty and the more elements of risk are eliminated in outgoing and incoming business the more extensive and profitable our world trade will become.

The proposed publication of extensive domestic trade reports on wholesale and retail prices must actually cover a large part of the infinite multitude of articles that enter commerce before these official wholesale prices can be of use for customs purposes to the merchants or customs officials. In fact, as these figures will be mostly out of date when published, their value for customs purposes is doubtful.

The Government is attempting a herculean task, perchance an impossible one. What, then, will the importer do? The vista of his difficulties is indeed discouraging. Dutiable values will never be settled. Litigation with the Government will be inevitable, frequent, and expensive.

Where the importer has so many real problems to solve imaginary ones should not pass unchallenged. It is not true that the importer must pyramid to arrive at his selling price under the Fordney bill. When there is no similar American article and the importer's own selling price is accepted as the dutiable value, this selling price can readily be found arithmetically without any necessity of pyramiding. A simple arithmetical calculation will give the selling price under the Fordney bill on noncomparable imported merchandise when it is not comparable either with other foreign importation and when the cost of transportation and other charges necessary to bring the goods from the foreign country to the United States are known.

In order to arrive at this arithmetically correct selling price under the Fordney bill, the importer can proceed as outlined in Table V.

When the importer's own American selling price is accepted as the dutiable value the application of domestic valuation is arithmetically simple. But what happens if the importer finds after he has paid duty that the selling price declared by him is either too high or too low? On staples the market conditions are usually fairly predictable, but on all other lines, including the many fancy and novelty items, the merchant can have no advance knowledge as to how his purchases are going to sell. If after paying duty on a declared selling price of a newly introduced article he finds within a month that this declared price was too low, can he then advance his selling price in the ordinary way of trade without exposing himself to the charge of undervaluation?

As the market never stands still and as it will be impossible for the Government to claim duty on the price realized on an entire importation, unless it is equally ready to make refunds for excessive duty paid if the price subsequently obtained is lower than the declared value of that entire importation, some period will have to be fixed wherein price changes will either entitle the Government to increased duties or entitle the importer to refunds of duty. This period evidently will have to be greater on seasonable goods than on merchandise less fluctuating in character. Clearly this has to be provided for in the law, and it is equally clear that undervaluation, fraudulent or otherwise, will in no sense be eliminated by "American valuation," which is one of the main claims made for it. It may in fact be said to open up new and greater possibilities of fraud.

Even when the importer's own selling price is the dutiable value, therefore, "domestic valuation" is not an easier or more exact method of assessing and collecting duty than is "foreign valuation," but a much more difficult and uncertain one.

"American" valuation, so called, is not direct, simple, or definite. It is, on the contrary, indirect, complicated, and indefinite; there is nothing to recommend it excepting the name "American."

Uncertainty, difficulty, and doubt will confront and confuse our legislators, customs officials, and merchants alike.

The difficulty of the importer will lie in his uncertainty as to what the appraiser may determine is the dutiable wholesale selling price of such imported merchandise generally in this country, if his own selling price is not accepted as the dutiable value, but that of other importers of similar merchandise.

This difficulty of establishing the dutiable wholesale selling price will be very much greater for the importer as well as the Government when similarity to American goods is found or assumed by the examiner, and the dutiable American wholesale market price must be declared.

This disturbing question as to whether or not there is American merchandise "similar in material, quality, construction, and kind" to the imported article, and what is its wholesale market price, is only one of the many stumbling blocks in the way of applying the new plan, even tentatively, but it is sufficient in itself to condemn it.

Whether American merchandise "similar in material, quality, construction, and kind" is found or not under section 402, the merchant in any case will have to make a prophetic guess when he orders goods as to what the dutiable wholesale value will be when they are actually shipped, because it is the date of exportation that governs the dutiable value.

During a time when business is depressed, financial conditions disturbed, when price fluctuations are sudden, and when it is often found that the price anticipated can not actually be realized, the gross unfairness to the merchant and the importer, of being compelled to guess at a probable dutiable selling price at the time he makes a contract, in order to calculate his duty, is obvious. If too high, this may prevent the importation of the merchandise entirely; but in any case the consumer will have to pay more than he would under the present plan.

As importing will be subjected to so many added hazards it is to be feared that the smaller and financially weaker houses will have to abandon the field, only importers with ample means can venture to incur the increased risks.

Uncertainty of dutiable value will cause delay in making entries; congestion of imported goods at port will necessitate increased public store and warehouse facilities. The question of similarity will require actual opening of a much greater percentage of cases than the present 10 per cent, and a more prolonged examination of goods, so that an increased force of appraisers and examiners will be needed.

Under the foreign valuation plan used for over a century the customs service has in its possession complete records of every single customs transaction in the form of consular invoices. It would be physically impossible to check up the innumerable bills rendered daily covering sales of imported merchandise in this country, no matter how large the number of officers detailed to do such work. As the American selling price is the dutiable value, however, the new plan will not make undervaluation impossible; but it may make its control impossible.

The present depressed state of business, the enforced idleness of a large number of unemployed, which is not only national but world-wide, is frequently advanced as a conclusive and unanswerable argument in favor of the proposed measure, which is intended to hamper and restrict the importation of, if not entirely to exclude, the products of foreign manufacturers. Our mills are idle, or on part time, because the buying power of a large part of our population has been greatly curtailed. This reduction in buying power is in no small measure due to the inability of the foreigner to buy from us the products which he so badly needs and which we have in excess. He can not buy because of his impaired credit and the unfavorable exchange situation. If not permitted to pay in goods, he can not pay at all.

It is true that 85 per cent of our production is sold in the home market, but on the successful disposal abroad of the remaining 15 per cent depends the degree of our national prosperity and affluence.

To provide long-time foreign credits will not suffice to promote our exports unless we are ready to have these credits liquidated in merchandise. The remedy for our present condition lies in promoting our foreign trade, both export and import—and not in adopting a method of assessing duty which must contract and render hazardous an essential part of it, that of importing. We have always prospered under a protective tariff, but our tariff history proves that our prosperity has been greatest when the rates have been reasonable and have aimed to compensate the difference between foreign and domestic labor and production costs, but no more.

The hearings before the Senate Finance Committee demonstrated that the present rates provided in the Fordney tariff bill will, unless reduced, result in a virtual embargo on many commodities. The effect of the Fordney rates, expressed in percentages, on the foreign dutiable value of various commodities, will be found in Table VI in appendix.

Governor Harding, of the Federal Reserve Board, in a recent speech in Charlotte, N. C., said:

"We must continue to buy from foreign countries those things which they can produce better or more cheaply than we can and exchange commodities with them. If we determine to do business with and for ourselves alone, it seems inevitable that we must reduce our production to meet merely American requirements."

The peace treaty with Germany has been ratified by the Senate. Steps are now being taken to arrange for the resumption of commercial relations with this great consumer of much of our agricultural, mining, and manufacturing surplus, the disposal of which, as Secretary Hoover has ably pointed out, is of such importance to American prosperity. To the extent that these efforts are negatived by adverse tariff legislation, our laborers, farmers, and miners will have to suffer. So will the millions of men employed in our great rail and water transportation systems and their feeders.

The "American valuation" plan has been tried before and has been found wanting. What reason is there to assume that this ill-considered renewed experiment, undertaken under the present chaotic conditions, will be any more successful? The passage of the proposed measure will react disastrously upon the party that insists upon passing it, against the practically unanimous opposition of everyone qualified to estimate its particular difficulties and the obvious dangers of putting it into operation. As our great bankers and merchants have returned from foreign tours of inspection and study, one after another has recorded his misgivings as to the proposed legislation and pointed out its inexpediency and danger.

On October 7, the American Bankers' Association adopted a resolution at Los Angeles condemning the "American valuation" plan.

Postmaster General Hays voiced a widespread uneasiness when he said on September 6, in Cleveland, regarding the tariff:

"To thoughtful men there must be approval of a certain hesitation and disposition to be cautious and a determination to be sure-footed in the consideration of this subject. If I were to attempt to express a summing up of the present state of mind of Congress and thoughful men about the tariff, it would seem to me that it amounts to a feeling that the present year is not a good one in which to write a permanent tariff bill to last for many years to come. Conditions throughout the world are too chaotic to be able to foretell exactly what is needed. The very basic condition on which a tariff is built—namely, the cost of manufacturing in various European countries with relation to our own cost of manufacture, and the value of the currency of the various European countries with relation to our own cost of manufacture, and the value of the currency of the various European countries with relation to the value of our own currency—is at the present moment as fluctuating as quicksand and as unforeseeable in the future as the weather.

"A dependable tariff built upon such a foundation is difficult, of course. It has been thought by many that we would overcome these handicaps by a device which we called American valuation, and which provided that all customs duties should be estimated upon the value of goods at the time when they arrive in the United States and in terms of American money. Looking carefully into this, it has been thought that this device might not overcome the handicap, and, further, might have a boomerang effect on our own interests. The end of it has been that we have appropriated $100,000 to investigate this device and otherwise determine what might be done to help us toward writing a permanent tariff. These conditions of fluctuation and instability which make the writing of a permanent tariff so difficult at the moment may in some measure be relieved after the disarmament conference has taken place and we have accomplished steps which the President has in mind for the adjustment of our international relations."

These are wise and prophetic words. They should be heeded by the Nation and our legislators.

NATIONAL COUNCIL OF AMERICAN IMPORTERS AND TRADERS (INC.).

APPENDIX.

TABLE I–A.

Payne-Aldrich rates on foreign values, reduced to equivalent Fordney percentage of duty assessed on American selling prices mentioned in text:

To illustrate text:	
Foreign value	$1.00
Plus Payne-Aldrich rate of duty	.50
Assumed as American selling price	1.50

No allowance has been made for freight, insurance, other incidentals, general expenses, and profit.

Equivalent rate of the assumed selling price was found as follows:

$0.50 divided by $1.50=33⅓ per cent.

	Per cent.
See paragraph 324 Payne-Aldrich Act 1909	50
See paragraph 918 Fordney bill	33

Another illustration at 70 per cent:

Foreign cost	$1.00
Plus Payne-Aldrich rate of duty	.70
	$1.70

$0.70 divided by $1.70=41 3/17 per cent.

	Per cent.
See paragraph 350 Payne-Aldrich Act 1909	70
See paragraph 1429 Fordney bill	42

Percentages of duty on foreign value, Payne-Aldrich, 15 per cent, 20 per cent, 25 per cent, 30 per cent, 35 per cent, 40 per cent, 45 per cent, 50 per cent, 55 per cent, 60 per cent, 70 per cent.

The equivalent percentage on supposed American selling price (cost plus duty only) under Fordney bill, about 13 per cent, 16 per cent, 20 per cent, 23 per cent, 26 per cent, 28 per cent, 31 per cent, 33⅓ per cent, 35 per cent, 37½ per cent, 42 per cent.

Such rates as 23 per cent, 26 per cent, 28 per cent, 33⅓ per cent are applied in many paragraphs, particularly in paragraphs 1310 and 1313.

These rates were clearly arrived at by the objectionable process referred to.

TABLE I–B.

The rates in the Fordney bill are claimed to be equivalent to those of the Payne-Aldrich Act, but the facts show the Fordney rates to be greatly in excess. See below:

NOTE.—Allowing 5 per cent for transportation expenses and 25 per cent gross profit on selling.

Reference by paragraphs.				But actually corresponding on foreign value to—	Commodity.
Fordney bill rates.	Paragraph.	Payne-Aldrich rates.	Paragraph.		
Per cent.		*Per cent.*		*Per cent.*	
13	1405	15	422	22	Unbleached straw braid.
17	203	20	86	26	Cement, n. s. p. f.
20	1401	25	462	38	Manufactures of asbestos, n. s. p. f.
25	319	30	123	46	Iron forgings, n. s. p. f.
26	1313	35	420	52	Manufactures of paper, n. s. p. f.
28	910	40	331	62	Cotton table damask.
35	228	45	108	70	Opera glasses.
33	918	50	324	82	Cotton wearing apparel, n. s. p. f.; silk garters, etc.
33⅓	1207	50	401		
35	915	55	328	91	Cotton hose valued at more than $5 per dozen.
37½	1429	60	349	105	Embroideries.
42	1429	70	350	133	Laces.

Later the rate on laces in the Fordney bill was advanced to 45 per cent, an increase from 133 per cent to 157 per cent on foreign value, showing in this case that a 3 per cent advance in rate on "American valuation" actually means an advance of 24 per cent on foreign valuation.

TABLE II.

Fordney "American valuation" rates, showing equivalent percentages of duty on foreign-value basis, assuming a gross profit of 25 per cent on selling prices and different transportation cost percentages:

A Fordney rate on American selling price of	13%	15%	20%	23%	25%	28%	30%	33%	35%	37½%	40%	42%
American selling price	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Less duty	.13	.15	.20	.23	.25	.28	.30	.33	.35	.37½	.40	.42
	.87	.85	.80	.77	.75	.72	.70	.67	.65	.62½	.60	.58
Less 25% profit on selling price equal to 33⅓% on landed cost	.25	.25	.25	.25	.25	.25	.25	.25	.25	.25	.25	.25
	.62	.60	.55	.52	.50	.47	.45	.42	.40	.37½	.35	.33
After deducting transportation expenses taken at 5% of foreign value	.590	.571	.523	.495	.476	.447	.428	.40	.381	.357	.33	.314
A Fordney rate on American selling price of	13%	15%	20%	23%	25%	28%	30%	33%	35%	37½%	40%	42%

on American selling prices.

Therefore is equivalent, if transportation expenses are 5%, to	22%	26%	38%	46%	52%	62%	70%	82%	91%	105%	120%	133%
If 10%, to	23%	28%	40%	49%	55%	66%	73%	86%	96%	110%	126%	140%
If 15%, to	24%	29%	42%	51%	58%	69%	77%	90%	100%	115%	132%	146%
If 20%, to	25%	30%	44%	53%	60%	72%	80%	94%	105%	120%	137%	153%
If 25%, to	26%	31%	45%	55%	62%	74%	83%	98%	109%	125%	143%	159%

on foreign selling prices.

TABLE III.

Effect of transportation expenses on the amount of duties collected under the Fordney bill on toys and dolls, which are classified under paragraph 1414 of proposed Fordney tariff bill at 40 per cent of the American value, showing the equivalent percentage on factory selling price, plus packing charges. The difference is due to varying percentage of transportation expense to bring the goods to American port:

Description.	Foreign selling price plus packing charges.	Expenses to bring goods to American port.	Expenses expressed in percentage of foreign selling price.	Percentage of duty on American selling price provided by Fordney bill.	Percentage if figured on foreign selling price.
			Per cent.	*Per cent.*	*Per cent.*
Belgian rubber balloons	$250.72	$25.05	10.4	40	126
English plush animals	132.41	17.13	12.9	40	129
Swiss toy music box	173.11	23.14	13.4	40	129
Czecho-Slovak toy violin	17.20	2.45	14.3	40	131
French jumping rabbit	95.42	16.14	17	40	134
German toy cornets	35.18	8.67	24.6	40	142
German toy accordeon	35.23	10.07	28.6	40	147
German wood horses	3.80	1.55	40.8	40	161
German wood boats	8.91	4.13	46.3	40	165
German character babies	1.88	.98	52.1	40	174
German wood sail boats	25.27	13.94	55.2	40	177
German papier-mâché horses	13.20	8.55	64.7	40	188

TABLE IV.

EQUALIZATION FORMULA SHOWING THE LIMIT UP TO WHICH DOMESTIC PRICE ADVANCES CAN FORCE SELLING PRICE OF SIMILAR IMPORTED ARTICLES.

$$\frac{D}{A}+C=E$$

"D" is the amount by which similar domestic article sells cheaper than the foreign article under the Fordney bill.

"A" is the balance left when deducting from 1.00 the rate of duty under the Fordney bill and the gross profit that the importer calculates to make on that duty.

"C" is the price of the similar domestic article at the time the duty is calculated on the foreign article.

"E" is the equalization point for the similar domestic article and the imported article under the Fordney bill, reached by the domestic manufacturer advancing his selling price and forcing the importer to pay higher duties.

Illustration:

No. 217 French piqué kid glove 14":

1. Selling price of similar domestic article "C" which under the Fordney bill establishes the dutiable value for imported article ..... dozen.. $27.00
2. Selling price of foreign article as result of paying duty on value of domestic article as provided in Fordney bill..... do.... 41.50
3. Rate of duty, Fordney bill..... 37½%
4. Percentage of gross profit on cost..... 33⅓%

To arrive at "A":

Less (3) rate of duty 37½% on 1.00..... 0.375
Add (4) gross profit 33⅓% on 0.375..... 0.125 deduct total 0.50 from 1.00
leaving 0.50 which is "A"

To arrive at "D":

Selling price foreign article as result of Fordney bill $41.50
Selling price of similar domestic article..... 27.00
Difference "D"=$14.50

$$\frac{D\ 14.50}{A\ .50}+C\ 27.00=E\ \$56.00$$

Domestic manufacturers can therefore advance their price to $56 and force the importer to sell at this figure, including his duty.

Proof:

Fordney bill selling price on foreign article	$41.50
37½ per cent duty on excess of $29 (difference between equalization price $56 and American selling price $27)	10.875
33⅓ per cent profit thereon	3.625
	56.00

ILLUSTRATIONS.

	A similar American article sells for.	Fordney selling price of foreign article based on similar domestic article.	Fordney bill rate.	If overhead and profit is on cost.	Results in equalization point of.
			Per cent.	*Per cent.*	
219. French kid gloves	$33.00	$55.70	37½	33⅓	$78.40
221. Ladies' fabric glove (German)	6.00	8.55	40	33⅓	11.46
301. Aluminum saucepan (German)	.55	.78	28	33⅓	.91¼

FORMULA FOR ESTABLISHING THE IMPORTER'S SELLING PRICE UNDER "AMERICAN VALUATION" WHEN HIS OWN SELLING PRICE IS THE DUTIABLE VALUE.

Establish the actual c. i. f. cost, which is composed of the price at foreign factory, plus packing, cases, and transportation, as well as other incidental expenses to bring the goods to American destination. This actual c. i. f. cost must be divided by the arithmetical c. i. f. cost. To obtain this arithmetical c. i. f. cost deduct from the figure 1.00 the rate of gross profit that you have to make and the rate of (new) duty proposed in the Fordney bill. Dividing the actual c. i. f. by the arithmetical c. i. f. gives the selling price according to the Fordney bill.

Arithmetical C. I. F.: 1.—As actual C. I. F. : Fordney selling price.

or Formula: $\frac{\text{Actual C. I. F.}}{\text{Arithmetical C. I. F.}}$ = Fordney selling price.

Illustration:

If the actual c. i. f. landing cost of an imported article is $18.86:

To establish arithmetical c. i. f. price..... 1.00
Less 40% Fordney duty on selling price..... 0.40
and 25% gross profit on selling price..... 0.25 0.65
Arithmetical c. i. f. price..... 0.35
Divide actual c. i. f. $18.86
by arithmetical c. i. f. ..... 0.35 = $53.88, which is the selling price under the Fordney bill.

To prove: The actual c. i. f. cost is..... $18.86
and the selling price arrived at arithmetically is..... $53.88
Less duty, 40%..... 21.55
32.33
Less profit, 25% on selling price of $53.88..... 13.47
Result: Actual c. i. f. cost..... $18.86

TABLE VI.—*Commodities illustrating percentages of duty on foreign cost and the equivalent Fordney rates of duty on the American selling price on noncomparable goods.*

Illustration.	Description of article.	Country of origin.	Present rate of duty.	Proposed rate of duty under Fordney bill.	Paragraph of Fordney bill.	Equivalent on foreign factory selling price plus packing to—	Payne-Aldrich duty.
131	Overcoating	England	35 per cent	29½ per cent plus 36c per yard.	1100, 1110	92 per cent	55 per cent plus specific.
125	Linen huck towels	Germany	35 per cent	25 per cent	1013	62 per cent	
117	Child's voile dress	France	30 per cent	33 per cent	918	87 per cent	50 per cent.
116	Cotton gloves	Germany	35 per cent	40 per cent	914	125½ per cent	
204	Kid gloves	France	$2.25 dozen	37½ per cent	1429	103 per cent	$3 dozen specific.
148	Chinese silk, Shantung	China	45 per cent	$2.25 per pound	1205	106 per cent	50 per cent.
155	Bone toothbrushes	Japan	35 per cent	35 per cent	1406	100 per cent	40 per cent.
106	Willow hampers	Belgium	25 per cent	40 per cent	411	137½ per cent	40 per cent.
111	Sea grass chairs	China	15 per cent	25 per cent	414	150 per cent	35 per cent.
62	Glassware	France	45 per cent	40 per cent	218	139 per cent	60 per cent.
66	Tablespoons, aluminum	Germany	20 per cent	28 per cent	339	66⅔ per cent	45 per cent.
68	Machine needles	do	20 per cent	25 per cent plus $1.15 per thousand.	343	193 per cent	45 per cent.
82	Pocketknives	do	55 per cent	30 per cent plus 30 cents each	354	490 per cent	40 per cent plus specific.
84	Ladies' scissors	do	30 per cent	35 per cent plus 20 cents each	357	402 per cent	15 per cent plus specific.
34	Chinaware	Czechoslovakia	55 per cent	40 per cent	213	156 per cent	60 per cent.
41	Jointed dolls	Japan	35 per cent	40 per cent	1413	151 per cent	35 per cent.
11	Infant powder	France	60 per cent	60 per cent	57	424 per cent	60 per cent.
23	Earthenware	England	40 per cent	28 per cent	212	67½ per cent	60 per cent.
213	Enameled washbasins, size 32, white	Germany	25 per cent	30 per cent plus 5 cents per pound.	339	166 per cent	40 per cent.
208	Aluminum teakettle	do	25 per cent	28 per cent	100	73 per cent	45 per cent.

OFFICERS AND DIRECTORS OF THE NATIONAL COUNCIL OF AMERICAN IMPORTERS AND TRADERS (INC.).

President: N. E. Franklin, of Kny-Scheerer Corporation of America, 56 West Twenty-third Street.

Vice president: Peter Fletcher, of Lamb, Finlay & Co., 256 Church Street.

Vice president: William S. Pitcairn, of William S. Pitcairn Corporation, 104 Fifth Avenue.

Vice president: F. Bode, of Gage Brothers, Thirty-seventh Street and Fifth Avenue.

Treasurer: H. O. Lloyd, of Julius Kayser & Co., 353 Fourth Avenue.

Secretary: Frank Van Leer, jr., room 1018, Flatiron Building.

BOARD OF DIRECTORS.

N. E. Franklin, of Kny-Scheerer Corporation, 56 West Twenty-third Street.

Peter Fletcher, of Lamb, Finlay & Co., 256 Church Street.

William S. Pitcairn, of William S. Pitcairn Corporation, 104 Fifth Avenue.

H. O. Lloyd, of Julius Kayser & Co., 353 Fourth Avenue.

C. G. Pfeiffer, of George Borgfeldt & Co., Sixteenth Street and Irving Place.

M. B. Schmidt, of B. Illfelder & Co., 29 Union Square.

T. J. Doherty, of George Borgfeldt & Co., Sixteenth Street and Irving Place.

C. T. Riotte, of Stern & Stern, 79 Fifth Avenue.

F. J. Nolan, of Milbank, Leaman & Co., 320 Fifth Avenue.

D. Walker, of Morimura Brothers, 55 West Twenty-third Street.

W. J. Corbet, of Alfred Field & Co., 93 Chambers Street.

S. Wimelbacher, of Wimelbacher & Rice, 39 Union Square.

F. Bode, of Gage Brothers, Thirty-seventh Street and Fifth Avenue.

I. S. Wolf, of I. S. Wolf & Co., 130 East Twenty-fifth Street.

H. L. Croll, of A. Steinhardt & Bro., 860 Broadway.

G. Veit, of Veit, Son & Co., 48 West Thirty-eighth Street.

J. Frankel, of Franklin Simon & Co., Thirty-eighth Street and Fifth Avenue.
M. E. Rice, of Donald W. MacLeod & Co., 84 Fifth Avenue.
P. J. Cunningham, of Dezell & Cunningham, 58 White Street.
P. B. Scarff, of S. H. Kress & Co., 114 Fifth Avenue.
S. Lansburgh, of American Wholesale Corporation, Baltimore, Md.
T. Jones, of Jones, McDuffee & Stratton, Boston, Mass.
William H. Dwyer, of Dwyer Brothers, New Orleans, La.
F. Van Leer, jr., Flatiron Building.
John Kennedy, of American Trading Co., 25 Broad Street.
Philip Le Boutillier, of Best & Co., 372 Fifth Avenue.
Hubert E. Hine, of Hibben, Holweg & Co., Indianapolis, Ind.
H. B. Closson, of A. B. Closson, jr., Co., Cincinnati, Ohio.
W. Howell, of Pitkin & Brooks, Chicago, Ill.
W. W. Lorch, of Ely & Walker Dry Goods Co., St. Louis, Mo.
W. A. Maurer, of Omaha Crockery Co., Omaha, Nebr.

CITIZENS' MILITARY TRAINING CAMP PARADE.

The PRESIDENT pro tempore laid before the Senate a communication from the Secretary of War, which was ordered to lie on the table and to be printed in the RECORD, as follows:

WAR DEPARTMENT,
Washington, August 19, 1922.

The PRESIDENT OF THE SENATE,
Washington, D. C.:

SIR: Thousands of patriotic young Americans from civil life are receiving voluntary training this summer in the citizens' military training camps.

More than 1,000 of these young men from the District of Columbia, Delaware, Pennsylvania, and Maryland, who are representative of all attending these camps this year throughout the United States, will approach the end of their instruction with a parade in the National Capital Monday morning.

This parade has been made possible by the Evening Star Co. in donating $500 to defray the transportation expense of the Infantry from Camp Meade, Md., to Washington and return and through the courtesy of the Washington, Baltimore & Annapolis Electric Railway in greatly reducing its rates. I believe such action truly reflects the public-spirited and generous interest taken by the entire Nation in the welfare of its young manhood.

These young men have been in training for less than three weeks. Their appearance will furnish a splendid opportunity for all to see what has been accomplished in this brief period of time from a military standpoint and the best possible proof of the wisdom in appropriating funds for these annual encampments.

The President and I hope to see the day when 100,000 young Americans will be enrolled annually in the citizens' military training camps. I know from observation that aside from all military considerations—vital as these are—the value to the Nation of the physical, mental, moral, and patriotic training which these young men are receiving is out of all proportion to the amount of money expended.

So confident am I of this assertion that I cordially invite all Members of the Senate and yourself to join with the President and me in reviewing this parade on Monday, August 21, at 11 o'clock, on the White House Ellipse, in order that you may judge with your own eyes the results of the training and honor with your presence the patriotism of these young Americans.

Respectfully, JOHN W. WEEKS,
Secretary of War.

REPORTS OF COMMITTEES.

Mr. NORBECK, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 3858) to define butter and to provide a standard therefor, reported it without amendment and submitted a report (No. 862) thereon.

Mr. HARRELD, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 1537) for the relief of Furness, Withy & Co. (Ltd.) (Rept. No. 863); and

A bill (S. 3110) for the relief of the Ward Baking Co. (Rept. No. 864).

Mr. HARRELD, from the Committee on Claims, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

A bill (S. 823) for the relief of John Vernon Bouvier (Rept. No. 865); and

A bill (S. 1069) for the relief of Federal Line (Inc.) (Rept. No. 866).

Mr. HARRELD, from the Committee on Claims, to which was referred the bill (S. 3412) authorizing the Secretary of War and the Auditor for the War Department to consider and settle the claim of Mrs. John D. Hall, widow of the late Col. John D. Hall, United States Army, retired, for personal property destroyed in the earthquake at San Francisco, Calif., reported it with amendments and submitted a report (No. 867) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMOOT:

A bill (S. 3926) granting a pension to Alice Ophelia Tunbridge; to the Committee on Pensions.

By Mr. HITCHCOCK:

A bill (S. 3927) to amend the act of Congress approved July 17, 1916, known as the Federal farm loan act; to the Committee on Banking and Currency.

DEATH OF EX-SERGEANT AT ARMS CHARLES P. HIGGINS.

Mr. REED of Missouri. Mr. President, I do not know whether it is in accordance with the usage of the Senate or not, but I feel that, regardless of usage and custom, the Senate will desire to have me make the statement I am about to make.

Charles P. Higgins was Sergeant at Arms of this body from March 16, 1913, to May 19, 1919. During his period of service he endeared himself to the entire membership of the Senate. He performed his duties with rare ability and faithfulness. I wish to announce, very sadly, the fact that Mr. Higgins died on to-day, or late last evening—I have not the exact hour. I thought I ought to be permitted to make this statement. I shall not ask an adjournment of the Senate, for I understand that is contrary to the custom of the Senate; but I wish to express my profound regret at the death of Mr. Higgins, who was regarded as a friend by all of the Members of the Senate.

Mr. ROBINSON. Mr. President, Mr. Higgins was an efficient officer. Every Senator who served in this body during the period of Mr. Higgins's service here respected him for his devotion to duty.

COMPENSATION OF WORLD WAR VETERANS.

Mr. McCUMBER. Mr. President, in accordance with the special order of the Senate made some time ago I move that the adjusted compensation bill be laid before the Senate.

Mr. ROBINSON. I suggest to the Senator from North Dakota that under the order heretofore entered all he needs to do is to ask the Chair to lay the bill before the Senate.

Mr. McCUMBER. I agree with that suggestion.

Mr. ROBINSON. The Senator does not need to make the motion. I suggest that the Chair lay the bill before the Senate.

The PRESIDENT pro tempore. House bill 10874 will now be laid before the Senate and proceeded with.

The Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 10874) to provide adjusted compensation for veterans of the World War, and for other purposes, which had been reported from the Committee on Finance with amendments.

Mr. McCUMBER. Mr. President, I understand that the Senate desires to take an adjournment or a recess until next week. I do not know what the desire may be as to the particular time, whether Senators want to meet on Monday or Tuesday or Wednesday. I would be glad to make the motion in accordance with the desire of Senators.

Mr. LODGE. I suggest that adjournment be taken until Wednesday.

Mr. OVERMAN. I object.

Mr. ROBINSON. Mr. President, may I suggest to the Senator from North Dakota that there are a number of Senators—there are several on this side of the Chamber—who have indicated a desire to proceed promptly with the consideration of the bill which is now the unfinished business, the adjusted compensation bill. Several Senators expect to be compelled to leave the city within a few days, a number of whom are going to very remote places and will not be able to return for a long time. Manifestly it would be unjust to them for the Senate to adjourn over until Wednesday and hold no session during the intervening time, thus prolonging their stay in the city of Washington that much longer. If a time could be fixed for a vote upon the adjusted compensation bill, for my part I should be glad to agree to any arrangement that might be suggested to vote at any reasonable time within the early future; but if the bill is to be proceeded with—and I think that that is the conclusion which has been reached by Senators who have had the matter in charge—I think the Senate ought to adjourn until Monday instead of until Wednesday, as suggested by my friend from Massachusetts [Mr. LODGE]. I think that is the attitude also of most of the Senators.

Mr. McCUMBER. Suppose we compromise the matter by adjourning until Tuesday; would that be satisfactory?

Mr. SMITH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from South Carolina?

Mr. ROBINSON. I yield to the Senator from South Carolina.

Mr. SMITH. Mr. President, as a matter of course, I would not speak of my personal convenience or attempt to project it here, but there are certain conditions over which some of us have no control, because of which we should be glad if an interim of three or four days could be arranged for. I had hoped that it would be possible for us to have a recess until next Wednesday, and I am sure there are several other Senators in the same condition in which I find myself placed. I had hoped also that we might reach some agreement as to a day certain when we might vote on the adjusted compensation bill. That being impossible, as has been indicated, I imagined that it would not

delay the Senate very much if we should have a three days' interval after the intolerable time that we have gone through in the consideration of the bill which has just been passed. I do not know that it would delay matters very much should we take a recess until Wednesday next.

Mr. McCUMBER. I had hoped that if we should take a recess until Wednesday possibly we could then get an agreement to fix the date on which to vote; but, of course, that is a mere hope; I can not say that there is anything back of it.

Mr. SMITH. If the Senator from Arkansas will allow me, I will say that I do not know that there will be any very great advantage gained should we not take the recess, for I think the Members of the Senate would be in a better working condition if we were allowed to catch up somewhat with some of our affairs which have suffered by virtue of our continuous presence in this Chamber in the consideration of the tariff bill.

Mr. WATSON of Indiana. Will the Senator from Arkansas yield to me?

Mr. ROBINSON. I yield to the Senator from Indiana.

Mr. WATSON of Indiana. I desire to say that every effort was made to enter into an arrangement by which a recess of the Senate might be had until the 15th of September, making the adjusted compensation bill the special order for that date, but there were a large number of Senators who would not agree to enter into that arrangement unless a day beyond that was fixed on which the vote should be taken on the adjusted compensation bill. Several Senators objected to fixing a day, and, of course, that ended the effort to make an arrangement. The only object I had in suggesting Wednesday as the time to which we should adjourn was in order that the Senator from North Dakota, the chairman of the Committee on Finance, particularly, and also the Senator from Utah [Mr. SMOOT], both of whom have labored as no other two men have done for many long years in the history of the Senate, might have a little time to arrange to get the tariff bill into conference and to arrange for the consideration of the adjusted compensation bill. Those two Senators have shouldered great burdens and have labored incessantly day and night. Now to drive them from this bill right into the next bill, while they must prepare to get the tariff bill into conference, seems to me would be unfair. That is the reason why I, amongst others, suggested that we take a recess until Wednesday morning next.

Mr. McCUMBER. If the Senator will allow me, I do not want that to be taken into consideration. So far as I am personally concerned, I can get ready.

Mr. ROBINSON. I thank the Senator from North Dakota for that statement; I apprehended that was the case. However, since some weeks ago, after the tariff bill had been under consideration for a month or two, an arrangement was effected which contemplated taking up the adjusted compensation bill and proceeding with it until its final disposition immediately following the tariff bill. I imagine no very convincing plea can be made for an interval between the disposition of the tariff bill and the taking up for actual final disposition of the adjusted compensation bill.

I have no disposition to be exacting about the matter, but there are a large number of Senators on this side of the Chamber who have engagements of a very important nature, and I am informed also that there are some Senators on the other side of the Chamber who are anxious to get away as soon as possible. I will not object to adjourning until Tuesday. If the Senator from North Dakota sees fit to move to adjourn until Tuesday, I shall reluctantly, so far as I am concerned, consent to that arrangement, although it is very inconvenient.

Mr. POMERENE. Mr. President, will the Senator yield to me for a moment?

Mr. ROBINSON. I yield.

Mr. POMERENE. I had hoped that a recess of the Senate might be taken until Wednesday. I am obliged to be away on Monday and Tuesday.

Mr. ROBINSON. There will be no vote for several days.

Mr. POMERENE. I am not urging my own convenience as any reason why there should be any delay, but I should like to be present when the bill is taken up for consideration.

Mr. ROBINSON. There will be no time when all Senators will find it practicable to be present in the Senate; but two months ago we made this arrangement, and every Senator was warranted in making his engagements based upon the agreement of the Senate that immediately following the tariff bill the adjusted compensation bill would be taken up and finally disposed of. In view of that suggestion and in view of the fact that Senators, like the Senator from New Mexico [Mr. JONES], for instance, have already been detained here long beyond the time they had expected to leave to meet important engagements, I respectfully submit that Senators, considering all the circumstances, ought not to insist that he and other Senators who have made similar arrangements should subordinate their convenience to further the convenience of other Senators. I think that when we make an agreement of this sort we ought to carry it out.

I am perfectly willing to concede that the Senate is tired; I know that some of us have been very much bored with the proceedings on the tariff bill, and we should like to get away and enjoy a rest; and, so far as I am concerned, if an agreement can be made to-day to vote upon the adjusted compensation bill, I am perfectly willing to take a three weeks' or a month's recess; but unless such an agreement can be reached, I certainly do not think that we ought to adjourn to a day beyond Tuesday. So, unless such an arrangement may be entered into, I shall test the sense of the Senate and move to adjourn, so that we will meet again at noon on Monday.

Mr. SMITH. Mr. President——

Mr. ROBINSON. I yield.

Mr. SMITH. Mr. President, before the Senator takes his seat, if we should adjourn until Wednesday there would only be a delay of one day, and it would certainly accommodate more Senators than myself to take the adjournment until that time.

Mr. ROBINSON. The Senator heard my statement concerning the Senator from New Mexico, who has been waiting here for some two weeks, anticipating that an arrangement would be made, to go West to meet engagements that are of the very greatest importance, and a number of other Senators are in the same position.

Mr. SMITH. I submit to the Senator that that one day would make no great difference in any event.

Mr. ROBINSON. If that is so, then I can not see how it would make any great difference to the Senator from South Carolina.

Mr. GLASS. Mr. President, the Senator from New Mexico can hardly assume that we are going to dispose of so great a question as the bonus bill, involving a tax on the American people of $7,000,000,000, in a day or two.

Mr. ROBINSON. I have not said anything which would justify the Senator from Virginia in making such a suggestion. I have not intimated that the Senator from New Mexico or anyone else contemplates that this bill will be disposed of with undue speed.

Mr. GLASS. I understood the Senator to say that the Senator from New Mexico wanted to get away in two or three days.

Mr. ROBINSON. No; I did not. I said if we prolong the consideration of the bill two or three days more it will delay Senators who desire to leave that much longer, and that they have already waited for several days.

Mr. JONES of New Mexico. Mr. President——

Mr. ROBINSON. I yield to the Senator from New Mexico.

Mr. JONES of New Mexico. Mr. President, I desire to say that it has been the understanding that as soon as we concluded the consideration of the tariff bill we would take up and dispose of the adjusted compensation bill. A delay of a day or two can not aid the conferees on the tariff bill, and the chairman of the committee has very frankly told us that, so far as he is concerned, he would not ask any delay by reason of that fact. The American ex-service men have been wiring me to insist that the adjusted compensation bill be disposed of at the earliest practicable day. I have heretofore expressed my views on the subject and they are known to all Senators present.

It would very materially inconvenience me not to have this measure taken up and disposed of, as it can be done in the ordinary course of procedure of the Senate. I do not believe that a delay of a day or two would be anything more than a mere personal opportunity for relaxation to some of the Senators. I have been working rather strenuously and continuously upon the tariff bill, and I, too, should love the best in the world to have a few days' rest; but, aside from the personal inconvenience which it would be to me to have any delay, I believe we owe it to the people of this country to take up the bill and decide it. This question has been pending now before the country for two or three years, and, regardless of how one may feel about it, I think we all recognize that the matter should be disposed of in some way so that the people of the country may understand what the Congress is going to do.

I appeal to Senators to let us take up this matter Monday morning and keep it before the Senate until it is finally disposed of.

Mr. LODGE. Mr. President, I am as anxious to get a vote upon the soldiers' compensation bill as anybody can possibly be. I have been here since June 12, without leaving Washington at all, and it makes no difference to me personally whether we go on on Monday or not; but I am perfectly satisfied, from what I know about Senators and their plans, that nothing will be gained and the bill will not be hastened by insisting, for the convenience of two or three Senators, that we sit on Monday and Tuesday.

I think it is only fair to the Senate, after the time they have been at work on the tariff bill, that they should take a day or two. I should like to see a day fixed for the vote on the compensation bill so as to give those of us who perhaps have to go away an opportunity to know when it will be necessary for them to be here in order to vote; but I believe it is impossible to have that day agreed upon. I should be ready, personally, to agree to any day.

Under the circumstances I am going to take the opinion of the Senate. It seems to me the only way of reaching it, and I move that when the Senate adjourns to-day it adjourn to meet at 12 o'clock on Wednesday.

Mr. ROBINSON. Mr. President, I do not care to prolong the discussion. In view of the agreement that was entered into many weeks ago, I think the Senate ought to proceed now to the consideration of this bill, and that we ought not to waste two days before doing that, which will be the result of the motion of the Senator from Massachusetts.

I therefore move that the Senate adjourn, which I understand to take precedence of the motion of the Senator from Massachusetts.

The PRESIDENT pro tempore. The question is upon the motion of the Senator from Arkansas.

Mr. ROBINSON. Upon that I ask for the yeas and nays.

Mr. SMITH. Mr. President——

Mr. LODGE. The motion is not debatable.

The PRESIDENT pro tempore. The Senator from Arkansas demands the yeas and nays. Is the demand seconded?

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. EDGE (when his name was called). I transfer my pair with the Senator from Oklahoma [Mr. OWEN] to the Senator from Vermont [Mr. PAGE] and will vote. I vote "nay."

Mr. ERNST (when his name was called). I transfer my pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from Maryland [Mr. WELLER] and will vote. I vote "nay."

Mr. FLETCHER (when his name was called). I have a general pair with the Senator from Delaware [Mr. BALL], who is absent. I am unable to obtain a transfer, and therefore withhold my vote.

Mr. POMERENE (when his name was called). Again announcing my pair with my colleague [Mr. WILLIS], I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and will vote. I vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same transfer as before, I vote "nay."

The roll call was concluded.

Mr. WALSH of Montana (after having voted in the affirmative). I inquire if the Senator from New Jersey [Mr. FRELINGHUYSEN] has voted?

The PRESIDENT pro tempore. That Senator has not voted.

Mr. WALSH of Montana. I have a general pair with that Senator. In his absence, I withdraw my vote.

Mr. CURTIS. I have been requested to announce the following general pairs:

The Senator from North Dakota [Mr. MCCUMBER] with the Senator from Utah [Mr. KING];

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Arkansas [Mr. CARAWAY]; and

The Senator from Missouri [Mr. SPENCER] with the Senator from Georgia [Mr. HARRIS].

The result was announced—yeas 18, nays 44, as follows:

YEAS—18.

Ashurst	Jones, N. Mex.	Pomerene	Simmons
Broussard	Kendrick	Ransdell	Trammell
Gerry	Lenroot	Robinson	Walsh, Mass.
Harreld	McKellar	Sheppard	
Heflin	Overman	Shortridge	

NAYS—44.

Borah	Ernst	Moses	Shields
Bursum	Glass	Myers	Smith
Calder	Gooding	Nelson	Smoot
Cameron	Hitchcock	New	Stanfield
Capper	Jones, Wash.	Newberry	Sterling
Colt	Kellogg	Norbeck	Sutherland
Cummins	Keyes	Oddie	Swanson
Curtis	Lodge	Pepper	Underwood
Dial	McCormick	Phipps	Wadsworth
Dillingham	McLean	Rawson	Warren
Edge	McNary	Reed, Pa.	Watson, Ind.

NOT VOTING—34.

Ball	Frelinghuysen	McKinley	Stanley
Brandegee	Hale	Nicholson	Townsend
Caraway	Harris	Norris	Walsh, Mont.
Culberson	Harrison	Owen	Watson, Ga.
du Pont	Johnson	Page	Weller
Elkins	King	Pittman	Williams
Fernald	Ladd	Poindexter	Willis
Fletcher	La Follette	Reed, Mo.	
France	McCumber	Spencer	

So the Senate refused to adjourn.

The PRESIDENT pro tempore. The question now is upon the motion of the Senator from Massachusetts [Mr. LODGE] that when the Senate adjourns, it adjourn until Wednesday next at 12 o'clock.

Mr. ROBINSON. On that I call for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. FLETCHER (when his name was called). Making the same announcement as before as to my pair and being unable to obtain a transfer, I withhold my vote.

Mr. POMERENE (when his name was called). Again announcing my pair with my colleague [Mr. WILLIS], I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and will vote. I vote "yea."

The roll call was concluded.

Mr. ERNST. Transferring my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from Maryland [Mr. WELLER], I vote "yea."

The result was announced—yeas 46, nays 16, as follows:

YEAS—46.

Borah	France	Moses	Smith
Bursum	Glass	Myers	Smoot
Calder	Gooding	Nelson	Stanfield
Cameron	Hitchcock	New	Sterling
Capper	Jones, Wash.	Newberry	Sutherland
Colt	Kellogg	Oddie	Swanson
Cummins	Keyes	Pepper	Underwood
Curtis	Lenroot	Phipps	Wadsworth
Dial	Lodge	Pomerene	Warren
Dillingham	McCormick	Reed, Pa.	Watson, Ind.
Edge	McLean	Shields	
Ernst	McNary	Shortridge	

NAYS—16.

Ashurst	Heflin	Overman	Sheppard
Broussard	Jones, N. Mex.	Ransdell	Trammell
Gerry	Kendrick	Rawson	Walsh, Mass.
Harreld	McKellar	Robinson	Walsh, Mont.

NOT VOTING—34.

Ball	Hale	Nicholson	Spencer
Brandegee	Harris	Norbeck	Stanley
Caraway	Harrison	Norris	Townsend
Culberson	Johnson	Owen	Watson, Ga.
du Pont	King	Page	Weller
Elkins	Ladd	Pittman	Williams
Fernald	La Follette	Poindexter	Willis
Fletcher	McCumber	Reed, Mo.	
Frelinghuysen	McKinley	Simmons	

So Mr. LODGE's motion was agreed to.

Mr. JONES of Washington. Mr. President, I know it is a little late to call up a measure, but I do not think it will take more than four or five minutes to dispose of the one I have in mind. The Senator from North Carolina [Mr. SIMMONS] and the Senator from Massachusetts [Mr. LODGE] expect to be away, and they are both interested in the proposition. So I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to consider House bill 10766, which is the legislative river and harbor bill. We passed upon all the amendments to it some little time ago, except two, and there are two or three which I desire to offer. I think there will be no debate at all, objections to them having been withdrawn. I believe the bill can be passed in five minutes.

The PRESIDENT pro tempore. Is there objection?

Mr. DIAL. That is a measure of very great importance, and I think it ought to be discussed. I do not think we need any more canals in this country if we do not have any shipyards. I am on the Committee on Commerce, and heard the testimony, and I believe that the country ought to have the facts before them before any more of the Government money is appropriated. I object.

The PRESIDENT pro tempore. The adjusted compensation bill is in Committee of the Whole and open to amendment.

Mr. SWANSON. We are not considering that. I would like to get a little bill on the calendar through.

Mr. BORAH. Mr. President, if the parties who have charge of this compensation bill do not know what to do with it, I will make a motion.

Mr. SWANSON. It has been temporarily laid aside.

The PRESIDENT pro tempore. It has not been laid aside. The Senator from South Carolina [Mr. DIAL] objected to laying it aside.

Mr. ROBINSON. I do not assume to be in charge of the bill, but I have no objection to the request of the Senator from Washington.

Mr. JONES of Washington. The Senator from South Carolina objected.

The PRESIDENT pro tempore. If Senators will talk one at a time, the Chair may be able to hear.

Mr. LODGE. Mr. President, there being objection——

Mr. DIAL. I make a parliamentary inquiry. What is before the Senate?

Mr. LODGE. Objection is made to laying the unfinished business aside, and we would not think of laying it aside by a vote. Therefore I move that the Senate adjourn.

The motion was agreed to, and (at 4 o'clock and 50 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously made, until Wednesday, August 23, 1922, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

SATURDAY, *August 19, 1922.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father in heaven, with a deep sense of obligation to Thee as the giver of all the good gifts of life we make our prayer. We ask that the blessed Spirit consecrate the things of time and sense. Let all deliberations be full of personal thought, direct purpose, and disciplined sympathy. Enable us to understand always that through service and sacrifice, in joy and in sorrow, we are brought nearer and nearer to the likeness of Him who is the world's perfect pattern. O let the day yield to us strength, satisfaction, and the cheer of a glad heart. Amen.

The Journal of the proceedings of yesterday was read and approved.

REVIEW OF CITIZENS FROM MILITARY TRAINING CAMPS.

The SPEAKER. The Chair has received a letter from the War Department stating that on next Monday at 11 o'clock the President and the Secretary of War will, at the ellipse south of the White House, review the men from the District who have been attending the citizens' military training camps, and says they would be very glad if as many Members of the House as possible would be present and assist them in the review.

ORDER OF BUSINESS.

Mr. LONGWORTH. Mr. Speaker, I move that the House do now adjourn.

Mr. GARRETT of Tennessee. Mr. Speaker, will the gentleman withhold that motion for a moment?

Mr. LONGWORTH. Yes.

Mr. GARRETT of Tennessee. I should like to ask unanimous consent that the gentleman from Alabama [Mr. HUDDLESTON] may proceed for 30 minutes.

Mr. LONGWORTH. I feel hardly justified in withholding my motion for that purpose.

Mr. MONDELL. Mr. Speaker, I did not hear the request of the gentleman from Tennessee.

Mr. GARRETT of Tennessee. I ask unanimous consent that the gentleman from Alabama [Mr. HUDDLESTON] may speak for 30 minutes.

Mr. GREENE of Vermont. I object.

Mr. MONDELL. I doubt if we ought to have discussion this morning, or go into debate this morning, and I move that the House do now adjourn.

Mr. HUDDLESTON. Will the gentleman from Wyoming yield for a question? I should like to know, and I know that every other Member of the House would like to know, if we are going to have anything in the way of congressional activity, or are we to meet and adjourn without doing anything at all.

Mr. MONDELL. I think we will have activity immediately on some of the matters referred to by the President in his message.

Mr. HUDDLESTON. Activity in the House or in the committees?

Mr. MONDELL. I think the gentleman from Alabama will have an opportunity to discuss the matters referred to in the message in connection with measures that are to be brought forward.

Mr. HUDDLESTON. Is there to be a real session of the House on Monday?

Mr. MONDELL. We expect to transact some business; yes.

Mr. HUDDLESTON. Will the gentleman tell us what?

Mr. MONDELL. We hope on Monday, or possibly on Tuesday, to refer the tariff bill to a committee of conference.

Mr. HUDDLESTON. Let me say from my point of view that it is nothing more than fair and just to those who hold views not in full harmony with those expressed by the President that they should have some opportunity to express those views.

The country is entitled to hear the opposing opinion, if there be any. Speaking on behalf of the working people of the country and as a volunteer, I want to assure the gentleman that they are bitterly dissatisfied with what was said yesterday, and they want some chance to have those views put before the country.

Mr. MONDELL. I agree with the gentleman that there should be discussion of the matters that the President referred to in his message. The President himself took the side of the common people, to whom the gentleman refers, and if the gentleman has any further observations to make in that line, of course, we will be glad to hear them.

Mr. GARNER. May I ask the gentleman from Wyoming a question?

Mr. STRONG of Kansas. Mr. Speaker, I demand the regular order.

Mr. GARNER. Mr. Speaker, I ask unanimous consent that I may ask the gentleman from Wyoming a question.

The SPEAKER. The gentleman from Kansas demands the regular order.

Mr. GARNER. What is the regular order?

The SPEAKER. The motion of the gentleman from Wyoming that the House do now adjourn.

Mr. GARRETT of Tennessee. And on that, Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 113, nays 63, answered "present" 2, not voting 249, as follows:

YEAS—113.

Anderson	Dunbar	Kline, N. Y.	Sanders, Ind.
Andrews, Nebr.	Dyer	Lampert	Shreve
Appleby	Ellis	Lawrence	Sinnott
Bird	Fairfield	Lea, Calif.	Smith, Idaho
Brennan	Faust	Leatherwood	Smith, Mich.
Brooks, Ill.	Fenn	Lehlbach	Snell
Butler	Fess	Longworth	Snyder
Cable	Fitzgerald	McKenzie	Speaks
Campbell, Pa.	Fordney	McLaughlin, Mich.	Sproul
Cannon	Foster	MacGregor	Stafford
Chalmers	French	Mann	Stephens
Chandler, N. Y.	Fuller	Mapes	Strong, Kans.
Chandler, Okla.	Goodykoontz	Michener	Strong, Pa.
Chindblom	Gorman	Millspaugh	Tincher
Christopherson	Green, Iowa	Mondell	Tinkham
Clague	Greene, Mass.	Moore, Ohio	Towner
Clarke, N. Y.	Greene, Vt.	Moores, Ind.	Treadway
Cole, Iowa	Hadley	Morgan	Vaile
Cole, Ohio	Hawley	Murphy	Vestal
Colton	Hays	O'Brien	Volstead
Cooper, Ohio	Henry	Paige	Walters
Cooper, Wis.	Hersey	Parker, N. J.	Watson
Curry	Hoch	Reece	Woodyard
Dale	Hull	Reed, W. Va.	Wurzbach
Dallinger	Ireland	Rhodes	Young
Darrow	Johnson, Wash.	Ricketts	Zihlman
Davis, Minn.	Kelly, Pa.	Robsion	
Denison	Ketcham	Rodenberg	
Dowell	Kissel	Rose	

NAYS—63.

Almon	Driver	Lazaro	Steagall
Black	Favrot	Lowrey	Stevenson
Bland, Va.	Garner	McDuffie	Sumners, Tex.
Bowling	Garrett, Tenn.	McSwain	Taylor, Colo.
Box	Gilbert	Moore, Va.	Taylor, Tenn.
Briggs	Hammer	O'Connor	Thomas
Buchanan	Hardy, Tex.	Oliver	Tillman
Bulwinkle	Hayden	Overstreet	Tucker
Byrnes, S. C.	Huddleston	Parks, Ark.	Vinson
Byrns, Tenn.	Hudspeth	Quin	Ward, N. C.
Cantrill	Humphreys	Rankin	Weaver
Clark, Fla.	Jeffers, Ala.	Rayburn	Williams, Tex.
Clouse	Jones, Tex.	Rouse	Wilson
Davis, Tenn.	Kincheloe	Sanders, Tex.	Wingo
Doughton	Lanham	Sandlin	Wright
Drane	Lankford	Scott, Tenn.	

ANSWERED "PRESENT"—2.

Free	McClintic

NOT VOTING—249.

Ackerman	Burtness	Fairchild	Hogan
Andrew, Mass.	Burton	Fields	Hooker
Ansorge	Campbell, Kans.	Fish	Hukriede
Anthony	Carew	Fisher	Husted
Arents	Carter	Focht	Hutchinson
Aswell	Classon	Frear	Jacoway
Atkeson	Cockran	Freeman	James
Bacharach	Codd	Frothingham	Jefferis, Nebr.
Bankhead	Collier	Fulmer	Johnson, Ky.
Barbour	Collins	Funk	Johnson, Miss.
Barkley	Connally, Tex.	Gahn	Johnson, S. Dak.
Beck	Connell	Gallivan	Jones, Pa.
Beedy	Connolly, Pa.	Garrett, Tex.	Kahn
Begg	Copley	Gensman	Kearns
Bell	Coughlin	Gernerd	Keller
Benham	Crago	Glynn	Kelley, Mich.
Bixler	Cramton	Goldsborough	Kendall
Blakeney	Crisp	Gould	Kennedy
Bland, Ind.	Crowther	Graham, Ill.	Kiess
Blanton	Cullen	Graham, Pa.	Kindred
Boies	Deal	Griest	King
Bond	Dempsey	Griffin	Kirkpatrick
Bowers	Dickinson	Hardy, Colo.	Kitchin
Brand	Dominick	Harrison	Kleczka
Britten	Drewry	Haugen	Kline, Pa.
Brooks, Pa.	Dunn	Hawes	Knight
Brown, Tenn.	Dupré	Herrick	Knutson
Browne, Wis.	Echols	Hickey	Kopp
Burdick	Edmonds	Hicks	Kraus
Burke	Elliott	Hill	Kreider
Burroughs	Evans	Himes	Kuns

Langley	Moore, Ill.	Reber	Tague
Larsen, Ga.	Morin	Reed, N. Y.	Taylor, Ark.
Larson, Minn.	Mott	Riddick	Taylor, N. J.
Layton	Mudd	Riordan	Temple
Lee, Ga.	Nelson, Me.	Roach	Ten Eyck
Lee, N. Y.	Nelson, A. P.	Robertson	Thompson
Lineberger	Nelson, J. M.	Rogers	Tilson
Linthicum	Newton, Minn.	Rosenbloom	Timberlake
Little	Newton, Mo.	Rossdale	Tyson
Logan	Nolan	Rucker	Underhill
London	Norton	Ryan	Upshaw
Luce	Ogden	Sabath	Vare
Luhring	Oldfield	Sanders, N. Y.	Voigt
Lyon	Olpp	Schall	Volk
McArthur	Osborne	Scott, Mich.	Ward, N. Y.
McCormick	Park, Ga.	Sears	Wason
McFadden	Parker, N. Y.	Shaw	Webster
McLaughlin, Nebr.	Patterson, Mo.	Shelton	Wheeler
McLaughlin, Pa.	Patterson, N. J.	Siegel	White, Kans.
McPherson	Perkins	Sinclair	White, Me.
Madden	Perlman	Sisson	Williams, Ill.
Magee	Petersen	Slemp	Williamson
Maloney	Porter	Smithwick	Winslow
Mansfield	Pou	Stedman	Wise
Martin	Pringey	Steenerson	Wood, Ind.
Mead	Purnell	Stiness	Woodruff
Merritt	Radcliffe	Stoll	Woods, Va.
Michaelson	Rainey, Ala.	Sullivan	Wyant
Miller	Rainey, Ill.	Summers, Wash.	Yates
Mills	Raker	Swank	
Montague	Ramseyer	Sweet	
Montoya	Ransley	Swing	

So the motion was agreed to.

The Clerk announced the following pairs:

On the vote:

Mr. Burton (for) with Mr. Oldfield (against).

Mr. Wood of Indiana (for) with Mr. Sisson (against).

Mr. Crowther (for) with Mr. Kitchin (against).

Mr. Nolan (for) with Mr. Riordan (against).

Mr. Dickinson (for) with Mr. Linthicum (against).

Mr. Schall (for) with Mr. Jacoway (against).

Mr. Olpp (for) with Mr. Aswell (against).

Mr. Reed of New York (for) with Mr. Hooker (against).

Mr. White of Kansas (for) with Mr. Bankhead (against).

Mr. Newton of Missouri (for) with Mr. Johnson of Kentucky (against).

Mr. A. P. Nelson (for) with Mr. Ten Eyck (against).

Mr. Patterson of New Jersey (for) with Mr. Gallivan (against).

Mr. Kiess (for) with Mr. London (against).

Mr. Taylor of New Jersey (for) with Mr. Stedman (against).

Mr. Brown of Tennessee (for) with Mr. Mead (against).

Mr. Frear (for) with Mr. Fields (against).

Mr. Luce (for) with Mr. Cullen (against).

Mr. Begg (for) with Mr. Barkley (against).

Mr. Perkins (for) with Mr. Cockran (against).

Mr. Knutson (for) with Mr. Montague (against).

Mr. Hukriede (for) with Mr. Lee of Georgia (against).

Mr. Radcliffe (for) with Mr. Upshaw (against).

Mr. Brooks of Pennsylvania (for) with Mr. Sears (against).

Mr. Evans (for) with Mr. Connally of Texas (against).

Mr. Layton (for) with Mr. Deal (against).

Mr. Keller (for) with Mr. Sabath (against).

Mr. Kahn (for) with Mr. Dupré (against).

Mr. Connolly of Pennsylvania (for) with Mr. Bell (against).

Mr. Kennedy (for) with Mr. Stoll (against).

Mr. Lee of New York (for) with Mr. Carew (against).

Mr. Coughlin (for) with Mr. Taylor of Arkansas (against).

Mr. Graham of Pennsylvania (for) with Mr. Collier (against).

Mr. Bacharach (for) with Mr. Martin (against).

Mr. Ackerman (for) with Mr. Woods of Virginia (against).

Mr. Beck (for) with Mr. Dominick (against).

Mr. Gahn (for) with Mr. Fulmer (against).

Mr. Thompson (for) with Mr. Tague (against).

Mr. Madden (for) with Mr. Brand (against).

Mr. Larson of Minnesota (for) with Mr. Rainey of Illinois (against).

Mr. Anthony (for) with Mr. Rucker (against).

Mr. Winslow (for) with Mr. Swank (against).

Mr. Webster (for) with Mr. Kunz (against).

Mr. Atkeson (for) with Mr. Fisher (against).

Mr. Kline of Pennsylvania (for) with Mr. Collins (against).

Mr. Arentz (for) with Mr. Sullivan (against).

Mr. Crampton (for) with Mr. Logan (against).

Mr. Lineberger (for) with Mr. Goldsborough (against).

Mr. Osborne (for) with Mr. Kindred (against).

Mr. Frothingham (for) with Mr. Raker (against).

Mr. Griest (for) with Mr. Wise (against).

Miss Robertson (for) with Mr. Tyson (against).

Mr. McArthur (for) with Mr. Hawes (against).

Mr. Steenerson (for) with Mr. Blanton (against).

Mr. Funk (for) with Mr. Park of Georgia (against).

Mr. Yates (for) with Mr. Rainey of Alabama (against).

Mr. Kearns (for) with Mr. Carter (against).

Mr. Fish (for) with Mr. Drewry (against).

Mr. Echols (for) with Mr. Crisp (against).

Mr. Mudd (for) with Mr. Griffin (against).

Mr. Nelson of Maine (for) with Mr. Lyon (against).

Mr. Rossdale (for) with Mr. Harrison (against).

Mr. Swing (for) with Mr. Mansfield (against).

Mr. Underhill (for) with Mr. Pou (against).

Mr. Voigt (for) with Mr. Smithwick (against).

Mr. Wyant (for) with Mr. Johnson of Mississippi (against).

Mr. Hutchinson (for) with Mr. Larsen of Georgia (against).

Mr. McCLINTIC and Mr. FREE presented themselves at the bar of the House and asked to be recorded.

The SPEAKER. This is not a quorum vote, but the Chair will cause the presence of the gentlemen to be noted.

The result of the vote was announced as above recorded.

ADJOURNMENT.

Accordingly (at 12 o'clock and 32 minutes p. m.) the House adjourned until Monday, August 21, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

670. Under clause 2 of Rule XXIV, a letter from the Acting Secretary of the Navy transmitting a list covering rentals for Government property under the control of the Secretary of the Navy during the fiscal year ending June 30, 1922, was taken from the Speaker's table and referred to the Committee on Expenditures in the Navy Department.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 12316) granting a pension to Michael Halloran; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 12323) granting a pension to Frank A. Eley; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 12339) granting a pension to Catherine Foster; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. GREENE of Massachusetts: A bill (H. R. 12368) to abolish the inspection districts of Apalachicola, Fla., and Burlington, Vt., and the office of one supervising inspector, Steamboat Inspection Service; to the Committee on the Merchant Marine and Fisheries.

By Mr. HUDSPETH: A bill (H. R. 12369) to repeal the act of Congress approved July 1, 1922, granting the consent of Congress to authorize the construction of a bridge over the Rio Grande between the cities of Del Rio, Tex., and Las Vacas, Mexico; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURROUGHS: A bill (H. R. 12370) granting an increase of pension to Matilda M. Quimby; to the Committee on Invalid Pensions.

By Mr. CHINDBLOM: A bill (H. R. 12371) for the relief of James A. Watrous; to the Committee on Claims.

By Mr. HUDSPETH: A bill (H. R. 12372) for the relief of A. R. Gold; to the Committee on Claims.

By Mr. LONGWORTH: A bill (H. R. 12373) granting a pension to Sarah Dobner; to the Committee on Invalid Pensions.

By Mr. SLEMP: A bill (H. R. 12374) granting an increase of pension to Daniel P. Hyatt; to the Committee on Invalid Pensions.

By Mr. TREADWAY: A bill (H. R. 12375) granting an increase of pension to Clara E. Brass; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII,

6198. Mr. KISSEL presented petitions of the Tea and Coffee Trade Journal and the Pictorial Review Co., both of New York City, urging the passage of House bill 11965; to the Committee on the Post Office and Post Roads.

HOUSE OF REPRESENTATIVES.

MONDAY, *August 21, 1922.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We trust that Thou will hear our prayer with patience and in holy calm, O God, our Heavenly Father. Thou hast mercy to relieve, grace to cleanse, and power to free. May these divine attributes lead us to forget our sins and our infirmities. While we are conscious of failures, may they push us to nobler effort. We would that all our labors be sweetened by the purest motive and exalted by intelligent conviction. Free us from the anxiety and apprehension that limit our powers. O inspire us to keep our faith in God and man, and at the last we shall find that our faith has kept us. In the name of Jesus. Amen.

The Journal of the proceedings of Saturday, August 19, 1922, was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed with amendments the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, had insisted upon its amendments, and had requested a conference with the House, and had appointed Mr. McCUMBER, Mr. SMOOT, Mr. McLEAN, Mr. SIMMONS, and Mr. JONES of New Mexico as conferees on the part of the Senate.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted—

To Mr. WOODRUFF, on account of illness in family.

To Mr. BRAND, indefinitely, on account of important business.

To Mr. NOLAN, on account of illness.

CALL OF THE HOUSE.

Mr. STAFFORD. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Wisconsin makes the point of order that there is no quorum present. Evidently there is not.

Mr. MONDELL. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

Ackerman	Fields	Linthicum	Rosenbloom
Anderson	Fitzgerald	Little	Rucker
Andrew, Mass.	Frear	Luce	Ryan
Anthony	Freeman	Lubring	Sabath
Arentz	Fulmer	Lyon	Scott, Mich.
Atkeson	Funk	McArthur	Sears
Barbour	Gahn	McCormick	Siegel
Barkley	Gallivan	McLaughlin, Nebr.	Sinclair
Beck	Gensman	McLaughlin, Pa.	Sisson
Beedy	Goldsborough	McSwain	Slemp
Bell	Gould	Magee	Stedman
Bland, Ind.	Graham, Ill.	Maloney	Steenerson
Blanton	Graham, Pa.	Martin	Stiness
Boies	Griffin	Mead	Stoll
Brand	Harrison	Merritt	Sullivan
Brennan	Haugen	Michaelson	Summers, Wash.
Britten	Hawes	Miller	Sweet
Brown, Tenn.	Herrick	Mills	Swing
Browne, Wis.	Hogan	Montague	Tague
Burke	Hooker	Montoya	Taylor, Ark.
Burroughs	Hukriede	Morin	Taylor, N. J.
Burtness	Husted	Mott	Temple
Burton	Hutchinson	Mudd	Ten Eyck
Cantrill	Jacoway	Nelson, Me.	Thompson
Carter	Johnson, Ky.	Nelson, A. P.	Tilson
Classon	Johnson, Miss.	Nelson, J. M.	Timberlake
Cockran	Johnson, S. Dak.	Newton, Mo.	Tincher
Codd	Jones, Pa.	Nolan	Voigt
Collier	Kahn	O'Brien	Volk
Collins	Kearns	Ogden	Walters
Connally, Tex.	Keller	Oldfield	Ward, N. Y.
Connell	Kelley, Mich.	Overstreet	Ward, N. C.
Copley	Kindred	Perlman	Webster
Coughlin	Kirkpatrick	Petersen	Wheeler
Crago	Kitchin	Porter	White, Me.
Cramton	Kleczka	Rainey, Ala.	Williamson
Crisp	Knight	Rainey, Ill.	Wise
Crowther	Knutson	Raker	Wood, Ind.
Deal	Kopp	Ramseyer	Woodruff
Dominick	Kunz	Rayburn	Woods, Va.
Drewry	Langley	Reber	Yates
Dunn	Larsen, Ga.	Reed, N. Y.	
Dupré	Larson, Minn.	Riddick	
Edmonds	Layton	Riordan	
Fairchild	Lee, N. Y.	Robertson	
Fess	Lineberger	Rogers	

The SPEAKER. Two hundred and forty-eight Members have answered to their names, a quorum.

Mr. MONDELL. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

EXTENSION OF REMARKS.

Mr. STRONG of Kansas. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing therein the remarks of Secretary of Agriculture Wallace before the farm bureau at Leesburg, Va.

The SPEAKER. Is there objection?

There was no objection.

THE FARMER'S WAGES COMPARED WITH OTHER WAGES.

Mr. STRONG of Kansas. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD I include the remarks of Secretary of Agriculture Wallace before the farm bureau of Leesburg, Va.

In the course of a talk before the farm bureau at Leesburg, Va., Monday afternoon, Secretary of Agriculture Wallace said:

It is worth while to compare wages in the organized industries with the wages received by the farmer, as represented in the price he gets for the things he grows. The value of income, whether it be in the form of wages or of money received for sales of products, is represented not in dollars and cents but in what that income will buy by its purchasing power.

Take the average wage received by the coal miner for mining a ton of coal. In 1913 this wage per ton would buy 1.1 bushels of corn in Iowa; in 1921 it would buy 2.5 bushels of corn in Iowa. In 1913 the ton wage would buy seven-tenths of a bushel of wheat in North Dakota; in 1921, nine-tenths of a bushel. In 1913 it would buy 4.7 pounds of cotton in Texas; in 1921, 8.5 pounds. In 1913, 7 pounds of hog in Nebraska; in 1921, 14 pounds. In 1913, eight-tenths of a bushel of potatoes in New York; in 1921, 1.2 bushels. In 1913, 11 pounds of sheep in Wyoming; in 1921, 18 pounds. In 1913, 1.6 bushels of oats in Illinois; in 1921, 3.1 bushels. In 1913, 2.4 pounds of butter in Missouri; in 1921, 3.2 pounds.

Taking the average yearly earnings of railroad employees, we find that in 1913 the yearly wage would buy 1,492 bushels of corn in Iowa and in 1921, 4,112 bushels. It would buy 1,028 bushels of wheat in North Dakota in 1913; in 1921, 1,466 bushels. In 1913 it would buy 6,449 pounds of cotton in Texas, and in 1921, 13,934 pounds. It would buy in 1913, 102 hundredweight of hogs in Nebraska, and in 1921, 237 hundredweight. It would buy 148 hundredweight of sheep in Wyoming in 1913, and in 1921, 296 hundredweight. In 1913 it would buy 1,087 bushels of potatoes in New York; in 1921, 1,916 bushels. In 1913, 2,174 bushels of oats in Illinois; in 1921, 5,109 bushels. In 1913, 3,309 pounds of butter in Missouri; in 1921, 5,285 pounds.

In 1913 the freight revenue per ton-mile received by the railroads would buy 1.4 bushels of corn in Iowa; in 1921 this revenue per ton-mile would buy 3.1 bushels of corn in Iowa. In 1913, 1 bushel of wheat in North Dakota; in 1921, 1.1 bushels. In 1913, 6.1 pounds of cotton in Texas; in 1921, 10.5 pounds. In 1913, 10 pounds of hogs in Nebraska; in 1921, 18 pounds. In 1913, 1 bushel of potatoes in New York; in 1921, 1.5 bushels. In 1913, 14 pounds of sheep in Wyoming; in 1921, 22 pounds. In 1913, 2.1 bushels of oats in Illinois; in 1921, 22 pounds. In 1913, 2.1 bushels of oats in Illinois; in 1921, 3.9 bushels. In 1913, 3.1 pounds of butter in Missouri; in 1921, 4 pounds.

In 1913 the price of a ton of coal f. o. b. the mine would buy 2.4 bushels of corn in Iowa; in 1921, 6.2 bushels; in July, 1922, 9.3 bushels. It would buy in 1913, 1.7 bushels of wheat in North Dakota; in 1921, 2.2 bushels; in July, 1922, 4.4 bushels. In 1913 it would buy 10.4 pounds of cotton in Texas; in 1921, 21.1 pounds; in July, 1922, 22.9 pounds. In 1913, 16 pounds of hogs in Nebraska; in 1921, 36 pounds; in July, 1922, 53 pounds. In 1913, 1.8 bushels of potatoes in New York; in 1921, 2.9 bushels; in July, 1922, 4.7 bushels. In 1913, 24 pounds of sheep in Wyoming; in 1921, 45 pounds; in July, 1922, 70 pounds. In 1913, 3.5 bushels of oats in Illinois; in 1921, 7.7 bushels; in July, 1922, 14.2 bushels. In 1913, 5.4 pounds of butter in Missouri; in 1921, 8 pounds; in July, 1922, 16.1 pounds.

In fairness it should be noted that before the corn, wheat, hogs, sheep, cotton, butter, or other farm products get to the consumer's table a good deal has been added to the price the farmer receives. This margin between the farmer and the consumer has considerably increased during the past eight years, but it is also fair to note that a good deal of this increase has been due to the increase in the wages paid the people who handle these products. What these figures show is that the wages of the farmer, as represented by the prices paid for his crops, are lower than his wages were before the war, measured in purchasing power, while the wages of the workman, and especially in organized industries, are considerably higher than they were before the war, whether measured in dollars and cents or in purchasing power. The purchasing power of the wages of the railway employee in 1921 was 51 per cent greater than in 1913. The purchasing power of the wages of the coal miner in 1921 was 30 per cent greater than in 1913. The purchasing power of the farm hand who works for wages in 1921 was 4 per cent less than 1913, while the purchasing power of the farmer himself was on an average from 25 to 45 per cent less than in 1913.

In short, the farmers of the country, numbering almost one-third of our entire population, have borne altogether the heaviest burden of deflation. They have endeavored to get relief by all lawful means. They have appealed to the administration, to Congress, and to every other agency which they thought might be able to help them; but while making these efforts to avoid their heavy losses they have not struck. They have not created disorders. They have kept on producing and in the face of extraordinarily low prices have this year grown one of the largest crops in our entire history. The farmer believes in law and order. He believes in government. He believes in fairness between man and man. He believes in working hard and producing efficiently.

If other groups would do as the farmer has done, our economic troubles would soon be over. Prices would soon be adjusted to their normal relationships. There would be work for everybody and at just wages.

But there are too many people who seem to be thinking only of themselves and how they can profit at the expense of the community at large, and especially at the expense of the farmer. The farmer is sick and tired of this sort of business. He is disgusted with these recurring disputes between capital and labor, especially as connected with the essential industries. He sees no reason why such disputes can not and should not be settled in an orderly and lawful way and without the interruptions of service which cost him so dearly.

The farmer recognizes his obligation to produce food, for people must eat to live. He demands that both the owners of the coal mines and the coal miners recognize their equal obligation to produce coal, and he demands that the management of the railroads and the railroad workmen recognize also their equal obligation to keep trains moving, for unless the food he produces is moved promptly to market the people will starve.

If the various groups in this country are determined to prey upon one another and abandon law and order for strong-arm methods, the farmer can take care of himself. He can reduce his production to his own needs. He can follow the example of some others and refuse to sell what he produces. But he does not believe in that sort of thing. He knows that such a policy would bring about in this great Republic exactly the same sort of conditions that exist in Russia.

The farmer calls upon capital and labor to cease their petty bickerings and resume production, trusting to American institutions and the American sense of fair play to see that justice is done to both of them.

Mr. HUDDLESTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the President's message on the railroad and coal strikes.

The SPEAKER. Is there objection?

There was no objection.

THE PRESIDENT'S ADDRESS UPON THE COAL AND RAILROAD STRIKES.

Mr. HUDDLESTON. Mr. Speaker, it has now been six days since the House convened at the end of the vacation. During that time, notwithstanding the national crisis accompanying the coal and railroad strikes, the Republican leader has been unable to assemble a quorum of the Members. We have done absolutely nothing toward performing the public business. Upon last Friday, August 18, the President addressed a joint session of Congress upon the coal and railroad strikes. Each day I have sought an opportunity to express my views upon the address, but until the present it has been denied me by the majority.

As the President spoke I felt that I knew the unfavorable impression which his address would make upon the laboring men of the country. My thought then has been confirmed during the interval which has elapsed. There have come to me many expressions of indignation and disappointment at the President's statements and the attitude from which he spoke.

I heard the President's address with great sorrow. It made me tremble for the future of my country. I was compelled to visualize the consequences which may follow. The message comes as a firebrand in a house of tinder.

The great employers and financiers are already fired by a class consciousness such as has been heretofore unknown. They appear to have conspired together to put labor under foot, to be determined to drive on with their harsh processes of force until they have the workers completely at their mercy. These powerful groups will draw encouragement from the President's utterances. They will be encouraged to follow on in their headlong and harsh course.

On the other hand, the pressure which has been brought to bear upon them is forcing upon men who work for others something of group consciousness and responsibility. The situation between these great opposing forces is critical—it is even perilous to our national welfare. The President's speech will add fuel to the flame and serve to aggravate the already dangerous situation. Carried to their logical extent, the President's arguments will lead not to peace but to strife; not to compromise but to conflict.

PRESIDENT'S ADDRESS UNTIMELY.

I listened with deep attention to the President's address. I can but characterize it as most untimely. It appears that the coal strike is about to be settled, yet only a small percentage of the disputants have actually agreed. The final effort to settle the rail strike is now at its climax. If settlement fails, it seems probable that other classes of railroad employees will be involved and that a nation-wide stoppage of trains may occur. The strike may easily run to proportions as disastrous as a national war. The President's projection of partisanship and misleading propaganda into the already difficult situation may cause all efforts at settlement to fail.

The evil result which may flow from the President's address is to make worse the present critical situation. Against the deadly harm which may come from the address, contrast the puerile proposals which are made the excuse for it: A coal investigation—what will it avail? It may a year hence afford a basis for legislation—the present situation it can not hope to touch. A coal-distributing agency, which the President states will perhaps handle no coal—a mere gesture against profiteering, vague, intangible, not real price-fixing with "teeth" in it. An act for the protection of the treaty rights of aliens. Why such an act at this time? What has it to do with labor disputes? Oh, it will enable Federal courts to take jurisdiction of strikers charged with violence against aliens, that is why it is desired. The President said so himself.

No; the proposals mentioned in the address are not its reason—they are merely its excuse. The real purposes of the message are: First, for partisan political purposes, to still the rising storm of public criticism of the complacency with which the administration allowed the strikes to come on and the lack of courage and intelligence with which the administration has met them; and, second, to carry on a propaganda against the strikers by discrediting the merits of their cause and holding them up as violent and murderous men.

THE PRESIDENT IS AN "OPEN-SHOPPER."

I heard the President's message in the light of the views upon labor issues which he has heretofore expressed. I weighed its every syllable. I noted the emphasis upon each phrase. I marked his expression during its delivery. I am irresistibly borne to the conviction that, whether so intended or not, it marks his definite alignment with the open-shop movement. It is impossible, from what I heard and saw, to reach any other conclusion. The President is an "open-shopper"—he believes in the movement—he is supporting it—he is lending the great powers of the Government to its consummation. His gesture of toleration toward labor unions becomes meaningless in the light of the hostility shown in every method, mannerism, emphasis, and argument.

Antiunion propagandists will find the President's address most valuable. They will quote from it gleefully. I predict that they will circulate by tons copies of the address and of extracts from it.

The address was full of the methods of the propagandists as they were so highly developed during the World War. There was the front of impartiality upon a basis of deadly distilled partisanship. There was the reiteration and magnification of alleged cruelty and violence by which the merits of an enemy's cause are sought to be obscured. There was the platitudinous phrase intended to weaken the enemy's morale. There was the commendation of treachery to the enemy's cause. Surely such talent should have been recognized by our Bureau of Public Information.

The President commended the loyalty of those members of the shop unions who remained at work when their fellow craftsmen quit. Remember that these men had voluntarily joined the unions. They had pledged themselves with their fellow employees to strike upon a lawful decision being made to that end. They breached their pledged faith, and they did it for their own promotion, so the President says. That action in his mind merits the word "loyally." Men have always despised those who broke faith, who betrayed their fellows. Traitors have been hated in all lands and times. It was his breach of faith that makes Judas as the most despicable of all creatures. Informers, spies, and betrayers have always been despised, even by those who used them, and yet for black treachery the President "loyally" uses the noble word which we employ to describe faithful service of our country.

"I AM THE STATE."

The attitude from which the President spoke is well disclosed by his use of the words "Government" and "I." He used them interchangeably and as synonyms, choosing the one or the other merely as a matter of rhetoric or to avoid tautology. The President might well have referred to himself as the "administration." He is not the Government. In using "Government" as meaning the administration he forgets America in his Old World phraseology. There is no "Government" in or of the United States except that composed of three coordinate branches, of which the President represents only one—the Executive.

In the United States "Government" means Congress, the courts, and the administration. It is a gross presumption for an Executive to assume that he is the Government, that he speaks for the Government, or that he has authority "to use the power of the Government." The President will not use "all the power of the Government to maintain transportation and to sustain the right of men to work." He will use for such purposes merely such authority as Congress has granted him for that purpose. Beyond that the President's peroration is merely idle bluster and rotund platitude.

In his closing words the President promised "to use all the power of the Government to maintain transportation and sustain the right of men to work." Let me remind him that he has no authority in connection with transportation other than such power as Congress, under its constitutional warrant "to regulate interstate commerce," has granted to his office. Let me further remind him that neither President nor Federal Government has any constitutional warrant to protect strike breakers.

The American system of sovereign separate States yet remains. The States having reserved their police powers to themselves are exclusively charged with the preservation of public order. The Federal Government has no right to intervene for the

restoration of order except under section 4 of Article IV of the Constitution in the exercise of the Federal duty to guarantee "a republican form of government," to protect the State "against invasion," and, when invited by the State authorities, to protect the State "against domestic violence." The statutes under which the President may intervene under this section are strict and narrow. In no aspect of the Constitution or law can the President use any of the Federal power for intimidating strikers or for protecting strike breakers. There is, of course, the Federal authority to protect the mails and other property of the Federal Government.

Any attempt upon the part of the President to intervene in the domestic affairs of a State or to busy himself in the preservation of order which may not be in strict conformity to the Constitution and statutes will constitute an usurpation far more serious in its consequences than any disorder of which irresponsible strikers or other persons might be guilty. Such an usurpation, as an act of lawlessness committed by the Chief Executive, would be an offense against our civilization which would overshadow any possible situation of violence at which it might be aimed.

As a statement of the facts concerning the causes for the coal and rail strikes and their progress, the address may be compared to the effort of an adroit plaintiff's attorney. The grievances of the workers were minimized or suppressed while the actions of the employers were placed in a favorable light. Important causes and incidents are ignored entirely. Other factors are exaggerated until the uninformed observer is able to see only a wildly distorted reflection of the true situation.

FACTS AS TO THE COAL STRIKE.

To set the record straight let us examine the facts concerning the coal and rail strikes. By the contract between the coal operators and miners, which expired on April 1, both parties agreed that prior to its expiration they would negotiate for the making of a new contract. The operators refused to comply with this agreement. The President's statement that the miners declined the administration's invitation is most misleading. The miners did not decline; their officials replied that they had no authority to negotiate prior to the national meeting. At that meeting the requisite authority was given, and the miners' officials promptly invited the operators to a conference. The invitation was flatly refused. Again and again the miners' representatives sought a meeting with the operators. Always the latter declined, and so the strike came on.

The President would clear his skirts by recalling the feeble pass made by a member of the administration nearly a year ago, before the miners' officials had authority to negotiate. He ignores the administration's "do nothing" policy during the long following months, when every well-informed person realized that a strike was impending. In January last, in a speech in the House, I called attention to the threatened strike and to the disaster to the public interest which would follow. I implored the President to use the influence of his office to induce the operators to meet and talk with the miners. I then said that—

> common good will and loyalty to the public welfare and to his country demand that the President shall do all that in him lies to prevent this great catastrophe. I say that if the President allows this strike to come on without using his influence with these oppressive employers, without asking the intervention of Congress, without lifting his hand, without doing anything whatsoever, he will mark himself so that he will be known throughout the history of our country.

What I deplored transpired. It remains to be seen whether those responsible will escape the odium which should attach to their conduct.

The real truth about the administration and the coal strike is that the operators had long been seeking a chance to destroy the miners' union. It was their wish that the strike should occur. They desired that the President should not interfere. Some 60,000,000 tons of coal were in reserve. Almost nobody believed that the miners could hold out beyond 30 days. There was plenty of coal for that period. No one would be hurt except the miners themselves, for the operators would be able to sell their reserve coal at an advance.

The administration was complacent toward the coal strike and made no real effort to avert it, because they believed that the operators would win. It was only in June, when production had been cut to a minimum and the reserves were almost exhausted, that the President waked up and began to take an interest in the strike. It was only when the operators and his other big-business friends began to suffer—it was only when the wrong man was down and the ragged and starving miners showed no signs of surrender—that the President intervened.

The President's intervention in the coal strike was practically a proposal that the miners surrender. When they declined he hurled a proclamation like a Jovian thunderbolt at their heads and mouthed threats of soldiers and such stuff. But the miners stuck on. Soldiers dig no coal. There were few strikebreakers for them to guard.

COAL STRIKE WHOLLY UNNECESSARY.

The intervention in the coal strike proved a fiasco, and now a settlement is being made, the same settlement that might have been made months ago. The coal strike was wholly unnecessary. It was undesired by the miners. The pity is that it has caused the poor workers so much suffering. It will cause greater suffering to the public during the coming winter. The blame for it all should be placed, first, upon the operators, whose sole purpose was to destroy the miners' union; and, second, upon a supine national administration, which, out of deference to captains of finance and industry—its friends and advisers—allowed the coal strike to occur.

The rail strike has been threatened for more than a year. It is not about a matter of mere wages, as represented in the President's address. The strike ballots submitted three issues to the workers: "First, the establishment of unjust wages by the recent decision of the Labor Board"; "second, the establishment of unjust working conditions through the amendment by the Labor Board of certain rules of the national agreement"; and, "third, the contracting out of shops and work by a large number of railroads as a means to evading the application of the law to their properties." A strike was voted upon each issue by from 94 per cent to 97 per cent of the workers. Their officials had no alternative but to comply. But it must be understood that the strike vote was cast out of the exasperation of the employees caused by many acts of oppression committed against them by the railroad executives. The employees had been exasperated beyond endurance by the deliberate violation of their rights and by the evasions, floutings, and violations of the Esch-Cummins Act.

THE SOCIALISM OF WALL STREET.

The Esch-Cummins Act was the longest step into socialism ever taken in America. I apologize to all decent socialists for saying this, for the socialism of the Esch-Cummins Act was the socialism of Wall Street. It was a savagely distorted socialism, not a socialism for the public welfare but a socialism for private gain. Under that law, with its mandate for rates which would yield a profit upon hundreds of millions of watered stock, there was in effect a public ownership, but it was a public ownership under private control and for private and selfish purposes. It was in a sense the equivalent of a purchase of the railroads from the Public Treasury, leaving them under the management of wasteful and incompetent executives who had no public responsibility.

The labor sections of the Esch-Cummins Act were forced into it against the unanimous opposition of the employees. The general public neither knew nor cared anything about these sections. The hand that wrote them was guided by the owners of the railroads.

CAUSES OF RAILROAD STRIKE.

Having written the labor sections of the Esch-Cummins Act, it would have been believed that the railroad interests would be prompt in obeying them, but such was not a fact. They had written the law; why should they be expected to obey it? They considered themselves above the law. The law was for the workers, not for the executives.

And so we find that instead of obeying the labor sections of the Esch-Cummins Act, the railroad interests promptly ignored them. From the very beginning great systems like the Pennsylvania, the New York Central, and the Erie began to farm out their shop work to cost-plus contractors at a cost greatly in excess of their own shop costs. This maneuver was performed largely for the purpose of enabling them to discharge shop forces. The Altoona shops of the Pennsylvania were largely shut down during the summer of 1920, while the Pennsylvania's locomotives were being repaired by the Baldwin Locomotive Works. This was during the Government guaranty period. It cost the railroads nothing. Uncle Sam paid the loss.

From the very beginning the railroads carried on a nation-wide propaganda against the employees. Its purpose was to put them in a bad light before the public, to break their morale—in short, to prepare for "the day." The employees were represented as having been unpatriotic during the war, being war profiteers, as receiving excessive wages, as being un-American, and as political radicals. Even the prejudice against aliens was used against them. Blame for excessive rates and charges was placed upon them. In short, neither time nor money was spared to humiliate, ridicule, discredit, and undermine the employees. All this in preparation for the strike which has now come.

Provocation after provocation was given the employees. More than 90 railroads of the United States, beginning in 1920,

have violated the labor sections of the Esch-Cummins Act. Take the case of the Atlanta, Birmingham & Atlantic, which has a terminal in my home city. Eighteen months ago the general manager posted an arbitrary reduction in wages. The employees protested to the Labor Board, which set aside the railroad's arbitrary action and directed it to confer with the employees. The railroad promptly caused a collusive suit to be filed in the Federal court by a creditor whose debt was not yet due. Its general manager was appointed receiver, and in that capacity enforced the cut which as general manager the Labor Board had denied his right to do. The railroad refused to obey the order of the Labor Board. It "struck" against the Labor Board and against the Government.

HOW THE PENNSYLVANIA STRUCK AGAINST THE LABOR BOARD.

More than a year ago the Pennsylvania made an arbitrary change in service rules. On complaint of the employees, the Labor Board suspended the change in rules and ordered the railroad to confer with its employees as to same. After various evasions and attempted frauds upon the law, the Pennsylvania ignored the final order of the Labor Board entirely, and when the board sought to publish its decision as an appeal to public opinion against the railroad's lawlessness, the Pennsylvania obtained an injunction forbidding the board from even so much as expressing its opinion of the railroad. After long months, the court of appeals has now held the injunction to have been unlawful and the railroad has now appealed to the Supreme Court, with further indefinite delay. A year ago the Pennsylvania "struck" against a decision of the Labor Board.

The practice of railroads farming out their shop and other work began with the Erie's Hornell shops some 18 months ago, and has been followed by some 50 railroads, including such important systems as New York Central, Great Northern, Chicago & Alton, and Big Four. This practice is yet being persisted in, although the Labor Board has declared it unlawful.

I will not attempt to deal with the multitude of grievances of which the employees complain. The strike vote was given more out of exasperation than anything else—out of resentment caused by a long series of oppressions and injustices. It speaks more than anything else the employees' determination not to go any further.

The employees hated to strike. They did not want a strike but they were desperate. Their grievances remained unremedied by the Labor Board and unnoticed by the national administration and by the general public. There was also another great moving cause, and I believe that I should frankly state it. The employees believed that the Labor Board had been deliberately packed against them and that they could expect neither justice nor fairness from it. Any opinion as to the strike not formed after considering all of these factors must be warped and inadequate. The employees felt themselves forced to strike, that it was the only thing left for their defense, that their backs were to the wall, and that it was either fight or abjectly surrender to the arbitrary whims and dictation of the railroad executives.

FARCICAL MANEUVERS TO SETTLE STRIKE.

The administration's maneuvers in connection with the rail strike have been farcical. The strike has been brewing for months. The railroad executives wanted it so that they might destroy the unions. For them it was even delayed too long so that there was a measure of business recovery which took many idle workers from the labor market. Everyone who understood the temper of the workers and the exasperations which they had suffered realized months ago that a strike was inevitable. The administration alone seems to have been oblivious to the threatening storm. No effort whatever was made to avert the strike. No influences for mediation were put on foot.

When the strike was already weeks old the administration waked up to the situation. Conferences were had—a settlement which the President approved as fair, just, and reasonable was proposed. The proposal safeguarded the employees' cherished seniority rights, and while they objected to its other features, they agreed to accept. But the railroad executives spurned compromise. The idea of admitting the employees back to the shops under the same conditions as when they had quit was hateful to them. They demanded a surrender. They insisted upon the right to use the seniority privilege as a reward for the treachery of those who had remained at work and for the strike breakers who had slipped in to take the jobs of their fellow workers. They wanted to use the seniority privilege as a punishment, to hold it as a penalty over the heads of transportation employees and other crafts who might hereafter be tempted to strike.

The executives rejected the seniority proposal. Thereupon the President complacently changed his proposal so as to meet the views of his friends, the railroad managers. He took from the settlement the one thing on which the employees had based their all and calmly invited them to agree to leave the seniority issue to the Labor Board. He seemed not to know that the Labor Board had already decided the matter by its proclamation of July 4, outlawing the strikers. The President invited the employees to leave the decision of their case to a board which had already decided it. Think of it!

Of course, the employees did not accept. The terms offered them were little better than if they had lost the strike. They were invited as organizations to kiss the ground under the feet of their unfaithful fellow workers who had refused to strike and of strike breakers who had robbed them of their jobs while they were not looking.

The most dangerous feature of the situation is that the railroad employees feel that the strike has been deliberately provoked, that it was desired by the executives and great financial interests which controlled the railroads. They feel that the struggle in the railroad shops is a twin with the coal-mining dispute, that both are the fruit of the determination of big business men and financiers to destroy all labor unions. This view is generally shared by organized workingmen at large. All view the coal and railroad disputes as merely separate battles of the one great war which is being made on unionism, and believe that the next conflict will probably be with other organizations of railroad employees and that the struggle will proceed as the antilabor forces may be successful from mines and shops into other industries wherever unionism may be found, until organized labor is finally vanquished and destroyed.

I warn those who press forward with their harsh processes against the laboring men of America. I beg them to stay their hands. Their own enlightened self-interest demands it. Every patriotic impulse cries out against them. Every instinct of humanity bids them to forbear.

Mr. SMITH of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a short resolution passed by a battalion of G. A. R. in Calhoun County, Mich., in favor of the Bursum pension bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, I think that is a very questionable practice, and I object.

Mr. HUDDLESTON. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Alabama makes the point of order that there is no quorum present. The Chair will count. [After counting.] Two hundred and twenty-three Members present, a quorum.

CALENDAR FOR UNANIMOUS CONSENT.

The SPEAKER. To-day the Calendar for Unanimous Consent is in order, and the Clerk will call the first bill on the calendar.

IMPRISONMENT OF WOMEN IN STATE REFORMATORIES.

The first business on the Calendar for Unanimous Consent was the bill (S. 1010) to amend sections 5549 and 5550 of the Revised Statutes of the United States.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. HUDDLESTON. Mr. Speaker, reserving the right to object, may I ask whose bill it is?

Mr. STAFFORD. Mr. Speaker, this bill has been on the calendar for the last eight months, more or less, and has been postponed from time to time at the request of the gentleman from Georgia, Mr. CRISP, because of the absence or illness of his colleague, Mr. BRAND, who is interested in the bill. It is a bill to change the Revised Statutes to enable women over the age of 18 who have been convicted of lewdness or similar crimes to be sent to reformatories instead of being confined in the penitentiaries.

Mr. HUDDLESTON. Is the gentleman from Georgia, Mr. BRAND, not now present?

Mr. STAFFORD. I do not see either the gentleman from Georgia, Mr. BRAND, or the gentleman from Georgia, Mr. CRISP. It was my notion that the gentleman from Alabama made his point of order of no quorum a few moments ago for the purpose of bringing these two gentlemen from Georgia, who seem to be interested in the bill, into the Hall of the House.

Mr. HUDDLESTON. Oh, it was my purpose to bring the majority into the Hall of the House.

Mr. STAFFORD. But there was no occasion for the majority being present until to-day, except it was to hear the gentleman

from Alabama address the House, and I regret that he extended his remarks in the RECORD instead of giving the majority present the benefit of hearing him deliver his speech.

Mr. HUDDLESTON. I did that as a matter of necessity, and I shall now prefer my request for unanimous consent to speak upon the subject in the House.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. MANN. Mr. Speaker, reserving the right to object, I ask unanimous consent that the bill go over without prejudice.

The SPEAKER. The gentleman from Illinois asks unanimous consent that the bill go over without prejudice. Is there objection?

Mr. STAFFORD. Mr. Speaker, I do not know what the plan of the majority leader is about the next call of the Unanimous Consent Calendar. I am interested in this bill and take issue with the position of the chairman of the Committee on the Judiciary on some amendments that he is proposing. I would like to have it understood that if at the next call of the Calendar for Unanimous Consent this bill is brought up, and I am not present, the bill may go over until the regular session in December. I have been hanging around here to amend this bill for several months. A great many people in the country are interested in the bill. With that understanding I have no objection to its going over.

Mr. HUDDLESTON. Mr. Speaker, I object.

Mr. MANN. I will say to the gentleman from Alabama [Mr. HUDDLESTON] that this is a bill in which the Georgia delegation is very much interested, I think. It is a bill that has passed the Senate, and the gentleman from Georgia [Mr. BRAND] is particularly interested. I hope there will be no objection to passing it over.

Mr. HUDDLESTON. I understood that the gentleman from Georgia has been objecting to the bill.

Mr. MANN. Not at all. He wants to pass it.

Mr. HUDDLESTON. I suggest the bill go over, then.

Mr. MONDELL. If there is a question of these bills going over because gentlemen are interested in them, there is a new element introduced in the matter of unanimous consent. The gentleman from Alabama [Mr. HUDDLESTON] is objecting that some one is interested——

Mr. HUDDLESTON. I object, Mr. Speaker.

Mr. DYER. Mr. Speaker, in the absence of the chairman of the Judiciary Committee, I ask that this bill may go over without prejudice.

The SPEAKER. The gentleman from Missouri asks unanimous consent that this bill go over without prejudice. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, that is with the understanding that a full quorum of the House is present. The chairman of the committee has been here all the last week. This bill has been hanging fire for the last eight months.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. STAFFORD. Mr. Speaker, I object.

Mr. MONDELL. Mr. Speaker, was there objection made?

The SPEAKER. The gentleman from Alabama objected. The Clerk will report the next bill.

Mr. GARNER. Mr. Speaker, the gentleman from Alabama [Mr. HUDDLESTON] did not object to its going over.

The SPEAKER. But the gentleman from Wisconsin objected to its going over.

Mr. GARNER. The RECORD should show just exactly what it is.

MAILS FOR THE BLIND.

The next business on the Calendar for Unanimous Consent was the bill H. R. 10496, to provide for the free transmission through the mails of certain publications for the blind.

The SPEAKER. Is there objection to the consideration of this bill?

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent that the bill go over without prejudice. Is there objection? [After a pause.] The Chair hears none.

LAC DU FLAMBEAU BAND OF CHIPPEWAS, WISCONSIN.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 6428) for the enrollment and allotment of members of the Lac du Flambeau Band of Lake Superior Chippewas, in the State of Wisconsin, and for other purposes.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. HUDDLESTON. Mr. Speaker, reserving the right to object, I do not think the time of the House ought to be taken up with unanimous-consent bills in the great crisis which is now confronting us. We are here for a purpose, and a very important purpose. The House ought to function. We failed to function for four days of last week when we might have done so.

Mr. DYER. Mr. Speaker, I ask for the regular order.

The SPEAKER. The regular order is, Is there objection?

Mr. HUDDLESTON. I object.

ACCOUNTS OF DIPLOMATIC AND CONSULAR OFFICERS.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 7764) authorizing the accounting officers of the Treasury to adjust certain accounts of certain diplomatic and consular officers.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WINGO. Reserving the right to object, what is the nature of this bill?

Mr. STAFFORD. When this bill was last under consideration the gentleman from New Jersey [Mr. ACKERMAN] asked unanimous consent to have it passed over in order to submit to the House additional information. The report from the Committee on Foreign Affairs is as illuminating as most reports from that committee. As the information has not been furnished, I ask unanimous consent that the bill go over without prejudice.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

AMENDMENT TO SECTION 100 OF JUDICIAL CODE.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 10817) to amend section 100 of the Judicial Code of the United States.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. WINGO. Reserving the right to object, what is the nature of this bill?

Mr. CABLE. It is simply to amend the Judicial Code as to Ohio in order to permit the holding of a term of court at Lima, Ohio. It is a local matter and will entail no additional expense on the Government, because the county has agreed to furnish a courtroom there free of charge.

Mr. HUDDLESTON. Inasmuch as it is a local matter I am not inclined to allow it to be considered, and therefore I am compelled to object.

Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER. The gentleman from Alabama makes the point of order there is no quorum present. The Chair will count. [After counting.] Two hundred and nineteen Members are present, a quorum. Is there objection to the consideration of the bill?

Mr. HUDDLESTON. Objection to what?

The SPEAKER. To the consideration of the bill?

Mr. HUDDLESTON. I object to it.

Mr. CABLE. Mr. Speaker, I ask unanimous consent that the bill go over without prejudice.

The SPEAKER. The gentleman from Ohio asks unanimous consent that the bill be passed without prejudice. Is there objection? [After a pause.] The Chair hears none.

CLAIMS OF AMERICAN CITIZENS.

The next business on the Calendar for Unanimous Consent was the bill (S. 2235) to confer jurisdiction upon the Court of Claims to adjudicate the claims of American citizens.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. WINGO. Mr. Speaker, reserving the right to object——

Mr. STAFFORD. Mr. Speaker, I object.

RENTS, ETC., FROM LANDS WITHIN NAVAL PETROLEUM RESERVES.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 11363) granting a portion of the rents, royalties, and bonuses received from lands within naval petroleum reserves to the States within the boundaries of which said reserves are located.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HUDDLESTON. Mr. Speaker, I object.

MARKING OF ANCHORAGE GROUNDS IN UNITED STATES WATERS.

The next business on the Calendar for Unanimous Consent was the bill (S. 2199) to provide for the marking of anchorage grounds in waters of the United States.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. WINGO. Reserving the right to object, has this anything to do with prohibition?

Mr. PARKER of New York. I will inform the gentleman that it was not put in for that reason.

Mr. WINGO. It has been suggested that this is possibly an indirect amendment to the Volstead Act. Is that true?

Mr. PARKER of New York. No.

Mr. STAFFORD. It provides for rum runners.

Mr. HUDDLESTON. Mr. Speaker, I object to the consideration of the bill.

The SPEAKER. The gentleman from Alabama objects.

Mr. PARKER of New York. Mr. Speaker, I ask unanimous consent that the bill go over without prejudice.

The SPEAKER. The gentleman from New York asks unanimous consent that the bill go over without prejudice. Is there objection?

There was no objection.

BRIDGE ACROSS THE TUG FORK OF THE BIG SANDY RIVER, KY.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 11477) granting the consent of Congress to the Freeburn Toll Bridge Co. to construct a bridge across the Tug Fork of the Big Sandy River, in Pike County, Ky.

The title of the bill was read.

The SPEAKER. Is there objection?

Mr. HUDDLESTON. I object.

The SPEAKER. The gentleman from Alabama objects. The Clerk will report the next bill.

DAM ACROSS THE MAHONING RIVER, OHIO.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 11722) granting the consent of Congress to the city of Warren, in the State of Ohio, its successors and assigns, to construct, maintain, and operate a dam across the Mahoning River, in the State of Ohio.

The title of the bill was read.

The SPEAKER. Is there objection?

Mr. HUDDLESTON. I object.

The SPEAKER. The gentleman from Alabama objects. The Clerk will report the next bill.

BRIDGE ACROSS THE OHIO RIVER, WEST VIRGINIA AND OHIO.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 11901) authorizing the construction of a bridge across the Ohio River to connect the city of Benwood, W. Va., and the city of Bellaire, Ohio.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. HUDDLESTON. Mr. Speaker, I object.

The SPEAKER. The gentleman from Alabama objects. The Clerk will report the next bill.

GRANT OF CONCURRENT JURISDICTION TO TERRITORIAL COURTS OF PORTO RICO FOR ENFORCEMENT OF NATIONAL PROHIBITION ACT.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 9270) to confer upon the Territorial courts of Porto Rico concurrent jurisdiction with the United States courts of that district of all offenses under the national prohibition act and all acts amendatory thereof or supplementary thereto.

The title of the bill was read.

The SPEAKER. Is there objection?

Mr. TOWNER. Mr. Speaker, I ask unanimous consent that the bill go over without prejudice.

The SPEAKER. The gentleman from Iowa asks unanimous consent that the bill go over without prejudice and that it retain its place on the calendar. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the next bill.

EXTENSION OF OIL LEASING ACT TO CERTAIN LANDS IN UTAH.

The next business on the Calendar for Unanimous Consent was the bill (S. 2460) to extend the provisions of section 18A of an act approved February 25, 1920 (41 Stats., p. 437), to certain lands in Utah.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. HUDDLESTON. I object, Mr. Speaker.

The SPEAKER. The gentleman from Alabama objects.

Mr. COLTON. Mr. Speaker, I ask unanimous consent that the bill retain its place on the calendar.

The SPEAKER. The gentleman from Utah asks unanimous consent that the bill retain its place on the calendar. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the next bill.

CANCELLATION OF GOVERNMENT LOANS TO DROUGHT-STRICKEN FARMERS.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 11966) defining the crop failure in the production of wheat, rye, barley, oats, and flax by those to whom the Government of the United States loaned money, under the act of March 3, 1921, for the purchase of wheat, rye, barley, oats, or flax for seed, and for other purposes.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. WINGO. Mr. Speaker, reserving the right to object, will the gentleman explain the bill? I may be for it.

Mr. STAFFORD. I object.

Mr. WINGO. I hope the gentleman will not object.

The SPEAKER. The gentleman from Wisconsin objects. The Clerk will report the next bill.

FURNISHING MARKET PRICES BY RADIOPHONE TO FARMERS.

The next business on the Calendar for Unanimous Consent was the resolution (H. Res. 357) directing the United States Department of Agriculture and the Post Office Department to investigate the feasibility of furnishing market prices of cotton, corn, wheat, live stock, and dairy products by radiophone to the farmers.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. HUDDLESTON. Mr. Speaker, I object.

The SPEAKER. The gentleman from Alabama objects. The Clerk will report the next bill.

SURVEY OF POTOMAC RIVER BANKS.

The next business on the Calendar for Unanimous Consent was the resolution (S. J. Res. 192) providing for survey of the Potomac River banks and adjacent lands from Washington, D. C., to Great Falls, with a view to possible extension of the District park system.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of this resolution?

Mr. DYER. Mr. Speaker, I ask unanimous consent that the resolution may go over without prejudice.

The SPEAKER. The gentleman from Missouri asks unanimous consent that the resolution may go over without prejudice. Is there objection?

Mr. STAFFORD. I object to the consideration of the bill.

The SPEAKER. The gentleman from Wisconsin objects. The Clerk will report the next bill.

CLAIMS OF PRIVATE PARTIES TO THE MARIVELES QUARRY, PHILIPPINE ISLANDS.

The next business on the Calendar for Unanimous Consent was the resolution (S. J. Res. 23) authorizing the Secretary of War to investigate the claims of private parties to the Mariveles Quarry, within the limits of a United States military reservation in the Philippine Islands, and to permit the working thereof by the persons entitled thereto, provided military necessities permit.

The title of the resolution was read.

The SPEAKER. Is there objection to the present consideration of this resolution?

Mr. HUDDLESTON. I object.

The SPEAKER. The gentleman from Alabama objects.

Mr. HILL. Mr. Speaker, I ask unanimous consent that the resolution retain its place on the calendar.

The SPEAKER. The gentleman from Maryland asks unanimous consent that the resolution retain its place on the calendar. Is there objection?

Mr. DYER. I object.

The SPEAKER. The gentleman from Missouri objects. The Clerk will report the next bill.

AMENDMENT OF THE PUBLIC BUILDINGS ACT OF MARCH 4, 1913.

The next business on the Calendar for Unanimous Consent was the bill (S. 3163) to amend an act approved March 4, 1913, entitled "An act to increase the limit of cost of certain public buildings, to authorize the enlargement, extension, remodeling, or improvement of certain public buildings, to authorize the

erection and completion of public buildings, to authorize the purchase of sites for public buildings, and for other purposes."

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. LONDON. Mr. Speaker, I rise to a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LONDON. Is it in order to object to the entire column at one time?

The SPEAKER. No. One can not object until the bill is reported.

Mr. LONDON. I object.

The SPEAKER. The gentleman from New York objects.

Mr. HUDDLESTON. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The Chair does not think a gentleman can compel the Chair to count every five minutes.

Mr. HUDDLESTON. Mr. Speaker, I take the decision of the Chair without a count. It is entirely a matter for the Speaker's conscience.

The SPEAKER. The Chair thinks there would be a quorum here by the time the Chair counted. [Applause.]

Mr. WINGO. Mr. Speaker, in view of that statement I hope the Chair will let a count be made.

The SPEAKER. Of course, any gentleman has the right to have a quorum present, but the Chair believes there is a quorum present, including those in the cloakroom. Every time the Chair has counted there has been considerably more than a quorum.

Mr. WINGO. My only point was that from the Speaker's statement it might be inferred that less than a quorum was present, but that if he counted there would be a quorum by the time he finished counting. I do not care about the count particularly.

The SPEAKER. The Chair thanks the gentleman. The Chair did not intend to intimate that. The Chair thinks there is a quorum present. The Clerk will report the next bill.

FORT MONROE MILITARY RESERVATION.

The next business on the Calendar for Unanimous Consent was Senate Joint Resolution 156, authorizing the Secretary of War to grant a permit to erect and maintain a hotel upon the Fort Monroe Military Reservation in Virginia.

The Clerk read the title of the joint resolution.

Mr. HULL. Mr. Speaker, I ask unanimous consent that this joint resolution be passed over without prejudice.

The SPEAKER. The gentleman from Iowa asks unanimous consent that the joint resolution be passed over without prejudice. Is there objection?

There was no objection.

SURVEY OF POTOMAC RIVER BANKS.

Mr. MOORE of Virginia. Mr. Speaker, I ask unanimous consent that No. 343 on the calendar, which is Senate Joint Resolution 192, providing for a survey of the Potomac River and adjacent lands from Washington, D. C., to Great Falls, retain its place on the calendar.

The SPEAKER. The gentleman from Virginia asks unanimous consent that the bill referred to retain its place on the calendar. Is there objection?

Mr. STAFFORD. What is the title of the bill?

The SPEAKER. It is the bill providing for a survey of the Potomac River from Washington, D. C., to Great Falls.

Mr. STAFFORD. I object.

AMERICAN MATHEMATICAL SOCIETY.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 9218) to incorporate the American Mathematical Society.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HUDDLESTON. I object.

Mr. CURRY. I ask unanimous consent that the bill retain its place on the calendar.

The SPEAKER. The gentleman from California asks unanimous consent that the bill retain its place on the calendar. Is there objection?

There was no objection.

WHITE HOUSE POLICE FORCE.

The next business on the Calendar for Unanimous Consent was the bill (S. 3659) to create the White House police force, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HUDDLESTON. I object.

Mr. CHINDBLOM. Mr. Speaker, I ask unanimous consent that the bill retain its place on the calendar.

The SPEAKER. The gentleman from Illinois asks unanimous consent that the bill retain its place on the calendar. Is there objection?

There was no objection.

LAC DU FLAMBEAU BAND OF LAKE SUPERIOR CHIPPEWAS.

Mr. CHINDBLOM. Mr. Speaker, I ask unanimous consent that calendar No. 273, which is H. R. 6428, retain its place on the calendar. It is a bill relating to allotments of land to Indians on the Lac du Flambeau Reservation. I was up there recently, and I know from personal knowledge that it is a very meritorious bill. Its author, the gentleman from Wisconsin [Mr. A. P. NELSON], is unavoidably absent to-day, I am informed.

The SPEAKER. The gentleman from Illinois asks unanimous consent that this bill retain its place on the calendar. Is there objection?

There was no objection.

WATER STREET, DISTRICT OF COLUMBIA.

The next business on the Calendar for Unanimous Consent was the bill (S. 813) to authorize the Commissioners of the District of Columbia to close upper Water Street between Twenty-first and Twenty-second Streets NW.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HUDDLESTON. I object.

The SPEAKER. The gentleman from Alabama objects. The Clerk will report the next bill.

PRESQUE ISLE, ERIE, PA.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 10144) conveying the peninsula of Presque Isle, Erie, Pa., to the State of Pennsylvania, its original owner, for public park purposes.

The Clerk read the title of the bill.

Mr. SHREVE. Mr. Speaker, I ask unanimous consent that this bill be passed without prejudice.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent that this bill retain its place on the calendar. Is there objection?

There was no objection.

CAREY SEGREGATION NO. 11.

The next business on the Calendar for Unanimous Consent was the bill (S. 3195) to authorize the Secretary of the Interior to accept completion of Carey segregation No. 11 and to issue patent therefor.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HUDDLESTON. I object.

Mr. VAILE. I ask unanimous consent that the bill retain its place on the calendar.

The SPEAKER. The gentleman from Colorado asks unanimous consent that this bill retain its place on the calendar. Is there objection?

There was no objection.

CHIEF OF STAFF OF THE ARMY.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 11699) relating to the appointment of the Chief of Staff of the Army.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HUDDLESTON. I object.

Mr. McKENZIE. Mr. Speaker, I move to suspend the rules and pass this bill.

The SPEAKER. The gentleman from Illinois moves to suspend the rules and pass the bill, which the Clerk will report.

The Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding other provisions of law touching eligibility for appointment and service as Chief of Staff, the present Deputy Chief of Staff may be appointed Chief of Staff, and when so appointed shall be eligible to serve as such for a period of four years, unless sooner relieved.

The SPEAKER. Is a second demanded?

Mr. HUDDLESTON. Mr. Speaker, I demand a second.

Mr. McKENZIE. I ask unanimous consent that a second be considered as ordered.

The SPEAKER. The gentleman from Illinois asks unanimous consent that a second be considered as ordered. Is there objection?

Mr. HUDDLESTON. I object.

The SPEAKER. The gentleman from Alabama objects.

Mr. MCKENZIE and Mr. HUDDLESTON were appointed as tellers.

The House divided, and the tellers reported that there were 140 ayes and no nays.

Mr. HUDDLESTON. Mr. Speaker, I make the point that no quorum is present.

The SPEAKER. The gentleman from Alabama makes the point that no quorum is present, and the Chair will count. [After counting.] One hundred and eighty-one Members present, not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will bring in the absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 214, nays 30, not voting 183, as follows:

YEAS—214.

Almon	Drane	King	Reed, W. Va.
Andrews, Nebr.	Dunbar	Kissel	Rhodes
Ansorge	Dyer	Kline, N. Y.	Ricketts
Appleby	Elliott	Kline, Pa.	Roach
Bacharach	Ellis	Kraus	Robsion
Bankhead	Evans	Kreider	Rodenberg
Begg	Fairfield	Lampert	Rose
Bird	Faust	Lawrence	Rosenbloom
Bixler	Favrot	Lazaro	Rossdale
Black	Fenn	Lea, Calif.	Rouse
Blakeney	Fish	Leatherwood	Sanders, Ind.
Bland, Va.	Fisher	Lee, Ga.	Sanders, N. Y.
Bond	Focht	Lehlbach	Schall
Bowers	Fordney	Longworth	Scott, Tenn.
Bowling	Foster	Lowrey	Shaw
Box	Free	McClintic	Shreve
Brennan	French	McDuffie	Sinnott
Briggs	Frothingham	McFadden	Smith, Idaho
Brooks, Ill.	Fuller	McKenzie	Smith, Mich.
Brooks, Pa.	Garner	McLaughlin, Mich.	Smithwick
Burdick	Garrett, Tenn.	McPherson	Snell
Butler	Garrett, Tex.	MacGregor	Speaks
Byrns, Tenn.	Gernerd	Madden	Sproul
Cable	Glynn	Mann	Stafford
Campbell, Kans.	Goodykoontz	Mansfield	Stephens
Campbell, Pa.	Gorman	Mapes	Strong, Kans.
Cannon	Green, Iowa	Michener	Strong, Pa.
Carew	Greene, Mass.	Millspaugh	Sumners, Tex.
Chalmers	Greene, Vt.	Mondell	Taylor, Colo.
Chandler, N. Y.	Griest	Moore, Ill.	Taylor, Tenn.
Chandler, Okla.	Hadley	Moore, Ohio	Tincher
Chindblom	Hardy, Colo.	Moore, Va.	Tinkham
Christopherson	Hawley	Moores, Ind.	Towner
Clague	Hayden	Morgan	Treadway
Clarke, N. Y.	Hays	Morin	Tyson
Clouse	Henry	Murphy	Underhill
Cole, Iowa	Hersey	Newton, Minn.	Vaile
Cole, Ohio	Hickey	Norton	Vare
Colton	Hicks	O'Connor	Vestal
Connolly, Pa.	Hill	Oliver	Vinson
Cooper, Ohio	Hoch	Osborne	Volstead
Cooper, Wis.	Hull	Overstreet	Ward, N. C.
Cullen	Humphreys	Paige	Watson
Curry	Ireland	Parker, N. J.	White, Kans.
Dale	James	Patterson, Mo.	Williams, Ill.
Dallinger	Jefferis, Nebr.	Patterson, N. J.	Winslow
Darrow	Jeffers, Ala.	Perkins	Woodyard
Davis, Minn.	Johnson, Wash.	Pringey	Wright
Davis, Tenn.	Kelly, Pa.	Purnell	Wurzbach
Dempsey	Kendall	Radcliffe	Wyant
Denison	Kennedy	Rankin	Young
Dickinson	Ketcham	Ransley	Zihlman
Doughton	Kiess	Rayburn	
Dowell	Kincheloe	Reece	

NAYS—30.

Aswell	Huddleston	Quin	Tucker
Buchanan	Hudspeth	Sanders, Tex.	Upshaw
Bulwinkle	Jones, Tex.	Sandlin	Weaver
Byrnes, S. C.	Lanham	Steagall	Williams, Tex.
Driver	Lankford	Stevenson	Wilson
Gilbert	London	Swank	Wingo
Hammer	Parks, Ark.	Thomas	
Hardy, Tex.	Pou	Tillman	

NOT VOTING—183.

Ackerman	Burton	Echols	Himes
Anderson	Cantrill	Edmonds	Hogan
Andrew, Mass.	Carter	Fairchild	Hooker
Anthony	Clark, Fla.	Fess	Hukriede
Arentz	Classon	Fields	Husted
Atkeson	Cockran	Fitzgerald	Hutchinson
Barbour	Codd	Frear	Jacoway
Barkley	Collier	Freeman	Johnson, Ky.
Beck	Collins	Fulmer	Johnson, Miss.
Beedy	Connally, Tex.	Funk	Johnson, S. Dak.
Bell	Connell	Gahn	Jones, Pa.
Benham	Copley	Gallivan	Kahn
Bland, Ind.	Coughlin	Geneman	Kearns
Blanton	Crago	Goldsborough	Keller
Boies	Cramton	Gould	Kelley, Mich.
Brand	Crisp	Graham, Ill.	Kindred
Britten	Crowther	Graham, Pa.	Kirkpatrick
Brown, Tenn.	Deal	Griffin	Kitchin
Browne, Wis.	Dominick	Harrison	Kleczka
Burke	Drewry	Haugen	Knight
Burroughs	Dunn	Hawes	Knutson
Burtness	Dupré	Herrick	Kopp
Kunz	Miller	Reber	Swing
Langley	Mills	Reed, N. Y.	Tague
Larsen, Ga.	Montague	Riddick	Taylor, Ark.
Larson, Minn.	Montoya	Riordan	Taylor, N. J.
Layton	Mott	Robertson	Temple
Lee, N. Y.	Mudd	Rogers	Ten Eyck
Lineberger	Nelson, Me.	Rucker	Thompson
Linthicum	Nelson, A. P.	Ryan	Tilson
Little	Nelson, J. M.	Sabath	Timberlake
Logan	Newton, Mo.	Scott, Mich.	Voigt
Luce	Nolan	Sears	Volk
Luhring	O'Brien	Shelton	Walters
Lyon	Ogden	Siegel	Ward, N. Y.
McArthur	Oldfield	Sinclair	Wason
McCormick	Olpp	Sisson	Webster
McLaughlin, Nebr.	Park, Ga.	Slemp	Wheeler
McLaughlin, Pa.	Parker, N. Y.	Snyder	White, Me.
McSwain	Perlman	Stedman	Williamson
Magee	Petersen	Steenerson	Wise
Maloney	Porter	Stiness	Wood, Ind.
Martin	Rainey, Ala.	Stoll	Woodruff
Mead	Rainey, Ill.	Sullivan	Woods, Va.
Merritt	Raker	Summers, Wash.	Yates
Michaelson	Ramseyer	Sweet	

So a second was ordered.

The following pairs were announced:

Mr. Burton with Mr. Oldfield.

Mr. Wood of Indiana with Mr. Sisson.

Mr. Crowther with Mr. Kitchin.

Mr. Nolan with Mr. Riordan.

Mr. Knutson with Mr. Linthicum.

Mr. Reed of New York with Mr. Jacoway.

Mr. Langley with Mr. Clark of Florida.

Mr. Ackerman with Mr. Montague.

Mr. Keller with Mr. Sullivan.

Mr. A. P. Nelson with Mr. Cantrill.

Mr. Olpp with Mr. Kindred.

Mr. Lineberger with Mr. Gallivan.

Mr. Fess with Mr. Larsen of Georgia.

Mr. Atkeson with Mr. Tague.

Mr. Burroughs with Mr. Woods of Virginia.

Mr. McArthur with Mr. Wise.

Mr. Luce with Mr. Carter.

Mr. Kline of Pennsylvania with Mr. Blanton.

Mr. Funk with Mr. Lyon.

Mr. Thompson with Mr. Brand.

Mr. Steenerson with Mr. Deal.

Mr. Timberlake with Mr. Stedman.

Mr. Burtness with Mr. Stoll.

Mr. Graham of Pennsylvania with Mr. Barkley.

Mr. Magee with Mr. Fields.

Mr. Sinclair with Mr. Dupré.

Mr. Ward of New York with Mr. Connally of Texas.

Mr. Beck with Mr. Cockran.

Mr. Gahn with Mr. Kunz.

Mr. Lee of New York with Mr. McSwain.

Mr. Porter with Mr. Rainey of Illinois.

Mr. Arentz with Mr. Logan.

Mr. Coughlin with Mr. Goldsborough.

Mr. Hukriede with Mr. Griffin.

Mr. Codd with Mr. Fulmer.

Mr. Magee with Mr. Martin.

Mr. Webster with Mr. Hawes.

Mr. Yates with Mr. Collier.

Mr. Sinclair with Mr. Hooker.

Mr. Beedy with Mr. Collins.

Mr. Frear with Mr. Dominick.

Mr. Wheeler with Mr. Crisp.

Mr. Hutchinson with Mr. Gilbert.

Mr. Maloney with Mr. Drewry.

Mr. Shelton with Mr. Ten Eyck.

Mr. Bland of Indiana with Mr. Mead.

Mr. Volk with Mr. Bell.

Mr. Slemp with Mr. Taylor of Arkansas.

Mr. Taylor of New Jersey with Mr. Raker.

Mr. Brown of Tennessee with Mr. O'Brien.

Mr. Snyder with Mr. Park of Georgia.

Mr. Perlman with Mr. Sabath.

Mr. Stiness with Mr. Rucker.

Mr. Kahn with Mr. Sears.

Mr. Layton with Mr. Johnson of Kentucky.

Mr. Luhring with Mr. Rainey of Alabama.

Mr. Kearns with Mr. Johnson of Mississippi.

Mr. Cramton with Mr. Harrison.

The result of the vote was announced as above recorded.

A quorum being present, the doors were opened.

The SPEAKER. The gentleman from Illinois [Mr. MCKENZIE] is recognized for 20 minutes and the gentleman from Alabama [Mr. HUDDLESTON] for 20 minutes.

Mr. MCKENZIE. Mr. Speaker and gentlemen of the House, this is a bill to make an exception to a general law which the

members of the Committee on Military Affairs, after examining all of the circumstances, feel the Congress of the United States would be warranted in doing. Under a general law enacted by Congress, all officers in the Army are subject to what is known as the Manchu law. In other words, an officer may be detailed in the city of Washington, and serve in the city of Washington for a term of four years, but after that time he must go out into the field. That is a law which, in my judgment, is not only a wise law for the country but beneficial to the officers in the Army as well. Should General Pershing elect to remain until retired, under the existing law General Harbord, who is now detailed as Acting Chief of Staff, will have to leave the city of Washington, should he be appointed Chief of Staff, soon after his selection, which would be unfortunate. In other words, if General Pershing should decide to remain as Chief of Staff, he has something over two years yet to serve, and at that time General Harbord unquestionably would be made Chief of Staff. In such an event, then, at the expiration of 10 months he would have to give up his position as Chief of Staff and go out of the city of Washington on some other detail.

Mr. HUDDLESTON. Mr. Speaker, will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. HUDDLESTON. I want to ask the gentleman just when General Harbord would have to be detailed elsewhere. When will his four-year period expire?

Mr. McKENZIE. In about 2 years and 10 months, as I understand it.

Mr. HUDDLESTON. The gentleman can not give us the exact date?

Mr. McKENZIE. No; but this bill simply provides that when the President appoints him he may serve for four years as Chief of Staff from date of appointment.

I think the enactment of this law is justified by the fact that General Harbord as an officer in the United States Military Establishment has the unqualified respect and admiration of all the officers of the Army. Not only that, but we were impelled by another reason, and that is the fact that General Harbord came into the military service from private life and entered as an enlisted man. He worked his way up. He is not a West Point graduate. He worked his way from a private to the position which he now holds. As an American citizen I feel that no better example can be set before the young men of this country than to have the Congress of the United States say that this man, who has come up from private life by hard work, study, and application to his profession, qualified himself for the position of Chief of Staff.

I feel that removing the barrier in his way will be a splendid thing for the Army and a good thing for the country generally. I can not conceive of any objection to the bill, because we have limited its provisions to General Harbord alone. We feel that it is an honor that is justly due to General Harbord.

Mr. MANN. Mr. Speaker, will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. MANN. How did General Harbord enter the Army?

Mr. McKENZIE. He enlisted in the Army as a private.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. BANKHEAD. What is General Harbord's present rank and age?

Mr. McKENZIE. His present rank is assistant to the Chief of Staff.

Mr. BANKHEAD. He is a major general?

Mr. McKENZIE. Yes.

Mr. BANKHEAD. What is his age?

Mr. McKENZIE. I can not give his age.

Mr. STAFFORD. He is 56 years old.

Mr. McKENZIE. He rendered valuable service to his country over in France. I think it is unnecessary for me to take the time of the House in relating the services of General Harbord, because I believe those services are well known to every American citizen. Mr. Speaker, I reserve the remainder of my time.

Mr. HUDDLESTON. Mr. Speaker, I trust that Members of the House now fully appreciate the purpose and importance of this bill. The gentleman from Illinois [Mr. McKENZIE] has given us a short but lucid explanation and has made a very frank statement which bears upon the pressing and urgent necessity for action upon the bill. He has told us frankly that its purpose is to set aside a general law for the benefit of a single officer of the Army, to wit, General Harbord.

I can not think of anything which would justify the proposed action unless it is true that General Harbord is the only officer of the Army who is fit to be detailed for this duty and who is competent to perform its functions. If there is no other officer who approaches him in qualifications and merit, then perhaps there should be special legislation applying to General Harbord. But, of course, merely to state that proposition is to refute it. I do not doubt that we have other officers who can perform the functions of Chief of Staff comparably with General Harbord. The principle of this legislation is bad. It is equivalent to promotion by special statute. It is equivalent to any other preferential action by Congress in behalf of an individual.

Mr. McKENZIE. Mr. Speaker, will the gentleman yield?

Mr. HUDDLESTON. Yes.

Mr. McKENZIE. I may not have made myself clear, but surely I should disabuse the gentleman's mind of any idea that he may entertain that the Committee on Military Affairs acted upon the bill simply because it was going to be a great favor to General Harbord. We did it because we believed it would be a good thing for the country.

Mr. HUDDLESTON. Oh, yes; I knew that was what the gentleman would say. I did not misunderstand him. None of us think that he is going to present the bill with the cold statement that its purpose is to do a favor for an officer. He would not get far with such a bill. Of course, like all special legislation that is brought into the House, it is for the public benefit. That is the front put on every piece of special legislation that was ever presented in this House.

It is easy to say that a bill is for the public welfare, and it is hard to prove it is not. We have general laws that have equal application to everybody under all circumstances at all times. It is very dangerous, as every legislator knows, to begin to make exceptions to this law and conditions to that for the benefit of a special individual or special interest. Such processes of legislation have brought this country into more trouble than any other species of legislation that we have ever adopted.

That is the meaning of this bill. It ought not to be voted under any circumstances, no matter how pressing the occasion, but here we are, confronted with this situation. This is the sixth legislative day we have been here and only to-day have the majority been able to muster a quorum. At last we have a quorum, and now we wonder what we are here for.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. HUDDLESTON. Yes.

Mr. RANKIN. As I understand it, something like two and one-half or three years must elapse before General Harbord will have to leave Washington, at any rate.

Mr. HUDDLESTON. Two years and ten months, so the gentleman from Illinois [Mr. McKENZIE] states.

Mr. RANKIN. What is the reason for the hurry?

Mr. HUDDLESTON. There is not the slightest reason in the world for it. We can pass this bill at any time within the next two years and ten months, and accomplish exactly the thing the gentleman from Illinois says he wants to accomplish. And that is exactly the reason I made the objection to the bill. I should not ordinarily have concerned myself about this piece of special legislation. There is so much of it that goes through the House. It is not upon me to oppose it, but on the majority to prevent such abuses. I should not have put myself in the position of opposing this bill if it was necessary for the bill to be considered at this time. We have two years and ten months in which to consider it, yet it is brought forward under a procedure to suspend the rules of the House at this time when there is so much of real importance that needs to be considered.

Mr. LONDON. Does not the gentleman consider this legislation safer than tariff legislation?

Mr. HUDDLESTON. It may be safer for the Republican Party than the kind of tariff legislation they are pressing.

But, as I way saying, Members are brought here into the House; we are informed by telegram that the presence of Congress is desired in a great national crisis. We came here on last Tuesday, and have adjourned day after day, and day after day, without a quorum. The majority, although they have more than the number of Members necessary to constitute a quorum of their own, are unable to produce a quorum even to hear a President of their own party deliver his address. But for the consideration of those who thought of demanding the presence of a quorum on last Friday the country would have been humiliated by having the House assembled to hear the President when the Republicans were unable to muster enough Members to hear him. That would have been the situation. The President would have marched up the hill, and then marched ingloriously down again.

But perhaps the majority knew what was going to happen. Perhaps they realized that after all they might just as well have remained at home and read the President's address in the newspapers. Perhaps they realized how the message would be received by the millions of workingmen in this country, who feel that they have been dealt with most unjustly in that message.

Perhaps it might have been better for the majority and their party had they defeated by remaining away the President's desire to choose this forum from which to appeal to public opinion with an unfair, unjust, and unprejudiced statement of the strike situation. And yet we are called here to consider this little trashy bill. That is the sole purpose of Congress having been assembled, so far as we have any reason to know.

Mr. GREENE of Vermont. Did not this Congress last June take a recess definitely until the 15th of August? We are not assembled here for special cause.

Mr. HUDDLESTON. We received a telegram——

Mr. GREENE of Vermont. We adjourned the House definitely until August 15, for the purpose of coming back here with the expectation that the tariff bill would be ready, and not because you received a telegram.

Mr. HUDDLESTON. And gentlemen of the other side are now demonstrating to the country that we might as well have adjourned the House until December.

Mr. GREENE of Vermont. I dare say——

Mr. HUDDLESTON. We have before the country questions of the greatest importance.

Mr. GREENE of Vermont. And the less we talk about them the quicker they will be settled.

Mr. HUDDLESTON. No; but they certainly should be talked about by men who have an understanding of the labor movement. The position of the workers has been challenged in the House by the Chief Executive of the Nation. It may well be that the less he had said the better, but the gentleman from Vermont [Mr. GREENE] should have given that advice to the chief of his party before he came here, and with phrases which well might have been borrowed from paid antiunion propagandists condemned the railroad workers and coal miners——

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. HUDDLESTON. With pleasure.

Mr. COOPER of Ohio. Will the gentleman from Alabama point out one instance where the President made his attack upon the railroad workers in his message which he just spoke of?

Mr. HUDDLESTON. Has the gentleman read the message?

Mr. COOPER of Ohio. Yes; I have. I wish you would point it out to the House where he made an attack upon the railroad workers. Now, the message is here. Point it out to the House.

Mr. HUDDLESTON. The gentleman from Ohio [Mr. COOPER] is himself a member of a most respectable labor organization. He ought to be familiar with the spirit and the disposition of the workers of this country. The President recounted with emphasis and magnifying detail the reports of strike excesses. He asserted, as though indisputably true, that the crimes and acts of violence had been committed by members of the unions. He charges them against the unions. He blamed unionism for the offenses.

The gentleman from Ohio knows how members of unions are fed up on that kind of talk; how they recognize its purpose to put them in a bad light before public opinion; how it is used to distract attention from the merits of their cause. He knows antiunion propaganda when he hears it; always it is the same cry; the propagandists dare not condemn the union, they deplore its abuse of power, they charge it with encouraging violence, and so attack by "side swiping." He heard the President proclaim that he would use all the power of the Government "to maintain transportation and to sustain the right of men to work." [Applause on the Republican side.] Oh, the gentleman from Ohio [Mr. COOPER] may not have understood. But when I hear these gentlemen applauding those supporters of the employer class and employer legislation—these opponents of every thing whatsoever that savors of labor unionism—when I hear this applause from such sources I realize they have not misunderstood.

Mr. GREENE of Vermont. Would you keep the trains running if you had the power?

Mr. HUDDLESTON. Yes; if it was lawful and it was my official duty to do so.

Mr. GREENE of Vermont. Is it not lawful to work at any time? Would you undertake to protect men who are working in the place of men who had struck?

Mr. HUDDLESTON. Not at all. If I were President, I should know that I had not the constitutional authority to do such a thing.

Mr. GREENE of Vermont. All right. I wanted to get your views as clearly before the public as the views of those whom you seek to attack.

Mr. HUDDLESTON. And now we have also got the views of the gentleman from Vermont [Mr. GREENE] very clearly.

Mr. GREENE of Vermont. There is no question about it. I say when this country comes to the point where an honest man can not go and do an honest act of work unmolested by men who do not want to work themselves, the country has gone to pot.

Mr. HUDDLESTON. Under what provision of the Constitution would you protect strike breakers?

Mr. GREENE of Vermont. I am not now discussing the interpretation of law. I am discussing a constitutional right. Every man under the Constitution is guaranteed the right to work.

Mr. HUDDLESTON. The gentleman is not a lawyer?

Mr. GREENE of Vermont. No.

Mr. HUDDLESTON. And hence the gentleman is not supposed to know anything of the Constitution or the law. Let me say for the gentleman's information, then, there is no Federal law and there is nothing in the Federal Constitution which guarantees to any man the right to work. If the President, except in obedience of the mandate of the Constitution and of the laws which Congress has passed, should presume to interfere with the domestic affairs of a State, although for the preservation of order, he would be guilty of usurpation, and its evil effect upon this country would far exceed anything that a lawless private person might do.

As I heard the President say that he would "use all the power of the Government," I wondered whether he considered himself the Government. I wondered whether he would say, "I am the State." Has he that idea in his mind? If he has, it is time that some of his friends disabuse him of it. The President has no authority except what is given to him by the Constitution and except what Congress has clothed him with. He has no authority to run the trains or safeguard any man in his employment.

Mr. GREENE of Vermont. Mr. Speaker, will the gentleman yield there?

Mr. HUDDLESTON. The gentleman will excuse me. We have yet, as perhaps the gentleman from Vermont does not know, a system of sovereign self-governing States in this country. We have yet a system of police powers retained by the several States, and which must be exercised by them. Those powers include, in chief, as I might say, the preservation of order. That is the primary function of a State government. It is only in certain specific instances which I have not the time to point out that the Federal Government may under any circumstances intervene. Any unauthorized intervention is a usurpation which will meet with the indignation of all right-thinking people. Any attempt to interfere with the exercise of the police powers of the States will, as I say, be much more harmful to the public welfare than any mere isolated acts of violence, or even the crime that the President referred to with so much emotion, as illustrating the spirit of union labor, to wit, the tragedy at Herrin, Ill. I would insist that the President stay inside the Constitution.

The SPEAKER pro tempore (Mr. LONGWORTH). The time of the gentleman from Alabama has expired.

Mr. McKENZIE. Mr. Speaker, I yield five minutes to the gentleman from Vermont [Mr. GREENE].

The SPEAKER pro tempore. The gentleman from Vermont is recognized for five minutes.

Mr. GREENE of Vermont. Mr. Speaker, I do not suppose it is necessary to attempt to say any word in explanation of the very lucid and, it seems to me, convincing statement of the purpose of this bill that was made by my colleague from Illinois [Mr. McKENZIE], the acting chairman of the Committee on Military Affairs. It is not a fact, notwithstanding there may be some misunderstanding about it, that this bill was suddenly projected into this atmosphere with intent to take up a piece of business that ought not perhaps now to be thought as timely as anything else. In the calling of the Unanimous Consent Calendar this bill was called automatically, and it being suspension day, it was in order to suspend the rules and pass it. This bill had its place on the calendar, and it has not been the policy of the majority party here on the floor to undertake to do useless business.

Mr. JONES of Texas. Mr. Speaker, will the gentleman yield?

Mr. GREENE of Vermont. Yes.

Mr. JONES of Texas. I was wondering why the Committee on Military Affairs found it desirable to insert the amendment and why is General Harbord practically specified in it? If General Harbord was the destined man for the place, he could be appointed under the language as first drafted.

Mr. GREENE of Vermont. I think I can explain that to the gentleman; at least I will try to. The gentleman will remember that for a good many years we have tried to put an end to an evil that had grown up in the Army of too much detail of officers to Washington, so that the city was filled up with them, as we used to say extravagantly, but with some emphasis; so it was emphasized in the Army reorganization act that when an

officer had performed four years of a detail in Washington, he was, as it was called, "Manchued"; he was not eligible for reappointment to a second four years here, but he must go back to the troops and do service with the troops before he would be eligible to come back to Washington again.

Mr. JONES of Texas. I was not opposed to the general purposes of the bill; but why strike out the general officers of the line?

Mr. GREENE of Vermont. Simply because the committee did not want to repeal that law as a general policy; simply because the committee had in mind the services of General Harbord and the peculiar situation of the War Department with regard to him and the use of his services. I will explain that, I think, to the gentleman's satisfaction. The gentleman will recall that as a tribute of the country's gratitude to General Pershing for his war services this Congress made him in fact a general, an office we have not had before in this generation. Obviously there was no place in the military establishment to which he could be assigned tactically. Except for our desire to honor General Pershing personally we did not have need for a general.

Mr. JONES of Texas. Will the gentleman yield?

Mr. GREENE of Vermont. Just a moment. Perhaps I may get at it in a roundabout way, but I desire to be permitted to explain it in my own way. Obviously we could not put General Pershing under any other person's authority in the Army, so we had, of course, to make him Chief of Staff and put everybody else under him. When I say "we" I mean the Government. General Harbord was the man who might otherwise have been made Chief of Staff, but he had to be made Deputy Chief of Staff in order to get that kind of service out of him which was desired under the circumstance, because he must be ranked subordinate to General Pershing and not be Chief of Staff in his own name. Now, when General Pershing retires in two years, or perhaps sooner if he desires to do so, the Government wishes to be able to make General Harbord Chief of Staff in his own right as an appreciation of his services and as a means of obtaining the use of his distinguished ability, but it will not have the authority to do so under the law unless this act is passed.

The SPEAKER. The time of the gentleman from Vermont has expired.

Mr. McKENZIE. Mr. Speaker, I want to make just one statement for the benefit of some Members who have asked me the question. This legislation does not carry any additional expense to the Government.

Mr. JONES of Texas. Will the gentleman yield for a question?

Mr. McKENZIE. I yield two minutes to the gentleman from Ohio [Mr. COOPER]. [Applause.]

Mr. COOPER of Ohio. Mr. Speaker and gentlemen of the House, the gentleman from Alabama [Mr. HUDDLESTON] a few moments ago made the statement that the President of the United States on last Friday made an attack upon organized labor. I asked him to point out any place in the speech of the President where he had done such a thing. I have asked for these two minutes in order to read a part of the President's address along that line. He said:

> In the weeks of patient conference and attempts at settlement I have come to appraise another element in the engrossing industrial dispute of which it is only fair to take cognizance. It is in some degree responsible for the strikes and has hindered attempts at adjustment. I refer to the warfare on the unions of labor. The Government has no sympathy or approval for this element of discord in the ranks of industry. [Applause.] Any legislation in the future must be as free from this element of trouble making as it is from labor extremists who strive for class domination. We recognize these organizations in the law, and we must accredit them with incalculable contribution to labor's uplift. It is of public interest to preserve them and profit by the good that is in them, but we must check the abuses and the excesses which conflict with public interest, precisely as we have been progressively legislating to prevent capitalistic, corporate, or managerial domination which is contrary to public welfare.

[Applause.]

That was the position the President took on last Friday; and while I asked the gentleman from Alabama [Mr. HUDDLESTON] to point out one single instance in which the President made an attack upon the union railroad men of the country he failed to do so in my opinion. [Applause.]

Mr. McKENZIE. Mr. Speaker, I ask for a vote.

The SPEAKER. The question is on the motion of the gentleman from Illinois [Mr. McKENZIE] to suspend the rules and pass the bill as amended.

The question being taken, on a division there were—ayes 106, noes 13.

Mr. HUDDLESTON. Mr. Speaker, I make the point of order that there is no quorum of the House present.

The SPEAKER. The gentleman from Alabama makes the point of order that there is no quorum present. It appears that there is no quorum present. The Doorkeeper will close the doors. The Sergeant at Arms will bring in absent Members. As many as favor the motion to suspend the rules and pass the bill as amended will, as their names are called, answer "yea," those opposed "nay," and the Clerk will call the roll.

The question was taken; and there were—yeas 210, nays 35, not voting 182, as follows:

YEAS—210.

Almon	Echols	Kissel	Roach
Andrews, Nebr.	Ellis	Kline, N. Y.	Robsion
Ansorge	Evans	Kline, Pa.	Rodenberg
Appleby	Fairfield	Kraus	Rose
Bacharach	Faust	Kreider	Rosenbloom
Bankhead	Favrot	Lampert	Rossdale
Begg	Fenn	Lawrence	Rouse
Benham	Fish	Lazaro	Sanders, Ind.
Bird	Fisher	Lea, Calif.	Sanders, N. Y.
Bixler	Focht	Leatherwood	Schall
Black	Fordney	Lee, Ga.	Scott, Tenn.
Bland, Va.	Foster	Lee, N. Y.	Shaw
Bond	Free	Lehlbach	Shreve
Bowers	French	Longworth	Siegel
Brennan	Frothingham	McDuffie	Sinnott
Briggs	Fuller	McFadden	Smith, Idaho.
Brooks, Ill.	Garner	McKenzie	Smith, Mich.
Brooks, Pa.	Garrett, Tenn.	McLaughlin, Mich.	Smithwick
Buchanan	Garrett, Tex.	McPherson	Snell
Burdick	Gernerd	MacGregor	Snyder
Butler	Glynn	Madden	Speaks
Byrnes, S. C.	Goodykoontz	Magee	Sproul
Byrns, Tenn.	Gorman	Mann	Stafford
Cable	Green, Iowa	Mansfield	Stephens
Campbell, Kans.	Greene, Mass.	Mapes	Strong, Kans.
Campbell, Pa.	Greene, Vt.	Michener	Strong, Pa.
Cannon	Griest	Millspaugh	Summers, Tex.
Carew	Hadley	Mondell	Taylor, Tenn.
Chalmers	Hardy, Colo.	Moore, Ill.	Ten Eyck
Chandler, N. Y.	Harrison	Moore, Ohio	Tincher
Chandler, Okla.	Hawley	Moore, Va.	Tinkham
Chindblom	Hayden	Moores, Ind.	Towner
Christopherson	Henry	Morgan	Treadway
Clague	Hersey	Morin	Tyson
Clarke, N. Y.	Hickey	Murphy	Underhill
Cole, Ohio	Hicks	Newton, Minn.	Upshaw
Colton	Hill	Norton	Vaile
Cooper, Ohio	Himes	O'Connor	Vestal
Crisp	Hoch	Osborne	Vinson
Cullen	Hudspeth	Paige	Volstead
Curry	Hull	Parker, N. J.	Wason
Dale	Humphreys	Parker, N. Y.	Watson
Dallinger	Ireland	Patterson, Mo.	White, Kans.
Darrow	Jefferis, Nebr.	Patterson, N. J.	Williams, Ill.
Davis, Minn.	Johnson, S. Dak.	Perkins	Winslow
Dempsey	Johnson, Wash.	Pringey	Woodyard
Denison	Kelly, Pa.	Purnell	Wright
Dickinson	Kendall	Quin	Wurzbach
Doughton	Kennedy	Radcliffe	Wyant
Dowell	Ketcham	Ransley	Young
Drane	Kiess	Reece	Zihlman
Dunbar	King	Reed, W. Va.	
Dyer	Kirkpatrick	Rhodes	

NAYS—35.

Bowling	Huddleston	Overstreet	Stevenson
Box	Jeffers, Ala.	Parks, Ark.	Swank
Bulwinkle	Jones, Tex.	Pou	Thomas
Cooper, Wis.	Kincheloe	Rankin	Tillman
Davis, Tenn.	Lanham	Rayburn	Tucker
Driver	Lankford	Ricketts	Weaver
Gilbert	London	Sanders, Tex.	Williams, Tex.
Hammer	Lowrey	Sandlin	Wingo
Hardy, Tex.	McClintic	Steagall	

NOT VOTING—182.

Ackerman	Connell	Hooker	McSwain
Anderson	Connolly, Pa.	Hukriede	Maloney
Andrew, Mass.	Copley	Husted	Martin
Anthony	Coughlin	Hutchinson	Mead
Arentz	Crago	Jacoway	Merritt
Aswell	Cramton	James	Michaelson
Atkeson	Crowther	Johnson, Ky.	Miller
Barbour	Deal	Johnson, Miss.	Mills
Barkley	Dominick	Jones, Pa.	Montague
Beck	Drewry	Kahn	Montoya
Beedy	Dunn	Kearns	Mott
Bell	Dupré	Keller	Mudd
Blakeney	Edmonds	Kelley, Mich.	Nelson, A. P.
Bland, Ind.	Elliott	Kindred	Nelson, J. M.
Blanton	Fairchild	Kitchin	Nelson, Me.
Boies	Fess	Kleczka	Newton, Mo.
Brand	Fields	Knight	Nolan
Britten	Fitzgerald	Knutson	O'Brien
Brown, Tenn.	Frear	Kopp	Ogden
Browne, Wis.	Freeman	Kuns	Oldfield
Burke	Fulmer	Langley	Oliver
Burroughs	Funk	Larsen, Ga.	Olpp
Burtness	Gahn	Larson, Minn.	Park, Ga.
Burton	Gallivan	Layton	Perlman
Cantrill	Gensman	Lineberger	Petersen
Carter	Goldsborough	Linthicum	Porter
Clark, Fla.	Gould	Little	Rainey, Ala.
Classon	Graham, Ill.	Logan	Rainey, Ill.
Clouse	Graham, Pa.	Luce	Raker
Cockran	Griffin	Luhring	Ramseyer
Codd	Haugen	Lyon	Reber
Cole, Iowa	Hawes	McArthur	Reed, N. Y.
Collier	Hays	McCormick	Riddick
Collins	Herrick	McLaughlin, Nebr.	Riordan
Connally, Tex.	Hogan	McLaughlin, Pa.	Robertson

Rogers	Steenerson	Temple	Wheeler
Rucker	Stiness	Thompson	White, Me.
Ryan	Stoll	Tilson	Williamson
Sabath	Sullivan	Timberlake	Wilson
Scott, Mich.	Summers, Wash.	Vare	Wise
Sears	Sweet	Voigt	Wood, Ind.
Shelton	Swing	Volk	Woodruff
Sinclair	Tague	Walters	Woods, Va.
Sisson	Taylor, Ark.	Ward, N. Y.	Yates
Slemp	Taylor, Colo.	Ward, N. C.	
Stedman	Taylor, N. J.	Webster	

So (two-thirds having voted in the affirmative) the bill was passed.

The following additional pairs were announced:

Mr. Boise with Mr. Oliver.

Mr. Sweet with Mr. Aswell.

Mr. Graham of Illinois with Mr. Taylor of Colorado.

Mr. Scott of Michigan with Mr. Ward of North Carolina.

The result of the vote was announced as above recorded.

A quorum being present, the doors were opened.

PRINTING OF THE PRESIDENT'S MESSAGE.

Mr. KIESS. Mr. Speaker, I ask unanimous consent for the present consideration of the following resolution.

The Clerk read as follows:

House Resolution 408.

Resolved, That there be printed for the use of the House of Representatives 60,000 copies of the address delivered by the President of the United States to the Congress on August 18, 1922, to be distributed through the folding room.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. HUDDLESTON. Reserving the right to object, will not the gentleman let it go over until to-morrow? I shall be compelled to object to-day but will not to-morrow.

Mr. GARRETT of Tennessee. We have not finished consideration of the Unanimous Consent Calendar, and the gentleman can have this resolution passed to-morrow as well as to-day.

Mr. MANN. During President Wilson's administration there was no objection made to the printing of the President's message while I was Republican leader on the floor. It was conceded in every case that the message should be printed up to the limit of cost—$500. It seemed to me at that time that it would have been a mighty small man who would object to the printing of the President's message.

Mr. HUDDLESTON. Will the gentleman yield? I was going to ask the gentleman what the haste is about this matter that did not exist on the day the message was delivered, or on Saturday last. Why was not the request made then?

Mr. MANN. Probably it ought to have been made on the day it was delivered.

Mr. HUDDLESTON. Why is it so important that it be brought up to-day?

Mr. MANN. Because it is desirable, if it is to be done at all, that it should be done at once.

Mr. JOHNSON of Washington. And the Senate has ordered the printing.

Mr. HUDDLESTON. The majority has waited so long, and I will make an objection to-day.

Mr. KIESS. Mr. Speaker, I move to suspend the rules and pass the resolution.

Mr. GARRETT of Tennessee. I wish the gentleman would withhold that motion for a moment.

Mr. KIESS. I will.

Mr. GARRETT of Tennessee. I hope that the gentleman from Illinois did not infer from anything I said that I was objecting.

Mr. MANN. I certainly did not, or anyone else.

Mr. GARRETT of Tennessee. I thought, in view of the statement of the gentleman from Alabama, that it could be done by unanimous consent to-morrow. I think it ought to be done by unanimous consent, and not under a motion to suspend the rules. I should personally be glad if the gentleman from Alabama would withhold his objection.

Mr. HUDDLESTON. The remark of the gentleman from Illinois has made it impossible, I regret to say.

Mr. GARRETT of Tennessee. The gentleman from Illinois referred only to the messages of President Wilson. So far as I know, throughout my service which antedates that, there was never an objection to printing the message of any President of the United States, either those of President Taft or President Roosevelt.

Mr. MANN. I think there never was an objection to printing a President's message.

Mr. STEVENSON. Will the gentleman from Pennsylvania yield me a minute?

Mr. KIESS. I will yield to the gentleman.

Mr. STEVENSON. The question was raised as to why this request was not made on the day that the message was delivered. As a member of the Committee on Printing I will say that the Republican members of the Committee on Printing are always courteous to the minority member, and when they want to have anything of this kind done they have consulted me. I apprehend that they waited to consult me because I was not available at that time. I want to express my appreciation of that fact, and I hope there will be no objection because it has been modified on account of a suggestion I made. I think the resolution ought to be passed without any objection at all. [Applause.]

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. HUDDLESTON. Reserving the right to object, the gentleman from Illinois has indulged in a remark that makes it necessary that I should object.

Mr. KIESS. Mr. Speaker, I move to suspend the rules and pass the resolution.

The Clerk read the resolution, as follows:

Resolved, That there be printed for the use of the House of Representatives 60,000 copies of the address delivered by the President of the United States to the Congress on August 18, 1922, to be distributed through the folding room.

The SPEAKER. Is a second demanded?

There was no demand for a second.

The SPEAKER. The question is on passing the resolution.

The question was taken; and, two-thirds having voted in favor thereof, the resolution was passed.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that August 19 they had presented to the President of the United States for his approval the following bills:

H. R. 11233. An act authorizing the Secretary of Commerce to convey certain land to the county of Muscatine, Iowa;

H. R. 11054. An act to validate certain deeds executed by members of the Five Civilized Tribes, and for other purposes;

H. R. 10957. An act to rebuild the school building of the Indian school near Tomah, Wis.;

H. R. 10517. An act providing for the confirmation of title of certain purchasers from the State of Louisiana of lands formerly included in the Fort Sabine Military Reservation, in Cameron Parish, La., now abandoned;

H. R. 9814. An act amending the proviso of the act approved August 24, 1912, with reference to educational leave to employees of the Indian Service;

H. R. 9746. An act for the relief of Emmett Otto Cooney;

H. R. 9257. An act to permit adjustment of conflicting claims to certain lands in Mohave County, Ariz.;

H. R. 9048. An act to authorize the California Débris Commission to reimburse the city of Sacramento, Calif., for money expended by said city in the construction of the Sacramento weir;

H. R. 8845. An act for the relief of Mattie Alexander;

H. R. 8244. An act permitting Frances Mack Mann to purchase certain public lands;

H. R. 7812. An act to extend the time for cutting timber in the Coconino and Tusayan National Forests, Ariz.;

H. R. 7598. An act authorizing the Secretary of the Interior to dedicate and set apart as a national monument certain lands in Riverside County, Calif.;

H. R. 6817. An act to authorize the Secretary of the Interior to issue patent to the State of Michigan, in trust, of a certain described tract of land to be used as a game refuge;

H. R. 314. An act for the relief of Forrest R. Black;

H. J. Res. 316. Joint resolution authorizing the reappointment of Frederick Mears as a commissioned officer of the Regular Army and making him available, when so reappointed, for service as chairman and chief engineer of the Alaskan Engineering Commission; and

H. J. Res. 170. Joint resolution to approve the holding of a national and international exhibition in the city of Philadelphia in 1926 upon the Fairmount Park and parkway site selected by the Sesquicentennial Exhibition Association, and lands contiguous thereto that may be acquired for that purpose, as an appropriate celebration of the one hundred and fiftieth anniversary of the signing of the Declaration of Independence.

MARIVELES QUARRY.

Mr. TOWNER. Mr. Speaker, I ask unanimous consent that Senate Joint Resolution 23, being No. 344 on the Calendar for Unanimous Consent, authorizing the Secretary of War to investigate the claims of private parties to the Mariveles Quarry within the limit of the United States military reservation in the Philippine Islands, and so forth, to the consideration of which to-day objection was made, be restored to the calendar, just as it was before.

The SPEAKER. The gentleman from Iowa asks unanimous consent that No. 344 on the calendar retain its place on the calendar. Is there objection?

There was no objection.

BRIDGE ACROSS OHIO RIVER AT BENWOOD, W. VA.

Mr. MURPHY. Mr. Speaker, I ask unanimous consent that the bill (H. R. 11901) authorizing the construction of a bridge across the Ohio River to connect the city of Benwood, W. Va., and the city of Bellaire, Ohio, being No. 338 on the Calendar for Unanimous Consent, retain its place on the calendar.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the next bill on the Calendar for Unanimous Consent.

FLOATING DRYDOCK AT NAVAL STATION, NEW ORLEANS, LA.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 9053) to provide for leasing of the floating dry dock at the naval station, New Orleans, La.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HUDDLESTON. Mr. Speaker, I object.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that the bill retain its place on the calendar.

The SPEAKER. Is there objection?

There was no objection.

NATIONAL LEPER HOME.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 12105) providing funds for the erection of additional suitable and necessary buildings for the national leper home.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HUDDLESTON. Mr. Speaker, I object.

Mr. CHINDBLOM. Mr. Speaker, I ask unanimous consent that the bill retain its place on the calendar.

The SPEAKER. Is there objection?

There was no objection.

CREDIT FOR MILITARY SERVICE IN HOMESTEAD ENTRIES.

The next business on the Calendar for Unanimous Consent was House Joint Resolution 180, extending the provisions of the act of February 25, 1919, allowing credit for military service during the war with Germany in homestead entries, and of Public Resolution No. 29, approved February 14, 1920, allowing a preferred right of entry for at least 60 days after the date of opening in connection with lands opened or restored to entry, to citizens of the United States who served with the allied armies during the World War.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. HUDDLESTON. Mr. Speaker, I object.

Mr. FRENCH. Mr. Speaker, I ask unanimous consent that the resolution retain its place on the calendar.

The SPEAKER. Is there objection?

There was no objection.

BOY SCOUTS OF AMERICA.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 11492) providing for the transfer or sale of Army and Navy equipment to the Boy Scouts of America.

The SPEAKER. Is there objection?

Mr. HUDDLESTON. Mr. Speaker, I object. I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Alabama makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and sixty-one Members present, not a quorum.

ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 2 o'clock and 32 minutes p. m.) the House adjourned until to-morrow, Tuesday, August 22, 1922, at 12 o'clock noon.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. DICKINSON: A bill (H. R. 12376) to amend section 307 of the transportation act of 1920, approved February 28, 1920; to the Committee on Interstate and Foreign Commerce.

By Mr. WINSLOW: A bill (H. R. 12377) to establish a commission to be known as the United States coal commission for the purpose of securing information in connection with questions relative to interstate commerce in coal, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HUDSPETH: A bill (H. R. 12378) granting the consent of Congress to maintain a bridge across the Rio Grande River; to the Committee on Interstate and Foreign Commerce.

By Mr. JAMES: Joint resolution (H. J. Res. 372) declaring October 12 a legal public holiday to be known as Columbus Day; to the Committee on the Judiciary.

By Mr. FORDNEY: Resolution (H. Res. 407) sending the tariff bill (H. R. 7456) to conference, and for other purposes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COLE of Ohio: A bill (H. R. 12379) granting a pension to Sallie Belle Stoll; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12380) granting a pension to John Keller; to the Committee on Invalid Pensions.

By Mr. COLTON: A bill (H. R. 12381) for the relief of H. R. Payton; to the Committee on Claims.

By Mr. DOWELL: A bill (H. R. 12382) granting a pension to Abe Crockett; to the Committee on Pensions.

By Mr. FORDNEY: A bill (H. R. 12383) granting an increase of pension to Eli S. Adams; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12384) granting an increase of pension to George H. Leathers; to the Committee on Invalid Pensions.

By Mr. HARDY of Colorado: A bill (H. R. 12385) granting a pension to Freeman H. Johnson; to the Committee on Pensions.

Also, a bill (H. R. 12386) granting a pension to Harriet D. Waterson; to the Committee on Invalid Pensions.

By Mr. HAWLEY: A bill (H. R. 12387) granting an increase of pension to Emily E. Patison; to the Committee on Invalid Pensions.

By Mr. HENRY: A bill (H. R. 12388) granting a pension to Susan Clark; to the Committee on Invalid Pensions.

By Mr. KIESS: A bill (H. R. 12389) granting a pension to Daniel Engler; to the Committee on Invalid Pensions.

By Mr. O'BRIEN: A bill (H. R. 12390) granting a pension to George Howes; to the Committee on Invalid Pensions.

By Mr. ROBSION: A bill (H. R. 12391) granting a pension to Enoch Cody; to the Committee on Pensions.

By Mr. RYAN: A bill (H. R. 12392) for the relief of Bridget McGrane; to the Committee on Claims.

By Mr. SPEAKS: A bill (H. R. 12393) granting a pension to Leona Stealey; to the Committee on Invalid Pensions.

By Mr. WOODYARD: A bill (H. R. 12394) granting an increase of pension to Helen Calvert; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6199. By Mr. ANSORGE: Petition of Veiling Association of New York City, protesting rate of 90 per cent duty on nets, veils, and veilings; to the Committee on Ways and Means.

6200. Also, petition of Henry Johnson, of New York City, advocating permanent arbitration courts or boards for the settlement of labor controversies, etc.; to the Committee on Labor.

6201. Also, petition of Hon. Marcus M. Marks, New York City, advocating tariff for protection of American labor from unemployment, but not such as will encourage profiteering; to the Committee on Ways and Means.

6202. Also, petition of C. M. Armstrong & Co., New York City, in regard to Schedule 1, paragraph 1, of the tariff act of 1922, edible lactic acid of a strength above 55 per cent by weight, opposing increase by Senate from 5 cents to 9 cents a pound, and advocating House rate of 5 cents a pound; to the Committee on Ways and Means.

6203. By Mr. COLE of Ohio: Petition of the Ohio Farm Bureau Federation, protesting against the miners' and railroad shopmen's strikes and urging settlement; to the Committee on Interstate and Foreign Commerce.

6204. By Mr. KISSEL: Petition of the American Protective Tariff League, New York City, recommending the omission of paragraph 1526 from House bill 7456; to the Committee on Ways and Means.

6205. By Mr. LINTHICUM: Petition of Admiral W. S. Schley Post, No. 65, of Baltimore, asking support of House bill 11623; to the Committee on the Judiciary.

6206. By Mr. STRONG of Pennsylvania: Petition of Armstrong County and Kiskiminetas Valley insurance agents, of Pennsylvania, opposing the enactment of House bill 10034, to create the District of Columbia insurance fund; to the Committee on the District of Columbia.

HOUSE OF REPRESENTATIVES.

TUESDAY, *August 22, 1922.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord our God, in whom we have our being and our hope, help us to cherish Thy precepts and be determined to walk in their light and promise. Give us motive power of the noblest ambition, of great thoughts and of big outlooks. Fill our lives with compelling purpose and passion for God and our dear native land. O bless and direct all Members of this Chamber. Pour into the veins of our fellow citizens a new life, rich in courage and determination. Bestow upon our families blessings of health and happiness. Let the Father's love soften every stroke of hardship, and may all sad experiences pass into that beauty of life which is the music of heaven. For the sake of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

SETH J. HARRIS, JIMMIE LOU MARTIN, AND OTHERS.

Mr. LEE of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 2694 and agree to the Senate amendments.

The SPEAKER. The gentleman from Georgia calls up the House bill (H. R. 2694) with Senate amendments. The Clerk will report the Senate amendments.

The Senate amendments were read.

Mr. MONDELL. What is the nature of these Senate amendments?

Mr. LEE of Georgia. This bill read that the Secretary of the Treasury "be, and is hereby, authorized" to pay to the emergency employees compensation. They have a fund of their own, and we simply strike out "Secretary of the Treasury."

Mr. MONDELL. That is the only change?

Mr. LEE of Georgia. That is the only change; yes, sir. This is recommended by the House and the Senate both. It passed the House unanimously, and was only amended in the respect which I have mentioned in the Senate.

The SPEAKER. The question is on agreeing to the Senate amendments.

The amendments were agreed to.

THE TARIFF.

Mr. CAMPBELL of Kansas. Mr. Speaker, I submit a privileged report from the Committee on Rules.

The SPEAKER. The gentleman from Kansas, from the Committee on Rules, submits a privileged report which the Clerk will read.

The Clerk read as follows:

House Resolution 407.

Resolved, That immediately upon the adoption of this resolution the bill H. R. 7456, together with the amendments of the Senate thereto, be taken from the Speaker's table; that the amendments of the Senate thereto be disagreed to in gross; that the conference asked by the Senate be agreed to; and that the Speaker, without intervening motion, appoint managers on the part of the House; and said committee shall have authority to join with the Senate committee in renumbering the paragraphs and sections of said bill when finally agreed upon.

Mr. CAMPBELL of Kansas. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Speaker, I shall not occupy the time of the House except for a very few minutes, and simply desire to explain the parliamentary situation and the reason and intent of presenting this rule at the present time. The Fordney tariff bill passed this House 13 months ago. It passed the Senate last Saturday, and is now before us with about 2,500 amendments. This rule proposes to take the bill, with Senate amendments, from the Speaker's table, disagree to the Senate amendments in gross, agree to the conference asked by the Senate, and appoint conferees with full power to act for the House in these matters.

I want to say for the information of the gentlemen of the House that this is exactly the same procedure that has been used in sending tariff bills to conference from 1883 down to the present time. It is practically the same rule that was used in sending the Underwood tariff bill to conference; the same one that was used in sending the Payne-Aldrich and the Dingley bills to conference, and every other one, right along down through. I know that the complaint will be made that on account of the great number of amendments to this bill that they should be read and considered individually in the House. But every thinking man well knows that it would be practically a physical impossibility to do this, besides it would take weeks and months to do it, and what the country wants now is action, and not talk, and, furthermore, that they would not get the careful consideration that they will get in the conference committee by the various members of that committee, who are well informed on the various schedules and know how to treat these individual amendments.

In looking over the proceedings in connection with the sending to conference of tariff bills, I find that there were 28 Members of the present minority in the Sixty-third Congress that voted for exactly the same rule when the Underwood tariff bill was sent to conference on October 11, 1917. Nearly all of these men made speeches in favor of practically the identical rule that is presented here by your Rules Committee to-day, and they gave just the same reasons for presenting the rule and sending the bill to conference in this manner that I have already given, namely, that it was the logical, orderly way to do it, though I expect that some of the same gentlemen will probably make a speech here against sending this tariff bill to conference under this rule.

As I look at the situation confronting us at present, time for debate is passed. The Republican majority is here for a definite, distinct purpose, and that purpose is to facilitate and hasten the passage of this tariff bill. [Applause on the Republican side.] I believe that the only dissatisfaction there is throughout the country in connection with this tariff bill is because of the delay in making it a law and putting it upon the statute books of this country. There is nothing new in this procedure, but it is the regular, businesslike, sensible thing to do in connection with this bill, and I simply call upon the Members of this House to pass the rule and do all they can——

Mr. COOPER of Wisconsin. Will the gentleman permit a question?

Mr. SNELL. In a moment.

I hope the Members of this House will pass this rule and do all they can to facilitate the public business by sending the bill to conference immediately and again put the country on the road to that prosperity it has always enjoyed under a protective tariff.

Now, I yield to the gentleman from Wisconsin.

Mr. COOPER of Wisconsin. The gentleman said that the rule was practically the same as those adopted in the consideration of other tariff bills. What are the differences?

Mr. SNELL. The only difference there has been at any time before was that some of the rules provided to move to do it, but we took a direct way to send it to conference and it is entitled to the support of every Member of the majority.

Mr. BUTLER. Will the gentleman yield?

Mr. SNELL. I will.

Mr. BUTLER. How many amendments are there to this bill?

Mr. SNELL. Around 2,500.

I yield back the balance of my time, Mr. Speaker.

Mr. CAMPBELL of Kansas. Mr. Speaker, I yield 30 minutes to the gentleman from North Carolina [Mr. POU].

Mr. POU. Mr. Speaker, I would like to be notified at the end of 10 minutes.

Mr. Speaker, if we did not know the purpose of those in control in this Congress one would not suppose that such a bill as this could pass. Now, here is a bill that you are going to send to the conference committee by this rule, which is enthusiastically supported by nobody. There is not a man on the Republican side of the Chamber, who, in my humble judgment, is enthusiastic for the passage of the bill, nevertheless it is going to pass. If the chairman of the Committee on Ways and Means were to express his real sentiment about this bill, his remarks would have to be stricken from the RECORD. They would not bear printing. I believe that the same is true with respect to gentlemen on the other side of the Chamber.

It is a bill which passed the House more than a year ago. It is a bill, which, I venture to predict, you do not intend to pass before the election. I may be a false prophet, but I hazard the prediction here and now that this bill is going to be in conference until after the November election. So I say it is a bill that nobody really wants. There is no enthusiasm for it in the Congress. There is nothing but resentment throughout the Nation by those who have studied the bill.

Yet it is going to be sent to the conference committee because some time in the past the great political party in power pledged the people it would reform the tariff. You will not pass it before the election, in my humble judgment, because you do not want to take the risk of having a leaflet sent to every home in America showing the increased cost of the necessaries of life that this bill is going to bring about.

Mr. MONDELL. Mr. Speaker, will the gentleman yield?

Mr. POU. I yield.

Mr. MONDELL. The gentleman says there is no enthusiasm for the measure. Does the gentleman think that the three Democratic Senators who voted for the measure were opposed to it?

Mr. POU. Is the gentleman himself enthusiastic for this particular bill?

Mr. MONDELL. I am enthusiastic for a proper measure and in the main for the House bill.

Mr. POU. Yes. The gentleman is enthusiastic for the House bill. But this is not the House bill.

Mr. MONDELL. The Democratic Senators voted for the Senate bill.

Mr. POU. I ask the gentleman this direct question: Will he stand there and say for himself that he is enthusiastic for the bill that has come from the Senate?

Mr. MONDELL. When it has been modified. But were the Democratic Senators who voted for the bill in the Senate as it passed the Senate enthusiastic for the bill when they voted for it?

Mr. POU. I do not care to answer that question when the gentleman himself has practically admitted that his enthusiasm for the bill is but a feeble enthusiasm.

Mr. MONDELL. I have admitted nothing of the sort. I have great enthusiasm for a tariff bill when perfected.

Mr. POU. Now this measure, Mr. Speaker, is the great constructive legislation that the Republican Party promised the country. One peculiar thing about the consideration of this measure is that the only effort, so far as I can ascertain, to keep down these ridiculously high rates that have been written in the House bill has come from some great manufacturing interests of this country which are selling abroad. They have in some measure called a halt. They know the foreign market is being destroyed. It seems our Republican friends can never learn that the great industries of America have become so great that they can more than supply the American market.

Well, we are willing to take the chance if you are. You did hand the farmer a gold brick. When he examines it carefully he will come to the conclusion that it is a brick made of fools' gold. When we are sending abroad the products of the farms it is nothing short of absurdity to put a tariff upon the things that the farmer produces.

So I conclude, Mr. Speaker, by saying we shall, of course, record our protest against this measure, which is the most vicious that has ever been presented to any Congress in the history of this Government. If you are willing to take the risk of going before the American people with such a bill as the House bill or such a bill as the Senate bill, the result in November will tell the tale. We certainly are willing to take the risk. [Applause on the Democratic side.]

Mr. Speaker, I reserve the remainder of my time.

The SPEAKER. The gentleman has 23 minutes remaining.

Mr. CAMPBELL of Kansas. Mr. Speaker, I yield five minutes to the gentleman from Michigan [Mr. FORDNEY].

The SPEAKER. The gentleman from Michigan is recognized for five minutes.

Mr. FORDNEY. Mr. Speaker and gentlemen, I will be very brief in what I have to say regarding the sending of this bill to conference. This bill has slumbered in the Senate for over 13 months, and I am delighted to welcome it back to the House once more. As the tariff bill is returned to the House by the Senate it contains some very important changes, the most important of which, perhaps, is the change of the basis for levying ad valorem duties from the American valuation to the foreign valuation. That is, in my judgment, the most important change in the bill.

The bill now also gives to the President the power to lower or to raise rates of duty provided for in the bill, to meet conditions necessary to properly protect American industries and American labor. That is another very important change. In the Senate bill both in the matter of specific duties and of ad valorem duties the rates are greatly increased over the House rates, and in some instances—one in particular that I have in mind—the Senate increased the rates from 100 to 600 per cent above the House rates. I think these matters are of very great importance, and it may require considerable time to adjust them in conference.

The gentleman from Texas [Mr. GARNER] smiles. The gentleman from Texas yesterday asked me if it were not true that all of the conferees would be called in for conference that were honest men. "Certainly," I said, "all the honest Members will be [laughter], and all the conferees will finally be called in after the honest Members, the Republicans, have agreed upon the differences between the House and Senate." [Laughter.] If appointed as one of the conferees, I shall go to the conference and insist upon the House rates. [Applause.]

I believe the bill as it left the House is a better bill, especially as to rates, than the bill as it comes back from the Senate. I yield back the balance of my time.

Mr. CAMPBELL of Kansas. Will the gentleman from North Carolina use the remainder of his time?

Mr. POU. Mr. Speaker, I yield five minutes to the gentleman from Texas [Mr. GARNER].

The SPEAKER. The gentleman from Texas is recognized for five minutes.

Mr. GARNER. Mr. Speaker and gentlemen of the House, I did not intend to occupy any of the time of the House in the discussion of the rule, contemplating probably that my friend from Michigan [Mr. FORDNEY] would recommend to the Speaker my appointment on the conference committee, and that he and the gentleman from Ohio [Mr. LONGWORTH] might be good enough to invite in, as he says, all honest conferees in the full consideration of this measure.

But since the gentleman from Michigan has stated that he does not intend to hold a conference of the conferees, except Republican membership, I thought I would say something about the probable effect of that conference. He complains bitterly and justly that the Senate has dillydallied for 13 months, having kept it in committee more than eight months, considered by the Republicans alone, which will characterize the conference in this instance. I predict now that the gentleman from Michigan and other gentlemen will be considering this bill in conference longer than any other tariff bill in the history of this country. This bill has been characterized by delay, by consideration always by the Republicans alone, and the result is a longevity three times what any other tariff bill has had in the history of the country. It will continue to be considered in that way by Republicans alone. You have not the capacity to legislate now, because there is no harmony between the West and the East. The gentleman from Wyoming speaks about not being enthusiastic for the Senate bill. I want to say to him that he will accept the Senate bill or he will not get any tariff bill at all. You are going to take the Senate bill or you will have no bill.

Mr. MONDELL. Has the gentleman from Texas any license to pose as a prophet and soothsayer?

Mr. GARNER. Up to date my prophecies have been true concerning the tariff, and therefore I think I have a right to prophesy what is going to be done in the future in respect to this bill. Let me make a little prediction now. You will come back here, and the gentleman from Wyoming and the gentleman from Michigan will be pleading with you gentlemen to undo what you did about American valuation in order that we may have a bill. The Senate will never surrender on the question of valuation. So if you are to have any legislation upon this subject at all, you will be compelled to come back here, swallow your words, and say, for the sake of having legislation, that you must give up your American valuation. Will you do it?

Mr. FORDNEY. Will the gentleman from Texas be greatly disappointed if the Senate should yield on the question of foreign valuation?

Mr. GARNER. I would say to the gentleman that whenever the question comes up as to the foreign or American valuation, I am going to vote for foreign valuation. I criticized the American valuation matter when the bill passed here, and I shall continue to do so.

The Senate considered the tariff bill, but the House did not. You gentlemen will remember that you did not consider the tariff bill. You did not have enough time to consider it. You could not offer an amendment. You did not have an opportunity to consider amendments, but the Senate did consider the tariff bill. Who will say that the Senate ever gave more deliberate consideration to any bill in its history than it has to this bill? In doing so it changed many of the provisions that the Finance Committee of the Senate recommended; it changed many of the provisions that that committee did not want to have changed. So it was really a deliberative body. In this deliberation and consideration they adopted a foreign valuation, because they know that no party in this country could long maintain its existence and have an American valuation plan under the scheme outlined by the gentleman from Michigan [Mr. FORDNEY].

I wonder if the gentleman from Michigan is going to accept the flexible provision with reference to the President. Is the gentleman in favor of that?

Mr. FORDNEY. I am in favor of the House bill, as I told the gentleman when I had the floor, and I am going to insist upon the House bill.

Mr. GARNER. Then the gentleman is opposed to the flexible provision as applied to the Executive, because that provision was not in the bill as it passed the House. The gentleman is going to take that, too, before he gets through with it. The

gentleman is going to accept that. Some of you gentlemen are going to have to account for that provision. Let me tell you what is going to happen. I know the way you gentlemen are fixed. None of you want to defend this legislation before your constituents.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. POU. Mr. Speaker, I yield the gentleman three minutes more.

Mr. GARNER. None of you want to go home and defend this legislation as it will be placed on the statute books. You want to do just as the gentleman from Wyoming [Mr. MONDELL]. You want to hedge, you want to say, "I am for it as it passed the House," but you are afraid to pass it and place it on the statute books, because you would have to defend it as a whole in that event, and the result is that you do not want it to go on the statute books before election. The gentleman from Wyoming wants to go to Wyoming and the gentleman from Michigan wants to go to Michigan, as does the gentleman from Indiana want to go to Indiana, and they all want to say, "Here is what I stand for; the bill is in conference and we will finally get that." You want to make your own tariff bill in your campaign this fall. The result is that you do not want any bill at this time. I think you will adjourn or take a recess until after the elections. I think that is your purpose in mind now. You will then tell the people that immediately after the election you will come back and that the conferees will then have finished their work, and that you will put the law on the statute books, each one of you making his own tariff bill in his own way in his own district. [Laughter.] And that is what you intend to do. You have always deceived the people and you intend to continue to do it. That is the most artistic way in which you can do it. The gentleman from Ohio [Mr. LONGWORTH], whom I see smiling over there, knows that naturally the tariff will have a bad effect upon the country, in its reaction, if you pass the bill now, much less 30 days from now, and if his performance as a conferee is in proportion to the performance of the Senate and the House on this bill, the snow will fall several times in this Capital City before we have a report on the bill from the conference committee. When are you going to come back to determine the question of American valuation? How long before you are going to come back to the House to ask for instructions? A week—10 days—2 weeks—a month? In the meantime what are you going to do? Do you expect to hold these gentlemen here? If you do, you will be disappointed. You will not keep them here. My friend from Kansas [Mr. CAMPBELL] smiles. He may stay here, but some of these boys want a certificate, and they are going back home to get it. [Laughter.]

You can not hold men in this Hall when an election is approaching in November and their constituents demand their presence at home. So you may just as well arrange your matters now, because we are not going to continue to furnish a larger proportion of Democrats than you do of Republicans, as we have been doing for the past week.

The SPEAKER. The time of the gentleman from Texas has again expired.

Mr. POU. Mr. Speaker, I yield 10 minutes to the gentleman from Tennessee [Mr. GARRETT].

Mr. GARRETT of Tennessee. Mr. Speaker, I have thought frequently during recent weeks of the peculiar attitude that this bill is in and promises to be in. If the almost universal practice is followed, the bill will be known as the Fordney-McCumber bill.

To the very great regret of every Member of the House, the gentleman from Michigan [Mr. FORDNEY], whose name it will bear on behalf of the House, announced his voluntary retirement from Congress. The gentleman whose name it will bear on the part of the Senate was defeated in the primaries, and, therefore, the bill is an orphan before it is born. [Laughter.]

Mr. Speaker, I am not going to enter the realm of prophecy as to what will happen with regard to the passage of the bill or as to when that event will occur. The important thing before the House now is the question of whether it will be sent to conference, or whether it should go to the Committee on Ways and Means and be returned to the House for the consideration of the Senate amendments. Of course, I am perfectly well aware of the fact that the practice usually has been to send these revenue bills to conference without their being brought back before the House for the consideration of Senate amendments, but a different situation exists with regard to this bill than with those with the history of which I am familiar.

A very fundamental difference is involved as between the Senate and the House in respect to the question of American valuation as adopted by the House and foreign valuation as adopted by the Senate. It seems to me that the Members of the House would be justified and are justified, therefore, in insisting that the bill shall be sent to the Committee on Ways and Means and reported back to the House, in order that there may be another test upon that question. It may as well be understood by all that, of course, the conferees can make no progress until that question of the basis of valuation is determined. I think all will admit that; and why not have that test at once? Why should the bill be sent to conference with this fundamental question pending, when it will have to be voted upon before a single rate can be touched by the conferees?

Mr. LONGWORTH. Will the gentleman yield?

Mr. GARRETT of Tennessee. Certainly.

Mr. LONGWORTH. The gentleman realizes that the valuation proposition applies to not exceeding 20 per cent of the articles enumerated in the bill?

Mr. GARRETT of Tennessee. I am willing to take the gentleman's statement for that; I do not know, and he does. Does the gentleman think that there can be progress made by the conferees upon this matter until the question of the basis of valuation is determined?

Mr. LONGWORTH. I think substantial progress can be made, for the reason that the larger majority of the duties provided in the bill are not dependent on it. Not over 20 per cent of the duties depend on an American valuation or foreign valuation.

Mr. GARRETT of Tennessee. But the ad valorem duties of a tariff are so substantial in character and related to the whole bill——

Mr. LONGWORTH. I will agree that no final conclusion can be reached until it is settled, but in the meantime substantial progress could be made without reaching the question of valuation.

Mr. GARRETT of Tennessee. The gentleman has stated that there can be no final conclusion until that question is decided. So far as what you may call the fundamental difference between the two bodies, it is a question of the basis of valuation. It seems to me that the fundamental principle should be dealt with first, and that it ought to go to the committee.

Mr. LONGWORTH. Will the gentleman yield?

Mr. GARRETT of Tennessee. Certainly.

Mr. LONGWORTH. I understood the gentleman to say that it was idle to send the bill to conference until the question of valuation was determined, and I suggest that substantial progress could be made with reference to 80 per cent of the bill, and then the final agreement on that question.

Mr. GARRETT of Tennessee. But, upon the gentleman's own statement that no final conclusion could be reached until this question of basis of valuation is determined that is the fundamental difference between the two bodies, why should not that question be taken up first? Why should the question of specific rates be taken up until you have determined this substantial question that revolves around the fundamental principle? I shall vote against the rule and sending it to conference, because I think very properly it should come back to the House. [Applause.]

Mr. CAMPBELL of Kansas. Does the gentleman from North Carolina desire to use the remainder of his time?

Mr. POU. Mr. Speaker, I will yield five minutes to the gentleman from New York [Mr. LONDON].

Mr. LONDON. Mr. Speaker and gentlemen of the House, by this time the country is more or less familiar with the character of the proposed tariff bill, and since the tariff is an ancient subject, and my time is very limited, I shall not attempt to enter into a discussion of the respective merits or demerits of the Senate and the House tariff bills.

The thing I wish to call your special attention to in connection with the pending tariff legislation is the manner in which its authors have been treated by the people and the press. Particularly during the discussion in the Senate, leading Republican papers openly accused Members of that august body, statesmen all of them, patriots every one of them, idealists every mother's son of them, leading Republican newspapers accused Members of Congress of voting to enrich themselves, of voting into their own pockets. Leading spokesmen of the Republican press charge Members of the highest legislative body of the country with using their important offices, not for the benefit of the people of the United States but, on the contrary, to the injury of the whole people and for the promotion of the individual and selfish interests of the legislators.

The newspapers were not a bit bashful. They mentioned names. They named the particular interests which these men represented. According to these charges the principal indus-

tries have not only spokesmen in the highest legislative body of the country but personally, selfishly, and financially interested partisans.

It is a severe indictment that is presented against the lawmaking body. Is it possible that our lawmakers, instead of legislating for the entire people, are the mere servants and agents of particular financial or industrial groups? What confidence can the people have in the lawmaking body if these accusations be true?

Would it not be advisable to adopt a stringent sedition law so that these merciless attacks upon the Congress may properly be punished by adequate terms of imprisonment? If the Representatives of the 48 sovereign States have so lost all sense of honor that they vote to promote private interests only, who can have confidence in Congress or in the laws which it may enact? Can we permit the press to destroy the faith of the people in the honor and wisdom of Congress, their national lawmaking body? It is strange that I hear no suggestion of the necessity of a new sedition law which would prohibit the undermining of American institutions by slanderous and libelous attacks upon the highest authorities of the land.

But let us be serious. We all know that tariff legislation, in all countries, is primarily for the benefit of certain interests at the expense of the rest of the people. That is why after every tariff act there is a reaction. How are tariffs made? How was this bill made in the House? The House has 435 Members. How many Members participated in the shaping of the bill? The Committee on Ways and Means has 25 members, of whom 17 are Republicans. After the Republican members had agreed among themselves on the schedules they invited the Democrats and told them what bill they were going to report. Although the revision of the tariff was supposed to be one of the principal objects for which the special session had been called, no opportunity was offered to the individual Member to amend the tariff bill on the floor of the House, except on three or four items upon which the Republican members of the Ways and Means Committee had failed to reach an agreement in the committee.

Now the bill comes from the Senate with 2,435 amendments. Is the House to be given an opportunity to discuss the amendments or to modify them? No; not at all. The bill will be sent to conference, according to this rule—and the rule itself can be debated for only one hour—and the 10 conferees, of whom I assume 6 will be Republicans and 4 will be Democrats, will have it within their power to practically rewrite the bill. When the conference report will come up the individual Member will be called upon to vote for an acceptance or a rejection of the entire conference report. The individual Member, of the House particularly, does not count in the situation at all. What an opportunity for bargaining, for manipulation, for logrolling tariff making offers to the selfish and the unscrupulous.

It has been the almost uniform experience of the country that after every important tariff act there was a revolt against its authors on the part of the people, the simple reason being that the very process of manufacturing a tariff law enables a small group to legislate in its own interests and against the rest of the country. And it is very seldom that selfish groups have intelligence or foresightedness enough not to abuse the opportunity.

In this particular case the people have begun to hate the proposed tariff law while it is being made. The bill is so long in the making and the diverse and conflicting groups so bitter and so open in their mutual denunciation that the people have necessarily lost confidence in the bill and its authors. When wool says to sugar, "You are a thief," and sugar says to oil, "You are a robber," and oil says to lumber, "You are a pirate," and they say it openly and loudly, as has been done during the discussion of this bill, the people can reach only one conclusion, and that is that all the advocates of high tariffs are out for loot.

I am afraid I am crediting the people with too much intelligence. What has really happened is that while heretofore all the plutocratic interests—except importers—favored prohibitive tariffs, the situation is such that many large financial and manufacturing interests are now, for purely selfish reasons, opposed to high tariffs. Enormous loans have been made by American capital to Europe. The American financier would like to see Europe enabled to repay its loans, and he realizes that he must give to the European manufacturer a chance to sell his product in America. Another and a very substantial plutocratic group have been buying enormous factories, plants, and mines in Europe, and they do not want to pay a tariff on the goods of their own manufacture.

You know plutocracy is an internationalist when internationalism is profitable. And so we find plutocracy divided. And when plutocracy is dissatisfied with Congress it does not mince words, and it is not going to restrain itself by sedition acts. Money talks, and is not afraid to talk.

In my previous addresses on the subject I warned you that the country did not need changes in the tariff now, that you could not rebuild a world wrecked through international strife by adding obstructions to the world's commerce. What we need is not new barriers, new obstacles, new difficulties, but the opening and the broadening of the channels of communication between the peoples of the earth.

It is a sad state of affairs. Bury this tariff bill of yours. There is already a reaction against it. There is distrust. Nobody is for it. Forget about it. Do not send it to conference. Let it die the ignominious death which it deserves. [Applause on the Democratic side.]

Mr. CAMPBELL of Kansas. Mr. Speaker, I yield two minutes to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Speaker, the gentlemen on the Democratic side are much disposed to prophesy relative to the outcome of the tariff bill, as to when it may be enacted, and as to what it may contain when finally approved by the President. Their prophecies of to-day are probably just as far from the mark as their prophecies ordinarily are. The conferees on the part of the House go into a full and free conference, charged with the responsibility of presenting the view of the House touching policy and votes. That they will do it honestly and faithfully, I have no manner of doubt. At the same time they will go into conference, I am sure, with open minds touching the changes that have been made by the Senate.

In the case of this bill, as in the case of all important measures, there will be changes and modifications in conference beyond all question; there must be a compromise of differing opinions, of course. We of the House are hopeful that in the main the bill when it is adopted will bear the imprint of the view of the House, particularly in regard to certain high rates on manufactured products rather than the view as expressed at the other end of the Capitol. Also with regard to important basic features of the measure. As to certain items no doubt the Senate rates will be agreed to in whole or in part.

We can not, of course, say how long it may take the conferees to agree. They will approach their tasks good-naturedly and earnestly, with the desire to come to a fair and proper adjustment of differences and wise conclusion and solution as soon as possible. When that may be, we can not say, but we hope it will be at no distant date. [Applause.]

Mr. CAMPBELL of Kansas. Mr. Speaker—— [Applause, the Members rising.] Gentlemen, I thank you.

I have been very much concerned about the tariff legislation that it was the necessary duty for this Congress to enact. I urged at the first opportunity that the permanent law should be enacted at the earliest possible date after the convening of the special session of the Congress now a year and a half ago. I regret that it took so long as it did to pass the bill through the House. The delay in the Senate has been distressing to the country and to everyone interested in the policies and principles embodied or to be embodied in the tariff law. That there has been unusual occasion for delay no one will deny. The economic, the industrial, and financial conditions throughout the world have been altogether unusual. No such condition has been presented since that following the Napoleonic wars. It was impossible for the House or the Senate either to fix economic relations with the outside world upon the old basis of competition in our markets in competitive products. The conditions of labor, the conditions of industry, the conditions of finance have all been so materially different from any ever before presented that there has been this unusual delay—may I say this necessary delay? The world conditions as they have changed from month to month have made the differences between the provisions of the House bill and the bill as it passed the Senate. It will take a great deal of time to adjust those differences. The gentleman from Texas [Mr. GARNER] has prophesied that the bill would not pass or be agreed to until after the November election. That brings me to a statement that I think it is not improper I should make in this connection. It will be a great disappointment to our Democratic brethren in the House and in the Senate and in the country if this bill is not presented to the country along about the middle of October, for the Democratic campaign managers have arranged a very cunning campaign to be inaugurated the day after the tariff bill becomes a law. Already the arrangements are made, the stage is set, the prices are fixed. Advances are to be made in the price of every article covered in this bill by either specific or ad valorem duty. The price is to be advanced on the orders of the importers down through to the retail dealers.

Mr. GARNER. Will the gentleman yield?

Mr. CAMPBELL of Kansas. Yes.

Mr. GARNER. On what day shall we proceed?

Mr. CAMPBELL of Kansas. Well, the industrial and financial conditions of the world have delayed the bill up to this time. Political exigencies arise that concern both sides of the House, to the great disadvantage of the Republican Party, on account of having misrepresentations made of every item in the bill on the eve of the election, and to the great advantage of the Democratic Party, for by making misrepresentations about the bill on the eve of the election, without time for the bill to justify itself before the country, the poison is spread. Notwithstanding this the bill should become a law as soon as a good law can be agreed upon.

Mr. LONGWORTH. Will the gentleman yield?

Mr. CAMPBELL of Kansas. I will.

Mr. LONGWORTH. I think the gentleman might answer the question of the gentleman from Texas further by saying that a beginning has been made already. The gentleman undoubtedly saw a full-page advertisement the other day in a Washington paper that said that on account of the increased duties on wool the price of clothing would have to be advanced, whereas, as the gentleman knows and the gentleman from Texas [Mr. GARNER] knows, every man on that side of the House knows, that even if the Senate duties, high as they are—too high, in my opinion—were adopted, the duties on wool would be less under the new tariff bill than they are at present. [Applause on the Republican side.]

Mr. GARNER. Mr. Speaker, will the gentleman yield?

Mr. CAMPBELL of Kansas. In just a moment. That fact standing in the law would not deter Democratic campaign managers, working through the importers, who have already agreed upon the method of campaign that should be adopted and the things that shall be done—the mere fact standing in the way will not prevent the campaign from going on upon misrepresentation.

Mr. GARNER. Mr. Speaker, will the gentleman yield?

Mr. CAMPBELL of Kansas. Yes.

Mr. GARNER. Since he has had the assistance of the gentleman from Ohio, I again ask the gentleman from Kansas to tell the House when he expects we shall begin our campaign?

Mr. CAMPBELL of Kansas. I shall not be upon the conference committee.

Mr. GARNER. Do you think it is going to pass before the election?

Mr. CAMPBELL of Kansas. I have no prophecy to make, but I will say this to the gentleman from Texas: I would rather have this bill when finally agreed to restore the sound principle of protection to American industry and American labor, to maintain a high scale of American wages and a high standard of American living, if it took until the 3d day of March, than to have it pass next week without these essential matters being well adjusted. [Applause on the Republican side.]

Mr. GARNER. Which, if interpreted correctly, means that you do not think we shall have any bill before election?

Mr. CAMPBELL of Kansas. I do not know.

Mr. GARRETT of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. CAMPBELL of Kansas. Yes.

Mr. GARRETT of Tennessee. I want to ask the gentleman from Ohio [Mr. LONGWORTH] if, in referring to the wool tariff a moment ago and comparing the rates, he did not compare the emergency tariff, so called, with the present rates, or the rates included in this bill?

Mr. LONGWORTH. I presumed the gentleman from Tennessee knew what was the law now in force, the law which the gentleman from Texas [Mr. GARNER] supported. [Laughter.]

Mr. GARRETT of Tennessee. Well the gentleman from Ohio also supported it, I believe.

Mr. LONGWORTH. Oh, surely.

Mr. GARRETT of Tennessee. And now is the gentleman going to vote to lower those duties?

Mr. LONGWORTH. I am.

Mr. GARRETT of Tennessee. I congratulate the gentleman.

Mr. LONGWORTH. I am, because I think they were too high, higher than the necessary protective rates. They were passed as an emergency, but they have answered the emergency, both in Texas and in the West.

Mr. GARRETT of Tennessee. It was voted as an emergency measure, but the gentleman from Ohio voted to make it permanent. The gentleman from Texas voted against making it permanent.

Mr. CAMPBELL of Kansas. But, Mr. Speaker, the essential question in connection with this matter is the fact that on account of the passage of the permanent tariff law, which in any event will bear lower rates upon wool than the present law—notwithstanding that, the Democratic Party will go before the country urging the necessity of repudiating the Republican Party because of the increased cost of clothing on account of the permanent tariff law. It is the hope of the Democratic Party that the increases may be made along about the middle of October. They will be made any time the bill passes before election.

This is not a new species of campaign by the Democratic Party. They did the same thing in 1890, when they sent tin cups and tin plates and pie pans and dinner pails all over the country, had them ready the day after the bill was passed, with 30 or 40 per cent increase in the price. Within six months after that bill became a law tin buckets, dinner pails, and tin cups and pie pans were selling for less than they had ever been sold for, and they were made out of American tin. [Applause on the Republican side.] They were produced in American industries by American labor. We will give the American farmer, the American laborer, and the American manufacturer the opportunity to supply the American consumer and to maintain the American scale of wages and the American standard of living, and maintain the high place of our country in the economic and financial world that we occupy to-day. Our high place in the world to-day is the result of over 100 years of a policy of taxing foreign producers for the privilege of selling their products in our markets. This bill, when it becomes a law, will restore that policy to the American people and will remain upon the statute books as long as the people of the United States want to maintain a high place in the world, in the labor world, the economic world, and in the financial world. [Applause.]

Mr. Speaker, I move the previous question on the adoption of the resolution.

The SPEAKER. The gentleman from Kansas moves the previous question on the adoption of the resolution. The question is on agreeing to that motion.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

Mr. GARRETT of Tennessee. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. As many as are in favor of agreeing to the resolution will, when their names are called, answer "yea"; those opposed will answer "nay."

The question was taken; and there were—yeas 198, nays 69, not voting 160, as follows:

YEAS—198.

Andrews, Nebr.	Dyer	King	Patterson, N. J.
Ansorge	Edmonds	Kirkpatrick	Perkins
Appleby	Elliott	Kissel	Perlman
Bacharach	Ellis	Kline, N. Y.	Petersen
Begg	Evans	Kline, Pa.	Porter
Benham	Fairfield	Knutson	Pringey
Bird	Faust	Kraus	Purnell
Bixler	Favrot	Kreider	Radcliffe
Blakeney	Fenn	Lampert	Ransley
Bland, Ind.	Focht	Lawrence	Reece
Bond	Fordney	Lazaro	Reed, W. Va.
Bowers	Foster	Lea, Calif.	Rhodes
Brennan	Free	Leatherwood	Ricketts
Britten	French	Lee, N. Y.	Roach
Brooks, Ill.	Frothingham	Lehlbach	Robsion
Burdick	Fuller	Longworth	Rodenberg
Burke	Gernerd	Luhring	Rogers
Butler	Glynn	McFadden	Rose
Cable	Goodykoontz	McKenzie	Rosenbloom
Campbell, Kans.	Gorman	McLaughlin, Mich.	Rossdale
Campbell, Pa.	Graham, Ill.	McLaughlin, Nebr.	Sanders, Ind.
Cannon	Green, Iowa	McPherson	Sanders, N. Y.
Chalmers	Greene, Mass.	MacGregor	Schall
Chandler, N. Y.	Greene, Vt.	Madden	Scott, Tenn.
Chandler, Okla.	Griest	Magee	Shaw
Chindblom	Hadley	Mann	Shreve
Christopherson	Hardy, Colo.	Mapes	Siegel
Clague	Haugen	Michener	Sinnott
Clarke, N. Y.	Hawley	Mills	Slemp
Clouse	Hays	Millspaugh	Smith, Idaho
Cole, Iowa	Hersey	Mondell	Smith, Mich.
Cole, Ohio	Hickey	Moore, Ill.	Snell
Colton	Hicks	Moore, Ohio	Snyder
Connolly, Pa.	Hill	Moores, Ind.	Speaks
Cooper, Ohio	Hoch	Morgan	Sproul
Cooper, Wis.	Hull	Morin	Stafford
Curry	Ireland	Mudd	Stephens
Dale	James	Murphy	Strong, Pa.
Dallinger	Jefferis, Nebr.	Newton, Minn.	Taylor, Tenn.
Darrow	Johnson, Wash.	Norton	Timberlake
Davis, Minn.	Kearns	Olpp	Tincher
Dempsey	Kelly, Pa.	Osborne	Tinkham
Denison	Kendall	Paige	Towner
Dickinson	Kennedy	Parker, N. J.	Treadway
Dowell	Ketcham	Parker, N. Y.	Underhill
Dunbar	Kiess	Patterson, Mo.	Vaile

Vare	Wheeler	Wood, Ind.	Young
Vestal	White, Kans.	Woodyard	Zihlman
Volstead	Williams, Ill.	Wurzbach	
Wason	Winslow	Wyant	

NAYS—69.

Almon	Drane	Lee, Ga.	Steagall
Aswell	Driver	London	Stevenson
Bankhead	Fisher	Lowrey	Summers, Tex.
Black	Garner	McClintic	Swank
Bland, Va.	Garrett, Tenn.	McDuffie	Ten Eyck
Bowling	Garrett, Tex.	Mansfield	Thomas
Box	Gilbert	Moore, Va.	Tillman
Briggs	Hardy, Tex.	O'Connor	Tucker
Buchanan	Harrison	Oliver	Tyson
Bulwinkle	Hayden	Parks, Ark.	Upshaw
Byrnes, S. C.	Huddleston	Pou	Vinson
Byrns, Tenn.	Hudspeth	Quin	Weaver
Carew	Humphreys	Rankin	Williams, Tex.
Collier	Jeffers, Ala.	Rayburn	Wilson
Crisp	Jones, Tex.	Reuss	Wright
Cullen	Kincheloe	Sanders, Tex.	
Davis, Tenn.	Lanham	Sandlin	
Doughton	Lankford	Smithwick	

NOT VOTING—160.

Ackerman	Fairchild	Langley	Riordan
Anderson	Fess	Larsen, Ga.	Robertson
Andrew, Mass.	Fields	Larson, Minn.	Rucker
Anthony	Fish	Layton	Ryan
Arentz	Fitzgerald	Lineberger	Sabath
Atkeson	Frear	Linthicum	Scott, Mich.
Barbour	Freeman	Little	Sears
Barkley	Fulmer	Logan	Shelton
Beck	Funk	Luce	Sinclair
Beedy	Gahn	Lyon	Sisson
Bell	Gallivan	McArthur	Stedman
Blanton	Gensman	McCormick	Steenerson
Boies	Goldsborough	McLaughlin, Pa.	Stiness
Brand	Gould	McSwain	Stoll
Brooks, Pa.	Graham, Pa.	Maloney	Strong, Kans.
Brown, Tenn.	Griffin	Martin	Sullivan
Browne, Wis.	Hammer	Mead	Summers, Wash.
Burroughs	Hawes	Merritt	Sweet
Burtness	Henry	Michaelson	Swing
Burton	Herrick	Miller	Tague
Cantrill	Himes	Montague	Taylor, Ark.
Carter	Hogan	Montoya	Taylor, Colo.
Clark, Fla.	Hooker	Mott	Taylor, N. J.
Classon	Hukriede	Nelson, Me.	Temple
Cockran	Husted	Nelson, A. P.	Thompson
Codd	Hutchinson	Nelson, J. M.	Tilson
Collins	Jacoway	Newton, Mo.	Voigt
Connally, Tex.	Johnson, Ky.	Nolan	Volk
Connell	Johnson, Miss.	O'Brien	Walters
Copley	Johnson, S. Dak.	Ogden	Ward, N. Y.
Coughlin	Jones, Pa.	Oldfield	Ward, N. C.
Crago	Kahn	Overstreet	Watson
Cramton	Keller	Park, Ga.	Webster
Crowther	Kelley, Mich.	Rainey, Ala.	White, Me.
Deal	Kindred	Rainey, Ill.	Williamson
Dominick	Kitchin	Raker	Wingo
Drewry	Kleczka	Ramseyer	Wise
Dunn	Knight	Reber	Woodruff
Dupré	Kopp	Reed, N. Y.	Woods, Va.
Echols	Kunz	Riddick	Yates

So the resolution was agreed to.

The Clerk announced the following pairs:

On the vote:

Mr. Dupré (for) with Mr. Cockran (against).

Mr. Ramseyer (for) with Mr. Cantrill (against).

Mr. Maloney (for) with Mr. Gallivan (against).

Mr. Hutchinson (for) with Mr. Mead (against).

Mr. Newton of Missouri (for) with Mr. Sullivan (against).

Mr. Martin (for) with Mr. Riordan (against).

Mr. Cramton (for) with Mr. Carter (against).

Mr. Lineberger (for) with Mr. Kindred (against).

Mr. Burton (for) with Mr. Oldfield (against).

Mr. Thompson (for) with Mr. Tague (against).

Mr. Burroughs (for) with Mr. Woods of Virginia (against).

Mr. Nolan (for) with Mr. Brand (against).

Mr. Steenerson (for) with Mr. Wise (against).

Mr. Reed of New York (for) with Mr. Bell (against).

Mr. Fish (for) with Mr. Fulmer (against).

Mr. Henry (for) with Mr. Logan (against).

Mr. Yates (for) with Mr. Stoll (against).

Mr. A. P. Nelson (for) with Mr. Drewry (against).

Mr. Watson (for) with Mr. Hooker (against).

Mr. Graham of Pennsylvania (for) with Mr. Montague (against).

Mr. Connell (for) with Mr. Kunz (against).

Mr. Coughlin (for) with Mr. Rainey of Illinois (against).

Mr. McLaughlin of Pennsylvania (for) with Mr. O'Brien (against).

Mr. Ackerman (for) with Mr. Park of Georgia (against).

Mr. Taylor of New Jersey (for) with Mr. Fields (against).

Mr. Volk (for) with Mr. Wingo (against).

Mr. Ryan (for) with Mr. McSwain (against).

Mr. Jones of Pennsylvania (for) with Mr. Griffin (against).

Mr. Brooks of Pennsylvania (for) with Mr. Kitchin (against).

Mr. Crago (for) with Mr. Dominick (against).

Mr. Copley (for) with Mr. Sisson (against).

Mr. Stiness (for) with Mr. Larsen of Georgia (against).

Mr. Strong of Kansas (for) with Mr. Connally of Texas (against).

Mr. Anthony (for) with Mr. Blanton (against).

Mr. Gould (for) with Mr. Barkley (against).

Mr. Husted (for) with Mr. Overstreet (against).

Mr. Beedy (for) with Mr. Hammer (against).

Mr. Merritt (for) with Mr. Ward of North Carolina (against).

Mr. Ward of New York (for) with Mr. Sabath (against).

Mr. White of Maine (for) with Mr. Johnson of Kentucky (against).

Mr. Fitzgerald (for) with Mr. Lyon (against).

Mr. Kahn (for) with Mr. Linthicum (against).

Mr. Crowther (for) with Mr. Hawes (against).

Miss Robertson (for) with Mr. Stedman (against).

Mr. McArthur (for) with Mr. Goldsborough (against).

Mr. Fairchild (for) with Mr. Johnson of Mississippi (against).

Mr. Mott (for) with Mr. Collins (against).

Until further notice:

Mr. Langley with Mr. Clark of Florida.

Mr. Temple with Mr. Deal.

Mr. Larson of Minnesota with Mr. Sears.

Mr. Fess with Mr. Jacoway.

Mr. Sweet with Mr. Rucker.

General pairs:

Mr. Dunn with Mr. Taylor of Arkansas.

Mr. Ogden with Mr. Rainey of Alabama.

The result of the vote was announced as above recorded.

The SPEAKER appointed the following conferees: Mr. FORDNEY, Mr. GREEN of Iowa, Mr. LONGWORTH, Mr. GARNER, and Mr. COLLIER.

ADDITIONAL COPIES OF TARIFF BILL.

Mr. KIESS. Mr. Speaker, I offer the following privileged resolution from the Committee on Printing, which I send to the desk and ask to have read.

The Clerk read as follows:

House Concurrent Resolution 65.

Resolved by the House of Representatives (the Senate concurring), That there be printed 6,000 additional copies of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, of which 4,000 copies shall be for the House document room and 2,000 copies for the Senate document room.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. KIESS. Yes.

Mr. STAFFORD. As I gather from the reading of the resolution it does not provide for the printing of the bill with the Senate amendments. Does the resolution in its present form provide for the printing of the bill with the Senate amendments? In the Senate the other day the resolution provided for the printing of the bill with the Senate amendments numbered.

Mr. MANN. This will amount to the same thing.

Mr. KIESS. It is understood that this provides for a reprint of the bill as it was printed for the House. That includes the Senate amendments numbered.

Mr. STAFFORD. The resolution does not say so.

Mr. KIESS. "Additional copies" means the same thing.

Mr. MANN. The Senate amendments are already numbered and printed.

The SPEAKER. The Chair thinks there is no question about that. The question is on agreeing to the resolution.

The resolution was agreed to.

LEAVE OF ABSENCE.

By unanimous consent leave of absence was granted to—

Mr. MCSWAIN, at the request of Mr. GARRETT, on account of important business.

Mr. WINGO, at the request of Mr. DRIVER, on account of sickness in family.

Mr. WISE, for two weeks, on account of important business.

Mr. BRAND, for two weeks, on account of important business.

Mr. PATTERSON of New Jersey, indefinitely, on account of trouble with his eyes.

WITHDRAWAL OF PAPERS.

By unanimous consent leave was granted to Mr. MACGREGOR to withdraw from the files of the House without leaving copies, papers in the case of Rose S. Emke (H. R. 10081, 66th Cong.), no adverse report having been made thereon.

Also, in the case of Rose H. Knell (H. R. 10082, 66th Cong.), no adverse report having been made thereon.

ELECTION OF MEMBER TO A COMMITTEE.

Mr. GARNER. Mr. Speaker, I offer the following privileged resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 409.

Resolved, That PATRICK HENRY DREWRY, Member of Congress from the fourth district of Virginia, be, and he is hereby, elected a member of the standing Committee of the House on Naval Affairs.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

EXTENSION OF REMARKS.

Mr. LONDON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the tariff.

The SPEAKER. Is there objection?

There was no objection.

OMNIBUS PENSIONS.

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4) granting relief to soldiers and sailors of the war with Spain, the Philippine insurrection, and the Chinese Boxer rebellion, and so forth, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to take from the Speaker's table the bill H. R. 4, an omnibus pension bill, disagree to the Senate amendments, and ask for a conference. Is there objection?

There was no objection.

The SPEAKER appointed the following conferees: Mr. KNUTSON, Mr. ROBSION, and Mr. UPSHAW.

ORDER OF BUSINESS.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent to address the House for one minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. MONDELL. Mr. Speaker, the Committee on Interstate and Foreign Commerce, as I understand it, has reported a bill introduced by the chairman of the committee, providing for a fact-finding commission as suggested and recommended in the recent message of the President of the United States. The committee will ask for a rule for the consideration of that measure to-morrow. Should the rule be granted, the measure will be taken up for consideration, and, we hope, disposed of to-morrow.

ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 1 o'clock and 36 minutes p. m.) the House adjourned until to-morrow, Wednesday, August 23, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

671. Under clause 2 of Rule XXIV, a letter from the Acting Secretary of the Navy, transmitting a proposed draft of a bill for the relief of J. W. Cook, was taken from the Speaker's table and referred to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. VOLSTEAD: Committee on the Judiciary. H. R. 12356. A bill to amend section 51 of chapter 4 of the Judicial Code; without amendment (Rept. No. 1179). Referred to the House Calendar.

Mr. DYER: Committee on the Judiciary. S. J. Res. 216. A resolution providing for the consent of the Congress of the United States of America to a compact and agreement between the State of Kansas and the State of Missouri respecting the erection, maintenance, and operation of the waterworks plants of the cities of Kansas City, Kans., and Kansas City, Mo.; the taxation thereof and exercise of eminent domain in connection therewith by each State; with an amendment (Rept. No. 1180). Referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HENRY: A bill (H. R. 12395) providing for the erection of a public building at the village of Bath, N. Y.; to the Committee on Public Buildings and Grounds.

By Mr. TUCKER: A bill (H. R. 12396) for the erection of a Federal building at Buena Vista, Va.; to the Committee on Public Buildings and Grounds.

By Mr. WILLIAMSON: A bill (H. R. 12397) to rebuild the boys' dormitory at the Indian school, Rapid City, S. Dak.; to the Committee on Appropriations.

By Mr. CURRY: A bill (H. R. 12398) to amend an act entitled "An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1923, and for other purposes," approved June 30, 1922; to the Committee on Military Affairs.

By Mr. WINSLOW: A resolution (H. Res. 410) for the immediate consideration of House bill 12377, establishing a United States coal commission; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEGG: A bill (H. R. 12399) for the relief of Josephus C. McColley; to the Committee on Claims.

Also, a bill (H. R. 12400) granting a pension to Mark Gilliam; to the Committee on Invalid Pensions.

By Mr. GERNERD: A bill (H. R. 12401) granting a pension to Irvin R. Troxell; to the Committee on Pensions.

By Mr. HENRY: A bill (H. R. 12402) for the relief of Frank Ayers; to the Committee on Invalid Pensions.

By Mr. JAMES: A bill (H. R. 12403) granting a pension to William A. Lyons; to the Committee on Pensions.

By Mr. McLAUGHLIN of Michigan: A bill (H. R. 12404) granting a pension to Caroline Hazen; to the Committee on Invalid Pensions.

By Mr. MORGAN: A bill (H. R. 12405) granting an increase of pension to Mary J. Belt; to the Committee on Invalid Pensions.

By Mr. STEENERSON: A bill (H. R. 12406) for the relief of Emil L. Flaten; to the Committee on Claims.

By Mr. STEPHENS: A bill (H. R. 12407) for the relief of J. W. Cook; to the Committee on Naval Affairs.

By Mr. WURZBACH: A bill (H. R. 12408) for the relief of M. Castanola & Son; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6207. By the SPEAKER (by request): Petition of the Federated Trades Council of Milwaukee, urging recognition of the Mexican Government; to the Committee on Foreign Affairs.

6208. By Mr. KISSEL: Petition of Frank L. Young Co., Boston, Mass., protesting against soya-bean oil being put on the free list; to the Committee on Ways and Means.

6209. By Mr. ANSORGE: Petition of Benjamin Rosenthal, president Russell Playing Card Co., New York City, in reference to the pending tariff bill; to the Committee on Ways and Means.

6210. Also, petition of Edward W. Dickinson, New York City, in reference to the labor question; to the Committee on Labor.

6211. Also, petition of Aeronautical Chamber of Commerce of America (Inc.) favoring the passage of the Wadsworth bill (S. 3076) providing for a bureau of civil aeronautics in the Department of Commerce; to the Committee on Interstate and Foreign Commerce.

6212. By Mr. FENN: Petition of Cora S. T. Sage and others, of Unionville, Conn., for increase of pensions of veterans of the Civil War and of widows of veterans of the Civil War; to the Committee on Invalid Pensions.

6213. By Mr. KISSEL: Petition of the New York State Coal Commission, New York City, N. Y., favoring the carrying out of the President's recommendations regarding the coal commission; to the Committee on Interstate and Foreign Commerce.

6214. Also, petition of Richmond Storage Warehouse & Van Co., West New Brighton, N. Y., favoring legislation for the protection of the Mississippi Valley; to the Committee on Flood Control.

6215. Also, petition of Oliver Bros. (Inc.), New York City, N. Y., opposing the Kelly bill, which provides for a reduction in second-class mail rates; to the Committee on the Post Office and Post Roads.

6216. By Mr. KNUTSON: Petition of sundry citizens of Blackduck, Minn., opposing the Sunday observance bill (H. R. 4388); to the Committee on the District of Columbia.

6217. By Mr. LINTHICUM: Petition of Northeastern Loan & Savings Association, Reliance Loan & Savings Association, and Druid Hill Permanent Building & Savings Association, all of the city of Baltimore, opposing the passage of H. R. 9950, regarding income tax on building associations; to the Committee on Banking and Currency.

SENATE.

WEDNESDAY, *August 23, 1922.*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father and our God, we give Thee thanks for the brightness of the morning and for all the privileges of life which have been continued unto us. We pray that in the midst of the duties of the day there may be brought to us the consciousness of the largest responsibility, so that the things which are highest and best shall be chiefly in our thought and dominate our action. We pray Thy blessing constantly upon each one who bears these anxious moments of care, wondering which way is the best to take. We ask Thee to blaze the path, and when there is uncertainty give direction, we beseech of Thee.

Remember, we would ask this morning, the stricken home of one so long related to the other House of Congress. We pray, in the multitude of Thy mercies, vouchsafe the comforts of Thy infinite consolation, and thus guide us all, whether in brightness or in gloom, along the pathway that leads to the life eternal. We ask through Jesus Christ our Lord. Amen.

On request of Mr. MCCUMBER, and by unanimous consent, the reading of the Journal of the proceedings of the legislative day of Thursday, August 3, 1922, was dispensed with and the Journal was approved.

FOREIGN COMMERCE AND THE LAW.

Mr. FLETCHER. I move that the paper which I hold in my hand, entitled "Jus Gentium, a Stepping Stone to Better Law and Lawyers," by Henry C. Clark, member of the Jacksonville, Fla., bar and of the bar of the Supreme Court of the United States, with a foreword by William Reynolds Vance, be printed as a Senate document, and I ask that the motion, with the paper, be referred to the Committee on Printing.

The PRESIDENT pro tempore. It is so ordered.

ADDRESS BY THE VICE PRESIDENT.

Mr. SHORTRIDGE. Mr. President, at a meeting of the American Bar Association held at San Francisco, Calif., the Vice President delivered a masterly address. I think it is worthy of reproduction, and I ask unanimous consent that it be printed in the RECORD in the larger type.

Mr. ROBINSON. I inquire of the Senator from California what is the subject matter of the address?

Mr. SHORTRIDGE. The subject matter of the address, broadly and generally speaking, is government, laws, constitutional forms, and the observance and enforcement of the laws of our land.

Mr. ROBINSON. I have no objection to the Senator's request.

Mr. SHORTRIDGE. I think it will meet the approval in sentiment of every Senator and of the people, quite regardless of any differences upon other matters.

There being no objection, the address was ordered to be printed in the RECORD in 8-point type, as follows:

ADDRESS BY THE VICE PRESIDENT BEFORE THE AMERICAN BAR ASSOCIATION AT SAN FRANCISCO, CALIF., AUGUST 10, 1922.

The growing multiplicity of laws has often been observed. The National and State Legislatures pass acts, and their courts deliver opinions, which each year run into scores of thousands. A part of this is due to the increasing complexity of an advancing civilization. As new forces come into existence new relationships are created, new rights and obligations arise, which require establishment and definition by legislation and decision. These are all the natural and inevitable consequences of the growth of great cities, the development of steam and electricity, the use of the corporation as the leading factor in the transaction of business, and the attendant regulation and control of the powers created by these new and mighty agencies.

This has imposed a legal burden against which men of affairs have been wont to complain. But it is a burden which does not differ in its nature from the public requirement for security, sanitation, education, the maintenance of highways, or the other activities of government necessary to support present standards. It is all a part of the inescapable burden of existence. It follows the stream of events. It does not attempt to precede it. As human experience is broadened, it broadens with it. It represents a growth altogether natural. To resist it is to resist progress.

But there is another part of the great accumulating body of our laws that has been rapidly increasing of late, which is the result of other motives. Broadly speaking, it is the attempt to raise the moral standard of society by legislation.

The spirit of reform is altogether encouraging. The organized effort and insistent desire for an equitable distribution of the rewards of industry, for a wider justice, for a more consistent righteousness in human affairs, is one of the most stimulating and hopeful signs of the present era. There ought to be a militant public demand for progress in this direction. The society which is satisfied is lost. But in the accomplishment of these ends there needs to be a better understanding of the province of legislative and judicial action. There is danger of disappointment and disaster unless there be a wider comprehension of the limitations of the law.

The attempt to regulate, control, and prescribe all manner of conduct and social relations is very old. It was always the practice of primitive peoples. Such governments assumed jurisdiction over the action, property, life, and even religious convictions of their citizens down to the minutest detail. A large part of the history of free institutions is the history of the people struggling to emancipate themselves from all of this bondage.

I do not mean by this that there has been, or can be, any progress in an attempt of the people to exist without a strong and vigorous government. That is the only foundation and the only support of all civilization. But progress has been made by the people relieving themselves of the unwarranted and unnecessary impositions of government. There exists, and must always exist, the righteous authority of the state. That is the sole source of the liberty of the individual, but it does not mean an inquisitive and officious intermeddling by attempted government action in all the affairs of the people. There is no justification for public interference with purely private concerns.

Those who founded and established the American Government had a very clear understanding of this principle. They had suffered many painful experiences from too much public supervision of their private affairs. The people of that period were very jealous of all authority. It was only the statesmanship and resourcefulness of Hamilton, aided by the great influence of the wisdom and character of Washington, and the sound reasoning of the very limited circle of their associates that succeeded in proposing and adopting the American Constitution. It established a vital Government of broad powers, but within distinct and prescribed limitations. Under the policy of implied powers adopted by the Federal party its authority tended to enlarge. But under the administration of Jefferson, who, by word, though not so much by deed, questioned and resented almost all the powers of government, its authority tended to diminish and, but for the great judicial decisions of John Marshall, might have become very uncertain. But while there is ground for criticism in the belittling attitude of Jefferson toward established government, there is even larger ground for approval of his policy of preserving to the people the largest possible jurisdiction and authority. After all, ours is an experiment in self-government by the people themselves, and self-government can not be reposed wholly in some distant capital; it has to be exercised in part by the people in their own homes.

So intent were the founding fathers on establishing a Constitution which was confined to the fundamental principles of government that they did not turn aside even to deal with the great moral question of slavery. That they comprehended it and regarded it as an evil was clearly demonstrated by Lincoln in his Cooper Union speech when he showed that substantially all of them had at some time by public action made clear their opposition to the continuation of this great wrong. The early amendments were all in diminution of the power of the Government and declaratory of an enlarged sovereignty of the people.

It was thus that our institutions stood for the better part of a century. There were the centralizing tendencies and the amendments arising out of the War of '61. But while they increased to some degree the power of the National Government, they were in chief great charters of liberty, confirming rights already enjoyed by the majority and undertaking to extend and guarantee like rights to those formerly deprived of equal protection of the laws. During most of this long period the trend of public opinion and of legislation ran in the same direction. This was exemplified in the executive and legislative refusal to renew the United States Bank charter before the war, and in the judicial decision in the Slaughterhouse cases after the war. This decision has been both criticized and condemned in equally high places, but the result of it was perfectly clear. It was on the side of leaving to the people of the several States, and to their legislatures and courts, jurisdiction over

the privileges and immunities of themselves and their own citizens.

During the past 30 years the trend has been in the opposite direction. Urged on by the force of public opinion, national legislation has been very broadly extended for the purpose of promoting the general welfare. New powers have been delegated to the Congress by constitutional amendments and former grants have been so interpreted as to extend legislation into new fields. This has run its course from the Interstate Commerce act of the late eighties, through the various regulatory acts under the commerce and tax clauses, down to the maternity aid law which recently went into effect. Much of this has been accompanied by the establishment of various commissions and boards, often clothed with much delegated power, and by providing those already in existence with new and additional authority. The National Government has extended the scope of its legislation to include many kinds of regulation, the determination of traffic rates, hours of labor, wages, sumptuary laws, and into the domain of oversight of the public morals.

This has not been accomplished without what is virtually a change in the form, and actually a change in the process, of our Government. The power of legislation has been to a large extent recast, for the old order looked on these increased activities with much concern. This has proceeded on the theory that it would be for the public benefit to have government to a greater degree the direct action of the people. The outcome of this doctrine has been the adoption of the direct primary, the direct election of United States Senators, the curtailment of the power of the Speaker of the House, and a constant agitation for breaking down the authority of decisions of the courts. This is not the Government which was put into form by Washington and Hamilton and popularized by Jefferson. Some of the stabilizing safeguards which they had provided have been weakened. The representative element has been diminished and the democratic element has been increased; but it is still constitutional government; it still requires time, due deliberation, and the consent of the States to change or modify the fundamental law of the Nation.

Advancing along this same line of centralization, of more and more legislation, of more and more power on the part of the National Government, there have been proposals from time to time which would make this field almost unlimited. The authority to make laws is conferred by the very first article and section of the Constitution, but it is not general; it is limited. It is not "All legislative powers," but it is "All legislative powers herein granted shall be vested in a Congress of the United States." The purpose of that limitation was in part to prevent encroachment on the authority of the States, but more especially to safeguard and protect the liberties of the people. The men of that day proposed to be the custodians of their own freedom. In the tyrannical acts of the British Parliament they had seen enough of a legislative body claiming to be clothed with unlimited powers.

For the purpose of protecting the people in all their rights so dearly bought and so solemnly declared, the third article established one Supreme Court and vested it with judicial power over all cases arising under the Constitution. It is that court which has stood as the guardian and protector of our form of government, the guaranty of the perpetuity of the Constitution, and above all the great champion of the freedom and the liberty of the people. No other known tribunal has ever been devised in which the people could put their faith and confidence, to which they could intrust their choicest treasure, with a like assurance that there it would be secure and safe. There is no power, no influence, great enough to sway its judgments. There is no petitioner humble enough to be denied the full protection of its great authority. This court is human, and therefore not infallible; but in the more than 130 years of its existence its decisions which have not withstood the questioning of criticism could almost be counted upon one hand. In it the people have the warrant of stability, of progress, and of humanity. Wherever there is a final authority it must be vested in mortal men. There has not been discovered a more worthy lodging place for such authority than the Supreme Court of the United States.

Such is the legislative and judicial power that the people have established in their Government. Recognizing the latent forces of the Constitution, which, in accordance with the spirit of the times, have been drawn on for the purpose of promoting the public welfare, it has been very seldom that the court has been compelled to find that any humanitarian legislation was beyond the power which the people had granted to the Congress. When such a decision has been made, as in the recent case of the child labor law, it does not mean that the court or Nation wants child labor, but it simply means that the Congress has gone outside of the limitations prescribed for it by the people in their Constitution and attempted to legislate on a subject which the several States and the people themselves have chosen to keep under their own control.

Should the people desire to have the Congress pass laws relating to that over which they have not yet granted to it any jurisdiction, the way is open and plain to proceed in the same method that was taken in relation to income taxes, direct election of Senators, equal suffrage, or prohibition, by an amendment to the Constitution.

One of the proposals for enlarging the present field of legislation has been to give the Congress authority to make valid a proposed law which the Supreme Court had declared was outside the authority granted by the people by the simple device of reenacting it. Such a provision would make the Congress finally supreme. In the last resort its powers practically would be unlimited. This would be to do away with the great main principle of our written Constitution, which regards the people as sovereign and the Government as their agent, and would tend to make the legislative body sovereign and the people its subjects. It would to an extent substitute for the will of the people, definitely and permanently expressed in their written Constitution, the changing and uncertain will of the Congress. That would radically alter our form of government and take from it its chief guaranty of freedom.

This enlarging magnitude of legislation, these continual proposals for changes under which laws might become very excessive, whether they result from the praiseworthy motive of promoting general reform or whether they reflect the raising of the general standard of human relationship, require a new attitude on the part of the people toward their Government. Our country has adopted this course. The choice has been made. It could not withdraw now if it would. But it makes it necessary to guard against the dangers which arise from this new position. It makes it necessary to keep in mind the limitation of what can be accomplished by law. It makes it necessary to adopt a new vigilance. It is not sufficient to secure legislation of this nature and leave it to go alone. It can not execute itself. Oftentimes it will not be competently administered without the assistance of vigorous support. There must not be permitted any substitution of private will for public authority. There is required a renewed and enlarged determination to secure the observance and enforcement of the law.

So long as the National Government confined itself to providing those fundamentals of liberty, order, and justice for which it was primarily established, its course was reasonably clear and plain. No large amount of revenue was required. No great swarms of public employees were necessary. There was little clash of special interests or different sections, and what there was of this nature consisted not of petty details but of broad principles. There was time for the consideration of great questions of policy. There was an opportunity for mature deliberation. What the Government undertook to do it could perform with a fair degree of accuracy and precision.

But this has all been changed by embarking on a policy of a general exercise of police powers, by the public control of much private enterprise and private conduct, and of furnishing a public supply for much private need. Here are these enormous obligations which the people found they themselves were imperfectly discharging. They therefore undertook to lay their burdens on the National Government. Under this weight the former accuracy of administration breaks down. The Government has not at its disposal a supply of ability, honesty, and character necessary for the solution of all these problems, or an executive capacity great enough for their perfect administration. Nor is it in the possession of a wisdom which enables it to take great enterprises and manage them with no ground for criticism. We can not rid ourselves of the human element in our affairs by an act of legislation which places them under the jurisdiction of a public commission.

The same limit of the law is manifest in the exercise of the police authority. There can be no perfect control of personal conduct by national legislation. Its attempt must be accompanied with the full expectation of very many failures. The problem of preventing vice and crime and of restraining personal and organized selfishness is as old as human experience. We shall not find for it an immediate and complete solution in an amendment to the Federal Constitution, an act of Congress, or in the findings of a new board or commission. There is no magic in government not possessed by the public at large by which these things can be done. The people can not divest themselves of their really great burdens by undertaking to provide that they shall hereafter be borne by the Government.

When provision is made for far-reaching action by public authority, whether it be in the nature of an expenditure of a large

sum from the Treasury or the participation in a great moral reform, it all means the imposing of large additional obligations upon the people. In the last resort it is the people who must respond. They are the military power, they are the financial power, they are the moral power of the Government. There is and can be no other. When a broad rule of action is laid down by law it is they who must perform.

If this conclusion be sound it becomes necessary to avoid the danger of asking of the people more than they can do. The times are not without evidence of a deep-seated discontent not confined to any one locality or walk of life, but shared in generally by those who contribute by the toil of their hand and brain to the carrying on of American enterprise. This is not the muttering of agitators, it is the conviction of the intelligence, industry, and character of the Nation. There is a state of alarm, however unwarranted, on the part of many people lest they be unable to maintain themselves in their present positions. There is an apparent fear of loss of wages, loss of profits, and loss of place. There is a discernible physical and nervous exhaustion which leaves the country with little elasticity to adjust itself to the strain of events.

As the standard of civilization rises there is necessity for a larger and larger outlay to maintain the cost of existence. As the activities of government increase, as it extends its field of operations, the initial tax which it requires becomes manifolded many times when it is finally paid by the ultimate consumer. When there is added to this aggravated financial condition an increasing amount of regulation and police control, the burden of it all becomes very great.

Behind very many of these enlarging activities lies the untenable theory that there is some short cut to perfection. It is conceived that there can be a horizontal elevation of the standards of the Nation, immediate and perceptible, by the simple device of new laws. This has never been the case in human experience. Progress is slow and the result of a long and arduous process of self-discipline. It is not conferred upon the people, it comes from the people. In a republic the law reflects rather than makes the standard of conduct and the state of public opinion. Real reform does not begin with a law, it ends with a law. The attempt to dragoon the body when the need is to convince the soul will end only in revolt.

Under the attempt to perform the impossible there sets in a general disintegration. When legislation fails, those who look upon it as a sovereign remedy simply cry out for more legislation. A sound and wise statesmanship which recognizes and attempts to abide by its limitations will undoubtedly find itself displaced by that type of public official who promises much, talks much, legislates much, expends much, but accomplishes little. The deliberate, sound judgment of the country is likely to find it has been superseded by a popular whim. The independence of the legislator is broken down. The enforcement of the law becomes uncertain. The courts fail in their function of speedy and accurate justice; their judgments are questioned and their independence is threatened. The law, changed and changeable on slight provocation, loses its sanctity and authority. A continuation of this condition opens the road to chaos.

These dangers must be recognized. These limits must be observed. Having embarked the Government upon the enterprise of reform and regulation it must be realized that unaided and alone it can accomplish very little. It is only one element, and that not the most powerful in the promotion of progress. When it goes into this broad field it can furnish to the people only what the people furnish to it. Its measure of success is limited by the measure of their service.

This is very far from being a conclusion of discouragement. It is very far from being a conclusion that what legislation can not do for the people they can not do for themselves. The limit of what can be done by the law is soon reached, but the limit of what can be done by an aroused and vigorous citizenship has never been exhausted. In undertaking to bear these burdens and solve these problems the Government needs the continuing indulgence, cooperation, and support of the people. When the public understands that there must be an increased and increasing effort, such effort will be forthcoming. They are not ignorant of the personal equation in the administration of their affairs. When trouble arises in any quarter they do not inquire what sort of a law they have there, but they inquire what sort of a governor and sheriff they have there. They will not long fail to observe that what kind of government they have depends upon what kind of citizens they have.

It is time to supplement the appeal to law, which is limited, with an appeal to the spirit of the people, which is unlimited. Some unsettlements disturb, but they are temporary. Some factious elements exist, but they are small. No assessment of the material conditions of Americans can warrant anything but the highest courage and the deepest faith. No reliance upon the national character has ever been betrayed. No survey which goes below the surface can fail to discover a solid and substantial foundation for satisfaction. But our countrymen must remember that they have and can have no dependence save themselves. Our institutions are their institutions. Our Government is their Government. Our laws are their laws. It is for them to enforce, support, and obey. If in this they fail, there are none who can succeed. The sanctity of duly constituted tribunals must be maintained. Undivided allegiance to public authority must be required. With a citizenship which voluntarily establishes and defends these, the cause of America is secure. Without that all else is of little avail.

RESULTS OF PROHIBITION ENFORCEMENT IN MASSACHUSETTS.

Mr. JONES of Washington. Mr. President, we hear a great deal these days about the bootlegger and violations of the Volstead Act. There seems to be much anxiety for those who would run some risk in violating the law, and but little concern for those who benefit by the law. We do not hear very much about the good results growing out of that act. I hold in my hand an impartial survey made by the Scientific Temperance Federation of conditions in Massachusetts, a great industrial State. I understand Massachusetts has no State enforcement law, and the enforcement of prohibition there is carried out entirely under the national law. The results of the survey are very strikingly like the results which have come in other States where prohibition has been in effect. The survey is too long to print in full in the RECORD, so I have had a concise summary made of it, which I ask may be printed in the RECORD in 8-point type.

There being no objection, the summary was ordered to be printed in the RECORD in 8-point type, as follows:

WET AND DRY YEARS IN A DECADE OF MASSACHUSETTS PUBLIC RECORDS.

A study of the principal social phases of human life in the past 10 years is revealed by Massachusetts public documents. This report, compiled by the Scientific Temperance Federation, compares two prohibition years with seven preceding nonprohibition years and the half-prohibition year 1919. It includes information concerning public disorder, drunkenness, crime, sickness, and mortality, conditions of women and children, thrift, pauperism, and poverty in the most eventful period in the world's history and its social and economic changes; also the conditions in two periods of business depression.

"The object of this inquiry into public records," says Robert A. Woods in a foreword to the report, "is highly important, because it provides the large perspective in which the whole matter must be viewed and measured. If it is clear beyond peradventure that the net total result of prohibition is largely and uniformly, or almost uniformly, favorable, there can be little question but that an increasing majority will support it on its merits. This report will serve effectively to adjourn the discussion of the subject from the region of casual impression and hearsay to that of the comprehensive and total facts. It can leave no doubt in the open mind what the facts to date are."

The more than 100 tables of statistics published in the 50-page report cover a 10-year period. They show that when the year 1921 is compared with the seven successive "wet" years of the decade in more than three-quarters of the items conditions in 1921 were either the most favorable of the decade or better than any of the wet years, or they were better than the average of the wet years. The average for the two dry years is better than the average for the seven wet years in all but less than a dozen cases.

ARRESTS.

Arrests for drunkenness, for all causes, for serious offenses, despite unemployment and unrest following the war, were all far lower in 1921—from 12 to 69 per cent—than in the wet period, either absolutely or in proportion to the population. Arrests for drunkenness had steadily mounted in Massachusetts until in 1917 there were 129,455. In 1921 there were but 59,595. Arrests for all offenses had averaged 178,072 annually in Massachusetts in the wet years of the decade. In 1921 there were 152,066. Boston figures show that arrests for drunkenness among the foreign born fell off 60 per cent, while the general decrease was 55 per cent.

PENAL INSTITUTIONS.

The population of the penal institutions was from 9 to 64 per cent lower in 1921 than in the average wet year; 3,252 (September 30, 1921), as compared with an average of 5,839 in the seven wet years. The State farm, which, until prohibition came, was "one of the most populous prison farms for drunkards and vagrants in the United States" (Kelso), had only 440 prisoners September 30, 1921, as compared with an average of 1,258 in the wet years. Five jails closed in 1920. During the wet

period the courts sent to the Boston house of correction an average of 4,281 offenders for drunkenness a year; in 1921 the cases numbered 665. The total commitments to this institution dropped from an average of 6,339 in the wet years to an average of 1,023 in the dry years—83 per cent. In early 1919 the women's quarters were seriously overcrowded; 10 months later the board reported "there were nearly as many matrons as inmates," and the building was soon closed.

CONDITIONS OF HOME AND CHILDREN.

The number of women and children caught in the machinery of the law has markedly fallen. Arrests of women for all offenses in Massachusetts decreased 39 per cent as compared with a general decrease of 24 per cent. In arrests for drunkenness, the decrease among women was 69 per cent as compared with a general decrease of 55 per cent. There were but 314 women in the penal institutions of the State September 30, 1921; the average for wet years was 732. There were 839 in the preceding hard-times year, 1915.

Total arrests for offenses against chastity in Boston (both sexes) were 1,881 in 1921, a smaller number than in any of the seven wet years.

The number of children under 15 years of age arrested in Boston was the smallest of the decade, 600 fewer than the wet years' average. There was the smallest number of neglected, wayward, and delinquent children arrested in Boston (2,442), a decrease of almost 700 from the wet years' average. The Boston juvenile court saw the fewest cases begun in the decade except in 1916. Probation officers ascribe the improvement to better conditions in the homes due to prohibition. Parental drunkenness is nearly absent in cases of dependent and neglected children given into the care of the Boston Child Welfare Division. The number of neglected children thus admitted was smaller in 1921, as was the number of neglected children before the Massachusetts lower courts and the Boston juvenile court.

The Massachusetts Society for the Prevention of Cruelty to Children showed in 1921 a decrease of two-thirds in the proportion of cases in which intemperance was an important factor in cases of cruelty to children as compared with 1916. The Boston Family Welfare Society found intemperance a conspicuous factor in only about four cases in one hundred in 1921 as compared with twenty-seven per one hundred in 1917.

HEALTH AND MORTALITY.

Massachusetts and Boston have shared with the rest of the country the remarkable decline in general and infant mortality which began in 1919. The report recognizes the influence of general movements for the promotion of health and prevention of premature mortality. It also points out that the improved conditions where affected by prohibition may be due partly to decreased drinking; partly to improvement in home surroundings, food, care, recreation, and freedom from worry following economic conditions resulting from saving money formerly spent for drink.

Deaths from alcoholism in Boston and in Massachusetts in 1921 were the fewest of the decade except for 1919 and 1920, both prohibition or part prohibition years—97 deaths from this cause in Massachusetts in 1921; the wet years' average was 225. In Boston the number of deaths from accidents in 1921 was the smallest in the decade; of homicides, one less than the wet years' average. There were 102 suicides; the average number in the wet years was 126; in the previous hard-times year, 1915, there were 140. The 694 alcoholics admitted to the Washington Home in 1921 represent a genuine gain over the average of 955 admissions in the seven wet years during which about the same number were entering the former State Inebriate Hospital, which is now discontinued and used for injured soldiers. There were also formerly 11 small private hospitals for inebriates in Massachusetts; now there are but two.

In the Boston city hospital cases of delirium tremens in 1921 were the fewest since 1915. The number of admissions of alcoholics presents the only conspicuously unfavorable table of the report. But there are no comparable figures for the full seven years of the wet period, as the hospital's policy in handling and recording alcoholics was changed in 1916. The patients are largely confirmed drinkers, a legacy from preprohibition days, many of them idlers and ne'er-do-wells. The present number suggests an illegal source of liquor supply, one of the results of absence of a prohibition enforcement law in Massachusetts, while the effect of liquor and the methods of drinking seem now to make not only drunk but sick the drinker in the class taken to the hospital. The women drunkards who used to be sent to the city hospital from dance halls and cheap hotels have practically disappeared.

ALCOHOLIC INSANITY.

Alcoholic insanity was responsible for but 151 first admissions to public and McLean hospitals in 1921; there was an annual average of 340 in the seven wet years. The total number of first admissions of all insane was the lowest since 1912, except for 1920, also a prohibition year. Alcoholic insanity was responsible for 10.3 per cent of all first admissions in the average wet year; the two dry years' average was 4.24 per cent.

"Evidently bad liquor does not kill so many as we have been led to suppose. From the health standpoint, the lessening of deaths from alcohol and accidents goes hand in hand with the decrease of alcoholic insanity and chronic alcoholism," says Dr. Richard C. Cabot, of Harvard University, in a foreword to the report.

THRIFT.

Total deposits increased in Massachusetts savings banks 2.5 per cent in 1921, although withdrawals had been heavy owing to hard times. An increase of even 2 per cent for all New England was declared by the Federal reserve bank "a remarkably good performance in view of the depressed industrial conditions." Cooperative banks made the largest gain in any one year and their assets reported were the greatest in their history. Credit unions, in spite of heavy withdrawals, were reported by the bank commissioner as more substantially established than at any period since they began in the State. Foreign banks, which serve foreign-born desiring to send money home, forwarded over $15,000,000 to other countries in 1921; in the three years 1919–1921, over $49,000,000. The largest amount sent previous to 1919 had been $10,000,000. Through the school savings banks, children's pennies turned into the regular savings banks of Massachusetts over $243,000 in 1921. One Boston teacher remarked that children's savings were now going into the savings bank from homes that before prohibition had drawn on children's pennies and dimes to help pay the family grocery bill.

PAUPERISM AND POVERTY.

The latest figures available on pauperism and poverty, those for 1921, show a marked improvement over the wet period. After the winter of 1921, when unemployment had been the worst of the decade, the State and local almshouses had on March 31, 1921, the smallest population of the decade; it was only about one-half that for the seven wet years, three of which had been years of full employment and high wages. Outside relief was given by cities and towns in the year 1920–21 to nearly 10,000 fewer cases than in the average wet year and to 34,000 fewer cases than in the previous hard-times winter of 1915. Outside relief was given by the State to only 543 persons per 100,000 population, as compared with 638 per 100,000 population in 1915.

"The outstanding conclusion from this report is, I think, that to the poor prohibition in Massachusetts has been a signal blessing. The rich may, for all we know, be as foolish as ever, but beyond any question the poor are better off," says Dr. Richard C. Cabot in his foreword to the report.

The evidence thus far quoted compares the single year 1921 with the seven wet years of the decade. When the average of the two prohibition years, 1920 and 1921, is compared with the average of the seven wet years, the gain of the prohibition period is even more conspicuous. The record of 1919 and 1920, when prohibition first went into effect, shows what well-observed and well-enforced prohibition may mean to public order, health, and welfare.

Some of the facts shown by comparing the two periods are the following:

Arrests for drunkenness are less than one-half.

Arrests for drunkenness in women are less than one-third.

Marked decline in arrests for offenses against chastity.

Commitments to the State farm are only one-quarter.

Total prison population is less than one-half.

Great decrease in neglected children before courts.

Where before prohibition 18 per cent of the dependent children had drunken fathers and 3 per cent drunken mothers, now only 1 per cent have drunken fathers and there were no drunken mothers of dependent children in either 1920 or 1921.

School attendance has improved.

Children are better fed and better clothed.

Two funds for buying clothing for children who needed it to go to school had no applicants last winter.

Deaths from alcoholism more than cut in two.

Great decrease in alcoholic patients in the hospitals.

The family man has largely dropped out from the drinkers' ranks.

Great decrease in sex diseases.

Marked gain in general health of the community.

Increase in savings deposits despite industrial depression.

Alcoholic insanity cut in two.

Almshouse population nearly cut in two.

In view of the fact that Boston was a consistently wet city, that there has been no adequate State law to assist local officials who desired to make prohibition thoroughly effective in Boston and throughout the State, the results so far are both significant and encouraging. Social welfare organizations find that "family life continues on an infinitely sounder basis"; that "many men who were complete wrecks are coming in sober and clear in mind, healthier in body, and clean of attire"; "many of the men are taking an interest and pride in seeing their children on an equal footing with their thrifty neighbors"; "there is a greater interest in the home as the result of closing the saloon; a larger number of people spend the evenings at home who formerly spent them in the saloon; a greater interest is developed for the provision of those in the home." One institution reports that Monday morning applications for loans to redeem clothing, shoes, and so forth, pawned in the Saturday night-Sunday debauch has been reduced by four-fifths. The welfare societies are able now to give more time to constructive work, helping men and families to help themselves, instead of spending so much time and effort in patching up the results of intemperance in the homes.

Massachusetts has been handicapped in the enforcement of prohibition by the lack of an adequate State enforcement law. But liquor-law violation did not spring into existence with prohibition. It existed along with the licensed saloon. In 1919 there were 1,218 legal license holders in Boston, but 1,605 persons paid Federal taxes for selling, showing that at least 387 were selling illegally. In 16 Massachusetts cities in 1910 there were 2,586 liquor licenses granted, but there were 3,627 persons who paid Federal internal-revenue liquor taxes, a thousand traceable illegal sellers in only 16 cities, or about 40 per cent as many illegal places as legal places. Thus liquor-law violation went on before prohibition, when ample provision had been made for legal traffic in alcoholic liquors.

In view of the fact that Boston was a consistently wet city, that there had been during the period reviewed no adequate State law to assist honest officials who desired to make prohibition thoroughly effective in Boston and throughout the State, the results so far apparent are both significant and encouraging. The situation in 1921, in so far as it is an improvement over the old régime, as it is in all but a small minority of points, is cause for distinct encouragement. In so far as it is less favorable than in 1920, it is a challenge to defeat the menace of a traffic which organizes for lawless purposes at the expense of public welfare and to support loyally a law that in a brief time has brought so much benefit to the community and to individuals. What has been done the State and city can continue to do.

The words of Dr. Charles W. Eliot, president emeritus of Harvard University, in a letter written February, 1922, to be read at a hearing on a bill providing a State enforcement code, will summarize the whole matter:

"Evidence has accumulated on every hand that prohibition has promoted public health, public happiness, and industrial efficiency. This evidence comes from manufacturers, physicians, nurses of all sorts, school, factory, hospital, and district, and from social workers of many races and religions laboring daily in a great variety of fields. This testimony also demonstrates beyond a doubt that prohibition is sapping the terrible force of disease, poverty, crime, and vice. These results are obtained in spite of imperfect enforcement in some communities of the eighteenth amendment. * * * Let Massachusetts at once take her whole share in putting into execution these prohibitory measures, which are sure to promote public health, public happiness, and industrial efficiency throughout the country and to eliminate the chief causes of poverty, crime, and misery among our people."

Extracts from tables.

[The full report gives the figures for each year of the decade.]

ARRESTS FOR DRUNKENNESS.

	Boston.	All cities.	Entire State.
Average 7 wet years 1912–1918	59,308	98,328	108,123
Average 2 dry years 1920–21	26,208	44,333	48,372
Decrease (per cent)	55	55	55

ARRESTS ALL OFFENSES.

	Boston.	Massachusetts.
Average 7 wet years 1912–1918	90,979	178,072
Average 2 dry years 1920–21	65,489	133,846
Decrease (per cent)	27	24

Extracts from tables—Continued.

ARRESTS OF WOMEN.

	Boston.		Massachusetts.	
	All causes.	Drunkenness.	All causes.	Drunkenness.
Average 7 wet years 1912–1918	8,231	4,743	12,943	7,273
Average 2 dry years 1920–21	4,652	1,494	7,884	2,251
Decrease (per cent)	43	68	39	69

ARREST OF YOUTHS—BOSTON.

	Under 15 years.	Drunkenness.	Wayward.
Average 7 wet years 1912–1918	2,426	663	3,124
Average 2 dry years 1920–21	1,818	436	2,484
Decrease (per cent)	25	34	20

COMMITMENTS BY COURT, DEER ISLAND, BOSTON, SUFFOLK COUNTY HOUSE OF CORRECTION.

	All causes.	Drunkenness.
Average 7 wet years, 1912–1918	6,339	4,281
Average 2 dry years, 1920–21	1,023	508
Decrease (per cent)	83	88

PRISON POPULATION.

	State farm court commitments			Population in all penal institutions on Sept. 30.	
	Total.	Drunkenness.	Vagrancy.	Total.	Women.
Average 7 wet years, 1912–1918	2,959	2,483	347	5,829	732
Average 3 dry years, 1920–21	507	344	136	2,819	291
Decrease (per cent)	82	86	60	52	60

DEATHS FROM ALCOHOLISM.

	Boston.		Massachusetts, total.
	Total.	Women.	
Average 6 wet years, 1913–1918	134	33	225
Average 2 dry years, 1920–21	50	6	78
Decrease (per cent)	62	80	65

DEATHS FROM CIRRHOSIS OF LIVER.

	Boston.	Massachusetts.
Average 6 wet years, 1912–1917	84	308
Average 2 dry years, 1920–21	46	178
Decrease (per cent)	45	42

DEATHS FROM CAUSES RELATED TO ALCOHOLISM IN MASSACHUSETTS.

	Nonaccidental homicides.	Suicide.
Average 6 wet years, 1913–1918	107	489
Average 2 dry years, 1920–21	93	432
Decrease (per cent)	13	11

FIRST ADMISSIONS TO MASSACHUSETTS PUBLIC HOSPITALS FOR INSANE AND M'LEAN HOSPITAL.

	Total first admissions.	Alcoholic psychoses, total.
Average 7 wet years, 1912–1918	3,287	340
Average 2 dry years, 1920–21	2,962	126
Decrease (per cent)	10	63

Extracts from tables—Continued.

NUMBER OF POOR PERSONS SUPPORTED OR RELIEVED DURING THE YEAR ENDING MARCH 31, 1921.

	By all cities and towns.			By State treasury.		
	In institutions.	Outside relief.	Total.	In institutions.	Outside relief.	Total.
Average 7 wet years, 1912-1918	14,271	73,352	87,623	8,267	16,520	24,787
Average 2 dry years, 1920-21	8,566	63,287	71,853	4,618	17,929	22,548
Decrease (per cent)	39	13	18	44	¹8	9

TEWKSBURY STATE INFIRMARY.

	Cared for during year.	Admissions year ending Nov. 30	Population remaining Nov. 30
Average 7 wet years, 1912-1918	4,051	4,304	2,237
Average 2 dry years, 1920-21	2,831	2,535	2,254
Decrease (per cent)	39	41	¹.07

¹ Increase.

ALMSHOUSE WARD STATE FARM.

	Poor persons supported or relieved.	Population remaining Apr. 1.
Average, 7 wet years, 1912-1918	1,031	
Average, 1913-1919		457
Average, 2 dry years, 1920-21	371	
Average, 1921-22		282
Decrease (per cent)	64	38

NUMBER OF POOR PERSONS SUPPORTED OR RELIEVED DURING THE YEAR ENDING MARCH 31, BOSTON.

	Institutions.	Outside relief.	Total.
Average, 7 wet years, 1912-1918	2,664	11,868	14,533
Average, 2 dry years, 1920-21	1,508	10,796	12,304
Decrease (per cent)	43	9	15

BOSTON ADMISSIONS TO ALMSHOUSES.

	State Infirmary, Tewksbury, from Boston.	Long Island Infirmary and Hospital.	Total from Boston.	Born at Long Island.
Average, 7 wet years, 1912-1918	1,844	1,400	3,542	34
Average, 2 dry years, 1920-21	927	744	1,672	22
Decrease (per cent)	49	46	52	35

POPULATION REMAINING AT LONG ISLAND HOSPITAL AND INFIRMARY.

	Jan. 31.	Feb. 28.
Average, 7 wet years, 1913-1919	1,043	1,056
Average, 2 dry years, 1921-22	781	803
Decrease (per cent)	25	23

THE WAYFARER'S LODGE, BOSTON.

	Individual lodgers.	Total lodgings.	Average lodgings per man.	Total meals.
Average, 7 wet years, 1912-1918	11,721	27,511	2.93	55,503
Average, 2 dry years, 1920-21	4,317	11,762	2.52	24,025

THE LIQUOR TRAFFIC.

Mr. SHEPPARD. Mr. President, at the request of the committee on temperance and social service of the Methodist Episcopal Church South, I ask unanimous consent to have printed in the RECORD resolutions adopted by that committee at a meeting held at Lake Junaluska, N. C., on July 8, 1922.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

At a meeting of the committee on temperance and social service of the Methodist Episcopal Church South, held at Lake Junaluska on July 8, 1922, the following action was taken:

1. The commission indorsed the position taken by the Anti-Saloon League of America: That the prohibition law be enforced within all territory subject to the jurisdiction of the United States, including ships carrying the American flag and especially ships under the control of the United States Shipping Board; approving the adoption of legislation excluding all ships selling or possessing beverage intoxicants on the high seas from entering our ports, such legislation to comply with our treaties which require that we treat the ships of all nations alike, thus putting foreign and American vessels on the same basis in this regard as far as it is legally possible to do so; approving the adoption of the Sterling amendment extending the jurisdiction of the law enforcement officials to 18 miles from the coast of the United States to prevent the smuggling of liquor into the United States. The liquor traffic though outlawed and a criminal before the law is as desperate, defiant, and murderous as it has always been. The legislation proposed above will surely meet the approval of all who really desire the effective enforcement of the prohibition amendment. Our people are urged to write their Senators and Congressmen requesting their support of this legislation.

2. This commission has read with amazement the statements attributed to Hon. John W. Weeks, the Secretary of War of the United States, in the secular press. We have waited to see whether Secretary Weeks would repudiate these press reports of his speech to the graduates of the Pennsylvania Military College at Chester. As he has not done so, it is fair to suppose that he was correctly reported by the press.

We condemn these utterances of Secretary Weeks as ill timed, as unsupported by facts, and as an appeal for practical nullification of the Constitution of the United States, which he has sworn to defend. It was ill timed to attack the Constitution of the United States in an address to a body of students. The declaration that there is "a general sentiment in favor of an amendment to the Volstead Act," that "the people want beer and light wine," are sweeping, reckless statements for which no proof is presented. Doubtless many people, like Secretary Weeks, who have always opposed prohibition "want beer and light wines," but the declaration that "the people want beer and light wines" is a contemptuous dismissal of the sentiment of the great mass of the moral citizenship of the Nation which is unbecoming in a high official of the people, all of whom he is supposed to represent. Finally, it is a distinct declaration in favor of nullification of the eighteenth amendment, which prohibits the manufacture and sale of all "intoxicating" beverages. It is undeniable that light wine is intoxicating and so is the beer which is wanted by the people to whom Secretary Weeks refers. To authorize its manufacture and sale would nullify the plain provision of the Constitution, and yet a Cabinet officer goes out of his way to advocate such nullifying legislation.

We appeal to the President of the United States to request the members of his Cabinet to refrain from public utterances which by implication, if not directly, favor the nullification of the Constitution. Every citizen has the right to advocate the repeal of the eighteenth amendment, but no officer of the Government has the right to openly advocate a policy of nullifying the Constitution, which he has sworn to uphold and defend.

The chairman of the commission is instructed to communicate this action to President Harding and to send a copy of the same to Senator MORRIS SHEPPARD and to Congressman W. D. UPSHAW, to be presented to both Houses of Congress for entry on the Journal and reference to the proper committees.

JAMES CANNON, Jr., *Chairman.*
F. S. PARKER, *Secretary.*

PETITIONS AND MEMORIALS.

Mr. ROBINSON presented letters and telegrams in the nature of petitions from members of Dugon Browning American Legion Post, No. 153, of Decatur; E. A. Stephens, post commander, of Jonesboro; the executive committee of Roy V. Kinard Post, No. 10, American Legion, of Eldorado; Mineral Springs Post, No. 86, American Legion, of Nashville; and sundry citizens of Bradford, all in the State of Arkansas, praying for the prompt passage of the so-called soldiers' adjusted compensation bill, which were ordered to lie on the table.

Mr. McCUMBER presented petitions of sundry citizens of Kathryn, Fingal, Fort Ransom, Valley City, and Underwood, all in the State of North Dakota, praying for the passage of Senate bill 3727, to authorize the War Finance Corporation to make advances to cooperative grain elevator associations, which were referred to the Committee on Finance.

Mr. JONES of Washington presented resolutions adopted at a mass meeting of more than 350 citizens of the Yakima Valley, Wash., representing all interests in the said valley, favoring the use of all the powers of the Government to continue the movement of interstate commerce and to protect the right of every man to labor, which were referred to the Committee on Interstate Commerce.

Mr. NELSON presented a memorial of 183 citizens of Blackduck and vicinity, in the State of Minnesota, remonstrating against the enactment of legislation providing for compulsory Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

REPORTS OF COMMITTEES.

Mr. NELSON, from the Committee on the Judiciary, to which was referred the bill (S. 3917) to amend section 876 of the Revised Statutes, reported it with an amendment and submitted a report (No. 868) thereon.

Mr. BORAH, from the Committee on Education and Labor, to which was referred the bill (S. 3865) to establish a commission to be known as the United States Coal Commission, reported it with amendments.

Mr. WATSON of Georgia, from the Committee on Claims, to which were referred the following bills, reported them each with amendments, and submitted reports thereon:

A bill (S. 652) for the relief of Janie Beasley (Rept. No. 869); and

A bill (S. 2858) authorizing the Treasurer of the United States to pay to S. C. Davis the sum of $617.70 as full compensation for services rendered as a member of the local draft board for Bibb County, Ga. (Rept. No. 870).

Mr. CAPPER, from the Committee on Agriculture and Forestry, to which was referred the joint resolution (S. J. Res. 226) authorizing the acceptance of title to certain land within the Shasta National Forest, Calif., reported it without amendment and submitted a report (No. 872) thereon.

Mr. MYERS, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 2832) authorizing the Secretary of the Interior to allow the additional homestead application of Otha Potter, reported it without amendment and submitted a report (No. 873) thereon.

Mr. KEYES, from the Committee on Agriculture and Forestry, to which was referred the bill (H. R. 10672) to amend the act of July 24, 1919, entitled "An act making an appropriation for the Department of Agriculture for the fiscal year ending June 30, 1920," reported it with an amendment and submitted a report (No. 874) thereon.

Mr. HEFLIN, from the Committee on Agriculture and Forestry, to which was referred the resolution (S. Res. 335) directing the Federal Reserve Board to require the Federal Reserve Banks of Atlanta, Dallas, St. Louis, and Kansas City to report to the Senate the rates of interest charged by them on loans and discounts in 1920 and 1921, reported it without amendment.

Mr. NEW, from the Committee on Claims, to which was referred the bill (S. 2078) for the relief of the estate of C. C. Spiller, deceased, reported it without amendment and submitted a report (No. 875) thereon.

REPEAL OF ST. MARYS RIVER BRIDGE ACT.

Mr. JONES of Washington. From the Committee on Commerce I report back favorably without amendment the bill (S. 3878) to repeal an act entitled "An act to authorize the construction of a bridge across the St. Marys River, at or near Wilds Landing Ferry, between Camden County, Ga., and Nassau County, Fla.," approved October 13, 1921.

It is a bill repealing a bridge act which we have passed. The repeal of the act is entirely satisfactory to the Senators from both the States affected. I ask for the present consideration of the bill.

There being no objection, the bill was considered as in Committee of the Whole and it was read as follows:

Be it enacted, etc., That an act entitled "An act to authorize the construction of a bridge across the St. Marys River, at or near Wilds Landing Ferry, between Camden County, Ga., and Nassau County, Fla.," approved October 13, 1921, be, and the same is hereby, repealed.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

REGULATION OF FUTURES TRADING IN GRAIN.

Mr. CAPPER. Mr. President, from the Committee on Agriculture and Forestry, I report back favorably with amendments the bill (H. R. 11843) for the prevention and removal of obstructions and burdens upon interstate commerce in grain by regulating transactions on grain futures exchanges, and for other purposes, and I submit a report (No. 871) thereon. It is legislation made necessary by reason of the recent decision of the Supreme Court in which certain provisions of the futures trading act, passed a year ago by Congress, were declared unconstitutional. The House has passed the bill and the Secretary of Agriculture is now asking for prompt action by the Senate on the measure. The law is still being administered, but by reason of the fact that a part of the law has been emasculated by the Supreme Court the administration of it can not be effective or efficient. Therefore, the Secretary of Agricultnre asks for its early consideration.

I wish to give notice that at the earliest opportunity, during the morning hour some time this week, I shall ask for the consideration of the bill.

The PRESIDENT pro tempore. The bill will be placed on the calendar.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KENDRICK:

A bill (S. 3928) granting a pension to William J. Swift (with accompanying papers); to the Committee on Pensions.

By Mr. FLETCHER:

A bill (S. 3929) authorizing the Secretary of the Interior to equitably determine and confirm by patent the title to lots in the city of Pensacola, Fla.; to the Committee on Public Lands and Surveys.

By Mr. McCUMBER:

A bill (S. 3930) for the relief of the Bowers Southern Dredging Co.;

A bill (S. 3931) for the relief of the North American Dredging Co.; and

A bill (S. 3932) for the relief of A. W. Duckett & Co.; to the Committee on Claims.

By Mr. McNARY:

A bill (S. 3933) granting a pension to William L. Curry; to the Committee on Pensions.

By Mr. BURSUM:

A bill (S. 3934) appropriating $15,000 for the extermination of bean beetles, etc., in the State of New Mexico; to the Committee on Appropriations.

By Mr. STERLING:

A bill (S. 3935) to prevent the willful obstruction of the movement of trains in interstate commerce, and for other purposes; to the Committee on Interstate Commerce.

A bill (S. 3936) to rebuild the boys' dormitory at the Indian school, Rapid City, S. Dak.; to the Committee on Indian Affairs.

By Mr. RANSDELL (for Mr. KING):

A bill (S. 3937) authorizing the Secretary of War to enlarge the facilities at the military post at Fort Douglas, Utah, to provide permanent accommodations for one brigade of troops; to the Committee on Military Affairs.

FLOODS AND LEVEES OF THE MISSISSIPPI RIVER.

Mr. RANSDELL submitted the following concurrent resolution (S. Con. Res. 28), which was referred to the Committee on Printing:

Resolved by the Senate (the House of Representatives concurring), That there be printed 1,000 copies of part 2 of House Report No. 300, Sixty-third Congress, second session, entitled "Floods and Levees of the Mississippi River," for the use of the Senate document room.

INVESTIGATION OF CROP INSURANCE.

Mr. McNARY submitted the following resolution (S. Res. 341), which was referred to the Committee on Agriculture and Forestry:

Resolved, That a committee, to be composed of three Senators appointed by the President of the Senate, is authorized and directed to investigate the subject of crop insurance, particularly with reference to (1) the kinds and costs of insurance now obtainable; (2) the adequacy of the protection afforded by such insurance; (3) the desirability of and practical methods for extending the scope of such insurance; and (4) the availability and sufficiency of statistics necessary to properly and safely issue additional crop insurance. Within six months after the adoption of this resolution the committee shall report to the Congress the results of its investigations, together with its recommendations, if any, upon the most practical and efficient methods whereby the farm can obtain, at a reasonable cost, adequate and safe crop insurance.

Such committee is authorized to hold hearings at such times and places as it may deem advisable, to send for persons and papers, to administer oaths, to employ actuarial and other experts, and to employ stenographers to report such hearings at a cost not exceeding $1.25 per printed page. The expenses of the committee, including necessary traveling expenses, shall be paid from the contingent fund of the Senate.

RESOLUTIONS OVER UNDER THE RULE.

The PRESIDENT pro tempore. The Chair lays before the Senate resolutions coming over from a previous day, which will be stated in their order.

The READING CLERK. Senate Resolution 297, by Mr. STERLING, directing the Committee on Civil Service to investigate and report upon the activities, methods, and procedure of the United States Bureau of Efficiency.

Mr. STERLING. Let the resolution go over.

The PRESIDENT pro tempore. Does the Senator from South Dakota desire to have it lie on the table?

Mr. STERLING. Let it lie on the table.

The PRESIDENT pro tempore. The resolution will lie on the table. The next resolution which went over under the rule will be stated.

The READING CLERK. Senate Resolution 306, by Mr. WALSH of Montana, calling upon the Attorney General for information relative to an alleged conspiracy among importers to exact exorbitant prices.

Mr. CURTIS. Let that go over, please.

The PRESIDENT pro tempore. The resolution will lie on the table.

The READING CLERK. Senate Resolution 321, by Mr. HEFLIN, disapproving the conduct of Governor Harding, of the Federal Reserve Board, in the matter of the circulation of a speech made by the Senator from Virginia, Mr. GLASS.

Mr. MOSES. Let that go over.

The PRESIDENT pro tempore. The resolution will lie on the table.

The READING CLERK. Senate Resolution 331, by Mr. HARRISON, expressing the sense of the Senate relative to voting where the private interests of a Member are concerned.

Mr. SMOOT. Let that go over.

The PRESIDENT pro tempore. The resolution will lie on the table.

The READING CLERK. Senate Resolution 334, by Mr. HARRISON, providing for an investigation of charges relative to the sugar schedule of the pending tariff bill.

Mr. MOSES. Let that go over.

The PRESIDENT pro tempore. The resolution will lie on the table.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House disagreed to the amendments of the Senate to the bill (H. R. 4) granting relief to soldiers and sailors of the war with Spain, Philippine insurrection, and Chinese Boxer rebellion campaign; to widows, former widows, and dependent parents of such soldiers and sailors; and to certain Army nurses, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. KNUTSON, Mr. ROBSION, and Mr. UPSHAW were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes; agreed to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. FORDNEY, Mr. GREEN of Iowa, Mr. LONGWORTH, Mr. GARNER, and Mr. COLLIER were appointed managers on the part of the House at the conference.

The message further announced that the House had passed a bill (H. R. 11699) relating to the appointment of the Chief of Staff of the Army, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 65) providing for the printing of 6,000 additional copies of House bill 7456, the tariff bill.

ENROLLED BILLS SIGNED.

The message further announced that the Speaker of the House had signed the enrolled bill (H. R. 2694) for the relief of Seth J. Harris, Jimmie Lou Martin, Mary Holloman, and William Henry Coleman, and it was thereupon signed by the President pro tempore.

HOUSE BILL REFERRED.

The bill (H. R. 11699) relating to the appointment of the Chief of Staff of the Army was read twice by its title and referred to the Committee on Military Affairs.

PENSIONS AND INCREASE OF PENSIONS.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 4) granting relief to soldiers and sailors of the war with Spain, Philippine insurrection, and Chinese Boxer rebellion campaign; to widows, former widows, and dependent parents of such soldiers and sailors; and to certain Army nurses.

Mr. BURSUM. I move that the Senate insist upon its amendments, agree to the conference asked for by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BURSUM, Mr. SMOOT, and Mr. WALSH of Montana conferees on the part of the Senate.

ADDITIONAL COPIES OF TARIFF BILL.

The PRESIDING OFFICER laid before the Senate the concurrent resolution (H. Con. Res. 65), which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed 6,000 additional copies of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, of which 4,000 copies shall be for the House document room and 2,000 for the Senate document room.

Mr. MOSES. I move that the Senate concur in the resolution.

The concurrent resolution was considered by unanimous consent and agreed to.

PRESIDENTIAL APPROVAL.

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that on August 23, 1922, the President approved and signed the act (S. 848) to amend section 22 of the interstate commerce act as amended.

POLITICAL VIEWS OF SENATOR M'KELLAR.

Mr. McKELLAR. Mr. President, in the last few days and weeks much has been said about the accomplishments and failures of the party in power.

The Republican Party have been in virtual control of the Government for three years and five months. They have been in control of both Houses of Congress since March 4, 1919, and of all branches of the Government since March 4, 1921, a period now of nearly 18 months.

THEIR FAILURES.

They have failed to restore normalcy.
They have failed to restore prosperity.
They have failed to keep up our merchant marine.
They have failed to keep our foreign trade.
They have failed to keep their promises to labor.
They have failed to keep their promises to capital.
They have failed to keep faith with the ex-service men.
They have failed to keep their promises to the farmers.
They have failed to keep their promises to the business men.
They have failed to maintain law and order in the country.
They have failed to protect the country against criminal trusts.
They have failed in their management of the coal industry.
They have failed utterly in the management of the railroads.
They have failed to take the Government out of business.
They have failed to put business into Government.
They have failed to enforce the prohibition laws.
They have failed to restore peace and trade with Mexico.
They have failed in their conduct of the Department of Justice.
They have failed in their conduct of the Department of Commerce.
They have failed in their conduct of the Department of Labor.
They have failed in their conduct of the Department of State.
They have failed in bringing about any effective adjustment of our foreign relations.
They have failed to obtain any settlement of our foreign indebtedness, amounting to more than $11,000,000,000.
They have failed to lower the tax burdens on the people generally.
They have failed utterly in their conduct of the executive department of the Government, it being but a succession of wiggles and wobbles.
They have failed utterly in their conduct of the legislative department of the Government, it being also a succession of wiggles and wobbles.

THEIR ACCOMPLISHMENTS.

In the Newberry case the Senate majority officially found:

The expenditure of such excessive sums in behalf of a candidate, either with or without his knowledge and consent, being contrary to sound public policy, harmful to the honor and dignity of the Senate, and dangerous to the perpetuity of a free government, such excessive expenditures are hereby severely condemned and disapproved.

Then they seated NEWBERRY in violation of their own findings. They have thus established the precedent of purchasing a seat in the United States Senate when one is sorely needed.

They have amended by construction the civil service laws by which they have given the ex-soldiers the preference and the professional politicians the post offices, and many other civil service offices.

They have modified by construction the eighteenth amendment and the Volstead law so as to enforce it as to prohibitionists and allow it to be violated by all others.

They have established a system of oil leasing by which the Oil Trusts, domestic and foreign, have secured a great part of the oil supply of the United States.

They have brought wheat down, by the passage of the emergency tariff bill, to the lowest price it has sold for in many years.

They have established, by the emergency tariff bill and other tinkering with the tariff, a system by which the cattle raisers can get substantially nothing for their hides, while shoes and other leather goods are higher than they have ever been in peace time.

They have made the lobbyists to flourish like a green bay tree.
They have made profiteering eminently respectable.
They have made bootlegging an honorable business.
They have substituted innocuous conferences at the White House for Executive action.
In their tariff bill they have taken away from the legislative department the power of taxation and turned it over to the Executive without constitutional right or authority.
They have largely reduced taxes on the rich.
They have fed the interests with a bountiful hand.
They have stood by the trusts.
They have knocked the life out of business.
They have taken the zest out of pleasure.
They have raised railroad passenger rates so high that the people can not afford to travel.
They have raised railroad freight rates so high that the interchange of commodities is made a losing business.
They have passed a budget bill which increases the cost of government and pleases no one.
They have paid to foreign governments and foreign peoples all they claimed and collected nothing of what foreign governments and foreign peoples owe us.
They have fooled the people about an association of nations and made a treaty of peace with Germany from which the United States could not possibly derive any benefit.
They have entered into disarmament treaties which do not disarm and into treaties of alliance which do not ally, and from none of which our people get any benefit.
They have professed, in their treaties, to be for peace, and at the same time have been most vociferous in their appeals for greater preparation and greater appropriations for war.
They passed an Army reorganization bill with which no one is satisfied, and in which officers are many and enlisted men are few, and all at the highest cost in our history.
Their House has passed one tariff bill and their Senate has passed another, both so different and so outrageously high, and they find the people so disgusted with what they have already done, that it is now proposed that their conferees shall pass a third. The bills already passed provide for the highest tariff taxes in all history, and whatever bill is passed will tax the American people, already overburdened with taxation, at least $2,000,000,000 a year additional, out of which the Government will get perhaps an additional $50,000,000 from our tariff, the rest going to the special interests.
They have raised the price of everything that a farmer buys and lowered the price of everything that a farmer sells.
They got the labor vote in 1920, and they are now repaying labor by depriving it of its every right.
They have furnished labor strikes in abundance.
They have furnished the ex-service men with millions of cases of unemployment.
They have furnished the business men with bankruptcy.
They have dillydallied over a year about the coal strike, but they have given us Mr. Hoover to raise the price of coal to the coalers and to coldest this winter. He will soon tell us how we can break the coal lumps into smaller pieces and keep warmer, just as he used to tell us how we could get greater good from slices of bread if we made them thinner.
They have given us a rotten, broken-down transportation system which sometimes carries the public and sometimes not, but always holds them up.
They have given us a splendid merchant marine, tied up securely and rotting in the various harbors of our country, and have turned over our splendid commerce to English ships.
They have virtually abandoned our foreign trade.
They have made money tighter to the business man and looser to the speculator, but as an offset they still furnish the American business man the right of bankruptcy.
They have raised the cost of electing a President to nine millions of dollars. It is a large price, but we all know it is worth it, and besides, as soon as the tariff law is passed, the American people will then joyfully pay it back to the interests who furnished it in increased tariff taxes for their special benefit.
They elected the President by 7,000,000 majority and no doubt will secure unanimous consent for his retirement at the proper time.
They have taken the iron fence from around the botanical gardens in Washington.
And then they have made Laddie Boy famous.
These are some of the remarkable accomplishments of the Grand Old Party during its three and a half years of rule.

ADDITIONAL DISTRICT JUDGES.

Mr. CUMMINS. I ask unanimous consent that the Senate now proceed to the consideration of the conference report upon what is ordinarily known as the judges' bill, being the bill (H. R. 9103) for the appointment of additional district judges for certain courts of the United States, to provide for annual conferences of certain judges of United States courts, to authorize the designation, assignment, and appointment of judges outside their districts, and for other purposes.

The PRESIDING OFFICER. The Senator from Iowa asks unanimous consent for the immediate consideration of the conference report on the bill named by him. Is there objection?

Mr. SHIELDS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum being suggested, the Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Hale	Moses	Sheppard
Borah	Heflin	Myers	Shields
Brandegee	Hitchcock	Nelson	Shortridge
Bursum	Jones, N. Mex.	New	Smoot
Cameron	Jones, Wash.	Nicholson	Stanfield
Capper	Kendrick	Oddie	Sterling
Culberson	Keyes	Phipps	Underwood
Cummins	Lenroot	Pittman	Wadsworth
Curtis	McCumber	Ransdell	Warren
Dillingham	McKellar	Rawson	Watson, Ga.
Fletcher	McLean	Reed, Pa.	
Gooding	McNary	Robinson	

Mr. CURTIS. I desire to announce that the junior Senator from Ohio [Mr. WILLIS] is necessarily absent on account of illness in his family.

The PRESIDING OFFICER. Forty-six Senators have answered to their names. There is not a quorum present. The Secretary will call the names of the absent Senators.

The reading clerk called the names of the absent Senators, and the following Senators answered to their names when called:

Trammell Walsh, Mass. Walsh, Mont.

The following Senators entered the Chamber and answered to their names:

Gerry Kellogg Norbeck

The PRESIDING OFFICER. Fifty-two Senators have answered to their names. A quorum is present. The Chair will declare the morning business closed. The Senator from Iowa asks unanimous consent for the present consideration of the conference report on the judiciary bill. Is there objection?

Mr. SHIELDS. I object.

The PRESIDING OFFICER. The Senator from Tennessee objects.

Mr. CUMMINS. I move that the Senate proceed to the consideration of the conference report.

The PRESIDING OFFICER. The question is on the motion of the Senator from Iowa that the Senate proceed to the consideration of the conference report.

Mr. SHIELDS. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

The PRESIDING OFFICER (when the name of Mr. JONES of Washington was called). The senior Senator from Virginia [Mr. SWANSON] is necessarily absent for the day, and the present occupant of the chair has promised to pair with him. He finds, however, that he can transfer the pair to the junior Senator from Vermont [Mr. PAGE] and does so, and votes "yea."

Mr. KELLOGG (when his name was called). I transfer my pair with the senior Senator from North Carolina [Mr. SIMMONS] to the junior Senator from Maryland [Mr. WELLER] and will vote. I vote "yea."

Mr. McCUMBER (when his name was called). I have a general pair with the junior Senator from Utah [Mr. KING], which I transfer to the junior Senator from Washington [Mr. POINDEXTER] and will vote. I vote "yea."

Mr. PHIPPS (when his name was called). I have a pair with the junior Senator from South Carolina [Mr. DIAL], which I transfer to the senior Senator from Michigan [Mr. TOWNSEND] and will vote. I vote "yea."

Mr. ROBINSON (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Louisiana [Mr. BROUSSARD], and will vote. I vote "nay."

Mr. STERLING (when his name was called). I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Delaware [Mr. DU PONT], and will vote. I vote "yea."

Mr. WALSH of Montana (when his name was called). I have a pair with the senior Senator from New Jersey [Mr. FRELINGHUYSEN]. Being unable to secure a transfer, I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. WARREN (when his name was called). I have a general pair with the junior Senator from North Carolina [Mr. OVER-

MAN]. I transfer that pair to the senior Senator from Maryland [Mr. FRANCE], and will vote. I vote "yea."

Mr. WATSON of Georgia (when his name was called). I have a general pair with the Senator from California [Mr. JOHNSON], who, if present, would vote "yea." In his absence I withhold my vote. If at liberty to vote, I should vote "nay."

The roll call was concluded.

Mr. DILLINGHAM. I transfer my pair with the Senator from Virginia [Mr. GLASS] to the Senator from Pennsylvania [Mr. PEPPER], and will vote. I vote "yea."

Mr. FLETCHER (after having voted in the affirmative). I have a general pair with the Senator from Delaware [Mr. BALL], who is absent. I understand that, if present, he would vote the same way that I have voted, and I will therefore allow my vote to stand.

Mr. TRAMMELL (after having voted in the affirmative). Since voting, I find that my pair, the senior Senator from Rhode Island [Mr. COLT], is absent; but being informed that, if present, he would vote as I have voted, I will allow my vote to stand.

Mr. JONES of Mew Mexico (after having voted in the affirmative). I desire to announce that I am informed that my pair, the Senator from Maine [Mr. FERNALD], would, if present, vote as I have voted. I will therefore permit my vote to stand.

Mr. STANLEY. Has the junior Senator from Kentucky [Mr. ERNST] voted?

The PRESIDING OFFICER. He has not.

Mr. STANLEY. I have a pair with the junior Senator from Kentucky. Being unable to secure a transfer, I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. UNDERWOOD (after having voted in the negative). I note from the recapitulation of the vote that the senior Senator from Massachusetts [Mr. LODGE] has not voted. I have a general pair with him and am unable to get a transfer, and I therefore withdraw my vote.

Mr. CURTIS. I have been requested to announce the following general pairs:

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from Missouri [Mr. SPENCER] with the Senator from Georgia [Mr. HARRIS];

The junior Senator from Ohio [Mr. WILLIS] with the senior Senator from Ohio [Mr. POMERENE]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

The roll call resulted—yeas 35, nays 11, as follows:

YEAS—35.

Ashurst	Gooding	McLean	Reed, Pa.
Brandegee	Hale	Moses	Shortridge
Bursum	Harreld	Myers	Smoot
Cameron	Jones, N. Mex.	Nelson	Stanfield
Capper	Jones, Wash.	Nicholson	Sterling
Cummins	Kellogg	Norbeck	Trammell
Curtis	Keyes	Oddie	Wadsworth
Dillingham	Lenroot	Phipps	Warren
Fletcher	McCumber	Rawson	

NAYS—11.

Gerry	McKellar	Pittman	Shields
Heflin	McNary	Robinson	Walsh, Mass.
Kendrick	New	Sheppard	

NOT VOTING—50.

Ball	France	Newberry	Stanley
Borah	Frelinghuysen	Norris	Sutherland
Broussard	Glass	Overman	Swanson
Calder	Harris	Owen	Townsend
Caraway	Harrison	Page	Underwood
Colt	Hitchcock	Pepper	Walsh, Mont.
Culberson	Johnson	Poindexter	Watson, Ga.
Dial	King	Pomerene	Watson, Ind.
du Pont	Ladd	Ransdell	Weller
Edge	La Follette	Reed, Mo.	Williams
Elkins	Lodge	Simmons	Willis
Ernst	McCormick	Smith	
Fernald	McKinley	Spencer	

The PRESIDING OFFICER. On the motion of the Senator from Iowa, the yeas are 35, the nays are 11. Senators UNDERWOOD, WALSH of Montana, WATSON of Georgia, and STANLEY are present and paired. A quorum is present, and the motion prevails. The Chair lays before the Senate the conference report on House bill 9103, for the appointment of additional district judges for certain courts of the United States, to provide for annual conferences of certain judges of United States courts, to authorize the designation, assignment, and appointment of judges outside their districts, and for other purposes. The Chair is informed that this conference report has been read, and, without objection, another reading will be dispensed with.

Mr. CUMMINS. Mr. President, I shall make the briefest possible explanation of the report of the conference committee.

The House bill authorized the President to appoint 22 additional district judges. Among them was an additional judge for the eastern district of Illinois and a judge for the middle district of Tennessee. The Senate eliminated both these districts from the appointments to be made, but it added three district judges and one circuit judge. It added a district judge for the district of New Jersey, a district judge for the northern and the southern districts of Georgia, and a judge for the district of New Mexico. It also added a circuit judge for the fourth judicial circuit.

These differences between the action of the House and the action of the Senate constituted the only substantial controversy before the conference committee. There are other provisions of the bill; but the House provisions and the Senate provisions, with the exceptions I have stated, are substantially similar, although they differ in the method of expression.

The total number of district judges agreed upon in the conference committee is 24. The Senate conferees were constrained to recede from the difference with respect to the eastern district of Illinois and the middle district of Tennessee, and the House receded from its controversy with respect to the district of New Jersey and the district of New Mexico. The bill reported from the conference committee, therefore, provides for 24 additional district judges, and it provides for one additional circuit judge for the fourth judicial circuit. That is the circuit which comprises Maryland, Virginia, West Virginia, North Carolina, and South Carolina.

I do not intend to repeat the argument I made upon the passage of the bill with respect to the imperative necessity of additional district judges. Senators who were here will remember the lamentable delay which has occurred and is occurring in the disposition of cases brought in the district courts of the United States. But a few days ago I asked the Attorney General to give me any additional information that he had at his command—that is, additional to the information which was laid before the committee and before the Senate, and additional because of the change in the situation since that time—and I intend to read it.

Mr. WATSON of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Georgia?

Mr. CUMMINS. I yield to the Senator from Georgia.

Mr. WATSON of Georgia. I should like to ask the Senator from Iowa, granting his contention that there is a need for more judges, why the bill for the additional judges should not have been confined to those districts or those States where the new judges were needed, and why this revolutionary change in the whole system?

Mr. CUMMINS. There is no change in the system, but there are natural differences of opinion with regard to the necessity of judges in particular districts. My personal opinion did not conform to the opinions that were held by certain other Senators. All I can say in response to the question of the Senator from Georgia is that somebody in the Senate and the House, and indeed a majority of both the Senate and the House, felt that there is a necessity for every judge provided for in the conference report.

The letter to which I have just referred, from the Attorney General, I will read. It is dated August 17:

MY DEAR SENATOR: The necessity for the prompt passage of H. R. 9103—

That being the number of the bill—

a bill providing for additional United States judges, daily becomes more urgent. Recent estimates show an increase of 30,000 cases pending and undisposed of over the fiscal year 1921—

And it was at the close of the fiscal year 1921 that the investigation of the committee came to an end—

or an average of 1,250 cases per judge if the 24 new judges are authorized. Of this 30,000 increase but 10,000 are criminal cases, thereby verifying my prediction of a few months ago that a very substantial increase in civil business for the future is inevitable. This congestion encumbers the court dockets with a total of more—

Mark you, now—

of more than 172,000 cases pending and undisposed of on June 30, 1922, as compared with 142,402 cases pending on June 30, 1921, and this notwithstanding that for the same period there was an increase of 17,718 in cases disposed of.

I can not too strongly impress upon you the seriousness of the situation. Important civil and criminal cases can not be tried. The department is, of course, proud of our Federal judiciary, and naturally faces with regret a situation which, if permitted to continue, must inevitably undermine the high standards of the Federal courts.

There are now 103 United States trial judges for 110,000,000 people. Surely an increase of 24 judges is moderate, in view of the constantly increasing burdens which have been placed upon the Federal courts through new legislation, as well as old, without a corresponding increase in the number of judges. In fact, with one or two exceptions, there have been no increases in the Federal judiciary in a quarter of a century.

Our Federal courts need immediate relief. The burdens are enormous and the situation throughout the country daily becomes more alarming. Congress can not provide for the increase in judges with the conference and the elastic features embodied in H. R. 9103 any too soon if irreparable damage is not to be done to the administration of justice and respect for law in the United States.

One of the high officials of the Department of Justice in conversation with me a few days ago said that if all the 24 judges proposed to be added to the judiciary in this bill were to do nothing for two years but try criminal cases in which it is alleged there has been a violation of the postal laws, and mainly a violation of the laws which are intended to prevent the transmission of matter through the mails in furtherance of a conspiracy to defraud, it would take two years for these additional judges to clear the dockets of that one class of cases alone. It is a situation which every true American and every lover of justice must deeply deplore, and I sincerely hope that the judgment of both the Senate and the House as heretofore expressed will be reaffirmed in the vote about to be had upon the conference report.

I have not mentioned the one addition to the number of circuit judges. The fourth circuit is the only circuit in the United States which has but two regular circuit judges. There is one circuit judge assigned to the fourth circuit, Judge Knapp, who was originally appointed as a member of the Commerce Court, which was afterwards abolished. He is advanced in years, and when he retires there will be but two judges in that circuit. That is not fair to the circuit. The judges are unable to perform speedily the duties which are cast upon them, and I have not heard anyone who has made the least objection to the additional circuit judge in the fourth circuit.

There may be some difference of opinion with regard to the need of judges when you compare the necessities of the various districts. I concede there is room for difference of opinion with respect to that. But the Senate did the best it could, exercised the best judgment of which it was capable, and the conference committee, after long and persistent labor, reached the conclusion I have stated. It required a month, possibly two months, for the conference committee to reach a conclusion. I hope that the conference report may be agreed to, and speedily agreed to, because it must be a shame and a humiliation to every American citizen when he looks upon the business in these courts that is undisposed of and which can not be disposed of for years to come unless we fortify the judiciary by the appointment of additional judges.

Mr. SHIELDS. Mr. President, the Senator in charge of the bill [Mr. CUMMINS] has made some remarks upon the merits of the bill and has read a letter recently received by him from the Attorney General. The remarks of the Senator are largely an epitome of the speech made in presenting the bill, without going into detail. I offered some observations at that time which I think met the statements of the Senator from Iowa and showed that the generalizations in which he dealt can not be sustained upon the concrete facts. The Senator himself then admitted and now admits that in his opinion there are a number of judgeships provided for in the bill which the business of the districts does not require or demand. Of course, there was a difference in opinion upon the subject. The Senators from those States for which judges were provided were anxious to have the judgeships, and they felt that there was a necessity. I am not going to challenge their sincerity.

The Attorney General appeared before the committees of both the House and the Senate having jurisdiction of the bill and made statements in its interest. There also appeared some of his assistants and some district attorneys from certain districts of the United States. Then the Chief Justice of the Supreme Court of the United States appeared and insisted that certain provisions in the bill as first introduced—some of which were omitted and some of which still appear—were required for the proper dispatch of business and asked for the legislation, although it was a matter in which under the Constitution he was not allowed to interfere. It was beyond the functions of the judiciary, and solely and purely within the function of the the legislative department of the Government. The impropriety of the action of the Chief Justice is obvious and indefensible.

The Attorney General then made statements similar to those contained in the letter just read. I answered those statements by quoting from the report which he had made under his oath of office, as required by an act of Congress, of the litigation disposed of by the Federal courts of the United States for the previous year, which in detail showed that no such congestion as his general statements would seem to show, in fact, existed. Now, so much for the merits of the bill. At the proper time I want to go into detail in regard to these matters, and I shall do so.

Mr. President, I believe that this is a most grievous assault upon the judiciary of the country. I believe it is largely a political bill providing for political friends of the administration. I believe there is no necessity for more than one-half of the judges provided. I believe that it is imposing an unjust burden upon the taxpayers of the country. I believe there are provisions giving the Chief Justice power over the lower courts which was never contemplated by our system of government and which is in direct conflict with it and will seriously injure the usefulness and efficiency of the judges of the inferior courts. I consider it a very serious assault upon the independence and dignity of the several judges of the district courts of the United States. But I am not now going into that matter because there are certain questions which I believe will require the bill to be recommitted.

Mr. President, I desire to make a point of order upon the conference report.

The PRESIDING OFFICER (Mr. MCNARY in the chair). The Senator will state the point of order.

Mr. SHIELDS. Mr. President, the point I make is predicated upon what is known as the Curtis amendment to Rule XXVII. While this rule is entirely familiar to everyone, including the Presiding Officer, yet I am going to read it. It is section 2:

Conferees shall not insert in their report matter not committed to them by either House, nor shall they strike from the bill matter agreed to by both Houses. If new matter is inserted in the report, or if matter which was agreed to by both Houses is stricken from the bill, a point of order may be made against the report, and if the point of order is sustained, the report shall be recommitted to the committee of conference.

Mr. President, it will be remembered that previous to this amendment it had been held by the Presiding Officers of this body that the elimination of matter or the insertion of new legislation was not the subject of a point of order, but this changes the rule.

The points I make go both to the elimination of matter contained in the bill as it passed the House, for the bill originated in the House, and as it was amended and passed by the Senate, and to the inclusion of matter that was not in the bill as it passed the House or as it passed the Senate. Therefore, the several points of order, I may say, that I am raising—and I am willing to dispose of them all at once to economize time—present a question both of the elimination of material matter from the bill as it passed the two Houses and of the insertion of new matter.

I have made a memorandum of the places in the bill where this appears and if it would assist the Presiding Officer I can furnish him with a copy of the memorandum so as to aid him in following me. I send a copy of the memorandum to the desk for the Presiding Officer.

I ask the Presiding Officer to have before him the bill as it was reported to the Senate by the Judiciary Committee, for that print contains both the House text and the Senate amendments, and they can both be referred to in the same document.

Mr. SHEPPARD. Mr. President——

Mr. SHIELDS. I yield to the Senator from Texas.

Mr. SHEPPARD. Would it not be advisable to have that memorandum published in the RECORD?

Mr. SHIELDS. I frankly say that the memorandum was prepared some time ago, when the report was first presented, and I have never read it. I do not know that it is in condition to go into the RECORD, but I have no objection to it.

The PRESIDING OFFICER. Does the Chair understand that the Senator from Tennessee is making request that the memorandum be published in the RECORD?

Mr. SHIELDS. Not now. I shall insert it at the end of my remarks for the convenience of Senators. Has the Chair a copy of the print containing both bills?

The PRESIDING OFFICER. It is before the Chair.

Mr. SHIELDS. The first point of elimination is the provision which appears upon page 4 of the House text, lines 17 to 22, inclusive.

Mr. CUMMINS. What section?

Mr. SHIELDS. Section 2.

The PRESIDING OFFICER. Will the Senator state what part of the text he claims was improperly eliminated?

Mr. SHIELDS. I am proceeding to do that now. It reads as follows:

The Attorney General shall, upon request of the Chief Justice, report to said conference on matters relating to the business of the several courts of the United States, with particular reference to causes or proceedings to which the United States may be a party, together with such recommendations or requests as may be deemed proper.

That language, Mr. President, was contained in the bill as it passed the House of Representatives. Now, I will ask the Presiding Officer to refer to this Senate bill, page 12 of this print, lines 16 to 30, inclusive, where the same provision which I have read from the House bill appears in these words:

The Attorney General shall, upon request of the Chief Justice, report to said conference on matters relating to the business of the several courts of the United States, with particular reference to causes or proceedings in which the United States may be a party.

This provision was entirely left out of the bill as reported by the conferees.

Mr. President, I should say here, if the Chair has not already observed it, that the conferees redrafted the bill, and they report—I do not mean in substance but in form—an entirely new bill, of which they recommend the passage, which is set in full in the report. The provision in regard to the report of the Attorney General, as I have stated, while appearing in the bill as it passed the House and as it passed the Senate, does not appear in the bill as redrafted by the conferees and set forth in their report.

Whether or not the question of materiality in such matters can be raised, it is not necessary to be discussed in this particular case. But I am of opinion that the question of materiality is not one for the Presiding Officer under this rule; that is a question that is submitted to the two Houses of Congress; and when they have joined in inserting a provision in the bill it is conclusively presumed to be material, and the Presiding Officer has no discretion to consider it with a view of determining whether it is material. Otherwise he would take upon himself the power of legislation as against the opinion and the will of the two Houses as expressed by them in the solemn enactment of a law.

This, however, is a material provision; it was in all the bills, for there were several that were before the Judiciary Committee; and it was insisted upon by the officers of the Department of Justice appearing and urging the passage of the bill. Indeed, the provision in the bill as originally introduced, and which had been favored by the Chief Justice and the Attorney General upon this subject, was much broader and gave the Attorney General the status of a member of the conference to which he should report and the right to participate in its deliberations and conclusions; but in both the House and the Senate the bill was amended so as to be in the words which I have read to the Chair.

Mr. JONES of Washington took the chair.

Mr. SHIELDS. I notice that since I have called attention to the omission in the conference report and made my observations in reference to that omission the occupant of the chair has changed. I should like to know if the present Presiding Officer was in the Chamber and understands the exact point which I am making?

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The present occupant of the chair was not in the chair at the time the Senator from Tennessee made the observations to which he has referred, and consequently did not know the point of order had been made.

Mr. CUMMINS. I ask the Senator from Tennessee to yield to me in order that I may make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Iowa will state his parliamentary inquiry.

Mr. CUMMINS. Is the point of order which is now being made by the Senator from Tennessee [Mr. SHIELDS] debatable?

The PRESIDING OFFICER. The Chair is not advised with reference to that matter just now.

Mr. SHIELDS. Is there any point of order which is not debatable? What is the difference between this and other points of order? I am astonished that the Senator from Iowa, who represented the Senate on the conference committee, should desire to cut off argument assailing his own report.

Mr. CUMMINS. I do not. I am simply attempting to provide myself with some assurance that I, too, may be permitted to debate the point of order as well as the Senator from Tennessee.

Mr. SHIELDS. I assure the Senator from Iowa that I shall not raise any objection to his discussing the matter.

Mr. CUMMINS. It is true that every point of order is debatable. I am not objecting to debate, but I wish to know whether or not the Chair holds that this point of order is debatable.

The PRESIDING OFFICER. The Chair will say that he should like to have the point of order debated in order that he may understand what it is. Otherwise the Chair would have to read both the bills to which the Senator from Tennessee has referred.

Mr. CUMMINS. That is the difficulty. The Senator from Tennessee is interweaving his statement of the point of order with his argument in support of the point of order.

Mr. SHIELDS. I am debating it; at any rate, I hope that what I have said is not to be considered beneath the dignity of an argument.

Mr. CUMMINS. Oh, no; but there is one thing that ought to be understood by the Chair, and possibly he is not familiar with the progress of the procedure on this bill. The House passed the bill and the Senate struck out everything in that bill after the enacting clause.

Mr. SHIELDS. Mr. President, I am not willing to yield for a speech to be injected into my argument upon this matter.

Mr. CUMMINS. I desire the Chair to understand what the situation is.

Mr. SHIELDS. The Senator may later reply to what I say about it.

Mr. CUMMINS. I am not going to argue the matter, but I am simply going to state the situation.

Mr. SHIELDS. The Senator may state it when he comes to his argument.

Mr. CUMMINS. There will be——

The PRESIDING OFFICER. The Senator from Tennessee declines to yield any further.

Mr. CURTIS. Will the Senator from Tennessee yield until I may call to the attention of the Chair a ruling of a former Presiding Officer holding that it is the practice for the Presiding Officer to hear debate if he so desires on a point of order?

The PRESIDING OFFICER. The present occupant of the chair should insist upon hearing debate; otherwise he would not be prepared to pass upon the point of order.

Mr. CUMMINS. When I myself have been presiding I have often asked for debate upon a point of order, but it is not true that debate on a point of order is in every case in order as a matter of right.

The PRESIDING OFFICER. The Senator from Tennessee has the floor.

Mr. SHIELDS. I regret to consume the time, but I am very earnest, Mr. President, in the point I am making against this report, and as the present Presiding Officer was not in the Chamber and has not heard the point I have been making, I am under the necessity of repeating it.

The PRESIDING OFFICER. The Chair would like the Senator to state what his point of order is against the report.

Mr. SHIELDS. Certainly. Mr. President, this is very much like presenting a question of law; indeed, it involves law and fact, and the only intelligent way to consider it is to call the attention of the Chair to the particular parts of the record upon which I base the point of order.

In the opening of my remarks upon this subject I read to the then occupant of the chair the rule upon which this point is predicated, and, if the Presiding Officer is not entirely familiar with it, I will reread it. It is the Curtis amendment to Rule XXIX.

The PRESIDING OFFICER. The Chair remembers that amendment to the rule.

Mr. SHIELDS. I have a copy of it, and if the Chair desires I will send it to him.

The PRESIDING OFFICER. The Chair has the rule before him.

Mr. SHIELDS. Mr. President, there are several what I might call branches to the point of order I am making against the report; in other words, my point is based on four different grounds. Two of them are addressed to the elimination of important provisions of the bill as it passed the House and as it passed the Senate. Matter appearing in the bill as it passed the House and as amended and passed by the Senate does not appear in the bill reported by the conferees.

I should here call the attention of the Chair, if it has not already challenged his attention, that the conferees prepared a new bill containing much of the substance of the bill as it passed the two Houses and set it out verbatim in their report. I will ask the Chair whether he has a copy of the print of the bill before him as reported to the Senate?

The PRESIDING OFFICER. The Chair has.

Mr. SHIELDS. The point I am making can best be understood by consulting the two bills, that of the House and that reported to the Senate, as embraced in the one print.

Mr. President, I call attention to the first point of elimination to page 4 of the House bill, lines 17 to 23, inclusive, which read:

The Attorney General shall, upon request of the Chief Justice, report to said conference the matters relating to the business of the several courts in the United States with particular reference to the

causes or proceedings to which the United States may be a party, together with such recommendations or requests as may be deemed proper.

I will ask the Chair to turn to page 12 of the same print, lines 16 to 20, which read:

The Attorney General shall, upon the request of the Chief Justice, report to said conference on matters relating to the business of the several courts of the United States, with particular reference to causes or proceedings in which the United States may be a party.

Mr. President, the question of materiality, in my opinion, does not arise.

The Chair can not pass upon that question. The House and the Senate deemed this provision material and proper in this bill. If the Chair should say that it is immaterial, and that it may be eliminated by the conferees in violation of this rule, and the bill thus passed, in my opinion it would be a usurpation of the powers of legislation of both Houses of Congress. The House and the Senate will not be presumed to have inserted and concurred in a substantive provision in a bill that was not material, or that they—and they are the sole judges of the question—did not deem a provision material.

The bill provides for a conference of the circuit judges, to be called by the Chief Justice of the United States, to consider the condition of the dockets of all the Federal courts.

The PRESIDING OFFICER. The Senator contends that there is no provision in the bill as reported by the conference committee requiring the Attorney General upon request of the Chief Justice to submit a report to Congress?

Mr. SHIELDS. There is none. I suppose that will be conceded.

Mr. CUMMINS. There is nothing upon that subject. The provision made by the House was wholly different from the provision made by the Senate, and the conference committee eliminated the provision of the Senate bill, and the House conferees agreed to the elimination of that part of the House bill; but they are not the same.

Mr. SHIELDS. Mr. President, it is thus conceded that there is no provision in the new bill reported by the conferees requiring any sort of a report by the Attorney General. The language of the two provisions, which I have called to the direct attention of the Chair, is nearly the same. Whether they are identical or not, I have not noticed, and I do not think it is necessary; but the substance of both of these provisions is identical.

They both call for a report from the Attorney General upon material and important matters—the direct matters which the conference is called to consider—which is necessary in its deliberations. It is immaterial that there may be some difference in the wording of the provisions of the House and the Senate; it is the substance which is material.

I am willing to concede that if the conferees had put in their report a provision in substance the same, although not in the same language, it would have obviated this point; but they absolutely ignored it. They eliminated the whole thing. Who is to decide that this is unimportant? It would be a violent presumption and one that the courts of the country would not indulge in, that when the two Houses of Congress solemnly provide a certain thing in a bill as passed by each one of them, they did not mean it, that it was immaterial and frivolous; and I do not think the Presiding Officer will usurp that power.

The conferees eliminated another matter which is equally important, if not more so, because it conflicts with the long-established custom of the Congress in creating district judgeships, and one which I deem vitally important for the proper administration of justice. I will ask the Chair if his attention has been called to a memorandum upon this subject that I presented?

The PRESIDING OFFICER. It has. The Chair has it before him.

Mr. SHIELDS. Mr. President, the bill as it passed the House, on page 2, line 12, provided:

Said judges shall be residents of the districts for which appointed.

Then the bill as it passed the Senate, page 14, line 8, in a paragraph relating to certain matters, contains the same provision in the words:

Every judge shall reside in the district or circuit or one of the districts or circuits for which he is appointed.

There is no such provision in the bill reported by the conferees.

Mr. President, there is no more important provision in the general statute found in the Judicial Code in regard to the appointment of district judges, and I will venture to say in every statute enacted for any particular district creating the office of district judge, than that the judge shall reside in the district over which he is appointed and commissioned to preside.

Mr. CUMMINS. Mr. President, may I interrupt for a moment there?

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Iowa?

Mr. SHIELDS. I do.

Mr. CUMMINS. That is the law now. It applies to these judges as well as to any others.

Mr. SHIELDS. Mr. President, I am fully aware that the Judicial Code in the general provisions upon the subject provides that the permanent judges there provided for shall reside in their districts. This is not a bill creating permanent judgeships, but a bill providing for the appointment of additional judges to relieve for the most part an imaginary congestion in the Federal courts, and it is so denominated in its caption, both in the House and the Senate, and also in the bill reported by the conferees. The special bills creating judgeships, so far as I have examined them, always contain this provision. The bill as it passed the House contained it. The bill as it passed the Senate contained it.

I ask the Presiding Officer to read the captions of all these bills—the House bill and the Senate bill and the bill as reported by the conferees—as to the character of this legislation. I am well aware that the title is no part of the legislation which is being enacted, but it may be and often is referred to by the courts to explain an ambiguity appearing upon the face of the bill; and to that I will later refer in another point of order I am going to make in regard to a subsequent part of the bill.

The PRESIDING OFFICER. The Chair desires to suggest to the Senator from Tennessee that he has been unable to find any provision in the bill as it passed the Senate requiring the district judges to reside in their districts. The Chair has looked it over rather carefully.

Mr. SHIELDS. I have read it, and I will reread it to the Chair.

The PRESIDING OFFICER. It is not on the page that has been mentioned.

Mr. SHIELDS. Page 14, line 12.

Every judge shall reside in the district or circuit or one of the districts or circuits for which he is appointed.

The clause then proceeds as to other matters, but that is a substantive and distinct proposition presented in the clause. The Chair has a different print from that which I am using.

The PRESIDING OFFICER. There are several different prints. The Chair finds that now in another print.

Mr. SHIELDS. I do not think there will be any controversy upon that subject. There can not be any.

The PRESIDING OFFICER. Very well.

Mr. SHIELDS. Mr. President, that omission from the bill as reported by the conferees is very pertinent when we look at the history of this legislation. The Chair doubtless remembers that the bill as introduced, I believe, in both Houses—certainly in the Senate—did not provide for the creation of judges in the several districts where it was supposed that a congestion of business existed but in the bill prepared in the Department of Justice, I understand, but approved by the Chief Justice of the United States and by the Attorney General, and in advocacy of which both of them appeared before the Judiciary Committees of the House and of the Senate more than once, it was provided that there should be created, or—to use the language of the bill—that there should be appointed by the President, to be confirmed by the Senate, 18 judges, 2 from each judicial circuit, to be known as judges at large, who might be, who could be, who were to be, assigned, designated, ordered about by the Chief Justice from coast to coast, from ocean to ocean, from Lakes to Gulf, as he at his sweet will might determine.

Before the committee, that was attacked by the majority, regardless of party affiliations. It was denounced as providing a flying squadron of judges, as introducing a new practice and a new principle in the judiciary of the United States, and it was stricken out.

It appears in the hearings, as I remember, that the real proposition was for 27 of these peripatetic judges, of this flying squadron, but finally it was gotten down to 18. But the Committee on the Judiciary would not stand for such a proposition by a large majority, and it was knocked out. Then the bill was remodeled so as to authorize the President to appoint additional judges in certain districts, not what may be called principal judges. It was provided in the Senate bill that no successors to them should be appointed. They were to meet a temporary emergency.

In view of that proposition, to have 18 judges from the Nation at large, 2 from each judicial district, the provision as to residence should not have been eliminated. I do not believe the general provision in the code would be applicable to this. I do not believe it would control the President in making his appointments. The provision in the code did

not escape me. I was, of course, familiar with it, and I considered it along with this bill, and as applicable to judges whose successors are to be appointed, and who may be called permanent judges. There is an express provision in the Senate bill that no successors shall be appointed to these emergency judges. In the conferees' bill it is provided that if a vacancy occurs more than two years after the enactment of the law there shall be no successor, with the exception of New Mexico and of Tennessee, to which I will refer later.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Montana?

Mr. SHIELDS. I yield.

Mr. WALSH of Montana. If the Chair will give me his attention, I would rather address these remarks to the Chair. If we assume that the case is correctly covered by the general statute, the House, for some reason satisfactory to itself, concluded that it would be wise to reenact that provision, if the provision already covers the case. The Senator suggests that perhaps it does not, and the Senate, for some reason satisfactory to it, concluded that it would be wise to incorporate the provision.

As a rule, are we to consider that the conference committee is entitled, under those circumstances, to leave the matter out of the conference report, even though it is covered in the statute? Is not the rule just exactly as applicable whether the case is already covered by the law or whether it is not covered by the law; and is the conference vested with the authority to say that it is covered by the law and therefore need not be incorporated, when the rule expressly provides that conferees shall not insert in their report matter not committed to them by either House, nor strike from a bill matter agreed to by both Houses?

There is no exception to that at all, even though it is covered by the existing law. It occurs to me that it is a matter of no consequence whether it is or whether it is not covered by existing law. The Houses have put it in, and the rule says that the conferees must not strike it out.

Mr. SHIELDS. Mr. President, I thank the Senator from Montana for his contribution. That is a reason I had not advanced, and it seems a very strong point and seems to me conclusive of the question.

It would be a question, to say the least, whether the general law would apply. As the Senator has observed, both the House and the Senate thought, we must presume, that it did not apply, certainly that there was a doubt about it, and to remove that doubt they both put this provision in. That would be a question to go to the courts for interpretation and construction. It certainly is not a question for the Presiding Officer of this body to determine. The rule has no exception, and it allows the Chair no discretion, but says that matter that is contained in a bill as passed by the Senate and the House can not be omitted.

Who will say that this is not a material provision? Who in this country who believes in local self-government, who believes in government by the people, who believes in the people having a voice in the selection of their officers, of their judges, will say that it is not material?

The requirement that a judge shall be appointed from the district in which he is to preside, or that he shall reside in the district, is the nearest provision found in our laws in regard to the will and voice of the people in the selection and appointment of United States district judges.

Mr. President, a judge should come from the district or from the circuit where he is given the power to determine and pass upon the lives, liberties, and fortunes of the people. A nonresident, a stranger, who is not familiar with the laws of the district, who is not familiar with the people, does not feel the responsibility felt by a man who resides and lives among them, whose fathers perhaps have lived there, and whose children are expected to reside there, should not be appointed a judge for those people. This is a most important provision. It is one which, so far as I have examined, has never been omitted from any statute of this kind, and one which ought never to be omitted.

I am not going to assault the provision of our Constitution providing for the appointment of judges by the President, subject to confirmation by the Senate. There are some objections to it, but there are many things in its favor; and looking back over the history of the Federal judiciary I am of the opinion that it is wise, and that it has operated well for this country. I would not consent to any alteration in the Constitution in that respect. But, in so far as the people can be given a voice, or a quasi voice in the appointment of their judges, I am in favor of it. I am in favor not only of maintaining the present safeguards, but I am in favor of extending them as far as possible consistent with the Constitution, for I believe in local self-government.

I regret and deplore the tendency in these times toward encroachment upon the sovereignty of the States in their domestic matters. I deplore the tendency to concentrate all power in Washington and have the people governed and controlled by departments and bureaus, largely by clerks. While this power is generally vested in the President, or in the head of a department, yet in practice we know that they can not and do not, on account of the multiplicity of their duties so imposed, give them personal attention and that the matters are investigated, considered, determined, and in a manner executed by clerks of whom the people have never heard, officers whom they did not elect, who are unknown to them, who know nothing of their necessities, who know nothing of matters relating to particular localities.

I hope that we have reached the end of such legislation. While I remain a Member of this body I shall oppose every measure which in any way withdraws from the States the right to govern in their local matters or withdraws from the people the right to select and elect their own officers. Practically, the police power of the States has been destroyed. There are measures now being proposed and pending upon the calendar of this body to further encroach upon them.

I do not believe it is necessary for me to elaborate this question to the present Presiding Officer of this body, for I know he fully realizes the right of the people to govern themselves and believes in preserving their rights and in public officers being responsible to their constituencies.

You might say these are temporary judges, that it does not apply to the permanent judgeships; but it is the first step in breaking in upon the rule of having the judges come from the particular districts or localities where they are to officiate, and being of the people whose rights they are called upon to adjudicate, and that first step ought not to be taken.

In my opinion, Mr. President, no more material and important provision was put in this bill. It was deemed important by the House, it was deemed important by the Senate, and both of those bodies solemnly asserted that the judge should come from the district where he was to act, and I say that these five conferees, with the presiding officer of the two bodies, have no right to overturn the expressed will of the House and the Senate upon this important subject.

Mr. President, there are two other points of order, the discussion of which, of course, I could not finish in the half minute before the morning hour will have expired, and I therefore suspend my remarks for the present.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The READING CLERK. A bill (H. R. 10874) to provide adjusted compensation for veterans of the World War, and for other purposes.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Hale	Moses	Shields
Borah	Harreld	Myers	Shortridge
Broussard	Heflin	Nelson	Smoot
Bursum	Hitchcock	New	Stanfield
Cameron	Jones, N. Mex.	Nicholson	Sterling
Capper	Jones, Wash.	Oddie	Sutherland
Culberson	Kellogg	Pittman	Trammell
Cummins	Kendrick	Ransdell	Underwood
Curtis	Lenroot	Rawson	Wadsworth
Dillingham	McCumber	Reed, Mo.	Walsh, Mont.
Fletcher	McKellar	Reed, Pa.	Warren
Gerry	McLean	Robinson	Watson, Ga.
Gooding	McNary	Sheppard	

The PRESIDING OFFICER. Fifty-one Senators have answered to their names. A quorum is present.

JUDICIAL PRACTICE IN APPEALS.

Mr. REED of Missouri. Mr. President, out of order, I ask unanimous consent to report back favorably without amendment, on behalf of the Committee on the Judiciary, the bill (S. 3618) to amend section 135 of the Judicial Code, and I ask unanimous consent for its present consideration. I think it will lead to no debate at all.

The PRESIDING OFFICER. Is there objection to the receipt of the report? The Chair hears none, and the report is received. Is there objection to the present consideration of the bill?

Mr. SMOOT. I would like to have the bill reported.

Mr. McCUMBER. I do not object to it if it will not require debate.

Mr. SMOOT. Before I give consent I would like to have just a brief statement from the Senator from Missouri as to what the bill is.

Mr. REED of Missouri. I can give it. The bill relates wholly to practice in the matter of appeals. At the present time, under the state of the law, it is very difficult for attorneys to tell whether an appeal lies to the Supreme Court of the United States or to the Court of Appeals. It is a very puzzling situation. The bill simply provides that if they lodge their appeal and it goes to a court which determines that it is the wrong tribunal, instead of dismissing the appeal they transfer it to the other court. It simply wipes out a technicality.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That section 135 of the Judicial Code is hereby amended by adding at the end thereof the following paragraph:

"If an appeal or writ of error has been or shall be taken to, or issued out of, any circuit court of appeals in a case wherein such appeal or writ of error should have been taken to or issued out of the Supreme Court; or if an appeal or writ of error has been or shall be taken to, or issued out of, the Supreme Court in a case wherein such appeal or writ of error should have been taken to, or issued out of, a circuit court of appeals, such appeal or writ of error shall not for such reason be dismissed, but shall be transferred to the proper court, which shall thereupon be possessed of the same and shall proceed to the determination thereof, with the same force and effect as if such appeal or writ of error had been duly taken to, or issued out of, the court to which it is so transferred."

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

COMPENSATION OF WORLD WAR VETERANS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 10874) to provide adjusted compensation for veterans of the World War, and for other purposes.

Mr. McCUMBER. Mr. President, as I desire that the remarks I shall make upon the pending bill shall be logical in both form and substance, I ask not to be interrupted until I shall have concluded.

Mr. President, for the third time the soldiers' compensation bill is before the Senate of the United States. This bill passed the House and came to the Senate just prior to the adjournment of Congress in 1920. It reached the Senate too late to receive that consideration which its importance demanded before the time agreed upon for the adjournment of Congress.

I, however, am fully justified in making the most positive assertion that the Congress of the United States, the American people, and the American soldier each and all understood that this bill would be taken up and passed early in the following session. I am equally justified in the assertion that up to that time the proposal had been hailed with approval by the press of the country.

Wherever the people of any State had been given an opportunity to express themselves, they had voted with almost unanimity to tax themselves whatever might be necessary to meet what they believed to be justly due the soldiers of their respective States. And, Mr. President, notwithstanding the objection of those people who reaped their millions during the war now to share a most meager percentage of their gains with those whose soldier services made those gains possible, I am certain that the great mass of the American people demand that this adjusted compensation bill shall be enacted into law. The millions of petitions that are coming to the Senate not only show that the heart of the American people has not grown cold toward the country's defenders but that it recognizes a just financial obligation and asks the country to meet it.

Upon the reassembling of Congress the Finance Committee, conforming to this general understanding throughout the country that the compensation bill should be crystallized into law, began the consideration of the bill, which has been delayed only because of the adjournment of Congress, and after making amendments thereto reported it favorably.

In charge of the proposed measure, I had addressed the Senate at some length. The debate, however, had scarcely begun when the President of the United States, guided in his judgment by the report of his Secretary of the Treasury, appeared before the Senate and asked that the bill might be referred back to the committee and its consideration postponed until either special provision should be made to meet its obligations or the seven billions of short-time obligations which fell due in 1923 could be refunded. In deference to the views of the President, by a vote of 47 to 29, the bill was referred back to the committee.

Believing that the American soldier was entitled to know just what this reference of the bill back to the committee meant, although I did not concur in the views of the Secretary of the Treasury and the President, I made this statement on the floor of the Senate:

> The President, upon information furnished him by the Secretary of the Treasury, has asked that Congress defer action for a time on this bill. "How long defer?" you may properly ask. I answer, "Until the tax bill and the tariff bill are enacted into law and the foreign indebtedness to the United States has been funded."
>
> In the matter of the foreign debt the President, in his address to the Senate, states—
>
> I now quote from the President's address—
>
> Even were there not the threatened paralysis of our Treasury, with its fatal reflexes on all our activities which concern our prosperity, would it not be better to await the settlement of our foreign loans? At such a time it would be a bestowal on the part of our Government when it is able to bestow.
>
> That was the gist of his argument—to postpone the measure until a time when the Government would be able to make the bestowal. Resuming the quotation from my address—
>
> In a nutshell the President asks us to hold this matter in abeyance until we fund these foreign obligations; and, as I have said before, the interest on these obligations will more than doubly take care of the highest annual payment which will accrue when the bill becomes a law.
>
> We will, of course, pass both the revenue and the tariff bills at this special session. A bill is now before the Finance Committee giving the Secretary of the Treasury all needful authority to fund into long-time bonds the principal and interest due us from foreign countries. That authority will be given. I can therefore see no reason in the world why this funding settlement should not be completed by the time we have passed the other two bills.
>
> So I can say with absolute assurance to the American people and the American soldier that this bill will be enacted into law, and I am certain that it will be enacted into law in sufficient time that the date at which it becomes effective will not have to be extended; in other words, that the delay will not deprive the veterans of a single important right they would otherwise obtain under the bill.

That was my statement just after the bill had been referred back to the committee.

Mr. President, the revenue bill was before the Senate so long that we were not able to pass the tariff bill during that session, as was expected, and that bill has only now gone to conference; but we can still make good my prophecy, and, notwithstanding the unforeseen conflicts between bonding and taxes to meet its requirements, which arose after my assurance, we can still make the bill become effective about the same time as was provided in the previous bill.

To be sure, Mr. President, we have not yet funded our foreign loans. To my mind there has been an unnecessary delay in funding those obligations. The law providing for a commission to settle those obligations was approved February 9, 1922, and the last of the appointees on that commission was confirmed by the Senate on April 11, 1922. I, therefore, can see no reason in the world why we should not at least have a settlement with our principal debtors, Great Britain, France, and Italy, before January 1, 1923. But, irrespective of this funding, Great Britain is preparing to meet the interest due this fall, and if she does so we shall have in advance a sufficient sum from that source alone more than sufficient to meet the first two years' obligations under this measure. And, Mr. President, that assurance meets the substance if not the letter of the President's request for delay. It answers his query, "Would it not be better to wait the settlement of our foreign loans?"

The British Government recognizes that interest on its obligations to the United States will be due in September of this year. The British Government has included in its budget of expense for the ensuing year an item to cover the interest due the United States. That sum is just as much assured as though the actual bonds had been issued. That answers the President's request for delay. From the source indicated by the President we can meet the 1923 obligation of this bill and meet it nearly three times over without either issuing bonds or levying additional taxes.

After the bill was referred back to the Finance Committee and in the discussion which followed between the Executive and the Ways and Means Committee of the House and the Finance Committee of the Senate, the President insisted that provision must be made in the bill for raising by taxation the revenue to meet the obligations which should be created by the measure. Members of the two committees proposed that instead of a further tax levy at this time, if it should become absolutely necessary, short-time certificates of indebtedness should be issued and sold to meet the first year's payment and thereafter the indebtedness be cared for by the sale of any foreign securities. This was not quite satisfactory to the President, who held that we might as well issue Government bonds as to sell the foreign Government bonds; that the one would

be as much of a strain on our banking resources as the other, and that we needed all our banking resources to meet our own funding requirements.

As all revenue bills must originate in the House of Representatives, the Committee on Ways and Means thereupon proceeded to draft a bill for raising additional revenue by a sales tax, but as soon as it became known that an additional tax was proposed upon any commodity, a most earnest protest against such a tax was made by the dealers in and the users of the commodity. The protest was not against the proposal to extend this benefit to the American soldier, but against any additional taxes being levied at this time.

So, Mr. President, the soldiers' compensation bill found itself in this position: The President approved of the measure provided the Congress passed additional revenue to meet its obligations. The Congress approved the measure provided there should be no tax measure attached to it. The President, while favoring the purpose generally, was not willing to create any further bonded indebtedness to meet the requirements of the bill. The Congress, while favoring the bill, was not willing to levy additional taxes to meet its requirements.

In despair the members of the Ways and Means Committee, in order to avoid both these objections, had to carve out a different course. So they provided that the Government should not be required to expend anything, except administrative expenses, until after the 1st day of October, 1922. The Finance Committee, by its proposed amendment to the House bill, postpones the principal expenses incident to the proposed legislation to 1923, a time sufficiently removed to prevent any interference with the refunding of the obligations maturing in 1923, and also to a time sufficiently removed to enable a future Congress to provide any additional means of revenue if such additional means should become necessary. I, however, believe that it will not be necessary to provide any further revenue to meet the requirements of this soldiers' compensation bill.

A close examination of the bill will show an estimated expense for the calendar year of 1923 of $77,440,889; for the calendar year of 1924 of $92,177,729; for the calendar year of 1925 of $73,100,962. (See report, Appendix A.)

The largest amount required will be in 1926. By 1930 it will drop to $21,000,000, and will be only a very few millions thereafter until 1943.

If, Mr. President, our income should fall below our proposed expenditures for the next few years, there are a great many places in which we could practice economy to bring our expenses within our income and still meet all our just and honorable debts without either increasing taxes or issuing Government obligations. I can mention a single item which might be delayed a year, if necessary, and which would far more than take care of the obligations of this bill. I certainly am a believer in good roads, but if it were necessary for me to make a choice between paying out to our soldiers $78,000,000 in 1923 and paying out $125,000,000 for our good roads, I would unhesitatingly say, postpone the road expense. I could probably find many other smaller items which we could well postpone and still go on with the good-roads' work and also meet the obligations created by this bill.

The letter of the Secretary of the Treasury which was the basis of the President's request for delay stressed the fact that there were about $7,000,000,000 of short-time obligations maturing on or before 1923. This letter evidences the caution of an experienced business man and banker. He feared that this increase of governmental obligations might make the funding of these short-time obligations most difficult. I, however, call his attention to the fact that this bill as modified avoids this danger, first, in that the obligations will not exceed $100,000,000 per year for the first three years and can be met through the interest due on foreign obligations, and, in case that interest should fail, through current revenues; and if the latter should fail, then through the sale of a very small part of our foreign bonds.

I call attention to the further fact that we have the greater part of all of the gold of the world in our vaults; that we are now the greatest creditor nation on earth; that our banks are filled to overflowing; that they are looking not for an opportunity to loan a hundred million but for an opportunity to loan billions to foreign countries. All on earth they want is proper security, and the cash will leap from the banks for any kind of profitable investment.

Let me further call attention to the fact that since 1919 we have reduced our national indebtedness more than $3,000,000,000. Would we have felt it if we had reduced it a little hundred million less? Would we feel it if for the next three years the reduction should only be $2,700,000,000 per annum?

Let me again call attention to the fact that we have already refunded about a billion dollars of those short-time obligations before they became due, and if we can fund seven billions of short-time obligations gradually, as we are now doing, without a ripple in the sea of finance, is it possible that we must look for a financial earthquake if our national indebtedness should even be increased a little $78,000,000 in any year? Twenty millions given in charity to Russia, twenty-five millions to salve Colombian sentiment, twenty millions for ship subsidy, cause not a ripple of comment. We talk of $125,000,000 for good roads, of two or three hundred millions to assist railways, all in a single year, as if they amounted to nothing. We do not dream of suggesting a special tax to meet this $125,000,000. Why on earth, then, should we approach this soldiers' compensation bill, the payments under which may be scattered over half a century, and the 1923 payment being only a little over half that sum, as though it were an obligation requiring a special tax levy or one endangering the refunding of short-time obligations?

Mr. President, if the financial situation of the country as it appeared to the vision of the Secretary of the Treasury as he viewed the horizon of the future in 1921 seemed to justify his note of extreme caution—if it seemed to him of sufficient importance to justify the raising of the danger signal—I submit, in all candor and assurance, that the time which has elapsed since the writing of that letter has entirely dissipated those clouds of danger. The Secretary feared at that time that the creation of a new obligation, which might have amounted to five billions as the bill was then drawn but the greater portion of which was not payable until the expiration of 20 years, might render it extremely difficult to float the necessary bonds to take up short-time obligations, which would amount to about $7,000,000,000 by 1923.

Mr. President, to show that he could easily have floated many times that sum, and that he will find no difficulty in floating any amount of bonds now, I want to call attention to an article in the Sunday Post of June 4. This article is headed:

"Forty billion dollars in banks wait the call of business—Easy money and plenty of it a help to restore country's commercial and industrial activities to normal conditions—Striking contrasts with year ago, when credit was hard to get—Oversubscribe loans quickly."

This article states:

Twenty-five billion dollars of unused credit lies in American bank vaults to-day, according to last week's statement of the Federal Reserve Board.

Twenty-five billions—more than the entire bonded indebtedness of the United States.

Savings and State banks have another huge fund which they are most eager to lend. While there is no method of measuring that sum, the Nation's banks probably have, all told, an untapped total of $40,000,000,000 of credit available for business enterprise.

Mr. WATSON of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Georgia?

Mr. McCUMBER. I requested when I started that I should not be asked to yield until I had closed my remarks, if the Senator will kindly excuse me.

Continuing the quotation:

This great reservoir of unused credit has been filling rapidly within the past year, and stands to-day at the highest mark ever reached in the history of American banking. It has brought about a situation virtually without parallel in our economic history. The man or firm who wanted to borrow money a year ago had difficulty in obtaining it at high interest rates; to-day he is courted by banks and investment houses. Hungry dollars are strenuously seeking his employ and at low rates of interest. The only thing he need have to get all the money he wants is prime security for his loan.

It was about a year ago that the Secretary sounded his note of caution. Need we to-day fear to draw $78,000,000 against this $40,000,000,000 credit?

Every issue of securities, big or little, offered the Nation's investors by reputable houses within the past month or so has been snapped up with an eagerness born of hunger. Foreign and domestic issues alike are oversubscribed again and again. For instance, a $24,000,000 issue of bonds of the Republic of Bolivia was offered investors Friday. The subscription books were opened at 10.30 o'clock. Five minutes later they were closed. The issue has been heavily oversubscribed.

The Treasury's offering of $200,000,000 in securities paying 3½ per cent interest was oversubscribed in every district last week. The Farm Loan Board's offering of $75,000,000 of 4½ per cent tax-free bonds, offered a few weeks back, was so heavily oversubscribed on the day it was offered that the board issued a few days later another $42,000,000 bond issue, put on the market about a month ago, disappointed thousands of investors in that they could not get a share of it.

Industrial offerings of prime value meet the same response. During the present week the New England Telephone & Telegraph Co. offered $35,000,000 of first-mortgage 30-year 5 per cent bonds. The books were opened and closed immediately, with an enormous oversubscription. The Virginia-Carolina Chemical Co.'s $22,500,000 of first-mortgage 25-year 7 per cent bonds were absorbed within an hour.

Does this look, Mr. President, as though $78,000,000 would seriously affect the country's credit in the year 1923?

Admitting, Mr. President, the lowering skies in the financial world of a year ago, I ask the Secretary of the Treasury and the President of the United States to view this proposed legislation in the light of present-day conditions, and these changed conditions certainly must appeal to the judgment for a revision of the views of a year ago. Mr. President, we can meet every dollar this bill will call for without additional tax levy and without in the slightest degree affecting the refunding of any unpaid short-time obligations.

We now come directly to the proposition, Is there a moral obligation on the part of the American people to adjust the compensation that the American soldier received during the war to make it more nearly conform to the added compensation received by every other American citizen during that war? And remember that is all there is to this question.

The opponents of the soldiers' adjusted compensation bill may shout their cry of commercializing patriotism just as often as they see fit. They know there is not another question in this proposition but the single question of whether or not there is a moral obligation to increase the pay which the soldier received to more nearly reach the compensation which every stay-at-home received while the soldier was fighting his country's battles.

This bill, Mr. President, is not a bonus bill. That designation is a misnomer. It is not a gift. I know the American soldier well enough, and the Senators know him well enough, to fully realize he is not asking this as a gift but as a matter of actual financial justice.

This bill is exactly what it purports to be—an adjusted compensation bill. When one person owes a debt to another there is a court to pass upon its validity in case of dispute and a law to enforce its collection. When a government owes a debt there is neither court nor process to enforce it. Congress alone has the power to determine its equity and whether it shall be paid. That question is now squarely before the American Congress.

Now, Mr. President, I am willing to lay aside for the purpose of discussion every sentiment of patriotic impulse and rest this case entirely on the question whether or not there is a just moral obligation on the part of the Government to increase the compensation of those who fought our battles to make that compensation more nearly equal the pay of those who stayed at home. If two men labor side by side for an employer, doing the same kind of work, one under a contract to receive a specified sum for his services, the other having no contract, and it is established by competent evidence that the wage received by the man under contract is the going wage paid for such service, then under the rule of quantum meruit, the man with no contract can recover for his service the same pay that is paid the other. That is not only common law but also common justice.

When we entered the war a portion of our men were called to battle. Another portion were called to provide means to support those who fought. Now, if we base the claim for equal compensation on the cold proposition as to whether the soldier should receive a compensation equal to that of the one who remained at home, could there be any division of opinion? Could anyone for a moment insist that the soldier was entitled to less compensation than the one who remained out of danger to supply his needs? And if that is admitted, must not everyone also admit that if the stay-at-home received more than the soldier, there is, to say the very least, an inequality that ought to be righted, and does not every principle of law as well as of equity demand that it should be righted?

This proposition is not answered by the reply that soldiers have never been paid as much as civilians in case of war. We do not need to go back very far in the history of the world to a time when the soldier was paid nothing whatever. But those were days when he shared in the loot of conquest, in the robbery of civilian multitudes. Civilized warfare has stayed to a considerable extent at least the hand of mere plunder. Only the stay-at-homes are accorded that privilege now. But let the profiteers of the great World War enjoy as best they may the plunder of their own Government. It is my candid opinion that if we ever enter into another great war the whole population will be drafted, and the attempt of any man to enrich himself at the expense of his Government will be dealt with as the military deals with the soldier who would steal and sell to the enemy munitions of war.

I want the American Congress and the American people to answer this simple, straight question: Is not the cause of the country in time of war just as much the cause of the stay-at-home citizen as of the soldier citizen? Are the duties and obligations resting upon the latter one whit greater than those resting upon the former? If, therefore, the soldier has no right to take advantage of the desperate situation of his country in time of war to further his own financial interest, has the stay-at-home the right to double and treble and quadruple his income at the expense of the country during such war? Yes or no?

And if the stay-at-home does that very thing and thereby creates a mighty indebtedness against his country which the home-coming soldier must help to pay, then should he not pay a portion at least of these unlawful gains taken by him from his Government—gains which piled this indebtedness mountain high, to help this home-coming soldier to meet the very national indebtedness created by this holding up of the Government?

Mr. President, there can be but one answer to this question. Yes; everlastingly, yes. Let us simplify this proposition.

If the average earnings of male citizens of the United States between the ages of 18 and 45 years were, say, $3 per day at the time we entered the war, and one-fifth of those citizens were called to do battle for the country, to suffer all the hardships, agonies, and death itself, and were required to be satisfied with the sum of $3 per day or its equivalent, and while they were thus suffering and battling for their country, while they were thus defending the honor and the life of their country, the Government allowed those who remained at home, the other four-fifths, to exact and receive a compensation averaging $9 per day, and not having the money to pay this increase, the Government had to borrow the money to meet it and then turn around and charge a proportionate amount of the sum so borrowed to the soldier who had received not a penny of it, how in heaven's name can you escape the righteous conclusion that the home-staying citizen should divide his excess earnings with the soldier-citizen? The soldier having received not a single penny of the billions borrowed by the Government to give the stay-at-home this extra compensation, can the stay-at-home do less than relieve the soldier from the debt so imposed? And as that can not be done, can this stay-at-home do less than hand over to the soldier a sufficient portion of his excess earnings to enable the soldier to meet his proportionate share of that debt? If a court of equity were sitting on this case, that is exactly the order which would be made.

I want to make this proposition so clear that he who runs may read.

Here are two boys serving the same autocratic employer for, say, $3 per day. The employer, whose word is law, says to one of them, "You must take a rifle, face my enemies, and fight my battles. I will continue your wage at $3 per day." He says to the other, "You shall stay at home out of danger, relieved from hardships, and I will increase your wage to $9 per day. But as I have not the cash to pay you more than $3 per day I will be compelled to borrow the extra $6 per day, and as this fight for which I am paying your former coworker $3 per day will last about 400 days, I want your note for this extra $6 per day for 400 days, which will amount to $2,400. I will pay you that $2,400 extra in cash, but you must give me your note for that sum, and you must also sign the name of your fighting brother to that note."

At the end of 400 days the fighting boy comes home from the battle. He finds not only his position gone but he also finds that his citizen brother has drawn $2,400 during those 400 days, more than he, the soldier, has drawn. Nor is this all. He finds that his name has been signed to a $2,400 note and he must pay his part, although he has not received a cent of it.

Now, you metropolitan papers who are damning this soldiers' compensation bill, lying about its costs, falsifying the soldier's motives and his honor, just look this soldier boy in the face and then call him a grafter when he calls for some kind of a settlement that will look as though the Government realized the wrong committed against him, and then continue to charge those Senators and Congressmen who look at this question in the same light that the soldiers look at it—look at it in exactly the same light in which I have presented it, look on it in exactly the same light that the people have looked at it wherever they have had an opportunity to express themselves—to charge them with attempting to buy the soldier vote.

In a previous discussion of the soldiers' compensation bill I called attention to the flagrant violation of every principle of honorable business dealing in contracts made with and in work performed for the Government during the war from contractor down to the lowest laborer. I pointed out the scandalous profiteering on the part of both employer and laborer. I called attention to the fact that the contractors engaged in the construction of all our war buildings under the cost-plus contract system encouraged idleness, padded their pay rolls, and added

enormously to the expense of work because by so doing they increased their own compensation. I called attention to the fact that in the construction of the buildings surrounding the Capitol not more than one-third of the men were working at any one time. There is not a single building constructed in this city during the war that did not cost at least five times what it should have cost. I called attention to the fact that at that time when we were in the most dangerous situation during the war, when on account of the ravages of the U-boats, when the scales of success or failure were almost evenly balanced, a riveting gang in one of our principal shipyards, which had averaged the setting of 400 rivets a day when they were paid about $5 per day, after they had had their wages increased to nearly $14 per day set but 51 rivets per day. This matter was published in detail by one of our great magazines. I called attention to the fact that there was not a single shipyard in which the amount of work turned out per man would equal 50 per cent of normal. I called attention to the fact that in the building of some of our cantonments, sick soldiers were left without decent shelter while thousands and thousands of men were drawing big wages, $8 and $10 per day and $20 on Sundays, and that thousands and thousands of soldiers died because of this neglect. I called attention to the extent of the looting of the Treasury everywhere, of the awful wastefulness, of the destruction of property, of the billions that were being piled up in bonded indebtedness to meet this Saturnalia, this wild, drunken orgy of extravagance.

What were these great papers that are now condemning Congress and damning the soldiers for asking for their just rights saying at that time? Did a single one of them come out and condemn this looting of the Treasury? Did a single one of them attempt to bring before the American public any idea of what was going on in the United States in piling up without any tangible result an enormous indebtedness which must some day be paid with heavy taxes? Did any one of them call attention to this crime against the American soldiers who were dying in France or in cantonments? Did any of them call attention to the fact that a day of reckoning would surely come? Were they all too busy in gathering in the shekels incident to the extravagance that followed this opening of the Treasury to almost bandit hands to call attention of the public to this criminal looting of the Treasury when the country most needed that publicity which alone could awaken the conscience of the country and check this lawless raid?

It cost us for one year of our participation in the war more than it cost France for four and a half years, with three times the number of men actually engaged in the conflict. We got to the front only about half of our men and our small arms. Our soldiers were for the most part transported by British vessels and supplied from French and British war stores. And yet our average daily expenditure for each man under arms was four times that of Great Britain, six times that of France, and ten times that of Italy. There was no earthly excuse for these colossal differences.

I know the excuses that were at the time made and have since been made for this unheard-of extravagance. But the excuses are wholly without foundation. They say the Government could not protect itself against this raid on the Treasury, that the Government must pay such extravagant commissions as the consciences of contractors would allow them to take; that the country could not protect itself against strikes and the ever-pressing demand for greater and greater wages by those who were working for the Government to supply the soldiers in the field; that the Government could not protect itself against padding of the pay rolls or against idleness.

Let us analyze that for a moment. Is it not a fact that the Government did take every bushel of wheat in the United States and say to every farmer, "You shall receive just so much for this wheat and not one penny more"? It said to the miller, "You must sell your flour for just so much per barrel and not one penny more." It said to the miner of copper, "You shall sell your copper for so many cents per pound and not one penny more." It fixed the price of sugar; it fixed the price of a number of other articles. And in the exercise of every one of these price-fixing activities it acted within its war powers. By controlling the price of these commodities it controlled the earnings of fully one-third of the population of the United States. And while it was controlling this one-third it allowed the other two-thirds to actually unlock the vaults of the National Treasury and help themselves.

The condition of Europe and the demand for breadstuffs would have raised the price of the American wheat to a value unheard of. But the American farmer did not ask it. He asked only such price as would give his product something like the purchasing value that it had had in times of peace. He failed to get one-half of that. He is not complaining. What the Government should have done was this: It should have said to every manufacturing establishment in the United States, to every contractor: "This is war. No patriotic citizen will attempt to take advantage of his country during a life-and-death struggle, and no citizen will be allowed to do so. We will allow the contractor the usual profits derived from his business when economically conducted, and no more." The Government should have said to every manufacturer: "Keep your mills running. The Government will not allow you to charge any additional prices for your commodities." It should have said to the workman: "Your brothers are on the battle line and you are working for them. You are not entitled to a compensation any greater than you have been receiving. And as they must do their full duty we call upon you to do a full and honest day's work for good and honest pay." Had we followed that rule the money that we raised by taxation alone, without any bonds, would have nearly taken care of our expenses.

This much, Mr. President, on the moral obligation of the Government.

There is another reason, Mr. President, why this Congress should enact this bill into law at this session. That portion of the press which is aligning itself against any soldiers' compensation legislation is charging that such legislation is being urged as a bid for the soldier vote. The absolute silliness of this contention is apparent. Let the soldier look over the list of those who have voted for this measure and see if he can find any partisanship in the vote. Let him see if he does not find just as many Democrats as Republicans ready to do him this partial justice. He will see that no matter what party advantage may be attempted by individuals, the Congress of the United States in voting this compensation has acted as it did in the war, as an American Congress and not as a partisan Congress.

The enactment of this soldiers' legislation will not make the difference of a single vote for either party on the part of the American soldiers. The failure, however, to enact this legislation will, and very properly so, subject this Congress to the accusation that when the House passed the soldiers' compensation just before the election in 1920 and assured the American soldiers that it would be passed by the other House as early as possible in the next succeeding session they were playing politics.

I am certain that such a thought was never in the mind of a single Senator or Representative. All know the history of the proposed legislation since that time. The time has now arrived for the American Congress to show that it was acting in good faith; that it was not attempting to play politics with the American soldier. The President in his campaign in 1920 declared in favor of some kind of soldiers' compensation bill. Republicans both in the campaign and on the floor of the Senate have reiterated their determination to make good these promises. They were made in good faith, and that good faith will be manifested in the vote on this measure.

Mr. President, will this $78,000,000 for the year 1923, $92,000,000 for the year 1924, and $73,000,000 for the year 1925 be an extravagant obligation for a Government of 110,000,000 people? I want to insert in the RECORD at this point a table showing the population, wealth, indebtedness, debt in per cent of wealth, and per capita indebtedness of each one of the principal countries engaged as allies in the late war and also of Germany.

The PRESIDING OFFICER. Without objection, permission is granted.

The table referred to is as follows:

Country.	Population, 1919.	Wealth.	Debt (amount).	Debt in per cent of wealth.	Debt per capita.
United States	105,683,000	$204,393,000,000	$23,922,000,000	11.7	$226.35
United Kingdom	40,089,000	70,564,250,000	36,854,004,000	52.2	799.62
France	41,476,000	58,398,000,000	55,165,709,000	94.4	1,330.06
Belgium	7,658,000	14,307,510,000	3,781,155,000	26.4	493.75
Italy	36,740,000	21,801,920,000	18,650,000,000	85.5	507.62
Canada	8,361,000	11,119,953,000	2,234,496,916	20.1	267.25
Australia	4,981,000	7,445,745,000	1,859,003,000	25.0	373.23
Germany	67,812,000	80,540,575,000	71,400,000,000	88.6	1,051.92

Mr. McCUMBER. Mr. President, I desire to call attention to the fact that France owes 94.4 cents for every dollar of her national wealth, that Italy owes 85.5 cents for every dollar of her national wealth, that Germany owes 86.6 cents for every dollar of her national wealth, and that the United States owes 11.7 cents for each dollar of her national wealth. I wish to supplement the table just referred to with another, which I ask to

have inserted in the RECORD, showing the per capita tax imposed in the United States and specified foreign countries.

The PRESIDING OFFICER. Without objection, permission is granted.

The table referred to is as follows:

Per capita tax imposedin the United States and specified foreign countries.

[Source: Statesman's Year Book.]

Country.	1914	1920
United States	$6.79	$49.41
United Kingdom	17.22	107.18
France	19.96	86.85
Italy	6.54	25.92
Germany	7.45	105.72

NOTE.—Foreign currency converted into dollars at par of exchange.

Mr. McCUMBER. I wish to call attention to the fact that in 1920 every man, woman, and child in Great Britain paid $107.18; in Germany, $105.72; in the United States, $49.41.

In the light of this almost negligible indebtedness, as compared with wealth in the United States, of the per capita tax paid in this country as compared with that paid in Great Britain, Germany, and France, let us examine into what these other countries have done for their soldiers over and above the regular soldier's compensation.

Great Britain, although she could not pay us anything on the debts which she owed us, nevertheless, in her gratitude for the services of her soldiers and with a population one-third of ours and a debt equal to 52.2 per cent of her wealth, has granted an additional compensation to her men and officers amounting to $275,910,446, an average of $101.50 each; Canada $147,600,000, an average of $540 each—more than this bill will pay to our soldiers—Australia, $105,000,000, an average of $409.50 each; New Zealand, $18,290,650, an average of $409.50 each; France, $372,371,150, an average of $95.25 each; Belgium, $10,592,250, an average of $287 each.

Even Germany, crushed as she was, found means to salve the wounds of defeat by granting her soldiers some additional pay.

And here stands the great United States, the wealthiest country on God's earth, with a little 11 per cent indebtedness; the United States which reaped enormous benefits during the three years the war was in progress before we entered it, which went into the war more or less a debtor nation and came out of it with nearly all the gold on the face of the earth and with every important nation on earth owing her, quibbling over this little sum which she honestly owes the soldier. And the great capitalists of the country, whose fortunes were doubled and trebled and quadrupled during this war, are, through their medium of speech—the great metropolitan press—whining because they are to be called upon to pay a trifling little tax out of their immense fortunes to meet the compensation due the soldier who made it possible for them to amass and hold their fortunes. Even if the flood tide of their avarice has overwhelmed their patriotic impulses, it ought not to entirely submerge the element of shame.

Oh, Mr. President, how shortsighted our avarice and selfishness sometimes makes us. In these times of great unrest, of lawlessness heretofore never heard of, of crime rampant throughout the land, when the sacred rights of life, liberty, and property are being denied and defied as never before in the history of our country, to whom in the end must we look for the final arbiter between individual right and mob power—between the supremacy of law on the one hand and the supremacy of anarchy on the other? We must look to those very boys who stood for their country on the field of battle—who carried its flag and whose comrades died for its honor. We must look to those boys, the constitution of whose organization declares:

> For God and country we associate ourselves together for the following purposes: To uphold and defend the Constitution of the United States of America; to maintain law and order; * * * to inculcate a sense of individual obligation to the community, State, and Nation to combat the autocracy of both the classes and the masses; to safeguard and transmit to posterity the principles of justice, freedom, and democracy.

Let me tell you, Mr. President, that we will need these boys with their loyalty to country and Constitution and the sacred rights declared by the Constitution; we will need them more—a thousand times more—than we will need the few dollars we would save by denying this little element of justice. Let those boys who thus swear to defend their country and their Constitution and who stand for right and justice feel that their country has not, to save a few paltry dollars, failed to extend to them the same right and justice for which they so loyally pledge themselves.

Mr. President, the Government ought in justice and square dealing to pay in cash to the soldiers this $1 and $1.25 per day for each day's service, as provided in the bill. If it did this, the entire cash cost would not exceed $1,561,000,000; but as the Government has not the cash on hand, the Congress, acting as the agent of the Government, says to the soldier: "Let us fix on some basis of payment that will give the Government an extension of time in which to make this payment." So they sit down at the table, and the soldier says: "I will not ask the Government to pay a penny for 20 years, if I live that long. So give me a paid-up insurance, the equivalent of the cash due me with interest, for those 20 years. Most of our number will take that plan. But as there may be some few who may wish to purchase a home or land, we ask you to help those few to fulfill their purchase-price engagements. They will not be many. We desire, however, the right to borrow upon our certificates, but for the first three years we are willing to take our borrowing chances with the banks of the country, if we shall be pressed for cash. After that, if we borrow from you, we shall pay you the same per cent of interest which you allow us.

"Many of our number may never call upon you for anything. Many others will not call upon you for years yet to come. So whatever obligation is created may be scattered over 40 or even 50 years."

Mr. President, this is a fair bill, just to the country, just to the soldier, or, at least, satisfactory to the soldier. It ought not to be materially changed. This is the way, under the provisions of this bill, in which the Government is to meet the soldiers' compensation obligations:

It will allow the soldier $1 for each day's service in the United States and $1.25 for each day's service overseas, after deducting from such service the 60 days for which we have already appropriated and paid him.

We estimate that 75 per cent will take the insurance plan.

Another plan is the adjusted service pay. This plan, however, is limited to veterans whose adjusted service credit is not more than $50.

The next plan is the vocational training aid. Under this plan the Government will advance the amount due the soldier to be applied toward his vocational training. I think the ages of the soldiers generally now are such that very few, indeed, will apply under this plan.

The next is the farm or home aid. Under this plan the sum found due the soldier will be advanced to him as may be necessary to be applied toward the purchase price of a home or farm.

The committee has recommended the elimination of the land-settlement provision of the House bill for the following reasons, which are set out in the report:

> (1) Any reclamation scheme will be exceedingly expensive and will in the end necessitate the expenditure of millions of dollars; (2) it will be many years before a veteran will be able to determine whether or not he could secure any rights under such plan and where the projects will be located; and (3) in making an application for such aid the veteran would not know anything relative to the location, cost, or advantage of the project.
>
> Your committee recommends a land-settlement plan which will give the veteran a preference on the opening of public or Indian lands to entry or the restoration to entry of public lands, and on all reclamation projects now in existence or hereafter established, whether such reclamation is made by irrigation, drainage, or otherwise.

Mr. President, many arguments and extravagant statements have been made from time to time on this floor and in the press as to the cost to the country of this compensation bill. Let me give the actual facts:

The cash-payment plan is eliminated under the provisions of this bill, except where the amount due the veteran is $50 or under, and this cash payment will amount to only about $16,000,000, and this, of course, would be paid in the first year.

We have inserted in our report tables showing the maximum actual cost to the Government if every veteran applied for that plan which would be most costly in the end to the Government, viz, the certificate of insurance plan. If every veteran entitled to the benefits of this proposed law should so apply, the cost could not exceed $4,500,000,000, and this scattered over 40 years. But, Mr. President, there will be thousands who never will apply, and thousands more who will not apply until late in life, and the Government will have an extension of 20 years from the date of these later applications.

Upon the evidence submitted the committee estimate that about 75 per cent of those who make application will select the insurance plan, 22½ per cent farm, home, and land-settlement aid, and 2½ per cent vocational-training aid. If every man entitled to make a claim avails himself immediately of his rights, the cost to the Government by 1966 would total the sum of $3,845,000,000 in round numbers, and the bulk of the burden would fall not upon this generation, which has shouldered the heavy taxation to maintain a great World War, not upon a Nation of 110,000,000 people but on a Nation of 200,000,000 people.

While it is absolutely certain that the burden can not reach above the figures I have mentioned, it can and will fall far below them. A fair, conservative estimate would place the final cost at $3,500,000,000, scattered along the pathway of 40 years.

I ask that the table, Appendix A of the committee report, be printed at the close of my remarks.

Mr. President, to my mind, every precept of financial justice and every principle of political honor demand that this soldiers' compensation bill be passed into a law at this session of Congress, and I am certain, in accordance with resolutions which have heretofore been passed, that it will so be crystalized into law.

APPENDIX.

Cost to Government on basis of 75 per cent certificate plan, 22½ farm, home, and land settlement aid, and 2½ per cent vocational training, after deducting the cash payments of $16,000,000.

Calendar year.	Certificate plan.	Farm, home, and land settlement aid.	Vocational training.	Cash.	Total.
1923	$13,265,889	$22,500,000	$31,675,000	$10,000,000	$77,440,889
1924	19,927,729	47,250,000	20,000,000	5,000,000	92,177,729
1925	21,950,962	49,500,000	650,000	1,000,000	73,100,962
1926	289,229,885	81,000,000			370,229,885
1927	61,212,215	87,750,000			148,962,215
1928	43,064,284	94,500,000			137,564,284
1929	62,251,417	29,925,000			92,176,417
1930	36,372,946				36,372,946
1931	25,466,117				25,466,117
1932	21,955,771				21,955,771
1933	18,503,421				18,503,421
1934	18,788,137				18,788,137
1935	19,136,157				19,136,157
1936	19,488,037				19,488,037
1937	27,405,210				27,405,210
1938	27,854,752				27,854,752
1939	28,409,290				28,409,290
1940	13,991,518				13,991,518
1941	−7,783,804				−7,783,804
1942	−104,498,263				−104,498,263
Total to 1943	655,991,670	412,425,000	52,325,000	16,000,000	1,136,741,670
1943 to 1966	2,708,917,811				2,708,917,811
Total	3,364,909,481	412,425,000	52,325,000	16,000,000	3,845,659,481

Mr. ROBINSON. Mr. President, the Senator from North Dakota indicated at the beginning of his remarks his desire not to be interrupted. He has just made a forceful and comprehensive presentation of the issues involved in the pending bill.

During the course of his remarks the Senator from North Dakota assured the Senate that the time is near when this bill will become a law. He reviewed the history of the delays which have occurred since the bill was first considered by the Congress, and recalled the pledges the President made during his campaign in connection with the subject, giving the Senate assurance that the bill will become law.

When the President appeared before the Senate a year ago and urged delay in the legislation he justified his position on financial considerations. The Senator from North Dakota has discussed that aspect of the case fully and clearly.

For many months the press of the Nation has indicated a belief that there is in the mind of the Chief Executive a purpose to veto this bill unless it carries with it a specific measure or method for raising the revenue necessary to meet the obligations which it imposes. The remarks which the Senator made during the course of his very able address indicated a conviction upon the part of the Senator from North Dakota that the Chief Executive will not exercise the veto power in the event the bill passes the Senate.

I inquire of the Senator from North Dakota, with no disposition or desire whatever to embarrass him, whether he has any information on the subject which he is prepared to submit to the Senate and to the country as to whether, in the event this bill passes as proposed by the Finance Committee, with no provision in it for raising the funds necessary to meet the expenditures which it contemplates, it will probably encounter a presidential veto?

Mr. McCUMBER. Mr. President, I have no information whatever as to what the President will do. All I can say is that the conditions which actuated, or seemed to actuate, both the President and the Secretary of the Treasury in 1921 no longer exist, and the change in the bill under which there is only a small sum to be paid each year for the next three years would seem to me to meet every objection which the President and the Secretary then urged against it. I can see no reason why the President should veto this bill as it is drawn.

Mr. ROBINSON. Mr. President, during the course of his address the Senator from North Dakota discussed the question relating to the ability of the Government to meet the payments contemplated by the bill without any necessity for a specific tax levy for that purpose, and I regret that so few Senators remained in the Chamber to hear the Senator's discussion. It leads me to this conviction, that in all probability little is to be accomplished by a prolonged debate in the Senate respecting this subject. Senators have had three years to deliberate upon it. Some of them apparently have found occasion and justification for changing their conclusions and their decisions respecting it, but the Senator from North Dakota has this afternoon demonstrated the fact that their is nothing in the financial condition of the Government of the United States that justifies either a further postponement of this legislation or an Executive veto.

When the President was before the Senate a year ago and asked delay for the reasons he then stated, it was asserted by some of us here that that movement was attributable to a powerful and organized effort upon the part of great financial influences to encompass the defeat of adjusted-compensation legislation through the influence of propaganda, deliberately and systematically conducted in the press of the Nation, and through other methods. Never in the history of this country has any measure been subjected to more deliberate, more powerful, more well-directed influence in opposition.

Mr. WALSH of Massachusetts. And it has not ceased.

Mr. ROBINSON. As suggested by the Senator from Massachusetts, that propaganda is still in progress, still gathering force and volume. Certainly the time has come when the Senate of the United States should make final disposition of this bill. It ought to have been disposed of in the beginning.

If the Government of the United States owes consideration to the men who uplifted into light on foreign battle fields the flag of this Republic and carried it to victory, that obligation ought not to be discredited, ought not to be repudiated, ought not to be grudgingly discharged. It ought to be met promptly, cheerfully, gratefully. It ought to have been met a year ago.

Say what you please, print what you please, there is a feeling in the breasts of those who represent the ex-service men of the country that the authorities of the United States and the organized representatives of the wealth of the Nation are growing increasingly ungrateful of their services, rendered under circumstances, as set forth by the Senator from North Dakota, that ought to attract the unbounded, the uncompromising, the undying, and enthusiastic gratitude of the people of this Nation.

Mr. BURSUM. Mr. President, I offer an amendment to the bill, which I ask to have printed and lie on the table.

The PRESIDENT pro tempore. The proposed amendment will be printed and lie on the table.

Mr. ASHURST. Mr. President, I have a letter which I received from the national commander of the Disabled Veterans of the World War. I ask that the Secretary may read the same.

The PRESIDENT pro tempore. Without objection, the Secretary will read the communication presented by the Senator from Arizona.

The reading clerk read as follows:

THE DISABLED AMERICAN VETERANS OF THE WORLD WAR,
Washington, August 22, 1922.

Hon. HENRY F. ASHURST,
United States Senate, Washington, D. C.

MY DEAR SENATOR: As the national commander of the Disabled American Veterans of the World War, I wish to inform you officially that at the annual encampment of the Disabled American Veterans of the World War, held recently, resolutions were adopted unanimously calling upon the Congress to enact the adjusted compensation bill.

The Disabled Veterans of the World War have a membership of 120,000 men, which includes a majority of the soldiers, sailors, and marines who have survived the disabilities received during the fighting.

Speaking for the disabled veterans, I wish to state that service men of the true stripe—whether disabled or not—stick together. They stuck together over there, and they have done so over here. Before our own organization of disabled was banded together the American Legion, practically alone, fought our battles with Government incompetence and neglect.

Since the adjusted compensation bill has become an important issue before the country, organizations and individuals who profited much during the halcyon days of war contracts have suddenly evidenced an acute interest in our welfare.

They say America is not rich enough, big enough, and strong enough to pay what we owe to our soldiers who gave only their time, their opportunity of war profits—who risked only their lives for their country. They say, by inference, should we do justice to the well, we can not care for the wounded.

I wish to say to you, Mr. Senator, that the disabled soldiers do not believe this.

The country has demonstrated that it has had sufficient to pay an adjustment of compensation to the Federal employees, to the Regular Army and Navy, to the railroad, and to the war contractors.

Has the Congress of the United States exhausted its country's resources on these, so it must tell its soldiers that peace hath its victories greater than war's; that service is more sure of recognition in the factory than in the trench?

The impending passage of the adjusted compensation bill has at last awakened the war profiteer, the man of large business and swollen income, to the plight of the disabled. That is a good thing to happen at last, and it took the adjusted compensation bill to do it. And the war cripples needed the assistance of these as much three years ago as they do now.

But these business men and organizations—where were they when the Legion was fighting for the passage of the hospital bills and for other legislation for the aid of the disabled soldiers? At no time that I can recall has the Chamber of Commerce of the United States officially appeared before a senatorial or congressional committee to ask for relief for the disabled.

Yet the interests who profited most during the war are now banded together in a concerted effort—a tremendous effort—these people who heretofore had forgotten the war-wrecked young manhood of the Nation except to speak of their plight with sympathy on proper occasions—they are now striving to impress the Senate with their power and their desire to defeat the compensation bill.

And they are trying to make it appear that the disabled oppose this just bill.

It is the belief of the disabled war veterans that the men whose profit was greatest and whose risk was nothing during the war should at least have the grace now to stand aside in favor of the men who risked all and sought nothing but the safety of their country.

I have come down to Washington to help put an end to the bogy that the disabled soldier opposes adjusted compensation. This false argument has been used long enough.

I have joined Commander MacNider, of the Legion, here so that all may know that we are standing firmly behind him and his organization.

The disabled soldiers want their buddies to receive justice, and they want the Senate of the United States to know that they want the adjusted compensation bill passed, and passed without further delay.

Yours very truly,

C. HAMILTON COOK,
National Commander D. A. V. of W. W.

The PRESIDENT pro tempore. The bill having been reported from the Committee on Finance with amendments, the Secretary will report the first committee amendment.

The first amendment of the Committee on Finance was, under the subhead "Application by veteran," on page 7, after line 4, to strike out "(b) Such application shall be made on or before July 1, 1923, and if not made on or before such date shall be held void; but if application for land settlement aid is made on or before such date, the time for receiving the credits and exercising the preferences provided for in Title VIII shall be as specified in such title," and in lieu thereof to insert:

(b) Such application may be made at any time after the passage of this act.

The amendment was agreed to.

The next amendment was, under the subhead "Proof of veteran's choice of plan," on page 8, line 5, after the word "the," to strike out "National Veterans' Settlement Board" and to insert "Secretary of the Interior," so as to read:

SEC. 303. (a) As soon as practicable after the receipt of a valid application the Secretary of War or the Secretary of the Navy, as the case may be, shall transmit to the Secretary of the Treasury, if the veteran has chosen an adjusted service certificate, or to the Director of the United States Veterans' Bureau if the veteran has chosen vocational training aid, or to the Secretary of the Interior if the veteran has chosen farm or home aid or land settlement aid, a certificate setting forth—

The amendment was agreed to.

The next amendment was, on page 8, line 12, after the word "officer," to strike out "or board," so as to read:

(b) Upon receipt of such certificate the officer to which it is transmitted shall proceed to extend to the veteran the benefits conferred by the plan chosen, as provided for in this act.

The amendment was agreed to.

The next amendment was, under the subhead "Publicity," on page 9, line 3, after the word "officer," to strike out "or board," and in line 8, after the word "officer," to strike out "or board," so as to read:

(b) The officer having charge of the administration of any plan or part thereof enumerated in section 301 shall transmit to the Secretary of War and the Secretary of the Navy as soon as practicable after the passage of this act full information and explanations as to the matters of which such officer has charge, which shall be considered by the Secretary of War and the Secretary of the Navy in preparing the publications referred to in subdivision (a).

The amendment was agreed to.

The next amendment was, under the subhead "Reports," on page 10, line 7, after the word "officer," to strike out "or board," so as to read:

SEC. 307. Any officer charged with the administration of any plan under this act, or of any part thereof, shall make a full report to Congress on the first Monday of December of each year.

The amendment was agreed to.

The next amendment was, under the head "Title V.—Adjusted service certificates," on page 12, line 14, after the words "as of," to strike out "October 1, 1922," and to insert "the 1st day of January or July (whichever first occurs) next succeeding the date of filing the application, but in no case before January 1, 1923"; in line 21, after the word "certificate," to strike out "has been," and to insert "is"; in line 22, after the word "veteran," to strike out "on September 30, 1942," and to insert "20 years after the date of the certificate"; and in line 24, after the word "prior," to strike out "thereto" and to insert "to the expiration of such 20-year period," so as to make the section read:

SEC. 501. The Secretary of the Treasury, upon certification from the Secretary of War or the Secretary of the Navy, as provided in section 303, is hereby directed to issue without cost to the veteran designated therein an adjusted service certificate (hereinafter in this title referred to as a "certificate") of a face value equal to the sum of (1) the adjusted service credit of the veteran increased by 25 per cent, plus (2) interest thereon for 20 years at the rate of 4½ per cent per annum, compounded annually (such amount being approximately equal to 3.015 times the adjusted service credit of the veteran). The certificate shall be dated, and all rights conferred under the provisions of this title shall take effect as of the 1st day of January or July (whichever first occurs) next succeeding the date of filing the application, but in no case before January 1, 1923. The veteran shall name the beneficiary of the certificate and may from time to time, with the approval of the Secretary of the Treasury, alter such beneficiary. The amount of the face value of the certificate (unless the certificate is canceled as hereinafter in this title provided) shall be payable (1) to the veteran 20 years after the date of the certificate, or (2) upon the death of the veteran prior to the expiration of such 20-year period, to the beneficiary named; except that if such beneficiary dies before the veteran and no new beneficiary is named, or if the beneficiary in the first instance has not yet been named, the amount of the face value of the certificate shall be paid to the estate of the veteran.

The amendment was agreed to.

The next amendment was, on page 13, line 5, after the word "before," to strike out "October 1, 1925," and to insert "January 1, 1926," so as to make the subhead read:

Loan privileges before January 1, 1926.

The amendment was agreed to.

The next amendment was, on page 13, at the beginning of line 8, to insert "holding a certificate," and in the same line after the word "to," to strike out "September 30, 1925," and to insert "January 1, 1926," so as to read:

SEC. 502. (a) A loan may be made to any veteran holding a certificate prior to January 1, 1926, upon his adjusted service certificate only in accordance with the provisions of this section.

The amendment was agreed to.

The next amendment was, on page 13, line 19, after the word "before," to strike out "September 30, 1925," and to insert "December 31, 1925," so as to read:

(b) Any national bank, or any bank or trust company incorporated under the laws of any State, Territory, possession, or the District of Columbia (hereinafter in this section called "bank"), is authorized to loan to any veteran upon his promissory note secured by his adjusted service certificate (with or without the consent of the beneficiary thereof) any amount not in excess of 50 per cent of the loan basis (as defined in subdivision (f) of this section) of the certificate, such loan to mature on or before December 31, 1925. The rate of interest charged upon the loan by the bank shall not exceed, by more than 2 per cent per annum, the rate charged at the date of the loan for the discount of commercial paper under section 13 of the Federal reserve act, by the Federal reserve bank for the Federal reserve district in which the bank is located. Any bank holding a note for a loan under this section, secured by a certificate (whether the bank originally making the loan or a bank to which the note and certificate have been transferred) may sell the note to, or discount or rediscount it with, any bank authorized to make a loan to a veteran under this section, and transfer the certificate to such bank. In case the note is sold the bank making the sale shall promptly notify the veteran.

The amendment was agreed to.

The next amendment was, on page 14, line 11, after the word "before," to strike out "September 30, 1925," and to insert "December 31, 1925"; in line 12, after the word "after," to strike out "March" and to insert "June"; in line 14, after the word "than," to strike out "May 30, 1925," and to insert "August 31, 1925"; in line 15, after the word "than," to strike out "October 15, 1925," and to insert "January 15, 1926"; in line 16, after the word "note," to strike out "and the certificate"; and in line 20, after the word "bank," to strike out "The difference between 80 per cent of the loan basis of the certificate at the time of its receipt by the Secretary and the amount so paid to the bank shall be immediately paid by the Secretary to the veteran, if living. If the veteran dies before such difference can be paid to him, it shall be paid to the beneficiary under the certificate; except that if such beneficiary dies before the veteran and no new beneficiary is named, or if the beneficiary in the first instance has not yet been named, then the payment shall be made to the estate of the veteran" and in lieu thereof to insert: "The Secretary shall restore the certificate to the veteran at any time prior to its maturity upon receipt from him of (1) the amount paid by the United States to the bank in cancellation of his note and (2) interest on such amount from the time of such payment to the date of such receipt, at 4½ per cent per annum, compounded annually," so as to read:

(c) If the veteran does not pay the principal and interest of the loan within six months after its maturity (or on or before December 31, 1925, if the loan matures on or after June 30, 1925), the bank holding the note and certificate shall present them to the Secretary of the Treasury not earlier than August 31, 1925, and not later than

January 15, 1926. The Secretary shall thereupon cancel the note and pay to the bank the amount of the unpaid principal due it, and the unpaid interest accrued, at the rate fixed in the note, up to the date of the check issued to the bank. The Secretary shall restore the certificate to the veteran at any time prior to its maturity upon receipt from him of (1) the amount paid by the United States to the bank in cancellation of his note and (2) interest on such amount from the time of such payment to the date of such receipt, at 4½ per cent per annum, compounded annually.

The amendment was agreed to.

The next amendment was, on page 15, line 16, after the word "after," to strike out "March 30, 1925," and to insert "June 30, 1925"; and in line 18, after the word "before," to strike out "October 1, 1925" and to insert "January 1, 1926," so as to read:

(d) If the veteran dies before the maturity of the loan the amount of the unpaid principal and the unpaid interest accrued up to the date of his death shall be immediately due and payable. In such case, or if the veteran dies on the day the loan matures or within six months thereafter, or, in case the loan matures on or after June 30, 1925, if he dies on or after the day the loan matures but before January 1, 1926, the bank holding the note and certicate shall, upon notice of the death, present them to the Secretary, who shall thereupon cancel the note (but not the certificate) and pay to the bank, in full satisfaction of its claim, the amount of the unpaid principal and unpaid interest, at the rate fixed in the note, accrued up to the date of the check issued to the bank; except that if, prior to the payment, the bank is notified of the death by the Secretary of the Treasury and fails to present the certificate and note to the Secretary within 15 days after the notice, such interest shall be only up to the 15th day after such notice. The Secretary shall deduct the amount so paid from the face value (as determined under section 501) of the certificate and pay the remainder in accordance with the provisions of section 501.

The amendment was agreed to.

The next amendment was, on page 16, line 14, after the word "from," to strike out "October 1, 1922" and to insert "the date of the certificate," so as to read:

(f) The loan basis of any certificate at any time shall, for the purposes of this section, be the amount of the adjusted service credit, plus interest thereon, from the date of the certificate to such time, at the rate of 4½ per cent per annum, compounded annually.

The amendment was agreed to.

The next amendment was, on page 17, line 8, after the word "after," to strike out "September 30, 1925" and to insert "January 1, 1926," so as to make the subhead read:

Loan privileges after January 1, 1926.

The amendment was agreed to.

The next amendment was, on page 19, after line 2, to strike out:

(b) If the veteran fails to make any payment when due, and such default continues for the period of one year, thereupon the Secretary of the Treasury shall declare the certificate of the veteran to be forfeited and cancel and surrender the note to the veteran; but if the Secretary of the Treasury subsequently finds any such certificate was forfeited by mistake, or under any misapprehension of fact, he shall reinstate the same upon payment of the amount then due the Government on the loan, and upon the receipt of a new note from the veteran on the same terms as the original note for the remaining amount due.

The amendment was agreed to.

The next amendment was, on page 19, after line 13, to strike out:

(c) If the veteran is in default and his certificate is forfeited, when he has borrowed an amount less than the maximum authorized under either subdivision (a) or (b) of section 505, the Secretary of the Treasury shall pay to him 80 per cent of the difference between what he has borrowed and the maximum which he was authorized to borrow under either subdivision (a) or (b) of section 505. If the veteran dies before such 80 per cent can be paid to him, it shall be paid to the beneficiary under the certificate; except that if such beneficiary dies before the veteran and no new beneficiary is named, or if the beneficiary in the first instance has not yet been named, then the payment shall be made to the estate of the veteran.

The amendment was agreed to.

The next amendment was, on page 20, after line 2, to insert:

(b) If the veteran fails to make any payment when due, the Secretary of the Treasury at any time prior to the maturity of the certificate shall cancel the note and restore the certificate to the veteran, upon the receipt of all installments in arrears, together with interest at 4½ per cent per annum, compounded annually, upon each such installment from the time when due.

The amendment was agreed to.

The next amendment was, on page 20, line 10, after the word "No," to strike out "Government"; in the same line, after the word "made," to insert "by the United States"; and in line 11, after the words "prior to," to strike out "October 1, 1925," and to insert "January 1, 1926," so as to read:

SEC. 505. No loan shall be made by the United States upon any certificate prior to January 1, 1926. The amount of such loans to any one veteran outstanding at any time shall not exceed.

The amendment was agreed to.

The next amendment was, on page 20, after line 13, to strike out:

(a) If the loan is made on or after October 1, 1925, and before October 1, 1928, 85 per cent of the sum of (1) the adjusted service credit of the veteran plus (2) interest thereon, from October 1, 1922, to the date of the making of the loan, at the rate of 4½ per cent per annum, compounded annually, or.

The amendment was agreed to.

The next amendment was, on page 20, after line 19, to insert:

(a) If the loan is made on or after January 1, 1926, and at any time not more than three years after the date of the certificate, 50 per cent of the sum of (1) the adjusted service credit of the veteran plus (2) interest thereon from the date of the certificate to the date of the making of the loan, at the rate of 4½ per cent per annum, compounded annually; or.

The amendment was agreed to.

The next amendment was, on page 21, after line 2, to insert:

(b) If the loan is made at any time more than three years after and not more than six years after the date of the certificate, 85 per cent of the sum of (1) the adjusted service credit of the veteran plus (2) interest thereon from the date of the certificate to the date of the making of the loan at the rate of 4½ per cent per annum, compounded annually; or.

The amendment was agreed to.

The next amendment was, on page 21, at the beginning of line 10, to strike out "(b)," and to insert "(c)"; in the same line, after the word "made," to strike out "on or after October 1, 1928, and before October 1, 1942," and to insert "at any time more than six years after the date of certificate," and in line 14, after the word "from," to strike out "October 1, 1922," and to insert "the date of the certificate," so as to read:

(c) If the loan is made at any time more than six years after the date of certificate, 70 per cent of the sum of (1) the adjusted service credit of the veteran increased by 25 per cent plus (2) interest thereon from the date of the certificate to the date of the making of the loan, at the rate of 4½ per cent per annum, compounded annually.

The amendment was agreed to.

The next amendment was, on page 21, line 24, after the word "veteran," to strike out "or the forfeiture of his certificate" and to insert "before the maturity of the loan"; on page 22, line 2, after the word "and," to strike out "in case such loan has been canceled as a result of the death of the veteran"; and in line 7, after the word "made," to insert "and the remainder shall be paid by the Secretary of the Treasury to the beneficiary named, or if no beneficiary is named, to the estate of the veteran," so as to make the section read:

SEC. 507. In the case of the death of the veteran before the maturity of the loan, any Government loan made upon the certificate, and the note in respect thereto, shall be canceled; and the Secretary of the Treasury shall deduct the amount of the unpaid principal and interest of the loan from the amount of the face value of the certificate in respect to which the loan is made, and the remainder shall be paid by the Secretary of the Treasury to the beneficiary named, or if no beneficiary is named, to the estate of the veteran.

The amendment was agreed to.

The next amendment was, on page 22, line 15, after the numeral "302," to strike out "and before October 1, 1922," and insert "and before the issuance of a certificate to him"; and in line 18, after the word "to," to strike out "his estate" and to insert "the beneficiary named, or if no beneficiary is named, to the estate of the veteran," so as to make the section read:

SEC. 509. If the veteran dies after making application in accordance with the provisions of section 302 and before the issuance of a certificate to him, the amount of the adjusted service credit of the veteran shall be paid by the Secretary of the Treasury to the beneficiary named, or if no beneficiary is named, to the estate of the veteran.

The amendment was agreed to.

The next amendment was, on page 22, after line 20, to insert a new section, as follows:

SEC. 510. The certificate shall be canceled (a) if the veteran fails to redeem his certificate before its maturity, or (b) if he fails to make any payment when due and such default continues to his death.

The amendment was agreed to.

The next amendment was, under the head "Title VII.—Farm or Home Aid," on page 25, line 20, after the word "The," to strike out "National Veterans' Settlement Board created by Title VIII (hereinafter in this title referred to as the 'board')" and insert "Secretary of the Interior"; and on page 26, line 1, after the word "to," to strike out "his adjusted service credit increased by 25 per cent" and to insert "the following percentage of his adjusted service credit," so as to read:

SEC. 701. (a) The Secretary of the Interior upon certification from the Secretary of War or the Secretary of the Navy, as provided in section 303, is hereby directed, on or after July 1, 1923, to pay to the veteran designated therein, in one payment or in installments, an amount equal to the following percentage of his adjusted service credit:

The amendment was agreed to.

The next amendment was, on page 26, after line 3, to insert:

One hundred per cent, if the payment or the first installment thereof is made during the calendar year 1923;

One hundred and five per cent, if the payment or the first installment thereof is made during the calendar year 1924;

One hundred and ten per cent, if the payment or the first installment thereof is made during the calendar year 1925;

One hundred and twenty per cent, if the payment or the first installment thereof is made during the calendar year 1926;

One hundred and thirty per cent, if the payment or the first installment thereof is made during the calendar year 1927; and

One hundred and forty per cent, if the payment is made during the calendar year 1928 or thereafter.

The amendment was agreed to.

The next amendment was, on page 26, line 18, after the word "home," to strike out "or a farm not selected under Title VIII"; and in line 20, after the word "farm," to insert "or to pay off indebtedness existing on such a home or farm prior to the date of the application by the veteran under section 302," so as to read:

(b) Such payment shall be made for the purpose, and only for the purpose, of enabling the veteran to make improvements on a city or suburban home, or to purchase or make payments on such a home or farm, or to pay off indebtedness existing on such a home or farm prior to the date of the application by the veteran under section 302.

The amendment was agreed to.

The next amendment was, on page 26, line 24, after the word "the," to strike out "board" and to insert "Secretary of the Interior"; on page 27, line 2, after the word "The," to strike out "board" and to insert "Secretary of the Interior"; in the same line, after the word "may," to insert "on his own motion, or"; and in line 3, after the word "veteran," to strike out "or on its own motion," so as to make the section read:

SEC. 702. No such payment shall be made unless and until the Secretary of the Interior has approved the purpose for which it is desired by the veteran, and has suitable assurance that the money will be expended for such purpose. The Secretary of the Interior may, on his own motion, or at the option of the veteran, make the payment directly to the vendor or other person to whom such payment is due from the veteran.

The amendment was agreed to.

The next amendment was, on page 27, at the end of line 7, to strike out "board" and to insert "Secretary of the Interior," and in line 10, before the word "board," to strike out "latter," so as to make the section read:

SEC. 703. For the purpose of enabling him to pass upon the desirability of the investment, the Secretary of the Interior may make use of the services of land bank appraisers of the Federal Farm Loan Board, to be designated by the board.

The amendment was agreed to.

The next amendment was, on page 27, line 14, after the word "the," to strike out "board" and insert "Secretary of the Interior," and in line 16, after the word "the," to strike out "board" and insert "Secretary of the Interior," so as to make the section read:

SEC. 704. (a) If the veteran dies, after making application in accordance with the provisions of section 302 for farm or home aid and before a contract has been entered into with the approval of the Secretary of the Interior, the amount of his adjusted service credit shall be paid by the Secretary of the Interior to his estate; but no such payment shall be made if the veteran has been separated from the military or naval forces under other than honorable conditions or discharged therefrom on account of his alienage.

The amendment was agreed to.

The next amendment was, on page 27, line 22, after the words "approval of the," to strike out "board" and insert "Secretary of the Interior," and in line 24, after the word "the," to strike out "board" and insert "Secretary of the Interior," so as to read:

(b) If before the veteran's death a contract has been entered into with the approval of the Secretary of the Interior, and payments under this title on such contract are still due, such payments shall be made by the Secretary of the Interior to the vendor or other person to whom such payments are due from the veteran.

The amendment was agreed to.

The next amendment was, under the head "Title VIII.—Land settlement," on page 28, after line 3, to strike out:

NATIONAL VETERANS' SETTLEMENT BOARD.

SEC. 801. (a) There is hereby established a board to be known as the "National Veterans' Settlement Board" (hereinafter in this title called the "board") and to be composed of five members, as follows:

(1) The Secretary of the Interior (hereinafter in this title called the "Secretary"), and

(2) Four members to be appointed by the President by and with the advice and consent of the Senate.

(b) No veteran retired for age or longevity of service from active service in the military or naval forces shall be eligible for appointment to, or remain eligible for membership upon, the board. Any vacancy in the office of an appointed member shall be filled in the same manner and under the same limitations as in the case of the original appointment.

(c) The Secretary shall be the executive and administrative officer to carry out the plans and purposes adopted by the board under the provisions of Title VII and of this title. The members of the board, except the Secretary, shall receive an annual salary of $7,500. Of the members appointed to the board in the first instance, one shall be appointed for a term of two years, one for three years, one for four years, and one for five years. Their successors shall hold office for terms of five years; except that any member appointed to fill a vacancy shall be appointed only for the unexpired term of the member whom he succeeds.

The amendment was agreed to.

The next amendment was, on page 29, after line 5, to strike out:

ESTABLISHMENT OF PROJECTS.

SEC. 802. The board is hereby authorized to establish veteran settlement projects (hereinafter in this title called "projects") for the reclamation and settlement of lands by means of irrigation, drainage, or other manner or method of development and improvement thereof, including the building of necessary public roads within the projects. Projects shall be selected by the board with a view to the development of one or more projects in each of the several States where the establishment of a project is feasible.

SEC. 803. (a) The board may by gift, purchase, deed in trust, or otherwise acquire lands suitable for any project; but no project shall be finally selected, and no lands shall be acquired by purchase, unless the price and other conditions of acquisition have been submitted to and approved by (1) the governor of the State in which the lands are located, (2) as to price only, a land bank appraiser to be designated by the Federal Farm Loan Board, and (3) the board. If the governor of the State fails to signify his approval or disapproval within such time as the board by regulation shall determine, the land commissioner, or if there is in the State no official of such title, then the agency which under the laws of the State is authorized to perform the functions ordinarily exercised by a land commissioner, may act in lieu of the governor.

(b) In case any project includes privately owned land, no construction work shall be commenced upon the project until the owners of all such land in the project have each conveyed or agreed to convey to the United States title to all land owned by him in excess of a farm unit as established for the project under the provisions of section 806.

(c) The Secretary (1) may withdraw from location, sale, settlement, entry, or other disposition and place under the control of the board, such unappropriated public lands as he deems necessary for any project, and (2) shall restore to public entry lands so withdrawn, if subsequently the board finds that such lands are not so required.

(d) The board may in its discretion contract with any irrigation or drainage district or other public corporation organized under the laws of the State in which the project is located to establish, develop, improve, and otherwise cooperate (in accordance with the provisions of this title) in the execution of, and the administration of the affairs of, any project comprising only the lands of such district or corporation.

The amendment was agreed to.

The next amendment was, at the top of page 31, to strike out:

COOPERATION WITH FEDERAL AND STATE AGENCIES.

SEC. 804. The board may, in executing the provisions of this title—

(a) Make use of, cooperate with, and allot moneys appropriated for its use to, any existing agency of the Federal Government which agrees to act as the agent of the board. Such agency is hereby authorized, within the limits of the moneys allotted it and under the direction of the board, to perform work in connection with any project.

(b) Whenever a State provides funds to be expended by the board in the establishment, development, and improvement of any project within the State, the board may contract with the State, or any agency thereof designated by the governor, to cooperate with the board, to such extent as the board deems advisable in the work in connection with the project. The board may further establish a branch office in the State to administer matters arising in connection with projects in the State.

(c) Whenever a State provides not less than 25 per cent of the amount of the funds which are, in the opinion of the board, necessary to be expended by it in the establishment, development, and improvement of any project within the State, the board shall authorize the State, or any agency thereof designated by the governor, to undertake, subject to the general supervision of the board, (1) the selection, acquisition, and subdivision of lands for, and the improvement of farms within, any project, and (2) the development thereof after the project is open to settlement.

SEC. 805. So far as practicable, veterans shall be employed and their services utilized in the administrative and field work necessary to the establishment and development of any project by the board and all Federal agencies cooperating therewith. All contracts or other agreements of the board with any cooperating State or agency thereof shall contain a like stipulation. At the earliest practicable date each veteran so employed upon a project shall be allowed to select and shall be allotted, as hereinafter in this title provided, a farm unit upon which he may construct a dwelling and make other improvements.

The amendment was agreed to.

The next amendment was, on page 32, after line 14, to strike out:

ALLOTMENT AND SALE OF LANDS.

SEC. 806. (a) The board shall establish for each project or portion thereof (1) farm units of an acreage sufficient, in the opinion of the board, for cultivation by and the support of a family, and (2) farm worker's units of a small acreage sufficient, in the opinion of the board, for part-time cultivation by a farm worker's family.

(b) The board may set apart and reserve tracts within any project for use free from all charge for community and other public purposes, but the title to such lands shall remain in the United States. Whenever any such tract fails to be used for the purpose for which it was set apart and reserved, the board shall, after due notice and hearing, declare the tract forfeited to the United States. Such tract shall thereupon resume its original status.

(c) The board may establish town sites within any project and develop and sell lots therein, to veterans and repatriates only, under such regulations and upon such terms as it shall prescribe.

SEC. 807. (a) When used in this title, the term "repatriate" includes (1) any citizen of the United States who has served with the military or naval forces of any nation allied against the German Government or its allies without loss of citizenship, and (2) any former citizen of the United States who has so served with loss of such citizenship but has since been repatriated; except that such term shall not include a veteran or any individual who has separated from such forces under other than honorable conditions.

(b) Whenever in the opinion of the board farm units or farm workers' units within any project are available for settlement, the board shall give public notice and description thereof, together with a statement of the construction charges and other conditions incident thereto, and shall mail individual notices to any veteran whose name has been certified to the board under the provisions of section 303. The board shall allot a farm unit or a farm worker's unit to any such veteran or repatriate who applies therefor in such manner as the board shall by regulation prescribe. As between applicants, preference in making allotments shall be given, first, to a veteran who has been employed upon and who has rendered substantial service in the development of any project; and, second, to a veteran or repatriate who, in the opinion of the board, is least likely to fail in his enterprise or to cause the United States loss.

(c) The board shall allot farm units, farm worker's units, and town lots to veterans and repatriates only.

SEC. 808. (a) The cost of construction, including the purchase price of any lands acquired for the project, but excluding administrative expenses and the expenses of maintaining general offices and exercising general supervision over projects, shall be apportioned equitably among the farm units, farm worker's units, town lots, and other tracts within the project in proportion to the selling value of each unit, lot, or tract; and the total sale price of all lands within the project shall be fixed with a view of repaying the total of such construction cost of the project.

(b) Each allottee of a farm unit or farm worker's unit shall pay to the board such price as the board shall fix for the unit in pursuance of the provisions of subdivision (a) of this section; except that in case the allottee is a veteran there shall be deducted from such price the amount of his adjusted service credit.

(c) A veteran or repatriate may at his option, in lieu of payment in full at the time of entry, pay all balances due upon the purchase price for his unit upon an amortization plan by means of a fixed number of annual installments sufficient to cover (1) interest on the unpaid principal at the rate of 5 per cent per annum, and (2) such amount of the principal as will extinguish the debt within an agreed period not exceeding 25 years from the making of the contract of purchase. In the case of a veteran, the installments shall be so arranged that he will not be required to pay any installment until two years after the making of the contract of purchase. The board may in its discretion, whenever it is of the opinion that any emergency has caused default in the payment of any installment of the veteran or repatriate, postpone the payment of such installment until such date as it deems expedient. Such postponed payments shall continue to bear interest on the unpaid principal at the rate of 5 per cent per annum from the date of the contract of purchase. The board shall make such regulations as to residence upon, and use or cultivation of, units by a veteran or repatriate as in the opinion of the board will carry out the purpose of making the unit his permanent home.

SEC. 809. A patent or deed, as the case demands, shall immediately be issued to a purchaser who has paid the full price for his unit, and may be issued at any time more than five years after the date of purchase to any purchaser under the amortization plan who has met all payments then due from him to the board and has observed all conditions prescribed by regulations issued under the provisions of subdivision (c) of section 808. Each such patent or deed shall expressly reserve to the United States a prior lien on the land patented or deeded, superior to all other liens, claims, or demands whatsoever, for the repayment of all sums due or to become due to the board.

SEC. 810. (a) If the veteran dies after making application in accordance with the provisions of section 302 for land settlement aid and before having entered into a contract of purchase under section 808, the amount of his adjusted service credit shall be paid by the board to his estate, but no such payment shall be made if the veteran has been separated from the military or naval forces under other than honorable conditions or discharged therefrom on account of his alienage.

(b) If the veteran or repatriate dies previous to the completion of his contract of purchase, the successor by law to his interest in the land, if a widow or heir at law, may assume the contract of purchase. If the successor is other than a widow or heir at law, the balance due the board under the contract of purchase shall be due immediately and shall be paid the board within such time after the death of the veteran as the board shall by regulation prescribe.

SEC. 811. No lands within any project shall in any event become liable to the satisfaction of any debt contracted prior to the issue of the deed or patent therefor. No transfer, assignment, mortgage, or lease of the interest of any purchaser of a unit shall, unless approved by the board, be valid previous to the issue of the deed or patent for the land, or within five years after the date of purchase.

SEC. 812. Prior to the issue of a deed or patent, as the case may be, for any unit, lot, or tract within a project, such unit, lot, or tract shall be subject to taxation by any State, or political subdivision thereof, but only upon the appraised value of the owner's interest in the land and improvements thereon. If the owner fails to pay any such tax or assessment, the board is authorized to pay such tax or assessment and to include the amount of the payment, together with interest and penalties at the rate provided by law for delinquent taxes in the State in which the land is located, in the installments payable under the contract of purchase.

SEC. 813. Upon the default of any payment due to the board under, or upon the violation of, the provisions of subdivision (c) of section 808, or of section 810, 811, or 812, the interest of the purchaser in the unit shall revert to the United States free of all encumbrances, but subject to the right of the defaulting debtor, or any mortgagee, lien holder, judgment creditor, or subsequent purchaser, to redeem the land, within one year after the board gives notice of such default, by payment of all moneys due with interest at 8 per cent per annum from the date of default, and costs. The board, at its option, may cause the land to be sold at any time after such failure to redeem. From the proceeds of the sale the board shall retain all moneys due, with interest as provided, and costs. The balance of the proceeds, if any, shall be the property of the defaulting debtor or his assignee. In the case of sale after failure to redeem under this section, the board is authorized to bid in such land at not more than the amount in default, including interest and costs.

SEC. 814. In case a veteran has entered upon land reclaimed under the reclamation law, the board shall, upon application of the veteran, pay to the reclamation fund the amount of the adjusted service credit of the veteran, and the Secretary of the Interior shall thereupon credit such sum to the amount payable to the fund by the veteran.

The amendment was agreed to.

The next amendment was, one page 38, after line 22, to strike out:

RECEIPTS FROM PROJECTS.

SEC. 815. All moneys received by the board as payments in respect to lands within any project shall be covered into the Treasury of the United States as miscellaneous receipts; except that from such receipts shall be deducted the amounts required to make such repayment or reimbursement to any State or designated agency thereof, or to any district or other public corporation, as is necessary to carry into effect the provisions of subdivision (d) of section 803 and of subdivisions (b) and (c) of section 804.

The amendment was agreed to.

The next amendment was, on page 39, after line 7, to strike out:

APPLICABILITY OF RECLAMATION LAW.

SEC. 816. The board shall, so far as possible, in executing the provisions of this title, make use of existing agencies in the Department of the Interior and comply with the reclamation law in so far as such law is applicable and not inconsistent with the provisions of this title. Such reclamation law shall, for the purposes of this title, be deemed applicable to the reclamation of lands by drainage or by any other manner or method, as well as to reclamation by irrigation. This section shall not be construed to give the board any control over the disposition of moneys in the reclamation fund.

The amendment was agreed to.

The next amendment was, on page 39, after line 19, to strike out:

EFFECTIVE DATE.

SEC. 817. Sections 802 to 816, both inclusive, shall take effect on January 1, 1923.

The amendment was agreed to.

The next amendment was, on page 39, after line 22, to insert:

SEC. 801. On the opening of public or Indian lands to entry, or the restoration to entry of public lands theretofore withdrawn from entry, such opening or restoration shall, in the order therefor, provide for a period of not less than 60 days before the general opening of such lands to disposal, in which period veterans who have chosen the benefits of this title shall have a preferred right of entry under the homestead or desert land laws, if qualified thereunder, except as against prior existing valid settlement rights and as against preference rights conferred by existing laws or equitable claims subject to allowance and confirmation.

Such preference right to a veteran for such period shall also be accorded to him on all reclamation projects in existence at the time of the passage of this act, or hereafter established, whether such reclamation is made by irrigation, drainage, or other method.

Upon certification from the Secretary of War or the Secretary of the Navy, as provided in section 303, approved by the Secretary of the Interior, there shall be paid by the Secretary of the Treasury, on or after July 1, 1923, to the veteran designated therein, in one payment or in installments, an amount equal to his adjusted service credit increased by 25 per cent. Such payment shall be made for the purpose, and only for the purpose, of enabling the veteran to make payments in connection with the lands as to which preference has been given under this section, or for the improvement of any such land, and shall be made only if the Secretary of the Interior has suitable assurance that the money will be expended for such purpose.

The amendment was agreed to.

The next amendment was, under the head "Title IX.—Miscellaneous provisions," on page 41, line 4, after the word "officers," to strike out "and boards," so as to read:

SEC. 901. The officers having charge of the administration of any of the provisions of this act are authorized to appoint such officers, employees, and agents in the District of Columbia and elsewhere, and to make such expenditures for rent, furniture, office equipment, printing, binding, telegrams, telephone, law books, books of reference, stationery, motor-propelled vehicles or trucks used for official purposes, traveling expenses and per diem in lieu of subsistence at not exceeding $4 for officers, agents, and other employees, for the purchase of reports and materials for publications, and for other contingent and miscellaneous expenses as may be necessary efficiently to execute the purposes of this act and as may be provided for by the Congress from time to time. With the exception of such special experts as may be found necessary for the conduct of the work, all such appointments shall be made subject to the civil-service laws; but for the purposes of carrying out the provisions of section 305 such appointments may be made without regard to such laws until the services of persons duly qualified under such laws are available. In all appointments under this section preference shall, so far as practicable, be given to veterans.

The amendment was agreed to:

The next amendment was, on page 42, line 13, after the word "Navy," to insert "the Secretary of the Interior, and," and, in line 15, after the word "Bureau," to strike out the comma and the words "and the National Veterans' Settlement Board," so as to make the section read:

SEC. 904. The Secretary of the Treasury, the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, and the Director of the United States Veterans' Bureau shall severally submit to Congress in the manner provided by law estimates of the amounts necessary to be expended in carrying out such provisions of this act as each is charged with administering, and there is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, amounts sufficient to defray such expenditures.

The amendment was agreed to.

The PRESIDENT pro tempore. This completes the action of the Senate on the committee amendments. The bill is as in Committee of the Whole, and open to further amendment.

Mr. WADSWORTH. Mr. President, I do not desire to address the Senate upon this occasion on the bill itself, but I wish to put a question to the Senator in charge of the bill. In reading the bill over I encounter paragraph (e), on page 4, which commences on line 12 and reads:

(e) Any commissioned or warrant officer performing home service not with troops and receiving commutation of quarters or of subsistence—for the period of such service.

The insertion of a paragraph of that character in section 202, as I understand, is for the purpose of excluding from the benefits of this bill any commissioned officer who, while in the United States, drew commutation of quarters or subsistence. Of course, commissioned officers did not draw subsistence at that time. I should like to know, assuming for the purpose of the question only that this bill is a good one in principle, on

what basis or theory a commissioned officer sent to a detached place and drawing under the statute commutation of quarters should not be treated in exactly the same way as are other commissioned officers?

Mr. McCUMBER. The Senator will observe, on page 3, section 202, there is set forth a list of those who will not be entitled to compensation under this bill. The list includes:

(a) Any commissioned officer above the grade of captain in the Army or Marine Corps, lieutenant in the Navy, first lieutenant or first lieutenant of engineers in the Coast Guard, or passed assistant surgeon in the Public Health Service, or having the pay and allowances, if not the rank, of any officer superior in rank to any of such grades—in each case for the period of service as such;

(b) Any individual holding a permanent or provisional commission or permanent or acting warrant in any branch of the military or naval forces, or (while holding such commission or warrant) serving under a temporary commission in a higher grade—in each case for the period of service under such commission or warrant or in such higher grade after the accrual of the right to pay thereunder. This subdivision shall not apply to any noncommissioned officer;

(c) Any civilian officer or employee of any branch of the military or naval forces, contract surgeon, cadet of the United States Military Academy, midshipman, cadet of the Coast Guard, member of the Reserve Officers' Training Corps, member of the Students' Army Training Corps (except an enlisted man detailed thereto), Philippine Scout, member of the Philippine Guard, member of the Philippine Constabulary, member of the Porto Rico Regiment of Infantry, member of the National Guard of Hawaii, member of the insular force of the Navy, member of the Samoan native guard and band of the Navy, or Indian Scout—in each case for the period of service as such;

(d) Any individual entering the military or naval forces after November 11, 1918—for any period after such entrance;

(e) Any commissioned or warrant officer——

Mr. WADSWORTH. The Senator from North Dakota has just reached the paragraph about which I asked him. I understood about the others.

Mr. McCUMBER. I simply desire to show that there are a long list of those to whom under the provisions of the bill the committee of the House and the House itself by its vote indicated they did not intend should receive compensation, and amongst those are:

(e) Any commissioned or warrant officer performing home service not with troops and receiving commutation of quarters or of subsistence for the period of such service.

Of course, that exception is based on the assumption that the commutation gave such officers that much greater return for their service.

Mr. WADSWORTH. I assume that the Senator from North Dakota knows that all officers in the war received commutation of quarters under the law. The bill, therefore, makes no remarkable distinction in that respect.

Mr. McCUMBER. Yes; but the exception applies to commissioned and warrant officers performing home service not with troops.

Mr. WADSWORTH. Yes; but they received commutation of quarters, whether they were with troops or not.

Mr. McCUMBER. In other words, if the Senator will observe, this is to take care of those who were made officers by the thousands and who served here in the department, doing merely clerical work, and such officers as might have been detailed from time to time to perform work of that character. I do not know how many of them there were, but undoubtedly that was the reason for the exemption.

Mr. WADSWORTH. It is very easy for the Senator from North Dakota to characterize by a wave of his hand thousands and thousands of officers who in large measure were compelled to do this kind of work who would have much preferred to have gone abroad.

Mr. McCUMBER. I assume that most of them would.

Mr. WADSWORTH. This bill, as I understand, will give to any second lieutenant or first lieutenant or captain who served in the United States at a camp with troops the benefits of the proposed act, but it will deny to any lieutenant or first lieutenant or captain who was ordered to a place other than a camp at which troops were situated and who was compelled to do duty of the kind such as was needed to be performed the benefits of this act. I wish to know why?

Both classes of officers drew commutation of quarters, both those serving with troops and those serving away from troops; they were both treated exactly alike in the statute and the pay schedules. Why differentiate between them now?

Mr. FLETCHER. May I ask the Senator from New York about how many of the warrant officers there would be?

Mr. WADSWORTH. There were very few warrant officers. There was no such thing as a warrant officer in the Army of the United States at that time except in the Army mine-planter service, where, I think, there were somewhere in the neighborhood of—well, I could not say how many emergency warrant officers there were; there were not over a hundred or so in the Regulars, but, of course, the Regulars are left out of this bill.

Mr. FLETCHER. I thought there were very few warrant officers who would be affected by the proposal.

Mr. WADSWORTH. I am speaking of commissioned officers; and I assume the committee had a special reason for making this exemption.

Mr. FLETCHER. Can the Senator from New York state how many commissioned officers would be affected?

Mr. WADSWORTH. Hundreds and hundreds of young men who, according to the theory of the bill, should have their compensation adjusted just as much as the young men who served with troops in the United States and did not go abroad. They made exactly the same sacrifices; they had to live on exactly the same salary. I am wondering why the distinction.

Mr. McCUMBER. Mr. President——

The PRESIDENT pro tempore. The bill is before the Senate as in Committee of the Whole and is open to further amendment.

Mr. BURSUM. I offer the amendment which I send to the desk in the nature of a substitute, and ask that it may be read.

The PRESIDENT pro tempore. The amendment proposed by the Senator from New Mexico will be stated.

The READING CLERK. It is proposed to strike out all of the enacting clause, and in lieu thereof to insert the following:

Amendment in the nature of a substitute proposed by Mr. BURSUM to the bill (H. R. 10874) to provide adjusted compensation for veterans of the World War, and for other purposes, viz: Strike out all after the enacting clause and insert in lieu thereof the following:

TITLE I.—DEFINITIONS.

SECTION 1. That this act may be cited as the World War adjusted compensation act.

SEC. 2. That as used in this act—

(a) The term "veteran" includes any individual, a member of the military or naval forces of the United States at any time after April 5, 1917, and before November 12, 1918; but does not include (1) any individual at any time during such period or thereafter separated from such forces under other than honorable conditions, (2) any conscientious objector who performed no military duty whatever or refused to wear the uniform, or (3) any alien at any time during such period or thereafter discharged from the military or naval forces on account of his alienage;

(b) The term "oversea service" means service on shore in Europe or Asia, exclusive of China, Japan, and the Philippine Islands; and service afloat, not on receiving ships; including in either case the period from the date of embarkation for such service to the date of disembarkation on return from such service, both dates inclusive;

(c) The term "home service" means all service not oversea service;

(d) The term "adjusted service credit" means the amount of the credit computed under the provisions of Title II; and

(e) The term "person" includes a partnership, corporation, or association, as well as an individual.

TITLE II.—ADJUSTED SERVICE CREDIT.

SEC. 201. That the amount of adjusted service credit shall be computed by allowing the following sums for each day of active service in excess of 60 days in the military or naval forces of the United States after April 5, 1917, and before July 1, 1919, as shown by the service or other record of the veteran: One dollar and twenty-five cents for each day of oversea service and $1 for each day of home service; but the amount of the credit of a veteran who performed no oversea service shall not exceed $500, and the amount of the credit of a veteran who performed any oversea service shall not exceed $625.

SEC. 202. That in computing the adjusted service credit no allowance shall be made to—

(a) Any commissioned officer above the grade of captain in the Army or Marine Corps, lieutenant in the Navy, first lieutenant or first lieutenant of engineers in the Coast Guard, or passed assistant surgeon in the Public Health Service, or having the pay and allowances, if not the rank, of any officer superior in rank to any of such grades—in each case for the period of service as such;

(b) Any individual holding a permanent or provisional commission or permanent or acting warrant in any branch of the military or naval forces, or (while holding such commission or warrant) serving under a temporary commission in a higher grade—in each case for the period of service under such commission or warrant or in such higher grade after the accrual of the right to pay thereunder. This subdivision shall not apply to any noncommissioned officer;

(c) Any civilian officer or employee of any branch of the military or naval forces, contract surgeon, cadet of the United States Military Academy, midshipman, cadet of the Coast Guard, member of the Reserve Officers' Training Corps, member of the Students' Army Training Corps (except an enlisted man detailed thereto), Philippine Scout, member of the Philippine Guard, member of the Philippine Constabulary, member of the Porto Rico Regiment of Infantry, member of the National Guard of Hawaii, member of the insular force of the Navy, member of the Samoan native guard and band of the Navy, or Indian Scout—in each case for the period of service as such;

(d) Any individual entering the military or naval forces after November 11, 1918—for any period after such entrance;

(e) Any commissioned or warrant officer performing home service not with troops and receiving commutation of quarters or of subsistence—for the period of such service;

(f) Any member of the Public Health Service—for any period during which he was not detailed for duty with the Army or Navy;

(g) Any individual granted a farm or industrial furlough—for the period of such furlough; or

(h) Any individual detailed for work on roads or other highway construction or repair work—for the period during which his pay was equalized to conform to the compensation paid to civilian employees in the same or like employment, pursuant to the provisions of section 9 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1920, and for other purposes," approved February 28, 1919.

SEC. 203. (a) The periods referred to in subdivision (e) of section 202 may be included in the case of any individual if and to the extent

that the Secretary of War and the Secretary of the Navy jointly find that such service subjected such individual to exceptional hazard. A full statement of all action under this subdivision shall be included in the reports of the Secretary of War and the Secretary of the Navy required by section 307.

(b) In computing the credit to any veteran under this title effect shall be given to all subdivisions of section 202 which are applicable.

(c) If part of the service is overseas service and part is home service, the home service shall first be used in computing the 60 days' period referred to in section 201.

(d) For the purpose of computing the 60 days' period referred to in section 201, any period of service after April 5, 1917, and before July 1, 1919, in the military or naval forces in any capacity may be included, notwithstanding allowance of credit for such period, or a part thereof, is prohibited under the provisions of section 202, except that the periods referred to in subdivisions (b), (c), and (d) of that section shall not be included.

(e) For the purposes of section 201, in the case of members of the National Guard or of the National Guard Reserve called into service by the proclamation of the President dated July 3, 1917, the time of service between the date of call into the service as specified in such proclamation and August 5, 1917, both dates inclusive, shall be deemed to be active service in the military or naval forces of the United States.

TITLE III.—GENERAL PROVISIONS.

OPTIONAL PLANS.

SEC. 301. (a) Each veteran shall have the right to avail himself of one or both of the following plans:

(1) To receive "adjusted service pay," as provided in Title IV;

(2) To receive "land purchase aid," as provided in Title VII.

(b) Each veteran shall have the right to avail himself of any one and only one of the following plans:

(1) To receive "vocational training aid," as provided in Title V;

(2) To receive "farm or home aid," as provided in Title VI.

APPLICATION BY VETERAN.

SEC. 302. (a) The veteran's choice among the plans enumerated in section 301 shall be made by application filed with the Secretary of War, if he is serving in, or his last service was with, the military forces; or with the Secretary of the Navy, if he is serving in, or his last service was with, the naval forces.

(b) Such application shall be made on or before July 1, 1923, and if not made on or before such date shall be held void.

(c) An application shall be made (1) personally by the veteran, or (2) in case physical or mental incapacity prevents the making of a personal application, then by such representative of the veteran and in such manner as the Secretary of War and the Secretary of the Navy shall jointly by regulation prescribe. An application made by a representative other than one authorized by any such regulation shall be held void.

(d) The Secretary of War and the Secretary of the Navy shall jointly make any regulations necessary to the efficient administration of the provisions of this section.

PROOF OF VETERAN'S CHOICE OF PLAN.

SEC. 303. (a) As soon as practicable after the receipt of a valid application the Secretary of War or the Secretary of the Navy, as the case may be, shall transmit to the Secretary of the Treasury if the veteran is entitled to a certificate of indebtedness, or to the Director of the United States Veterans' Bureau if the veteran has chosen vocational training aid, or to the Secretary of the Interior if the veteran has chosen farm or home aid, a certificate setting forth—

(1) That the applicant is a veteran;

(2) His name and address;

(3) The plan or plans chosen; and

(4) The amount of his adjusted service credit.

(b) Upon receipt of such certificate the officer to which it is transmitted shall proceed to extend to the veteran the benefits conferred by the plan or plans chosen, as provided for in this act.

PUBLICITY.

SEC. 304. (a) The Secretary of War and the Secretary of the Navy shall, as soon as practicable after the passage of this act, jointly prepare and publish a pamphlet or pamphlets containing a digest and explanation of the provisions of this act, accompanied by such statements as to the comparative advantages of each of the plans enumerated in section 301 as may be of assistance to veterans in making their choice among such plans; and shall from time to time thereafter jointly prepare and publish such additional or supplementary information as may be found necessary.

(b) The officer having charge of the administration of any plan or part thereof enumerated in section 301 shall transmit to the Secretary of War and the Secretary of the Navy as soon as practicable after the passage of this act full information and explanations as to the matters of which such officer has charge, which shall be considered by the Secretary of War and the Secretary of the Navy in preparing the publications referred to in subdivision (a).

(c) The publications provided for in subdivision (a) shall be distributed in such manner as the Secretary of War and the Secretary of the Navy may determine to be most effective to inform veterans of their rights under this act.

STATISTICS.

SEC. 305. That immediately upon the passage of this act the Secretary of War and the Secretary of the Navy shall ascertain the individuals who are veterans as defined in section 2 and, as to each veteran, the number of days of overseas service and of home service, as defined in section 2, for which he is entitled to receive adjusted service credit; and their decisions shall not be subject to review by the General Accounting Office.

ADMINISTRATIVE REGULATIONS.

SEC. 306. That any officer charged with any function under this act shall make such regulations, not inconsistent with this act, as may be necessary to the efficient administration of such function.

REPORTS.

SEC. 307. That any officer charged with the administration of any plan under this act, or of any part thereof, shall make a full report to Congress on the first Monday in December of each year.

EXEMPTION FROM ATTACHMENT AND TAXATION.

SEC. 308. That no sum payable under this act to a veteran, or to his estate, and no certificate of indebtedness shall be subject to attachment, levy, or seizure under any legal or equitable process, or to National or State taxation.

UNLAWFUL FEES.

SEC. 309. That any person who charges or collects, or attempts to charge or collect, either directly or indirectly, any fee or other compensation for assisting in any manner a veteran in obtaining any of the benefits or privileges to which he is entitled under the provisions of this act shall, upon conviction thereof, be subject to a fine of not more than $500, or imprisonment for not more than one year, or both.

TITLE IV.—ADJUSTED SERVICE PAY.

SEC. 401. That there shall be paid to any veteran, as soon as practicable after the receipt of an application in accordance with the provisions of section 302, and in addition to any other amounts due him in pursuance of law, 50 per cent of the amount of his adjusted service credit or 100 per cent of the amount of his adjusted service credit if, and only if, such credit is not more than $50.

SEC. 402. (a) That payment shall be made by the Secretary of War if the veteran is serving in or his last service was with the military forces, and by the Secretary of the Navy if he is serving in or his last service was with the naval forces.

(b) If there remains to the veteran any adjusted service credit after payment to him in accordance with the terms of section 401, the Secretary of War or the Secretary of the Navy, as the case may be, shall transmit to the Secretary of the Treasury, in accordance with the provisions of section 303, a certificate which shall set forth in addition to the other requirements of such section the amount of such adjusted service credit which remains to such veteran.

SEC. 403. That the Secretary of the Treasury, upon certification from the Secretary of War or the Secretary of the Navy, as provided in section 402, is hereby directed to issue without cost to the veteran designated therein a certificate of indebtedness of the face value equal to the sum of (1) the adjusted service credit of the veteran, plus (2) interest thereon for five years at the rate of 3½ per cent per annum. The certificate shall be dated and all rights conferred under the provisions of this title shall take effect as of October 1, 1923. The amount of the face value of the certificate of indebtedness shall be payable (1) to the veteran on September 30, 1928, or (2) upon the death of the veteran prior thereto to the estate of the veteran on September 30, 1928.

SEC. 404. That if the veteran dies after making application in accordance with the provisions of section 302 for adjusted service pay and before receiving payment, payment shall be made to his estate.

SEC. 405. That no right to adjusted service pay or to a certificate of indebtedness under the provisions of this act shall be assignable or serve as security for any loan. Any assignment or loan made in violation of the provisions of this section shall be held void. The Secretary of War and the Secretary of the Navy shall not pay the amount of adjusted service pay to any person other than the veteran or his estate or such representative of the veteran as the Secretary of War and the Secretary of the Navy shall jointly by regulation prescribe.

TITLE V.—VOCATIONAL TRAINING AID.

SEC. 501. That the Director of the United States Veterans' Bureau (hereinafter in this title referred to as the director) upon certification from the Secretary of War or the Secretary of the Navy, as provided in section 303, is hereby directed to pay to the veteran designated therein (if he is not receiving the benefits of the vocational rehabilitation act, as amended) the sum of $1.75 for each day of his attendance (on or after January 1, 1923) on a course of vocational training previously approved by the director as suitable for such veteran. Such payments shall be made without deductions for Sundays, holidays, or vacations not exceeding two weeks in duration, or for absence for other cause which the director deems justifiable; but the total payment shall not exceed 140 per cent of the amount of the adjusted service credit of the veteran.

Payments under this section shall be made monthly, or at more frequent intervals, as the director may determine generally or in special cases.

SEC. 502. That the director shall establish such regulations as will insure the regular attendance of the veteran on his course of training, and no sum or sums shall be payable under this title unless the director has been furnished proof of such regular attendance. For each day of unjustifiable absence the veteran shall forfeit the sum payable for that day and shall receive no reimbursement for it in any other form.

SEC. 503. That if the payment under section 501 plus the amounts forfeited under section 502 is less than 140 per cent of the adjusted-service credit, either by reason of the duration of the course approved or by reason of the veteran's discontinuing, with the approval of the director, his attendance on his course of training, he shall be entitled to receive an amount equal to the difference between (1) his adjusted-service credit and (2) that proportion thereof which the payments made or accrued under section 501 plus the amounts forfeited under section 502 bear to 140 per cent of his adjusted-service credit: *Provided*, That from the amount thus computed there shall be deducted an amount equal to the sums forfeited under section 502.

SEC. 504. That if before the completion of the payments under this title the veteran is separated from the military or naval forces under other than honorable conditions or is discharged therefrom on account of his alienage no further payments shall be made under this title.

SEC. 505. (a) If the veteran dies after making application in accordance with the provisions of section 302, and before any payments have been made or have accrued under this title, the amount of the adjusted-service credit of the veteran shall be paid by the director to his estate.

(b) If the veteran dies after the course of training has begun, his estate shall be paid by the director the same amount as would have been paid to the veteran under section 503, treating for such purposes the date of his death as the date of discontinuance of attendance on his course of training.

SEC. 506. (a) The director is hereby authorized to cooperate with State boards for vocational education in such manner as will secure their assistance in the approval of courses of training for veterans and other assistance in carrying out the provisions of this title.

(b) Whenever any State provides funds for assistance to veterans in attendance upon approved courses or provides for free tuition in approved educational institutions, the director is authorized and directed to cooperate with the State board for vocational education of such State in securing the maximum educational opportunities to veterans entitled to the benefits of this title.

TITLE VI.—FARM OR HOME AID.

SEC. 601. (a) The Secretary of the Interior (hereinafter in this title referred to as the "Secretary") upon certification from the Secretary of War or the Secretary of the Navy, as provided in section 303, is hereby directed, on or after October 1, 1923, to pay to the veteran desig-

nated therein, in one payment or in installments, an amount equal to his adjusted service credit increased by 25 per cent.

(b) Such payment shall be made for the purpose, and only for the purpose, of enabling the veteran to make improvements on a city or suburban home or a farm, or to purchase or make payments on such a home or farm.

SEC. 602. No such payment shall be made unless and until the Secretary has approved the purpose for which it is desired by the veteran and has suitable assurance that the money will be expended for such purpose. The Secretary may, at the option of the veteran or on his own motion, make the payment directly to the vendor or other person to whom such payment is due from the veteran.

SEC. 603. For the purpose of enabling him to pass upon the desirability of the investment the Secretary may make use of the services of land-bank appraisers of the Federal Farm Loan Board to be designated by the board.

SEC. 604. (a) If the veteran dies, after making application in accordance with the provisions of section 302 for farm or home aid and before a contract has been entered into with the approval of the Secretary, the amount of his adjusted service credit shall be paid by the Secretary to his estate; but no such payment shall be made if the veteran has been separated from the military or naval forces under other than honorable conditions or discharged therefrom on account of his alienage.

(b) If before the veteran's death a contract has been entered into with the approval of the Secretary, and payments under this title on such contract are still due, such payments shall be made by the Secretary to the vendor or other person to whom such payments are due from the veteran.

TITLE VII.—LAND PURCHASE AID.

SEC. 701. That any veteran holding a certificate of indebtedness issued to him under the terms of section 403 may make a homestead entry upon any public lands of the United States subject to entry under the provisions of the homestead laws. After entry and upon application, a patent for such lands entered shall be granted to such veteran upon payment by him, as hereinafter provided, at the rate of $1.25 per acre.

SEC. 702. That payment shall be made to the register and receiver of the local land office for the district in which such land is located, and such land shall not be patented to a veteran under the provisions of this title except upon payment by him with such certificate of indebtedness; but if the total cost of the land exceeds the face value of the certificate, payment of the remainder owing upon such land by such veteran shall be made upon such terms and conditions as the Secretary of the Interior may prescribe. If the face value of the certificate of indebtedness exceeds the total cost of the land, the register and receiver (1) shall accept such certificate as payment for the land, (2) shall compute the excess owing to the veteran, and (3) shall issue to the veteran a receipt for such certificate of indebtedness, upon which receipt shall be indorsed by such register and receiver the amount of the excess owing to the veteran.

SEC. 703. That such certificate of indebtedness, with a copy of the receipt issued to such veteran, shall be transmitted to the Secretary of the Interior by such register and receiver. The Secretary of the Interior shall cancel the certificate of indebtedness, and if there remains to such veteran any excess after deducting the total cost of the land from the amount of the face value of the certificate of indebtedness, he shall transmit a certificate to the Secretary of the Treasury in the manner provided in paragraph (b) of section 404, which shall state the amount of the excess.

SEC. 704. That upon receipt of such certificate the Secretary of the Treasury shall issue to such veteran a certificate of indebtedness of a face value equal to the sum of such excess which remains to the veteran. The certificate of indebtedness shall be dated to correspond to the date of the receipt issued to the veteran (as provided for in section 702); shall stipulate that such certificate can not be used for land purchase aid; and shall state that the amount of the face value of such certificate shall be payable only (1) to the veteran on September 30, 1928, or (2) upon the death of the veteran prior thereto, to the estate of the veteran on September 30, 1927.

TITLE VIII.—MISCELLANEOUS PROVISIONS.

SEC. 801. That the officers having charge of the administration of any of the provisions of this act are authorized to appoint such officers, employees, and agents in the District of Columbia and elsewhere, and to make such expenditures for rent, furniture, office equipment, printing, binding, telegrams, telephone, law books, books of reference, stationery, motor-propelled vehicles or trucks used for official purposes, traveling expenses, and per diem in lieu of subsistence at not exceeding $4 for officers, agents, and other employees, for the purchase of reports and materials for publications, and for other contingent and miscellaneous expenses as may be necessary efficiently to execute the purposes of this act and as may be provided for by the Congress from time to time. With the exception of such special experts as may be found necessary for the conduct of the work, all such appointments shall be made subject to the civil-service laws; but for the purposes of carrying out the provisions of section 305 such appointments may be made without regard to such laws until the services of persons duly qualified under such laws are available. In all appointments under this section preference shall, so far as practicable, be given to veterans.

SEC. 802. That if any provision of this act or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the act and of the application of such provision to other persons and circumstances shall not be affected thereby.

SEC. 803. That whoever knowingly makes any false or fraudulent statement of a material fact in any application, certificate, or document made under the provisions of Title III, IV, V, VI, or VII, or of any regulation made under any such title, shall, upon conviction thereof, be fined not more than $1,000 or imprisoned not more than five years, or both.

SEC. 804. That the Secretary of the Treasury, the Secretary of War, the Secretary of the Navy, the Director of the United States Veterans' Bureau, and the Secretary of the Interior shall severally submit to Congress in the manner provided by law estimates of the amounts necessary to be expended in carrying out such provisions of this act as each is charged with administering, and there is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, amounts sufficient to defray such expenditures.

SEC. 805. That whenever it is deemed to be for the best interests of the United States, the Secretary of the Treasury, with the approval of the President, is authorized to sell any bonds or other obligations of any foreign government refunded or converted by the World War Foreign Debt Commission under authority of the act entitled "An act to create a commission authorized under certain conditions to refund or convert obligations of foreign governments held by the United States of America, and for other purposes," approved February 9, 1922, upon such terms and conditions as such Secretary may prescribe, and to apply the proceeds of such sales, and any payments received on account of the principal of such bonds and other obligations, to defray any expenditures incurred under the provisions of this act.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment.

The amendment was rejected.

Mr. BURSUM. Mr. President, was that the amendment that I offered?

The PRESIDENT pro tempore. The vote just taken was upon the amendment offered by the Senator from New Mexico.

Mr. BURSUM. Are we to have no debate upon it?

The PRESIDENT pro tempore. There can be debate upon it in the Senate.

Mr. WADSWORTH. I ask unanimous consent that the vote by which the amendment was apparently defeated be reconsidered.

The PRESIDENT pro tempore. The Senator from New York asks unanimous consent that the vote by which the amendment was rejected be reconsidered. Is there objection? The Chair hears none, and the vote is reconsidered. The question now is upon agreeing to the amendment.

Mr. BURSUM. Mr. President, I had intended to speak upon this amendment, and I had understood that other Senators desired to be heard on the bill, and I expected to speak upon it to-morrow. I ask that the amendment go over until to-morrow, when I can be heard upon it. Certainly the amendment is of such great importance that it ought to be considered by the whole Senate. It involves a distinctly different settlement from the provisions of the bill itself. The amendment would involve a saving to the country, in my judgment, if its principles are adopted, of something like $3,000,000,000. Three billion dollars is not such a small affair that the Senate can not take a little time to consider it; and to dispose of the amendment without any consideration and without any debate would not be doing justice to it. I ask that the amendment go over until to-morrow, and be considered then.

The PRESIDENT pro tempore. The Senator from New Mexico asks unanimous consent that the amendment which he has proposed shall not be considered until to-morrow.

Mr. LENROOT. The Senator can accomplish the same purpose by withdrawing it.

Mr. BURSUM. I should only be willing to withdraw it provided the bill is not going to be pressed for a vote to-night.

Mr. McCUMBER. Mr. President, I understand that the Senator from Oregon [Mr. McNARY] wishes to present a matter that will take only a few minutes. We are getting very close to the usual time for adjourning, and if the Senator will ask to have the unfinished business temporarily laid aside, I shall not object.

Mr. McNARY. I ask that the unfinished business be temporarily laid aside for the purpose of taking up another bill.

The PRESIDENT pro tempore. The Senator from Oregon asks unanimous consent that the unfinished business, being the bill under consideration, shall be temporarily laid aside.

Mr. LENROOT. May I inquire what the bill is to which the Senator refers?

Mr. McNARY. It is a bill to protect the bee industry of the country. I can explain it in just a word.

Mr. LENROOT. I have no objection.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the unfinished business is temporarily laid aside.

IMPORTATION OF THE ADULT HONEYBEE.

Mr. McNARY. I ask unanimous consent for the present consideration of House bill 11396 to regulate foreign commerce in the importation into the United States of the adult honeybee. The bill has passed the House.

The PRESIDENT pro tempore. The Senator from Oregon asks unanimous consent that the Senate may proceed to the consideration of House bill 11396.

Mr. UNDERWOOD. Let it be read, Mr. President.

The PRESIDENT pro tempore. The Secretary will read the bill for the information of the Senate.

The reading clerk read the bill (H. R. 11396) to regulate foreign commerce in the importation into the United States of the adult honeybee (Apis mellifica), as follows:

Be it enacted, etc., That, in order to prevent the introduction and spread of diseases dangerous to the adult honeybee, the importation into the United States of the honeybee (Apis mellifica) in its adult stage is hereby prohibited, and all adult honeybees offered for import into the United States shall be destroyed if not immediately exported: *Provided*, That such adult honeybees may be imported into the United States for experimental or scientific purposes by the United States Department of Agriculture: *And provided further*, That such adult honeybees may be imported into the United States from countries in which the Secretary

of Agriculture shall determine that no diseases dangerous to adult honeybees exist, under rules and regulations prescribed by the Secretary of Agriculture.

SEC. 2. That any person who shall violate any of the provisions of this act shall be deemed guilty of a misdemeanor and shall, upon conviction thereof, be punished by a fine not exceeding $500 or by imprisonment not exceeding one year, or both such fine and imprisonment, in the discretion of the court.

The PRESIDENT pro tempore. Is there objection to the request made by the Senator from Oregon?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

CHIEF OF STAFF OF THE ARMY.

Mr. WADSWORTH. Mr. President, out of order I ask unanimous consent to report back favorably, from the Committee on Military Affairs, without amendment, House bill 11699.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

Mr. WADSWORTH. I ask unanimous consent for the present consideration of the bill.

Mr. CURTIS. Let it be read.

Mr. WADSWORTH. Of course, the bill should be read to the Senate before the request is put.

The PRESIDENT pro tempore. The Senator from New York asks unanimous consent for the present consideration of the bill just reported, which will be read for the information of the Senate.

The reading clerk read the bill (H. R. 11699) relating to the appointment of the Chief of Staff of the Army, as follows:

Be it enacted, etc., That, notwithstanding other provisions of law touching eligibility for appointment and service as Chief of Staff, the present Deputy Chief of Staff may be appointed Chief of Staff, and when so appointed shall be eligible to serve as such for a period of four years unless sooner relieved.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

ADDRESS BY SENATOR KELLOGG.

Mr. RANSDELL. I ask unanimous consent to have printed in the RECORD a very important address delivered by the junior Senator from Minnesota [Mr. KELLOGG] at Duluth, Minn., on the 8th of this month, on the Great Lakes-St. Lawrence deep waterway. It is a highly interesting and instructive contribution to this very important subject. I ask that it be printed in 8-point type.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The address is as follows:

SPEECH OF SENATOR FRANK B. KELLOGG ON THE GREAT LAKES-ST. LAWRENCE DEEP WATERWAY DELIVERED AT DULUTH AUGUST 8, 1922.

I came here to-day to urge the people of the Northwest to do everything in their power toward the consummation of one of the greatest projects ever conceived by the genius of modern times, and yet one obviously of such surpassing benefit to the whole people that it would seem it should be undertaken and carried to completion without a moment's delay.

De Lesseps built the Suez Canal, which linked the east with the west. It fell to the lot of the United States to realize the dream of the ages in the construction of a canal which linked the Atlantic with the Pacific. Since that memorable day of September 25, 1513, on which Balboa looked out upon the Pacific from the heights of the Isthmus, the search for a through route to the Orient has engaged the attention and stirred the imagination of men. For more than a hundred years past, the consummation of this project, the construction of a canal to link the two oceans, engrossed the leading nations of the world. There came a day when there was a man occupying the presidential chair, with vision, with determination, who saw clearly the pathway of duty and what it would mean to this country and to the world to accomplish this great object. He conceived and carried through the project. It has been and will be of inestimable value to the Nation as a whole and to all the nations of the world, in opening up a short route between the eastern and western coasts of North and South America and from western Europe to the Orient.

The point I desire to make here is this: That this was a great national project, not in the interest of any particular part of the country, but in the interest of the whole people. It is undoubtedly true that the Panama Canal is not directly a benefit to us in Minnesota and in the neighboring Central and Western States. It only benefits us as it benefits the entire Nation. It has reduced the freight rates, I might say the distance, from the Atlantic to the Pacific coast, and it enables the coast cities like Boston, New York, Philadelphia, Baltimore, Charleston, and the whole country as far west as Buffalo and Pittsburgh, to get an advantage which we in the Northwest can not avail ourselves of. In fact, the Panama Canal has imposed a handicap on certain lines of interior production, and yet the West supported this project, paid its share of the taxes, western Members of Congress voted for it, and no one has ever been heard to suggest their action was regretted.

All we ask now is that the Nation as a whole heartily support the construction of another waterway improvement which will give the Central West the same facilities enjoyed by the South through the Gulf of Mexico and by the East and the western part of the country through the Panama Canal. We are now facing the problem of the construction of this canal, the consummation of this great plan which will open a deep waterway 1,500 miles into the heart of the continent, to the very center of agricultural and manufacturing production.

On the south of this country is the Gulf of Mexico, reaching all the ports for more than 1,000 miles into the rich land bordering upon the South. On the north is the chain of Great Lakes, unsurpassed in the opportunity they furnish for cheap transportation, reaching almost into the center of the United States and Canada. Only a comparatively short distance in the St. Lawrence River must be made navigable to bring ocean-going vessels from all parts of the world to Chicago, Milwaukee, Duluth, Superior, and other cities on the Lakes.

The growth and advancement of the civilizations of the world have followed the avenues of water transportation. In the Ægean Sea and the Adriatic, on the Mediterranean and the Nile, along the Bosphorus, in the North Sea, everywhere water transportation has played the most important part in the development and growth of national life. The British Empire owes its vast domain and national power to its ocean commerce. The same might be said to a lesser degree of all the western nations of Europe. I believe no other country in the world would for 130 years allow a great avenue of commerce like the Lakes to remain closed to the ships of all nations by a few miles of a river. Remember that ocean-going vessels now reach Montreal—that only 84 miles of canal and the improvement of 148 miles of river is necessary to open up an entire lake region, thereby connecting the deep-water transportation of the Lakes with the ocean and enabling ships of ocean size to run to Duluth and all the other lake ports and carry an enormous tonnage of freight.

We stop to think about the cost. Who to-day reckons the cost of the Panama Canal, which was $400,000,000—a little more than one-tenth of the cost of running the Government for one year? The St. Lawrence Canal can be built for less than the United States Government has appropriated to aid in the building of roads since I have been in the Senate. The total cost of this project, as I will show, developing a water power that will ultimately pay for the entire improvement, is only about $250,000,000; and if we paid two-thirds of it, this would be $175,000,000 for the United States—not 10 per cent of the money the United States lost in operating the railroads in the two years and two months; and yet certain interests in a very limited part of the United States, principally in New York, are opposing this project because they believe that they will not be directly the beneficiaries of the improvement; that some of the commerce of the West will go by their doors, will not pay tribute to the port of New York. Had that attitude been taken by the Middle Western States it would have blocked the construction of the Panama Canal, and it is my firm belief that the prosperity of the city of New York is too much dependent upon the prosperity of the great West to, in the end, permit them to take such a provincial view of this subject. We are all proud of our great seaport and financial center. It is undoubtedly necessary to the proper development of the commerce and business of the whole country, but it is dependent upon that business and commerce. Western business interests, western farms, western manufacturers pay their tribute to New York, and when a national improvement of this kind is projected they are entitled to the support of the New York interests.

For a moment let us consider the nature of the country and the industrial development which this ocean canal is projected to reach. Along the great natural pathway of the Lakes lies one of the most magnificent agricultural areas in the world. The center of the food-producing section of the United States lies tributary to the western end of these Lakes. From Ohio to Colorado, from Missouri to Minnesota and North Dakota, is the valley of the Mississippi and the Ohio Rivers—of unsur-

passed fertility and marvelous production. It is peopled with a virile race of men and women, filled with wonderful cities and industrial centers. It appears by the report of the commission that the center of the wheat production of the United States is southeastern Nebraska; corn in Illinois; oats in southeastern Iowa; potatoes in Wisconsin; wool in Wyoming; swine in Illinois; cattle in Kansas; butter in Illinois; cheese in Wisconsin; farm acreage generally in central Missouri; farm values in Iowa; meat packing in Iowa; iron ore in Minnesota; and the largest manufacturing district lies along the Great Lakes from Duluth to Cleveland. Here alone in 1920, tributary to Chicago, was an agricultural, mineral, and manufacturing production of more than $16,000,000,000, to say nothing about the production and commerce tributary to other places. Here is produced the most of our agricultural products which are exported to Europe in the form of wheat, flour, and meat products. Tributary to Lake Superior is produced 75 per cent of the iron ore which goes into the manufacture of the iron and steel products of the United States, and from Pittsburgh west to Chicago is produced the larger part of the manufactured articles of iron and steel. Here is produced all kinds of machinery, in the manufacture of which we have no peer in the world, and it is in those markets that we wish to sell our surplus.

I had the honor of supporting an amendment to the rivers and harbors bill of March 2, 1919, which directed the International Joint Commission to investigate what further improvement of the St. Lawrence River between Montreal and Lake Ontario was necessary to make the river navigable for ocean-going vessels, together with the estimated cost. Pursuant to a treaty existing between the United States and Canada and this act of Congress, the Governments of the United States and the Dominion of Canada submitted to the International Joint Commission and a board of engineers the question of what further improvement in the St. Lawrence River between Montreal and Lake Ontario was necessary to make the same navigable for deep-draft vessels of either the lake or ocean going type, what draft of water was recommended, and what was the estimated cost. A board of engineers of the two Governments was constituted to take charge of the surveys and examination.

The joint commission consisted of ex-Senators Clarence D. Clark, of Wyoming, and Marcus A. Smith, of Arizona, and Mr. Obadiah Gardner, of Maine, for the United States, and Charles A. Magrath, Henry A. Powell, and Sir William Hearst for Canada. The board of engineers was headed by W. P. Wooten, colonel, Corps of Engineers, United States Army, and W. A. Bowden, chief engineer of railways and canals, Canada. They gave to every phase of this subject very careful consideration and made an elaborate report, which was submitted by the President to the Congress

I shall briefly review the conclusions and findings of the commission and board of engineers, but, for the moment, it is sufficient to say that the commissioners and the engineers unanimously conclude not only that the scheme is practical and wise but recommend that it be at once undertaken by the two Governments, and that the income from the power developed will ultimately pay for the entire project. The commissioners recommend that the first step to be taken is for the Governments of the United States and Canada to enter into an arrangement, by way of a treaty, for this scheme of improvement of the St. Lawrence River between Montreal and Lake Ontario. The President, through the Secretary of State, has proposed to the Canadian Government that the two Governments enter into a treaty for the improvement of the St. Lawrence River. The Canadian Government has replied that it deems the present time inopportune to take up the subject, but I believe it is only temporarily postponed and that there is no question that the two Governments will construct this deep waterway and power plant, which must be of inestimable value to the people of the whole Nation.

What is needed by the people of Minnesota—in fact, of the entire Northwest and of the Nation—is cheaper transportation, which must, to some extent, come through the development of our great waterways. During the war, when the Government took over the railroads and during Government operation, the cost of transportation was enormously increased as a result of this operation, freight rates being increased about 60 per cent and passenger rates nearly 50 per cent, and during this time the railroads were not improved and expanded to make them adequate to the demands of growing transportation needs. It is true that railroad rates are gradually coming down and have decreased on an average about 11 per cent, amounting to about $500,000,000 per annum since private operation was resumed; but they are still high and impose an enormous burden especially on the farmers of the Middle West, and I know of no project—no improvement in transportation—that can possibly equal the opening of this deep waterway to the very heart of the agricultural West.

The commission finds a fact which is known to everyone—that at various times for years there has been abnormal congestion on the railroads, which has cost the Nation hundreds of millions of dollars; that there is great congestion in the terminals at the Atlantic coast, like New York; that the transshipment charges at such terminals are unreasonable. In fact, I know from my own knowledge that for many years the cost of transshipping a bushel of wheat in the New York Harbor was greater than the entire cost of transportation from Duluth to Buffalo. It is a fact well known to everyone that it is impossible for the roads leading to the agricultural-producing West to adequately handle the export business through the ports of Boston, New York, and Baltimore. These places will always remain as the principal ports of entry and export for many of the products of the country, especially those higher priced and less bulky products of commerce. It is estimated by the commission—another fact which is well known—that it will require from one to two billion dollars' investment per annum to keep the railroads abreast the growing demands of the country, while this deep waterway can be constructed at a cost to both nations not exceeding $252,000,000, and develop a water power which will ultimately pay the entire amount and cost of operation.

After stating that the great centers of agricultural and manufactured products are tributary to the Great Lakes, the commission finds that the Middle West and Western States are equipped in every way to take full advantage of the transportation facilities promised by the deep waterway for the development both of the Atlantic and Pacific seaboards of the United States and with overseas countries, and that we are almost compelled to seek this new outlet by reason of the fact that existing transportation agencies are inadequate to handle the situation; that the project is entirely feasible both from a transportation, commercial, and a physical standpoint; that the proposed depth of canal will accommodate the prevailing ocean-going vessels; that 81.45 per cent of all ocean-going vessels have a draft of 25 feet and less, and that 99.32 per cent have a draft of 30 feet and less, and it is only a few large ocean passenger ships which could not use the proposed canal and which would not in any event; that the fact that the canal would be open only seven and one-half months in the year is not an obstacle, because the Lake transportation is only open substantially the same time, and this fact, of course, is true of all other inland northern routes. It is true of the Erie Canal and of the route to Montreal, which is closed for four months of the year, and yet that city has become one of the great seaports of the Western Hemisphere. The opponents of this route also claim that the presence of icebergs and fogs makes it hazardous for ocean-going ships. This would apply to the route to Montreal, which is shown to be one of the safest and best routes. Everyone knows that there is just as much danger of icebergs and fogs off the Grand Banks in the route from New York as there is in the route to Montreal. The commission also finds, after very careful examination, that the further inland they can penetrate the greater will be the resulting economy and the more extensive the area benefited, and that the experience of other countries has developed that ocean-going ships may economically travel far inland. This is true notably in the Amazon, the Yangtse-Kiang, the Rhine, the Danube, the Columbia and Willamette, the Delaware, the lower Mississippi, and the St. Lawrence itself. It must be remembered that in England a ship canal was built to Manchester in order that ocean-going vessels might discharge their freight in this great manufacturing town. The rates of freight do not increase with the distance in the same way as they do with rail transportation, because there are no highway fixed charges and only the cost of operation to be considered. A notable example is that the freight rates from New York to Bombay are the same as from New York to Calcutta, though the latter port is 2,000 miles farther away and involves 90 miles of travel by a tortuous river channel much more difficult than the St. Lawrence.

When we stop to consider that the power, the wealth, and the influence of the British Empire were largely produced by its water commerce with the rest of the world, that ocean-going commerce has been the foundation of the rise of nations since the dawn of history, that we are a great surplus-producing country, with yet vast undeveloped resources, it is incomprehensible that such an avenue of water transportation, which could be built for so small a cost, should remain undeveloped.

We produce in Minnesota, Michigan, and Wisconsin probably 75 per cent of the iron ore used in the United States, and our manufactories are large and growing, yet Minnesota is and will be essentially an agricultural country and our products of grain,

flour, meats, butter, and cheese must reach not only the large eastern cities but Europe and Asia. What this means to the farmers of the great West is almost incomprehensible. When we realize that this fertile region may be placed upon a seaport the difference in rates of grain and flour alone by this route would mean millions of dollars annually to the Northwest, and the fact that we have a deep waterway reaching every port in the world means a potential power toward the growth of our cities and the country that we little realize to-day. Chicago, Milwaukee, Duluth, St. Paul, Minneapolis, and the country tributary already owe to a very large degree their growth to the Lake waterways, which would be very greatly enhanced by connecting the Lakes with the ocean.

As I stated before, the only opposition comes from New England and New York, principally from the latter place. The Associated Industries of Massachusetts passed a resolution indorsing the project, and I believe sentiment is generally growing in its favor throughout New England. The particular objection raised by New York is that it will make Chicago, Milwaukee, Duluth, and Superior deep-water ports and will take a certain amount of traffic away from the port of New York. They also claim that this would tend to build up Montreal as the seaport, and suggest that if a deep waterway is to be built, it should be entirely on American territory. The only suggestion they make is to use the Erie Barge Canal from Oswego to the Hudson River or build a canal from Lake St. Francis, 15 miles west of Montreal, to Lake Champlain, running through Lake Champlain to the Hudson Canal, improving the Hudson Canal and connecting with the Hudson River. It would hardly seem necessary to argue that these routes would not meet the demands, are probably prohibitive on account of the cost and engineering difficulties, and would not relieve the congestion of the New York port. They would be subject to all the objections which the New York interests raise to the St. Lawrence River, and many more. New York has already spent in the neighborhood of $300,000,000 upon its canals and has a depth of only 12 feet, which would accommodate boats 150 feet long. What it would cost to deepen the barge canal from Lake Ontario to the Hudson River is problematical, but Col. Clark S. Smith, Corps of Engineers, reports that the cost would be staggering. Various engineers have made reports upon this project, but they do not recommend such an improvement. In fact, the last report made was, in pursuance of authority of Congress, by the War Department, which reported adversely to both New York projects.

It would hardly need argument to sustain these various reports that the deepening of the barge canal or the building of the Lake Champlain Canal is utterly impractical. In the first place, the canal from Oswego to the Hudson River still would require this Government to make some arrangement for the use of the Welland Canal between Lake Erie and Lake Ontario. It would require a 25-foot channel from Oswego to the Hudson River, a distance of about 170 miles, which is nearly as long as the canal and the river from Lake Ontario to Montreal, and of that distance only 34 miles is a canal. But the other route from Lake St. Francis down through Lake Champlain is still more impractical. To use this route would require the construction of practically all of the canal and the improvement of the River St. Lawrence, which is now contemplated, and in addition the building of the canal from Lake St. Francis to the Hudson River through Lake Champlain. The construction of the New York Barge Canal from Buffalo and from Oswego to New York by way of the Hudson River has not relieved the congestion of traffic on the railroads. The total capacity of this canal is only about 10,000,000 tons of freight each way, taking the estimates of those most favorable to the canal, and this is not 5 per cent of the tonnage now moving eastward in this dense traffic area. It has been found not a substantial factor in the reduction of the rates between Buffalo and New York, for the railroad rates there are as high as the rates west of Buffalo.

If it is true, as they claim, that ocean vessels will not use the long inland waterway, it is all the more true that they would not use these long canals, reaching across the State of New York, or north to Lake St. Francis. This project may be dismissed. It is simply put forward as an argument to beat the St. Lawrence River project.

Their main argument, however, is upon the fact that the St. Lawrence Canal is impracticable, and on this problem let me invite your attention to the engineer's report. Not only do the engineers report the plan entirely feasible, but the commission, after hearing testimony from the best experts in the country and giving careful consideration to the subject, also make the same report. The engineers' report is as follows:

"A. That the physical conditions are favorable for improvements for navigation, which will be permanent and will have very low upkeep costs.

"B. That improvement of the entire reach from Montreal to Lake Ontario for navigation alone is feasible, but the loss of the power that can be generated as a by-product in some reaches is not warranted.

"C. That the development of nearly all the potential power in the river, amounting to approximately 4,100,000 horsepower, can be made as coordinate parts of schemes for the improvement of navigation.

"D. That the simultaneous development of such a vast quantity of power is not a sound economic procedure, as a market to take this output is not now in existence and can not be expected to spring into being at once.

"E. That the sound method of procedure is to improve for navigation alone those reaches where side canals and locks can most economically be used, and where the development of the power at some future time is not interfered with by the proposed improvement; and in that part of the river where the construction of locks and dams offers the most feasible means of improving navigation to provide for the development of the incidental power obtainable as a result of the heads created by the dams."

The engineers divide the river into five subdivisions and treat each one separately. It is unnecessary for me here to go into these details, but simply to say that they recommend the construction of canals, locks, and power dams between Lake Ontario and St. Regis on the international boundary, and a canal alone from St. Regis to Montreal, the power plant to develop about 1,464,000 horsepower. They also report that this plan would make possible at any time the development of additional horsepower in that part of the canal between St. Regis and Montreal, making an aggregate horsepower of 4,100,000. They report that the total cost of a 25-foot canal, with locks to be built for an ultimate 30-foot depth, will cost $252,728,200, will develop a horsepower of 1,464,000, that the cost of operation and maintenance will be $2,562,000, and that of this sum $1,457,000 is properly chargeable to power plants and that the power plants will ultimately pay for and support the entire project. They estimate that to deepen the canal to 30 feet will cost only $17,986,180.

The commission recommend that the new Welland Canal be embodied as a part of the scheme. I believe the cost of this canal from its inception with the improvements now being made is estimated at about $75,000,000. If this canal was included and the United States was to pay its share of the cost, it would make the total about $325,000,000. The commission recommends that the cost of the canals be divided on a basis of use and that the cost of the power be divided equally between the two countries. I shall not go into a discussion of the distribution of cost. If the entire amount was to be paid by the United States it would nowhere equal the Panama Canal, and it would ultimately be paid for entirely by the use of the power. But assume that $200,000,000 of the amount should, in the first instance, be paid by the United States. This is not much over 10 per cent of what the Government lost in the operation of the railways in two years. It is not over 20 per cent of what it will be necessary to spend on the railroads each year in order to bring them up to that point of efficiency necessary to take care of the growing commerce of the nation. It is less than the amount appropriated by the Government to aid the States in constructing the roads for two years, and for this amount of money there will be obtained for all time a national highway reaching more than 1,500 miles into the interior and a power plant to start with of nearly a million and a half horsepower for use by the industries of the two countries. When we stop to think of the increased cost of coal and the necessity for power in the growing industries of the country it is not an unimportant factor that here, lying near the great center of population, is a project that, incidental to the transportation feature, will produce a million and a half to four million horsepower per annum. The best information I can get is that the total horsepower now developed in the United States is only about 10,000,000, and as this horsepower can be transmitted two or three hundred miles, it indicates the great public benefit this would be.

Every single argument against this project which has been advanced by its opponents is met by the masterly report of the commission and the findings of the engineers. These men approached this subject from a perfectly impartial standpoint, without any local selfish interest affecting their judgment. No one can deny the ability and standing of the members of the commission or the board of engineers, and their report covers

every question which would need to be settled before determining upon the canal construction. It shows that the traffic is sufficient to make the canal a success from the beginning; that the development of 1,464,000 horsepower can immediately be availed of on a profitable basis, which will ultimately pay for the canal and its operation, to say nothing of the additional horsepower which can be developed along the canal; that the congestion of railway traffic in periods of peak loads can not for this western country be relieved in any other manner than by development of this and other water transportation; that ocean-going vessels can and will use the canal; that the reduction in freight rates and the increase in transportation facilities will fully justify the expenditure and will be a potential power in the increase of production in the western country, greater than any other factor; that the physical objections which have been raised, such as fogs and ice obstruction of long stretches of inland navigation, do not, in the opinion of the engineers or the commission, afford a reasonable objection to the project; that there is no other alternative route adequately meeting the demands for transportation within the bounds of any reasonable cost. These conclusions are sustained by a mass of testimony and expert opinion. It is probably true that for some years to come greater use will be made of the canal for transportation by the United States than by Canada, but we must remember that Canada has a vast and fertile region yet but partially developed. Its use will increase much more rapidly than that of the United States, and while I believe the United States alone could afford to build the canal—if it paid the entire cost—I firmly believe it is in the interest of Canada and the United States to join in the construction of this canal and water power. It is no objection that part of it is upon foreign territory. By treaties we have a right to the navigation of the St. Lawrence River and boundary waters. The two countries have used these boundary waters, have built canals at the Soo, have improved the rivers; Canada has built the Welland Canal and has permitted the use of it by United States shipping interests upon equal terms, and we are equally interested in the improvement and development of the lakes, rivers, and canals. For more than a hundred years the two countries have lived at peace, have grown and developed side by side; we are two great peoples speaking the same language, having the same hopes and aspirations, and governed by similar laws. I believe the next few years will see these two countries further cemented in interest by the construction and operation of this great waterway, which will further open up the interior of the continent to the markets of the world.

The Panama Canal was conceived and constructed during the administrations of President Roosevelt and President Taft. Its completion was an event in the history of the Western Hemisphere, a monument to the memory of Roosevelt, and a great accomplishment for the Nation. I can say to you that President Harding proposes to make the construction of this St. Lawrence project one of the great accomplishments of his administration. He has recommended it in two messages to Congress, in his speech to the Agricultural Conference, and he will now do all in his power to further an agreement between the United States and Canada for the construction of the canal and water power. He realizes the necessity for the extension of our water transportation facilities. To-day transportation is the foundation of all national prosperity. The farmer, the merchant, the manufacturer can not transport their products to market or receive the daily necessities of life without adequate systems of transportation, and the President believes that a national waterway to the very center of population and production in the United States will be a great factor in the growth and development and prosperity of the Nation.

MISSOURI RIVER BRIDGE.

Mr. REED of Missouri. Out of order, I ask unanimous consent to introduce a bill for reference to the Committee on Commerce.

There being no objection, the bill (S. 3938) granting the consent of Congress to the county courts of Lafayette and Ray Counties, in the State of Missouri, to construct a bridge across the Missouri River, was read twice by its title and referred to the Committee on Commerce.

Mr. SHEPPARD. Mr. President, the bill introduced by the Senator from Missouri is a bridge bill in the ordinary form. The War Department has made a favorable report on a similar bill in the House, and by authority of the Commerce Committee I ask permission to report back the bill favorably for enactment by the Senate.

Mr. CURTIS. Was authority given by the committee to report back the bill?

Mr. SHEPPARD. It was.

The PRESIDENT pro tempore. Without objection, the report will be received.

Mr. REED of Missouri. I ask unanimous consent for the present consideration of the bill.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the county courts of Lafayette and Ray Counties, in the State of Missouri, to construct, maintain, and operate a bridge and approaches thereto across the Missouri River at a point suitable to the interests of navigation at or near the city of Lexington, in the county of Lafayette and State of Missouri, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

COMPENSATION OF WORLD WAR VETERANS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 10874) to provide adjusted compensation for veterans of the World War, and for other purposes.

Mr. BURSUM. Mr. President, I have made some changes in the amendment which I introduced, and I think it ought to be reprinted for the information of the Senate. I ask unanimous consent that the amendment may be ordered reprinted, so that it will be available to-morrow.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 10 minutes spent in executive session the doors were reopened, and (at 4 o'clock and 50 minutes p. m.) the Senate adjourned until to-morrow, Thursday, August 24, 1922, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate August 23, 1922.

APPOINTMENTS IN THE CONSULAR SERVICE.

CONSUL GENERAL OF CLASS 3.

Ralph J. Totten, of Tennessee, now a consul general at large, to be a consul general of class 3.

CONSUL GENERAL AT LARGE.

Edward J. Norton, of Tennessee, now a consul of class 3, to be a consul general at large.

APPRAISER OF MERCHANDISE.

Sophie McCord, of St. Louis, Mo., to be appraiser of merchandise in customs collection district No. 45, with headquarters at St. Louis, Mo., in place of Frank H. Sosey.

RECEIVER OF PUBLIC MONEYS.

Charles S. Reed, of South Dakota, to be receiver of public moneys at Rapid City, S. Dak., vice William H. Tompkins, resigned, effective October 1, 1922.

UNITED STATES PUBLIC HEALTH SERVICE.

Dr. Henry A. Rasmussen to be assistant surgeon in the United States Public Health Service, to take effect from date of oath. This doctor has passed the examination required by law.

COAST AND GEODETIC SURVEY.

James Donald Crichton, of New York, to be hydrographic and geodetic engineer, with relative rank of lieutenant in the Navy, in the Coast and Geodetic Survey, by promotion from junior hydrographic and geodetic engineer, with relative rank of lieutenant (junior grade) in the Navy, vice C. H. Ober, resigned.

PROMOTIONS IN THE REGULAR ARMY.

MEDICAL CORPS.

First Lieut. George Francis Cooper to be captain in the Medical Corps from August 12, 1922.

CHAPLAIN.

Chaplain George Foreman Rixey to be chaplain, with the rank of captain, from August 16, 1922.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY.

CORPS OF ENGINEERS.

Second Lieut. Paschal Neilson Strong, jr., Air Service, with rank from June 13, 1922.

SIGNAL CORPS.

Second Lieut. Gilbert Hayden, Air Service, with rank from June 14, 1922.

FIELD ARTILLERY.

Second Lieut. Frederick Stevens Lee, Infantry, with rank from June 13, 1922.

COAST ARTILLERY CORPS.

Second Lieut. Richard Wilson Johnson, Air Service, with rank from June 13, 1922.

INFANTRY.

Second Lieut. Kenneth Francis Pughe, Air Service, with rank from June 13, 1922.

Second Lieut. Frederick William Hein, Air Service, with rank from June 13, 1922.

AIR SERVICE.

Maj. Karl Hartman Gorman, Cavalry, with rank from November 14, 1920.

First Lieut. James Edmund Parker, Field Artillery, with rank from November 3, 1919.

Second Lieut. William Beck Goddard, 3d, Coast Artillery Corps, with rank from June 14, 1922.

PROMOTIONS IN THE NAVY.

The following-named captains to be rear admirals in the Navy from the 3d day of June, 1922:

George R. Marvell.

Henry J. Ziegemeier.

Commander William N. Jeffers to be a captain in the Navy from the 11th day of February, 1922.

The following-named commanders to be captains in the Navy from the 3d day of June 1922:

Harry K. Cage.
Frank D. Berrien.
Hugo W. Osterhaus.
Richard D. White.

Commander Fletcher L. Sheffield, an additional number in grade, to be a captain in the Navy from the 3d day of June, 1922.

Commander William K. Riddle to be a captain in the Navy from the 12th day of July, 1922.

The following-named lieutenant commanders to be commanders in the Navy from the 3d day of June, 1922:

Harold M. Bemis.

Ernest D. McWhorter.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 31st day of December, 1921:

Orie H. Small.

Homer E. Curlee.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of January, 1922:

Oliver H. Briggs.

Charles A. Goebel.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 31st day of December, 1921:

Charles H. Gordon.

James A. Martin.

Robert S. Savin.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 7th day of June, 1922:

Henry S. Nielson.
Karl J. Christoph.
Jack E. Hurff.
Richard R. Hartung.
Harold F. Fick.
John E. Gingrich.
Augustus H. Donaldson.
Willard M. Downes.

The following-named passed assistant surgeons to be surgeons in the Navy with the rank of lieutenant commander from the 3d day of June, 1922.

William W. Wickersham.
Joel T. Boone.
William A. Stoops.
Henry M. Stenhouse.
Henry McDonald.

The following-named assistant paymasters to be passed assistant paymasters in the Navy with the rank of lieutenant from the 3d day of June, 1922:

William J. Dean.

Isaac W. Thompson.

Civil Engineer Greer A. Duncan to be a civil engineer in the Navy with the rank of commander from the 2d day of December, 1921.

The following-named gunners to be chief gunners in the Navy, to rank with but after ensign, from the 27th day of March, 1922:

John S. Conover.
Joseph M. Gately.
Alexander Anderson.
Joseph H. Gerrior.
Frederick Clifford.

POSTMASTERS.

ALABAMA.

Annie J. McArthur to be postmaster at Riderwood, Ala., in place of A. J. McArthur. Office became third class January 1, 1921.

CALIFORNIA.

Charles A. French to be postmaster at Brentwood, Calif., in place of C. E. Berry, resigned.

Martha Holway to be postmaster at Byron, Calif., in place of Alex. Chaim, resigned.

Wooster B. Cartmill to be postmaster at Tulare, Calif., in place of J. J. Mitchell, resigned.

Alfred A. True to be postmaster at Barstow, Calif., in place of A. L. Doran, resigned.

COLORADO.

Talitha B. Utterback to be postmaster at Mesa, Colo., in place of S. H. Moss. Office became third class April 1, 1922.

CONNECTICUT.

Helen S. Ladd to be postmaster at Bloomfield, Conn. Office became presidential January 1, 1921.

FLORIDA.

Benjamin F. Hargis to be postmaster at Umatilla, Fla., in place of F. H. Price. Incumbent's commission expired April 6, 1922.

ILLINOIS.

Charles D. Ragsdale to be postmaster at De Soto, Ill. Office became presidential April 1, 1922.

Arvil C. Allen to be postmaster at Elkhart, Ill. Office became presidential January 1, 1922.

Otto Rexses to be postmaster at Des Plaines, Ill., in place of John Kray. Incumbent's commission expired July 3, 1920.

Chris C. Wendt to be postmaster at Dundee, Ill., in place of W. C. F. Albrecht. Incumbent's commission expired June 23, 1920.

Laurence R. Sutter to be postmaster at Hammond, Ill., in place of W. L. South, resigned.

Thomas W. Collins to be postmaster at Knoxville, Ill., in place of C. W. Brewer. Incumbent's commission expired February 4, 1922.

John O. Biggs to be postmaster at Westfield, Ill., in place of M. L. Briscoe, removed.

INDIANA.

Albert Neuenschwander to be postmaster at Grabill, Ind., in place of E. C. Martz. Office became third class January 1, 1921.

Harry W. Baals to be postmaster at Fort Wayne, Ind., in place of E. C. Miller, resigned.

Haskell Lett to be postmaster at Seymour, Ind., in place of Allen Swope, removed.

IOWA.

Lyman H. Henry to be postmaster at Charles City, Iowa, in place of T. M. Fitzgerald, resigned.

KANSAS.

William Dancaster to be postmaster at Richmond, Kans. Office became presidential October 1, 1920.

Lot S. Hadley to be postmaster at Glen Elder, Kans., in place of O. A. Granger. Incumbent's commission expired April 6, 1922.

Judson M. Cramer to be postmaster at Gardner, Kans., in place of L. E. Perkins, resigned.

Henry N. Jessen to be postmaster at White Water, Kans., in place of H. O. Mellor, appointee declined.

KENTUCKY.

Robert L. Jenkins to be postmaster at Upton, Ky., in place of B. F. Rider. Office became third class July 1, 1920.

Lenard W. Thrasher to be postmaster at Burkesville, Ky., in place of C. W. Alexander, jr., resigned.

Walter C. Swift to be postmaster at Morehead, Ky., in place of H. H. Candill. Incumbent's commission expired March 8, 1922.

MARYLAND.

Harry S. Clements to be postmaster at Oella, Md. Office became presidential April 1, 1922.

Charles J. Benedict to be postmaster at Silver Spring, Md., in place of D. E. Clark, removed.

MASSACHUSETTS.

Albert Holway to be postmaster at Bournedale, Mass. Office became presidential January 1, 1922.

MICHIGAN.

Henry Bristow to be postmaster at Flat Rock, Mich. Office became presidential April 1, 1922.

John P. Robertson to be postmaster at Metamora, Mich. Office became presidential January 1, 1921.

MINNESOTA.

Nels E. Nelson to be postmaster at Fergus Falls, Minn., in place of H. M. Wheelock. Incumbent's commission expires September 13, 1922.

Edwin W. Bergman to be postmaster at McGrath, Minn., in place of E. W. Bergman. Office became third class April 1, 1922.

Bertha Finch to be postmaster at Butterfield, Minn., in place of A. M. Anderson, resigned.

MISSISSIPPI.

Arthur L. Stanford to be postmaster at Ripley, Miss., in place of J. A. Smallwood, resigned.

Annie B. Sherman to be postmaster at Brookhaven, Miss., in place of W. P. Cassedy. Incumbent's commission expired January 24, 1922.

Thomas P. Barr to be postmaster at Jackson, Miss., in place of T. P. Barr. Incumbent's commission expired January 24, 1922.

MISSOURI.

William H. Yarnell to be postmaster at Exeter, Mo. Office became presidential July 1, 1920.

William F. Clardy to be postmaster at Ethel, Mo., in place of A. L. Hogenson; appointee failed to qualify.

NEBRASKA.

Minnie C. Burch to be postmaster at Bellwood, Nebr., in place of Henrietta Andrews, appointee declined.

NEW HAMPSHIRE.

Morris M. Cheney to be postmaster at Bennington, N. H. Office became presidential January 1, 1921.

Josiah K. Rand to be postmaster at Fitzwilliam, N. H. Office became presidential July 1, 1922.

George D. Roberts to be postmaster at Jefferson, N. H. Office became presidential January 1, 1921.

NEW YORK.

Le Roy Krom to be postmaster at High Falls, N. Y. Office became presidential January 1, 1921.

John K. Lathrop to be postmaster at Minnewaska, N. Y. Office became presidential January 1, 1921.

Fred Tears to be postmaster at Starlake, N. Y. Office became presidential April 1, 1922.

Adolph Frees to be postmaster at Thornwood, N. Y. Office became presidential October 1, 1920.

Mildred H. Smith to be postmaster at Lawrence, N. Y., in place of F. S. Duncan, declined.

Ross K. Pierce to be postmaster at Dolgeville, N. Y., in place of B. E. Ogden, resigned.

Edmund E. Westerman to be postmaster at Pittsford, N. Y., in place of W. J. Powers, resigned.

NORTH CAROLINA.

Nollie M. Patton to be postmaster at Morganton, N. C., in place of Hamilton Erwin. Incumbent's commission expires September 5, 1922.

William B. Duncan to be postmaster at Raleigh, N. C., in place of B. M. Gatling, removed.

Ross Matheson to be postmaster at Taylorsville, N. C., in place of J. B. Robinette. Incumbent's commission expired June 13, 1922.

OHIO.

Arch D. Spellman to be postmaster at Williamsfield, Ohio, in place of A. D. Spellman. Office became third class July 1, 1922.

J. Schuyler Hossler to be postmaster at Bloomville, Ohio, in place of C. A. Weldaw. Incumbent's commission expired January 31, 1922.

OKLAHOMA.

Charles A. Smith to be postmaster at Healdton, Okla., in place of R. A. Chapman, resigned.

Jonas R. Cartwright to be postmaster at Shattuck, Okla., in place of A. A. Puckett, declined.

John H. Hammer to be postmaster at Eufaula, Okla., in place of J. L. Homan, jr., resigned.

PENNSYLVANIA.

Lawrence G. Weller to be postmaster at Bechtelsville, Pa. Office became presidential April 1, 1922.

Mary M. Arrison to be postmaster at Mount Morris, Pa. Office became presidential April 1, 1921.

Elma C. Dryden to be postmaster at New Galilee, Pa. Office became presidential July 1, 1920.

Henry Daugherty to be postmaster at Red Hill, Pa. Office became presidential April 1, 1921.

William J. Wilson to be postmaster at Bentleyville, Pa., in place of W. H. Hartman, resigned.

James S. Crawford to be postmaster at Freeland, Pa., in place of E. J. Doggett. Incumbent's commission expired December 17, 1919.

James S. Fennell to be postmaster at Salina, Pa., in place of John Itzel, declined.

Richard W. Edmunds to be postmaster at Braddock, Pa., in place of W. J. McBeth, removed.

Everett E. McBride to be postmaster at Dravosburg, Pa., in place of B. M. McCauley, resigned.

Frank H. McCully to be postmaster at Osceola, Pa., in place of A. L. Edwards, appointee declined.

Stephen J. Downs to be postmaster at Union City, Pa., in place of S. J. Downs. Incumbent's commission expired July 24, 1920.

SOUTH CAROLINA.

Maebelle Orvin to be postmaster at St. Stephen, S. C., in place of A. V. Lockliear. Office became third class July 1, 1921.

TENNESSEE.

D. Garfield Chambers to be postmaster at Huntsville, Tenn. Office became presidential October 1, 1921.

McHenry Jackson to be postmaster at Russellville, Tenn. Office became presidential April 1, 1922.

Edward C. Roberts to be postmaster at Harriman, Tenn., in place of E. T. St. John. Incumbent's commission expired February 4, 1922.

TEXAS.

Joe R. Taylor to be postmaster at Rhome, Tex., in place of C. E. Shaw. Office became third class January 1, 1921.

Edwin C. Hill to be postmaster at El Campo, Tex., in place of E. L. Correll. Incumbent's commission expired January 24, 1922.

Will K. Davis to be postmaster at Gonzales, Tex., in place of D. U. Ramsay. Incumbent's commission expired July 21, 1921.

James W. McBee to be postmaster at Lavernia, Tex., in place of C. A. Tiner, resigned.

VIRGINIA.

Denton T. Watthall to be postmaster at Alberta, Va. Office became presidential July 1, 1921.

Robert M. Bradshaw to be postmaster at Rice, Va. Office became presidential July 1, 1921.

Abram K. Sampson to be postmaster at Burkeville, Va., in place of J. S. Agnew, resigned.

Rankin L. Hervey to be postmaster at Chase City, Va., in place of W. A. Broocks. Incumbent's commission expired July 21, 1921.

Susie F. Jarratt to be postmaster at Jarratt, Va., in place of G. G. Browder. Incumbent's commission expired January 24, 1922.

WEST VIRGINIA.

Ola B. Long to be postmaster at Mill Creek, W. Va. Office became presidential January 1, 1921.

John W. Fortney to be postmaster at Lumberport, W. Va., in place of E. P. Boggess, resigned.

WISCONSIN.

John M. Albers to be postmaster at Thiensville, Wis., in place of Harry Mollier. Office became third class July 1, 1920.

WYOMING.

Hedwig C. Hurit to be postmaster at Sundance, Wyo., in place of H. M. Brown. Incumbent's commission expired June 3, 1922.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 23, 1922.

CONSULAR SERVICE.

CONSUL OF CLASS 3.

Mahlon Fay Perkins.

CONSULS OF CLASS 4.

James B. Young.
Arthur C. Frost.
Edward A. Dow.
John R. Putnam.
Harry Campbell.

CONSULS OF CLASS 5.

James B. Stewart.
Carl R. Loop.
George C. Hanson.
Lucien Memminger.
Clement S. Edwards.
Donald D. Shepard.
Lowell C. Pinkerton.
Harold B. Quarton.
Felix Cole.

CONSULS OF CLASS 6.

Parker W. Buhrman.	Joseph F. McGurk.
Dayle C. McDonough.	Charles J. Pisar.
John R. Bradley.	George A. Makinson.
Paul C. Squire.	Renwick S. McNiece.
H. Merle Cochran.	John D. Johnson.

POSTMASTERS.

COLORADO.

Henry R. Pilati, Aguilar.
Alma Geist, Caddoa.
James C. Wilson, Yampa.

ILLINOIS.

Fanny E. Roles, Fisher.

IOWA.

Ralph M. Tyler, Ladora.

MISSOURI.

Emmet L. Gaffney, Craig.
Addie Erwin, Thayer.

NEW YORK.

Arthur N. Fero, Esperance.
George E. Hoare, Watkins.

NORTH CAROLINA.

John L. Vest, Rosemary.
Charles A. Bland, Wadesboro.

OKLAHOMA.

Everette L. Richison, Bokoshe.
William W. Wagner, Orlando.
Charles F. Rice, Texola.

PENNSYLVANIA.

Margaret E. Warnock, Darlington.
Mark M. Merritt, Granville Summit.
George W. Murphy, Hawley.
Ralph P. Holloway, Pottstown.
Milton W. Lowry, Scranton.

TEXAS.

Samuel G. Hampton, Goree.
Willie L. Gottschalk, Gulf.
Albert T. Cook, Manor.
Hugh G. Koether, Shiner.
Charles H. Branton, Tuscola.

VIRGINIA.

Grace C. Collins, Drakes Branch.
Della L. Fuller, Honaker.
John W. Ketron, jr., Lebanon.
Elihu T. Kiser, Roaringfork.
Charles E. Fulgham, Windsor.

WITHDRAWALS.

Executive nominations withdrawn from the Senate August 23, 1922.

POSTMASTERS.

MASSACHUSETTS.

Albert H. Holoway to be postmaster at Bournedale, in the State of Massachusetts.

WYOMING.

James C. Hurtt to be postmaster at Sundance, in the State of Wyoming.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *August 23, 1922.*

The House met at 12 o'clock noon.

The chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father in heaven, we trust that all hearts unite in the spirit of devout adoration in saying: "Holy, holy, holy, Lord God Almighty, heaven and earth are full of Thy glory; glory be to Thy name, O Lord most high." Thy mercy gathers all mankind in its embrace and shows us God is love. As we return to our daily tasks we pause in memory of him who has folded his tent and left. This place is made sacred by his devout step, his reverent approach, and his lofty appeals to the God of our Nation. A message for all men glowed on the altar of his great heart, and Thou didst hear it. The light of destiny was set in the lines of his blind face and Thou didst put them there. In the shades of his earthly night the halo of Thy glory rested on his white brow. O bless unto this Assembly the faith, resignation, and patience of this servant of Thine. Stricken with blindness, burdened with suffering, smitten with affliction, staggering in the darkness, this friend of man, lover of his country, and apostle of God, is now glorified in the unmixed light of eternal day. We thank Thee, blessed Lord, for the life, the character, and the victory. We pray in the name of Him who said this mortal shall put on immortality. Amen.

The Journal of the proceedings of yesterday was read and approved.

DR. HENRY N. COUDEN.

Mr. MANN. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

The SPEAKER. The gentleman from Illinois asks unanimous consent to address the House for two minutes. Is there objection?

There was no objection.

Mr. MANN. Mr. Speaker, the chaplain in his prayer has already referred in beautiful language to the passing of Doctor Couden, who for nearly 28 years was connected with the House as its chaplain and its chaplain emeritus. A veteran of the Civil War, he came to the House as chaplain and endeared himself to the heart of every Member of the House who served under his administration, and to the country as well. It seems to me that it would be appropriate that the House should be represented at his funeral exercises, and I therefore ask unanimous consent that the Speaker designate a committee of the House to attend the funeral services of Doctor Couden in charge of the Sergeant at Arms.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

ENROLLED BILL SIGNED.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 2694. An act for the relief of Seth J. Harris, Jimmie Lou Martin, Mary Holloman, and William Henry Coleman.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

A message in writing from the President of the United States, by Mr. Latta, one of his secretaries, who also informed the House of Representatives that the President had approved and signed bills and joint resolutions of the following titles:

On June 17, 1922:

H. R. 7052. An act for the relief of G. C. Caldwell; and

H. R. 11407. An act to amend an act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920.

On June 19, 1922:

H. R. 9859. An act making appropriations for the Post Office Department for the fiscal year ending June 30, 1923, and for other purposes.

On June 21, 1922:

H. J. Res. 127. Joint resolution to reerect the statue of Abraham Lincoln upon its original site;

H. R. 8785. An act granting the consent of Congress to the Mobridge Bridge Co., of Mobridge, S. Dak., to construct a pontoon bridge across the Missouri River;

H. R. 10330. An act to extend the time for the construction of a bridge across Lake St. Croix at or near the city of Prescott, in the State of Wisconsin;

H. R. 11265. An act to authorize the maintenance of a bridge constructed across the Pend Oreille River at the town of Usk in the State of Washington;

H. R. 11345. An act authorizing the construction of a bridge across the Allegheny River at or near Freeport, Pa.;

H. R. 11646. An act authorizing the construction of a bridge across the Ohio River near Steubenville, Ohio; and

H. R. 11827. An act granting the consent of Congress to the county courts of Howard and Saline Counties, in the State of Missouri, to construct a bridge across the Missouri River.

On June 22, 1922:

H. R. 6313. An act authorizing the Secretary of Commerce to grant a right of way for a public highway to the county of Skagit, Wash.

On June 26, 1922:

H. J. Res. 313. Joint resolution providing for the disposal of articles produced by patients in the United States Veterans' Bureau.

On June 29, 1922:

H. R. 10101. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District

for the fiscal year ending June 30, 1923, and for other purposes;

H. R. 11393. An act to abolish the office of Superintendent of the Library Building and Grounds and to transfer the duties thereof to the Architect of the Capitol and the Librarian of Congress; and

H. R. 12073. An act to provide additional compensation for certain civilian employees of the Governments of the United States and the District of Columbia during the fiscal year ending June 30, 1923.

On June 30, 1922:

H. J. Res. 344. Joint resolution to authorize the Secretary of the Treasury to detail four persons paid from the appropriation for the collection of customs; and

H. R. 10871. An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1923, and for other purposes.

On July 1, 1922:

H. R. 9527. An act to amend section 5136, Revised Statutes of the United States, relating to corporate powers of associations, so as to provide succession thereof for a period of 99 years or until dissolved, and to apply said section as so amended to all national banking associations;

H. J. Res. 297. Joint resolution requesting the President of the United States to call a conference of maritime nations with a view to the adoption of effective means for the prevention of pollution of navigable waters by oil-burning and oil-carrying steamers by the dumping into such waters of oil waste, fuel oil, oil sludge, oil slop, tar residue, and water ballast;

H. R. 11228. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1923, and for other purposes;

H. R. 12090. An act making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1922, and prior fiscal years, supplemental appropriations for the fiscal year ending June 30, 1923, and for other purposes;

H. J. Res. 337. Joint resolution granting consent of Congress and authority to the Port of New York Authority to execute the comprehensive plan approved by the States of New York and New Jersey by chapter 43, Laws of New York, 1922, and chapter 9, Laws of New Jersey, 1922;

H. R. 6110. An act amending section 97 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911;

H. R. 10770. An act to legalize a bridge across the south arm of Pokegama Lake, in Itasca County, State of Minnesota;

H. R. 11128. An act to authorize the construction of a bridge over the Rio Grande between the cities of Del Rio, Tex., and Las Vacas, Mexico;

H. R. 11214. An act authorizing the President to scrap certain vessels in conformity with the provisions of the treaty limiting naval armament, and for other purposes;

H. R. 11244. An act authorizing the construction of a bridge across White River in the State of Arkansas;

H. R. 11298. An act amending existing law which authorizes the construction of a public building at Paris, Tex., so as to authorize and empower the Secretary of the Treasury to acquire a new site for same by exchanging therefor land and property now owned by the United States Government in said city; and to authorize the erection on said new site, when acquired, of a public building suitable for post-office purposes, and for other purposes;

H. R. 11450. An act to provide for the printing and distribution of the Supreme Court Reports, and amending sections 225, 226, 227, and 228 of the Judicial Code;

H. R. 11588. An act to amend an act entitled "An act to authorize the Secretary of the Treasury to provide hospital and sanatorium facilities for discharged sick and disabled soldiers, sailors, and marines";

H. R. 11634. An act granting the consent of Congress to the county of Norman and the town and village of Halstad, in said county, in the State of Minnesota, and the county of Traill and the town of Herberg, in said county, in the State of North Dakota, to construct a bridge across the Red River of the North on the boundary line between said States;

H. R. 12092. An act granting the consent of Congress to the Louisiana Development Co. to construct a bridge across the Red River at or near Grand Ecore, La.;

H. R. 12120. An act granting the consent of Congress to the county court of Lafayette County, in the State of Missouri, to construct a bridge across the Missouri River; and

H. R. 12121. An act granting the consent of Congress to the county court of Saline County, in the State of Missouri, to construct a bridge across the Missouri River.

On July 8, 1922:

H. J. Res. 353. Joint resolution authorizing the Secretary of War to loan certain tents, cots, chairs, etc., to the executive committee of the Louisiana Department of the American Legion for use at the national convention of the American Legion to be held at New Orleans, La., in October, 1922; and

H. R. 8767. An act for the relief of F. E. Taylor and B. C. Broom.

CALENDAR WEDNESDAY.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that the business of Calendar Wednesday to-day be dispensed with.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that the business in order on Calendar Wednesday to-day be dispensed with. Is there objection?

Mr. GARRETT of Tennessee. Reserving the right to object, may I ask the gentleman what is proposed to be taken up?

Mr. MONDELL. We expect to take up for consideration legislation along the lines suggested by the President.

Mr. GARRETT of Tennessee. May I ask the gentleman if he has had a report from the Rules Committee within the last few minutes?

Mr. MONDELL. I have not had a report from the Rules Committee.

The SPEAKER. Is there objection?

Mr. GARNER. Mr. Speaker, let us have some definite information as to the legislation that they intend to consider.

Mr. MONDELL. We intend to consider legislation recommended by the President—providing for the appointment of a fact-finding coal commission.

Mr. GARNER. Well, that is something definite. The President made three different and distinct suggestions, and I merely wanted to know which one you wanted to consider.

Mr. GARRETT of Tennessee. Mr. Speaker, I have just come from the Rules Committee. I have an idea that the gentleman from Wyoming has not had an opportunity to confer with his side about the matter. I trust that I am not assuming any responsibility, but I know the fact that the committee is not in a position to present a rule at this moment.

Mr. MONDELL. Mr. Speaker, we are now prepared to take up Calendar Wednesday business. I withdraw my request.

Mr. STAFFORD. Mr. Speaker, I make the point that no quorum is present.

The SPEAKER. The gentleman from Wisconsin makes the point of order that there is no quorum present. Evidently there is no quorum present.

Mr. MONDELL. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

Ackerman	Fess	Lineberger	Reber
Anderson	Fields	Linthicum	Reed, N. Y.
Andrew, Mass.	Fish	Little	Riddick
Arentz	Frear	Logan	Riordan
Atkeson	Free	Luce	Robertson
Barbour	Fulmer	Lyon	Rucker
Barkley	Funk	McArthur	Sabath
Beck	Gahn	McCormick	Scott, Mich.
Beedy	Gallivan	McLaughlin, Pa.	Sears
Bell	Gensman	McPherson	Shelton
Blakeney	Goldsborough	McSwain	Sinclair
Blanton	Gould	Maloney	Sisson
Brand	Griffin	Martin	Smithwick
Brown, Tenn.	Harrison	Mead	Stedman
Browne, Wis.	Hawes	Merritt	Steenerson
Burroughs	Herrick	Michaelson	Stiness
Burtness	Hogan	Miller	Stoll
Burton	Hukriede	Montague	Sullivan
Byrns, Tenn.	Husted	Montoya	Summers, Wash.
Cantrill	Hutchinson	Morin	Sweet
Carter	Jacoway	Mott	Swing
Classon	Jefferis, Nebr.	Nelson, Me.	Tague
Cockran	Johnson, Ky.	Nelson, A. P.	Taylor, Ark.
Codd	Johnson, Miss.	Nelson, J. M.	Temple
Collins	Johnson, S. Dak.	Newton, Mo.	Thompson
Connally, Tex.	Jones, Pa.	Nolan	Tilson
Connell	Kahn	O'Brien	Voigt
Copley	Keller	Ogden	Volk
Crago	Kelley, Mich.	Oldfield	Ward, N. Y.
Cramton	Kiess	Olpp	Webster
Crowther	Kitchin	Overstreet	White, Me.
Deal	Kleczka	Patterson, N. J.	Williamson
Dominick	Knight	Radcliffe	Wise
Dunbar	Kunz	Rainey, Ala.	Woodruff
Dunn	Langley	Rainey, Ill.	Woods, Va.
Dupré	Larsen, Ga.	Raker	Yates
Fairchild	Larson, Minn.	Ramseyer	

The SPEAKER. On this vote 280 Members have answered to their names. A quorum is present.

Mr. MONDELL. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors. To-day is Calendar Wednesday, and the Clerk will call the committees.

The Clerk proceeded with the call of the committees.

UNITED STATES COAL COMMISSION.

Mr. WINSLOW (when the Committee on Interstate and Foreign Commerce was called). Mr. Speaker, I desire to call up the bill H. R. 12377.

The SPEAKER. The gentleman from Massachusetts calls up a bill which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 12377) to establish a commission to be known as the United States Coal Commission for the purpose of securing information in connection with questions relative to interstate commerce in coal, and for other purposes.

The SPEAKER. This bill is on the Union Calendar, and the House automatically resolves itself into the Committee of the Whole House on the state of the Union.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 12377, with Mr. CAMPBELL of Kansas in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 12377, which the Clerk will report.

The title of the bill was read by the Clerk.

Mr. WINSLOW. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

Mr. GARRETT of Tennessee. Mr. Chairman, reserving the right to object, may I ask the gentleman what his disposition will be touching the matter of debate upon the bill?

Mr. WINSLOW. The rule, as I understand it, allows an hour on each side, if there are two sides. It had been my purpose, if the gentleman from Tennessee had not made the inquiry, to undertake to find out what the disposition of the Members is in regard to a negative side. If there is one, we will divide the time accordingly. If otherwise, between the two sides of the House.

Mr. GARRETT of Tennessee. If I understand the situation correctly, this bill will be subject, in the way it is being considered now, to limited amendment. The gentleman from Indiana [Mr. BLAND] I think will have some important amendments to present. I do not know what his feeling is upon this bill if the amendments that are to be presented by him are not adopted. It occurs to me——

Mr. BLAND of Indiana. If the gentleman from Massachusetts will permit, I understand the gentleman to say that under the present procedure your motion to amend by substituting all after the enacting clause would not be in order?

Mr. GARRETT of Tennessee. No; I did not state that. But the amendments that can be offered to separate sections of the bill are more limited by reason of the condition in which the bill comes before the House. The original bill was stricken out, and so there is just one amendment, which of course will be offered, and then there can only be one amendment to the amendment offered under the general rules of the House.

Mr. SANDERS of Indiana. That is, pending at one time?

Mr. GARRETT of Tennessee. Pending at one time. And, of course, it lies within the power of gentlemen to move to close debate at any time. In other words, you have not the power of general amendment that you ordinarily have under the rules of the House.

Mr. BLAND of Indiana. I do not know of any remedy to suggest.

Mr. GARRETT of Tennessee. I will say to the gentleman from Massachusetts [Mr. WINSLOW] that I am opposed to the bill.

Mr. WINSLOW. Does the gentleman desire to take control of one hour?

Mr. GARRETT of Tennessee. Yes; I will take control of the time in opposition.

The CHAIRMAN. The gentleman from Massachusetts [Mr. WINSLOW] asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

Mr. WINGO. Mr. Chairman, this is an important bill, just reported, and I think it ought to go into the RECORD. I object.

The CHAIRMAN. The gentleman from Arkansas objects, and the Clerk will read the bill.

The Clerk read as follows:

Be it enacted, etc., That for the purpose of securing information in connection with questions relative to interstate commerce in coal and other questions and problems arising out of and connected with the coal industry, there is hereby established a governmental agency to be known as the United States Coal Commission, to be composed of not more than nine members to be appointed by the President of the United States. No Member of the United States Senate or of the House of Representatives or person who has any interest in or is connected with the coal industry shall be eligible to serve on said commission. Each member of said commission shall receive a salary of $10,000 a year. Said commission shall cease to exist one year after the taking effect of this act.

It shall be the duty of said commission to investigate and to ascertain facts in the coal industry as to ownership of coal mines, prices of coal, wages, wage contracts, conditions of employment, distribution, waste of coal, profits realised by owners or operators of coal mines or by other persons or corporations having to do with the production, distribution, or sale of coal, and any other material facts in connection with the coal industry generally and the organizations and persons connected with it. Said commission shall report to the President and to Congress its findings of fact and such recommendations as to methods and measures as in its judgment will promote continuity of production and efficiency in mining and distribution and maintain the uninterrupted movement of coal in interstate commerce and safeguard the interests of the workers, operators, and the general public. Said commission shall submit its first report not later than the 1st day of January, 1923.

The said commission shall have power to administer oaths, subpœna and examine witnesses, and to compel the production of any books, paper, document, or other evidence, and to take the deposition of any person before any person having power to administer oaths. In the case of a deposition the testimony shall be reduced to writing by the person taking the deposition or under his direction and be subscribed to by the deponent. The same fees and mileage as are paid in the courts of the United States shall be paid in the case of witnesses subpœnaed or depositions taken under this act.

No person shall be excused from so attending and testifying and deposing, or from producing any book, paper, document, or other evidence on the ground that the testimony or evidence, documentary or otherwise, may tend to incriminate him or subject him to a penalty or forfeiture; but no testimony, deposition, or evidence taken under this act shall be elsewhere used in any prosecution of any person who has so testified, deposed, or produced any such book, document, or other evidence. But no person shall be exempt from prosecution and punishment for perjury committed in so testifying, and this act shall not be construed as exempting any person from attending and testifying elsewhere or as denying the right to compel the production of any book, document, or other evidence elsewhere in any action or prosecution.

Any member of the commission or agent of the commission duly authorized in writing shall at all reasonable times, for the purposes of examination, have access to and the right to copy any book, account, record, document, correspondence, or paper relating to any matter which the commission is authorized by this act to investigate.

Any person who shall willfully refuse to attend and testify or depose, or to produce or permit access to any book, account, record, document, correspondence, or paper, as herein provided for, or who shall testify or depose falsely in any material particular, shall, upon conviction, be punished by a fine of not more than $5,000 or by imprisonment for not more than one year, or by both such fine and imprisonment.

The commission may appoint, remove, and fix the compensation of such employees, make such expenditures, and make such rules and regulations as may be necessary for the efficient administration of this act. The necessary expenses of the commission shall be allowed and paid upon the presentation of itemised vouchers therefor, approved by the chairman of the commission.

There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $500,000, or so much thereof as may be necessary, to be available until expended, for carrying out the provisions of this act.

Also the following committee amendment was read:

Strike out all after the enacting clause and insert:

"That for the purpose of securing information in connection with questions relative to interstate commerce in coal and other questions and problems arising out of and connected with the coal industry, there is hereby established a governmental agency to be known as the United States Coal Commission, to be composed of not more than nine members to be appointed by the President of the United States, by and with the advice and consent of the Senate. No Member of the United States Senate or of the House of Representatives or person who has any interest in or is connected with the coal industry shall be eligible to serve on said commission. Said commission shall elect a chairman by majority vote of its members, shall maintain central offices in the District of Columbia, but may, whenever it deems it necessary, meet at such other places as it may determine. It shall have power to form itself into subdivisions for the purpose of hearing testimony and making investigations, but all reports to the Congress and to the President shall be made by majority action of said commission. A member of the commission may be removed by the President for neglect of duty or malfeasance in office, but for no other cause. Each member of said commission shall receive a salary of $10,000 a year. Any vacancy on the commission shall be filled in the same manner as the original appointment. Said commission shall cease to exist one year after the taking effect of this act.

"SEC. 2. That it shall be the duty of said commission to investigate and to ascertain facts in the coal industry as to ownership of coal mines, prices of coal, wages, wage contracts, conditions of employment, distribution, waste of coal, profits realized by owners or operators of coal mines or by other persons or corporations having to do with the production, distribution, or sale of coal, and any other material facts in connection with the coal industry generally and the organizations and persons connected with it. Said commission shall report to the President and to Congress its findings of fact and such recommendations as to methods and measures as in its judgment will promote continuity or production and efficiency in mining and distribution and maintain the uninterrupted movement of coal in interstate commerce and safeguard the interests of the workers, operators, and the consuming and general public. Said commission shall submit its first report not later than the 1st day of January, 1923.

"SEC. 3. That any member of said commission shall have power to administer oaths, to subpœna and examine witnesses, and to compel the production of any book, paper, document, or other evidence, from any place in the United States, at any designated place of hearing, and to take or authorise the taking of the deposition of any person before any person having power to administer oaths. In the case of a deposition the testimony shall be reduced to writing by the person taking the deposition or under his direction and be subscribed to by

the deponent. The same fees and mileage as are paid in the courts of the United States shall be paid in the case of witnesses subpœnaed or depositions taken under this act.

"SEC. 4. That no person shall be excused from so attending and testifying and deposing, or from producing any book, paper, document, or other evidence on the ground that the testimony or evidence, documentary or otherwise, may tend to incriminate him or subject him to a penalty or forfeiture; but no natural person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he may be compelled to testify or to produce evidence, documentary or otherwise, before said commission, or in obedience to its subpœna or the subpœna of either of them: *Provided*, That no person shall be exempt from prosecution and punishment for perjury committed in so testifying.

"SEC. 5. That in case of failure to comply with any subpœna, or in case of the contumacy of any witness appearing before the commission, the commission may invoke the aid of any United States district court. Such court may thereupon order the witness to comply with the requirements of such subpœna, or to give evidence touching the matter in question, as the case may be. Any failure to obey such order may be punished by such court as a contempt thereof.

"SEC. 6. That the commission and, when duly authorized in writing by the commission, any commissioner or agent of the commission shall at all reasonable times, for the purposes of examination, have access to and the right to copy any book, account, record, document, correspondence, or paper relating to any matter which the commission is authorized by this act to investigate.

"SEC. 7. That any person who shall willfully neglect or refuse to attend and testify or depose, or to produce or permit access to any book, account, record, document, correspondence, or paper, as herein provided for, shall be guilty of an offense and upon conviction thereof be punished by a fine of not more than $5,000, or by imprisonment for not more than one year, or by both such fine and imprisonment.

"SEC. 8. That every officer or employee of the United States whenever requested by the commission shall supply it with any data or information pertaining to any investigation by the commission which may be contained in the records of the office of such officer or employee.

"SEC. 9. That any officer or employee of the commission who shall make public any information obtained by the commission without its authority, unless directed by a court, shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall be punished by a fine not exceeding $5,000, or by imprisonment not exceeding one year, or by both such fine and imprisonment, in the discretion of the court.

"SEC. 10. That the commission may appoint and remove such officers, employees, and agents; and make such expenditures for rent, printing, telegrams, telephone, law books, books of reference, periodicals, furniture, stationery, office equipment, and other supplies and expenses, including salaries, travelling expenses of its members, secretary, officers, employees, and agents, and witness fees, as are necessary for the efficient execution of the functions vested in the commission by this act and as may be provided for by Congress from time to time, and make such rules and regulations as may be necessary for the efficient administration of this act. All of the expenditures of the commission shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the chairman of the commission.

"SEC. 11. That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $500,000, or so much thereof as may be necessary, to be available until expended, for carrying out the provisions of this act."

The CHAIRMAN. The gentleman from Massachusetts [Mr. WINSLOW] is recognized for one hour.

Mr. WINSLOW. Mr. Chairman and gentlemen of the committee, the purpose of this bill is to give the President and the Congress of the United States, and so, by indirection, the people of this country, an opportunity to be satisfied, if they can be, as to the condition of the coal business, as a business, in all its ramifications—and you may make that term as elastic as you choose, and then feel that the bill is reported to cover all you would have it cover.

We have had a lot of trouble in our coal situation in one form and another for a good many years. That trouble has become more and more acute as time has gone on, until now it would seem that the public is expressing its indignation over what it regards as an unusual method, to put it mildly, of doing business as manifested to them. The President of the United States evidently became imbued with the idea that the time had come when there should be a review of this industry from bottom to top, from one end to the other, the whole thing included, and accordingly he made an appeal to the Congress to afford him power to appoint a commission for certain definite purposes which he set forth in his message to the Congress on the 18th of August. The paragraphs in his message which bear on the subject have been printed in the report on this bill, which you can get. It will be a waste of time for me to read them. Boiled down, they suggest the creation of a commission to look into this coal question. And the result of it all has been that a bill has been drafted, perfected, and reported out, and so on, by the Committee on Interstate and Foreign Commerce, and it is now before us. Apparently there was not in the President's mind, nor has there been in the minds of the committee, any desire to try to run the coal business under the provisions of this legislation. It is purely a commission to find out real facts, and as many as possible, in order that everybody may know what there is to this much-discussed line of industry. So you must bear in mind that we are not gunning for any kind of legislation which might provide more or less for the management of the coal business or for the correction of any particular trouble or the establishment of any body to be permanent in its character, to go on with the coal question.

We are simply desirous of creating a commission to be appointed by the President which will put its nose into the business, and if it has the wit and ability to bring forth a report and suggestions, if they please, which will tell the world, particularly the President and the Congress, just what they think is the trouble with the thing and what the facts are.

Now, if you will accept that statement as being descriptive of the purposes of the bill, it seems as if by reading it you can get a very direct line on its provisions. The bill will come up for discussion under the five-minute debate, and if any question should come up at that time which may require explanation there will be some one at hand competent to explain.

I think the bill is so simple and straightforward that anybody can understand it. There are no jokers in it nor funny work of any kind. It is a plain proposition to appoint a commission of not to exceed nine men, who will be paid a definite rate of salary annually for work upon the commission, which must be terminated within a year; and then the bill goes on with the usual provisions for getting information and sets out the duties of the commission and prescribes methods of getting testimony and penalties for not giving it, and ultimately winds up with the suggestion of an appropriation to cover the expenses of the work. That will all naturally come out in the five-minute debate.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. WINSLOW. I will yield.

Mr. SNYDER. Is it definitely fixed in the bill that the term of the commission expires at the end of one year?

Mr. WINSLOW. Yes. That is provided in the first paragraph of the bill.

I am not going to take further time just now, but I reserve my time and serve notice on those who want to speak that I mean to reserve time at the end of the hour allotted to me for making a further statement if it is necessary to have one made and if it seems best for me to make it. What I understand the committee will try to do is to explain the bill in detail, and in that way let you learn from one or another just what it is about.

Mr. Chairman, how much time have I taken?

The CHAIRMAN. The gentleman has occupied seven minutes.

Mr. WINSLOW. I would like to ask the other side to proceed at this time.

Mr. GARRETT of Tennessee. Mr. Chairman, I yield 30 minutes to the gentleman from Indiana [Mr. BLAND].

The CHAIRMAN. The gentleman from Indiana is recognized for 30 minutes.

Mr. BLAND of Indiana. Mr. Chairman and gentlemen of the committee, the Committee on Labor gave four or five months to the study of the great coal problem that to-day is one of the gravest concerns of the Nation. We had before us representatives of the miners' organization and all the various operators' organizations as well as various representatives of different public interests. We summoned before us the best legal brains connected with the Federal service in order that we might report to Congress a fact-finding agency bill, that would not only bring the results desired by most of the public but that would stand the tests of the courts; and permit me to say in this connection that one of the gravest legal problems to-day is to see fashioned a law of this kind that may meet with the approval of our courts.

The Committee on Labor of the House early recognized the deplorable lack of definite, reliable, and truthful facts concerning this great coal industry which means so much to the industrial life of the Nation, and it realized that not only must we make an effort to report a bill which would reflect the good intentions of the committee to promote the fullest giving up of facts in the coal industry but one that would meet the constitutional objections which had been interposed.

Operators had been selling coal since the first of the year until the strike began in most instances at a loss. A strike or a lockout until mining conditions improved and the price of coal was increased was most inevitable. We did our level best to bring the contending factions together. The miners' organization was anxious to meet the operators and agree upon a wage scale for the resumption of work on the 1st day of April. An agreement had been entered into between the miners and operators with the advice and consent and at the instance of the Government agents that prior to the 1st day of April the United Mine Workers' organization and the representatives of the operators of the central competitive field would meet and negotiate a wage scale. It early developed that the operators, for various reasons, real and pretended reasons, would refuse to meet the miners, and, therefore, breach their agreement. More than four months of industrial strife and mining

inactivity resulted to the tremendous economical loss of the country, and I am glad to note by the morning paper that the beginning of the end of this conflict, for the present at least, is over and that the Nation will again be permitted to have its supply of fuel, which is so essential to its industrial prosperity.

This bill to-day brought forth by the committee nor the one which I proposed and which has been reported by the Labor Committee of the House will not bring redress for the four months that are lost forever, but if the proper kind of measure is passed here to-day I am hopeful that it will have the result of making it possible that the coal industry may be stabilized and that the recurrence of periodical shutdowns and strikes and exorbitant prices of coal upon the consuming public may not prevail in the years to come.

The Labor Committee gave it their best thought, with the result that a bill was reported with teeth in it, and it had been most carefully scrutinized with a view of making it meet with the court's approval in their defense of the constitutional rights of property owners. I will here insert a copy of my bill, which was reported by the Labor Committee:

A bill (H. R. 11022) to establish a commission to inquire into labor conditions in the coal industry.

Be it enacted, etc., That when used in this act—

(a) The term "person" means individual, partnership, corporation, or association; and

(b) The term "coal" means anthracite, bituminous, and other coal, lignite, coke, and culm, whether in place, extracted, or banked.

SEC. 2. (a) That there is hereby established a governmental agency to be known as the "coal investigation agency," and to be composed of 10 members, as follows:

(1) The Director of the Geological Survey, the Director of the Bureau of Mines, the Director of the Bureau of the Census, and the Commissioner of Labor Statistics;

(2) Two members constituting the public group, representing the public, to be appointed by the President, by and with the advice and consent of the Senate;

(3) Two members constituting the miners' group, representing the employees of coal mine operators, to be appointed by the President, by and with the advice and consent of the Senate, from four nominees presented to the President by the president of the United Mine Workers of America; and

(4) Two members constituting the operators' group, representing the coal mine operators, to be appointed by the President, by and with the advice and consent of the Senate, one to be appointed from two nominees presented to the President by the president of the National Coal Association, and one to be appointed from two nominees presented to the President jointly by the president of the Anthracite Bureau of Information and the president of the Anthracite Coal Operators' Association.

(b) Any vacancy in the office of an appointed member of the coal investigation agency shall be filled in the same manner as the original appointment. The appointed members shall each receive a salary of $6,000 a year. The members specified in paragraph (1) of subdivision (a) shall receive no additional salary for their services as members.

(c) If the president of any organization specified in subdivision (a) fails to present nominees to the President in accordance with such subdivision within 30 days after the passage of this act, or, in case of a vacancy, within 30 days after the vacancy occurs, the President of the United States shall thereupon directly make the appointment, by and with the advice and consent of the Senate. In making any such appointment the President shall select an individual associated in interest with the employees or coal mine operators, whichever he is to represent.

(d) The coal investigation agency shall cease to exist two years after the passage of this act.

SEC. 3. That for the purpose of providing information for the Congress as a basis for legislation (a) to settle industrial disputes in and prevent the overdevelopment of the coal industry, (b) to stabilize such industry and levy taxes in respect thereto, (c) to regulate commerce in coal among the several States and with foreign nations, (d) to provide a coal supply for the maintenance of the Navy and the merchant marine, and (e) to protect the coal supply for the District of Columbia, and forts, magazines, arsenals, dockyards, and other public buildings of the United States outside the District of Columbia, the coal investigation agency is authorized and directed to require and obtain from any person such data, information, and reports as it deems desirable for such purpose, including among other matters data, information, and reports (1) as to the supply, production, distribution, storage, and consumption of coal and its grading and economic utilization, (2) as to the relations between operators of coal mines and washeries and their employees with particular reference to wages, hours of labor, and working conditions, and (3) as to the ownership and value of coal lands, and of property of operators or owners which is of use in the operation of coal mines or washeries.

SEC. 4. That the coal investigation agency shall make such reports to the Congress and to the President from time to time as it deems advisable, and shall make to the Congress and to the President a final report not later than two years after the passage of this act. All data or information obtained by the coal investigation agency shall not be made public except in such reports to the Congress and to the President, or in compliance with the subpœna or order of a court of competent jurisdiction. Such reports shall not contain any such data or information which would disclose the trade secrets of any person. Any officer or employee of the coal investigation agency who shall make public any data or information in violation of the provisions of this section shall, upon conviction thereof, be punished by a fine of not more than $5,000 or imprisoned for not more than one year, or both.

SEC. 5. (a) That for the efficient administration of the functions vested in the coal investigation agency by this act, the agency may require by subpœna, issued and signed by the chairman, the attendance of any witness and the production of any book, paper, document, or other evidence from any place in the United States at any designated place of hearing, and the taking of a deposition before any designated person having power to administer oaths. In the case of a deposition the testimony shall be reduced to writing by the person taking the deposition or under his direction, and shall then be subscribed by the deponent. Any member of the coal investigation agency may administer oaths and examine any witness. Any witness summoned or whose deposition is taken under this act shall be paid the same fees and mileage as are paid witnesses in the courts of the United States.

(b) In case of failure to comply with any subpœna or in case of the contumacy of any witness before the coal investigation agency, the agency may invoke the aid of any United States district court. Such court may thereupon order the witness to comply with the requirements of such subpœna, and to give evidence touching the matter in question. If the court makes such order it may also fix in the order the time for compliance therewith, and enjoin the witness from shipping or receiving from shipment in commerce among the several States or with foreign nations any coal after the time so fixed and before his obedience to the order. Any failure to obey such order or injunction may be punished by the court as a contempt thereof.

(c) No person shall be excused from so attending and testifying and deposing, or from so producing any book, paper, document, or other evidence on the ground that the testimony or evidence, documentary or otherwise, may tend to incriminate him or subject him to a penalty or forfeiture; but no natural person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing as to which, in obedience to a subpœna and under oath, he may so testify or produce in evidence; except that no person shall be exempt from prosecution and punishment for perjury committed in so testifying.

SEC. 6. That for the efficient administration of the functions vested in the coal investigation agency by this act, any member, officer, or employee thereof, duly authorized in writing by the agency, shall, at all reasonable times for the purpose of examination, have access to and the right to copy any book, account, record, paper, or correspondence relating to any matter which the coal investigation agency is authorized by this act to investigate.

SEC. 7. That every officer or employee of the United States whenever requested by the coal investigation agency shall supply it with any data or information pertaining to any investigation by the agency, which may be contained in the records of the office of such officer or employee.

SEC. 8. (a) That no person shall willfully (1) fail or refuse to make any report required by the coal investigation agency, (2) make in any such report any statement which is false in any material particular, or (3) deny any duly authorized person any right granted by section 6. Any person who violates this subdivision shall, upon conviction thereof, be fined not more than $5,000 or imprisoned for not more than one year, or both.

(b) In construing and enforcing the provisions of this act the act, omission, or failure of any person acting for or employed by any individual, partnership, corporation, or association, within the scope of his employment or office, shall in every case also be deemed the act, omission, or failure of such individual, partnership, corporation, or association as well as of such person.

SEC. 9. That for the efficient administration of the provisions of this act, the coal investigation agency may make such regulations as it deems necessary.

SEC. 10. (a) That the coal investigation agency may appoint, remove, and fix the compensation of such employees, and make such expenditures, including salaries, traveling expenses, per diem rates of allowance in lieu of subsistence, and witness fees, as are necessary for the efficient administration of the functions vested in the agency by this act, and as may be provided for by the Congress from time to time. All the expenses of the coal investigation agency shall be allowed and paid upon the presentation of itemized vouchers therefor, approved by the chairman of the agency.

(b) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $50,000, or so much thereof as may be necessary, to be available until June 30, 1923. Such sum shall be expended by the coal investigation agency, in the District of Columbia or elsewhere, for defraying the expenses of the maintenance and establishment of the agency, including the payment of salaries.

SEC. 11. If any provision of this act or the application thereof to any person or circumstance is held invalid, the validity of the remainder of the act and of the application of such provision to other persons and circumstances shall not be affected thereby.

Amend the title so as to read: "A bill to establish a temporary governmental agency to investigate and report to the Congress and to the President in respect to labor or other conditions in the coal industry."

The President in a message to this Congress a few days ago from almost this identical position said to you that we must have a fact-finding agency in the coal industry. The administration had become convinced that no solution of this great problem can be made until scientifically prepared data and statistics of the whole industry are prepared and submitted to Congress. No one knows what the production cost of coal in this country is unless it be those who brazenly refused to give the facts to the Government. Those who are most familiar with the facts will agree that there is no solution of this problem, nor can there be an intelligent attempt at its solution until the facts concerning the industry, including the cost of production, labor costs, overhead expense, and the thousand and one facts concerning the business have been carefully gathered, compiled, and submitted in an understanding way.

The President is right in demanding that legislation of this character be passed, and I pride myself upon the fact that many months ago I advocated on the floor of the House that the first step essential to the curing of the disease of the industry was the establishment of a properly constituted Federal fact-finding agency to which must be given all the powers the Federal Constitution would permit. The Labor Committee counseled with the best legal brains in the Federal service in order that my bill might stand the constitutional test, and on May 5 the committee reported it to the Congress. It had received months of consideration as well as the approval of many bright and disinterested minds, but your Committee on Rules refused

to give consideration for it on the floor of the House, and the chairman of the committee stated to the press that he was opposed to commissions. His attitude seems to have changed lately. In this bill it was proposed that a commission be formed of two miners, two operators, two members of the public, who should receive pay, and that with them should be associated the Director of the Geological Survey, the Director of the Bureau of Mines, the Director of the Bureau of the Census, and the Commissioner of Labor Statistics. It was the thought of the committee that representation of the miners and operators of both bituminous and anthracite districts would insure, by reason of prejudice and interest, the fullest giving up of the facts, and that the result obtained would necessarily be acquiesced in by those two great elements of interest in the industry.

The President in his message to Congress proposed that a commission, similar to the one I had suggested, be formed with similar powers, but that no representation of employer or employee in the industry be permitted, and the Committee on Labor bill was sidetracked and the Committee on Interstate and Foreign Commerce were called upon to present to Congress a bill embodying the ideas of the President. To my astonishment I find this great committee reporting a bill without having had hearings or without advice and counsel of any legal talent whatever. This bill not only denies representation to the miners and the operators but, in my opinion, does not bestow, under the Constitution, the power which will enable the commission to perform the investigation for which it is being created. I think most of you before me are lawyers, and those who are not, from your experience in legislative matters, have learned to weigh the meaning of the phraseology of bills. Let us digest for a moment the provisions of the Winslow bill that is being hurried through here without consideration. The Winslow bill grants to the commission no powers not already given to the Federal Trade Commission, and I venture to assert that none of the lawyers of the Interstate Commerce Committee will produce one scintilla of argument to the effect that more powers are granted to this commission than are now held by the Federal Trade Commission. The Federal Trade Commission, under its interstate commerce rights, was empowered to investigate the coal industry and to find facts concerning it, but bear it in mind that it is only given power under the interstate commerce clause of the Constitution. The Maynard Coal Co., after 51 mines had reported, obtained a restraining order in the District Court of the District of Columbia restraining the Federal Trade Commission from requiring answers to questions concerning production in the States, upon the theory that the production of coal does not pertain to interstate commerce, but that it is entirely intrastate. Two years have passed since the Federal Trade Commission was halted in its attempt to carry out the orders of Congress, and yet we have a great committee in Congress bringing out a bill in which it relies solely upon the interstate commerce powers of Congress to give this commission the right to inquire into the question of production within the States.

Is it possible that the framers of this law do not know what the courts have decided, or are they butting their heads against a stone wall to see how thick their skulls are? The chairman of this committee, Mr. WINSLOW, said we will have to take a chance on that.

Mr. WINSLOW. Will the gentleman yield?

Mr. BLAND of Indiana. Yes; if the gentleman takes any exception to my statement.

Mr. WINSLOW. I do not want to interrupt the gentleman. He talked to me without reply on my part for about 10 minutes. And as he was leaving I said as a good-by, "We will have to take a chance."

Mr. BLAND of Indiana. Yes, he said, "We will have to take a chance on that." We do not have to take a chance, for I tell you there are other powers of the Constitution that can be invoked, and you could put them in this bill if you wanted to. I am hopeful that provisions may be put in this bill to-day that will give full powers to this commission under the Constitution to go into the States and obtain the facts essential to this great industrial problem. You ask me how it can be done. Read the bill that I shall propose as a substitute for this misfit and you will find that I invoke powers under the Constitution other than interstate commerce powers. Can anyone in the sound of my voice deny that we have the right to go into the States to inquire into any industry for the purpose of Federal taxation? The Constitution specifically gives us that right. Can anyone contend that the Government does not have the right to protect the coal supply for its Navy, for its ports, for its arsenals and its institutions in the District of Columbia? If we have that power, why not invoke it in this law, because the courts have indicated that under a guise of obtaining information you can not fish for facts, but that the Congress must indicate what facts they want and what they are for. In this connection I would like to refer you to 237 U. S., page 434.

In the Maynard Coal Co. case it was held that the production of coal within a State was not interstate commerce, and yet in the first sentence of the Winslow bill it says, "for the purpose of securing information in connection with interstate commerce in coal," and any court in the land will construe that the Congress only intends to invoke the interstate powers of the Constitution in order to reach the production of coal within the States. If you will read the bill which was reported by the Labor Committee, and which for some strange reason has been mysteriously avoided in the preparation of this bill, except an absolute copy of certain less important items, you will find that it provides:

That for the purpose of providing information for the Congress as a basis for legislation (a) to settle industrial disputes in and prevent the overdevelopment of the coal industry, (b) to stabilize such industry and levy taxes in respect thereto, (c) to regulate commerce in coal among the several States and with foreign nations, (d) to provide a coal supply for the maintenance of the Navy and the merchant marine, and (e) to protect the coal supply for the District of Columbia and forts, magazines, arsenals, dockyards, and other public buildings of the United States outside the District of Columbia, the coal investigation agency is authorized and directed to require and obtain from any person—

And so forth.

Not only does the Labor Committee bill confer and call into action all the powers that the Federal Government has but it provides the machinery and the penalties that will bring forth the fullest disclosure of the facts.

My colleagues, as I look you in the face, and as man to man, I want to say to you that the Winslow bill has no teeth in it; it has no adequate penalty clause, and will be hailed with delight by every coal producer who desires to conceal the facts concerning the cost of production of his article. What does a great coal corporation making its millions—now, I am not speaking of the little fellow—in the pinch months care for the possibility of a $5,000 fine at the end of a long-drawn-out criminal lawsuit?

I wish the chairman of this committee would tell you now why it was that he has left out of this bill the section contained in the Labor Committee bill which denies to the coal producer who refuses to answer the questions of his Government the right to interstate commerce for his product. The Labor Committee bill authorizes the Federal court, as a part of its verdict, to make it a criminal offense for the delinquent coal company to ship its product in interstate commerce, and it makes it an offense for a railroad to receive its product in such shipment. Ah, my colleagues, the teeth has been pulled from the bill. They can wear you out with criminal trials; they can stand a few fines, and a few thousand dollars would not make much difference to them. But if the court orders a railroad company not to receive for interstate shipment their product until they have purged themselves of contempt and answered the questions that the Government asks them, then you will get results. Why this pussyfooting on so important a question? Why take the chance, Mr. WINSLOW, if you really want the facts?

The President of this great Republic says he must have the facts. The operators that have come before the Labor Committee, the Federal Trade Commission, and before the Senate committee have brazenly refused to divulge the facts. Do you want the facts? If you do, my suggestion is that you accept an amendment to this Winslow bill which will not only promote the fullest voluntary giving up of facts but will be adequate to force their submission. I do not believe that President Harding knows the contents of this bill aside of its provision for the personnel of the board, and permit me to say, in passing, that I am now, and have been in the past, one of his most ardent admirers. He is honest; he is courageous, and has a heart full of love for the American Republic. He believes that the best interests will be conserved by leaving off the representation of miners and operators. In this I believe he has been wrongly advised. How can you hope to settle satisfactorily the facts regarding one of the greatest industries in the history of civilization, unless you at least give representation to those who are most vitally concerned and who know the facts better than anybody on earth. I have not asked that either operators or miners, or both, have control of this commission. My bill proposes a commission of 10, 2 operators, 2 miners, representing both the bituminous and the anthracite fields. Their knowledge of the industry and its many intricacies and ramifications will not be available to such a committee as the Winslow bill pro-

poses. The Winslow bill says that no person who has interest in or is connected with the coal industry shall be eligible to serve on the commission. I can not disabuse my mind of the fact that growing out of this great industrial strike which, thank God, ends to-day, a prejudice has been engendered against the industry. This kind of commission if named in a spirit of prejudice can not be helpful to the solution of the coal problem, but will tend further to disrupt and prevent any hope of peaceful, constructive stabilization, such as is desired by every patriotic American citizen.

If the President of the United States knew the Winslow bill gave no additional powers than are given to the Federal Trade Commission, and that the courts of the land have stopped the Federal Trade Commission from obtaining facts under those powers granted by Congress, and if he knew, as I believe he does, the decision of our courts which would point the road to us as to how we could bestow additional powers upon the commission, I believe he would unhesitatingly say that the Winslow bill should be radically amended.

I wish you would read section 2 of the Winslow bill. You lawyers who are in the habit of scrutinizing legislative acts will see that the word "production," except where it is casually used, is omitted from the field of investigation of the agency, and it was the word "production" that stopped the Federal Trade Commission in its inquiry. Why this omission if results are desired? Is some one acting with their fingers crossed in pretending to obey the mandates of the President? You may construe, from reading this section, that they will have the right to inquire into production when they are inquiring into profits, but I know of no good reason, in view of the legal uncertainty, for not definitely saying that the commission has the right to inquire into the production of coal, and on this subject I am fearful that the genial chairman of this committee will be as silent as the bones of Job in the valley and stolidly refuse to accept the amendment.

I venture to assert that no member of this committee since the introduction of this bill has read the Minnesota Rate case nor the Maynard Coal County case, the Shreveport case nor the Claire Furnace Co. case. If we are to profit from our mistakes when stopped by the courts, why not attempt to frame the law to conform to the courts' notion as to what our constitutional rights are if you really want to get facts?

Our Democratic friends on the other side of the aisle have charged, with certain justness, that in this piece of legislation we are camouflaging the public before the election and that we are passing a gold brick out to the public. I do not believe the President wants us to do that, and I do not believe the majority of you want us to do that, and I am not impugning the motives of any of my colleagues, but I do say that whether Mr. Hoover or any other man prepared this bill he did not know the law or he would have couched it in different language, and the day will come when our failure at this hour to insert in this bill the proper provisions will confront us in a most embarrassing way.

Some of the minor provisions of my bill have been bodily lifted out and put in this bill, but I note with great disappointment that the teeth in my bill have not been put in this bill, and I am informed, and have good reason to believe, that the Interstate Commerce Committee had the opportunity to put them in, but deliberately voted them down. I understand, gentlemen, that with an overwhelmingly Republican House—and I am glad it is overwhelmingly Republican—and with the President and administration generally behind this bill it will be difficult, regardless of the merits of the controversy, to convince you that it should be changed, but I am going to discharge my duty as a Representative in the American Congress and advocate what I believe to be to the best interest of my country, and in that advocacy I most earnestly appeal to you, gentlemen, if you are wedded to the thought that there should be no miners or operators on this board, that you should at least give heed to the verbiage of the bill, so that you may confer upon your alleged impartial board all the power which you intend to confer.

Mr. STEVENSON. Mr. Chairman, will the gentleman yield?

Mr. BLAND of Indiana. I can not yield at this time. I am sorry. Later I will be glad to yield.

The Supreme Court, gentlemen, has held, and I think correctly so, that if legislation granting certain inquisitorial powers has been enacted that power can not be used for the purpose of fishing for information, but that only the information in contemplation by Congress at the time the act was passed can be obtained under its provisions. Why not say in this act that you empower this commission to get these facts for the purpose of levying taxation and for the other purposes enumerated in section 3 of the bill which I offer for a substitute? Do you know of any reason why you should not include them? If you want to get the facts, can it hurt anything?

Remember that you are hanging your whole case upon the possibility of the court of appeals or the Supreme Court of the United States holding in the far distant future that the Federal Government under its commerce powers can inquire into the production of coal within the State even if that production is purely intrastate. Now, I shall not stultify myself as a lawyer, nor hide from you my real views on this proposition. I believe that the courts should hold, and I hope they will hold, that coal and its production are so essentially a part of interstate commerce that they are of Federal concern and that under the interstate commerce powers they will be permitted to inquire into them. But why take the chance of the court rendering such an opinion in the future when you can give these powers to it now? I will venture to say that no lawyer backing the bill in the sound of my voice will say that we have not the right to go into the State and inquire for the purpose of cost of production for the purpose of legislation on the question of taxation, and the refusal to place this provision in the bill is an admission that you do not want the facts or that you are indifferent and careless in the construction of the law which you hope will obtain facts. No one will contend that it could be hurtful to invoke these rights even if I were wrong in my legal premises.

Mr. JOHNSON of South Dakota. Will the gentleman insert that decision in his remarks?

Mr. BLAND of Indiana. I will be very glad to do so, and I would like to insert also this decision here that you must specifically say in the act for what purpose you are obtaining the information.

It is Ellis *v.* The Interstate Commerce Commission (237 U. S., pp. 444–5.)

A part of the Maynard decision reads as follows:

> In the case of a corporation doing a wholly intrastate business could it be said that Congress has any visitorial power under the commerce clause of the Constitution of the United States? Clearly it has not. The fact that it happens to be the same corporation in this instance which mines and ships the coal does not give Congress any greater powers to regulate production and the intrastate commerce of such corporation. The visitorial power of Congress is limited to that part of the business over which it has control and which under the Constitution it has the power to regulate.
>
> The mere fact that a corporation engaged in mining ships a portion of its product to other States does not subject its business of production or its intrastate commerce to the powers of Congress. Doubtless the business of every coal-mining corporation, whether engaged in interstate business or not, to some extent affects interstate prices and commerce, but, as stated in United States *v.* Kind (156 U. S. 1), above: "The power to control the manufacture of a given thing involves in a certain sense the control of its disposition, but this is a secondary and not the primary sense." No sound reason is given why there is any difference in the business of coal mining of a corporation which ships its coal to another State and that of a corporation which does not. Interstate commerce is not affected any more in the one case than in the other.

Mr. MILLS. Will the gentleman yield?

Mr. BLAND of Indiana. I will.

Mr. MILLS. Does the gentleman contend that we could, by reciting that we were trying to obtain information for the purpose of taxation, get the information which we otherwise could not get?

Mr. BLAND of Indiana. Yes; but you are not confined to that right. On the contrary, if you say you are going in to get facts which the Constitution permits, the Supreme Court has held that you are not fishing but you have a right to have the information.

Mr. MILLS. But the Supreme Court has held that where the taxing power has been used as a mere subterfuge, the mere fact that you are doing it under the taxing clause of the Constitution does not render it constitutional.

Mr. BLAND of Indiana. If you pass a law saying that you want to get the facts for taxing purposes, it can not be held unconstitutional, if you try to get facts for that purpose. The gentleman has in mind the child-labor case, in which they attempted to regulate child labor by taxation; but this is information for the purpose of taxation, and when you once obtain it you may use it for any purpose. The question is, Have you a right to obtain the information for legislative purposes? You have. This bill does not say a word in reference to obtaining it for legislative purposes.

Mr. MILLS. Will the gentleman yield for one more question?

Mr. BLAND of Indiana. Yes.

Mr. MILLS. It is a fact that we are investigating the coal situation because of the strike. Does the gentleman think that if we state in the resolution that we are doing it for taxing purposes the Supreme Court will not do what it did in the child-labor case—look at the real facts?

Mr. BLAND of Indiana. The gentleman does not state a fact when he says we are doing it on account of the strike. If the

gentleman will study the situation a little more, he will see that the coal industry is sick from other causes than the strike. The coal industry is overdeveloped.

It has one-third too many coal miners and it has one-third too many coal mines. And then again it has its seasons, and the result is that when the pinch months come the operators and dealers raise the price to $10 and $12 a ton, as is being doing now. There ought to be a condition brought about where the industry would be stabilized, where the efficient mines would compete. As long as the industry is seasonal we are going to have a little mine on the side hill where the miner sits idle most of the time, and only works about 120 days in the year, and when he does work he must have wages enough to keep him the year round. We ought to have an act that will get the facts. Pass a law that has teeth in it. If there is anything wrong about the industry or the organization of the men who work in it, let us go after the facts, both as to the miners and operators.

Mr. STEVENSON. Mr. Chairman, will the gentleman yield?

Mr. BLAND of Indiana. Yes.

Mr. STEVENSON. The gentleman stated awhile ago that the facts which the public and the Government have are false, and that the reports were made deliberately false. I want to get at who promulgated these facts and false statements.

Mr. BLAND of Indiana. Oh, the operators who were making unusual profits claimed that the cost of production was higher than it really was. They made the statement that the labor cost of production is $1.96 a ton, and we know better. We investigated the matter far enough to find that out; but if they can say that their labor cost is $1.96 a ton and that their overhead is another $1.96 a ton, then they can make you gentlemen think it will cost a great deal to produce coal. Then they are prone, during labor controversies, to lay it on the miner who gets only $1.08 a ton, and do you blame the miner for wanting representation upon this board. This is not to be a regulatory body, it is not a governing body, it is not a price-fixing body, it is not a wage-fixing body; it is a body to find facts, and if you want to find facts put men on that commission whose interest and prejudices will insure that the facts will come out.

Mr. THOMAS. Mr. Chairman, I wish the gentleman from Indiana would please read the part of the decision that he speaks of.

Mr. BLAND of Indiana. I would like to do it, but I have not the decision here; some one has carried it away. I shall put it in the RECORD.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. BLAND of Indiana. Yes.

Mr. MOORE of Virginia. I notice that your bill, which is similar to this bill in a general way, was reported to the House on May 5 last, I think, after the coal strike began.

Mr. BLAND of Indiana. Yes.

Mr. MOORE of Virginia. It never has been considered. Does the gentleman know why the House has not considered the bill?

Mr. BLAND of Indiana. I have been storming the Rules Committee for a rule. I am not responsible for the delay. I assure the gentleman that the press of the country has been anxious to have this legislation considered. This legislation has been featured by some of the biggest daily papers in the country as being the most necessary legislation before the American people to-day, but I am not responsible for its not coming up. I do know this: I know that the President of the United States realized that he could not get any facts under existing laws because they were not obtainable, and he realized when this strike situation began to cool off that we ought to constitute an agency which would clear up the facts. I think the gentleman should understand that if my bill had passed some time ago it would have had little or no effect upon the strike, because it will take more than the year's time given by this bill to get these facts. It will take a longer period than that. It could not help this strike, but, God knows, we may avert others.

Mr. MOORE of Virginia. If the gentleman's bill would not have affected this strike, then surely this bill would not.

Mr. BLAND of Indiana. I do not think it is contended that it can do anything toward affecting this strike.

Mr. POU. Is it a fact that the gentleman almost got a rule reporting out his own bill this morning?

Mr. BLAND of Indiana. Oh, I do not want to be bitter about this thing at all. I have no feeling about it. I would not impugn the motives of anyone. I know that all are interested just as much as I am. I know that the men who prepared this bill could not have been familiar with these questions, because, if so, they would not have brought out this bill if they wanted to get the facts.

Mr. JOHNSON of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. BLAND of Indiana. Yes.

Mr. JOHNSON of South Dakota. Is it not a fact that if this bill that is brought out by the Interstate and Foreign Commerce Committee is adopted by the Congress the operators could go before this same court that issued the injunction against the Federal Trade Commission and nullify this statute?

Mr. BLAND of Indiana. That court could make no other ruling on this bill than what they have already made on the Federal Trade Commission bill.

Mr. JOHNSON of South Dakota. If the court was consistent it would have to make the same ruling.

Mr. BLAND of Indiana. Yes.

Mr. JOHNSON of South Dakota. Then that means that the passage of this bill would be just an empty gesture to the country?

Mr. BLAND of Indiana. Absolutely. To be fair, however, as I said before, there is the argument that the interstate commerce clause of the Constitution entitles us to go into the production of coal, but the courts holding in the contrary, it would seem to me to be wise to invoke all of the powers that we have under the law. Why leave them out if you want the facts?

Mr. WARD of North Carolina. Mr. Chairman, will the gentleman yield there to permit me to ask a legal question?

Mr. BLAND of Indiana. Yes.

Mr. WARD of North Carolina. The bill provides that the commission shall report its findings of facts and such recommendations as to methods and measures as in its judgment will promote continuity of production and efficiency in mining and distribution and maintain the uninterrupted movement of coal in interstate commerce and safeguard the interests of the workers, operators, and the consuming and general public. I want the gentleman's opinion upon the question whether that would not give to the investigating committee sufficient power and authority to meet the point of the gentleman's argument. I do not say that it will or that it will not, but it impresses me that it goes a long way toward doing it.

Mr. BLAND of Indiana. That section merely goes toward the report, and it does not add anything to the powers specified in the bill.

Mr. JOHNSON of South Dakota. Will not the gentleman make the proper motion to insert his complete measure, or the Labor Committee measure, as an amendment to this bill?

Mr. BLAND of Indiana. I am glad the gentleman suggested it. At the proper time I want to move to strike out all after the enacting clause and insert the bill from the Labor Committee. I want to say as to that bill I do not care what the politics of any member of the Labor Committee may be, or if you will talk to the chief counsel of the Interstate Commerce Commission, who helped write this bill, or the chairman of the Federal Trade Commission, who recognized his hopelessness under existing law, if you will talk to them they will tell you that the Labor Committee bill will do the work and has teeth in it, and that such powers of the Federal Government will be invoked as will get the facts. Why do you want to take chances?

Mr. TINCHER. Will the gentleman yield?

Mr. BLAND of Indiana. I will.

Mr. TINCHER. Is not one of the terms of the settlement of the strike that the operators and miners have agreed to have a commission to investigate these questions?

Mr. BLAND of Indiana. I am glad the gentleman reminded me of that. The Cleveland agreement was—if I am not right, I hope the gentleman from Illinois [Mr. WILLIAMS], who has a copy of same, will correct me—that they were to have an investigation of the coal industry, and that the miners and operators will appoint and the President shall approve a commission. You saw in the papers a telegram, which I have not here, from Mr. Lewis on that subject. He regrets that this law is not giving representation to the miners. If this law is passed here, the President is not going to sanction any other commission to investigate the coal industry, and therefore the miners and operators will not get into the investigation. Furthermore, under existing law the miners and operators could not get the facts any more than the Federal Trade Commission could.

Mr. TINCHER. Then I understand you are seriously contending that the only way to get the proper kind of facts is to have it from prejudiced people—people directly interested?

Mr. BLAND of Indiana. The gentleman does not understand me correctly.

Mr. TINCHER. We are finding facts and I submit that under our form of government we would not think under any circumstances of putting an interested party on the jury.

Mr. BLAND of Indiana. If the gentleman will pardon me, there is no industry in this country that is so little known about as the coal industry. There has been an industrious hiding of facts, changing of facts, and a perversion of truth concerning the industry, and it is time the Government was unearthing them, and you can not do it under a law that is already held unconstitutional. If you want to realize what you say you are after, put some teeth in the bill.

Mr. BYRNES of South Carolina. The bill introduced by the gentleman from Massachusetts calls for $500,000. What is appropriated by your bill?

Mr. BLAND of Indiana. The same amount. It is for a two years' period, and it provides that they shall make a report from time to time. Furthermore, we have limited their salaries to $6,000, but in this bill the salaries are $10,000, and that means $90,000 in one year to a commission that has no power.

Mr. HARDY of Texas. Will the gentleman yield?

Mr. BLAND of Indiana. I will.

Mr. HARDY of Texas. Is it not true that in order to bring about the truth you must have opposing interests investigating?

Mr. BLAND of Indiana. Yes; Judge HARDY, I think so, even if it is a regulatory body.

Mr. HARDY of Texas. It seems to me it would be absolutely necessary.

Mr. BLAND of Indiana. This is a fact-finding agency and surely interested parties should be on the commission.

Mr. STAFFORD. Does the gentleman believe that the $50,000 as provided in his bill, section 10, would be adequate to meet the expenses of his commission before June 30, 1923?

Mr. BLAND of Indiana. To start off with.

Mr. STAFFORD. I understand the gentleman says the same amount is appropriated in his bill as asked for?

Mr. BLAND of Indiana. That was the amount we contemplated would be expended.

Mr. GRAHAM of Illinois. I have a copy of the bill in my hand which calls for $50,000.

Mr. BLAND of Indiana. It is estimated that it will take $500,000 to do the job, but I do not think my bill appropriated that amount at the time, but we probably would have to appropriate that amount later.

Mr. DENISON. I think the gentleman ought to emphasize the fact that the commission we are attempting to appoint is in no sense a jury. A jury is a body appointed to determine and adjudge in a controversy between different parties. This is an independent fact-finding commission, and it seems to me, and has seemed to me all the time, that it would be proper and appropriate to at least have some representative on the commission who knows something about the business from actual experience.

Mr. BLAND of Indiana. I think the gentleman is absolutely right.

Mr. MAPES. Will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Indiana [Mr. BLAND] has expired. [Applause.]

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. SANDERS of Indiana having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had insisted upon its amendments to the bill (H. R. 4) granting relief to soldiers and sailors of the War with Spain, Philippine insurrection, and Chinese Boxer rebellion campaign; to widows, former widows, and dependent parents of such soldiers and sailors; and to certain Army nurses, disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. BURSUM, Mr. SMOOT, and Mr. WALSH of Montana as the conferees on the part of the Senate.

The message also announced that the Senate had passed without amendment the following resolution:

House Concurrent Resolution 65.

Resolved by the House of Representatives (the Senate concurring), That there be printed 6,000 additional copies of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, of which 4,000 copies shall be for the House document room and 2,000 copies for the Senate document room.

UNITED STATES COAL COMMISSION.

The committee resumed its session.

Mr. WINSLOW. Mr. Chairman, I yield five minutes to the gentleman from Kansas [Mr. HOCH].

Mr. HOCH. Mr. Chairman and gentlemen of the committee, of course it is impossible to do very much on a question like this in five minutes. I take it that there is no difference of opinion as to the necessity of a fact-finding commission and a commission which shall, as the result of the facts as found, make recommendations that will be of benefit to the Congress and to the American people.

The gentleman from Indiana [Mr. BLAND] raises two or three specific objections to the bill before the committee. In the first place, he contends that the bill is not constitutional because of this reason, that it does not set out in what might be called the preamble all the reasons why the Congress seeks to get this information. Now, I think the question of the gentleman from New York [Mr. MILLS] was very pertinent. Certainly the question of the power of Congress to do this thing, to get these facts, rests upon the statement of powers within the Constitution itself and not upon any recitals we may make as to our purposes in getting the information. I can not believe that a mere recital in the preamble of some of the things that men have in their minds as to what are the purposes for which we are getting the facts can be controlling as determining the question of whether Congress has the power.

Mr. EVANS. Mr. Chairman, will the gentleman yield?

Mr. HOCH. In a moment. I want to finish. I have only five minutes.

But in reading this bill you will notice that in the opening it says:

That for the purpose of securing information in connection with questions relative to interstate commerce in coal and other questions and problems arising out of and in connection with the coal industry.

Now if you can frame words broader than those as to the purpose that Congress has in its mind, I do not know what those words would be. But speaking personally, I would certainly have no objection to the incorporation there of other words to indicate that we have a desire to obtain the facts for the use, among other things, of the Government in obtaining coal for the Army and the Navy or for any other purpose. That could be done in a very simple amendment. I believe it can be shown that 90 per cent of the coal movements in this country are interstate in character, and, if that is the case, certainly Congress has the right to acquire information as to interstate movements of coal; and, if 90 per cent of the coal movements in this country are interstate in character, certainly no court will on that specific question decide that Congress does not have the power to ascertain the facts concerning interstate commerce in 90 per cent of the coal movements of the country. If there be any doubt about it at all, and I do not believe there is, the objection can be met by very simple amendment. That suggestion, however, it seems to me, from any angle, does not require, and need not be given, very earnest consideration when it comes to the matter of the real substance of this bill.

Another objection is urged to the way in which the personnel of this commission is to be formed. With all due respect to the gentleman from Indiana [Mr. BLAND], and I certainly concede his sincerity and the sincerity of anyone who believes as he does, I disagree with him fundamentally upon that proposition. I think what the American people want is not an investigation by interested parties but an investigation of disinterested parties in the interest of the people of the whole country. [Applause.] In my judgment, if you constitute this commission and start out in the first place with the idea that it has upon it representatives of this group and representatives of that group, you necessarily create an impression in the minds of the American people—you create the idea at the outset—that you have a board of arbitration to arbitrate differences, wherein one side will argue its case, and the other side will argue its case. In my judgment, you will have a cat fight at the very start of this commission. I hope the President will appoint, if this bill is enacted—I am sure he will—men of such high standing and character in this country, so disinterested in their patriotism, of such wide experience and understanding and sympathy that they will at once command the confidence of the country and the confidence that we are going to have a searching investigation of the facts of the coal industry from start to finish by a body which is wholly disinterested.

Why, gentleman, to hear the gentleman from Indiana you would think that we are not going to have any expert testimony. Are there to be no witnesses before this commission? Are not the miners to be represented, with all the evidence that they can present? Are not the operators to be represented?

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HOCH. May I have two minutes more?

Mr. WINSLOW. Mr. Chairman, I yield to the gentleman two minutes more.

The CHAIRMAN. The gentleman from Kansas is recognized for two minutes more.

Mr. HOCH. Why, gentlemen, is it possible that men of large experience, sitting upon what may be said properly to be analogous to a jury, finding the facts as juries find the facts—will it be said that these gentlemen will be unable out of their large experience and great knowledge to understand the things that the witnesses tell them? Is it possible that when we go to have a commission to find facts everybody who wants to present facts before it will have to be represented on the commission? I think the difficulty with respect to courts of arbitration is in their tendency to resolve themselves into a question of who gets the third man, and I think it would be a fundamental mistake to make that possible in this case. I think the President properly stated the case in his message when he asked for a disinterested commission. We should have a commission wholly disinterested, who will give all due consideration to the representations of labor—organized labor and unorganized labor—and all due consideration to the representations of the owners and operators of the great coal industry, and who, having these interests before them and all that testimony before them, will come before the American people with a finding of facts and recommendations which will command at once the respect of the American people and which I believe will ultimately be of vast benefit to the people in helping to make impossible the recurrence of the coal situation which confronts the country and the unconscionable profiteering which is now rampant. I want still further legislation, every possible legislation, to curb the profiteers. And I believe this bill is the proper start in the right direction. [Applause.]

Mr. GARRETT of Tennessee. Mr. Chairman, I have used more time than the gentleman from Massachusetts [Mr. WINSLOW]. I suggest that the gentleman use some time.

Mr. WINSLOW. Mr. Chairman, I yield five minutes to the gentleman from Michigan [Mr. MAPES].

The CHAIRMAN. The gentleman from Michigan is recognized for five minutes.

Mr. MAPES. Mr. Chairman and gentlemen of the committee, the gentleman from Indiana [Mr. BLAND] has unquestionably given a good deal of study to the coal question and, of course, has a natural pride in the bill which he introduced. But in his zeal I think he has made some general, broad statements here which would be hard to sustain upon a careful investigation of the subject.

The gentleman from Kansas [Mr. HOCH] has answered the criticism of the provision of the pending bill fixing the personnel of this proposed commission. I want to add just one word to what the gentleman from Kansas has said. The gentleman from Indiana would leave the impression that the Winslow bill makes it impossible to put anybody on this commission who has knowledge of the coal industry. That is far from the fact. The bill simply provides that no "person who has any interest in or is connected with the coal industry" can serve upon the commission. A man may have been in the coal business, may have studied it, and may have worked in the coal mines all his life, but if he goes upon this commission he must sever his connection with the coal business before he goes upon the commission. I do not believe that any unprejudiced man here will say that that would prevent the President from appointing a man upon the commission who knows anything about the industry.

The gentleman from Indiana naturally wants his bill put through Congress instead of the bill reported and recommended by the Committee on Interstate and Foreign Commerce. I am in favor of the legislation. Everybody realizes the need of it. I think it is the psychological time to put through the bill introduced by the chairman of the Committee on Interstate and Foreign Commerce and recommended by the President, and I do not believe that the same thing can be said of the Bland bill, and for one, I am supporting the committee bill that is before the House to-day and the one that I think stands a chance of being enacted into law. I would like to say for the benefit of those who are sincerely in earnest in their desire to have legislation passed creating a fact-finding commission that it was the purpose of the Committee on Interstate and Foreign Commerce in framing and reporting this bill to make the provisions of the bill broad enough to cover the investigation of every phase of the coal industry. There was no attempt to take the teeth out of any bill. There was no attempt to limit the scope of the investigation; but on the contrary the attempt of the committee was just the opposite. It was to make the language of the bill broad enough so that this commission could investigate every phase of the subject, and it was the attempt of the committee to make the penalty clauses severe enough to make it effective. The gentleman says that we have provided a penalty of $5,000, but he omitted to state that we also provide a penalty of imprisonment for one year, or both such fine and imprisonment, if a man refuses to answer any material question that the commission may ask under this bill.

What the gentleman from Indiana says in regard to the lack of information on the part of the public and its inability to get accurate information in connection with the coal business is only too true. It is a lamentable fact that the public and the Congress and the Government do not know and have been unable to find out what the real facts are in connection with this essential industry. [Applause.]

The President recommended unequivocally the passage of two very concrete pieces of legislation relating to the coal problem—first, that a commission be created clothed with "authority to reveal every phase of coal production, sale, and distribution," and, second, "immediate provision for a temporary national coal agency, with needed capital, to purchase, sell, and distribute coal which is carried in interstate shipment."

I am very much in favor of the passage of legislation to put into effect both these recommendations of the President. The enactment of this bill will put into effect fully and completely the first recommendation, and I hope that Congress will pass with equal promptness legislation putting into effect the second recommendation. I read with a great deal of pleasure in one of the afternoon papers of yesterday and again in the morning papers that a bill was being drafted to carry out this second recommendation. The prompt passage of these two measures will go a long way toward reassuring the public and toward putting a wholesome respect for decency and fair dealing into the conscience of the profiteering coal operators.

It may be true, as some say, that the passage of this bill creating this so-called fact-finding commission, and its subsequent findings of fact, will cause more lasting benefit and accomplish more good in the long run than a Government agency created to buy, sell, and distribute coal during the present emergency only. No doubt the country has a right to know more about the real conditions, the real facts, surrounding the coal business than it has ever been able to ascertain. No doubt that publicity and a knowledge of those facts by the consuming public will cure many of the evils which now exist and do away with a large part of the abnormal profits which are now being made by coal operators. But that will not help the consumers this fall who are now obliged to pay two and three prices for their coal and sometimes more.

The purchasing agent of one of the large consumers of coal in my district told me only yesterday that the company which he represents has been obliged recently to pay as high as $8.50 per ton for coal at the mines when it was buying the same grade of coal from the same mines a few months ago for from 90 cents to $1.50 a ton, and I dare say that there has been no material increase, if any, in the cost of production during that time. Anyone who is at all acquainted with the situation can multiply instances that are just as bad or worse that have come to his attention. Unfortunately such instances of profiteering in the coal industry are altogether too common.

To relieve the large consumers of coal as well as the individual domestic consumers from being held up right now, or this fall and winter, something else is necessary than the creation of this fact-finding commission, which it is expected will not be able to make its first preliminary report until the 1st of January. To stop with the passage of this bill will put Congress somewhat in the position of the man who locked his barn after his horse was stolen.

It may be conceded that it is not a proper function of government under ordinary conditions to buy, sell, and distribute coal. But the Government is not functioning properly if it permits those who control the output of an essential industry like coal to profiteer off of its people without adopting every reasonable means to prevent it. This is no time to get into any hair-splitting controversy about what is and what is not a proper function of government. The President recommends it, and no one in my presence has ever accused the President of being in favor of having the Government interfere unduly with private business.

It may be, as the President said, that it will not be necessary for this agency to function. Perhaps the psychological effect will be sufficient to accomplish the desired result, but I believe with the President that it should be created to function if necessary. It will cost the Government nothing in any event, as it will be reimbursed for any money expended by the sale of its coal.

Such legislation is not without its precedent, if precedent is needed. It has its counterpart, it seems to me, in the legisla-

tion creating the War Finance Corporation and the United States Grain Corporation.

Both of these other Government agencies have more than justified their existence, and they serve, directly at least, only a fraction of the people as compared with those who are consumers of coal.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WINSLOW. Is the gentleman from Tennessee prepared to yield further time?

Mr. GARRETT of Tennessee. I am prepared to do so if the gentleman desires, but we have used more time on this side than the gentleman's side has used.

Mr. WINSLOW. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. GRAHAM].

Mr. GRAHAM of Illinois. Mr. Chairman, this is the bill that has been asked for by the President, who perhaps has more definite and accurate information on this subject than anyone else. The bill has his approval. Before one votes against it and for some substitute measure he ought to have the best and most conclusive of reasons to sustain him in departing from the judgment of the Chief Executive in this matter. The only two contentions made by the gentleman from Indiana [Mr. BLAND] about this bill are contentions which it seems to me have but little merit when it comes to the real question of the consideration of whether this bill shall pass or whether it shall not. The gentleman from Indiana [Mr. BLAND] says, in the first place, that we have taken some of the teeth out of this measure because we have not put into it certain provisions that were in his bill originally. These provisions are those stating that the commission is formed for the purpose of obtaining information for legislative purposes and to help the War Department and the Navy Department get coal and the District of Columbia to get a coal supply. I do not believe there will be any opposition; I know so far as I personally am concerned as a member of the committee I shall not oppose any amendment including those as additional reasons for this legislation, if the gentleman desires to offer any such amendment; but in my judgment the language of the bill is amply sufficient and broad enough to include all of those purposes, and I do not believe the Supreme Court of the United States will hold this act to be unconstitutional if it can see, in reading its broad powers, that it might cover the definite purpose which would make it constitutional. I believe the court will use a reasonable construction in that respect and will construe it to be constitutional if it can possibly do so. The provisions of the bill to which attention has been called by the gentleman from Kansas [Mr. HOCH] are broad enough; but if the gentleman from Indiana thinks they are not, and if he will offer his amendment putting in the provisions which he has proposed, I can see no objection to them if they will in any way strengthen the bill. So that disposes of that objection. It is a matter that the House can attend to when it comes to considering the bill for amendment.

The other respect in which the gentleman from Indiana [Mr. BLAND] claims that this act is unconstitutional is based upon the theory that no commission can legally do the things and make the inquiries this commission is authorized to do or make. It seems to me that is not borne out by the authorities he cites. I will not have time to go extensively into that question, of course, in the few moments I have, but I want to call your attention to the leading case cited by the gentleman which he says holds that the commission may not inquire into these facts. Let us look at it for a moment. It is found in Two hundred and thirty-seventh United States, at page 434. I will call attention to one or two clauses of the syllabus to show you that the case does not at all bear out the contention of the gentleman from Indiana [Mr. BLAND]. I had not seen the case before coming into the room here, but I have looked at it hastily while sitting here, and I think the case is not at all on all fours with the proposition here. The case is that of Ellis against the Interstate Commerce Commission, and one section of the syllabus says this:

> The Interstate Commerce Commission may not in a mere fishing expedition interrogate a witness in regard to the affairs of a stranger on the chance that something discreditable may be disclosed.

Of course, the Interstate Commerce Commission can not do that. Now, let us look at the opinion briefly. On page 443 this language is used—

> It—
>
> That is the Armour car lines—
>
> has no control over motive power or over the movement of the cars that it furnishes as above, and in short, notwithstanding some arguments to the contrary, it is not a common carrier subject to the act.

First, the Supreme Court holds that it is not a common carrier engaged in interstate commerce, and therefore that the Interstate Commerce Commission has no jurisdiction over it. Then further along it says:

> The appellant's refusal to answer the series of questions put was not based upon any objection to giving much of the information sought but on the ground that the counsel who put them avowed that they were the beginning of an attempt to go into the whole business of the Armour car lines—a fishing expedition into the affairs of a stranger for the chance that something discreditable might turn up.

In other words, the court held in that case that the Armour car lines were a stranger to that case, and hence that the Interstate Commerce Commission could not go into a fishing expedition as to their business.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GARRETT of Tennessee. Mr. Chairman, I yield five minutes to the gentleman from California [Mr. LEA].

Mr. LEA of California. Mr. Chairman, I believe it will be a fundamental mistake if this Congress adopts the Bland bill, which would make this an investigation by interested parties. The worth of this bill, if it has any, is going to be in the personnel of the commission. That commission can not, in my judgment, perform a useful function in doing the work this bill confers upon it unless it proceeds within a judicial frame of mind. Its work is essentially judicial. That requires the disinterested members the President has recommended. Whenever we place interested parties on that commission we damn the investigation from the beginning, because its reports can not possibly carry prestige or gain the confidence of the American people. [Applause.]

As to the other provision that is primarily asserted in favor of the Bland bill, that we have not broadly enough asserted the reasons for this investigation, that might be a reason for amending the bill, but it certainly is not a reason for repudiating it.

However, these are not the matters concerning which I desire to address the House. First, I call attention particularly to section 4 of the bill—the immunity section. In effect it provides that no man shall be excused from giving testimony on the ground that it would incriminate himself, but relieves him from subsequent prosecution for crimes about which he may be compelled to testify. That is not a new provision. A similar provision is found in the Federal Trade Commission act and in the Tariff Commission act and in the Labor Board act. It is necessary in order to comply with amendment 5 to the Constitution of the United States, which, among other things, provides:

> No person * * * shall be compelled in any criminal case to be a witness against himself.

There are two fundamental rules which rise out of this constitutional provision. The first is that the legislature may compel a witness to give testimony which may incriminate himself. The second is, that can be done only when the law gives the witness immunity coextensive with the constitutional guaranty. In other words, it is not sufficient simply to say that the testimony of the witness shall not be used against him, but the legislature must go further and in effect relieve the witness from responsibility for prosecution and conviction of the offenses concerning which he is compelled to testify. The Bland bill is a little different from this bill in this respect. It conforms to the interstate commerce act, which provides that the witness shall be exempt from immunity concerning those matters about which he "may" testify. It will immediately be observed that the interstate commerce act and the Bland bill following that act are each broader in extending immunity than is the bill before the House. This bill provides that the witness shall be excused only when he is "compelled" to give testimony concerning those facts which may incriminate himself. In other words, the Bland bill extends immunity to every witness concerning every matter about which he testifies, whether voluntarily or not, and the bill before the House gives him immunity only when he is compelled to testify as to a particular fact which might otherwise incriminate the witness.

We have not done that blindly. I have attempted in the time available to look up the decisions of the courts. I find that the same language in this bill is embodied in a law in the State of Washington. That law has gone to the supreme court of that State, and it has been sustained. In other words, the immunity that we give, not as broad as that given in the interstate commerce act, is constitutional.

Another provision refuses to grant corporations this immunity. The Supreme Court has decided that a corporation is an instrument, a creature of the State. The State reserves the right to compel it to account in all respects, and therefore a corporation is not entitled to this immunity. I believe this section is just. It in good faith conforms to the constitutional requirements, and yet makes the limit of immunity as narrow as it is possible to draw the line and make it legal and effective. I believe, on the whole, this measure is wholesome and just. It is broad enough in its powers to authorize this commission to collect

every fact that is essential to present to Congress on which to base future legislation. [Applause.]

Mr. WINSLOW. Mr. Chairman, I yield two minutes to the gentleman from Michigan [Mr. BRENNAN.]

Mr. BRENNAN. Mr. Chairman, this bill providing for a fact-finding commission to investigate the coal industry has some value; but, standing alone, it is conceded that it is utterly ineffectual in so far as furnishing a remedy in the present crisis or in so far as preventing the almost inevitable coal shortage of next winter. If Congress can not reopen the mines by legislation, if we can not by law force increased production of coal, we can at least legislate to protect the public with relation to the coal on hand and the restricted amount which will be produced during the next few months. Already serious complaints of profiteering in coal are coming in from all parts of the country. Whether the strike is settled immediately or not, it is certain that there will be suffering and hardship next winter unless Congress immediately takes steps looking toward an equitable distribution of the available coal at a fair and reasonable price. While I shall vote for this inquisitorial measure before us to-day, I would much have preferred to have had the opportunity of voting to-day upon a bill designed to curb profiteering and to prevent unconscionable operators and middlemen from taking advantage of the dire necessities of the consuming public caused by the present famine in fuel.

To me the most urgent appeal in the President's message of last Friday was that which was contained in the following words:

> The almost total exhaustion of stocks of coal, the crippled condition of the railways, the distressed situation that has arisen and might grow worse in our great cities due to the shortage of anthracite, the suffering which might arise in the Northwest through failure to meet winter needs by lake transportation, all these added to the possibility of outrageous price demands, in spite of the most zealous voluntary efforts of the Government to restrain them, make it necessary to ask you to consider at once some form of temporary control of distribution and prices.

As the Republican nominee for President, it was Senator Harding who coined the phrase, later strongly indorsed by the people, that there should be "less government in business." It is convincing proof of the seriousness of the present crisis when the father of these words, now the President of the United States, finds it necessary to ask for the strongest sort of governmental interference in this particular business out of regard for the public welfare.

We must know that the President would be one of the last to ask for this sort of legislation unless he was convinced of the immediate necessity for the same. The bill before us provides that the first report of the coal commission shall be submitted not later than January 1, 1923. Unless some further and more drastic action is taken by Congress at once it may be that the chief value of these reports will be that they will be used by the people in their stoves as a substitute for fuel. Some of the cartoonists of the country, perhaps not over friendly to the party in power, have been likening Congress during the past week to the well-known Roman Emperor who insisted upon rendering a violin solo while Rome burned. The comparison is unfair and inaccurate. There is no danger of the country burning this winter; but, unless this body acts at once, there will be justification for referring to Congress as fiddling while America freezes.

Mr. WINSLOW. Mr. Chairman, I yield two minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Chairman, it is plain to be seen that something must be done to relieve the situation existing in the country at the present time. I have not very much confidence in commissions of any character, because in the past they have failed to accomplish anything tangible. However, it seems to me that this House would make a mistake, if we are to have a commission, were we to substitute the Bland bill for the measure reported out by the committee. The gentleman from California [Mr. LEA], who just preceded me, pointed out several very important features of the committee bill which are superior to those contained in the Bland bill, and I for one propose to vote to pass the committee bill.

Something must be done to relieve the acute shortage in coal, and if the commission which this measure proposes to create for the purpose of studying the coal situation can gather some definite data upon which to base legislation to regulate the coal industry it will be worth while.

Ever since I can remember we have had sporadic strikes in the coal fields, and it is my belief that the trouble can largely be laid at the doors of the operators. There are too many mines being operated and also too many miners engaged to supply the needs of the country. The result is that the miners are out of employment a great portion of the year. It would seem that the proper thing for us to do is to have a careful survey made with view to correcting that phase. Let the coal industry be so organized that the miners employed can work the year round. Of course, Congress can not say to A, B, and C, "Close down your mines, for they are not necessary." We can, however, so regulate the business and fix the prices at the mines that the high cost-producing mines will be compelled to shut down until such a time as they can be operated continuously and at a reasonable profit.

In my section of the country we are paying around $14 per ton for bituminous coal and $20 for anthracite. The American people can not continue to pay such outrageous prices, and we must do something about it at once. Let us have all the facts so that we can legislate intelligently, and let us have the information at the earliest possible date.

Mr. WINSLOW. Mr. Chairman, I yield two minutes to the gentleman from New Jersey [Mr. PARKER].

Mr. PARKER of New Jersey. Mr. Chairman and gentlemen of the committee, the important question as I understand it about coal is to have continuous mining, as well as transportation when transportation is cheap. If the mining be not continuous, miners do not get regular employment, for too many mines have to be worked at one time and too few at another. There is no fairness in that. Continuity requires storage in large quantities where the coal is to be consumed. I might say the same thing about food. We want the old storeroom as well as the wood pile that carried the family through the winter in order to be saved from distress caused by interruptions of transportation and in order to have any certainty about our life.

One matter has interfered with storage. In our State we once had two enormous coal piles, enough to take care of the city of New York and its neighborhood for months. Those coal piles were useful in keeping up constant mining and distribution, and they no longer exist only because of the fact that the little towns where those coal piles were kept thought it a good thing to get a tax every year from millions of dollars' worth of coal. The railroads and the coal dealers objected that this coal was part of interstate commerce and that it only stopped on the way, but the courts held that it could be taxed by the locality. The great dealers for this reason could not profitably keep up a scheme which was for the benefit of the public, and some investigation should be ordered by this bill not only as to distribution but as to storage as a part of interstate commerce, and some remedy should be found by which such storage near to the consumer may be encouraged. [Applause.]

Mr. WINSLOW. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. DENISON].

Mr. DENISON. Mr. Chairman, I shall vote for this bill if I have to, if it can not be changed from the form in which it was reported. It does not suit me; I would change it if I could, and endeavored to do so in committee. There are a number of provisions that I do not approve of. I do not think that we ought to create a commission of nine men and pay them each $10,000. Five or seven members are plenty, and $7,500 each is an ample salary. I do not think there is any necessity or excuse for more members or more pay than that. I do not think that we ought to appropriate $500,000 to make the investigation. Two hundred and fifty thousand dollars is plenty. I do not think it is necessary or excusable, and if we appropriate that amount a part at least of it will be wasted. We had a committee of the House that spent two years investigating all the war transactions; they went all over this country and Europe and made a thorough investigation of the immense war transactions and only expended about $250,000. So I say it is absolutely inexcusable for us to appropriate $500,000 to make an investigation of a single business in this country.

Let me say that this bill would not be considered now if it were not for the President's message. If the bill is passed the President will be entitled to the credit for it or will he be responsible for it. We have had bills pending before Congress for months asking for a fact-finding commission of this kind. Senator BORAH has had one before the Senate for months. The gentleman from Minnesota [Mr. NEWTON] has had a bill before our committee for months asking for a fact-finding commission and authority to make an investigation of the coal industry. The gentleman from Indiana [Mr. BLAND] has had a similar bill before the House. They were not seriously considered. Now the President comes before Congress with a special message and asks for a fact-finding commission and here we are precipitately passing a bill which I must admit has not had very much serious consideration.

History repeats itself here as elsewhere. In 1916, I think, there was a great strike threatened. The people knew the situation, or Congress did at least. President Wilson came before

us with a special message and demanded instant legislation and Congress hastily bowed to his wishes and passed what is known as the Adamson law. I have heard of some Members who are not very proud of what they did on that occasion.

Here we have another strike and another threatened strike and the President comes before Congress with a special message and asks for certain legislation, and although there has been similar legislation pending before Congress for months without special attention being given it by Congress, yet when the President comes and asks for a fact-finding commission here we are without very serious consideration rushing in to pass a bill. I am in favor of a fact-finding commission to investigate the coal industry, but if we should pass it I think we ought to have done so long before now. I do not think we ought to pass it in the form in which it is now reported if we can get a better measure. I shall vote for this bill if we can not get a better one.

I represent a district in which the largest industry is the coal-mining industry. I shall vote for this bill because I do not want to appear to be afraid of an investigation of that industry, and I do not want to leave the impression upon anyone that the coal operators and the coal miners who are engaged in that great industry in my district are afraid of or object to an investigation. Therefore, I shall vote for the bill if we can not amend it, but I do hope that the committee will amend it in some important respects.

The bill should be amended to provide for a commission of five members. That number will do better and quicker work than nine. We should amend the bill to provide salaries of $7,500 instead of $10,000 for the commissioners.

I think the bill should be amended so as to provide that at least one member of the commission should be an experienced coal miner and one member an experienced coal operator. The industry is entitled to this representation on the commission; and if the industry is not given some fair representation on the commission, both operators and miners will feel that they have not been given fair treatment and will not have much confidence in or respect for the commission's findings and recommendations.

The bill should be amended so as to reduce the amount appropriated. I do not think it is excusable to go into the Public Treasury to the extent of $500,000 and allow this commission to throw money away in making an investigation as to facts of a single industry like the coal industry. The President's message is no excuse for us to lose our heads and forget the Public Treasury. I want to go along with the President and comply with his request. But we can improve this bill by these amendments and still satisfy the President's recommendations.

Mr. WINSLOW. Mr. Chairman, I may be doing the unusual thing, but whenever my committee is attacked by anybody I feel called upon to stand up in my boots and speak for my committee associates. The gentleman who has preceded me is a member of our committee, and he would have you think, from his speech, that he thought that our committee action was hasty and untimely. The gentleman himself, unassociated, prepared a bill to meet the President's call and was prepared to lay it before our committee for consideration, but another bill was taken up instead.

Mr. DENISON. Will the gentleman yield?

Mr. WINSLOW. Certainly.

Mr. DENISON. I did not file my bill after I talked with the chairman and found that he was filing one. I did not ask for consideration of my bill. I was preparing a bill in response to the President's request, but I did not ask for its consideration.

Mr. WINSLOW. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. COOPER].

Mr. COOPER of Ohio. Mr. Chairman and gentlemen of the House, as a member of the committee which had the bill under consideration I shall be very happy to vote for it. Not being a lawyer I shall not attempt to discuss the constitutionality of this measure. I think that has been generally gone over by the lawyers of the committee. I was interested in listening to the remarks of the gentleman from Illinois a few moments ago in which he said that at various times Congress had bowed to the will of the President, and he referred to the action that Congress took on the passage of the Adamson law. It seemed to me that he tried to leave the impression that this bill we are now considering is along the line of the Adamson bill. On last Friday we had the pleasure of listening to the President. He came to talk about the coal question and the railroad labor situation. I believe every Member of this body who looked into his face as he made that wonderful address realized what the President had passed through during the last five or six months. These questions have weighed very heavily on his heart, and I am sure he came to Congress to let us know how he felt about it. He wanted the American people to know what was his position and how hard he had worked and tried to bring out a solution and adjustment of these great questions. In his message he requested Congress to create a commission which might help to solve the coal problem, and I want to read what he said along that line:

> Because of these things, because of the impressions of many cases of unjustifiable profits in the industry, and because public interest demands investigation, and demands the finding of facts be given to the public, I am asking at your hands the authority to create a commission to make a searching investigation into the whole coal industry, with provision for its lawful activities and the bestowal of authority to reveal every phase of coal production, sale, and distribution. I am speaking now on behalf of mine workers, mine operators, and the American public. It will bring protection to all and point the way to continuity of production and the better economic functioning of the industry in the future.

Then he went further on and he said:

> The necessity for such a searching national investigation with constructive recommendation is imperative. At the moment the coal skies are clearing, but unless we find a cure for the economic ills which affect the industry and therein find a basis for righteous relationship, we shall be faced with a like menacing situation on next April 1 on the expiration of the wage contracts which are now being made.

You notice that the President requests that the law provide that the commission shall make a report before January 1, 1923. The Bland bill does not require the commission to report for two years.

The Winslow bill before the House at this time provides that the commission shall make a report not later than next January 1. Now, the President expressly asked that there be some report made in order that we could try to get the information and the facts before Congress by the time the present wage scales expired. I believe that the President has these great problems on his heart, and I think we should stand by him and pass this bill and see if we can not come to some solution in trying to solve these great labor and economic questions before the country at this time. [Applause.]

Mr. GARRETT of Tennessee. Mr. Chairman, I yield five minutes to the gentleman from Alabama [Mr. HUDDLESTON].

Mr. HUDDLESTON. Mr. Chairman, in June, 1919, I sought to get an investigation of the coal industry. Profiteering in coal was going on then, and I foresaw that we were going to have a riot of profiteering to follow. I introduced a bill providing for a congressional commission to that end. I also introduced a companion bill to limit the price at which coal might be sold. About September, 1917, Senator FRELINGHUYSEN introduced a bill embodying very much the same idea. Under the Frelinghuysen bill a limited investigation was carried on by a committee of the Senate. It disclosed a situation which demanded the attention of the country and legislation by Congress. In the course of the Calder investigation the coal industry was gone into pretty exhaustively by a subcommittee of the Senate committee, of which the subchairman was Senator LA FOLLETTE. Two volumes of hearings were published, carrying a great deal of information concerning the subject. Following upon the report of that committee, Senator FRELINGHUYSEN introduced another bill which embodied almost identically the same idea as this bill. That was about February, 1921.

Early during the present Congress the gentleman from Minnesota [Mr. NEWTON] introduced a bill quite similar to the Frelinghuysen bill. It carried substantially the same idea that is embodied in this bill. The Newton bill has been before the Committee on Interstate and Foreign Commerce for more than a year, yet no hearings have been held upon it. In March, 1922, the gentleman from Indiana [Mr. BLAND] introduced a bill for a coal facts-finding agency—it then appeared that a coal strike was inevitable. The action which is now proposed to be taken might as appropriately have been taken at any time within the last three years. It might even better have been taken at any time before the present, because it can not possibly have the slightest relation to the present coal situation.

This bill is brought forward under the mask that it is a strike measure; that it has some relation to the existing coal situation. It has not the slightest thing in the world to do with the present coal situation, and any pretense that it has is just the purest "bunk" that was ever put out in a "bunk Congress." We are going through our usual performance today of dealing with the bill as though it was a matter of emergency and of the greatest importance. As usual, we are going through the pretense of doing something in connection with the present situation without really doing anything. If the coal industry needs investigation now, it has needed it ever since the war.

Mr. THOMAS. Will the gentleman yield?

Mr. HUDDLESTON. I trust the gentleman will excuse me.

An investigation may produce some results. But it must be remembered if any results be produced they will not be of the slightest value to the country within the next 12 months. The

real fact is that this bill is now being put forward for the partisan political purpose of clearing the skirts of the majority and the administration for the neglect——

The CHAIRMAN. The time of the gentleman has expired.

Mr. GARRETT of Tennessee. I yield one minute more to the gentleman.

Mr. HUDDLESTON. The bill is being pressed for the purpose of clearing the skirts of the majority and the administration for their neglect of the coal situation, for the complacency with which they allowed the strike to occur without making an honest effort to avert it, and for their lack of courage and intelligence to deal with it. That is the whole purpose. It is a smoke being raised. Will it do it? No. There will be shivering from cold next winter in many of the homes of this country, industry will suffer, and women and children will want food. The people will have plenty of time to reflect upon the supineness of the administration. They will have time to reflect that those in control of the powers of government have been remiss in their duty. I hope that the blame may be placed where it belongs.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GARRETT of Tennessee. Mr. Chairman, I yield 15 minutes to the gentleman from Kentucky [Mr. THOMAS].

The CHAIRMAN. The gentleman from Kentucky is recognized for 15 minutes.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent to revise and extend his remarks. Is there objection?

There was no objection.

Mr. THOMAS. Mr. Chairman and gentlemen of the House, it is my purpose to discuss for a brief time the pending coal bill introduced by the gentleman from Massachusetts [Mr. WINSLOW], but I shall discourse more at length on the subject of "The light that failed."

About 18 months ago this administration began with the Harding normalcy prosperity special on the main track. It started with a great blowing of whistles and ringing of bells, but it got stuck in the tunnel of hard times and is 18 months behind time with a dead engine and no fire in the furnace and no water in the tank and has come to a standstill and is unable to proceed.

There is little, if anything, in the Winslow bill. It provides for a commission with large salaries to investigate the coal situation. I suppose it should be adopted because a shot in the dark may be better than nothing. It provides for an investigation of the coal situation by a commission which does not know a thing about the coal business. That commission should consist of practical coal miners and practical coal operators, of men who know what they are to investigate and how to make the investigation. If a person is ill, he sends for a physician and not a blacksmith to attend him. If a person desires to erect a house, he sends for a carpenter and not a druggist to build it. Only miners and operators know or can properly obtain correct information as to the cost of producing coal.

The number of miners employed, their wages, the number of tons of coal mined and the cost of mining it, the upkeep of the mine, the interest on the money invested, and the freight rates are the matters to be determined, to which should be added the cost of the miner's living and the average number of days he is able to obtain employment. These are the matters that should be fairly investigated and determined in the coal-mining industry, but this can not be properly done by a commission which has no practical knowledge of the business. The coal industry at best is a hazardous and dangerous calling. It is almost as dangerous as making a Democratic speech in the Kentucky mountains when the Harding cohorts are on the rampage.

It is a customary pastime and a favorite diversion of the leaders of the Harding administration to proclaim with confident and impudent assurance that the Democratic Party has always been a party of negation, without sufficient ability to enact any legislation of lasting benefit to the country, and they have proclaimed that fable so frequently that they themselves have almost come to believe that their unfounded assertion is the truth. The facts of history refute all such statements.

The conception of American liberty, like Jupiter, from the brain of Minerva, sprang full fledged and panoplied from the masterly intellects of the fathers of the Democratic Party. They founded this Republic on the principles of equal rights to all and exclusive privileges to none and on the doctrine of equal and exact justice and the equality of all men before the law.

While an ancestor of Senator LODGE, leader of the administration forces in the Senate, was being accused of treason to the united Colonies the sunshine of freedom was casting its beneficent beams across the mountain tops of North Carolina and radiating thence to the most distant parts of the land.

Liberty in this land first found open, concerted expression in the adoption of the Mecklenberg declaration of independence, and that action of the valiant North Carolinians set in motion the forces of resistance to England which resulted in the complete emancipation of the Colonies. Thomas Jefferson, a Democrat, was the author of the Declaration of Independence, the greatest chart of human liberty ever conceived by the mind of man, while Madison, another great Democrat, was the father of the Constitution under which we live—the greatest of all constitutions, a constitution that has withstood the assaults of iconoclasm and the mutations of time. The fathers of Democracy erected this Republic on the sure and lasting foundations of the Declaration of Independence and the Constitution, and their labors will be recognized as a perpetual monument to their wise forethought, their genius, and transcendent abilities when the men who assert that the Democratic Party has never produced any statesmen of constructive ability are dead and forgotten.

The Democratic Party has been in power, comparatively, but a short time during the past 50 years, and I never hear administration leaders criticize the administration of Cleveland, but they reserve all their powder and shot for assaults on Mr. Wilson. When Harding came into power "normalcy" was the leading feature pictured at the administration "normalcy" comedy of errors, and Mr. MONDELL, leader of the administration majority, frequently recited in solemn and enthusiastic language how the Democratic Party had never been constructive; how it had never done anything, and how the Republican Party, as he calls it, is possessed of all the intelligence and patriotism in the country and the only party capable of enacting any beneficial legislation. To hear the melancholy looking gentleman declaim about the virtues and wisdom of his party one would think that wisdom and normalcy will die with this administration.

The present administration is not a Republican administration. There is nothing Republican about it. It is a Wall Street administration, and I will not insult the memories of Lincoln and Grant by calling it a Republican administration. Neither Lincoln nor Grant if living would be admitted to a modern Harding primary or caucus, now called conference by Harding adherents because of the bad odor their caucuses emit. Lincoln, with prophetic vision, foresaw the future, and declared that corporations will become enthroned and an era of corruption will follow, and he feared for the safety of his country. He must have foreseen the advent of the Harding administration. The principles, purposes, and actions of the Harding party are as far removed from the teachings of Lincoln and Grant as the farthest and brightest star that sweeps through the immensity of space is distant from this earth.

The administration led its deluded followers to believe during the campaign that if given power it would "make good" and at once restore peace, plenty, and prosperity, but it now blames its lamentable failure on the war, and declares that Wilson bequeathed it a heritage of ills that it will take time to remedy. Its excuses remind me of an experience I had with some Washington druggists. During the war I entered a Washington drug store to purchase a small article for which I usually paid 5 cents.

The druggist charged me 15 cents for it. I inquired why he charged that price. He replied, "It is all on account of the war," and stated that the article was made in Germany, and that no more could be obtained and therefore the price had advanced. Afterwards I went to another drug store to purchase exactly the same article, was charged 20 cents, and told the same falsehood about the article being made in Germany. I went to a third drug store, purchased the same article, and was charged 5 cents. I related to the last druggist my experience with the other two, and he replied, "They told you a falsehood; that article is not made in Germany but is made in Philadelphia, and did not cost me quite 1 cent." So the administration's failure to return to normalcy and its excuse of war as the cause is about on a level with the excuse of the Washington druggists for charging profiteering prices.

Mr. MONDELL, in his keynote address to the House, reciting the alleged accomplishments of the Harding administration in enacting legislation beneficial to the country, called attention to numerous private bills which are of no benefit to anyone except the private individuals in whose interest they were enacted, and many of them are of the most glaring species of graft. He also, with heaving bosom, swelling chest, and great pride, called attention to public bills which are the product of ad-

ministration intelligence. He recited the emergency tariff law, the immigration bill, the Budget bill, the peace resolution, the bill providing for a Treasury deposit of $25,000,000 for the Farm Loan Board, the bill organizing corporations to promote foreign trade, the decentralization of the War Risk Bureau, the bill for Federal supervision of the meat industry, a good roads bill in conference, a bill to extend farm credits through the War Finance Corporation in conference. This is about the sum and substance of nearly four years' labor, as detailed by Mr. MONDELL, and most of this legislation is not constructive but is destructive. It was claimed that the emergency tariff law would remedy all ills of which the farmers and business men are suffering and that prosperity, like the dews of heaven, would fall on all parts of the land.

Mr. MONDELL's defense of the administration and his claim of prosperity were obviously only a feeble flourish.

If the emergency tariff act, as we were informed, was a cure for all the diseases of the body politic, why pass the Fordney tariff law or any other tariff law at all? The alleged achievements of this administration remind me of Pony Mopps. Pony was a candidate for president of the town board in his village on a platform of normalcy, prosperity, and many reforms. At the end of a year he announced he had made the following reforms:

A talked-of swimming pool.
New courthouse steps contemplated.
A reduction of taxes in the background.
Four new lamp-posts proposed.
A budget system suggested.
A party split almost ironed out.

The emergency tariff law was enacted for the specific purpose of deluding the farmers and other business interests, leading them to believe it would enhance the value of farmers' products and make business better, when, as a matter of fact, most all farm products have declined in value since the passage of that law, and prices still have a downward tendency.

The immigration bill is practically worthless and foreigners are pouring into this country by way of Canada, Cuba, and Mexico, while the law at the port of New York is administered principally by foreigners, and how many who should not enter come in through that port is not known. Whenever the gates to immigration are closed and those who have been in this country more than five years without becoming naturalized citizens are deported, then the immigration question will be settled as it should be. This administration really desires an influx of foreigners into this country that their cheap services may be utilized in competition to American labor by the interests who are the masters of the activities of the Harding administration.

The budget bill is heralded as a masterly piece of constructive legislation. That bill was passed in imitation of the laws of England, France, and other European countries, and, in my opinion, violates the constitutional rights of Members, and is an echo from the dead past of feudal times. The law is a cumbersome piece of autocratic machinery that serves no useful purpose whatever.

All bills authorizing appropriations must be referred to that committee, and no Member can secure the passage of a bill authorizing any appropriation whatever without the approval of that committee. And then, if that committee approves the appropriation it must next run the gauntlet of the millionaire steering committee, composed of seven millionaires. If the steering committee approves the bill it is reported to the House and placed on the calendar or brought up for consideration by a special rule. If it does not meet the approval of the steering committee it is laid aside and passes into that legislative sleep from which it never awakes. Under this administration seven millionaires determine what legislation shall be enacted and what shall be refused, and that is the Budget system, on which the administration lays great stress.

Administration leaders seem to be quite proud of the fact that they decentralized the War Risk Bureau and changed its name to the Veterans' Bureau, and scattered the war records all over the United States, depositing them at 14 different places and increased the number of employees from about 7,000 to about 18,000, and this they claim to have done in the interest of economy. General Dawes, he of "hell and Mariah" notoriety, was imported by Harding to take charge of this important work. He erroneously conceived the idea that he is a great man, especially adapted for the reorganization of that bureau and the entire Government, but since he has completed his reorganization scheme no man can tell heads or tails of that bureau. The service is inefficient and incompetence is in full command, and Congressmen have little, if any, opportunity to examine the records of their soldier constituents. The whole thing was a bungle and mistake. "Hell and Mariah" Dawes came to Washington with a noise like the rushing of many winds and was heralded with a mighty blast of newspaper trumpets, and for a time occupied the front pages with many and picturesque "cuss" words, but he seems to have passed out of public view, while that brave and able warrior, General Sawyer, seems to have replaced him in the confidence and affection of this normalcy administration. General Sawyer struts nobly in his new uniform, which always appears to me to be several sizes too large for him, and when I see him he reminds me of a picture of "puss in boots."

The administration, through Mr. MONDELL, claims credit for the good roads law. For many years the administration party resisted and defeated every effort to appropriate money for the purpose of building good roads, and that law was passed by a Democratic Congress and approved by a Democratic President. All this administration has done in regard to good roads has been to reduce the appropriation from $100,000,000 to $74,000,000, thereby retarding the work of constructing better roads. As a matter of fact, the party of Mr. MONDELL, through all its devious and tortuous history, defeated every attempt to appropriate money for that purpose, and it would not now make any appropriation but for a fear of the righteous wrath of the people.

Harding declared against the League of Nations, and on that issue won the election, although he voted, when in the Senate, a number of times for a league of nations. He called a four-power disarmament conference, consisting of the United States, Great Britain, France, and Japan, and entered into a league of nations with those powers, which differs in no essential respect from the treaty of Versailles. He entered into this treaty on the ground that not to do so the United States would isolate itself from the world and would be compelled to follow a course of nonparticipation in world affairs.

Those nations were invited by Harding to participate in an alleged disarmament conference, and the result so far as disarmament is concerned amounted to nothing except numerous banquets and a lot of cheap advertising. It was agreed not to build any more battleships, as they are defunct and of no service in time of war. But the nations proceed as before in building airships and submarines, strengthening land forces, and manufacturing deadly implements of war, and armies have not been disbanded nor navies scuttled among the nations who signed this compact. The fires are kept burning and the hammers are constantly ringing in the factories which produce the instruments of death.

There is no difference in principle between a four-power league of nations and a league consisting of many powers, and the greater number of nations embraced in such league the more effective it becomes.

Harding's league of nations is a treaty which guarantees the financial assistance of this country to Japan in the event that power is attacked by a foreign foe. There is no essential difference between the much discussed "article 10" of the treaty of Versailles and "article 2" of Harding's four-power league of nations.

The European conspirators outwitted Harding and the foliage-faced Secretary of State and secured a treaty which will leave this country to the mercy of the combined naval power of the other three parties to the compact.

The first disarmament treaty to which the United States was ever a party was the Rush-Bagot treaty of 1818, which was negotiated by a Democrat and approved by James Monroe, a Democratic President. That treaty was made with Great Britain and provided for disarmament on the northern lakes, dividing the two countries; and no additional vessels were to be built. One vessel of a hundred tons was permitted on Lake Ontario, and one on Lake Champlain, and two each on the other Great Lakes. As a result of the wise statesmanship of a Democratic President that treaty has been in effect for more than a hundred years to the mutual benefit and advantage of both countries. In the face of this history Harding adherents claim that his four-power league of nations was the first thing of the kind ever proposed and acclaim his idea the greatest achievement of ancient or modern statesmanship.

The emergency tariff law was enacted with the express promise that it would bring instant and permanent relief to the agricultural class, but the American farmer has yet to experience his first period of high prices under that tariff law and this normalcy administration. In ancient Egypt there were seven fat years and seven lean years, but since the advent of Harding into the Presidency the farmer has experienced nothing but lean periods.

For a time wheat advanced in price, but the advance in the cost of farm machinery and farm implements and other farm necessities have been much greater than the advance in the

price of wheat, so that the profits on wheat raising have not only decreased but have almost disappeared.

That able and experienced agriculturist, President Harding, declared in a speech in the United States Senate, July 19, 1917, that—

> in this latter day farming has become an occupation for profit; and I happen to know that under normal conditions dollar wheat makes it a very profitable occupation.

The man who states that under normal conditions wheat can be profitably raised for a dollar a bushel in the State of Ohio or elsewhere on land that cost from $150 to $200 per acre does not know what he is talking about or anything about farming.

The most I can learn from Harding's congressional biography is that he was never a farmer, but entered into the newspaper business when 19 years of age, and there remained until elected to the United States Senate, and consequently does not know anything about farming or the cost of agricultural products. Prior to his entry into the newspaper business, if newspaper reports be correct, he spent much of his time tooting a horn in the village brass band, and consequently was never in position to give farmers advice about raising wheat.

According to the report of the Secretary of Agriculture, the total value of the principal farm products for the year 1921 was $5,675,000,000, while for the year 1920 their value was $9,075,000,000, and the two years prior to that time their value was $13,675,000,000. The income of the agricultural class under this "normalcy" administration for that short period was reduced $800,000,000. It is estimated that industrial workers lost, in 1921, $500,000,000 through lack of employment, and in addition many more millions were lost because of a reduction of wages. The producers of the country since Harding's presidential incumbency have been unjustly deprived of a sum sufficient to pay the entire national debt.

Wheat has fallen to a dollar a bushel and less since Harding has been President, while the price of bread and flour has fallen but little, if any. Under present conditions it costs about $20 per acre to raise wheat, and even if a farmer could raise 20 bushels to the acre, which can be done only in rare instances and on the best wheat land, he would only come out even, raising a-dollar-a-bushel wheat.

Western farmers are burning corn for fuel, and deflation of the currency, brought about by this administration in the interest of big business, prevents the agricultural classes from obtaining credit at the banks, while the monopolist can obtain all the credit he desires. He operates his business on short time, and by cooperation with his fellow conspirators and skillfully evading the antitrust laws he maintains the price of his products at exorbitant figures, while the farmer, for lack of proper credit, is compelled to sell his products for any price he can obtain.

The Secretary of Agriculture does not have any remedy to suggest, although he claims to be a farmer, but his farming activities since he has been Secretary of Agriculture have been mostly confined to swivel-chair advice.

According to a report of the Secretary of Commerce, the United States in 1920 sold to foreign customers 218,000,000 bushels of wheat and 269,000,000 bushels during 11 months of the year 1921; and although our wheat exports increased over 50,000,000 bushels during that period, the price of wheat went down.

This condition of affairs was brought about by the ignorance or willful mismanagement of the Harding managers of the Federal reserve system, which oppressed the small banks and denied the farmers credit, so they were compelled to dispose of their crops for any price they could obtain, while the millers and speculators were pocketing the profits that should have gone to the farmers, and "normalcy" was the light that failed.

Our foreign trade has steadily decreased under Harding's fiscal policy. For the fiscal year ending June 30, 1922, our foreign trade amounted to $6,378,000,000. These figures show a decrease of $3,792,000,000 compared with 1921, when our foreign trade amounted to $10,170,000,000; and a prohibitive tariff, such as is proposed by the Fordney bill, will add millions to the cost of living, while the most stupendous railway strike in the world is paralyzing the commercial life of the Nation and great business concerns are closing down for lack of fuel, thus depriving thousands of employment, and "normalcy" is the light that failed.

While the Secretary of Agriculture was informing the country that the total value of farm products in the United States would not exceed $5,670,000,000, the Secretary of the Treasury was testifying that the yearly expenses of the Government under Harding's "normalcy" policy was $5,440,000,000. The value of farm products I believe are much greater than the sum cited if the farmers could have obtained fair prices for their products, while the expense of running the Government was much greater, but a thimblerig method of bookkeeping reduced the amount, I believe, actually expended.

Agricultural products have reached a low level, and if a farmer takes a cowhide to the country village for sale he is in luck if he returns home with a hame string in place of the hide he took to market. I heard of a farmer in South Dakota, where great crops of oats are grown, getting his back broken while in a field at work. Friends had gathered around to aid and console him when a stranger passing by inquired how the accident happened, and the reply was, "He broke his back trying to lift 25 cents worth of Harding oats." Millions of dollars more are wasted on the Agricultural Department than the benefit derived. I once heard a story of a conversation between a farmer and one of the verdant expert "bugologists" of the Agricultural Department, in which the old experienced farmer expressed his opinion to the effect that "when a farmer must learn the botanical name of what he is raising, and the entomological name of the insect that eats it, and the pharmaceutical name of the chemical which will kill it, somebody has got to pay."

Under the administration of Harding the "crown of thorns" presses heavily down on the brow of labor. The empty dinner pail, the empty coal bin, the depleted pocketbook, and the hungry stomach are a few of the results that now confront the country, and this administration is, in my opinion, the most sinister danger that in 500 years has cast its baleful shadow across the pathway of human progress.

Under the administration of Wilson prosperity was never so abundant and was shared by all classes. The farmer received double the price for his products he formerly got. The merchant saw his business expand until it was no longer a question of getting customers, but a question of waiting on those who voluntarily came to purchase. The deposits of the banker doubled and trebled, and the credit system was almost unknown, while the laboring man enjoyed a degree of prosperity never pictured in his wildest fancy. Judged by the present ability of the people to buy there are now in this country—

More feet than shoes.
More necks than collars.
More heads than hats.
More mouths than food.
More bodies than clothing.
More furnaces than coal.
More families than houses.
More homes than furniture.

The people may forget the President who kept us out of war, but it will be many years before they forget the President who kept us out of work.

A situation nearing national calamity prevails in the coal mining region, and Governor Davis, of Ohio, recently declared in a proclamation that "general depression in the coal trade has brought enforced idleness, and with it privation to thousands of miners. Large numbers verge on the brink of starvation. Miners have not appealed for charity, but ask that they be given a chance to fight want through work."

The Fordney tariff bill places a duty of 1.6 cents per pound on sugar imported from Cuba, and refined sugar may be imported at the rate of 1.2 cents per pound for every pound of sugar the American Sugar Trust refines. That trust refines nearly all the sugar refined in this country and is the only beneficiary of the rebate which will take about $20,000,000 out of the pockets of the American sugar users and add it to the swollen profits of the sugar refiners, while the price of sugar will advance, and the light of "normalcy" will fail, so far as the sugar buyer is concerned.

Before the war, according to the Manufacturers' Record, the labor cost of a pair of $3.50 shoes was about 60 cents; and during the war the labor cost increased about 40 cents, but the retail price advanced to $8.50. The labor cost of a pair of $18 shoes is $1.30; yet the manufacturers of shoes, while still maintaining their profiteering prices, are clamoring for a reduction of wages.

The administration revenue bill places a tax of 15 per cent on all corporations instead of the graduated excess-profits tax, thereby increasing the taxes of corporations making small profits and decreasing the taxes of large corporations which make large gains and contribute liberally to the campaign fund. The taxes of corporations which make profits of $100,000 or more are reduced, while the smaller corporations have had their taxes increased. Under this administration every scheme

of exploitation that inventive rascality can conceive has been used to gouge the public and levy tribute on the people.

The Fordney tariff bill lays a higher tribute on the necessaries used by the public than any tariff bill ever enacted. The average duties are higher than those of the Payne bill, which wrecked the political fortunes of President Taft, and the robbery will be resented by the people regardless of party affiliations.

During the Harding campaign the people were led to believe that the President had the power to declare war and that President Wilson did declare war against Germany. The power to declare war is by the Constitution vested alone in Congress, and Congress and not President Wilson passed the war resolution. Harding adherents had been clamoring for war for two years, and the war resolution was piloted through the House by Mr. KAHN, a Harding supporter; and so was the draft bill, the recommendation of the Democratic committee having been ignored in the matter. These measures were approved almost unanimously by Harding supporters, and yet the public has been led to believe that the war was the work of Wilson alone.

Harding's campaign was pitched on a platform declaring against the League of Nations and foreign alliances, but his administration negotiated a four-power league of nations and has been engaged in foreign entanglements since its beginning.

Wilson was criticized and abused for keeping soldiers in Germany and in Haiti, and although Harding has been in office nearly two years soldiers of this Republic still keep watch on the Rhine and the American flag still waves over German territory. Marines are stationed in Haiti to protect profiteering sugar interests, and this administration has meddled with the affairs of a number of South American countries. It authorized Costa Rica to seize and exercise jurisdiction over territory in dispute between that country and Panama which was in possession of Panama, and dispatched ships and armed marines to take up advantageous positions near the territory in dispute. It meddled in the affairs of Venezuela and received a curt note from that country to the effect it would be time enough for Harding to intervene in the affairs of that land when he established a republican and constitutional government in the feudal barony of West Virginia.

The Democratic Party, according to the statement of the inspired apostle of "normalcy," "has never done nothing nohow" and his party has accomplished all things that are good and grand and great. It is true his party freed the negroes, and they ought to have been freed, but it was done for the sole purpose of swelling the vote of a discredited party. His party freed the negroes, but the Democrats have fed them; and what is freedom without food? That act is about the sum and substance of all it can claim that is of any importance.

The Democratic Party added to the territory of this Nation the Louisiana Purchase and all the vast empire, except Alaska, west of the Mississippi, a territory richer than the valley of the Nile, and whose fields of waving wheat and corn feed millions of people. The fanes and temples of Democracy will remain forever unimpaired, a place of worship for the common multitudes and a lasting monument to the wisdom of the founders of this Republic when the acts of this administration are lost in the dusty pages of forgotten history.

The Democratic Party has been in power only 16 years during the last 62 years, and part of that time did not have control of all departments of the Government. During those 16 years it has accomplished for the benefit of the people, for progress and good government, more than the Harding administration and other like administrations have accomplished in all history. And during the Presidency of Mr. Wilson more beneficial laws were enacted than Harding's party ever enacted in all its life. To recite a few of those laws were:

Income tax law.
Election of Senators by the people.
Federal reserve bank law.
Parcels post law.
Rural credit banks.
Antitrust law.
Corrupt practice act.
The shipping bill.
Eight hour day law and 13 other labor bills.
Child labor law.

To this list might be added many more good laws which the people approve.

Mr. MONDELL, in his recitation of legislation passed by the Harding administration, either through a lapse of memory or innate modesty, neglected to call attention to the Esch-Cummins bill, the great railroad strike, the great coal strike, and general unemployment now abboard the fast-running "normalcy" special. I presume he would have done so, but "normalcy" is the light that failed.

On second thought, the administration has done some things; it has coined a new peace dollar with an eagle on one side and a rising sun on the other. Instead of an eagle there should have been a crow cawing at normalcy, a four-power league of nations, and numerous foreign entanglements, strikes, and unemployment.

The troubles of the farmer under "normalcy" are many and serious. They range from cheap farm products to 8 per cent notes, and from large land depreciation to big pocketbook deflation. During the war the slogan of the laboring man was "no beer no work," and now he has neither.

To my mind there was never a more unjust or unfair law passed by an American Congress than the Esch-Cummins railroad law, passed by this administration.

For six months after the railroads were returned to private individuals a rental amounting to $475,400,000 was guaranteed by the Government. The bill provides for a 6 per cent return on a valuation of $18,900,000,000, or $1,134,000,000 annually, $8,000,000,000 of which is watered stock. The bill appropriated $200,000,000 to cover deficiencies.

Freight rates have been increased from 35 to 40 per cent and passenger rates 20 per cent, with a surcharge of 50 per cent on Pullman passengers, and rates have been "boosted" on baggage and express that the roads may make more money, and wages have been reduced.

And it is now proposed by this "normalcy" administration to donate at once another $500,000,000 to the roads, and Director General Davis declares $200,000,000 more will be needed before the end of the year.

Taxes are high, but forget it, because the railroads want more money to pay large dividends on watered stock, and this administration will assist them to the utmost of its ability to "put over" any nefarious proposition for that purpose.

While the managers of the big roads are endeavoring to reduce the wages of its employees down as low as $2.20 per day in some departments, Henry Ford has raised wages on the road owned by him to a minimum of $6 per day and proposes a reduction of freight rates.

This is a constructive administration, but the construction has all been in the interest of big business. On every hand the public is met by the rent gouger, the food profiteer, the coal pirate, the street, gas, and manufacturing bandit, and every human scheme of exploitation to rob the people flourishes under Harding.

The railroads are operated not for the benefit of the public or for purposes of transportation but for the profit of the stock market, and railroad profiteering has been reduced to a fine art.

Had it not been for the interference of Harding and the Labor Board presided over by the gentleman from the rabbit ridges of east Tennessee, a gentleman of great "anagosity and general understanding throughout the neighborhood" in which he resides, the coal strike and the railroad strike would have been settled long ago. Neither made any suggestion in regard to a settlement of those strikes that was worth a "tinker's dam," and all their suggestions, if they can be called such, were rejected by everybody connected with the strikes, and the parties to the controversy have about settled the questions among themselves, and Harding takes credit, through administration leaders, when he had nothing to do with the settlement, and no credit is due him whatever.

When strikes were threatened Mr. Wilson called the parties together, and readjustments were made before any strikes were called. That is the difference between statesmanship and incompetent mediocrity.

The "handwriting is on the wall" and the Belshazzar feast of Harding will end. He can see it if he reads unprejudiced newspapers; but perhaps he does not.

And this reminds me of a story of a commercial traveler and a waitress at a village hotel. It was raining very heavily and the traveler, addressing the waitress, after the manner peculiar to commercial men, said, "Dearie, it looks like the flood," "I don't know," replied the waitress, "I haven't seen a newspaper for three days." Perhaps Harding has not seen an unprejudiced newspaper for some time, but when he does he will find the "flood" is coming.

This is evidently a "golf" administration. The President owns a lavish supply of trousers—50 pairs—no doubt combining all the hues of the rainbow, or maybe the variegated colors of the historical coat of biblical Joseph. The minutest details of his arduous duties in playing golf and engaging in other innocent diversions are forcefully portrayed in the Washington Court Journal. We are informed that the President spends many hours playing golf, and also on frequent occasions bravely sails the turbulent waters of the wave-lashed Potomac, aboard the *Mayflower*, and frequently has the picture of Laddie Boy

and himself taken together, and Laddie Boy works his ears and wags his tail in appreciation of the great honor conferred.

The President, we are informed, likes eggs, we do not know whether soft or hard boiled, or fried, and that he delights in batter cakes and loves to meet with debutantes and talk about the little birds and sweet flowers that bloom in the springtime, when he should be in his office discharging his duties and considering the grave problems that confront the Nation every day in the week.

A constructive administration, why certainly, if catering to big business is constructive.

Every financial panic, every period of "hard times" has been brought about by Mr. MONDELL'S party of constructive normalcy.

In September, 1873, Jay Cooke & Co. failed in New York, and then at once followed a great financial panic. The big financial institutions in New York, Philadelphia, Chicago, St. Louis, and other large cities went to the wall, and left thousands of people stranded. Banks all over the country failed and toppled over like toy temples and one unparalleled period of ruin and depression followed.

The so-called Cleveland panic began under Harrison's administration in May, before Cleveland was nominated, and the Homestead riots occurred before Cleveland was elected and unemployment and hard times were all over the country before Cleveland was inaugurated. Other panics followed, and during the Roosevelt panic of 1907 a man could not draw his own money out of bank on his own check.

The pretense of economy under this administration is a fraud and a sham. Appropriations under this administration for the present year are $5,360,000,000 more than under the Wilson administration for the year 1915 for the actual necessary expenses of running the Government, including war-time obligations. The appropriations, so far as known, for the fiscal year 1923 are now, leaving out war-time debts, $319,000,000 less than in 1922, but the greater part was a saving made by reducing Army and Navy appropriations and charging the good-roads item to the postal appropriations. Excluding all after war expenses, the legitimate expenses of the Government this year are $1,320,000,000, as against $793,000,000 for 1915.

Mr. MANN, former administration leader, before the election, in a speech delivered in the House in August, 1912, and which is still circulated as a canon of the true faith, predicted that the wage earners would have to endure "hell" if a Democratic President should be elected. Mr. MANN evidently got his wires crossed and will have to publish an administration bible of recantation.

These administration leaders are like the colored preacher who was requested by his congregation to resign but wanted to know the reason why. He said to the "brudders," "Ain't I argufied wid de sinners?" "Yes, brudder, you has been long on argufication," replied one of the deacons. "An' ain't ah sputified concerning of de Scripture?" demanded the parson. "Yes, brudder," admitted another, "you are powerful strong on sputification." "Den what am de matter wid mah services?" demanded the reverend one. "Well," replied one of the church board, scratching his woolly pate, "it am like dis, you argufy and sputify, but yo' don't specify wharin."

So, Mr. MONDELL argufies and sputifies as to the great legislative enactments of this Congress, but he is unable to specify much "wharin." Millions of idle men are walking the streets of the cities of the North, hand in hand with normalcy, but "normalcy," they find, is the light that failed.

Harding, when a Member of the Senate, let few occasions pass on which he failed, with caustic tongue to abuse President Wilson and criticize his administration, but if anyone dares to criticize Harding the administration leaders are up in arms in his defense, and declare it a shame for anyone to speak disrespectfully of their king, who can do no wrong.

Mr. Wilson was, by his arduous services, as surely wounded as any soldier who fell on the field of battle. He consecrated his very life to winning the war. He sent over nearly 4,000,000 of men to the battle front across the sea without the loss of a man carried on an American ship, and without a financial panic.

Seneca declared it to be the practice of little minds to bark at great men as little dogs do at strangers, and Wilson has certainly been pursued by a snarling, yelping pack; but the sick and silent sufferer of the city of magnificent distances, with courtly reserve disdains to notice the envious comments of his malicious detractors.

The people who voted for Harding are getting what is justly coming to them. They demanded a change and they got it. Unemployment holds high but hungry carnival. Wages have been reduced, agricultural products have gone down, and the light of "normalcy" has failed.

There is nothing in tobacco,
Nothing in your stock,
Nothing in your harvest,
Nothing in your flock.
Hogs have gone to nothing,
And corn ain't worth a darn;
Trusts have got the Nation
And debts have got the farm.
Harding tells us nothing,
Wall Street now is king,
Money magnates whistle
And Swift and Armour sing.
There's plenty in this story,
And as your homestead rocks,
Just whistle like you whistled
When you sandbagged Jimmy Cox.

This administration promised the soldiers a bonus, but the proposed bonus bill makes no provision by which the soldiers will be paid. A promissory note without any real or expected assets to discharge the obligation is of little value. Harding is opposed to a bonus of any kind, and so is a majority of the administration leaders, but they stand in fear of the soldier vote. Harding read a message to the Senate in opposition to the passage of a bonus bill if it does not make such provisions for payment as he in his superior wisdom thinks ought to be made. He favors a sales tax, which will be oppressive on the public and compel the soldiers in part to pay their own bonus. Big business is opposed to any kind of bonus, and Harding is in favor of any kind of big business and afraid of the soldier vote. He is drifting between the Scylla and Charybdis of pitiful indecision.

Some of the patriots who stand when the Star-Spangled Banner is sung, and go to church on Sunday and sit in the amen corner wearing a button they got for buying a $50 Liberty bond, and who sing "Praise God from Whom all blessings flow" louder than anyone, are opposed to a soldier bonus because they are afraid it might cost them something; but, at the same time, would sell out the national honor for which the boys fought, and many died, at a bargain sale if they could realize a profit from the transaction. The bonus bill as proposed is a political gold brick. The soldiers asked the "normalcy" administration for bread and have been given a stone.

They say that the soldiers if given a bonus will spend it. Suppose they do. It will be theirs to spend and they earned it with their services, their blood, and by their courage. Why is it the profiteers, to defend whose property the soldiers fought, are willing to have them to defend the Nation's honor and are unwilling to trust them to spend a bonus as they see fit?

The bonus should be paid with the interest on the money we loaned to England, France, and other European countries, but this administration discarded that proposition, as that money is needed to pay the interest on foreign bonds held by big business interests in this country.

There are many reasons why this bonus should be paid.

First. The American people owe a debt of gratitude to the men who defended the national honor and no amount of money can really discharge that debt.

Second. The men who went to the front and to insanitary camps, and gave up their positions for $30 per month, while those who did not enter the service but remained at home in safety and comfort and drew large salaries, are entitled to an equalizing compensation.

Third. Because this great Nation, the richest on earth, is amply able, if it will collect the debts owed it by European countries, to satisfy the obligation it owes to those who rendered dangerous services of superlative value.

As to whether Harding will sign a bonus bill, there is not anyone who knows, and I doubt if he knows himself. He will consider, in my opinion, the political advantages in the matter, and act accordingly. He has no confidence in himself as to what his action will be.

He reminds me of a rhyme about the war:

Absolute confidence have I none,
But my aunt's charwoman's son
Heard a policeman on his beat
Say to the housemaid in Downing Street,
That he had a brother who had a friend
Who knew when the war was going to end.

No braver soldiers ever followed a flag than the American doughboys who went to war and those who were compelled to remain in camps, ready and anxious to go.

Hannibal, among the greatest of all commanders, who swore eternal emnity against Rome at the bier of Hamilcar, led his victorious legions to the gates of the seven-hilled city. Alexander the Great conquered the then known world and wept because there were no more worlds for him to conquer. Alaric, King of the Visigoths, sprang from his northern lair and led his

triumphant soldiers across the everlasting Alps and planted his victorious banners on the battlements of the conquered Palatine. The conscript boys of France, with the shout of "long live the Emperor," charged the dauntless English infantry on the field of Waterloo, and their tread shook the earth, and they died with smiles on their pallid lips; but the courage of none of these equaled the bravery of the American doughboys on the red fields of Europe.

They never retreated, but stood by their colors and died unafraid. They charged over trenches wet with the blood of their dead comrades; over riddled trees and roofless huts; through gun-swept fields and over shattered walls; and thousands of them turned sightless eyes, "that will shine no more, toward stars that will shine forever." St. Mihiel, the Argonne, and all the battle fronts of France are deathless monuments to their unequaled valor and indomitable courage.

Many of them sleep the sleep that knows no waking in Flanders fields, between the crosses where the poppies grow and the roses bloom, but their deeds of valor will live forever in the memory of a grateful Nation.

Mr. WINSLOW. Will the Chair kindly inform me how much time remains?

The CHAIRMAN (Mr. CAMPBELL of Kansas). The gentleman from Massachusetts has 13 minutes remaining and the gentleman from Tennessee has 4 minutes.

Mr. WINSLOW. Is the gentleman from Tennessee ready to yield some time?

Mr. GARRETT of Tennessee. Will the gentleman go ahead with one more speech?

Mr. WINSLOW. Yes; I yield eight minutes to the gentleman from Minnesota [Mr. NEWTON]. [Applause.]

Mr. NEWTON of Minnesota. Mr. Chairman, for four months this country has been going through one of its periodic coal strikes. Think what this means. For to run our factories, transport products, and heat our homes we consume over 500,000,000 tons of coal per year. During this four months but a small fraction of this quantity has been mined. The reserves have been exhausted and the country is practically out of coal. The industrial life of the Nation is being strangled, and if something is not done, and done quickly, many of us in the northern part of our country will freeze. I am using the term "strangle" advisedly, for yesterday I received word that 23 industrial plants in my neighboring State of Wisconsin had closed down for lack of coal.

In my country we must have coal. Eight months of the year we require it in our homes. Industrially it is a necessity, of course, the year around. This coal comes to us by rail, lake and rail, and by all rail. Probably 80 per cent of it comes by way of the Great Lakes to Duluth. There it is stored in great docks and shipped throughout the fall and winter. The lake season closes about December 1. To-day these docks should have several million tons on hand. They have about 200,000. Winter is but three months away.

Gentlemen, that is our situation. Not only our property but our very lives are at stake.

I brought this to the attention of the House last March. I did not then expect operators and miners to get together and I advocated Federal regulation in the form of a fact-finding agency with power to investigate and report as to all phases of the industry. Nothing was done.

For four months operator and miner have come to no agreement. Collective bargaining has failed. Governments exist to protect life and property, and it is high time for the Federal Government to step in and see that coal, the "lifeblood of transportation and the staff of life of industry," is again being produced.

We can not longer leave this to operator and miner. Both have long since demonstrated in preceding strikes that they care not one whit for the public.

The President offered arbitration, but that was turned down. It is time for legislation, and real legislation. The President has requested legislation for a fact-finding commission to ascertain the facts and make report thereof to him and to Congress for legislation. For myself I feel that we as a Nation can not longer tolerate this holding up of the Nation every year by either the United Mine Workers, the National Coal Association, or both. There are many of us who are now commencing to think that there is collusion between them.

The anthracite industry is a monopoly in every sense of the word, and the public suffers because of it. The bituminous industry is too highly competitive at times, and the public pays the bill. Let us find the facts, and with accurate information then let us legislate. The President has asked for this legislation, and with the President's request in mind the Committee on Interstate and Foreign Commerce has reported a bill establishing such a commission. This commission is to find all the facts from ownership, investment, and production to ultimate distribution, and report its findings and recommendation to Congress by January 1 next.

The commission must report then, for there is almost a certainty of a repetition of present conditions by another strike if adequate legislation is not enacted by that time. Time, therefore, is of the essence.

What are the objections to the bill? The gentleman from Indiana [Mr. BLAND] has a bill of his own. He objects to the bill as being unconstitutional, as having no teeth in it, and for not having miner and operator represented upon it. He thinks it would be improved if it contained the provisions of his bill. I do not blame the gentleman for being proud of his own child. All fathers are. I have had a fact-finding regulatory coal bill before the committee myself for over a year. I think it is the best bill in Congress. But, gentlemen, it is time to forget about our individual interests and act quickly for the benefit of the entire country. [Applause.] Again let me say time is of the essence.

Let us consider his objections. The gentleman from Indiana would have upon the board two members representing the anthracite and bituminous coal operators. In other words, he would place upon this commission nominees of these associations who have so outrageously gouged the public during the past few years. I submitted figures in my speech of March 8 where the dividends of the anthracite operators during a period of nine years ran as high as 550 per cent. I say, keep such men and their nominees off the commission.

Furthermore, he provides that two of the members must be appointed from nominees of the United Mine Workers. No provision is made for the nonmember of that organization without whose help to-day the country would be absolutely without any coal whatever.

Mr. Chairman, we know that if groups are to be represented that we will have nothing but fighting and bickering from the start. For one, I want to see the President free to appoint only those men in whom he has implicit confidence. In this crisis I am not willing to restrict him as to the men whom he shall appoint to this commission. [Applause.]

Mr. BLAND of Indiana. Will the gentleman yield?

Mr. NEWTON of Minnesota. Yes.

Mr. BLAND of Indiana. Does not the bill restrict the President in his appointive power? Does not the bill restrict him so that he can not appoint either a miner, an operator, or a Member of Congress to this commission?

Mr. NEWTON of Minnesota. Because the President does not want to appoint them, for a very good reason. The President has seen miner and operator trying to get together for four months, and thinking only of themselves and caring nothing for the public. [Applause.] We say leave them off the commission. Let both sides appear before the commission with the facts and testify upon oath. But as we value our country, as we love our people who are facing this winter with a lack of coal, let us not put upon that commission special advocates thinking of no one else but their own special interests. [Applause.]

Mr. COOPER of Ohio. There is nothing in this bill of the committee that would prohibit the miner and the operator from coming before the commission and giving the facts?

Mr. NEWTON of Minnesota. No; they would be invited to come, but when they come they will find unprejudiced men sitting there as a jury to hear them. There will be no special pleaders sitting on the bench.

Mr. KNUTSON. The intention of the committee bill is to have the commission composed of disinterested people, is it not?

Mr. NEWTON of Minnesota. Yes; just like any court.

Mr. VAILE. The miners and the operators are going to be subpœnaed to appear before the commission, are they not?

Mr. NEWTON of Minnesota. Yes; and some of them are going to be subpœnaed very quickly before they can avoid service.

The gentleman claims that our bill has no teeth. Let us see. Both are fact-finding measures. The committee bill compels the giving of evidence under constitutional guaranties and punishes by contempt proceedings and by a heavy fine and prison sentence. His bill punishes only by contempt, but contains no fine or prison penalty.

The gentleman claims the bill is unconstitutional and bases it upon the decision of a district judge, an ordinary Federal trial court in the District of Columbia, in the so-called Maynard case. This court held that the Federal Trade Commission had no power to inquire as to costs of production of coal. This upon the grounds it was not interstate commerce. An appeal was taken from the decision and that appeal is still pending.

Ninety per cent of our coal moves in interstate commerce. Twenty-five per cent is used in transportation itself. Interstate commerce, as we know it, could not be without coal, its principal motive power. I can not agree with this decision. The gentleman is willing to lie down upon this decision of a trial court. Undoubtedly this court has been wrong before and has been reversed. In any event, I can not accede to that proposition until the Supreme Court of the United States says so.

Furthermore, the operators themselves have little confidence in the decision. The National Coal Association, whom the gentleman wants to see represented upon this commission, was back of this Maynard case. They advised their members to refuse to give information as to production costs, and so forth, to the Federal Trade Commission. They objected in the Maynard case because the production of coal was intrastate commerce. Shortly thereafter the Indiana State Commission passed some regulatory order regarding coal and its production and information regarding it. This same association appeared in this Vandalia case and contended that the production of coal was interstate commerce. It is in this manner that this association and its members keep faith with the public. Again I say, keep them off the commission. [Applause.]

But, Mr. Chairman, under this bill there is no attempt to rest solely upon the interstate commerce clause. Under the Constitution numerous powers are granted to Congress. This bill is designed to aid Congress in legislating on this broad question by furnishing us with information. The bill is based upon the right of Congress to ascertain facts and legislate under any one of its many powers. There is no necessity of enumerating them.

Mr. GARRETT of Tennessee. Mr. Chairman, I yield half a minute to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Chairman, I ask unanimous consent to print in the RECORD a telegram from Leroy T. Harkness, of the New York Coal Commission, on the coal situation in that city.

The CHAIRMAN. The gentleman from New York asks unanimous consent to print in the RECORD the telegram referred to. Is there objection?

There was no objection.

The telegram is as follows:

NEW YORK, N. Y., *August 22, 1922.*

Hon. OGDEN L. MILLS,
United States House of Representatives, Washington, D. C.:

The New York State Coal Commission very earnestly urges upon you the necessity for prompt action in carrying out the President's recommendations for a governmental agency to control the distribution and price of coal and for vesting in that agency all the power the Congress can give it. The situation in New York State this fall and winter will be very acute at the best; nearly five months of anthracite coal production has already been lost, and even though all the mines were opened to-morrow, some time must necessarily elapse before they can be operated to full capacity. The greatest difficulty is being experienced in getting through shipments out of the very reduced supply of bituminous coal. The governor has called the legislature in special session for next Monday, and legislation will undoubtedly be enacted clothing the New York State Fuel Administration with all the powers the State can give it. The benefit of such action will largely be lost unless the Federal Government on its part promptly constitutes a strong central agency to secure the coal and get it to the several States. The necessity for the investigation of the entire coal situation as recommended by the President is apparent, but even more imperative is the need for prompt action on his recommendation for a governmental coal agency; unless effective and vigorous measures are taken to develop to the utmost the supply and distribution of coal, especially anthracite coal, New York faces a coal shortage even worse than that of the winter of 1917–18. New York is absolutely dependent upon anthracite coal to keep warm, aside from the needs of industry. A shortage in anthracite affects every household in the cities of the State, and a serious shortage spells sickness and intense suffering, especially in the tenements and poorer districts; the prospects of winter being so near and the State almost denuded of anthracite is alarming in this emergency. The coal commission believes it should call this matter to the attention of the New York delegation in Congress and urge upon it vigorous and united effort to secure immediate action.

LEROY T. HARKNESS,
For the New York State Coal Commission.

Mr. GARRETT of Tennessee. Mr. Chairman, I do not know, of course, to what extent the agencies of government are eventually going to have to go in dealing with the coal question. In my opinion, it would probably be unwise to venture a prediction along that line. I do feel absolutely sure that this bill offers no relief to the present situation, nor can I see anything in it that holds out the slightest promise of relieving similar situations that may arise in the future. It seems to me that it may be very well designated as a subterfuge, which will cost half a million dollars without there being any practical, tangible result accomplished for the relief of the present situation or for the prevention of any such situation arising in the future. For that reason I shall vote against this bill at this time.

Mr. WINSLOW. Mr. Chairman, has the time been exhausted on the other side?

The CHAIRMAN. The time has been exhausted, and the gentleman from Massachusetts has four minutes remaining.

Mr. WINSLOW. Mr. Chairman and gentlemen of the committee, it has been a great pleasure to note that in the discussion of this bill to-day no one so far as I can recall has undertaken to bring any politics into the debate. We have had before us this proposition, and I think we have all considered it fairly and squarely. I am of the mind that everybody in this Chamber has felt the necessity of doing something in respect of the coal business. We have wallowed around in this country for half a dozen years and when disturbances have arisen we have had one way of looking at it now and another way again; we have been patient and patient, and over again patient, all the time hoping that the miners and the operators and all the others who had to do with the control of the coal situation would find some way of settling conditions and finally going on their way in such a manner as to give us all a fair deal in coal. We have not had it. We have tried one way and another without avail until now comes the President of the United States—I do not care whether he be a Democrat or a Republican—I know he has been in a sweatshop with these men for weeks going through, I believe, the torments of hell, the torments of which we have no conception, trying to do something. Whether he has done it or not is a matter of opinion. Evidently he thinks as a result of his experience that he has not obtained the information which he feels he ought to have and that Congress ought to have and that the people of the country ought to have. After his experience, after having had his nose on the grindstone, he ought to come pretty near having an idea as to the size of the instruments that are working upon him and something of an idea of what the public is up against. Looking to the well-being of the public, the bill is framed cautiously so that it will not preclude your support of it—it is for the Congress and the President to get the facts, and we all know, even the gentleman from Indiana [Mr. BLAND] knows and admits, that we the public are entitled to know what is going on. If we can find out for such a little sum as $500,000 I think it would be the cheapest bill that the Government has paid for many a day. In 1920 when things were running along without the present-day annoyances there were mined in this country 665,333,200 tons of coal. Why, my friends, if you were to save even a paltry dime on every one of those tons of coal you would be saving over sixty-six and a half million dollars. I am willing at this time to take the word of the leader of the American people who has had the best opportunity to find out what we want and to follow him in his desire to go to the bottom of everything. We should gladly pass his recommendation if only as a hope that it may accomplish the result. [Applause.]

The CHAIRMAN. All time for debate has expired, and the Clerk will read the bill.

The Clerk again read the bill, with the committee amendment.

At the conclusion of the reading of section 11 of the committee amendment,

Mr. MOORE of Virginia and Mr. BLAND of Indiana rose.

The CHAIRMAN. For what purpose does the gentleman from Virginia rise?

Mr. MOORE of Virginia. Mr. Chairman, I move to amend section 11, the section just read, by striking out the sum of $500,000 and inserting in lieu thereof the sum of $200,000, and I desire to be heard upon that amendment.

Mr. BLAND of Indiana. Mr. Chairman, as I understand it, the gentleman has not been recognized to offer an amendment as yet.

The CHAIRMAN. The Chair asked the gentleman from Virginia for what purpose he rose.

Mr. MOORE of Virginia. And I stated I rose to propose an amendment to the section that had just been read immediately before I took the floor, without further reading by the Clerk.

The CHAIRMAN. But the Chair has not yet stated the pending question. The question is on agreeing to the committee amendment.

Mr. BLAND of Indiana. Mr. Chairman, I move as a substitute for the committee amendment the following, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. BLAND of Indiana: Strike out all after the enacting clause and insert in lieu thereof the following:

"That when used in this act—

"(a) The term 'person' means individual, partnership, corporation, or association; and

"(b) The term 'coal' means anthracite, bituminous, and other coal, lignite, coke, and culm, whether in place, extracted, or banked.

"SEC. 2. (a) That there is hereby established a governmental agency to be known as the 'coal investigation agency,' and to be composed of 10 members, as follows:

"(1) The Director of the Geological Survey, the Director of the Bureau of Mines, the Director of the Bureau of the Census, and the Commissioner of Labor Statistics;

"(2) Two members constituting the public group, representing the public, to be appointed by the President, by and with the advice and consent of the Senate;

"(3) Two members constituting the miners' group, representing the employees of coal-mine operators, to be appointed by the President, by and with the advice and consent of the Senate, from four nominees presented to the President by the president of the United Mine Workers of America; and

"(4) Two members constituting the operators' group, representing the coal-mine operators, to be appointed by the President, by and with the advice and consent of the Senate, one to be appointed from two nominees presented to the President by the president of the National Coal Association, and one to be appointed from two nominees presented to the President jointly by the president of the Anthracite Bureau of Information and the president of the Anthracite Coal Operators' Association.

"(b) Any vacancy in the office of an appointed member of the coal investigation agency shall be filled in the same manner as the original appointment. The appointed members shall each receive a salary of $6,000 a year. The members specified in paragraph (1) of subdivision (a) shall receive no additional salary for their services as members.

"(c) If the president of any organization specified in subdivision (a) fails to present nominees to the President in accordance with such subdivision within 30 days after the passage of this act, or, in case of a vacancy, within 30 days after the vacancy occurs, the President of the United States shall thereupon directly make the appointment, by and with the advice and consent of the Senate. In making any such appointment the President shall select an individual associated in interest with the employees or coal-mine operators, whichever he is to represent.

"(d) The coal investigation agency shall cease to exist two years after the passage of this act.

"SEC. 3. That for the purpose of providing information for the Congress as a basis for legislation (a) to settle industrial disputes in and prevent the overdevelopment of the coal industry, (b) to stabilize such industry and levy taxes in respect thereto, (c) to regulate commerce in coal among the several States and with foreign nations, (d) to provide a coal supply for the maintenance of the Navy and the merchant marine, and (e) to protect the coal supply for the District of Columbia, and forts, magazines, arsenals, dockyards, and other public buildings of the United States outside the District of Columbia, the coal investigation agency is authorized and directed to require and obtain from any person such data, information, and reports as it deems desirable for such purpose, including among other matters data, information, and reports (1) as to the supply, production, distribution, storage, and consumption of coal and its grading and economic utilization, (2) as to the relations between operators of coal mines and washeries and their employees with particular reference to wages, hours of labor, and working conditions, and (3) as to the ownership and value of coal lands, and of property of operators or owners which is of use in the operation of coal mines or washeries.

"SEC. 4. That the coal investigation agency shall make such reports to the Congress and to the President from time to time as it deems advisable, and shall make to the Congress and to the President a final report not later than two years after the passage of this act. All data or information obtained by the coal investigation agency shall not be made public except in such reports to the Congress and to the President, or in compliance with the subpœna or order of a court of competent jurisdiction. Such reports shall not contain any such data or information which would disclose the trade secrets of any person. Any officer or employee of the coal investigation agency who shall make public any data or information in violation of the provisions of this section shall, upon conviction thereof, be punished by a fine of not more than $5,000 or imprisoned for not more than one year, or both.

"SEC. 5. (a) That for the efficient administration of the functions vested in the coal investigation agency by this act, the agency may require by subpœna, issued and signed by the chairman, the attendance of any witness and the production of any book, paper, document, or other evidence from any place in the United States at any designated place of hearing, and the taking of a deposition before any designated person having power to administer oaths. In the case of a deposition the testimony shall be reduced to writing by the person taking the deposition or under his direction, and shall then be subscribed by the deponent. Any member of the coal investigation agency may administer oaths and examine any witness. Any witness summoned or whose deposition is taken under this act shall be paid the same fees and mileage as are paid witnesses in the courts of the United States.

"(b) In case of failure to comply with any subpœna or in case of the contumacy of any witness before the coal investigation agency, the agency may invoke the aid of any United States district court. Such court may thereupon order the witness to comply with the requirements of such subpœna, and to give evidence touching the matter in question. If the court makes such order it may also fix in the order the time for compliance therewith, and enjoin the witness from shipping or receiving from shipment in commerce among the several States or with foreign nations any coal after the time so fixed and before his obedience to the order. Any failure to obey such order or injunction may be punished by the court as a contempt thereof.

"(c) No person shall be excused from so attending and testifying and deposing, or from so producing any book, paper, document, or other evidence on the ground that the testimony or evidence, documentary or otherwise, may tend to incriminate him or subject him to a penalty or forfeiture; but no natural person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing as to which, in obedience to a subpœna and under oath, he may so testify or produce in evidence; except that no person shall be exempt from prosecution and punishment for perjury committed in so testifying.

"SEC. 6. That for the efficient administration of the functions vested in the Coal Investigation Agency by this act, any member, officer, or employee thereof, duly authorized in writing by the agency, shall, at all reasonable times, for the purpose of examination, have access to and the right to copy any book, account, record, paper, or correspondence relating to any matter which the Coal Investigation Agency is authorized by this act to investigate.

"SEC. 7. That every officer or employee of the United States, whenever requested by the Coal Investigation Agency, shall supply it with any data or information pertaining to any investigation by the agency, which may be contained in the records of the office of such officer or employee.

"SEC. 8. (a) That no person shall willfully (1) fail or refuse to make any report required by the Coal Investigation Agency, (2) make in any such report any statement which is false in any material particular, or (3) deny any duly authorized person any right granted by section 6. Any person who violates this subdivision shall, upon conviction thereof, be fined not more than $5,000 or imprisoned for not more than one year, or both.

"(b) In construing and enforcing the provisions of this act the act, omission, or failure of any person acting for or employed by any individual, partnership, corporation, or association, within the scope of his employment or office, shall in every case also be deemed the act, omission, or failure of such individual, partnership, corporation, or association as well as of such person.

"SEC. 9. That for the efficient administration of the provisions of this act the Coal Investigation Agency may make such regulations as it deems necessary.

"SEC. 10. (a) That the Coal Investigation Agency may appoint, remove, and fix the compensation of such employees, and make such expenditures, including salaries, traveling expenses, per diem rates of allowance in lieu of subsistence, and witness fees, as are necessary for the efficient administration of the functions vested in the agency by this act, and as may be provided for by the Congress from time to time. All the expenses of the Coal Investigation Agency shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the chairman of the agency.

"(b) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $500,000, or so much thereof as may be necessary, to be available until June 30, 1923. Such sum shall be expended by the Coal Investigation Agency, in the District of Columbia or elsewhere, for defraying the expenses of the maintenance and establishment of the agency, including the payment of salaries.

"SEC. 11. If any provision of this act or the application thereof to any person or circumstance is held invalid, the validity of the remainder of the act and of the application of such provision to other persons and circumstances shall not be affected thereby."

Mr. STAFFORD. Mr. Chairman, I make the point of order on the amendment offered, that a substitute to the committee substitute is not in order at this time, that only perfecting amendments either to the original bill which is before the House for consideration, or perfecting amendments to the substitute, are in order; that the House must be given an opportunity, first, to either perfect the original bill which the committee recommends be stricken out and a substitute considered instead, or to amend the committee substitute. It is fundamental that you can not have amendments in the third degree. It is fundamental that you may have a substitute for the original proposition pending under consideration. What is the original proposition here pending for consideration? We have the original bill which the committee recommends be stricken out. It is within the privilege or should be within the privilege of any Member of the House, if he sees fit, to offer first a perfecting amendment to the original bill. Then it would be within the privilege of the members of the committee before that perfecting amendment had been voted on to perfect the amendment to the substitute. What is the hiatus you are going to be confronted with if the Chair holds that any Member, even the gentleman from Indiana, has the right to offer an entirely different substitute to that offered by the committee? What is the status to-day, if the Chair holds that his amendment is in order in respect to the degree in which it is held to the committee substitute? It must be held to be an amendment in the second degree. Then, if it is an amendment in the second degree, there will be no opportunity for any Member in the House to offer any perfecting amendment, because it would be in the third degree. We would be obliged then to be without the privilege of perfecting either the committee substitute or the substitute offered to the substitute by the gentleman from Indiana, or we might obviate that by voting down the amendment offered by the gentleman from Indiana, but the committee would not have any opportunity whatsoever to perfect it. If we voted it up, then after we adopted it as a whole the committee has not any opportunity even to perfect that, because it is beyond that stage, as the committee has acted upon the entire matter embodied in the amendment offered by the gentleman.

Mr. MANN. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. MANN. Has the gentleman recently read Rule XIX?

Mr. STAFFORD. I would not say recently, because I have been away on a vacation. I have not looked at my legislative bible for some weeks.

Mr. MANN. Will the gentleman permit me to read it to him?

Mr. STAFFORD. Certainly.

Mr. MANN. Rule XIX reads as follows:

When a motion or proposition is under consideration a motion to amend and a motion to amend that amendment shall be in order, and it shall also be in order to offer a further amendment by way of substitute, to which one amendment may be offered, but which shall not be voted on until the original matter is perfected, but either may be withdrawn before amendment or decision is had thereon.

Does not that entirely cover all of the questions which the gentleman has discussed? Here is an original proposition before the House, the original bill, to which the committee has offered an amendment. An amendment may be offered to that amendment under this rule, and a substitute may be offered to the committee amendment under that rule. An

amendment may be offered to the substitute under that rule, but the original text shall be perfected before these substitute amendments are voted on. Does not that absolutely cover the case?

Mr. STAFFORD. I take issue with the gentleman. Then the committee would have three propositions pending before it for consideration.

Mr. MANN. It might have five at once.

Mr. STAFFORD. Oh, you can not have more than four. You can not have more than two original propositions at one time.

Mr. MANN. Oh, you can have an original proposition, an amendment to it, and amendment to the amendment, a substitute, and an amendment to the substitute. That makes five.

Mr. STAFFORD. I take issue with the gentleman there.

Mr. MANN. Perhaps my mathematics are wrong.

Mr. STAFFORD. You can have an original proposition, an amendment to that proposition, and you can have a substitute and an an amendment to the substitute, and that is all; but this proposes that you shall have three main substantive propositions before the committee, the original proposition, the substitute offered by the committee, and the substitute to the substitute offered by the gentleman from Indiana.

Mr. TOWNER. Mr. Chairman, there is no particular difficulty regarding this matter. An amendment perfecting the original text may be offered at this time, and amendments to perfect the committee amendment may be offered at this time. Amendments even to perfect the substitute may be offered at this time.

But the order in which this may be voted on has been determined by the rule read by the gentleman from Illinois [Mr. MANN]. The perfecting amendments to both the original text and to the amendment to the original text must be voted on before the substitute can be voted on. But at this time, Mr. Chairman, the Chair has not passed upon the question.

Mr. LONGWORTH. However, would not the committee amendment take precedence over the motion to amend the original text?

Mr. TOWNER. It certainly would. Has the Chair passed upon the point of order?

The CHAIRMAN. The text is the original proposition. The committee offers a substitute in the nature of an amendment, or an amendment in the nature of a substitute. And the late practice of the House has used the committee substitute or amendment by interchangeable terms. There may be a substitute for the committee amendment; there may be an amendment to the substitute; there may be an amendment to the committee amendment as the matter now stands. So the Chair thinks that we may proceed in order to the consideration of the substitute offered by the gentleman from Indiana [Mr. BLAND] for the committee amendment. And the Chair overrules the point of order.

Mr. TOWNER. Mr. Chairman, I offer a preferential perfecting amendment to the amendment offered to the committee amendment.

The CHAIRMAN. The gentleman from Iowa offers a preferential amendment, which the Clerk will report.

Mr. TOWNER. I move to strike out the word "other" in the second line, page 5, and substitute in place of that the word "all." I do not think it needs any explanation.

The CHAIRMAN. The Clerk will report the amendment.

Mr. BLAND of Indiana. Has the Chair ruled that that is a preferential motion?

The CHAIRMAN. As perfecting the amendment.

The Clerk read as follows:

Mr. TOWNER moves to amend the committee amendment by striking out on page 5, line 2, the word "other" and inserting in lieu thereof the word "all."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. BLAND of Indiana. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BLAND of Indiana. I understand that you vote on the committee substitute amendment before you vote upon the substitute for the committee amendment. If you are going to substitute for the amendment you should vote on it first. Which text are you going to perfect first?

The CHAIRMAN. The text of the committee amendment. The question is on agreeing to the amendment offered by the gentleman from Iowa [Mr. TOWNER].

The question was taken and the amendment was agreed to.

Mr. LONDON. Mr. Chairman, I offer a preferential amendment.

Mr. MOORE of Virginia. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MOORE of Virginia. In the event of the Bland substitute being rejected, will there be then the right to offer an amendment to the committee amendment?

The CHAIRMAN. Certainly; germane amendments.

Mr. MOORE of Virginia. Subsequent to the action?

The CHAIRMAN. Subsequent to the action of either rejecting or accepting the amendment.

Mr. KINCHELOE. The gentleman from Virginia [Mr. MOORE] undertook to get recognition for the purpose of offering an amendment to the committee substitute. Would not that take precedence over any committee amendment by way of substitute that the gentleman from Indiana indicated?

The CHAIRMAN. It is a question of orderly procedure. The gentleman from Indiana [Mr. BLAND] has been recognized to offer his substitute.

Mr. KINCHELOE. I mean by order of voting.

The CHAIRMAN. The vote may be had upon that amendment and without prejudice to the amendment to be offered later by the gentleman.

Mr. LONDON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LONDON. In order to offer an amendment to the committee amendment, is it in order to offer it now?

The CHAIRMAN. It would be in order if the gentleman had the floor. The gentleman from Indiana [Mr. BLAND] has the floor.

Mr. WINSLOW. What is the right as to time or debate on this question?

The CHAIRMAN. Five minutes on each side.

Mr. BLAND of Indiana. Mr. Chairman, I do not care to go into details, because of my discussion on the same question at length in general debate, but I made the statement that you would not be convinced when this argument was over that any more power was conferred on this commission under the committee bill than was already given to the Federal Trade Commission, and I assume you gentlemen who have sat here and heard this argument and have listened carefully enough to know that not a single argument has been adduced to show that more power has been conferred than the Federal Trade Commission now has. Of all the array of lawyers before me here—who never considered this bill very seriously—none of them has convinced you that more power is conferred in this bill than we already have.

The minority leader could well talk of leaving this to the Federal Trade Commission under existing law. There is no miner or operator on the Federal Trade Commission. They are an impartial tribunal, and they have got to admit that the Federal Trade Commission, under the organic act, has the same powers that this bill seeks to confer on the commission. Do you want to be hung up again for two or three years in getting these facts? The Federal Trade Commission has been stopped for two years by a decision which the gentleman from Minnesota says he would not "lie down on."

Mr. MAPES. Will the gentleman yield?

Mr. BLAND of Indiana. I can not yield when I have only five minutes. I am sorry. If you will put in there that you are going out over the country to ascertain coal facts for the purpose of taxation and the other matters we have put in the Labor Committee bill, you will have the right under the decisions to get the facts. More than that, if they refuse to give you the facts you will have a law that has some teeth in it that will make them squirm until they give you the facts.

I represent both operators and miners in my district. I know that some of the operators in my district will refuse to give the facts to the Federal Trade Commission or to any other commission if they think they can evade the law, because they have done it, and I know we will be confronted with the same procedure we are confronted with now. And while I am not impugning the motives of the men that have brought this bill up, and their loyalty to the President, I wish to say that their lack of time for bringing out a bill is responsible for the inadequacy of it, and that it will not do the work it purports to do. I am a mighty good Republican; I am an original Harding man. I like him, but I am not willing as a legislator to shirk my own responsibility and take some bill that they say the President is for when he knows nothing about its contents except as to the personnel of the board.

I say it is an absurd thing to do to try to have a commission of people that know nothing about this industry which we all know so little about, and concerning which it is so hard to get information function in so important a matter. You put a good coal miner on there, a man who is shrewd and keen, and if he

finds they are not bringing out the facts he will know where to go and find them. The same is true if you put an operator on as pertaining to the wages and working conditions of the coal miner.

But, my friends, what about a man who does not know a thing about a coal mine or anything about the coal industry? He does not know where to get the facts. The operator will bring the facts out as regards operating costs, and he will show them to be as high as he can. We want the facts. You can not get them unless you pass a bill that is carefully drawn.

None of these gentlemen here have given any argument to show that this bill gives more power than is given to the Federal Trade Commission. It is a correct assumption that this legislation is subject to the same objections in consequence of which the Federal Trade Commission has been stalled for two years now.

Mr. MAPES. Mr. Chairman, will the gentleman yield?

Mr. BLAND of Indiana. I regret I can not yield.

The CHAIRMAN. The gentleman declines to yield.

Mr. BLAND of Indiana. Are you going in your haste to adopt this makeshift, or are you going to adopt a substitute which in your heart of hearts you know will not get real results? [Applause.]

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. WINSLOW. Mr. Chairman, I wish I had the time to answer seriatim the great number of incorrect—inaccurate, I may say—statements which have been made easily by the gentleman from Indiana [Mr. BLAND]. He has known more of what has happened in our committee than any of our members and has stated these inaccuracies to the House. I have not the time to discuss them.

I do think it is pertinent, however, to answer one statement that he has just made, in that it involves so great and good a man as the President of the United States. If I mistake not, the gentleman from Indiana said to us that he did not believe the President knew anything that was in this bill except the provision as to the personnel. I have undertaken to-day previously to say something in the hope that I would impress it upon the members of the committee, and I wish to say it again in answer to the statement of the gentleman from Indiana. I sat at the President's desk while he read every word that was in the original bill. There have been two or three unimportant changes made in it to round it up and, as we say, perfect it. You must know that if this bill goes through it goes through essentially approved by the President of the United States after having had something to do with its preparation and finally reading it within an hour and a half before the time it went into the hands of the committee. There has been nothing of real importance changed in it since. I do not mean to assume or to arrogate to myself the right to represent the President, but I do not like to have his part in a performance of this kind flippantly referred to or waved aside as though it were a small matter to be conjured with.

If any member of the committee is of a mind that this bill does not, in the form in which it is presented here, carry with it an authority to go through with everything that has to do with this coal business from bottom to top, I think you will now realize that by virtue of the adoption of the amendment proposed by the gentleman from Iowa [Mr. TOWNER] the language is so perfected that the commission can tackle almost anything that the human mind can devise in connection with the coal business. That provision will read:

> That for the purpose of securing information in connection with questions relative to interstate commerce in coal and all questions and problems arising out of and connected with the coal industry.

That ought to be satisfactory to everybody, no matter what his opinion of the bill may be in other respects.

The committee has put before you gentlemen a bill which it believes—and others outside of the committee who have a right to be consulted believe, and lawyers who hitherto have been regarded as worthy of confidence and approval believe—will furnish sufficient power to the commission to carry out what we intend to have them carry out. For that reason and in view of the fact that the amendment as proposed by the substitution of the so-called Bland amendment will merely disturb the conditions of the bill that we have put in in compliance with the appeal of the President, and in view of the fact that it will introduce other problems that we are probably not here of a mind to take up to-day, I trust that you will stand by the amendment of the committee and oppose the proposed substitution. [Applause.]

Mr. SANDERS of Indiana. Mr. Chairman, I ask unanimous consent to proceed for five minutes on the Bland amendment.

The CHAIRMAN. The gentleman from Indiana asks unanimous consent to proceed for five minutes on the Bland amendment. Is there objection?

There was no objection.

Mr. SANDERS of Indiana. Mr. Chairman, the thing about which the people of the country are anxious is that we create such a fact-finding commission as will give us the information which the Constitution of the United States empowers the Congress to obtain. My colleague, Mr. BLAND, invented this idea of a fact-finding commission many months ago. He has devoted months of work to it. His committee held hearings, and I hold in my hand these voluminous printed hearings on the Bland bill. The committee with which he is connected reported a bill, and it has been in such status that it could be brought before the House at any time.

Personally, although I would like to make two or three changes, if the bill could be amended, here before the committee, I prefer the Bland bill. I think it has had more consideration than this bill has had, although this bill has had as careful consideration as could be given by our committee in the time which we had to give it. I doubt if we have constitutional powers to go quite as far as the Winslow bill provides. My colleague, Mr. BLAND, cited an authority from a Federal court holding that some of the lengths to which we go in this bill are not in accord with the Constitution.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. SANDERS of Indiana. I have just five minutes, if the gentleman will pardon me.

The CHAIRMAN. The gentleman declines to yield.

Mr. SANDERS of Indiana. But it is important for this Congress to pass a measure providing for a fact-finding commission, and we go just as far as our constitutional powers will permit us. I think it is better to adopt a bill which will afford a member from the coal-mining industry, representing coal operators and also representing the miners, because this is not a commission that adjudicates rights or that passes upon anything. This is a commission to find facts; and with a membership of nine, if you have some members on that commission who know something about the industry, it will find a better avenue to obtain facts. We need some one on the commission that knows something about the industry. We have a provision in this measure which I will undertake to move to strike out if the Bland bill is not adopted. This provision that I hope to strike out is to the effect that no man who is connected with the coal industry can be a member of the commission. We want some one on that commission who knows something about the industry, first, from the standpoint of the mine workers, and, second, from the standpoint of the mine operators.

The people of this country want to stop coal profiteering. As far as I am concerned, I wish that the United States Government had the power and the authority that each State government has, so that we could deal with the question of coal profiteering in the only effective way to deal with it. I have studied this question very carefully, and I am very much afraid that there is no power in the National Congress to undertake in time of peace to fix the price of coal, and I very much fear that if we undertake to deal with that question we shall be simply going in a direction that will not reach any definite results, but that will mislead the States, so that the States which have that authority under their sovereignty will fail to exercise it. Of course, as a matter of fact, the law of supply and demand is going to cut these profiteering prices down, but for a few weeks we are going to have the rankest profiteering that the country has ever experienced unless by the creation of this fact-finding commission, clothing it with constitutional authority, to go out to the coal operators and the dealers in coal and get the facts, that action shall help to prevent it.

I think when those in the private industry who fix the price of coal know that they will soon have to appear and tell under oath the profits made they will hesitate before fixing unconscionable prices.

It is important to safeguard the law so that it shall be constitutional. In nine cases out of ten the operators are not responsible for the high prices that you pay for coal out in Minnesota. It is the middleman, the dealer, and the speculator, and the "sales company" that is organized sometimes by some of the choice stockholders of the producing company to sell the coal.

It is the seller of the coal rather than the producer who is responsible for much of the profiteering. So, Mr. Chairman, whether we adopt the Bland bill or the Winslow bill it is important to-day to pass this measure and clothe this commission with constitutional authority to get the facts and submit them

as promptly as possible to the Congress, so that the country and the public may be protected as far as our constitutional power will permit.

The fact that a considerable majority of the coal producers have voluntarily agreed to the fair prices makes the action of the minority who sell at exorbitant prices more abominable.

The public demands that coal profiteering shall stop. It must stop. If the State governments turn out to be powerless to prevent unconscionable prices wrung from a shivering public there will be a demand that the strong arm of the Federal Government reach out and regulate the charges as charges for transportation are now regulated. We are not going beyond our constitutional powers, but if the evil shall require heroic methods we shall amend the Constitution.

I much prefer that private industry shall furnish to the country its fuel and its transportation, but let no one be deceived; if failure is at hand society, the public, the Government will care for its own.

Mr. COOPER of Wisconsin. Mr. Chairman, I move to strike out the last word. I do not think that the pending measure at all meets the real, pressing question before the country. This morning I saw Mr. Spencer, the Federal fuel distributer. He said that one-half of all the coal mined in eastern Kentucky and the western half of West Virginia has been ordered to Lake Erie ports to be sent to Lakes Michigan and Superior ports for distribution. Last week they sent 250,000 tons. This week they expect to send 400,000 tons; but he told me that 12,000,000 tons will be needed up there before the 1st of December. Telegrams are pouring in, as the gentleman from Minnesota [Mr. NEWTON] said a few minutes ago, telling of firms stopping business—23 I think he said—in my State of Wisconsin because of lack of coal. This bill does not touch this real, pressing problem. But President Harding touched it in his message when he asked Congress to do something to help get coal to the people now and at a price lower than that which the coal profiteers are sure to demand. Here is what the President said:

> The possibility of outrageous price demands in spite of the most zealous voluntary efforts of the Government to restrain them make it necessary to ask you to consider at once some form of temporary control of distribution and prices.

I listened carefully to the President, and when he came to the statement I have just read I thought it the most immediately important thing in all the message. It brought back vividly an incident that is strongly impressed on my memory. I was out of Congress from March 4, 1919, until March 4, 1921. In January, 1921, I attended a small dinner party at one of the leading hotels in Chicago. After the dinner I conversed with one of the guests, a wealthy manufacturer, who made his money honestly, as all of his friends and acquaintances without exception believe. I never heard it intimated that in his accumulation of riches there was a dishonest penny. I said to him: "Last week I received from the finance committee of the common council of the city of Beloit—a city of 22,000 people in my district—a letter accompanied by a letter from the city attorney of Beloit, both communications imploring me to see that something be done to lower the price of anthracite coal there, it being $22.50 a ton."

Beloit is about 100 miles from Chicago, at a junction of the Chicago, Milwaukee & St. Paul and the Chicago & North Western Railway, two of the great trunk systems of the United States. Now, somebody has put on more than $17 a ton between the mine and the consumer in Beloit. When I told this wealthy man that story he said "COOPER, I was at a dinner a few weeks ago in this very hotel at which one of the greatest members of the coal trust was a guest. One of the group, as we were conversing after dinner, said to this leading member of the Coal Trust"—my friend gave me his name, which I do not care to mention, though I know it well—"we think it an outrage that you are charging such high prices for coal. Fortunately this is a mild winter; but if it were as severe as the awful winter of 1917–18, when war was raging in Europe and this country was in such distress, there might be dangerous consequences." In describing this incident to me my friend said that the coal-trust man "chuckled"—that is the word he used, "chuckled"—and replied: "Well, we have got the coal and if they want it I guess they will pay our prices." My friend remarked to me, "COOPER, I know as well as I can know anything about another's business, and I know his pretty well, this man has for several months been making an average of a million dollars a month. He has been making lavish expenditures. He is making a million dollars a month."

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. COOPER of Wisconsin. Mr. Chairman, I ask for five minutes more.

Mr. ASWELL. Mr. Chairman, I object.

Mr. GRAHAM of Illinois. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. ASWELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ASWELL. Has not the time for debate closed on this amendment?

The CHAIRMAN. The pro forma amendment offered by the gentleman from Wisconsin [Mr. COOPER] has been debated on the affirmative side only. The gentleman from Illinois [Mr. GRAHAM] rises in opposition to the pro forma amendment.

Mr. ASWELL. This will end it?

The CHAIRMAN. This will end the debate on the pro forma amendment.

Mr. GRAHAM of Illinois. Mr. Chairman and gentlemen of the committee, knowing the desire of the House to reach a conclusion of this matter, I would not have arisen at this time if it had not been for the remarks of the gentleman from Indiana [Mr. SANDERS]. His remarks always carry conviction in the House because of his studious and able character as a debater. The gentleman from Indiana [Mr. SANDERS] says that, in his judgment, there may be some doubt about the constitutionality of the Winslow measure, that it perhaps goes too far, and in the same breath he says that he prefers the Bland measure. Now, one is as broad as another so far as the inquisitorial measures are concerned. The Bland measure provides that this coal investigating agency may bring in or obtain from any person data, information, or report it deems desirable for the purpose, and gives in section 5 the right to issue subpœnas, bring them in, compel them to answer, and makes it unlawful if they do not answer, and provides that they can not engage in interstate commerce while they are in contempt of court, which, in my judgment, is an unworkable condition. The Winslow bill makes provision that the person can not be prosecuted for any crime growing out of the facts to which they testified and makes it a crime punishable by indictment and imprisonment if they do not testify. This is the direct way to get at it. So if there is any doubt in the mind of the gentleman from Indiana as to the constitutionality of the measure, it extends to the Bland measure as well.

Now, in my judgment the opinion of the Federal judge of the District of Columbia is not good law. If you read the Maynard case, it is a decision of the District court, and on its face you will find that if you carry it to its logical conclusion Congress could not investigate about the production of any article in the United States. We could not go into the investigation of anything. Carried to its logical conclusion, it would deprive the United States from getting almost any information it desired to get. I do not believe the Supreme Court of the United States will ever hold in a matter so essential to interstate commerce as coal that the Congress of the United States can not, exercising any of its powers, find out the facts about it.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. GRAHAM of Illinois. Yes.

Mr. GREEN of Iowa. I agree with the gentleman that the Maynard case is not decisive of the constitutionality of this bill. The Maynard case does not hold that Congress can not authorize the investigation of any subject, but, on the contrary, holds that it may investigate or have investigated any subject it wishes, although this case places limitations on the way the information may be obtained. Unless the matter is one over which the Constitution gives Congress authority, it can not compel the production of private books and papers. Now, coming back to the objection the gentleman made to the Bland bill, suppose Congress had no authority to compel the witness in the first instance to come before the commission, would it have the right to penalize the man by depriving him of the privilege of interstate commerce, as proposed by the gentleman from Indiana [Mr. BLAND]?

Mr. GRAHAM of Illinois. No; and it seems to me it is unworkable. It seems to me that while the gentleman from Indiana says that his bill is carefully prepared it has not been carefully prepared. This bill has been prepared by men who have sweat blood about this question for weeks, and I think it is better to follow the President of the United States. [Applause.]

The CHAIRMAN. All debate on the pending amendment as a substitute is exhausted.

Mr. MONDELL. I move to strike out the last word.

The CHAIRMAN. And the further motion to strike out the last word is not in order. The question is on agreeing to

the pro forma amendment offered by the gentleman from Wisconsin.

The question was taken, and the amendment was lost.

Mr. MONDELL. Mr. Chairman, I move to strike out the last word. Mr. Chairman, I hope the motion to adopt the substitute will not carry. I have no doubt but what that bill is a very excellent measure in its way and for the purpose for which it was intended, but it does not meet the requirements of the President's request to Congress for a commission of disinterested persons to secure facts and lay them before the people of the country. I do not think that for the purposes suggested by the President we ought to name as four of the members of this commission the Director of the Geological Survey, the Director of the Bureau of Mines, the Director of the Bureau of the Census, and the Commissioner of Labor Statistics as proposed in this bill. They are all of them fine gentlemen, but I do not know of any reason why they should be especially named as members of the commission.

The Winslow bill was drawn for the purpose of carrying out the recommendations of the President. As drawn it does carry out the recommendations of the President and would give us a commission that would have no other object or purpose than to present to the American people the facts in regard to the coal industry.

Now just one word in regard to the matter referred to by the gentleman from Wisconsin and others. The gentleman from Wisconsin says that this bill of itself will not cure all of the evils of the present situation. That is undoubtedly true, and my own thought is that, as much as we may regret it, we are confronted with the necessity of considering other legislation to be hereafter presented drawn with the view of making an earnest effort to prevent the profiteering that seems to be almost inevitable unless the Congress shall use all the power of the Federal Government to prevent it. [Applause.] We do not have authority under the Constitution for direct price fixing.

Our authority is more limited than the authority of the people of the States in the control over private business. And yet I believe ways and means can be found within the authority of the Congress, within the four corners of the Constitution, to enact legislation the effect of which will be to very greatly discourage and largely prevent efforts at coal profiteering. I believe we can enact legislation that will protect the American people in the next few months from the efforts that will be made—that are certain to be made—by certain classes of operators and certain classes of dealers to raise the price of fuel to the American people. [Applause.] Within a short period of time we will reach the days of frost and cold, and if all the mines were to be opened to-morrow there would not be coal enough to meet the immediate demand. In that situation there will be every temptation to unreasonably raise prices, and, in my opinion, it is our duty to do the very best we can to prevent that being done. [Applause.]

Mr. DENISON. Mr. Chairman, I want to offer an amendment to perfect the substitute offered by the committee. I want to do it at the proper time.

The CHAIRMAN. It is in order to offer it at this time.

Mr. DENISON. Mr. Chairman, I offer the following amendment to the committee amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. DENISON to the committee amendment: Page 5, line 6, strike out the word "nine" and insert in lieu thereof the word "five."

Mr. DENISON. Mr. Chairman, the bill of the committee eliminated the idea of having anyone upon the commission who has been identified in any way with either the operators or the miners, so that it provides for the appointment of nine wholly disinterested people for this commission. My own thought has been that that is an unnecessary number, and that the business of the commission will be expedited and transacted better if we have a less number on the commission. Also, it will be a matter of economy. I think if we want to get quick action, as we evidently do, and get a report before the 1st of January of next year, a commission of five, if they are going to be all disinterested, would be enough to conduct this investigation. The argument in favor of the number nine was that the commission may be divided up into subcommittees, and one of them go to one part of the country, say, three members, three to another part of the country, and three to another part of the country, and in that way carry on separate investigations. The result of that is going to be that you are going to have facts found and recommendations made by three men instead of by the commission. That is the practical effect of it, and I think it would be better to let the commission as a whole make the investigation and have the judgment and recommendations of five men on all these propositions, rather than have the investigation spread out over the country in that way and then get only the judgment of three men.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. DENISON. Yes.

Mr. KNUTSON. By having a membership as provided in the committee bill, would it not be possible to hold hearings on the anthracite and the bituminous situations at the same time?

Mr. DENISON. I think it would; yes. The idea of appointing a commission of five was embodied in the draft of a bill which I prepared. I apologize for referring to it, and would not do so but for the fact that the chairman of the committee referred to it a moment ago when he was speaking. After the President's message I conferred with a number of Members of the House, particularly with the majority leader, as the chairman of the committee [Mr. WINSLOW] was not in town. Neither was the next ranking man on the committee [Mr. PARKER]. I could not find the next ranking member. As I was the next ranking man on the committee in town, I thought some one ought to prepare a bill to be submitted to our committee, in view of the fact that it was the judgment of most of those whom I consulted that this legislation proposed by the President should come from the Committee on Interstate and Foreign Commerce. Therefore, I drafted a bill providing for a commission of five members, but withheld the filing of it until the chairman of our committee should come to the city. I even refused to give the contents of it to the press. After the chairman came to town I refused to file it until I first consulted him. I did so and found that he was preparing a bill himself, and, deferring to his wishes, as I always try to do, I said that I would not file mine but would present my views to the committee, and I did so by trying to amend the committee bill, as I have stated. That is the substance of the matter to which the chairman of the committee referred a moment ago. I had no thought of trying to rush the bill through if members of the committee desired hearings. The draft of the bill I prepared provided for a commission of five members, and I think that is a more desirable number than nine.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. WINSLOW. Mr. Chairman, the only matter that I care to answer or speak about is the question of the number of persons on the commission. The bill which was originally drafted to meet this situation contained the number five, as the gentleman from Illinois [Mr. DENISON] has indicated. It seemed to those who brought together the first two or three bills that five was a very reasonable and a proper number. When we began to study the matter, however, and undertook to go through a little to see where it might land it became apparent that while five might be a very satisfactory number, yet, on the other hand, it might be an unwise number, a number which would be a handicap to the operation of legislation. Then came up the question about increasing the number, and an odd number was thought of, naturally. The number jumped up to seven, and as that number was considered it seemed that nine would be a better number, and for this reason: The centers of coal production are numerous and wide apart. We are asking the commission to make a report to us on the 1st of January. They naturally will have to work fast. We thought in the end, as did all those who were consulted, that if it turned out in the selection of commissioners and the development of work and the general procedure under the legislation that they would like to be investigating in different parts of the country, it would be wise to have a number sufficient that the commission could be divided up, one-third, say, in the southern section, one-third in Illinois, and so on. They could then get their facts together and work out, maybe, something practical in the way of suggestion much better and quicker than they could if they had too small a number. So those who had to do with preparing the bill—and I, the one who introduced it—came to the conclusion that the safe thing to do was to provide an elastic arrangement so as to allow a number up to nine and let the President do as he wished. I think the question of numbers is a matter of small concern, so long as we have at least five.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired. The question is on agreeing to the amendment offered by the gentleman from Illinois to the committee amendment.

The amendment to the amendment was rejected.

Mr. SANDERS of Indiana. Mr. Chairman, I desire to offer an amendment, which I send to the desk.

Mr. WINSLOW. Mr. Chairman, I ask unanimous consent that all debate upon the Bland amendment do now close.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent that all debate upon the Bland amendment and all amendments thereto be now closed. Is there objection?

Mr. BLAND of Indiana. That includes the committee amendment as well?

The CHAIRMAN. No. Is there objection?

Mr. TUCKER. Mr. Chairman, I object.

Mr. WINSLOW. Then, Mr. Chairman, I move that all debate upon the Bland substitute and all amendments thereto be now closed.

The motion was agreed to.

The CHAIRMAN. The question now recurs on the substitute offered by the gentleman from Indiana [Mr. BLAND] for the committee amendment.

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. BLAND of Indiana. Mr. Chairman, I demand tellers.

The CHAIRMAN. Does the gentleman from Indiana demand a division?

Mr. BLAND of Indiana. I call for a division first.

The committee divided; and there were—ayes 75, noes 126.

Mr. BLAND of Indiana. I demand tellers, Mr. Chairman.

Tellers were refused.

So the substitute was rejected.

Mr. BANKHEAD. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Alabama rise?

Mr. BANKHEAD. I desire to offer an amendment.

The CHAIRMAN. The gentleman from Alabama offers an amendment which the Clerk will report.

Mr. BANKHEAD. Mr. Chairman, on page 5, line 22, I move to strike out "$10,000 a year," and insert in lieu thereof "$7,500 a year."

The CHAIRMAN. The gentleman from Alabama offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BANKHEAD to the committee amendment: Page 5, line 22, strike out the figures "10,000" and insert in lieu thereof the figures "7,500."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. BANKHEAD. Mr. Chairman, I desire to say a few words in reference to this amendment. I shall not consume the five minutes allotted under the rule. It will be observed by the terms of this bill the members of this commission are not required to devote their full time and attention to the duties of this investigation. It is no doubt probable that the President of the United States in the event this bill should pass will appoint on this commission nine men of some character of substantial business, and this annuity of $10,000 as proposed in this bill would be merely an additional compensation to their regular income. All the expenses of the members of the commission are paid under the terms of the bill, and it seems to me that a salary of $7,500 a year under the circumstances would be entirely ample. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. BANKHEAD].

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. BANKHEAD. Mr. Chairman, I ask for a division.

The committee divided; and there were—yeas 116, noes 72.

So the amendment was agreed to.

Mr. MOORE of Virginia. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Virginia offers an amendment, which the Clerk will report.

Mr. MOORE of Virginia. To strike out the sum of $500,000 in line 20, page 9, and insert the sum of $300,000.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. MOORE of Virginia to the committee amendment: On page 9, line 20, strike out the figures "$500,000" and insert in lieu thereof "$300,000."

Mr. MOORE of Virginia. Mr. Chairman, it seems to me that to provide an additional appropriation of $500,000 would simply invite wasteful expenditure. This is said in view of the experience we have all had with governmental operations. It can certainly do no harm to specify a less amount, because if $300,000 should prove insufficient, Congress, being almost constantly in session, that amount could be increased at nearly any time. If the distinguished chairman of the Committee on Appropriations [Mr. MADDEN] is here, he will surely indorse my statement that it is incumbent upon us to economize at every step. Here is a chance to work a possible economy. I expect to vote for the bill, but not because I have any great confidence in the result that will be accomplished by the investigation. I believe we are in possession of most, if not all, of the ascertainable facts, and that what we ought to be doing now is not to become excited about opening the door for a further inquiry but rather to take the facts that we have and legislate upon the basis of those facts to relieve to any extent that is possible the great and dangerous emergency that exists in this country. [Applause.] I shall vote for the bill in deference to those who are convinced that there are unrevealed facts which should be ascertained.

I find, however, in looking back that the coal industry has been investigated almost continuously. In 1898 the Industrial Commission, with Senator Penrose as chairman, was created, which investigated the coal and other industries. In 1912 the Committee on Industrial Relations, with Mr. WALSH as chairman, was created, that made another investigation which included the coal industry. Those commissions took an immense mass of evidence and submitted voluminous reports of a very exhaustive character. The Interstate Commerce Commission in 1917 and 1918 conducted a most elaborate investigation dealing with the whole coal situation and all conditions pertaining to it in the territory between the Mississippi River and the Atlantic Ocean, wherever coal is mined. The Labor Board has investigated. The Department of Labor has investigated. The Trade Commission has investigated. And there have been the Colorado, the West Virginia, and perhaps other more limited investigations. The difficulty is that the accumulated facts which are within the reach of all of us are not considered by any of us, or certainly not by many of us. And now we are engaged in doing something less important than the work of dealing with the great emergency which confronts us. That is a matter of incalculable importance and urgency.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. WINSLOW. Mr. Chairman, I wish to say in behalf of the committee, that after consultation I find as to the amount of $300,000 we have no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. MOORE].

The question was taken, and the amendment was agreed to.

Mr. WINSLOW. Mr. Chairman, I would like to call attention on page 9, line 17, to the spelling of the word "aproved."

The CHAIRMAN. Without objection, the spelling will be corrected to "approved."

There was no objection.

Mr. SANDERS of Indiana. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Indiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SANDERS of Indiana: On page 5, line 11, after the first word, "Commission," insert: "One of such members shall be an experienced coal miner and one such member shall be an experienced coal operator."

Mr. SANDERS of Indiana. Mr. Chairman, I do not care to say anything on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. SANDERS].

The question was taken, and the amendment was rejected.

Mr. BLAND of Indiana. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Indiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLAND of Indiana: Page 5, line 1, after the word "information," insert "for the Congress as a basis for legislation on matters pertaining to taxation and."

The CHAIRMAN. Does the gentleman from Indiana desire to be recognized?

Mr. BLAND of Indiana. Just for one minute. As to this amendment, in which I am seeking to try to express the purpose of the legislation, the title of the bill indicates that the commission is "for the purpose of securing information in connection with and relative to the question of interstate commerce in coal, and for other purposes." I think it entirely proper to state another purpose for which you are getting information. I believe it is important also to include that purpose, since you say it is for interstate commerce. I think it is important to include the additional purpose that you want this information for by saying it is to include tax legislation.

Mr. WINSLOW. Mr. Chairman and gentlemen, if the purpose of the amendment were merely to emphasize the desire to have information as an aid to legislation and for the study of the taxation question, I am sure the committee would not offer much if any objection. Under the proposed phrasing, however, we might limit the potentialities of the commission to the points where the items set forth in the amendment could only be considered. So at the moment the committee objects to the amendment.

Mr. BLAND of Indiana. You also say, "For other purposes."

Mr. WINSLOW. I know; but this might be a very delicately put-up job, or it might be merely an accident. I think it is an accident, but at the same time I do not want to take any chances.

Mr. HOCH. Mr. Chairman, may we have the amendment again reported?

The CHAIRMAN. Without objection, the pending amendment will again be reported.

The Clerk read as follows:

Amendment offered by Mr. BLAND of Indiana: Page 5, line 1, after the word "information," insert "for the Congress as a basis for legislation and matters pertaining to taxation and," so that the paragraph will read: "That for the purpose of securing information for the Congress as a basis for legislation and matters pertaining to taxation and in connection with questions relative to questions of interstate commerce in coal and all questions and problems arising out of and connected with the coal industry," etc.

The CHAIRMAN. The debate on the amendment is exhausted. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent to submit a question to the chairman of the committee for information.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to submit a question to the chairman of the committee for information. Is there objection?

There was no objection.

Mr. SUMNERS of Texas. On page 6, beginning with line 18, it seems that that language creates nine different commissioners. Each member of this commission, under that language, would have the power to set up an investigation of his own, uncontrolled by the commission. I was just wondering whether or not the committee has carefully examined that language.

Mr. WINSLOW. I would say to the gentleman from Texas that the committee spent a considerable time over that feature, and finally concluded, in view of the precedents set in the case of the Interstate Commerce Commission and Federal Trade Commission and other commissions, with respect to the latitude covered by them, that we would make the same arrangement here.

Mr. SUMNERS of Texas. Does not the chairman think there ought to be added, after the word "commission," the words "authorized so to do by the commission"? That is in line 18. The members of this commission would not be under the control of the commission as a whole. Any one member of this commission could go off down to Tennessee or to Kentucky or wherever else he wanted to go and set up entirely inquisitorial proceedings of his own and the commission could not control him.

Mr. WINSLOW. The language follows the provisions of the other commissions, and we saw no impractical feature connected with it.

Mr. SUMNERS of Texas. I do not want to offer an amendment. I just wanted to make inquiry about it.

Mr. BLAND of Indiana. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Indiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLAND of Indiana: Page 5, line 8, after the word "Senate," strike out all of lines 8, 9, and 10 down to and including the word "commission" in line 11.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. WINSLOW. Which word "commission" is meant? I suppose, of course, it is the first.

Mr. BLAND of Indiana. Yes.

I would like to explain the amendment. I do not want five minutes. The purpose of it is to eliminate that part of the bill which says you can not have on the commission a Member of Congress—a Member of the House or a Member of the Senate—or a miner, or an operator. It is as plain as day here that you do not want the President to be hampered. For God's sake do not let him be hampered.

Mr. NEWTON of Minnesota. We do not want him to be hampered by coal men and miners asking to be put on the commission.

Mr. BLAND of Indiana. He has got courage, and he will face the issue. Do not be afraid of that.

Mr. STAFFORD. There might be some danger in having some Senator wanting to be on the commission.

Mr. GOODYKOONTZ. Mr. Speaker, the bill under consideration, reported by the Committee on Interstate and Foreign Commerce, is intended to carry into effect the recommendation of the President, made in his recent message to Congress, for the creation of a board of nine members, to be known as the United States coal commission with authority to secure information in relation to the coal industry. The second section of the bill, defining the duties of the commission, reads thus:

That it shall be the duty of said commission to investigate and to ascertain facts in the coal industry as to ownership of coal mines, prices of coal, wages, wage contracts, conditions of employment, distribution, waste of coal, profits realized by owners or operators of coal mines or by other persons or corporations having to do with the production, distribution, or sale of coal, and any other material facts in connection with the coal industry generally and the organization and persons connected with it. Said commission shall report to the President and to Congress its findings of fact and such recommendations as to methods and measures as in its judgment will promote continuity of production and efficiency in mining and distribution and maintain the uninterrupted movement of coal in interstate commerce and safeguard the interests of the workers, operators, and the consuming and general public. Said commission shall submit its first report not later than the 1st day of January, 1923.

The action of the President and of Congress has been prompted by pressure brought to bear by consumers of coal located in every part of the country vitally affected by a coal shortage which not only hampers industry but ominously threatens the comfort, the health, and tolerable existence of the people during the coming winter. It is alleged that even if there were an immediate general resumption of mining operations, that sufficient coal could not be mined and transported to our Northwestern States before navigation closes on the Great Lakes to meet the requirements of that region.

As you very well know, coal mining is West Virginia's greatest industry. The State has suffered immensely by reason of the interruption in mining and delay in the transportation of coal from its mines. Frankly speaking, I have not much faith and but little hope that any good will ever come from the legislation proposed. My colleagues in the House from West Virginia share the same view.

First of all, we believe that there are already too many Government bureaus, boards, and commissions, and that some of these already existing should be abolished and the taxpayers saved the expense of their maintenance; and, secondly, we believe that all the facts in relation to the mining, transportation, and distribution of coal are already fully known.

For years investigation of the coal industry has been going on. All during the war there was a Government Fuel Administration whose investigation covered every phase of the business; the Geological Survey, with every facility that money can provide; and the Federal Trade Bureau, operating at great governmental expense, and with a vast array of expert investigators, have assembled facts as to every branch of the business; and, furthermore, each House of Congress has literally taken thousands of pages of evidence on the problem.

The fundamental facts are known and, indeed, not disputed. Briefly, they are these:

(a) There are 200,000 more miners than are needed.

(b) There are one-fifth more acres of land under development than is necessary.

(c) There has existed since April 1 a strike of the union coal miners.

(d) More recently there has been a strike of certain railway workingmen which has interfered with transportation.

These are the factors involved in the entire question.

The commission will spend thousands of dollars and then solemnly report these elementary facts. For the reasons stated we West Virginia Members of the House are not very enthusiastic concerning the pending measure.

The conclusion to which we have arrived, however, is that since it is West Virginia's chief industry that is to be investigated, and since we have nothing to conceal and everything to gain by a full, fair, and open investigation and exposition of the facts, by a disinterested tribunal, and on account of the vast national interest in the subject, and finally, since the President, speaking for the Nation, earnestly recommends that it be done, we, the Members from West Virginia, have decided to vote for the bill.

There is a matter which cropped out in debate that I should not let pass without comment.

Certain gentlemen from other States, notably from Kentucky [Mr. THOMAS], have accused the coal operators of their respective States of assenting to the price of $3.50 per ton, as fixed by Mr. Hoover, and then of going home and ignoring their agreement by shamefully charging from nine to ten dollars per ton.

It affords me pleasure to tell you that I have it upon the authority of the Department of Commerce, given to me on yesterday, that the operators of smokeless coal in the great Pocahontas, Winding Gulf, Kanawha, New River, and other fields of West Virginia have faithfully kept their agreement with the department, and that of the operators of every class of coal in my State that not to exceed 15 per cent have charged in excess of the Government rate, and that this 15 per cent was

practically made up of little mines—those of a one or two car a day capacity, and farmers and others who operate wagon mines.

The coal operators and working miners of my State I am justly proud of, for they have been truly faithful to the country in the time of a great public need.

I now desire to put in the RECORD the following telegram placed in my hands by the gentleman from Pennsylvania [Mr. EDMONDS]. The message reads:

AUGUST 21, 1922.

P. C. MADEIRA,
President, 900 North American Building, Philadelphia, Pa.:

A meeting was held at Saxton on Saturday, the 19th, between a committee consisting of Messrs. McIntire, Thropp, Gutshall, and Sommerville, appointed by a majority meeting of Broad Top operators and district board members, Taylor district organizer, Donaldson, and Messrs. Fleck and Morgan, representing the United Mine Workers of America, District No. 2. The representative of the miners stated that they would refuse to sign the Cleveland agreement unless the operators of the Broad Top region would enter into a secret agreement not to employ certain men, a list of whose names would be compiled by the secretaries of the various locals, and a complete list for the region to be furnished each operator, and stated that if any of these men were employed the miners would refuse to work with them. The operators must further agree to collect any and all assessments in addition to the check off that the union might order, either for furnishing aid to the nonunion fields or for other purposes; also, any operators owning both union and nonunion mines would be forced to sign up for their nonunion mines before they would sign for or permit their union mines to work. The committee stated that this policy would be insisted on all over district 2. Swope and a few small operators have signed up, apparently on this basis.

J. S. SOMMERVILLE.

You will have noted from the reading of the message that the United Mine Workers' officials refuse to sign the so-called Cleveland agreement with the Pennsylvania operators, except and unless the operators shall enter into a secret—mind you, secret—agreement providing—

First. The operators shall not employ certain men, a list of whose names is to be compiled and furnished the operators by the secretaries of the various locals, and a complete list of whose names for the region to be furnished each operator.

Second. In addition to the check off the operator shall withhold from the pay of the miner any assessment, either for furnishing aid to the nonunion fields or for other purposes, as the union may order.

Third. That operators owning both union and nonunion mines should be forced to sign up for their nonunion mines before they would be allowed to sign for or permitted to work their union mines.

The effect of the first demand, if carried to fruition, is to blacklist any miner who may incur the displeasure of the union officials.

The effect of the second demand, if conceded, would be the securing of funds for carrying on propaganda and maintaining strikes in nonunion territory and to procure funds for political and other purposes the nature of which is not disclosed.

The effect of the third paragraph would be, in case a company such as the Madeira-Hill Coal Mining Co., having mines in two or more States, to require that employer to sign up for all its mines in nonunion as well as union territory and wheresoever situate.

This matter I submit to Congress and to the people for their information, consideration, and judgment. To my mind, it presents a proposition of the gravest concern to the American public.

The CHAIRMAN. The time of the gentleman has expired. The question is on agreeing to the amendment of the gentleman from Indiana [Mr. BLAND].

The question being taken, the amendment was rejected.

Mr. BLAND of Indiana. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Indiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLAND of Indiana: On page 6, line 4, after the word "distribution" insert the word "production."

The CHAIRMAN. The question is on agreeing to the amendment.

The question being taken, the amendment was rejected.

Mr. BLAND of Indiana. Mr. Chairman, I have one more amendment.

The CHAIRMAN. The gentleman from Indiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLAND of Indiana: Page 7, line 5, add a new section, as follows:

"In case of failure to comply with any subpœna or in case of the contumacy of any witness before the coal investigation agency, the agency may invoke the aid of any United States district court. Such court may thereupon order the witness to comply with the requirements of such subpœna and to give evidence touching the matter in question. If the court makes such order it may also fix in the order the time for compliance therewith and enjoin the witness from shipping or receiving from shipment in commerce among the several States or with foreign nations any coal after the time so fixed and before his obedience to the order. Any failure to obey such order or injunction may be punished by the court as a contempt thereof."

Mr. BLAND of Indiana. Mr. Chairman, the amendment purports to impose a penalty upon one who refuses to give information, such a penalty as probably will bring results. I can well understand that one who would make a speech like the one which we heard a moment ago probably would not want that amendment, because he says the facts are already known. Every man knows that the facts are not known, and, Mr. Chairman, we can not get the facts unless you put some teeth in the bill. I am hoping for the passage of this amendment to deny the right of interstate commerce to the coal operator who refuses to give information.

Mr. REED of West Virginia. Will the gentleman yield for a question on that point?

Mr. BLAND of Indiana. Not now. It was said that could not be done. If gentlemen on the Interstate Commerce Committee are familiar with past legislation they know that some of the most effective legislation that has been written into law has been to deny to great corporations the right of interstate commerce unless they complied with the requests of the Government. There are some gentlemen here who do not want that provision to go into the bill. I leave it to you.

The CHAIRMAN. The question is on agreeing to the amendment of the gentleman from Indiana.

The question being taken, the amendment was rejected.

Mr. LONDON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LONDON: On page 5, line 17, after the word "investigation," strike out the comma and insert a period in lieu thereof, and strike out all after the period in line 17 and all on line 18.

Mr. LONDON. Mr. Chairman, the object of this amendment is to permit minority reports. The way I interpret this section only one report will be possible, and minority opinions of members of the commission will be excluded. It is possible that the President may find nine persons who are disinterested so far as the coal industry is concerned, men who live on another planet. Every man in his senses is interested in coal in one way or another. If one is a banker the stability of his bank may depend upon the production of coal. A producer of iron needs coal. The owner of a railroad bond is interested in coal. In short, it is impossible to conceive of anybody who should not be concerned about coal, whether he be a resident of the tenement-house district in New York or a farmer in Oklahoma. Not only does this bill fail to give representation on the commission to organized labor; not only does it exclude as members all persons who have some knowledge of the industry and its difficulties, but it seeks in advance to suppress every minority opinion. I ask the chairman of the committee whether my interpretation of the meaning of lines 17 and 18 on page 5 is not correct?

The CHAIRMAN. The time of gentleman has expired.

The question is on agreeing to the amendment offered by the gentleman from New York [Mr. LONDON].

Mr. GARRETT of Tennessee. I ask for a division. May we have that amendment reported again?

The CHAIRMAN. The gentleman from Tennessee asks for a division, and pending that asks unanimous consent that the amendment may be reported again. Without objection, the amendment will be reported again.

The Clerk again read the amendment.

Mr. MANN. Let the Clerk read the language proposed to be stricken out.

The Clerk read as follows:

Strike out the words "but all reports to the Congress and to the President shall be made by majority action of said commission."

The CHAIRMAN. The gentleman from Tennessee asks for a division on this amendment.

The committee divided, and there were—yeas 60, noes 112.

Accordingly the amendment was rejected.

Mr. YOUNG. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from North Dakota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. YOUNG: Page 5, line 4, after the word "industry," insert "and to aid the Congress to legislate under any of its powers."

The CHAIRMAN. The question is on the amendment of the gentleman from North Dakota.

The question being taken, the amendment was rejected.

The CHAIRMAN. The question is on the committee amendment as amended.

The question was taken, and the committee amendment was agreed to.

Mr. BLAND of Indiana. A parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BLAND of Indiana. When will a motion to recommit the bill be in order?

The CHAIRMAN. In the House after the bill has been ordered to be read a third time.

Mr. WINSLOW. Mr. Chairman, I move that the committee do now rise and report the bill to the House, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CAMPBELL of Kansas, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 12377, to establish a commission to be known as the United States Coal Commission for the purpose of securing information in connection with questions relative to interstate commerce in coal, and for other purposes, and had directed him to report the same back with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. WINSLOW. Mr. Speaker, I move the previous question on the bill and amendment to final passage.

The previous question was ordered.

The SPEAKER. The question is on the amendment.

The question was taken, and the amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. GARRETT of Tennessee. Mr. Speaker, I move to recommit the bill.

Mr. BLAND of Indiana. I have a motion to recommit.

The SPEAKER. Is the gentleman from Tennessee opposed to the bill?

Mr. GARRETT of Tennessee. I am.

The SPEAKER. The gentleman from Tennessee offers a motion to recommit.

The Clerk read as follows:

Mr. GARRETT of Tennessee moves to recommit the bill to the Committee on Interstate and Foreign Commerce, with instructions to report the same back forthwith, with the following amendment: Page 5, line 17, strike out the comma and insert a period in lieu thereof, and strike out all after the period of lines 17 and 18.

Mr. MANN. Mr. Speaker, I make a point of order that a motion to recommit is not in order. Beginning a good many years ago, and perhaps not beginning at that time, Speaker Clark ruled that it was not in order, in a motion to recommit, to move to strike out any part of an amendment which had just been voted upon and agreed to by the House. That ruling has been consistently followed by both Speaker Clark and the present Speaker ever since the original distinct ruling was made, the original distinct ruling having been made on the rulings by prior Speakers. This is a motion to recommit with instructions to strike out a portion of an amendment just voted in and comes clearly within the ruling of Speakers heretofore.

The SPEAKER. The precedents are very clear, and the Chair sustains the point of order. The question is on the passage of the bill.

Mr. BLAND of Indiana. Mr. Speaker, I have a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BLAND of Indiana. I am in its present form, but I think I shall support the bill.

Mr. LONDON. Mr. Speaker, I am opposed to the bill any way, and I ask for recognition on a motion to recommit.

The SPEAKER. The gentleman will submit his motion.

Mr. LONDON. I make a motion to recommit the bill.

Mr. BANKHEAD. I want to offer a motion to recommit with instructions.

Mr. BLAND of Indiana. Mr. Speaker, does not a motion with a specific recommendation have preference over a motion without any recommendation?

The SPEAKER. No.

Mr. BLAND of Indiana. Where there are two persons both opposed to the bill and neither a member of the committee, does not the one having a motion to recommit with instructions have preference?

The SPEAKER. That case has not arisen.

Mr. BLAND of Indiana. I understand that it has arisen here.

The SPEAKER. The gentleman from New York [Mr. LONDON] said he was opposed to the bill, and he has been recognized.

Mr. BLAND of Indiana. Before the question was put, the gentleman from Alabama said he had a motion to recommit, making specific recommendations. Has not he a right to be heard, and has he not preference over the other gentleman? The gentleman from Tennessee was given the preference over me, and I do not understand how you can play fox and geese in that way.

The SPEAKER. When the gentleman from Tennessee made the motion to recommit the Chair was not aware that any other gentleman had such a motion.

Mr. BLAND of Indiana. I stated that I had a motion to recommit.

The SPEAKER. The Chair did not hear the gentleman until after the gentleman from Tennessee had made his motion. The Chair did not hear the gentleman from Indiana offer his motion until after the point of order had been made on the motion of the gentleman from Tennessee.

Mr. BLAND of Indiana. I had offered it once before. Undoubtedly the Chair did not hear me. The point I wish to ask the Chair about is where two gentlemen are demanding recognition and one says he is opposed to the bill and wants to give specific directions to the committee, and the other says he is opposed to the bill but has no directions, which one has the preference?

The SPEAKER. The Chair does not care to hear any further argument. After the third reading of the bill the gentleman from Tennessee [Mr. GARRETT], so far as the Chair knew, was the only gentleman to offer a motion to recommit. The Chair asked him if he was opposed to the bill, and he said he was. The Chair therefore recognized him. That motion to recommit was ruled out on a point of order. The gentleman from Indiana then offered to make a motion to recommit and the Chair put to him the usual question, not knowing at that time that any other gentleman wishes to make such a motion. The Chair really expected to recognize the gentleman from Indiana, although the gentleman said that he was not opposed to the bill, but did not like its present form, because the Chair did not know that anyone else desired to be recognized. Immediately then—and that was the first time the Chair had any intimation that the gentleman from New York [Mr. LONDON] wanted to make a motion—the gentleman from New York [Mr. LONDON] rose and said that he was opposed to the bill, and offered a motion to recommit. The Chair had no alternative except to recognize him for the purpose of making that motion.

Mr. BLAND of Indiana. I am not saying that it is I who want to make a motion to recommit now. The gentleman from Alabama [Mr. BANKHEAD] wants to offer a motion to recommit with instructions.

The SPEAKER. The Chair has no knowledge whether the gentleman from Alabama was opposed to the bill or that he had a motion to recommit until after the gentleman from New York [Mr. LONDON] had been recognized and had made his motion. The question is on ordering the previous question demanded by the gentleman from Michigan [Mr. MAPES].

The previous question was ordered.

The SPEAKER. The question now is on the motion of the gentleman from New York to recommit the bill.

The question was taken; and on a division (demanded by Mr. BLAND of Indiana) there were—ayes 45, noes 148.

So the motion to recommit was rejected.

The SPEAKER. The question now is on the passage of the bill.

Mr. MONDELL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken and there were—yeas 219, nays 55, not voting 153, as follows:

YEAS—219.

Andrews, Nebr.	Butler	Cullen	Fenn
Ansorge	Cable	Curry	Fitzgerald
Anthony	Campbell, Kans.	Dale	Focht
Appleby	Campbell, Pa.	Dallinger	Fordney
Atkeson	Cannon	Darrow	Foster
Bacharach	Carew	Davis, Minn.	Free
Begg	Chalmers	Denison	Freeman
Benham	Chandler, N. Y.	Dickinson	French
Bird	Chandler, Okla.	Doughton	Frothingham
Bixler	Chindblom	Dowell	Fuller
Bland, Ind.	Christopherson	Dunbar	Gernerd
Bland, Va.	Clague	Dyer	Glynn
Boies	Clarke, N. Y.	Echols	Goodykoontz
Bowers	Cole, Iowa	Edmonds	Gorman
Brennan	Cole, Ohio	Elliott	Graham, Ill.
Britten	Colton	Ellis	Graham, Pa.
Brooks, Ill.	Connolly, Pa.	Evans	Green, Iowa
Brooks, Pa.	Cooper, Ohio	Fairfield	Greene, Mass.
Bulwinkle	Cooper, Wis.	Faust	Greene, Vt.
Burdick	Coughlin	Favrot	Griest

Hadley	Lampert	Parker, N. J.	Smithwick
Hammer	Lankford	Parker, N. Y.	Snell
Hardy, Colo.	Lawrence	Patterson, Mo.	Snyder
Hardy, Tex.	Layton	Perkins	Speaks
Haugen	Lazaro	Perlman	Sproul
Hawley	Lea, Calif.	Petersen	Stafford
Hayden	Leatherwood	Porter	Stephens
Hays	Lee, N. Y.	Pou	Strong, Kans.
Hersey	Lehlbach	Pringey	Taylor, N. J.
Hickey	Longworth	Purnell	Taylor, Tenn.
Hicks	Lowrey	Radcliffe	Timberlake
Hill	Luhring	Ransley	Tincher
Himes	McFadden	Rayburn	Tinkham
Hoch	McKenzie	Reece	Towner
Huddleston	McLaughlin, Mich.	Reed, W. Va.	Treadway
Hull	MacGregor	Ricketts	Underhill
Ireland	Madden	Roach	Vaile
James	Magee	Rodenberg	Vare
Johnson, S. Dak.	Mann	Rogers	Vestal
Johnson, Wash.	Mapes	Rose	Volstead
Kearns	Michener	Rosenbloom	Walters
Kelly, Pa.	Mills	Rossdale	Ward, N. C.
Kendall	Millspaugh	Ryan	Wason
Kennedy	Mondell	Sanders, Ind.	Watson
Ketcham	Moore, Ill.	Sanders, N. Y.	Weaver
Kindred	Moore, Ohio	Sandlin	Wheeler
King	Moore, Va.	Schall	White, Kans.
Kirkpatrick	Moores, Ind.	Scott, Tenn.	Williams, Ill.
Kissel	Mudd	Shaw	Winslow
Kline, N. Y.	Murphy	Shreve	Woodyard
Kline, Pa.	Newton, Minn.	Siegel	Wurzbach
Knutson	Norton	Sinnott	Wyant
Kopp	O'Connor	Slemp	Young
Kraus	Osborne	Smith, Idaho	Zihlman
Kreider	Paige	Smith, Mich.	

NAYS—55.

Almon	Drewry	Lanham	Steagall
Aswell	Driver	Lee, Ga.	Sumners, Tex.
Bankhead	Fisher	London	Swank
Black	Garner	McClintic	Thomas
Bowling	Garrett, Tenn.	McDuffie	Tillman
Box	Garrett, Tex.	McLaughlin, Nebr.	Tucker
Briggs	Gilbert	Morgan	Tyson
Buchanan	Harrison	Oliver	Upshaw
Burke	Hooker	Parks, Ark.	Vinson
Byrnes, S. C.	Hudspeth	Quin	Williams, Tex.
Collier	Humphreys	Rankin	Wilson
Crisp	Jeffers, Ala.	Robsion	Wingo
Davis, Tenn.	Jones, Tex.	Rouse	Wright
Drane	Kincheloe	Sanders, Tex.	

NOT VOTING—153.

Ackerman	Fess	Luce	Robertson
Anderson	Fields	Lyon	Rucker
Andrew, Mass.	Fish	McArthur	Sabath
Arentz	Frear	McCormick	Scott, Mich.
Barbour	Fulmer	McLaughlin, Pa.	Sears
Barkley	Funk	McPherson	Shelton
Beck	Gahn	McSwain	Sinclair
Beedy	Gallivan	Maloney	Sisson
Bell	Gensman	Mansfield	Stedman
Blakeney	Goldsborough	Martin	Steenerson
Blanton	Gould	Mead	Stevenson
Bond	Griffin	Merritt	Stiness
Brand	Hawes	Michaelson	Stoll
Brown, Tenn.	Henry	Miller	Strong, Pa.
Browne, Wis.	Herrick	Montague	Sullivan
Burroughs	Hogan	Montoya	Summers, Wash.
Burtness	Hukriede	Morin	Sweet
Burton	Husted	Mott	Swing
Byrns, Tenn.	Hutchinson	Nelson, Me.	Tague
Cantrill	Jacoway	Nelson, A. P.	Taylor, Ark.
Carter	Jefferis, Nebr.	Nelson, J. M.	Taylor, Colo.
Clark, Fla.	Johnson, Ky.	Newton, Mo.	Temple
Classon	Johnson, Miss.	Nolan	Ten Eyck
Clouse	Jones, Pa.	O'Brien	Thompson
Cockran	Kahn	Ogden	Tilson
Codd	Keller	Oldfield	Voigt
Collins	Kelley, Mich.	Olpp	Volk
Connally, Tex.	Kiess	Overstreet	Ward, N. Y.
Connell	Kitchin	Park, Ga.	Webster
Copley	Kleczka	Patterson, N. J.	White, Me.
Crago	Knight	Rainey, Ala.	Williamson
Cramton	Kunz	Rainey, Ill.	Wise
Crowther	Langley	Raker	Wood, Ind.
Deal	Larsen, Ga.	Ramseyer	Woodruff
Dempsey	Larson, Minn.	Reber	Woods, Va.
Dominick	Lineberger	Reed, N. Y.	Yates
Dunn	Linthicum	Rhodes	
Dupré	Little	Riddick	
Fairchild	Logan	Riordan	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Ten Eyck (for) with Mr. Mansfield (against).

Mr. Patterson of New Jersey (for) with Mr. Stevenson (against).

Until further notice:

Mr. Maloney with Mr. Gallivan.

Mr. Langley with Mr. Clark of Florida.

Mr. Ramseyer with Mr. Cantrill.

Mr. Burton with Mr. Oldfield.

Mr. Thompson with Mr. Tague.

Mr. Cramton with Mr. Carter.

Mr. Nolan with Mr. Riordan.

Mr. Morin with Mr. Bell.

Mr. Beck with Mr. McSwain.

Mr. Temple with Mr. Woods of Virginia.

Mr. Wood of Indiana with Mr. Sisson.

Mr. Kahn with Mr. Kitchin.

Mr. McArthur with Mr. Overstreet.

Mr. Kiess with Mr. Martin.

Mr. Burroughs with Mr. O'Brien.

Mr. Stiness with Mr. Cockran.

Mr. Olpp with Mr. Brand.

Mr. Steenerson with Mr. Rainey of Illinois.

Mr. Strong of Pennsylvania with Mr. Connally of Texas.

Mr. Rhodes with Mr. Dupré.

Mr. Larson of Minnesota with Mr. Blanton.

Mr. Crowther with Mr. Dominick.

Mr. Newton of Missouri with Mr. Logan.

Mr. Merritt with Mr. Barkley.

Mr. Lineberger with Mr. Wise.

Mr. Hutchinson with Mr. Deal.

Mr. Sinclair with Mr. Taylor of Colorado.

Mr. Yates with Mr. Rucker.

Mr. Fish with Mr. Rainey of Alabama.

Mr. Henry with Mr. Fields.

Mr. Beedy with Mr. Raker.

Mr. Jones of Pennsylvania with Mr. Park of Georgia.

Mr. Reed of New York with Mr. Hawes.

Mr. White of Maine with Mr. Fulmer.

Mr. Nelson of Maine with Mr. Mead.

Mr. Michaelson with Mr. Lyon.

Mr. Anderson with Mr. Johnson of Mississippi.

Mr. Burtness with Mr. Goldsborough.

Miss Robertson with Mr. Stedman.

Mr. Ward of New York with Mr. Collins.

Mr. McPherson with Mr. Griffin.

Mr. Montoya with Mr. Sabath.

Mr. Codd with Mr. Montague.

Mr. Scott of Michigan with Mr. Johnson of Kentucky.

Mr. Shelton with Mr. Linthicum.

Mr. Nelson, A. P., with Mr. Byrns of Tennessee.

Mr. Fess with Mr. Kunz.

Mr. Gahn with Mr. Larsen of Georgia.

Mr. Kleczka with Mr. Sears.

Mr. Summers of Washington with Mr. Taylor of Arkansas.

Mr. Hukriede with Mr. Sullivan.

Mr. Sweet with Mr. Stoll.

Mr. Husted with Mr. Jacoway.

Mr. MAPES. Mr. Speaker, I am requested to announce that if my colleague, Mr. CRAMTON, were here he would vote "yea."

The result of the vote was announced as above recorded.

On motion of Mr. WINSLOW, a motion to reconsider the vote by which the bill was passed was laid on the table.

COMMITTEE TO ATTEND FUNERAL OF LATE CHAPLAIN HENRY N. COUDEN.

The SPEAKER appointed as members of the committee to attend the funeral of Doctor Couden, the following: Mr. MANN, Mr. CANNON, Mr. COOPER of Wisconsin, Mr. PARKER of New Jersey, Mr. JOHNSON of Washington, Mr. OSBORNE, Mr. TUCKER, Mr. CRISP, and Mr. STEAGALL.

EXTENSION OF REMARKS.

Mr. WINSLOW. Mr. Speaker, I would like to ask that all of those who spoke on the bill before the House committee to-day be allowed five days in which to extend their remarks in the RECORD.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

PENSIONS.

Mr. KNUTSON, from the Committee on Pensions, submitted a conference report on the bill H. R. 4, entitled "An act granting relief to the soldiers and sailors of the war with Spain, Philippine insurrection, and Chinese Boxer rebellion campaign; to widows, former widows, and dependent parents of such soldiers and sailors; and to certain Army nurses," for printing under the rules.

TRANSFER OF DIPLOMATIC REPRESENTATION AT LUXEMBURG.

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on Foreign Affairs:

The Senate and House of Representatives:

I transmit a report by the Secretary of State in regard to the advisability of transferring United States diplomatic representation at Luxemburg from the minister at The Hague to the ambassador at Brussels, on account of the economical union which has been established between Belgium and Luxemburg by treaty.

I concur in the recommendation of the Secretary of State that legislation be enacted which will enable this to be done, and in view of the reason advanced and the further fact that all the

other Governments having diplomatic representation at Luxemburg, except Portugal, have made the transfer I request of Congress early action that in place of an "envoy extraordinary and minister plenipotentiary to the Netherlands and Luxemburg" and an "ambassador extraordinary and plenipotentiary to Belgium," as at present, will provide for an "envoy extraordinary and minister plenipotentiary to the Netherlands" and an "ambassador extraordinary and plenipotentiary to Belgium, who shall also be envoy extraordinary and minister plenipotentiary to Luxemburg."

WARREN G. HARDING.

THE WHITE HOUSE,
Washington, July 18, 1922.

EXTENSION OF REMARKS.

Mr. WILLIAMS of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks on the bill just passed.

Mr. ROBSION. Mr. Speaker, I make the same request.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. ROSSDALE. Mr. Speaker, I ask unanimous consent to print in the RECORD an address delivered in Washington recently by my colleague, the Hon. ISAAC SIEGEL, on the subject of immigration.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The extension of remarks referred to are here printed in full as follows:

Mr. ROSSDALE. Mr. Speaker, Congressman ISAAC SIEGEL, of New York, has led the fight for liberal immigration in the Sixty-fourth, Sixty-fifth, Sixty-sixth, and Sixty-seventh Congresses. It is admitted by those who have given the subject thorough study that he knows as much of immigration, naturalization, and Americanization as any man in the United States. For nearly 30 years he has studied the question from every angle. His latest view of this important subject appeared in the Washington Times of July 23, 1922, and the article was copied in a large number of newspapers throughout the country. I know that the Members will be interested in having it in full, because it contains material which they should have at hand and which will help them to further study this important question. The article as it appeared in the Washington Times is as follows:

[From the Washington Times, Sunday, July 23, 1922.]

IMMIGRATION PROBLEM, INVOLVING NATIONAL WELFARE AND HUMAN HAPPINESS, DISCUSSED BY COMMITTEE CHIEF—ISAAC SIEGEL, M. C., OF NEW YORK, LONG STUDENT OF PUZZLE—THOUGH 3 PER CENT QUOTA LAW ADMITTEDLY WORKS INDIVIDUAL HARDSHIPS, RANKING MEMBER OF IMMIGRATION COMMITTEE IS OPTIMISTIC OVER ITS ADMINISTRATION—PRESENT LAWS O. K., BUT DEMAND STRICT, SANE ENFORCEMENT—REGULATIONS ARE ADEQUATE, SAYS SIEGEL, BUT SHOULD BE AIDED BY GREATER PROVISION FOR REAL AMERICANIZATION WORK, THROUGH ADDITIONAL NATURALIZATION COURTS AND CLERKS.

(By Maurice S. Hyland.)

What are we going to do about immigration?

Certainly it is one of our most important problems.

One of the foremost authorities on this subject is Congressman ISAAC SIEGEL, of New York, ranking member of the Immigration Committee and chairman of the Census Committee. A keen observer and lifelong student of economics, Mr. SIEGEL'S views on immigration will receive the earnest attention of all thoughtful persons.

That he has also devoted considerable time to politics is apparent. He is serving his fourth term in Congress, attracting national attention by defeating Morris Hillquit, the noted Socialist, at each election.

By virtue of his official position, he has unusual opportunities of studying human nature. More, he has studied it as it is affected by soil and climate, and by the pressure of men upon each other. Of course, if Mr. SIEGEL thus studies immigrants so closely, it is, perhaps, because he has recognized in them a new mode in the operations of intellect.

Mr. SIEGEL believes that civilization can increase and morality exist as a controlling force only in the measure in which liberty exists.

He is convinced that pursuit and capture of this liberty is one of the primary causes of immigration.

Throughout the interview the Congressman displayed marked optimism as to the operation of present and future immigration laws.

EXTREME HARDSHIP.

"In many cases the present 3 per cent law has resulted in extreme hardship in the division of families," he said. "Up to May 3 of this year 2,787 were turned back solely on account of excess quotas. The total number arriving in the United States from June 30, 1921, to May 3, 1922, was 230,537. There were admitted temporarily, on account of hardships of the 3 per cent law, 2,787. For failure to pass the literacy test and for physical and mental reasons 11,066 immigrants were debarred during the 11 months.

"Under the 3 per cent immigration law the basis of calculation is the country of nativity and not of residence.

"Here is a typical case: Last year a man came to America with his wife. He was born in Poland, but he lived in England for many years. He served in the English Army and he thought he was an Englishman. When he reached Ellis Island the officials regarded him as a Pole. The Polish quota was full, so he had to go back to England. His wife was born in England; the officials said she could come into America. Of course she did not wish to be separated from her husband, so she returned to England with him.

"Last October I wrote to President Harding on this phase of the subject. He admitted the law led to great hardships and offered to help remedy the situation.

"It seems to me this law will remain in effect for two years. Then an attempt will be made to reduce the 3 per cent to 2 per cent. Such a reduction would be an economic blunder. In a conversation last week with one of the highest Government officials he assured me that within 60 to 90 days this country will experience the greatest business revival it has ever known—if we except the war period. He declared frankly that there would be a serious shortage of laborers.

LABOR SHORTAGE.

"His prophecy is borne out by the semimonthly report just issued by the Pennsylvania State department of labor and industry, which states that for the first time in two years an acute shortage of labor exists. The demand for labor in the building trades, metals, and mines far exceeds the supply. Because of this demand rates of pay in some localities has increased from 25 cents an hour to 35 and 40 cents.

"It is true that immigrants entering America are, at least temporarily, working under unfamiliar conditions. The work is new to them, and often they are willing at the start to work for wages that are lower than received by American workingmen. But they rapidly adjust themselves to existing conditions and make useful and permanent citizens."

"What are your views on naturalization, and what interest does the immigrant exhibit in public affairs?" Mr. Siegel was asked.

"There would be a larger increase in naturalization if sufficient courts and clerks for that purpose were provided. In cities like New York, Chicago, Philadelphia, Boston, and Pittsburgh there are insufficient courts and clerks. Application for citizenship is a costly proposition, because the applicant is obliged to appear frequently, with witnesses, and in most cases it is necessary for him to pay the amount of wages lost by the witnesses while attending court. The Federal Government receives all the money paid by the applicants for naturalization. The money goes into the Treasury. More than 6,000,000 persons in the United States are unnaturalized. Of these 1,032,000 reside in the city of New York.

"Since each nation has its own peculiar form of government it is rather difficult to say just what interest immigrants, as a whole, exhibit in public affairs.

ADOPT UNITED STATES IDEAS.

"Temporarily, at least, immigrants observe the customs of the land from which they came. In time, of course, they are assimilated and change their views to conform to American ideas. My observation shows that many of the most prominent men in the United States have come from foreign countries. Take the case of Harry Fischel, for instance:

"Fischel landed in New York about 35 years ago with $1.37, a saw, and a hammer. To-day he is a director in many of the leading institutions of New York. He is the owner of the Holland House and valuable real estate along Park Avenue and Fifth Avenue. He recently purchased the Astor Library and remodeled it. The building is now used to aid immigrants. It is known as the Hebrew Sheltering and Immigration Aid Society.

"Or the case of Joseph S. Marcus:

"Forty years ago Marcus first saw New York. His wealth was exactly $2. Embarking in the clothing line he soon obtained a reputation for honesty, and was able to get credit. He organized the Public National Bank of New York, and later sold his shares in the bank for $1,000,000. He also organized the Bank of the United States, with many branches. He is to-day worth many millions of dollars.

"Certainly these two men took much interest in public affairs. Of course, such instances could be multiplied."

The Japanese problem, according to the Congressman, will likely be settled by diplomacy between now and the next session of Congress, since it is most probable that Congress will enact an immigration law in the winter of 1922–23 providing that no immigrant who intends to remain permanently in the United States shall be allowed to enter unless he is eligible to citizenship.

"The question of illiteracy," observed Mr. SIEGEL, "is a most interesting one. According to the 1920 census our country stands first in illiteracy. The examinations held by the Army and Navy officials during the draft showed there were approximately 26 per cent of those drafted unable to use the English language.

POLISH-JEW WON PRIZE.

"From figures at my disposal I should say there are about 6,000,000 illiterates in the United States. There are about 2,000,000 of these illiterates scattered through the Southern States. But there should be a sharp reduction in this number very soon, as the immigrants now arriving in this country must pass the literacy test. Recently the Daughters of the American Revolution offered a prize for the best essay on 'George Washington.' The prize was won by a Polish-Jewish lad who arrived in America just about one year ago. That is progress.

"The illiteracy problem is a big factor in our economic and political scheme. Immigrants who arrive here in childhood or early manhood, soon become voters, and they exercise great influence in the results of our elections. Then, too, large numbers of women have become voters through their husbands having obtained citizenship. To obtain citizenship, the husband must be able to read and write, show that he understands the Constitution; in fact, prove that he intends to become a good citizen. The wife, however, is not obliged to undergo this test at the present time. But the House will shortly pass a bill providing for the same test for women. In New York City, in 1910, there were 870,140 foreign-born women. Of these, 360,255 were citizens, in the majority of cases through naturalization of their husbands."

Living conditions in the large cities of the country, despite heavy immigration, have improved to a very large extent. The enactment of tenement house laws during recent years has given to most of the tenements baths, electric lights, hot water, and steam heat. Faulty sanitation has been corrected. An adequate water supply has been provided. Streets in the congested sections are cleaned more frequently. Sewerage and drainage conditions have been improved.

The cold-water flats, so far as the larger cities are concerned, are gradually passing away. The telephone has come into such great use in the city of New York that there is hardly a tenement that has not at least one telephone.

Furthermore, there has been a great development as a result of increased transportation facilities, of suburban territory around the big cities. Mark the sharp increase in the Borough of the Bronx.

BRONX BOOMING.

It now has a population of over 800,000; in 1910 it had a population of 400,000. There has been a perceptible rise in population in the Borough of Queens, which is part of the city of New York. Similar increases are noted in Chicago, Buffalo, and Milwaukee.

"A little over 960,000 children of immigrants attend the public schools in the city of New York alone," the Congressman replied, in answer to my question as to the school attendance and progress of children of immigrants.

"It is an admitted fact," he continued, "that where the foreign born or their descendants have settled there is an increased attendance in school. It is worth noting that in the College of the City of New York 92 per cent of those who are attending the college are either foreign born or are of the first generation of foreign born."

Duluth, Minn., and Chelsea, Mass., with 74.1 per cent, were found to have the greatest number of pupils with foreign-born fathers. New York City, with 71.5 per cent, was third; Chicago, with 67.3 per cent, was fourth; and Boston, with 63.5 per cent, was fifth.

In the greater cities where there is a larger attendance of the children of foreign born it is apparent how important is the assimilative force of the public schools in determining the effect of these future citizens in Government affairs.

This assimilative force is very great. So much so that in a second generation the majority of these pupils become Americanized.

"There is a surprisingly regular attendance on the part of foreign-born children," the Congressman declared. "That is a sign that they desire to become citizens—a sign of progress, in fact. I have seen numbers of these children when they landed at Ellis Island and have kept in touch with many of them. The transformation even in two or three months is remarkable. And at the end of a year's residence here the change is startling.

"The appearance of these children on landing excites the greatest sympathy.

FORLORN FIGURES.

"Many are undernourished, stooped, and with suffering pictured strongly in their pinched faces. Forlorn little figures they are, cowering and shivering, gazing with a curious, timid stare at their new surroundings. The liberty they never knew in their own country is hidden from their gaze. But the beauties they are to behold and the improvement they are to experience, both mental and physical, starts almost immediately after they reach their destination.

"Is it any wonder they make every effort to become citizens?

"Is it any wonder that of the 4,600,000 warriors sent abroad by the Army and Navy in the recent war, 495,000 came from New York alone?

"Psychological speculation may extend the range of these observations.

"The number of nationalities attending a single school is almost unbelievable. Secretary of Labor Davis addressed two of the schools in my district on June 15. Twenty-seven nationalities were represented. There are 42 different languages spoken by as many peoples in New York City."

"Are new immigration laws needed?" I queried.

"Our immigration laws are adequate," the Congressman declared. "And on the whole I would say they are administered satisfactorily. A strict enforcement of the immigration act of 1917, plus the amendments previous to the quota law, is really all that is necessary. The law would be aided if greater provision for Americanization work and more naturalization courts and clerks were established. It will interest your readers to learn that the Treasury of the United States has received and retained above all appropriations from the head tax more than $6,000,000. Ultimately some of this money will be used in creating more naturalization courts and clerks."

SAFE FROM DISEASE.

It is possible that slight changes in administration methods may be made, the Congressman stated. We are pretty well protected so far as contagious diseases are concerned. There is little need of further legislation as to paupers.

The law affecting the admission of immoral persons and criminals could be made more stringent, perhaps, both as to those coming as passengers and as immigrants. Especial attention should be paid to alien seamen, especially those who desire to enter the country by deserting their ships. The 1917 act did much to remedy these evils.

"What is the attitude of foreign governments toward immigration," I asked.

"Of course," observed the Congressman, "foreign governments, especially European, seem to regard it as inevitable that a certain percentage of their subjects will emigrate soon or late. Their attitude is one of tolerance, although foreign governments insist that all obligations be discharged before embarking for another country. This applies particularly to military duty. And if the subject has evaded that duty he is liable to arrest should he return. After all, the economic factor is the most important."

"A discussion of the ship subsidy bill would be interesting," I reminded the Congressman.

HUGE PROFIT IN FARES.

"It would," he agreed. "The most important feature of the bill is the requirement that 50 per cent of our immigration from each country must be carried on American ships. Under the 3 per cent law we expect about 250,000 immigrants. At $50 a head this will amount to a splendid sum. It will be a real profit to owners of American vessels and at no expense to our taxpayers. It is a most profitable business. I think the average immigrant fare at present is about $85. At the hearings on the merchant marine bill shipping men asserted that practically one-half of this amount was profit.

"Unfortunately we have very few ships for this purpose. We have about 50, according to Chairman Lasker, of the Shipping Board, whereas Great Britain has more than 200."

"Will you mention some of the causes of immigration, Congressman?"

"Certainly," he replied. "I should say more persons emigrate on account of religious or political persecution than from any other cause.

"But one should not overlook the fact that very many immigrants are influenced by the superior advantages America offers.

"The standard of living abroad is very much below that of America. So, often immigrants depart from their native lands to improve not only their own condition but the condition of their children as well."

LOOK TO HEALTH.

In concluding, the Congressman advised all foreign-born who desire to fetch relatives and friends to America to see that their health is good before they start. The trip to America from their native land is usually a long one. Unless the parents and children are strong before they leave they are liable to become sick on the way. Sickness will cause weakness. Therefore, with lowered vitality, death may result.

Mr. THOMAS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Kentucky asks unanimous consent to extend his remarks in the RECORD.

Mr. JOHNSON of Washington. On the bill just passed?

Mr. THOMAS. Yes.

Mr. JOHNSON of Washington. Without reference to the five-day limit?

There was no objection.

RESIGNATION FROM COMMITTEES.

The SPEAKER laid before the House the following communication:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE TERRITORIES,
Washington, D. C., August 23, 1922.

Hon. FREDERICK H. GILLETT,
Speaker of the House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Committee on Expenditures in the Navy Department, of the Committee on Insular Affairs, and of the Committee on Territories.

Respectfully yours, P. H. DREWRY.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. BYRNS of Tennessee, indefinitely, on account of important business.

To Mr. STRONG of Pennsylvania, indefinitely, on account of sickness.

To Mr. PORTER, for 30 days, to attend the Brazilian centennial as a member of the commission appointed to represent the United States.

To Mr. LANGLEY, for an indefinite period, on account of personal business.

EXTENSION OF REMARKS.

Mr. MacGREGOR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of Balfour and the foreign debt.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD on the subject of Balfour and the foreign debt. Is there objection? [After a pause.] The Chair hears none.

BALFOUR AND THE FOREIGN DEBT.

Mr. MacGREGOR. Mr. Speaker, the recent note of Lord Balfour, Acting Secretary of Foreign Affairs of the British Government, addressed to the French Government, is a fine example of British diplomacy. It is addressed to the French, but it can easily be conceived that it was meant for the United States. The substance of the note is that the United States is the deep-dyed villain who is preventing the rehabilitation of the world, because it insists upon the payment of the money lent to England. England owes to the United States practically $4,000,000,000. England lent this to the other Allies, together with other funds amounting in the aggregate to about $17,000,000,000. The United States loaned to the Allies, in addition, about $6,000,000,000, making a total of $10,000,000,000, the proceeds of Liberty bonds subscribed for by the American people, that were loaned to the European Governments for war purposes.

The Balfour note attempts to place England before the other European powers as a benefactor. She is perfectly willing to relinquish her claims, but hard-fisted America is foreclosing the mortgage upon her, and therefore she must demand the money that she lent. She is perfectly willing to be generous if America pays for her generosity. The note in effect says that the United States is lacking in generosity; that the war was fought for the benefit of the United States as well as Europe, and that she should not make any claims for the money that she loaned.

England always has her eye upon the main chance. For centuries she has been adding to her territories and her opportunities for trade development. Immense gains have come to her out of the World War. The Versailles treaty gave to her territorial possessions almost equal to continental United States, and added at least 35,000,000 inhabitants to her Empire. The value of the spoils of the war to her is much greater than any sum that she owes to the United States. She has become the greatest Empire in the history of the world. Greece, Rome, and Egypt were pygmies beside her. The melodramatics of Balfour would be humorous if one could escape the hypocrisy of the situation. His tears shed over the greediness of the United States in contrast with the

generous spirit of Britain do not harmonize with the scene. The stage effect is poor.

America went into the war to maintain her honor, to uphold the dignity of her flag, and to curb the dominance of imperialism. She poured out her treasure and her blood without thought of gain, either of money or territory. After the war her charity toward the suffering peoples of Europe was unstinted. Europe would have starved without her aid. America gave freely and without price.

Nothing strikes deeper than ingratitude. The attempt to portray America now before the world as cold, hard, ungenerous, grasping is steeped in such ingratitude that generous America is incapable of understanding it.

It would be easy for Great Britain to discharge its debt to the United States without the expenditure of a penny. She has an overplus of land for the world's good. It would be a good bargain for both countries if Great Britain in consideration of the cancellation of the debt would cede to the United States the portion of Canada embracing the whole of the Great Lakes and the connecting waters. What a great blessing it would be to that portion of Canada to be a part of our great country. It would make possible the development of both shores of the Great Lakes; it would make both sides of the Niagara River the great industrial center of the world by freeing the development of power at Niagara Falls from boundary questions. The people of that portion of Canada would be immensely enriched and the United States would round out its territory at a point where it would be of benefit to the world and to humanity to be under one jurisdiction.

Balfour must offer something more than sneers to our people before they will be willing to forego a just debt.

EXTENSION OF REMARKS.

Mr. SANDERS of Indiana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the requested legislation for the relief of the placer claimants on the Red River.

The SPEAKER. Is there objection. [After a pause.] The Chair hears none.

The extension of remarks referred to are here printed in full as follows:

Mr. SANDERS of Indiana. Mr. Speaker, I introduced a bill for the relief of certain persons interested in oil lands lying south of the medial line of the main channel of Red River, in Oklahoma.

The people in my district, more than 700 in number, who are interested in this relief are stockholders in the Burke Divide Oil Co., Consolidated. This oil company is not subsidiary to any other corporation, but is a small independent company with about 1,114 stockholders, approximately 700 of whom live in Vigo County, Ind. They come from all walks of life—from the ranks of clerks, dentists, school-teachers, physicians, surgeons, lawyers, bankers, farmers, railroad employees, merchants, and laborers. Of the seven directors of the company, two are retired farmers, one is an auditor employed by a railroad company, one is a member of a firm engaged in the transfer and taxicab business, one is a lumber merchant, one is a lawyer engaged in general practice, and one is the proprietor of a restaurant. The remaining stockholders live in several States, although most of them reside in St. Louis, Mo. A great many of those living in St. Louis are railroad employees and laboring men and women. The Burke Divide Co. has no agreement, secret or otherwise, to dispose of any land that it may obtain a lease for. In the event it secures a lease from the Government it intends to operate the property for the benefit of its stockholders.

These oil lands were located by the original locators, through whom my people claim, on land lying south of the medial line of the main channel of Red River. The State of Texas has made some specious claim to the south half of the bed of Red River, but the Supreme Court of the United States long ago in a decision held that the Texas boundary line was at the south bank of Red River. Oklahoma had made some claim to the territory, but it was equally clear that Oklahoma had no proprietary interest in the south half of the bed of Red River.

The original locators, having obtained the advice of eminent counsel, located the placer mining claims in this territory and sold, after discovering oil, to the Burke Divide Oil Co., the stockholders of which have paid out some six or seven hundred thousand dollars in the belief that the placer claims were properly located and that the Burke Divide Oil Co. had title to the land.

Just at the time oil was discovered, persons claiming under a pretended permit or lease from the State of Texas, and who knew that the territory in question was not within the limits of the State of Texas, drove away the representatives of the Burke Divide Oil Co., who were in peaceful possession of the territory. They used the Texas Rangers, and not only took complete possession of the oil wells and the territory, but also defied an injunction obtained in a Federal court and maltreated the marshal sent to serve the process.

The case later reached the Supreme Court of the United States, where it was held that although the land in question did belong to the United States, as contended by the Burke Divide Oil Co., yet the lands were not subject to placer locations, and since the Government had title to the land the Burke Divide Co. had none.

The purpose of this measure is to grant relief by placing the parties in the same situation as they would have been if the land had actually been subject to placer locations.

A detailed statement of the occurrences follows:

As soon as the Burke Divide Co. had discovered oil a man named Sam Sparks, a citizen of Texas, set up a claim to the land, claiming under an alleged lease or permit from the State of Texas. Within a few days thereafter, and within a few days after the Burke Divide Co. discovered the oil, a large force of Texas Rangers, by order and direction of the Governor of the State of Texas, came upon the property armed with rifles and revolvers, and by force of arms drove from the premises all the employees of the Burke Divide Co. and turned over possession of the property to the said Sam Sparks and his assignees.

In February, 1920, the Burke Divide Co. caused suits to be commenced in the District Court of the United States for the Western District of Oklahoma to regain possession of the property and to enjoin the Texas persons from interfering with the Burke Divide Co.'s possession of the land. Three such suits were commenced, one for each of the three claims. One of the cases, that of the Judsonia placer claim, was heard and tried. Attorneys for the defendants appeared and asked the court for permission to participate in the trial, to introduce evidence, and to argue the case without making any formal appearance for their clients, claiming that the court was without jurisdiction of the persons of the defendants. The district court decided in favor of the plaintiffs and issued an injunctional order mandatory and prohibitive directing the return of all drilling machinery and other property and the surrender of possession of the land, and prohibiting further interference by the Texas defendants. This order was placed in the hands of the United States marshal, who with his deputies attempted to serve the same. The Texas Rangers, armed with rifles, prevented the United States marshal from entering upon the land and prevented him from executing the court's decree, while the Governor of the State of Texas issued and published at the same time a proclamation directing that a sufficient number of Texas Rangers be assembled by the adjutant general of Texas to prevent the said United States marshal from enforcing the order of the United States District Court for the Western District of Oklahoma.

The controversy eventually found its way into the Supreme Court of the United States. A suit in equity was brought by the State of Oklahoma against the State of Texas to prevent the Texans from in any way interfering and to definitely fix the boundary between the two States. The Burke Divide Co. and a large number of other placer claimants in like situation were permitted to intervene in the case in the Supreme Court of the United States, after the latter court had appointed a receiver for the territory then in dispute. On April 11, 1922, the Supreme Court of the United States reaffirmed the former decision made by that court in 1896, in which it was held that the north boundary of the State of Texas was along the south bank of Red River, and held that the case decided in 1896 was res adjudicata; and on May 2, 1922, the Supreme Court gave another decision to the effect that the land between the south bank of Red River and the medial line of the main channel of the same river belongs to the United States, but that it had never been subject to location and appropriation under the mining laws of the United States, nor indeed any of the land laws of the United States. This last decision of the Supreme Court makes remedial legislation necessary in order that justice may be done.

REMEDIAL LEGISLATION.

There are numerous precedents for such remedial legislation.

In the case of Conlin v. Kelly, decided by the Secretary of the Interior, January 2, 1891 (12 L. D. 1), it was held that stone that is useful only for general building purposes does not render land containing same subject to appropriation under the mining laws, nor except it from preemption entry. Prior to that decision a very large number of placer claims had been located in the Western States on land chiefly valuable for building stone. On many of these claims large sums of money had been spent making quarries. To protect bona fide placer

claimants holding such quarries, Congress passed a bill—Senate bill 1273, in the Fifty-second Congress—granting relief to persons who had located placer claims for the purpose of making quarries of building stone. The chairman of the Senate Committee on Public Lands, in reporting the bill last mentioned, said, referring to the above case of Conlin against Kelly:

This decision has brought dismay and threatened ruin and disaster to many citizens who in good faith, relying on the settled and long-continued procedure of the General Land Office, had invested large sums of money in the development of stone quarries upon the public lands, expecting to obtain patents under the mining laws. It changes what had become a recognized rule of property, and the committee think this is a matter which justly demands the action of Congress to fix the status of such lands without the possibility of doubt. * * * No one can be injured by its passage, while great relief will be given to bona fide investors and claimants.

The bill above referred to was subsequently passed and became the act of August 4, 1892. This act reads in part as follows:

Be it enacted, etc., That any person authorized to enter lands under the mining laws of the United States may enter lands that are chiefly valuable for building stone under the provisions of the law in relation to placer-mineral claims; * * *.

On August 27, 1896, the Secretary of the Interior, in the case of the Union Oil Co. (23 L. D. 222), held that lands containing petroleum, and no other mineral, were not subject to entry and patent under the placer mining laws. Prior to this last decision a large number of placer claims had been located in California, and perhaps in other States, on lands containing petroleum but no other kind of mineral. To meet the decision of the Secretary in the Union Oil Co. case and to protect the equitable rights of persons who had located placer claims on oil lands, and who had spent large sums of money thereon, Congress passed the act of February 11, 1897, which act validated all such placer claims theretofore made on land that contained no mineral other than petroleum.

In reporting the bill of January 27, 1897, the House Committee on Public Lands said in its report, among other things, referring to the decision in the Union Oil Co. case, as follows:

The effect of the above-cited decision of August 27, 1896, is to preclude the possibility of obtaining title to lands containing oils, and as there are large areas of such lands in various of the public-land States, and as upon these lands in many instances large expenditures have already been made, and as it is manifestly for the public good that there should be some provision whereby these lands may be held and patented, the committee believe this bill should pass.

The honorable Commissioner of the General Land Office, to whom the bill was referred, states that there is urgent necessity for some legislation on this subject, and in this view the Secretary of the Interior concurs. The bill simply provides by legislation for procedure in the entry and patenting of these lands along the lines that have been pursued in the past under the decisions of the General Land Office, so that there is no departure whatever from the procedure in the past for the development and acquirement of such properties.

In order to encourage and protect the holders of oil placer claims that were located on lands chiefly valuable for petroleum, Congress passed, on February 12, 1903, an act reading as follows:

Be it enacted, etc., That where oil lands are located under the provisions of Title 32, chapter 6, Revised Statutes of the United States, as placer mining claims, the annual assessment labor upon such claims may be done upon any one of a group of claims lying contiguous and owned by the same person or corporation, not exceeding five claims in all: *Provided*, That said labor will tend to the development or to determine the oil-bearing character of such contiguous claims.

In commenting upon the act of February 12, 1903, above quoted, the Supreme Court of the United States, in the case of the Union Oil Co. *v.* Smith (249 U. S. [illegible]7), uses the following language:

Hence the declaration in the act of 1903 that where oil lands are located as placer mining claims "the annual assessment labor upon such claims lying contiguous and owned by the same person," indicates simply the legislative purpose that the necessary assessment work, if done upon one of the group, should have the same effect as if properly distributed among the several claims; that is to say, the effect of preserving the exclusive right of possession and enjoyment conferred by section 2322 with respect to unpatented claims based upon a previous discovery of oil.

The act of June 25, 1910, commonly known as the Pickett Act, shows the continuing policy of Congress to protect persons who had located oil-placer claims. Section 2 of the Pickett Act contains the following language:

That the rights of any person who, at the date of any order of withdrawal heretofore or hereafter made, is a bona fide occupant or claimant of oil or gas bearing lands, and who, at such date, is in diligent prosecution of work leading to discovery of oil or gas, shall not be affected or impaired by such order, so long as such occupant or claimant shall continue in diligent prosecution of said work: *And provided further*, That this act shall not be construed as a recognition, abridgment, or enlargement of any asserted rights or claims initiated upon any oil or gas bearing lands after any withdrawal of such lands made prior to the passage of this act.

The same policy is pursued in the act of March 2, 1911, which reads, in part, as follows:

SECTION 1. That in no case shall patent be denied to or for any lands heretofore located or claimed under the mining laws of the United States containing petroleum, mineral oil, or gas solely because of any transfer or assignment thereof or of any interest or interests therein by the original locator or locators, or any of them, to any qualified persons or person or corporation prior to discovery of oil or gas therein. * * *

The policy of Congress in respect to the development of the mineral resources of the United States is further shown in the act for the relief of the holders of placer claims on phosphate lands. In the act of January 11, 1915, are the following provisions:

Be it enacted, etc., That where public lands containing deposits of phosphate rock have heretofore been located in good faith under the placer-mining laws of the United States and upon which assessment work has been annually performed, such locations shall be valid and may be perfected under the provisions of said placer-mining laws, and patents, whether heretofore or hereafter issued thereon, shall give title to and possession of such deposits: *Provided*, That this act shall not apply to any locations made subsequent to the withdrawal of such lands from location, nor shall it apply to lands included in an adverse or conflicting lode location unless such adverse or conflicting location is abandoned.

It will be seen by reference to the acts of Congress herein referred to that it has long been the policy of the Government to grant relief to persons who in good faith but under a mistaken belief as to the meaning of the law have entered upon any part of the public domain to develop the mining industry of the United States. Indeed, it has been many times declared by the Supreme Court of the United States as well as other courts of high standing that it has been the policy of the Government since the discovery of gold in California in 1849 to encourage the citizens to develop the mining resources of the country. The mining law itself has many times been declared to be an invitation to citizens to develop the undeveloped public domain and thus add to the wealth of the country.

EARLY ACTION BY CONGRESS IS URGED.

It is well known that the life of an oil field is usually not more than four or five years. Oil is fugitive in character and can be drawn a long distance by means of suction pumps. There are more than 200 wells immediately south of the south bank of Red River. For nearly two and a half years these wells have been pumping day and night, and they are drawing oil from the adjacent ground immediately north of the south bank of Red River. Unless relief is granted to the placer locators and their successors very soon, it can not be granted at all, because it will not be long until very little oil will remain in property. I am reliably informed that suction pumps have been used for many months in the 200 wells in Texas near the boundary line. Many of these wells are within 20 feet of the boundary line and are what are commonly called offset wells. It is earnestly urged, therefore, that this is a case in which there should be no delay in granting relief, because, as before stated, unless relief is granted now, it can not be given.

Mr. Speaker, many of my constituents have invested the savings of a lifetime in the stock of this company. It was controlled by men of the highest character and finest business integrity. Eminent lawyers who gave careful study to the legal phase of the question said there was no question about the validity of the title in the Burke Divide Oil Co. It was the industry and perseverance of these locators which led to the discovery of these oil wells. The United States Government should do justice and equity and grant the relief prayed for in this measure.

THE LEGISLATIVE PROGRAM.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent to address the House on the legislative program.

The SPEAKER. Is there objection. [After a pause.] The Chair hears none.

Mr. MONDELL. Mr. Speaker, I can not say at this time that the House will be called upon to take up any important legislation to-morrow, but I trust that we may have a quorum present, as there are matters of moment that may come up. It is my present expectation to ask unanimous consent that when we adjourn to-morrow we adjourn to meet on Monday following. I desire to say to the Members of the House that we shall undoubtedly have important legislation the early part of next week, and I think it highly important that all Members be here.

ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 33 minutes p. m.) the House adjourned until Thursday, August 24, 1922, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. WINSLOW: Committee on Interstate and Foreign Commerce. H. R. 12377. A bill to establish a commission to be known as the United States Coal Commission for the purpose of securing information in connection with questions relative to interstate commerce in coal, and for other purposes, with an amendment (Rept. No. 1181). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on the Post Office and Post Roads was discharged from the consideration of the bill (H. R. 12406) for the relief of Emil L. Flaten, and the same was referred to the Committee on Claims.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SPROUL: A bill (H. R. 12409) to promote the public health; to the Committee on Interstate and Foreign Commerce.

By Mr. HOGAN: A bill (H. R. 12410) to authorize the Secretary of War to reinstate warrant officers of the Army Mine Planter Service; to the Committee on Military Affairs.

By Mr. HAYS: A bill (H. R. 12411) to provide for the purchase of a site and for the erection of a public building thereon at Charleston, Mo.; to the Committee on Public Buildings and Grounds.

By Mr. MacGREGOR: A bill (H. R. 12412) to prevent commercialism in the military and naval institutions of the United States; to the Committee on Military Affairs.

By Mr. BRIGGS: A bill (H. R. 12413) providing for a survey of the Trinity River, Tex., with a view to the control of its floods; to the Committee on Flood Control.

By Mr. DYER: A bill (H. R. 12414) to amend the Revised Statutes of the United States relating to branch banks under the national bank act; to the Committee on Banking and Currency.

By Mr. McFADDEN: A bill (H. R. 12415) to amend section 5190 of the Revised Statutes of the United States, relating to branches of national banking associations, and for other purposes; to the Committee on Banking and Currency.

By Mr. GERNERD: A bill (H. R. 12416) declaring the burial ground of the Revolutionary soldiers at Bethlehem, Pa., a national military park upon the acquisition of the site at a cost not exceeding $10,000; to the Committee on Military Affairs.

By Mr. MacGREGOR: Joint resolution (H. J. Res. 373) providing for the suspension of the requirements of annual assessment work for the year 1922 on the mining claims of the Little Nell Mining Co.; to the Committee on Mines and Mining.

By Mr. FROTHINGHAM: Joint resolution (H. J. Res. 374) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. VOLSTEAD: Resolution (H. Res. 411) for the immediate consideration of H. R. 12356, a bill amending section 51, chapter 4, of the Judicial Code; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. APPLEBY: A bill (H. R. 12417) for the relief of the estate of Thomas N. Avery, deceased; to the Committee on Claims.

By Mr. CAMPBELL of Kansas: A bill (H. R. 12418) granting a pension to Louisa H. Rush; to the Committee on Invalid Pensions.

By Mr. CROWTHER: A bill (H. R. 12419) granting a pension to Amanda L. Hill; to the Committee on Invalid Pensions.

By Mr. DEMPSEY: A bill (H. R. 12420) granting an increase of pension to Mary L. Hagan; to the Committee on Pensions.

By Mr. DICKINSON: A bill (H. R. 12421) for the relief of Liberty loan subscribers of the City Bank of Jefferson, Iowa; to the Committee on Claims.

By Mr. ELLIOTT: A bill (H. R. 12422) granting a pension to John C. Harr; to the Committee on Invalid Pensions.

By Mr. GOULD: A bill (H. R. 12423) granting a pension to Esther A. Deyo; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12424) granting a pension to Mary E. Conley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12425) granting a pension to Perry Williams, alias David Williams; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12426) granting a pension to Harriet A. Fitzwater; to the Committee on Invalid Pensions.

By Mr. HAYS: A bill (H. R. 12427) granting an increase of pension to Christopher S. Alvord; to the Committee on Pensions.

By Mr. HIMES: A bill (H. R. 12428) granting a pension to Jessie Parsons; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12429) granting a pension to Emma A. Kline; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12430) granting a pension to Theodore Silas Steffy; to the Committee on Invalid Pensions.

By Mr. JAMES: A bill (H. R. 12431) granting a pension to Charles H. Brown; to the Committee on Pensions.

By Mr. KETCHAM: A bill (H. R. 12432) granting a pension to James Howard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12433) granting a pension to Elizabeth Tice; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12434) granting a pension to Addie Peck; to the Committee on Invalid Pensions.

By Mr. KRAUS: A bill (H. R. 12435) granting a pension to Spica A. Barber; to the Committee on Invalid Pensions.

By Mr. KUNZ: A bill (H. R. 12436) granting a pension to James McDonough; to the Committee on Invalid Pensions.

By Mr. LINTHICUM: A bill (H. R. 12437) granting a pension to George H. Nicholson; to the Committee on Pensions.

Also, a bill (H. R. 12438) granting an increase of pension to Georgianna M. Burroughs; to the Committeee on Invalid Pensions.

By Mr. McPHERSON: A bill (H. R. 12439) granting a pension to Melissa S. Omans; to the Committee on Invalid Pensions.

By Mr. MORGAN: A bill (H. R. 12440) granting an increase of pension to Sarah E. Newlon; to the Committee on Invalid Pensions.

By Mr. PERLMAN: A bill (H. R. 12441) for the relief of Carl Wordelman; to the Committee on Claims.

By Mr. REECE: A bill (H. R. 12442) granting a pension to Isabella L. Williamson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12443) granting an increase of pension to Orville Harvey; to the Committee on Pensions.

By Mr. ROBSION: A bill (H. R. 12444) granting a pension to Howard Hines; to the Committee on Pensions.

By Mr. MANN: Resolution (H. Res. 412) for the relief of the widow of Dr. Henry N. Couden, late Chaplain Emeritus of the House of Representatives; to the Committee on Accounts.

SENATE.

THURSDAY, *August 24, 1922.*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, we believe in the reality of things. We believe in our need of Thee. Without Thee we can accomplish nothing that will be lasting for human good. We therefore ask this morning that the consciousness of Thy presence may be very evident, that we may see things in the larger light, and understand what Thou wouldst have us do in every crisis of life in our Nation as well as in our individual affairs. We ask in Jesus' name. Amen.

The reading clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had passed a bill (H. R. 12377) to establish a commission, to be known as the United States Coal Commission, for the purpose of securing information in connection with questions relative to interstate commerce in coal, and for other purposes, in which it requested the concurrence of the Senate.

Mr. BORAH. I ask that the bill may lie on the table for the present.

The PRESIDENT pro tempore. Without objection it will lie on the table.

SUPPRESSION OF MOB VIOLENCE.

The PRESIDENT pro tempore. The Chair lays before the Senate a resolution in the nature of a memorial adopted by the International Conference of Prince Hall Masons of the United States advocating the passage of the Dyer antilynching bill, which, as a Senator from Iowa, I ask may be printed in the RECORD with the accompanying letter and lie on the table.

There being no objection, the resolution and letter were ordered to lie on the table and to be printed in the RECORD, as follows:

NATIONAL ASSOCIATION FOR ADVANCEMENT OF COLORED PEOPLE,
New York, August 17, 1922.

Hon. CALVIN COOLIDGE,
President United States Senate, Washington, D. C.

MY DEAR MR. COOLIDGE: I am transmitting to you herewith at their request resolutions adopted by the International Conference of Grand Masters, Past Grand Masters, Grand Secretaries, etc., of the Prince Hall Masons of the United States, representing 184,000 United States citizens who are members of that order, indorsing the Dyer antilynching bill now pending before the Senate, and urging its immediate enactment by that body. These resolutions were passed at the conference of this fraternal organization recently held in the city of Washington.

Very sincerely yours,

WALTER F. WHITE,
Assistant Secretary.

—

We, the members of the International Conference of Grand Masters, Past Grand Masters, Grand Secretaries, etc., Prince Hall Masons of the United States, having the administration of the law by Government at heart and representing the grand jurisdictions of various States of the United States, sincerely believe that the United States Senate now in session should be waited upon by a committee from this body to convey the unanimous sense of this body, that we are in hearty support of the Dyer antilynching bill as passed by the House of Representatives by an overwhelming vote of 230 to 119. We believe the passage and enactment into law of the said Dyer antilynching bill would correct certain abuses and barbarous treatment meted out to the citizens of this Republic.

Therefore, this conference has gone on record that the United States Senate, by virtue of the high respect it has always received from foreign nations, should keep up these glorious traditions and endeavor to correct the lamentable and alarming conditions which now exist. In foreign countries the belief is common the Government is indifferent to punish the evildoers, and we regret that the reports on lynching will tender to lower the respect and esteem which the Nation enjoys, because of the savagery so commonly and ruthlessly inflicted on defenseless citizens.

We further believe that as citizens of the various States of the Nation this stain should be eradicated from the land and the dignity of the laws upheld.

Respectfully yours,

E. H. HOLMES,
Grand Master of Masons, State of Washington,
H. I. MONROE,
Grand Master of Masons, State of Kansas,
A. A. SCHOMBURG,
Grand Secretary, State of New York,
Members Committee on Resolutions.

CALL OF THE ROLL.

Mr. HEFLIN. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll and the following Senators answered to their names:

Ashurst	Gooding	Nelson	Smoot
Borah	Hale	New	Stanfield
Brandegee	Harreld	Nicholson	Stanley
Broussard	Heflin	Norbeck	Sterling
Bursum	Hitchcock	Oddie	Sutherland
Calder	Jones, N. Mex.	Phipps	Trammell
Cameron	Jones, Wash.	Pittman	Underwood
Capper	Kellogg	Pomerene	Wadsworth
Culberson	Kendrick	Rawson	Walsh, Mass.
Cummins	Keyes	Reed, Mo.	Walsh, Mont.
Curtis	Lenroot	Reed, Pa.	Warren
Dillingham	McCumber	Robinson	Watson, Ga.
Edge	McKellar	Sheppard	
Ernst	McNary	Shields	
Gerry	Moses	Shortridge	

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Fifty-seven Senators having answered to their names, there is a quorum present. The presentation of petitions and memorials is in order.

THE AMERICAN-VALUATION PLAN.

Mr. ODDIE. Mr. President, I ask unanimous consent to have printed in the RECORD a brief statement containing a synopsis of the names of those who have petitioned Congress for the American-valuation plan.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nevada?

Mr. WALSH of Massachusetts. I do not care to object, but the document which was sent me, apparently of a similar nature, contains thousands and thousands of names from all over the country. It seems to me it would take too many pages of the RECORD to print the names.

Mr. ODDIE. My request does not include the whole document, but simply a brief description of it; and I wish to submit a few remarks with reference to it.

Mr. WALSH of Massachusetts. I have no objection if it is a communication of reasonable size.

Mr. CUMMINS. What is the request of the Senator from Nevada?

The PRESIDING OFFICER. The request of the Senator from Nevada is, as the Chair understood it, to have printed in the RECORD a synopsis of the names of those petitioning with reference to the American-valuation plan.

Mr. CUMMINS. It is highly important this morning that we adhere to the regular order. I ask for the regular order.

The PRESIDING OFFICER. The regular order is the presentation of petitions and memorials. The Senator from Nevada asks unanimous consent to present the document in the nature of a petition and have it printed.

Mr. ROBINSON. Reserving the right to object, I inquire of the Senator from Nevada the purpose of encumbering the RECORD with the names of those who favor the American-valuation plan. I further inquire of the Senator from Nevada if this is deemed pertinent to the action of the Senate touching the tariff bill, why it was not presented while the tariff bill was under consideration?

Mr. ODDIE. This does not contain all the names by any means. It contains a synopsis of the organizations, and I want to introduce it with a few remarks by way of suggesting a compromise on the American-valuation matter, which will take only a few minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nevada, coupled with which is the request to submit a few remarks to the Senate for three or four minutes.

Mr. CUMMINS. I think it is highly necessary that we should proceed with the regular order this morning. There will be other opportunity, and therefore I object.

Mr. ODDIE. This is proceeding under the regular order, I understand.

The PRESIDING OFFICER. Under the regular order it can not be done without unanimous consent.

Mr. ODDIE. Very well.

PETITION.

Mr. ROBINSON presented a telegram in the nature of a petition from the Charles L. Jenkins Post, of Batesville, Ark., praying for the prompt passage of the so-called soldiers' adjusted compensation bill, which was ordered to lie on the table.

REPORTS OF COMMITTEES.

Mr. MCNARY, from the Committee on Agriculture and Forestry, to which was referred the resolution (S. Res. 341) providing for an investigation of the subject of crop insurance, reported it with an amendment and moved that it be referred to the Committee to Audit and Control the Contingent Expenses of the Senate, which was agreed to.

Mr. ROBINSON, from the Committee on Claims, to which was referred the bill (S. 1988) for the relief of Faxon, Horton & Gallagher; Long Bros. Grocery Co.; A. Rieger; Rothenberg & Schloss; Ryley, Wilson & Co.; and Van Noy News Co., reported it without amendment and submitted a report (No. 876).

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. EDGE (for Mr. FRELINGHUYSEN):

A bill (S. 3939) granting a pension to Charles Schlipf; to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 3941) to amend the Revised Statutes of the United States relating to branch banks under the national bank act; to the Committee on Banking and Currency.

By Mr. HARRELD:

A bill (S. 3942) for the relief of John H. McAtee; to the Committee on Military Affairs.

By Mr. PITTMAN:

A bill (S. 3943) to amend section 5 of the act approved March 2, 1919, entitled "An act to provide relief in cases of contracts connected with the prosecution of the war, and for other purposes"; to the Committee on Mines and Mining.

By Mr. WALSH of Montana:

A bill (S. 3944) authorizing the Secretary of the Interior to acquire land and erect a monument on the site of the battle with the Sioux Indians in which the commands of Major Reno and Major Benteen were engaged; to the Committee on Public Lands and Surveys.

By Mr. CURTIS:

A bill (S. 3945) granting a pension to Charles E. Mann (with accompanying papers);

A bill (S. 3946) granting a pension to Ellen W. Inman (with accompanying papers);

A bill (S. 3947) granting a pension to Malinda Johnson (with accompanying papers);

A bill (S. 3948) granting a pension to Tillie M. Smith (with accompanying papers); and

A bill (S. 3949) granting a pension to Kissire Hotchkiss (with accompanying papers); to the Committee on Pensions.

By Mr. MOSES:

A bill (S. 3950) granting a pension to Sylvanus Chapman (with accompanying papers); to the Committee on Pensions.

By Mr. CALDER:

A bill (S. 3951) to authorize the Secretary of War to reinstate warrant officers of the Army mine planter service; to the Committee on Military Affairs.

REGULATION OF COAL PRICES.

Mr. CUMMINS. I introduce a bill for consideration, which relates to the emergency which now exists in the coal situation. The bill is in nowise connected with or in conflict with the bill which has heretofore been reported by the Senator from Idaho [Mr. BORAH] from the Committee on Education and Labor. It is merely intended to prevent the sale or distribution of coal at unreasonably high prices during the present emergency. I ask that the bill may be referred to the Committee on Interstate Commerce.

The bill (S. 3940) to declare an emergency respecting the production, distribution, and price of coal and other fuel, to create an additional agency of the United States with respect thereto, to enlarge the powers of the Interstate Commerce Commission in establishing priorities and embargoes in the transportation of coal and other fuel in interstate commerce in order to prevent the exaction of unreasonably high prices for these commodities, and for other purposes, was read twice by its title and referred to the Committee on Interstate Commerce.

PENSIONS AND INCREASE OF PENSIONS—CONFERENCE REPORT.

Mr. BURSUM. Mr. President, I ask unanimous consent of the Senate on a matter which will take but a moment and is of great importance. It is the conference report on House bill 4, the pension bill, with reference to which there is no controversy.

The PRESIDING OFFICER. Does the Senator desire to present the conference report?

Mr. BURSUM. I desire to present it and have it acted upon.

The PRESIDING OFFICER. The Senator has a right to present it at the present time.

Mr. CUMMINS. I ask the Senator from New Mexico whether it will lead to any discussion?

Mr. BURSUM. I think there will be no discussion. There is no controversy over it. There is no change except in one amendment, known as the Smoot amendment, which was agreed to by the author of the amendment and which limits the scope of the amendment. That is the only change. The veterans are now in session at Los Angeles, and I should like to see the conference report agreed to at this time.

Mr. CUMMINS. Reserving the right to object, I ask for a statement of what the report is.

Mr. ROBINSON. I inquire of the Senator from New Mexico what is the subject matter of the bill? He has not yet stated it.

Mr. BURSUM. It is the bill (H. R. 4) granting relief to soldiers and sailors of the war with Spain, Philippine insurrection, and Chinese Boxer rebellion campaign, to widows, former widows, and dependent parents of such soldiers and sailors, and to certain Army nurses. There was one amendment added in the Senate with reference to the pensioning of Indian war veterans. That particular amendment was curtailed in the House and limited and the change agreed to by the author of the amendment. I can see no reason for any controversy. Otherwise the bill is as it was passed by the Senate.

Mr. ROBINSON. What was the limitation placed by the amendment of the other House?

Mr. BURSUM. The limitation of the amendment was with reference to the offering of testimony. Under the amendment as adopted by the Senate provision was made for specific methods of presenting evidence which was made prima facie evidence, such as the records of the States, congressional memorials, and so forth. Those provisions were eliminated, and in lieu thereof it was provided that in case such records had been destroyed or burned the applicant should give testimony to the satisfaction of the Commissioner of Pensions.

The PRESIDING OFFICER. If the Senator will suspend for a moment, the Chair desires to state that he is advised by the Secretary that the papers in connection with this matter are not in the Senate, and the Chair would suggest to the Senator that he look into it.

Mr. BURSUM. Very well.

Mr. BURSUM subsequently presented the report, and it was considered and agreed to, as follows:

CONFERENCE REPORT.

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4) granting relief to soldiers and sailors of the war with Spain, Philippine insurrection, and Chinese Boxer rebellion campaign; to widows, former widows, and dependent parents of such soldiers and sailors; and to certain Army nurses, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, and 6, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "or died in service due to disability or disease incurred in the service"; and the Senate agreed to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: Strike out all of the matter inserted by said amendment after the word "archives," in line 16, down to and including the word "widows," in line 22, and insert in lieu thereof the following: ";fourth, where there is not muster roll or pay roll on file in the several State or territorial archives showing service of the beneficiary or same has been destroyed by fire or otherwise lost, and no record of service has been made in the War Department or Treasury Department, the applicant may make proof of service by furnishing evidence satisfactory to the Commissioner of Pensions"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the title of the bill, and agree to the same.

H. O. BURSUM,
REED SMOOT,
T. J. WALSH,
Managers on the part of the Senate.

HAROLD KNUTSON,
J. M. ROBSION,
WILLIAM D. UPSHAW,
Managers on the part of the House.

SENATOR FROM MICHIGAN.

Mr. EDGE. Mr. President, I ask unanimous consent to have printed in the RECORD a letter written by the Secretary of State, Mr. Hughes, to Rev. Dr. Hugh B. MacCauley, a well-known divine of Paterson, N. J., in answer to a request of Doctor MacCauley for a statement by Secretary Hughes as to what was the basis of his defense of the Newberry case before the Supreme Court. The letter of Secretary Hughes, who was acting as counsel for Mr. NEWBERRY at the time, is such a clear exposition of that side of it that I am sure it will be interesting.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

PATERSON, N. J., *August 12, 1922.*

Hon. CHARLES E. HUGHES,
Department of State, Washington, D. C.

DEAR SIR: Allusion to the Newberry case made from time to time by Democratic speakers leads me to ask you if you will not state the facts and the law upon which you made your argument in the Supreme Court of the United States and upon which that court decided the case.

I remember that Mr. Justice McReynolds, a Democrat, handed down the decision of the majority of the court, acquitting Mr. NEWBERRY, and that Chief Justice White, a great Democrat, a great Chief Justice, and a great man, concurred in the decision, but I do not remember having seen published, even in the summary, the substance of their opinion.

I shall be grateful, as I am sure thousands of other citizens will be, if, as I have suggested, you will state the facts and the law and quote for my information the opinions of the justices as well as your own personal opinion.

Very truly yours,

(Signed) HUGH B. MACCAULEY.

1529 EIGHTEENTH STREET,
Washington, D. C., August 16, 1922.

Rev. HUGH B. MACCAULEY, D. D.,
Paterson, N. J.

DEAR SIR: I have received your letter asking me to comment on the facts and the law in the case of Senator NEWBERRY which was decided by the Supreme Court of the United States, and I take pleasure in complying with your request. I regret to say that there seems to be a general misconception of the nature of the litigation and its result, and Senator NEWBERRY has suffered in consequence a most serious injustice.

Senator NEWBERRY, with others, was indicted in the Federal court of Michigan for violating the Federal statute limiting expenditures by a candidate in procuring his nomination and election as a Senator or Representative in Congress. The Federal statute made it unlawful for the candidate to expend an amount in excess of the limit fixed by the State statute, and the limit in Michigan was $3,750 in the case of the nomination and election of a United States Senator.

The conviction of Senator NEWBERRY in the lower court was reversed unanimously by the Supreme Court of the United States.

It should be borne in mind that Senator NEWBERRY'S conviction in the lower court was not based on any charge of fraud or corruption or of the use of money for any illegal purposes or of any act involving moral turpitude.

It was based solely on the charge that there was an expenditure in his campaign for nomination and election of over $3,750, the statutory limit, regardless of how the money was used or how innocuous and proper the purposes of the expenditure might have been. To make the point clear, if all the money had been used in hiring halls for the delivery of speeches or in distributing circulars, the conviction under the construction of the trial court would have been just as inevitable, as long as this amount exceeded $3,750. That this was the nature of the case is demonstrated by the explicit instructions which the trial judge gave to the jury.

The point was clearly brought out by Mr. Justice McReynolds in giving the opinion of the Supreme Court of the United States. He said:

"Under the construction of the act urged by the Government and adopted by the court below it is not necessary that the inhibited sum be paid, promised, or expended by the candidate himself or be devoted to any secret or immoral purpose. For example, its open and avowed contribution and use by supporters upon suggestion by him or with his approval and cooperation in order to promote public discussion and debate touching vital questions or to pay necessary expenses of speakers, etc., is enough. And upon such interpretation the conviction below was asked and obtained."

There were six counts or charges in the indictment against Senator NEWBERRY and the other defendants. One of these counts, the fifth, charged a conspiracy to commit a great many offenses, consisting of giving money and things of value to persons to vote for Senator NEWBERRY and of giving valuable considerations to persons to withhold their vote from Henry Ford. It will be remembered that the trial was a very long one and that voluminous evidence was introduced. But despite every effort of the prosecution to show corruption the trial court disposed of this charge and refused to permit the jury to consider it, as there was no evidence whatever to sustain it. There was thus no charge of bribery laid before the jury and the conviction did not proceed upon any such ground.

Upon this point Chief Justice White, in his opinion in the Supreme Court, said:

"At the trial, before the submission of the case to the jury, the court put the fifth count entirely out of the case by instructing the jury to disregard it, as there was no evidence whatever to sustain it. The bribery charge, therefore, disappeared."

There was another count or charge in the indictment, the sixth count, which charged a conspiracy to defraud by use of the mails. But upon that count the jury rendered a verdict of not guilty.

The four remaining counts of the indictment involved substantially the same charge, and these were either eliminated or consolidated with the first count. Thus the question came down to the one point, as I have said, the expenditure, or conspiracy to expend, an amount of money in excess of the statutory limit of $3,750. That was all that was left of the case.

Senator NEWBERRY could not have been convicted, even upon this charge, without what I have always regarded, and so stated in my argument to the Supreme Court, as an extraordinary misapplication of the statute upon which the charge was based.

Senator NEWBERRY, and the other defendants, having been convicted in the manner stated, an appeal was taken directly to the Supreme Court.

The opinion of that court, written by Justice McReynolds, on behalf of the majority of the justices, held that the Federal statute was unconstitutional, as Congress had not been authorized to limit the expenses of a primary or nomination campaign. One of the majority, Justice McKenna, concurred in this opinion on the ground that the act of Congress was enacted prior to the seventeenth amendment, and he reserved the question of the power of Congress under that amendment. With the holding of the statute unconstitutional in its relation to primary campaigns the basis of the prosecution of Senator NEWBERRY, with all its sensational incidents, fell.

There were four of the Justices of the Supreme Court who did not concur in the view that the statute was unconstitutional, but they joined in reversing the judgment of conviction, because the statute had been seriously misconstrued by the trial court. Chief Justice White wrote a separate opinion in which he expressed this view. He said:

"Although I am unable to concur in the conclusion as to the want of power of Congress and in the judgment of reversal as rendered, I am nevertheless of opinion that there should be a judgment of reversal without prejudice to a new trial, because of the grave misapprehension and grievous misapplication of the statute upon which the conviction and sentence below were based."

Justice Pitney also wrote an opinion, in which Justice Brandeis and Justice Clarke concurred, in which, while expressing their view that Congress had power to pass the statute in question, agreed that the statute had been seriously misconstrued and that the conviction of Senator NEWBERRY was erroneous. Accordingly, these justices agreed in the reversal of the judgment.

The point of the "grievous misapplication" of the statute by the trial judge and the grave injury that was thus done to Senator NEWBERRY sufficiently appears from the opinions of these justices. I may say that a more extraordinary misconstruction of a statute has never come under my observation and under this construction hardly any candidate could have escaped violating it.

Chief Justice White in his opinion says that the controlling instruction given by the court to the jury was "in clear conflict with the text of the statute and was necessarily of a seriously prejudicial nature, since in substance it announced the doctrine that, under the statute, although a candidate for the office of Senator might not have contributed a cent to the campaign or caused others to do so, he nevertheless was guilty if he became a candidate or continued as such after acquiring knowledge that more than $3,750 had been contributed and was being expended in the campaign."

The Chief Justice pointed out that there had been a failure to distinguish between contributions and expenditures made or caused to be made by the candidate and the voluntary contributions and expenditures of others. The Chief Justice illustrated the point by showing the absurdity of a construction which would expose the most high-minded candidate to conviction of a criminal offense under the statute if he continued his candidacy, with a knowledge that his supporters had put up the necessary moneys to enable him to conduct a legitimate campaign. Thus, Chief Justice White said:

"Under the instruction given in every case where to the knowledge of the candidate a sum in excess of the amount limited by the statute was contributed by citizens to the campaign, the candidate, if he failed to withdraw, would be subject to criminal prosecution and punishment. So, also, contributions by citizens to the expenses of the campaign, if only knowledge could be brought home to them that the aggregate of such contributions would exceed the limit of the statute, would bring them, as illustrated by this case, within the conspiracy statute and accordingly subject to prosecution. Under this view, the greater the public service and the higher the character of the candidate, giving rise to a correspondingly complete and self-sacrificing support by the electorate to his candidacy, the more inevitably would criminality and infamous punishment result both to the candidate and to the citizen who contributed."

Justice Pitney, writing for himself and for Justices Brandeis and Clarke, thus described the effect of the trial court's instruction to the jury:

"The effect of the instruction that was given may well have been to convey to the jury the view that Mr. NEWBERRY'S conduct in becoming and remaining a candidate with knowledge that spontaneous contributions and expenditures of money by his supporters would exceed the statutory limit, and his active participation in the campaign were necessarily equivalent to an active participation by him in causing the expenditure and use of an excessive sum of money, and that a combination among defendants having for its object Mr. NEWBERRY'S participation in a campaign where money in excess of the prescribed limit was to be expended, even without his participation in the contribution or expenditure of such money, amounted to a conspiracy on their part to commit an offense against the act."

The conviction of Senator NEWBERRY was obtained under a statute held by the majority of the Supreme Court to be invalid; rested upon a ground which did not involve any finding by the jury of moral turpitude; and was effected only by a most serious misconstruction of the statute which exposed him to conviction regardless of any moral offense upon his part and no matter how high-minded he might have been in his conduct in the campaign.

I note that in your letter you refer to Chief Justice White and Justice McReynolds as Democrats. I deprecate any such allusion, as partisan considerations do not enter into the judicial opinions of the Supreme Court.

The plain fact is that Senator NEWBERRY was wrongly and most unjustly convicted and his conviction was set aside. Despite the long period of preparation, the rigid investigation, the careful choosing of their ground, the long-drawn-out trial, the attempt in every possible way to besmirch, and the zeal, ability, and even bitterness of his pursuers, their endeavor to establish a violation of law on the part of Senator NEWBERRY completely failed, and accordingly Senator NEWBERRY stood as a Senator duly elected by the people of the State of Michigan and entitled to his seat in the Senate of the United States.

I remain, very sincerely yours,

CHARLES E. HUGHES.

Mr. ROBINSON subsequently said: I ask unanimous consent to insert in the RECORD, following the letter of Secretary Hughes, which was ordered printed at the instance of the Senator from New Jersey, a statement by Hon. Cordell Hull relative to the Newberry case. I ask that it be printed in the same type in which Secretary Hughes's letter is printed.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

The statement is as follows:

CHAIRMAN HULL'S STATEMENT IN REPLY TO SECRETARY HUGHES'S LETTER ON NEWBERRY CASE.

WASHINGTON, August 21.—Replying to Secretary Hughes's letter defending seating of Senator TRUMAN H. NEWBERRY, of Michigan, Cordell Hull, chairman of the Democratic National Committee, construes the letter as a plan on the part of Republican leaders to make Newberryism the paramount issue of the campaign as the only means "of diverting public attention from many other issues still more damaging," and declares that they have made a mistake in selecting a civil lawyer like Mr. Hughes when the administration needs the ablest criminal lawyers to defend it.

Chairman Hull's statement in full is as follows:

"The national Republican leaders have decided to make Newberryism the paramount issue in the present national congressional campaign, and have put forward Secretary of State Hughes as the attorney to state the case and offer the chief defense. In selecting Secretary Hughes for this delicate and dangerous task Republican leaders have made a mistake. Secretary Hughes is only a civil lawyer, whereas this national administration needs the ablest criminal lawyers to be found to defend it this year.

"In a desperate effort to check the rising tide of popular indignation, due to the fact that the 18 months' record of this administration and its Congress contains more elements of complete failure than any or all their predecessors, Republican leaders have felt obliged to single out this one issue and make it paramount as the only means of diverting public attention from many other issues deemed still more damaging. It was evidently decided that Secretary Hughes, one of the few Cabinet officers and Republican leaders whose respectability has not been seriously impaired, might dramatize Newberryism in such an attractive way as to draw the attention of the farmer, the business man, and the laborer away from the tremendously destructive effects of the Republican industrial panic of 1921–22, and from the confused, log-sided, uncertain, and demoralized state of business, industrial, economic, and social conditions of the Nation, which the Republican administration and the Republican Congress have not shown the faintest capacity to deal with.

"With public attention thus focused on Newberryism, the injustices, iniquities, monopolies, and robberies about to be inflicted upon the American people by the most unscientific, unsound, monstrous, and profiteering tariff bill ever enacted might be overlooked or minimized until after the election. The long list of Republican failures and of broken pledges and the notorious breakdown of Republican leadership everywhere might excite less hostile feeling if the voters' attention could be kept riveted upon Mr. Hughes's special pleading in behalf of Newberryism. And in addition, such scandals as the midnight raid on the Bureau of Printing and Engraving, the Teapot Dome oil reserve, the Daugherty case, and Nat Goldsteinism might be viewed less critically with Secretary Hughes in the center of the stage singing the praise of NEWBERRY and chanting the virtues of Newberryism.

"Democrats and good citizens generally, while disappointed that the present Republican leadership is unable to pitch the campaign on a higher level of morals and of decency, feel constrained to accept the issue as tendered through Secretary Hughes. Against this Newberry pronouncement of Secretary Hughes, made unofficially and in a great party emergency which gives it the tinge of narrow partisanship, Democrats will match the solemn official verdict of a Republican judge and Republican jury in Michigan to the effect that in morals and under the law as it then existed and also the facts, NEWBERRY and his associates were guilty of violating the corrupt practices act, and in the language of Senator BORAH, 'the amount expended was intended to and did corruptly affect the result of the primary election.' Against this utterance of Secretary Hughes, which, coming at the time and in the circumstances it does, will create in the public mind at least a strong suspicion of pure partisanship as the motive behind it, Democrats will also match the opposing judicial conclusions of the ablest Republican Senators, who gave all the facts and the law of the entire case the most painstaking investigation. Among these Senators were Borah, Kenyon, Norris, Jones of Washington, Sutherland, and Norbeck.

"The Republican membership of the United States Senate, with a few exceptions, solemnly resolved that 'the expenditure of such excessive sums in behalf of a candidate, either with or without his knowledge and consent, being contrary to sound public policy, harmful to the honor and dignity of the Senate, and dangerous to the perpetuity of a free Government, such excessive expenditures are hereby condemned and disapproved.' Was even this an exoneration of NEWBERRY? And yet Secretary Hughes finds no difficulty in reaching the conclusion that NEWBERRY 'stood as a Senator duly elected by the people and entitled to his seat in the Senate.'

"If Secretary Hughes does not know that the Newberry seat in the United States Senate was bought, he is the only intelligent person in America who does not know that fact."

UNITED STATES COAL COMMISSION.

Mr. BORAH. I ask unanimous consent that the bill which has come over from the House of Representatives, having for its purpose the creation of a coal commission, may be laid before the Senate for consideration.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The Chair lays before the Senate the bill from the House of Representatives.

The bill (H. R. 12377) to establish a commission to be known as the United States Coal Commission for the purpose of securing information in connection with questions relative to interstate commerce in coal, and for other purposes, was read twice by its title.

The PRESIDING OFFICER. What is the request of the Senator from Idaho?

Mr. UNDERWOOD. Before the request of the Senator from Idaho shall be granted, as this bill has just come over from the other House and many of us are unfamiliar with it, I should like to have it read in full, in order that we may be informed.

The PRESIDING OFFICER. The Secretary will read the bill.

The reading clerk read the bill, as follows:

Be it enacted, etc., That for the purpose of securing information in connection with questions relative to interstate commerce in coal and all questions and problems arising out of and connected with the coal industry, there is hereby established a governmental agency to be known as the United States Coal Commission, to be composed of not more than nine members to be appointed by the President of the United States, by and with the advice and consent of the Senate. No Member of the United States Senate or of the House of Representatives or person who has any interest in or is connected with the coal industry shall be eligible to serve on said commission. Said commission shall elect a chairman by majority vote of its members, shall maintain central offices in the District of Columbia, but may, whenever it deems it necessary, meet at such other places as it may determine. It shall have power to form itself into subdivisions for the purpose of hearing testimony and making investigations, but all reports to the Congress and to the President shall be made by majority action of said commission. A member of the commission may be removed by the President for neglect of duty or malfeasance in office, but for no other cause. Each member of said commission shall receive a salary of $7,500 a year. Any vacancy on the commission shall be filled in the same manner as the original appointment. Said commission shall cease to exist one year after the taking effect of this act.

SEC. 2. That it shall be the duty of said commission to investigate and to ascertain facts in the coal industry as to ownership of coal mines, prices of coal, wages, wage contracts, conditions of employment, distribution, waste of coal, profits realized by owners or operators of coal mines or by other persons or corporations having to do with the production, distribution, or sale of coal, and any other material facts in connection with the coal industry generally and the organizations and persons connected with it. Said commission shall report to the President and to Congress its findings of fact and such recommendations as to methods and measures as in its judgment will promote continuity of production and efficiency in mining and distribution and maintain the uninterrupted movement of coal in interstate commerce and safeguard the interests of the workers, operators, and the consuming and general public. Said commission shall submit its first report not later than the 1st day of January, 1923.

SEC. 3. That any member of said commission shall have power to administer oaths, to subpœna and examine witnesses, and to compel the production of any book, paper, document, or other evidence, from any place in the United States, at any designated place of hearing, and to take or authorize the taking of the deposition of any person before any person having power to administer oaths. In the case of a deposition the testimony shall be reduced to writing by the person taking the deposition or under his direction and be subscribed to by the deponent. The same fees and mileage as are paid in the courts of the United States shall be paid in the case of witnesses subpœnaed or depositions taken under this act.

SEC. 4. That no person shall be excused from so attending and testifying and deposing, or from producing any book, paper, document, or other evidence on the ground that the testimony or evidence, documentary or otherwise, may tend to incriminate him or subject him to a penalty or forfeiture; but no natural person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he may be compelled to testify or to produce evidence, documentary or otherwise, before said commission, or in obedience to its subpœna or the subpœna of either of them: *Provided*, That no person shall be exempt from prosecution and punishment for perjury committed in so testifying.

SEC. 5. That in case of failure to comply with any subpœna, or in case of the contumacy of any witness appearing before the commission, the commission may invoke the aid of any United States district court. Such court may thereupon order the witness to comply with the requirements of such subpœna, or to give evidence touching the matter in question, as the case may be. Any failure to obey such order may be punished by such court as a contempt thereof.

SEC. 6. That the commission and, when duly authorized in writing by the commission, any commissioner or agent of the commission shall at all reasonable times, for the purposes of examination, have access to and the right to copy any book, account, record, document, correspondence, or paper relating to any matter which the commission is authorized by this act to investigate.

SEC. 7. That any person who shall willfully neglect or refuse to attend and testify or depose, or to produce or permit access to any book, account, record, document, correspondence, or paper, as herein provided for, shall be guilty of an offense and upon conviction thereof be punished by a fine of not more than $5,000, or by imprisonment for not more than one year, or by both such fine and imprisonment.

SEC. 8. That every officer or employee of the United States whenever requested by the commission shall supply it with any data or information pertaining to any investigation by the commission which may be contained in the records of the office of such officer or employee.

SEC. 9. That any officer or employee of the commission who shall make public any information obtained by the commission without its authority, unless directed by a court, shall be demed guilty of a misdemeanor, and, upon conviction thereof, shall be punished by a fine not exceeding $5,000, or by imprisonment not exceeding one year, or by both such fine and imprisonment, in the discretion of the court.

SEC. 10. That the commission may appoint and remove such officers, employees, and agents; and make such expenditures for rent, printing, telegrams, telephone, law books, books of reference, periodicals, furniture, stationery, office equipment, and other supplies and expenses, including salaries, traveling expenses of its members, secretary, officers, employees, and agents, and witness fees, as are necessary for the efficient execution of the functions vested in the commission by this act and as may be provided for by Congress from time to time, and make such rules and regulations as may be necessary for the efficient administration of this act. All of the expenditures of the commission shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the chairman of the commission.

SEC. 11. That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $300,000, or so much thereof as may be necessary, to be available until expended, for carrying out the provisions of this act.

The PRESIDING OFFICER. What is the request of the Senator from Idaho?

Mr. BORAH. I ask unanimous consent for the consideration of the measure at this time.

The PRESIDING OFFICER. The Senator from Idaho asks unanimous consent to proceed to the consideration of the bill. Is there objection?

Mr. ROBINSON. Reserving the right to object, I wish to make some inquiries of the Senator from Idaho and to preface the inquiries with a statement.

On yesterday the Senator from Idaho himself reported into the Senate a bill on this subject, which was printed, and which this morning for the first time became available for the use and study of the Senate generally. The bill which the Senator from Idaho reported yesterday from the Committee on Education and Labor is a complete substitute for a bill introduced by the Senator from Idaho [Mr. BORAH] some days ago. This proposed legislation relates to a very important subject, and presents some questions that in my opinion ought to be considered with care by the Senate. I know that the Senator from Idaho has been studying the subject for some days, and for that reason I am very much disposed to grant consent for the present consideration of the bill. The Senate, however, has had no opportunity whatever to make a comparison between the bill reported by the Senate Committee on Education and Labor through the Senator from Idaho, the bill originally introduced by that Senator, and the bill that passed the House on yesterday and which the Senator from Idaho now asks the Senate to take up for immediate consideration and disposition. I am inclined to think that the bill ought to go over until to-morrow so that Senators may have an opportunity of reading and comparing the bills.

The Secretary has just read the House bill, and there is not a Senator in the Chamber who could hear it, or understand, if he heard it, the effect of the provisions read. The confusion in the Chamber was very great, as it usually is when a bill is being read. I have no disposition whatever to delay action on this matter, and I do not like to oppose any request the Senator from Idaho may make.

Mr. BORAH. Mr. President, I am very anxious, of course, to make progress with this matter; but one day is not absolutely essential, and I have no desire whatever to make undue haste and deprive Senators of an opportunity to read the bill.

If they feel that they have not had time to do so, I will not urge it until to-morrow morning.

Mr. ROBINSON. I believe that the Senator would conserve the interests of fair legislation by renewing his request on to-morrow. I want to say to the Senator from Idaho that it is my desire, and the desire of some others of us, to cooperate with him in the consideration and disposition of this subject; but it is very difficult immediately to make the comparisons between these three bills which the Senators ought to have an opportunity of making.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield for a moment?

Mr. ROBINSON. The Senator from Idaho has the floor.

Mr. BORAH. I yield.

Mr. WALSH of Massachusetts. I was going to suggest to the Senator from Arkansas that the Senator from Idaho to-day state just the differences between the bills, which he is prepared to do, and then let the matter go over until to-morrow for further discussion and argument. I am sure he could enlighten the Senate very much about the differences in these bills if he were permitted to address the Senate briefly upon their provisions.

Mr. ROBINSON. I shall be very glad to have the Senator from Idaho do that, if he is ready to do it, and if other Senators are willing that he shall have the opportunity, because it will be helpful to me and to other Senators in the study of the various proposals that are submitted to the Senate.

Mr. WALSH of Massachusetts. Very helpful.

Mr. ROBINSON. We now have three propositions which may be entirely distinct, which undoubtedly are quite different in important particulars; otherwise they would not be presented as separate propositions. If the Senator from Idaho will make an explanatory statement and then let the bill go over until to-morrow, I would prefer that he take that course rather than put me in the attitude of objecting to the consideration of his bill at this time.

Mr. STERLING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from South Dakota?

Mr. BORAH. I do.

Mr. STERLING. I simply wish to join with the Senator from Arkansas in expressing the hope that the Senator from Idaho will be willing that this matter go over until to-morrow.

Mr. BORAH. Very well.

Mr. STERLING. The Senator from Idaho recalls that the bill considered in the Committee on Education and Labor was the Senator's own bill. This comes now as a substitute, which is quite different, I think, from the Senator's bill and the bill considered in the committee; and there has been no time on my part to give this new measure any consideration at all.

Mr. BORAH. I think the request of the Senators is a reasonable one, and I shall not insist upon my request. I shall ask, therefore, instead of this bill being considered at this time, that when I have completed my statement, which will be very brief, the bill be referred to the Committee on Education and Labor, and then we can report it out this afternoon.

Mr. President, there are not, perhaps, any irreconcilable differences. The bill as it comes from the House provides for a commission of nine. The bill as it comes from the Senate committee provides for a commission of five. The bill of the House provides that no appointments shall be made up of persons who are interested in the coal industry, either operators or workers. The bill as it comes from the Senate committee leaves the President free to select whomsoever he will.

Mr. ROBINSON. Mr. President, will the Senator yield for a question in that connection?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Arkansas?

Mr. BORAH. I do.

Mr. ROBINSON. I notice by a brief inspection of the bill which the Senator from Idaho introduced that he at first proposed that the miners and the operators should have representation on the commission; and, as he has just stated, the House bill eliminates that provision and gives the President an entirely free hand in the selection of the commission. No qualifications whatever are prescribed in the House bill, and I think that is true of the substitute reported yesterday by the Senator from Idaho. This particular subject constituted the principal controversy over the bill in the body at the other end of the Capitol, which considered the bill and passed it yesterday. Has the Senator from Idaho reached a conclusion upon the point as to whether the qualifications of members of the commission ought to be prescribed in the act, or whether the President should be left at liberty to make the selections without any limitations in the law?

Mr. BORAH. Mr. President, when I first drew the bill which I introduced I felt that it would be wise to provide for the appointment of an individual from the mine operators, and also a representative of labor, and I have not wholly changed my view in regard to that matter. I recognize, however, the strength of the argument in favor of permitting the President, as the appointing power, to exercise his judgment as to how he should make up this commission.

Mr. ROBINSON. Mr. President, will the Senator yield for a question in that connection?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Arkansas?

Mr. BORAH. I do.

Mr. ROBINSON. I think the Senator, as all Senators, will agree that if one of the parties in interest—treating the mine owners and the mine workers as the two parties in interest—is to have representation on the commission, both should have.

Mr. BORAH. I have so provided.

Mr. ROBINSON. And it is so provided?

Mr. BORAH. The original bill so provided.

Mr. ROBINSON. Yes; but under the House bill the Executive, if he saw fit, could give one of the parties in interest representation and deny it to the other if he chose to do that.

Mr. BORAH. Yes.

Mr. ROBINSON. And that would discredit in the beginning the efforts of the commission, would it not?

Mr. BORAH. I think so.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. LENROOT. Under the House bill no one having any interest in the industry on either side could be appointed a member of the commission.

Mr. ROBINSON. Then that question would not arise. Under the House bill the President would be compelled to deny representation on the commission to either the mine workers or the mine owners. He would have to appoint what we call public representatives.

Mr. BORAH. Yes. The distinction between the House bill and the Senate bill is that under the House bill the President is not permitted to choose from anyone who has an interest in the coal industry if he desires to do so, while the Senate bill leaves the matter open for him to appoint anyone that he desires to appoint, whatever their profession or relationship may be to the coal industry. In other words, it leaves the Executive free to make up the commission as he sees fit.

I think in all probability that will be the real bone of contention in regard to this proposition. The House bill also, as I have stated, provides for a commission of nine. The Senate bill provides for a commission of five. The House bill, as originally reported, provided for salaries of $10,000 a year. I think that was amended in the House to $7,500.

Mr. ROBINSON. That is as I remember.

Mr. BORAH. The differences, therefore, between the two bills, after those are stated, arise out of the authorizations found upon page 8 of the bill which is reported from the Senate committee. I do not find in the House bill anything covering these authorizations or provisions, and I will read them.

Said commission shall also submit recommendations relative to:

(a) Standardizing the mines upon the basis of their economic productive capacity and having in view the closing down of mines which, by reason of their natural limitations, fall below the standard.

Mr. ROBINSON. Mr. President, will the Senator yield to a question there?

The PRESIDING OFFICER. Does the Senator from Idaho further yield to the Senator from Arkansas?

Mr. BORAH. I do.

Mr. ROBINSON. It is purely a question for information. In the opinion of the Senator, does that language contemplate that if the commission shall find that a given mine or mines can not be operated economically as compared with other mines, the Federal Congress shall legislate to compel the owners of those mines to close them and to prevent them from operating?

Mr. BORAH. No; it is merely a recommendation upon the part of the commission for the information of the Congress—all of this is.

Mr. ROBINSON. I understand that it is not proposed that the commission shall legislate; but, now, suppose the commission says that Mine A in the State of Illinois can not be operated economically as compared with other mines in the same mining region, and recommends that the mine be closed down, and that only the mines that can be more economically operated be continued in operation. How would effect be given by Federal statute or Federal action to any such recommendation?

Mr. BORAH. That would be one of the questions which Congress would have to determine. After we had the facts as to

the condition of the mine, then it would be for Congress to determine, in the light of any suggestion which the commission might make, how to meet that difficulty.

Mr. ROBINSON. To put my question in another form, then, does the Senator think that if a congressional commission finds that under existing conditions a mine can not be operated economically, the mine owner ought not to be permitted to operate it in spite of that fact; that he ought to be in a sense deprived of his property and compelled to close it down, merely because there is a finding to the effect that other mines can be more economically operated?

Mr. BORAH. No.

Mr. ROBINSON. Where is the power under the Constitution for the Congress or any agency of the Congress, either an investigating committee or a legislative body, to require the owner of a property to close it down because it can not be economically operated as compared with other properties?

Mr. BORAH. There is no such power that I know of, but it is one of the difficulties in practical mining which we ought to study.

Mr. KELLOGG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Minnesota?

Mr. BORAH. I yield.

Mr. KELLOGG. As a matter of fact, under the broad powers of inquiry, at the bottom of page 7 and the first paragraph of page 8, has not the commission full power to inquire into every phase of the coal business and recommend all remedies which the commission believes can be constitutionally enacted by the Congress?

Mr. BORAH. Mr. President, I think in all probability that is true; but I want to say here, in answer to that, that if I should regard this commission such a commission as we have had from time to time with reference to inquiring after facts and then to report them and there end its labors, I would not favor this bill at all. If we are not to get the benefit of the work of the commission in the way of suggestions and recommendations looking to a real constructive program and the building up of a policy to be crystallized into law with reference to the mine industry, I should not be willing to lay out a single dollar upon this proposition.

It was my idea, therefore, to put language in the bill sufficiently explicit to direct the commission's attention to the fact that it was not merely to make an inquiry as to certain facts, most of which have already been ascertained, but that it was appointed for the purpose of crystallizing those facts into a policy as nearly as possible and presenting them to the Congress in the way of a recommendation. Thereafter Congress must deal with it, of course, with full freedom and full independence, because, of course, the commission would not bind the Congress.

Mr. KELLOGG. Mr. President, I agree with the Senator entirely, and I thought he intended by the general language that they should make the inquiry with a view of aiding and assisting and advising Congress in the matter of legislation, as it appears on the bottom of page 7; and, further, the specific investigations and recommendations provided for on page 8 would seem broad enough to cover the special objects proposed.

Mr. BORAH. I am rather anxious not to permit the commission to get away from the proposition that its real duty is to work out a program and not merely inquire into facts and report them to the Senate, the report to be thereafter permitted to remain in the archives unused and unutilized in any way whatever.

Mr. KELLOGG. I agree with that.

Mr. BORAH. I have no interest in a mere investigating committee. We now have sufficient data gathered by different commissions, perhaps, to enable us to proceed; and I doubt if this commission would be required to go very much into original investigations in the way of securing mere facts with reference to the working of the mines, the operation of the mines, and so forth. In all probability 70 or 80 per cent of that information has already been gathered. But I desired, so far as I was concerned—and I think that was the view of the committee—to direct the commission to the proposition that its task was a little larger and more important than that; that it was in a sense working out a constructive program of legislation.

I agree with the Senator from Arkansas that that presents a constitutional question which in all probability we will find insurmountable. But it is one of the very difficult things with which they will have to contend.

Mr. LENROOT. Before the Senator leaves paragraph (a), I would like to ask him whether the phrase "having in view the closing down of the mines" does not contemplate an unconstitutional exercise of power?

Mr. BORAH. I had not considered it in that light. It might be so construed. The language as it originally appeared in the bill was not "having in view" but "taking into consideration," or something of that kind, but it was changed. Of course, I would not want everything in this bill to commit the Congress to a particular course, and before it is finally passed upon by the Senate I should agree to any language which would eliminate that proposition, so far as I am individually concerned.

Mr. ROBINSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Arkansas?

Mr. BORAH. I yield.

Mr. ROBINSON. Under my construction of the language employed paragraph (a) can mean nothing else than that if the commission finds that a given mine or certain mines can not be economically administered by reason of natural limitations, compared with other mines which do meet the standardized basis, the same shall be closed down. I do not think there is any power in any agency of the Government to prevent a man from doing business at a loss or to prevent a company from operating a mine which can not be economically operated, and I doubt whether under the police powers of a State any agency could prevent a mine from operating merely because some State committee after an investigation found that it could not be operated as economically as other mines.

The language in this bill, of course, is subject to amendment. It is inconceivable to me that the Congress would pass a provision of that nature in the language embraced in that section.

Mr. McKELLAR. I do not think it was the intention of any member of the committee that the language used should have any such effect as that, and therefore I am quite sure it will be perfectly satisfactory to everybody to have the language changed. The idea was simply to get suggestions from the commission as to the facts.

Mr. ROBINSON. Let me ask the Senator from Tennessee, who seems to have a very decided opinion as to what the language is intended to convey, what it does mean when the committee says that such commission shall submit recommendations relative to "standardizing the mines upon the basis of their economic productive capacity, and having in view the closing down of the mines which, by reason of their natural limitations, fall below the standard"?

The language is so plain that it can not have but one construction. If the commission find, after suggesting a standard, that a certain mine or certain mines can not be economically operated, then it is contemplated some way will be found by Government action or through legislation to compel the closing down of the mines. That raises a question that is more far-reaching than at first appears.

Mr. BORAH. The original language of the bill expressed more nearly the view which I have, "standardizing the mines upon the basis of their productive capacity, and regarding the closing down of the mines."

Mr. JONES of New Mexico. Mr. President, I would like to make the suggestion that there is no question but what that thought has been agitated to some extent throughout the country. My personal view agrees with what evidently is the view of the Senator from Arkansas, that we can not do anything of that sort by Federal legislation. But inasmuch as the question has been agitated throughout the country, I see no objection to this commission making a report upon the subject and a recommendation, and, in all probability, it will be such a report as will put a stamp of disapproval upon anything of that sort. Personally I think it would. I see no way of doing that sort of thing by Federal legislation.

Mr. REED of Missouri. So I suppose we would then have some Federal board down here engaged in the business of destroying some private enterprise by putting the stamp of its disapproval upon that private enterprise. That would be a fine power to lodge in somebody like Hoover.

Mr. JONES of New Mexico. Mr. President, the Senator quite misunderstood me. What I had reference to was the putting of the stamp of disapproval upon the plan or scheme which has been suggested and agitated by some people throughout the country of putting these mines out of business.

Mr. REED of Missouri. That is quite a different proposition.

Mr. BORAH. Senators assume that this board will recommend the closing down of the mines. It might just as well be assumed that it will recommend that it can not be done. My desire was to bring to the attention of the investigating commission these questions, all of which have entered into the discussion of the coal question during the last few months. I should have some difficulty in finding the constitutional power to close a mine, and I presume the commission will have some difficulty in doing that.

Mr. WALSH of Montana. Before we leave that, I venture to suggest that there would be no difficulty at all in doing it with the consent of the owner, and the commission might possibly

recommend some plan for the closing down of mines with the consent of the owners.

Mr. BORAH. As it is now the mine which can not be worked economically is the mine which fixes the price of coal really, and the result of it is that the public is paying for the coal from a mine which produces at the greatest expense. It is a subject which we have to consider.

When I took this up this morning I had an understanding with the Senator from Iowa that I would interrupt him but a few moments.

Mr. EDGE. Mr. President, as I understand it, this discussion surrounds entirely the bill introduced by the Senator from Idaho, but it is his intention, as I understand it, to ask unanimous consent to consider the bill which came over from the House, which does not contain these provisions. Is not that the situation?

Mr. BORAH. Yes; but I am going to offer the bill which was reported from the Senate committee as a substitute; so it is really relevant. I must not, under my understanding with the Senator from Iowa, take much more time, but the differences in the bill, aside from the ones which I have suggested with reference to the size of the commission and the manner of selecting the commission, will be found in the language beginning on line 16, page 8, and ending with line 12 upon page 9. In those paragraphs lettered (a), (b), (c), (d), and (e) will be found the differences between the two propositions, and, as suggested by the Senator from Minnesota, in all probability they are covered in a way by previous provisions of a very general nature.

I close by repeating that if this commission is not to be so constituted and so authorized as to pursue a different line of work from that which commissions generally do, I have no interest in it whatever; I would not care to appropriate one single dollar for it. If the only thing this commission is to do is to gather some more facts and put them in a report and let the report lie idle for all time; if no constructive program is to result, if no statute is to be enacted or no regulation and control to be had, I myself do not care to have any interest in it.

Mr. ROBINSON. Mr. President, I would like to ask the Senator from Idaho another question before he takes his seat. In paragraph (d) of the bill reported yesterday by the Senator from Idaho for his committee the commission is authorized to investigate the advisability or wisdom of nationalizing the coal industry. For some years there has been a discussion of that subject. The term "nationalizing," I believe, means the taking over of the mines by the Government and their operation, either directly or under Government supervision, does it not?

Mr. BORAH. That is my understanding of it?

Mr. ROBINSON. So that when the commission is appointed by the President in all probability the result of the investigation under paragraph (d) will be easily at once determinable from the personnel of the commission?

Mr. BORAH. It may be so. Just a word in regard to that. I think a study of the question of nationalizing is absolutely essential to an intelligent comprehension of the other question—of regulation and control—and I put it in because I want the entire subject matter dealt with. If the commission does not deal with it, it will overlook one of the essential elements of an intelligent comprehension of the coal industry.

The PRESIDING OFFICER. The bill from the House will be referred to the Committee on Education and Labor.

ADDITIONAL DISTRICT JUDGES—CONFERENCE REPORT.

Mr. CUMMINS. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of the conference report on what is known as the judges' bill, being the bill (H. R. 9103) for the appointment of additional district judges for certain courts of the United States, to provide for annual conferences of certain judges of United States courts, to authorize the designation, assignment, and appointment of judges outside their districts, and for other purposes.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The Senator from Iowa asks unanimous consent that the Senate proceed to the consideration of the conference report on the judiciary bill. Is there objection? The Chair hears none.

Mr. ROBINSON. Mr. President, I ask the consent of the Senate to discuss a subject for 10 minutes not intimately related to this bill. I will say to the Senator from Iowa that I have no disposition to delay final action on his bill. My request is made necessary, I believe, by the action of the Senator from New Jersey [Mr. EDGE] while the morning business was being disposed of in inserting in the RECORD a letter by Secretary Hughes touching the Newberry case.

Mr. CUMMINS. Mr. President——

Mr. ROBINSON. I understand that I have the technical right under the bill to proceed with the discussion.

Mr. CUMMINS. Precisely.

Mr. ROBINSON. In my conscientious judgment, the remarks that I shall make are pertinent.

Mr. CUMMINS. All I ask is that before the Senator proceeds the Chair shall lay before the Senate the conference report, so that it may be pending.

The PRESIDING OFFICER. The Chair lays before the Senate the conference report on House bill 9103.

Mr. SHIELDS subsequently said: Mr. President, in discussing the points of order on the conference report on what is known as the judges' bill yesterday, at the request of the Senator from Texas, I thought I placed in the RECORD a statement setting forth the points of order, but I find the RECORD has omitted it. Perhaps I was not clear enough in my statement. I now ask that it be inserted in the RECORD.

The PRESIDENT pro tempore. Without objection, the statement will be printed in the RECORD in accordance with the request of the Senator from Tennessee.

The matter referred to is as follows:

THE JUDGES' BILL.

The report of the conferees is subject to points of order for the elimination of matter contained in the bill as it passed the House and the Senate and for the inclusion of new matter.

PROVISIONS ELIMINATED.

The House bill, page 1, line 10, provided:

"That the judges shall be residents of the districts for which appointed."

The Senate bill, page 14, line 12, provided:

"Every judge shall reside in the district or circuit of one of the districts or circuits for which he is appointed."

This was deemed important by both the House and the Senate, but is eliminated by the conferees.

Second, the House bill, page 4, lines 17 to 24, contained a provision providing for the Attorney General upon the request of the Chief Justice to make a report of the business of the several courts of the United States with particular reference to causes or proceedings to which the United States was a party, together with such recommendations or requests as may be deemed proper.

The Senate bill, page 12, lines 16 and 20, contained the same provision.

These provisions, contained in the bill as it passed the House and the Senate, are omitted in the bill reported by the conferees.

These omissions are in direct violation of the Curtis amendment to Rule 29.

It will not do to say that they are immaterial, because the House and the Senate both deemed them material, and they are, in fact, material and important.

NEW MATTER IN CONFEREES' BILL.

The law now in force applicable to the eastern and middle districts of Tennessee and providing a judge for these districts is as follows:

The Judicial Code, chapter 5, provides:

"SEC. 69. The United States are divided into judicial districts as follows" (p. 44).

"SEC. 107. The State of Tennessee is divided into three districts, to be known as the eastern, middle, and western districts of Tennessee." (Then the names of the several counties included in each of the three districts are set out in full, p. 67.)

Chapter 1, page 1, of the Judicial Code, provides:

"SECTION 1. In each of the districts described in chapter 5 there shall be a court called a district court, for which there shall be appointed one judge to be called a district judge except * * *. There shall be one judge for the eastern and middle districts of Tennessee."

The present bill originated in the House and was passed under the title:

"An act for the appointment of additional district judges for certain courts of the United States, to provide for annual conferences of certain judges of United States courts, to authorize the designation, assignment, and appointment of judges outside their districts, and for other purposes."

And the title to the bill as agreed upon and set forth in the report of the conferees is:

"An act for the appointment of an additional circuit judge for the fourth judicial circuit, for the appointment of additional district judges for certain districts, providing for an annual conference of certain judges, and for other purposes."

Thus it appears this is not a bill to create judges—we may say principal judges—for judicial districts, but additional judges to relieve temporary congestion of business in certain districts, and it is provided in the bill as it passed the Senate that no successors shall be appointed to the judges created, and a similar provision is contained in the bill reported in the conference report, with an exception in favor of the additional judge provided for the middle district of Tennessee.

The first section of the bill, as it passed the House, is in these words:

"That the President be, and he is hereby, authorized to appoint, by and with the advice and consent of the Senate, the following number of district judges for the United States district courts in the districts specified, the said appointments to be in addition to those now authorized by law:

"For the district of Massachusetts * * *."

(And here the additional judges for other districts are set forth.)

"For the middle district of Tennessee, one."

There was no other reference in the House bill than this statement as to the middle district of Tennessee or any other part of Tennessee. The above provision for a Tennessee judge was stricken out by the Senate.

The bill as reported by the conferees, so far as applicable to Tennessee, is in these words:

"That the President be, and he is hereby, authorized to appoint, by and with the advice and consent of the Senate, the following number of district judges for the United States district courts in the districts specified in addition to those now authorized by law."

Then, after setting out the additional judges provided for Massachusetts and other States, it is provided:

"For the middle district of Tennessee, one."

The conclusion of the paragraph provides that when a vacancy occurs in the office of any of the additional judges thus provided "except for the middle district of Tennessee," no successor or successors shall be

appointed; and, after a provision for New Mexico, not necessary here to be discussed, concludes:

"*Provided further*, That from and after the appointment of a district judge for the middle district of Tennessee the present district judge for the eastern and middle districts of said State shall cease to be a district judge for the middle district of Tennessee."

Therefore, it appears that some 24 additional judges are provided for designated districts in a large number of States to meet the present emergency in those districts. As the congestion there in considered temporary, no successors to them are to be appointed; but by the bill as reported by the conferees the additional judge created for the eastern and middle districts of Tennessee is what might be described as a permanent judgeship, the judge to have jurisdiction exclusive of all other district judges in the district of middle Tennessee.

The judge for the middle district of Tennessee, as provided in the House bill, was merely an additional judge for the eastern and middle districts of Tennessee, with jurisdiction confined to the middle district, leaving the judge for the eastern and middle districts, as now provided by law, the senior judge, with jurisdiction over both of those districts.

The conferees' report, by the new matter last quoted, makes the new judge for the middle district exclusive judge of that district and especially repeals the former legislation, giving the present judge for the eastern and middle districts jurisdiction over the middle district.

The provision is:

"That from and after the appointment of a district judge for the middle district of Tennessee the present district judge for the eastern and middle districts of said State shall cease to be a district judge for the middle district of Tennessee."

This is unquestionably new matter and the basis of a point of order upon the conferees' report under rule 27, page 32, of Senate Rules.

It is clear that, under the caption of the House bill, as well as section 1, providing for a judge for the middle district of Tennessee, that that bill only created an additional judge for the middle district of Tennessee and left the present judge for the eastern and middle districts the senior judge, with jurisdiction in both districts.

This is important and material and can not in any sense be said to be a frivolous objection.

There is nothing in the House bill (the Senate had no reference to Tennessee) which indicates in the slightest that the present judge was to be denied his jurisdiction over the middle district, but, on the contrary, it being a bill for additional judges, it clearly follows that he was to retain such jurisdiction.

SENATOR FROM MICHIGAN.

Mr. ROBINSON. Mr. President, the Newberry case was disposed of by the Senate some months ago. There has been no discussion of the case in this body for some weeks. Recently, the Secretary of State, Mr. Hughes, at the instance of the Republican National Committee, according to press reports, caused to be published throughout the land a letter expressing his view of the Newberry case and of the action of the Senate in seating the Senator from Michigan [Mr. NEWBERRY]. This morning the Senator from New Jersey [Mr. EDGE], by unanimous consent, had printed in the RECORD the letter of the Secretary of State. Manifestly the only object the Secretary could have had in mind when he issued the letter and the only object which the Senator from New Jersey [Mr. EDGE] could have sought was political in its nature. I have, therefore, deemed it pertinent, in view of what may be termed the very extraordinary course taken by the Secretary of State in the matter, to make a statement myself.

The letter of Secretary Hughes, skillfully whitewashing the Newberry case, in the judgment of many familiar with the record, discredits the reputation for sincerity and fairness which Mr. Secretary Hughes has long enjoyed. The Secretary has permitted designing Republican politicians to prompt him to an act which, while adding nothing to his standing as a lawyer, detracts from his renown as a public officer of high moral character. By his letter the Secretary approves the reckless and almost unlimited expenditure of moneys in questionable ways by a candidate's relatives and friends if criminal knowledge and complicity on the part of the candidate can not be established according to the rules of trial in criminal cases.

Secretary Hughes was the chief counsel for the defense in the Newberry case, but it is hardly to be contended that his recent political letter, issued at the instance of the Republican national committee, has relationship to his duties as such counsel. The letter is designed to influence public opinion touching a moral issue, concerning which Mr. Hughes, by reason of his former professional relationship to the case, is biased and therefore unable to express a conclusion which the public may rely upon.

Everyone knows that an attorney is not an impartial judge of the conduct or the cause of his client, either in relation to the interests of other individuals or the public welfare.

The Secretary probably is not familiar with the details of the record in the Senate, which is quite different from the court record and which establishes conclusively, among others, the following facts:

1. That the Newberry committee was organized at the suggestion and under the direction of Candidate NEWBERRY.

2. That it conducted a campaign in which was expended approximately one-quarter of a million dollars, something like one-half of the amount being contributed by members of the candidate's own family.

3. That public officers and election officials throughout the State were hired to work for Mr. NEWBERRY's election, and in some instances these hirelings were prompted by members of the committee to make false reports of the amounts received.

4. That prominent Republicans, including the lieutenant governor of the State and the publishers of influential Republican newspapers, openly declared during the campaign that the electors were being debauched through the corrupt practices of the Newberry election committee, and these charges were expressly brought to the attention of the candidate.

5. That Candidate NEWBERRY urged that the publicity campaign, which anyone could see was costing enormous sums, be continued at full pressure, replied to the charges of these prominent Republicans evasively, and in a written communication to his manager boasted that he had evaded answering directly.

6. That the policy of Candidate NEWBERRY, the Secretary's client, was to encourage the kind of campaign conducted by the committee, while pretending to take little interest and to have no knowledge of the methods pursued in his interest.

7. That the public interest is affected detrimentally in the same degree by a money campaign conducted as the Newberry campaign was admittedly carried on as when the candidate himself handles the funds and directs the campaign in detail.

8. That the rule in criminal trials to the effect that the failure of a defendant to testify can not be considered against him does not apply to a controversy wherein the Senate exercises its power to determine the election and qualifications of a Member, and that the failure of the sitting Member, Mr. NEWBERRY, to appear and testify before the Committee on Privileges and Elections is an inexplicable circumstance against the merits of his claim to a seat.

9. That some of the ablest Republican Senators and many of the most influential Republican newspapers of the country unqualifiedly condemned the methods employed in the election.

10. That in order to secure sufficient votes in the Senate to retain the seat by Mr. NEWBERRY it was found necessary to adopt an amendment to the resolution declaring such expenditures as were admittedly made on behalf of Mr. NEWBERRY "contrary to sound public policy, harmful to the honor and integrity of the Senate, and dangerous to the perpetuity of a free government."

Since the publication of the letter by Secretary Hughes many have asserted that his attitude discloses a lawyer's appreciation to his client for a lucrative fee rather than a public officer's sense of duty and responsibility to his Government. It is clear that the Secretary blundered under the inducement of political highbinders who sought to give respectability to a discredited cause by procuring Mr. Hughes's statement, which if originating from a less influential source would be received by the public with open resentment and contempt.

The Secretary of State and the Senator from New Jersey are welcome to all the political capital they can make out of the letter of the Secretary of State.

Mr. POMERENE. Mr. President, if I may be permitted to have a few minutes, I desire to speak briefly on this subject. I am not in the habit of holding post-mortem examinations. I, too, regret that the Secretary of State has seen fit to issue the statement at the time he did. I am reliably informed that the statement was given to the newspapers three or four days before it was finally published. It was published on Monday morning, the day of the Democratic and Republican conventions in Ohio. I read what was in the papers. What I may say will be based on that statement.

As the able Secretary of State discussed the subject, it seemed to me at least that he was discussing the record as it appeared before the Supreme Court. But the record made before the Committee on Privileges and Elections was not the record in the Supreme Court. Every lawyer knows that, particularly in criminal cases, the Supreme Court never considers facts except as it may be necessary in order to elucidate the law involved in the case. Before the Committee on Privileges and Elections there was very much additional testimony.

John S. Newberry appeared in the record for the first time. He testified that he told his confidential man, Frederick P. Smith, that if his brother got into the race he wanted to finance his campaign; that he placed no limitation upon the amount that Frederick Smith should draw from his account for the purposes of the financing; that he never had any statement from this confidential man, his attorney in fact, as to the balances in his account or as to the amount which was drawn from his bank account and turned over to the Newberry senatorial committee.

Frederick P. Smith, the confidential attorney in fact of Senator NEWBERRY, of John S. Newberry, of eight other New-

berry accounts, testified that he had general powers of attorney under which he could draw from any one or all of those accounts and pay over the amounts thus drawn into any other account; that during the campaign he drew from Senator NEWBERRY's account as his attorney in fact, paid that money over into John S. Newberry's account, and then as John S. Newberry's attorney in fact checked it out and paid it to the Newberry senatorial committee. Would any man who is disposed to be fair say that Senator NEWBERRY's money did not finance his campaign? Would anyone suggest after reading the record that Senator NEWBERRY knew nothing about it?

It developed during the criminal trial that a telegram was sent by Smith to NEWBERRY in New York some time in July in which he suggested to NEWBERRY that the primary was in August and not in July; that there was no way of curtailing the expenditures until after the primary date. In the criminal trial the res gestae connected with the sending of the telegram were not known. Smith did not appear in the criminal court, but when Smith, the attorney in fact, was asked before the committee to explain this incident he said that the night before he sent the telegram he and Senator NEWBERRY had had a talk by telephone and that NEWBERRY complained of the heavy drafts upon the Newberry account.

What was he complaining about? He was complaining about the amount of money that it was taking. He evidently must have known of these heavy drafts on their funds; otherwise he would not have made any complaint.

Then followed this significant fact: The books of account of the Newberry campaign committee were either lost or destroyed. Then we asked the Republican members of the Senate committee to subpœna the banks in which the Newberry accounts were kept and to have them bring their books of account, including the deposit slips.

Mr. ASHURST. Will the Senator yield at that point?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Arizona?

Mr. POMERENE. I will yield in just one moment. The Republican members of the subcommittee refused to issue subpœnas for the bank officials to bring their books. Now I yield to the Senator from Arizona.

Mr. ASHURST. Does not the Senator from Ohio recall that the Senator from New Jersey [Mr. EDGE] was a member of the subcommittee which investigated the matter? While he now assists Mr. Hughes in rushing to the defense of Mr. Hughes's client, he himself inveighed against the roundabout underhand methods of keeping the accounts of the Newberry campaign committee.

Mr. POMERENE. I thank the Senator.

Mr. President, every lawyer knows that when books of account are destroyed and he can not get the primary evidence he may seek to get the secondary evidence. When we sought and failed to get the books of the committee, which had been conveniently destroyed or lost, then we asked for the books of the banks, including the deposit slips showing the Newberry accounts; but the Republican members of the committee would not issue the subpœna. If those members of that subcommittee—and I measure my words in what I am going to say—had been sitting as trial judges in a court, does anyone doubt that any judgment they might have rendered would have been set aside by an appellate court on the ground that they erred in refusing to issue the subpœnas?

Mr. EDGE. Mr. President, will the Senator from Ohio yield?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from New Jersey?

Mr. POMERENE. I will not yield now. Does anyone doubt if those judges knew the law and purposely concealed the facts by refusing to issue the subpœnas they would have been impeached if charges had been made against them?

Now, let me go a step further.

Mr. EDGE. Will the Senator yield on that point?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from New Jersey?

Mr. POMERENE. Yes; I yield.

Mr. EDGE. If I understood the Senator from Ohio correctly, I understood him at least to state that the chairman of the subcommittee, the junior Senator from Missouri [Mr. SPENCER], had refused to issue some subpœnas that had been asked for. It is my recollection—and I think I am entirely correct in making the assertion—that every subpœna that was asked for witnesses to appear before the subcommittee was granted and that the subpœnas were sent out. I do not recall that where the name of any witness was suggested he was not sent for.

Mr. POMERENE. Is it possible that the Senator from New Jersey has a lapse of memory?

Mr. EDGE. The Senator from New Jersey does not often have a lapse of memory. What I have stated is my recollection.

Mr. POMERENE. The Senator from New Jersey has a lapse of memory in this instance, and I ask him to get the record.

Mr. EDGE. If the Senator from Ohio means by his assertion that a subpœna was denied for a second appearance, perhaps, of some witness, that might have occurred, but if a subpœna were denied originally for any witness, I certainly do not recall it.

Mr. POMERENE. Mr. President, the Senator from New Jersey owes it to himself and to his constituency to get the record and read it.

Now, let me go a step further. It was known that I, as a member of that subcommittee, had had charge of the subject for a considerable time; I was compelled to be away for a time; but the committee insisted upon going on with its hearings. Former Senator Wolcott, of Delaware, who is now the chancellor of Delaware, appeared as a member of the subcommittee during my absence. He asked for the subpœnaing of certain witnesses, and that request the majority of the subcommittee denied. He also asked that some of these matters be held in abeyance until I could return. When I came back I filed motions asking for the subpœnaing of those witnesses. Another witness whom we wanted, and who had had charge of the books, when it was thought that he could be called here, was so sick that he went across the line into the woods of Canada. Of course, certificates of physicians as to his then condition were brought here; but a month after that, when the subject was taken up by the committee again, and when it was supposed that there was no chance to get him back here, he returned to Detroit and was engaged in building houses and conducting his business as never before.

More than that, we asked the Republican members of the subcommittee to invite Senator NEWBERRY to come before the committee, and that they refused to do. There was a roll-call vote in the subcommittee. These motions were renewed by myself before the full committee. If there ever was a committee which sought to conceal the facts, it was in this case.

When this matter came up for a vote in the Senate the majority of the committee presented the resolution thus—and I will read it all:

(1) That the contest of Henry Ford against Truman H. Newberry be, and it is hereby, dismissed.

The committee were unanimous as to that.

(2) That Truman H. Newberry is hereby declared to be a duly elected Senator from the State of Michigan for the term of six years commencing on the 4th day of March, 1919, and is entitled to hold his seat in the Senate of the United States.

The Republicans were not quite content with that; they needed some more votes, they thought, at least, and so this amendment was suggested:

That whether the amount expended in this primary was $195,000, as was fully reported or openly acknowledged, or whether there were some few thousand dollars in excess, the amount expended was in either case too large, much larger than ought to have been expended.

Now, note the following:

The expenditure of such excessive sums in behalf of a candidate, either with or without his knowledge and consent, being contrary to sound public policy, harmful to the honor and dignity of the Senate, and dangerous to the perpetuity of a free government, such excessive expenditures are hereby severely condemned and disapproved.

That is the equivalent of saying to the country, "Senator NEWBERRY, your expenses were too large; it makes no difference whether you knew about them or not, the result of such expenditures is 'contrary to public policy, harmful to the honor and dignity of the Senate, and dangerous to the perpetuity of a free government, and such excessive expenditures are hereby severely condemned and disapproved,' but, nevertheless, the majority of the Senate, accepting the recitals contained in this resolution, said, in effect, 'Senator NEWBERRY, take your seat; we need you in our business.'"

Then—and I regret to say it, because there is no man in public service for whom I have had a higher regard—the ex-justice of the Supreme Court, the present Secretary of State, gives a certificate of character to Senator NEWBERRY, based on a record in the Supreme Court, when the Supreme Court did not weigh the evidence and before he knew what the evidence was before the committee. Now, I put this question: "Mr. Ex-Justice of the Supreme Court, in view of the fact that the United States Senate by its vote declared that this expenditure was excessive; that it was contrary to public policy; that it was harmful to the honor and the dignity of the Senate and dangerous to the perpetuity of a free government—under these circumstances, do you feel that you were justified in

giving this whitewash to Senator NEWBERRY, or were you trying to whitewash the entire majority in the Senate?"

Mr. President, some Republicans have suggested that this was a very minor matter. Perhaps it is in the minds of some men, but it is very strange that just before conventions are to be held this letter should be issued; it is strange, indeed.

Mr. REED of Missouri. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Missouri?

Mr. POMERENE. I yield to the Senator.

Mr. REED of Missouri. It is not at all strange. The New York Times, which printed the letter on August 21, recited that:

> The letter was written in response to a letter addressed to Mr. Hughes by the Rev. Dr. Hugh B. MacCauley, of Paterson, N. J., and was made public to-day by the Republican National Committee.

Of course, that makes it perfectly plain that the Republican National Committee thought it was a good campaign document or a good coat of whitewash that they could spread on at an opportune moment.

Mr. ROBINSON. They made a decoy duck of the preacher.

Mr. REED of Missouri. They employed a preacher to get the letter; but I have not any doubt that the Secretary of State knew when he wrote the preacher the use to which this letter would be put, because it is inconceivable that as busy a man as he is would have taken the trouble otherwise to have written a brief on the case, which is what his letter is. The thing was undoubtedly arranged, and the letter was sprung by the Republican National Committee at the particular moment it was given to the public for the purpose of affecting the election; that is all. I think it is perfectly plain.

Mr. POMERENE. Mr. President, can the Senator advise me whether any prominent Republicans died of surprise because this letter from the Secretary of State was made public?

Mr. REED of Missouri. I have not any doubt that it was all arranged, absolutely.

Mr. POMERENE. Let me ask another question. Can the Senator advise me whether this minister of the Gospel received from on high his inspiration to write the letter?

Mr. REED of Missouri. Probably, if you regard the Republican National Committee as occupying a sufficiently elevated position.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Oklahoma?

Mr. POMERENE. I yield to the Senator.

Mr. OWEN. I merely wanted to suggest that it should not be regarded as strange that this ostentatious defense should be made at the instance of the Republican National Committee, because their obligation to Mr. NEWBERRY was very great. They appear to have drafted him in the first place. They appear to have organized a committee for the purpose of raising money in the second place. Their sympathies were with the expenditure of this money in the third place. In the fourth place, they used the Newberry vote to organize the Senate and to make the Senator from Massachusetts [Mr. LODGE] chairman of the Foreign Relations Committee, with the result that it defeated the Versailles treaty.

Against the bill of health given by the Secretary of State, Hon. Charles E. Hughes, formerly NEWBERRY's attorney, as a guide to all citizens of Republican tendencies, I commend what Hon. William S. Kenyon, then United States Senator, and now justice of the United States Circuit Court of Appeals, said on December 21, 1921, in the United States Senate (CONGRESSIONAL RECORD, pp. 619–625):

> I deny that the Newberry case is any test of Republicanism. I deny that the 7,000,000 majority of the Republican Party last fall was a vindication of any such methods. While there will be few Republican votes against Mr. NEWBERRY, I believe these votes will better represent the sentiment of the Republicans of the Nation than the votes here cast for him. The Republican Party can not carry a burden of this kind. I deny the right of a few men in this body to determine what are tests of Republicanism. I hope the day will never come when "'Lorimerism" and "Stephensonism" and "Newberryism" will be a test of Republicanism, and I do not think the day has arrived when a few gentlemen in the Senate of the United States can determine what Republicanism is. If so, God save the Republican Party!
>
> In some respects this case is worse than the Lorimer case. There was some courage there. They went out and bought the election. It is infinitely worse than the Stephenson case, where a poor old man with a large fortune, in old age, almost in his dotage, was flattered into expending his money to become a Member of this body. In this case Mr. NEWBERRY, a man of the highest intelligence and culture, had been a member of a great Cabinet. The personnel is different.
>
> I assert that, under the record, the following conclusions can reasonably, safely, and legitimately be drawn:
>
> That the committee expended approximately $263,000.
>
> That the committee violated the Federal statute and the statutes of Michigan, and that such action entered into the election through the primary.
>
> That the committee was not a voluntary committee. It was picked by Mr. NEWBERRY.
>
> That Mr. NEWBERRY was responsible for the acts of the committee, and that the agency of Cody and King is established beyond question, and he would be responsible in a civil action for debts contracted by them in the campaign.
>
> That Mr. NEWBERRY knew about the campaign, financially and otherwise, and knew of most of the expenditures of the campaign.
>
> That a part of the money spent in the campaign was actually the money of Mr. NEWBERRY.
>
> I appeal to this record to sustain every one of those propositions.
>
> * * * * * * * *
>
> This will not be the last of the Newberry case. You can not brush aside a thing of this kind, even though great and mighty international questions are before the people. It goes to the very fundamentals of the Government. The people of this country, who love their Government, are jealous of its integrity and hate the corrupting influences that purchase seats in the Congress. It is even worse to do it in insidious ways than to go out and buy it outright, as was done in the Lorimer case. It requires much more courage to buy elections in that way than it does to buy them in this way. If the price of seats goes up from $107,000 in 1912 to $263,000 in 1921, it certainly ought to reach the $500,000 mark in the next 10 years. What opportunity is there for the average everyday citizen, be he man or woman, to aspire to a seat in this body? You are undermining by the vote in this case the foundations of this Government, and the Republicans are not helping the Republican Party. I doubt if you really are performing a real act of friendship for Mr. NEWBERRY, much as we like him and sorry as we are for his situation. The day is coming when this case will be heard in another court, the only court, save the Supreme Court, with higher jurisdiction, and that is the court of the great American people. There the question of pure elections and the purchase of seats in this body will be tried out. That means out in the places of business, workshops, on farms, on the rostrum and at the firesides of the American people. It will be tried out where men and women are now struggling over the hard vicissitudes of life, with the difficult problem of getting along on meager salaries and small incomes, and are watching the matter of the purchase of seats in the Senate. It will be a trial that will be worth while, because the American people when they understand the question will decide it right. They will know the record even though many Senators do not, and there is little question of the judgment there as there is of the verdict here; but be assured if Mr. NEWBERRY is seated the judgment there will reverse the verdict here.

And in closing on this question (CONGRESSIONAL RECORD, p. 1114) on January 12, 1922, this, one of the noblest, bravest, and best of all the Senators who have ever stood upon this floor, said:

> I see a predecessor of the Senator from Ohio [Mr. WILLIS] in the Senate Chamber at this time, Senator Burton. I have his speech in the Lorimer case before me and intended to read a part of it to the Senate, showing where he stood, noble and honest soul that he was, standing for an absolutely uncorrupted electorate.
>
> Justice Miller was right, and when external violence threatened this country 5,000,000 men massed to go out and fight for this country. Make no mistake; when insidious corruption threatens this country, as it does now, with the Senate writing its infamy into this resolution, there will be millions of people with the same courage and with the same love of country who will mass to fight corruption. That is no threat; it is the statement of a fact.
>
> Thank God for the folks at home! Thank God for the men and women in the factories and on the farms and around the firesides of this country who will eventually determine this question! I do not care how it is determined here. I know how it will be determined. I know they have been gathered in; they are ready to sign the directed verdict. Sign it in your infamy!

Mr. POMERENE. Mr. President, I confess that I do not understand why this issue should be presented in this way, unless it be because those "whom the gods would destroy they first make mad."

Mr. President, I do not care to occupy the attention of the Senate further; but if our Republican friends desire this to be one of the chief issues in the campaign, we welcome it.

Mr. WALSH of Montana. Mr. President, I want to say a word on this matter.

When the Newberry case was decided by the Supreme Court a very general conviction was entertained that the Supreme Court had actually determined the merits of the controversy and had decided that there was no act that was reprehensible on the part of Senator NEWBERRY in connection with his election to the United States Senate. The public generally form their views about those matters from the newspaper headlines. I do not mean to say that the papers purposely gave the decision that color, but that is the natural conclusion that is ordinarily drawn from a ruling of the Supreme Court of that character. The ordinary man does not grasp the technicalities, but naturally reaches the conclusion that the case was actually decided upon its merits.

When the cause came before this tribunal for consideration no real claim was made upon the part of the supporters of Mr. NEWBERRY that any such effect could be possibly given to the decision of the Supreme Court. It was conceded on all hands, with the exception of one Senator, that the decision merely held that the law under which the proceedings were instituted was unconstitutional. The court went no further into the question. They did not undertake to determine whether, if the law were valid, the conviction was properly had or was not properly had. The Chief Justice, who wrote the opinion of the minority, declared that error had been committed in the matter of the instructions to the jury—that the law had been misapplied—but if any conclusion whatever is to be drawn from the opinion

of the Supreme Court touching the merits of the case, it must be to the effect that there was enough evidence to warrant a conviction of Senator NEWBERRY, if the law under which the proceedings were instituted had been a valid enactment of Congress.

I say, Mr. President, that the idea that the Supreme Court determined the matter upon its merits was so perfectly untenable that when the matter came before us for consideration here the suggestion was simply made by one Senator upon the floor, and was disregarded. It is perfectly evident that the purpose of the letter of Secretary Hughes is to reinstate in the minds of the public the erroneous idea concerning the effect of the decision to which I have adverted. I refrain from any comment whatever upon the propriety of an effort on the part of a high official of the Government thus to mislead the public mind.

Mr. President, in addition to what has been said here in the Senate concerning this effort on the part of the Secretary of State, I desire to read the comments of Judge Kenyon upon the letter; Judge Kenyon, it will be remembered, having been a Member of the Senate at the time the Newberry case was under consideration here, and having made one of the most powerful addresses delivered in the Senate in recent times against the seating of that Senator. He said, as reported by the press, concerning the Secretary's letter, as follows:

Secretary Hughes omitted to state that the sum admittedly spent by the Newberry forces was near $200,000, although they were charged with having expended much more.

He omitted to state that NEWBERRY had been convicted before a Republican judge by a Republican jury in a Republican State of a violation of the corrupt practices act, then in full force and effect.

He omitted to state that the decision of the Supreme Court nullifying the corrupt practices act as applied to senatorial primaries did not attempt to decide the merits of the case.

He omitted to state that Senator NEWBERRY refused to appear before the Committee on Privileges and Elections to answer the charges against him.

He omitted to tell of the destruction of Newberry campaign records, and the spiriting away of Newberry henchmen beyond the reach of the court.

He omitted to state that after the trial and conviction in a Federal court new evidence was found and used in the trial of Senator NEWBERRY before the Senate—evidence of the most damaging character.

He omitted to state that nine Republican Senators voted to unseat Senator NEWBERRY.

He omitted to state that Senator NEWBERRY had been retained in his seat by only five majority of the Senate, and that this majority was only made possible by the passage of a resolution condemning the expenditures of the Newberryites as "contrary to sound public policy, harmful to the honor and dignity of the Senate, and dangerous to the perpetuity of a free government."

He omitted to say a word in condemnation of this expenditure which a Republican Senate condemned.

Mr. ASHURST. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Arizona?

Mr. WALSH of Montana. I do.

Mr. ASHURST. In view of the number of things the Secretary of State failed to remember it would seem that the only thing he did remember was his fee.

Mr. POMERENE. Mr. President, I referred a moment ago to the motions I had filed before the subcommittee asking the issuance of certain subpœnas. I have not those motions before me now, but I presented substantially the same motions before the full committee. I read into the RECORD these motions or resolutions, and I read from page 73 of the views of the minority, contained in report 277, part 2, Senator from Michigan:

In a meeting of the full Committee on Privileges and Elections the following several resolutions were presented by Mr. POMERENE:

"*Resolved by the Committee on Privileges and Elections*, That the subcommittee be instructed to subpœna and take the testimony of Frederick P. Smith and such other witnesses as may be suggested by any member of the subcommittee to the end that there may be a full and complete hearing respecting the issues involved in the pending contest.

"*Resolved by the Committee on Privileges and Elections*, That the subcommittee be instructed to invite Senator NEWBERRY to appear before it to give testimony concerning the charges pending against him involving his title to a seat in the United States Senate.

"*Resolved by the Committee on Privileges and Elections*, That the attorneys representing the contestant and the contestee in the pending investigation be invited to appear before the full committee to submit oral arguments, on a date to be fixed by the chairman of the committee."

They speak for themselves. Each one of them was denied.

Mr. EDGE. Mr. President, may I ask the Senator from Ohio a question? Did I understand him to say that that was a resolution presented to the full Committee on Privileges and Elections?

Mr. POMERENE. These resolutions were presented before the full committee, and they were substantially duplicates of the resolutions presented by myself before the subcommittee.

Mr. EDGE. When I took issue with the Senator as to a refusal on the part of the subcommittee to send for any witnesses I had no reference to the resolutions which were presented to the full committee. If the Senator from Ohio presented similar resolutions to the subcommittee, I think I am correct in the assertion that they must have been presented after the hearings had been held and after, at the Senator's own suggestion, numerous witnesses were subpœnaed.

I think the list was furnished usually by the Senator from Ohio, and, to the best of my recollection, all of those whose names at any time were presented were subpœnaed. Is not that correct?

Mr. POMERENE. That is not correct.

Mr. EDGE. What person was ever asked to be subpœnaed and not subpœnaed?

Mr. POMERENE. I do not think the record will show that I asked for a single witness to be subpœnaed until after Mr. Ford's attorney had presented his witnesses and the witnesses were presented on behalf of Mr. NEWBERRY, and I asked for the subpœnaing of these witnesses after ex-Senator Wolcott had insisted upon it, after he had asked that the hearings be not closed until I could return to the Senate from Ohio.

Mr. EDGE. Mr. President, I can only speak from memory, but my recollection is pretty clear that the chairman of the subcommittee, the Senator from Missouri [Mr. SPENCER]—and I can not speak for him in his absence—was insistent and ready at all times to subpœna any witnesses suggested either by counsel for the defense or by counsel for the complainant or by members of the committee, and I certainly do not recall the name of a single witness who was not sent for. The introduction of that general resolution I do not question at all. It came before the full committee.

Mr. President, if I have the floor, I do not want to continue the discussion or to retry the Newberry case. It has been tried many times on the floor of the Senate; a vote has been taken and Senator NEWBERRY upheld as a Member of this body.

I simply rise to say just a word because the name of a very eminent divine residing in the State which I represent in part has been brought into the discussion, which was natural, because, seeking information, he wrote a letter to the Secretary of State, who at the time of the trial was of counsel for Senator NEWBERRY.

I resent any imputation as to the Reverend Doctor MacCauley's position in that connection. He has been a minister with a charge in the city of Paterson, I think I am correct in the assertion, for over 25 years. He is a minister who is widely known in New Jersey, and not only in the city of Paterson; a man far above and beyond any suspicion of wrong intent.

It is entirely justifiable that a minister should write the Secretary of State, of counsel, or whatever position he may hold, for any information concerning this much-discussed case; it seems to me entirely unjustifiable that there should be any inference of a wrong intent drawn from his writing that letter.

I do not know what inspired Doctor MacCauley to write the letter. I know nothing about it beyond the fact that the letter was written and the answer received, and upon unanimous consent being asked by me, with a clear explanation of what the letter contained, unanimous consent was granted to have it published in the RECORD. Is that request any different from numerous requests to have editorials and other matter bearing on political questions inserted in the RECORD?

Mr. REED of Missouri. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Missouri?

Mr. EDGE. I yield.

Mr. REED of Missouri. No one denies the right of a minister to write to Secretary Hughes, and no one has; but will the Senator enlighten us as to how this letter to this minister happened to be turned over so promptly to the Republican National Committee?

Mr. EDGE. I can not enlighten the Senator of any of the details of the eminent divine's inspirations, but I can see no evidence of a lack of good intention on the part of a minister or any other citizen in seeking such information. Maybe he was asked by some Republican to write the letter. I do not know; neither do I care. But even if he was it was entirely legitimate. It is information to which the country is entitled.

Mr. REED of Missouri. That is all anybody has said. Nobody has intimated anything against him.

Mr. EDGE. May I repeat, I do not know what inspired him, and do not care.

Mr. REED of Missouri. Nobody has intimated anything against the preacher.

Mr. EDGE. Yes, I think there were some rather slighting remarks made on the other side as to where he received his fee and his divine inspiration, or words to that effect.

Mr. REED of Missouri. Oh, no. If the Senator will pardon me, to clear this up——

Mr. EDGE. I am very glad to hear the Senator say there were no insinuations, because my only object in rising was to make clear and positive that Doctor MacCauley can not be justifiably brought in this matter as having any other interest than an interest in matters of public discussion as any citizen, whether he is a minister or a doctor or otherwise has a perfect right to have.

Mr. REED of Missouri. That is the only question that has been raised. The question of fee was only mentioned in connection with Mr. Hughes's fee, he having been counsel in the case, and no complaint is made about that. I presume the Secretary received a very good fee. I hope he did. I think it was a case where he ought to have received a good fee. He seems to have been willing to render his client very effective and good service in court, and he appears to be willing to continue those services after the case has been decided. We can make no complaint of that, and do not.

I am not criticizing the minister. The Senator states that he may have been asked to write this letter. I presume that is true, and I can see why the Republican National Committee would naturally want to have a minister write this letter. It would for the first time give an odor of sanctity to this case if the correspondence was carried on with a minister of the Gospel.

Mr. WALSH of Massachusetts. Was the letter of the divine printed in the RECORD?

Mr. REED of Missouri. No; the letter of the minister was not put into the RECORD, and it would be interesting if that letter——

Mr. EDGE. The letter of the minister was put into the RECORD by me with the letter of the Secretary of State.

Mr. REED of Missouri. I was not here when the Senator offered it. I am glad we have the complete correspondence.

We are threshing over old straw, but the Senator from New Jersey hauled it down to the machine and insisted on putting it through once more this morning when he introduced the letter of Secretary Hughes. Accordingly it is entirely proper to refer briefly to the situation.

Reading the letter of the Secretary of State with some degree of care, I find it is all aimed at one point, namely, that the court held Mr. NEWBERRY was not guilty of a criminal offense. That was held, I believe, by a majority of one vote, and the majority of the court so voting declared an act of Congress to be unconstitutional.

That has nothing whatever to do with the question of moral turpitude or of improper practices or of violation of the Michigan statute. It goes no further than to hold that Congress did not have jurisdiction to enact a positive statute making that a crime which was already a moral wrong.

The other members of the court held that the statute itself was constitutional, but that in the instructions given by the court or in various matters of procedure error had been committed. If there had been one more judge voting that the statute was constitutional, this case would then have been returned to the nisi prius court, to be there again tried. But, I repeat, the issue in the court was limited to the question of whether a crime had been committed under the law of the State or of the Nation.

That is not the question which now interests the public. The question which was to be determined by this body, the question which will be determined by the electorate of the United States, in so far as this case is pertinent to present political issues, is not whether a certain statute was constitutional or unconstitutional or whether the court erred in applying the law of the case, but the question is whether acts were committed in that election of so gravely wrongful a nature and character that the person elected by virtue of those acts should be entitled to a seat in this body.

That question is not answered by Secretary Hughes's letter. He makes no attempt to answer it, but, with the skill of a very skillful special pleader, he avoids it while apparently, to the casual reader, answering it.

But that question has been answered, and it has been answered by the practically unanimous vote of this body. Eighty-seven Senators voted upon the Newberry resolution. That is about as large an attendance as we ever find in this body. The necessary absences on account of sickness or other causes nearly always take out of this body eight or nine men. So we had a remarkably full session of the Senate. When we came to the vote, 41 Senators voted that Mr. NEWBERRY should not be seated at all. When those Senators voted that he should not be seated at all they necessarily voted that his office was tainted by acts of such immorality and corruption and bad conduct that he was not worthy to a seat in this Chamber, at least until he had obtained an election not thus tainted. That is the inevitable conclusion as to the 41 men who voted against seating Mr. NEWBERRY in the Senate under any circumstances.

There were 46 Senators who voted to seat Mr. NEWBERRY. The 46 Senators who voted to seat Mr. NEWBERRY stated the facts with reference to the Newberry case and solemnly found those facts to be true. What are the facts as recited in the resolution which these 46 Senators solemnly affirmed? They are as follows:

> The expenditure of such excessive sums in behalf of a candidate, either with or without his knowledge and consent, being contrary to sound public policy, harmful to the honor and dignity of the Senate, and dangerous to the perpetuity of a free Government, such excessive expenditures are hereby severely condemned and disapproved.

Making allowance for the somewhat abominable English to be found in this last clause of the resolution, and boiled down it is a recitation that Senator NEWBERRY obtained his election by acts which are dangerous to the perpetuity of this free Government, that they are harmful to the honor and dignity of the Senate, and that they are contrary to sound public policy.

Every one of the 46 Senators who voted to seat NEWBERRY solemnly found those facts, solemnly recited those conclusions, and solemnly bound themselves in the public records to maintain forever the misconduct, the immoral conduct, which brought about the election of Senator NEWBERRY.

The PRESIDING OFFICER. The Senator from Missouri will suspend for a moment. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The READING CLERK. A bill (H. R. 10874) to provide adjusted compensation for veterans of the World War, and for other purposes.

The PRESIDING OFFICER. The Senator from Missouri will proceed.

Mr. REED of Missouri. Mr. President, the Secretary of State may dip his brush in a hogshead of legal whitewash but he can not obliterate that finding of the Senate. He may split all the legal hairs he desires but the American people will take the unanimous finding of the Senate, for that is what we have, as conclusive evidence that the practices employed in the election of Mr. NEWBERRY were improper practices and as conclusive evidence that those who voted to seat him, after having recited that he had secured his seat by methods contrary to sound public policy, harmful to the honor and dignity of the Senate, and dangerous to the perpetuity of free Government, branded themselves so indelibly that the legal whitewash brush of the Secretary of State can never wipe out that record or obliterate that stain.

Mr. President, it seems to me if I had voted for such a resolution, if I had written such an epitaph to my own honor, if I had characterized my vote in advance as an indefensible and infamous vote, I would keep silent. I would not introduce the subject again. I would hope that the dust of time might obliterate it from the memory of man, and I would trust that the recording angel would find some tear of sympathy great enough to blot it out of the records of eternity. Once a lawyer, always a lawyer, seems to be the maxim of the learned Secretary of State.

Mr. HEFLIN. Mr. President, there is no question that can come before this body which is more important to the body itself and to the American people than that of keeping the Senate above reproach and free from charges of graft and corruption here or in efforts to get here. In January last, seven months ago, the question was fought out here as to whether or not Mr. NEWBERRY was entitled to a seat in this body. Forty-odd Senators, Democrats and Republicans, voted to deny him a seat. By a strict party vote the Senator from Michigan [Mr. NEWBERRY] was seated and a resolution passed at that time condemning every act employed in his efforts to obtain a seat in this body. It has been read here to-day and has gone into the RECORD. It was stated at the time that the language had to be used in connection with the act of seating Mr. NEWBERRY in order to obtain three votes on the other side of the Chamber. The language that all of them agreed to vote for in order to carry out their program and seat Mr. NEWBERRY was as follows:

> That whether the amount expended in this primary was $195,000. as was fully reported or openly acknowledged, or whether there were some few thousand dollars in excess, the amount expended was in either case too large, much larger than ought to have been expended. The expenditure of such excessive sums in behalf of a candidate, either with or without his knowledge and consent, being contrary to sound public policy, harmful to the honor and dignity of the Senate, and dangerous to the perpetuity of a free government, such excessive expenditures are hereby severely condemned and disapproved.

Now, the Secretary of State wrote a letter undertaking to exonerate Mr. NEWBERRY and those who voted for him. Mr. President, I regret that more than I am able to tell the Senate. I am exceedingly sorry that Secretary Hughes permitted him-

self to be dragged into the controversy. It will hurt his reputation. It will injure him with the people of the country. Secretary Hughes received a fabulous fee for defending Mr. NEWBERRY, charged with corrupting the vote of a sovereign State, charged with buying a seat in the greatest lawmaking body in the world. Mr. Hughes as a lawyer was employed in the case, accepted a fee from Mr. NEWBERRY, and after the case was disposed of the only thing that kept Mr. NEWBERRY out of the penitentiary was the declaring unconstitutional the corrupt practice act by the Supreme Court of the United States. That is all. If that act had been held to be constitutional and the verdict of the jury in the State sustained, Mr. NEWBERRY would have gone to the penitentiary instead of being given a seat in the United States Senate.

Mr. President, this is a very serious matter. After Mr. Hughes became Secretary of State, sitting at the head of the President's Cabinet, he was called upon to give a statement to condone the crime that had been committed not only against the people of the State of Michigan and the people of the United States but the Senate itself.

This occurred just before the campaign was on and the Republican Senators who voted to seat Mr. NEWBERRY must go back home and meet their people face to face. They will be asked, "Why did you use the power that we had given you to safeguard our interests to confirm the sale of a seat in the Senate? Why did you permit that man to buy a seat in the Senate as he would a seat on the stock exchange? Why did you by your vote sanction what he had done when the lieutenant governor of his State stated that he reminded Mr. NEWBERRY himself that the campaign being conducted in his behalf was the most corrupt in the history of the politics of Michigan; when ex-Governor Osborn, in his State, a Republican himself, told him that if he denied that he knew about it and was a party to it, he was a liar and an ass?"

A grand jury in Michigan thought the matter so grave and serious that it indicted Mr. NEWBERRY, and a petit jury of 12 men, composed of 11 Republicans and 1 Democrat, convicted him, and a Republican judge sentenced him to a term in the penitentiary.

I repeat, I am sorry that Secretary Hughes made the statement he did. I have been told that Mr. NEWBERRY paid Martin W. Littleton a fee of $50,000. I suppose he paid Secretary Hughes fully that much, and it may be more. Mr. Hughes had been at one time a justice of the Supreme Court of the United States, governor of the State of New York, and the Republican nominee for President. A man of his high standing and ability would command a big fee. Having been the lawyer in the case trying to keep Mr. NEWBERRY out of the penitentiary, I submit to the Secretary of State, to the Senate, and to the country that he ought never to have permitted himself to be dragged into this controversy and his statement used for political purposes.

Why did this man in New Jersey wait until seven months had gone by before he asked for anybody's opinion high up in the party's councils as to whether NEWBERRY was guilty of wrongdoing? What purpose did this man have in mind when the letter was written? Why did they not do it immediately after NEWBERRY was seated? Why did they not do it a month afterwards or two months or even three or four months afterwards? Why did they wait until senatorial candidates were going to the polls and the people were calling upon them to give an account of their stewardship and asking for an explanation of their Newberry vote? The Republican leaders know that men and women are saying, "I will not vote for any Senator who voted to confirm the sale of a seat in the Senate."

So they want to be able to say: "Oh, well, you see what Secretary Hughes has said. Secretary Hughes has given NEWBERRY a clean bill of health and said that this thing was all right." Tens of thousands and hundreds of thousands will never know that Mr. Hughes was a lawyer in the case and was paid thousands of dollars to defend Mr. NEWBERRY when he was on trial, when all the powers that the party could muster were brought to bear to seat Mr. NEWBERRY in this body, and did it by a bare margin of three or four votes. Borah, of Idaho, Kenyon, of Iowa, Norris, of Nebraska, La Follette, of Wisconsin, Jones of Washington, and one or two others, I believe, declined to vote for him. They said: "We can not stand for it; we will not stultify ourselves; we will not vote to seat this man who has expended a quarter of a million dollars to corrupt the voters of his State and buy a seat in this body."

Mr. President, what does the stand taken by Secretary Hughes amount to after all? Simply that what Mr. NEWBERRY did was all right; that a man may spend $200,000, $250,000, and more in a race for the Senate, as we claim that Mr. NEWBERRY did. They destroyed the stubs and the books which would have furnished the testimony to disclose the facts; they never presented them, and Mr. NEWBERRY himself never opened his mouth when the cruel charge hung over him for months that he bought his seat with money; he never once went before the committee and denied it; he never denied it on the floor of the Senate. Now the Secretary of State comes and says it is all right.

Mr. President, I submit that if that position is to be accepted the day is not far distant when no man, unless he has got big money himself or those whose subservient tool he will be put the money up for him, will have a seat in this body; the day is not far distant when this will be, indeed, the rendezvous of predatory interests and the counting room of tradesmen. God preserve the Republic against such a day.

Here come two candidates running for the Senate. One of them announces his principles and his platform. He wishes to do that which is best for the people of the State; he wishes to be the respected and trusted servant of the whole people; but he is a man of small means. Here comes another who is the agent of special interests; they put the money back of him; they fill the newspaper columns with stories boosting him and praising him. They secure his election with money; and the other man, the better man, stays at home. The lavish and wrongful use of money has been responsible for the success of the other candidate; money has been the direct cause of the defeat of the better man for the office; money has secured a seat in the Senate and merit has been left at home. That is the effect of the position taken by Secretary Hughes.

Mr. President, it is a deplorable situation which confronts us to-day. When I read the statement of Secretary Hughes I shook my head and said, "I regret that they have caused him to do that. The Senator from New Jersey [Mr. FRELINGHUYSEN] is a candidate for reelection to the Senate; he has to go before the people of New Jersey in November. They will pass upon him at the polls. Here comes a request from that State calling upon a man of high standing in the Nation to whitewash the conduct of the Senator from New Jersey. He voted to seat Mr. NEWBERRY; he is up for reelection and, no doubt, he wishes to be able to say, "Why, here is what Secretary Hughes says about it; he says it is all right."

Mr. President, little by little and bit by bit we are disclosing to the American people that the money power, unbridled and lawless, is more rampant in the country at this hour than ever before in the history of the Republic. Money, money! The center of gravity seems to have shifted to the money side of the Nation. The people who have big money seem to be able to secure nearly anything they want, including seats in the United States Senate.

Mr. President, I only intended to say a few words, but I wish to repeat that if the policy which Secretary Hughes's statement seems to lay down is to be followed a few years from now nobody but the mighty rich may fill places in the Senate. However, I shall not despair of the Republic; I believe in the patriotism, virtue, and intelligence of the masses of the American people, and at their judgment bar this fall we propose to present our cause, where free men and women, intelligent, upstanding American citizens shall have given to them the truth of conditions here. Let them pass upon them. When they come to vote I myself have no doubt what their verdict will be. I do not think they will return to this body Senators who voted here to seat this man NEWBERRY.

I feel very strongly upon this subject, Mr. President. I should like to see the sovereign States elect men to come here who would represent the varied interests of the Republic. I am not objecting to that; I should like to see a fair deal to capital, a fair deal for labor, a fair deal for the common mass. I believe in justice and right for everybody. That is what every one of us in this body ought to try to bring about—justice, pure and simple, for the whole people. We should stand for right principles, and I repeat, Mr. President, when the day comes that only the rich can have seats in this body this Republic will have reached the condition that befell Rome when the emperorship was sold to the highest bidder and public office became a matter of barter. Money! Money!

I have in my possession a letter now quoting a statement in one of the New York papers from one of the big profiteers of that city refusing to contribute, although a Republican, to the Republican campaign fund because the President did not reappoint W. P. G. Harding governor of the Federal Reserve Board. I have been saying here for two years that that man had rendered a service to Wall Street, had put into the pockets of those people not millions, or merely hundreds of millions, but billions of dollars; that by the deflation policy which he carried out he destroyed the business of my people and of the

people of the West and of the great Southwest. When the time came for his term of office to expire those papers howled for him editorially, and they assailed me for the fight which I had made for months and months against him. Now comes one of these purse-proud, pompous individuals of Wall Street, giving as one of his reasons for not contributing to the Republican campaign fund that the President did not reappoint the man who had held up the American masses and permitted the Wall Street interests to go through their pockets and pillage and plunder them.

Money in politics. There it is. Principle and right are flung to the four winds, while stress and emphasis are put altogether on the dollar. That selfish, crafty, avaricious buck just threw himself back in his Wall Street chair and said, "I will not give anything until they reappoint W. P. G. Harding. This man did business for us; and how we did feast upon the cotton producers of Alabama and all through the South; how we did feast upon the business of the average man; how we did feast upon the grain growers of the West and the cattlemen of that section; what a harvest it was for us! We sat back listening to the clink of our gold and clipping our coupons—a glorious time—hurrah for Governor Harding! We will hold him in and when his time is out we will have him reappointed." But the time came when it was known that they could not get him confirmed; that the President did not want to take the responsibility of appointing him in view of the record which I and others have disclosed here and elsewhere. Then this fellow, knowing the power of money in this day and under this régime, sitting back, closes his purse, draws the strings tight, and says, "The only way you can get into that thing now is to reappoint this fellow. You will not get any campaign contribution out of me until you do."

Then, Mr. President, we find the Secretary of State condoning, indorsing, whitewashing what was done in the State of Michigan, although a lieutenant governor denounced it as the most corrupt campaign ever carried on in that State, although an ex-governor of his own party rebuked it and called on the sitting Member to make a clean confession of it and said if he did not do it he was a liar. The resolution that seated him in this body—and I see some Senators here now who were not here a little while ago—said:

That whether the amount expended in this primary was $195,000, as was fully reported or openly acknowledged, or whether there were some few thousand dollars in excess, the amount expended was in either case too large, much larger than ought to have been expended.

The expenditure of such excessive sums in behalf of a candidate, either with or without his knowledge and consent, being contrary to sound public policy, harmful to the honor and dignity of the Senate, and dangerous to the perpetuity of a free government, such excessive expenditures are hereby severely condemned and disapproved.

That is what the Republican majority said. They said, "We are going to seat you, Mr. NEWBERRY; it is an awful job that we are about to do; we are going to hold our noses when we do it; we are going to condemn the vast expenditure of money that corrupted the people back home, the foul means that were employed to obtain a seat in the Senate, but, in spite of it all, the edict has gone forth to seat you, and we are going to seat you, but we denounce the tactics invoked and the machinery used to elect you." They said what the Mississippi jury said in trying a horse thief: "We, the jury, find the man that stole the horse not guilty." [Laughter.]

THE AMERICAN-VALUATION PLAN.

Mr. ODDIE. Mr. President, I desire to submit for the consideration of the conferees of the Senate and House of Representatives on the tariff bill (H. R. 7456) the following observations and suggestions for a compromise, in order that the measure may be enacted into law at the earliest possible moment before adjournment:

The first important issue facing the conferees is that of the basis of valuation. When the bill under consideration by the conferees was passed by the House all rates were based upon the value of comparable articles in the American market. As the Senate has amended the House bill and changed the basis of valuation to the antiquated system of foreign valuations of imported merchandise, it is obviously imperative that the question of valuation be considered and a compromise obtained which will accomplish what both the Senate and House desired, if this be possible.

I have given both the American and the foreign valuation questions careful study, and have come to the conclusion that both the Fordney plan and the McCumber plan should be displaced by another method of valuation, namely, the wholesale selling price of the imported article in the American market. This basis of valuation will overcome the administrative impracticabilities of the so-called Fordney plan, and it will correct the abuses of undervaluation and the unfair competitive advantages of the foreign producer, whose costs are measured in fluctuating paper currencies, abuses which make foreign valuation an insecure method of computing tariff duties. I would discard both the American-valuation plan as determined by the House and foreign valuation as chosen by the Senate.

In this connection I call the attention of the conferees to the very recent decision of the Board of General Appraisers in the St. Gall lace cases. I should like to offer for publication in the RECORD a brief synopsis of that case.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

DECISIONS BY THE BOARD OF GENERAL APPRAISERS.

(T. D. 39168—G. A. 8543.)

REAPPRAISEMENT OF ST. GALL LACES.

Merchandise exported by its manufacturers in St. Gall, Switzerland, for delivery to American purchasers at agreed prices, which include cost, freight, insurance, and duty, in fulfillment of orders, whether given and accepted by the manufacturers in St. Gall or placed with and accepted by the selling agents of such manufacturers in New York, is sold for export from Switzerland to the United States within the meaning of the language of section 302 of the emergency tariff act of May 27, 1921; and such prices, after deducting therefrom the costs, charges, and expenses, including import duties, incident to bringing the merchandise from the place of shipment in the country of exportation to the place of delivery in the United States, being higher than the prices at which such or similar merchandise is sold or freely offered for sale in the country of exportation, must be taken as the basis for appraisement.

Brown, general appraiser, dissenting, holds (1) that sections 301, 302, and 303 of the emergency act of May 27, 1921, deal only with sales in the home market of the foreign country for export to the United States, making them controlling if higher than sales therein for home consumption, where before they constituted merely part of the evidence from which "foreign market value" in the country of exportation was derived upon appraisement. This act did not radically change the basis of ad valorem value to a United States selling price from which to count back constructive value in the foreign market whenever the result of so doing would be higher than the sales therein for home consumption.

(2) For customs purposes the place where title passes determines whether a sale is made in the foreign market place for export to the United States or, on the other hand, in the domestic market of the United States, irrespective of other terms in the contract f. o. b. or c. i. f., or duty paid vel non, and irrespective of where the negotiations are conducted, and irrespective of whether the goods are sold from an existing stock or by the terms of an executory contract are to be manufactured.

(3) The sales here in question upon which appraisement is based are therefore not "export sales," but sales in the United States market, and the admitted foreign value for "home consumption" should control in taking duty. (United States *v.* Doherty, 27 Fed. 739, cited.)

Mr. ODDIE. This decision, coming at this time, is of vital import to Congress, because the board decided in the case of St. Gall laces, in view of all the frauds and disadvantages of foreign valuation, that the basis of determining duties on such laces shall be changed from foreign valuation to the value of these laces when sold wholesale in the American market.

As the Board of General Appraisers has made a long and careful study of this question of valuation, I believe that its recommendations and decisions in the St. Gall lace cases may be with wisdom embodied at this time in the proposed tariff bill as a basis of valuation. Certainly there can be no objection to levying duties on the basis of the wholesale selling price of foreign articles in the American market, either by the importer or the American manufacturer; and the conferees, I believe, can readily see that it will be easier to determine the wholesale selling price in the American market than it is today for the customs officials to determine the wholesale market price of imported merchandise in 110 different countries whose imports come into this country.

In other words, the decision of the Board of General Appraisers makes possible and points the way to a fair and just compromise between the Senate and House, and removes entirely the stumbling block to the original Fordney proposal.

The advantages of this method, which might be termed the wholesale valuation of foreign merchandise in the domestic market, may be summed up as follows:

1. All foreign nations, irrespective of the condition of their currencies or their costs of production, will pay an equal amount of duty on similar articles. Under the present system of valuation, for example, matches from Sweden, Japan, and Germany pay different amounts of duty because of the differences in the foreign wholesale prices. If our proposal were adopted, the amount of duty would be the same on all comparable articles produced by different countries.

2. As only about 12 per cent of our annual imports are subject to ad valorem duties, and therefore affected by foreign or American valuation, the basing of valuation on the wholesale selling price of foreign articles in the American market would not decrease the bulk of our imports.

3. This method of levying duties would greatly increase the amount of revenue to the Government, because it would make fraudulent invoices useless. Last year, according to the Treas-

ury Department, the customhouses had to advance in value over 6,900 invoices of foreign merchandise.

4. The simplicity of the suggested method of determining a basis of levying duties is obvious. The wholesale selling price of foreign merchandise is known to merchants and jobbers as well as to importers, and could be easily obtained by the Government.

5. The proposed compromise will make it possible for Congress to write lower rates of duty in the pending bill, and make the determination of duty more scientific and accurate.

6. Furthermore, it will make possible a much needed reform in our tariff legislation to overcome the costly disadvantages of foreign valuation both to the Government, the American consumer, and the domestic manufacturer.

In suggesting a compromise program of valuation to the conferees of the Senate and House on the tariff bill, I wish to call the attention of the Senate and the country to the organizations and individuals in the United States who indorse the principle of American valuation and who have petitioned Congress for the immediate enactment of a protective tariff.

Less than two years ago a member of the United States Tariff Commission recommended to Congress the substitution of American valuation as a basis for levying ad valorem tariff duties for the present method of foreign valuation. Since that time several hundred of the leading business, industrial, agricultural, and labor organizations and associations have indorsed the principle of American valuation. On August 1 of this year the American Valuation Association of New York published a book of 1,133 pages containing resolutions, letters, and memorials, and the names of the leading organizations in this country which have voluntarily indorsed the program of that association, namely, the the immediate enactment of a protective tariff based upon the principle of American valuation.

This volume contains the names of organizations and individuals from every State in the Union, and each name is backed by the signed indorsement of the bank, newspaper, manufacturer, business man, farmer, or worker.

In presenting this book to the attention of Congress the association states:

The compilers of this volume respectfully urge your attention to the vast number and the high character of the indorsers of American valuation named in the following lists. The personnel of these organizations and enterprises, including business executives, agriculturists, the leaders of labor, and public officials, speak with the authority of intimate participation in essentially American endeavors. They speak the voice of America. They are equally the producers and the consumers of the country. They furnish the capital for industry, they direct the industrial activities, and they perform the labor of the Nation in every field of human effort.

They know from experience that the prosperity of the United States depends primarily upon our home market. The tariff is our national prosperity insurance. American valuation makes this insurance valid.

The compilers regret that it has been necessary to abridge these lists in order that they may be placed before you in a manner convenient for your review. The indorsers in some States are so numerous that it has become necessary to indicate them by numbers, although the signatures are all on file for inspection. At the time this volume is given to the printer, each day is adding hundreds of names from every corner of the United States urging the immediate passage of the tariff law with the American valuation principle.

An examination of the general lists and the specific State lists will disclose the fact that the indorsement of American valuation is national and not sectional; that it is supported by an array of producers, industries, labor organizations, and thinkers unparalleled in any previous public expression on tariff legislation. Especial attention is called to the tremendous support it has received in the Democratic South.

These indorsements are, both as to character and volume, evidence of a well-founded conviction that the principle of American valuation is based upon necessity, and is sound. It is nonpartisan. It has drawn to itself wholeheartedly the most widespread approval ever given to any proposed modification of administrative practice urged in connection with a tariff issue in this country.

Twenty-four pages of the book contain the names of organizations indorsing American valuation, organizations extending from the Aberdeen Commercial Club, of South Dakota, to eight international labor organizations, from the Actors' Equity Association, with its 18,000 members, to the 130,000 members of the Painters, Paper Hangers, and Decorators Union, of New York. Among manufacturers there are the Associated Manufacturers of Electrical Supplies, of St. Louis, employing 45,000 workers; the National Association of Manufacturers; the Associated Industries of Maine, Massachusetts, Montana, Washington; the California State Manufacturers' Association; the Braid Manufacturers' Association of the United States, employing 35,000 workers; and the Consolidated Tariff Committee of Cotton Manufacturers, of Massachusetts. Among farmers and agricultural producers there are such formidable organizations as the National Milk Producers' Federation; the National Agricultural Conference, which met in Washington last January at the call of President Harding; the National Wool Growers' Association, of Salt Lake City, Utah; and the poultry and dairy interests of many States.

As copies of this book will be distributed to each Member of the Senate, it will not be necessary for me to speak of the indorsements of individual States. Each Senator will find, however, the names of leading organizations and associations in his own State which are on record in writing indorsing American valuation.

In suggesting, therefore, to the conferees of the Senate and House a compromise between the original Fordney plan and the foreign-valuation program of the Senate, I feel that I can express the sentiment of these hundreds of thousands of the leading industrial, agricultural, and labor organizations in the United States who ask Congress to base tariff rates on the principle of American valuation.

The principle which I have outlined in my compromise proposal, namely, the levying of tariff duties on the wholesale selling price of the foreign article in the domestic market, I believe will meet the expressed wishes of the leading producers in the United States, who need the protection of American laws to enable them to compete with every other country in the world in the American market.

I ask unanimous consent to have printed in the RECORD this synopsis of these organizations, with a number of petitions from organizations and individuals.

The PRESIDENT pro tempore. Is there objection?

Mr. CURTIS. Mr. President, I object to the printing of the entire petition. If the Senator wants it noted in the RECORD and referred to the Committee on Finance, I have no objection; but that petition has been sent to the various Members of the Senate, and there is no use in burdening the RECORD with it.

Mr. ODDIE. Mr. President, I ask the Senator from Kansas if he would object simply to the list of the organizations being printed, with the number of the members?

Mr. CURTIS. It would depend upon how long it is.

Mr. ODDIE. It is just a few pages long—a very few pages.

Mr. CURTIS. I object to it. Let it be noted in the RECORD and referred to the committee.

Mr. ODDIE. Mr. President, I should like to state that this list of organizations is as follows: For instance, the Aberdeen Commercial Club, Aberdeen, S. Dak., with 466 members; and it goes on and gives the names of hundreds of the leading organizations in the United States. I should like to have the Secretary read this statement.

The PRESIDENT pro tempore. Is there objection?

Mr. CURTIS. I object to the Secretary reading it. Let the Senator read it himself in his time.

The PRESIDENT pro tempore. The Senator from Kansas objects.

Mr. ODDIE. The Aberdeen Commercial Club, Aberdeen, S. Dak., with 466 members.

The Actors' Equity Association, New York City, N. Y., with 18,000 members.

The Akron Merchants' Association, Akron, Ohio, with 110 members.

The Alder Commercial Club, Alder, Wash.

The Alexandria Chamber of Commerce, Alexandria, La., with 300 members.

The Allentown Chamber of Commerce, Allentown, Pa., with 650 members.

The Allied Lace & Embroidery Manufacturers, West New York, N. J., with 900 members.

The Allied Printing Trades Council of Philadelphia, Philadelphia, Pa., with 15,000 members.

The Alpaugh Board of Trade, Alpaugh, Calif.

The Amalgamated Association of Street Electric Railway Employees, Division 459, Bridgeport, Conn., with 475 members.

The Amalgamated Clothing Workers of America, Local No. 208, Vineland, N. J., with 515 members.

The Amalgamated Lace Operatives of America, levers section, New York City, with 2,100 members.

The Amalgamated Lithographers of America, New York City, with 5,846 members.

The Amalgamated Lithographers of America, Local No. 17, San Francisco, Calif.

The Amalgamated Meat Cutters and Butcher Workmen of North America, Local Union No. 207, Danbury, Conn., with 75 members.

The Amalgamated Sheet Metal Workers' International Alliance, Local No. 114, Bridgeport, Conn., with 100 members.

The Amalgamated Sheet Metal Workers, Local No. 221, International Alliance, Vallejo, Calif.

The Amalgamated Sheet Metal Workers, Local Union No. 225, New Haven, Conn., with 100 members.

The Amalgamated Society of Carpenters and Joiners, No. 1909, San Diego, Calif.

The Ambridge Board of Trade, 808 Maplewood Avenue, Ambridge, Pa.

The American Cotton Manufacturers' Association, with 1,025 members.

The American Association of Flint and Lime Glass Manufacturers (Inc.), Pittsburgh, Pa., employing 10,000 persons.

The American Association of Woolen and Worsted Manufacturers, New York City, with 204 members.

As I do not want to take the time of the Senate to read all, I will just state the names of some of the largest ones.

The American Federation of Labor, Philadelphia, Pa., with 150,000 members.

The American Feed Manufacturing Association, Chicago, Ill., with 25,000 members.

The American Flint Glass Workers' Union, Toledo, Ohio, with 60,000 workers.

The American Honey Producers' League, San Antonio, Tex., with 800,000 producers.

The American Mining Congress, Washington, D. C., with 4,000 members.

The American Wire Weavers' Protective Association, Holyoke, Mass., with 10,000 workers.

The Asbestos Manufacturers' Association, Ambler, Pa., with 50,000 to 75,000 employees.

The Associated Advertising Clubs of the World, New York City, with 15,000 members.

Mr. President, if I had the time I could go on and name hundreds of the leading organizations and industries in the United States, with many hundreds of thousands of members, contained in this list that have urged the adoption of the American-valuation plan.

COMPENSATION OF WORLD WAR VETERANS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 10874) to provide adjusted compensation for veterans of the World War, and for other purposes.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the Senator from New Mexico [Mr. BURSUM].

Mr. UNDERWOOD. Mr. President, I desire to address myself for a few minutes to the pending bill.

The bill is entitled "A bill to provide adjusted compensation for veterans of the World War." Of course, this does not mean that the Government of the United States has not lived up to its contract with its soldiers and has not paid them the wage and other compensation that it contracted to pay them when they entered the service. It means, so its advocates say, that it intends to adjust the compensation that they received as soldiers during the war with the compensation that other men received when they stayed at home. That is the argument. Of course, the bill does not do that. The bill provides that our soldiers shall receive $1.25 a day for the time they served abroad and $1 a day for the time they served at home, in no event to exceed $500 for those who served at home or $625 for those who served abroad.

Mr. President, the soldiers during the war were paid $1 a day. Those in foreign service, I believe, received something in excess of that. In addition to their pay, they received their clothes and food and maintenance. A number of other allowances were also given to them by the Government. In the cases of men who had families or dependent relations, the Government made allowances to the wives or dependent relations at home. So the compensation actually allowed to the soldiers during the Great War was far in excess of $1 a day or $30 a month. If you take into account the allowances for families, the furnishing of clothes, quarters, and food, it amounted to as much as many of the men received who remained at home and worked.

Of course, I do not mean to say that this wage compared with the wage of the young mechanic, trained in his business, who worked in the shops or foundries which were producing war material.

The young mechanic not only received a great deal more than the soldier received, but he received a great deal more than the soldier received plus the compensation you propose to give him through this bill. He received that wage because he was a skilled man in a special trade whose services were in great demand during the stress of the period of the war, because we were short of trained mechanics, and without trained mechanics we could not manufacture guns, or ammunition, or automobiles, or flying machines, or any of the other supplies which had to be sent to the front in order that the fighting man might combat the enemy.

But if the average fighting man had remained at home he would not have received compensation equal to that of the skilled mechanic, because comparatively few of them were trained mechanics—if you took the run of the men of military age the number who were trained mechanics would have been small. And we must bear in mind that on account of the great need for skilled mechanics in the factories and foundries of America during the period of the war the Government of the United States exempted the skilled mechanic from service in the Army, and told him that he could serve his Government better by remaining at home in the foundry or the machine shop. Of course some went, but they did not go because they were compelled to go under the draft; they went, not for the dollars in the service, but they went to the front because the patriotic spirit in their breasts compelled them to follow their flag where the fighting was hottest.

So, in analyzing this question of adjusted compensation, we must take all these points into consideration. A vast number of the young men who served in the Army were not trained in trades and had no professions. Many of them were farm boys, and if you compare the wage they received in the Army, after all their expenses had been paid and allowances made for their families, with the wage that the farmer boy got on the farm during the war, where he had to pay his own expenses and meet the high cost of living during the period of the war, I do not think there would be much difference between the two classes of men so far as the actual compensation they received was concerned.

Of course there were men in the ranks who made great sacrifices to be there, men who left trades or professions or business at home which paid them far in excess, not only of their pay and allowances in the Army, but far in excess of what the young skilled mechanics received at home. There were young men in the Army who sacrificed five and six thousand dollars a year by serving for $30 a month and the allowances. Nobody can contend that men of that class will have their compenstion adjusted by our paying them an additional $625.

So, in fact, Mr. President, although this bill is called an adjusted compensation bill, it is not. It does not adjust the compensation if you consider the individual cases. In many cases a man who served received as much in wages and keep in the Army as he would have received if he had stayed at home. On the other hand, there were many men in the ranks who received at home, before they went to war, and would have received if they had stayed during the period of the war, ten times as much as their soldier's pay and allowances with the five or six hundred dollars added. So this is really not an effort to fairly return to the men who served the difference they might have earned if they had remained at home and not served in the ranks.

I think the bill has been properly named by the public. I do not say this in any way to reflect on the bill or those who are the beneficiaries of it, but I state it merely as a matter of fact; it is not an adjusted compensation bill; it is a bonus bill. It is a proposal to give the soldiers who served during the Great War compensation additional to that which the Government agreed to pay them, amounting, in some instances, to as low as a few dollars, on account of the short length of the service, and in the extreme case not to exceed $625.

Far be it from me to say that if the services of these men can be measured in dollars, $625 is too much to give them. If you are going to measure men's services to their country, when they offer their lives as sacrifices, in mere dollars, then to my mind to offer them, on that standard of measure, $625 is an absurd proposition. I know I would not have been willing to be shot at for the Army pay and allowances and $625, if that was all that was involved. I hope that if I had been of the military age I would have had the courage and the patriotism to serve my country in the ranks; but I would not have served it for dollars. If I had served it, I would have served it because I felt that it was my highest duty in life to to defend my country against an enemy's assault, to defend the homes of my family and my people, to protect the great free institutions of Government which have descended to us from our fathers through generations. That is why I would have been willing to serve my country, if I had served, and I believe that is the reason why every man who followed the Stars and Stripes in the Great War served his country, and not for the pay he should receive.

So, to my mind, I can find no reason why I should vote for this bill to adjust a soldier's pay, and I see no reason why I should say that a dollar a day for service by way of a bonus is an adjustment of that great debt which a generous people must always owe to the gallant men who carried their flag in the stress of war.

Mr. President, I have voted for many pension bills for the survivors of many wars during my service in the Congress. I have voted for pension bills to pension men who received in-

juries on the battle field. I have voted for pension bills to pension men who returned home sound and well, but who, by reason of their infirmities of age, their poverty, their inability to take care of themselves, would have been charges on the public if the Government of the United States had not been willing to provide suitable compensation to its old soldiers who needed the Government's aid in the failing days of their lives.

But, Mr. President, since I have been a Member of the Congress of the United States there is one class of pension bills for which I have always refused to vote, and that is what is known as the service pension. I have been compelled at times to vote against a service pension bill in the past under very embarrassing circumstances, but I have always done so. When the war has passed and the decades have gone by some are fortunate on the battle field of life and have acquired competencies and some have grown rich. Others have fallen by the wayside, often without any fault of their own. Sickness or losses or misfortunes have found them tottering to the grave without any sustaining hand to help them. Then is the time, in my judgment, when a great government should remember its soldiers, when a great government should say that the men who have defended its flag are a class unto themselves and that their government will not let them in the time of dire distress fall by the wayside.

But is there any obligation on that same government for the same service to pay to the man who has been fortunate and has a compentency, who has possibly great wealth, that we shall give him also the pittance of a pension to throw away, with which to buy his cigars, money which he does not need, but which is needed by his less fortunate brother in arms? Because, if we do that, there is an end always to the credit of the Government, to its ability to expend, and when we give to him who needs not our help we reduce our ability to take care of the men who really need it.

Therefore I have never believed in a service pension. A pension for injuries, a pension because of need, is a different thing from saying that simply because a man served his country he must be paid in dollars. Dollars, in my judgment, are the last medium through which we can justly pay the men who served their country on the battle fields of France. We can pay them by giving them preferences, as the Government has already done. We can pay them by remembering their service, giving them credit for it when they seek the honors of life in the civil pursuits of their business, their professions, or the high offices of the Government. But to say that we can pay a man in dollars for service is abhorrent to my idea of the high standard that we should have in mind when we seek to reward the man who stood ready to give his all for our country's sake.

Service, Mr. President, should be the greatest ideal of life in any country, and service to a free Republic, service to a Republic that guarantees the liberty, the lives, and the happiness of its citizens is the greatest honor that any man can render unto himself if he is given credit for that service in the hearts and minds of his countrymen.

As I said, I have never voted for a service pension bill and I never shall. I can draw no distinction in my mind between the so-called adjusted compensation bill and a service pension bill. It is not given to the man because he was wounded. It is not given to the man because he suffered injuries on the battle field. It is not given to the man because, since he came out of the service, he has met with misfortune and is sick and in distress. It is given to him merely because he did his duty, responded to his country's call, and offered himself as a sacrifice. As I said awhile ago, that service can not be measured in dollars. It is too great a service to measure in dollars of the Government. No matter whether it is $600 or $6,000 it can not be measured by that standard. It is given to him merely for service.

Mr. President, some of the men need the money; some of them are wounded and in distress. So far as I am concerned, I am willing to go to the limit, and I have in my votes in this Chamber gone to the limit to provide for the men who need their country's help. But why should I vote to take money out of the Treasury and give it as a largess to men who do not need it, who returned home well and sound, without injury to body or character or standing, who have gone back into the civil fields of life and are forging ahead as young Americans should, making their places in the life of the Nation. Why should I give them the pitiful sum of $600 and say, "Take this in payment for the great sacrifice you offered to your Government. You do not take it because you need it. You do not take it because you are worse off than when you went to war. But you take it as a return for the greatest act that any man could render to his country. You offered your life for your flag and your Nation. I give you $600."

Mr. President, I do not say this in criticism of those who do not agree with me. I do not say it in criticism of the soldier or those who advocate the soldiers' cause. I only say it for myself. I can not say to the soldier boys who served on the battle fields of France, who were near and dear to me, that I offer to pay them in dollars for their sacrifice. I can never vote for a bill which asks me to do that. Others may look at the question from a different standpoint, view it from a different angle, but as for myself I owe something to those who went to the battle front, who were near and dear to me, and I can not say this to them.

But, Mr. President, it is not merely the question of our paying these gallant boys. They served their country well in 1917 and 1918, and I know that they are ready to serve their country well in the years which are to come. They are the men who are now becoming the sustaining pillars of the Nation's strength, not in war but in peace, not in arms but in the civil fabric of our Government and its great principles. They are the men who must shape the course of the Nation in the years to follow. They are the men who must carry the burdens of the Nation in the decades to come. They are the men who must be responsible in the future for the safety and the happiness of the Nation. Some of them I think understand the problem which confronts us. Many of them have not given it a further thought and think that this is a gift from their Government for services well performed.

But, Mr. President, there is this problem that will confront these very young men, these soldiers of ours, in the decades yet to come, and that is the safety of their Nation. If we contract the indebtedness necessitated by the passage of the pending bill, which it is estimated by some will amount to $4,000,000,000 and by others to $7,000,000,000, as the years go by the burden of that indebtedness will fall on the men who served as soldiers and to whom we are to give the money now; they will have it to pay in the years to come, with interest piled on interest; but that is not the principal objection to it. So far as I am concerned, if I could vote for the bill at all, I should prefer to vote for a bill that would let this generation pay the tax rather than in the future to put it on the soldier who will receive the money, as the bill now pending does; but, as I said a while ago, I would not vote for a service pension bill under any circumstances, and therefore I would vote against such a bill in either event. I think, however, in ordinary fairness, if we are going to pay these men we should let those who earned their money and prospered during the war pay the taxes instead of passing a bill under which in the years to come those who may be prosperous among our soldiers will have to pay the cost out of their future prosperity.

That, however, is not the main objection that I wish to impress on those who are kind enough to listen to me. Mr. President, the first duty we owe, just as these soldiers recognized that the first duty they owed, is to our Government and our country. The first principle that we must have in mind in serving our Government and our country is our country's safety for the future. We must bear in mind that the conditions of war to-day are not the conditions of war which prevailed a hundred years ago, nor even 50 years ago. All the conditions of waging war have changed, not merely on the battle field but as to a nation's ability to maintain war and to defend itself by force of arms. There was a time, a hundred years or more ago, when the material factor in carrying on war was the man strength of the nation; the ability to put a certain number of men in the ranks with whom to fight the war. The question of equipment and arms was a secondary matter. But conditions have changed. As time rolled by it became not merely a question of a nation's strength and its ability to command the number of men who should serve in the ranks but an equally important factor entered the equation, namely, the nation's ability to supply those men with arms, swords, guns, and cannon, equipment with which to fight the battle of their nation. In former days the cost of equipment was not so great an item. During the War between the States, I think, in the Union Army there were 2,000,000 men; they were supplied with the equipments of war; and yet when the war ended the Nation owed only $3,000,000,000 on account of the expenditures which had been incurred to carry on a war of four years' duration.

Coming down to the great World War, in which we were engaged for less than two years, when we came out of it we found ourselves in debt to the extent of something over $25,000,000,000. Why? Not that it was any more difficult to put 2,000,000 or 4,000,000 men in the field or that the expense of the maintenance of those 4,000,000 men was so great, but war had become an industrial battle as well as a battle of arms, and the preparation behind the industrial column had grown vastly expensive in order to equip our battle

line with improved guns, tanks, flying machines, supplies, and everything else necessary to make the soldier successful on the battle line. If the war had continued for two years longer, we should to-day have been in a grave position as to where we should have obtained the money with which to pay our debts. Fortunately the war was over before the indebtedness growing out of the war had reached such proportions that the American people could not put the burden of the indebtedness on their shoulders and carry it.

What, however, of the future? What does the future hold? I hope there may never be another war; I have used every effort I could when the opportunity afforded itself to insure the guaranties of peace, but, nevertheless, I know that we may try to put wars behind us, to make them difficult of prosecution, to avoid them for longer periods of time; but so long as human nature is constituted as it is, so long as the conflicts of commerce continue to be possible, so long as peoples desire to push themselves onward, forgetting sometimes the rights of others, causes of war will arise, and in the end war will occur again. Then, Mr. President, I ask, Are we as prepared to meet war to-morrow as we were on yesterday?

It may be said that the 4,000,000 men who responded to the country's call are still here. Some may have dropped by the wayside, but their younger brothers have stepped forward to take their places. It may be said that a great industrial column, our furnaces, steel plants, and machine shops are still here ready to supply the equipment of arms. Yes, that may well be said, Mr. President, and it is true; but the third equation is lacking. Successful war to-day must be carried on with men, with industrial organization, and with credit. No government can carry in its coffers sufficient gold to fight a war. It can only fight its wars on its credit.

In 1917, when this great Government of ours went to war with Germany, we had a virgin credit. It is true that we may have owed something like a billion dollars; but it was a mere bagatelle as compared to our great resources. To-day, however, Mr. President, we owe over $22,000,000,000, and it is proposed by this bill to increase that indebtedness by four billion or seven billion more—and I think $7,000,000,000 are nearer the mark than $4,000,000,000. It is proposed to increase it by passing this bill and to make the indebtedness of the United States nearer $30,000,000,000 than $22,000,000,000.

What effect will that have on the national defense? It may be said that the American people are patriotic; that they will again respond to their country's call. Mr. President, it must be borne in mind that when the American people went into their pockets and bought bonds to the extent of $25,000,000,000 they had untapped reserves at hand—their earnings for the decades that were passed. I do not refer to a few rich men here and there, for if they had given their all it would not have amounted to much in the great reservoir of credit we had to command; but the World War was not fought by the dollars of the millionaire; it was fought by the dollars of the great masses of the American people, the people who gave their hundreds and their thousands to carry the country's flag to victory. You have now put the burden of taxation on those people when you gather from their surplus earnings much of what in the past went into the reservoir of savings that could respond to their country's call, and have taken it out of the equation, because you have to use it to pay the debts of to-day.

Mr. President, does any man imagine that if we had owed an indebtedness of between twenty-five and thirty billions of dollars when we declared war against Germany in April, 1917, we could have ever raised the money to build the fleet to carry our soldiers across the sea, to build the guns and the camps and the equipment, to spend money without counting the cost in order to accomplish the miracle of the ages, and put 2,000,000 men in France, 3,000 miles away from their homes, within the space of a little over a year? It would not have been possible, Mr. President, if it had not been that the credit of our Nation was a virgin credit and not burdened with a vast indebtedness.

I say the hour has come for the Nation's safety, the safety of the future, when men who hold a responsibility in public life must bear in mind that it is not merely a question of taxation when you expend money but that it is a question of preserving the safety of your country.

You may say that this does not apply only to a soldiers' compensation bill but that it applies to other matters. It does, Mr. President. It applies to all other expenditures equally as well as it does to this bill, but, of course, this bill is providing for an indebtedness far greater than all the others put together, an indebtedness that may grow; and if these soldier men of ours realized the position in which this bill will put them a decade from now, when they come to a command rank in life—and many of them have already reached it, but I mean as a class—when they come to a command rank in the civil walks of life, when they come to the responsibility of looking after this great Government and carrying its burdens and protecting it against foreign foes and all other dangers, I do not believe that they themselves would approve of a bill which has as its purpose the payment of from four to seven billions of dollars to men who came home whole, without injury, because, even though it goes to some of the injured, they are compensated in another way as well, and they are not given this money for injuries received. I do not believe they would approve of it.

No, Mr. President, these soldiers of ours do not have to be paid in dollars to reward them for the services they rendered. They came back home wearing the crown of a great Republic. They have rendered a service that you and I, Mr. President, might be glad to lay down the honors that the American people have granted us to render, for to be able to say that we had served in the ranks on the battle fields of France to serve our country is the highest honor that can come to any man.

The PRESIDENT pro tempore. The question is upon the amendment proposed by the Senator from New Mexico [Mr. BURSUM].

Mr. WADSWORTH. Mr. President, I assume—in fact, I am well aware—that the Senator from New Mexico [Mr. BURSUM] desires to discuss the amendment which he has proposed to this bill, and as that amendment is the pending question I do not intend at this time to discuss at any length the bill or the principles involved in it. However, as I sat here listening to the Senator from Alabama [Mr. UNDERWOOD] and certain of his observations concerning the pride which young Americans should take, and in my judgment and in his judgment do take, in serving their country in a crisis, I could not help recollecting a passage in the address of the Senator from North Dakota [Mr. MCCUMBER], delivered upon yesterday. I desire to read it to the Senate, not that it has much to do with the merits of this bill, but as indicating the kind of argument which in part, at least, is used in support of the measure. It will be found on the bottom of page 12721 of the CONGRESSIONAL RECORD of Wednesday, August 23. I quote:

> In these times of great unrest, of lawlessness heretofore never heard of, of crime rampant throughout the land, when the sacred rights of life, liberty, and property are being denied and defied as never before in the history of our country, to whom in the end must we look for the final arbiter between individual right and mob power—between the supremacy of law on the one hand and the supremacy of anarchy on the other? We must look to those very boys who stood for their country on the field of battle—who carried its flag and whose comrades died for its honor. We must look to those boys, the constitution of whose organization—

Meaning the American Legion—

> declares:
>
> For God and country we associate ourselves together for the following purposes: To uphold and defend the Constitution of the United States of America; to maintain law and order; * * * to inculcate a sense of individual obligation to the community, State, and Nation to combat the autocracy of both the classes and the masses; to safeguard and transmit to posterity the principles of justice, freedom, and democracy.

The Senator from North Dakota then continued:

> Let me tell you, Mr. President, that we will need these boys with their loyalty to country and Constitution and the sacred rights declared by the Constitution; we will need them more—a thousand times more—than we will need the few dollars we would save by denying this little element of justice.

Mr. President, what is the inference to be drawn from that portion of the address of the Senator from North Dakota? What is the only inference that may be drawn from the inclusion of a declaration or suggestion of that kind in an address upon this bill, soon to be voted upon in this body? The only inference that I can read into it is that if the bonus bill is not passed, in time of crisis, grave, widespread public disorder should their country call upon them these men will not, or there is danger that they will not, respond.

Mr. President, I have no such low opinion of the veterans of this war as would lead me to suggest such a thing either in public or in private. I can not comprehend how such a suggestion could be uttered upon the floor of the Senate or in any public place, indicating as it does a suspicion, at least a fear, at least a doubt, at least as to the loyalty of these men to their country and its institutions, indicating as it does that it would be wiser and safer, in view of possible crises which might overtake the country, for us to pay them an average of three or four hundred dollars.

I know full well that no supporter of this bill can bring himself conscientiously to suggest even indirectly an argument of that kind in its support; and I know full well—yes; even better, for I have more confidence in these men themselves and in their instincts, in their spirit—I know full well that they will never subscribe here to-day, or at any time in the future, as long as they may live, to any such suggestion as that. I take

this occasion, however, to point it out as apparently being deemed important enough by the principal supporter of this bill to be suggested to the Senate as an argument in its behalf and as indicating still further that character of argument which has upon more than one occasion in public and in private been used to gain votes for this proposition.

For one, regardless of the merits of the bill itself and all discussion of its merits, I utterly repudiate it. It can not be true. Therefore, it is not worthy of a moment's consideration.

Mr. HEFLIN. Mr. President, of course these boys who offered to die for their country would not desert it in any crisis. They have shown that they would not do that. They have offered to make the supreme sacrifice. When I think of the treatment that is sought to be accorded to them by some of the interests in this country I am reminded of what Job said under great affliction:

Though He slay me, yet will I trust in Him.

Though there are powers in the country who would deny these boys the bread and the meat that is necessary to keep them alive, the funds necessary to provide shelter for them, these brave boys will suffer and endure, and if a crisis should come upon the country they would respond again.

But I take the position that the great mass of the American people do not stand for the doctrine which would deny to these boys simple justice in the form of adjusted compensation. I believe that if you could stand up the men and women of this country around the Republic, and ask them face to face, "Are you in favor of giving adjusted compensation to our soldiers," at least five out of every six in the Republic would answer in the affirmative.

Senators, there never has been such propaganda carried on as certain big interests are now carrying on in this country against adjusted compensation for the American soldier. Newspapers are being filled with arguments against it. Literature opposing it is being sent broadcast over the country. They are doing everything in their power to defeat this measure.

I accord to every Senator the same right to his opinion that I claim for myself, but I can not keep from recalling what happened when the profiteers of our country, who sold material to the Government in the hour of its peril not at cost, nor even at a small profit, but at prices that took extortionate profits from the Government, and they received the money as the material was provided, and when the war suddenly ended, and while their industries were running full time, accumulated material lay about the premises, the Secretary of War and the Secretary of the Navy said, "We do not need any more material." Perfect droves of them came to Congress and presented their bills for material they had around their factories, for material we could not use, for material that in some instances we never moved off their premises, but left with them to dispose of as they saw fit. This Congress paid to them hundreds of millions of dollars, and not a protest came then from any man who now opposes adjusted compensation for the faithful and yet needy soldiers of the country.

When these men stood here at the door of the Capitol, not willing to yield a point or sacrifice a dollar to help their country, already burdened by war debts, but demanding that they be permitted to run their arms into the Treasury up to the pit, I did not hear any of these Senators protesting then, not one. I did not hear any of them say then, "You sold the Government a vast amount of material. When you started to supplying this material you had but little capital. The Government has already paid you five or six million dollars. You have made out of the Government clear profits amounting to more than $3,000,000. You have been made a millionaire by what the Government has already done for you. The Government can not use that material that you ask pay for. You are a patriot. Will you not give that to your Government, which owes billions of dollars for the conduct of the war?"

The profiteer shook his head. He did not heed the suggestion, but capitalized his patriotism and demanded the pound of flesh from nearest the heart of his Government, and you ordered it cut out by the appropriations of Congress, paid him every dollar that he demanded, and he went his way rejoicing. Not a dollar of indebtedness remained unpaid by the Government to that band of profiteering marauders who held their country up in the time of distress and peril.

They, I presume, are your patriots. You pat them on the back. They stand, swell-chested, before the country now and denounce adjusted compensation for the soldier as an effort to capitalize patriotism. They open their purses and take out money ill gotten from the Government to hire printing presses to run day and night in order to flood the country with their arguments against adjusted compensation for an army which bared its breast to the most destructive war implements ever devised in all the history of human warfare.

I have met upon the streets of Washington some of those boys, and out of my humble means have contributed to help furnish them a place to sleep and something to eat—boys who wore the uniform of my country, carried their guns and battle blades to the firing line in France, and offered to die for me and my country, the greatest Government on the globe. Then we hear men say that they will cheapen their heroism and capitalize their patriotism if they ask for something upon which to live and for shelter to protect them from the storm.

Senators, the people are not going to be deceived about this matter. When the Senator from North Dakota made the statement to which the Senator from New York has referred, he meant that it was even bad policy for the Government to mistreat, deny justice to, and break the morale of these men. The brave spirit and morale of these soldiers are worth more to the Government than the amount of money required to grant them simple justice.

Do you know what it means to so mistreat and refuse justice to the man who loved his country so well that he was willing to walk out where death was raining all around him and offer his life for his country? Imagine yourself in the position of a soldier returned finding those in charge of Congress pursuing a policy that closes industries and you can not find employment, and no plan is devised by which you can even have your claim against the Government adjudicated. What would you think about the sense of justice reposing in those who would treat you in that manner? It is wrong to do anything to shake the faith of one of these brave boys in the respect, love, appreciation, and unfailing gratitude that the Government holds for him.

Senators, it is a crime against every one of them and a crime against the country to do it. You know what the Master said. It were better that a millstone were hanged about your neck than that you should offend one of these little ones. He meant by that that you should do nothing to disturb or undermine their implicit faith and abiding trust.

Mr. President, I am not going to discuss this question now, but I want to make one more statement before I close. What I have said came to my mind in response to the speech of the Senator from New York [Mr. WADSWORTH].

We have loaned to the Allies $10,000,000,000. It amounts now to more than $11,000,000,000 with interest. That would pay half of our war debt. If we collect that, we will have reduced it to $11,000,000,000, and in a great and rich Nation like ours if you turn loose the business instrumentalities of the country, let the people work, let business breathe and live, and let the masses have an opportunity to produce prosperity, as they did in other days not far behind us, it will not take long to clean up that other $11,000,000,000. But the Allies owe us $10,000,000,000 with interest, making over $11,000,000,000. We can collect one-third of it and pay this adjusted compensation to the soldiers of America and settle the debt, wipe the slate clean, and they will still owe us $7,000,000,000 more. You are in the majority over there. Why do you not do that? You have it in your power.

While I speak to you certain American newspaper editors and owners are in Europe working up a propaganda, or aiding and abetting it, to cancel that debt. You see suggestions coming from over there now, and coming from high authority here, that this debt should be canceled. They are working to get this Government to cancel this debt due us by other countries, and we are told that some of the money borrowed from us was used by England and France to pay adjusted compensation to their own soldiers. Yet men stand here and say that we should not even consider the matter of paying adjusted compensation to our soldiers.

Do you suppose that England, the mother country, great nation that she is, insulted the patriotism of her soldiers, cheapened the heroism of those brave men who stood with undaunted courage when General Haig said, "Your backs are to the wall. There is nothing else to do but to die"? Did they feel they were cheapening heroism in them, and capitalizing their patriotism, when those boys accepted that small substantial token at the hands of the Government whose life they had saved?

Oh, Senators, what would happen if a young man should come and help you save your house when it was on fire, and extinguish the flames. You would bring him in, and there would not be anything you could do for him that you would not want to do, and if it should be shown that he did not have a place to live, you would take him in and say, "Young man, you put out this blaze, and you saved the life of my little boy, and I want you to live here. Your board shall cost you nothing, and here is spending money." That is what the individual would do.

The soldiers protected the country, saved the American household of sovereign States with all these ungrateful profiteers in

it, and now they do not want these boys to even have a bite to eat and a place to sleep.

Mr. SHEPPARD. Mr. President, does the Senator recall what the British Government and the British people paid General Haig after the war closed? It was something like $500,000, I think, by way of a bonus or gratuity. Parliament voted him nearly half a million dollars, or £100,000; the King made him an earl, and a country estate was given him by popular subscription. The pending measure, however, does not ask for a bonus or gratuity but for proper adjusted compensation for our soldiers.

Mr. HEFLIN. Mr. President, I thank my good friend from Texas for his very pertinent suggestion. All of the allied Governments have tried to do something in a substantial manner to show their appreciation of the services rendered by their heroic sons. In the instances cited by the able Senator from Texas the British Parliament was not content to vote thanks to General Haig but voted to bestow a sum sufficient to make him comfortable as long as he lived. When our boys came back and were mustered out of the Army, in what condition did they find the country? A Republican Congress was in control. The wheels of the hitherto smooth and wholesome working Democratic administration was now paralyzed. We could do nothing and you would do nothing. The demoralizing hand of a Republican Congress was resting heavily upon everything.

When the boys came back and were mustered out, what did they find? They could not find anything to do. There were no places open for them. The places they had when they left home were in the hands of others.

I contrast their condition and conduct with the condition and conduct of the profiteer who furnished certain materials and who made money hand over fist out of his business. He held up the Government, charged high prices, and made tremendous profits. He collected money for that which was never used and that never benefited the Government. He made money out of the war and made himself rich out of the war. But the soldier worked for practically nothing and went out on the danger line and offered to die for his country.

Think of those two pictures, Senators; one the profiteer who is fighting the adjusted compensation to death and the other the soldier who gave up a position, lost out entirely in that regard, and was paid but a pittance while in the service.

The soldier made no money out of participating in the war, but the profiteer made millions and was all the while far removed from danger. The soldier was in the midst of danger and death and thousands of his comrades died. He was willing to die. Their positions were lost to them when they went away to fight for their country. They were in danger of losing their lives and were losing money all the time. When they came home, as I said, the positions they had were gone and there were no other positions open. In the State of Daniel Webster, the great State of Massachusetts, in which stands the proud and historic monument of Bunker Hill, soldiers who offered their lives for their country found conditions so demoralized and miserable under a Republican administration that they were sold upon the auction block to the highest bidder. And yet some talk about cheapening a man's patriotism and his heroism. When hunger and fatigue demand that he get something to eat and a place to sleep, driven by sheer desperation until he goes to the auctioneer and says, "Sell me into industrial slavery. I want something to do, something to eat, and a place to sleep," the situation is indeed desperate.

Senators, that happened in the State of Massachusetts with some of the more unfortunate boys whose cause I plead to-day. The profiteers are rich and reveling in their rank luxuriance while the boys—thousands, tens of thousands, aye, hundreds of thousands of them—have no adequate means of employment. I am pleading with my Government for simple justice to them. I voted to call them to the colors, and, so help me God, as long as I have the strength to speak and vote I shall demand justice for them in the Senate of the United States.

UNITED STATES COAL COMMISSION.

Mr. CALDER. Mr. President, I send to the desk a telegram from the New York Coal Commission, which I ask to have read and referred to the Committee on Education and Labor.

There being no objection, the telegram was read and referred to the Committee on Education and Labor, as follows:

[Western Union Telegram.]

NEW YORK, N. Y., *August 23, 1922.*

Hon. WILLIAM M. CALDER,
Senate Chamber, Washington, D. C.:

The New York State Coal Commission very earnestly urges upon you the necessity for prompt action in carrying out the President's recommendations for a governmental agency to control the distribution and price of coal and for vesting in that agency all the power the Congress can give it. The situation in New York State this fall and winter will be very acute at the best. Nearly five months of anthracite coal production has already been lost, and even though all the mines were opened to-morrow some time must necessarily elapse before they can be operated to full capacity. The greatest difficulty is being experienced in getting through shipments out of the very reduced supply of bituminous coal. The governor has called the legislature in special session for next Monday, and legislation will undoubtedly be enacted clothing the New York State Fuel Administration with all the powers the State can give it. The benefit of such action will largely be lost unless the Federal Government on its part promptly constitutes a strong central agency to secure the coal and get it to the several States. The necessity for the investigation of the entire coal situation, as recommended by the President, is apparent, but even more imperative is the need for prompt action on his recommendation for a governmental coal agency. Unless effective and vigorous measures are taken to develop to the utmost the supply and distribution of coal, especially anthracite coal, New York faces a coal shortage even worse than that of the winter of 1917–1918. New York is absolutely dependent upon anthracite coal to keep warm, aside from the needs of industry. A shortage in anthracite affects every household in the cities of the State, and a serious shortage spells sickness and intense suffering, especially in the tenements and poorer districts. The prospects of winter being so near and the State almost denuded of anthracite is alarming. In this emergency the coal commission believes it should call this matter to the attention of the New York delegation in Congress and urge upon it vigorous and united effort to secure immediate action.

LEROY T. HARKNESS,
For the New York State Coal Commission.

Mr. CALDER. Mr. President, this telegram calls attention to the imperative need of immediate legislation, providing for a fund which will enable the Federal Government to go into the market, purchase coal and insure its sale to the consumer at a price that will not be exorbitant. Important as is the pending measure, immeasurably more necessary is the control of the price of coal.

Mr. President and Senators, as chairman of a subcommittee of the Senate, I made an exhaustive inquiry into the coal situation throughout the country in 1920. The difficult conditions existing that year were brought about, first, by the strike in the middle western coal fields which extended over a period of several months, and also the heavy coal shipments abroad at prices all out of proportion to what the coal was really worth; in fact, many shipments of coal were sent overseas at a cost to the Europeans at sums exceeding $20 per ton at the mine. This created a coal panic, which increased the price to the consumer in this country and resulted in a speculative riot, which resulted very often in coal passing through six or eight different hands before it finally reached the consumer. Senators may recall that the investigation unearthed the fact that a coal operator in West Virginia, who was a prominent official in the coal association, sold the output of his mine at less than $3 as a mine operator, and then as a coal dealer in Pennsylvania contracted with the War Department at a price exceeding $10 per ton at the mine. I recall distinctly that in one of the transactions in which the War Department was compelled to pay an enormous price the coal passed through seven hands, and every one of the people made a profit.

Following that investigation, a bill was introduced by the committee which if enacted into law would have given to the Department of Commerce a very considerable control over the coal industry. The bill declared that coal was a fundamental necessity to the very life of the people and was charged with public use and necessity. It gave the Department of Commerce power to collect information concerning every phase of the coal business; the amount of coal produced, the cost of production, the sale price, the profits of the coal operator, and to whom the coal was sold. The same rule applied to the wholesale coal dealer. The bill also provided that if coal was handled by a second wholesaler, the profit to such second dealer should be limited to 5 cents per ton. In other words, the bill had for its fundamental principle the furnishing of complete information concerning this industry to a branch of the Federal Government and it made it clear that coal was a commodity that was necessary to the everyday life of the people.

The bill was referred to the Committee on Manufactures, and after hearings extending over several months it was amended and reported favorably. It was reported in the closing days of the Sixty-sixth Congress, but failed of passage. Opposition to the measure came from boards of trade, chambers of commerce, and merchants' associations, and the United States Chamber of Commerce opposed it as vicious and radical, the same action being taken by the New York State Chamber of Commerce. In fact, all over New York State propaganda against it was so widespread that the junior Senator from New York, the author of the bill, was denounced as a radical bordering upon the red, and men who ordinarily think clearly upon legislation pending here were moved to take the ground that this bill was a move on the part of the Government to interfere with private business. We were reminded that we should have "less poli-

tics in business," and that very term was quoted in the resolutions adopted by hundreds of organizations.

I did not reintroduce this measure in the Sixty-seventh Congress, preferring to stand back of the modified fact-finding measure introduced by the Senator from New Jersey [Mr. FRELINGHUYSEN], hopeful that we could get this through and that the Government could obtain information on this subject which would have been so very helpful in the critical situation which we are now facing. Senator FRELINGHUYSEN'S bill was, however, debated on the floor of the Senate for a week in the early days of the present Congress, but it was opposed by influential coal operators and, whether or not as a result of their efforts, the bill was not enacted into law.

Now what do we find? The House yesterday, by a vote of three to one, passed a bill fully as drastic as the one introduced by me and immeasurably more so than the one fathered by the senior Senator from New Jersey.

I shall vote for the pending bill. I believe, too, that the one introduced by me would have accomplished the very same purpose. Mr. President, in my opinion, may I add that the Congress was derelict in its duty both in the last Congress and in the early days of this Congress in failing to provide for the passage of a measure which would have enabled us to have complete information on this subject in a time like the present.

But of what immediate value will this pending measure be in relieving the situation in which we now find ourselves? In the cities of the northern and eastern part of the country practically all of our people burn anthracite coal; they have no facilities in their homes to use any other kind of fuel, for their stoves, ranges, and furnaces are constructed for the use of anthracite.

For five months the anthracite mines have been closed. While some bituminous coal has been mined, my information is that for the period I have indicated not a single ton of hard coal has been taken from the earth. Senators know that anthracite coal is produced in the State of Pennsylvania, and that State has laws which require men in this industry being licensed by the State before they are allowed to work, and a miner must have served as helper or apprentice for several years before he can be licensed. The anthracite coal miners in Pennsylvania are completely unionized.

Stop for a moment to realize just what these conditions really are. For five of the first eight months of this year there has been no hard coal produced, and not more than 10 per cent of the families of the North and East have coal in their bins for the winter. By this time of the year, usually one-half of these people should have their winter supply. The strike still goes on; at the most we are 60 days from the frost period, and during that time, coal must be obtained, or else people will freeze to death this winter. I am not exaggerating the situation when I state that, in my judgment, unless this situation is relieved within a short period there will be riot and perhaps bloodshed in the larger cities of the country this winter.

Mr. BORAH. Mr. President, would it interrupt the Senator if I should ask him a question?

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Idaho?

Mr. CALDER. I yield to the Senator from Idaho.

Mr. BORAH. As I understand from the public prints, the anthracite mine operators and their workmen have quit trying to reach a conclusion, and their meetings have been broken up. I know the Senator from New York has given a great deal of attention to this matter and has been studying it for months. In view of the situation, what can we now do to produce coal? We can provide a price-fixing plan, perhaps, affecting the price of coal after it is produced; but that which, it seems to me, confronts us now is to keep from happening the situation which the Senator from New York has correctly prophesied in all probability will happen. How are we going to produce coal?

Mr. CALDER. Mr. President, the Senator from Idaho has put his finger upon the real question. For the life of me, I can not understand how it is that we have stood here idly by all these months without fully realizing the situation. A desperate situation confronts us. I know there are differences between the men who mine the coal and the men who own the coal mines, which during the past five months have failed in adjustment; but beyond all of these differences are the rights of the people. Is this Government helpless in an emergency of this kind? Do we lack the capacity or power to adjust the situation; shall we stand idly by while disease and death threaten us?

Members of Congress have during all of these months refrained from interfering in the situation; it has been a delicate subject; the President has repeatedly tried to bring together the mine worker and the mine owner in an effort to have them adjust their difficulties. Those of us who have followed these conferences have been hopeful from day to day that the differences might be adjusted, but as the days and weeks and months go on we see no signs of a settlement, while the hardships of the winter are facing us.

Mr. President, the time to act has arrived. These men must settle their differences; they should be told they must agree upon an adjustment forthwith. Forty-eight hours is sufficient notice to them; and if they fail, after receiving such notice, to open up the mines and furnish coal to the people, it will be the duty of this Congress to give to the President full and complete authority to take over the mines and to operate them to their full capacity for the benefit of the American people.

With my colleague from New York, I represent the State of greatest population in the Union. That State contains a city whose population exceeds 6,000,000, and unless relief comes to that city there will be hardships the like of which this Nation has never experienced before in time of peace. I am fearful that these conditions are not fully appreciated because summer is still here, and that some of us fail to realize the approach of autumn in a few weeks; and with winter close upon its heels, the acute conditions to which I have referred will be upon us. Mr. President, on behalf of the 11,000,000 people of New York I insist that the coal miner and the coal operator shall at once adjust their difficulties, if only temporarily, so that we may survive the winter and prevent the conditions of which I have complained.

In my service in the two Houses of Congress I have opposed, in and out of Congress, the Government going into business; I have deplored the day when the railroads and mines should be operated by the Government; but the time has arrived now when the question of governmental operation, control, or ownership in the emergency which exists has become an actual necessity in order to prevent disease and death.

Mr. President, it is no exaggeration to say that the lives of the people of the Nation are at stake; and we can no longer tolerate this disagreement. I shall vote for the measure proposed by the Senator from Idaho creating a coal commission. It is a deplorable fact that Congress has not sooner legislated in this manner; but I think it can be fairly charged to the business men of the United States, generally speaking, that their opposition to the bill introduced by me, and later introduced by the Senator from New Jersey [Mr. FRELINGHUYSEN], has, in a measure, contributed to the conditions confronting us.

I appeal, Mr. President, for immediate action in this body. This matter is infinitely more urgent to the welfare of the Nation at this time than the tariff, the bonus, or any other question which is now pending.

Mr. WALSH of Massachusetts. Mr. President, I was unable to hear all that the distinguished Senator from New York just said. Did I understand him to recommend that the President take over the coal mines and operate them?

Mr. CALDER. I propose that 48 hours' notice be given to the miners and the operators to get together and settle their difficulties; and, if that is not done, I propose then to give the President the power to open the mines and to operate them for the benefit of the people in this emergency.

Mr. WALSH of Massachusetts. Mr. President, early in June the suggestions of the Senator from New York and the situation to which the Senator has referred as existing in New York was called to the attention of Congress and of the country by several Senators. Four Senators, I think, or five, upon this floor at that time declared that it was their opinion that unless the strike was settled within one month the Government should take over the mines and operate them in the public interest. More than two months have elapsed, but nothing has been done.

What the Senator from New York says is true; the coal bins of the people of New York and of New England and of the Northwest are empty and our people are facing a situation during the coming winter which will be worse than that which confronted them at any time during the World War. The situation which has arisen in this country by reason of the inability of the public authorities to settle the controversies involved in the coal strike is pitiful and deplorable. Some one is to blame. The men and women and children who will be shivering next winter, the men and women and children without fires to keep their homes warm, are not going to blame the operators or the strikers, but they are going to blame their Government for failing to fix the responsibility and find a solution and a way to settle this strike or to give them through governmental intervention what they must have in order to preserve their health and enjoy the decent, ordinary comforts of life—coal.

Nothing has been done to restrict profiteering; nothing has been done to supply the people with this very essential necessity of life. We have sat here with folded arms allowing this thing to go from bad to worse. Standing on this floor and call-

ing attention to conditions has been of no avail and is now of no avail. It is time for action; it was time for action weeks ago, yes months ago. The Government could have acted; it should not have hesitated to attempt to take over all of the mines which were necessary to supply our people with coal and to have given notice to the mine owners that their profits would be restricted, and to the striking miners that they would not be the beneficiaries of any action by the Government during the time the Government might be operating the mines, but that the Government, solely interested in supplying our people with coal, would see that that was the first object kept in mind.

Mr. SHIELDS. Mr. President——

Mr. WALSH of Massachusetts. I yield to the Senator from Tennessee.

Mr. SHIELDS. Right in that connection will the Senator explain under what authority the Government could seize the coal mines, the private property of the owners, and take possession of them?

Mr. WALSH of Massachusetts. Mr. President, I think there might be some question about the authority, but the Government could at least attempt to secure the authority. The Government obtained authority in emergencies during the war; Congress passed legislation within 24 hours to help win the war and to save and conserve the rights of our people. So the Government now, if it means business, can get through Congress within a very reasonable time any legislation which may be necessary to settle this strike. I should like to see the public man who would stand upon this floor and refuse to vote for reasonable legislation to give our people what they need to protect them against the severity of our winter climate, against disease, and against possible death itself.

But there are some who are of the opinion that there is at present authority for the Government to act. At least, however, the Executive should have suggested—and said it as if he meant it—that such action would be proposed to Congress and that he would undertake so to act if there was not an adjudication or a settlement of the strike.

Mr. SHIELDS. I grant that the condition is deplorable and I am not in any way defending anybody in what I may say——

Mr. WALSH of Massachusetts. I appreciate that.

Mr. SHIELDS. But we have got to proceed, whether it be by legislation or by executive order upon constitutional grounds. We want no nationalization, no sovietism, in this country. We do not want the Government overturned on account of a certain emergency. I think the position of the coal operators and of the miners is reprehensible in the extreme. There are less than half a million of them, I presume, in the United States, and they are imposing upon 110,000,000 people a grievous wrong. The fact is I condemn both of them. The strike is merely a combination between them as to how much tribute they may levy on the general public to be divided between themselves. I think in some way, but it must be upon constitutional grounds and involve no confiscation of property, the matter ought to be settled, but I do not think there is any law now to do it along the lines suggested by the Senator. The President has no power to seize and operate the coal mines. He can protect the owners from violence, preventing them from operating their property.

Mr. WALSH of Massachusetts. Of course, I do not differ with the Senator in the main upon that matter; I do not differ with the Senator as to the abuses of this strike and as to the need of orderly procedure; but what I am asking for is relief, what I am asking for is action. If there is any one thing more than another that is causing unrest in this country it is the growing belief upon the part of our people that in emergencies like this they will be allowed to be mulct, to suffer, and, indeed, to starve without being able to get any aid or relief from their own Government to protect and assist them. If there is anything that is causing unrest in this country more than anything else, it is the growing belief in the incapacity of the Government to grasp a critical situation that threatens their inalienable rights of happiness and the enjoyment of health, and to give relief immediately and quickly when they need it in their hour of trouble and distress. That is the thing about which I am concerned. I am anxious that we show the people of this country that Congress has the power to act and to supply the people with that which they must have in order to live. It is not a question about providing them with a luxury; it is not a question of running a gold mine or conducting a jewelry shop, but of giving them something which they must have in order to live, in order to conserve their health and their strength. All I am asking for is action. I am asking the Government, the representatives of the people here, to protect their health, to protect their strength, to protect them against wrongdoing and mismanagement of an essential industry upon the part of operators and miners alike, if you please, for it is an outrage to have this condition and situation continue. If we have not constitutional authority, let us begin to get it by amending the Constitution. My own State amended its constitution in order to act in emergencies like this.

I fear that some of the Members of this body do not appreciate or realize the extent to which the shortage of coal has developed and how very distressing the situation is. For five months now no hard coal of any kind has been mined; no coal has been moving into the sections of the country which depend upon anthracite coal for cooking purposes and for supplying heat. They can not use any other kind of coal; their furnaces and their stoves are not equipped to burn bituminous coal; they must have anthracite and they ought to have it at a reasonable price and have a sufficient amount of it. How absurd it is to pass laws to protect mothers from dying through want of medical care at the period of maternity and yet be helpless to provide them with heat because of a strike and thus subject them to death by exposure.

Mr. LENROOT. Mr. President——

Mr. WALSH of Massachusetts. I yield to the Senator from Wisconsin.

Mr. LENROOT. With reference to the power of Congress, may I remind the Senator from Massachusetts and also the Senator from Tennessee that Chief Justice Taft in the Coronado case, after stating that coal mining is not interstate commerce and that the power of Congress does not extend to its regulation as such, proceeded to cite a number of very recent cases, and then used this language:

> It is clear from these cases that if Congress deems certain recurring practices, though not really part of interstate commerce, likely to obstruct, restrain, or burden it, it has the power to subject them to national supervision and restraint.

Mr. WALSH of Massachusetts. Mr. President, that language has been called to the attention of the Senate on a previous occasion, and I had it in mind when I was speaking of the claim on the part of some that Congress already possessed such power; but I think there may be some question about it, and the objection of the Senator from Tennessee may be pertinent. But why talk about the absence of power? Why not begin now to get it before the next emergency comes?

Mr. SHIELDS. Mr. President, may I make a remark about that extract from the opinion of the Chief Justice in the Coronado case? That is a very startling doctrine, and in that case it was mere dictum. For every action of Congress it has to place its finger upon some provision of the Constitution, and I should have liked to have the Chief Justice point out there the provision on which that pronouncement was predicated. He can not do it.

Mr. CUMMINS. Mr. President——

Mr. WALSH of Massachusetts. I yield to the Senator from Iowa.

Mr. CUMMINS. The Senator from Massachusetts is censuring somebody, either the President of the United States or Congress.

Mr. WALSH of Massachusetts. Or both.

Mr. CUMMINS. I know a good deal about the activities of the executive branch of the Government with respect to this coal strike, and I venture to say that the President has exercised all the power that Congress has given him or that the Constitution confers upon him in the endeavor to bring about a settlement between the operators of coal mines and the miners. Therefore, why does the Senator from Massachusetts criticize the President of the United States? What has he left undone that he could have done? I should like to have an answer to that question.

Mr. WALSH of Massachusetts. Mr. President, I am criticizing both the executive and the legislative branches of this Government for their inaction. I am calling attention to a situation to which the Senator from New York [Mr. CALDER] called attention—the condition in his State. I am calling attention to the condition in New England, and I am asking this Government if it is powerless, if it is impotent, if it is unable to cope with this situation. I am asking for action, or for a confession by this Government that it is helpless. I demand that our people know that we are powerless and can only talk. I repeat, action ought to have been taken months ago. Early in June this whole situation was disclosed and discussed on this floor.

The Senator from Wisconsin rose in his place and said that within a month, if something was not done, the Government ought to act and take over the mines. Other Senators, conservative Senators, repeated that demand. Three months almost have transpired. I do not doubt that the President has

done everything he could by suggestions of compromise to settle this strike; but are we to confess to the American people, are we to admit to our people, that a great industry which supplies our people with a necessity of life can become paralyzed and the Government remain helpless, the people left to perish and suffer? There is hardly one other country in the world that would tolerate such a condition to go on without a speedy remedy.

Mr. CUMMINS. No.

Mr. WALSH of Massachusetts. Are we to confess to the people that a great industry can conduct itself in such a manner and in such a way that our people will stand by and die, die because their Government can not find any way of helping them? Is our great democracy less alive to the necessity of safeguarding the rights of its people than the autocracies of Europe?

I tell you that you are not alive to the unrest in this country if you do not appreciate the cry for action upon the part of Congress. I assert that much of the unrest in this country to-day is due to a feeling that here we dillydally, here we make objections, here we protest, here we delay, here we filibuster and never act. Shall we stand here daily and denounce profiteering, condemn it, unable to find language strong enough adequately to condemn it, and then sit with folded arms and say: "What of it? The Constitution prevents us from acting. It is unconstitutional. There is no remedy. Let it go on. Let it go on." Simply talk, talk, talk. Do not you realize that they are beginning to think that we fiddle while they shiver?

I protested in June; but I remained silent and have not opened my lips about the coal situation from the day the President of the United States took this matter in hand. The Senator from Idaho [Mr. BORAH], the chairman of the Committee on Education and Labor, knows that again and again I have talked over the situation with him and he with me; that we have both agreed, and other members of that committee have agreed, to say nothing and to do nothing until every single opportunity was given to the Executive to settle, if he could, this strike. Neither by voice nor by written word have I or any other Member of the Senate on this side of the Chamber raised a single objection to the course taken by the President. We have all waited patiently and anxiously, hoping that he would find some solution of this very difficult problem. Evidently he has failed. Now, I ask are we to tell the people of America, am I to tell the people of Massachusetts, that we have failed?

You say that I criticize the President, but I criticize the Congress as much as the President. Then I say to you the people will criticize us both on election day, because they will have a chance next November, when they find out that they have empty coal bins, that they have no coal to burn, what they think of an administration that confesses impotency to protect them against suffering. You will find out, we will all find out, that they will register then and there their protest against the conditions that have been allowed to go on without any remedy being suggested or any solution applied.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER (Mr. ODDIE in the chair). The Senator from Iowa.

Mr. FLETCHER. Mr. President, I wanted to interrupt the Senator before he finished.

Mr. CUMMINS. I believe I can state my views upon this matter very briefly.

Mr. FLETCHER. Mr. President, will the Senator allow me——

Mr. CUMMINS. I do not yield at the present time.

Mr. FLETCHER. I was asking the Senator from Massachusetts to yield.

Mr. CUMMINS. I supposed I had been recognized.

Mr. FLETCHER. I understood that the Senator from Massachesetts had the floor.

The PRESIDING OFFICER. The Chair was under the impression that the Senator from Massachusetts had concluded.

Mr. FLETCHER. Very well.

Mr. CUMMINS. Mr. President, have I now the floor?

The PRESIDING OFFICER. The Senator from Iowa has the floor.

Mr. CUMMINS. Mr. President, the responsibility for a failure to compose the differences between the mine operators and the coal miners rests neither with the President nor with Congress. The President has no power whatsoever over this subject matter. Early in the controversy the President called before him the representatives of the operators and the representatives of the miners. I believe that he used all the influence he had as a mediator—and that is all the power he had—to induce a settlement of the controversy between them on fair terms, and he has continued to do that from then until now. He has succeeded in practically settling the controversy between the bituminous coal operators and the miners; and from this time forward, as it now appears, there will be no lack of bituminous coal, and our difficulty will be in its distribution and not in its production. A further difficulty will be in the tendency of those who own the coal to charge unreasonable prices for it. That tendency, I hope, may be checked through the instrumentality of a bill that has been introduced in the Senate to-day.

But, Mr. President, there has been no settlement, and there is no likelihood of a settlement, between the anthracite coal-mine operators and the anthracite miners. I have never known a man who so constantly and assiduously and persistently endeavored to bring two opposing interests into harmony as the President of the United States has endeavored to bring together the anthracite-coal operators and the anthracite miners. One week ago it was believed by every person who had any interest in the subject that a settlement had been practically reached between these two interests. However, after a week's deliberations and negotiations, that hope has practically disappeared.

Mr. NELSON. Mr. President, will the Senator yield to me for a moment?

Mr. CUMMINS. I yield to the Senator from Minnesota.

Mr. NELSON. Is it not a fact that the anthracite mines are wholly unionized?

Mr. CUMMINS. They are, practically so.

Mr. NELSON. And is it not a fact that the operators have proposed to the miners' union arbitration, and that they have refused it?

Mr. CUMMINS. That is true. I am not going to enter upon the merits of the controversy between the anthracite operators and the miners. All kinds of propositions have been made on both sides, and it is true that the operators offered to enter into an arrangement with regard to wages which was entirely satisfactory, as I gather it, at the present time, but which contemplated an arbitration between the operators and the miners with regard to wages in the future.

Mr. NELSON. And the miners refused.

Mr. CUMMINS. The miners refused.

Mr. BORAH. But, Mr. President, why did they not accept the proposition at the present time, and get out of this difficulty, and leave the question of arbitration to the future?

Mr. CUMMINS. I am not going into the controversy between them. I think they are both to blame, just as I think both sides are to blame in the present railroad strike. I think it ought to have been composed long ago; but the President had no power to compose it, and he has used all the influence he has and all the power he has to bring order out of chaos. Now I want to ask the Senator from Massachusetts, inasmuch as without legislative authority, the President could not do more than he has done, why did not the Senator from Massachusetts or the Senator from New York introduce months ago a bill that would authorize the President to take over the coal mines and operate them?

Mr. WALSH of Massachusetts. Mr. President, the Senator from New York [Mr. CALDER] introduced two years ago a bill seeking to regulate the coal industry, which has remained here without any action whatever, and the President did not announce the result of that negotiation until a few days ago, when he stated practically that the country was at the mercy of the miners' union. Now, that may be true. I am not entering into a controversy about the facts. I have not criticized the President. I am criticizing the inaction of the Executive and of Congress in not now finding some remedy and some solution.

Mr. CUMMINS. The inaction of the Senator from Massachusetts as well as the inaction of every other Senator, and the inaction of the Senator from New York as well as the inaction of every other Senator.

Mr. WALSH of Massachusetts. Very well. I have at least raised my voice, and there is a bill pending now, presented to-day, to help——

Mr. CUMMINS. There is no bill pending that authorizes the President to take over the coal mines; that is, I do not know of any.

Mr. WALSH of Massachusetts. A bill in accordance with the recommendations of the President was presented this morning by the Senator from Idaho. Another bill has been presented, in accordance with his recommendation, to restrict profiteering, and in my opinion neither of them will get anywhere.

Mr. CUMMINS. The Senator from Massachusetts may not lend his great influence to get them anywhere. I do not know whether he will or not. When I sat here day after day and

heard the irrelevant and immaterial repetitions in the discussion of the tariff bill I was wondering whether the Senate was fairly conscious of the situation which confronted the country. It is infinitely more important, and it was then infinitely more important, that the Senate should take up these subjects and discuss them than that it should proceed with the 2,087 amendments to the tariff bill. I said so then, I believed so then, and I believe so now, and if we do not give our undivided attention to the situation as it now exists, there will be infinite hardship and infinite suffering during the coming winter.

I agree that we ought to use all the power we have under the Constitution, liberally construed, to meet the emergency that is now upon us, but I can not sit silent and hear the Chief Executive censored for our failure to supply him with the instrumentalities or the weapons that are necessary to make the fight.

Mr. CALDER. I have not found fault with the President of the United States in my remarks to-day.

Mr. CUMMINS. I am speaking of the Senator from Massachusetts.

Mr. CALDER. I have called the attention of the Senate and the country to the conditions immediately before the people of my State, and I say now to the Senator I will join with him and with everybody on this floor in enacting legislation which will give the President the power to act in this emergency.

May I add, if the Senator will permit me, that neither the Senator nor anyone else has called attention to the fact that in the State of Pennsylvania they have a law which requires men to be licensed before they can work in the mines? Those are conditions which might be remedied if the Federal Government stepped in to operate the mines.

Mr. CUMMINS. I am not sure about that.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Tennessee?

Mr. CUMMINS. I yield.

Mr. McKELLAR. I merely wish to say to the Senator that a day or two ago the President was before the Congress, and he specifically stated that he did not ask for any additional authority from the Congress to deal with the strike situation.

Mr. CUMMINS. Must the President come to Congress and ask for every bit of legislation which may be required to control and govern the country?

Mr. McKELLAR. He was discussing this subject at that time.

Mr. CUMMINS. That is an idle and, as it seems to me, rather an immaterial observation. I suppose it is our duty to initiate and to adopt such legislation as may be necessary to correct the evils which exist and to protect and guard the people of the United States. I would be sorry to abdicate my own responsibility as a Senator and endeavor to place it on the shoulders of the President of the United States. It is our duty. The Senator from Massachusetts recognizes that as well as I do.

Mr. WALSH of Massachusetts. Certainly; but the President did not hesitate to come here and ask Congress not to pass the bonus bill. But the Senator says it is not his duty to come here and, as the leader of the administration, as the leader of the majority party, ask for relief against this distress complained of.

Mr. CUMMINS. The Senator from Massachusetts is very apt in bringing into the discussion matters which have no relation whatever to the matter we are considering.

Mr. McKELLAR. Mr. President——

Mr. CUMMINS. I yield to the Senator from Tennessee.

Mr. McKELLAR. The Senator says that we can not shirk our duty by not proceeding and giving the President such legislation as may be necessary. The President himself said there was an emergency, but he did not ask for any additional legislation. The Constitution of the United States imposes upon him the duty from time to time to make known to Congress his desires in such matters.

Mr. CUMMINS. The Senator from Tennessee is speaking, I am sure, without deliberate consideration. He is endeavoring now to say that he is relieved from responsibility——

Mr. McKELLAR. Oh, no.

Mr. CUMMINS. Because the President did not long ago recommend some definite legislation. The President has been endeavoring to bring these opposing parties together. He has been endeavoring to secure an agreement between them which would result, and result immediately, in the production of both bituminous and anthracite coal; and if any Senator or any Member of the House felt that the time had come for the measures which are proposed now by the Senator from New York, it was the duty of that Member of the House or that Senator to introduce a bill upon the subject and demand its consideration.

Mr. LENROOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Wisconsin?

Mr. CUMMINS. I yield.

Mr. LENROOT. I would like to ask the Senator whether the situation has not actually changed within the past 48 hours? Was it not believed until yesterday that the railroad strike would probably be settled, and was it not believed until day before yesterday that the anthracite strike could be settled?

Mr. CUMMINS. I answer, of course, in the affirmative. No one connected with these negotiations had serious doubt that arrangements had been made which would settle the anthracite strike, and all of us had the most sanguine expectation that the railroad strike would be settled on Wednesday.

Mr. LENROOT. And was there not a just fear that if legislation were inaugurated prior to that time it might interfere with the settlement of the strike?

Mr. CUMMINS. That was the judgement of all who were concerned in the negotiations.

Mr. LENROOT. In view of the changed conditions, of the apparent hopelessness of the settling of the railroad strike, and of the apparent hopelessness of the settlement of the anthracite strike, does not the Senator think the time has now arrived when the President should be given power to take over temporarily both the anthracite mines and the railroads so that he might put himself in the place of one of the parties to the controversy?

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. CUMMINS. I know the language the Senator is about to quote, just as well as the Senator from Tennessee knows it.

Mr. McKELLAR. I should like to put the language in the RECORD at this point.

Mr. CUMMINS. Very well.

Mr. McKELLAR. The President "shall from time to time give to the Congress information of the state of the Union and recommend to their consideration such measures as he shall judge necessary and expedient."

He has just been before the Congress to talk about this very thing, and, in his judgment, it was not necessary for the Congress to give him any additional powers, and he so stated to the Congress. Why should we proceed under those circumstances, with the President so advising the Congress, as he is required to do under the Constitution?

Mr. CUMMINS. If the Senator from Tennessee believed, as the President did, that the influences of conciliation and the possibility of mediation and of compromise were not exhausted, then, of course, he ought not to introduce a bill of the sort recommended or suggested by the Senator from New York, and that is equally true of the Senator from Massachusetts. But if the Senator from Tennessee or the Senator from Massachusetts or the Senator from New York differed from the President in that respect and thought the time had come when these additional powers should be given to the President, it was then their duty to introduce bills which would empower him to do the things which they think he ought to have power to do, and which I think he ought to have the power to do.

I am not questioning the desirability of giving these powers. I introduced a bill this morning which, so far as bituminous coal production is concerned, will give to the Interstate Commerce Commission that extraordinary power which I would not be willing to give it under any other circumstances than those which now exist, so that it may control the profiteer and will insure, so far as law can insure, the distribution of coal at a reasonable price.

Mr. WALSH of Massachusetts. Will the Senator yield a moment?

Mr. CUMMINS. I do not yield; but I do not intend that in any harsh sense.

Mr. WALSH of Massachusetts. I think the Senator ought to permit an interruption, in view of the fact that he has somewhat reflected upon the motives of the Senator who preceded him.

Mr. CUMMINS. I have not reflected on the motives of any Senator.

Mr. WALSH of Massachusetts. I ask the Senator if he does not think that the bill to which he refers, and which I heartily approve of, authorizing the Interstate Commerce Commission to control profiteering in bituminous coal, which is the coal that goes to the industries of the country, should apply to the anthracite coal, which goes into the homes of the country?

Mr. CUMMINS. The Senator from Massachusetts has not read the bill, evidently, because it does apply to anthracite coal just as much as it applies to bituminous coal.

Mr. WALSH of Massachusetts. I took the Senator's word. He referred only to bituminous coal.

Mr. CUMMINS. I said that it would correct the disposition to charge more for bituminous coal than ought to be charged, because we now have, or will have, an abundant supply of bituminous coal. It is of very little value to control the price of anthracite coal when we have none. There is none for sale. There is none being mined and none being transported. But when the time comes that it is being mined and transported, this bill will apply to the anthracite just as fully and completely as it applies to the bituminous coal. It applies also to any other fuel which may be the subject of transportation by the common carriers of the country.

Mr. McKELLAR. Will not the Senator yield to me, because there has been a misapprehension, I think, of what the President said?

Mr. CUMMINS. I yield very gladly.

Mr. McKELLAR. The President on August 18, when he was before the Congress, said:

> It is not my thought to ask Congress to deal with these fundamental problems at this time. No hasty action would contribute to the solution of the present critical situation. There is existing law by which to settle the prevailing disputes.

How much clearer, how much more certain, could we have what the President thought and what he recommended to Congress, as it was his duty to do? Why should we give him legislation when he said it was not necessary?

Mr. CUMMINS. The Senator from Tennessee does not read all the message, and he does not interpret aright what he has read.

Mr. McKELLAR. I will read the rest of this paragraph.

Mr. CUMMINS. I can not yield for the purpose of having the Senator read the message, because we all have read it, and we all know what is in it.

Mr. McKELLAR. Evidently some of us have forgotten it.

Mr. CUMMINS. I will very gladly yield to the Senator from Tennessee to express any criticism or censure he may care to express upon the President of the United States, because I would like to have an opportunity to reply to him.

Mr. McKELLAR. I have not asked the Senator to yield for any such purpose at all.

Mr. CUMMINS. That is the whole purpose of the Senator from Tennessee.

Mr. McKELLAR. I am merely quoting the President as saying that he does not need any additional legislation at this time. He thought he had all the legislation necessary to deal with the critical situation about which the Senator is talking. The President said so himself.

Mr. CUMMINS. The President said nothing of that kind.

Mr. McKELLAR. I have just read it to the Senator.

Mr. CUMMINS. If the Senator from Tennessee is content to put that interpretation upon it, I can do nothing but differ from him, that is all. I think I have read the message just as carefully as has the Senator from Tennessee.

Mr. NELSON. Mr. President——

Mr. CUMMINS. I yield to the Senator from Minnesota.

Mr. NELSON. I would like in this connection to say a few things, if the Senator will allow me.

I have listened to this discussion with much interest, but it seems to me that all Senators have sidestepped the real issue. A skillful physician, before he administers a remedy, looks to the root of the difficulty. The root of this whole difficulty is unionism. Those bituminous coal mines which have been open-shop mines have been running all the time, and supplying us with coal, and they would have supplied us with more but for the railroad strike. Finally some of the bituminous union mines have become open-shop mines.

It is not necessary to have the Government operate the anthracite mines. Throw the mines open, allow them to run under what I call the open-shop principle, and protect them in that, and you will have an abundance of coal.

Gentlemen are afraid to meet the real issue, I think. That is the real issue. Make it so that the anthracite mines can hire miners wherever they like, and run on the open-shop principle, and assure them of protection in that, and you will get plenty of anthracite coal, and, what is more, you will get it at a lower price than when there is union mining.

Mr. CUMMINS. Mr. President, from the standpoint of the Senator from Minnesota he has undoubtedly stated the correct issue. But that is not the issue which I rose to present. I rose simply to consider whether the President of the country had failed in his duty in his attempt——

Mr. NELSON. Mr. President, I dislike to interrupt the Senator, but——

Mr. CUMMINS. I am very glad to be interrupted by the Senator from Minnesota.

Mr. NELSON. I would like to put one question to the Senator from Iowa and to all Senators. Which does he conceive to be the best remedy in the case, for the Government to take over and operate the mines or to say to the mine owners, "You may run an open shop and hire miners wherever you may and we will protect you in it." Which course does the Senator deem the wisest and best?

Mr. CALDER. I will answer that question.

Mr. NELSON. Which course would be best and tend most to give us coal at reasonable prices?

Mr. CALDER. The last proposition would be the best, to open the mines and offer work to all men of the country, whether they belong to the union or not. I agree with the Senator that that can be done.

Mr. NELSON. Yes; it can be done, and we do not need any legislation for it. The administration can assure the anthracite mine owners, "If you will run your mines as an open shop"—I use that expression because we all know what it means—"the Government will furnish you ample protection." Given that assurance, they would run as freely as the nonunion bituminous mines run to-day. There should be no sidestepping the matter——

Mr. CUMMINS. Who is sidestepping it?

Mr. NELSON. I do not mean the Senator from Iowa, particularly; I think he has more of spirit in the matter; but all Senators are afraid to say anything about the unions.

Mr. CUMMINS. Mr. President, I am not afraid to say anything about the unions. I believe and have long believed, and the Senator from Minnesota must know it, that it ought to be a crime for employees to strike whenever the Government undertakes to adjudicate for them the disputes which arise between them and their employers. That is the final remedy, in my opinion. I do not think our civilization can long endure if a body of artisans, composing the whole number of artisans in that class in the country, can leave their employment by concert and conspiracy at the same time. We can not continue our industries under that kind of policy. I would be the last man to take away from employees the right to strike, which is the right to leave employment at a given time in concert, unless the Government undertakes to do for them the justice which they hope to accomplish through the strike. But whenever the Government undertakes to fix wages and working conditions and insure, so far as human institutions can insure, reasonable wages and good working conditions, then it ought to be a crime to paralyze the transportation lines or the other vital industries of the country by abandoning employment at a given time as a whole.

But that is not the question. We are confronted with a situation that needs temporary legislation. I am willing to do a great many things to meet the emergency which now exists which I would not be willing to do as a permanent system of control and regulation. I know what will happen in New York if the anthracite mines are not opened and if the supply is not begun. I doubt very much whether New York and the surrounding community and New England can be supplied now, if the anthracite mines were to be opened up to-morrow, with the coal necessary to make them comfortable and to carry on their industries. I doubt it very much, and I think we are going to see in the coming winter immense hardships, no matter what we do at the present moment.

But we ought not to create in the country a sentiment that the President has failed to do everything in his power to bring these conflicting interests together and secure a just settlement. We ought not to cultivate and ought not to encourage the sentiment that he has failed to perform his full duty. I know, from almost constant association with him, the solicitude he has felt, the thought which he has given to the subject, the earnest endeavor that was made to do exact justice between these parties. If his advice and his recommendations had been accepted—and there was not one of them that was not a fair one—the strikes would have been settled long ago, and transportation would now be normal, and the production of coal, both anthracite and bituminous, would have resumed the customary volume. He has been hoping, and we all have been hoping, that it would not be necessary to resort to the extraordinary measures which are now proposed and with which I am in full sympathy.

Personally I do not think that the Senator from New York [Mr. CALDER] is at fault for not introducing a bill requiring or authorizing or directing the President to take over the anthracite mines. I do not believe the Senator from Massachusetts [Mr. WALSH] has been at fault, because we have all been in that attitude of hope and of expectation, believing that the difficulties would disappear. But it is apparent now that they will not disappear, and that all the authority which the Constitution enables us to give to the Executive or to other

departments of the Government must be given to meet the extraordinary emergency which has appeared and which is now more critical and more menacing than it has ever been before.

Mr. President, I have said so much because I felt it was due to a President who has labored day and night with all the powers of mind and heart to relieve the people of the situation into which they have been forced. I am not going now to take up the differences which exist between employers and employees. There will come a time when the opinions of all the Senators will be asked and undoubtedly will be given upon that subject, for if we are not false to all our duties we will at the next session of Congress take up these industrial problems and do our best to solve them. There will be great difficulty about their solution. There will be vast differences of opinion with regard to the manner in which they ought to be solved, but then will come the time for the discussion of the question as to what place unionism should occupy in the civilization of the United States.

Mr. EDGE. Mr. President, will the Senator yield?

Mr. CUMMINS. I yield.

Mr. EDGE. Now that the solution of the immediate problem seems to be practically in Congress, does the Senator feel that the two pending measures will be sufficient to bring the real relief necessary for the present contingency?

Mr. CUMMINS. I do not quite catch the meaning of the Senator from New Jersey.

Mr. EDGE. There are two pending bills, one the bill providing for an investigation of all the conditions surrounding the industry——

Mr. CUMMINS. The Senator from Idaho and I agree, I think, that investigation does not touch the present emergency. It is of no value in reaching a conclusion within the next week or two weeks or three weeks.

Mr. EDGE. The second bill is the bill which the Senator introduced this morning relating, as I understood from his short explanation, to an embargo if profiteering was indulged in. As I understood it, they are the only two pending measures. We are faced with a situation which compels immediate relief. While I am in favor of both the measures, particularly the one introduced by the Senator from Idaho as compared to the House bill, because I think it is very much more far-reaching and will bring better results ultimately, yet immediately, facing the present winter with the mines closed, has the Senator any further suggestion for immediate relief?

Mr. CUMMINS. So far as the production of anthracite is concerned, the bill which I introduced this morning will not be helpful; that is, it does not help to produce coal. We have to have men at work to produce coal, and when the men refuse to work the coal is not produced. I still have a lingering hope that the anthracite operators will come to an agreement with their employees, but I think that if it is believed that the President by taking over the mines can secure men who will produce coal in the anthracite field, then we ought to give him the power to do it.

Mr. EDGE. I agree with the Senator.

Mr. CUMMINS. It is still to be doubted whether the President would be any more successful in hiring men to enter the coal mines than the operators have been, because when we give to the President the power to take over the coal mines and he goes to employ miners, he will either have to agree to their terms or he may not be able to secure the men. Whether his influence, whether the general sentiment throughout the country, would make him more powerful in that respect than the operators themselves I do not know.

I hope if he does take them over he will be more successful than the operators have been in employing the men required to take out the coal.

Mr. HITCHCOCK. Mr. President——

Mr. CUMMINS. I yield to the Senator from Nebraska.

Mr. HITCHCOCK. I understood the Senator to say that in Pennsylvania the State law provides that only licensed miners may mine anthracite. Is that correct?

Mr. CUMMINS. That is true.

Mr. HITCHCOCK. And that all of the licensed miners are members of the union?

Mr. CUMMINS. Substantially all of them are.

Mr. HITCHCOCK. Would the President of the United States be bound by that law just the same as are the present operators?

Mr. CUMMINS. I venture no opinion upon that question at this moment. The truth is that there are a good many constitutional difficulties, which appear very trivial to some people but very formidable to other people, about taking over the coal mines.

Mr. LENROOT. Will the Senator yield for a suggestion there?

Mr. CUMMINS. I yield.

Mr. LENROOT. Granted our power to take over and operate a mine, does the Senator from Iowa have any doubt that the State could not regulate the Government's operation of its own property?

Mr. CUMMINS. If we have the power to take over a coal mine, if we can operate a coal mine as a public utility and reckon it to be an instrumentality of the Government, then we can do anything with the coal mine that we care to do, and treat it, I suppose, just as we would treat any other property which the Government may own; but the question is not definitely settled at all, even by the decision in the Coronado case, to which the Senator from Wisconsin has referred, that it is in the power of Congress to say that any kind of property may be treated as a public utility and fall completely within the power of acquisition that inheres in the Government with regard to public-utility properties. I do not know, but I suppose on exactly the same theory the Government could take over all the forests, and, if it became necessary, could take over all the iron mines and all the furnaces and factories and every kind of property of that sort. I think it all depends upon the relation which the property comes to sustain to the Government; and that changes with time. What might not have been constitutional five years ago, I believe could be now held to be constitutional if there has been such a change in conditions and circumstances as to make it necessary to consider such property as public property.

Mr. President, I beg a thousand pardons for having consumed the time I have, but I felt constrained to give my views on this very difficult problem.

Mr. BORAH. Mr. President, of course, at this late hour I do not desire to continue the discussion upon the coal question further than to say that I presume when the press reports this discussion to-morrow the public will come to the conclusion that the Congress is going now to legislate, and that Congress is going to find a remedy for this very difficult situation. I presume Congress will legislate, and, in all probability, it will exhaust whatever power it has under the Constitution to effectuate a remedy or to take control of the situation in so far as it can.

In my opinion, however, Mr. President, unless the States take hold of this matter in their respective jurisdictions we are not going to have any remedy which will be sufficient and efficient to deal with the condition which will confront us during the coming winter. If the inference be drawn by the public to-morrow that Congress has sufficient and efficient power to deal with this subject and to give all the relief that is desired, it would be unfortunate, in my judgment. I think Governor Miller is to be congratulated in taking hold of this matter in his State, and I think it will be extremely unfortunate if the other governors in the coal States do not follow the lead of Governor Miller and call their legislatures together and take hold of this matter in the same way.

We have not under the Constitution of the United States sufficient power to do all that ought to be done; we have not the powers which the States have with reference to some features of the situation. Therefore there should be the fullest and completest activity upon the part of the States in dealing with this trouble. If it is left entirely to the National Government to do whatever it can, in my humble judgment it will not be sufficient to deal with the situation completely.

Mr. CUMMINS. Mr. President, if anything I have said should be construed by any person to lead to a conclusion at variance with the statement just made by the Senator from Idaho, I wish now to say that I agree with all that the Senator from Idaho has said. If we meet the situation as we should meet it, in order to prevent the hardships which now bid fair to overcome the people of the country, there must be concurrence and cooperation between the General Government and the several States.

Mr. LENROOT. Mr. President, I wish to say just a word with reference to the comment of the Senator from Tennessee [Mr. MCKELLAR] upon the President's message. I am sure the Senator from Tennessee did not mean to be unfair, and yet, as his remarks will appear in the RECORD, they will be very unfair, for he selected one paragraph out of the President's message in which the President referred to a subject entirely foreign to and different from that of either the production of coal or the profiteering in coal. The President was discussing the question of the right of men to work and the settlement

of disputes between them. Then he said, quoting the language quoted by the Senator from Tennessee:

It is not my thought to ask Congress to deal with these fundamental problems at this time. No hasty action would contribute to the solution of the present critical situation. There is existing law by which to settle the prevailing disputes.

Mr. President, my friend from Tennessee would have the country and the Senate believe that the President was not asking for any legislation in dealing with the present emergency. The Senator from Tennessee must know that the President in the same message asked for two specific pieces of legislation, one to provide for a fact-finding commission, which we will act upon to-morrow, and next he asked for power to create a Federal agency for the purpose of the purchase, the distribution, and the selling of coal.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. LENROOT. I yield.

Mr. McKELLAR. Of course, I did not intend to be unfair at all.

Mr. LENROOT. No; I am sure the Senator did not intend to be.

Mr. McKELLAR. But the President began his address by discussing the coal strike and then suggested two minor measures, not dealing with fundamentals at all, and after he concluded with that, he then discussed the rail strike, and at the end of the discussion of the two he said:

It is not my thought to ask Congress to deal with these fundamental problems at this time—

Evidently, as I construe it, meaning both the fundamental problems of the coal industry and the fundamental problems of the railroad industry, both of which he had been discussing.

Mr. LENROOT. But the Senator must concede that previous to that time the President had asked Congress to deal with the emergency in two specific ways.

Mr. McKELLAR. Yes; but in purely minor ways. He made two suggestions as to the coal industry, which were minor and did not deal with fundamentals at all. It is possible the President may have had in mind just what the Senator says; he may not have had in mind both industries, but he did not say so. His statement—

It is not my thought to ask Congress to deal with these fundamental problems at this time.

He had not merely been talking about the railroad problem; he had been discussing both the railroad problem and the coal problem.

Mr. LENROOT. The only point is that the President did ask Congress to deal with the present emergency in two specified ways, and therefore the intimation the Senator from Tennessee would throw out by quoting an isolated paragraph is not correct. That is the only point I wished to make.

Mr. McKELLAR. I am sorry that I differ with the Senator, for whose opinions I entertain a very high esteem, of course, but I do think that the President had in mind, judging from his language, both the coal industry and the railroad industry.

Mr. LENROOT. Mr. President, just one other word. The situation, as I said awhile ago when the Senator from Iowa yielded to me, has changed very materially in the last 48 hours. Up to 48 hours ago it was the general belief and expectation that both the railroad strike and the anthracite strike could be settled, as the bituminous strike has been settled, and that the only remaining question would be that of the distribution of coal and the prevention of profiteering. The chairman of the Committee on Interstate Commerce [Mr. CUMMINS] introduced a bill this morning which it is believed will prevent profiteering where coal is being produced; but apparently to-day there is no hope of the settlement of the railway strike in the immediate future, and there is no hope of the settlement of the anthracite strike in the immediate future. The people of the United States have the right, it seems to me, Mr. President, to ask if the Government is powerless and if Congress is powerless, or whether there shall be any further efforts made to secure railway transportation, which is lessening every day, and also the production of anthracite. It seems to me, Mr. President, that the time has come when the power should be given to the President, to be exercised by him in his discretion, to take over the railways, or any part of them that he may deem necessary, and to take over the anthracite coal mines, if he deems necessary, so that the Government may be put in the place of one of the parties instead of merely being a mediator between two parties in dispute; in other words, it appears to me that we have reached the point where the public, which is primarily interested, must be something more than a mediator between two parties in dispute.

So I hope, unless both strikes shall be immediately settled, that Congress will speedily give to the President the power in both these respects. I would very much prefer that the President would himself ask that the power be given to him than have any Senator to act upon his own initiative in introducing the necessary legislation.

Mr. McKELLAR. Mr. President——

Mr. LENROOT. I yield.

Mr. McKELLAR. I was just going to suggest to the Senator, in view of the fact that the President has taken the question up in the attitude of a mediator, if it would not be better that whatever legislation might be initiated and carried through should follow some recommendation coming from the Executive under the power given him by the Constitution? Does not the Senator agree with me as to that?

Mr. LENROOT. I have just stated that; but the point of the Senator from Tennessee was impliedly a criticism of the President for not asking for this power before.

Mr. McKELLAR. I specifically stated to the Senator from Idaho that I was not to be put in the attitude in any way of criticizing the President. I was merely stating what the President himself had said.

Mr. LENROOT. The Senator read from the President's message.

Mr. McKELLAR. Exactly.

Mr. LENROOT. At the time the message was delivered it was believed that both the railroad strike and the anthracite strike would be settled. That situation has since changed.

Mr. McKELLAR. Certainly. That merely restates what I have said. I merely read from the message of the President and stated what I thought it meant.

Mr. LENROOT. Yes. I have the greatest esteem for my friend from Tennessee, but his purpose in reading the President's message must have been to convey the impression that the President of the United States did not now believe that he should have any such power.

Mr. McKELLAR. Oh no. What I intended to convey was that on last Friday, when the President appeared before Congress, he did not then believe that he would need any additional legislation, because surely if he had then believed that he needed any additional legislation beyond that which he suggested he would have said so.

Mr. LENROOT. Did the Senator believe that we then needed no additional legislation?

Mr. McKELLAR. I can not answer that question. I do not know whether we needed it or not. I do not know that we need it now. I think if the President would take aggressive action along the lines that he has himself suggested, probably we would not need it.

Mr. LENROOT. Mr. President, this matter is so important, it is so vital to the interests of the country, that I hope it may be conducted, whatever is done by Congress, without any partisanship upon either side of the aisle.

Mr. McKELLAR. Why, of course.

Mr. CURTIS. Mr. President, the Senator from Washington [Mr. JONES] has a bill that he wants to ask unanimous consent to consider, and several Senators desire to present measures; so I ask that the unfinished business be temporarily laid aside.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the unfinished business, House bill 10874, is temporarily laid aside.

OPERATION OF COAL MINES.

Mr. WALSH of Massachusetts. Mr. President, as I do not desire to be longer accused of inaction, I send to the desk a joint resolution which I ask to have read and referred to the Committee on Interstate Commerce.

There being no objection, the joint resolution (S. J. Res. 236) authorizing the President to take over and operate coal mines, and for other purposes, was read the first time by its title and the second time at length, and referred to the Committee on Interstate Commerce, as follows:

Resolved, etc., That the President of the United States be, and he is hereby, authorized to take over and operate in the name of the United States Government the coal mines of the country, part or all of whose products are transported in interstate commerce.

That there is hereby appropriated the sum of $1,000,000 to enable the President to begin the carrying out of this act.

FLOODS AND LEVEES OF THE MISSISSIPPI RIVER.

Mr. MOSES. Out of order, I ask unanimous consent to report a concurrent resolution from the Committee on Printing, and I ask further unanimous consent for its immediate consideration.

Mr. CURTIS. Let it be read.

The PRESIDENT pro tempore. The Secretary will report the resolution for information.

The reading clerk read Senate Concurrent Resolution 28, submitted by Mr. RANSDELL on the 23d instant, and it was considered by unanimous consent and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed 1,000 copies of part 2 of House Report No. 300, Sixty-third Congress, second session, entitled "Floods and levees of the Mississippi River," for the use of the Senate document room.

USE OF BUILDINGS IN ALLEYS.

Mr. JONES of Washington. Mr. President, a short time before the war we passed legislation excluding the use of buildings in alleys in Washington as dwelling houses. It was not to take effect, however, for a certain time. The war came on, and from time to time conditions have required the extension of the time of going into effect of that act. It will go into effect either in October or November of this year, and conditions are such that it seems desirable to give a little further extension of time. The Committee on the District of Columbia have reported a bill extending the time until June, 1923. The chairman of the committee, the Senator from Delaware [Mr. BALL], asked me to try to get the bill through as soon as possible, because it is very desirable that action should be taken by the House before the present law goes into effect. So I ask unanimous consent for the present consideration of the bill, which is Senate bill 2597.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 2597) to amend an act entitled "An act to provide, in the interest of public health, comfort, morals, and safety, for the discontinuance of the use as dwellings of buildings situated in the alleys of the District of Columbia," approved September 25, 1914, which had been reported from the Committee on the District of Columbia with an amendment.

The amendment was, on page 2, line 2, after the word "until," to strike out "the expiration of two years following the date of the proclamation by the President of the exchange of ratification of the treaty of peace between the United States and the Imperial German Government" and insert "June 1, 1923," so as to make the bill read:

Be it enacted, etc., That the operation of the second paragraph of section 1, relating to the use or occupation of alley buildings as dwellings, of the act of Congress approved September 25, 1914, entitled "An act to provide, in the interest of public health, comfort, morals, and safety, for the discontinuance of the use as dwellings of buildings situated in the alleys in the District of Columbia," be, and the same hereby is, postponed until June 1, 1923.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ANNIE B. LEE.

Mr. CALDER. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably Senate Resolution 303, to pay six months' salary to the widow of a late employee of the Senate, and ask unanimous consent for its present consideration.

The resolution (S. Res. 303) submitted by Mr. CALDER June 7, 1922, was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay from the miscellaneous items of the contingent fund of the Senate, fiscal year 1921, to Annie B. Lee, widow of George L. Lee, late a laborer in the employ of the Senate, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered as including funeral expenses and all other allowances.

COMPENSATION OF WORLD WAR VETERANS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 10874) to provide adjusted compensation for veterans of the World War, and for other purposes.

EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 5 o'clock and 40 minutes p. m.) the Senate adjourned until to-morrow, Friday, August 25, 1922, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate August 24, 1922.

ASSISTANT APPRAISER OF MERCHANDISE.

Charles Marks, of Reading, Pa., to be assistant appraiser of merchandise in Customs Collection District No. 11, with headquarters at Philadelphia, Pa., to fill an existing vacancy.

POSTMASTERS.

CALIFORNIA.

Don C. Saunders to be postmaster at Lompoc, Calif., in place of D. C. Saunders. Incumbent's commission expired January 24, 1922.

James B. Rickard to be postmaster at Santa Barbara, Calif., in place of T. M. Storke, resigned.

CONNECTICUT.

Edmund E. Crowe to be postmaster at South Norwalk, Conn., in place of Andrew Leary. Incumbent's commission expires September 5, 1922.

ILLINOIS.

Fuller Green to be postmaster at Kenney, Ill. Office became presidential October 1, 1920.

INDIANA.

Nell Manley to be postmaster at Laurel, Ind., in place of H. C. Jones. Incumbent's commission expires September 5, 1922.

Joseph Corzetto to be postmaster at St. Mary-of-the-Woods, Ind., in place of W. A. Michael, resigned.

IOWA.

Bessie Wyllie to be postmaster at Bridgewater, Iowa. Office became presidential January 1, 1921.

Arthur H. Ricke to be postmaster at Breda, Iowa, in place of J. H. Schulte. Incumbent's commission expired January 24, 1922.

KANSAS.

Madison Hinchman to be postmaster at Beverly, Kans. Office became presidential July 1, 1920.

MARYLAND.

Harry M. Kimmey to be postmaster at Westminster, Md., in place of T. J. Coonan, deceased.

MICHIGAN.

Ethel P. Colwell to be postmaster at Harrisville, Mich., in place of Duncan McRae, declined.

MINNESOTA.

Carl J. Johnson to be postmaster at Hendricks, Minn., in place of C. O. Holtey, failed to qualify.

MISSISSIPPI.

Thomas F. Kirkpatrick to be postmaster at Hollandale, Miss., in place of A. M. Furniss, resigned.

MISSOURI.

Henry C. Brantley to be postmaster at Newtown, Mo. Office became presidential April 1, 1920.

NEW HAMPSHIRE.

Willard C. Fogg to be postmaster at Lincoln, N. H., in place of N. R. Dowd, resigned.

NEW JERSEY.

Reid Howell to be postmaster at Rutherford, N. J., in place of S. Dan Ely, resigned.

NEW YORK.

Frank Davis to be postmaster at Stone Ridge, N. Y. Office became presidential April 1, 1920.

Mamie A. Davies to be postmaster at Holland Patent, N. Y., in place of F. K. Roberts, deceased.

Scott E. Gage to be postmaster at Morris, N. Y., in place of C. T. Backus, failed to qualify.

Thomas L. Wright to be postmaster at Schoharie, N. Y., in place of G. W. Snyder. Incumbent's commission expired March 17, 1921.

NORTH DAKOTA.

Frank W. Lovestrom to be postmaster at Adams, N. Dak., in place of Maebelle Fletcher, resigned.

Ivah M. Shuley to be postmaster at Edinburg, N. Dak., in place of L. B. Ness, resigned.

OKLAHOMA.

Robert B. Hill to be postmaster at Alex, Okla. Office became presidential January 1, 1920.

Sam A. Snyder to be postmaster at Hennessey, Okla., in place of S. A. Snyder, deceased.

PENNSYLVANIA.

Arthur R. Lovell to be postmaster at Blandburg, Pa. Office became presidential July 1, 1920.

John Stephenson to be postmaster at Elmora, Pa. Office became presidential July 1, 1920.

Charles W. Goss to be postmaster at Expedit, Pa. Office became presidential October 1, 1920.

Charles H. Potter to be postmaster at Titusville, Pa., in place of C. L. Gibbs, deceased.

SOUTH DAKOTA.

Philip S. Feldmeyer to be postmaster at Garden City, S. Dak. Office became presidential January 1, 1921.

Floyd V. Stephens to be postmaster at Canover, S. Dak., in place of S. E. Lawver, failed to qualify.

TEXAS.

Clark A. Fortner to be postmaster at Crosby, Tex. Office became presidential January 1, 1920.

Bessie E. Fairless to be postmaster at Palo Pinto, Tex. Office became presidential January 1, 1922.

Leo W. Cox to be postmaster at Buda, Tex., in place of G. C. W. Wayland, deceased.

William T. Henderson to be postmaster at Odessa, Tex., in place of W. T. Henderson. Incumbent's commission expired June 30, 1920.

VERMONT.

Bertram F. Atherton to be postmaster at Waterbury, Vt., in place of W. J. O'Neill. Incumbent's commission expires September 19, 1922.

VIRGINIA.

John W. Rodgers to be postmaster at Hampden Sidney, Va. Office became presidential April 1, 1921.

Lela O'N. Scott to be postmaster at Amelia Court House, Va., in place of S. A. Southall, resigned.

Clinton L. Wright to be postmaster at Norfolk, Va., in place of J. A. Lesner, removed.

WASHINGTON.

Adam G. Cook to be postmaster at McKenna, Wash. Office became presidential July 1, 1922.

WISCONSIN.

Herman Rau to be postmaster at Chilton, Wis., in place of W. A. Hume. Incumbent's commission expires September 5, 1922.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 24, 1922.

POSTMASTERS.

INDIANA.

Lloyd S. Norton, Hope.
Fred D. Price, Plymouth.

IOWA.

Carl G. Anderson, Arthur.

MINNESOTA.

Margaret E. Gillespie, Carlton.
James P. Lund, Jasper.
Arch Coleman, Minneapolis.
Otis T. Wentzell, Moorhead.

NEW JERSEY.

Ada E. Holmes, Sayreville.

NEW YORK.

Harry C. Teich, Leeds.
William S. Elwyn, Woodstock.

OHIO.

Ross H. Hartsock, Waynesville.

PENNSYLVANIA.

Ralph H. Scott, Conway.
Warren F. Leister, Curtisville.
Harry C. Koller, Myerstown.
Luna J. Sturdevant, North Warren.
Isaac L. Shilling, Reedsville.
Edward D. Hannum, Rosedale.
Beula E. Giesy, Russellton.
George F. Carling, Sayre.
Frank Shupp, Shillington.
John F. Hawbaker, West Fairview.

VIRGINIA.

James K. Carter, Clinchport.
Isabelle R. Damron, Clintwood.
Louise J. Nottingham, Eastville.
Nellie D. Swan, Gordonsville.
Annie G. Smith, Purcellville.
William H. Moatz, Round Hill.
Elton H. Finks, Somerset.

WEST VIRGINIA.

Woodford G. Whitman, Monaville.

HOUSE OF REPRESENTATIVES.

THURSDAY, *August 24, 1922.*

The House met at 12 o'clock noon, and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, we thank Thee that our times are in Thy hands. Our hope reposes in Thy Fatherhood. Give us a deep insight into this relationship that we may interpret wisely our own lives. Deliver us from all temptations which so often assail. May we enter into our duties with a strong sense of responsibility and to administer our trusts with true hearts. O do Thou bring forth by the power of Thy truth a fairer country and a better citizenship. When the day's experiences are hard and difficult bless and restrain them. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

ALFRED P. RECK.

Mr. CABLE. Mr. Speaker, I move to take from the Speaker's table House bill 858, with Senate amendments, and agree to the Senate amendments.

The SPEAKER. The gentleman from Ohio moves to take from the Speaker's table a House bill with Senate amendments and agree to the Senate amendments. The Clerk will report the bill and the Senate amendments.

The Clerk read as follows:

A bill (H. R. 858) for the relief of Alfred P. Reck.

The Senate amendments were read.

Mr. GARNER. Mr. Speaker, will the gentleman yield?

Mr. CABLE. I yield.

Mr. GARNER. If the gentleman will yield to me two or three minutes, I want to make an inquiry.

Mr. CABLE. I will yield for an inquiry on the bill.

Mr. GARNER. I do not care to make the inquiry on the bill. The gentleman has an hour's time.

The SPEAKER. The discussion has to be confined to the bill.

Mr. GARNER. Then I will ask unanimous consent to proceed out of order for three minutes.

Mr. CABLE. I yield to the gentleman three minutes.

The SPEAKER. The gentleman from Texas asks unanimous consent to proceed out of order for three minutes. Is there objection?

There was no objection.

ORDER OF BUSINESS.

Mr. GARNER. I wish to do this for the purpose of asking the gentleman from Wyoming [Mr. MONDELL] if he will not be good enough to tell the House of Representatives what he expects to do next week, so that the Members of the House will be informed. I notice in the RECORD this morning that the gentleman from Wyoming says that next week there will probably be important business. The gentleman ought to take us into his confidence and say what he expects to do, inasmuch as many Members want to go home. There is nothing here to do now. The tariff bill has been sent to conference, and the President's message has been acted upon with reference to the Coal Commission. It seems to me the gentleman ought to tell the House, so that the membership may be informed, just exactly what he expects to do next week or at this session of Congress.

Mr. MONDELL. I regret that the gentleman from Texas was not present and did not hear what I said last evening, when I informed the House regarding legislation. It is my present purpose, as soon as we can dispose of some bills on the Speaker's table, to ask unanimous consent that when the House adjourns to-day it adjourn until Monday. It is my hope and my expectation that by Monday the Committee on Interstate and Foreign Commerce may be prepared to report a bill making provision, as suggested by the President, to prevent, so far as we may be able to do, profiteering in coal. Such a measure will be, I trust, reported to the House and we may be in a position to take it up as early as Monday. At least I think we should take up the consideration of such a measure as soon as possible; if not on Monday, then Tuesday. We expect the bill that we passed yesterday to be returned to the House from the Senate in the very near future. Of course, we want to be here to dispose of that. The Senate has under consideration the bonus bill. I do not know, of course, how long the consideration of that bill will require in the Senate, but we should be here and prepared to act upon the measure, should it come to us. These matters are likely to be ready for our consideration and atten-

tion early next week, so that I hope all the Members will be here, in the fore part of the week, at least.

Mr. GARNER. May I ask the gentleman, after he gets through with the measure he speaks of, is it the intention to take a recess until the conferees get through with the tariff or to continue from day to day to adjourn?

Mr. MONDELL. My hope is—and, of course, I am only one Member and can not settle these things or determine them—my hope is that after we shall have disposed of the matters I have referred to we may be able to secure a recess until such time as the conferees may be ready to report on the tariff bill.

Mr. MOORE of Virginia. May I ask the gentleman a question?

Mr. MONDELL. Yes.

Mr. MOORE of Virginia. The President made other recommendations. Among them he urgently advised action on a bill that has been pending for some time, designed to afford protection to aliens, as he stated it.

Mr. MONDELL. Yes.

Mr. MOORE of Virginia. Is it the purpose to attempt to take that bill up prior to the recess?

Mr. MONDELL. My own thought is that the antilynching bill, which is now in the Senate, and which gives the Federal Government jurisdiction in cases of mob violence, would cover the situation as regards aliens who were victims of mob violence.

Mr. MOORE of Virginia. Without approving or disapproving anything in advance, I beg leave to suggest to my friend that that is hardly a correct conclusion. It does not seem to me that that bill has anything like the scope of the measure which the President said should be passed, and which, perhaps, at this time is represented by a bill introduced by Senator KELLOGG.

Mr. MONDELL. I confess I have not read the bill introduced by the Senator from Minnesota, to which the gentleman refers, and therefore I am not able to compare it with the antilynching bill. If that bill contains certain provisions it is claimed to contain, I should not be disposed to support it. But I believe that the antilynching bill would cover the case of aliens. If enacted into law, it would be possible under Federal authority to punish those who violate the laws as members of mobs, whether citizens or aliens were injured.

Mr. HUMPHREYS. That is only where a man is mobbed after he has been accused of some offense.

Mr. MONDELL. I think in every case where aliens have been the subject of mob violence they have been accused of some offense.

Mr. McKENZIE. Will the gentleman yield for a question?

Mr. MONDELL. Yes.

Mr. McKENZIE. The gentleman from California [Mr. CURRY] has introduced a very important bill affecting officers discharged from the Army, to remedy what is asserted to be an error in the Army appropriation bill.

Mr. MADDEN. I deny that there is any error in the Army appropriation bill.

Mr. MONDELL. If the gentleman will allow me——

Mr. STAFFORD. The gentleman from Illinois is casting reflections on the Senate conferees on the Army appropriation bill as well as the House conferees, and I resent that.

Mr. McKENZIE. I do not think it is up to the gentleman from Wisconsin to interject himself into this colloquy.

Mr. STAFFORD. I will do so in due time.

Mr. McKENZIE. I am not casting reflections on anyone, but I simply want to ask the gentleman from Wyoming if it is to be the policy that bills that are now pending before the Committee on Military Affairs—and there are a number of very important ones—are not to be considered by the House even if the committee should remain here to report those bills? Is it to be the policy that these bills are not to be taken up until the regular session in December?

Mr. MONDELL. I will say to the gentleman that there are a number of bills which gentlemen consider quite important. I am inclined to think that there are a very few measures before the House that are in the nature of emergency measures, and I think those measures ought to be acted upon. Of course there is a difference of opinion with regard to the urgency of the measure that the gentleman refers to and a number of other measures.

These matters will all have consideration, and it will be for the House and the committees of the House to determine how much we shall do before we recess; but I believe that the Members generally are very anxious to have a recess at as early a date as possible [applause], and they do not care to take up anything at this time unless it be a matter of very great urgency.

Mr. DUNBAR. Will the gentleman yield?

Mr. MONDELL. I yield to the gentleman from Indiana.

Mr. DUNBAR. Apropos to the question asked by the gentleman from Texas regarding the antilynching bill, would its provisions apply to the families of those persons who were killed at Herrin, Ill.?

Mr. MONDELL. I think the gentleman can answer that as well as I can. The bill would not, of course, apply to anything that has occurred heretofore. It is a measure of general application, intended to arm the Federal Government to discourage and punish mob violence and mob crime.

Mr. DUNBAR. Will the gentleman yield further?

Mr. GARRETT of Tennessee. Mr. Speaker, I ask for the regular order.

The SPEAKER. The regular order is demanded. The regular order is the motion of the gentleman from Ohio [Mr. CABLE] to concur in the Senate amendments to the bill (H. R. 858) for the relief of Alfred P. Reck.

Mr. CABLE. Mr. Speaker, this bill has already passed the House. It passed the Senate with a reduction in the amount carried in the bill. It affects a young soldier, Alfred P. Reck, who was in the second battle of the Marne. He was wounded by liquid fire, captured and unable to accept his appointment. The Senate has cut down the amount allowed from $672.41 to $529.34. That is the only important amendment. The others are minor ones. I would like to have the House concur in the Senate amendment.

The SPEAKER. The question is on agreeing to the Senate amendments.

The Senate amendments were concurred in.

LIBERTY LOAN SUBSCRIBERS OF CERTAIN BANKS.

Mr. EDMONDS. Mr. Speaker, I move to take from the Speaker's table the bill (H. R. 5775) for the relief of Liberty loan subscribers of the North Penn Bank, of Philadelphia, Pa.; Santa Rosa National Bank, Santa Rosa, Calif.; Mineral City Bank, Mineral City, Ohio; Robbinsdale State Bank, Robbinsdale, Minn.; and Farmers & Merchants State Bank, Kenmare, N. Dak., and concur in the Senate amendments to the bill.

The SPEAKER. The gentleman from Pennsylvania moves to take from the Speaker's table a bill which the Clerk will report and to concur in the Senate amendments.

The Clerk read the title of the bill.

Mr. EDMONDS. Mr. Speaker, these amendments simply change the carrying out of this act, which has been before the House and the Senate, from the auditing department of the Treasury to the Comptroller General. There is nothing else in the amendments.

The SPEAKER. The question is on concurring in the Senate amendments.

The Senate amendments were concurred in.

SOLDIERS AND SAILORS OF THE WAR WITH SPAIN.

Mr. KNUTSON. Mr. Speaker, I present a conference report and ask that it be printed under the rule.

The SPEAKER. The gentleman from Minnesota presents a conference report to be printed under the rule.

LEAVE TO EXTEND REMARKS.

Mr. JAMES. Mr. Speaker, I ask leave to extend my remarks on the bill passed yesterday and other legislation.

The SPEAKER. The gentleman from Michigan asks unanimous consent to extend his remarks in the RECORD as indicated. Is there objection?

There was no objection.

Mr. QUIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by placing therein an address delivered by my colleague from Louisiana [Mr. ASWELL] before the State convention of the American Legion at Baton Rouge, La., August 17, 1922.

The SPEAKER. The gentleman from Mississippi asks unanimous consent to extend his remarks as indicated. Is there objection?

There was no objection.

Mr. QUIN. Mr. Speaker, under the leave granted I print the following:

LEGION THRILLED BY BRILLIANT ASWELL ADDRESS—CONGRESSMAN FROM NATCHITOCHES DELIVERS INSPIRED TALK TO SOLDIERS—AIM IN PEACE DIFFICULT AS WAR TASK—LOUISIANA PROUD OF RECORD HER TROOPS MADE IN THE CONFLICT.

The Legionnaires were thrilled Thursday afternoon by J. B. ASWELL, Congressman from the eighth district, who delivered an eloquent address before them at their meeting in Garig hall.

Mr. ASWELL, recognized as one of the most eloquent speakers of the Nation, was never more earnest, or more lofty in the sentiments than in his address Thursday afternoon at the State convention of the American Legion men for Louisiana, who gave the Congressman from Natchitoches rapt attention.

Mr. ASWELL spoke as follows:

"State Commander Ewing, Legionnaires, Ladies, and Gentlemen: The concentrated essence of the meaning of your mission is expressed by your preamble:

"For God and country; to uphold and defend the Constitution; to maintain law and order; to foster and perpetuate a 100 per cent Americanism; to preserve the memories and incidents of our association in the Great War; to inculcate a sense of individual obligation to the community, State, and Nation; to combat the autocracy of both the classes and the masses; to make right the master of might; to promote peace and good will on earth; to safeguard and transmit to posterity the principles of justice, freedom, and democracy; to consecrate and sanctify our comradeship by our devotion to mutual helpfulness.

"To accomplish large purposes, whether for good or evil, men have organized. In all ages men have confessed their helplessness when isolated and have been forced to form habits, alliances, unions, or leagues. From the wild emotions aroused by the conflict of battle men always readily come together for a single purpose. Through all the history of nations—ancient and modern—until recent times, the usual purpose of the organizations of war veterans was military or selfish. It was for defense or conquest only and meant more bloodshed. In the earlier wars of the world these alliances were made by victorious monarchs and rulers, while the soldiers who bore the burdens of battle and suffered the horrors of war had no rights in making agreements or alliances. They merely obeyed their masters. The war veteran was the chattel of the conquering ruler. He was often used to base and ignoble ends.

"How different the spirit and purpose of this hour. Every veteran a free man. The inspiring sentiment of your preamble moves the human heart. It calls to larger freedom, a freedom that means not merely to get and to gain, to do what we like, but a freedom that liberates the spirit from selfish impulses and ennobles mankind.

"Your concentration of every spiritual and material energy upon the single purpose of war is now changed to the immense complexity and the many purposes of peace. The submergence of the individual in the struggle of the race has ended. The character, the courage, the initiative, the divine touch in the human soul of the individual are now our chief concern and represent the highest purposes of our existence. We recognize in a new way that progress lies with the individual inspired to service. As a result of the war we have a new faith in the sovereign worth of individuality and we glorify equality of opportunity and mobility in action for all. We abhor autocracy, do not argue with it, but fight it wherever found. You men of the Legion are to see to it that this standard shall not be lowered.

"Your preamble recognizes no section, race, or creed, but it stands rightly for principles and policies which are not partisan, political, sectarian, or selfish. From the day the Government called her sons to the colors to this hour there has not been a note of selfishness in this great struggle. This attitude is the secret of American world supremacy to-day. What the seers of past ages have dreamed and planned and longed for has come to you—the opportunity to bring peace, stability, and brotherhood among men.

"The Good Book says, 'Then shall two be in the field; the one shall be taken and the other left.' Of the 24,000,000 registered for service in the war, 4,000,000 were taken and 20,000,000 were left. You are 4,000,000 men, the selected blood of the race, organized now with the same spirit and purpose, the same devotion and sacrifice, that enabled you to win fame and honor in camp and on the battle field. No one doubts that, with heads erect and eyes uplifted, you are fulfilling your high mission now as you did then. 'For God and country.' To work for the one is to serve the other. 'To maintain law and order'; to drive anarchy and Bolshevism from our country; to lead the way in obedience to law, in loyalty to country, and in serving our fellow man.

"The question of what percentage of foreigners should be admitted annually and naturalized is answered by your demand for a 100 per cent Americanism, which means that 100 per cent of the foreigners in the country must be assimilated properly, made to forget the hyphen, and not only swear but live allegiance to our institutions and to the flag of our country, or else be deported. In this grave question the American Legion is exerting a mighty power for good upon the Nation and upon the world. Men of the Legion, avail yourselves fully of your opportunity in this matter and make clearer still the meaning of your mission.

"Every war tends to demoralize society. It corrupts morals and creates disastrous extremes of wealth and poverty. Extreme poverty and quick-won, unlawful wealth both lower the moral tone of society, resulting in moral decay and political disease. The World War was no exception. You are to lead in the readjustment. Your goal should be not only 100 per cent Americanism but 100 per cent legionnaires, because this is the most potentially mighty organization the world has ever produced and is national in every sense of the word. It is imperative that the South be fully represented and do its full part in shaping policies and working out the destiny of the Legion. The world remembers that it was the South whose soldiership and valor wrested Yorktown from the British, whose Patrick Henry kindled the fires of the Revolution, whose Jefferson wrote the Declaration of Independence, whose Washington commanded the Continental Army, whose Madison framed the Constitution, whose Marshall interpreted the organic law, whose Davis was defeated and persecuted but never conquered, and whose Lee lives forever unsurpassed and unexcelled as the military genius of all time. The South lives up to her glorious history and traditions to-day by producing the man who had the courage to sacrifice himself for a cause and whose magna charta offers peace and individual liberty to the oppressed of all the world—Woodrow Wilson. It is peculiarly thrilling to recall that our own Edward White rose to the first jurist of the land, while John A. Lejeune, son of Louisiana and a distinguished graduate of the State university, made his name immortal as the heroic leader of the marine "devil dogs" as they stopped the enemy in his tracks and hurled him back across the Marne.

"With such an illustrious heritage as this, why should not the service men of Louisiana find courage to gain leadership in the work of the American Legion? The best thing that comes out of war is comradeship. The warm-hearted Louisianian and southerner is best fitted for leadership in the Legion because he leads all the rest in loving his fellow man.

"Four hundred and thirty years ago the British Parliament enacted the first legislation for the relief of disabled soldiers. The principle of caring for the disabled has survived through every war since that time. The finest expression of this principle is embodied in legislation affecting our disabled of the World War.

"I make no excuse or defense for the small calibered, Sawyerlike, incompetent, and negligent temporarily in the executive departments. They should be kicked out, responsibility centralized in the Veterans' Bureau, and high-powered efficiency demanded and secured. There are those in Congress and in the Legion who, seeking sensational notoriety, assault the Veterans' Bureau, but your purpose and mine is to get results for our boys. It has been my experience in handling hundreds of cases that the bureau is most sympathetic and eager to aid every disabled soldier and his dependents. There have been mistakes, of course, in administering the law. At first the problem was overwhelming in its magnitude, but there is no place or excuse for the obstructionist now. There has been at times irritating delay in securing compensation, but I have found much of it due to the fact that the claimant failed to present conclusive evidence connecting his disability with the service. The procedure was new to the claimant. It should be remembered that there are now pending in the bureau at Washington more than a million claims and in the branch office in New Orleans 94,000 claims. I have found the chiefs at Washington and Col. Dallas B. Smith and his associates in New Orleans most intelligent, capable, and self-sacrificing officers, who seek in every possible way to help the disabled. The duty of the Legion is to suggest definite and exact remedial legislation and to cooperate actively with the Veterans' Bureau in helping separate the worthy claims from the unworthy, to see to it that the worthy claimant receives full justice at the hands of the Government, and to see to it also that the unscrupulous and unworthy shall not ride in to compensation on the wave of sympathy for the really disabled. This is a serious question, both for the disabled soldier and the taxpayer, and the finest service the Legion can render is to help the Government learn who are the needy and the worthy and who are the imposters and the unworthy. The taxpayers want the disabled tenderly cared for, the Legion is eager to help, and the Congress readily responds.

"I was at a baseball game. The moment was exciting and the crowd was standing. A group of hardy fellows pushed through the crowd carrying a crippled boy to the front so he could see, shouting as they did it, 'Give the crippled kid a chance.' This is the attitude of the American people, the American Legion, and the American Congress. Whatever else happens, we are determined that the crippled soldier boy shall have a chance for his life and return to happiness. And let me say emphatically that in caring for the sick and the disabled soldier the Government is not dispensing charity but recognizing its most sacred debt.

"It is imperative that every service man in Louisiana take active part in the consideration of Legion questions, because, while the individual agitator and propagandist in the Legion is not seriously recognized at Washington, the record shows that the composite judgment of this great organization is sought and heeded by the Congress.

"You richly deserve such recognition. I saw your fine spirit in the training camps in this country, and I saw you in France. I followed you in person through Chateau-Thierry and Belleau Woods; I saw you drive the enemy back and back, out of Fismes and Reims, and over the Chemin des Dames hills; I saw you annihilate the enemy in the St. Mihiel salient and watched you begin the mighty drive through the Argonne. My convictions as to your achievements are based upon personal information.

"Let us not forget, too, that the patriotic people of this country—every man and every woman—were with you heart and soul, with you with their prayers, their energies, their money, their all. You were their right arm that reached across the seas and snatched autocracy from the throne.

"The courage of the American people in boldly defying the murderous German mines and submarines to send troops in overwhelming numbers and supplies in abundance to France in defense of our country and the liberty of man amazed the world and staggered the enemy. The rapidity and magnitude of the construction of American docks, railroads, supply stations, means of equipment, lines of communication and transportation in France was a subject of admiration and wonder among the Allies and discouragement to the enemy. The record was never equaled and can never be surpassed.

"To face shot and shell in bloody conflict beyond the seas was heartrending and appalling to those left at home, but when one stands as I stood in the arena of that death grapple, and witnessed the scenes of mutilated or murdered women and children, devastated lands, destroyed homes, villages, towns, and cities—one veritable hellish vortex of ruin and despair—he is thankful that America went to the front in time to hold the battle lines 3,000 miles away from our own shores.

"There are many scenes that record supreme moments of courage, but let me point to one. When the history is correctly written, it will be recorded that in July, 1918, with intrepid daring unsurpassed by the troops of Wellington or Napoleon, the heroic dash of American troops through the Chateau-Thierry region saved Paris, stopped the advancing enemy, fired anew the depressed spirits of the soldiers of France, drove the enemy back across the Marne, turned the tide of battle against the Germans, who were despoiling the homes and devastating the fair land of France, and marked the beginning of the end of German domination in Europe and its growing menace to the democratic civilizations of the world. The military authorities of England, France, Belgium, and Italy, in the moment of gratitude and victory, repeatedly declared in my presence that the American soldiers had saved Paris and won the war.

"How fine it is to be an American, to be living now, and to be young enough to be a member of this organization! I am proud to be the friend of the American Legion and wish I were eligible to membership. I am proud, too, to work and live in a country capable of producing men trained to go but one way, who never retreated a single step—men who startled the world by driving the autocrat from the land and the assassin and despot from the sea—men who, in France and on the sea, lived as gentlemen, fought as heroes, and died like gods! Because of your record, I am prouder than ever that I am a Louisianian and an American. God bless you, every one!"

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to proceed, out of order, for three minutes.

The SPEAKER. The gentleman from Texas asks unanimous consent to proceed, out of order, for three minutes. Is there objection?

There was no objection.

Mr. MONDELL. Will the gentleman yield to me to submit a request for unanimous consent?

Mr. SUMNERS of Texas. I yield to the gentleman from Wyoming.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet on Monday next.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that when the House adjourns to-day it adjourn to meet on Monday next? Is there objection?

Mr. GARRETT of Tennessee. Mr. Speaker, reserving the right to object, I will ask the gentleman from Wyoming if it

is in contemplation that there shall be a vote at any early date upon the disposition of the Muscle Shoals property?

Mr. MONDELL. Well, so far as I am acquainted with the views of the Members on this side—and I am guided wholly in my attitude by the views of the majority of the majority—I do not believe that it is desired that there should be an early consideration of the Muscle Shoals matter. I think the majority on this side believe that for the time being the Muscle Shoals situation is taken care of by the provision made for the continuation of the work on the Wilson Dam.

Mr. GARRETT of Tennessee. Oh, well, that does not put the plant in operation, and I see no reason why we should not be in session to-morrow and the next day to consider that matter.

Mr. MONDELL. Of course the gentleman from Tennessee knows very well that we would not consider that matter if we were in session to-morrow.

Mr. GARRETT of Tennessee. We can at least make an honest effort.

Mr. STAFFORD. It would be a feeble effort.

Mr. MONDELL. The gentleman from Tennessee while earnest and anxious to have the matter disposed of, is a man who ordinarily accepts a condition when it is clearly outlined and defined and understood, and the gentleman I think would serve no useful purpose toward having the Muscle Shoals matter considered by insisting on having the Members here to-morrow to answer to a roll call.

Mr. GARRETT of Tennessee. Mr. Speaker, still reserving the right to object, that is a matter of very great importance not only to a section of the country but to the whole country. There ought to be a determination of what the Government will do with the property which it has there.

Mr. MONDELL. That is true, but there is no situation demanding an immediate settlement of that question. There is nothing to be gained by an immediate settlement of it in view of the fact that we have already provided for the continuation of the one essential work at Muscle Shoals. We would be at work there now except for the fact that the gentleman and those who followed him on his side insisted on delay in beginning the work on the Wilson Dam. We are not responsible for that.

Mr. GARRETT of Tennessee. The gentlemen from Wyoming treats the matter facetiously.

Mr. MONDELL. Not at all, but seriously.

Mr. GARRETT of Tennessee. The operation of that great plant is a matter that ought to be determined as to how it is to be operated. The amendment to which the gentleman refers to the appropriation was only for the completion of the dam. Of course the dam would have been completed by now had it not been for the action of gentlemen on the other side of the House two years ago in defeating an appropriation for the continuation of the work.

Mr. MONDELL. Not necessarily, there might have been some work done on it at a very high cost without knowledge or information, but it could not have been completed as the gentleman knows.

Mr. GARRETT of Tennessee. The action of the responsible Republican majority at that time cost the Government about $4,000,000.

Mr. MONDELL. I do not know how the gentleman figures that out. I know of no loss. If we were chargeable with any neglect of duty at that time, the gentleman has acquiesced in and approved of it by extending the period of delay. [Laughter]

Mr. GARRETT of Tennessee. The gentleman well understands why the limitation was placed on the appropriation.

Mr. MONDELL. No; I never did understand, except that it seemed to be politics of not a very high order, from anybody's standpoint.

Mr. GARRETT of Tennessee. The limitation was placed on the use of the appropriation in order that the Congress might have an opportunity to pass on the final disposition of the matter. Now, there is no reason why it should not be considered at once. The Committee on Military Affairs has reported, and there are three reports. I am not now advocating any particular report. What I am asking is that the House shall now have an opportunity to pass upon that matter.

Mr. MONDELL. The House will pass on that matter in due time, as soon as it is necessary to do so. In the meantime we have provided for the continuation and development at Muscle Shoals. That is all that could be done if we were to act upon the reports.

The SPEAKER. Is there objection?

Mr. GARRETT of Tennessee. I object.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed without amendment bills of the following titles:

H. R. 11396. An act to regulate foreign commerce in the importation into the United States of the adult honeybee; and

H. R. 11699. An act relating to the appointment of the Chief of Staff of the Army.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 3038. An act granting the consent of Congress to the county courts of Lafayette and Ray Counties in the State of Missouri to construct a bridge across the Missouri River;

S. 3618. An act to amend section 135 of the Judicial Code; and

S. 3878. An act to repeal an act entiled "An act to authorize the construction of a bridge across the St. Marys River at or near Wilds Landing Ferry between Camden County, Ga., and Nassau County, Fla.," approved October 13, 1921.

SENATE BILLS REFERRED.

Under clause 2, Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 3878. An act to repeal an act entitled "An act to authorize the construction of a bridge across the Saint Marys River at or near Wilds Landing Ferry, between Camden County, Ga., and Nassau County, Fla.," approved October 13, 1921; to the Committee on Interstate and Foreign Commerce.

S. 3938. An act granting the consent of Congress to the county courts of Lafayette and Ray Counties in the State of Missouri to construct a bridge across the Missouri River; to the Committee on Interstate and Foreign Commerce.

S. 3618. An act to amend section 135 of the Judicial Code; to the Committee on the Judiciary.

ANTI-SALOON LEAGUE.

Mr. TINKHAM. Mr. Speaker, I offer the following resolution which I send to the desk, which I claim is a privileged resolution.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution.

Mr. MANN. Mr. Speaker, I move to lay the resolution on the table.

The motion was agreed to.

Mr. DYER. Mr. Speaker, I move to expunge the resolution from the RECORD.

Mr. MANN. Mr. Speaker, I raise the point of order on that. I do not believe the House can expunge from the RECORD a proceeding it has taken in the House, nor do I see any object in expunging it.

Mr. TOWNER. Mr. Speaker, the question as to whether or not it can be expunged from the RECORD is a question for the House alone to determine, and I see no reason why the point of order could be raised against it because of the fact that the matter has already been laid on the table. It is scandalous; it is against the rules of the House. There was no possible justification under the rules of the House for the offering of the resolution. It seems to me it would be entirely proper to consider the question of whether or not it should be expunged from the RECORD.

Mr. DYER. Mr. Speaker, a parliamentary inquiry. Can anything be put into the RECORD of that nature, or of like nature, and then there be no authority under the rules of the House to expunge it from the RECORD?

The SPEAKER. If anything is contrary to the rules of the House, of course the point of order can be made against it. No point was made in this instance.

Mr. DYER. The point of order would not have prevented it from being read, because it was offered as a privileged matter.

The SPEAKER. Certainly.

Mr. DYER. The point of order was made that it was not privileged, and in the meantime it had been read into the RECORD.

The SPEAKER. The Chair does not see how the reading could have been prevented. When Members claim that a proposition is privileged, it has a right, the Chair thinks, to be read.

Mr. TOWNER. That is very true. There was no possible way in which it could be prevented; but the motion could be made to strike it from the RECORD. However, it is within the province of the Speaker to recognize the condition that it was subject to objection, and the motion made to expunge it from the RECORD based upon that fact is certainly within the rules and practices of the House.

Mr. WINGO. Mr. Speaker, I submit to the Chair that it is perfectly in order to move to expunge the resolutions or remarks of the gentleman from Massachusetts from the RECORD on the ground that they reflect upon the official conduct and integrity of a Member of the House. That is one of the grounds of objection to remarks made on the floor. To say because a Member of the House under the guise of presenting a privileged resolution can say things in that resolution that if he attempted to say in debate he would be called to order for, would be permitting a man to do indirectly that which the rules of the House forbid him doing directly. If it reflects upon the integrity of the gentleman from Minnesota [Mr. VOLSTEAD], the House has a right to strike it from the RECORD. Certainly, on its face it did raise that question.

The object of the gentleman who introduced it was to attack the integrity of the gentleman from Minnesota and to declare him unfit for membership in the House. Now, if this House believes it is true, it should have permitted its consideration, but it has evidenced its judgment by only two men voting against tabling the resolution. I submit that the motion of the gentleman from Missouri [Mr. DYER], which is to expunge it from the RECORD, is not only in order, but that the integrity of this House demands that we expunge that resolution from the RECORD and do it at once. [Applause.]

Let me make one further statement, if the House will permit. I say that we ought to do that. I do not object to any man on either the wet or dry side of partisan debate being bitter or critical, but when a man takes advantage of the rules and under his responsibility starts a formal proceeding and endeavors to insert such matters as indicated into the RECORD he ought to confine himself to the limits that are clearly recognized and observed in formal proceedings that become part of a permanent record. [Applause.]

Mr. MANN. Mr. Speaker, the motion made by the gentleman from Missouri [Mr. DYER] was that the resolution be expunged from the RECORD. I do not know just what would be accomplished if that motion were agreed to. Of course, the House undoubtedly has the right to prevent the printing in the CONGRESSIONAL RECORD, by order of the House, anything it desires, and it can provide that this shall not be printed in the CONGRESSIONAL RECORD. Whether the motion of the gentleman from Missouri, if agreed to, would strike it out of the Journal I do not know, but I would like to inquire whether the effect of that would be to do so.

Mr. WINGO. Will the gentleman yield for a question?

Mr. MANN. Yes.

Mr. WINGO. Does not the gentleman understand that a motion to strike from the RECORD means from the record of the House and not necessarily the RECORD carrying the debate? It means from the record of the House proceedings, including the Journal. Does not the gentleman think that that is a fair interpretation?

Mr. MANN. I think that might be the interpretation. I made the inquiry as to what might be the effect.

The SPEAKER. The Chair is informed by the Journal clerk that when the House has ordered anything to be expunged from the RECORD it is not carried in the Journal.

Mr. MANN. Mr. Speaker, I withdraw the point of order.

The SPEAKER. The question is on the motion of the gentleman from Missouri [Mr. DYER].

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. DYER. Mr. Speaker, I ask for a division.

The House divided, and there were—ayes 141, noes 3.

So the motion was agreed to.

Mr. ROBSION. Mr. Speaker, I demand the yeas and nays.

The SPEAKER. The Chair thinks it is too late. The Chair had announced the result.

ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I renew my request that when the House adjourns to-day it adjourn to meet on Monday.

Mr. GARRETT of Tennessee. I object.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

Mr. GARRETT of Tennessee. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 154, nays 68, answered "present" 2, not voting 208, as follows:

YEAS—154.

Andrews, Nebr.	Benham	Britten	Campbell, Pa.
Ansorge	Bird	Brooks, Ill.	Cannon
Anthony	Bixler	Burdick	Chalmers
Begg	Boies	Cable	Chandler, N. Y.
Chandler, Okla.	Gernerd	Leatherwood	Rosenbloom
Chindblom	Gorman	Lehlbach	Ryan
Christopherson	Graham, Ill.	London	Sanders, Ind.
Clague	Greene, Mass.	Longworth	Sanders, N. Y.
Clarke, N. Y.	Greene, Vt.	McFadden	Shaw
Clouse	Griest	McKenzie	Sinnott
Cole, Iowa	Hadley	McLaughlin, Mich.	Slemp
Cole, Ohio	Hardy, Colo.	McLaughlin, Nebr.	Smith, Idaho
Colton	Haugen	McLaughlin, Pa.	Smith, Mich.
Cooper, Wis.	Hawley	McPherson	Snell
Coughlin	Hays	MacGregor	Speaks
Crago	Hersey	Madden	Sproul
Curry	Hickey	Magee	Stafford
Dale	Hicks	Mann	Stephens
Darrow	Himes	Mapes	Strong, Kans.
Davis, Minn.	Hoch	Michener	Taylor, N. J.
Dickinson	Hogan	Millspaugh	Taylor, Tenn.
Dowell	Hull	Mondell	Timberlake
Dunbar	Ireland	Moore, Ohio	Tincher
Dyer	Kearns	Moores, Ind.	Tinkham
Edmonds	Kelly, Pa.	Morgan	Towner
Elliott	Kendall	Murphy	Underhill
Ellis	Ketcham	Norton	Vaile
Evans	King	Parker, N. J.	Vestal
Fairfield	Kirkpatrick	Parks, Ark.	Volstead
Faust	Kissel	Patterson, Mo.	Walters
Fenn	Kline, N. Y.	Petersen	Wason
Fitzgerald	Kline, Pa.	Purnell	Watson
Focht	Knutson	Ransley	Wheeler
Fordney	Kopp	Reece	White, Kans.
Foster	Kraus	Reed, W. Va.	Williams, Ill.
Free	Langley	Ricketts	Woodyard
Freeman	Lawrence	Roach	Wyant
French	Layton	Robsion	
Fuller	Lea, Calif.	Rogers	

NAYS—68.

Almon	Drewry	Jones, Tex.	Sandlin
Aswell	Driver	Kincheloe	Scott, Tenn.
Bankhead	Favrot	Lanham	Smithwick
Barkley	Fisher	Lankford	Steagall
Black	Garner	Lee, Ga.	Sumners, Tex.
Bland, Va.	Garrett, Tenn.	Lowrey	Swank
Bowling	Garrett, Tex.	McClintic	Tillman
Box	Gilbert	McDuffie	Tucker
Briggs	Hammer	Moore, Va.	Tyson
Bulwinkle	Hardy, Tex.	O'Connor	Upshaw
Byrnes, S. C.	Hayden	Park, Ga.	Vinson
Carew	Hooker	Pou	Ward, N. C.
Collier	Huddleston	Quin	Weaver
Cullen	Hudspeth	Rankin	Williams, Tex.
Davis, Tenn.	Humphreys	Rayburn	Wilson
Doughton	James	Rouse	Wingo
Drane	Jeffers, Ala.	Sanders, Tex.	Wright

ANSWERED "PRESENT"—2.

Clark, Fla.	Young

NOT VOTING—203.

Ackerman	Fairchild	Little	Riordan
Anderson	Fess	Logan	Robertson
Andrew, Mass.	Fields	Luce	Rodenberg
Appleby	Fish	Luhring	Rose
Arentz	Frear	Lyon	Rossdale
Atkeson	Frothingham	McArthur	Rucker
Bacharach	Fulmer	McCormick	Sabath
Barbour	Funk	McSwain	Schall
Beck	Gahn	Maloney	Scott, Mich.
Beedy	Gallivan	Mansfield	Sears
Bell	Gensman	Martin	Shelton
Blakeney	Glynn	Mead	Shreve
Bland, Ind.	Goldsborough	Merritt	Siegel
Blanton	Goodykoontz	Michaelson	Sinclair
Bond	Gould	Miller	Sisson
Bowers	Graham, Pa.	Mills	Snyder
Brand	Green, Iowa	Montague	Stedman
Brennan	Griffin	Montoya	Steenerson
Brooks, Pa.	Harrison	Moore, Ill.	Stevenson
Brown, Tenn.	Hawes	Morin	Stiness
Browne, Wis.	Henry	Mott	Stoll
Buchanan	Herrick	Mudd	Strong, Pa.
Burke	Hill	Nelson, A. P.	Sullivan
Burroughs	Hukriede	Nelson, J. M.	Summers, Wash.
Burtness	Husted	Nelson, Me.	Sweet
Burton	Hutchinson	Newton, Minn.	Swing
Butler	Jacoway	Newton, Mo.	Tague
Byrns, Tenn.	Jefferis, Nebr.	Nolan	Taylor, Ark.
Campbell, Kans.	Johnson, Ky.	O'Brien	Taylor, Colo.
Cantrill	Johnson, Miss.	Ogden	Temple
Carter	Johnson, S. Dak.	Oldfield	Ten Eyck
Classon	Johnson, Wash.	Oliver	Thomas
Cockran	Jones, Pa.	Olpp	Thompson
Codd	Kahn	Osborne	Tilson
Collins	Keller	Overstreet	Treadway
Connally, Tex.	Kelley, Mich.	Paige	Vare
Connell	Kennedy	Parker, N. Y.	Voigt
Connolly, Pa.	Kiess	Patterson, N. J.	Volk
Cooper, Ohio	Kindred	Perkins	Ward, N. Y.
Copley	Kitchin	Perlman	Webster
Cramton	Kleczka	Porter	White, Me.
Crisp	Knight	Pringey	Williamson
Crowther	Kreider	Radcliffe	Winslow
Dallinger	Kunz	Rainey, Ala.	Wise
Deal	Lampert	Rainey, Ill.	Wood, Ind.
Dempsey	Larsen, Ga.	Raker	Woodruff
Denison	Larson, Minn.	Ramseyer	Woods, Va.
Dominick	Lazaro	Reber	Wurzbach
Dunn	Lee, N. Y.	Reed, N. Y.	Yates
Dupré	Lineberger	Rhodes	Zihlman
Echols	Linthicum	Riddick	

So the motion was agreed to.

The Clerk announced the following pairs:
Until further notice:
Mr. Ackerman with Mr. Larsen of Georgia.
Mr. Cramton with Mr. Carter.
Mr. Burton with Mr. Oldfield.
Mr. Appleby with Mr. Mead.
Mr. Henry with Mr. Raker.
Mr. Larson of Minnesota with Mr. Buchanan.
Mr. Codd with Mr. Martin.
Mr. Johnson of South Dakota with Mr. Brand.
Mr. Husted with Mr. Oliver.
Mr. Kelley of Michigan with Mr. Overstreet.
Mr. Kahn with Mr. Kitchin.
Mr. Bacharach with Mr. Crisp.
Mr. Crowther with Mr. Fulmer.
Mr. Jones of Pennsylvania with Mr. Mansfield.
Mr. Burroughs with Mr. Logan.
Mr. Radcliffe with Mr. Dominick.
Mr. Summers of Washington with Mr. Rainey of Alabama.
Mr. Stevenson with Mr. Rainey of Illinois.
Mr. White with Mr. Connally of Texas.
Mr. Thompson with Mr. Tague.
Mr. Stiness with Mr. Taylor of Arkansas.
Mr. Wood of Indiana with Mr. Harrison.
Mr. Yates with Mr. Bell.
Mr. Mudd with Mr. Lyon.
Mr. Temple with Mr. Dupré.
Mr. Huckriede with Mr. Thomas.
Mr. Kleczka with Mr. Collins.
Mr. Gahn with Mr. O'Brien.
Mr. Fess with Mr. Sabath.
Mr. Beedy with Mr. Fields.
Mr. Burtness with Mr. McSwain.
Mr. Strong of Pennsylvania with Mr. Gallivan.
Mr. Kiess with Mr. Cockran.
Mr. J. M. Nelson with Mr. Johnson of Kentucky.
Mr. Siegel with Mr. Jacoway.
Miss Robertson with Mr. Woods of Virginia.
Mr. Rose with Mr. Goldsborough.
Mr. Miller with Mr. Riordan.
Mr. Dunn with Mr. Ten Eyck.
Mr. Page with Mr. Deal.
Mr. Luce with Mr. Rucker.
Mr. Shelton with Mr. Hawes.
Mr. Mott with Mr. Sullivan.
Mr. Perkins with Mr. Wise.
Mr. Treadway with Mr. Clark of Florida.
Mr. Rhodes with Mr. Lazaro.
Mr. Reber with Mr. Blanton.
Mr. Nolan with Mr. Byrns of Tennessee.
Mr. Porter with Mr. Taylor of Colorado.
Mr. Newton of Missouri with Mr. Montague.
Mr. Riddick with Mr. Stedman.
Mr. A. P. Nelson with Mr. Stevenson.
Mr. Sinclair with Mr. Kindred.
Mr. Tillman with Mr. Sears.
Mr. Parker of New Jersey with Mr. Kunz.
Mr. Perlman with Mr. Sisson.
Mr. Morin with Mr. Stoll.
Mr. Ramseyer with Mr. Cantrill.
Mr. Cooper of Ohio with Mr. Johnson of Mississippi.

Mr. YOUNG. Mr. Speaker, I desire to vote.

The SPEAKER. Was the gentleman in the Hall, listening, when his name was called?

Mr. YOUNG. I was standing in the doorway.

The SPEAKER. The Speaker is not expected to take the responsibility of determining a question of that kind.

Mr. YOUNG. I could not say I was in the Hall.

Mr. ANTHONY. Mr. Speaker, I desire to vote.

The SPEAKER. Was the gentleman present in the Hall and listening when his name was called?

Mr. ANTHONY. I will say to the Speaker that I entered that door when the Clerk called the name of Mr. WURZBACH, and when I entered this door here he called the name of Mr. ZIHLMAN.

The SPEAKER. The Chair is not required to determine whether a Member was present or not.

Mr. ANTHONY. I was listening at both ends of the Hall. Under the circumstances, Mr. Speaker, I would say that I was present. I desire to vote "aye."

The result of the vote was announced as above recorded.

The SPEAKER. The House stands adjourned until 12 o'clock noon to-morrow.

Thereupon (at 1 o'clock and 15 minutes p. m.) the House adjourned until to-morrow, Friday, August 25, 1922, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. EDMONDS: Committee on Claims. H. R. 10727. A bill to provide for the carrying out of the award of the War Labor Board of July 31, 1918, in favor of certain employees of the Bethlehem Steel Co., at Bethlehem, Pa.; without amendment (Rept. No. 1183). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII the Committee on Pensions was discharged from the consideration of the bill (H. R. 12402) for the relief of Frank Ayers, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. BULWINKLE: A bill (H. R. 12445) to authorize the purchase of a site for a post-office building in the city of Lincolnton, Lincoln County, N. C.; to the Committee on Public Buildings and Grounds.

By Mr. APPLEBY: A bill (H. R. 12446) to amend section 13 of the river and harbor act of March 3, 1899; to the Committee on Rivers and Harbors.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANSORGE: A bill (H. R. 12447) granting a pension to Eliza H. Lockwood; to the Committee on Invalid Pensions.

By Mr. BURDICK: A bill (H. R. 12448) for the relief of Werner E. Follin; to the Committee on Naval Affairs.

By Mr. COLE of Ohio: A bill (H. R. 12449) granting a pension to Floy Johnson; to the Committee on Invalid Pensions.

By Mr. FAUST: A bill (H. R. 12450) granting a pension to Emma Wilson; to the Committee on Invalid Pensions.

By Mr. LINTHICUM: A bill (H. R. 12451) granting an increase of pension to Robert M. Maginniss; to the Committee on Pensions.

By Mr. MAPES: A bill (H. R. 12452) granting a pension to Herman R. Woltman; to the Committee on Pensions.

Also, a bill (H. R. 12453) granting a pension to Louis U. Hilton; to the Committee on Pensions.

Also, a bill (H. R. 12454) granting an increase of pension to Albert T. White; to the Committee on Pensions.

Also, a bill (H. R. 12455) granting an increase of pension to Walter S. Swanger; to the Committee on Pensions.

By Mr. PATTERSON of Missouri: A bill (H. R. 12456) granting a pension to Sarah M. Jones; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 12457) granting a pension to Nancy D. Kitts; to the Committee on Pensions.

Also, a bill (H. R. 12458) granting an increase of pension to John M. Allen; to the Committee on Invalid Pensions.

By Mr. VESTAL: A bill (H. R. 12459) granting an increase of pension to Edward F. Reed; to the Committee on Pensions.

By Mr. YOUNG: A bill (H. R. 12460) for the relief of Clement A. Lounsberry; to the Committee on Military Affairs.

By Mr. IRELAND: A resolution (H. Res. 413) providing for compensation for the female attendants in the ladies' retiring rooms of the House; to the Committee on Accounts.

Also, a resolution (H. Res. 414) for the relief of Elizabeth Sabine; to the Committee on Accounts.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6218. By Mr. ANSORGE: Petition of Leroy T. Harkness, for the New York State Coal Commission, urging the carrying out of the President's recommendations for a governmental agency to control the distribution and price of coal; to the Committee on Interstate and Foreign Commerce.

6219. By Mr. APPLEBY: Petition of W. P. Bowman, of Trenton, N. J., relative to an adequate protective tariff; to the Committee on Ways and Means.

6220. By Mr. KISSEL: Petition of Seeman Bros. (Inc.), New York City, N. Y., relative to the reduction in the mailing rates on advertising papers; to the Committee on the Post Office and Post Roads.

6221. Also, petition of Greater New York Conference of Seventh-day Adventists, New York City, N. Y., protesting against the enactment into law Senate bill 1948 and House bills 9753 and 4388; to the Committee on the District of Columbia.

6222. Also, petition of Puritan Soap Co., Rochester, N. Y., relative to the 50 per cent zone advances in mail rates; to the Committee on the Post Office and Post Roads.

6223. By Mr. MALONEY: Petition of the New England conference board of the United Textile Workers, at Lowell, urging an investigation of the textile industry; to the Committee on Labor.

6224. By Mr. SPEAKS: Papers to accompany House bill 12393, granting a pension to Leona Stealey; to the Committee on Invalid Pensions.

SENATE.

FRIDAY, *August 25, 1922.*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Almighty God, though Thou canst not be contained in the heaven of heavens, we bless Thee that the humble and contrite heart can always be Thy dwelling place. We therefore invoke that spirit which shall assure us of Thy constant presence and in-dwelling, so that all of our duties may be sanctified by Thy guidance, that Thy wisdom may be imparted, and that along all the way of life we may fulfill Thy good pleasure. We ask through Jesus Christ our Lord. Amen.

THE JOURNAL.

The reading clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

USE OF WASTE FUEL PRODUCTS.

Mr. PITTMAN. Mr. President, I have an official statement from the Bureau of Mines touching the use of certain waste fuel products. I think the statement will be of interest at this particular time, and I ask to have it printed in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The statement is as follows:

WASHINGTON, D. C.

As an emergency fuel, a mixture of fuel oil with fine coal in as large proportions as the coal will absorb and hold is suggested by the United States Bureau of Mines to steam coal users and gas manufacturers to augment their fuel supply during the present shortage.

Slack coal that has a high percentage through an 8-mesh screen, or which may be crushed to sizes of one-eighth inch or less, will take up in oil from 30 to 40 per cent of its own weight and make a fuel high in calorific value. Coarse slack coal, however, as judged by a representative sample from the Pittsburgh market, will absorb oil to only 3 to 10 per cent of its own weight, which would give a fuel having only about 4 to 15 per cent increased heating value. The finer the size of the coal, therefore, the larger is the amount of oil which will be held. Tests made by the Bureau of Mines at its Pittsburgh experiment station indicate that the mixture can be made with either bituminous slack or anthracite culm.

This method bears a relationship to the Trent process of purifying coal by fine grinding and amalgamation with oil, now in operation at a plant at Alexandria, Va., which has demonstrated the success of a combination of oil and coal for steam making, gas manufacturing, and other fuel purposes. The present emergency proposal does not contemplate the cleaning process, but involves merely the simple mixing by shovel or concrete mixer. The Trent Corporation has volunteered to assist the Government in advising in the use or application of oil-coal mixtures, and to waive, during this emergency, any claim of infringement of its process which may or may not be involved by the simple mixing of fuel oil and coal without reference to cleaning.

An oil refinery at Baltimore, it is reported, mixed by shovel a ton of heavy Mexican fuel oil with two or three tons of western Maryland slack coal, and used it successfully in a switch engine. At the experiment station of the Bureau of Mines at Pittsburgh it was found that mixtures containing 1 ton of Mexican fuel oil and 4 to 5 tons of Pittsburgh slack coal could be used in a hand-fired furnace.

In using oil-coal mixtures, the fire will smoke badly after firing, or while breaking up the coke bed from time to time. From such limited amount of testing as has been done by the Bureau of Mines, it was shown that careful firing is required to prevent continuous smoking. Experimenting must be done in each case to determine the best method of firing.

Chain grates and certain other automatic stokers are probably well adapted to handle the oil-fuel mixtures if the bin and feeding devices are suitable. Oil-fuel mixtures will not fire spontaneously, but undoutedbly care should be exercised to ventilate bins where external heat may tend to drive off the lighter gases, although the fuel oil which is on the market has had the lighter oils distilled from it.

Anthracite culm or dust which would sift through ordinary grate bars can be used successfully when mixed with the oil, as the oil causes it to adhere, and the oil residue cokes as soon as heated. Oil and anthracite mixtures are not smokeless with hand firing the Bureau of Mines tests indicate.

This simple mixture of fuel oil and coal is proposed by the Bureau of Mines merely as a temporary measure. While under conditions of normal fuel supply such a mixture probably would not prove satisfactory unless it involved the cleaning feature embraced in the Trent process, in places where fuel oil is available it can be used to piece out a poor coal supply without the changes in equipment necessary to convert boilers to oil burning.

THE RAILROAD STRIKE.

Mr. UNDERWOOD. Mr. President, I have a number of telegrams from leading farm organizations in Alabama in regard to the pending railroad strike and their position with reference to the matter. I ask that the telegrams may be printed in the RECORD and referred to the Committee on Interstate Commerce.

There being no objection, the telegrams were referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

HARTSELLE, ALA., *August 24, 1922.*

Hon. OSCAR W. UNDERWOOD,
Senate, Washington, D. C.:

The United States Labor Board was organized for the purpose of arbitrating and preventing just such a tie-up in transportation as we now have throughout the country. We are not in sympathy with the Government taking over the railroads. If this strike continues it will bring on our people unwarranted suffering during the coming winter and heavy financial loss to all kinds of farming interests. It appears to us that the Railway Labor Board should have full authority to bring about a settlement of the railroad strike. If they have not this power Congress should immediately enact such legislation as is necessary to enforce their findings. The Morgan County division of the Alabama farm bureau stands squarely behind you in demanding that the rulings of the United States Railway Labor Board be recognized and rigidly enforced, and that all laws for the protection of life and property be upheld at any cost. To this end we pledge you our hearty support and cooperation.

JAS. F. CAIN,
President Morgan County Farm Bureau.

SELMA, ALA., *August 25, 1922.*

OSCAR W. UNDERWOOD,
United States Senate, Washington, D. C.:

A resolution: We, the members of the Dallas County Farm Bureau, join other like organizations of Alabama and the United States in a hearty indorsement of the telegram sent the President of the United States on August 14 by Mr. J. R. Howard, president of the American Farm Bureau Federation. We take this means of soliciting your best efforts in having Congress recognize the jurisdiction of the Railway Labor Board. We beg of you to use every honorable means against Government control or ownership of the railroads of the United States.

Respectfully,

DALLAS COUNTY FARM BUREAU,
J. L. EDWARDS, *President.*

ROANOKE, ALA., *August 24, 1922.*

OSCAR W. UNDERWOOD,
U. S. Senate, Washington, D. C.:

The railroad strike has assumed proportions which are already bringing acute distress to many farmers. It is particularly serious in the fruit and vegetable district of the far West where because of the seasonable character and high perishability of the product, storage is impossible. Many thousand farmers seem destined to lose their whole year's labor unless settlements are speedily made. The grain and live-stock men are already beginning to feel the effects of the strike through lack of transportation equipment to properly clear their feed lots and elevator facilities. In the long run the economic brunt of the whole situation will fall upon the basic producer as has been true in every previous similar controversy.

Press reports indicate that Congress will be asked to take over the roads and operate them as governmental agencies pending settlement of the questions involved. The American farmer is not nor never will be a strong proponent of governmental ownership. He prizes too highly personal initiative and property rights. He remembers transportation conditions during the brief trial of governmental operation during the war and just as shipping conditions are showing some signs of improvement does not relish the return of governmental operation.

The American Farm Bureau Federation, by regularly adopted resolution, has always been opposed to Government ownership of public utilities. We believe that at this time the taking over of the roads and mines by the Government would not be justifiable. It would establish a precedent which would compel the Government to similar action whenever future controversies might arise, and indeed might invite the bringing on of other controversies to compel Government interference. The taking over of the roads and mines, furthermore, would not facilitate the settlement of the issues involved which we believe to be fundamental in this crisis.

So far as railroad controversy is concerned, the Railway Labor Board was instituted for this very purpose. The board has held extended hearings upon the issues in controversy and is in a position to know the merits of both sides of the dispute better than any other agency or person. The findings of the board should be accepted by the railroad owners and employees as well as by the general public. If the board has not authority to enforce its findings the law should be amended providing the same. When any party, in any controversy, refuses fair arbitration it indicates a selfish and unfair disposition.

Unless the coal miners and operators can quickly agree, there should by law be constituted an agency similar to the Railway Labor Board for the settling of controversial labor issues, which board should be given full authority to enforce its mandates.

The American Farm Bureau Federation will stand squarely behind you in vigorous demand for the recognition of the jurisdiction of the Railway Labor Board and for a strict enforcement of every law for protection of lives and property and maintenance of order at any expense.

T. G. FINCHER,
President Randolph County Farm Bureau.

RENT OF POST-OFFICE BUILDINGS.

Mr. McKELLAR. Mr. President, I have a letter from the Postmaster General with reference to the rentals paid by the Government for post-office buildings throughout the country.

The annual rental bill, it is shown, amounts to the enormous sum of $11,660,056. The Postmaster General discussed the matter in a most intelligent way. I think he is exactly right in saying that our post-office buildings ought to be built by the Government. I think probably if his plan was carried out it would save the Government not less than $5,000,000 a year, which is a matter that ought to be saved. I ask unanimous consent that the letter may be published in the RECORD and referred to the Committee on Post Offices and Post Roads.

There being no objection, the letter was referred to the Committee on Post Offices and Post Roads and ordered to be printed in the RECORD, as follows:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., August 21, 1922.

Hon. KENNETH MCKELLAR,
United States Senate.

MY DEAR SENATOR MCKELLAR: Herein I send to you a copy of a communication this day transmitted by me to the Joint Commission on Postal Service in which I advocate the Government ownership of buildings for postal use as against the present practice of leasing those buildings, and I hope that the Congress will enact the necessary legislation to bring about this Government ownership.

Sincerely yours,

HUBERT WORK.

—

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., August 21, 1922.

JOINT COMMISSION ON POSTAL SERVICE,
Washington, D. C.

MY DEAR SIRS: There are at present 5,836 post offices in leased quarters and 1,119 post offices in buildings owned by the Government. The aggregate annual rental paid for the occupancy of these 5,846 leased quarters is $9,262,515.47, but this aggregate does not include the amount paid for quarters not under lease, which when added to $9,262,515.47 makes a present total annual rental bill of $11,660,056, not including garages, to be paid by the Government from appropriation made to the Post Office Department. There are at present 5 Government-owned buildings actually under construction and 11 under contract for construction in which post offices will find quarters.

The earnings of the Post Office Department have doubled in the last 10 years. This ever increasing postal business demands, and must have, space in which it may be efficiently and economically carried on. During the last holiday season several cities handled heavy parcel-post business on the sidewalks under protection of guards but without protection against the weather. This increased volume of postal business has forced the use of basements and subbasements and has brought about a congestion in workrooms in some of our larger cities. This condition caused by inadequate and unsuited quarters is detrimental to the comfort and physical well-being of many postal workers, is subversive to efficiency of service, and from any viewpoint is wholly undesirable. Renewal leases entered into from March 4, 1921, to August 5, 1922, show an increase in space of 71 per cent over the space in the expired leases, but in this calculation the space of additional post offices established at various places since the expiration of the aforesaid leases because of the necessities of the service is not included. If this new and additional space be included then there is an increase of 153 per cent over the expired leases. The per cent of increase in the rental of these renewed leases over the expired leases is 147, but this does not include the rental for the new and additional post offices which when added make an increase of 342 per cent over the rental of these expired leases.

In addition to the amount of $11,660,056 annually paid for the rental of post-office quarters, there are 76 garages throughout the country under lease, for which the amount of $588,921 is annually paid for rental. This sum of $588,921 when added to $11,660,056 brings the total amount of rental paid by the Government for buildings leased for postal uses up to $12,248,977. Confronted with this annual expenditure of $12,248,977 for rental of real estate for postal uses, which will annually steadily increase, two questions at once arise for answer with reference to first-class post offices, the larger second-class post offices, and the larger classified stations and their branches. First, viewed solely from the financial side, is the present plan of leasing in keeping with the best business methods and practices? Second, aside from the financial point of view, is the present plan giving the best postal-service results?

My answer to the first question is in the negative. I am decidedly of the opinion, and I believe that your business experience and observation will support my view, that annually a great saving in money will result if a policy of Government ownership were adopted. I do not advocate Government ownership of all offices, stations, and garages, for manifestly at times and on occasions it is better business to lease than own. But I do advocate and urge Government ownership in those cases where an economy would be realized and where good business judgment demands ownership rather than tenancy. Of course, at times efficiency of service will suggest leasing rather than ownership even when a considerable money saving could be effected by ownership, but these cases are exceptional and good judgment can always be depended upon to leave such cases to the leasing plan.

Many reasons can be given in support of the Government ownership plan, among which are the following:

1. The Government can borrow money on practically a 4 per cent basis to build post offices, whereas when it leases it pays a rental sufficient to permit the lessor to borrow money at 7 per cent, and in some cases as much as 10 per cent. In other words, by this lease policy the Government is indirectly paying 7 per cent and 10 per cent interest on money when it is able to borrow at 4 per cent.

2. When the Government owns a post office building it is free from taxation, whereas when it leases an office it is indirectly paying taxes at the rate of about 2 per cent on the investment and many times at a very much higher rate. When a building required for postal uses represents an investment of a large amount of money it is readily seen that the taxes alone which the Government must pay to the lessor in the form of rent is a very considerable sum.

3. Another way of stating in a combined form the two preceding propositions is that the ordinary lessor usually obtains about 10 per cent gross on his investment, whereas if the Government owned the property, building it with 4 per cent money, it would be costing the Government about one-half as much as it is obliged to pay in the form of a lease for the use of a building.

4. If the Government adopted the policy of owning its post-office buildings, it would be in a position to take property by right of eminent domain, whereas it can not take a leasehold interest by such right.

5. In our negotiations for leases with prospective lessors we are confronted with the fact that we can not build, and therefore we must pay what they ask. If we could say to bidders, "Unless you bring your rental down to a certain reasonable figure the Government will put up a building of its own," we would then have a powerful weapon of negotiation where we now have none. But that is only possible when the Government has adopted a policy of ownership and provided funds to carry out such a policy.

6. Leased buildings are constantly being outgrown, confronting the department with the necessity of either adding additional space or seeking an entirely new location. With a lease policy and without the right of condemnation the additional adjacent space is often held at unconscionable figures, and we are often compelled to pay far more than we know to be reasonable on account of the situation.

7. When a Government post office or postal building is erected by a lessor, in a very large percentage of cases it enhances the value of all property in the vicinity, so that it becomes necessary to renew such lease at much higher figures, whereas if the Government owned the building it would receive the benefit of the enhancement of values which it has created.

8. The lessor who builds a post office or postal station for the Government on a contract for lease for 10 or 20 years is obliged to figure on absorbing either the whole or a large percentage of the original cost of the building, and this he does. He is obliged to do this because he knows he may be compelled at the end of the lease to reconvert it into other uses. The result of such a lease policy is that the Government not only pays about 10 per cent on the original investment but it pays in addition thereto a certain per cent of all the original investment distributed over a term of years, so that at the end of the lease the Government has nothing, but is obliged to start over again, still at the mercy of lessors, with no efficient weapon to compel fair prices.

My answer to the second of the above questions is also in the negative. It frequently is impossible to lease buildings having satisfactory working conditions, such as natural light and ventilation. In erecting Government-owned buildings ideal working conditions would be provided, thereby insuring the health and comfort of employees, which should always be given first consideration. Then, too, such buildings would be erected in accordance with plans and specifications either made or approved by the Post Office Department based upon its experience with a view to efficiency of service, as well as to cost of service.

The Joint Commission on Postal Service expressed the opinion in its report to the Senate and House of Representatives that the site immediately west of the present general post-office building at New York City, commonly called the Pennsylvania Railroad site, was a desirable site for a building to relieve the present congested condition of the general post office at New York City. The department began negotiations to lease for a period of 20 years a building to be erected on this site, but no agreement has been made. Of the offers submitted to the department the aggregate rental for 20 years ranged from $19,245,695 to $24,900,000. If the Government would purchase this site and erect the building and become the owner instead of lessee, at the end of 20 years the aggregate expenditure would be considerably less than the lowest offer and in addition the Government would own the property. What is said of the advantage of ownership as against tenancy of this New York City site can with equal force be said of other sites. Where the business and circumstances justify Government ownership, it seems unbusinesslike for the Government to deny to itself and forego all the advantages, financial and otherwise, of ownership and become lessee with a money loss and with all the other many attendant disadvantages of tenancy.

It is not my present purpose to suggest or advocate any particular way for the execution of this general plan of Government ownership of buildings for postal use. My present purpose is to call attention to the necessity for the adoption of this general plan of Government ownership of buildings within the limitation of good business judgment, as hereinabove pointed out, as against the leasing system. I regard the present plan of leasing as unbusinesslike, and in view of this present practice I hope the Congress may enact the necessary legislation to effect the change herein suggested and advocated.

I earnestly solicit your support and cooperation.

Sincerely yours, HUBERT WORK, *Postmaster General.*

REPORTS OF COMMITTEES.

Mr. McNARY. From the Committee on Manufactures I desire to make a partial report (No. 877), pursuant to Senate Resolution 295, agreed to June 5, 1922, relative to the price of crude oil and gasoline. I ask that it may be printed and lie on the table.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Without objection, it is so ordered.

Mr. CAPPER, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (H. R. 2763) for the relief of Sanford Kirkpatrick (Rept. No. 878);

A bill (H. R. 6926) for the relief of Abraham Leibovitz (Rept. No. 879);

A bill (H. R. 8553) for the relief of D. V. Bussie (Rept. No. 880);

A bill (H. R. 10234) for the relief of Edward A. Purdy (Rept. No. 881); and

A bill (H. R. 11078) for the relief of the Mary Ann Shipping Co. (Rept. No. 882).

Mr. CAPPER, from the Committee on Claims, to which was referred the bill (H. R. 6929) for the relief of Horace E. Walker, reported it with an amendment and submitted a report (No. 883) thereon.

Mr. BORAH. From the Committee on Education and Labor I report back with amendments the bill (H. R. 12377) to establish a commission to be known as the United States Coal Commission, for the purppose of securing information in connection with questions relative to interstate commerce in coal, and for other purposes. I will ask that the bill may lie on the table. I am going to call it up in a few minutes, when we shall have closed the routine morning business.

The PRESIDING OFFICER. The report will lie on the table.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MOSES:

A bill (S. 3952) granting a pension to Edith B. Towner (with accompanying papers); to the Committee on Pensions.

By Mr. BURSUM:

A bill (S. 3953) granting a pension to Anna M. All; to the Committee on Pensions.

By Mr. HEFLIN:

A bill (S. 3955) to compensate Lieut. L. D. Webb, United States Navy, for damages to household effects while being transported by Government conveyance; to the Committee on Naval Affairs.

By Mr. CALDER:

A joint resolution (S. J. Res. 237) to appoint a commission for the exchange of sites for lighthouse station at Tompkinsville, Staten Island, N. Y., between the Federal Government and the officials of the city of New York; to the Committee on Public Buildings and Grounds.

EXTERMINATION OF INSECTS.

Mr. CALDER submitted the following resolution (S. Res. 342), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Architect of the Capitol be, and he is hereby, authorized and directed to make a contract for the extermination and banishment of insects from the Senate wing of the Capitol and the Senate Office Building at an expenditure not to exceed $1,700, payment to be made monthly from the contingent fund of the Senate on vouchers countersigned by the Architect of the Capitol and approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

REGULATION OF ELECTION EXPENDITURES.

Mr. DILLINGHAM. From the Committee on Privileges and Elections I report back favorably, with amendments, the bill (S. 3603) to regulate expenditures in connection with the nomination and election of Senators and Members of the House of Representatives, and for other purposes. I ask unanimous consent for its present consideration.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Vermont for the immediate consideration of the bill?

Mr. CURTIS. Mr. President, would the Senator mind making a short statement instead of having the bill read?

Mr. DILLINGHAM. I shall be glad to do so. I do not think it will take any length of time.

It will be remembered that the present law upon the statute books relating to corrupt practices in connection with elections covered both the primary elections and the regular elections. The Supreme Court in the Newberry case held that portion of the law relating to primary elections to be unconstitutional. Later on, in a letter published by the Attorney General addressed to Hon. ROBERT LUCE, a Member of the House of Representatives, he gave it as his opinion that—

As United States Senators are not now elected by legislatures of the States, as contemplated in the act, it is my opinion that this fact, in connection with the holding in the Newberry election case, makes it unnecessary for a candidate for United States Senator to file any statement whatever in connection with his nomination or election.

It makes it, therefore, doubtful to say the least whether we have any law now upon the statute books which is enforceable. Under the circumstances the Senator from Ohio [Mr. POMERENE] introduced a bill which covered both primary and general elections. When the committee came to consider the question it was found that so far as the general elections law was concerned there was a wide diversity of view. Hardly any member of the committee was fully satisfied with the existing law, but the differences of opinion were so great as to what changes should be made that the committee were of the opinion that it would be impossible at this late day in the session to agree upon a bill of a new character which could be reported out from the committee. Under those circumstances the Senator from Ohio very graciously consented to lay aside, for the present, at least, any legislation relating to primary elections.

It was then agreed by the committee that they would report to the Senate a bill reenacting the existing law relating to general elections with only such changes as would fit it to the new conditions under the constitutional amendment. That is to say, the law now applies to the election of Senators by the legislatures of the States. Changes have been made which simply fit it to the present system of elections by the people. The committee reported that bill in the nature of a substitute for the bill introduced by the Senator from Ohio.

It seemed to the committee necessary to adopt this course because it would be deplorable to go into the general elections, which are to come this fall, without any law upon the statute books governing the subject. The committee thought it better to have the existing law put upon a valid basis so that we would not be subjected to the criticism of allowing the election to come with no law relating to the election of Senators. For this reason the committee have reported in favor of the substitute for the bill introduced by the Senator from Ohio, which provides for the reenactment of the present law relating to the election of Senators, with the changes which I have suggested.

Mr. ROBINSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Arkansas?

Mr. DILLINGHAM. Certainly.

Mr. ROBINSON. Did the Committee on Privileges and Elections concur in the conclusion expressed by the Attorney General that the existing law can not be applied to elections by popular vote, it having been enacted prior to the change in the Constitution?

Mr. DILLINGHAM. The committee did not consider that question from a legal standpoint. They simply took the position that it raised a doubt about the question. Even if the Attorney General is wrong, as very likely he is upon that subject—although I do not express myself upon it—even if he is entirely wrong in the opinion he expressed in the letter which I have quoted, it leaves us in the position that the Department of Justice might hesitate to initiate proceedings against any person who violated the law as it now stands upon the statute books.

Mr. ROBINSON. Entertaining the view the Attorney General has expressed, the Department of Justice would not institute proceedings against persons who were candidates for United States Senator who failed to comply with what has heretofore been regarded as the statute applicable to the subject. I appreciate fully the viewpoint which the Senate committee took concerning the subject. If I understand the Senator correctly, there is no Federal law applicable to expenditures in primary elections and the bill which the Senator reports from the Committee on Privileges and Elections does not attempt to deal with that subject.

Mr. DILLINGHAM. It does not. But, may I add——

Mr. ROBINSON. It treats the situation as being somewhat of an emergency character and deals solely with expenditures in the general elections.

Mr. DILLINGHAM. The Senator is entirely right; but I want to say in this connection, in justice to the committee, that when they decided to pursue this course they adopted a motion authorizing the chairman of the committee to appoint a subcommittee of five to take into consideration the whole question of legislation applying to primary and general elections, to draft a bill, and to report to the full committee not later than the 1st day of January next, so that the whole matter may be taken up in the new session of Congress after mature thought has been given to it by members of the committee.

Mr. ROBINSON. I presume the committee found they did not have the time to agree upon the terms of a bill which might be made applicable to primary elections.

Mr. DILLINGHAM. That is precisely the fact.

Mr. ROBINSON. Of course, any attempt on the part of the Federal Government to regulate expenditures in the election of Senators and Representatives which does not contemplate the regulation of expenditures in primary elections would prove in many States totally ineffective to prevent the expenditure of large sums of money. In many of the States the primary elections practically determine who shall represent the State in this body and who shall represent the various districts in that State in the body at the other end of the Capitol. There are some States in the North where a Republican nomination is equivalent to an election, and there are many States in the South where a Democratic nomination is equivalent to an election. So that if the primary elections be eliminated from Federal regulation, the regulation at best would be only piecemeal. I appreciate, however, the difficulties under which the committee at this late day have acted.

The Attorney General expressed his opinion on the subject some two or three months ago, I believe? The opinion of the Attorney General is not recent?

Mr. DILLINGHAM. No.

Mr. ROBINSON. It was expressed shortly after the decision in what we know as the Newberry case?

Mr. DILLINGHAM. I think the date of it was November 15.

Mr. ROBINSON. May I ask the Senator—for information and in no controversial spirit—why the committee did not promptly, upon the expression of that opinion by the Attorney General, take up the subject matter and attempt to work out a bill dealing with the whole subject so as to enable the Congress to dispose of it at once?

Mr. DILLINGHAM. I do not remember the date of the bill introduced by the Senator from Ohio.

Mr. POMERENE. Mr. President, if the Senator will permit me, I can give the date. If I may go back, I presented a Senate resolution in the form of a rule of the Senate in January. After some consideration that was referred back, with the consent of the Senate, to the Committee on Privileges and Elections. Within a very short time after the Attorney General gave out the opinion to which the Senator from Arkansas refers, I learned about it and sent for a copy of it; and on April 20 I introduced a bill in the Senate covering both primary and general elections. That bill was referred to the Committee on Privileges and Elections on that day. I think that was the day when the Committee on Rules was discharged from the further consideration of the resolution which I had previously introduced.

There was delay in getting a meeting of the committee; and still later a subcommittee was appointed, and there were some delays in getting that committee together; but I think within the last 10 days both the subcommittee and the general committee have been acting with every diligence.

Mr. ROBINSON. Very well. The statement of the Senator from Ohio now discloses that the bill which formed the basis of the committee's report, which has been made to-day, was introduced by himself a little longer than four months ago—on the 20th of April. What I am interested to know is why the committee did not directly take up the matter and report a bill dealing with the whole subject; why it is that we are confronted at the end of the session with a proposition which merely relates to general elections, and which therefore will not prevent the expenditure of unlimited sums in the primary elections, although a good many of the primaries have already been held.

Mr. POMERENE. I do not think that any member of the Committee on Privileges and Elections will accuse me of lack of diligence.

Mr. ROBINSON. Certainly not. My question was addressed to the chairman of the committee, and I should like for the chairman of the committee to have the opportunity to answer it. I was not addressing my inquiry to the Senator from Ohio. What I am interested to know is why the committee waited four months to take any action. I can readily realize that it might have taken two weeks or a month or even two months to thresh out a bill dealing with the whole subject, but why the committee waited for four months to take any action whatever and then bring in a bill which deals only with one phase of the subject I am unable to understand.

Mr. DILLINGHAM. Mr. President, I can only speak for myself. I may have been lacking in enterprise in not calling a meeting of the committee earlier than I did; but I submitted the bill of the Senator from Ohio to a subcommittee, of which he was a member, which had it under consideration for some time before reporting to the full committee. Then we had difficulty in securing a quorum of the committee even to consider the subject after the subcommittee were ready to report.

The PRESIDING OFFICER. Is there objection to the request for the present consideration of the bill reported by the Senator from Vermont?

Mr. UNDERWOOD. Mr. President, I should like to have the bill read before the request is granted.

Mr. CUMMINS. A parliamentary inquiry. Is this a request for unanimous consent immediately to consider the bill?

The PRESIDING OFFICER. The request is for unanimous consent for the immediate consideration of the bill.

Mr. CUMMINS. I should like to ask one of those Senators who are interested in the bill—and we are all interested in it—or who assisted in preparing it, whether it is likely to lead to any debate?

Mr. POMERENE. While there were many differences of opinion as to what the ultimate legislation should be, I think that there is only one objection which will be pressed by any member of the committee, and that is the suggestion which will be made by the Senator from New Jersey [Mr. EDGE]. I do not think it will take very long to dispose of the measure.

Mr. CUMMINS. The situation is this: It has been agreed—it was agreed on yesterday, I think—that the coal bill, which was reported by the Senator from Idaho [Mr. BORAH], should be taken up to-day. It must be taken up during the morning hour, if it is taken up at all. For three days there has been pending before the Senate, at one time or another, a conference report upon what is known as "the judges' bill," and the consideration of the report involves a point of order which, if sustained—and I can hardly think it will be—will necessitate the rereference of the bill to the conference committee. I therefore do not want to give way to a bill which will involve any considerable discussion.

Mr. EDGE. Mr. President, inasmuch as I have been referred to as proposing to offer an amendment, I will say, for the benefit of the Senator from Iowa, that if unanimous consent is granted for the consideration of the bill reported by the Senator from Vermont [Mr. DILLINGHAM], I propose to offer an amendment to the bill and briefly to discuss it. Whether it will lead to further debate, of course, I am unable to say. However, I am not prepared—and I so expressed myself at the committee meeting on yesterday—to have the bill go through without at least the Senate giving consideration to the amendment which I propose to offer.

Mr. CUMMINS. It seems to me that these matters ought to be disposed of in the order in which they come before the Senate.

Mr. POMERENE. Mr. President, I think I have the floor?

The PRESIDING OFFICER. It is hard to say who has the floor, but the Chair thinks that the Senator from Iowa [Mr. CUMMINS] has the floor.

Mr. CUMMINS. I rose simply to ask a question and to express my views in regard to what ought to be done.

Mr. POMERENE. There can be no difference of opinion as to——

Mr. SHIELDS. Mr. President, may I interrupt the Senator?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Tennessee?

Mr. POMERENE. Will the Senator permit me to complete the sentence, and then I will yield?

Mr. SHIELDS. I thought I could save time by the suggestion which I desire to make.

Mr. POMERENE. Very well.

Mr. SHIELDS. Mr. President, if I understand the parliamentary situation, the Senator from Vermont [Mr. DILLINGHAM] has reported a bill this morning on the subject of elections, and he has asked for its immediate consideration.

The PRESIDING OFFICER. That is true.

Mr. SHIELDS. That bill has never been printed and it is not upon the desks of Senators. It is a very important measure involving the people's elections, and it should be, as should all bills and especially election bills, carefully and deliberately considered. I object to its immediate consideration.

The PRESIDING OFFICER. Objection is made to the consideration of the bill. It will be printed and go to the calendar. Are there further reports of committees?

Mr. EDGE. I offer an amendment which I intend to propose later to the bill reported by the Senator from Vermont.

The PRESIDING OFFICER. The Senator from New Jersey offers an amendment, which will be printed and lie on the table.

Mr. POMERENE. I understand, then, that the bill which has been reported by the Senator from Vermont [Mr. DILLINGHAM] will go to the calendar?

The PRESIDING OFFICER. Yes; it will take the regular course.

Mr. POMERENE. I hope that the chairman of the Committee on Privileges and Elections to-morrow will ask to have this measure taken up, in order that it may be disposed of at an early day. I think that, after a very brief discussion, Senators will be ready to vote upon it. I am quite sure that most of them will not be satisfied, in that the bill does not go so far as it should go, but there are conflicting views bearing upon the subject. I am satisfied, however, that, all things considered, the bill in its present form is the best that can be obtained in the way of legislation at this late day in the session.

WRITS OF SUBPŒNA IN UNITED STATES COURTS.

Mr. NELSON. I ask unanimous consent for the immediate consideration of the bill (S. 3917) to amend section 876 of the Revised Statutes. It is a very short bill, and I am quite sure will not provoke any discussion. The bill has been reported unanimously from the Committee on the Judiciary, and relates to the subpœnaing of witnesses in civil cases.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota for the immediate consideration of the bill named by him?

Mr. UNDERWOOD. Let the bill be reported.

Mr. SHIELDS. I ask that the bill may be read.

The PRESIDING OFFICER. The bill will be read.

The bill was read, and there being no objection the Senate, as in Committee of the Whole, proceeded to its consideration.

The bill had been reported from the Committee on the Judiciary with an amendment on page 1, line 11, before the word "court," to strike out "trial," so as to make the bill read:

Be it enacted, etc., That section 876 of the Revised Statutes of the United States be, and is hereby, amended so as to read as follows:

"SEC. 876. Subpœnas for witnesses who are required to attend a court of the United States, in any district, may run into any other district: *Provided*, That in civil cases no writ of subpœna shall issue for witnesses living out of the district in which the court is held at a greater distance than 100 miles from the place of holding the same without the permission of the court being first had upon proper application and cause shown."

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ADDITIONAL DISTRICT JUDGES—CONFERENCE REPORT.

Mr. CUMMINS. Mr. President, morning business having closed, as I understand, I ask unanimous consent that the Senate may proceed to the consideration of the conference report upon the judges' bill, so called, being House bill 9103. I desire to add that I have conferred with the Senator from Idaho, who is in charge of the coal bill, and this is satisfactory to him upon condition, and to that condition I agree, that after the point of order or points of order which have been made shall have been ruled upon, then, if there is to be any discussion upon the judges' bill, I will ask that it be displaced by the coal bill.

The PRESIDING OFFICER. The Senator from Iowa asks unanimous consent for the present consideration of the conference report on the judiciary bill. Is there objection?

There being no objection, the Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9103) for the appointment of additional district judges for certain courts of the United States, to provide for annual conferences of certain judges of United States courts, to authorize the designation, assignment, and appointment of judges outside their districts, and for other purposes.

The PRESIDING OFFICER. The Chair would like to hear from the Senator from Iowa on the point of order made by the Senator from Tennessee.

Mr. CUMMINS. Mr. President——

Mr. SHIELDS. Mr. President, will the Senator allow me a moment?

Mr. CUMMINS. I yield to the Senator.

Mr. SHIELDS. I presume the Chair has read all the points of order which were submitted in the statement presented by me, including the one relating to the judge from the middle district of Tennessee.

The PRESIDING OFFICER. Yes; the Chair has read the statement.

Mr. SHIELDS. I think my statement is very full, and the Chair, I think, will apprehend it. I do not care to elaborate it.

Mr. CUMMINS. Mr. President, while I recognize that although a point of order is not debatable, the Senator from Tennessee discussed the matter for something like an hour the other day without any objection on my part. I may add, I will be able to say all that I desire to say upon the points of order, I think, within the space of five minutes.

The first objection made to the bill as reported by the conference committee is that the conference committee agreed to eliminate matter which was agreed to in both the House and the Senate. We are all familiar with the rule, and the conference committee tried very hard to observe the rule, and I think has observed it with absolute fidelity.

Upon the first point the House provision is as follows:

The Attorney General shall, upon request of the Chief Justice, report to said conference on matters relating to the business of the several courts of the United States, with particular reference to causes or proceedings to which the United States may be a party, together with such recommendations or requests as may be deemed proper. The Attorney General shall not be a member of said conference.

Mr. President, the Attorney General is required by law to make a report concerning the business pending in the various courts of the United States every year, and he makes that report as of January 30 each year. The question in controversy, Mr. President, was whether the Attorney General should be required or called upon to make recommendations to the judicial conference. The Senate and the Senate conferees would not agree to the provision which required or authorized the Attorney General to make recommendations to the judicial conference for which the bill provides.

The Senate provision was:

The Attorney General shall, upon request of the Chief Justice, report to said conference on matters relating to the business of the several courts of the United States, with particular reference to causes or proceedings in which the United States may be a party.

It is true that that language is found in the House bill; but the real provision made in the House was that the Attorney General should make recommendations to the conference. To that the Senate would not agree, and therefore the entire provision was stricken out. While it may not be material, I suggest that the Senator from Tennessee was as much opposed to this provision with regard to the participation of the Attorney General in the conference as to any other part of the bill.

Mr. SHIELDS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Tennessee?

Mr. CUMMINS. I do.

Mr. SHIELDS. I hope the Senator will refresh his recollection. The bill as proposed, and to which I objected, provided that the Attorney General should be a member of this conference, and that is what I denounced; not that he should not report.

Mr. CUMMINS. No; the Senator from Tennessee objected with equal emphasis to that part which authorized the Attorney General to make recommendations to the conference. The House text and the Senate text are not the same. The material, the essential part of the clause which I have read from the House bill, relates to recommendations made by the Attorney General to the conference, and in my judgment the conference report does not eliminate any material matter agreed to by both the House and the Senate.

Mr. WATSON of Indiana. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Indiana?

Mr. CUMMINS. I yield.

Mr. WATSON of Indiana. I have been out of the city for a couple of days, and I am not familiar with the point of order. Would the Senator mind stating very briefly what the point of order is?

Mr. CUMMINS. The point of order made by the Senator from Tennessee is that under what is known as the Curtis amendment to the rules the conferees have exceeded their jurisdiction; that they have eliminated matter agreed to in both the House and the Senate, and that they have incorporated matter that was not the subject of discussion or within the scope of the bill in either the House or the Senate.

The next point made by the Senator from Tennessee is that we have eliminated that provision which is found in both bills, not in the same form but in substance, that the judge appointed must be a resident of the district for which he is appointed.

I shall not take the time to refer to the vast difference between the provision of the House and the provision of the Senate in that regard. The Chair may remember, and certainly Senators will remember, that to that provision in the Senate bill the Senator from South Carolina [Mr. DIAL] offered an amendment, which was adopted and which enacted practically what has been so long known as the rebuke to Judge Landis for accepting a position and compensation outside his judicial work. The House would not agree, and I am very glad it would not agree, to the amendment in the form in which the Senator from South Carolina had added that subject to the Senate bill; and therefore the entire provision of the Senate bill as well as the entire provision of the House bill were eliminated, and they were eliminated because with the amendment which had been adopted as offered by the Senator from South Carolina there remained nothing but the requirement that the judge appointed should be a resident of the district for which he was appointed.

The present law provides—I am reading it now—

Every district judge shall reside in the district or one of the districts for which he is appointed, and for offending against this provision shall be deemed guilty of a high misdemeanor.

Whatever may be the fact with regard to the authority of the President to appoint successors to the judges authorized in this bill, they are district judges; they hold office during life or during good behavior, which is in most cases the equivalent of during life.

Mr. BORAH. Practically.

Mr. CUMMINS. Practically speaking. There can be no doubt whatever that the paragraph that I have just read from existing law applies to the district judges appointed under this law. They are district judges, and I am amazed that the Senator from Tennessee should attempt to introduce any doubt whatever upon that subject.

I pass now to his third objection.

The House provided that there should be an additional judge appointed for the middle district of Tennessee. I will read the provision in order that it may be clear in the mind of the Presiding Officer. After the first paragraph, authorizing the appointment of district judges for the United States district courts in the districts specified, "the said appointments to be in addition to those now authorized by law," the bill proceeded:

For the district of Massachusetts, two; for the eastern district of New York, one; for the southern district of New York, two.

I need not read them any further until we reach the controverted district—

For the middle district of Tennessee, one.

That is the provision in the House bill. The Senate refused to authorize the appointment of a district judge for the middle district of Tennessee, and that subject went to conference. After a great deal of discussion, almost months of debate upon the matter in the conference room, the Senate conferees agreed to the language of the House bill with a modification, as they had a right to do; and the modification—if it be a modification, although I think the legal effect is the same—was as follows:

That from and after the appointment of a district judge for the middle district of Tennessee the present district judge for the eastern and middle districts of said State shall cease to be a district judge for the middle district of Tennessee.

If the conferees could not accept the House proposition with an amendment or modification of that character, then the jurisdiction of conferees is very narrow indeed. A committee of conference could never agree to a proposition made in either House with a modification. Moreover, while the Chair may not desire to pass upon that, as a matter of law the appointment of a judge for the middle district of Tennessee, in my opinion, determined and suspended the power of the district judge who had theretofore been appointed for the western and middle districts of Tennessee.

Just one more word with regard to the way in which this has all arisen. All these points are absolutely technical. There is no substance in any of them. There is no attempt to do anything that was not fairly in dispute and as a settlement of that dispute between the two Houses. The House passed the bill. It came to the Senate. The Senate struck out all but the enacting clause and substituted a new bill. It then went to conference and the conference committee agreed to the amendment of the Senate with an amendment, which amendment was the elimination of all after the enacting clause and the insertion of the new matter which is found in the conference report—new matter only in the sense that it is of different phraseology. There is no new matter in the bill.

I submit that the point of order is not well taken; and while I have no doubt that the Senator from Tennessee believes that it is well taken, to me it appears to be without any merit whatever.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The rule that is invoked reads as follows:

Conferees shall not insert in their report matter not committed to them by either House, nor shall they strike from the bill matter agreed to by both Houses. If new matter is inserted in the report, or if matter which was agreed to by both Houses is stricken from the bill, a point of order may be made against the report, and if the point of order is sustained the report shall be recommitted to the committee of conference.

This rule was adopted to meet a practice of the Senate that had become an abuse and to which objection had often been made. It is clear and definite in the limits which it imposed upon the action of the conferees. It has not been often invoked since its adoption, but when invoked it is controlling upon the Senate. Whether the objection made is technical or substantial, if it comes within the terms of the rule, no discretion is left in the Presiding Officer.

The first objection to this conference report is based upon the provision in the House bill that reads:

The Attorney General shall, upon request of the Chief Justice, report to said conference on matters relating to the business of the several courts of the United States, with particular reference to causes or proceedings to which the United States may be a party, together with such recommendations or requests as may be deemed proper. The Attorney General shall not be a member of said conference.

That is the provision placed in the bill by the House. As the bill passed the Senate it contained this provision:

The Attorney General shall, upon request of the Chief Justice, report to said conference on matters relating to the business of the several courts of the United States, with particular reference to causes or proceedings in which the United States may be a party.

That language is identical with the language of the House, as far as it goes, and the Chair thinks that it states a distinct matter, or proposition, and that the further provisions in the House bill—"together with such recommendations or requests as may be deemed proper" and "the Attorney General shall not be a member of said conference"—are in substance and statement two additional matters, and it seems to the Chair that the first matter stated in the House provision was adopted in the bill as it passed the Senate and comes clearly within the prohibition of the rule against omitting matter adopted by both Houses.

The next objection is based upon this language. The House bill provided:

Said judges shall be residents of the districts for which appointed, and shall receive the same salary and allowances and shall possess, exercise, and perform the same jurisdiction, powers, and duties as is now provided by law.

The Senate provision is:

Every judge shall reside in the district or circuit or one of the districts or circuits for which he is appointed, and shall devote his time to the duties of his office, and shall not engage in any other employment for which he receives compensation, and for offending against the provisions of this section shall be deemed guilty of a high misdemeanor.

The Chair thinks there are several independent matters contained in each one of these provisions. There is the provision, "Said judges shall be residents of the districts for which appointed." That is a distinct matter. The Senate bill provided:

Every judge shall reside in the district or circuit or one of the districts or circuits for which he is appointed.

These two propositions are identical in substance and almost in language. They have nothing to do with the qualifications of the judge or with the salary which he shall receive. In other words, both Houses provided that each judge should reside in his district or circuit.

The point is made that this is covered by existing law. That may be true, and yet the Senate and the House both seemed to think that a provision of this sort was necessary, and inserted it. The rule says that a matter passed upon by both Houses shall not be eliminated. No discretion is left to the conferees as to whether it is covered by existing law or not.

It seems to the Chair that the point of order on that matter must be sustained.

The next proposition is with reference to the provision relating to the middle district of Tennessee. The House made provision for an additional judge for this district. It is conceded that under existing law the present judge is the judge for the eastern and the middle districts of Tennessee. The Senate made no provision for an additional judge for the middle district. The provision as finally agreed to and submitted by the conferees takes away the jurisdiction given to the present judge by existing law in the middle district and limits his jurisdiction to the eastern district.

The question of limiting the jurisdiction of the existing judge was not submitted to either House; neither House gave it any consideration whatever, and the Chair believes it to be new matter in the conference report and prohibited by the rule.

The Chair sustains the point of order on all three grounds.

Mr. CUMMINS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. CUMMINS. Are there conferees to whom the bill could be rereferred?

The PRESIDING OFFICER. The rule says that when a point of order is sustained the report shall be recommitted to the conference.

Mr. CUMMINS. I am asking whether there is any committee of conference.

The PRESIDING OFFICER. The Chair is informed that the House has not yet acted upon the conference report. If that is the case, the Chair assumes that there is still a conference committee.

Mr. SHIELDS. I suppose there is a conference committee until their report is received and adopted and they are discharged; and they have not been discharged.

The PRESIDING OFFICER. The Chair was under the impression that the report had been adopted by the House, and if that were the case the House conferees would have been discharged; but the clerk at the desk informs the Chair that the House has not yet acted on the report.

Mr. CUMMINS. That is true. I simply wanted the ruling of the Chair upon that point.

The PRESIDING OFFICER. The Chair is of the opinion that the conference committee is still in existence and that this report will go back to the conference committee.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives by Mr. Overhue, its enrolling clerk, announced that the House had agreed to the report of the committee of conference on the disagree-

ing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4) granting relief to soldiers and sailors of the war with Spain, Philippine insurrection, and Chinese Boxer rebellion campaign; to widows, former widows, and dependent parents of such soldiers and sailors, and to certain Army nurses.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 5775) for the relief of Liberty loan subscribers of the North Penn Bank, of Philadelphia, Pa.; Santa Rosa National Bank, Santa Rosa, Calif.; Mineral City Bank, Mineral City, Ohio; Robbinsdale State Bank, Robbinsdale, Minn.; and Farmers & Merchants State Bank, Kenmare, N. Dak.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 858) for the relief of Alfred P. Reck.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 28) providing for the printing of 1,000 copies of part 2 of House Report No. 300, Sixty-third Congress, second session, entitled "Floods and levees of the Mississippi River."

ENROLLED BILLS SIGNED.

The message further announced that the Speaker of the House had signed the following enrolled bills, and they were subsequently signed by the President pro tempore:

A bill (H. R. 858) for the relief of Alfred P. Reck;

A bill (H. R. 5775) for the relief of the Liberty loan subscribers of the North Penn Bank, of Philadelphia, Pa.; Santa Rosa National Bank, Santa Rosa, Calif.; Mineral City Bank, Mineral City, Ohio; Robbinsdale State Bank, Robbinsdale, Minn.; and Farmers & Merchants State Bank, Kenmare, N. Dak.;

A bill (H. R. 11396) to regulate foreign commerce in the importation into the United States of the adult honeybee (Apis mellifica); and

A bill (H. R. 11699) relating to the appointment of the Chief of Staff of the Army.

UNITED STATES COAL COMMISSION.

Mr. BORAH. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 12377, to establish a commission to be known as the United States Coal Commission.

The PRESIDING OFFICER. The Senator from Idaho asks unanimous consent for the present consideration of the bill which the Secretary will report.

Mr. UNDERWOOD. Let me ask a question. I understood yesterday that this bill was referred back to the committee. The committee reports it back?

Mr. BORAH. I am asking for the consideration of the committee report.

Mr. UNDERWOOD. The Senator is reporting it?

Mr. BORAH. I made the report some time ago, and it is now on the table.

The PRESIDING OFFICER. The report was submitted in the regular order.

Mr. BORAH. The committee reported an amendment, to strike out all after the enacting clause and substitute the bill as reported by the Senate committee.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Education and Labor with an amendment to strike out all after the enacting clause and to insert:

That there is hereby created and established a commission to be known and designated as the United States coal commission, to be composed of five members appointed by the President of the United States by and with the advice and consent of the Senate, Members of the House of Representatives and United States Senate to be ineligible to serve on said commission.

Any vacancy on the commission shall be filled in the same manner as the original appointment. The members of said commission shall receive a salary of $7,500 a year. Said commission shall cease to exist one year after the passage of this act unless otherwise provided by Congress.

The term "member" or "person" as used in this act means individual, partnership, corporation, or association; the term "coal" means anthracite, bituminous, and other coal, lignite, coke, and culm, whether in place, extracted, or banked.

It shall be the duty of said commission to investigate and ascertain fully the facts and conditions and study the problems and questions relative to the coal industry with a view to and for the purpose of aiding, assisting, and advising Congress in matters of legislation which will insure a supply of this commodity to the industries and the people generally throughout the country and maintain the uninterrupted flow of commerce among the States, or any legislation which Congress may, after said investigation, deem wise and which, under the Constitution, it has the power to enact.

To this end said commission shall ascertain and report to the President and Congress: As to the ownership and titles of the mines; cost of production; profits realized by the operators or owners of said mines during the last 10 years; labor costs; wages paid; irregular production and suggestions as to the remedy for the same; the conditions generally under which coal is produced; the causes which from time to time induce strikes, thereby depriving interstate carriers of their fuel supply and otherwise interrupting the flow of interstate commerce; and all facts, circumstances, or conditions which would be deemed helpful in determining and establishing a wise and efficient policy by the Government relative to said industry.

Said commission shall also submit recommendations relative to:

(a) Standardizing the mines upon the basis of their economic productive capacity and having in view the closing down of mines which, by reason of their natural limitations, fall below the standard.

(b) Standardizing the cost of living for mine workers and the living conditions which must be supplied or afforded in order to surround the workmen with reasonable comforts, and standardizing also as far as practicable the amount of work a man shall perform for a reasonable wage, recognizing the value and effect of such surroundings in respect to their efficiency.

(c) Standardizing a basis of arriving at the overhead cost of producing and distributing the coal, including delivery at the door of the consumer, recognizing in this compilation that the standardized cost of living to the miners should be the first and irreducible item of expense.

(d) The advisability or wisdom of nationalizing the coal industry.

(e) The feasibility or necessity of governmental regulation and control of the coal industry.

Said commission shall render its first report and recommendations as soon as practicable and not later than five months from the passage of this act to the Congress and to the President. That the data or information obtained by the said commission shall not be made public, except as the same is made public by reports to the Congress or to the President, or in compliance either with the request of the Congress or of the President.

That said commission may require by subpœna issued and signed by the chairman the attendance of any person and the production of any book, paper, document, or other evidence from any place in the United States at any designated place of hearing; or it may take the deposition of any person before any person having power to administer oaths. In the case of a deposition, the testimony should be reduced to writing by the person taking the deposition or under his direction and should then be subscribed to by the deponent. Any member of the commission may administer oaths and examine witnesses. Any witness summoned or deposition taken under this act shall be paid the same fees and mileage as are paid to witnesses in the courts of the United States.

No person shall be excused from so attending and testifying and deposing, or from so producing any book, paper, document, or other evidence on the ground that the testimony or evidence, documentary or otherwise, may tend to incriminate him or subject him to a penalty or forfeiture; but no natural person shall be prosecuted or subjected to any penalty or forfeiture for or an account of any transaction, matter, or thing as to which, in obedience to a subpœna and under oath, he may so testify or produce in evidence; except that no person shall be exempt from prosecution and punishment for perjury committed in so testifying.

That for the efficient administration of the functions vested in this commission by this act, any member, officer, or employee thereof, duly authorized in writing by the commission, shall, at all reasonable times for the purpose of examination, have access to and the right to copy any book, account, record, paper, or correspondence relating to any matter which the commission is authorized by this act to investigate.

That every officer or employee of the United States whenever requested by the commission shall supply it with any data or information pertaining to any investigation by the commission which may be contained in the records of the office of such officer or employee.

That no person shall willfully (1) fail or refuse to make any report required by the commission, or (2) make in any such report any statement which is false in any material particular. Any person who violates this subdivision shall, upon conviction thereof, be fined not more than $5,000, or imprisoned for not more than one year, or both.

That the commission may appoint, remove, and fix the compensation of such employees, and make such expenditures, including salaries, traveling expenses, per diem rates of allowance in lieu of subsistence, as are necessary for the efficient administration of the functions vested in the commission by this act, and as may be provided for by the Congress from time to time. All the expenses of the commission shall be allowed and paid upon the presentation of itemized vouchers therefor, approved by the chairman of the commission. No salary or compensation of employee shall exceed $5,000 per year.

There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $100,000, or so much thereof as may be necessary, to be available until one year after the passage of this act. Such sum shall be expended by the commission, in the District of Columbia or elsewhere, for defraying the expenses of the maintenance and establishment of the commission, including the payment of salaries.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER (Mr. McNARY in the chair). Does the Senator from Idaho yield to the Senator from Ohio?

Mr. BORAH. Certainly.

Mr. POMERENE. If I may have the attention of the Senator from Idaho, on page 7, line 3, it is provided that the United States coal commission shall be "composed of five members," and the word "member" appears in several places in the bill. In lines 13 and 14, page 7, it is provided that—

The term "member" or "person" as used in this act means individual, partnership, corporation, or association.

Of course, the Senator did not intend that any member of the commission should be included in "partnership, corporation, or association."

Mr. BORAH. No. Of course, when I wrote the clause appearing in lines 13, 14, and 15 I did not have in mind the members of the commission.

Mr. POMERENE. I was certain of that, and I thought the Senator would see the incongruity.

Mr. BORAH. It might be well, therefore, to strike out the word "member" and simply say "the term 'person' as used in this act," and so forth.

Mr. POMERENE. I move on page 7, in line 13, that the words "member or" be stricken from the bill.

Mr. BORAH. I have no objection.

Mr. STERLING. In that same connection I would suggest that the word "any" ought to precede the word "individual," in line 14, so it would read:

The term "person" as used in this act means any individual person, corporation, or association.

The PRESIDENT pro tempore. The Secretary will state the amendment proposed by the Senator from Ohio to the amendment of the committee.

The READING CLERK. On page 7, line 13, strike out "members or," so as to read:

The term "person" as used in this act means individual, partnership, corporation, or association.

The amendment to the amendment was agreed to.

Mr. BORAH. Now let the word "any" be inserted after the word "means," in line 14, page 7.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The READING CLERK. On page 7, line 14, after the word "means," insert the word "any," so as to read:

The term "person" as used in this act means any individual, partnership, corporation, or association.

The amendment to the amendment was agreed to.

Mr. STERLING. On page 10, lines 3 and 5, occurs the word "should." For example, beginning in line 3, it reads:

In the case of a deposition, the testimony should be reduced to writing by the person taking the deposition, or under his direction, and should then be subscribed to by the deponent.

It seems to me that is rather unusual language in a provision of this kind. It might be thought it was simply discretionary as to whether the testimony shall be reduced to writing or not. Instead of the word "should" we should have the word "shall."

Mr. BORAH. Very well.

Mr. STERLING. It would then read, "the testimony shall be reduced to writing," and so forth.

The PRESIDENT pro tempore. The Secretary will report the amendment proposed by the Senator from South Dakota to the amendment of the committee.

The READING CLERK. On page 10, line 3, after the word "testimony," strike out "should" and insert "shall," and in line 5, after the word "and," strike out "should" and insert "shall," so as to read:

In the case of a deposition, the testimony shall be reduced to writing by the person taking the deposition, or under his direction, and shall then be subscribed to by the deponent.

The amendment to the amendment was agreed to.

Mr. BORAH. Upon yesterday the Senator from Arkansas [Mr. ROBINSON] called attention to the words "having in view" on page 8, line 19, and made a suggestion which I think ought to have consideration. I had intended, but it slipped my mind, to bring in the substitute with an amendment there. The original bill had in it at that point the word "regarding" instead of "having in view," and I rather think that is a preferable term. I move to strike out the words "having in view" and insert the word "regarding."

The PRESIDENT pro tempore. The Secretary will report the amendment proposed by the Senator from Idaho to the amendment.

The READING CLERK. On page 8, line 19, strike out the words "having in view" and insert the word "regarding," so as to read:

Standardizing the mines upon the basis of their economic productive capacity and regarding the closing down of mines which, by reason of their natural limitations, fall below the standard.

The amendment to the amendment was agreed to.

Mr. BORAH. On page 10, in line 3, the word "oath" should be in the plural. I move to strike out the word "oath" and insert the word "oaths."

The amendment to the amendment was agreed to.

Mr. WALSH of Montana. Mr. President, if the Senator from Idaho will recur to subdivision (a), page 8, lines 18 to 21, to which reference was just made, I would like to make a suggestion. The Senator is aware that frequently the mines may be really not available for production economically by reason of their geographical location with reference to transportation facilities as well as their natural limitations. I think that ought to be taken into consideration as well.

Mr. BORAH. How would the Senator remedy that?

Mr. WALSH of Montana. I would add, after the word "limitations," the words "or other conditions."

Mr. BORAH. I think that is desirable. If the Senator will offer the amendment, I shall make no objection to it, so far as I am concerned.

Mr. WALSH of Montana. I move to insert, after the word "limitations," in line 20, page 8, the words "or other conditions."

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The READING CLERK. On page 8, line 20, after the word "limitations" and the comma, insert "or other conditions," so as to read:

Standardizing the mines upon the basis of their economic productive capacity and regarding the closing down of mines which, by reason of their natural limitations, or other conditions, fall below the standard.

The amendment to the amendment was agreed to.

Mr. REED of Missouri. Mr. President, has the Senator from Idaho any other amendment to offer?

Mr. BORAH. I have not.

Mr. REED of Missouri. I desire to inquire why the Senator excludes from membership in the commission Members of the Senate and House of Representatives?

Mr. BORAH. Very frankly, it is because I am utterly opposed to Members of Congress sitting upon such commissions.

Mr. REED of Missouri. Does the Senator desire to create a board which shall be independent of the Government and shall act without any influence or coercion from the governmental agencies? Is that his reason for excluding Members of Congress?

Mr. BORAH. What I desire is to have a report from a commission wholly aside from the Congress. It comes to the Congress and Congress reviews it, not as a report which came from a part of its membership but wholly from an independent body.

Mr. REED of Missouri. Then should it not also be independent of the Executive by parity of reasoning?

Mr. BORAH. Does the Senator mean that no executive official should sit as a member of the commission?

Mr. REED of Missouri. Yes.

Mr. BORAH. I would not have any objection at all to that being inserted, although it had not occurred to me.

Mr. REED of Missouri. Then I move after the word "Senate," in line 6, on page 7, to insert the words "and any person holding an office under the United States."

The PRESIDENT pro tempore. The Secretary will state the amendment proposed by the Senator from Missouri to the amendment.

The READING CLERK. After the word "Senate," in line 6, page 7, insert "and any person holding an office under the United States," so as to read:

That there is hereby created and established a commission to be known and designated as the United States Coal Commission, to be composed of five members appointed by the President of the United States, by and with the advice and consent of the Senate, Members of the House of Representatives and United States Senate, and any person holding an office under the United States to be ineligible to serve on said commission.

The amendment to the amendment was agreed to.

Mr. EDGE. Mr. President, may I ask if that completes the amendments to be offered by the chairman of the committee?

Mr. BORAH. I have no further amendment to offer. The last amendment was offered by the Senator from Missouri. I do not know whether the Senator from Missouri is through or not.

Mr. EDGE. I desire to offer an amendment.

Mr. REED of Missouri. I had not intended to yield the floor, but I give way for the amendment which the Senator from New Jersey desires to offer.

The PRESIDENT pro tempore. The Secretary will state the amendment offered by the Senator from New Jersey to the amendment.

The READING CLERK. On page 12, at the end of the amendment, after line 10, insert the following new paragraph:

That Congress hereby declares the existence of an emergency resulting from the economic and industrial conditions in the production and distribution of coal, and in order to provide coal for (1) the Army, Navy, and militia of the United States, (2) the Government of the United States, (3) carrying the mails and maintaining the Postal Service and the post offices, (4) the maintenance of commerce with foreign nations and among the several States and with the Indian tribes, (5) the territories and possessions of the United States, (6) the execution of the laws of the United States, and (7) the welfare and safety of the people of the United States, the President of the United States, if he deems it necessary and for such periods of time as he deems necessary, is hereby authorized to acquire, by condemnation or otherwise, any or all of the coal mines within the United States, and to operate such mines and to distribute the coal therefrom, and to employ or create such agencies as he deems necessary. There is hereby appropriated the moneys necessary to make just compensation for private property taken and to carry out the provisions of this section.

Mr. EDGE. Mr. President——

The PRESIDENT pro tempore. The Senator from New Jersey.

Mr. SHIELDS. Mr. President, I should like to inquire whether the Senator from New Jersey, who offered the amendment which has just been read, proposes to discuss it now?

Mr. EDGE. I am going to speak very briefly on the amendment.

Mr. SHIELDS. I ask that question for this reason: I suppose the amendment will provoke a very extended discussion, and I have an amendment which I desire to propose to the section which has just been amended, which I should like to offer in order to complete that paragraph. I think the amendment which I propose may be disposed of in a moment.

Mr. EDGE. I have no objection to yielding to the Senator from Tennessee in order to propose the amendment if it will not interfere with the consideration of the amendment upon which I desire briefly to address the Senate.

Mr. SHIELDS. Very well. With the permission of the Senator from New Jersey, I will merely offer my amendment at this time and not ask to have it now disposed of or to interfere with the discussion of his amendment. I move to insert immediately after the amendment which has just been adopted on the motion of the Senator from Missouri [Mr. REED], on page 7, after the word "commission," in line 7, the words "or any person interested directly or indirectly in the ownership, mining, or distribution of coal."

The PRESIDENT pro tempore. The Secretary will state the amendment proposed by the Senator from Tennessee.

Mr. BORAH. Is the amendment which has just been proposed by the Senator from Tennessee the matter now pending before the Senate?

Mr. EDGE. Mr. President, I do not wish to be involved in any parliamentary tangle. I have offered an amendment which is now pending.

The PRESIDENT pro tempore. The Senator from New Jersey has the floor.

Mr. EDGE. If my temporarily yielding to the Senator from Tennessee for the consideration of his amendment will displace my amendment, I, of course, shall have to object to the consideration of his amendment.

Mr. SHIELDS. I did not ask for the immediate consideration of my amendment. I understood that the Senator from New Jersey only allowed me to submit the amendment.

Mr. EDGE. As I understand, the Senator from Tennessee merely wishes to present the amendment, and I have yielded to him for that purpose.

Mr. SHIELDS. That is correct.

Mr. EDGE. Mr. President, I am going to speak very briefly on my amendment. I am in hearty accord with the substitute bill reported by the Senator from Idaho [Mr. BORAH] and believe that its passage will serve a very useful purpose.

Mr. ROBINSON. Mr. President, will the Senator from New Jersey yield to me?

The PRESIDENT pro tempore. The Chair desires to say that it is the amendment which has been proposed by the Senator from Tennessee [Mr. SHIELDS] which is now the pending question.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. The Chair understood the Senator from New Jersey for the moment to withdraw his amendment.

Mr. EDGE. Mr. President, I have not yielded the floor. I do not know that it makes a particle of difference whether I speak on the amendment which has been proposed by the Senator from Tennessee or the amendment which has been proposed by myself.

Mr. SHIELDS. As I understand the parliamentary situation, the Senator from New Jersey [Mr. EDGE] merely yielded the floor to me in order that I might offer my amendment, but not to have my amendment considered at this time.

Mr. EDGE. Absolutely.

Mr. ROBINSON. Mr. President, if the Senator from New Jersey will be good enough to yield to me for a statement, I desire to say that the clerks at the Secretary's desk did not get the amendment of the Senator from Tennessee, which was submitted orally, and I suggest that the Senator from Tennessee be authorized to restate the amendment, in order that the clerks may get it.

Mr. EDGE. Mr. President, inasmuch as there seems to be some question involved as to whether my amendment would be in order if the amendment offered by the Senator from Tennessee shall be received, I must of necessity withdraw my willingness to yield for the present. I shall only occupy the floor for a very few moments. Then the Senator from Tennessee may again offer his amendment.

Mr. SHIELDS. In order that my agreement with the Senator from New Jersey may be carried out, I temporarily withdraw my proposed amendment.

Mr. EDGE. I thank the Senator from Tennessee for his courtesy.

As I have already stated, I am heartily in favor of the substitute bill which has been reported by the Senator from Idaho [Mr. BORAH], and I believe that such an investigation as is proposed under that measure will finally result in some permanent relief in the coal situation; but we are faced to-day with a condition which, in my judgment, while we are legislating on the subject, demands authority from Congress to the Executive which will enable him to act, if he deems it necessary to act, beyond and above the proposed power of pending legislation.

The situation to-day, as I think we all agree—perhaps, we disagree as to the remedy—has been entirely transferred from a question of disagreement between the operator and miner. Whether the controversial points still at issue are large or small, they seem to the other 109,000,000 people of the country, the public, not to be of sufficient force and magnitude to prevent at least a temporary understanding and a resumption of the mining of coal. Apparently, from the reports we have received through the newspapers, the anthracite conference has been dissolved and there seems to be no encouragement for the future.

We in the eastern part of the country, particularly in the New England States and in the eastern Atlantic States, depend from a domestic standpoint absolutely upon the use of anthracite. The furnaces and heaters and ranges and stoves in our section are not prepared for the use of bituminous coal. It is absolutely essential, if there is sufficient power or force, that the President be given that power in order that the inherent responsibility of Government for the protection of the lives and property of the public may be invoked.

I am not a lawyer; I do not know whether or not the amendment which I have offered is constitutional. That is a matter upon which I suppose the lawyer Members of this body will disagree. The Supreme Court of the United States must finally settle all such controversial questions. I have never seen a question of law presented in the Senate when there was not immediate disagreement between learned members of the bar; and, so far as that is concerned, I have given the matter little, if any, thought.

My amendment provides that if in the discretion of the President it becomes necessary, in order to produce coal, to take over the mines or any portion of the mines power shall be conferred upon him by Congress to do so; and should the amendment be adopted he certainly will have that power until some court decides otherwise. Under present conditions, it seems to me, Congress would be absolutely derelict in its performance of duty if it did not give the President some positive power of this kind and character.

The only other bill pending with which I am familiar is that offered by the Senator from Iowa [Mr. CUMMINS], providing a curb upon profiteering. I think that likewise a very essential and necessary bill, but the passage of the bill providing for a thorough investigation and the passage of the bill designed to curb profiteering will merely leave the situation just as it is to-day so far as the actual mining and immediate production and distribution of coal are concerned.

The entire question now seems to be referred to the Congress. The President, as was well said yesterday, patient, forbearing, considerate, conciliatory, has done his very best, the best that any human being could do, to try to bring his good offices to bear upon the warring elements in the coal industry. The result we all know. Certainly, because disagreement continues, he can not be criticized fairly or justifiably. In view of the circumstances, then, it is up to Congress to attempt to provide a further remedy.

In the debate yesterday some Senators contended the President had the power already; others that he did not; the same question of controversy and difference of opinion arises. So, why not delegate to him by statute—which is, of course, all we can do—this power; we must trust him to use it with discretion and in a careful manner, so that if the worst comes to the worst—and it certainly looks, with only a few weeks before autumn weather, that the worst will come to pass—and sufficient anthracite can not be distributed among the homes of the country, the President will at least be in a position to legally use his good offices to try to alleviate the situation.

Again, I think it may have a further effect; I hope so at any rate. The differences between the miner and the operator in the anthracite field seem to be summed up mainly in two points, as I recall the press reports—one, that the miners wish the present wage scale to extend over a few additional months, and the other the question of arbitration, which is opposed by the miners. The public has ceased to have patience with such quibbling, even though these points may be deemed of extreme importance by those interested. The time has arrived when the force and power of the Government, if it has force and power, should be exercised in the direction of alleviating this situation. Certainly the adoption of an amendment of the character proposed by me to the pending measure will at least indicate that Congress is doing all that Congress can do to try to delegate the power necessary to the one man who can administer it—the President of the United States.

Mr. BORAH. Mr. President, I sincerely hope that the Senate will not attach the amendment offered by the Senator from New Jersey to the pending bill. I say that without passing judgment upon the merits or demerits of the amendment, but it is wholly aside from the purposes and objects of the measure now under consideration. It ought to be brought here as a separate and independent proposition, and when it is brought here in that form it will merit and undoubtedly receive the serious consideration of the Senate before it passes; but it is entirely aside from the proposition which is sought to be covered by the pending measure.

The amendment which has been offered by the Senator from New Jersey would involve about as serious a question as could be presented to the Senate. The amendment has never been referred to any committee; it has never received any consideration at the hands of any committee; and manifestly the Senate is not prepared to pass upon so serious a question in the shape of an amendment. I have not been able even yet to get a copy of the amendment.

I wish the Senator from New Jersey would withhold his amendment and put it in the form of a separate bill, so that the matter may be presented in such a way that when it is finally passed there will be scarcely any doubt about our authority to pass it. My candid opinion is that, whatever we may be able to do, the amendment as drawn would not stand the test. I am perfectly willing to exhaust all the power that Congress has to deal with this question; I will support any bill within our power and which seems efficient which the Senator may introduce looking to that end; but I think the Senator must realize that we can not adopt his suggestion as an amendment to this bill.

Mr. EDGE. Mr. President, the necessity for haste, which is quite obvious, has impelled me to present the amendment as a rider, as it might be termed, or as an additional section to the pending measure. The necessity for haste, I think, is quite apparent to everyone. If the amendment could be adopted as a separate bill, of course it could be adopted as an amendment to the pending bill, for the same arguments would prevail.

As to its being couched in precisely the proper language, I, of course, am unable to say. It was prepared, however, by the bill-drafting service of Congress, and I know was drawn with great care. If there should be some question as to its phraseology, the pending bill of necessity must go to conference, it must be returned to the House, as it has been entirely redrafted, and my proposed amendment can then be given very careful consideration.

I do not wish to do anything to prevent the passage of the bill of the Senator from Idaho. That bill, however, looks forward to a result which would probably be gained months hence, while the country seeks and demands results at once.

Mr. BORAH. Mr. President, I perfectly agree with the Senator that there should be a measure offered—and there has been one introduced which has already gone to a committee—providing the means, in so far as can be done, for meeting the present emergency. When, however, the pending bill was introduced we had no purpose of dealing with the present emergency. The bill was introduced at a time when it was hoped the Executive would find a solution of the present situation, and the bill was not designed to cover that. I agree with the Senator that he should move as rapidly as he may, and I will move with him as rapidly as I can. If such a measure as he has proposed shall go to my committee, it will have immediate consideration; but that kind of a measure would not go to the committee of which I have the honor to be chairman; it would go to either the Interstate Commerce Committee or the Judiciary Committee.

Mr. SUTHERLAND. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New Jersey yield to the Senator from West Virginia?

Mr. EDGE. I yield.

Mr. SUTHERLAND. I should like to ask the Senator whether the entire scope of his amendment is not covered by paragraph (d) on page 9, line 9, of the pending bill, where the commission about to be created is directed to make recommendations relative to the "advisability or wisdom of nationalizing the coal industry," which is practically what the amendment of the Senator from New Jersey would accomplish?

Mr. EDGE. No, Mr. President; not at all. I am very glad the Senator from West Virginia has brought up that point, because I do not want to be misunderstood. I do not think there is a Senator in this body who, as a matter of fundamental principle, is more opposed to the general policy of nationalization or of Government ownership than the Senator from New Jersey; and so far as the report anticipated in section (d) is concerned, as to the advisability or wisdom of nationalizing the coal industry, it would undoubtedly be very interesting to have that report. My amendment strikes at an emergency just the same as an emergency of war—not to take over and nationalize permanently the coal industry, but an emergency to get coal to keep people warm and alive. It has nothing whatever to do with permanent governmental control.

Mr. STERLING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New Jersey yield to the Senator from South Dakota?

Mr. EDGE. I yield.

Mr. STERLING. The Senator's amendment, it seems to me, contemplates a good deal more than the Government taking temporary possession of the coal mines. It contemplates condemnation proceedings, by which the Government shall acquire right and title to them.

Mr. EDGE. That is left entirely to the judgment of the Chief Executive, who would administer the power given him under the amendment as he found it necessary while an emergency existed.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. EDGE. I yield to the Senator.

Mr. LENROOT. According to the reading of the amendment, the President could not operate a coal mine unless he had first acquired title to that coal mine.

Mr. STERLING. I am not sure as to whether he would have to acquire actual legal title.

Mr. LENROOT. I say, under the Senator's amendment. I am not speaking of the power; I am speaking of the amendment.

Mr. STERLING. Exactly.

Mr. SUTHERLAND. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New Jersey yield to the Senator from West Virginia?

Mr. EDGE. I do.

Mr. SUTHERLAND. I should like to ask the Senator whether he has made any calculation or had any calculation made as to the amount of money, the millions or billions of dollars, which would be required to carry out the full scope of his amendment; and are we to be asked at this time, in a few moments, to vote upon an amendment requiring the expenditure of some billions of dollars, and actually appropriating the money for that purpose, as the amendment sets forth, without any idea at all as to what the cost of the proposal is to be?

Mr. EDGE. When the life of the public is in imminent danger I do not believe the Senator from New Jersey is particularly concerned about the amount, especially when it is entirely in the hands of the Chief Executive of the Nation to administer the authority as he sees proper. Of course, I might, in passing, refer to the billions of dollars now being considered as a bonus; that huge expenditure does not seem to alarm some Senators very much. However, I was going to answer the Senator from Idaho in his request that this amendment be considered as a separate measure. The Senator from Idaho is very courteous. He is very anxious that his bill shall be put into operation, and so am I. I wanted to get before the Senate, so far as I could, the necessity for further action. I have introduced an amendment that, I believe, should have immediate consideration, but recognizing the controversy that would necessarily ensue if I pressed it as an amendment, I am entirely satisfied to have it considered as a separate bill. As I understand, the joint resolution introduced yesterday by the Senator from Massachusetts [Mr. WALSH], dealing with the subject, was referred to the Committee on Interstate Commerce. Is not that correct?

Mr. WALSH of Massachusetts. That is a fact. It was referred to the Committee on Interstate Commerce.

Mr. EDGE. Then, if I may, with the assurance which I know will be forthcoming that in view of the importance of this measure it will receive quick consideration, I will withdraw the amendment and introduce it as a separate bill, with the request that it be referred to the Committee on Interstate Commerce.

The PRESIDENT pro tempore. Without objection, it is so ordered. The amendment will be received as an independent bill and referred to the Committee on Interstate Commerce.

The bill (S. 3954) to provide for the operation and control of coal mines during the present emergency was read twice by its title and referred to the Committee on Interstate Commerce.

Mr. FLETCHER. Mr. President, I am in favor of this bill, the purpose and object of it. At the same time I recognize that there will be delay, that there will not be accomplished by it any immediate remedy of very shocking conditions. We have had numerous investigations of the coal industry heretofore. We have had numbers of committees investigate and report. The former Senator from Iowa, Mr. Kenyon, made a report on that situation, in fact, last April, and submitted a bill which was referred to the committee, and, so far as I know, never has been considered; at least no report has been made on it.

Mr. WALSH of Massachusetts. Mr. President, will the Senator permit an interruption?

Mr. FLETCHER. Yes.

Mr. WALSH of Massachusetts. I will state to the Senator that there are at least 10 resolutions or bills dealing with the coal industry that have been pending for two years that have not been acted upon.

Mr. FLETCHER. Precisely; and aside from these efforts to get action, definite and effective in character, which have come to naught, we have had reports that have told us of the conditions which are recited now by the President, after a very commendable effort and a very high purpose on his part to adjust these differences between conflicting interests, in order that the country might not suffer.

I express here now my high commendation of the President for the real energy he displayed in the effort to adjust these questions; and the President reports to us what Congress has heretofore known, what has been in the minds and in the knowledge of all of us for some time past: There are vastly more mines than are really needed to supply the country with coal, and there are some two or three hundred thousand more miners than are required to operate these mines; and he reports further conclusions which are admissions, it seems to me, humiliating to the country and startling to the world.

For instance, the President states in his message to Congress delivered on the 18th instant:

> The simple but significant truth was revealed that, except for such coal as comes from the districts worked by nonorganized miners, the country is at the mercy of the United Mine Workers.

Think of that! Not certain localities, not certain communities, not certain isolated enterprises are at the mercy of the United Mine Workers but the whole country, 110,000,000 people; not simply adversely affected by an aggregation or a group but at the mercy of that group!

Have we departed absolutely from the fundamental principles of this Government? Have we come to the point where we have abandoned the straight road of liberty and freedom, the foundations upon which this Government is based, and taken the fork which leads absolutely to the control of a certain group or aggregation of people, four or five hundred thousand of them, controlling and directing the whole country with respect to this necessary of life? Have we departed from the principles of democracy, from a society where there is equal opportunity and at least a share in control, to an autocracy where opportunity is not equalized and where control is vested entirely in the hands of a certain group or aggregation?

That is a real and vital distinction of principle. Either we are a democracy, either we live under a government where every man is set free to be his best and to do his best, or we are at last planted upon the principles of autocracy, where a certain group controls and where opportunity is not equalized.

There is a distinct difference here in principle; and, according to the President's announcement—and I have no disposition to question it at all, because he has made a thorough study of the whole situation—he reaches the conclusion, which he tells to the whole world, that the country is at the mercy of the United Mine Workers.

How long are we going to permit that to continue? As a free American citizen I do not like to be dependent upon any man or any set of men. As a citizen of this Republic I resent any such condition, and my mind rebels against it as intolerable. I do not think that situation ought to last 24 hours, much less until Congress meets again in December. The chairman of the Interstate Commerce Committee said yesterday on the floor: "We propose to deal with this question when Congress meets in December." In other words, the House is on fire, and we will call out the fire department next December! In other words, here is a group of people at the throats of this Government and this whole country, and we will argue the question with them next December, if we live!

Was ever such a situation reached before as that now put before the country in this solemn statement, impressively made, which goes throughout the world, that this country is at the mercy of the United Mine Workers?

I am in thorough sympathy with the views of the Senators, expressed on yesterday, and with what was said this morning by the Senator from New Jersey, that something ought to be done *now*—not next December; not after this commission reports; not after further finding of facts—something ought to be done now to relieve this situation, and to protect the rights and interests and the health and the lives of the people of this country.

The President has recommended this bill in substance. I am in favor of that. He has recommended another bill, referred to in his message, for a temporary national coal agency. That bill has been introduced and referred to a committee. I am in favor of that. I am in favor of taking every step that the President has recommended here in order not merely that we may have eventually and in the future some settlement of this question upon some sound and proper basis but I hope it will enable him at once to see to it that we are no longer at the mercy of any group or aggregation of groups in a particular industry.

As to the United Mine Workers' organization, I never had any contact with them and do not know very much about them. Their power must be an extraordinary one, a power that, so far as I know, never had such control before in the history of this country, and a power which has a control now, I submit, which ought not to be endured for one hour, according to the President's statement.

It is stated in an article in the Manufacturers' Record that—

> During the steel strike in Pennsylvania a few years ago an Army officer stationed in the strike region, in reply to a question by a Congressman, said that he had not been able to find an American citizen among the strikers, and some of the Congressmen who investigated the situation, when they returned to Washington, told their associates that they had not been able to find among the strikers anybody who could understand the English language, and the strikers spoke no language which they could understand.

In a recent communication from Mr. Charles E. Hellier, of New York, he said:

> I recently visited the Connellsville mine district and found that most of the miners making the trouble there are foreigners and aliens, not American citizens, and they neither read nor speak the English language.

Those, I take it, are members of the United Mine Workers' organization, aliens. A great majority of that organization appear to be people who do not speak the English language. Whether they control it or not, I do not know. If they do, what do they care about what they may inflict upon the American people? What do they care about the principles of this Government? What do they care about the distress or suffering of the public? Why should that organization hold the whole country at their mercy, as reported by the President? Surely there must be some way for relieving that condition now, without waiting until next November or next December, or some time in the future.

The only criticism I can have of this measure is that it is along the lines of others which have been introduced in the past and never acted upon. This will be acted upon, I take it, and this commission will eventually be appointed, maybe in 30 days, maybe in 60 days, maybe in 90 days, and then the commission will eventually make a report. In the meantime winter will be here and there will be no coal to furnish heat for the comfort and very existence of the people.

I make no criticism of labor unions. I think the workers have a perfect right to organize into unions. I believe, in many instances, they have accomplished much good for their members and for society. I believe a man has a perfect right to quit his work. The question of violating his contract is between him and the man with whom he makes the contract. He can not be prosecuted for it. I believe a man has a right to work where he can find work, and make proper engagements to that end. The unions themselves say they are not responsible for violence; that they discourage violence. They say that sort of thing is participated in by sympathizers and irresponsible, reckless, disturbers of the peace, violators of the law. Very well. If there is any legislation needed to reach those people who indulge in

violence such as was committed in Illinois, and pursue a course which interferes by force, by murder, and what not, with the orderly conduct of this business, to the end that the people may be served properly and legally, if there is any legislation needed to put those people in jail, that is the kind of legislation which ought to be enacted, not merely to fine them, but to put them in jail. They are disowned by the unions; they are certainly disturbers of public peace and order. They are lawbreakers, and why should they not be put in jail? In my opinion, that would reach a great deal of this trouble.

I doubt if legislation is needed for that purpose. The President seems to say that he has law enough to protect this country, and all he has suggested has been these two bills. "The country is at the mercy of the United Mine Workers," and we pass a bill to appoint a commission to find out what the facts are.

There is no question about that one fact. The President announced it, and I accept his conclusion as decisive upon that point. That is enough for the present. That is the situation, and in my judgment there ought to be sufficient statesmanship, patriotism, and regard for the public welfare and conception of fiduciary responsibility to find a remedy for it, and that remedy ought to be immediate.

Mr. SHIELDS. Mr. President, on account of the parliamentary situation I withdrew an amendment I offered to be inserted on page 7, line 6, of the bill, coming immediately after an amendment just adopted, offered by the Senator from Missouri [Mr. REED]. I now reoffer the amendment in these words:

or any person in any wise interested as mine owner, operator, or miner, in the coal industry.

The PRESIDING OFFICER (Mr. LENROOT in the chair). The Senator from Tennessee offers an amendment to the amendment, which the Secretary will report.

The READING CLERK. Following the amendment offered by the Senator from Missouri [Mr. REED] and agreed to, in line 6, page 7, the Senator from Tennessee proposes to insert:

or any person in any wise interested as mine owner, operator, or miner, in the coal industry.

Mr. ROBINSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. ROBINSON. What disposition was made of the amendment of the Senator from New Jersey to the amendment?

The PRESIDING OFFICER. It was withdrawn by the mover.

Mr. ROBINSON. So the amendment proposed by the Senator from Tennessee is the pending amendment?

The PRESIDING OFFICER. The amendment just reported is the pending amendment. The question is now upon the amendment offered by the Senator from Tennessee to the amendment of the committee.

Mr. SHIELDS. This amendment relates to the eligibility of the commissioners proposed to be appointed under the bill. The limitation upon eligibility, as appears in the bill as reported, is in these words:

Members of the House of Representatives and the United States Senate to be ineligible to serve on said commission.

The amendment offered by the Senator from Missouri [Mr. REED] and adopted, I understand, included executive officers. This amendment is to include in the exception of ineligibility all parties interested in the coal industry as owners, operators, or miners.

Very large powers are granted these commissioners for investigation and determination, so broad that they have a very large discretion in matters, almost approaching that of decision, if they do not do so in some respects. No one will question the importance of the powers vested in them.

The mere fact that the bill is presented by the able Senator from Idaho, I believe unanimously reported by the committee over which he has the honor to preside, and is here seriously considered, is ample proof of the importance of the powers to be vested in these commissioners.

It is fundamental that no man should be a judge to pass upon the law or the facts in any manner or to any extent, conclusively or with limitations, in a matter in which he is directly or indirectly interested. I think one of the great troubles now with the Railroad Labor Board is that it is composed of representatives of the railroads and representatives of their employees. There are conflicting interests in that quasi court, and that will always give trouble. As a matter of course, everyone in the United States is interested in the coal industry. You can not exclude everyone indirectly interested, but you can exclude everyone financially interested, and that is what this amendment does.

In view of the important and drastic powers proposed to be vested in these commissioners, I believe that as far as possible they should be free from any financial interest, and that we may get recommendations and may have a report in the interest of the 110,000,000 people in the United States in no way affected by the interests of less than a half million who are directly financially interested in the coal industry.

I think this amendment is in accord with the general and fundamental principles in regard to excluding parties interested who come to decide on the rights of individuals. This to me is so apparent that I do not care to elaborate my position.

Mr. ROBINSON. Mr. President, the House incorporated in its bill a provision identical, or substantially so, with that now offered by the Senator from Tennessee. The Senate has already adopted an amendment proposed by the Senator from Missouri [Mr. REED], excluding all persons from membership on this commission who hold any office under the Government of the United States, and the original amendment proposed by the Senator from Idaho excludes Senators and Members of the House of Representatives.

The President in appointing this commission ought to be permitted to appoint somebody who knows something about the subject matter of the investigation. The amendments already agreed to narrow his power of appointment very greatly. No Senator, no Representative, no person holding an office under the Government of the United States, can serve on the commission. The Senator from Tennessee now proposes also to exclude mine owners, mine operators, and miners.

The theory upon which the Government has heretofore proceeded in legislation analogous to this is that the parties directly and financially interested may have representation; that persons who have definite knowledge of the details of the business to be investigated may be permitted to contribute their knowledge and experience to the investigating body. If the amendment of the Senator from Tennessee is agreed to, the President will be compelled to appoint a purely academic commission.

The PRESIDING OFFICER. The Senator from Arkansas will suspend for a moment. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The READING CLERK. A bill (H. R. 10874) to provide adjusted compensation for veterans of the World War, and for other purposes.

Mr. BORAH. Mr. President——

Mr. ROBINSON. I yield to the Senator from Idaho.

Mr. BORAH. I request of the Senator from North Dakota [Mr. MCCUMBER] that the unfinished business be temporarily laid aside. If we do not conclude the pending matter within 15 minutes, I shall not ask for any further time.

Mr. MCCUMBER. That is satisfactory to me.

The PRESIDING OFFICER. The Senator from North Dakota asks unanimous consent that the unfinished business be temporarily laid aside. There being no objection, it is so ordered. The question is on the amendment proposed by the Senator from Tennessee [Mr. SHIELDS] to the amendment of the committee. The Senator from Arkansas will proceed.

Mr. ROBINSON. Mr. President, the coal situation and the condition of the coal industry in the United States present problems that can not be determined successfully without the utmost caution and without full consideration. I have no hesitancy in saying that the proposal originally submitted by the President of the United States for the settlement of the coal strike should have been accepted by the parties to the controversy and that every coal mine in the United States in condition to operate should now be producing fuel for the people of the United States and for the maintenance of their industries. Undoubtedly the stubbornness of both the mine owners and operators and of the miners is contributing to a growing sentiment among the people of the United States which will result, if existing conditions continue, in whatever action the Government has the power to take to protect the people of the Nation from the foolish obstinacy of the men who are directly concerned in the industry, both the operators and the miners.

I have no patience with any man who enjoys the protection of our flag who is willing for any consideration involved in the coal strike to menace the citizenship of the Nation with the perils that come from an indefinite continuation of the prevailing disgusting and unnecessary condition in the coal industry. I am ready now to support any well-considered proposal that will serve notice on the mine owners and the miners that if they do not compound their differences the people who are to suffer by reason of their obstinacy will take any course

and every course open to protect themselves against the calamity of a coal famine during the approaching winter season.

I am not moved to oppose the amendment offered by the Senator from Tennessee through any feeling of consideration for those who have needlessly brought upon my country a condition of peril and who, in spite of that growing peril and danger, appear indifferent to all save their own selfish and avaricious interests.

Mr. WALSH of Massachusetts. Mr. President, may I interrupt the Senator to state that the coal famine is not coming, but it is here?

Mr. ROBINSON. Yes; it is already here. If the strike were settled now and every mine operator and every mine worker went to work with the utmost diligence and worked full time and worked efficiently, there will be thousands of homes in the United States where helpless women and children will suffer and where some will die from cold; thousands of smokestacks from which no sign of industry will ascend, millions of wheels which can not be set to turning quickly. Already havoc and ruin have become inevitable.

It is regrettable that the only action proposed by those charged with the responsibility for finding a remedy for the situation is an investigation. The investigation is necessary. It is more than justified. It may result in disclosing a substantial and permanent remedy. That is the hope of those who propose the bill. But it is pitiful that while mine owners and operators quarrel and fight with mine workers, commerce must be paralyzed, industry must be destroyed, comfort and happiness disregarded.

My reason for suggesting that the President be given the power to appoint on the commission a representative of the operators, if he chooses to do so, and a representative of the miners if he appoints a representative of the operators, is that I believe if representation is expressly denied by the legislation the investigation would be discredited in the beginning in the judgment of large elements of our population.

Another reason is that there ought to be on the commission some one who knows the mining business, some one who understands its history, its details, its difficulties, and its prospects. If we eliminate every Member of Congress, every officer of the Government, every mine owner and operator, and every mine worker, we relegate the President to a comparatively limited class of our citizens who may be deemed to possess the qualifications requisite for the labor.

The investigation is intended to result in recommendations. If we exclude by law those who are interested in the investigation, there is little likelihood that the report of the commission will find approval among those who are expressly and directly interested. The Senator from Idaho has worked patiently, diligently, and persistently upon the subject. His first thought was that the President should be required to name on the commission representatives of the mine operators and of the mine workers. The conclusion seemed to be that the President should be given a free hand, barring the limitations already imposed denying him the power to appoint Members of Congress or officers of the United States.

I hope, and I believe I reflect the views and sentiment of the country in general familiar with the situation, that the Senator from Idaho, chairman of the committee, will continue his labors. Some definite and effective measure, if possible, should be presented. The difficulties are admitted. The problems are great. No one may be justly censured because there has not been a solution of those difficult problems. But this much is certain: The bill now pending does not solve the problem. It contributes very little to a solution of the problem and the emergency now before the country. It may be that under the limitations of the Federal Constitution the people of the country are powerless. It may be that those who framed the Constitution did not foresee and did not anticipate the possibility of a time arriving when large elements of our population would become so selfish, so indifferent to the general public good, that they would threaten to destroy the very lives of the people in order to maintain their contentions.

Mr. REED of Missouri. Mr. President——

The PRESIDING OFFICER (Mr. WADSWORTH in the chair). Does the Senator from Arkansas yield to the Senator from Missouri?

Mr. ROBINSON. I yield.

Mr. REED of Missouri. The Senator spoke of the Government being powerless.

Mr. BORAH. Mr. President, will the Senator from Missouri permit me to interrupt a moment? Under my understanding with the Senator from North Dakota I suppose I ought to ask that the bill go over.

Mr. ROBINSON. I am going to conclude immediately. First may I ask what the Senator from Missouri wished to say?

Mr. REED of Missouri. The Senator from Arkansas speaks of the Government "being powerless"——

Mr. ROBINSON. "May be powerless," I said.

Mr. REED of Missouri. "May be powerless"; but, just to get the Senator's thought, I desire to say that, of course, the Senator knows that the Government is not powerless to prevent and punish every conspiracy in restraint of trade and commerce. Is not that the point to which we are being rapidly driven?

Mr. ROBINSON. Mr. President, as to what constitutes a conspiracy in restraint of trade and commerce, there may exist differences of opinion, but I am willing now to use every power under laws that have been enacted, and to enact every law under the Constitution that may be legally passed, to coerce the mine owners, the mine operators, and the mine workers to recognize the paramount right of the public to have commerce continued, and to settle their disputes. I will join the Senator from Idaho [Mr. BORAH], the Senator from Missouri [Mr. REED] and the Senator from Massachusetts [Mr. WALSH] and other Senators now or to-morrow to provide by solemn legislative act that anyone conspiring to hinder, prevent, or restrain interstate commerce in the transportation of coal shall incur a severe penalty; and I will make that law applicable to mine owners, to mine operators, and to mine workers, and I will vote to provide that there shall be no favoritism and no discrimination, for coal is vital to the safety, the welfare, the comfort, and the happiness of the people of this Nation.

The President may not have power under the Constitution of the United States to take over the mines; and if he has the power and exercises it, he may find the same difficulty in operating the mines after taking them over that the mine owners now encounter, unless he accedes to the demands of the workers; but the Congress under its power to regulate commerce, I believe, according to the precedents, could impose conditions of law which would tend to induce both the operators and the miners to compose their differences.

All that, however, would not relieve the one great difficulty; it would not mine coal; and I feel that the only remedy for this situation is a settlement between the mine owners and the mine operators and the mine workers; and, like every other settlement, there must be compromise; there must be mutual concession. The proposed investigation is not expected to produce immediate results. Therefore, before the report of the proposed commission shall have been filed, if the present strike continues, indescribable misery, unspeakable suffering, will have come to those who are innocent of wrong in thought or purpose.

COMPENSATION OF WORLD WAR VETERANS.

Mr. McCUMBER. Mr. President, I ask that the soldiers' compensation bill may be laid before the Senate and proceeded with.

The PRESIDING OFFICER (Mr. WADSWORTH in the chair). The consideration of the regular order will be resumed.

The Senate, as in the Committee of the Whole, resumed the consideration of the bill (H. R. 10874) to provide adjusted compensation for veterans of the World War, and for other purposes.

Mr. McCUMBER. Mr. President, I was engaged with a committee of conference all day yesterday, and therefore I could not be in the Chamber while the pending bill was then being discussed. From the CONGRESSIONAL RECORD of this morning, however, I find that the senior Senator from New York [Mr. WADSWORTH], after quoting some of my statements of the day before yesterday, and especially those in connection with the paragraph relating to the organization of the American Legion, quoted a portion of my speech, as follows:

> The Senator from North Dakota then continued:
>
> "Let me tell you, Mr. President, that we will need these boys with their loyalty to country and Constitution and the sacred rights declared by the Constitution; we will need them more—a thousand times more—than we will need the few dollars we would save by denying this little element of justice."

Then the Senator from New York proceeded to say:

> Mr. President, what is the inference to be drawn from that portion of the address of the Senator from North Dakota? What is the only inference that may be drawn from the inclusion of a declaration or suggestion of that kind in an address upon this bill, soon to be voted upon in this body? The only inference that I can read into it is that if the bonus bill is not passed, in time of crisis, grave, widespread public disorder, should their country call upon them these men will not, or there is danger that they will not, respond.

Mr. President, I know the Senator from New York inadvertently stopped his quotation from my remarks at a most

convenient point if he wished to draw such an inference, which I never dreamed could be drawn from the statement which I made. I shall quote in a moment a portion of the paragraph which follows the quotation read by the Senator from New York.

Mr. President, in my address I was discussing the attitude of those who had piled up their millions during the World War, during which time there had been piled up a bonded indebtedness equal to the millions which they pocketed and which these home-coming soldiers must pay. I was pleading with them to do justice to the soldiers and endeavoring to show by their attitude that while with miserly hands they were gripping the property, the dollars, which they had amassed during the war, they were condemning any attempt to draw a few pennies from their hoarded wealth to do justice to the American soldier.

I presented to them in my feeble way the wrong that they were doing against those soldiers. I thought it proper to call their attention particularly to the fact that the property which they were hugging so closely to their bosoms, their lives, which they seemed to love less than they loved their dollars, and their liberties in these times were dependent upon the principle which these same soldiers had upheld, not yesterday, but three years ago, when they started their organization, and declared:

> For God and country we associate ourselves together for the following purposes: To uphold and defend the Constitution of the United States of America; to maintain law and order; * * * to inculcate a sense of individual obligation to the community, State, and Nation to combat the autocracy of both the classes and the masses; to safeguard and transmit to posterity the principles of justice, freedom, and democracy.

I deemed it quite appropriate to call attention to the fact that the citizenship of the United States which stood most firmly for law and order and the sacred rights of property was composed of these same soldier boys. It has always been the case; it was true of the Grand Army of the Republic; it was equally true of the Confederate veterans; it was likewise true of the veterans of the Spanish-American War. They make our most sturdy manhood in the country. There is nothing anarchistic in any of them.

So I was appealing to those who are condemning these soldiers for graft, who are condemning those who are standing by what they consider to be the solders' rights, and I was reminding them that they must look to these very men to defend their interests, not with arms, for I do not think we shall ever have trouble in this country for many a long year when our Regular Army can not take care of the situation, but they must look to them to sustain the Constitution of the United States as it was written by our forefathers. That, I reiterated, was worth more to them than the few paltry dollars of which they would have to let go in order to do justice to these soldiers. Bearing out that thought and that idea, this was the closing sentence of that paragraph:

> Let those boys who thus swear to defend their country and their Constitution and who stand for right and justice feel that their country has not, to save a few paltry dollars, failed to extend to them the same right and justice for which they so loyally pledge themselves.

There is nothing in that sentence, Mr. President, that would indicate that I considered it necessary to pass this compensation bill in order to maintain the loyalty of the American soldier. The Senator from New York knows just as well as I do that we can depend upon that loyalty, and even though the same soldiers should be called back into arms to defend the property rights of those who made their millions, they would respond to a man to defend the Constitution and everything that is guaranteed by the Constitution. That being so, I took the position, and I will be pardoned if I take it to-day, that these people who have amassed such mighty fortunes can and should extend what? Justice, and justice only, to the soldier.

I am not asking that any Senator agree with me that we are owing them this sum. I say that we are. We can honestly divide upon whether we are owing it to them or whether we are not; but, taking the position I do that there is a just and moral obligation on the part of this country to make partially, at least, the compensation of the soldier more nearly equal to the compensation received by his stay-at-home brother, I say that that is a moral obligation that ought to be met. But I earnestly repudiate the inference which the Senator from New York seemed to attempt to draw from my statement of a couple of days ago.

Mr. NEW. Mr. President, what I shall have to say with reference to this bill, the adjusted compensation bill, can be and will be very briefly said.

My vote will be cast with the minority against this bill. I find myself unable to support it, at least in its present form. Frankly, I seriously doubt if it could be so amended as to command my support. Time was when I felt that if there were coupled with it a satisfactory plan for raising the money necessary to meet its obligations, and to be devoted to that specific purpose, I might vote for it. Indeed, I said as much. The plan that suggested itself to my mind as best suited to this purpose was through the imposition of a sales tax, but the more I have thought of the subject the less I feel able to waive what strikes me as insurmountable objections to the project itself.

I note a disposition on the part of most of the advocates of the measure to refer to it as an "adjusted compensation bill," but, Mr. President, I can not regard it as anything of the kind. In justification of its passage we are reminded that in the early days of the war, and particularly in the building of the cantonments, artisans were paid extravagantly; that carpenters got ten and twelve dollars a day, and in many instances more, for the most ordinary kind of work, requiring no particular skill, work that an ordinary hammer-and-saw man could easily perform; that common labor was paid correspondingly; in short, that artisans, mechanics, laborers, and all hands engaged in Government work gouged the Government without conscience, and that the Government itself did little to resist it. All true, lamentably so. But suppose it is? The soldier got about a dollar a day in pay. If we are to admit that his maintenance cost the Government two dollars a day more and that his clothing and medical attendance accounted for another dollar, he received on all accounts about four dollars a day. This proposition calls for a dollar a day to the man whose service was on this side of the Atlantic, a dollar and a quarter to the man who went overseas, which at most brings the compensation of the soldier to five dollars a day, in contrast to the ten and fifteen dollars that was paid to the mechanic against whom our complaint is lodged, and with whose receipts and conduct that of the soldier is compared.

To my mind it is absurd. It is no compensation at all. You can not compensate the soldier with money, and if it is the idea to do that by this bill, in my humble opinion it is a complete and utter failure. It does not begin to meet the country's obligation. If it is not to be considered as doing that, it is really nothing more than a tip. Our obligation is of a higher order and one that can not be met by the bestowal of a dole, which in its final analysis is all this is to the recipient.

Mr. President, as I look back upon the days of April and May, 1917, I feel that a great mistake was made by the Government when the conscription bill was under consideration in not making it provide for the conscription of the service of every male citizen of military age. I am taxing no one for that mistake more than I tax myself. I was a Member of this body at that time—a member of the Committee on Military Affairs—and I know full well that the propriety of doing this was suggested and considered. But, sir, I know, too, that the question of propriety yielded to one of fear of consequences. The threats that were made by the recognized leaders of organized labor caused the administration and the Congress to doubt the wisdom of undertaking what was obviously the proper thing. Time was the great essential, and our allies, with their backs to the wall, could not have successfully resisted had the coming of American troops been unduly delayed.

In other words, the war could not have been held up while this Nation fought out a labor strike and the delays in preparation that this would have occasioned. I believe that in time of war it is the duty of every man to render to his government the service to which he is best suited, and that every man between the ages of 18 and 64 should have been subject to assignment by the draft board. I believe that upon the declaration of war the universal conscription act should automatically go into effect, and I would be glad in time of peace to vote for such an amendment to the national defense act or some other proper statute as would provide for just that very thing. Had this been done on the 18th of May, 1917, in the conscription bill that became law with that date, there would have been less sentiment for this bill.

But we did not pass such a law; and, as I say, I do not mean to even imply criticism of anyone for it. The plain truth is that in the face of war and the great national peril we were afraid to take chances on the labor tie-up that we were told that general conscription would make certain.

But, Mr. President, neither this, nor in my judgment anything else, justifies the passage of this bill. No one knows how much it is to call for. It is guesswork, and my guess is that it will call for the expenditure of from four to five billions of dollars. I think it perfectly safe to say that it will cost over four billions. There are approximately 20,000,000 families in the United States, and the passage of this bill means that the share in the

payment of this which is imposed upon each of these families is $200; or, at the usual estimate of five to the family, approximately $40 for every man, woman, and child in the United States, from tottering age to the babe in arms.

And, Mr. President, I might think that even this was worth while and justifiable if I felt that what the veterans are to receive would do them any real good. It is my deliberate conviction that it would not. If we are to consider that the sum they are to receive is in fact compensation, it is an insult. If it is not compensation, it is a gratuity, and no man ever accepts a gratuity without being the worse off for having accepted it. It is my honest belief that so far as the cash feature of this bill is concerned, and considering the time and manner of payment provided, it would be money thrown away. It is insufficient in amount to accomplish any beneficent result that would be enduring, and at the end of a period of indulgence that would be brief at best, the only thing that would be left would be the debt that its granting had fastened upon the Treasury.

Mr. President, there is another thought that is in my mind with reference to the future of these boys. Sir, I remember the closing days of the great Civil War. I saw the soldiers of the North returning to their homes to resume the employments of peace with the close of that great struggle. They made upon my youthful mind an impression that has endured through the years. I see them as they really were—the boys of that day, comparable in all respects to those who followed the Stars and Stripes to France in the last great conflict. I have gone through life with those men just ahead, always in sight. I have felt a veneration for them that has been with me always. I have seen them as they have grown in age and the weight of years has bent their backs and bowed their heads, and I can not help contrasting the feeble few who are still here with the boys that I saw in '65.

And as they have grown in years I have felt, and the Nation has felt, that a just Government should do what it could to relieve them of the weight of burdens that grew heavier as life's journey lengthened. I have favored, and the country has favored, the granting of pensions to those whose failing strength made them less capable of caring for themselves. Before I came to this body I felt that the pension system was just. As a Senator I have voted for most—I think all—of the pension bills which have been before the Congress. Whether favored by all or not, the fact remains that our Government is committed to the policy of pensioning its veterans, and the day will come when pensions for the veterans of the World War will not only be in order but the sentiment for them will be irresistible. I am aware that it has been often said that the bills previously passed providing for vocational education, for compensation to families, and the kindred measures were passed in order that there might be no ground on which pensions should be asked; but as these men grow older, as they follow in the wake of the soldiers of the Civil War, the propriety of pensioning them and the sentiment for it will compel it as inevitably as it compelled it in the cases of the soldiers of preceding wars.

The Senator from Idaho [Mr. BORAH] called attention to this in an admirable address delivered in this Chamber several months ago. The same idea occurred to my mind more than a year ago, and I sought by instituting comparisons and making estimates to find just where this would lead us. I knew that in the 56 years that had at that time elapsed since the close of the Civil War the Government had paid to its soldiers and their dependents $5,700,000,000. Realizing the superior numbers of men engaged in the World War as compared to those entitled to pensions as survivors of the Civil War, I went to Colonel Forbes, of the Veterans' Bureau, and told him what I had in mind. I also addressed a formal letter to him, in which I asked that for my official information he would have the actuaries in his department make an estimate of the cost to the Government for an equal length of time—56 years—of a pension system based upon the rates that had been paid from time to time to Civil War veterans and following the same legislative procedure. I submit herewith copies of tables prepared for me in compliance with this request, and I ask that they be printed as a part of my remarks at the conclusion of what I have to say.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. NEW. Mr. President, the greatest amount paid by the Government in any one year on account of Civil War pensioners was a little over $222,000,000. If the same degree of legislative liberality that was manifested toward them and a proportionate rate of progressive increase is continued in the case of the veterans of the World War, it will be seen that we would reach a total of $1,322,000,000 for the year 1973, or an amount equal to the cost of the ordinary current expenses of the Government to-day, including the Civil War and Spanish War pension lists.

Mr. President, the cost of the so-called "bonus" which is provided by this bill will exceed the cost to the Federal Government of the whole Civil War. In 1866 the total national debt was considerably less than $3,000,000,000. We had not wiped out that debt in the 52 years that had elapsed between the surrender at Appomattox and the passage of the resolution of April 6, 1917, recognizing a state of war with Germany. At that time there still remained a debt of a trifle less than $1,000,000,000, the major part of which was chargeable to the Civil War. The passage of this bill means the addition of four or five billion dollars to a public debt that already approximates $23,000,000,000. It is impossible to create a public debt that leaves the shoulders of any man free from the burden it imposes. Its effects will be felt by those who are to be the immediate beneficiaries of this plan for a generation beyond the day when they have lost all recollection of ever having had the pittance that the bill proposes to give them.

I said that a public debt can not be created that does not place a burden upon every citizen, and I believe that to be true. It matters not that it is attempted to assess it in the form of excess-profits taxes or by any other fatuous expedient. In the end the money has to come from the people—from the farms, the shops, from the producers—and no other theory will bear analysis.

Mr. President, we are approaching the day when the Treasury Department must refund about six and one-half billion dollars' worth of Government securities, and in the face of that we are asked to add four or five billion dollars to a debt already passing $23,000,000,000. With all the sentiment I entertain for the soldiers—with all I might be willing to do to bring them even temporary gratification—I can not see my way clear to adopting a policy which my sober judgment convinces me is wrong from every possible standpoint, and from none more than that of the soldier himself. It may or may not be worthy of note that every Member of this body who has been in the military or naval service of his Government at any period of his life, and who is here to vote at all, is arrayed in opposition to the bill.

APPENDIX.

[Treasury Department, Bureau of War Risk Insurance.]

Table giving estimate of what a system of pensions for the World War veterans and their dependents would cost under same legislative procedure as was used by the Pension Bureau.[1]

ON THE ASSUMPTION THAT THE AMOUNT PAID BY THE BUREAU OF WAR RISK INSURANCE IN 1920 WAS THE SAME AS THAT PAID BY THE PENSION BUREAU IN 1866, PER PENSIONER.

Civil War.				World War.			
Fiscal year.	Number of pensioners.	Annual pension per pensioner.	Total amount.	Fiscal year.	Number of pensioners.	Annual pension per pensioner.	Total amount.
1866	126,722	$121.92	$15,450,549.88	1920	252,889	$121.92	$30,832,226.88
1867	155,474	133.69	20,784,789.69	1921	310,267	133.69	41,479,595.23
1868	169,643	136.18	23,101,509.36	1922	338,744	136.18	46,130,157.92
1869	187,963	151.70	28,513,247.27	1923	422,474	151.70	64,089,305.80
1870	198,688	147.73	29,351,488.73	1924	396,547	147.73	58,581,888.31
1871	207,495	137.44	28,518,792.62	1925	414,398	137.44	56,954,861.12
1872	232,220	128.12	29,752,746.81	1926	463,701	128.12	59,409,372.12
1873	238,411	113.17	26,982,063.89	1927	476,027	113.17	53,871,975.59
1874	236,241	127.86	30,206,778.99	1928	471,776	127.86	60,321,279.36

[1] These figures are only approximate.

Table giving estimate of what a system of pensions for the World War veterans and their dependents would cost under same legislative procedure as was used by the Pension Bureau—Continued.

ON THE ASSUMPTION THAT THE AMOUNT PAID BY THE BUREAU OF WAR RISK INSURANCE IN 1920 WAS THE SAME AS THAT PAID BY THE PENSION BUREAU IN 1866, PER PENSIONER—continued.

Civil War.				World War.			
Fiscal year.	Number of pensioners.	Annual pension per pensioner.	Total amount.	Fiscal year.	Number of pensioners.	Annual pension per pensioner.	Total amount.
1875	234,821	$124.65	$29,270,404.76	1929	468,801	$124.65	$58,436,044.65
1876	232,137	120.34	27,936,209.53	1930	463,276	120.34	55,750,633.84
1877	232,104	121.42	28,182,821.72	1931	463,276	121.42	56,250,971.92
1878	223,998	119.58	26,786,009.44	1932	447,125	119.58	53,467,207.50
1879	242,755	138.68	33,664,428.92	1933	484,527	138.68	67,194,204.36
1880	250,802	226.03	56,689,229.08	1934	500,678	226.03	113,168,248.34
1881	268,830	188.16	50,583,405.35	1935	536,805	188.16	101,005,228.80
1882	285,697	190.11	54,313,172.05	1936	570,382	190.11	108,435,322.02
1883	303,658	199.00	60,427,573.81	1937	606,084	199.00	120,610,716.00
1884	322,756	179.43	57,912,387.47	1938	644,336	179.43	115,613,208.48
1885	345,125	188.84	65,171,937.12	1939	688,963	188.84	130,103,772.92
1886	365,783	175.22	64,091,142.90	1940	730,191	175.22	127,944,067.02
1887	406,007	181.65	73,752,997.08	1941	810,520	181.65	148,081,080.00
1888	452,557	174.45	78,950,501.67	1942	903,600	174.45	157,633,020.00
1889	489,725	181.41	88,842,720.58	1943	977,555	181.41	177,338,252.55
1890	537,944	197.22	106,093,850.39	1944	1,074,035	197.22	211,821,182.70
1891	676,160	173.50	117,312,690.50	1945	1,349,875	173.50	234,203,312.50
1892	876,068	159.11	139,394,147.11	1946	1,748,973	159.11	278,279,094.03
1893	966,012	162.43	156,906,637.94	1947	1,928,758	162.43	313,288,161.94
1894	969,544	144.38	139,986,726.17	1948	1,935,558	144.38	279,455,864.04
1895	970,524	144.06	139,812,294.30	1949	1,937,683	144.06	279,142,612.98
1896	970,678	142.40	138,220,704.46	1950	1,937,683	142.40	275,926,059.20
1897	976,014	143.39	139,949,717.35	1951	1,948,309	143.39	279,368,027.51
1898	993,714	145.57	144,651,879.80	1952	1,984,011	145.57	288,812,481.27
1899	991,519	139.54	138,355,052.95	1953	1,979,335	139.54	276,196,405.90
1900	993,592	139.36	138,462,130.65	1954	1,983,586	139.36	276,432,544.96
1901	997,735	138.85	138,531,483.84	1955	1,991,661	138.85	276,542,129.85
1902	999,446	137.58	137,504,267.99	1956	1,995,486	137.58	274,538,963.88
1903	996,545	138.24	137,759,653.71	1957	1,989,536	138.24	275,033,456.64
1904	994,762	141.84	141,093,571.49	1958	1,986,136	141.84	281,713,530.24
1905	998,441	141.36	141,142,861.33	1959	1,993,361	141.36	281,781,510.96
1906	985,971	140.98	139,000,288.25	1960	1,968,285	140.98	277,488,819.30
1907	967,371	142.82	138,155,412.46	1961	1,931,308	142.82	275,829,408.56
1908	951,687	160.86	153,093,086.27	1962	1,899,856	160.86	305,610,836.16
1909	946,194	171.18	161,973,703.77	1963	1,888,805	171.18	323,325,639.90
1910	921,083	173.68	159,974,056.08	1964	1,838,653	173.68	319,337,253.04
1911	892,098	176.35	157,325,160.35	1965	1,780,849	176.35	314,052,721.15
1912	860,294	177.83	152,986,433.72	1966	1,717,521	177.83	305,426,759.43
1913	820,200	212.35	174,171,660.80	1967	1,637,616	212.35	347,747,757.60
1914	785,239	219.57	172,417,546.26	1968	1,567,487	219.57	344,173,120.59
1915	748,147	221.24	165,518,266.14	1969	1,493,533	221.24	330,429,240.92
1916	709,572	224.30	159,155,089.92	1970	1,416,604	224.30	317,744,277.20
1917	673,111	239.03	160,895,053.94	1971	1,343,925	239.03	321,238,392.75
1918	646,895	278.00	179,835,328.75	1972	1,291,647	278.00	359,077,866.00
1919	624,427	355.78	222,159,292.70	1973	1,246,595	355.78	443,513,589.10
1920	592,190	360.18	213,295,314.65	1974	1,182,416	360.18	425,882,594.88
Total			5,734,370,272.81				11,456,116,235.91

ON THE ASSUMPTION THAT THE AMOUNT PAID BY THE BUREAU OF WAR RISK INSURANCE IN 1920 WAS THE SAME AS THAT PAID BY THE PENSION BUREAU IN 1920, PER PENSIONER.

1866	126,722	$121.92	$15,450,549.88	1920	252,889	$360.18	$91,085,560.02
1867	155,474	133.69	20,784,789.69	1921	310,267	394.94	122,536,848.98
1868	169,643	136.18	23,101,509.36	1922	338,744	402.29	139,273,323.76
1869	187,963	151.70	28,513,247.27	1923	422,474	448.15	189,331,723.10
1870	198,686	147.73	29,351,488.78	1924	396,547	436.40	173,053,110.80
1871	207,495	137.44	28,518,792.62	1925	414,398	405.98	168,237,300.04
1872	232,229	128.12	29,752,746.81	1926	463,701	378.45	175,487,643.45
1873	238,411	113.17	26,982,063.89	1927	476,027	334.28	159,121,545.29
1874	236,241	127.86	30,206,778.99	1928	471,776	377.67	178,175,641.92
1875	234,821	124.65	29,270,404.76	1929	468,801	368.19	172,607,840.19
1876	232,137	120.34	27,936,209.53	1930	463,276	355.45	164,671,454.20
1877	232,104	121.42	28,182,821.72	1931	463,276	358.65	166,153,937.40
1878	223,998	119.58	26,786,009.44	1932	447,125	353.20	157,924,550.00
1879	242,755	138.68	33,664,428.92	1933	484,527	409.61	198,467,104.47
1880	250,802	226.03	56,689,229.08	1934	500,678	667.62	334,262,646.36
1881	268,830	188.16	50,583,405.35	1935	536,805	555.73	298,318,642.65
1882	285,697	190.11	54,313,172.05	1936	570,382	561.51	320,275,196.82
1883	303,658	199.00	60,427,573.81	1937	606,084	587.79	356,250,114.36
1884	322,756	179.43	57,912,387.47	1938	644,336	529.95	341,465,863.20
1885	345,125	188.84	65,171,937.12	1939	688,963	557.72	384,248,444.36
1886	365,783	175.22	64,091,142.90	1940	730,191	517.51	378,770,744.10
1887	406,007	181.65	73,752,997.08	1941	810,520	536.50	434,843,980.00
1888	452,557	174.45	78,950,501.67	1942	903,600	515.25	465,579,900.00
1889	489,725	181.41	88,842,720.58	1943	977,555	535.81	523,783,744.55
1890	537,944	197.22	106,093,850.39	1944	1,074,035	582.53	625,657,608.55
1891	676,160	173.50	117,312,690.50	1945	1,349,875	512.45	691,743,443.75
1892	876,068	159.11	139,394,147.11	1946	1,748,973	469.96	821,947,351.08
1893	966,012	162.43	156,906,637.94	1947	1,928,578	479.78	925,293,152.84
1894	969,544	144.38	139,986,726.17	1948	1,935,558	426.47	825,457,420.26
1895	970,524	144.06	139,812,294.30	1949	1,937,683	425.53	824,542,246.99
1896	970,678	142.40	138,220,704.46	1950	1,937,683	420.63	815,047,600.29
1897	976,014	143.39	139,949,717.35	1951	1,948,309	423.57	825,245,243.13
1898	993,714	145.57	144,651,879.80	1952	1,984,011	430.00	853,124,730.00
1899	991,519	139.54	138,355,052.95	1953	1,979,335	413.66	818,771,716.10
1900	993,592	139.36	138,462,130.65	1954	1,983,586	413.12	819,459,048.32
1901	997,735	138.85	138,531,483.84	1955	1,991,661	411.59	819,747,750.99
1902	999,446	137.58	137,504,267.99	1956	1,995,486	407.80	813,759,190.80
1903	996,545	138.24	137,759,653.71	1957	1,989,536	409.75	815,212,376.00
1904	994,762	141.84	141,093,571.49	1958	1,986,136	420.40	834,971,574.40
1905	998,441	141.36	141,142,861.33	1959	1,993,361	418.97	835,158,458.17
1906	985,971	140.98	139,000,288.25	1960	1,968,285	417.83	822,408,521.55
1907	967,371	142.82	138,155,412.46	1961	1,931,308	423.30	817,522,676.60
1908	951,687	160.86	153,093,086.27	1962	1,899,856	476.76	905,775,346.56
1909	946,194	171.18	161,973,703.77	1963	1,888,805	507.36	958,304,104.80
1910	921,083	173.68	159,974,056.08	1964	1,838,653	514.76	946,465,018.28

Table giving estimate of what a system of pensions for the World War veterans and their dependents would cost under same legislative procedure as was used by the Pension Bureau—Continued.

ON THE ASSUMPTION THAT THE AMOUNT PAID BY THE BUREAU OF WAR RISK INSURANCE IN 1920 WAS THE SAME AS THAT PAID BY THE PENSION BUREAU IN 1920, PER PENSIONER—continued.

Civil War.				World War.			
Fiscal year.	Number of pensioners.	Annual pension per pensioner.	Total amount.	Fiscal year.	Number of pensioners.	Annual pension per pensioner.	Total amount.
1911	882,008	$176.35	$157,325,160.35	1965	1,780,840	$524.54	$934,126,534.46
1912	860,294	177.82	152,986,433.72	1966	1,717,521	528.94	908,465,557.74
1913	820,200	212.35	174,171,660.80	1967	1,637,616	631.60	1,034,318,265.60
1914	785,239	219.57	172,417,548.26	1968	1,567,487	653.07	1,023,673,735.09
1915	748,147	221.24	165,518,266.14	1969	1,493,533	658.03	982,780,519.99
1916	709,572	224.30	159,155,089.92	1970	1,416,604	667.11	945,030,694.44
1917	673,111	239.03	160,895,053.94	1971	1,343,925	710.94	955,450,039.50
1918	646,895	278.00	179,835,325.75	1972	1,291,647	828.82	1,070,542,866.54
1919	624,427	355.78	222,159,292.70	1973	1,245,595	1,060.72	1,322,288,248.40
1920	592,190	360.18	213,295,314.65	1974	1,182,416	1,073.87	1,269,761,089.92
Total			5,734,370,272.81				33,952,992,970.93

Mr. REED of Pennsylvania. Mr. President, I am not unmindful of the wise custom of the Senate which dictates silence to a new Member, but because of the fact that I served throughout the war, with troops, I feel that it is my duty to state my reasons for the attitude I shall take upon the pending bill.

The passage of the bill I believe is favored by a majority of the ex-service men of the country. They served their country well, and at very meager pay, while the railroad men, the munition workers, and the shipyard workers of the country, who should have been drafted instead of being wheedled, were getting a pay increase almost every time they asked it. Almost every day was Christmas in the shipyards but not in the Army. The contrast was shocking, and I believe that it is because of that contrast that the service men of the country are so easily induced to favor this measure.

Nevertheless, Mr. President, I am going to vote against this bill. The plain fact is that the country can not afford to grant this request. Our people are staggering under a burden of taxation that has never been paralleled, and I believe it is our duty to refrain from adding one ounce to that burden of taxation on any excuse whatever.

It is idle, I think, for Senators to say that the ex-service men should be paid for the danger they have undergone. The amount the bill would give them would not commence to pay for that. You can not ascertain the value of what those men underwent. You can not appraise in dollars and cents what it is worth to stand and hear the screech of an incoming German shell. You can not appraise those things, and the bill does not undertake to.

I think, too, it is idle to argue that those men should get a bonus in order to insure their loyalty, because, if I know them—and I think I do—their loyalty is absolutely assured to the end.

Mr. President, the men who served in the Army and Navy during the last war are not a separate group. They are not isolated from the rest of the community, but they are part of it. This is our country as much as it is your country, and it is our future that is mortgaged by this vast issue of bonds, which the country has to pay. The service men who have given long thought to the matter of the pending bill are anxious to see that mortgage on our future relieved. They are anxious to see the debt paid and taxes reduced, and most of them are more anxious to see that debt paid and that burden of taxation reduced than they are to see this bonus granted.

I am not willing, in army slang, to "pass the buck" to the President. Therefore I shall vote against the pending bill.

Mr. BURSUM. Mr. President, the way to discharge a debt is by production. If it were possible to place in the Treasury of this country the losses which have been sustained during the past few months on account of industrial controversy, it would provide the money which will be made necessary by the passage of this bonus bill several times over. I do not feel that the indebtedness of the country would be a serious proposition if the people would get to work and commence to produce. As long as the country is idle its ability to pay, of course, is greatly curtailed.

The pending bill has been referred to as an adjusted compensation bill and is sometimes called a bonus bill. I make no point concerning the title. The name is not necessarily a vital factor. In my judgment, the chief object of this bill is to refund to the service men that which Congress wrongfully withheld from them, to provide for a just restitution of that which honestly and equitably is due them under all rules of justice, fair play, and a square deal. I can not agree with the interpretation of the opponents of this legislation that the proposed settlement or payments should be considered in the nature of a gift or that it is an attempt to cheapen patriotism, to substitute patriotism of the soul for that of the dollar, or to commercialize the loyalty of Americanism. These premises are false, faulty, and entirely untenable in the face of recorded facts.

Mr. President, during the dark hours of 1917, after nearly the whole of Europe, with the exception of a very few neutral countries, had been engaged in the bloodiest war in history; when great Russia had collapsed and the powerful British and the brave French people were fighting for their very existence, and the heroic Belgians, reduced in numbers, led by the democratic patriot, King Albert, were in a death struggle to recover possession of their lands and homes which had been ruthlessly taken possession of and overrun by the hordes of Prussian soldiers under command of the German Kaiser, William II; when Italy, under the gallant leadership of General Diaz, was engaged in a terrific struggle to hold in check the superior force of the Austrian army from crossing the Alps and forcing the surrender of the Italian Empire; when Serbia had been obliterated from the map of Europe; when all of the allied forces had been greatly reduced in number and in morale; when it seemed that further resistance to the Kaiser's offensive was useless; when the allied forces were tired, discouraged, and despondent, yet clinging tenaciously to their post of duty, hoping against hope that the Great Providence might intervene to turn the tide of fate which to all human conception seemed inevitably destined to overwhelm, crush, capture, and humiliate the last vestige of authority, to obliterate from the map of the world the allied governments, annihilate democracy, destroy and nullify the progress made in behalf of democracy, liberty, and civilization during the past two centuries—at the crucial moment this country intervened, the call to arms was sounded, our boys responded instantaneously to the number of four million or more, ready and willing to pay the supreme sacrifice in behalf of their country and of civilization. The heroism, the achievements which our soldiers displayed on yonder shore can never be adequately described. One outstanding feature that is universally recognized is this fact—that, except for American intervention, there can be no doubt but what the world would to-day be subject to an autocracy which would be almost universal.

Mr. President, the boys who responded to the call of their country represent the cream of the citizenship of this land. They are not objects of charity; they do not come to the Congress in the attitude of beggars seeking alms; they do not come to the Congress seeking a reward for the sacrifice made in behalf of their country; they do not come seeking a gift—they come, Mr. President, within their rights as citizens seeking a square deal, seeking the righting of a wrong, seeking the enactment of legislation based upon the principles of equity, seeking the reimbursement to cover moneys which were deducted from their pay checks to which this Government was not rightfully, morally, or equitably entitled.

Mr. President, during the war the Congress enacted what is known as the bonus law, which gave $20 per month to every civil employee of the Government in addition to the statutory salary. I submit, Mr. President, that if it were fair and right and necessary to provide this bonus for the civil employee it is right, fair, and just to accord the same treatment and pursue the same policy with reference to the military. Why should we give $20 a month to the employee who handled the pen and

deny it to the man who shouldered a gun? It has been said in defense of this policy that the high cost of living was responsible; that the soldier was maintained, clothed, and provisioned at the cost of the Federal Government. That statement, so far as it goes, is true, but it does not go far enough. The dependents of the soldier who served were also subject to the increased cost of living—his child, his children, his wife, dependent sister or brother, or widowed mother or aged father. They, too, I submit, were subject to the burdens of the high cost of living.

Mr. President, the Government deducted from the soldier's pay $7.50 a month on account of insurance. I submit that while the war was in progress this deduction was wholly unjustified; it represented a policy in direct conflict with the policy of insurance to cover hazardous occupations. In nearly every State of the Union it is almost the universal practice, recognized as a sound policy in line with which legislation has been adopted in nearly all of the States, requiring the employer to provide an insurance fund in case of accident, injury, or death. What can be more hazardous than war? Why should the Government be an exception to this recognized universal rule? I submit that the veteran has a rightful, equitable claim to a refund of this $7.50 a month during the period of his service.

Think of it, Mr. President, that the Government should say to its defender who is fighting in the trenches, "We not only expect you to fight our battles but we expect you to insure us, the Government, from all harm on account of damage. In case you get killed your family would have a claim, and we expect the veteran to pay for that insurance"—a most unjust proposition, which has not been invoked and is not being invoked in any other branch of industry in the country where hazardous employment is engaged in.

Mr. SHEPPARD. Mr. President, will the Senator tell us how many men have kept up their insurance since the war closed?

Mr. BURSUM. I do not know how many men have kept up their insurance. What I contend is that the insurance in force during the time while they were in the service ought to have been paid for by the Government.

Mr. SHEPPARD. I understand that only a small number of men have continued to make the premium payments. Consequently, those who discontinued have sustained a pecuniary loss because of the imposition of the charge for insurance.

Mr. BURSUM. That is very true. At any rate the imposition of the burden upon the soldier to pay his own risk was outrageous, yet the Government deducted the $7.50 from the wage of the soldier, from his little $30 a month.

Mr. SHEPPARD. I want to point out further the fact that when insurance is taken in an old-line company the general rule is that upon withdrawal the insured is entitled to a certain proportion of what had been paid in.

Mr. BURSUM. That is true.

Mr. SHEPPARD. In this case there was no equity whatsoever of that kind.

Mr. BURSUM. The equity is repaid in part after two years by the old-line insurance companies.

Mr. President, there was another policy practiced during the war. The soldiers were urged to subscribe to Liberty bonds; they did subscribe in large numbers; the payments of these bonds were deducted from their monthly wage. They bought bonds at par; most of them were obliged to sell them around 80 cents, therefore, a loss of $20 for every $100 to every veteran who bought a bond. Can anyone believe in the justice of a policy which would impose upon our men in the trenches fighting our battles, fighting for our liberty, fighting for the integrity of our country, hazarding their lives and health, should also be burdened with the losses incident to the financing of the war in which their very life was engaged in conducting? I submit, Mr. President, that this feature also represents a rightful, moral, equitable claim on the country.

There were divisions where every soldier subscribed for bonds. It was accepted as a command just as much as any other military order which might be given. For any reasonable person to say that it is right and just that the boys who did the fighting in the trenches should suffer the loss incurred on account of financing the war, is unjust and outrageous.

Mr. President, the Government adopted a system of allotments to dependents on a 50-50 basis with the veteran. Allotments were made up to $30 a month, depending upon the number of dependents. Fifty per cent of this amount, or $15 a month, was deducted from the wage of the soldier; so that the soldier was not only required to hazard his life, his health, to give his service, but out of his meager $30 per month he was required to pay as much as $15 out of his wage to dependents and $7.50 a month for his insurance. Those two items alone aggregate $22.50 per month. I think the deduction was $5 a month for the Liberty bonds purchased. I am not certain as to the monthly payment—it may have been $10 a month—but anyway, say, $5 a month; $15 for dependents, $7.50 for insurance, $5 for Liberty bonds; also $1.17 per month deducted for laundry. There you have, all told, $28.67 per month—the munificent sum of $1.33 per month is left as a balance to the soldier.

Mr. WADSWORTH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New Mexico yield to the Senator from New York?

Mr. BURSUM. I yield.

Mr. WADSWORTH. I am not sure that I heard the Senator correctly. Did the Senator deduct from the pay of the soldier a charge for laundry?

Mr. BURSUM. Yes.

Mr. WADSWORTH. Is not the Senator aware that the soldiers' laundry was done by the Government during the war?

Mr. BURSUM. I do not think that is altogether true. I have talked with some of the service men, who advised me that they paid for their laundry.

Mr. WADSWORTH. I have been through the laundries in the big camps, some of them in France, and I recollect exceedingly well also that part of the estimates made by the Quartermaster General were for the operation of the laundries to do the laundry work of the men.

Mr. REED of Pennsylvania. That was not done in our division in Camp Meade before we went to France. We were charged for laundry at Camp Meade.

Mr. WADSWORTH. That may have been so in the beginning, but I recollect very well, and my purpose in interrupting at this point the statement of the Senator from New Mexico was to state that the Committee on Military Affairs, in writing the appropriation bill a year ago, eliminated the item for maintenance and operation of laundries which the Quartermaster General informed us had been operated free of charge to the soldiers, certainly during a major part of the war. The Senator is aware that prior to the war the soldiers of the Regular Army had to pay their own laundry charges and it was only during the last year that the laundry charges have again been imposed upon the soldiers of the Regular Army.

Mr. BURSUM. It is evident that there were charges made. What the Senator from New York states is no doubt true, but it is evident that there were exceptions and that at least a portion of the time the laundry fee was deducted. That was the case at Camp Meade.

Mr. SHEPPARD. At Camp Travis, in Texas, I will say to the Senator, a cooperative laundry was conducted by the men themselves at their own expense.

Mr. BURSUM. So that it is apparent that they did not derive that benefit altogether. Anyway, even conceding that they paid no laundry fee, then the soldier would have had a grand total of $2.49 at the end of the month.

On top of all this, and to add insult to injury, the civil patriot who runs no chances of injury and braves no dangers was given $20 bonus and denied to the man who went to war. How can anyone justify this sort of discrimination? How can anyone stand up and cry to the heavens that the principles of the bill are designed to cheapen patriotism, to reduce the patriotic spirit and the loyalty of these boys to a dollar basis?

Mr. President, several weeks ago the distinguished eloquent senior Senator from Idaho [Mr. BORAH] well stated that the acts of heroism and achievements obtained by our soldiers overseas during the World War could never be adequately expressed by human tongue. I submit, Mr. President, that I agree entirely with what the distinguished Senator said. I might, however, add that the heroism displayed by our soldier boys, the achievements attained in the World War have gone into history and will live with the ages. That record has been written in letters of American blood and can never be obliterated by human act, by congressional act. It can never be dimmed by any cry of dollar patriotism. I submit, Mr. President, that the graciousness with which our soldiers served, the loyalty which they displayed, the victories which they attained, the great sacrifice which they made, the saving of civilization and democracy which they brought about, can not and will not in the mind of any fair man bar them from rights to which they are justly entitled under all of the principles of justice, right, equity, and fair dealing.

I have offered an amendment which is in the nature of a substitute to the pending bill as reported by the committee. My reasons for offering this amendment is the fact that the settlement made with the veteran under the provisions of the proposal of the committee is an unbusinesslike settlement. If I

correctly understand the bill reported by the committee, it proposes the issuance of certificates which will cover the amount due the veteran upon the basis of $1 a day for service rendered in this country and $1.25 a day for service overseas, plus 25 per cent, plus 4½ per cent per annum, compounded annually, all of which will be payable in 20 years; also authorizing the veteran to borrow money at any bank to the extent of 50 per cent of the certificate of the face value and providing that the rate of interest to be charged by the banks shall not exceed by more than 2 per cent per annum the rate charged at the date of the loan for the discount of commercial paper under section 13 of the Federal reserve act by the Federal reserve bank for the Federal reserve district in which the bank is located. The committee bill further provides that the Secretary of the Treasury shall, not later than January 15, 1926, take up these loans. In effect, as I understand the proposition, it seems that outside of the small claims of veterans amounting to $50 or less, which will be paid in cash, that the balance, which will probably amount to a billion and a half dollars, approximately representing the face value at the time of issue, less the 25 per cent plus and the 4½ per cent compound annual interest plus, may be used by the veteran as collateral to borrow to the extent of 50 per cent, which, if utilized, would amount to approximately $750,000,000, which the veterans would be entitled to borrow from the banks of this country upon three years' time, the Treasury binding itself to redeem these loans within that period. It is safe to estimate that the interest on the money so borrowed will not be less than an average of approximately 7½ per cent, and it is doubtful if in actual practice even such terms can be secured. There is no way of preventing extortion in the matter of rates of interest. The chances are that if this system be adopted it will be a fertile field for the pawnbroker. Assuming, however, that the money can be borrowed, and assuming that 80 per cent of the holders of certificates will borrow money, that would mean an annual interest charge of $45,000,000, or $135,000,000 for the three years. In effect, therefore, the Treasury will have to pay within three years' time, or by 1926, to take up these loans, if the loans are to be taken advantage of—and it may be presumed, in my judgment, that they will be taken advantage of if the loans are available—$735,000,000. This does not, of course, include the $50 payments mentioned by the chairman of the committee as amounting to about $16,000,000, which would be paid promptly after the enactment of the bill. However, even after the Treasury shall have paid out $750,000,000 under the provisions of this bill, it will have liquidated less than 20 per cent of the final burden, the estimated cost being in the neighborhood of $4,000,000,000 upon the 20-year basis.

The additional cost is caused by the method of settlement. For instance, if a veteran has due him $500 on the basis of a dollar a day for 500 days' service, under the provisions of the committee bill he is given an additional allowance of 25 per cent, or $125, making a total of $625, plus 4½ per cent interest, compounded each year, providing he will wait 20 years for his money.

In this connection I might add that the system with reference to loans from the Treasury under the committee bill is a progressive one, authorization being given to increase loans every year until they reach, as I recall, as high as 85 per cent. Thus the expense to the Government is multiplied and the veteran has not been accorded a business settlement.

Furthermore, the proposition of using the credit of the veteran to borrow money at 7½ per cent per annum while the Government pays him 4½ per cent is not using the veteran fairly. It is very doubtful to my mind that the veteran will in actual practice secure his money from the banks of the country at 7½ per cent a year. He is more likely to pay 10 or 12 per cent, and while such rates are prohibited by law, yet we all understand how difficult it is to enforce the law in such matters. There is no provision covering that feature. This Government at the present moment can borrow money at 3½ per cent. It is the wealthiest Government in the world. The percentage of our indebtedness is not high, but is extremely low compared with the other nations. We have more than three hundred billions of resources, and our total debt, including the debt of the Allies to this country, is only about twenty-three billions. If we deduct the allied debt owing to this country, the total public debt will only be approximately $12,000,000,000. For the Congress to say that the veteran shall use his credit for a temporary loan upon an exorbitant rate of interest in order temporarily to relieve him and utilize an indebtedness which is owing to him by the United States Government is simply preposterous. Think of a great Government like ours, which has available a credit basis of 3½ per cent, and which rate will probably be reduced to 2½ or 3 per cent within the very near future, asking a man who fought for it in the trenches to borrow money from the banks, thereby creating enormous frozen credits and curtailing money which should be available for commercial development. It is an unheard-of proceeding. It is an unheard-of method. I say we either owe these boys or we do not owe them. If we owe them, we ought to pay them. We ought to pay one hundred cents on the dollar. A debt of a Government like our Government is a sacred obligation. It should be met manfully, fairly, and should be paid in cash, without any quibbling. If we owe these boys money, we should pay them money. We do not owe them insurance; we do not owe them a future nest egg in life. If these boys were capable of shouldering arms and fighting for us in the trenches, they are capable of receiving and utilizing and disbursing whatever may be due them in such manner and in such form, at such time and at such place, as their pleasure may determine.

What would be said if a debtor who owed an obligation and who happened to be a wealthy man, possessed of unusual credit, should say to the creditor, "I won't pay you the cash I owe you, but I will give you a 20-year insurance policy. It will be better for you; you will save it, and you won't be able to spend it." Yet that is the very proposition that is now being submitted to the soldier who served his country in time of need when the matter of paying him his just and equitable dues is brought up for settlement. Senators are aware that we have a thrifty lot of people in this country; we have some thrifty organizations who were engaged all during the war in "thriftifying" the soldiers, and they "thriftified" the soldier until he had the munificent sum of about $1.50 left out of his pay check every month.

I say that we owe these boys this money; they are entitled to it. I hold that it is an obligation; it is a debt; it is a refunding of money which the Government has withheld from the wages which were due to these boys during their service, and there ought not to be any quibbling about the settlement. It should be paid a hundred cents on the dollar.

If my amendment shall be adopted, it will pay to each one of those who were in the service at home a dollar a day in cash by the 1st day of October, 1923, and $1.25 per day for overseas duty. It will pay the balance of the money due them within five years, together with 3½ per cent interest. They will immediately upon settlement receive a certificate for the 50 per cent due which is not paid at the first settlement. Of course, those whose claims do not exceed $50 will be paid immediately.

I say, if the Government has not the money on hand when the time for payment arrives, let the Government use its own credit which is the best credit in the world. Let it secure the money to pay upon the most favorable basis obtainable, just as the Government finances every other obligation; just as has been the practice always. Financing has become necessary. Whenever an obligation becomes due, how does the Treasury meet it? If there are no funds available, under the general law the Secretary of the Treasury issues certificates and borrows the money; he gets it in the market upon the best terms which are obtainable. Why should there be any exception in the case of this indebtedness? If the Government does not care to borrow the money, it can have an option under the substitute of utilizing such portion as may be necessary of the foreign securities which may be disposed of, and in that way eliminate any necessity of borrowing any money or levying any tax. Undoubtedly the British debt will be refunded before a year goes by; if it is not, it ought to be. British bonds are now selling in the American market on a basis of about 5½ per cent. It would be no sacrifice to this Government if it lost 1 per cent of the interest paid by Great Britain on the basis of 5½ per cent credit in the market at this time. That credit will probably be improved before the settlement is made. The credit of Great Britain is the second best credit in the world. She is not bankrupt and there is no likelihood of her becoming bankrupt. The $300,000,000 interest from Great Britain, which will be due by a year from now, would of itself pay 40 per cent of the first payment due under the provisions of my substitute.

This Government will not be bound as to the method of payment, but it would be bound under the provisions of the substitute to procure the funds which, of course, would be limited to two plans. One, to borrow the money on the best basis obtainable; the other, to utilize a portion of the foreign securities, which would mean disposal of a portion of the British refunding bonds for the reason that they are more liquid than any of the other securities which we may hope to obtain within the very near future. While these new refunding bonds have not been issued, authority has been granted by

Congress to make such arrangements through the foreign debt commission, and there is little doubt that a refunding of the debt will be brought about before a year goes by.

To sum up the net effect of the method of financing which the committee bill proposes, when reduced to concentrated facts, it simply means this: The Government owes $100. In order to obtain the money, it issues a certificate which is the equivalent to a limited conditional bond in the sum of $125, payable in 20 years, plus 4½ per cent annual interest, compounded annually, and agrees to loan back upon this identical security within three years 50 per cent of the face value out of the Treasury. Think of it! A great Government like the United States, in order to finance itself to pay $100, issues a bond for $125 and pays 4½ per cent compound interest for 20 years in order to liquidate that $100 debt, and at the same time we have a credit in the market on the basis of 3½ per cent!

The difference between success and failure in the industrial world is the ability to carry indebtedness at a low rate of interest. This principle applies to the Government just as much as it applies to private concerns in commercial life or to a farmer or a miner. We ought not to make the settlement upon the basis of chips and whetstones. It is too closely related to the pawnbroker's method. It reminds me of Aunt Maria's boy, who was about to be married and was short of cash. He applied to Aunt Maria to let him have $1,000 to defray the expense of the wedding ceremony and the honeymoon trip and to give him a start in life. Aunt Maria said she did not have the thousand dollars, but she would let him have some valuable diamonds which he could hock at the pawnbroker's and borrow half of the amount he required—$500. The boy took the diamonds to the pawnbroker and secured the $500.

Later on, when Aunt Maria went to take up the diamonds from the pawnbroker, she found that the charges against her were three times the amount that the boy had gotten. She remonstrated. The pawnbroker said the multiplication table was working, interest was running night and day, and he had held the diamonds a long time. Aunt Maria said, "I wish I had given the boy a thousand dollars in cash to start with; it would have saved me money; my boy would have had the thousand dollars in place of $500 and I would have saved $500."

That is just the way this pawnbroking arrangement will work out. If we will pay these boys the money which is due them, they will be ahead and the Government will profit by it.

Mr. President, it is not in keeping with the dignity, the integrity, or the reputation of this great Government of ours to attempt to settle an obligation except on the basis of a 100-cent dollar. It is not economy. It is not a faithful compliance with the solemn obligations of a great nation.

If we owe this money—and I contend that we do owe it; I have cited the reasons why we owe it—we should pay it with a 100-cent dollar, and we should do it without delay. We should not attempt to use the credit of the veteran—the credit of the creditor—to pay with, when our credit is the best credit that there is on the face of God's footstool.

If my proposed amendment is adopted, it will save the people of this country a sum in excess of a billion dollars, as compared with the committee proposal. It will pay the veteran a dollar a day for service in this country and $1.25 per day for overseas service. It will pay on the basis of a 100-cent dollar.

Mr. MYERS obtained the floor.

Mr. BORAH. Mr. President, will the Senator permit me to call for a quorum?

The PRESIDENT pro tempore. Does the Senator from Montana yield for that purpose?

Mr. MYERS. I do not think it is necessary at all. If the Senator wants to do so I will yield.

Mr. BORAH. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ashurst	Gerry	Moses	Sheppard
Borah	Hale	Myers	Shields
Brandegee	Heflin	Nelson	Shortridge
Bursum	Hitchcock	New	Smoot
Cameron	Jones, N. Mex.	Nicholson	Stanfield
Capper	Jones, Wash.	Norbeck	Sutherland
Colt	Kellogg	Oddie	Trammell
Cummins	Kendrick	Pittman	Underwood
Curtis	Keyes	Pomerene	Wadsworth
Dillingham	Lenroot	Ransdell	Walsh, Mass.
Edge	McCumber	Rawson	Walsh, Mont.
Ernst	McKellar	Reed, Mo.	Watson, Ga.
Fletcher	McLean	Reed, Pa.	Watson, Ind.
France	McNary	Robinson	

The PRESIDING OFFICER. (Mr. CAMERON in the chair). Fifty-five Senators have answered to their names. A quorum is present.

Mr. MYERS. Mr. President, I desire to address to the Senate a few remarks upon the pending bill.

I have several times addressed the Senate in opposition to this piece of proposed legislation, and on at least one occasion I did so extendedly. I shall not speak extendedly to-day; but since I last addressed the Senate on the subject a few thoughts have occurred to me that I have not heretofore expressed. I shall endeavor to give utterance to them to-day, and in doing so I shall try to avoid repeating any of the arguments I have heretofore made on the subject and shall endeavor to avoid traversing any of the same ground.

During the debates of the last few days on this subject, to which I had the privilege of listening to the extent of my time, a good deal has been said about propaganda against this proposed legislation. A good deal of stress has been put upon what has been called the propaganda in opposition to it. I do not believe there has been nearly so much propaganda in opposition to this proposed legislation as there has been in favor of it. Certainly the propaganda in opposition to it has not continued so long as the propaganda in favor of it.

Propaganda in favor of some such legislation as this was begun more than two years ago, when the first bill for a cash bonus originated in the House of Representatives. I believe it originated there with some Members of the House who thought, I believe, they saw in it a vote-getting scheme. I believe it had its conception mainly in the House of Representatives with some Members who were looking after their own welfare. It was then taken up by the former service men of the country generally, and particularly by the American Legion, and a very active propaganda in behalf of it has been conducted by the American Legion and other former service men, which, of course, is the right and privilege of those engaged in it.

It is equally the right of those who are opposed to the proposed legislation to call attention to reasons why it is not just and why it should not be enacted. If it is the privilege of people seeking legislation at the hands of Congress to initiate and conduct propaganda in its favor and not the privilege of those who are opposed to it and who think it unwholesome to oppose it and advance reasons why it should not be enacted, then we have come to a bad state of affairs in this country, a very unfair condition.

In my opinion nearly all legislation enacted by Congress is brought about by propaganda. We formerly thought that Congress sat here and deliberated and enacted legislation which in its judgment was for the best interests of the country, but I believe that idea has been largely superseded by the idea that if you want to get anything out of Congress you must institute propaganda and carry it on very extensively and very actively. There has been more propaganda carried on in favor of this proposed legislation than in behalf of any other legislation of which I have known for a good while.

I am finding no particular fault with that. I believe Congress should listen to and consider reasons advanced both for and against proposed legislation and then use its best, unbiased judgment. Congress should consider argument, but should not be swayed by propaganda or vote-getting considerations. So far as propaganda against this proposed legislation is concerned, it has never had a particle of weight with me, has none now, and never shall have any. I made up my mind that the proposed legislation was unwise, unjust, and improper long before any propaganda was inaugurated either for or against it, and I still hold the same opinion.

I announced more than two years ago last spring that I would oppose the legislation, and my attitude has not deviated or altered a particle. The more I think about it the more I become convinced that such legislation is wrong in principle, unsound in theory, and contrary to the common welfare, and that it can not be justified.

There has been a good deal said in the debate on this bill about unemployment of former service men. I do not believe there is now much unempoyment in this country. What unemployment there was a year or so ago, I think, has largely disappeared and whatever unemployment may be left I think is rapidly disappearing. With the demand for labor in this country, with the large steel industries of the country just announcing a 20 per cent increase in the wages of their employees, and with the general demand for labor all over the land, I can not believe that there is much unemployment among able-bodied former service men who want to work. In fact, I do not believe there is much unemployment any more anywhere. I think it has largely disappeared.

If there is any former service man who is suffering physical disability and who is unable to do a man's full day's work at manual labor, or at any other kind of labor for which he is fitted, I think he ought to be assisted to the full extent of the ability of the Government to assist him. Everything should be done for those unable to work. Wherever a former service man is unable to work, he should be promptly and adequately cared for. I believe that is the policy of the Government and I believe the Government will continue that policy. But if a former service man is not physically incapacitated, I can not see, in surveying the industrial conditions of the country, any reason for his being unemployed at some gainful occupation. There may be isolated instances, but I do not believe they are general. The cash bonus for all former service men is entirely another thing, however. I contend that this country is not in such a condition now that the taxpayers of the country should be saddled with an additional burden, variously estimated at from four to seven billion dollars. I do not believe the business of the country, which is just emerging from a long and distressing depression and from a condition of stagnation, is in any shape to stand any such added burden at this time. I do not believe that the taxpayers of the country, who are already staggering under enormous burdens of taxation, are in any condition to take on any such additional burden. I do not believe that the reviving business of the country is in any condition to carry it. The people are in no condition for it; business is in no condition to stand it.

In considering the proposed legislation the first question that confronts us is, From where is the money to come? Where are we going to get the money to pay the enormous sum which it is proposed to appropriate by this legislation? It must come from somewhere. We can not get it without taking it from the pockets of the taxpayers, without extracting it from the business and the production of the country. It must be produced in order to be appropriated and paid. Congress can not appropriate money without deriving it from some source, without taking it from somebody. That would be a wizardlike performance that is impossible of imagination. You can not extract it from the clouds. So from whence is the money to come? From four to seven billions of dollars of indebtedness to be piled on the backs of taxpayers and toilers already staggering like drunken men, staggering to the point of dizziness, under unprecedented burdens of debt and taxation! Who will pay it? How will it be paid?

It has been frequently suggested that the debts owing to us by foreign nations be utilized for the payment of this money; that the interest of those debts be utilized for making annual payments; and it has been suggested by some that the principal of some of those debts be utilized for paying some of this proposed expense. In the first place, I do not believe there is any assurance that any of the principal of those foreign debts will be paid to this country within the lifetime of a generation. It may be none of the principal will be paid within several generations. There is no certainty and but little prospect of any of the principal being paid within the lifetime of the youngest infant now living. I think it doubtful if any interest on those foreign debts will be paid for a good many years. We have no assurance that any interest will be paid for many years.

The entire situation in regard to those foreign debts is chaotic. We only know that we furnished the money and that the money is owing to us; that is all we know. We do not know whether our debtors are going to pay us, or are arranging to pay us, or are intending to pay us, or have any facility for paying us. Not one of them has made any move as yet in that direction. We have heard that many of the people of the debtor nations want to get out of paying the debts if they can, and that there is a very lively feeling throughout the debtor nations in favor of getting away from the payment of both principal and interest, if any possible way of getting away therefrom can be devised.

I do not think we should allow our foreign debtors to escape without payment of both principal and interest. I think we should require payment within a reasonable time and upon reasonable terms of both principal and interest, and I think it will be exacted in due time of our debtors; but when and how and how fast and upon what terms is something nobody in this country can say, nor can anybody shed a particle of light upon it to-day. We have yet to see the first ray of light upon that subject. So I think that is a very poor dependence for meeting obligations on account of a soldier bonus, if we enact it, for many years to come.

In the next place, if we should pay it out of the money owing to us by our foreign debtors, whose money would we be taking? To whom does that money belong? That money belongs to the taxpayers of the United States. It is their money. It was taken from them, and when it shall be returned by the debtors it will be due to our people; and we have no more right to appropriate that money for any particular purpose and expend it when we get it than we have to appropriate any money out of the United States Treasury.

It all belongs to the taxpayers of the United States. It does not really make any difference to them whether we pay a cash bonus out of money collected from foreign debts due us or whether we raise it by some new expedient of taxation or whether we pay it out of the general funds in the Treasury as they come in. It is all the people's money. The people produced it, the people earned it, the people paid it; it is theirs. Some Members of Congress seem to think appropriating money to be paid out of foreign debts, when they may be paid, is like finding it, like extracting it from the clouds. The idea is fallacious. It would be taking the money from the people none the less than appropriating money out of the Treasury and paying it out of funds now available.

Of course, Congress has a legal right and a moral right, if it may feel justified in doing so, to appropriate any money for any constitutional purpose, no matter whether it may come out of the Treasury, whether it be money already paid in, whether it is money coming in from new forms of taxation, or whether it be money derived from the payment of foreign debts. It is all under the power of Congress, within its constitutional limitations. But I say it makes not a particle of difference to the taxpayers of this country, if we are going to give a cash bonus, whether we raise the money by new forms of taxation or whether we take it out of money derived from the payment of foreign debts due us. It is taking it away from the people just the same.

Our national debt is now in the neighborhood of $23,000,000,000. There is owing to us from foreign governments about $10,000,000,000, and when that money is paid the reasonable and proper and logical use to make of it would be to apply it upon the enormous national debt under which we are struggling. If paid now and so applied, it would reduce the national debt to about $13,000,000,000. It is immaterial to the people of the country who have to pay the taxes whether we apply that sum, when we may get it, to the national debt and reduce it by $10,000,000,000 and make them raise from four to seven billion dollars more by additional taxation with which to pay a cash bonus, or whether we take the cash bonus out of the money that is to be paid by foreign debtors. The burden on our people would be just the same either way. It is just as long as it is broad, and it amounts to the same thing in the end. It is appropriating the people's money for a certain specified purpose, but before we can count on appropriating any money derived from foreign debts to pay a cash bonus we must first get the money, and that is not yet in sight. I say that when the time may come when our foreign debts shall be collected and the money due us shall be received the people of our country will be entitled to have it go on the national debt, and to that extent reduce the debt and the enormous burden under which they are struggling.

This country is in a serious financial condition. I do not mean that it is in a fatal financial condition. I do not mean that this country is in any danger of becoming bankrupt, but the people are confronted by serious problems arising from taxation and are struggling under staggering burdens of taxation, and I think before we consider enacting this proposed legislation, at a cost of from four to seven billion dollars of added taxation, we should first look around, cast about, and take account of what our resources are and what is our financial condition.

I believe thoroughly and always have believed that it is the bounden duty of this Government to take care, to the fullest extent needed, of all of our disabled former service men. That is our first and most sacred duty. It is paramount to all else. They have the first claim upon us. I believe the Government is doing it measurably well. If it is not doing it to the fullest extent to which it should be done, then it should increase its efforts and do it to the fullest extent possible.

The United States Veterans' Bureau recently reported that there was expended for the care of disabled former service men for the fiscal year ended June 30, 1922, the sum of $481,000,000. That is the amount which was expended for disabled former service men for the fiscal year recently ended. That is more than one and a quarter million dollars per day paid out for the benefit of our former service men during the fiscal year ended June 30, 1922—more than one and a quarter million dollars per day! It was justly paid and I do not know of any loyal American citizen who begrudges one penny of it. It was paid in a glorious cause and under a bounden duty of the most solemn

nature, and which has the sanction, I believe, of every good American citizen.

But that is not going to be the limit of expenditure in that direction. I say confidently that the amount expended for the care of our disabled former service men will increase for many years to come. The annual expenditure will climb and mount with amazing rapidity year by year for many years to come. It is natural and inevitable that it should be so. The disabilities are increasing. Some who are now only partially disabled will in the course of time become totally disabled. When they become totally disabled they should have increased appropriations for their benefit. They should have increased care as their disabilites increase.

It is inevitable that there are thousands and hundreds of thousands of disabled former service men whose condition will grow worse, will increase at a progressive rate from year to year, from now on, so long as they may live; and as fast as it increases it is our solemn duty to keep pace with it and to appropriate all the money necessary. It is inevitable that there are some former service men who are not now suffering any physical disability but who, as time goes on and the seeds of disease which were sown in their bodies during the exposures of the war may grow and increase, will fall under the bane of disability. It is inevitable that some who are not now suffering any apparent disability and who are able to do a full day's work will in time fall under the pall of disability from the frightful exposure which they endured during the World War and the hardships which they endured during that fearful struggle.

That was so as a result of the Civil War. Many a man who is now pensioned as a Civil War veteran was not put upon the pension roll for years and years after the end of that conflict, because the seeds of disease which were sown in his body by his exposure during the conflict did not bear fruit until he attained middle age or old age. Many a man who served in that war attained old age before he reached the condition where he was entitled to a disability pension. So it will be with the survivors of the World War. It is already proving to be so.

Disbursements for the present fiscal year for the care of our disabled former service men it is calculated will be $513,000,000. That is payment of nearly $1,500,000 per day that confronts us during the present fiscal year. I predict that in less than five years we will be paying out for the care of our disabled former service men $2,000,000 a day. It is not unreasonable to expect.

It may come much sooner than five years. It may reach that figure in two or three years. It is bound to be reached in a few years, and it is bound to be met. When the time comes we must meet it, we must pay it. It is the greatest obligation under which we can rest, and it must be discharged. We are getting close to that point. We are confronted with the early prospect of having to pay out $2,000,000 a day for our disabled former service men. It will not be long until we reach that point, and it will not end there. The expense will continue to grow year by year. Two million dollars a day will not be the limit, and that expense will continue for at least 70 years yet.

Now, we must take that into account. We must calculate upon that liability in considering legislation which requires the appropriation of billions of dollars. It is claimed by those who have given attention to the subject that in the near future, when the expense of supporting the disabled veterans of the war shall be much greater than it is now, Congress will be compelled to appropriate $1,000,000,000 a year for the purpose of taking care of disabled former service men. That day can not be far distant, and we must take account of it. We should take account of it in considering any legislation proposed for increasing our appropriations.

Let us consider the case of the Civil War veterans. What has been the history of Civil War pension legislation? When the first pension law was enacted, in 1866, I believe, within a year after the close of the Civil War, a very modest sum was sufficient to meet the demands for pensions for Civil War veterans. It appeared to be trifling. It appeared to be insignificant. I believe the first annual pension bill appropriated about $15,000,000, and it was then thought that the annual pension bill would never greatly exceed that sum.

On the contrary, as time passed and the Civil War veterans passed to the great beyond the amount annually appropriated for pensions for veterans of the Civil War steadily mounted and climbed year by year. As the number of veterans became smaller, as their ranks were decimated by death, the amount required annually for appropriation for pensions increased year by year until now the enormous sum of about $215,000,000 is required for our annual pension bill for Civil War veterans. It has grown from $15,000,000 to about $215,000,000 and we are now more than 50 years beyond the close of that war.

It is inevitable that the amount required for the care of our disabled former service men of the great World War must grow and increase and mount year by year in the same way. It is in the nature of things. There can be no escape from it. It is the way of nature. While we are paying more than one and a quarter million dollars per day now, it will not be long until that sum will appear insignificant. We must meet the increase, no matter how much. There is no way to avoid it. All pension appropriations grow. In my opinion the expense of taking care of our disabled former service men of the World War will grow at a more amazing rate even than did the annual pension bills for the survivors of the Civil War. In the Civil War there were enlisted in behalf of the Union cause, I believe, all told about 2,000,000 men. In the great World War we had enlisted 4,000,000 men, double the number. The men who served their country so nobly and valiantly during the World War were nearly all young men, very young men. Those who survived have a long time yet to live in the natural course of events. Mark my word, there will be hundreds of thousands of them who are now showing no disability from that service who, in the years to come, will show very great disability. Many of them who are now able to do a day's work will, years from now, be suffering total disability and will have to be cared for as totally disabled veterans.

That is the condition that faces us. In view of those facts and our bounden obligation of the most solemn nature to take care of our disabled former service men of the World War to the last living day of the last one of them and to the last penny of the resources of this Government, I think we should be careful before we proceed to vote an obligation that will saddle upon the people of the country an additional expenditure of from $4,000,000,000 to $7,000,000,000. In fact, I do not think we should do it. I do not think the proposition is sound; I do not think it is right, reasonable, or just.

This demand for a cash bonus undoubtedly is the result of the activities of an organized minority; that factor in our Government which gives us more concern than anything else. It is the organized minority that makes raids upon the Federal Treasury; that insistently demands legislation of one kind or another; that demands legislation for this class and legislation for that class, and is always demanding something that the great majority of the unorganized populace does not want and of which it does not approve. The organized minority is never idle; it never rests; it works all the time; and in one form or another it is constantly knocking at the doors of Congress. Right now it is knocking at the doors of Congress for a cash bonus for former service men.

I realize that this is a serious question; I realize fully as well as anybody else, I think, the great, unbounded, and undying obligation that we owe to our former service men, who went to the front and saved this country and saved the civilization of the world; I realize the sacrifices they made; I realize what they suffered; I realize what they did for this country, for the cause of righteousness, and for the world; and it is a serious question that confronts us as to what we should do for them, what answer we should give to their demands for this proposed legislation.

It is true that not nearly all of the former service men ask or wish for a cash bonus; a very substantial minority, I am satisfied, is opposed to it. I know many who are opposed to it, and some of them are poor men, working for their daily bread; but I believe the majority of them demand it. Under the circumstances, however, which I have detailed, and under other circumstances which exist, many details of which I have not recited and to which I shall not take the time to refer, I do not believe it is right or just that they should press this burden upon the taxpayers of the country. Even if they do demand it, and believe it is due, which I have no doubt the majority of them demanding it believe, I do not think Congress should yield. Congress has a duty to perform. I believe that for the present, at any rate, Congress should courageously refuse the demand. I do not believe the conditions of the country are such that Congress can do its duty and do otherwise than refuse it.

If we grant the demand in this instance we shall soon pass on to some other demand of some other organized minority. There is no end to organized minorities in this day of organization. As fast as one is satisfied another is organized; another one shows up with some other demand. There is absolutely no limit to organized minorities in this country. As soon as one organized minority gets what it wants and dissolves, another one forms and is knocking at the doors of Congress. Nearly every raid on the Federal Treasury is conducted by an organized minority.

I have been literally astounded to read in the newspapers within recent weeks that the helpless victims of the Knicker-

bocker Theater disaster in Washington are organizing to come to Congress and demand that Congress appropriate money out of the Federal Treasury to compensate them for the sufferings and damage which they sustained in person in that frightful catastrophe or incurred from the death of relatives. It was an awful catastrophe; there is no doubt about that; it was one of those things which shock humanity; it caused the blood to run cold with its horrible features; but why on earth Congress should be asked to appropriate money to compensate the sufferers from that catastrophe is more than I can understand. I can not see why Congress should be called upon to compensate them any more than it should be called upon to compensate the living victims or surviving relatives of dead victims of a railroad disaster or of an explosion in a factory or any other calamity which might occur in any private enterprise. The Knickerbocker Theater was a private enterprise which was conducted by private capital, by private individuals, for private gain; and I can not see, to save my life, how on earth the Government can be held, legally or morally, responsible for any damage that ensued from that disaster. The owners of the building, the contractors who erected it, the architect who planned and supervised its erection, are the parties to whom victims who are living and relatives of dead victims should look for reparation. Let them do as do the victims of railroad and steamboat disasters; as do the victims of street railway collisions; as do the victims of explosions and other industrial disasters. Whoever heard of any of them looking to the Federal Government for reparation. They sue the responsible parties. The Knickerbocker victims, however, plan an organized raid on the Federal Treasury. The Federal Government is considered easy.

The Federal Government is not responsible for any faults or negligence of the contractors who constructed the Knickerbocker Theater building; it is not responsible for any shortcomings or carelessness, criminal or otherwise, of the architect who prepared the plans and supervised the building of the structure; and I can see not one iota of ground why any hapless victim of that disaster should expect the people of the United States—the people of Maine, Montana, and other States—to go down into the Federal Treasury and dig up the money with which to compensate him for his personal injury, damage, and suffering. However, Congress is going to be asked to do it. The victims of that theater disaster are organizing; the newspapers have told us so; they are openly organizing; and so we shall have another organized minority knocking at the doors of Congress for a raid on the Federal Treasury. If the victims of that disaster are compensated by Congress, I shall be ready to throw up my hands and say there is no protection for the taxpayers of this country; that the Federal Treasury is simply open to anybody who chooses to organize and raid it.

Mr. ASHURST. Mr. President, will the Senator yield at that point?

Mr. MYERS. I yield with pleasure to the Senator from Arizona.

Mr. ASHURST. The able Senator has stated that Congress is not to blame for the collapse of the Knickerbocker Theater. I wish the Senator would allow me to interrupt him long enough to say that immediately after the theater collapsed, and as soon as daylight came, I went to that theater and ascertained that it was built in a most shabby, unsafe, and insecure manner; that the iron beams were put into the hollow concrete tile in such a manner that the astonishing thing is that the theater stood as long as it did. I think Congress is to blame when it keeps on its pay roll in this District building inspectors who would approve such a flimsy and dangerous structure.

Moreover, they are now about to rebuild the Knickerbocker Theater on the same site, where the vibration of the cars at the corners of the intersecting streets is almost sufficient to throw down the best-constructed buildings, much less a flimsily constructed building such as the Knickerbocker Theater was.

It seems to me that if Congress and the committees of Congress sit idly by and permit such poorly constructed buildings to be approved, we can not escape some responsibility in the matter. I should like to have the Senator's opinion as to that.

Mr. MYERS. What has Congress to do with the construction of a private structure in this city?

Mr. ASHURST. Congress has absolute and exclusive jurisdiction over the District of Columbia.

Mr. MYERS. To make laws for the people.

Mr. ASHURST. And, in the last analysis, it has control over the building inspectors; it pays the building inspectors now $1,500 or $1,700 a year, and manifestly efficient men can not be procured for such a sum. I insist that we have a responsibility which we can not shift by saying that we do not know anything about it.

Mr. MYERS. Neither Congress nor the Federal Government is or should be held responsible for the neglect of contractors, builders, or architects of privately constructed buildings in the District of Columbia. In the case of a Government building, erected and owned by the Government, it would be different; then there would be a liability.

Mr. ROBINSON. Mr. President, will the Senator from Montana yield?

Mr. MYERS. I yield with pleasure to the Senator from Arkansas.

Mr. ROBINSON. In the District of Columbia Congress exercises all the police powers which the States exercise within their respective jurisdictions. It prescribes the conditions under which buildings may be erected, the manner of construction, and so forth, and requires inspection of the buildings. The laws already in existence contemplate that buildings shall be safely constructed and with due regard to the lives of those who may enter them.

Mr. MYERS. Certainly, that is true; but suppose that I, as a matter of private investment, undertake to erect an office building in this city, employ an architect to draw plans for it and to supervise the erection of the structure and let the contract to the contractors and builders to erect it; if they do not do their duty properly, is the Government in any wise responsible or to blame?

Mr. ROBINSON. If the Government authorities fail to make the inspection and enforce the laws which Congress has passed for the preservation of the safety of the people, there is, at least, some moral obligation upon the government of the District to take some action concerning it to safeguard against danger. I, myself, do not think there is any legal liability.

Mr. MYERS. I am not speaking of legal liability but of moral liability.

Mr. ROBINSON. Certainly, there is no legal liability; but Congress legislates for the District; Congress is the town council for the District; Congress performs the functions which a city council ordinarily performs in the various towns of the United States; and if the Government fails to do its duty and see that buildings are constructed with regard for the safety of those who may enter them, I can not see that there is anything immoral or unjust in Congress giving consideration to some proposal for relief in such cases as the Knickerbocker Theater disaster.

Mr. MYERS. If I undertake to erect an office building in this city, and employ an architect to draw the plans and supervise the structure and a contractor to erect it, and they do not do their duty in a scientific and proper way, and the building falls down——

Mr. ROBINSON. It is the duty of the agencies of the Government, the inspectors of the Government, and other authorities to see that the laws which Congress has passed are carried out. If it be conceded that merely because an individual who may be constructing a building in the District fails to perform his duty there is no obligation upon the officers created by Congress to see that the laws which are passed for the safety of the people are enforced, it is going to a very dangerous extent, I think.

Mr. MYERS. If I undertake to erect a building here in the city and employ an architect to supervise it, does the Government put a Government official on that job to see that my architect complies with safe rules of building? Does the Government undertake to see and should it be held to see that every timber, every joist, every beam, every iron that goes into the building is of the right kind and according to specifications?

Mr. ROBINSON. Yes; although not quite as the Senator states it; but the Government has inspectors whose duty it is to see that the laws of Congress prescribing conditions for the safety of the public shall be complied with, certainly. The Senator is right to the extent that the principles of law are to the effect that a government is not liable for the negligence of its officers.

Mr. MYERS. Congress, I know, makes laws requiring certain things in regard to buildings; that they shall be constructed in some parts of the city of certain material and only of a certain height, and providing safeguards, but——

Mr. ROBINSON. My understanding is that there are inspectors, who are Government officers in the District of Columbia, whose duty it is to see that the building regulations imposed by Congress are carried out.

I do not say that because an inspector fails to do his duty or any other officer fails to do his duty there is any kind of liability on the Government to pay damages to some one who may be injured by reason of the faulty construction of the building; but I do emphasize the fact that where Congress is exercising police powers, where Congress is performing all the functions

which the State authorities usually perform within their respective jurisdictions, we can not with indifference wash our hands of such accidents as the Knickerbocker disaster.

Mr. MYERS. It is my understanding that if a man desires to erect a building in this city he must submit his plans and specifications to the District authorities, and they must conform to the requirements. If they do apparently conform to the requirements, they are approved; but I do not know of any rule or practice or law which causes the Government to keep an inspector constantly on the building to see that the requirements are lived up to, and I do not believe it is done. I have never heard of it. The owners must do that. The Federal Government would have to have a thousand inspectors to do it.

Mr. WADSWORTH. Mr. President, does the Senator recollect any instance where a city or a State has ever appropriated money in such a way as that which is now suggested here in the District in connection with the Knickerbocker disaster?

Mr. MYERS. None whatever. I never heard of such a case before nor of such a demand being made. It would be absurd.

Mr. WADSWORTH. All cities have building codes, of course.

Mr. MYERS. And if such an obligation, moral or otherwise, does not apply to New York City or Chicago or the State of Massachusetts or the State of Ohio, I do not see how the principle could apply to the District of Columbia, for which Congress legislates.

Mr. WADSWORTH. Does the Senator believe that the Federal Government should be held responsible for railroad accidents on trains moving in interstate commerce whose equipment has been inspected by agents of the Interstate Commerce Commission?

Mr. MYERS. No; not at all; and I never have heard of such a suggestion being made. It would be unprecedented.

Mr. WADSWORTH. Does the Senator believe that an accident on a steamboat which is subject to the Steamboat Inspection Service of the Federal Government should ultimately be charged with all its costs to the Federal Government?

Mr. MYERS. I never heard of anybody advocating it. It would be monstrous.

Mr. WADSWORTH. That is where the suggestion leads.

Mr. MYERS. It seems to me the cases cited by the Senator from New York are absolutely analogous. If the Federal Government should compensate victims of the Knickerbocker disaster, it should do so in all the cases mentioned.

Mr. HEFLIN. At the same time, Mr. President, if the Senator will permit me, if the Government inspection service permitted a ship that was not seaworthy to be pressed into service and it caused the loss of a lot of lives, does not the Senator think the Government would be morally responsible in some way for that?

Mr. MYERS. If the Government knowingly permitted to be pressed into service or caused to be pressed into service a vessel that was absolutely unseaworthy, there might be some moral obligation there; but I do not think that illustration is analogous at all. I think the cases mentioned by the Senator from New York [Mr. WADSWORTH] are analogous, and I never heard of such a demand being made on a State or a municipality.

It is something absolutely new to me. The Federal Government, though, is considered easy and there is no accounting for what organized minorities in this country will think of or undertake. They spring many propositions never heard of before. They are constantly doing it, and they are not at the end of their rope yet by any means. In my opinion, in years to come we will hear many reasons given for claims upon the Federal Treasury that we have never heard of before. New methods of raiding the Federal Treasury will yet be devised—new, novel, startling.

I do not, however, put the proposed cash bonus legislation in the same category or class at all with the Knickerbocker disaster. I mentioned the latter only to show to what extent organized minorities will go. The demand for a cash bonus is based upon entirely different grounds. It is based on grounds more appealing and those which come close to the heart of every true American. It arises from the services of men who fought and offered their lives for the preservation of this Government and the civilization of the world. At the same time, however, I do not believe it is right or just to press the demand for a cash bonus and I do not believe Congress would be justified in granting it, because I believe the demand for a cash bonus is based upon a false conception, a false theory.

I do not believe that a man who defends his home against burglars or who helps to put out the fire when his house is afire, or even a resident who responds to a call to put out a village fire, should demand or expect money compensation for it. He did a duty and should not expect money compensation for it. So with a soldier who fights for his country. He is performing a patriotic duty. He should not expect compensation in money for it. It is contrary to all of the principles of a republican form of government and of Anglo-Saxon civilization. It is not in accord with the traditions of our country. It never has been done in this country. We have always dealt justly, liberally, and generously, and rightly so, with the surviving veterans of all the wars in which this country has ever engaged—the Revolutionary War, the War of 1812, the Mexican War, the Civil War, the Spanish-American War—but it remains a fact that there never has been made by this country for the benefit of the survivors of any of those wars a general and universal cash bonus appropriation. It never has been done. I do not believe Congress has ever before been appealed to for anything of the kind, and I do not believe there is any reason why the precedent should now be set.

If we give a cash bonus to our noble boys who responded to the call of their country, and saved their country and saved the world from destruction, we really are not giving them anything. We are taking something away from them. That is what we would be doing if we should enact the proposed pending legislation. We would be taking away from them a crown of glory which they have won and which they are entitled to have undiminished and untarnished and which they are entitled to hand down in its unsullied purity to their descendants for generations to come as a heritage more honorable, more noble, more glorious, and more precious to them than any amount of cash that we could vote to them out of the United States Treasury. I believe we would be actually taking something away from them. We would be dimming and besmirching the glory of their record, which now stands untarnished and unsurpassed by the record of any men who ever responded with the offer of their lives for a noble and a righteous cause. They have earned a crown of glory. They should wear it as the proudest achievement of their lives. They should keep it untarnished, unsullied, undimmed, unbesmirched by moneyed contamination. When they shall die they should pass it on to their descendants as an emblem that time can not dim or tarnish—a free-will heritage. They should so keep it as always to be able to say, "We offered our lives, freely and without cost, to free the world of military brutality—a free-will offering." For these reasons I oppose the pending bill.

Mr. KENDRICK addressed the Senate. After having spoken for some time,

Mr. McCUMBER. Mr. President, will the Senator yield to me to ask unanimous consent that when the Senate closes its session on this calendar day it recess until to-morrow at 11 o'clock?

Mr. KENDRICK. I yield for that purpose.

Mr. WADSWORTH. May I ask the Senator from North Dakota what the program for to-morrow will be in that event?

Mr. McCUMBER. I thought if we should meet at 11 o'clock we could go on with the coal bill for a couple of hours or so and see if we could not get through with it.

Mr. WADSWORTH. Would it not be good policy, if it is necessary to pass the coal bill, to devote the entire day to it to-morrow and get it surely passed?

Mr. McCUMBER. I would not like to agree to that at this time because we may get through soon enough to take half a day on the pending bill, and I do not like to have the Senate without some work on hand.

Mr. WADSWORTH. There is plenty of work on hand.

Mr. UNDERWOOD. What is the Senator's proposal?

Mr. McCUMBER. My request was that the Senate, when it closes its session to-day, shall recess until to-morrow at 11 o'clock, the purpose being to allow an opportunity to get through with the coal bill by 2 o'clock if possible.

Mr. UNDERWOOD. The Senator proposes to lay aside the unfinished business for that purpose?

Mr. McCUMBER. I was willing to do that if we could recess until to-morrow at 11 o'clock. I would not do it unless Senators were willing to agree to that arrangement.

Mr. JONES of New Mexico. Mr. President, I should like to ask the Senator from North Dakota if he would not be willing to have a night session to-night so as to go ahead with the bonus bill and, if possible, get through with it this week?

Mr. McCUMBER. I will say frankly that I would be willing to do so, but I have consulted with quite a number of Senators, especially those who desire to make speeches on the opposite side of the question from where I stand, and they have all assured me that it would be impossible to get a vote upon it to-morrow. So there would be nothing gained by having a night session. It seems to me it would be almost impossible to keep a quorum here to-night anyway. I would like to do it, I will say to the Senator, if I could. That course would be perfectly agreeable to me.

Mr. JONES of New Mexico. I am of course very much interested in the measure, but other arrangements make it necessary for me to leave the city to-morrow.

Mr. McCUMBER. I appreciate the position of the Senator.

Mr. JONES of New Mexico. I regret very much that we shall not be able to reach a final vote upon the measure before I have to go away. I have been very much interested in the passage of the bill and I shall regret very much if I am not permitted to be personally present and cast my vote for it.

Mr. McCUMBER. I was induced to attempt to get an agreement to sit to-night and vote on the bill to-morrow because of the necessity of the Senator to be absent. I did the best I could to see if I could make such an arrangement.

Mr. JONES of New Mexico. I thank the Senator for the effort he made. I know he did make an effort in that respect. If we can not reach a final vote on the measure to-morrow, of course there is no necessity for a session to-night.

Mr. McCUMBER. Mr. President, has my unanimous-consent request been granted?

Mr. MOSES. What is the unanimous-consent request?

Mr. McCUMBER. That when the Senate recess to-day it shall be until 11 o'clock to-morrow morning.

Mr. MOSES. Will the Senator couple with that the stipulation that to-morrow shall be devoted to the coal bill exclusively?

Mr. McCUMBER. I stated that it was the purpose that we should take from two to three hours at least on the coal bill, and if it bids fair to be finished within a very short time thereafter, I shall certainly not call up the unfinished business in place of it, but try to get the coal bill through, if possible. That will give three hours before 2 o'clock, and that is the reason why I asked for a recess, and also that we recess until 11 o'clock.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota?

Mr. MOSES. I would prefer to have a more binding stipulation on the part of the Senator from North Dakota with regard to the proceeding in the Chamber to-morrow, but what he says about it seems to cover the point I had in mind. The chances are that the session to-morrow will be devoted exclusively to the coal bill. Therefore, I shall make no objection to the request.

Mr. McCUMBER. I do not want to say that if we get through with the coal bill in a couple of hours we can not do anything else. I do not want to agree that we shall have nothing else to do but to consider the coal bill to-morrow.

Mr. MOSES. The chances are that when the coal bill is disposed of, if any Senator wants to know whether a quorum is present or whether anything further can be done, it will be found that nothing can be done.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from North Dakota? The Chair hears none, and it is so ordered.

Mr. SMOOT. I offer an amendment to the pending so-called bonus bill, the purpose of which is to provide by a sales tax the money with which to pay the amount required by the bonus.

I also offer another amendment in the nature of a substitute for the bill. Briefly, I will say that it is a straight 20-year insurance plan. Coupled with it is a sales tax imposing a tax of one-quarter of 1 per cent upon manufactures along the same line that I had in mind when I offered the manufacturers' sales tax amendment to the revenue bill.

I ask that both amendments be printed and lie on the table.

The PRESIDING OFFICER. The amendments will be printed and lie on the table.

Mr. KENDRICK resumed and concluded his speech, which appears entire below.

NAVAL OIL RESERVES.

Mr. KENDRICK. Mr. President, within the last two or three weeks a detachment of United States marines marched into the Teapot oil field in central Wyoming and unceremoniously ejected a drilling crew engaged in drilling an oil well upon a tract of land claimed under the mining law. This action, taken at the direction of the President, over the vigorous protest of the governor of the State that the Federal and State courts were functioning as usual, and that it was inexcusable to substitute armed force for the orderly process of the injunctive writ, has again directed attention to the disposition of naval reserve No. 8, known as the Teapot Dome, under a lease secretly executed by the Secretary of the Interior and the Secretary of the Navy on April 7, 1922.

Prior to this date telegrams from people in my State had directed my attention to the rumors that such a lease was being negotiated. By coincidence, the very day the lease was signed a message was received from one of my constituents interested in the oil business requesting me to ascertain whether or not the Secretary would consider proposals for leases in the Teapot Dome field. I had inquiry made at the office of the Secretary, but, instead of receiving direct information, was furnished a copy of a press statement issued the preceding day. In this press statement it was said that a policy was being rapidly developed, but that—

> As yet no definite contracts have been made along these or any other lines * * * affecting the Teapot Dome.

This press statement was furnished me as representing the status of the matter on that day, and assurance was given that if any Wyoming oil operators desired to make a proposal the Secretary would be glad to entertain it.

All this occurred on April 7, and on that very day the Secretary executed a lease, not for the protection of the reserve but for the rapid exploitation and exhaustion of the entire field, and donated this lease to the Mammoth Oil Co., organized for that purpose by Harry F. Sinclair. Of course, I have no direct information as to whether the lease had already been signed when I made my inquiry or whether it was signed immediately after my inquiry disclosed the fact that Wyoming oil operators were not only interested but were anxious to submit bids for a lease on the structure.

Despite my request that I be kept informed of developments, I heard nothing further from the Secretary's office until April 13, when I received a copy of another press statement, issued, as it said:

> In response to constant requests for information concerning rumors or statements as to the disposition of Navy reserve oil lands.

In this statement the regular bureaus and officers of the Interior Department disclaimed any knowledge of the matter which, it was said, was being handled personally by the two Secretaries. The two Secretaries did not see fit to let the public into the secret and made no answer to the growing tide of demands for information, which, of course, was given added strength by the very peculiar statement issued by the department. This was the statement authorized by those who knew that the lease had been consumated a week earlier.

INTRODUCTION OF BILL FOR PAYMENT OF ROYALTY TO STATE.

It was so apparent, however, that some deal was on that I felt impelled, as a representative of the people of Wyoming, to take such protective steps in their interests as the situation warranted. Legislation heretofore enacted dealing with this naval reserve made no provision whereby the State would profit by the exploitation of this oil field, a natural resource worth millions of dollars. Aware of this situation, but without any information as to the Secretary's intention to guide me, I introduced on April 13 a bill providing for the payment to the State of a royalty of 5 per cent of all gas and oil recovered under any form of development contract which might be made.

OFFERED RESOLUTION CALLING UPON SECRETARY FOR INFORMATION CONCERNING LEASE.

Two days passed without an authorized statement concerning the transaction being given out by the Secretary. In the meantime the stream of telegrams from Wyoming oil operators and associations asking for information concerning the matter continued to pour into my office, which led me to offer on April 15 a resolution calling upon the Secretary of the Interior and the Secretary of the Navy for definite information as to whether or not negotiations were pending. This resolution was unanimously adopted. However, the Secretary failed to respond directly to the Senate's request for information, but on April 18 gave to the press a statement announcing that the lease had been made. Three days later the Assistant Secretary replied to the Senate resolution by transmitting, in substance, the same information contained in the press statement.

RESOLUTION ADOPTED DIRECTING SENATE INVESTIGATION.

The incomplete and unsatisfactory way in which the Senate resolution was answered suggested both a disregard for the unanimous request of this body and also an unwillingness on the part of the Secretary to acquaint the country with the facts concerning this contract and the negotiations leading up to it. Accordingly the Senator from Wisconsin [Mr. LA FOLLETTE] offered another resolution directing a Senate investigation of the leasing of the naval reserves, which was likewise unanimously adopted. In response to this resolution the Secretary adopted different tactics than those theretofore employed. In this instance the committee was deluged with a truck load of documents, which, it is fair to assume, will never be examined. At the same time he made a lengthy report to the President, which was sent to the Senate with a letter of transmittal approving the transaction. This report is contained in Senate Document No. 210.

I have studied the Secretary's report long and carefully. The secrecy surrounding the lease, the refusal of an opportunity to the oil world to make proposals, all these mistakes in the matter of handling the lease were past and gone. Therefore the subject of real concern to me was whether the disposition of this great oil field had been prudently handled. I sought the answer to this question in that report. I also appealed to geologists and to others experienced in the oil business for information, because that is a business in which I have never had the slightest experience, as I have never had any kind of interest in an oil property.

LEASE NOT JUSTIFIED BY PUBLIC NECESSITY.

As a result of that study I now say that the lease of the Teapot field was a shameful and unnecessary destruction of the final reserve of the Navy; that the terms were not only improvident but were viciously and criminally wasteful; that it does not, as it is claimed, promote any real competition, but on the contrary strengthens and makes more enduring the monopolistic control of the oil industry. The lease can not be justified on the theory advanced as to drainage from the operation of wells located outside the boundaries of the structure. It can not be justified at a time when there is a vast overproduction of oil, because it was set aside for use at a time when the availability of an adequate quantity of oil might be vital to the life of the Navy and the welfare of the Nation. The provisions of the lease forever prevented the State of Wyoming from realizing the great benefit from the refining within its borders of this great natural resource of the State.

GEOLOGICAL CONDITIONS EXPLAINED.

Mr. President, I want to say a word about geological conditions in the Salt Creek and Teapot fields. Oil fields in Wyoming are found in what are called domes, which are geological formations somewhat similar in shape to an inverted saucer. The Salt Creek field and Teapot field are generally conceded to be entirely separate domes, with a low point between them which is called a saddle. These fields are not unlike the shape of two eggs joined together at the smaller ends, the Teapot joining Salt Creek on the south. Both fields were originally included in one petroleum reserve, and later the Teapot field was designated as a naval reserve, and the line between the two reserves was placed at the point where they were believed to be separated by natural conditions.

Recent developments in Salt Creek have convinced geologists, including those who made the original survey, that this dividing line is about a mile south of the location originally marked by them, and accordingly it is now believed by Government authorities that the naval reserve is larger than the actual oil structure which it was proposed it should include; therefore it overlaps and covers a part of the oil-bearing land at the extreme south end of the Salt Creek field. This is an important fact, because it involves the question of drainage, to which I shall refer later on.

SALT CREEK FIELD GREATEST HIGH-GRADE FIELD OF SIZE ON FACE OF EARTH.

Salt Creek has now been fully proved by the drilling of several hundred wells, and has a production of oil which will reach 180,000 barrels per day by the first day of September. Thus it is now definitely recognized as the greatest high-grade oil field of its size on the face of the earth. It includes within its borders, as a conservative estimate, from eighteen to twenty thousand acres, which land is underlaid by at least three and possibly four highly productive oil sands of great thickness.

ESTIMATE OF POTENTIAL PRODUCTION OF SALT CREEK AND TEAPOT FIELDS.

Here, Mr. President, I want to quote some figures which will show what this controversy is all about. Conservative estimates made some time ago by Government experts show the total production of recoverable oil from Salt Creek would likely reach a half a billion barrels, but as development of this structure proceeds the estimate of recoverable oil has been from time to time increased until now it is confidently believed it will equal if it does not exceed a billion barrels.

As stated before, naval reserve No. 3, known as Teapot Dome, lies just to the south of Salt Creek, and includes 9,000 acres, and while it has not yet been developed it is known to include not only the sands found in Salt Creek but at least one additional sand higher up, which as a result of erosion is not found in the Salt Creek structure. Aside from the additional sand, known as the Shannon sand, virtually the same geological conditions exist in Teapot Dome as exist in the proved field of Salt Creek, and on this basis it is possible to arrive at an estimate which will give some idea of the enormous treasure involved in this lease. A. W. Ambrose, Chief of the Petroleum Division of the Bureau of Mines, without regard to the Shannon sand or the Lakota sand, estimates the possible potential production of the structure at 135,000,000 barrels, but this estimate may be regarded as highly conservative. Oil men of my State who have made a careful study of the available data on the Teapot structure estimate the possible production of this naval reserve at 420,000,000. While, of course, it must be understood that in the absence of actual production on an extensive scale, any estimate is largely conjecture, nevertheless the figures I have given to the Senate indicate that we are dealing with a natural resource of almost incalculable value. In any event, the oil world believes it to be a great reservoir of oil and the Secretary has dealt with it on that assumption. Mr. Sinclair took his lease in that belief. That he has not lost faith, even to a slight extent, since the lease was executed may be assumed from the following newspaper clipping, entitled:

HUGE OIL FIRM FORMED.

CHEYENNE, WYO., August 19.—Incorporation papers were filed with the Secretary of State here to-day by the Mammoth Oil Co. of Delaware, capitalized at $200,500,000 and organized by the Sinclair oil interests to develop the Teapot Dome naval reserve, under the contract secured from the Federal Government.

This is the capitalization of the Mammoth Oil Co. in Wyoming, which company a few months ago incorporated under the laws of Delaware with a capital stock of 1,000,000 shares without nominal or par value.

TEAPOT OIL RESERVE NOT IN DANGER OF DRAINAGE.

Mr. President, I now want to present to the Senate, briefly but with sufficient detail to make entirely clear, this question of drainage. The reason assigned for this, as it appears to me, untimely development of naval reserve No. 3 is the danger of its being drained of its oil by operations in adjoining fields. If such danger actually exists at the present, or may exist in the near future, adequate steps to prevent it should be taken and could be taken without unusual expense or difficulty. But of all the myths and fables constructed by the Secretary in defense of this transaction, none has less real substance than this nightmare of drainage.

Teapot Dome is one of the three petroleum withdrawals set apart for the benefit of the Navy as a dependable source of supply when domestic oil production has declined. The other two naval reserves are in California, and final disposition of those have also been made, as disclosed in the Secretary's report. Unfortunately, a number of tracts within each of the California reserves are owned by private operators who have diligently developed them and are rapidly exhausting the oil, and there is no reason to doubt the statement of the Secretary of the Interior that it was impossible to protect the drainage of the naval lands in these reserves and that it was essential to arrange for the development of them in order to protect the interests of the Government. But no such condition prevails in connection with naval reserve No. 3. Every foot of land along the northern boundary of the reserve which offers opportunity for drainage, if, in fact, any exists, belongs to the United States Government, except 360 acres on the extreme edge of the structure, which belongs to the school children of the State of Wyoming. The Government has had no difficulty whatever in preventing any drilling on this reserve during the past six years, just as it would have had no difficulty in preventing drilling of wells for the next 60 years to come. Here was a great oil field controlled by the Government, no private interests within its borders and none operating on privately owned lands adjacent to it, despite the impression to the contrary conveyed by the press dispatches, which carried the first authorized statement of the Secretary concerning the details of this lease. It was the only oil structure in the country which could have been preserved intact for an indefinite length of time.

I have stated before that the naval reserve joins at the northern end with the Salt Creek field. The boundary of the two structures is in contact not to exceed a mile and a half if a straight line were followed, and a somewhat greater distance if followed by the zigzag course of the legal subdivisions of the land which the exact line takes. It is along this line where the two fields meet, that the possibility of drainage exists, if, in fact, any does exist. When it is considered that the naval reserve is 6 miles long and has a circumference of probably 15 or 16 miles, it will be appreciated what an infinitesimal part of the entire area could be drained from wells drilled along this short line of contact.

NO PRIVATE LANDS NEAR NAVAL RESERVE.

A stranger, reading the report of the Secretary, would undoubtedly get the impression that the drainage of Teapot, to the extent such drainage may occur, will be due to the operation of independent producers upon privately owned lands and that the loss of Teapot oil will, therefore, be a net loss to the Government. As a matter of fact, there is not a single tract of privately owned land within several miles of the Teapot

field; and with a single unimportant exception, every foot of land in the Salt Creek field, which lies within 2½ miles of the Teapot reserve, is owned by the Federal Government itself. The single exception is part of a school section to which I have referred, owned by the school children of the State of Wyoming, which contains 200 acres of land in the extreme south end of the Salt Creek reserve and 160 acres in the extreme north end of the Teapot reserve; a total of 360 acres within the reserve of which but a small part has been proved productive, for although operations have been carried forward diligently by the lessee of this land for four years only four small wells have been drilled, with a combined production in June, 1922, of 182 barrels per day; and this is the total drainage, present or prospective, of the Teapot field, from wells upon land not owned by the Government. All the remainder of the oil-producing territory which lies within several miles of the Teapot reserve is Government land.

I have pointed out before that the boundary line of the naval reserve and Salt Creek was until recently assumed to likewise mark a natural dividing line between the two structures. Assuming, however, that the more detailed information of recent months has correctly placed this dividing line approximately a mile south of where it was originally thought to be, then that part of the reserve that lies north of this dividing line is not a part of the Teapot structure but a part of the Salt Creek structure, and might be subject to some drainage. However, it would be to a negligible extent.

It is generally agreed that a well will not draw oil from a greater area than 10 acres, so that if a line of wells were drilled along the entire distance between the naval reserve and Salt Creek it could not possibly draw oil from more than two or three hundred acres out of a total of 9,000 acres.

FEW OFFSET WELLS WOULD HAVE AFFORDED COMPLETE PROTECTION.

The protective method required by the leasing act, and the general practice in all oil fields, is the drilling of offset wells when it is considered necessary to prevent the depletion of oil from property as a result of drilling on adjoining land. A line of offset wells along the northern end of the Teapot reserve would have afforded adequate protection against any possible loss of oil.

Mr. President, I again remind the Senators that the wells that it is now claimed threaten the Teapot reserve with drainage are located on Government land that was leased in June, 1921, not by a former Secretary, but by the present Secretary, so that if there is actually any danger of drainage, he himself is responsible for creating it.

GOVERNMENT GETS HIGHER ROYALTIES ON BORDER WELLS THAN UNDER TEAPOT LEASE.

Finally, let it be granted that the theory of drainage is correct, still the terms of this contract would not be justified, because the Government is getting a higher royalty on these border wells in Salt Creek than it will ever get under the most favorable conditions under the Teapot lease. The Secretary expresses alarm about the danger from drainage from the Fensland well on section 20, about half a mile from the naval reserve. Let us use this well as an illustration. The Senators will be interested in knowing that the Government gets 33⅓ per cent on all the oil produced from this well and also received a bonus of $51,000 for the 160 acres on which it is located. I shall show conclusively that under this contract it is inconceivable that the royalty will ever reach the rates paid to the Government by the owners of these border wells. There are no wells being operated along the border that pay less than 25 per cent royalty on all the oil produced.

Surely this fact that the Government would receive a larger return from the Teapot oil if the threatened drainage actually does occur than it will get from the same oil if it is produced under this improvident lease which the Secretary says he was forced to make in order to prevent drainage, completes the proof of the utter folly of this entire transaction.

But let me leave this discussion of drainage with the final observation that the departmental excuse that Teapot was in danger of drainage has been met with such a howl of derision from the oil operators of Wyoming that the soft pedal has been placed on that argument out there, and show how improvident are the terms of this remarkable transaction.

ANALYSIS OF ROYALTIES PROVIDED BY CONTRACT.

Mr. President, a great deal of emphasis has been placed upon high royalties that this contract provides, but, as I stated a moment ago, the royalty derived from the wells which the Secretary has been so fearful were draining oil from the Teapot field is higher than the royalties in the Sinclair contract will ever average, and I shall now show that they are not high enough to justify this lease and will not average as high as any of the leases in the Salt Creek field made under the terms of the leasing act.

I want to say at this point to those Senators who do me the honor to listen that this involves something of figures and of course it is something of a prosy statement, but it is impossible to make it any more brief and still make it clear or so that it is understandable. Therefore I have attempted to show it in such detail as was necessary to give a clear idea of the situation.

There are two fundamentals in connection with this Sinclair lease that I want the Senate to keep clearly in mind in following the analysis of these rates which I shall now present.

First, that the rates are not based on the individual production of the wells, but on the average of all the wells in the entire field, which is found by dividing the total monthly production by the number of wells in the field. Secondly, a higher rate of royalty prevails on oil testing 34° Baumé than below that figure. Under the provisions of the contract both of these factors are capable of manipulation to the advantage of the lessee, as I shall show in the most conclusive manner.

ROYALTIES ON GRADUATED SCALE.

Royalties are on a graduated scale so that under no circumstances would the average royalty ever reach 50 per cent, which is the highest rates fixed in the contract. It is pertinent to an understanding of the royalty question to examine the schedule of rate, and I am asking, therefore, to have them printed in tabular form without reading them.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Schedule of graduated royalty.

ROYALTIES BASED ON AVERAGE MONTHLY PRODUCTION PER WELL ABOVE 34° BAUMÉ.[1]

Portion between barrels—	Equals (barrels).	Rate (per cent).	Royalty (barrels).
0 and 50	50	12½	6.25
50 and 100	50	16½	8.33
100 and 200	100	20	20
200 and 300	100	25	25
300 and 400	100	30	30
400 and 500	100	35	35
500 and 600	100	40	40
600 and 800	200	42½	85
800 and 1,000	200	45	90
1,000 and up		50	

ROYALTIES BASED ON AVERAGE MONTHLY PRODUCTION PER WELL BELOW 34° BAUMÉ.[1]

0 and 20	20	12½	2.50
20 and 50	30	14½	4.28
50 and 100	50	16½	8.33
100 and 200	100	20	20
200 and 300	100	25	25
300 and 400	100	25	25
400 and 500	100	25	25
500 and 600	100	25	25
600 and 800	200	25	50
800 and 1,000	200	25	50

[1] The total number of royalty barrels on a thousand-barrel average well basis would be 339 barrels on oil testing 34° Baumé or over. On a thousand-barrel average well testing below 34° Baumé the total would be 235 barrels. The number of barrels of royalty oil testing below 34° Baumé would be further reduced by the clause of the contract which provides for an exchange basis of 63 barrels of fuel oil for 100 barrels of Teapot oil, whereas the exchange basis is 100 barrels of fuel oil for 100 barrels of Teapot oil when it tests above 34° Baumé. Instead of receiving 235 barrels of royalty oil, the Government on this exchange basis would receive only 63/100 of 235 barrels, or 148 barrels on a thousand-barrel average.

AVERAGE ROYALTY ON BASIS OF 1,000-BARREL WELL ONLY 33.9 PER CENT.

Mr. KENDRICK. An examination of this table will show that under this graduated system of royalties the average royalty on a thousand-barrel well of oil, 34° B. or over, would be 33.9 per cent, or 339 barrels; on a 500-barrel well the average would be 24.8 per cent, or 124 barrels; on a 200-barrel well, the average would be 17.29 per cent, or 35.5 barrels; on a 100-barrel well, 14.5 per cent, or 14.5 barrels; and on a 50-barrel well will be 12½ per cent, or 6.25 barrels.

Let us now consider the royalty on oil testing below 34° B. On the graduated scale the average royalty on a 200-barrel well average for the field would be 17.5 per cent, or 35 barrels; and on a 100-barrel average 15 per cent, or 15 barrels. But the contract provides that the lessee may exchange fuel oil on a basis of barrel for barrel of Teapot oil testing above 34° B., while the exchange basis on oil testing below 34° is 63 barrels of fuel oil for 100 barrels of Teapot oil, which means that the royalty on an average production of 100 barrels per well instead of being 15 per cent would be only sixty-three one-hundredths of 15 per cent, or 9.45 per cent.

AVERAGE SALT CREEK ROYALTIES 20 PER CENT HIGHER THAN TEAPOT CONTRACT.

A comparison of the royalty schedule donated to Mr. Sinclair with that prescribed for the bulk of Salt Creek operators shows that the latter are getting much the worst of it, because their royalties are materially higher at the small production figures. When the average production is as high as 200 barrels per day, which is exceptionally high for any field, the Salt Creek producer pays the Government a royalty which is more than 20 per cent in excess of the royalty Mr. Sinclair would pay; and the Sinclair royalty schedule would not overtake the Salt Creek royalty schedule until the average production rate exceeded 400 barrels per day, which is more than twice the average production of the wells in the entire Salt Creek field at this time when it is still in the flush stage.

PRODUCTION SUBJECT TO MANIPULATION TO HOLD DOWN ROYALTIES.

Mr. President, I shall point out now just how the lessee can manipulate the average production in the Teapot field in order to keep the royalty always at a low average. There are two ways at least under this contract by which the average production of the wells can be held down, thus enabling the lessee to get the rates in the low brackets of the royalty schedule. Overproduction can be developed which will furnish an excuse for "shutting in" the wells, thus reducing the natural flow. If the lease had provided that in case of overproduction that certain wells should be shut down absolutely, thus saving the gas pressure and not affecting the normal rate per well production, the Government would have been protected against this opportunity for arbitrary rate manipulation.

Mr. STERLING. Mr. President, just what is meant by "overproduction" in the sense in which the Senator used the term?

Mr. KENDRICK. In this neighboring field there is now, as I shall show later, a production that will reach 180,000 barrels by the 1st of the next month, it is estimated. It is now perhaps 150,000 to 160,000 barrels.

Mr. JONES of New Mexico. Per day?

Mr. KENDRICK. Per day. Of that amount there is an outlet for only 30 per cent of the oil provided by the local refineries or markets.

Mr. STERLING. Then it is governed by the capacity of the refinery.

Mr. KENDRICK. Not necessarily that. Other refineries could be built or the present ones could be extended. It is governed by the manufacturing processes and the market facilities, the opportunity to sell. They can at this time only dispose of, and will only buy from the independent operators, from 30 to 40 per cent of the present production.

Mr. STERLING. Is that described in the lease so that those various elements which would go to constitute overproduction appear in the contract itself?

Mr. KENDRICK. There is nothing that I recall in the lease that would prevent the manipulation as pointed out here.

The second and more radical way in which the royalties may be held down is by manipulating the average of the wells. The Shannon sand will produce about 10 barrels per day per well, and in the Salt Creek field the First Wall Creek sand produces about 175 barrels, and the Second Wall Creek sand 253 barrels. Assuming that the same condition prevails in the Teapot structure, it will be seen that all the lessee will have to do to bring the average production down to a low figure will be to drill several of these wells in the Shannon sand for each one drilled into the other sands.

These shallow wells would be highly profitable also. Oil was discovered in the Shannon sand on the crest of the Teapot Dome at only 335 feet, and can be reached on any part of the structure from 600 to 900 feet. Therefore, wells drilled into this sand will cost between $2,500 and $5,000, and will pay for themselves at least twice a year for many years to come.

BAUMÉ SPLITTING POINT HIGHER IN SINCLAIR CONTRACT THAN UNDER LEASING ACT.

As I have pointed out, there is a different schedule of rates on oil testing 34° Baumé and over than is in effect on oil testing below that degree. In the leases under the preferential clause of the leasing act the splitting point for the different schedule royalties is 30° Baumé. Mr. President, I do not have any information concerning the reason why this splitting point was raised in the contract given to Mr. Sinclair, but it suggests still another way in which royalties can be manipulated to the lessee's advantage. Oil from the Shannon sand has a Baumé gravity of 24°; First and Second Wall Creek sands, 35° to 36°; and Lakota sand, 31°. Raising the Baumé splitting point enables the lessee to get a rate on the Lakota sand that will never go above 25 per cent, and an exchange basis of 63 barrels of fuel oil for 100 barrels of the high-grade oils from the Teapot structure.

The effect of raising the Baumé splitting point is best shown by a brief table which I ask to have inserted in the RECORD at this point.

The PRESIDING OFFICER. Without objection, the table will be printed in the RECORD.

The table referred to is as follows:

Comparison of two 500-barrel wells, one in Wall Creek sand, the other in Lakota sand.[1]

	Average production.	Degrees Baumé.	Average royalty.	Royalty.	Exchange rate of 63 fuel to 100 Teapot oil.
	Barrels.		*Per cent.*	*Barrels.*	*Barrels.*
First Wall Creek sand	500	36	24.9	124	.....
Lakota sand	500	31	22	+110	69

[1] By mixing two oils the Baumé average would be reduced to 33.5 per cent, thus reducing royalty on both wells to 22 per cent, cutting down Government royalty 14 barrels and making effective exchange basis of 63 barrels fuel oil for 100 barrels Teapot oil, so that actually the Government would receive only 138 barrels instead of 248 barrels if 30° Baumé, which is the splitting point provided in leases under the leasing act, had been retained in the Sinclair contract.

GOVERNMENT LOST MILLIONS IN BONUSES BY AWARDING LEASE ON NONCOMPETITIVE BASIS.

Mr. KENDRICK. Mr. President, I have discussed only the question of royalties. I have mentioned the subject of bonuses only incidentally. I now want to call the attention of the Senate to the millions of dollars which the Government threw away by the noncompetitive, secret way in which this lease was awarded. Ever since I can remember it has been contrary to public policy, if not to law, to sell even a condemned mule on one of our western military reserves without public notice and by competitive bidding; but in this case, with no emergency existing, and contrary to the long-established policy of the Government, we find the Secretary of the Interior, with the Secretary of the Navy concurring, and with the approval of the President, entering into a lease in secret, which if placed on the market at public auction would have brought millions of dollars beyond a question of doubt.

I base this conclusion on the history of such sales. I have already referred to the 160-acre tract upon which the Fensland well is located, which sold in June, 1921, for a bonus of $51,000 and a royalty of 33⅓ per cent, not on a graduated basis but a straight royalty of that amount for every barrel of oil produced. At this same sale 4,155 acres lying within the 2,600-foot contour line, and therefore assumed to be productive in the Second Wall Creek sand only, sold for a bonus of $1,686,100, or an average of $405.80 per acre, and straight royalties of 25 per cent for tracts regarded as least desirable, and 33⅓ per cent for the better tracts.

The bonus paid for one of these tracts was $1,412.50 per acre.

EIGHT THOUSAND ACRES BRING MORE THAN TEN MILLIONS IN BONUSES.

Now, let us consider the character of the land which brought this bonus and royalty. This land all lies on the outer edge of the structure in the Salt Creek field. The Shannon sand found in the Teapot structure, because of the higher elevation in the Salt Creek field, has eroded away. The First Wall Creek sand had been drilled and found to contain water. Therefore the bidders at this sale were virtually bidding on land containing only one oil sand; that is, on the possibilities of oil in the Second Wall Creek sand, and this at a time when oil was selling at 50 cents per barrel. What would they have paid for the Teapot Dome with its three, possibly four, oil-producing sands at a time when oil was selling at $1.40 a barrel? The answer is suggested by the fact that on June 28, 1922, 8,335 acres belonging to the Osage Indians sold at public auction at Pawhuska, Okla., for $10,430,000 bonus. There is every reason to believe the Government threw away from $15,000,000 to $20,000,000 in leasing the Wyoming naval reserve in the manner it did. Five per cent of this amount in a royalty to the State, as provided by my bill, would have amounted to at least several hundred thousand dollars if not a million dollars to the school children of Wyoming.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Massachusetts?

Mr. KENDRICK. I yield.

Mr. WALSH of Massachusetts. The Senator is making a very serious accusation against some public officials and he seems to be possessed of the facts to confirm his criticism. I should like to ask him if he can indicate the purpose and mo-

tives of the Secretary of the Interior and the Secretary of the Navy in entering into this secret lease?

Mr. KENDRICK. Mr. President, for an answer to the question he has just asked me I shall have to refer the Senator from Massachusetts to the report made by the Secretary of the Interior to the Senate in response to the resolution offered by the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. WALSH of Massachusetts. In other words the Senator thinks the information is there available for one to draw his own deductions?

Mr. KENDRICK. Exactly.

CONTRACT LET IN FACE OF GREAT OVERPRODUCTION.

Mr. President, it is my purpose here to refer to the absence of any necessity of development, but on the contrary there exists a condition of overproduction that made it unwise from an economic standpoint to proceed with the exploitation of this field at the present time. Against the day of greatest need the Navy Department, through all of the administrations from 1909 down to this time, has resolutely preserved the Teapot field. That final reserve, which for security and certainty never has and never will be duplicated, has now been subjected to a development contract, not designed to protect the field from drainage but to force its early and rapid drilling and exhaustion; and this at a time when America is producing oil at the highest rate in history, when overproduction has forced field prices for oil to a point so low that the producers are crying in despair, and when fuel oil on each coast is plentiful at prices far below those of recent years.

Mr. STERLING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from South Dakota?

Mr. KENDRICK. I yield, although I should prefer to go on and conclude my remarks.

Mr. STERLING. I merely desire to ask the Senator one question. The Senator refers to the Navy Department. I wish to ask if it has not been stated that the Navy Department and the Interior Department agreed together upon the leasing of the Teapot Dome field?

Mr. KENDRICK. Mr. President, I will say that, as I understand, the report made to the Senate indicated that they were equally responsible for the lease.

Mr. STERLING. I was led to ask the question by the statement of the Senator that down to the present day the Navy Department had insisted on conserving this field.

Mr. KENDRICK. Yes; down to the time this lease was made.

Mr. POMERENE. Mr. President, may I ask just one question?

Mr. KENDRICK. I yield.

Mr. POMERENE. For how long a period had negotiations been pending for this lease?

Mr. KENDRICK. I have no information on that point except what is found in the report to which I have referred. That is the only authorized information we have. The Secretary tells us there how the question was first brought to his attention, and that is all the information obtainable, as far as I know.

Mr. WALSH of Massachusetts. Was this lease negotiated and concluded in secret and kept a secret until the resolution the Senator offered was replied to by the Secretary of the Interior?

Mr. KENDRICK. If the Senator had heard my opening remarks——

Mr. WALSH of Massachusetts. I regret that I was not here to hear them.

Mr. KENDRICK. He would have heard the story of the proceedings. There were rumors—the air, I might say, was full of rumors about the lease—and telegrams came from my State asking for information; but the information obtainable did not seem to give us any real facts, and so my first resolution was directed to ascertain whether the lease had been made.

Mr. WALSH of Massachusetts. How long had it been made prior to the resolution of the Senator from Wyoming?

Mr. KENDRICK. As I recall, the lease was made the day that I first made inquiry, and a press report went out that day to the effect that no lease had been made.

Mr. WALSH of Massachusetts. And neither the junior Senator from Wyoming nor his colleague knew anything about the negotiations or the making of the lease until after it was consummated?

Mr. KENDRICK. I can only speak for myself, and I did not have any information.

Now, if Senators will allow me to proceed—for it is a tedious story in any event, because of its details—I will be just as brief as I can. I hope that Senators will give me their attention, because, after all, it is a matter of real importance.

Year by year the production of crude oil in this country has increased. In 1911 it amounted to 220,000,000 barrels and in 1921 it had increased to 469,000,000 barrels, while for the past few months it has averaged 1,500,000 barrels per day, or at the rate of 540,000,000 barrels per year. There has never been as much overground oil storage in the hands of producers as at present, and the quantity of fuel oil in the hands of American refiners on February 1 this year has been exceeded only once since the Bureau of Mines began publishing refinery statistics in 1917. On January 31, 1921, domestic stocks, including oil in the pipe lines, totaled 130,321,000 barrels; on January 31, 1922, 196,228,000 barrels; on June 30, 1922, the reserve stock had mounted to 254,901,000 barrels. Daily production mounted from 1,224,484 barrels for the month of January, 1921, to 1,391,645 barrels daily for January, 1922, and 1,508,233 barrels daily for the month of June.

OVERPRODUCTION IN SALT CREEK FIELD ACUTE.

Overproduction in the Salt Creek field is particularly acute. The present demonstrated available production by "natural well tests" show that Salt Creek can give up 120,000 barrels of crude oil daily from existing wells.

I want to say here to Senators that this oil flows over the top of the ground year after year. It is not necessary to pump it. The gas pressure takes it out over the top of the ground; and some of the wells in that structure have been flowing from 1,000 to 2,000 barrels a day for the last six or seven or eight years. The wells are "shut in" so as to run 30 per cent of what they produce if allowed to run naturally. Notwithstanding this fact, it is reported at the present time that there are more than 100 wells in the process of drilling in the main Salt Creek field. Oil men estimate that at the present rate of development at least 200,000 barrels daily will be available by the end of 1922. This is the situation in the face of overproduction in this field so great that the market will only take from 30 to 40 per cent of the present production.

RESERVES REMAINING IN GROUND RAPIDLY BEING DEPLETED.

Unfortunately, the tremendous production of oil does not indicate an unending supply. On the contrary, it means that the supply of crude oil established in this country by nature is being exhausted with ruthless rapidity. Joseph E. Pogue, a leading authority in the petroleum industry, in his book, The Economics of Petroleum, after presenting estimates which indicate that the original supply of crude petroleum was between 10 and 11.3 billion barrels, says:

> Up to January 1, 1921, the United States has produced 5.4 billion barrels of petroleum. Subtracting this quantity from the original supply of 11.3 billions, we have left as a working reserve 5.9 billion barrels, with an annual consumption requirement running well above the half-billion mark.

DEPLETION OF DOMESTIC RESERVE WILL MAKE NAVY DEPENDENT ON FOREIGN SUPPLY.

Thoughtful men of the industry have repeatedly sounded warnings of the near approach of the day when new fields will no longer be found, and the rapid decline in the production of oil from the old fields will bring the country face to face with a permanent and increasing shortage of that fuel upon which such a large part of our national life is now based. When that day comes American industry must depend largely upon the importation of oil from other nations which have been less careless with this limited gift of nature, and American industry must, of course, pay the tax which the importation of that foreign oil levies upon it. But the Navy itself, increasingly dependent upon fuel oil as more oil burners are constructed for the fleet, will find its greatest pinch not in paying a high price for fuel but in an inability to get fuel when war closes the ocean routes.

Mr. FLETCHER. Mr. President, I should like to suggest to the Senator also that merchant ships are operated largely with oil fuel in these days.

Mr. KENDRICK. Yes; and I assume, without knowing much about it, that they would be almost as necessary an arm of the Government in time of war as the fighting ships.

Mr. FLETCHER. Precisely.

LEASE STRENGTHENS MONOPOLISTIC CONTROL OF OIL INDUSTRY.

Mr. KENDRICK. Mr. President, I invite the Senate's attention to the third paragraph of this contract, which recites one of the chief advantages which the Government is presumed to derive from this lease. It reads as follows:

> Whereas the Government is desirous of creating a competitive market and securing the best prices obtainable for royalty oil received and to be received by the Government of the United States from the public domain in the Salt Creek field of Wyoming.

Just how this competitive market is to be created by the granting of this lease is hard to understand, in view of the close connection between the Sinclair Co. and the Standard of Indiana, which admittedly controls 90 per cent of the stock

of the Midwest Refining Co., which in turn controls the situation in the Salt Creek field.

In the report of the Secretary of the Interior, made to the President in answer to the resolution offered by the Senator from Wisconsin [Mr. LA FOLLETTE] on April 29, we find this statement:

It may be frankly stated that the entire matter was conducted by the Secretary of the Interior, as indicated, through conference in his office in Washington with representatives of at least three of the great oil companies of the United States outside of what is known as the Standard Oil group.

It may be as frankly stated that no prejudice against any of the Standard Oil companies caused the Secretary of the Interior to refrain from calling those companies in, but he did not so call them simply because of the fact that the Midwest Corporation in Wyoming is generally understood to be a Standard Oil subsidiary, and then had, and now has, a monopoly of the oil production of the entire State of Wyoming.

STANDARD OIL OWNS HALF INTEREST IN SINCLAIR PIPE LINE AND SINCLAIR CRUDE OIL PRODUCING CO.

In the light of all the facts, which are known to all men, one can not avoid the belief that the Secretary made this statement in a spirit of humor. If he did not mean it in a sense of humor, it was clearly intended to convey the impression that the Midwest, owned and controlled by the Standard, and the Sinclair were entirely independent and nonrelated companies. As showing the exact situation in reference to the relationship between these two companies, I submit for the RECORD an extract from the report of the Federal Trade Commission, made July 13, 1922, page 2, paragraph 5:

* * * In 1921 the Standard Oil Co. (Indiana) purchased one-half interest in the Sinclair Pipe Line Co., and in conjunction with Sinclair interests organized the Sinclair Crude Oil Producing Co., in which the Standard Oil Co. (Indiana) holds one-half interest. * * * According to current reports, this latter company (Sinclair Crude) is now planning to purchase and store Wyoming crude, which it is planned will be shipped through the proposed new pipe lines of the Sinclair Pipe Line Co., which, when built, are to connect with its own lines, and with those of the Prairie Pipe Line Co., (another Standard concern), in the vicinity of Kansas City, Mo. Prior to the acquisition of the Midwest Refining Co. by the Standard Oil Co. (Indiana), the Ohio Oil Co. (Standard) was the largest producer in that section. The Illinois Pipe Line Co. owned the greatest pipe line mileage, the Midwest Refining Co. was the most important refiner, and the Continental Oil Co. was the chief marketer. These companies are now all members of the Standard group.

STANDARD TO AID SINCLAIR IN FINANCING PIPE LINE.

I quote also from the Wall Street Journal of June 13, 1922, as follows:

Sinclair Consolidated Oil is in a stronger position from the viewpoint of cash than at any time in its history. It is to receive close to $16,000,000 cash from the Standard Oil Co. of Indiana in payment for one-half interest in its pipe lines. * * * The Teapot Dome pipe line, which will be 800 miles long, will cost approximately $15,000,000 and will be financed jointly by the Sinclair and Standard Oil Co. of Indiana, so that Sinclair will have to draw upon its treasury for only $7,500,000. Building of tankage to supply the Navy with fuel oil and refined products will be easily financed. Development of the Teapot Dome will cost the Sinclair nothing, as the expense will be met by the Mammoth Oil Co.

This all shows the complete community of interest between the Midwest Refining Co., which now monopolizes and dominates the oil industry of Wyoming, and the Sinclair Co., well known by the public to be one of the Standard group, and indicates the perfectly vicious form of competition that is to characterize the activities of these two companies in Wyoming.

PRIVATE CLAIMS ON TEAPOT DOME.

On page 23 of the Secretary's report we find this further statement:

Another matter which was fully explained to the different oil men and others with whom discussion was had was that there were certain outstanding private claims of record against portions of the area of the Teapot Dome, and that, in the matter of the consideration of propositions submitted or to be submitted by any companies or individuals in the carrying out of the prime purpose as just set forth, equitable consideration would be given to that proposition accompanied by quit-claim deeds to the United States Government covering all of such private claims.

A closer examination of this surrender of old titles gives another interesting picture of the brotherly relationship existing between the Sinclair and the Midwest Cos. in this transaction. The Secretary says much about the claims on Teapot which had to be gotten out of the way; he forgets to inform the country that these claims were owned by the Standard Oil Cos. and that deeds for them were so easily available to Mr. Sinclair that in his very first proposition to the Secretary he was able to guarantee that these claims would be surrendered. From all this it is easy to see how vigorous and how beneficial to the independent oil producers and to the public will be the coming competition between Mr. Sinclair and his enemies, the Standard Oil Co., the one owning all of the Teapot and the other dominating the Salt Creek field.

PIPE LINE WILL NOT BENEFIT INDEPENDENT PRODUCER.

This fable of benefiting the Wyoming producer by operations under this contract has another defect. The particular manner in which the Wyoming producer is to be benefited is through the construction of a pipe line by Sinclair to the Missouri River, thereby broadening the market for Wyoming crude. The Mid-Continent field is producing 400,000 barrels of crude per day, which is 100,000 barrels more daily than a year ago, and the operators in that territory are already confident that the recent price cuts have been largely due to the prospective dumping of a lot of Wyoming oil in that district, and that the actual construction of a line from Wyoming would lead to even more trouble for them. But no matter how grievously the construction of the Wyoming pipe line may affect Mid-Continent crude prices, it is entirely clear that it will not help the Wyoming producer.

This pipe line is to be built only when Sinclair has developed a production of 20,000 barrels per day in Teapot. Until that time his Teapot will be thrown on top of the existing Wyoming production, which is already three times the amount which can be marketed. When the pipe line is built it is to have a capacity of 25,000 barrels per day, a margin of 5,000 barrels above the minimum Teapot production, and this extra capacity the Government patriotically preempts for its Salt Creek royalty oil. Little chance, indeed, will there be to move through this line any of the Salt Creek production, now shut in on account of lack of market, amounting already to 100,000 barrels per day.

GOVERNMENT COULD HAVE BUILT PIPE LINE WITH BONUSES.

Mr. President, right here I want to direct the attention of the Senate to a plan whereby the Government could have built this pipe line without costing the people a cent. In discussing the question of royalties and bonuses I made reference to the fact that if the contract had been granted on a basis of competitive bidding the Government could have obtained at least as favorable royalties as it did, and in addition there is every reason to believe the bonuses would have ranged from $15,000,000 to $20,000,000.

In other words, the Secretary has bestowed upon Mr. Sinclair a concession of an amount that would easily have built the pipe line from Salt Creek to Woodriver, Kans. The ownership of the pipe line by the Government would have contributed more toward setting up a competitive condition in the Salt Creek field than any other single factor. As the Senator from Oklahoma [Mr. HARRELD] so well said in his speech the other day:

If you give me the pipe lines of this country I can control the price of crude and the price of its products, whether I own a single acre or barrel of production, and that is exactly what the monopolists of this country are doing.

GOVERNMENT MADE PRESENT WORTH MILLIONS TO FAVORED INDIVIDUAL.

Thus far I have discussed this contract from the national standpoint. From that point of view it is wholly indefensible. Ostensibly to prevent a drainage of a field which will never happen to any serious degree, and if it does happen will be the result of operations yielding to the Government a larger return than would direct development of Teapot, the Secretary has ruined the last and only perfect oil reservoir of the Nation.

Mr. WALSH of Massachusetts. Under what authority did the Secretary act?

Mr. KENDRICK. The authority was granted by Congress, I think, in about 1921.

Mr. WALSH of Massachusetts. In the so-called leasing bill?

Mr. KENDRICK. No; I think it was under an amendment on an appropriation bill, which granted the Secretary of the Navy the right to administer these reserves. An Executive order issued early in the present administration placed the control jointly under the Secretary of the Interior and the Secretary of the Navy.

Mr. WALSH of Massachusetts. Without any approval on the part of Congress?

Mr. KENDRICK. I believe so; yes. In so doing he has made a present to a favored individual of national property worth hundreds of millions of dollars and has exacted of that individual royalty terms which mean that the Government will receive not to exceed 15 barrels to 25 barrels of oil out of every 100 barrels contained in the field; or, in other words, in order to save 15 or 25 barrels of oil from mythical drainage the Secretary is giving away from 75 to 85 barrels of oil which can never be replaced. In all earnestness I say that this contract is so disastrous to the national interest and so outrageous in its terms that it never could have been negotiated and executed in the open, and that it was possible only because in the transaction the Secretary deliberately violated the rule of disposition of public property at public auction, which has controlled Congress and the Government in every other department of business.

CONTRACT BLOW TO REFINING INDUSTRY IN WYOMING.

But there is another aspect of this matter which is of particular interest to the State of Wyoming. In spite of our great natural advantages of location and our unlimited possibilities of cheap fuel and hydraulic power we have not profited by even

a reasonable number of manufactories. In fact, one of the greatest handicaps in the development of the State up to this time has been the transportation across its border of its inexhaustible supply of raw material, including coal, iron, and almost every other mineral product. In recent years some of the great oil refineries of the world have been constructed in Wyoming, dependent upon the supply of crude oil from the limited number of Wyoming fields, and cities have been built around these refineries which find their business foundation in the pay rolls of those plants.

The drilling of wells makes boom towns, but the operation of oil fields, after the wells have been drilled, requires but few men, and the people of Wyoming have so thoroughly learned how completely the greater public benefit depends upon the refining of the oil within the State that public officials, newspapers, and the public, irrespective of politics, have united in a demand that the crude oil of the State shall be refined in Wyoming. This great desire, which certainly must find a sympathetic response in this body, is now disappointed. The prospective fields of the State have been most thoroughly exploited and it is thought that the extent of future production is fairly well determined. This structure alone has remained as the source of supply for our one great manufacturing industry when existing fields have been depleted. Wyoming protested when it first learned that disposition of the field might have been made; it protests now with double vigor when it learns from the enforced statements of the Interior Department that the field has been donated to an individual under a contract which not only permits but requires him to strip the oil from that field a. once, throw it upon an overloaded market at bankrupt prices, and in so doing destroy the one safe reserve of the national Navy and the one prospective source of raw material for the refining industry of the State.

GREAT PART OF ROYALTIES TO BE EMPLOYED IN BUILDING ARTIFICIAL STORAGE.

Mr. President, as stated at the biginning, this great reserve was, in the wisdom of the President and of Congress, set aside and dedicated to the use of our Navy in a time of emergency, and not to be exploited in a time of vast overproduction. It must have included a plan under which by Federal development this great basin of crude oil should have been given to such service instead of a petty royalty of 15 or 25 barrels out of every hundred. It is equally true that the course of wisdom in handling this resource would have retained the oil in its natural storehouse, where it has lain for millions of years, instead of employing a great part of the limited royalties received building artificial storehouses.

CONTRACT IRREPARABLE LOSS TO WYOMING.

I have attempted to show and believe I have shown conclusively that the excuse as to the necessity of developing this structure because of the drainage is the flimsiest pretext and can not be justified by existing information derived from either official or unofficial source; that the terms of the contract are improvident to the last degree; that it does not in any way lessen the grip of monopoly upon Wyoming oil fields but it does serve to render more enduring, and even perpetuates that monopoly; and that it imposes irreparable loss in transporting across the borders of my State its raw materials, thus denying the State its opportunity to receive even this form of compensation from its supply of natural resources.

CONTRACT WILL DAMN ADMINISTRATION.

In conclusion, this contract can not be justified in the minds of the people. It can be justified only by the insatiable greed of monopoly and I venture this prediction, if every other objection to this contract were removed, the secret method of its consummation is enough to condemn it in the mind of every citizen, and it will forever discredit the administration of this great department; and, if it be defended by the national administration, it will eventually plague and even damn that administration.

THE HISTORY OF DEFLATION.

Mr. JONES of New Mexico. Mr. President, I ask unanimous consent to have printed in the RECORD, in eight-point type, an editorial from the Omaha Evening World-Herald on the subject of "The history of deflation."

There being no objections, the matter referred to was ordered to be printed in the RECORD, in eight-point type, as follows:

[From the Omaha (Nebr.) Evening World-Herald of Monday, August 21, 1922.]

THE HISTORY OF DEFLATION.

The State platform of the Democratic Party of Nebraska contains this plank:

"We denounce the unnecessarily drastic deflation of currency and credits at the expense of agriculture, labor, and legitimate business as a perversion and misuse of the powers of the Federal reserve system, which was designed to protect the people against the wrongs of either undue inflation or sudden and harmful deflation, and pledge ourselves to the cause of making this great system serve faithfully the purpose for which it was designed."

Senator HITCHCOCK, in his speech to the convention, said that one cause of agricultural distress is "the drastic deflation of credits which forced down prices of agricultural products, rapidly and unreasonably." He charged that for this evil the Republican leaders are responsible, supporting his charge in these words:

"Republican responsibility for drastic deflation began with the Republican platform adopted in June, 1920. That platform denounced the 'gross expansion of our currency and credit' under the Democratic administration and pledged the Republican Party to 'a courageous and intelligent deflation of overexpanded credit and currency.'

"That was plain talk and a direct notice to the Federal Reserve Board of what the Republican managers demanded. The Republican Senate only three weeks earlier had, by resolution, called upon the board to report what it proposed to do to reduce 'currency and credit inflation.' Undoubtedly, therefore, the policy of the board was influenced then and afterwards by the demands of Republican leaders for deflation.

"The result was a drastic and damaging curtailment of credit, a reduction of currency, and a fall in prices, especially among the farming classes West and South."

The Republican platform plank, to which Senator HITCHCOCK referred, adopted at the Chicago convention in June, 1920, reads in part as follows:

"The prime cause of the high cost of living has been first and foremost a 50 per cent depreciation in the purchasing power of the dollar, due to a gross expansion of our currency and credit. We condemn the unsound fiscal policies of the Democratic administration. As the political party that throughout its history has stood for honest money and sound finance we pledge ourselves to earnest and consistent attack upon the high cost of living by rigorous avoidance of further inflation in our Government borrowing (and) by courageous and intelligent deflation of our overexpanded credit and currency."

The Senate resolution to which Senator HITCHCOCK referred, proposed by Senator MCCORMICK (Republican), of Illinois, and adopted May 17, 1920, follows:

"*Resolved*, That the Federal Reserve Board be directed to advise the Senate what steps it purposes to take or to recommend to the member banks of the Federal reserve system to meet the existing inflation of currency and credits, and the consequent high prices, and what further steps it purposes to take or recommend to mobilize credits in order to move the 1920 crops."

Senator HITCHCOCK might have carried the record a step or two farther, both forward and backward.

Mr. Harding, the Republican nominee for President, in his speech of acceptance July 22, 1920, said:

"Gross expansion of currency and credit have depreciated the dollar. * * * Deflation on the one hand and restoration of the 100-cent dollar on the other ought to have begun on the day after the armistice. * * * We pledge that earnest and consistent attack which the party platform covenants. We will attempt intelligent and courageous deflation and strike at Government borrowing, which enlarges the evil."

* * * * * * * *

Going further back, these steps in sequence are interesting:

The Republican Party gained control of both House and Senate in the fall elections of 1918.

In 1919 a trust company tied up the Federal farm loan banks in the Supreme Court so they could no longer function.

In the spring of 1920 Congress passed an amendment to the Federal reserve banking law empowering the Federal Reserve Board to increase the rediscount rate.

Then followed, in turn, the McCormick resolution, the Republican National Convention, and Harding's speech of acceptance, after which the policy of deflation was begun.

The Democratic Party, in its platform of 1920, warned the country of what all the signs indicated, saying:

"One vital danger against which the American people should keep constantly on guard is the commitment of this (Federal reserve) system to partisan enemies who struggled against its adoption and vainly attempted to retain in the hands of speculative bankers a monopoly of the currency credits of the Nation. Already there are signs of an assault upon the vital principles of the system in the event of Republican success in the elections in November."

The rest is history. The overwhelming Republican victory which the members of the Federal Reserve Board saw coming, and which Governor Harding, of the board, helped to bring about, made Republican policy the policy of the board.

Between May 28, 1920, and January 25, 1922, there was a contraction of credits by the 12 Federal reserve banks amounting to $2,005,149,000, and a contraction of Federal reserve notes in circulation amounting to $923,020,000—a grand total of nearly three billions of dollars, or $30 per capita for the entire population of the country.

The result is that wages were brought down and are still being brought down.

The prices of farm products and of land were brought down and are still being brought down.

But the prices of the things the farmer and wage earner have to buy, being controlled by trusts and monopolies, still remain far above the pre-war level. And for fear foreign competition may bring about their "deflation" a Republican Congress is now engaged in enacting the highest tariff protection bill in the history of the country.

This record constitutes a large and important part of the "achievements" of the administration that the Nebraska Republican platform, with the assent of Mr. Howell, Mr. Randall, and the other candidates, so heartily indorses.

REPUBLICAN STATE CONVENTION IN OHIO.

Mr. FLETCHER. Mr. President, I ask to have printed in the RECORD in 8-point type an editorial from the New York World of this date, entitled "Safety first in Ohio."

There being no objection, the editorial was ordered to be printed in the RECORD in 8-point type, as follows:

SAFETY FIRST IN OHIO.

Mr. Harding must have been more bewildered than usual when he read the platform adopted by the Republican State convention in Ohio. After informing him that Ohio still had confidence in the "great and illustrious President in the White House," the State convention promptly adjourned to the cyclone cellar.

The platform says nothing about the ship subsidy, although the President had made a special request for an indorsement on that issue.

It says nothing about the bonus.

It says nothing specific about the Fordney-McCumber tariff and omits all reference even to the title of that remarkable measure.

It says nothing about the railroad strike or the coal strike.

It says nothing about the President's recent message to Congress and the measures recommended to insure fuel and transportation.

On the ship subsidy issue the President's defeat was overwhelming. The plank was brought from Washington by Representative FESS, who is the Republican candidate for Senator in Ohio. It was urged by Carmi Thompson, the President's personal friend, who is the Republican candidate for governor. Senator WILLIS was there to favor it and so was Walter Brown, who is chairman of Mr. Harding's committee to reorganize the Government bureaus. In spite of all the influence that the administration could swing, the ship subsidy plank was voted down and the convention ignored the issue.

The real Republican platform adopted at Columbus can be compressed into two words—"safety first." The convention avoided everything that could be avoided, not because it was in any sense hostile to the President but because it recognized the danger of trying to make a campaign on the specific issues that the administration represents.

In Ohio the delegates to a Republican State convention are for the most part county politicians who either hold office or expect to hold office. They are sheriffs and county clerks and prosecuting attorneys and treasurers and the like, with a very liberal sprinkling of city officials and politicians who know the economic meaning of defeat at the polls. They love their President, but they have practical views about their own political welfare. They are willing to say all the kind things that can be said about the President personally, but they have no disposition to tie themselves up to any issue on which they might be beaten at the polls. They are seldom the stuff out of which martyrs can be made.

Mr. Harding may be disappointed by the Ohio platform, but he may be sure that the delegates to the State convention went as far as they thought it was safe to go, and even gave him the benefit of any doubt. The President may not know what is going on in the mind of the average voter; Senators and Representatives may not know; but Mr. Harding may be sure his home State delegates knew and governed themselves accordingly.

UNITED STATES COAL COMMISSION.

Mr. CURTIS. I ask unanimous consent that the following order be adopted.

The PRESIDING OFFICER (Mr. ODDIE in the chair). The Secretary will read the proposed order.

The principal legislative clerk read as follows:

Ordered, That in printing the reported amendments of House bill 12377 the amendments agreed to be printed in small capitals.

Mr. WALSH of Massachusetts. What is the bill?

Mr. CURTIS. The so-called coal bill (House bill 12377), to establish a commission to be known as the United States Coal Commission for the purpose of securing information in connection with questions relative to interstate commerce in coal, and for other purposes. The Senator having charge of the bill failed to ask that the amendments be printed in small capitals. We want the amendments so printed in order that those who read the bill in the morning may know what are amendments agreed to and what is the original text.

The PRESIDING OFFICER. Without objection, the order will be made as requested.

RECESS.

Mr. CURTIS. In accordance with the unanimous-consent order heretofore made, I move that the Senate take a recess, the recess being until 11 o'clock to-morrow.

The motion was agreed to; and the Senate (at 5 o'clock and 55 minutes p. m.), pursuant to the order previously made, took a recess until to-morrow, Saturday, August 26, 1922, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

FRIDAY, *August 25, 1922.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Lord God of our fathers, we are grateful that we can come to Thee at all times to plead Thy mercy and receive Thy blessings. Thou wilt guide us in all the uncertain ways we are called to go. With all earnestness and loyalty may we commit ourselves to Thee. By a large and a broad manhood may we live lives full of industry, full of integrity, and full of Christian charity. Rebuke our impatience and forgive our sins. May all our obligations be administered in the fear of God, in the love of country and of our fellowmen. In Thy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

LEAVE OF ABSENCE.

By unanimous consent leave of absence was granted to Mr. APPLEBY for one week, on account of business.

MESSAGE FROM THE SENATE.

A message from the Senate by Mr. Craven, its Chief Clerk, announced that the Senate had agreed to conference report on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4) granting relief to soldiers and sailors of the war with Spain, Philippine insurrection, and Chinese Boxer rebellion campaign, to widows, former widows, and dependent parents of such soldiers and sailors, and to certain Army nurses.

The message also announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 2597. An act to amend an act entitled "An act to provide, in the interest of public health, comfort, morals, and safety, for the discontinuance of the use as dwellings of buildings situated in the alleys of the District of Columbia," approved September 25, 1914.

The message also announced that the Senate had passed the following resolution in which the concurrence of the House of Representatives was requested:

Senate Concurrent Resolution 28.

Resolved by the Senate (the House of Representatives concurring), That there be printed 1,000 copies of part 2 of House Report No. 300, Sixty-third Congress, second session, entitled "Floods and levees of the Mississippi River," for the use of the Senate document room.

ENROLLED BILLS SIGNED.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 11699. An act relating to the appointing of the Chief of Staff of the Army;

H. R. 5775. An act for the relief of the Liberty loan subscribers of the North Penn Bank, of Philadelphia, Pa.; Santa Rosa National Bank, Santa Rosa, Calif.; Mineral City Bank, Mineral City, Ohio; Robbinsdale State Bank, Robbinsdale, Minn.; and Farmers' & Merchants' State Bank, Kenmare, N. Dak.

H. R. 858. An act for the relief of Alfred P. Reck; and

H. R. 11396. An act to regulate foreign commerce in the importation into the United States of the adult honeybee (Apis mellifica).

SENATE BILL REFERRED.

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee as indicated below:

S. 2597. An act to amend an act entitled "An act to provide, in the interest of public health, comfort, morals, and safety, for the discontinuance of the use as dwellings of buildings situated in the alleys of the District of Columbia," approved September 25, 1914; to the Committee on the District of Columbia.

ENROLLED BILL PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that August 24 they had presented to the President of the United States, for his approval, the following bill:

H. R. 2694. An act for the relief of Seth J. Harris, Jimmie Lou Martin, Mary Holloman, and William Henry Coleman.

FEDERAL RESERVE BANK, ATLANTA, GA.

Mr. LANGLEY. Mr. Speaker, I desire to present a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LANGLEY. I have here a copy of Senate Joint Resolution 234, which recently passed the Senate, authorizing the Federal reserve bank at Atlanta, Ga., to enter into contracts for the construction of a branch bank in Jacksonville, Fla. I notice that this resolution was referred to the Committee on Banking and Currency, and I am advised that two or three other similar measures have been referred to the same committee. Some members of the Committee on Public Buildings and Grounds, of which I have the honor to be the chairman, have raised the question as to whether that was a proper reference and whether it does not properly belong to our committee. I desire to inquire of the Chair whether or not the question of jurisdiction between the two committees was fully considered in making these references, and if, in the opinion of the Chair, this is the proper committee to consider such bills? I have no personal feeling in the matter whatever. Our committee has finished its work for the time being for our sick and disabled soldiers and we are getting ready to report an *omnibus* public buildings bill in the near future [applause], and we have plenty to do. I simply want to know what the jurisdiction of our committee in these bank-building matters is, and I want the House to know that we do not propose to have this committee, the Appropriations Committee, or any other committee taking jurisdiction of the things in which the rules of the House require our committee to take the initiative. There are colossal post-office buildings being contracted for now, the congressional authority for which I question, and I propose to raise that question at the proper time.

Mr. CLARK of Florida. Mr. Speaker, will the gentleman from Kentucky yield to me for a moment?

Mr. LANGLEY. Yes.

Mr. CLARK of Florida. I desire to call the attention of the Speaker to this proposition: When the Committee on Public Buildings and Grounds was first created, it was given jurisdiction only of the public buildings in the District of Columbia; but later, in the second session of the Forty-sixth Congress, on motion of Mr. Dawes of Massachusetts, this jurisdiction was extended to include all the public buildings constructed by the United States. This Committee on Public Buildings and Grounds of course has no power of appropriation, but since that time it has always had jurisdiction to authorize public buildings in which the Government had any interest. I understand that in this particular case the point is raised that it is not really a Government building; that it is to be constructed, not by the money of the Government but by the money of the stockholders of the Federal reserve bank. If that be true, Mr. Speaker, then there is no necessity for any act of Congress to authorize its construction. If it is a private building and belongs to private people, and the Government has no interest in it, then there is absolutely no necessity for a bill to pass Congress to authorize its construction. If it is necessary for Congress to authorize the construction of this building, then the jurisdiction is clearly in the Committee on Public Buildings and Grounds.

The SPEAKER. The Chair understands that this is simply a parliamentary inquiry and that no immediate action is contemplated. Therefore the Chair will simply state why he referred this joint resolution to the Committee on Banking and Currency.

Mr. LANGLEY. Mr. Speaker, will the Chair permit an interruption there?

The SPEAKER. Yes.

Mr. LANGLEY. I have raised the question because I have been asked to call a meeting of the Committee on Public Buildings and Grounds for the purpose of authorizing a motion to transfer the bill. I understand, of course, that while the Speaker theoretically refers these bills it really and of necessity must be done by the parliamentary clerk, whose high efficiency we all implicitly trust. I naturally did not wish to take any action without knowing the views of the Speaker on the subject, and I hesitated to raise an unnecessary question by asking our committee to authorize me to do an unnecessary thing and take up the time of the House.

The SPEAKER. The Chair prefers now to state the ground on which he acted. The Chair assumed that unless there had been some Federal statute any Federal reserve bank would have the right, without any action of the Committee on Public Buildings and Grounds or of Congress, to construct a building; but there was an act passed by Congress, reported, the Chair believes, from the Committee on Banking and Currency, which forbade Federal reserve banks to build any buildings except under certain conditions. Therefore, simply because of that statute which was reported by the Committee on Banking and Currency, it is necessary to come to Congress, when a Federal reserve bank wishes to erect a building, and ask that that previous statute be waived. In this case that was all that was asked, and the previous statute having been reported from the Committee on Banking and Currency, the Chair naturally referred the exception to that statute to the same committee. The Chair has stated the ground on which he acted and he hardly thinks it is worth while for the House to take its time on the matter until the question comes before the House for its action.

Mr. LANGLEY. If the Chair will permit me, I do not desire to take up the time of the House now and do not intend to make any motion at this time. Moreover, I would not assume that responsibility without previous authorization of our committee, as the Chair very well knows. I simply wanted to be sure that I was right before asking our committee to take action.

The SPEAKER. The Chair has stated the ground on which he acted.

Mr. WINGO. If the Chair will permit me, the proposition is not to waive the statute. For the purposes of the RECORD I will state that the Federal reserve banks get their charters from the Government, and for that reason the Government can put restrictions on the handling of their funds, which are trust funds largely. We passed the statute which the Speaker refers to, which provides that whenever any Federal reserve bank desires to erect a building to cost more than a quarter of a million dollars, it must get the consent of Congress. Now, if we wanted to do so, we would have the power to say that no national bank should erect a building without getting the consent of Congress. Certainly a bill to provide that would not go to the Committee on Public Buildings and Grounds. That committee would have no jurisdiction of the matter.

The SPEAKER. The Chair may have inadvertently used the wrong word when he spoke of waiving the statute. What the Chair meant was that the bill provided for an exemption from the statute.

Mr. VAILE. A similar bill passed by the Senate had already been referred to the Committee on Banking and Currency. That bill related to a Federal reserve bank building at Denver, Colo. So a precedent already established in that case was followed in this case.

Mr. LANGLEY. It is not so much a question of precedence as it is a question of the construction of the rules of the House governing the jurisdiction of the committees.

If an error was committed in the other case, this is the time, it seems to me, to correct it. I do not care which way it is decided. I merely wanted it correctly decided, and that is why I have raised this question.

The committee of which I am chairman is not seeking to transgress upon the jurisdiction of any other committee. As its chairman, I merely wish the House to know that we are ready to perform all the duties which the rules of the House put upon us. That is all, Mr. Speaker. The question of whether the matter is to be further pursued depends entirely upon the wishes of our committee.

FLOODS AND LEVEES OF THE MISSISSIPPI RIVER.

Mr. JOHNSON of Washington. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate Concurrent Resolution 28, relating to certain printing, and to pass the same.

The SPEAKER. The gentleman from Washington asks unanimous consent to take from the Speaker's table a concurrent resolution, which the Clerk will report.

The Clerk read as follows:

Senate Concurrent Resolution 28.

Resolved by the Senate (the House of Representatives concurring), That there be printed 1,000 copies of part 2 of House Report No. 300, Sixty-third Congress, second session, entitled "Floods and Levees of the Mississippi River," for the use of the Senate document room.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

RELIEF TO SOLDIERS AND SAILORS OF THE WAR WITH SPAIN, PHILIPPINE INSURRECTION, ETC.—CONFERENCE REPORT.

Mr. KNUTSON. Mr. Speaker, I call up the conference report on the bill (H. R. 4) granting relief to soldiers and sailors of the War with Spain, the Philippine insurrection, and Chinese Boxer rebellion campaign; to widows, former widows, and dependent parents of such soldiers and sailors; and to certain Army nurses.

The conference report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4) granting relief to soldiers and sailors of the War with Spain, Philippine insurrection, and Chinese Boxer rebellion campaign; to widows, former widows, and dependent parents of such soldiers and sailors; and to certain Army nurses, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, and 6, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "or died in service due to disability or disease incurred in the service"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: Strike out all of the matter inserted by said amendment after the word "archives," in line 16, down to and including the word "widows" in line 22, and insert in lieu thereof the following: "fourth. Where there is no muster roll or pay roll on file in the several State or Territorial archives showing service of the beneficiary or same has been destroyed by fire or otherwise lost, and no record of service has been made in the War Department or Treasury Department, the applicant may make proof of service by furnishing evidence satisfactory to the Commissioner of Pensions"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment to the title of the bill, and agree to the same.

HAROLD KNUTSON,
J. M. ROBSION,
WILLIAM D. UPSHAW,
Managers on the part of the House.

H. O. BURSUM,
REED SMOOT,
T. J. WALSH,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4) entitled "An act granting relief to soldiers and sailors of the War with Spain, Philippine insurrection, and Chinese Boxer rebellion campaign; to widows, former widows, and dependent parents of such soldiers and sailors; and to certain Army nurses," submit the following written statement explaining the effect of the action agreed on by the conference committee, and submitted in the accompanying conference report:

On No. 1, includes those who died of disability incurred in the service. The House recedes.

On No. 2, includes those who died of disability incurred in the service. The House recedes and concurs with an amendment as follows: "or died in service due to disability or disease incurred in the service."

On No. 3, places contract nurses who served during the Spanish-American War, Philippine insurrection, and Chinese Boxer rebellion on the same footing as members of the Nurse Corps who served after February 2, 1901. The House recedes.

On No. 4, insert a comma after "absence." The House recedes.

On No. 5, the House recedes and concurs with an amendment as follows:

In lieu of the matter proposed by said amendment insert the following:

SEC. 6. That the second section of the act entitled "An act to pension the survivors of certain Indian wars from January 1, 1859, to January, 1891, inclusive, and for other purposes," approved March 4, 1917, be so amended as to read as follows:

"SEC. 2. That the period of service performed by beneficiaries under this act shall be determined: First, by reports from the records of the War Department, where there are such records; second, by reports from the records of the Treasury Department showing payment by the United States, where there is no record of regular enlistment or muster into the United States military service; and third, when there is no record of service or payment for same in the War Department or the Treasury Department, by satisfactory evidence from muster rolls on file in the several State or Territorial archives; fourth, where there is no muster roll or pay roll on file in the several State or Territorial archives showing service of the beneficiary or same has been destroyed by fire or otherwise lost, and no record of service has been made in the War Department or Treasury Department, the applicant may make proof of service by furnishing evidence satisfactory to the Commissioner of Pensions: *Provided*, That the want of a certificate of discharge shall not deprive any applicant of the benefits of this act."

The House agrees to the amendment of the title.

HAROLD KNUTSON,
JOHN M. ROBSION,
WM. D. UPSHAW,
Managers on the part of the House.

Mr. KNUTSON. Mr. Speaker, this is a bill to take care of the widows and dependents of the Spanish war veterans and those who died as a result of service in the Spanish war, Philippine insurrection, and the Chinese Boxer rebellion. It passed the House June 21, 1921, and has been in the Senate since that time. The Senate made several minor changes, which we accepted, except Senate amendment No. 5 was considered too drastic by the House conferees, as it would enable the Indian war veterans to have proven their service by congressional documents embodying memorials from States or Territories to Congress, or furnished by States or Territories by certain departments of the Government at the request of Congress, or by records compiled under State authority, duly accepted by such States as a basis for appropriation or reimbursement to Indian war survivors and their widows.

The House conferees insisted on that section being stricken out, and we inserted in lieu thereof a provision that where there is no muster roll on file in the several State or Territorial archives showing the service of the applicants, same having been destroyed by fire or otherwise lost, and no record of service has been made in the War Department or Treasury Department, the applicant may make proof of service by furnishing evidence satisfactory to the Commissioner of Pensions.

Mr. LANHAM. Will the gentleman yield?

Mr. KNUTSON. Yes.

Mr. LANHAM. Is it in contemplation of the committee that evidence satisfactory to the Commissioner of Pensions would be evidence of a convincing character supplied through affidavits by comrades in the service?

Mr. KNUTSON. That is our intent, and I will say that the House conferees insisted on this amendment, which is substantially the same as introduced by the late Member from Texas, Mr. Parrish. The capitol of that State was destroyed by fire years ago, and all records of those who served in the Indian campaign of the Southwest in that State were destroyed.

Mr. LANHAM. And they have no other means of proving their service except by comrades who served with them.

Mr. KNUTSON. We have been in conference with the Commissioner of Pensions and we understand the bureau will accept such evidence.

Mr. RANKIN. Will the gentleman yield?

Mr. KNUTSON. Yes.

Mr. RANKIN. I notice that the conference report which has been read says that the House recedes from its disagreement to 1, 3, 4, and 6, and agrees to the same, and that includes an amendment with reference to women who served in the Nurse Corps.

Mr KNUTSON. The House conferees receded from the disagreement of the House to the amendment pertaining to Spanish-war nurses.

Mr. RANKIN. The conference report also states with reference to amendment 5 that they strike out all the matter inserted by said amendment after the word "archives" in line 16 down to and including the word "widows" in line 22, but it does not state what page it is on.

Mr. KNUTSON. That is on page 8.

Mr. MANN. It would be in the line of the amendment, or should be.

Mr. KNUTSON. The gentleman has the original bill passed by the Senate.

Mr. MANN. The original bill passed by the Senate would not show it. It should be in the line of the amendment and that is the only way the enrolling clerk could tell.

Mr. RANKIN. While I am on the committee I was not one of the conferees. I received a report just now, and I am trying to find out just what the amendment does.

Mr. KNUTSON. I will call the gentleman's attention to page 8, line 1, after the word "archives"; it strikes out all of the matter after the word "archives" in line 16 down to and including the word "widows" in line 22, and inserts in lieu of the portion stricken out the language that I have just read.

Mr. MANN. Will the gentleman yield?

Mr. KNUTSON. Yes.

Mr. MANN. I notice in the amendment that is in dispute there is a proviso that the want of a certificate as described shall not deprive any applicant of the benefits of this act. The statement says that that is included in the amendment as agreed to. But the statement is incorrect. I just wanted to know whether it was intended to have that go in the law because that is a part of the conference report in fact.

Mr. KNUTSON. Yes; that goes into the law.

Mr. MANN. How will it get into the law?

Mr. RANKIN. It only strikes out down to the colon and strikes out nothing after the colon.

Mr. DYER. Will the gentleman yield?

Mr. KNUTSON. Yes.

Mr. DYER. Will the gentleman state, if he has no objection, just what this bill does for the widows?

Mr. KNUTSON. It gives them $20 a month and $4 for each dependent child or idiotic child.

Mr. DYER. And there are no conditions to that?

Mr. KNUTSON. No; therefore no property qualifications.

Mr. SMITH of Michigan. Will the gentleman yield?

Mr. KNUTSON. Yes.

Mr. SMITH of Michigan. In order to be eligible for this pension is it necessary that the widow shall prove that the husband died from service causes?

Mr. KNUTSON. They will have to prove the death.

Mr. SMITH of Michigan. But the cause of the death—will the widow have to prove that it was from service causes?

Mr. KNUTSON. I call the gentleman's attention to page 2, line 10, which says:

> Who was honorably discharged or died in service through the disability incurred in the service.

Mr. DYER. And the husband must have had a service of 90 days or more?

Mr. KNUTSON. Yes. Mr. Speaker, I move the adoption of the report.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

EXTENSION OF REMARKS.

Mr. JAMES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of Muscle Shoals.

The SPEAKER. Is there objection?

There was no objection.

MUSCLE SHOALS.

Mr. ALMON. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes out of order.

The SPEAKER. The gentleman from Alabama asks unanimous consent to proceed for 10 minutes out of order. Is there objection?

Mr. DYER. Mr. Speaker, reserving the right to object, is it on the subject of Muscle Shoals?

Mr. ALMON. It is for the discussion of a great national question, which is in no way political.

The SPEAKER. The Chair hears no objection.

Mr. ALMON. Mr. Speaker and gentlemen of the House, just before the House recessed it was insisted that the legislation reported by the Military Affairs Committee of the House providing for the acceptance of the offer of Henry Ford for the Muscle Shoals property should be considered and voted on.

The majority leader at that time stated that further time was desired for a study of the Ford offer. On yesterday when he was asked as to when we might expect the Muscle Shoals legislation to be taken up and considered by the House he replied that it was not considered necessary to take such action at this time for the reason that provision had already been made by this Congress for resumption of construction work on the Wilson Dam at Muscle Shoals. The fact that provision had been made for the continuation of the work on one of the water-power dams at Muscle Shoals is no reason why the Ford offer should not be accepted, for the reason that the action of Congress in providing for the continuation of the work on this one dam makes no provision for the operation of the nitrate plant at Muscle Shoals for the manufacture of fertilizer. The Ford offer, upon which the Military Committee of the House held hearings for five months and upon which this committee reported a bill, provides for the construction of both of the water-power dams at Muscle Shoals and the operation of the nitrate plant for the manufacture of fertilizer by the Ford Co. After the report was made by the Military Committee its acting chairman [Mr. MCKENZIE] introduced a resolution requesting the Rules Committee to report a rule making this legislation in order, but as yet no rule has been reported. Why should a committee of this House spend five months of its time in considering legislation referred to it by the House and making its report and then not allow it to be considered and voted upon?

The legislation is not sectional nor political. It is a great national economic question in which all of the people are vitally interested. There are 6,500,000 farmers in all parts of the country petitioning and urging Congress to accept the Ford offer. They are intelligent and have studied the question and believe that its acceptance will result in enabling them to secure a better grade of fertilizer at one-half the present price. They represent an investment of $8,000,000,000, by far greater than that of any other interest. Do not let any Member of the House deceive himself by thinking that the interest in the Ford bill is confined to the farmers in any section or limited part of the country. They are all interested. Neither should you deceive yourself by thinking the interest in this measure is confined to the farmers. Are we to understand that the majority proposes to ignore the wishes of the farmers in regard to this legislation by not allowing the Ford bill to be considered and voted on in the House? What explanation could be given for such action? The country will not be satisfied unless their Representatives are given an opportunity to vote upon this important question without further delay. If the Ford offer is accepted by Congress the Ford Co. would proceed to spend many millions of its own money in equipping the nitrate plant for the manufacture of fertilizer and expedite the water-power development.

Mr. OLIVER. Mr. Speaker, will the gentleman yield?

Mr. ALMON. Yes.

Mr. OLIVER. In that connection, is the gentleman aware of the interview given out by Senator CAPPER, of Kansas, pointing out the great benefits of this offer to the farmers of the country and urging its acceptance?

Mr. ALMON. Yes; I read the interview of Senator CAPPER, referred to by my colleague from Alabama, and I presume that the other Members of the House did the same. However, I do not care at this time to enter into a discussion of the merits of the Ford offer. I have discussed that on previous occasions. The purpose of these remarks is, if I can, to persuade the leaders of the majority, who have it in their power, to arrange for the consideration and vote on the Ford offer.

The House can not justify itself in its failure to consider this legislation by saying it would probably not be considered by the Senate in the event it was passed by the House. We have a responsibility in the matter which we should discharge without reference to what may be done by the Senate. Mr. Ford made his offer in good faith in answer to an invitation from this administration. The Military Committee, to which it was referred, acted in good faith in conducting its hearings and in making its report. In all fairness to Mr. Ford, the Military Committee, and all who are interested in this subject, the bill reported by the committee should be considered and voted on without further delay. So, in conclusion, I again appeal to the majority and especially the leaders, who have it in their power to determine whether this legislation shall be considered, to arrange for it to be taken up and considered and voted on at a very early date. [Applause.]

Mr. MANN. Mr. Speaker, I ask unanimous consent to proceed for five minutes on the same subject. [Applause.]

The SPEAKER. The gentleman from Illinois asks unanimous consent to proceed for five minutes on the same subject. Is there objection? [After a pause.] The Chair hears none.

Mr. MANN. Mr. Speaker, I have been a friend of the Muscle Shoals proposition, and still am. [Applause.] But what is the parliamentary situation? The Committee on Military Affairs, after consideration, as the gentleman says, for five months, reported a bill to the House which stands as the report of the committee. The committee consists of 21 members. Nineteen members of the committee have signed minority reports, and the committee report provided for a variation in the Ford offer, and Mr. Ford had not agreed to the variation. It would be idle to pass the bill as reported unless we know whether Mr. Ford will accept it. But it would be worse than idle for the House to proceed to the consideration of a bill from a committee of 21, only 2 of whom stand for the reported bill, and neither one of them want it to pass without amendment. [Applause.] What do you propose to do? What would my friends from Alabama and Tennessee do? Have the House vote without knowledge upon the bill, without an opportunity to fairly consider it before it comes up for a vote? When a committee reports a bill in order to get it on the calendar because it has promised to make a report to the House, and 19 members of the committee file views against the reported bill, it ought to be notice to the House and the House Members to give it careful consideration before it is taken up for amendment in the House.

Mr. McKENZIE. Will my colleague yield?

Mr. MANN. I yield.

Mr. McKENZIE. Of course, my colleague understands that before the report was made by the Committee on Military Affairs, a majority of the committee had directed the chairman to make that report?

Mr. MANN. I understand. They directed the bill to be reported, with their fingers crossed, most of them. Having directed the bill to be reported, then they signed views against the bill. Now, I am not discussing the propriety of that——

Mr. McKENZIE. Will the gentleman yield?

Mr. MANN. Certainly.

Mr. McKENZIE. It being true that 19 members, as he says, differ from the report filed by the acting chairman of the committee, my colleague will at least admit that it is a matter of great importance to the country; that it is one of the big questions before the American people, and that, regardless of the difference of opinion of the members of the Committee on Military Affairs, does not he believe that the Congress of the United States ought to take the subject up and discard the Henry Ford offer or give him a contract or, at least, do something? [Applause.]

Mr. MANN. I said 19 members. I think, excluding the chairman [Mr. KAHN] it would be only 18 members.

I have taken the subject up, as far as I am concerned, and am studying it as well as I can, and I am not prepared to say whether I would vote for the bill or in favor of one of the views of the minority. I think, friend as I am and as I have been of the Muscle Shoals proposition and, in the main, of the Ford proposition, that if I were compelled to vote on it to-day I would vote against it. Is that what you people want, to force it to a vote before the country has had a chance to consider it? Do you want to kill the proposition? Or do you want that the country and the Members of the House should have an opportunity to consider all of these questions and then vote with knowledge and intelligence, and, as I hope, in favor of some proposition to operate the plant?

Mr. BANKHEAD. Will the gentleman yield for a brief question?

Mr. MANN. If I have the time.

Mr. BANKHEAD. Will the gentleman indicate what would be a reasonable time to delay further consideration of this matter? I ask this question in good faith, in view of the gentleman's expressions.

Mr. MANN. I think the matter ought to be brought up in the House before Congress adjourns for the full term. I do not believe it is desirable to try to force consideration of it in the House at this speedy and doubtful time, in the dog days of the summer.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent to address the House for three minutes on this subject.

The SPEAKER. The gentleman from Wyoming asks unanimous consent to address the House for three minutes on this subject. Is there objection? [After a pause.] The Chair hears none.

Mr. MONDELL. Mr. Speaker, the gentleman from Alabama [Mr. ALMON] who just spoke said that he desired to address the House on a nonpolitical subject. Well, it ought to be a nonpolitical subject, and yet I am forced to the opinion that some of the gentlemen on the other side are most interested in what they conceive to be the politics of the proposition. They are much more interested in that, I fear, than they are in the proper settlement of the question. I notice that no one on the other side answered the question of the gentleman from Illinois [Mr. MANN] as to whether or no they desired this side to reject the Henry Ford offer. I feel compelled to say that there are, in my opinion, quite a number of gentlemen on the other side who would like to see the Henry Ford offer rejected by votes on this side because of the hoped-for political effect of such action. From their standpoint this is a political question.

Mr. Speaker, this Muscle Shoals proposition is for the time being in as satisfactory a situation from the standpoint of the friends of the development as it has been possible to place it, in view of the attitude of the minority in insisting that the work on Dam No. 2 shall be delayed until the 1st of October. Had it not been for their attitude we would now be actively at work toward the completion of that great dam. There is nothing in the Henry Ford offer proposing or suggesting the manufacture of fertilizer with the steam plant, and therefore, if the Ford offer were adopted, there would be no fertilizer manufactured until the dam is completed and the water power is available.

Mr. Speaker, in addition to all of these considerations this House has passed more than 100 public bills—something like 130, as I recall—that the Senate has not had time to consider. If we were to take this measure up and pass on it one way or another at this time, that action would not in any wise advance the settlement of the question beyond what it will be advanced if we take the matter up later. I agree with the gentleman from Illinois that this matter ought to be considered and settled by this Congress, and as soon as it can properly be done. [Applause.]

The SPEAKER. The time of the gentleman from Wyoming has expired.

Mr. GARRETT of Tennessee. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to proceed for five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. GARRETT of Tennessee. Mr. Speaker, this matter, of course, has a history which is very well known, and to no one is it known better than to the gentleman from Wyoming [Mr. MONDELL].

For three years now this property has been unused. The gentleman from Wyoming speaks of delay by the minority by reason of a limitation placed upon a Senate amendment. The majority in 1921 deliberately cut out the appropriation for the continuation of the work upon the dam, in order, they said, that there might be a determination of the final disposition of the property.

Since that time bids have been asked for and have been offered; reports have been made from the Committee on Military Affairs. The gentleman from Illinois [Mr. MANN] says three. That is quite true. But when will we get a committee that will report anything other than a division? Does the gentleman from Illinois [Mr. MANN] desire us to wait until we can get a committee that will be unanimous in its report before we pass upon this matter?

Mr. MANN. Is that a question?

Mr. GARRETT of Tennessee. Yes; that is a question.

Mr. MANN. I do not [laughter], although I am sorry they did not make a unanimous report.

Mr. GARRETT of Tennessee. Then why not pass upon it now? Does the gentleman hope that we will ever have a committee that will report unanimously?

Mr. MANN. No; but I think the Members of the House will know more about it than they do now.

Mr. GARRETT of Tennessee. How?

Mr. MANN. I am very sure the majority of the Members of the House to-day do not know enough about the subject to enable them to vote.

Mr. GARRETT of Tennessee. Is it possible that the gentleman expects that even a committee of the House will know more about this matter?

Mr. MANN. I think this House will know more about it when they have a chance to read the reports. I doubt even if the gentleman from Tennessee has read all the reports on the subject in both Houses.

Mr. GARRETT of Tennessee. I have indeed.

Mr. MANN. I am glad. I have, but I doubt if anybody else has.

Mr. GARRETT of Tennessee. The gentleman knows about it, then. The gentleman is not pleading ignorance on his own behalf, then.

Mr. MANN. I have read the reports, and I still want information. [Laughter.]

Mr. GARRETT of Tennessee. What further report does the gentleman hope for that will give him information?

Mr. MANN. I am trying to get some further information, and I think I will succeed.

Mr. BARKLEY. Mr. Speaker, will the gentleman yield?

Mr. GARRETT of Tennessee. Certainly.

Mr. BARKLEY. Has the gentleman any hope that between now and November the vast majority of the Members of this House are going to spend their time in investigating this thing?

Mr. GARRETT of Tennessee. Is the gentleman addressing that question to me?

Mr. BARKLEY. I am addressing it to the gentleman from Illinois [Mr. MANN] over your head.

Mr. GARRETT of Tennessee. Oh, Mr. Speaker, there is no use to trifle about this matter. There is no use to try to be disingenuous about it. The House knows or has the opportunity of knowing now just as much as it ever will know upon this proposition, and there is no reason on earth why we should not have this matter up and consider it to-day in a legislative way rather than in an academic, talking way.

Mr. MOORE of Virginia. Mr. Speaker, may I ask the gentleman a question?

Mr. GARRETT of Tennessee. Yes.

Mr. MOORE of Virginia. Going back a minute, the gentleman said the House in 1921 declined to make an appropriation for the prosecution of the work on Dam No. 2. Is it not a fact that the House in this Congress also declined to make an appropriation, and that the appropriation of $7,500,000 was initiated in the Senate? In other words, did not the party in control of the House let the bill go to the Senate without any appropriaion, or at least foregoing to make any appropriation?

Mr. GARRETT of Tennessee. Yes. The gentleman from Wyoming said that upon the insistence of the minority that appropriation was not made available until the 1st of October.

The SPEAKER. The time of the gentleman from Tennessee has expired.

Mr. GARRETT of Tennessee. Mr. Speaker, I ask unanimous consent to proceed for three minutes more.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to proceed for three minutes more. Is there objection?

There was no objection.

Mr. GARRETT of Tennessee. Of course the gentleman from Wyoming was wrong about that. Only a majority of the House could have deferred making it available in that time.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. GARRETT of Tennessee. I yield.

Mr. STAFFORD. I think it is hardly fair to cast any imputation upon the majority Members of the House for failing to make any appropriation for the Muscle Shoals proposition, for the reason that no estimate was presented by the War Department for the continuation of that work. Inquiry regarding it was made by the subcommittee on the War Department appropriation bill as to the need of it, but the War Department, through its Secretary of War and through its budget officer, made no recommendation. When the subject was called to the attention of the House conferees, attention was given to it, and action was taken on the assumption that it was not going to be antagonized, but not until the conferees had agreed, and we came over and informed the leading proponent of this project, the gentleman from Alabama, did he give notice that he was going to tack on to it some ulterior proposition of the Henry Ford proposal.

Mr. GARRETT of Tennessee. Everybody knew the significance and intent of that vote. The Senator who offered that amendment and put it on the bill in the Senate is in favor of Government ownership and operation of that plant, so far as he favors anything. Every man who voted for it in the House and who voted for that limitation understood that he was postponing that appropriation simply long enough to give this House opportunity for trying to determine the final disposition of that plant.

Mr. HARDY of Texas. Mr. Speaker, will the gentleman yield for a question there?

Mr. GARRETT of Tennessee. Yes.

Mr. HARDY of Texas. Is it not a fact that if this House were to wait until the majority of its Members understood any important measure before debate began on it we never would pass any legislation at all? Take the tariff. How many of us understand all the issues of the tariff?

Mr. GARRETT of Tennessee. Well, I think the majority of the House understand the proposition. I do not agree with the gentleman from Illinois in the statement that a majority of the Members of this House do not understand what is involved in this Muscle Shoals proposition. I think they do. I think they are as well prepared now to pass upon it after reasonable debate as they ever will be.

Mr. WINGO. Mr. Speaker, will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. WINGO. Assuming that the gentleman is correct and that the majority is not informed, in view of the hopeless confusion in the committee and the reports to which he has referred, will not the House be better informed more quickly by taking it up and considering it in the House than it otherwise would be? Is not that the best way to have them informed—to take it up and have it considered in the House?

Mr. GARRETT of Tennessee. I think that would be the best way.

Mr. TOWNER. Mr. Speaker, will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. TOWNER. I think, if the gentleman will pardon me, a great many Members of the House, perhaps a majority of the House, are almost as anxious as the gentleman for action on the Muscle Shoals proposition.

However, it is not the mere question of passing the bill, is it? It is a question of making an arrangement to pass it as approved and agreed to by third parties. The propositions so far before Congress are so involved and wrapped up in that situation that no one can tell exactly what the conditions are. At least, many of us are unable to. If we did understand it, as it is contemplated or proposed, in all likelihood we could not approve the proposition. Therefore, is it not desirable that there should be some kind of a settlement with Mr. Ford, who I hope may secure this franchise from the Government? Is it not best that these negotiations continue until there can be an agreement between the administration and Mr. Ford?

Mr. GARRETT of Tennessee. I do not understand that there are any negotiations now in progress between Mr. Ford and the administration.

The SPEAKER. The time of the gentleman has expired.

Mr. BRENNAN. Mr. Speaker, I ask unanimous consent to proceed for three minutes on this subject.

Mr. MONDELL. Mr. Speaker, I think the minority have had quite time enough to apologize for this opposition to the beginning of work at Muscle Shoals, and therefore I shall have to object. I move that the House do now adjourn.

Mr. JEFFERS of Alabama. Will the gentleman withhold that for one moment to allow me to ask him a question?

The SPEAKER. The motion to adjourn is not debatable.

Mr. JEFFERS of Alabama. If the gentleman from Wyoming will withhold his motion for one minute, I would like to ask him one question on this subject.

Mr. MONDELL. I do not withhold my motion.

ADJOURNMENT.

The SPEAKER. The gentleman from Wyoming moves that the House do now adjourn.

The question was taken; and on a division (demanded by Mr. GARRETT of Tennessee) there were—ayes 97, noes 53.

Mr. GARRETT of Tennessee. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 135, nays 62, answered "present" 2, not voting 228, as follows:

YEAS—135.

Andrews, Nebr.	Dale	Hawley	McPherson
Anthony	Denison	Hays	MacGregor
Atkeson	Dickinson	Hersey	Madden
Begg	Dowell	Hickey	Magee
Benham	Dunbar	Himes	Mann
Bird	Dyer	Hoch	Mapes
Blakeney	Echols	Hogan	Michener
Boies	Evans	Hull	Millspaugh
Brennan	Fairfield	Ireland	Mondell
Brooks, Ill.	Faust	Johnson, Wash.	Moore, Ill.
Burdick	Fenn	Kearns	Moore, Ohio
Cable	Fitzgerald	Kelly, Pa.	Moores, Ind.
Coughlin	Focht	King	Morgan
Crago	Fordney	Kissel	Murphy
Curry	Foster	Kline, N. Y.	Norton
Campbell, Pa.	Free	Kline, Pa.	Parker, N. J.
Cannon	French	Knutson	Parks, Ark.
Chalmers	Fuller	Kopp	Patterson, Mo.
Chandler, Okla.	Gernerd	Kraus	Purnell
Chindblom	Glynn	Lampert	Reece
Christopherson	Gorman	Lawrence	Rhodes
Clague	Graham, Ill.	Lea, Calif.	Ricketts
Clarke, N. Y.	Greene, Mass.	Lehlbach	Roach
Cole, Iowa	Greene, Vt.	Longworth	Robsion
Cole, Ohio	Hadley	Luhring	Rodenberg
Colton	Hardy, Colo.	McFadden	Rogers
Cooper, Wis.	Haugen	McLaughlin, Mich.	Rosenbloom

Schall	Stafford	Vaile	Williams, Ill.
Shaw	Stephens	Vestal	Wood, Ind.
Sinnott	Strong, Kans.	Volstead	Woodyard
Smith, Idaho	Taylor, Tenn.	Walters	Wurzbach
Smith, Mich.	Timberlake	Wason	Wyant
Speaks	Towner	Wheeler	Zihlman
Sproul	Underhill	White, Kans.	

NAYS—62.

Almon	Fisher	Lanham	Sandlin
Aswell	Garner	Lankford	Scott, Tenn.
Bankhead	Garrett, Tenn.	Lazaro	Smithwick
Barkley	Garrett, Tex.	Lee, Ga.	Steagall
Black	Gilbert	Lowrey	Swank
Bland, Va.	Hammer	McClintic	Taylor, Colo.
Bowling	Hardy, Tex.	Mansfield	Tillman
Box	Hayden	Moore, Va.	Tyson
Briggs	Hooker	O'Connor	Vinson
Bulwinkle	Hudspeth	Oliver	Weaver
Collier	Humphreys	Park, Ga.	Williams, Tex.
Crisp	James	Quin	Wilson
Doughton	Jeffers, Ala.	Rankin	Wingo
Drane	Jones, Tex.	Rayburn	Wright
Driver	Ketcham	Rouse	
Favrot	Kincheloe	Sanders, Tex.	

ANSWERED "PRESENT"—2.

Davis, Tenn.	Summers, Tex.

NOT VOTING—228.

Ackerman	Edmonds	Lineberger	Riordan
Anderson	Elliott	Linthicum	Robertson
Andrew, Mass.	Ellis	Little	Rose
Ansorge	Fairchild	Logan	Rossdale
Appleby	Fess	London	Rucker
Arentz	Fields	Luce	Ryan
Bacharach	Fish	Lyon	Sabath
Barbour	Frear	McArthur	Sanders, Ind.
Beck	Freeman	McCormick	Sanders, N. Y.
Beedy	Frothingham	McDuffie	Scott, Mich.
Bell	Fulmer	McKenzie	Sears
Bixler	Funk	McLaughlin, Nebr.	Shelton
Bland, Ind.	Gahn	McLaughlin, Pa.	Shreve
Blanton	Gallivan	McSwain	Siegel
Bond	Gensman	Maloney	Sinclair
Bowers	Goldsborough	Martin	Sisson
Brand	Goodykoontz	Mead	Slemp
Britten	Gould	Merritt	Snell
Brooks, Pa.	Graham, Pa.	Michaelson	Snyder
Brown, Tenn.	Green, Iowa	Miller	Stedman
Browne, Wis.	Griest	Mills	Steenerson
Buchanan	Griffin	Montague	Stevenson
Burke	Harrison	Montoya	Stiness
Burroughs	Hawes	Morin	Stoll
Burtness	Henry	Mott	Strong, Pa.
Burton	Herrick	Mudd	Sullivan
Butler	Hicks	Nelson, Me.	Summers, Wash.
Byrnes, S. C.	Hill	Nelson, A. P.	Sweet
Byrns, Tenn.	Huddleston	Nelson, J. M.	Swing
Campbell, Kans.	Hukriede	Newton, Minn.	Tague
Cantrill	Husted	Newton, Mo.	Taylor, Ark.
Carew	Hutchinson	Nolan	Taylor, N. J.
Carter	Jacoway	O'Brien	Temple
Chandler, N. Y.	Jefferis, Nebr.	Ogden	Ten Eyck
Clark, Fla.	Johnson, Ky.	Oldfield	Thomas
Classon	Johnson, Miss.	Olpp	Thompson
Clouse	Johnson, S. Dak.	Osborne	Tilson
Cockran	Jones, Pa.	Overstreet	Tincher
Codd	Kahn	Paige	Tinkham
Collins	Keller	Parker, N. Y.	Treadway
Connally, Tex.	Kelley, Mich.	Patterson, N. J.	Tucker
Connell	Kendall	Perkins	Upshaw
Connolly, Pa.	Kennedy	Perlman	Vare
Cooper, Ohio	Kiess	Petersen	Voigt
Copley	Kindred	Porter	Volk
Cramton	Kirkpatrick	Pou	Ward, N. C.
Crowther	Kitchin	Pringey	Ward, N. Y.
Cullen	Kleczka	Radcliffe	Watson
Dallinger	Knight	Rainey, Ala.	Webster
Darrow	Kreider	Rainey, Ill.	White, Me.
Davis, Minn.	Kunz	Raker	Williamson
Deal	Langley	Ramseyer	Winslow
Dempsey	Larsen, Ga.	Rausley	Wise
Dominick	Larson, Minn.	Reber	Woodruff
Drewry	Layton	Reed, N. Y.	Woods, Va.
Dunn	Leatherwood	Reed, W. Va.	Yates
Dupré	Lee, N. Y.	Riddick	Young

So the motion was agreed to.

Mr. DAVIS of Tennessee. Mr. Speaker, I desire to vote.

The SPEAKER. Was the gentleman present and listening when his name was called?

Mr. DAVIS of Tennessee. No, Mr. Speaker; I came in since. I desire to be recorded "present."

The Clerk announced the following pairs:

On this vote:

Mr. Ramseyer (for) with Mr. Cantrill (against).

Mr. Maloney (for) with Mr. Gallivan (against).

Mr. Burton (for) with Mr. Oldfield (against).

Mr. Thompson (for) with Mr. Tague (against).

Mr. Cramton (for) with Mr. Carter (against).

Mr. Porter (for) with Mr. Kitchin (against).

Mr. Taylor of New Jersey (for) with Mr. Wise (against).

Mr. Reed of New York (for) with Mr. Connally of Texas (against).

Mr. Burke (for) with Mr. London (against).

Mr. Elliott (for) with Mr. Stoll (against).

Mr. Jones of Pennsylvania (for) with Mr. Martin (against).

Mr. Montoya (for) with Mr. Dupré (against).

Mr. Fess (for) with Mr. Upshaw (against).

Mr. Kiess (for) with Mr. Lyon (against).

Mr. Burroughs (for) with Mr. Taylor of Arkansas (against).

Mr. Crowther (for) with Mr. Montague (against).

Mr. Bacharach (for) with Mr. Carew (against).

Mr. Olpp (for) with Mr. Johnson of Mississippi (against).

Mr. Perkins (for) with Mr. Stevenson (against).

Mr. Morin (for) with Mr. Brand (against).

Mr. Rose (for) with Mr. Pou (against).

Mr. Vare (for) with Mr. Rainey of Alabama (against).

Mr. Siegel (for) with Mr. Sabath (against).

Mr. Paige (for) with Mr. Sullivan (against).

Mr. Osborne (for) with Mr. Cockran (against).

Mr. Langley (for) with Mr. Clark of Florida (against).

Mr. Bixler (for) with Mr. Kunz (against).

Mr. Snyder (for) with Mr. Overstreet (against).

Mr. Snell (for) with Mr. Thomas (against).

Mr. Griest (for) with Mr. Ten Eyck (against).

Mr. Appleby (for) with Mr. Mead (against).

Mr. Bowers (for) with Mr. Linthicum (against).

Mr. Fish (for) with Mr. Dominick (against).

Mr. Brooks of Pennsylvania (for) with Mr. Raker (against).

Mr. Mudd (for) with Mr. Byrnes of South Carolina (against).

Mr. McKenzie (for) with Mr. Goldsborough (against).

Mr. Beck (for) with Mr. Sears (against).

Mr. Anderson (for) with Mr. Sisson (against).

Miss Robertson (for) with Mr. Stedman (against).

Mr. Browne of Wisconsin (for) with Mr. Jacoway (against).

Mr. Kennedy (for) with Mr. Drewry (against).

Mr. Burtness (for) with Mr. Logan (against).

Mr. Cooper of Ohio (for) with Mr. Blanton (against).

Mr. Butler (for) with Mr. Riordan (against).

Mr. Darrow (for) with Mr. Larson of Georgia (against).

Mr. McArthur (for) with Mr. Ward of North Carolina (against).

Mr. Patterson of New Jersey (for) with Mr. Cullen (against).

Mr. Watson (for) with Mr. Deal (against).

Mr. Gahn (for) with Mr. Fulmer (against).

Mr. Bland of Indiana (for) with Mr. Rainey of Illinois (against).

Mr. Michaelson (for) with Mr. Bell (against).

Mr. Krieder (for) with Mr. Johnson of Kentucky (against).

Mr. Kahn (for) with Mr. McDuffie (against).

Mr. Nolan (for) with Mr. Kindred (against).

Mr. Tincher (for) with Mr. Hawes (against).

Mr. Lineberger (for) with Mr. Collins (against).

Mr. A. P. Nelson (for) with Mr. Harrison (against).

Mr. Edmonds (for) with Mr. O'Brien (against).

Mr. Davis of Minnesota (for) with Mr. Woods of Virginia (against).

Mr. Dunn (for) with Mr. Rucker (against).

Mr. Sinclair (for) with Mr. Tucker (against).

Mr. Shreeve (for) with Mr. McSwain (against).

Mr. Radcliffe (for) with Mr. Huddleston (against).

Mr. Codd (for) with Mr. Griffin (against).

Mr. Connolly of Pennsylvania (for) with Mr. Fields (against).

Mr. Johnson of South Dakota (for) with Mr. Byrns of Tennessee (against).

Mr. Larsen of Minnesota (for) with Mr. Buchanan (against).

Accordingly (at 1 o'clock and 15 minutes p. m.) the House adjourned until Saturday, August 26, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

672. Communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of State for the fiscal year ending June 30, 1923, for Mixed Claims Commission, United States and Germany, $200,000 (H. Doc. 376); to the Committee on Appropriations and ordered to be printed.

673. Communication from the President of the United States, transmitting a supplemental estimate of appropriations for the Department of State for the fiscal year ending June 30, 1923, for salaries of ambassadors and ministers, $16,666.68, and for salaries of secretaries in the Diplomatic Service, $8,125.68; in all, $24,791.68 (H. Doc. 377); to the Committee on Appropriations and ordered to be printed.

674. Letter from the Secretary of War, transmitting a draft of a bill for the relief of Col. Robert S. Smith; to the Committee on Claims.

675. Letter from the Assistant Secretary of Labor, transmitting a statement of the travel performed during the fiscal year ended June 30, 1922, by officers and employees of the Department of Labor (other than those who in the discharge of their regular duties are required to constantly travel) on official business from Washington, D. C., to points outside of the District of Columbia; to the Committee on Expenditures in the Department of Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. McFADDEN: Committee on Banking and Currency. S. J. Res. 208. A joint resolution authorizing the Federal Reserve Banks of St. Louis and Salt Lake City to enter into contracts for the erection of buildings for its head office and branches; with amendments (Rept. No. 1184). Referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. BRENNAN: A bill (H. R. 12461) to permit the immigration into the United States of veterans who served in the military or naval forces of the United States during the World War and of certain of their relatives; to the Committee on Immigration and Naturalization.

By Mr. IRELAND: A resolution (H. Con. Res. 66) authorizing the Architect of the Capitol to contract for the extermination of insects in the House Office Building, the Capitol, and the Senate Office Building; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BENHAM: A bill (H. R. 12462) granting an increase of pension to Josinah Brinson; to the Committee on Invalid Pensions.

By Mr. LAWRENCE: A bill (H. R. 12463) granting a pension to Asa R. Daniel; to the Committee on Invalid Pensions.

By Mr. ROGERS: A bill (H. R. 12464) granting a pension to Clara H. F. Royal Stevens; to the Committee on Invalid Pensions.

By Mr. SMITH of Michigan: A bill (H. R. 12465) granting an increase of pension to Emily J. Sherman; to the Committee on Invalid Pensions.

By Mr. SPROUL: A bill (H. R. 12466) for the relief of Nellie Hickey; to the Committee on Claims.

By Mr. UPSHAW: A bill (H. R. 12467) for the relief of the Masons' Annuity; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6225. By the SPEAKER (by request): Petition of the City Firefighters' Union, No. 136, of Dayton, Ohio, favoring the passage of Senate Joint Resolution 200 and House Joint Resolution 327; to the Committee on the Judiciary.

6226. Also (by request), petition of the City Firefighters' Union, No. 136, of Dayton, Ohio, favoring the passage of the Fitzgerald bill; to the Committee on the District of Columbia.

6227. By Mr. ANSORGE: Petition of Mr. Julius Hyman, New York City, advocating the placing of replicas of the Liberty Bell throughout the country with a tablet containing, among other things, the sentence from Leviticus on the border of the bell; to the Committee on the Library.

6228. Also, petition of National Enameling & Stamping Co., New York City, opposing decrease of tariff on enameled ware from 5 cents specific and 50 per cent ad valorem to 5 cents specific and 30 per cent ad valorem; to the Committee on Ways and Means.

6229. Also, petition of Carson Pirie Scott & Co., New York City, opposing American-valuation plan and proposed tariff bill; to the Committee on Ways and Means.

6230. By Mr. BLAND of Virginia: Petition of citizens of Lancaster County, Va., opposing passage of House bill 9753, or any other Sunday bill, such, for example, as House bill 4388 or Senate bill 1948; to the Committee on the District of Columbia.

6231. By Mr. FULLER: Petition of the Illinois Agricultural Association, favoring the operation of the Muscle Shoals project as contemplated in the Henry Ford proposal; to the Committee on Military Affairs.

6232. By Mr. GREENE of Massachusetts: Petition of Whittenton Manufacturing Co., of Boston, Mass., relating to duties on dyes; to the Committee on Ways and Means.

6233. By Mr. KISSEL: Petition of Town and Country, New York City, N. Y., relating to second-class postage; to the Committee on the Post Office and Post Roads.

6234. Also, petition of Bronx Council, No. 105, Junior Order United American Mechanics, New York City, N. Y., favoring the passage of the Towner-Sterling bill; to the Committee on Education.

6235. Also, petition of the Nast Publications, New York City, N. Y., relative to second-class postage; to the Committee on the Post Office and Post Roads.

6236. By Mr. O'CONNOR: Petition of the commission council of the city of New Orleans, urging Congress to establish a lifesaving station on Lake Pontchartrain; to the Committee on Interstate and Foreign Commerce.

6237. By Mr. ROGERS: Petition of the Lithuanians of Lowell, by Joseph G. Varoski, chairman of the committee, relating to the Republic of Lithuania; to the Committee on Foreign Affairs.

6238. Also, papers to accompany House bill 12464, granting a pension to Clara, H. F., and Royal Stevens; to the Committee on Invalid Pensions.

SENATE.

SATURDAY, *August 26, 1922.*

(*Legislative day of Friday, August 25, 1922.*)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CAMERON in the chair). The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Edge	Nelson	Shortridge
Borah	Ernst	Nicholson	Smoot
Broussard	Hale	Ransdell	Stanfield
Bursum	Heflin	Rawson	Sutherland
Cameron	Jones, Wash.	Reed, Mo.	Trammell
Capper	Keyes	Reed, Pa.	Walsh, Mont.
Curtis	La Follette	Robinson	Warren
Dial	McCumber	Sheppard	Watson, Ga.
Dillingham	McNary	Shields	

The PRESIDING OFFICER. Thirty-five Senators having answered to their names, there is not a quorum present. The Secretary will call the roll of absentees.

The reading clerk called the names of the absent Senators, and the following Senators answered to their names when called:

Gooding	Myers	Stanley	Townsend
McKellar	Pomerene	Sterling	Underwood
McLean			

The following Senators entered the Chamber and answered to their names:

Colt	Cummins	Kellogg	New
Culberson	Hitchcock	Lenroot	Oddie

The PRESIDING OFFICER. Fifty-two Senators having answered to their names, there is a quorum present.

MEMORIAL.

Mr. ROBINSON presented a telegram in the nature of a memorial from the Southern Pine Association, John H. Kirby, president, of New Orleans, La., remonstrating against the passage of the so-called soldiers' adjusted compensation bill, which was ordered to lie on the table.

REPORTS OF COMMITTEES.

Mr. BROUSSARD, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 646) for the relief of Emma LaMee (Rept. No. 884); and

A bill (H. R. 1941) to provide for the refund of entrance and clearance fees erroneously collected by the customs authorities from the Peninsular & Occidental Steamship Co. (Rept. No. 885).

Mr. BROUSSARD, from the Committee on Claims, to which were referred the following bills, reported them severally with an amendment and submitted reports thereon:

A bill (S. 911) for the relief of Fred V. Plomteaux (Rept. No. 886);

A bill (S. 3171) for the relief of the trustee of the estate of Hillsboro Dredging Co., a corporation, bankrupt (Rept. No. 887); and

A bill (S. 3257) for the relief of H. B. Stout (Rept. No. 888).

Mr. BROUSSARD, from the Committee on Claims, to which was referred the bill (S. 3256) for the relief of A. L. Gramling, reported it with amendments and submitted a report (No. 889) thereon.

Mr. BURSUM, from the Committee on Pensions, to which was referred the bill (H. R. 211) to extend the provisions of the pension act of May 11, 1912, and May 1, 1920, to the officers and enlisted men of all State militia and other State organizations that rendered service to the Union cause during the Civil War for a period of 90 days or more, and providing pensions for their widows, minor children, and dependent parents, and for other purposes, reported it without amendment and submitted a report (No. 890) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HALE:

A bill (S. 3956) for the relief of J. W. Cook (with accompanying papers); to the Committee on Claims.

By Mr. FLETCHER:

A bill (S. 3957) for the relief of Archibald L. Macnair (with an accompanying paper); to the Committee on Claims.

By Mr. OWEN:

A bill (S. 3958) to prevent the use of the mails and of the telegraph and telephone in furtherance of fraudulent and harmful transactions on stock exchanges; to the Committtee on Banking and Currency.

AMENDMENT OF BANKRUPTCY ACT.

Mr. WALSH of Montana submitted an amendment intended to be proposed by him to the bill (S. 2921) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, which was ordered to lie on the table and to be printed.

COMPENSATION OF WORLD WAR VETERANS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 10874) to provide adjusted compensation for veterans of the World War, and for other purposes.

Mr. CURTIS. Mr. President, I understand that the Senator from Idaho [Mr. BORAH] desires to have the coal commission bill taken up, and I, therefore, ask unanimous consent that the unfinished business may be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNITED STATES COAL COMMISSION.

Mr. BORAH. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 12377, the coal commission bill.

The PRESIDENT pro tempore. The Senator from Idaho asks unanimous consent that the Senate proceed to the consideration of House bill 12377, being the coal commission bill. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12377) to establish a commission to be known as the United States coal commission for the purpose of securing information in connection with questions relative to interstate commerce in coal, and for other purposes.

Mr. BORAH. Mr. President, I understand the Senator from West Virginia [Mr. SUTHERLAND] desires to discuss this measure. I will inquire of the Senator if he desires to discuss the particular amendment which is now pending, being the amendment of the Senator from Tennessee [Mr. SHIELDS]?

Mr. SUTHERLAND. No; I do not.

Mr. BORAH. Mr. President, the Senator from Tennessee has offered an amendment prohibiting the appointment upon the proposed commission of representatives of either the mine operators or the mine workers. The bill which is now before the Senate, as reported from the Senate committee, leaves the matter of the appointment entirely to the President. The bill as it came from the other House contained the same provision which the Senator from Tennessee now offers by the way of an amendment, but the committee of the Senate reported the bill leaving the matter to the President. I feel that there is where it ought to remain.

I am not willing, Mr. President, to prohibit the selection of a representative of the operators or the mine workers if the President so desires; in fact, the bill as I originally drew it provided that both of those interests should be represented; but it was the view of the committee that the matter ought to be left open in order that the President might, in his discretion, select members from the operators and the mine workers.

I feel, at any rate, Mr. President, that the amendment of the Senator from Tennessee should not be adopted by the Senate, but that the matter should go to conference. I therefore hope that the amendment will not be adopted.

Mr. SHIELDS. Mr. President, I shall delay the Senate but a moment in regard to this matter. When the bill was last before the Senate I stated the reasons why I thought the amendment ought to be adopted. The Senator from Arkansas [Mr. ROBINSON] followed me hardly in opposition, but in a very interesting, able, and forceful speech upon the general subject of the coal strike, in which, in his able and eloquent manner, he showed the iniquity of both the coal operators and the coal miners in holding up the country and committing a very grievous wrong upon the people by their selfish greed and personal and financial interest.

This bill, Mr. President, is for the purpose of devising means to curb the rapacity of the mine owners and the mine workers, to keep them in the future from imposing upon the public the grievous wrongs which, as suggested by the Senator from Massachusetts [Mr. WALSH], are not only impending but actually now exist. The object is to correct a wrong being perpetrated by the mine owners and the mine workers. In view of the fact that we are about to pass this bill in order, at a very great expense, to regulate and punish those men, to prevent them again from committing such a wrong, I think it is eminently proper that they be not made the judges of the provisions of the law proposed to be made to restrain and control them.

Especially is that my view when it is considered that the provisions of the bill make ineligible for service on the proposed commission Members of Congress, nearly 600 men, who are presumed to be informed of the conditions of the country, who are capable of considering such questions, whose duty it is as the representatives of the people to advise the means of affording remedies, without abdicating their functions and delegating them to a commission, as is too often done by the Congress. They have been made ineligible, although they are presumed to have no financial interest and are acting under oath; yet it is proposed to leave the way open for the appointment as members of the commission and to advise the means of punishment of the very men whom it is proposed to punish. It seems to me that such a proposal is an absurdity; and I do not care to argue a proposition of that kind further.

Mr. BORAH. Mr. President, the Senator proceeds upon the theory that this bill will necessarily result in representatives of the mine operators or mine workers being appointed to the commission, whereas, as a matter of fact, it is simply left open to the appointing power.

Mr. SHIELDS. Mr. President, the Senator misinterprets my words.

Mr. BORAH. No; I do not misinterpret what the Senator has said.

Mr. SHIELDS. I do not mean any such thing. I have no want of confidence in the President.

Mr. BORAH. Then let us leave it to him.

Mr. SHIELDS. I have the very same confidence in the President that the Senator from Idaho has. The Senator from Idaho thought no Member of Congress should be appointed on the commission. I think it more proper that Members of Congress should be appointed than that coal miners and coal operators should be appointed, but the principle of putting men interested on such commissions and boards is what I am advocating more particularly. I do not believe the President would appoint representatives of the operators or miners, but if we make Members of Congress ineligible, and by an amendment to the House bill strike out the provision making the representatives of the miners and operators ineligible, we impliedly say they are eligible and that they should be appointed while a Member of Congress can not be trusted.

Mr. BORAH. Mr. President, the Senator is not ordinarily so illogical. The Congress must pass upon this matter finally; every Member of Congress will then be called upon to do his duty, and no Member of Congress will be excluded from the final judgment which he must give to the legislation which it is presumed will grow out of this measure. So Members of Congress are not excluded in the sense in which the Senator suggests at all. They are here to legislate and when the time comes to legislate they will legislate. So far, however, as the investigation is concerned it was thought wise to have an entirely separate advising and inquiring institution.

Mr. President, whether or not this bill shall ever amount to anything at all will depend entirely upon the personnel of the

commission. If the commission shall be constituted, as commissions ordinarily are, of political accidents and those who have nothing else to do, it will amount to nothing, and if such a thing as that should happen I should be very glad to introduce a measure here to repeal the entire law. The entire responsibility in making a success of this measure after it shall leave the hands of Congress will depend upon the President of the United States and upon the selections which he shall make for the commission. Therefore I desire, Mr. President, to leave the matter entirely to him and to place the complete responsibility upon him, and that is, as I understand, as he desires it to be.

Mr. REED of Missouri. Mr. President, I have been trying to give this bill such attention as has been possible with the legislative hopper full to overflowing. I have the highest respect for any opinion expressed by the Senator from Idaho. When he enunciates a proposition I find myself inclining to go that way because of the regard I have for his judgment, his patriotism, and his devotion to his work in the Senate. I am not prepared to say at this moment that I may not finally induce myself to vote for this measure, but I think we ought to discuss it very frankly here and see whether after all there is anything to be accomplished by this bill.

To begin with, we have to-day an immediate pressing emergency, and that is the thing we ought to deal with. The pending bill does not undertake to deal with that emergency; it will not produce a single ton of coal at the mines or at the furnaces. It relates wholly to the future. It contemplates an investigation which, under the terms of the bill, may not be concluded for five months. The pressing forward of the bill at this time, therefore, does not meet the present difficulty; and it might just as well be laid aside until next November as any other bill I know of.

What we ought to be doing to-day, what the administration ought to be doing to-day, is to take the necessary steps to open these mines to-morrow, and not to investigate a question and report a year or five months—the term named in the bill—from this day.

So far as investigation is concerned, it must relate to future action which lies considerably in the distance. It may be of benefit then, when five or six months from now we come to consider the recommendations of a commission; but it does not, I repeat, solve the difficulties of the hour. So let us not, as we approach the consideration of this bill, deceive ourselves for a moment with the thought that it is going to do any good at the present time. Indeed, I fear it may do harm, because it will lead the public to believe something is being done when nothing is being done, and because it will be in effect a statement to the mine owners and the mine workers that Congress proposes to dillydally with this matter, and let five or six months pass while it is investigating. This may be regarded by both sides as in effect a continuance of the case, whereas the possibility of an immediate judgment might be much more effective.

In fact, there are many indications that the acuteness of the situation may be greatly ameliorated, if, indeed, not brought to an end before the end of the five-month period and the report of the commission.

Indeed, I am informed that the strike of bituminous miners has been settled and that the mines will resume operation and be in full blast within two or three days. This is a testimonial to the good sense, judgment, and patriotism of both the miners and the operators. I trust and believe this spirit soon will spread to the anthracite field. In that case much of the criticism now being indulged in will be gladly withdrawn. No one more than myself will rejoice in such an exhibition of good judgment on the part of those directly concerned. It will hearten all friends of organized labor and will restore confidence in the ability of labor and capital to adjust their disputes without governmental coercion.

Now, Mr. President, coming to the terms of the bill itself, I desire to call attention to a few propositions.

It is proposed to investigate the ownership and title of the mines.

Mr. President, that question has been investigated time and again. The record is complete as to the ownership of the great anthracite mines. That record has been written in a half dozen investigations, and, while I am not sure, I think it has been investigated, among other bodies, by the Federal Trade Commission. I am quite sure that during the war, at the time the mines were taken over, the Government gathered this data.

As to the ownership of the bituminous coal mines, we know all that is necessary to-day. To begin with, the supply of bituminous coal is so great and its deposits are so diversified that the ascertainment of the actual or particular ownership of each tract is utterly immaterial. It is estimated that more than half of the coal of the world belongs to the United States and that these deposits of bituminous coal aggregate between three and four trillion tons. The figures I am giving are taken from the testimony given by the experts of the Geological Survey in 1921, and the particular persons testifying were Dr. George Otis Smith, the director, and F. G. Tryon. Coal is so widely scattered that the center of deposits is, I think, in Indiana.

Coal exists under millions of acres of land readily accessible to railway and water transportation. It is frequently located on hillsides, from which it outcrops, and can be readily worked by individual miners, and even by farmers who own the land or who may rent the land. Vast deposits are owned by the Federal Government, and other large deposits are owned by small landowners. Right there, when we speak of acquiring coal, let me call attention to the fact that the Federal Government now owns vast deposits of coal upon the public lands.

The evidence taken—and I am referring to evidence that was taken before the Committee on Manufactures a few months ago, the Senator from Wisconsin [Mr. LA FOLLETTE] presiding—failed to disclose any attempt to control or monopolize the production of bituminous coal. The further fact was shown that additional new mines can be readily opened by individual owners of coal lands, and that these mines are frequently opened in great numbers. The number of mines has increased from 7,776 in the year 1913 to over 11,000 in the year 1920. These 11,000 mines are worked by over 7,000 operators. Most of them, of course, are small. The readiness with which new mines can be opened is shown by the fact that during the coal panic of 1920 more than 1,000 new mines were opened along the line of the Pennsylvania Railroad alone because of the high prices which enabled the farmers themselves to get out coal from these small mines. The principal mines have the best equipment in the world. The productive capacity of the mines is now, and for years has been, in excess of the demand. The largest production of coal ever attained was in 1918, when it reached a total of 580,000,000 tons. This created a storage of 60,000,000 tons, which, even under intense war activities, piled up and reached the amount I have stated. By actual performance for a given period, the mines, without reaching their capacity, have produced at the rate of 700,000,000 a year. Reliable authorities estimate the capacity of the mines now opened, running at full time, in excess of 800,000,000 tons per year. The labor supply is not only sufficient but probably excessive. There are from 150,000 to 200,000 more men in the industry than the industry would need if it were stabilized, as Mr. Smith said; and he was a stabilization advocate, although how he was going to stabilize it he did not tell anybody.

Mr. BORAH. Mr. President, what is the date of those figures?

Mr. REED of Missouri. These figures were given at the hearing before the Committee on Manufactures. I will ask the Senator from Wisconsin when that committee convened. It was about six months ago, was it not?

Mr. LA FOLLETTE. The bill was introduced on the 12th of January, shortly before the close of the last Congress, and the report was made to the Senate as a result of that investigation in February, about 10 days before the final adjournment.

Mr. REED of Missouri. I have here the hearings, and from those I get the accurate date. The hearings began on January 15, 1921, so that the figures are recent. There has been no material change in these figures since, except that we have had this great coal strike.

Mr. President, there are the figures already given, and given from governmental sources, and we need no commission to find them out. There are two men, the two men who testified before the committee, who are the experts of the Government in the Geological Survey, who can verify these figures in two hours' time, so that we do not need to consume any length of time to ascertain what the coal production is, the number of mines, or the number of owners. All that material which is called for in the clause to which I have spoken is here at hand, and careful examination brought it out.

Mr. BORAH. Mr. President, I understand that, and I apprehend that this commission will not go over that ground again.

Mr. REED of Missouri. If the commission are not to go over the ground, then we already have the facts, and yet the resolution says that they shall examine into them. I agree with what the Senator means; they will not take much time at it; they will get it directly; yet if we already have facts, then we will gain nothing by submitting the matter to a commission except delay, and Congress will evade its responsibility, or may evade its responsibility during that period of delay, saying: "We are waiting for an investigation." It being conceded that we have the facts so readily accessible that any Senator can

get them, that they are already in these records, it would not seem that we need take any time to investigate those facts.

I come now to the other provisions of the bill. They are as follows:

The proposed commission is directed to investigate—

The causes which from time to time induce strikes.

Mr. President, is there anybody who is in any doubt about the causes that produce strikes? If there is any doubt, all you have to do is to go back and read the reports of about a half dozen investigating committees. Congress exhaustively investigated the coal strike in Colorado, where there was a great deal of hardship and some deaths. We have had two or three investigations into the West Virginia field. We know what the trouble is down there. We know what the trouble is in the present strike. It is a question of wages and contracts.

If there is any doubt remaining as to the causes for this strike, a committee of this body in four or five days' time can call in the producers of coal and the miners of coal and find out what the cause of the dispute is. The President is presumptively in possession of the facts, for he has already delivered a message to Congress. But if we do not know, I repeat that in four or five days' time any committee of this body can get at the reasons for this strike, and they will be found to be largely questions over wages and over the duration of the contract that is to be signed.

Mr. President, what is the use of appointing a commission to investigate a thing which can be found out in five days, and get facts which are already before this body? I unhesitatingly say, and I say it with all due respect, that no commission appointed will do this work of investigating better than any committee of the Senate, if we need any further investigation.

This strike could be settled to-morrow morning in about 15 minutes' time if the owners of the mines would agree to sign up the contracts. It could be settled in the same length of time if the mine workers would agree to the terms of the mine owners. Two sets of gentlemen sit there and disagree about matters which, compared with the general interest of the American Republic, are inconsequential. All that any stubborn man on either side wants is to know that we are going to investigate for five months, and give him, upon the one hand, five months to try and starve the miners out, and, upon the other hand, to give the miners five months to freeze the American people, so that an intolerable condition will be presented, and the public will demand that one or the other shall yield; and each hopes the public will decide in his favor. That is all there is to this question, absolutely all.

Now we are coming to a matter which might properly go before a commission and might require time, and that is this provision:

Said commission shall also submit recommendations relative to—
(a) Standardizing the mines upon the basis of their economic productive capacity, and regarding the closing down of mines which, by reason of their natural limitations, fall below the standard.

I say that would be a matter proper to be taken up by a commission, provided we concede that the principle is one with which Congress has any right to deal.

Let us see. Suppose we take the view entertained by some—the extremest view I have heard presented—that the Congress of the United States has the authority to declare that mines are charged with a public use, and that being charged with a public use they become subject to governmental regulation.

I do not believe that Congress possesses any such power. If it possesses any such power, we must look for that power to the commerce clause of the Constitution, and if the mere right to regulate commerce between the States and foreign parts carries with it the right to go into the several States and to seize and take over the control of private property held by citizens of those States, then the power under the commerce clause can be so stretched that Congress can take possession of every dollar of property in the United States of America, thereby State socialism would then appear in its most aggravated form, and all that Congress would have to do to wipe out private property would be to pass a resolution.

Is it the conception of Members of this body that the commerce clause can be stretched to that extent? If it can, then in truth the right of every State can be expunged, and the right of every citizen who owns private property can be abrogated, and, under the powers granted to Congress to control commerce between the States and with foreign parts, we may, by a simple resolution of Congress, set up an oligarchy which will control all private property within the country, and establish upon the ruins of this Republic the greatest State socialism ever dreamed of in the brain of a doctrinaire. I take it that doctrine will hardly be accepted as sound.

What power to do we have then? Does the power to control commerce go to the extent of the Government producing the thing that is to go into commerce? If so, I repeat, every farm in the United States could be seized, and every factory as well.

Neither can you base this power on the ground that the thing dealt with is a great necessity, for that leads you again into a wilderness of difficulty. Is coal a necessity? All will admit it. Is it necessary to transportation? All will admit it. But so likewise is steel equally necessary to transportation, for every engine and every car is dependent upon the production of steel and could not exist except the steel had been produced.

Carrying such logic a little further, and discussing the argument of necessity, the ties which go into the roadbed and support the rails are equally a necessity, for you can not run an engine without tracks, and you can not lay tracks without ties. Thus, if we are to enter upon this field upon the ground that coal is a necessity, there is no end to the difficulty.

As coal is a necessity to keep the body warm, so are wheat and corn and meats necessities to keep the body alive, and if Congress, under the commerce clause, has the power to seize the coal mines, it has equally the power to seize the farms of this country, and to declare them charged with a public use, and to argue that the great law of necessity compels their inclusion.

We can carry this a step further, and say that labor is a necessity; that the world could not live without labor for even a few days of time, and that labor being a necessity and being an instrumentality of commerce, therefore Congress has the power to take labor into its keeping and under its domination and control, and compel labor to work whether it desires to or not.

The trouble with both of these propositions is that, equally in principle, although not in degree, they violate the fundamentals of our governmental structure, for the right to the protection of private property against the Government, as well as against the individual, has always been, save as to the narrow limitations which have been heretofore fixed in the common law, regarded as inviolable. In like manner the right of the citizen to work or not to work has been regarded as inviolable.

If you strike down that clause with reference to property and say that property can be taken over, held, and controlled by the Government and its private attributes annihilated, you can do the same thing with reference to human beings, for each is governed by the same principle, although, of course, one would readily concede that the enormity of taking charge of the individual and compelling him to work is much greater than that of the taking of property, however bad that may be.

So when we talk about standardizing the mines of the country, what do we mean by the term? Are we to write something on a piece of paper and say that mines Nos. 1 to 100 are hereby standardized as mines of class A, and mines from 100 to 1,000 are hereby declared to be mines of the class B type, and simply standardize them upon paper, which, of course, the Government could do, and stop at that point? That, Mr. President, would be as idle a thing as the Government could indulge in.

Standardization means nothing unless it is proposed to take some step beyond the mere classification of the mines. Now, what is the step that is contemplated? I do not know, but I think I find it in the assertion of a theory which the Chief of the Geological Survey, Mr. Smith, made in his testimony. He declared there were too many mines and a lot of them ought to be closed up, that there were too many miners and a lot of them ought to be sent into other industries, and that he was in favor of regulating the production of coal in the country. If a thing of that kind is proposed, I insist that it can not be done under the Constitution of the United States, and that it ought not to be done even if the Constitution permitted it.

What right has the Federal Government to say to me, if I own 160 acres of land under which coal lies, that I can not take my pick and shovel and dig that coal from the ground and burn it in my stove in my kitchen? I have that right. By what authority will the United States say that I can not take my hired man on the farm and have him help me dig the coal and sell part of my coal to my neighbor? And, if I can proceed that far in trade, who is to deny me the right to dig coal from the ground and have 100 or 1,000 men to help, and to sell this product of nature which I have brought from the bosom of the earth to other free citizens who have the right to buy it, thank God, still the right to buy it despite any governmental interference?

What, then, are we to do by the proposed standardization? Go through the business of having some agents go out at great expense, measure up the mines, and say "This mine we hereby classify as class A, B, C, or D" and do nothing more. Are we to proceed to the practical and unconstitutional step of trying to close that mine and deny its production access to the market? When that is attempted, sir, there will be created in the

end a coal monopoly. There will be denied to the people of the United States the highest competitive market in the world, for the evidence which we took demonstrated that outside of certain artificial interferences which can be handled by law, when there were no strikes and no lockouts, there were 11,000 mines in the country producing coal, and a superabundance of labor. If there is, I say, any combination between the producers of the coal to control the market, that combination should be reached at the point of the crime and not by going back and destroying the source of supply.

Create a commission, create a board, create a governmental tribunal to limit in time the production of coal, and just as certainly as water runs down hill, just as certainly as night follows the disappearance of the sun behind the western horizon, just as certainly as the eternal ceaseless vigilance of a vested interest will gain its end while the people sleep, just so certainly will that commission or board ultimately come under the control of those who are producing the coal in the country. The great competitive field will have been destroyed, and a few gentlemen will sit here in Washington, appointed by a President or somebody else, and in the end the attorneys and counselors and representatives of the great invested capital that is vitally concerned will have their way.

Now, if we are going to make this Government a general socialism, let us do it in the open. Let us say it is going to be a socialism and that everybody has to work so many hours. Let us start right there. Then we will not have any more strikes. Let us say that everybody has to work, and if he has to work there will not be any use in having any property, and consequently we can wipe out capital. When we say that, let us say we have written the epitaph of Anglo-Saxon greatness and we have set up a tombstone over the grave of the greatest Republic ever framed by men under the providence of God.

Standardize mines? We had some standardization of mines by governmental interference during the war. I had occasion to investigate the attempt of one man to control the law of supply and demand and distribution. I saw that one man and his board send millions of tons more of coal to the Northwest than the Northwest could consume and leave the ships without bunker coal to move from American ports. I saw that same organization which was undertaking to run the coal business, having taken it out of the hands of those who had grown up in it and knew everything about it, close down every factory and stop every wheel south of the Ohio River and east of the Mississippi for 14 days in order that they might relieve the embargo or the congestion of the railroads, stopping the mills when we were engaged in that great war. Instead of allowing them to turn out their materials they stopped all the busy hands, closed the churches on Sunday and opened the moving pictures. I say they interfered with the distribution of coal throughout the country.

Wisely they said, "We must get all the coal to the Northwest," and then wisely they proceeded to shove coal in there so fast that they had such a congestion of cars in some of the great trunk lines through which they had to pass that it took weeks to bring about relief. Wisely they said there was no sense of sending coal on long hauls from Illinois up to Minnesota, and they stopped that. Then they discovered they were hauling trains of loaded cars coming from the North and hauling trains of empties back to the North. Wisely they classified the mines and they put the same price for coal at first at all the mines, I believe; at least if that is not literally true, it is almost substantially true. So that the mine which had an 11-foot vein and could get its coal out for almost nothing was permitted to charge the same price as the mine having an 18-inch vein, with the result that the mine with the 18-inch vein could not run at all; and yet those two mines had competed in the world before without any governmental regulation. How had they competed?

The mine with the 18-inch vein of coal had sold that coal for from 50 to 150 per cent higher than the other coal, and why? Because it was fitted for special uses.

Governmental interference? Governmental classification? Let me tell you, sir, the kind of classification that works a good result and the only kind. It is when the manager of a great factory, consuming enormous quantities of coal, has figured on the coal supply of the country and has found the place where he can get the kind of coal he needs at the lowest price. That is the kind of selection, that is the kind of classification that the man makes who knows his business and who every day has to study his business and who, if he makes a mistake, loses money in his enterprise.

Mr. SUTHERLAND. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Missouri yield to the Senator from West Virginia?

Mr. REED of Missouri. I yield.

Mr. SUTHERLAND. I call the Senator's attention to the fact that the standardization with reference to the working men goes further than the standardization of the hours of work. As stated in paragraph (b), lines 17 and 18, it suggests the standardization also as far as practicable of the amount of work a man shall perform for a reasonable wage.

Mr. REED of Missouri. I am coming to that in a moment, but I want to deal with the other question first. I have taken time here when I had no idea of talking about the bill. I have had something to do with looking into the coal business.

When in those days they stopped the mills they stopped even mills operated by water power. The man and his board said it was not fair for one to run a waterwheel when another could not burn coal. They stopped the factory that had coal as well as the factory that did not have coal, which latter, of course, would be obliged to stop itself.

Now, suppose, left as it is, what is the situation? Gradually the coal business has grown up just as the country has grown. Just as a baby has a small heart, small arteries, small veins, and tiny capillaries, just as that circulatory system extends and grows naturally as the body grows, so has the coal business as well as most other enterprises of our country gradually expanded. Men mined the coal, and then there came into existence naturally, as a result of economic conditions, a gentleman who bought the coal at wholesale because he could distribute it better to the retailer than the retailer could direct from the mine. So that grew up as a natural thing. Then there would be a community which would need one man with a coal wagon and he would figure around as to the best place to buy his coal, whether of wholesaler A or wholesaler B, or perhaps from the mines themselves.

After a while the community would grow and there would come to be two coal distributers. So, without multiplying the illustration the business gradually expanded until to-day, taking the city of Washington as an example, there are a given number of wholesale dealers. If there were one too many some one of them would have to go out of business. The wholesale trade fits the retail trade and the retail trade fits the demand of the people. If there were many more than were needed some would have to go out of business. So this system of the production and distribution of coal is now conducted not by one board sitting in Washington using its limited intelligence and experience, but it is being conducted by hundreds and thousands of men who are scattered over the United States, each of them compelled to study and to know, at the peril of bankruptcy, the exact demands of his community and to respond to those demands.

Mr. SUTHERLAND. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Missouri yield to the Senator from West Virginia?

Mr. REED of Missouri. I yield.

Mr. SUTHERLAND. If I may interrupt the Senator for just a moment at that point I desire to call his attention to the fact that here in Washington there are a dozen different kinds of bituminous coal which are constantly sold in order to suit the varying demands of consumption. In New England there are more than 20 different kinds and sizes of coal which are sold, and on the Chicago market there are between 50 and 60 different kinds and sizes of bituminous coal which are constantly sold in order to suit the different demands of consumption in that city, each representing a shade of difference in character and quality, and also a shade of difference in price.

Mr. BORAH. On all of which the price has raised about four times in the last six months.

Mr. REED of Missouri. Very well. Now I am coming to the question raised by the Senator in a moment. I do not intend to avoid it. The right thing to do if a man has a disease is not to chop his head off. If he has a corn the wise procedure is to locate the corn. If he has been eating too much food and has indigestion, the physician does not merely get a broadax and begin to carve him up on a block, but he locates the trouble, and when the trouble is located it is treated. The commonest mistake we make here—and we have made it many times in our legislation—is to find that something is wrong and then, instead of putting our finger upon the evil, we proceed to destroy a system. The evil may be simply due to the incompetence or rascality or selfishness of one man or one group of men, but, because of that, we proceed to strike at the system instead of removing the individual.

I will not bother with many illustrations, for the case in hand is a good enough illustration. But I will cite one. Sometimes we find a man who, if the plumbing in his house gets out of order, thinks he has got to burn the house down and build

a new one, but a wise man under such circumstances will send for a plumber and hire a lawyer to watch the plumber. [Laughter.]

Now, here is the situation: There is an unlimited supply of coal, an abundant supply of labor, a perfect system of distribution, so far as its mechanics are concerned; and yet the people are without coal, or they soon will be. Now, let us deal with that question alone, and deal with the question of prices a little later.

What is the reason we have not any coal? The men are not digging it. What has that got to do with standardization? It has got just about as much to do with it as the question regarding the canals on the planet Mars. The thing to-day is to start those men to work by some means. That, of course, involves the inquiry, What is the cause of their having stopped work? That is a question, I repeat, the answer to which, if it is not known now, can be ascertained in five days' time by the calendar. Let that fact be fixed, and then let us see whether or not there is a combination to restrain trade. There the Government can act; there the Government has power; there it can proceed. If there is a combination amongst the owners of the mines to restrain trade, no matter whether they are working it out through a wage decrease or through a wage restriction, or otherwise, they are amenable to the law, and the Department of Justice can very speedily convince them that they stand within the shadow of the penitentiary if they are engaged in such a combination.

If there is a combination among the mine workers to restrain trade and to freeze the people of the United States so that they will demand the opening of these mines on any terms whatsoever; if labor has so far forgotten itself as to be willing to bring ruin upon the country in the hope of reaping immense profits in the future, then let us know that fact. I repeat, it may be ascertained in four or five days. Then the necessary laws can be passed, and passed quickly, to deal with that situation.

Mr. President, I have stood by union labor in all of my public and my private life. I believe that union labor has done for the world immense good. It has raised the standard of living not only for union labor but for nonunion labor. And I have endeavored to second its efforts; but I say to union labor, and I say it out of a kindly sentiment, that if it pursues its present course to the point where factories are closed for want of coal, it will turn out of employment millions of men and women who themselves belong to organized labor; it will discover that the children and the wives of organized labor go cold and hungry just as the other members of the community go cold or hungry; it will discover, if this great wrong is done, that it will create a sentiment in this country which will destroy the effectiveness of organized labor, for to pursue a policy of keeping these mines closed much longer means privation and death to many of our people. In an economic structure which has now become so closely knit together as to be interdependent, in an economic structure where we have learned to depend upon certain productive forces for certain necessities, every man engaged in such a vocation or business owes some duty to the public. If a misguided policy is to be pursued stubbornly by the mine owners or by the mine laborers, they, of course, will force a condition where the people of the country, in self-defense, will take whatsoever action is necessary, even to the change of their Constitution and the character of their Government. I do not believe that we have reached that day yet; and against it as an evil day I am protesting and demanding that Congress shall act now within the limits of its power to act. That action means a change in our antitrust laws.

Mr. President, I have gotten away from the bill in a sense, although I have been discussing fundamentals which the provisions of this bill must affect.

The bill provides that the commission shall submit recommendations relative to—

(b) Standardizing the cost of living for mine workers and the living conditions which must be supplied or afforded in order to surround the workmen with reasonable comforts, and standardizing also, as far as practicable, the amount of work a man shall perform for a reasonable wage, recognizing the value and effect of such surroundings in respect to their efficiency.

Mr. President, what does that language mean? Again I inquire, does it mean anything at all or does it mean everything? If it means that this commission shall lay down a rule and express an opinion to the effect that a miner ought to have so much beef a day, and a miner ought to have so much bread and potatoes a day, and a miner ought to have a house with so many rooms to live in, and so forth, then it means nothing. It means no more than if the same distinguished commission were to standardize the kind of living a Senator should have, and say that we all ought to have a palace on "The Avenue of the Presidents," or that we ought to be content with a log cabin over in Maryland. We would all go and get the kind of houses our wives told us we had to have, and we would snap our fingers in the faces of any commission. We would have to. The women would make us. These men who work in the mines have just the same rights and just the same degree of intelligence. They have a right to take their wives and their children into the kind of houses they feel they can hire or buy or build, and it is nobody's business, it is no commission's business. If you had a commission with 50 men on it, there would not be one of them who could pick out a house in the whole world that would suit anybody but himself.

Standardization! What are you going to do with your standardization? Are you going to enforce it upon these people? Now you come to something practical. Unless you force it upon them, they will all do exactly as they please, and they ought to do as they please. It is nobody's business. If one of them sees fit to build a shack on a hillside and to live there and to save his money, as our ancestors saved theirs when they lived in log cabins, that is his business. If he sees fit to take every dollar he makes and build a fine house and put in a fine piano and live up his money, and, as Bob Ingersoll said, spend it as though the money grew on trees and he owned the forests of the world, that is his business. If we were in Russia we might standardize these people. We might say: "Move into that particular house, and live there"; but this is not Russia, and we are not going to tell them the houses they shall live in.

More than that, whenever it comes about in this country that the Government can tell me that I must live in a particular house and eat a particular kind of food, the only difference between me and an African slave is a matter of color.

Here is a mine in Pennsylvania, another in West Virginia, another in Missouri. The standards of living of the miners in these three States differ radically. There are as many different general standards, speaking in a general way, as there are places; and there are as many individual standards as there are individual men with brains to think and with hearts to act and to live up to the principles that God planted in every free man's breast to do as he pleases as long as he does not create a public nuisance or impinge upon the private rights of his fellow citizens.

Standardization! God grant there never will be a standardization of human brains. God grant there never will be a standardization of human ambition. God grant there never shall be a standardization of human genius. Better a million failures, better a million wrecks, if occasionally some genius shall take wings and blaze his way to the sun. Better a million failures than the dead calm of a Dead Sea, where all the waves lie still and there is no life within the waters.

What I want is everything else but standardization—individuality; the right of every man with the chisel of his own industry to carve in the marble of fate his own destiny; the right of every man to dream his dream, and to paint on the landscape of his brain the pictures which he admires and which he loves; to fight the good fight, taking the chances of defeat, gathering to himself the guerdon of victory; to stand on the bit of soil that he owns or rents and say: "I am a freeman. No government can lay its hand on me so long as I observe the laws of the land. No man can push me from this foot of soil, whether he be President or constable. Beneath this roof I am still a king, the master of my fate, the monarch of myself." Standardization!

Then, we are going to standardize a day's labor; that is, we are to make a recommendation about it. Of course, it is not obligatory; but why inquire how much strychnine it takes to kill a man, and appoint a commission on the subject, unless you have a man to whom to administer it? Why have a long and expensive investigation to discover to what virtuous use you can put a rattlesnake unless you intend to put the rattlesnake to doing business of some kind? If you know in advance that he is a snake with crooked fangs filled with deadly poison, you do not need to spend any time investigating him. The thing to do is to kill him with the first club that comes to hand.

Now let us look at the next proposition—standardizing the cost of living of mine workers. Let us give a little attention to that.

Standardizing the cost of living! I see here my friend from Arkansas [Mr. ROBINSON]. He lives in a great agricultural State. There are not many large cities there, but what there are are mighty fine. A man could go down into one of the small towns of Arkansas and rent a better house for $10 a month than he could rent in New York City for $150 a month, I apprehend.

His wife can buy more vegetables from a neighboring farmer for 25 cents than you can get down here in the city market for $4.50. I need not pursue that illustration. The cost of living

in communities in our own State differs, and it differs in various parts of the country, as much as 500 to 600 per cent. There are places in this country where a man can actually live and live fairly well on the car fares that he has to pay in the city of New York in going to and from his work. So that you propose to standardize that which can not be standardized. What relation does the life of a plainsman out in western Texas—the great State my friend here comes from—bear to life in one of the cubby-holes on the top of one of those roosts they have down in New York City, and that they rent to you by the square inch? What relation does the work of a man in a mine in Texas bear to the work of a man in a mine, perhaps, in Pennsylvania? You might as well talk about standardizing the brains of men. Some of them carry within the temples of their brains empires, and some of them do not carry anything at all except an instinct which leads them to the table three times a day.

You might as well talk about standardizing lawyers, and the kind of houses lawyers should live in. Why not? Yet, I would give more for the opinion of my friend from Idaho [Mr. BORAH] on any question of law or fact, delivered out of hand, without a moment's consideration, than I would for the opinions of hundreds of lawyers I know after they had read all the authorities and examined all the books, and were unable to understand anything they had read.

They standardized things in one country in this world once, in Egypt. I understand they had some laws over there under which if any artist, drawing the figure of a man, departed from the standardized rules which ancestors had laid down, they took the aspiring artist out and cut his head off, or otherwise disposed of him. The result was that Egypt progressed to the point of angular lines drawn on a flat surface, and there art in Egypt died. They standardized dancing; they standardized everything the people did, until finally they standardized the brick over there, and the Israelites moved out. What you want is variation, not standardization.

Now, we are going to standardize the living conditions. What about the old doctrine of castle? Quoting the phrase used so many times in debate, the words of a great English statesman, the right of castle is for the poor as well as the great. The cotter can stand in the door of his habitation. The wind may enter the thatched roof, and the rain may enter, but the King of England may not enter.

Are they to tell these workingmen how much bacon they can have for breakfast? They have a right to have a rasher or a side of bacon, just as their appetite demands and as their pocketbook will afford. Imagine a commission in Washington sitting down with a pencil and figuring out how many beans a man ought to be allowed to have who has a family of five, taking into account the appetites of some of his children. What a difficulty is presented. One man has a family of five hale, hearty children, with appetites like Gargantua at birth, and another chap has some anemic and dyspeptic offspring. The standard will be fixed. One crowd will go hungry and the other will be overfed.

In the name of God, have we come to this, that we think a human being has not sense enough to feed his own family, but has to have some wise men in Washington, some politicians out of a job, to tell this American citizen what he can eat and how he ought to feed his offspring? The more I read this bill the more I think I am against it.

We are to standardize the cost of living, so as to surround the workman with reasonable comforts. How would it be if we let this man make a bargain for himself for a decent day's wage, and then let him go out and rent a house to suit himself and see what comforts he could afford? That will not do. Congress is going to tell him what he ought to have.

What do we know about it? Some of us had to earn our livings when we were young; some of us did not. Some of us were born to wealth; some of use were born to poverty. Every blessed one of us who was born to poverty has been trying ever since to get out of that class as fast as he could, and all the way along we have had the sweet and blessed privilege of taking the money we earned and spending it as we thought best, and not proceeding under the direction of some superior creatures who get elected to Congress.

But if we are going to standardize the miner, why should we not standardize the farmer? What is the sense of leaving the farmer out? He is quite as important as the miner. Why should we not pass a law to standardize everybody? There are some people I would like to have the privilege of standardizing. I have a few political enemies I would like to standardize about day after to-morrow. It would save me a lot of trouble. I would standardize them in such shape that they would not disturb me for some time to come.

The trouble with this bill is that the whole conception of it is wrong. I know it will pass. If you put Congress up against any serious or stern duty, and give it the option of performing that duty or giving the American people a bottle of soothing sirup to allay their temporary discontent, about 90 per cent of the Congressmen will be found with a bottle of the sirup in their pockets, and a spoon ready to dose it out to their constituents. In five months' time, in some way or other, this thing will have been solved, and we will either all be frozen to death, and hence not here to complain, or everybody will have gotten some fuel in some way, and we will have survived, and a little bit later the summer's sun will be coming down, the snows and frosts of winter will be disappearing, the flowers will be blooming once more upon the earth, the blue grass will be peeping out from beneath the snow drifts, the birds will be singing, the campaign will be over, and there will be nothing to solve. We will go right on in some way. Let us be men and face this issue.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. REED of Pennsylvania in the chair). Does the Senator from Missouri yield to the Senator from Idaho?

Mr. REED of Missouri. I yield.

Mr. BORAH. If the Senator or anyone else in the Chamber has any bill or measure by which to face this issue, the Senator from Idaho will lay aside the pending bill for its consideration.

Mr. REED of Missouri. I am leading up to that, approaching by my own "standardized" way. I appreciate the Senator's position. I want nothing I have said to be taken as an unkind criticism of him or of this effort to work something out of a very difficult problem. Let me pursue the bill a minute, and then I shall very frankly say what I think ought to be done.

They are to standardize the cost of living in order to surround the workman with reasonable comforts. What are reasonable comforts? One man thinks one thing is reasonable; another thinks it is quite unreasonable. I have in mind one gentleman who would not have thought he had reasonable comforts at all if he did not have at least five or six changes of neckties for every day, and if he had been on this board, or should be put on this board to-day, I have no doubt that the largest item in the standardized living of these miners would be a choice variegated assortment of clothing, like Joseph's coat of many, many colors. There is nothing to be gotten by that sort of legislation.

There is something, but only in the roughest way, I think, in standardizing the basis of arriving at the overhead cost, because the rule in regard to one mine is not the rule in regard to another. These mines are not like blocks of marble in the same quarry which you can shape by substantially the same rules and measures. Mines differ more than agriculture differs.

Now we come to the question of the advisability of nationalizing the coal industry. Of course, it will not be argued in this Chamber that we can nationalize the coal industry unless we change the Constitution of the United States. If we change the Constitution of the United States to take over the coal industry, why not change it so as to control the production of steel, equally a great necessity; or copper, almost equally a great necessity; or lead and zinc? Finally, why not change it so as to enable us to control the railroads, the telegraph, the telephones, and, at last, the farms? Why not plunge at once into the ocean of socialism?

If we are to front the question of the advisability of taking over the mines, let us be men and front it ourselves. What commission do we need? Are there not as good brains in this body as we will get on a commission the members of which are to serve for $7,500 a year? If there is superior talent, technical talent, which we need to advise us, we have the right to call it all before us and to obtain the opinions of those wise and experienced men. We need no commission for that.

I want to speak of this matter with all the kindness in the world for the President. I know the President has had a very difficult task before him. It is one which concerns a vast multitude of men, and their rights must be regarded and considered. It involves, on the other hand, large aggregations of capital and many small aggregations of capital. But it seems to me the President of the United States could have called these people before him, ascertained the points of their difference, if indeed it is the business of a President to do it at all. He took that course, and hence I indicate that course. Then, if he found that the mine owners were the wrongdoers, he should have said to them, "I demand that you change that rule," and I think they would have changed it. If he found it was merely an arbitrary and unwarranted action on the part of the men,

he should have said to them, "I will open these mines. If it takes every soldier of the United States Army to do it, I will open them," and if his decision was a just decision I believe it would have been obeyed.

Now, my friend who introduced the bill asked me what the remedy was. If it is proposed to free the people of the United States to-day from a nation-wide combination, then we have to amend the antitrust act. They are forcing us to do it. I voted for the amendment which exempted union labor from the provisions of the Sherman Act, and I hope the day will never come when they compel the lawmaking bodies of the country to include labor combinations as conspiracies within the meaning of that act. I say to them as their friend that if they pursue this to the point where they close the mills in the country and where children go supperless to bed, they will compel the kind of action of which I have spoken. I trust it will never come, but it will come as surely as there is a God in heaven if the people are put to this extremity. If, on the other hand, their case is a just one, the President ought to say to the mine owners to yield and give them what they ask.

There is a stubborn persistence on either side, but when it is fraught with the frightful consequences that confront us now it is something the American people will not tolerate, and the better elements of union labor will not tolerate it. For, I say to those who pay me the compliment of their attention, if the coal supply is kept back for a few weeks more, all the great factories of the United States will be closed; and when they close the union labor employed in them will go supperless to bed with the rest of the people, will go shivering to their couches with the rest of the people, and when that condition comes the organization will have destroyed itself. Yet these organizations, notwithstanding the mistakes they have made, have been of great benefit to humanity, and I do not want to see them destroyed. So far as I am concerned, if the strike is not settled by the President or by those involved, I am ready to vote for a law that will open the mines—and I say that as a friend of union labor, as good a friend as it ever had on this floor. I am sounding the warning, and doing it full and fair. I am but one man here, but I know there are others here who feel as I do and who are prepared to act if the question is not adjusted.

Mr. President, the pending bill is a bottle of soothing sirup that is not to take effect until five months from now, and therefore I see no virtue in it.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Tennessee [Mr. SHIELDS] to the amendment of the committee.

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

Mr. HEFLIN. I rose to make the same suggestion.

The PRESIDING OFFICER. The absence of a quorum is suggested. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Hitchcock	New	Smoot
Borah	Jones, N. Mex.	Nicholson	Stanfield
Brandegee	Jones, Wash.	Norbeck	Stanley
Broussard	Kellogg	Oddie	Sterling
Capper	Kendrick	Pittman	Sutherland
Curtis	Keyes	Ransdell	Townsend
Dial	La Follette	Rawson	Trammell
Dillingham	Lenroot	Reed, Mo.	Underwood
Ernst	McCumber	Reed, Pa.	Walsh, Mass.
Fletcher	McKellar	Robinson	Walsh, Mont.
Gooding	McNary	Sheppard	Warren
Hale	Myers	Shields	Watson, Ga.
Heflin	Nelson	Shortridge	Watson, Ind.

The PRESIDING OFFICER. Fifty-two Senators have answered to their names. There is a quorum present.

Mr. TOWNSEND. Mr. President, I desire to be heard very briefly upon the bill before the Senate. I think everybody must realize that we are now in a most serious situation all over the country. It is not a question of what we would like to do, but what we can do and what we ought to do in an emergency. The bill offered by the committee, now before the Senate, is not a bill proposing legislation, and does not assume to settle the questions which are before us, but is simply an authorization for a commission, supposedly of high-grade gentlemen, in whom the whole country would have confidence, for any other commission would be an idle thing; its efficiency is dependent almost entirely upon its personnel.

Since I have been a Member of Congress I have introduced several bills having in view a similar object to that of the measure now pending.

Three times in the House of Representatives I introduced such a measure. One of those bills received long consideration by that body, but failed of a final vote because of the serious opposition to it of both capital and labor. The bills introduced by me were not confined simply to the subject of coal, however, but they applied to all disturbances or threatened disturbances affecting interstate commerce.

Action similar to that now proposed was employed by President Roosevelt at the time of the Homestead strike. Senators will remember that there was then grave difficulty, although its effect upon the country was not comparable to the possible effect of the condition which now exists; yet the President at that time, without authority of law, appointed a commission to investigate the strike. The membership of that commission was of so high a character that its findings commanded the respect of both capital and labor. It attempted merely to disclose the facts incident to the controversy in order that public sentiment might be properly informed as to the conditions which then existed. That is the object which is proposed to be accomplished by the pending measure.

It is true, as the Senator from Missouri [Mr. REED] has stated, that the bill now under consideration does not offer a direct and immediate solution of the present strike situation, although the character of the commission proposed to be created will possibly have some effect in that direction. However, I think that all anyone now hopes for is merely a solution which will be temporary in its nature and which will tend to relieve the public from the horrible and imminent danger of suffering from lack of food and fuel.

What Congress ought to do is to enact some legislation which would afford a reasonable method for the prevention of the strikes which periodically occur. The information which is ordered to be obtained by this bill will be helpful in the preparation and passage of legislation designed to meet conditions which may arise in the future. In others words, to prevent strikes.

Mr. President, I do not believe the Senators who have not recently traveled through the country understand just exactly what the frame of mind of the public is at the present time. There is a feeling that possibly there is a combination between the owners of the coal mines and their operatives or employees and also between the railroads and some of the men connected with them to encourage the existing disturbed conditions. I can not myself see how such a suggestion can apply with any great force to the railroad situation, but if the coal operators and operatives are interested in any way in refusing to consent to conditions that would make for a settlement, I can understand how they might possibly be able, by securing a greater price for coal after the markets are again opened and transportation is unimpeded, to recoup the losses which they have sustained and something besides. I understand, of course, the statements that are made relative to the attitude of the miners themselves; but the fact is, I am not informed as to the truth of such statements; I am not in a position where I can place the blame on either one of the parties to the dispute.

I do know, however, Mr. President, that the people are suffering; that the people are menaced with a condition which, to use the term of the Senator from Missouri, may mean revolution in this country, for with more coal deposits, as is admitted, than can be used in 5,000 years in this country, with a demand for coal existing everywhere as a result of what seems to be returning prosperity, with millions of men in the country ready to work, yet we seem to be paralyzed by two classes of men, limited in number, but in control of a great necessity of life.

Mr. President, as I have stated, I have no permanent solution for strikes to propose. I know they are wasteful; I know that economically they are bad; but I know of no sure remedy for them now. I desire to secure all the facts which may be obtained, in order that I may know how to provide the remedy. So, while we are trying to settle the strike situation, we ought to do everything we can to attain that object. We certainly can insist that men who want to work shall be permitted to do so. We can go that far; I have no doubt about that at all. However, while we are solving this temporary menacing situation we ought to be obtaining all the information possible that will help us to avoid such conditions in the future.

I realize that the pending bill is designed merely for the purpose of obtaining information by what I hope will be a commission that will command the respect of all the people in the country. It does not impose upon Congress the obligation of passing any particular kind of bill in the future. The proposed commission may recommend what it finds, but it will have to have its recommendations backed by the facts, and Congress must finally act, and it will act in the light of the facts. So, it seems to me, that the very least we can do at this time is to pass this bill and create the commission, hoping that it will be constituted of men of such high character that they will be uninfluenced by anything selfish and will command the respect of the whole country. When such a commission shall make its

report we will be better able to determine what remedy to provide against the recurrence of such a condition as now confronts us. So I am glad to be back here in time to be able to vote for the pending bill. I shall be glad to support any other measure which seems to me to be reasonable and just and which may look to the best possible settlement of existing conditions.

Mr. STANLEY. Mr. President, it is with profound regret that I fail to secure my own consent to support the bill introduced by the great Senator from Idaho [Mr. BORAH]. The bill is unlike its great author; it is distinctly, as I see it, a departure from the illustrious path in which he has trod. I know the disinterestedness of his motives; I appreciate his sincere desire to relieve a distressing situaton, acute enough to appall the most courageous statesman. I am, nevertheless, Mr. President, firmly convinced that wherein this bill is not necessary, wherein it involves a useless expenditure of money, it will inevitably delay, if it will not prevent, the end designed.

There can be but one hope in the heart of every rational patriot at this time touching the coal situation, and that is that the owners of the coal—the operators—and the miners will adjust their differences without delay and resume the production of what Lloyd-George has sagely called "life," for coal is the life of industry and it is essential to the physical existence of millions of men. I can not believe, Mr. President, and I do not believe that the inauguration of this inquiry will hasten the adjustment of these differences.

This bill provides, among other things, that the commission proposed to be created, and to be known as the United States coal commission, shall ascertain and report to the President and Congress—

> * * * the ownership and titles of the mines, cost of production, profits realized by the operators or owners of said mines during the last 10 years, labor costs, wages paid, irregular production and suggestions as to the remedy for the same.

Why, Mr. President, there are probably more people now engaged in determining these matters than in digging coal. Every one of these questions has been the subject of repeated and exhaustive investigation.

I hold here in my hand a report from the Geological Survey. One report here gives the itemized production by States of every ton of coal produced in the United States from 1807 until 1918, inclusive, with totals. The Department of the Interior, the Geological Survey, the Census Bureau, have compiled volumes touching the ownership of these coal mines, the titles under which the mines are held, the acreage or the area of coal yet undeveloped but ascertained, the amount of coal produced per man, the cost per ton of producing it, the number of days lost by strikes or otherwise, and every other material detail of the business.

For instance, there is issued now a weekly statement of the estimated monthly production of coal by States, and estimates of the production of bituminous coal in 1919 and 1920 by States, with comparative figures for 1917 and 1918. The Department of the Interior issues statements giving the world's production of coal by countries, the amount that is coked, the amount used in beehive ovens and by-product ovens, the product of coke ovens, the product of by-product coke ovens, the maximum capacity of by-product ovens, the fuel required in industrial enterprises and for domestic purposes, the production of anthracite and bituminous coal. There are other elaborate statistics now prepared by the department and by experts, giving the amount of bituminous coal in transit, covering the whole question of car shortage and coal production. There are other elaborate statistics now prepared by the Government showing the weekly production of bituminous coal, anthracite, and beehive coke compiled by the Geological Survey. The department has prepared, and distributes to Members of Congress and others, the most elaborate figures showing the number of plants in operation—and the number of days run by each, the amount of coal on hand at various times, and every other conceivable detail of this vast and intricate business.

The Senator from Missouri [Mr. REED] has so elaborately covered the question of the propriety of standardizing coal mines that I feel that it is not necessary to discuss it at any greater length. The standardization of the production of coal, even if it were not a dangerous experiment, is as utterly impossible as to standardize the production of corn, and more so. I know of no one product in the United States that is produced under such varied conditions as bituminous coal. To say what mines shall be operated or to ascertain the exact amount at which coal can be profitably produced is a practical impossibility. We know the cost at which coal is produced in mines favorably situated, and we know the cost at which coal is produced in mines unfavorably situated. This country abounds in mines adjacent to railroads, to trunk lines, in which from 4 to 10 feet of coal outcrops, where the roof is composed of a solid stratum of limestone or sandstone, almost as enduring as the roof over our heads, in which there is no gas, in which the coal vein is a clear and solid mass and can be dug by almost any man who can handle a shovel and a pick, or, where it is undercut, who can throw it into a car. It requires no special skill. It involves no great expense. Adjacent to that mine you may have a 3-foot vein, with a stratum of slate or flint that must be taken out of that coal, with a roof that is perfectly treacherous, that will shelve and fall, and every step you go into that mine you must have props and supports, and the cost of production in one of those mines will be 300 per cent greater than in the other.

As these mines are operated in normal times, that matter is controlled automatically. If coal is bringing a low price, mines which can not be operated under depressed conditions are not operated. When the price of coal goes up and the demand increases, they resume operations. That must be the case for all time to come, for the simple reason that not all of the coal that is in sight or available can be consumed in a year. We consume approximately all the corn and wheat or wool we produce within 12 months of the time of its production; but there is enough coal in the United States now—three trillions of tons—to last the world for 5,000 years.

Mr. President, a thorough and exhaustive investigation of the cost of producing coal and delivering it to the consumer and making the compilation contemplated in this bill would take many months. The cost varies in the same locality, the cost varies in different fields, and the cost varies in the same mine operated at different times. You can open a slope mine to-day and take out your coal within a few hundred feet of the railroad line. Within two years from that time you may be back in that mine for a couple of miles, and the cost of bringing coal to the car is greater than the cost of mining it. If you should ascertain the cost of production in all the coal mines in the United States to-day, your statistics would be comparatively worthless if those mines were operated actively for 12 months.

Mr. President, I am deeply impressed with the peril of an investigation touching the advisability of an immediate nationalization of the coal industry; and I am sure that the learned and accomplished Senator from Idaho [Mr. BORAH] has followed the result of a like investigation in Great Britain. The most conservative committee that could be found by the House of Commons was selected. The most distinguished and experienced statesmen in Great Britain, the most eminent economists, were selected to serve on that commission. They spent many months in an effort to ascertain the cost of production and the propriety of nationalizing the coal industry. Conditions in Great Britain are very different from those in the United States as far as the coal industry is concerned, just as they are different in Germany. In the United States the title to the coal almost invariably goes with the land. If you buy a hundred acres of land, you buy to the center of the earth. That is not true of titles to mineral properties in Europe, and I am under the impression that it does not prevail in Great Britain.

Coal in this country can be mined in a great many places with very little capital and is as simple an operation as running an ordinary mill or a farm. Any man with an outcropping of coal can secure a few miners and with some dynamite and powder and a few machines he can go in there and undercut it and shoot it down, employing only one or two expert men, and the rest simply load the coal. The Senator or I could do it, or anybody else that knows how to throw a lump of coal into a little car. That is the bulk of the mining operation in a great many mines. In Great Britain the coal is on an average of 2,500 feet under the earth. It is mined by the long-wall process, in which they must build a covered passageway to every foot of the coal and the problem of supporting the strata that falls behind the coal—for there they take it all out while here we leave a portion of the coal as pillars—the conditions are entirely different. The matter of investment is entirely different. What was the result of the discussion of the nationalization of the coal industry in Great Britain? It stopped work. The Senator from Idaho must remember that perhaps 60 per cent of the miners who are engaged in working in these coal mines are advocates of the nationalization of the coal industry.

Mr. BORAH. Mr. President, the Senator is in error about that. I do not think at the present time 20 per cent of them are advocates of nationalization. Years ago the United Mine Workers declared in favor of nationalization, but Mr. Lewis stated here before the committee only a short time ago that they were opposed to it and that their members had almost entirely changed their position upon the subject.

Mr. STANLEY. Mr. President, I do not say it to the discredit of the miners. They never had a better friend. I represented the United Mine Workers for years as their attorney before I came to Congress. I have been their friend and champion in Congress and in the courts, but there is no question in my mind about the fact—and I do not say it to their discredit—that the sentiment in favor of nationalization of public utilities and of great industries like the coal industry is stronger among the miners as a class than among any other class of labor in the United States with whom I am acquainted, and they have as much right to their opinion as I have to mine.

You could not start anything which would more delay an adjustment between the men who own the mines and the men who work the mines than an investigation of the propriety of the nationalization of coal mines, if you should think for a hundred years. Nothing tended so much to blow the top off the mines in Great Britain, nothing tended so much to aggravate the differences between the mine owner and the miner, as the question of the nationalization of coal mines. The only question between the mine owner and the miner now is the question of the recognition of the union or of the sum to be paid for producing a ton of coal. If you raise the question of nationalization, and allow the unions to take the position that they are for the federalization of coal mines, and the owners take the position that they are against the federalization of coal mines, you will never settle this question until the Government takes one side or the other.

Mr. BORAH. Mr. President, the error in that argument lies in the fact that the mine operators and the miners are now agreed against nationalization.

Mr. STANLEY. Then why investigate it?

Mr. BORAH. There are some other people in this country besides those two classes.

Mr. STANLEY. Does the Senator from Idaho believe that the people of this country generally are in favor of the nationalization of the coal mines?

Mr. BORAH. I do not know whether they are or not; but if it inheres in an industry, if it is a question which relates to it and we are going to undertake to deal with that proposition, I am not afraid to investigate any feature of it. When it is investigated, I may be just as much opposed to nationalization as the Senator from Kentucky is, but it is one of the questions which inheres in the problem; it is a part of it. It is one of the things which the people are discussing, and you can not kill a thought by refusing to entertain it in the way of an investigation.

Mr. STANLEY. Mr. President, a majority of the coal operators are against nationalization and a majority of the coal miners are against nationalization, and there are some people in this country who have an academic interest in it; then, for the benefit of the curiosity of those people, to find out a little more about it, it is proposed to have witnesses brought here to discuss the pros and cons of it. While you are enlightening their thirst for knowledge in an academic discussion of the propriety of the nationalization of coal mines, if such a thing were necessary, the people who are most interested in it will not regard it as an academic question. There will be encamped around about this city an army of coal diggers and mine owners, each the propagandist of his favorite theory. With them it is a question of life unto life and of death unto death. You will put in the background the simple questions of an adequate wage and of working conditions, and you will raise a question which touches the very foundation of this Government, and you may settle it, not by a gentle commission filing a report but possibly by the more terrible weapons of revolution.

To start such an investigation at this time is like pouring oil, not water, upon the flames. It is to aggravate the danger. It is to postpone the solution. It is to give these people a new bone of contention. It may be, and probably is, true that there are thousands of men and women in this country who know nothing about the propriety or economy of the nationalization of this great industry, but surely so learned and profound and accurate a student as the Senator from Idaho does not need a kindergarten in the shape of a commission to tell him about the nationalization of the coal industry.

Mr. BORAH. Mr. President, if the Senator from Idaho is at all entitled to the encominm which the Senator from Kentucky passes upon him, which no false modesty compels him to disclaim, it is by reason of the fact that he has never refused to investigate any question, whether he likes it or not. I want to know every side and every phase of this great industry, upon which the life of the Nation so largely depends. Let us not be afraid to study it in all its aspects.

Mr. STANLEY. Then I assume he has investigated this long ago?

Mr. BORAH. No; I have not; not as fully as I would like to.

Mr. STANLEY. It is not a new question; it is not an experiment. Germany owns her coal mines. England is on the verge, by a system of ironclad control of their operation, of the nationalization of her coal mines. There is only one place in the world where men mine coal exactly as they plow corn, where a man runs a coal mine exactly as he runs a flour mill, or a shoe factory, or any other industrial enterprise; where labor and capital are absolutely free. There is no license system. There is nothing except general supervision over the sanitation and the ventilation of the mines.

The question of the hours of labor is left in great measure to the States and the parties concerned. The question of working conditions; the question of the ventilation of the mines; the question as to whether there shall be union or nonunion labor; the question as to whether they shall have checkweighmen or not; the question as to whether they shall have "buddies" or assistants or not, are not for us to settle. It is only in Pennsylvania, in the anthracite fields, where they have this license system, which seems to have obstructed a settlement.

One miner in West Virginia produces more coal in eight hours than three miners in Wales. The unit of production is 300 per cent greater in the United States than it is in Wales, and it is greater in the Cardiff mines than in any other mines in the world, outside of the United States.

Mr. BORAH. But if the miner in West Virginia had to work under the same conditions as the miner in Wales, the miner in Wales would produce a greater amount of coal.

Mr. STANLEY. I think not.

Mr. BORAH. I must disagree with the able Senator.

Mr. STANLEY. I thought I had the report of the English Royal Commission, the last report made, a report submitted within the last few months, but I find I have not it here. I will take pleasure in submitting it to the Senator from Idaho. I quoted from memory. It is true that the great depth of the English coal vein and the difficulty in bringing the coal for miles through the subterranean channels through which it must go, and then up a lift of 2,000 feet, inordinately increases the cost of production. But, beyond that, the unit of production of the American miner at the face of the mine is greater than that of any other miner in the world.

This trouble is temporary. These miners and operators have adjusted their differences before and will, in my opinion, adjust them again. But governmental control, governmental interference, eternal investigation, the extension of Federal authority over the initiative of the employer and employee, if indulged in, if it ends in adopting the system of Federal supervision and control that you find in Germany, in the Saar Valley, in Great Britain, will end in destroying the only advantage we have. To-day we can put a ton of coal from our seaboard into any South American or Mediterranean port at $1.50 a ton less than they can export it from Cardiff or any other mine in the world.

Mr. BORAH. Mr. President, there is part of that last statement to which I readily agree; but the Senator knows that we have a coal crisis about every year. The mine operators and the miners disagree about once a year and we have a crisis.

Mr. STANLEY. I want to correct the Senator right there. I may be wrong, but I am pretty sure I am right in saying that as a rule these contracts run for a minimum of two years.

Mr. BORAH. Yes; they run for a minimum of two years, and they generally have about three disagreements while the contract is in existence. The contract which is in existence now, or up to October 1, has been disregarded three different times during its existence, they claim. We have the coal situation brought before us just about once a year, on an average, certainly at least once in two years, when the entire country confronts the question of whether it is going to freeze to death. They finally get together, and when they get together, they unload all their loss and all the injury upon the public, and the public pays for it in the increased price of coal.

The Senator has just referred to the fact that we can produce coal and sell it in foreign ports at a cheaper rate than it can be produced abroad. Yes, we can; but, as a matter of fact, England is now selling coal in the port of New York cheaper than we can sell it there.

Mr. ROBINSON. And she has been doing that for two months.

Mr. STANLEY. That is due, of course, to the present conditions. They used to say that we could not send coal to Newcastle, but we did send coal there when they had a strike. That has nothing to do with the basic cost of production.

Mr. BORAH. It is due to the fact that this crisis is upon us. Let me say to the Senator from Kentucky and to the able Senator from Missouri, that I venture to say that when the question of legislation comes here for consideration there will be many questions upon which we will not disagree. But we are confronted with a crisis. It has been recurring from year to year. There is a consensus of opinion throughout the country that every effort ought to be made to get to the bottom of the difficulty if possible, to study every conceivable phase of this difficulty, to arrive at an intelligent program or policy from a national standpoint, if it is possible to do so, to prevent these recurrences, detrimental to the operators and detrimental to the mine workers, and more so to the public.

The only purpose of this bill, as it clearly discloses, is to establish a commission which will study this question from every conceivable angle. After it has studied it and investigated it, crystallized its views and put them in the form of a report, it will come to Congress, and nothing will be effective until the Congress of the United States acts upon it. At that time it may be that the Senator from Kentucky and I will be found shoulder to shoulder upon many of these questions; I do not know. But I do feel that there ought to be a real, earnest desire to get a comprehensive survey and view of this entire question if it can possibly be done.

If this commission should be such a commission as we have often had, I would vote for a bill to repeal the thing at once. The whole question turns upon whether the President will be able to select a body of men who will study this question from the standpoint of the interest of the public and from the standpoint of the welfare of the public and see if they can throw some light upon these difficulties.

When I go to the mine operator he says to me, "Here is this difficulty and here is that one. We can not produce coal under such conditions unless some solution is found for this difficulty."

I talk to the leaders of the workmen, and they say, "This irregular employment, this irregular production, holding several hundred thousand men in employment through the year, and giving them only 260 days or 190 days a year, are things which we have to work out in some way."

We do not know what the solution is, and we want to know if it is possible to determine it. This has no other object or purpose in view than to give an opportunity to help solve these questions if it is possible to do so. That is all there is to it.

Mr. STANLEY. Mr. President, I am quite sure, as I said in the beginning, of the disinterestedness of the motives of the Senator from Idaho and of his sincere desire to adjust at the earliest possible moment a condition which threatens the happiness of the community and the lives of millions of men and women. But I am as firmly convinced, I have not the shadow of a doubt, that the means provided will necessarily delay the end desired.

Let us see what would happen. Call your commission together, I say to the Senator from Idaho. The abler the commission in some ways the worst off we are. Get the greatest engineers, the greatest political economists, the wisest publicists, the leaders among the coal operators, the leaders among the miners. Get your august court assembled. You lay out this ambitious program, and what is the result? To-morrow I want to open my mine—I am a mine operator. To-morrow I want to go to work—I am a miner. What happens?

The operators say, "We can not afford now to surrender these propositions when we have a court of great capacity that will render a decision that necessarily must be favorable to us. We have endured these wrongs at the hands of organized labor. We have had these inordinate demands made upon us. We have seen these people exempted from the Sherman Antitrust Act. We have seen them break their contracts. We may just as well fight this thing out now, when we have a great court to decide it, as at any other time. We will wait. We will enter into no new contracts with you until we have these matters finally determined."

The coal miners, on the other hand, will say, "There is no use of our talking to the mine operators. They have broken their contracts with us. They have employed scab labor and done everything they could to break down the union. They have run company stores and charged us two prices and paid us in scrip. We have had to work in badly ventilated mines. We have been killed and mashed and crushed by poor props and defective roofs, and all that sort of thing. We are going to have more healthy conditions now to work under, have better wages, and we are going to find out exactly what these rascals have made during the war and how much they have profiteered. A few people may get cold, but we may just as well ascertain the truth."

So everybody will wait to see what the great court is going to do, and no one will dig coal.

Mr. BORAH. A few days ago, when the mine owners and mine workmen met in Cleveland and adjusted their questions, they provided for a commission to do this very thing from their standpoint. They themselves are seeking in every conceivable way to get some adjustment of the matters which come up yearly and annoy them. What would the Senator suggest? Would he suggest that we do nothing at all about the matter?

Mr. STANLEY. Mr. President, I have not thought of a bill providing a specific remedy. I am firmly convinced, as I said the other day to a representative of the press, that every man and all men have a natural and unalienable right to determine the compensation they will accept for their labor, to determine the working conditions that are tolerable, and to make that determination individually or collectively. On the other hand, no man and no set of men have any right, natural, legal, or otherwise, to interfere, by physical violence or intimidation of any kind, with other men equally free and blessed with the same unalienable right to accept wages and working conditions which others have refused to accept. To-day any physical interference with the movement of the instrumentalities of interstate commerce is against the Federal law. Any interference with the individual who seeks work is against the common law, a breach of the peace. What we need more than tomes of statutes is an Executive with a vestige of backbone who will enforce the laws that are now on the statute books. Give me a President and 48 governors like either Grover Cleveland or Theodore Roosevelt, and I would do more in 48 hours toward settling the differences which imperil the peace of the community than a learned and academic commission would do in 4,000 years.

Mr. WALSH of Massachusetts. Mr. President——

The PRESIDING OFFICER (Mr. TOWNSEND in the chair). Does the Senator from Kentucky yield to the Senator from Massachusetts?

Mr. STANLEY. I yield.

Mr. WALSH of Massachusetts. If I may interrupt the Senator a moment, I would call his attention to a situation in the coal industry which I think he does not realize. I think we all believe in the enforcement of existing laws and in executives with backbone enough to enforce them. But here is an industry where the Government has absolutely no authority to get facts. All attempts to get facts have been met with injunctions which have been sustained in the courts.

Mr. STANLEY. To what facts did the attempt relate?

Mr. WALSH of Massachusetts. Facts in regard to the cost of production. When the Bland coal regulation bill was reported to the House on May 6 the committee of the House of Representatives reporting the bill made this remarkable statement in regard to the coal industry:

> It is a startling statement, but nevertheless true, that to-day there is no agency of the Federal Government which has ascertained or can ascertain the correct production cost of a ton of coal in a well-operated, efficient mine. Not only have existing agencies failed to obtain information from an unbiased source, but they have been denied the legal right to obtain such information.

The Senator will pardon me for the interruption, but I think the Senator should realize the hopeless situation of the Government. This industry is of such a public character and necessity that it must be unalterably conducted with the motive of service as well as the motive of profit making, and when there is a conflict such as there is now over profits—and this strike is over profits, for the element of service has been abandoned—then the Government must be in possession of all the facts to take such steps as may be necessary to compel a great industry of this kind to conduct itself with the end in view of serving the public first and making profits for miners and operators secondary. This industry can not abandon its public character, can not refuse to give good service to the public, and claim the protection and private character of those industries that have no obligation of service to the public.

The pending bill may have its defects. It may not go as far as some would like. It may appear to others to be going too far. But it is an attempt, it is a beginning, it is an effort to say to the operators and to the miners of the country, "This business has a public interest. This business must be conducted with the motive to serve the public, and therefore the Government is going to supply itself with all the facts available for future intelligent action to restrict conducting this industry contrary to the public interest."

I hope the Senator will pardon me for the interruption, but I doubt if it is realized that attempts to get helpful facts and information have been met with injunctions in the courts. The Federal Trade Commission have been made powerless to get

the information that they believed necessary. The Federal Trade Commission was not looking to destroy the coal operators or the coal miners, yet they have been prevented from getting facts which they honestly believed the public ought to possess. The pending bill, it seems to me, is helpful in leading to obtain all necessary facts, which is the minimum step to take now.

Mr. STANLEY. In that event, Mr. President, it would be easy enough to amend existing law in such way as to give the Federal Trade Commission the right to investigate costs of producing coal going into interstate commerce, in the event we had the constitutional right to do it.

Now, what good purpose would it serve in settling this strike? It is said we have a coal monopoly in the United States. The anthracite fields are said to be controlled by a single distinguished gentleman, but, as the Senator well knows, I assume, like every other monopoly of the kind of a heavy commodity, it is a transportation monopoly. Take control of the industrial carrier and you can control the anthracite situation.

Ten years ago I was told that there existed in this country a coal trust, that the producers of bituminous coal were in combination, and that this was especially true of the vast holdings of Mr. Frick in the Connellsville coal region. That, as the Senator knows, is the greatest coking coal in the world. It occupies a very limited area. It is high in calories, low in ash, enough volatile matter to make the coke porous, and strong enough to hold the enormous load of a blast furnace, a peculiar quality that you must have in coke before you can operate a blast furnace. I found, after weeks of investigation, that there were more coal fields for sale in the Connellsville region than Frick and the steel corporation owned.

Why, Mr. President, there are three trillion tons of coal in sight now, enough to supply the world for 5,000 years. There is enough coal outcropping in the hills of Kentucky undeveloped and owned by thousands of people to supply the world for centuries. Those coal fields are owned by thousands and thousands of people. The competition under normal conditions is acute. It is exactly, as I said to the Senator from Idaho, like the operation of a railroad. There is no way on earth to determine absolutely just what a railroad shall receive in the way of an adequate compensation for this reason. Here are two lines starting in Washington and running to New York or to New Orleans. One can operate at 30 per cent less than the other. Having common termini, they are bound to have a common charge for the haul. What would break one road would enrich the other.

Here are two mines side by side, one having a little "porting" in an intractable substance. It will cost one-third more to get rid of that substance and bring out the clean coal than it costs to produce a ton of coal from the other mine. The presence of gas in the mine increases the cost. A bad roof will require an increased expense in the increased use of props. They will have to saw thousands and thousands of feet of timber and bring it in and put it under this falling roof. The other mine will have a roof like a dome of steel. These things can not be adjusted. Trade conditions adjust them. The law of supply and demand adjusts them. When coal drops to the point that it barely pays the well-situated mine to operate, the mines which operate at the greater cost must stop. We have coal that for these reasons may not be available for a thousand years, and whether the coal is available or accessible, whether it is merchantable or not, depends entirely upon location and upon the physical conditions which surround its production.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Idaho?

Mr. STANLEY. I yield.

Mr. BORAH. I know, not so well as the Senator from Kentucky, but I know something of those difficulties, because I have been giving some attention to them; but suppose, Mr. President, the proposed commission should be appointed and should submit a report containing nothing except a recommendation for a practical system for national storing; that, in itself, would, in a large measure, settle one of the most difficult problems with reference to the coal industry, namely, irregular employment and seasons of scant production as well as seasons of no production. Suppose it submitted no other recommendation than that, it would be worth a million dollars over the money it would cost in the next 20 years.

Mr. STANLEY. Mr. President, I am sure that the Senator from Idaho will, upon mature consideration, agree with me that a commission constituted of men who are not experienced in the mining and distribution of coal will never solve so technical a question as that, if the most astute intellects of the country, who, with their fathers and their fathers' fathers, have been in the coal business for centuries, have not solved it.

Mr. BORAH. But they have not tried to solve it. There has not been any concentration of purpose to that end. We shall have to call into the controversy, in my opinion, the thought and activities of some body of disinterested men, actuated entirely by a desire to relieve the public and aided by the information and the knowledge which they have a right to gain from the men who are practically producing coal, both the owners and the miners.

Mr. STANLEY. Mr. President, I hold no brief for the coal operators; I am vitally interested in the great industry which, as I said before, Lloyd-George justly called "life." In our coal industry, in our capacity to produce the unrivaled coals we possess at a lower cost than our competitors lies the secret of our future industrial domination of the world. England between 1848 and 1878 became the industrial master of the world, but she never assumed that mastery, she never obtained it until she learned how to make iron out of coke instead of out of charcoal. It was the coals of Cardiff, above everything else, that made England the mistress of the sea and the most puissant financial and industrial power of the world. To-day that mastery is ours. England can never undo the pernicious work which she has done in to a degree nationalizing her coal industry; she can never bring her miners back to the independence that the American miners possess. She can never bring about competitive conditions in any of her mines. That, in addition to the difficulty of producing her coal, gives us the opportunity to produce coal for the world.

Now I wish to say to the Senator from Idaho that I am surprised at his statement in reference to the seasonal production of coal. A coal operator will get just as much for his coal as he can. Many coal operators have been guilty of the most shameless profiteering; there is no doubt about that; but it is human nature to sell for just as much as one can get. That is the reason we have the Sherman antitrust law on the statute books.

Mr. President, nobody desires the regular production of coal more than does the owner of the coal mine. There is no business on earth that is more costly on account of the seasonal production. Say the coal vein is 500 or 2,000 feet below the surface; the minute the pumps stop that mine is flooded and that is the end of the mine. There are hundreds of mines in this country and in Europe which have been rendered absolutely worthless by this flooding. The flow of water into a mine can not be prevented without the aid of pumps, and nothing disintegrates so rapidly as coal. Leave a mine for a few hours and it fills with poison gas and water.

A coal mine disintegrates faster than does anything else. A mine must be kept ventilated; it must be kept filled with pure air; the pumps must go and the fans must go during all the long months while the strike lasts, or during the time when there is no demand for the coal. So, also, nothing would please the miner more than regular employment.

Mr. President, it is common error, one that I shared until a very few months ago, that the seasonal production is due to the fact that coal is burned to a greater extent in winter than in summer. The use of fuel coal has but little to do with the seasonal production of coal. That is entirely a negligible factor. The world produced in 1921 about 1,300,000,000 tons of coal, and of that quantity we produced over 500,000,000 tons. Out of a total production in some years of 1,600,000,000 tons of coal we have produced over 700,000,000 tons, and out of a 500,000,000-ton production of coal not 50,000,000 tons are used for fuel purposes. The thing that makes coal seasonal is the activity of the farmer. With the movement of the farmers' crops the factories increase in energy and activity, and with that increase in energy and activity and in output, and with double shifts being put to work, there is an increased demand for coal.

Through the medium of a fact-finding commission you can not solve this question, I will say to the Senator from Idaho. I know of few who will come as near solving it as he will. I have had some experience with men who were patient of labor, but I have known few men in all my life who were so amply fitted to solve this question as is the Senator from Idaho, possessing the rare qualities of patience of labor, keenness of insight, and faultless courage, with a disinterested devotion to the public good. This question, I will say to the Senator from Idaho, can be solved better through the Interstate Commerce Commission.

One difficulty is that the railroads have never yet provided an adequate supply of coal cars. The movement of coal is seasonal, and just as soon as the demand for the coal grows

sufficiently acute they have not cars enough to deliver it, and they prefer to let the mines wait for their cars and force them to distribute their orders and take cars when they can get them.

A great part of the coal produced in this country, of course, can not be stored, as the Senator well understands. Coal from the Illinois fields, from the western Kentucky fields, and from Indiana fields can not be stored for six months. It can not be loaded on a barge and transported to New Orleans, for there would be a fire before it got there. The presence of sulphur and other minerals causes it to slack in the rain and the sun and superinduces spontaneous combustion. All over my country there may be seen slack piles of coal which have been burning for years. The coals of the Klondike region, as we call it, the coals of eastern Kentucky and West Virginia, will last like marble and can be stored. Given sufficient transportation facilities, the individual can easily enough store that coal for fuel purposes.

Now, I will say to the Senator from Idaho that we can never store coal for all industrial purposes. It must be remembered that coal is carried by gravity. From the time the coal leaves the mine and is shipped to any great concern it is never touched by a human hand. The coal is put in a gong which dumps from the bottom. That coal gong goes to the great factory or mill; it dumps into a great receiver which automatically feeds it into the furnace of the mill or factory.

The storage of coal has been tried a thousand times; it has been tried as a precaution against strikes and similar contingencies. The manufacturer wants his coal, but the cost of moving the coal from one place to another is so much greater than the cost of moving it by the improved facilities from the mine to the mill that it has been demonstrated as absolutely impossible for major operations in the use of coal.

Now, Mr. President, I will say to the Senator from Idaho, with the facts confronting us, that our coals outcrop; that they are higher in carbon and lower in ash and sulphur; that they are the most perfectly adapted, outside of the coals of Cardiff, both for coking and for steam purposes. We are playing with fire; we are touching the very keystone of the industrial arch. Upon the success, upon the life, upon the prosperity of this industry hangs our national puissance, our financial future, our growth and prosperity in power and in happiness. I tremble before the audacity of the Senator from Idaho, who is opening unconsciously a Pandora's box and who is aggravating the evil which he so disinterestedly and earnestly desires to cure.

Mr. President, I ask to insert in the RECORD certain tables.

The PRESIDING OFFICER. Without objection, it is so ordered.

The tables referred to are as follows:

[Department of the Interior, United States Geological Survey.]

WORLD PRODUCTION OF COAL IN 1921.

The world's production of coal in 1921 dropped back to the level of 1909. From reports so far received, the United States Geological Survey estimates the total output at approximately 1,100,000,000 metric tons. This figure is subject to material revision as more complete returns are available.

In comparison with the feverish year 1920, the year just closed shows a decrease of more than 200,000,000 tons. The chief factors in the decrease were the British miners' strike, which lasted from April to June, and—more important—a world-wide industrial depression. Prices collapsed early in the year, and the sea-borne coal trade of the world fell off sharply. The consequent reduction in the volume of busines offered to the shipping of the world has been an important element in the decline in ocean freight rates, so keenly felt by the American merchant marine.

Of the major coal-producing nations, France and Germany were the only ones to show an increase. Progress in restoring the ruined mines of France is indicated by the steady increase in output of the past three years. In 1919, 22,000,000 tons were produced; in 1920, 25,000,000; in 1921, approximately 29,000,000. A further increase of 12,000,000 tons, however, would be necessary to bring French production up to the level of 1913. German production of bituminous coal is also still far below the pre-war level, although an increase was effected in 1921 as against 1920. German production of lignite in 1921 reached the highest point ever attained. The estimated output of 120,000,000 tons is an increase of 35,000,000 tons over the last year before the war.

The proportion contributed by the United States was 40.9 per cent, a larger share than in the years before the European war, but the smallest in any year since 1916.

The following table, prepared by W. I. Whiteside of the Section of Foreign Mineral Reserves, presents the information received by the Geological Survey up to February 15, 1922. The tonnage of the countries not yet heard from ordinarily amounts to 12 or 15 per cent of the total. Receipt of data for these missing countries, estimates for which are included in the total, may raise or lower the final figure by some millions of tons. The unit used is the metric ton of 2,205 pounds, the approximate equivalent of the long or gross ton. It is not, however, exactly the same, and the translation from net or gross tons to metric tons gives many of the figures an unfamiliar look. A more complete report on world production in 1921 will be issued by the Geological Survey about April 1.

Preliminary estimate of the world's coal production in the calendar years 1919, 1920, and 1921.

(In metric tons of 2,204.622 pounds.)

Country.	1919	1920	1921
Australia	10,736,321	13,176,426	(2)
Belgium	18,342,950	22,388,770	21,807,100
British India	22,991,217	17,356,889	(2)
Canada	12,411,328	15,088,175	13,300,000
China	23,000,000	19,500,000	(2)
Czechoslovakia	26,946,813	31,086,479	(2)
France	22,341,000	25,300,000	29,000,000
Germany:			
Coal	[1] 116,500,000	[1] 140,757,433	[1] 145,400,000
Lignite	93,800,000	111,634,000	120,000,000
Japan	31,461,386	29,245,384	(2)
Union of South Africa	9,313,232	11,181,846	[3] 9,400,000
United Kingdom	233,467,478	233,216,071	166,992,000
United States	502,534,410	586,000,000	448,600,000
Other countries	46,553,865	49,068,527	(2)
Total	1,170,400,000	1,305,000,000	1,100,000,000

[1] Includes Saar and Upper Silesia. [2] Estimate included in total.
[3] Estimated from 11 months' production.

[Department of the Interior, United States Geological Survey.]

The following table, prepared by W. I. Whiteside, summarizes all information received by the Geological Survey up to February 1, 1922, regarding the world's production of coal during the years 1919 and 1920. A preliminary table was published April 9, 1921. The table below includes the production of lignite and brown coal, which is given separately from that of other coal so far as possible:

Coal produced in the principal countries of the world in the calendar years 1919 and 1920.

(In metric tons of 2,204.622 pounds.)

Country.	1919	1920
NORTH AMERICA.		
Canada:		
Coal	9,756,019	11,812,871
Lignite	2,655,309	3,275,304
Greenland	2,160	2,308
Mexico	693,868	(1)
United States, anthracite and bituminous (including lignite)	502,534,410	586,000,000
SOUTH AMERICA.		
Argentina	[2] 4,734	(1)
Brazil	(1)	(1)
Chile	[2] 1,516,524	(1)
Colombia	(1)	(1)
Peru	330,227	361,075
Venezuela	33,287	30,377
EUROPE		
Austria:		
Coal	90,472	132,354
Lignite	2,003,773	2,408,865
Belgium	18,342,950	22,388,770
Bulgaria	577,000	748,085
Czechoslovakia:		
Coal	9,865,605	11,143,221
Lignite	17,081,208	19,943,258
France:		
Coal	21,546,000	24,300,000
Lignite	895,000	1,000,000
Germany:		
Coal	[3] 116,500,000	[3] 140,757,433
Lignite	93,800,000	111,634,000
Greece	182,951	182,880
Hungary	3,901,720	4,956,285
Italy:		
Coal	[4] 1,158,541	149,315
Lignite		1,662,430
Netherlands:		
Coal	[5] 3,540,064	[5] 4,115,638
Lignite	1,881,962	1,395,851
Poland	6,083,700	6,658,348
Portugal	146,341	189,165
Rumania	1,540,598	1,505,184
Russia	6,463,000	6,162,000
Spain:		
Coal	5,703,637	5,420,704
Lignite	539,872	552,425
Spitzbergen	[6] 88,776	[6] 120,000
Sweden	429,267	439,584
Switzerland	(1)	(1)
United Kingdom	233,467,478	233,216,071
Yugoslavia	2,497,394	3,224,324
ASIA.		
British India	22,991,217	17,356,889
China	23,000,000	19,500,000
Chosen	223,078	(1)
Federated Malay States	194,363	251,896
Indo-China	664,693	(1)

[1] Estimate included in total.
[2] Figures for 1918.
[3] Includes Saar Basin: 1919, 8,990,000; 1920, 9,410,433 tons.
[4] Includes bituminous shale.
[5] Includes slack.
[6] Shipments to Norway and Sweden.

Coal produced in the principal countries of the world in the calendar years 1919 and 1920—Continued.

Country.	1919	1920
ASIA—continued.		
Japan	31,461,386	29,245,384
Russia	1,836,000	1,537,000
Turkey	481,331	[1] 700,000
AFRICA.		
Algeria	7,419	8,707
Rhodesia (Southern)	462,698	524,796
Tunis	[2] 46,305	[3]
Union of South Africa	9,313,232	11,181,846

[1] Based on incomplete data.
[2] Figures for 1918.
[3] Estimate included in total.

Coal produced in the principal countries of the world in the calendar years 1919 and 1920—Continued.

Country.	1919	1920
OCEANIA.		
Australia	10,736,321	13,176,426
British Borneo	[1]	[1]
Dutch East Indies	949,379	1,095,718
New Zealand	1,877,506	1,871,204
Philippine Islands	32,092	58,083
Total	1,170,400,000	1,305,000,000

[1] Estimate included in total.

FEBRUARY 10, 1922.

Production, exports, imports, and home consumption of anthracite and bituminous coal, 1913–1920.

Calendar years; net tons. Data on production, consumption, and stocks drawn chiefly from reports of United States Geological Survey on imports and exports from records of Bureau of Foreign and Domestic Commerce.]

	1913	1914	1915	1916	1917	1918	1919	1920
Tonnage:								
Anthracite—								
Production	91,525,000	90,822,000	88,995,000	87,578,000	99,612,000	98,826,000	88,092,000	89,100,000
Imports	2,000	9,000	14,000	6,000	13,000	37,000	83,000	32,000
Exports—								
To Canada and Mexico	4,573,000	4,220,000	3,854,000	4,558,000	5,917,000	4,910,000	4,871,000	5,404,000
To other countries (sea borne)	80,000	70,000	111,000	108,000	90,000	58,000	106,000	
Net change in producers' stocks	+1,400,000	+2,300,000	−3,100,000	−4,200,000	−450,000	+1,120,000	[1]	[1]
Consumption in United States	87,472,000	84,041,000	88,144,000	87,118,000	94,068,000	92,775,000	83,198,000	83,728,000
Bituminous—								
Production	478,436,000	422,701,000	442,022,000	502,523,000	551,787,000	579,886,000	456,063,000	556,563,000
Imports	1,583,000	1,546,000	1,709,000	1,714,000	1,448,000	1,457,000	1,012,000	1,245,000
Exports—								
To Canada and Mexico	15,650,000	10,674,000	9,070,000	13,481,000	18,324,000	18,316,000	12,064,000	16,448,000
To other countries (seaborne)	4,495,000	4,784,000	9,107,000	7,774,000	5,506,000	4,034,000	8,050,000	22,060,000
Net change in consumers' stocks	[1]	[1]	[1]	−11,000,000	[2]	+27,900,000	−39,900,000	−20,000,000
Consumption	459,874,000	408,789,000	425,354,000	493,982,000	529,405,000	530,593,000	478,861,000	499,291,000
Values:								
Anthracite—								
Value at mines	$195,181,127	$188,181,399	$184,653,498	$202,009,561	$283,650,723	$336,480,347	$363,602,200	[1]
Average per gross ton	2.39	2.32	2.32	2.58	3.19	5.81	4.62	[1]
Value of exports at port	21,959,850	20,211,072	18,429,258	22,470,147	30,909,798	29,215,889	36,668,131	$45,538,000
Average per gross ton	5.29	5.28	5.21	5.39	5.76	6.56	8.25	9.44
Bituminous—								
Value at mines	565,234,952	493,309,244	502,037,688	665,116,077	1,249,272,837	1,491,809,940	1,170,000,000	1,950,000,000
Average per net ton	1.18	1.17	1.13	1.32	2.26	2.58	About $2.55	About $3.50
Value of exports at port	45,449,664	34,104,903	42,817,341	45,828,092	79,502,654	78,664,856	$3,708,842	304,273,000
Average per net ton	2.26	2.20	2.28	2.16	3.34	3.52	4.16	7.99

[1] No data.

[2] No change.

Mr. McCUMBER. Mr. President, we took a recess yesterday until 11 o'clock this morning, thus foreclosing morning business, with the hope and expectation that by 2 o'clock to-day we could dispose of the coal commission bill. I am willing that the regular order shall be laid aside if it is certain that we may conclude to-day the consideration of the measure now pending, but if it is reasonably certain that a vote may not be had to-day upon the coal bill I want to resume the consideration of the unfinished business. I will ask the Senator in charge of the measure now before the Senate whether there is a fair probability or whether he can give me any assurance that if we lay aside the soldiers' compensation bill for the remainder of the day the coal commission bill can be disposed of this afternoon.

Mr. BORAH. Mr. President, I know the Senator from West Virginia [Mr. SUTHERLAND] desires to speak upon the coal commission bill. He has told me, however, that he expected to speak briefly. I do not know whether or not there is any other Senator who wishes to speak upon it; I have not been informed that any other Senator desires to speak, and, if that is the case, of course we can no doubt finish the bill within the next hour.

Mr. UNDERWOOD. Mr. President, I do not intend to resist the passage of this bill for an investigation. It has in it some things of which I do not approve; but it is merely to investigate those things, and not to make them the law. It may produce a helpful result. I hope it will. In the end, the only harm that can be done is the cost of the commission, because it has no power to do anything. I am inclined to think that there probably will be some further debate on the bill, but I am perfectly willing to go ahead with it this afternoon and finish it. I do think, however, that we should have one measure or the other before the Senate for final conclusion.

As the Senator from North Dakota knows, I am opposed to the so-called bonus bill. I intend to vote against it, but I have no desire in the world to delay action. The Senate is entitled to act, and I think if we are going to consider it we ought to go on with its consideration to its final conclusion and dispose of it.

I think we all recognize the fact that a large majority of the Senate to-day is in favor of the bonus bill; that if it does not become a law it will be because the President of the United States will veto it; and the real issue on the bonus bill will come when the veto message reaches this body, if it ever comes here. So that I see nothing to be accomplished by delay of a few days. I think, however, in the interest of good legislation and an understanding of what we are doing, that we ought to have one bill or the other before the Senate for final conclusion.

If the Senator from North Dakota is willing to lay the bonus bill temporarily aside, and say to the Senator from Idaho: "You can go on and finish your bill," I think that will be entirely satisfactory. If, however, he is not going to do that, and if he is not going to let the bill be fought out to a conclusion and finished, then I think he owes it to the Senate to take up his bill and keep the nose of the legislative boat to the bank until we land the legislation or end it, one or the other.

Mr. McCUMBER. I agree with the Senator; but this bill having been under consideration for most of yesterday and to-day, and Senators having talked on it even though we had the other bill before us, I thought we would gain time if we could get rid of it in the morning hour, before 2 o'clock; and that was why I consented to a recess until 11 o'clock this morning, with the hope that in three hours we could dispose of it.

So far as I am concerned, if the Senator can give me any assurance that we will get through with this bill to-day, I am perfectly willing to give the entire day to its consideration; but I should want in connection with that some assurance, if it is possible to get it, that we might have a vote upon the compensation bill, say, by Tuesday noon without further discussion. In that event I would be content to meet at any time in the morning, so as to dispose of it; and I say this because there are so many Senators who want to get away, some on Monday, some on Tuesday; others will be coming back, of course; but I should like to accomodate those who are very anxious to go away, some of them on Tuesday, and who want to vote on this measure before they leave.

Mr. UNDERWOOD. I will say to the Senator about the other bill, the bonus bill, or the soldiers' compensation bill, as he calls it, and as it is entitled in the RECORD—the public calls it the bonus bill——

Mr. McCUMBER. Let us call it by its right name, the compensation bill.

Mr. UNDERWOOD. I am willing to accommodate the Senator; but I wish to say this: Although I am very much opposed to the bill, I have no desire to delay its passage; and so far as I am concerned individually, I am willing to enter into an agreement to limit debate on amendments or on the bill, but I am not willing to enter into an agreement that we shall vote at a particular time, because then we may be in the same condition in which we found ourselves in connection with the tariff bill a short time ago.

Important amendments may come before the Senate that we will have to consider and vote on without opening our mouths; so the Senator can take that as final on the question of unanimous consent for a vote on the bill. If the Senator desires to make a proposition that from now on the debate on all amendments shall be limited to a certain length of time, I am prepared to agree; but I am not willing to agree to fix a time for a final vote.

Mr. McCUMBER. Suppose there are some Senators who have amendments here that they have prepared to consider, I know, longer than the general time that we would want to give upon amendments, and if they do not get at it to-day they would not want to be limited on Monday?

Mr. UNDERWOOD. I have no objection to that; but if the Senator wants to say that after a certain hour or a certain day—so far as I am concerned, he can start that certain hour or certain day now—if he wants to say that after Monday or after Tuesday debate shall be limited to one speech on every amendment, and that that speech shall not be longer than 20 minutes——

Mr. McCUMBER. Say, 15 minutes; that is our usual number of minutes.

Mr. UNDERWOOD. I think 20 minutes is a more reasonable time, but I am not going to fall out with the Senator about a little thing, although I think it would be more reasonable to say 20 minutes.

Mr. HEFLIN. Mr. President——

Mr. UNDERWOOD. I should have no objection to that, speaking for myself; but I am not going to agree to any unanimous-consent request that fixes an hour to vote, with a lot of pending amendments or amendments that may be offered, with my mouth automatically closed by my own agreement, so that I can not say anything about them, but must vote on them blindly.

Mr. McCUMBER. Is the Senator willing to enter into a unanimous-consent agreement that after the calendar day of Monday no Senator shall speak longer than 15 minutes upon any amendment?

Mr. WATSON of Georgia. Mr. President, I will say to the Senator from North Dakota that I shall object to such an agreement.

Mr. McCUMBER. Will the Senator from Georgia tell me what kind of unanimous consent as to time would be convenient and acceptable to him?

Mr. WATSON of Georgia. I believe it will be quite early enough to decide that on Monday. Let us get through with the bill of the Senator from Idaho.

Mr. ROBINSON. Mr. President——

Mr. McCUMBER. I yield to the Senator from Arkansas.

Mr. ROBINSON. I have just been advised by some Senators who are in the Chamber that it will be impossible to conclude the consideration of the bill presented by the Senator from Idaho this afternoon. So far as I am concerned, I am ready to vote on it now and on any amendment that has heretofore been presented.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House disagreed to the amendments of the Senate to the bill (H. R. 10248) authorizing the sale of surplus power developed under the Salt River reclamation project, Arizona, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SINNOTT, Mr. SMITH of Idaho, and Mr. HAYDEN were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 66) providing for the extermination of insects from the Capitol and the Senate and House Office Buildings, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED.

The message further announced that the Speaker of the House had signed the enrolled bill (H. R. 4) granting relief to soldiers and sailors of the war with Spain, Philippine insurrection, and Chinese Boxer rebellion campaign; to widows, former widows, and dependent parents of such soldiers and sailors; and to certain Army nurses; and to amend section 2 of an act entitled "An act to pension the survivors of certain Indian wars from January 1, 1859, to January, 1891, inclusive, and for other purposes," approved March 4, 1917, and it was subsequently signed by the President pro tempore.

COMPENSATION OF WORLD WAR VETERANS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 10874) to provide adjusted compensation for veterans of the World War, and for other purposes.

Mr. ROBINSON. Mr. President, I do feel that some arrangement ought to be made for a vote on the adjusted compensation bill. The measure has been before the Senate at different times, and has been discussed at great length by some Senators, and all Senators have had an opportunity of discussing it. A number of Senators are away who expect to return for the vote. It would suit their convenience very much if some arrangement could be entered into this afternoon. I have not heretofore been insistent upon a speedy determination of the bill, but it was expected by nearly all Senators that the adjusted compensation bill would be disposed of during the present week. If the Senator from Georgia, and other Senators who are especially interested in the subject, could find it consistent to enter into an agreement imposing a limitation upon debate and enter into the agreement now to take effect after the hour of 3 o'clock Monday, I think it would result in a vote on the bill some time before 4 o'clock Tuesday, and that would be satisfactory to all Senators I have had the opportunity of consulting.

Mr. WATSON of Georgia. Mr. President, in response to the suggestion of my friend the Senator from Arkansas, I would remind him that the present bill pending before the Senate is vitally different from the one first introduced by the Senator from North Dakota, and has amendments which are virtually substitutes for his bill. There are two others. I doubt whether every Senator has had the opportunity, in the midst of his other work, even so much as to study those substitutes; but as an accommodation all around, to my friend from Arkansas and others, I am perfectly willing to agree to his suggestion about Monday.

Mr. ROBINSON. I thank the Senator. That is very kind of him.

Mr. UNDERWOOD. Now, if the Senator will make the provision with regard to the debate on amendments after the hour named by the Senator from Arkansas 20 minutes, so far as I am concerned, I will agree with him.

Mr. McCUMBER. I will consent to that, and I shall be glad to have the Senator state the agreement as he proposes it.

Mr. ROBINSON. I ask unanimous consent that when the Senate recesses to-day it recess until 11 o'clock on Monday, and that upon convening on Monday it proceed at once to the consideration of the adjusted compensation bill, and that after the hour of 3 o'clock no Senator shall speak more than once or longer than 20 minutes upon the bill or any amendment that may be pending or that may be offered.

Mr. BORAH. There is no use in going ahead with that. Of course that is a perfectly impossible proposition—20 minutes upon the bill and upon any amendment! Here are amendments which may change the entire bill and present it in an entirely different light from that in which it appears at the present time. I am perfectly willing to limit debate on the amendments, but I am not willing at this time to limit debate on the bill until after the bill is made up by its proponents. The bill is still being made up by those who are advocating it, and I want an opportunity to see the bill after they have put their final touch upon it.

Mr. ROBINSON. Very well, Mr. President. I will modify the suggestion and, with the consent of the Senator from North Dakota and other Senators, suggest that after the hour of 2 o'clock Monday no Senator shall speak more than once or longer than 20 minutes upon any amendment that may be pending or that may be offered.

Mr. STERLING. Mr. President, will not the Senator from Arkansas make that 4 o'clock instead of 2 o'clock? The original proposition made by the Senator was 3 o'clock on Monday.

Mr. ROBINSON. I will state to the Senator frankly that I am anxious to get a vote on the bill before 4 o'clock Tuesday, and if the vote is not taken prior to that time the

agreement would not meet the desires of a number of Senators. Of course, if the Senator insists, I shall be compelled to modify my request to suit his suggestion, because it is within the power of any Senator to object.

Mr. STERLING. If the Senator will go back to his original request, I will agree to that as a compromise.

Mr. ROBINSON. Very well. I then ask unanimous consent that when the Senate recesses to-day it recess until 11 o'clock on Monday, and that on convening Monday the Senate proceed immediately to the consideration of the adjusted compensation bill, and that after the hour of 3 o'clock no Senator shall speak more than once or longer than 20 minutes upon any amendment that may be pending or that may be offered.

Mr. JONES of Washington. Mr. President, the Senator from Oregon [Mr. McNARY] is not here. I know that he has a very important amendment that he expects to present. I know that he expects to discuss that amendment. I think he has an address of at least an hour. He is not here, and I do not want this agreement made in his absence.

Mr. ROBINSON. May I suggest that the Senator from Oregon would have an opportunity, if he does not choose to proceed this afternoon, to speak between 11 o'clock and 3 o'clock on Monday?

Mr. JONES of Washington. No; he would have an opportunity if somebody else does not take the time. I am not willing to make that agreement in his absence.

Mr. McCUMBER. After that, he has an hour.

Mr. ROBINSON. Yes.

Mr. HEFLIN. Mr. President, if I understand the agreement suggested, the Senator from Oregon could speak probably an hour on the bill even after other Senators have discussed amendments.

Mr. JONES of Washington. The Senator from Oregon has an amendment he desires to offer, and he desires to discuss it. It is a very important amendment. He is not ready to take it up to-day, but I know he will be ready to take it up on Monday.

Mr. McCUMBER. Allow me to suggest, if it would be agreeable to Senators, to take our recess to-day until 10 o'clock on Monday.

Mr. ROBINSON. That will be entirely satisfactory to me.

Mr. McCUMBER. That will give one hour more, and I am certain that the Senator from Oregon would have sufficient time.

Mr. JONES of Washington. Until the Senator from Oregon comes, I shall object.

Mr. ROBINSON. I ask, then, that the proposition be modified as suggested by the Senator from North Dakota, that the Senate recess to-day until 10 o'clock Monday morning, and so forth. I ask that the request be considered as pending, so that it may be taken up and acted upon a little later, when the Senator from Washington has had an opportunity of advising himself as to the wishes of the Senator from Oregon.

Mr. JONES of Washington. I have sent for the Senator from Oregon, and he will be here in a little while.

Mr. HEFLIN. I suggest to the Senator from Washington that he will have no trouble about getting an hour of that time set aside for the Senator from Oregon to discuss his amendment.

Mr. JONES of Washington. Senators need not take the time of the Senate in trying to come to an agreement now. I will not consent to an agreement until the Senator from Oregon is present.

Mr. ROBINSON. Very well. I ask that the proposition be considered as pending.

Mr. McCUMBER. In the meantime I think it is agreeable to the Senator in charge of the coal bill that that bill be laid aside and that we take up the compensation bill.

The PRESIDING OFFICER. Without objection, that order is made.

Mr. BORAH. Of course, for obvious reasons, Mr. President, the program is under the control of the Senator from North Dakota, and I have no right to object. Even if I should object, it would be unavailing, and I recognize his right to go ahead with his bill.

Let me say with reference to the bonus bill and all other bills which are pending, and the desire of Senators to get away, that there has been considerable suggestion about the Senate going to adjourn in a few days. It seems to me we might as well disabuse our minds of that proposition. Congress could not adjourn—it would not dare to adjourn—in the presence of this industrial situation, without passing important legislation concerning it. We have been entertaining the hope for weeks that this strike situation would end, and I see that that hope is still expressed in some quarters; but it has been delayed so long that there seems now to be very little upon which to base that hope. It has been said here that the measure which I have in charge does not deal with the present situation; nevertheless I have been anxious to get it through. But I am not going to push this measure to the exclusion of other measures which will deal with the present emergency.

I know that there are other measures coming forward to deal with that emergency, and I know that Congress will not adjourn, or ought not to adjourn, until they are disposed of; and they can not be disposed of overnight. They involve questions of such serious moment and of such profound concern to the people of the country that we could not possibly leave here without disposing of them, and we can not dispose of them in a few days. So there is no occasion for limiting debate upon these propositions upon the theory that we can get away from here. I presume if we should go away without dealing with the strike, unless it should be settled, the President would call us back. If he did not, he ought to.

Mr. ROBINSON. Mr. President, the Senator from Oregon has come into the Chamber during the remarks of the Senator from Idaho. I wish to say to my friend the Senator from Idaho that my desire to leave the city is to meet engagements which will keep me absent for only a few days, and I had no thought of discussing the permanent adjournment of the Congress.

Mr. BORAH. I was not addressing my remarks to the Senator from Arkansas. I understand a personal matter calls him away, and I will do anything I can to convenience him. But so far as the Congress as a Congress is concerned, we have work to do here, unless the strike situation is solved, which of course we can not leave.

Mr. ROBINSON. I think that is true, and I think that the bill of the Senator from Idaho will be disposed of in due course. As he knows, I am supporting his bill. I observe that the Senator from Oregon is now present.

The Senator from Washington had the request for unanimous consent touching the adjusted compensation bill submitted by myself postponed until the Senator from Oregon [Mr. McNARY], who was temporarily absent from the Chamber, could arrive. The request has been submitted substantially as follows, that when the Senate recess to-day it be until 10 o'clock Monday, and that upon convening on Monday the Senate proceed immediately to the consideration of the adjusted compensation bill; that after the hour of 3 o'clock on Monday no Senator shall speak more than once nor longer than 20 minutes upon any amendment that may be pending, or any amendment that may be offered. Ample opportunity will be afforded the Senator from Oregon and others who desire to discuss amendments to do so prior to the time the limitation of debate takes effect.

Mr. REED of Missouri. Would not the Senator be willing to modify it so as to make the limitation begin on Tuesday, instead of on Monday?

Mr. ROBINSON. I stated while the Senator from Missouri was out that if the limitation is to effect the purpose which I have in mind, it should go into effect not later than 3 o'clock on Monday. I want to get a vote on the bill Tuesday.

Mr. McNARY. Mr. President, I assume that to be a tender of a unanimous-consent agreement by the Senator from Arkansas. I could not consent to a unanimous-consent agreement in that form at this time. There are a number of Senators who I know want to discuss various phases of the bill for perhaps an hour or more. Three or four speeches are to be delivered on Monday which appertain to the principles involved in the bonus bill. I want to speak on a very important amendment, one which means much to the soldiers of the country who desire farms and to the development of the South and West. I do not know whether I shall speak one hour or two. I do not occupy much of the time of the Senate, and when I have a very important measure to present I am not going to be limited to a speech of one hour or two hours.

Mr. ROBINSON. Mr. President, the Senate has become accustomed to somewhat lengthy sessions, and even to night sessions. I suggest to the Senator from Oregon that if desirable the Senate might hold a session Monday night. This bill has been before the Senate for a long time; the importance of the amendment to be submitted by the Senator from Oregon is recognized by all of us; but under the method by which we are proceeding, it is indicated that without some limitation on the debate no conclusion respecting the bill will be reached at an early date; and I do feel that the Senator from Oregon ought to consent to this arrangement. I hope he will do so.

Mr. McNARY. Mr. President, I would go a long way to accommodate the Senator from Arkansas, who is always accommodating. I know he appreciates the very great value of the amendment which I intend to advocate to the bonus bill. I would rather have the time for a final vote set at a later hour

than 4 o'clock on Tuesday, and particularly do I object at this time to a limitation of debate to 20 minutes after 3 o'clock on Monday. The Senator from Idaho is going to make a speech, the Senator from New York is to make a speech, and there are quite a number of western and southern Senators who want to discuss the reclamation amendment, and the hour of 3 o'clock might arrive before it had been intelligently presented by those who are in favor of the proposed legislation. For that reason I could not consent to a limitation of debate after 3 o'clock on Monday.

Mr. ROBINSON. Very well; I will modify the request, then, so that the limitation of debate may go into effect at 6 o'clock, which will give eight hours, under the arrangement, for general debate, prior to any limitation taking effect.

Mr. McNARY. That is, by meeting at 10 o'clock in the morning?

Mr. ROBINSON. At 10 o'clock.

Mr. McNARY. Ten o'clock is pretty early. I will object to that on general principles.

Mr. ROBINSON. Will not the Senator speak louder? We can not hear him over here.

Mr. McNARY. Ten o'clock is too early to meet, for various reasons obvious to anyone. I would agree to 11 o'clock in the morning and 6 in the evening.

Mr. ROBINSON. Very well, I will modify the request again to meet that suggestion. My original suggestion was that we meet at 11 o'clock. I do not know just what the obvious reasons against meeting at 10 in the mind of the Senator from Oregon is, but since he says that it is obvious I take it that everybody else must see it but me.

The PRESIDING OFFICER. The Senator from Arkansas proffers a request for unanimous consent, which the Secretary will state.

The reading clerk read as follows:

It is agreed by unanimous consent that when the Senate concludes its business to-day the Senate recess until 11 o'clock a. m., Monday, August 28, 1922, and proceed at once to the consideration of the bill (H. R. 10874) to provide adjusted compensation for veterans of the World War, and for other purposes, and that after the hour of 6 o'clock p. m. on said calendar day no Senator shall speak more than once or longer than 20 minutes upon any amendment that may be pending or any amendment that may be offered thereto.

Mr. DIAL. Mr. President, I always love to be agreeable, and I will not object if there are not going to be any night sessions. I draw the line at night sessions.

I did intend to say something about the coal bill to-day, but I am not going on with that now. I am sorry that I have to differ with my friends around me here and also with my good friend from Idaho on the other side about Congress continuing in session. Our being here has gotten this coal matter into a great muddle. It has cost the people of my section hundreds and thousands of dollars, and I am unable to get any information from Mr. Hoover or from the Interstate Commerce Commission or from anybody as to their authority for meddling into the private affairs of the people.

My constituents have contracts for coal at a fixed price for 12 months and yet they can not get it unless they go to some one of these Government officials, who are acting without any legal authority, to get a priority order, and they can not get that order unless they agree to pay about twice the amount for coal they have contracted for.

We live under a constitutional form of government. I protest against Government officials transgressing their authority. The rights and duties of the people, including Cabinet officers, are laid down by statutes. We have come to the point where the public officials are violating the law, and they are creating great suspicion in the minds of the consumers of coal as to why this is done. I do not want to cast any reflection or suspicion upon anybody, but these officials failed to reply to a polite letter which I wrote them and I desire to get the information by Monday morning. I know of my own knowledge, because I am the president of a company which uses coal, that the operators are willing to deliver coal at the agreed price, but the Government agencies interfere and do not let them do it.

I think about the best motion that could be made would be that Congress adjourn sine die. Then the people at home would go to work and they would quit looking and sending to Washington. It is a sad day for the industries of this country when the people have to come here and let some official dole out the coal to them, to turn the wheels of the enterprises of the country.

Mr. REED of Missouri. Mr. President——

Mr. McCUMBER. I wish we could settle the question of the unanimous-consent request, at least, as I have to get back to the conference committee soon.

Mr. REED of Missouri. I just want to ask the Senator one question.

Mr. DIAL. I yield for that purpose.

Mr. REED of Missouri. The Senator has complained of interference with his coal deliveries by a Cabinet officer and suggests as a remedy that Congress adjourn. Would it not be more in keeping if the Congress stayed in session and enacted a law to send to the penitentiary any officer of the Government who proceeded to usurp any authority that he does not possess.

Mr. DIAL. In reply to that, I am contemplating presenting an amendment to the bill offered by the Senator from Idaho to require the United States Government to pay whatever damage has been inflicted upon the people by reason of having their coal deliveries interfered with.

Mr. BORAH. The Senate would have to stay here a good while in session, I am afraid, if we got that kind of controversy in here. The trouble of which the Senator speaks is not with the Congress but it is with those who are acting without authority.

Mr. DIAL. I am complaining about officials acting without authority. I think we pass too many laws.

Mr. BORAH. The complaint has been on the Senator's side of the Chamber for the last two or three days that we have not passed any laws at all.

Mr. DIAL. No; I think we have too many laws in this country. If we would enforce the laws we already have, we would be much better off. Let the people carry on their enterprises without pernicious interference of the Government.

The PRESIDING OFFICER. The question is upon the unanimous-consent request submitted by the Senator from Arkansas, and which has been read. Without objection, it is agreed to.

Mr. McCUMBER. Now, let the pending amendment be stated.

The PRESIDING OFFICER. The pending question is the amendment offered by the Senator from New Mexico [Mr. BURSUM] in the nature of a substitute.

Mr. UNDERWOOD. I rise, Mr. President, merely to explain my position in reference to the pending amendment. As everybody knows, I am opposed to any form of service pension. Call it a bonus bill, call it an adjusted compensation bill, call it what you please, if it is a pension or gift merely for service and nothing else, I shall not vote for it. But I do have some choice and selection among the amendments which are now before us, although I will say candidly that, regardless of which amendment is adopted, I shall vote against the bill finally.

I favor the proposal of the Senator from New Mexico, the pending amendment, over the bill originally reported by the Senator from Idaho, and I do so for the reason I shall state. There is but little difference between the bill and the amendment in the general features. However, the amendment proposes to pay the bonus of $1 a day to the men who served in this country and $1.25 a day to those who served abroad as a cash bonus; that is, to pay the first half next year as soon as the rolls can be made up and the other half within two years at 3½ per cent interest on the deferred payment. I believe that would be more satisfactory to the recipients of the gift in the first place, and in the next place it would save the Government in the end from $1,000,000,000 to $1,500,000,000, because the interest rates in the pending bill run very high and largely increase the amount in the end which we would have to pay.

So, as I see it, I believe that the proposed amendment in the form of a substitute would probably be more satisfactory to the recipients of the bonus and at the same time we would save the Government of the United States far in excess of a billion dollars. That is the reason why I shall support the pending amendment.

The PRESIDING OFFICER (Mr. REED of Pennsylvania in the chair). The question is on the amendment offered by the Senator from New Mexico [Mr. BURSUM] to the amendment of the committee.

Mr. JONES of Washington. Mr. President, I want to make a parliamentary inquiry at this point. I understand the amendment of the Senator from New Mexico is in the nature of a substitute for the pending bill.

The PRESIDING OFFICER. It is.

Mr. JONES of Washington. I inquire whether amendments to the text of the bill should not be offered before that substitute is voted upon and, if they are not offered, then if the substitute should be adopted, would any amendments be in order to the text of the bill?

The PRESIDING OFFICER. The Chair understands that amendments to the amendment of the committee would not be in order after the adoption of the substitute.

Mr. JONES of Washington. That is what I understood. So if any amendments are to be made to the amendment of the

committee they should be offered before the substitute is voted upon.

The PRESIDING OFFICER. The Chair so understands.

Mr. McNARY. Mr. President, with that ruling in mind and in order to preserve the rights which I want to present with reference to House bill 10874 I offer the amendments which I send to the desk to the amendment of the committee.

The PRESIDING OFFICER. The Senator from Oregon offers the following amendments, which the Secretary will report.

The READING CLERK. On page 1, line 7, after the word "veteran," insert a comma and "except in Title VIII."

On page 6, line 19, after the semicolon, insert "or."

On page 6, line 21, after the semicolon, strike out down to and including line 23.

On page 8, line 7, strike out "or land settlement aid."

Strike out Title VIII and insert in lieu thereof the following:

TITLE VIII.—LAND RECLAMATION.

SEC. 801. That when used in this title—

(a) The term "Secretary" means the Secretary of the Interior.

(b) The term "board" means the Federal Farm Loan Board.

(c) The term "district" means any district organized under the law of any State to provide for the agricultural reclamation of lands by irrigation, drainage, or dikage, with authority to issue bonds which shall be a general charge against all lands within the district, and to contract with the United States under this title as provided herein.

(d) The term "farm" means an area of land within a reclamation project sufficient in size, in the opinion of the Secretary, to support a family, but not exceeding 160 acres of reclaimed land.

(e) The term "excess lands" means all lands in a single holding in excess of one established farm.

(f) The term "veteran" means any individual, a member of the military or naval forces of the United States in the war with Germany, the war with Spain, or in the suppression of the insurrection in the Philippines, and honorably discharged therefrom or placed in the Regular Army or Naval Reserves.

SEC. 802. That the Secretary is authorized to investigate the feasibility of reclaiming the lands within any district in any State under contract with the district. One-half the cost of investigation shall be advanced by the district and one-half by the United States. Upon determining that reclamation is feasible, the Secretary is authorized, under contract with the district, to construct the necessary works for the reclamation of the lands involved and to operate and maintain the project so long as such operation and maintenance are necessary, in the opinion of the Secretary, to safeguard the interests of the Government. The total cost of construction and of operation and maintenance, which shall include a just portion of overhead expenses, shall be paid by the district to the United States.

SEC. 803. That before construction of a project is commenced the sizes of farms therein shall be established and agreements shall be made effectively, subjecting not less than 80 per cent of the excess lands within the project to disposal by authority of the Secretary to settlers at prices and terms fixed in advance in such agreements. Such prices and terms shall be determined with the view of placing a bona fide and competent settler upon each farm of the project with the least possible delay.

SEC. 804. That when, in the opinion of the Secretary, a project has been fully completed and successfully operated for one season the Secretary shall fix the construction cost thereof, which shall include the total cost of investigation, the expense of selling district bonds under section 805, interest at not exceeding 5 per cent per annum upon all sums advanced by the United States in the construction thereof, and the cost of operating and maintaining the project to the date of fixing such cost. This total cost the district shall agree to pay to the United States within a period not exceeding 40 years, with interest thereon at not exceeding 5 per cent per annum: *Provided*, That upon receipt by the United States from the proceeds of district bonds, as provided in section 805, of such total cost with interest, the obligation of the district to the United States for construction shall be satisfied: *Provided further*, That upon the receipt of such total cost the moneys advanced by the district for investigation of the project shall be returned to the district. So long as the Government operates and maintains a project the district shall also pay to the United States annually, upon terms to be fixed by the Secretary, the total cost of operation and maintenance.

SEC. 805. That preceding any expenditure by the United States on account of construction of a project bonds of the district equal in face value to the amount of the proposed expenditure shall be duly issued and delivered to the United States. If at any time it should appear to the Secretary that the original bond issue is insufficient to cover the cost of the proposed work, he may either curtail the work or require the district to issue additional bonds, and when the total cost of the completed project has been determined under section 804, all bonds issued in excess of such cost shall be canceled. The bonds shall be in form approved by the Secretary and shall run for a period not exceeding 40 years, bear interest at a rate to be fixed by the Secretary, not exceeding 5 per cent, payable annually, and be issued in denominations of $25, $50, $100, $500, and $1,000. These bonds shall be deposited with the board, and when the project cost is known and the value of all of the property of the district subject to assessment for the payment of the bonds shall reach twice the par value of the bonds as found by the said board, the board shall offer the bonds at public or private sale at not less than par under terms and conditions to be provided by rules and regulations to be made by said board. The moneys received from the sale of the bonds shall be credited upon the district contract. Prior to sale of the bonds the board shall collect all moneys due thereon, and the same shall likewise be credited upon the district contract.

SEC. 806. That unentered and unpatented arid and semiarid lands of the United States susceptible of reclamation may be included in a district and may be subjected to the provisions of the act of August 11, 1916 (39 Stat. 506), in accordance with the terms of said act: *Provided*, That the final proviso of section 1 of the act shall not apply: *Provided further*, That while the unentered public lands within a district constitute more than 50 per cent in area of the lands therein the Secretary shall have the right to appoint upon the district board such number of persons to represent the interests of the United States as shall constitute a majority of the board. Unentered public land withdrawn under the provisions of the act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, may, in the discretion of the Secretary, be included in a district. All unentered public land so included in a district shall be opened under the provisions of the homestead law and also, so far as applicable, of said act of June 17, 1902, as amended and supplemented.

SEC. 807. That the United States may acquire lands hereunder for construction, but not for agricultural purposes: *Provided*, That the Secretary is authorized to accept, by gift, deed in trust, or otherwise, land within any district and dispose of the same upon terms and conditions to be agreed upon with the grantor or later fixed by the Secretary.

SEC. 808. That in the construction of every project under this act the Secretary shall, so far as practicable, utilize the services of veterans. In every opening or sale of land by authority of the Secretary under this title veterans shall have the exclusive right, for a period of 60 days, to make entry or otherwise acquire the land: *Provided*, That in the event such an entry shall be relinquished at any time prior to actual residence upon the land by the entryman for not less than one year, lands so relinquished shall not be subject to entry for a period of 60 days after the filing and notation of the relinquishment in the local land office, and shall, after the expiration of such 60-day period, be subject to entry by the first qualified applicant.

SEC. 809. That the act of June 17, 1902 (32 Stat., p. 388), and all amendatory or supplementary acts shall hereafter be known as the national irrigation law, and the fund provided for by said law shall hereafter be known as the national irrigation fund. This title and all acts amendatory or supplementary to such title shall be known as the national reclamation law, and for the purpose of carrying out its provisions there is hereby established in the Treasury a fund to be known as the national reclamation fund. There is hereby authorized to be appropriated from any moneys in the Treasury not otherwise appropriated the sum of $350,000,000, to be transferred from time to time to the national reclamation fund and appropriated upon estimates made by the Secretary for carrying out the provisions of this title. All moneys received by the United States under this title shall be paid into the national reclamation fund, and all moneys at any time in said fund shall be available for appropriation for the purposes of this title.

SEC. 810. That the Secretary is hereby authorized to perform any and all acts and to make such rules and regulations as may be necessary for carrying out the provisions of this title.

On page 42, line 9, after "VI," insert "or."

On page 42, line 9, strike out "or VIII."

Mr. McNARY. Mr. President, in view of the ruling of the Chair, I have proposed this amendment, which I did not intend to offer until Monday morning next. I am not prepared to go forward this afternoon in the discussion of the amendment. I understand that it is the desire of the Senator from Idaho [Mr. BORAH] to complete the consideration of the coal commission bill. Therefore, I hope that my expressed desire that this amendment may go over until Monday may be granted by the chairman of the committee, and that the Senate may proceed with the consideration of the coal bill. There may be Senators who are interested in this measure who desire to discuss it, but for my part I do not care to have a vote on it or to present my argument until Monday.

Mr. UNDERWOOD. Mr. President, I do not desire to interfere with the wishes of the Senator from Oregon; in fact, if I understand the situation correctly, I expect to vote with him on his amendment; but, I think, now that we have agreed as to the pending bill that the general debate shall close on Monday, the bill certainly should not be laid aside in order to take up some other measure.

Mr. McCUMBER. The agreement does not extend that far. The unanimous-consent agreement provides only for a limitation of debate to 20 minutes on amendments after 6 o'clock on Monday. Under the unanimous-consent agreement a Senator may speak on the bill just as long as he wishes. I was sorry that we did not go further than that, but I thought we had made some headway in getting that far along.

Mr. UNDERWOOD. Then, I did not understand the situation. I thought the general debate was limited on Monday after 6 o'clock.

Mr. McCUMBER. No.

Mr. ROBINSON. No. The Senator from Idaho [Mr. BORAH] stated that until the amendments were practically disposed of he could not tell what form the bill would take, and that he would reserve the right to debate the bill at length.

Mr. UNDERWOOD. Then there is practically no limitation of debate on the pending bonus bill?

Mr. McCUMBER. There is a limitation of debate only as to amendments.

Mr. ROBINSON. There is a limitation of debate on all amendments, but that does not go into effect until 6 o'clock on Monday. There is now no limitation on debate.

Mr. UNDERWOOD. Then I understand that after 6 o'clock on Monday a Senator may speak on the bill as long as he wishes to?

Mr. McCUMBER. Yes.

Mr. ROBINSON. That is true.

Mr. UNDERWOOD. I do not see that there is much of a limitation of debate in that agreement.

Mr. McCUMBER. We did not gain very much, but I thought we had better get what we could.

Mr. ROBINSON. It was thought that agreement would lead, perhaps, to a further limitation, but it certainly is a material limitation that after 6 o'clock on Monday on any amendment which may be before the Senate debate shall be limited to 20 minutes until the amendments shall have been disposed of.

Mr. BORAH. I have not any doubt if we dispose of the amendments on Monday that we shall vote on the bill on Tuesday, and I have not any desire whatever to prolong the discussion. I simply wish to discuss it to a limited extent after the bill shall have been finally made up.

Mr. ASHURST. Mr. President——

The PRESIDING OFFICER. The Senator from Arizona.

Mr. ASHURST. If some other Senator wishes to be recognized in order to address the Senate on the pending amendment, I will yield.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Oregon [Mr. McNARY].

Mr. ASHURST. On that I wish to be heard.

Mr. BURSUM. Mr. President——

Mr. ASHURST. I yield to the Senator from New Mexico.

Mr. BURSUM. I simply desire to make a request. There are a number of Senators who are absent who left the city with the impression and understanding that there would be no vote on the amendment which I offered until Monday next. Some of those Senators desire further to discuss the question. In view of that fact, I ask the chairman of the committee to permit the amendment to go over until Monday next.

Mr. McCUMBER. I do not feel that I would be doing absolute justice by consenting further to continue the matter of voting upon the amendments, but I certainly do not wish to take advantage of Senators who have even erroneously obtained the idea that there would be no vote upon the amendments to-day. In view of the fact that we have entered into a unanimous-consent agreement under which the time will very soon come in which discussion upon any particular amendment will be limited to 20 minutes, leaving an unlimited time to debate the bill itself, I am not disposed to press a vote upon the amendments. I should be glad, however, if Senators who wish to discuss them would discuss them this afternoon if they can do so. With that understanding I shall make no objection to the amendments going over until Monday.

Mr. LENROOT. Will the Senator yield to me?

Mr. ASHURST. I yield to the Senator.

Mr. LENROOT. In view of the request of the Senator from New Mexico, I desire to offer an amendment which may become the pending question and the Senate may vote upon it or not, as it sees fit.

Mr. JONES of Washington. There is an amendment now pending.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Oregon [Mr. McNARY] which takes precedence over the amendment which has been offered by the Senator from New Mexico.

Mr. WALSH of Massachusetts. Mr. President, will the Senator from Arizona yield to me to present two amendments?

Mr. ASHURST. I yield at this time for that purpose.

Mr. WALSH of Massachusetts. I thank the Senator. I ask unanimous consent out of order to submit two amendments which I intend to offer at a later time to the so-called soldiers' compensation bill. I ask that they may be printed and lie on the table.

The PRESIDING OFFICER. The Senator from Massachusetts asks unanimous consent to present two amendments to the adjusted compensation bill. Without objection, the amendments will be received, printed, and lie on the table.

Mr. WALSH of Massachusetts. I appreciate the courtesy of the Senator from Arizona.

Mr. POMERENE. Mr. President, the Senator from Massachusetts has just offered sundry amendments which will not be available for Senators to read unless they appear in the CONGRESSIONAL RECORD. I wish to ask that they may be printed in to-day's proceedings, so that we may read them in the RECORD.

Mr. WALSH of Massachusetts. Mr. President, I appreciate the Senator's suggestion. I think, at least, one of the amendments should be printed in the RECORD. The other is in the nature of a substitute for the committee bill. I will state very briefly what these are, if the Senator from Arizona will again permit me.

Mr. ASHURST. I yield.

Mr. WALSH of Massachusetts. The first amendment proposes to pay the ex-service men at once and in full the amount of adjusted compensation due them. It provides for cash payment and abolishes the 20-year-certificate plan. My amendment will pay one and a half billion dollars immediately instead of $7,000,000,000 in 20 years. There are several Senators who have raised the objection to the pending bill—and I am going to support the pending bill, if I can not get something better—that it is uneconomical from the standpoint of the Government, in that by postponing the payment of this compensation we will ultimately pay from $5,000,000,000 to $7,000,000,000 instead of paying $1,500,000,000 immeditaely. If there is a moral obligation to pay our ex-service men additional compensation, why should it not de done at once and without any strings?

The other amendment, which I will be glad to have printed in the RECORD, provides another option to the pending bill, an option that will be taken advantage of by those soldiers who are now carrying insurance. There are nearly 500,000 soldiers carrying Government insurance, and the option proposed by the amendment will permit them to have their adjusted compensation applied to the payment of premiums on their insurance policies. I have ascertained that many of these young men find it very hard to pay $10, $15, or $20 a month on their insurance and at the same time go to school and pay to obtain their education. Several of the young men who are clerks in the Senate Office Building called my attention to that fact, one of whom, the secretary to one of our Senators, has to pay out $240 a year in insurance premiums. He would be entitled under this bill to $625, with interest, in the form of an adjusted service certificate, but not available for 20 years; but if that money could be applied to the payment of his premiums on his Government insurance, it would relieve him for the next few years and enable him to devote his earnings to the acquirement of an education. So I think there is considerable merit and there will be more or less interest and support of the amendment which gives an option to soldiers to have the money which they will get under this bill applied to the payment of their insurance premiums. Why do these men need another small insurance policy or certificate, such as is provided for in Title V? Why not let the money found to be due them be applied on the premiums to become due on their present Government insurance?

The PRESIDING OFFICER. Without objection, the amendments intended to be proposed by the Senator from Massachusetts will be printed in the RECORD.

The amendments intended to be proposed by Mr. WALSH of Massachusetts are as follows:

To be inserted on page 13, line 4, following the period after the word "veteran."

SEC. 501. (a) The Secretary of the Treasury, upon certification from the Secretary of War or the Secretary of the Navy, as provided in section 303, is hereby directed to issue without cost to the veteran designated therein an adjusted service insurance certificate, of a face value equal to the sum of the adjusted service credit of the veteran, increased by 50 per cent. The adjusted service insurance certificate shall be dated, and all rights conferred under the provisions of this subsection shall take effect as of the 1st day of the second month, next succeeding the date of filing the application, but in no case before January 1, 1923. The Director of the Veterans' Bureau shall apply this adjusted service insurance certificate to the payment of premiums on the policy of insurance which the veteran holds with the Veterans' Bureau at the time the application is made, the conditions then existing in regard to the policy being thereby unchanged by adjusted service insurance payment of premiums and such payment of premiums shall be regarded as payment with money. From the commencement of the application of the adjusted service insurance certificate to the payment of premiums the payment of further premiums by the veteran holding the policy shall not be required until the adjusted service insurance certificate shall be exhausted by such application, the premiums to be computed annually, then semiannually, then quarterly, then monthly, and if then a balance remains from the adjusted service insurance certificate it shall be allowed on the first payment of premiums made thereafter by the veteran. The Director of the Veterans' Bureau shall give notice to the veteran the time such adjusted service insurance certificate will be exhausted, both at the time the application of the adjusted service insurance certificate to the payment of premiums commences, and also not more than four months and not less than 60 days before such time of exhaustion of the adjusted service insurance certificate. These notices must be written and sent to the last-known address of the veteran. If the veteran proves that he did not receive the last notice, irrespective of whether he received the first notice, the veteran shall be given one year from the date of the exhaustion of the adjusted service insurance certificate to reinstate his insurance. Such proof required shall be reasonable and the veteran shall be given the benefit of the doubt. In the event that the last notice was not sent by the Veterans' Bureau to the last-known address of the veteran, the policy will continue effective for six months, subject to being reinstated, under the provisions of this subsection, within a year, the above six months being included. In the event such notice was sent to the last-known address of the veteran and he did not receive it the policy becomes ineffective from the time of the exhaustion of the adjusted service insurance certificate, subject to becoming effective again upon the payment of premiums by the veteran within the year named. Premiums due from the time the adjusted service certificate is exhausted to the time payment of premiums is resumed by the veteran shall not be demanded, but if the veteran holds a time policy such time as premiums were not paid shall be added to the time premiums should be paid under the original contract of insurance.

Also, on page 6, line 16, after the comma following the word "certificate," insert "or adjusted service insurance certificate."

Also, on page 8, line 5, after the comma following the word "aid," insert "or adjusted service insurance certificate."

STATEMENT IN EXPLANATION OF PROPOSED AMENDMENT.

The purpose of this amendment, known as section 501 (a), is not to change or in any way alter the terms of the present bill, but merely to add another provision, which the veteran carrying Government insurance can exercise his option in taking. It does not prevent him selecting any of the other features if he so desires.

Under the bill as it has been reported, in Title V, the veteran, by refraining from taking other features of the bill, may, after 20 years, have paid-up insurance in the approximate amount of three times the amount his service entitles him to. This insurance, however, would be in addition to any insurance he might be carrying now with the Veterans' Bureau. It does not relieve him of paying the premiums which he now has to pay on the last-mentioned insurance.

This amendment, so far as the amount will go, authorizes the Director of the Veterans' Bureau to apply the adjusted service insurance certificate to the payment of premiums. It does not relieve permanently the payment of premiums by the veteran, but does relieve the payment of premiums for the time the amount of this certificate lasts. Neither does it change in any way the terms of the policy which the veteran now holds.

It will not cost the Government as much as the adjusted service certificate, as payment of insurance is delayed until the death of the veteran, and the insurance under the adjusted service certificate will approximate more in proportion. It does, however, without additional cost to the Government, mean a cash saving to the veteran at this time in his life, when cash means the most to him. Although it is to be hoped the veteran will not drop his insurance, if, however, he ever did so in the future, it would not cost the Government anything except the insurance risk while the policy was in force.

Amendment (in the nature of a substitute) intended to be proposed by Mr. WALSH of Massachusetts to the bill (H. R. 10874) to provide adjusted compensation for veterans of the World War, and for other purposes, viz, strike out all after the enacting clause and insert the following:

TITLE I.—DEFINITIONS.

SECTION 1. This act may be cited as the "World War adjusted compensation act."

SEC. 2. As used in this act—

(a) The term "veteran" includes any individual, a member of the military or naval forces of the United States at any time after April 5, 1917, and before November 12, 1918, but does not include (1) any individual at any time during such period or thereafter separated from such forces under other than honorable conditions, (2) any conscientious objector who performed no military duty whatever or refused to wear the uniform, or (3) any alien at any time during such period or thereafter discharged from the military or naval forces on account of his alienage;

(b) The term "oversea service" means service on shore in Europe or Asia, exclusive of China, Japan, and the Philippine Islands; and service afloat, not on receiving ships, including in either case the period from the date of embarkation for such service to the date of disembarkation on return from such service, both dates inclusive;

(c) The term "home service" means all service not oversea service;

(d) The term "adjusted service credit" means the amount of the credit computed under the provisions of Title II; and

(e) The term "person" includes a partnership, corporation, or association, as well as an individual.

TITLE II.—ADJUSTED SERVICE CREDIT.

SEC. 201. The amount of adjusted service credit shall be computed by allowing the following sums for each day of active service, in excess of 60 days, in the military or naval forces of the United States after April 5, 1917, and before July 1, 1919, as shown by the service or other record of the veteran: $1.25 for each day of oversea service, and $1 for each day of home service; but the amount of the credit of a veteran who performed no oversea service shall not exceed $500, and the amount of the credit of a veteran who performed any oversea service shall not exceed $625.

SEC. 202. In computing the adjusted service credit no allowance shall be made to—

(a) Any commissioned officer above the grade of captain in the Army or Marine Corps, lieutenant in the Navy, first lieutenant or first lieutenant of engineers in the Coast Guard, or passed assistant surgeon in the Public Health Service, or having the pay and allowances, if not the rank, of any officer superior in rank to any of such grades—in each case for the period of service as such;

(b) Any individual holding a permanent or provisional commission or permanent or acting warrant in any branch of the military or naval forces, or (while holding such commission or warrant) serving under a temporary commission in a higher grade—in each case for the period of service under such commission or warrant or in such higher grade after the accrual of the right to pay thereunder. This subdivision shall not apply to any noncommissioned officer;

(c) Any civilian officer or employee of any branch of the military or naval forces, contract surgeon, cadet of the United States Military Academy, midshipman, cadet of the Coast Guard, member of the Reserve Officers' Training Corps, member of the Students' Army Training Corps (except an enlisted man detailed thereto), Philippine Scout, member of the Philippine Guard, member of the Philippine Constabulary, member of the Porto Rico Regiment of Infantry, member of the National Guard of Hawaii, member of the insular force of the Navy, member of the Samoan native guard and band of the Navy, or Indian Scout—in each case for the period of service as such;

(d) Any individual entering the military or naval forces after November 11, 1918—for any period after such entrance;

(e) Any commissioned or warrant officer performing home service not with troops and receiving commutation of quarters or of subsistence—for the period of such service;

(f) Any member of the Public Health Service—for any period during which he was not detailed for duty with the Army or the Navy;

(g) Any individual granted a farm or industrial furlough—for the period of such furlough; or

(h) Any individual detailed for work on roads or other highway construction or repair work—for the period during which his pay was equalized to conform to the compensation paid to civilian employees in the same or like employment, pursuant to the provisions of section 9 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1920, and for other purposes," approved February 28, 1919.

SEC. 203. (a) The periods referred to in subdivision (e) of section 202 may be included in the case of any individual if and to the extent that the Secretary of War and the Secretary of the Navy jointly find that such service subjected such individual to exceptional hazard. A full statement of all action under this subdivision shall be included in the reports of the Secretary of War and the Secretary of the Navy required by section 307.

(b) In computing the credit to any veteran under this title effect shall be given to all subdivisions of section 202 which are applicable.

(c) If part of the service is oversea service and part is home service, the home service shall first be used in computing the 60 days' period referred to in section 201.

(d) For the purpose of computing the 60 days' period referred to in section 201, any period of service after April 5, 1917, and before July 1, 1919, in the military or naval forces in any capacity may be included, notwithstanding allowance of credit for such period, or a part thereof, is prohibited under the provisions of section 202, except that the periods referred to in subdivisions (b), (c), and (d), of that section shall not be included.

(e) For the purposes of section 201, in the case of members of the National Guard or of the National Guard Reserve called into service by the proclamation of the President dated July 3, 1917, the time of service between the date of call into the service as specified in such proclamation and August 5, 1917, both dates inclusive, shall be deemed to be active service in the military or naval forces of the United States.

TITLE III.—GENERAL PROVISIONS.

OPTIONAL PLANS.

SEC. 301. Each veteran shall have the right to avail himself of any one, but only one, of the following plans:

(1) To receive "adjusted service pay," as provided in Title IV;
(2) To receive "vocational training aid," as provided in Title V;
(3) To receive "farm or home aid," as provided in Title VI; or
(4) To receive "land settlement aid," as provided in Title VII.

APPLICATION BY VETERAN.

SEC. 302. (a) The veteran's choice among the plans enumerated in section 301 shall be made by application filed with the Secretary of War, if he is serving in, or his last service was with, the military forces; or with the Secretary of the Navy, if he is serving in, or his last service was with, the naval forces.

(b) Such application may be made at any time after the passage of this Act.

(c) An application shall be made (1) personally by the veteran, or (2) in case physical or mental incapacity prevents the making of a personal application, then by such representative of the veteran and in such manner as the Secretary of War and the Secretary of the Navy shall jointly by regulation prescribe. An application made by a representative other than one authorized by any such regulation shall be held void.

(d) The Secretary of War and the Secretary of the Navy shall jointly make any regulations necessary to the efficient administration of the provisions of this section.

PROOF OF VETERAN'S CHOICE OF PLAN.

SEC. 303. (a) As soon as practicable after the receipt of a valid application the Secretary of War or the Secretary of the Navy, as the case may be, shall transmit to the Director of the United States Veterans' Bureau if the veteran has chosen vocational training aid, or to the Secretary of the Interior if the veteran has chosen farm or home aid or land settlement aid, a certificate setting forth—

(1) That the applicant is a veteran;
(2) His name and address;
(3) The plan chosen; and
(4) The amount of his adjusted service credit.

(b) Upon receipt of such certificate the officer to which it is transmitted shall proceed to extend to the veteran the benefits conferred by the plan chosen, as provided for in this act.

PUBLICITY.

SEC. 304. (a) The Secretary of War and the Secretary of the Navy shall, as soon as practicable after the passage of this act, jointly prepare and publish a pamphlet or pamphlets containing a digest and explanation of the provisions of this act, accompanied by such statements as to the comparative advantages of each of the plans enumerated in section 301 as may be of assistance to veterans in making their choice among such plans; and shall from time to time thereafter jointly prepare and publish such additional or supplementary information as may be found necessary.

(b) The officer having charge of the administration of any plan or part thereof enumerated in section 301 shall transmit to the Secretary of War and the Secretary of the Navy as soon as practicable after the passage of this act full information and explanations as to the matters of which such officer has charge, which shall be considered by the Secretary of War and the Secretary of the Navy in preparing the publications referred to in subdivision (a).

(c) The publications provided for in subdivision (a) shall be distributed in such manner as the Secretary of War and the Secretary of the Navy may determine to be most effective to inform veterans of their rights under this act.

STATISTICS.

SEC. 305. Immediately upon the passage of this act the Secretary of War and the Secretary of the Navy shall ascertain the individuals who are veterans as defined in section 2 and, as to each veteran, the number of days of overseas service and of home service, as defined in section 2, for which he is entitled to receive adjusted service credit, and their decisions shall not be subject to review by the General Accounting Office.

ADMINISTRATIVE REGULATIONS.

SEC. 306. Any officer charged with any function under this act shall make such regulations, not inconsistent with this act, as may be necessary to the efficient administration of such function.

REPORTS.

SEC. 307. Any officer charged with the administration of any plan under this act, or of any part thereof, shall make a full report to Congress on the first Monday of December of each year.

EXEMPTION FROM ATTACHMENT AND TAXATION.

SEC. 308. No sum payable under this act to a veteran, or to his estate, shall be subject to attachment, levy, or seizure under any legal or equitable process, or to National or State taxation.

UNLAWFUL FEES.

SEC. 309. Any person who charges or collects, or attempts to charge or collect, either directly or indirectly, any fee or other compensation for assisting in any manner a veteran in obtaining any of the benefits

or privileges to which he is entitled under the provisions of this act shall, upon conviction thereof, be subject to a fine of not more than $500, or imprisonment for not more than one year, or both.

TITLE IV.—ADJUSTED SERVICE PAY.

SEC. 401. There shall be paid to any veteran, as soon as practicable after receipt of an application in accordance with the provisions of section 302, and in addition to any other amounts due him in pursuance of law, the amount of his adjusted service credit.

SEC. 402. Payment shall be made by the Secretary of War if the veteran is serving in, or his last service was with, the military forces; and by the Secretary of the Navy if he is serving in, or his last service was with, the naval forces.

SEC. 403. If the veteran dies after making application in accordance with the provisions of section 302 for adjusted service pay and before receiving payment, payment shall be made to his estate.

SEC. 404. No right to adjusted service pay under the provisions of this title shall be assignable or serve as security for any loan. Any assignment or loan made in violation of the provisions of this section shall be held void. The Secretary of War and the Secretary of the Navy shall not pay the amount of adjusted service pay to any person other than the veteran or his estate or such representative of the veteran as the Secretary of War and the Secretary of the Navy shall jointly by regulation prescribe.

TITLE V.—VOCATIONAL TRAINING AID.

SEC. 501. The Director of the United States Veterans' Bureau (hereafter in this title referred to as the "director") upon certification from the Secretary of War or the Secretary of the Navy, as provided in section 303, is hereby directed to pay to the veteran designated therein (if he is not receiving the benefits of the vocational rehabilitation act, as amended) the sum of $1.75 for each day of his attendance (on or after January 1, 1923) on a course of vocational training previously approved by the director as suitable for such veteran. Such payments shall be made without deduction for Sundays, holidays, or vacations not exceeding two weeks in duration, or for absence for other cause which the director deems justifiable; but the total payment shall not exceed 140 per cent of the amount of the adjusted service credit of the veteran.

Payments under this section shall be made monthly, or at more frequent intervals, as the director may determine generally or in special cases.

SEC. 502. The director shall establish such regulations as will insure the regular attendance of the veteran on his course of training, and no sum or sums shall be payable under this title unless the director has been furnished proof of such regular attendance. For each day of unjustifiable absence the veteran shall forfeit the sum payable for that day, and shall receive no reimbursement for it in any other form.

SEC. 503. If the payment under section 501 plus the amounts forfeited under section 502 is less than 140 per cent of the adjusted service credit, either by reason of the duration of the course approved, or by reason of the veteran's discontinuing, with the approval of the director, his attendance on his course of training, he shall be entitled to receive an amount equal to the difference between (1) his adjusted service credit and (2) that proportion thereof which the payments made or accrued under section 501 plus the amounts forfeited under section 502 bear to 140 per cent of his adjusted service credit: *Provided*, That from the amount thus computed there shall be deducted an amount equal to the sums forfeited under section 502.

SEC. 504. If before the completion of the payments under this title the veteran is separated from the military or naval forces under other than honorable conditions, or is discharged therefrom on account of his alienage, no further payments shall be made under this title.

SEC. 505. (a) If the veteran dies after making application in accordance with the provisions of section 302 and before any payments have been made or have accrued under this title, the amount of the adjusted service credit of the veteran shall be paid by the director to his estate.

(b) If the veteran dies after the course of training has begun, his estate shall be paid by the director the same amount as would have been paid to the veteran under section 503, treating for such purposes the date of his death as the date of discontinuance of attendance on his course of training.

SEC. 506. (a) The director is hereby authorized to cooperate with State boards for vocational education in such manner as will secure their assistance in the approval of courses of training for veterans, and other assistance in carrying out the provisions of this title.

(b) Whenever any State provides funds for assistance to veterans in attendance upon approved courses or provides for free tuition in approved educational institutions, the director is authorized and directed to cooperate with the State board for vocational education of such State in securing the maximum educational opportunities to veterans entitled to the benefits of this title.

TITLE VI.—FARM OR HOME AID.

SEC. 601. (a) The Secretary of the Interior upon certification from the Secretary of War or the Secretary of the Navy, as provided in section 303, is hereby directed, on or after July 1, 1923, to pay to the veteran designated therein, in one payment or in installments, an amount equal to the following percentage of his adjusted service credit:

100 per cent, if the payment or the first installment thereof is made during the calendar year 1923;

105 per cent, if the payment or the first installment thereof is made during the calendar year 1924;

110 per cent, if the payment or the first installment thereof is made during the calendar year 1925;

120 per cent, if the payment or the first installment thereof is made during the calendar year 1926;

130 per cent, if the payment or the first installment thereof is made during the calendar year 1927; and

140 per cent, if the payment is made during the calendar year 1928 or thereafter.

(b) Such payment shall be made for the purpose, and only for the purpose, of enabling the veteran to make improvements on a city or suburban home, or to purchase or make payments on such a home or farm, or to pay off indebtedness existing on such a home or farm prior to the date of the application by the veteran under section 302.

SEC. 602. No such payment shall be made unless and until the Secretary of the Interior has approved the purpose for which it is desired by the veteran, and has suitable assurance that the money will be expended for such purpose. The Secretary of the Interior may, on his own motion, or at the option of the veteran, make the payment directly to the vendor or other person to whom such payment is due from the veteran.

SEC. 603. For the purpose of enabling him to pass upon the desirability of the investment, the Secretary of the Interior may make use of the services of land bank appraisers of the Federal Farm Loan Board, to be designated by the board.

SEC. 604. (a) If the veteran dies, after making application in accordance with the provisions of section 302 for farm or home aid and before a contract has been entered into with the approval of the Secretary of the Interior, the amount of his adjusted service credit shall be paid by the Secretary of the Interior to his estate; but no such payment shall be made if the veteran has been separated from the military or naval forces under other than honorable conditions or discharged therefrom on account of his alienage.

(b) If before the veteran's death a contract has been entered into with the approval of the Secretary of the Interior and payments under this title on such contract are still due, such payments shall be made by the Secretary of the Interior to the vendor or other person to whom such payments are due from the veteran.

TITLE VII.—LAND SETTLEMENT.

SEC. 701. On the opening of public or Indian lands to entry, or the restoration to entry of public lands theretofore withdrawn from entry, such opening or restoration shall, in the order therefor, provide for a period of not less than 60 days before the general opening of such lands to disposal, in which period veterans who have chosen the benefits of this title shall have a preferred right of entry under the homestead or desert land laws, if qualified thereunder, except as against prior existing valid settlement rights and as against preference rights conferred by existing laws or equitable claims subject to allowance and confirmation.

Such preference right to a veteran for such period shall also be accorded to him on all reclamation projects in existence at the time of the passage of this act, or hereafter established, whether such reclamation is made by irrigation, drainage, or other method.

Upon certification from the Secretary of War or the Secretary of the Navy, as provided in section 303, approved by the Secretary of the Interior, there shall be paid by the Secretary of the Treasury, on or after July 1, 1923, to the veteran designated therein, in one payment or in installments, an amount equal to his adjusted service credit increased by 25 per cent. Such payment shall be made for the purpose, and only for the purpose, of enabling the veteran to make payments in connection with the lands as to which preference has been given under this section, or for the improvement of any such land, and shall be made only if the Secretary of the Interior has suitable assurance that the money will be expended for such purpose.

TITLE VIII.—MISCELLANEOUS PROVISIONS.

SEC. 801. The officers having charge of the administration of any of the provisions of this act are authorized to appoint such officers, employees, and agents in the District of Columbia and elsewhere, and to make such expenditures for rent, furniture, office equipment, printing, binding, telegrams, telephone, law books, books of reference, stationery, motor-propelled vehicles or trucks used for official purposes, traveling expenses and per diem in lieu of subsistence at not exceeding $4 for officers, agents, and other employees, for the purchase of reports and materials for publications, and for other contingent and miscellaneous expenses as may be necessary efficiently to execute the purposes of this act and as may be provided for by the Congress from time to time. With the exception of such special experts as may be found necessary for the conduct of the work, all such appointments shall be made subject to the civil service laws; but for the purposes of carrying out the provisions of section 305 such appointments may be made without regard to such laws until the services of persons duly qualified under such laws are available. In all appointments under this section preference shall, so far as practicable, be given to veterans.

SEC. 802. If any provision of this act or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the act and of the application of such provision to other persons and circumstances shall not be affected thereby.

SEC. 803. Whoever knowingly makes any false or fraudulent statement of a material fact in any application, certificate, or document made under the provisions of Title III, IV, V, VI, or VII, or of any regulation made under any such title, shall, upon conviction thereof, be fined not more than $1,000 or imprisoned not more than five years, or both.

SEC. 804. The Secretary of the Treasury, the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, and the Director of the United States Veterans' Bureau shall severally submit to Congress in the manner provided by law estimates of the amounts necessary to be expended in carrying out such provisions of this act as each is charged with administering, and there is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, amounts sufficient to defray such expenditures.

Mr. ASHURST. Mr. President, the amendment proposed by the Senator from Oregon [Mr. McNARY] is the McNary-Smith reclamation bill. Some months ago the Senator from Oregon [Mr. McNARY], chairman of the Committee on Irrigation and Reclamation, favorably reported that bill to the Senate. The main features of that bill, and therefore the main features of the proposed amendment, may be summarized as follows:

It contemplates a system of Federal reclamation, with the cooperation of State agencies, of swamp, overflowed, and arid lands.

It is proposed that as a construction fund there shall be established in the Treasury a national reclamation fund of $350,000,000; the amount to be transferred to this fund in any one year to be determined by Congress. (The amounts during the first years of the act should be relatively small; the whole sum should be contributed in a period of 10 or 12 years).

The present reclamation law remains untouched.

A reclamation project can only be initiated by a reclamation district, organized under the law of a State to provide for the agricultural reclamation of land by irrigation, drainage, or dikage, with authority to issue bonds to be a general charge

against all lands within the district, and to contract with the United States.

The Secretary of the Interior may investigate the feasibility of reclaiming land within any district, and may contract to build the reclamation works, the district issuing and placing with the Federal Farm Loan Board its 5 per cent interest-bearing bonds in ample amount to cover the estimated cost of the project.

When a project is completed and in successful operation it is turned over to the district; and when the property within the district answerable for the payment of the bonds has twice the value of the outstanding bonds, as that fact may be determined by the Federal Farm Loan Board, the board sells the bonds of the district and the proceeds are to be covered into the national reclamation fund, to be used in the construction of other projects. From this source the major portion of the moneys for Federal reclamation purposes will be derived.

It contemplates that the Government shall not reclaim for any one person more than a farm unit, or an area of land within a reclamation project sufficient in size, in the opinion of the Secretary, to support a family, but not exceeding 160 acres.

Lands within a project in excess of the farm unit are excess lands; and as to these lands, at prices and terms agreed upon between the owners thereof and the Secretary, and as to all public lands within a project, veterans shall have the preference right of purchase and entry, and the services of veterans as far as possible are to be used in construction of projects.

Mr. President, the Senators from Florida may congratulate themselves on this amendment. I believe they ought to, and I believe they will, support it. For years they have been pointing out, in private conversation and public speech, the necessity and the advisability of amending our national reclamation laws so that lands may be reclaimed by drainage as well as by irrigation.

We are not left to a mere conjecture as to reclamation. Consider the Salt River or Roosevelt project in Arizona. The Salt River project, according to the figures furnished me up to June 30, 1921, has cost $14,738,628, of which $4,800,000—round numbers—have been repaid to the Government. Last year there were shipped from other States of the Union—not merely into Arizona but into the region or valley of the Salt River project—7,935 loaded freight cars of goods, wares, and merchandise. I am not speaking of carloads of goods which went to other portions of the State, nor am I speaking of less-than-carload lots; but I repeat, that during the year 1920 there were shipped into the Salt River project in Arizona 7,935 carloads, and from the State of Wisconsin alone, so well represented in this Chamber by her two eminent Senators, there were shipped into the Salt River project 213 carloads of goods, wares, and merchandise, to be used and paid for by the people residing in the Salt River Valley.

I do not have at hand the figures showing the number of carloads of goods, wares, and merchandise which came from Wisconsin to the other project in Arizona and to other points in Arizona. But let it be remembered that in 1920 the State of Wisconsin furnished to the Salt River project alone 213 carloads of trade.

There are 30 irrigation projects in the United States at this time. The projects are the Salt River, Yuma, Orland, Grand Valley, Uncompahgre, Boise, King Hill, Minidoka, Garden City, Huntley, Milk River, St. Mary's storage, Sun River, Lower Yellowstone, North Platte, Newlands, Carlsbad, Hondo, Rio Grande, North Dakota pumping, Lawton, Umatilla, Deschutes, Klamath, Belle Fourche, Strawberry Valley, Okanogan, Yakima, Shoshone, Riverton, and various secondary projects. I leave it to the fertile faculties of Senators to estimate the number of carloads of merchandise of various kinds that the State of Wisconsin undoubtedly furnished in 1920 to each of these projects.

The State of Minnesota, so well represented here, furnished in 1920 to the Salt River project 40 carloads of goods, and I am speaking only of carload lots. I do not speak of shipments of less-than-carload lots, nor do I speak of shipments even of carload lots to other points than to the Salt River project.

When I refer to the Salt River project, I mean, for the purposes of this address, the Salt River Valley, in which the city of Phoenix is situated, and about 250,000 acres are irrigated in that valley.

The State of Ohio in 1920 furnished 225 carloads of merchandise of various kinds to be used by the people who reside in the Salt River Valley. I repeat, for the third time, I am not speaking of less-than-carload lots and that I am not in this address referring to merchandise in carload lots or otherwise shipped to other points in the State. I am speaking simply, solely, and only of carload lots going into the Salt River Valley, where the Salt River project is located.

The State of North Dakota, not a manufacturing State, purely an agricultural State, so well represented here, furnished one carload of products from within her borders to the people of the Salt River Valley. The State of Illinois in 1920 furnished 457 carload lots of merchandise to be used and paid for by the people residing within the Salt River project. Maine, where the sunlight first salutes the American flag upon the American coast, furnished 3 carload lots of merchandise in 1920 shipped into the Salt River project. California, out by the gates of sunset, furnished in 1920 to the citizens of the Salt River Valley 2,897 carloads of goods, wares, and merchandise, and no doubt some of these shipments came from the Atlantic coast into California via the Panama Canal, and were thence transshipped into the Salt River project.

Missouri during the same year furnished the Salt River project with 218 carloads of merchandise; Oregon, 502 carloads in 1920; and Texas sent to the Salt River project 981 carloads; whilst the saddlebags of the Arkansas Traveler brought to the Salt River project in the same year 26 carloads of fine wares and merchandise; West Virginia furnished 18 carloads; Massachusetts, 12; and New York, 67 carloads.

It would require a bold flight of the imagination to stand here and estimate the number of carloads of merchandise that were shipped into each and every one of the irrigation projects, 30 in number. They would reach scores of thousands. So I repeat that the senior Senator from Oregon [Mr. MCNARY] wrote well when he wrote the penultimate paragraph of his great report on the McNary-Smith bill, wherein he said:

> The North and East should welcome the opportunity to assist in the upbuilding of the West and South, especially when they would add to their own prosperity thereby—

He must have had in mind in writing his report that the various States of the Union would—if Federal reclamation were further expanded—soon be shipping enormously increased numbers of carloads of steel, iron, rubber, cotton goods, woolen goods, leather goods, furniture, carpets, stoves, automobiles, tractors, sewer pipe, wagons, and so forth, into the West.

To gratify curiosity and to ascertain what were some of the products shipped into the Salt River project in 1920, I will select the State of Wisconsin, because I happen to have that data at hand. As I said before, the State of Wisconsin shipped 213 carloads to the Salt River project in 1920. Agricultural implements, 4 carload lots; auto parts, 41; auto bodies, 2; trailers, 1; butter, 1; canned goods, 7; cheese, 8; chairs, 3; furniture, 18; hardware and stoves, 1; household goods, 1; lumber, 1; machinery, 12; paper bags, 2; paper, 7; powder, 1; refrigerators, 2; rubber hose, 1; tractors, 27; and the other articles, making in all 213 carloads.

There is generally in view the West only when we speak of reclamation, but this policy has been enlarged; it is no longer the irrigation and reclamation of arid lands. Federal agencies of reclamation will no longer be employed only in reclaiming arid lands, but they will also be employed in reclaiming any and all lands. If in the South lands are overflowed with water, the arm of the Government will be eligible under the McNary-Smith bill to remove the water and reclaim the land. If it be the stump lands of the North or the Northwest, this reclamation law will afford the eligible means to reclaim those lands. It may no longer be called a western policy. It is national in its scope.

The record of achievement of the United States Reclamation Service enriches the annals of the American people. Irrigation projects charm us with their wizardry the while they pour the life-giving waters out upon the thirsty soils and transform deserts into orchards and green fields. When you think of the Federal reclamation policy, the lamp of Aladdin and the purse of Fortunatus become prosaic and commonplace in comparison, and the wildest hyperbole would not be adequate to describe the wealth, the advancement, the prosperity, and public order that would come not only to the West and to the South but to the East and the North as well if the McNary-Smith reclamation bill were enacted into law.

During the past 19 years, or since Federal irrigation began, 3,000,000 acres of theretofore practically worthless desert land have been made productive by Government irrigation. The value of the crops produced thereon now amounts to $90,000,000 annually. The increase in value of the irrigated acreage amounts to $600,000,000, and since the Government began the delivery of irrigation water the crops produced on the reclaimed lands to-day aggregate $400,000,000 in value. Nor does this sum of $400,000,000 include the value or expansion of production of live stock or stock products; in other words, the figures ($400,000,000) as to the aggregate crop value are limited to

vegetable, fruit, and grain values at the farm, for which Government reclamation furnishes the sole supply of water. All the moneys disbursed by the Government to the various irrigation projects will ultimately be repaid.

At the outset let it be remembered that the full importance of national irrigation can not be measured in dollars, for it has an intangible value not to be estimated in tonnage tables nor transportation rates. In building new commonwealths in the arid lands of the West the Government is utilizing undeveloped resources and creating opportunities for its citizens. One of the primary purposes of the reclamation law was to create homes, and this purpose has been richly fulfilled. Viewed from this standpoint alone, national reclamation has amply justified all for which its advocates hoped.

Since 1902 the Reclamation Service has constructed the irrigation systems to supply abundant water to 2,000,000 acres of land, and the capacious storage reservoirs of the Government are furnishing a supplemental supply of stored water to a million additional acres in other projects, or a grand total of 3,000,000 acres. On these irrigated lands are now profitably employed and satisfactorily housed approximately 500,000 persons.

On the Government-project lands are 50,000 families in independent homes. The population in cities, towns, and villages in these Government projects has been increased by an equal number of families. The arguments for increasing and making permanent the Nation's virility, prosperity, and growth by creating more homes of this kind were never more forcible and unanswerable than at this juncture.

The American people can not claim to have measured up fully to their opportunity and responsibility until the deserts of the West and the unused agricultural lands of the Nation have been replaced by prosperous farmsteads.

When measured by the yardstick of the financier—the dollar—the results of the Reclamation Service activities are enormously great.

As a creator of wealth, its service to the Nation and the State has been as great as in its principal task of home making. Out of the uninhabited and almost worthless desert, reclamation has carved an empire of nearly 3,000,000 acres, intensively cultivated and producing crops whose annual average gross returns per acre about double those per acre for the balance of the country.

At this juncture, I ask unanimous consent to have the Secretary read the following telegram from the Governor of Arizona.

The PRESIDING OFFICER. The Senator from Arizona asks unanimous consent that the Secretary read the telegram which he submits. Without objection, the Secretary will read.

The reading clerk read as follows:

PHOENIX, ARIZ., *August 24, 1922.*

Senator HENRY F. ASHURST,
Washington, D. C.:

In urgently requesting your vigorous support of soldiers' bonus bill now before Senate, feel confident I am expressing majority opinion people of Arizona as well as my own hope that this just obligation of the Nation be discharged. Arizona is particularly anxious that the intelligent and practical plan of the Smith-McNary bill for providing service men with potential farm homes under assured reclamation projects be given full force and effect at this time. I would therefore bespeak your energetic efforts looking toward definite recognition by Congress, in connection with its consideration of bonus measure, of feasibility Smith-McNary features which are of vital importance to Arizona.

THOMAS E. CAMPBELL,
Governor of Arizona.

Mr. ASHURST. What in return do these irrigation projects furnish? For the goods, wares, and merchandise which we purchase from the East we give in return our oranges, our grapefruit, and our apples, our lemons, limes, and our prunes, our grapes, melons, and other foods that subsist mankind.

Mr. JONES of Washington. Mr. President, the Senator in his last statement has practically covered what I wanted to bring out. I had heard it urged by some as an objection to the Government reclaiming arid lands of the West further that it is through Government aid developing agricultural lands which will be in competition with the agricultural lands of Illinois, Indiana, Wisconsin, Michigan, Iowa, and so on. The Senator has been pointing out the number of carloads of produce and manufactured articles which have been going from those central States to the Salt River Valley, and I just thought it would be interesting, in connection with that, for him to state what products of the Salt River project enter into competition with the products of those States.

Mr. ASHURST. Mr. President, at this juncture I ask unanimous consent to include in the RECORD as a part of my remarks a map of the United States showing the number of carload lots each State furnished to the Salt River irrigation project in 1920.

The PRESIDING OFFICER. The Senator from Arizona asks unanimous consent that a map described by him be printed in the RECORD. Is there objection?

Mr. JONES of Washington. Has not that already appeared in the RECORD?

Mr. ASHURST. Yes; it has.

Mr. JONES of Washington. If it does already appear in the RECORD, why does the Senator desire it published again?

Mr. ASHURST. The demand for copies is large and I am unable to supply the same.

Mr. JONES of Washington. But if it is already in the RECORD——

Mr. ASHURST. That supply is exhausted. It is difficult to get a copy now.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona? The Chair hears none, and it is so ordered.

(See pp. 11822 and 11823 for map referred to.)

Mr. ASHURST. May I also now secure permission to insert in the RECORD, as Appendix A to my remarks, a tabulated statement showing the character of goods, wares, and merchandise furnished from one State alone?

The PRESIDING OFFICER. The Senator from Arizona asks unanimous consent to include as an appendix to his speech a tabulation which he has described. Is there objection? The Chair hears none, and it is so ordered.

(See Appendix A.)

Mr. ASHURST. I also ask permission to insert another appendix, in the form of a short letter from the Reclamation Service [see Appendix B]; and also a tabulated statement showing the cost of each irrigation project and the amount reimbursed to the Goverment.

The PRESIDING OFFICER. Senators have heard the request of the Senator from Arizona. If there is no objection, it is so ordered.

(See Appendix C.)

Mr. FLETCHER. Mr. President, may I inquire whether that information has been brought down to date?

Mr. ASHURST. No; it is only to the 1st of July, 1921.

Mr. FLETCHER. I wish the Senator could bring it down to date. I have no objection to it going in the RECORD, but I wish the information might be supplemented and brought down to date.

Mr. ASHURST. On Monday or Tuesday I shall endeavor to supplement it, if possible.

Mr. JONES of Washington. Mr. President, before the Senator leaves that subject will he yield to me?

Mr. ASHURST. I yield to the Senator from Washington.

Mr. JONES of Washington. I wish to suggest to him a proposition and ask for his judgment about it. Under the bonus bill I find that a provision put in by the House with reference to land settlement, and so forth, has been stricken out, but an amendment has been put in by the committee providing for a preference homestead right for soldiers upon the opening of a reclamation project, Indian lands, and so forth. I wish to ask the Senator whether or not he thinks that it really amounts to anything for the soldier unless we provide for the reclamation of arid lands? In other words, is there any land in his State that is suitable at all for homestead purposes unless it is reclaimed?

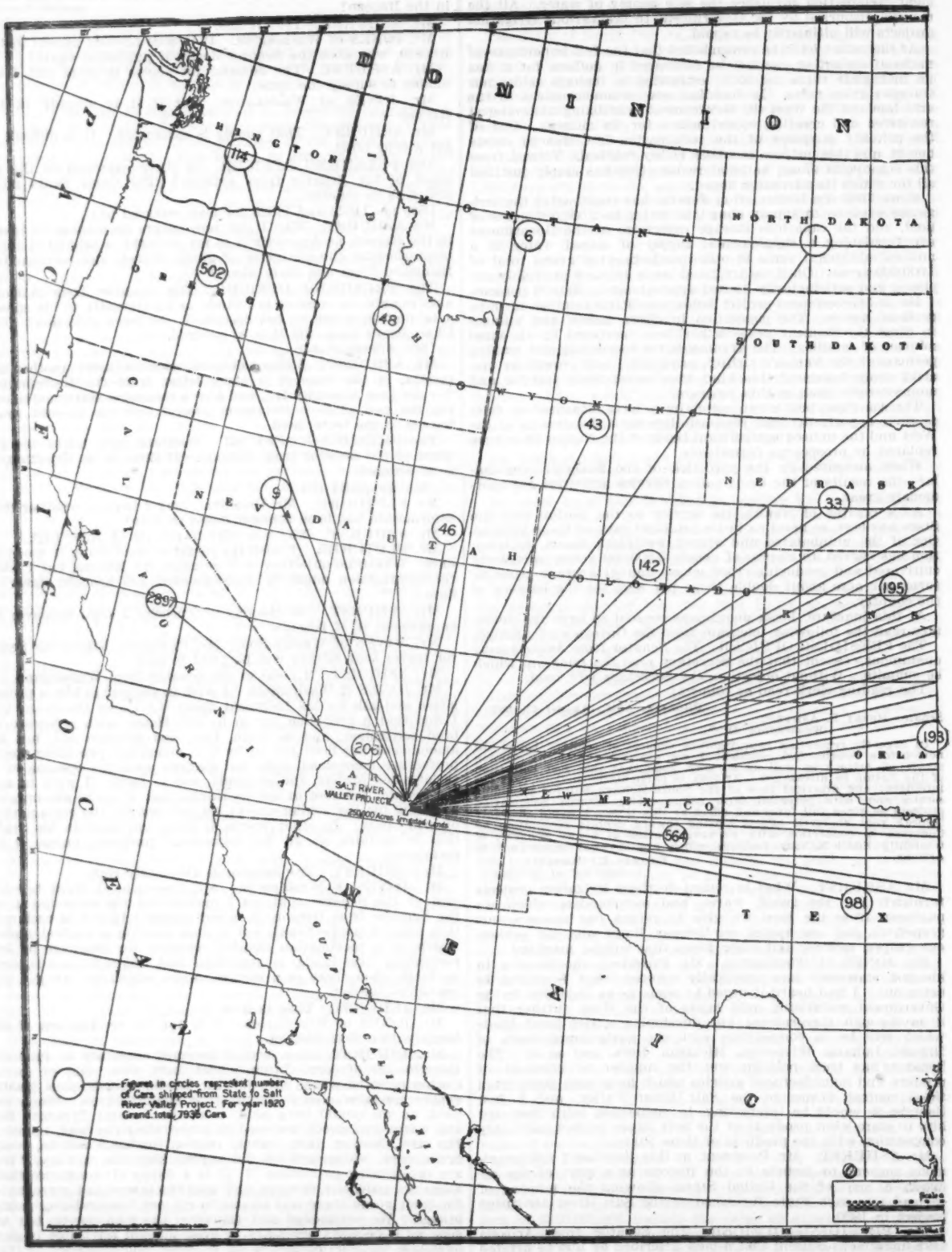
Mr. ASHURST. The Senator is absolutely right.

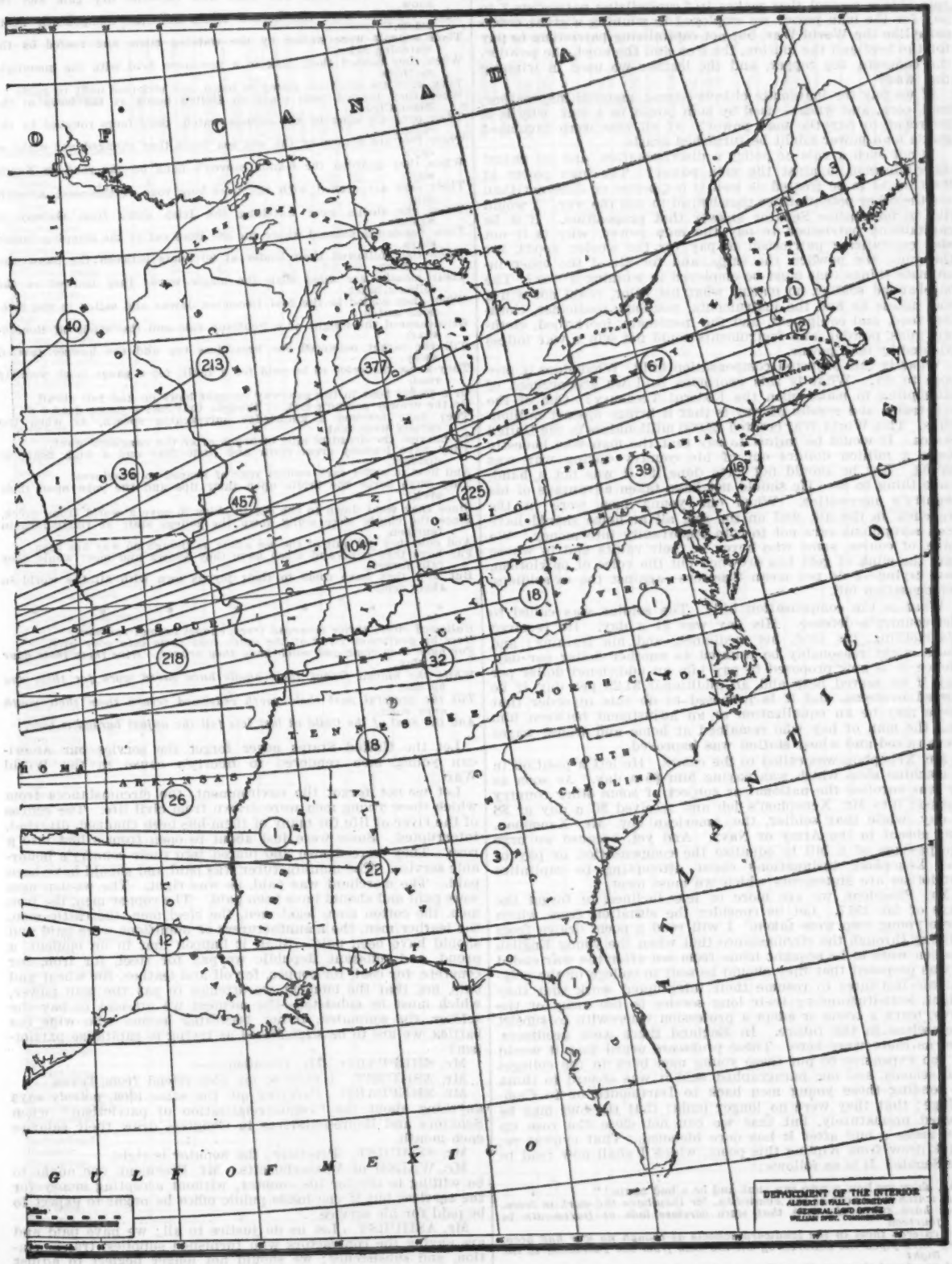
Mr. JONES of Washington. Mr. President, I want to suggest to the Senator that, as I understand the amendment of the Senator from Oregon, it is not confined to aid in reclamation only of public lands, but it does provide a method under which, if a reclamation district, whether for drainage or for reclaiming arid lands, is organized and issues its bonds, and so forth, then there is a method under which he can get the benefit of the act.

Mr. ASHURST. That is true.

Mr. JONES of Washington. It is for the reclamation of all lands within that district.

Mr. ASHURST. In a war it becomes necessary to summon the growers of corn, cotton, wheat, beef, wool, and so forth. Cotton must be woven into fabric. Leather goods, steel goods, copper goods, woolen goods must be manufactured. When we paid, as we should have paid, from the Federal Treasury for the wares and goods we used in prosecuting the war, namely, the steel, leather, iron, cotton, copper, lumber, concrete, lead, brass, corn, wheat, and oil, did anyone here rise and say, "We are capitalizing patriotism"? It is a happy circumstance that when we paid our farmers and manufacturers and merchants for their goods there was no one to cry out "capitalizing patriotism." We summoned and employed the man power, but as soon as it becomes necessary or even thought advisable to pay adequate adjusted compensation to those who composed or furnished that man power it is thrust into our faces that we are


DOMINION
WASHINGTON
MONTANA
NORTH DAKOTA
SOUTH DAKOTA
WYOMING
NEBRASKA
NEVADA
UTAH
COLORADO
KANSAS
OKLA
NEW MEXICO
TEX
ARIZONA
MEXICO
CALIF
OREGON
114
6
1
502
48
43
9
46
33
142
195
289
198
206
564
981
SALT RIVER VALLEY PROJECT
250000 Acres Irrigated Lands
Figures in circles represent number of Cars shipped from State to Salt River Valley Project. For year 1920 Grand total, 1935 Cars


DEPARTMENT OF THE INTERIOR
ALBERT B. FALL, SECRETARY
GENERAL LAND OFFICE
WILLIAM SPRY, COMMISSIONER
GULF OF MEXICO
ATLANTIC OCEAN
MAINE
NEW YORK
PENNSYLVANIA
OHIO
VIRGINIA
NORTH CAROLINA
SOUTH CAROLINA
TENNESSEE
KENTUCKY
MISSOURI
ARKANSAS
OKLAHOMA
LAKE SUPERIOR
40
213
377
67
36
457
225
39
104
18
218
32
26
1
22
3
12
7

"capitalizing patriotism." When did such a brutal, stupid rule obtain control that makes it "capitalizing patriotism" to pay for the man power we employed in winning a great enterprise like the World War, but not capitalizing patriotism to pay for the beef and the mutton, the iron and the steel, the powder, the concrete, the copper, and the leather we used in winning the war?

If we pay for inanimate objects—arms, ammunition, leather, lead, corn, and wheat—used by man power in a war, why is it improper to pay the man power? If all else were furnished gratis man power might be furnished gratis.

Is not such a rule or policy a discrimination, and an unjust discrimintaion, against the man power? The man power at least ought to be treated as well if not better or different than are the other potentialities that helped to win the war. I would like to have some Senator answer that proposition. If it be capitalizing patriotism to pay the man power, why is it not also capitalizing patriotism to pay for the woolen goods, for the guns, the powder, the ships, and for all of the other inanimate things that must be employed in winning a war? The barehanded soldier, no matter what his valor, could not win a war unless he had the instruments, weapons, medicines, clothing, food, and equipment, and the inanimate, inert food, clothing, guns, powder, and instruments could not win a war unless wielded by man power.

What is this adjusted compensation bill? What does it propose to do? What is this enormous raid we are accused of attempting to make upon the Federal Treasury? One of the evil trains and results of war is that it brings upstart millionaires. This World War created 23,000 millionaires in the United States. It would be unjust to say that the man who honestly made a million dollars out of his country during war was wrong. But he should not have done it; it was not a handsome thing to do. He should not have taken advantage of his country's necessities. When our young men were in the trenches, in the air, and on the sea, all at home should have used scrupulous care not to coin opportunity into money. We have, of course, some who hover in their vaults and in whose ears the clink of gold has drowned out the voice of patriotism, now crying—I do not mean Senators—against the ex-soldiers' compensation bill.

What is the compensation bill? The soldier was called to the country's defense. His pay was $1 a day. He received his clothing, his food, his medicines, and his training; and those might reasonably be counted as another dollar per day. Hence, it is now proposed to pay him an additional dollar per day if he served here and an additional $1.25 per day if he served overseas, and it is proposed to do this in order that there may be an equalization or an adjustment between him and the man or boy who remained at home and whose wages were raised and whose station was improved.

Mr. Xenophon was called to the colors. He left a position in a machine shop which was paying him $5 a day. As soon as he was enrolled the national or subject of some other country stepped into Mr. Xenophon's job and received $6 a day or $8 a day, while that soldier, the American boy, Mr. Xenophon, was absent in the Army or Navy. And yet, because we urge the passage of a bill to equalize the compensation or pay of Mr. Xenophon, insinuations about attempting to capitalize patriotism are statements which we must meet.

Mr. President, we are more or less inclined to forget the days of far 1917. Let us consider the situation from which these young men were taken. I will read a poem drawn from Kipling through the circumstance that when the young English seamen were to be brought home from sea after the war ended it was proposed that they should be sent to college or the polytechnic institutes to resume their interrupted work that they might, notwithstanding their long service in the army or the navy, learn a trade or adopt a profession wherewith to subsist themselves in the future. In England there were profiteers, just as there were here. These profiteers urged that it would be too expensive to put these young men back in the colleges and schools, and one paragraphist said it was absurd to think of sending these young men back to Dartmouth or to Cambridge; that they were no longer buds; that the bud may be opened prematurely, but that we can not close the rose up and make a bud after it has once bloomed. That cynical remark drew from Kipling this poem, which I shall now read to the Senate. It is as follows:

"Oh, show me how a rose can shut and be a bud again!"
Nay, watch my Lords of the Admiralty, for they have the work in train.
They have taken the men that were careless lads at Dartmouth in fourteen
And entered them in the landward schools as though no war had been.
They have piped the children off all the seas from the Falklands to the Bight
And quartered them on the colleges to learn to read and write.

Their books were rain and sleet and fog—the dry gale and the snow.
Their teachers were the horned mines and the humpbacked death below.
Their schools were walled by the walking mists and roofed by the watching skies,
When they conned their task in a new-sown field with the moonlight sacrifice.
They were not rated too young to teach, nor reckoned unfit to guide
When they formed their class on Helle's beach at the bows of the River Clyde.
Their eyes are sunk by the endless watch, their faces roughed by the spray,
Their feet are drawn by the wet sea boots they changed not night or day
When they guarded the 6-knot convoy's flank on the road to Narroway.
Their ears are stuffed with the week-long roar of the west Atlantic gale
When the sloops were watching the Irish shore from Galway to Kinsale.
Their hands are scarred where the life lines cut or the dripping funnel stays
When they followed their leader at 30 knots between the Skaw and the Naze.
Their mouths are filled with the magic words they learned at the collier's hatch
When they coaled in the foul December dawns and sailed in the forenoon watch,
Or measured the weight of a Pentland tide and the winds off Ronaldshay,
Till the target mastered the breathless tug and the hawser carried away.
They knew the price to be paid for a fault, for a gauge clock wrongly read,
Or a picket boat to the gangway brought bows on and full ahead,
Or the drowsy second's lack of thought that cost a dozen dead.
They have touched a knowledge outreaching speech, as when the cutters were sent
To harvest the dreadful mile of beach after the *vanguard* went.
They have learned great faith and little fear and a high heart in distress,
And how to suffer each sodden year of heaped-up weariness.
They have borne the bridle upon their lips and the yoke upon their neck
Since they went down to the sea in ships to save a world from wreck,
Since the chests were slung down the college stair at Dartmouth in fourteen,
And now they are quit of the sea affair as though no war has been.
Far have they gone and much have they known and most would they fain forget,
But now they have come to their joyous own with all the world in their debt.

* * * * * * *

Hallowed river, thrice reverend trees, chapel beyond compare,
Here by gentlemen tired of the seas—take them into your care.
Far have they come and much have they braved. Give them their hour of play,
While the hidden things their hands have saved work for them day by day,
Till the grateful past their youth redeemed return them their youth once more,
And the Soul of the Child at last lets fall the unjust burden it bore.

Let the United States never forget the service our American young men rendered to liberty's cause in the World War.

Let us not forget the environment, the circumstances from which these young men were drawn from civil life. The course of the river of life for many of them has been changed, diverted, interrupted. Some were just about to open from a bud into a rose. They were drawn and placed into their country's honorable service. The manufacturer was paid and should have been paid. The merchant was paid, as was right. The woolen men were paid and should have been paid. The copper men, the iron men, the cotton men, legal men, the steel men, the cattle men, the leather men, the manufacturers of munitions were paid and should have been paid. Shall it happen that in an opulent, a proud, and puissant Republic we pay for steel, for iron, for concrete, for coal, for copper, for oil and leather, for wheat and oats, but that the moment we attempt to pay the man power, which must be subsisted—the moment we attempt to pay the soldier, the animated, living, breathing human who wins the battles, we are to be stigmatized as trying to capitalize patriotism?

Mr. SHEPPARD. Mr. President——

Mr. ASHURST. I yield to my able friend from Texas.

Mr. SHEPPARD. Carrying out the same idea, nobody says anything about the "commercialization of patriotism" when Senators and Representatives in Congress draw their salaries each month.

Mr. ASHURST. Precisely; the Senator is right.

Mr. WALSH of Massachusetts. Mr. President, one ought to be willing to die for his country, without accepting money for the service; but if one holds public office he ought to expect to be paid for his service.

Mr. ASHURST. Let us do justice to all; we have paid and are paying the contractors who furnished supplies, transportation, and subsistence; we should not longer neglect to adjust the compensation of the soldiers.

APPENDIX A.

Carload traffic over Southern Pacific and Atchison, Topeka & Santa Fe Railroads, between points in Salt River Valley and points in the United States, segregated as to commodities and States of origin, for the year 1920, as shown by the books of said companies.

Commodity.	Alabama.	Arizona.	Arkansas.	California.	Colorado.	Connecticut.	Florida.	Georgia.	Idaho.	Illinois.	Indiana.	Iowa.	Kansas.	Kentucky.	Louisiana.	Maine.	Maryland.	Massachusetts.	Michigan.	Minnesota.	Mississippi.	Missouri.	Montana.	Nebraska.	Nevada.	New Hampshire.	New Jersey.	New Mexico.	New York.	North Dakota.	Ohio.	Oklahoma.	Oregon.	Pennsylvania.	Tennessee.	Texas.	Utah.	Virginia.	Washington.	West Virginia.	Wisconsin.	Wyoming.
Agricultural implements		1		10		1		1		59	13		7	16						4		7						15		2			3								4	
Air compressor and parts																												2														
Alfalfa meal				1																																						
Ammunition						1																																			
Apples				6					1																														2		
Asbestos										1																															
Asphalt				3																																					
Autos and parts		3		41				1		102	33	1	1	2				1	273	4		22		5			2		9		77	5		1		34					41	
Auto bodies																																										2	
Auto trailers																																										1	
Bagging															1																											
Bags				6															2																	1						
Bake ovens and pots										3																																
Baking powder										3																																
Barbed wire	1				3																																				
Barley and oats				27	3																							2													
Barrels				2																																					
Bath fixtures				1																							1														
Batteries																											1														
Beans				10																																					
Beds and bed springs										2																															
Beverages				40						2									2			7					1													12	
Bicarbonate of soda																													1												
Bicycles				1																																					
Blackboards																																		2							
Bottles				2						2	1																														
Boxes						1							1																								1				5	
Bran						1															1																					
Brick and brick machinery				19																			1																			
Buckwheat																												2													
Butter				3	13								2																													
Cabinets																																									1	
Candles										1																																
Canned goods		1		77	4					8	4	7	1	1		2			6				1					2		1					1		5		7		7	
Canned oysters																					1																					
Canned vegetables																						2																				
Cans				7						3								2																						10		
Carbonate of calcium																			4																							
Carnival outfit				23																																					
Caskets				5																																					
Catalogues										7			1																1					7							
Cattle										2																		1									3				1
Cement		29		549																								9								274					
Cement plaster																										2		12													
Cereals				20								9	1						13			6																			
Chairs										1																															3	
Cheese										1																															8	
Chocolate coating																											1														
Clam shells															1																										
Clay machinery																															1										
Closets and tanks																											1														
Cloth																																				10					
Coal			1		3					1												7						446													
Cocoa										2																																
Coffee			1	3																								4		4											
Coke					3																																				
Concrete paver												1																													
Construction outfit																											2														
Copper wire																							2																		
Copra (dried)				3																							3														
Cork																												5								2					
Corn																						3		15																	
Corn meal													1																													
Corn-oil tins										1																																
Corrugated iron, galvanized																															2											
Cotton-balecovering																																				6						
Crackers					12																	3																				
Crisco																															4											
Derricks (wood)																																		1								
Desks												1							1			1							2		2											
Dishes												3																														
Distillate				14																																	2					
Doors																																					5					
Drugs										1									2										1												
Dump wagons																															1										
Earthenware																															1										
Eggs				25									1																			1									
Electric fans																		1																							
Electric machinery											1																														
Emigrant movables				10	6	1				2	1	1	1					2	1			1														3					
Emigrant outfit																						2		3	2																
Enamelware				1						1																															
Engines				1									2									1									1										
Engine hoist																																		1							
Excelsior			2																																						
Explosives				1																																					
Feed				3						2																															
Fence gate																					1																				
Fencing										3								1	4																						
Fire brick																												1													
Fixtures				2																																					

Carload traffic over Southern Pacific and Atchison, Topeka & Santa Fe Railroads, between points in Salt River Valley and points in the United States, segregated as to commodities and States of origin, for the year 1920, as shown by the books of said companies—Continued.

Commodity.	Alabama.	Arizona.	Arkansas.	California.	Colorado.	Connecticut.	Florida.	Georgia.	Idaho.	Illinois.	Indiana.	Iowa.	Kansas.	Kentucky.	Louisiana.	Maine.	Maryland.	Massachusetts.	Michigan.	Minnesota.	Mississippi.	Missouri.	Montana.	Nebraska.	Nevada.	New Hampshire.	New Jersey.	New Mexico.	New York.	North Dakota.	Ohio.	Oklahoma.	Oregon.	Pennsylvania.	Tennessee.	Texas.	Utah.	Virginia.	Washington.	West Virginia.	Wisconsin.	Wyoming.
Flour					15								68							7																					
Frames (door)				1																																					
Fruit jars																												1				3			4						
Fuel oil				193																																					
Fruits and vegetables																												1				3			1						
Furnaces										1																															
Furniture		9	2	14					1	22	3	5	1	8				2	9	11		12		3			2				3	3	3	4	17				18	
Galvanized roofing																																									
Gas engines											2																						4								
Gas and oil				5																																					
Gasoline				77									24																			69			150						17
Glass										2			1																			2									
Glass bottles																																1									
Grain																											4														
Grape juice										1																1		1													
Grapes												1																													
Grease																													1												
Hardware and stoves	1			4						6	1		1						3			1						1		4			1	2	3				1	
Harness											1																														
Hay																																			1						
Hay bale ties										5																															
Hogs				4	2																							1												
Horses and mules				7	6				1	1													4					1								1	1			1
Horseshoes										3	1																							1							
Household goods			2	2	5					7		2	3	1					1			6		1			1	2		2	4		3	1	6				1	
Ice cans																													1			1									
Implements																													1			1									
Insulators																													1												
Iron																												1												
Iron (galvanized)																																		2							
Iron pipe fittings											1																														
Iron range boilers											1																														
Iron sinks																							1																		
Iron and steel articles	11	2		11	2				1	9	10			1				2				1		1							32			8	5	12			7	3	
Jams and jellies				4																																					
Kerosene				21																												6			1						
Lanterns																												1												
Lard					7																	1								1											
Lard substitutes																														7											
Lights																																		1							
Lime				5																																					
Lime (hydrated)				1																																					
Limestone																														1											
Linoleum																													2												
Locomotives																							1																		
Lubricating oil																																			1						
Lumber		145	1	415	1				6										4									5				435		3	39			61		1	
Macaroni																																1									
Machinery		4	12	25		3				21	3	1	1	1	1				5			4		1		1	1	2		15					15		1		12	
Maize																											48								12						
Maple tiling																																								1	
Matches				2																															1						
Mattresses																																									
Meat					2					2			4									14																			
Melons				4																								1												
Merry go round																																									
Metal lath																														1											
Metal sheets																														2											
Milk bottles																																1									
Mining timbers																																1									
Molasses															2																										
Motors										1																															
Nails										4																								3							
Oak flooring			3																																						
Oats													2									3		2								3									
Oil-burning steam engine																																1									
Oil and grease				33						3																	1														
Oil (corn)										2																															
Oleo butter				11						1																															
Oranges				21																																					
Packing-house products										4										3		53															34				
Paint				2																																					
Paper				4						2																														7	
Paper bags																1						1									1									2	
Peanuts				2																		1																			
Pet. refined oil				48																																					
Pianos										4																															
Pipe	9			5	2					7																					1			1	1						
Pipe (sewerage)				46	7																																				
Plants				1																																					
Plaster																											1														
Plate glass																						3													1						
Plows										2																															
Plumbing fixtures and material				3						1																									1						
Poles				3																															2				11		
Poles (cedar)									2																																
Post houses				1																																					
Potatoes																				3																					
Powder																																								1	
Power cable																											1														
Pulp board																													2												
Pump machinery				7																																					

Carload traffic over Southern Pacific and Atchison, Topeka & Santa Fe Railroads, between points in Salt River Valley and points in the United States, segregated as to commodities and States of origin, for the year 1920, as shown by the books of said companies—Continued.

Commodity.	Alabama.	Arizona.	Arkansas.	California.	Colorado.	Connecticut.	Florida.	Georgia.	Idaho.	Illinois.	Indiana.	Iowa.	Kansas.	Kentucky.	Louisiana.	Maine.	Maryland.	Massachusetts.	Michigan.	Minnesota.	Mississippi.	Missouri.	Montana.	Nebraska.	Nevada.	New Hampshire.	New Jersey.	New Mexico.	New York.	North Dakota.	Ohio.	Oklahoma.	Oregon.	Pennsylvania.	Tennessee.	Texas.	Utah.	Virginia.	Washington.	West Virginia.	Wisconsin.	Wyoming.
Pump (power house)					1					3																															
Pumps																																									
Raisins				1																																					
Refined oils				137						1		1	4							1						1					94			321						24
Refrigerators																			1																					2
Rice				3																																				
Rolled glass																						1																		
Roofing				23						2												1																	2	2
Rope										1																					1									
Rubber goods																															10									
Rubber hose																															1									1
Rubber tires																															4									
Salmon				1																																				
Salt				23						1			5																											
Sash weights																						2																		
Scouring compound										1																														
Sewing machines										2																														
Sheep				6					35																															
Sheep dip																			1																					
Sheet iron																															2									
Shingles				16																													7			20			4		
Shocks				3																								3												
Soap				7						3		1										5																		
Soda ash										1									4																					
Soda fountain outfit				1																																				
Sorghum seed																												1												
Springs											1																													
Spuds				103	25																			1															3	
Starch											4																													
Steam hoists										1																														
Steam shovels																																			1					
Steel shelters																																			1					
Steel bars																						1																	2	
Steel filings																						1																		
Steel-wire cloth																																				1				
Stoneware										2																														
Stoves										3									1			3									1								3	
Stove pipe										1																														
Street sweeping machinery										1																														
Sugar				18																																				
Sulphur				1																																				
Sirup										17												1																		
Tanks				6																																				
Tanks (steel)										1																														
Terra cotta				1																																1				
Ties																																				1				
Timbers				42																																1				
Tile				5									15																											
Tile (hollow)				279																																				
Tinware																						2																		
Tin cans																																				1				
Tires				1															1												4									
Toilet paper																													1											
Toys										1												1																		
Tractors				1	1					44									17			3									3								27	
Tractor engines										5										2		1																		
Transformers																						1																		
Trans. oil																											1		1											
Trucks				7						21	10								24												8		1	3					2	
Tubs				1																																			
Tubs (bath)										4																								1						
Tubs (lard)														1																										
Twine										2																														
Wagons				7						6	1									1		1																	1	
Wagon parts																																		1						
Wall board				3																									1											
Washing machines										2												1																		
Washing powder																						1																		
Well-boring outfit				1																																				
Well casings				1																																				
Well supplies				3																																				
Wheat				14	3								2															3												
Wheelbarrows																															3									
White lead										2																														
Wire										2																									2					
Wire mesh				1																																			
Wire and nails					12																																			
Wood			1																																				
Woodenware																						1																		
Wood plaster board																													1											
Writing fluid																			1																					
Wrought-iron chains																										1														
Wrought pipe																															11									
Yams																												3											
Flour and mill products		4		5	1				1				43																	1					2			2		
Other manufactured articles		8	1	278	1	2		1		1	12		1	1	7				2	2		26		2			1	1	11		10	3	39	1		35			20		45	
Total cars per State	22	206	26	2,897	142	7	1	3	48	457	104	36	195	32	12	3	4	12	377	40	1	218	6	33	9	1	18	564	67	1	225	193	502	39	18	961	46	1	114	18	213	43

Grand total, 7,935.

APPENDIX B.

DEPARTMENT OF THE INTERIOR,
UNITED STATES RECLAMATION SERVICE,
Washington, D. C., August 6, 1921.

Hon. HENRY F. ASHURST,
United States Senate.

MY DEAR SENATOR: In the absence of Director Davis we only received your letter of July 20, 1921, to him, requesting a revision of figures sent to you in 1919, showing the net investments in several Government reclamation projects.

When your letter arrived we were, for other purposes, compiling such data to the end of the last fiscal year, and as that is a convenient period to use, it seemed best to withhold reply until these figures were available.

I am now sending them herewith in a tabulation similar to the one returned with your letter.

You may recall that these figures were made up in this way originally by specific request from your office by telephone. They are not in the form that we would select for ordinary purposes of publication because there is danger that they will mislead.

In other words, the inclosed figures are bookkeeping data and involve considerable duplication that swell the totals and make these misleading unless there is given and read with them considerable explanation. For example, we are constantly transferring from one project to another machinery, equipment, and materials in order to work the greatest economy and efficiency in utilizing these.

To keep the books showing the investments in any particular project, it is necessary to include an agreed value for such things transferred from and to the project. Thus, the total investment for each project includes "transfers received" of such things, and the column "Reimbursements and credits" includes "transfers issued." On any particular project these two entries necessarily differ, and hence must be included to bring out the net investment for that project, whereas for all projects these items merely balance one another and swell the totals, aggregating upward of $8,600,000.

The figures given for total investments include cash disbursements from the reclamation fund, appropriations for "increase of compensation," and other special appropriations, such as that of a million dollars toward the cost of Elephant Butte Dam under the act of March 4, 1907; others for judgments of the Court of Claims, the funds for the Yuma auxiliary project, etc.

At the bottom of the table you will notice a number of other items added to bring the figures into agreement with our book totals. The "secondary projects" include a great number of possibilities that have been surveyed or examined from time to time in addition to the projects actually undertaken. For example, in Arizona this includes the San Carlos, San Pedro, Sentinel, and other propositions that will occur to you.

The item of "general expense" includes headquarters offices at Washington and Denver for administration, engineering design, and other purposes, legal services, and many other items that can not readily be allocated to particular projects except in bulk from time to time on the basis of expenditures or similar criteria. This item of general expense is the largest one included under the head of transfers already mentioned.

The item entitled "Indian projects" represents expenditures from the reclamation fund reimbursed by the Indian Bureau.

If you intend to publish these figures and want to avoid the possibility of misleading suggested above, you may want to use merely the figures of "net investment." In most cases we find that figures of cost rather than investment answer the questions in the minds of inquirers, and if you wish figures on a cost basis, or if we can otherwise be of further service in this connection, we shall be glad to do so.

Very truly yours,

MORRIS BIEN, *Acting Director.*

APPENDIX C.

Reclamation projects investment to June 30, 1921.

State.	Project.	Total investment of United States.	Reimbursements and credits.	Net investment of United States.
Arizona	Salt River	$14,738,768.28	$4,800,610.32	$9,938,157.96
Arizona-California	Yuma	11,353,345.18	2,330,516.52	9,022,828.66
California	Orland	1,330,107.50	411,650.07	918,457.43
Colorado	Grand Valley	4,051,877.50	234,165.35	3,817,712.15
Do	Uncompahgre	7,873,432.32	1,214,326.00	6,659,106.32
Idaho	Boise	15,080,090.12	3,168,134.50	11,911,955.62
Do	King Hill	1,359,866.98	54,356.61	1,305,510.37
Do	Minidoka	8,866,272.26	4,038,517.85	4,827,754.41
Kansas	Garden City	402,424.80	69,063.14	333,361.66
Montana	Huntley	2,511,337.38	841,256.80	1,670,080.58
Do	Milk River	3,881,950.40	210,097.77	3,671,852.63
Do	St. Mary Storage	2,904,882.94	158,565.01	2,746,317.93
Do	Sun River	4,354,658.49	456,792.73	3,897,865.76
Do	Lower Yellowstone	3,780,806.97	318,825.18	3,461,981.79
Nebraska-Wyoming	North Platte	14,240,256.48	2,960,317.42	11,279,939.06
Nevada	Newlands	7,691,941.87	1,349,537.06	6,341,404.81
New Mexico	Carlsbad	1,893,115.31	677,633.86	1,215,481.45
Do	Hondo	407,745.12	35,842.46	371,902.66
New Mexico-Texas	Rio Grande	12,963,441.23	1,746,396.42	11,217,044.81
North Dakota	North Dakota pumping	1,584,033.21	519,601.59	1,064,431.62
Oklahoma	Lawton	[1]	[1]	[1]
Oregon	Umatilla	3,249,935.01	793,916.49	2,456,018.52
Do	Deschutes	2,041.53	7,407.29	5,365.46
Oregon-California	Klamath	3,986,187.17	990,872.96	2,995,314.21
South Dakota	Belle Fourche	4,413,894.12	1,012,666.36	3,401,227.76
Utah	Strawberry Valley	4,154,753.17	864,211.43	3,290,541.74
Washington	Okanogan	1,659,232.53	294,233.95	1,364,998.58
Do	Yakima	13,845,153.71	5,224,092.68	8,621,061.03

[1] Included in secondary projects.

Reclamation projects investment to June 30, 1921—Continued.

State.	Project.	Total investment of United States.	Reimbursements and credits.	Net investment of United States.
Wyoming	Shoshone	$7,808,514.85	$1,159,009.35	$6,649,505.50
Do	Riverton	172,885.52	18,271.41	154,614.11
Various	Secondary	1,760,256.72	562,330.17	1,197,926.55
	Civil Service, retirement and disbursement fund.	22,785.00	16,925.18	5,859.82
Subtotal		162,345,393.97	36,540,143.93	125,805,250.04
Wyoming	Jackson Lake enlargement.	(1)	(1)	(1)
General expense		6,181,268.14	6,015,817.56	167,450.58
Indian projects		3,145,052.66	3,145,052.66	
	Yuma auxiliary	221,774.13	424,080.63	[2] 202,306.45
	Drainage and cutover.	100,987.52	464.51	100,523.01
Total		171,996,476.47	46,125,559.29	125,870,917.18

[1] Included in Minidoka project.
[2] The reimbursements exceed the investment.

Mr. RANSDELL. Mr. President, I am strongly in favor of the pending bill and earnestly hope its passage will not be long delayed. It is nearly four years since the war closed on November 11, 1918, and further procrastination on this measure of meager justice is wholly unwarranted.

The war came very close to me. Unfortunately, I had no children to enlist in any branch of service, but quite a number of my relatives and friends participated in the great struggle.

My wife's nephew, Thomas J. Powell, jr., of Lake Providence, La., left a young wife and three small children to join the colors. He led his troops as first lieutenant in the Battle of St. Mihiel, where our forces covered themselves with so much glory, and was killed in action on the 12th of September, 1918. Tom was a handsome, attractive young fellow, much beloved by all who knew him, especially by his aunt, Mrs. Ransdell, and myself. He felt it his duty to go, although not subject to service under the law, and willingly paid the supreme sacrifice on the altar of his country.

As soon as war was declared my assistant secretary, Jody M. Davidson, who had occupied the most intimate relations with me for two years, enlisted in the Army. Jody was one of the finest young men I have ever known, sensible, good-looking, and of very engaging personality. He soon rose to the rank of first lieutenant, bore a heroic part in the strife, and was killed while successfully attacking a machine-gun nest in the Argonne five days before the armistice. Jody was the only son of my good friend W. M. Davidson, of St. Joseph, La., and his loss was hard to bear.

These two cases and several others cause me to feel more than ordinary interest in everything that relates to the awful war, especially in the young men who survived its horrors and who are to receive the meager, long-delayed compensation for their service provided in the pending bill.

I realize that the less talk there is on this subject the sooner a vote will be obtained and the earlier the soldiers will begin receiving the adjusted compensation, in my estimation. It is my purpose to submit to the Senate the reasons which, to my mind, overshadow all others and make it imperative that we pass this measure at the earliest possible moment. The great impelling force which prompts us to carry this measure through is that of a sacred, moral obligation. Numerous reasons have been assigned in support of the bill and countless arguments against it. Friends of the measure are not advocating a bonus to the soldiers as a reward for valor displayed or in gratitude for victory won. They recognize that the Nation owes these ex-service men, in all fairness and honesty, the adjusted compensation provided in the pending bill, and they are determined it shall be paid without further delay. Time for action has come.

It is nothing new, Mr. President, to hear the word "obligation" spoken on this floor in this connection, but it carries with it the same solemn meaning that it did when first uttered, and with each succeeding day of postponement has acquired greater and mightier import until at last it has borne down on those who have tried to escape with such force that they can no longer resist. In my opinion the United States has taken reasonable care of every other duty and obligation thrust upon it as a result of the World War save this one. When our national honor was threatened and the public safety endangered did we not then do the only thing which an upright, civilized nation under the circumstances could do, and that was to

wage war on our assailant? That was the first great duty which the Government owed to its people. When the die was cast, did we not immediately proceed to raise, arm, and equip one of the strongest armies that ever championed the cause of right, and with all the fervor of our hearts and strength of our bodies arrange in rapid succession the many details which go to make up an efficient military organization? Would it not have been a shameful neglect of duty had we done less? We raised an army of 4,500,000 men, equipped them, trained them, and transported half of them to Europe without the loss of a single life from a German submarine. They bravely faced our enemy, fought our battles, drenched the sacred fields of France with as good blood as has ever been spilled to vindicate the principles of liberty and justice, and when victory was won they returned home, leaving heavy toll of heroes who had died to save the world. There was nothing too good for our soldiers then, and nothing seemed left undone to mar the thoroughness and faithfulness with which every obligation and duty was performed. However, in the rush to end the conflict and in the midst of the wave of patriotism which swept the country, we neglected and failed to provide anything like a fair compensation for the services performed by our soldiers. Among all the obligations which we assumed because of the war this stands out as the one not properly met by Congress.

We can no longer afford to delay in making at least a partial settlement of the heavy obligations we are under to the men who fought and bled for us on the battle fields of Europe and those who were ready to cross the sea whenever called. I say partial, because any amount we give them will be parsimonious when we consider what they are justly entitled to, not for their willingness to serve, even unto death, not for the losses they were subjected to upon their return here, but in the way of a small compensation for service performed and for the time these men lost from the ordinary pursuits of life. All agree that we are under heavy obligations to our ex-soldiers. It is true that these obligations can not be discharged by the payment of any sum of money. It is true that the spirit which leads a man to lay down his life in defense of his country can not be bought and paid for in dollars and cents. But this is not what is sought after in paying the soldiers this adjusted compensation. The very title of the bill signifies its purpose. It recognizes that the wage which we agreed to pay our soldiers during the World War was wholly inadequate, unjust, and unfair. At that time many billions had to be loaned to our allies, many billions had to be spent for supplies, munitions, and transportation. We could not afford larger salaries to our boys then, but the amount we paid them, which was fixed by law and not by mutual consent as in case of employer and employee, could certainly not have been intended as full and sufficient compensation. To say that it was so intended would be to admit that America, the richest nation on earth, would pay to its soldiers who risked their lives for their country the most niggardly compensation ever paid by any nation in proportion to its ability to pay.

When the war came upon us 24,000,000 of our men were within the draft age, from 21 to 45. Three millions were drafted into service under the selective service law because of their good physical qualifications. To those three million we paid a wage of $1 per day, with board and lodging. The board and lodging, or subsistence as it is called in the Army, amounted to about $2 per day, so that in all we paid these men about $3 per day. Twenty-one million of the same class of military age were permitted to remain behind and enjoy all the comforts of home, the society of friends and loved ones, and to receive for services higher compensation than has ever been known in the history of our country. By what theory of justice can we say to these 3,000,000 men, "Because of your soundness of body, your youth, health, and strength you must go to far-off Europe, expose yourself to the mud, wind, rain, and cold, endure the most strenuous hardships, risk your lives on the battle fields, where death stalks with swift and relentless tread, and receive as your compensation $3 per day—not as much as is paid the ordinary day laborer"; while to 21,000,000 others we say, "Because of your weak eyes, bad teeth, flat feet, or the essential employments in which you are engaged, or because of persons being dependent upon you, you shall remain at home amidst all who are near and dear to you, enjoy all the luxuries of life, work in a factory or shipyard or farm, and receive from $6 to $12 per day (an average of $9), or work in some office and receive $5 or more per day"? By what rule of fairness can we thus put a premium on physical defectiveness, employment, and dependency, and penalize youth, good health, and strength? True, the youth of every nation must fight its battles; but can any nation find justification in being more generous to the young man who stays at home and lives in luxury than to the one who suffers great hardships and offers his life in order that his country might be saved?

When called upon to go these men could not delay or quibble and say, "Mañana," or "We can not go to-day because it would jeopardize our future and subject us to irretrievable losses." No; they went promptly and willingly. Most of them had been earning in their individual capacities three or four times the compensation paid by the Government. They knew that all who stayed at home would reap immense profits from the war. Almost every man engaged in business during that great struggle enjoyed greater returns than ever before and paid higher compensation to his employees than ever before. The men who went and risked life and limb, however, had to accept a mere pittance for their compensation. They did not complain. They gladly faced death to save their homes and civilization from the bloody hand of Prussianism. They fought and were victorious. Through their dauntless courage and indomitable spirit the war was brought to a termination several years before we dared hope that it would be. This speedy end saved the Nation many more billions than the adjusted compensation would cost us; in fact, it is said that such a quick consummation saved us at least $15,000,000,000 to $20,000,000,000. In my judgment, the saving was much larger.

The Senator from North Dakota [Mr. McCUMBER], chairman of the Finance Committee, one of the fairest and ablest Members of this body, said in his speech here on the 23d instant that "a fair and conservative estimate would place the final cost [of the adjusted compensation] at $3,500,000,000, scattered along the pathway of 40 years." He also said that if the compensation were "settled entirely in cash it would not cost in excess of $1,561,000,000." So we see that the prompt, effective action of our soldiers in bringing the war to a speedy close saved the Nation many times the amount we propose to spend on them under the terms of this bill.

Mr. President, we all know the inevitable conditions that follow war, for they have followed every war. Industrial depression, strained money conditions, unemployment, and famine are its natural results, until the world regains its equilibrium. When the war was over the same story was repeated here and abroad. Factories and mills turned off hundreds of thousands of their employees; every business and industry in the country did likewise, until the ranks of the unemployed numbered well up into the millions. Then, Mr. President, what did the United States do with its soldiers who had been receiving $1 per day in money for their incomparable work and sacrifice? It is here that the shameful story must be told of how the richest and most powerful Nation on the globe brought its penniless soldiers home, gave them $60 bonus and dumped them down into a land of unemployment to seek jobs where there were none. Perhaps there are some who will say, "Oh, well; that is the way with war." If they can find consolation in that, they are welcome to it.

The conduct of this Government toward its soldiers since the end of the war stands out in bold contrast when compared with the treatment of other soldiers at the hands of their countries.

Other smaller nations with much less wealth have long since adjusted the compensation of their ex-service men. Canada, with a national wealth estimated at $11,119,953,000 and an indebtedness of 20 per cent thereof, has paid adjusted compensation to her soldiers since the war averaging $540 each. France, with a wealth of $58,398,000,000 and an indebtedness of more than 94 per cent thereof, has paid an average of $95.25 each. Great Britain, with a national wealth of $70,564,250,000 and an indebtedness of more than 52 per cent of her wealth, has paid an adjusted compensation which averaged $101.50 each. Belgium, with a wealth of $14,307,510,000 and an indebtedness of 26 per cent of her wealth, has paid an average of $287 each; and Australia, with a wealth of $7,445,745,000 and an indebtedness of 25 per cent thereof, has paid an average of $409.50 as adjusted compensation to its ex-service men. Yet this great Nation, with an estimated wealth of $204,393,000,000 and an indebtedness of only 11.7 per cent, has thus far paid a bonus of only $60 each.

Under the terms of the pending bill the compensation to a soldier could not exceed $625 in the case of overseas service, and $500 in the case of home service. I am unable to ascertain what the average compensation would be, but a fair assumption is that it would be not to exceed $400 each, or less than the amount paid either by Australia or Canada. In other words, our mighty Republic, with a national wealth nearly twenty times as great as Canada, and a debt of only 11.7 per cent as compared with Canada's debt of 20 per cent, would, in the event this bill is passed, pay to the men who saved not

only the Republic, but the world from destruction a sum smaller by at least $140 per capita than Canada paid to its soldiers in the way of adjusted compensation. Is not that a humiliating position for the United States to occupy?

Our first obligation at the close of the war, after the dead had been buried and their dependents cared for, was to the men who were wounded and diseased as a result of their service. We have spent hundreds of millions of dollars in an attempt to care for the dependents of the dead, bind the wounds of the maimed and injured, and soothe and comfort the pains and anguish of the bed-ridden. Extreme liberality toward these most worthy ends must be exercised, and the work must go on until completed. We have by no means fully discharged that obligation as yet, but a good start has been made. The time has come when we must turn to those obligations not so pressing, but just as binding, and endeavor to adjust the compensation of our soldiers in order that it may be at least comparable to that paid the lowest priced laborers in the United States during the war.

In doing this we would not be setting a precedent. Our Government has always recognized generously the service of our soldiers. Even during the Civil War, when the wealth of the Nation was but a small fraction of what it is to-day, this principle was applied in a system of bounties paid for voluntary service.

I will not discuss how the money is to be raised to meet the requirements of this bill. To my mind, the obligation is so strong and pressing that we can not afford to dicker about whether the money to meet it is to come from this source or that. Let us pass this bill, acknowledge our indebtedness in simple language, as any honest man admits a debt which he justly owes, and provide for its payment from time to time, as is done in the case of other legitimate expenses of Government. Is it possible that we have money for every conceivable purpose, good or bad, and yet when it comes to adjusting the compensation of the saviors of our country that the doors of the Treasury must close? If they had not fought and kept back the Prussian hordes we might now be facing the conditions which threaten the complete destruction of Germany. Does anyone think that the cost of the proposed adjusted compensation will amount to anything like the reparations which would have been demanded of us by Germany had we gone down to defeat?

Mr. President, so long as war was on and our boys in Europe were bleeding and dying for our safety and comfort there was no end to the amount of money the United States could raise to foot its bills; we floated with ease five Liberty loans, aggregating $17,000,000,000, and if a sixth, seventh, or eighth Liberty loan had been necessary to carry on the war we all know it would have been floated and the money, even had it amounted to an additional $17,000,000,000, would have been forthcoming; but now, when victory is won and the national security assured, is it not strange that we suddenly become too poor to adjust the soldiers' salaries on an equitable basis? In the meantime, however, our Government has seen fit to repeal the excess-profits tax, which yielded about $615,000,000 per year. I wonder if Germany would have taken off that tax if our boys had not defeated her and she had been victorious? A tariff law has been enacted which will probably produce a handsome revenue for the Treasury. The proponents of the disarmament program were not slow in telling us of the vast saving it would accomplish for the Nation. In addition to these, we were informed by the chairman of the Finance Committee, in his address here on the 23d instant, that—

> Great Britain is preparing to meet the interest due this fall (on the debt she owes the United States), and if she does so we shall have in advance a sum from that source alone more than sufficient to meet the first two years' obligations under this measure.

He continues:

> The British Government has included in its budget of expenses for the ensuing year an item to cover the interest due the United States. That sum is just as much assured as though the actual bonds had been issued.

Does this look as though we will have to issue any bonds or levy additional taxes on the people in order to finance this bill? Then, Mr. President, in the face of these facts I ask in all fairness, How can we turn to the soldiers and say, "We can do nothing for you"?

The soldiers have no mortgage or privilege recognized by law with which to confront us, but theirs is a moral obligation which we are in honor bound to meet, an obligation higher and holier than one resulting from any statutory provision or ordinary contract. If we wish to settle it, we can find means to do so; and if not, there are a thousand excuses to hide behind.

In the name of justice and a square deal, let us adjust this honest debt without further delay.

EXTERMINATION OF INSECTS.

The PRESIDING OFFICER (Mr. REED of Pennsylvania in the chair) laid before the Senate the following concurrent resolution of the House of Representatives, which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

House Concurrent Resolution 66.

Resolved by the House of Representatives (the Senate concurring), That the Architect of the Capitol be, and he is hereby, authorized and directed to make a contract for the extermination and banishment of insects from the House Office Building, the Capitol, and the Senate Office Building at an expenditure not to exceed $2,500. That the expenditures in carrying out the contract be paid from the contingent funds of the House and Senate in equal proportions, and upon vouchers authorized by the respective committees having control of the contingent funds of the Senate and House of Representatives and approved by the chairmen thereof.

SALT RIVER RECLAMATION PROJECT.

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 10248) authorizing the sale of surplus power developed under the Salt River reclamation project, Arizona, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. McNARY. I move that the Senate insist on its amendments, agree to the conference asked by the House, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. McNARY, Mr. JONES of Washington, and Mr. SHEPPARD conferees on the part of the Senate.

FEDERAL RESERVE BRANCH BANK AT LITTLE ROCK, ARK.

Mr. ROBINSON. Mr. President, I introduce the joint resolution which I send to the desk and I ask for its present consideration.

The joint resolution (S. J. Res. 238) authorizing the Federal Reserve Bank of St. Louis to enter into contracts for the erection of a building for its branch office in Little Rock, Ark., was read the first time by its title and the second time at length, as follows:

Resolved, etc., That the Federal Reserve Bank of St. Louis be, and it is hereby, authorized to enter into contracts for the erection of a building for its branch bank at Little Rock, Ark., on a lot previously acquired: *Provided*, That the total investment in such building shall not exceed $400,000.

Mr. ROBINSON. I ask unanimous consent for the present consideration of the joint resolution, and in connection with it I desire to make a very brief statement.

On the 12th of June the Senator from Missouri [Mr. SPENCER] introduced a resolution, which was referred to the Committee on Banking and Currency and unanimously reported by that committee, authorizing the Federal Reserve Bank of St. Louis to construct a building at its headquarters and also a building in the city of Little Rock. When the resolution was in the Senate for consideration it was amended to include the Federal reserve bank at Salt Lake City, that bank being authorized by an amendment adopted in the Senate to construct a building in the city of San Francisco. The resolution passed the Senate and went to the body at the other end of the Capitol, and was referred to the Committee on Banking and Currency of that body.

On a recent date the bank authorities who, as I understand, had prompted the Senator from Missouri to introduce the original resolution, providing for the construction of buildings in St. Louis and Little Rock, acquiesced in an amendment by the committee in the House of Representatives striking from the resolution the provision for buildings, except for the reserve bank headquarters in the city of St. Louis, leaving provision in the resolution for that city alone.

The only reason assigned in the report on the resolution made by the House committee is to the effect that it was thought that the buildings at other places could wait and that the building at St. Louis ought to be proceeded with immediately. My information, obtained through the office of the Senator from Missouri [Mr. SPENCER], is to the effect that the head of the bank at St. Louis came to the conclusion that the resolution could be more speedily passed if the other provisions were eliminated, leaving St. Louis alone provided for.

I have a statement of the business done by the Little Rock branch bank, which shows that it exceeds the business done by other branch banks, including those at Portland, Oreg.; Nashville and Memphis, Tenn.; New Orleans, La.; Jacksonville, Fla.; El Paso, Tex.; and Helena, Mont.

Mr. JONES of Washington. As I understand, the Senator is just introducing the joint resolution?

Mr. ROBINSON. I am asking for its present consideration, it having in substance been reported as a part of the Spencer

resolution from the Committee on Banking and Currency unanimously.

Mr. JONES of Washington. This joint resolution?

Mr. ROBINSON. Not this identical measure, but authority to construct a building at Little Rock was embraced in another which was passed by the Senate.

Mr. JONES of Washington. That is what I wanted to ascertain. As I understand it, the Senator is introducing the joint resolution and asking for its immediate consideration, but in substance it has heretofore passed the Senate——

Mr. ROBINSON. Yes. There is a difference in the limitation of cost imposed, however.

Mr. JONES of Washington. I shall not object to it, although the general rule of the Senate is, of course, that joint resolutions should go to a committee.

Mr. ROBINSON. If the substance of the joint resolution had not already been considered by a Senate committee and had not already been passed by the Senate, I should take the course of referring it to a committee.

Mr. JONES of Washington. By reason of that fact I shall not object.

Mr. ROBINSON. I thank the Senator from Washington.

The PRESIDING OFFICER. The Senator from Arkansas asks unanimous consent for the present consideration of the joint resolution. Is there objection?

There being no objection, the joint resolution was considered as in Committee of the Whole.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBINSON. I ask unanimous consent to have printed in the RECORD, in 8-point type, the statement to which I previously referred.

There being no objection, the statement was ordered to be printed in the RECORD, in 8-point type, as follows:

LITTLE ROCK (ARK.) BRANCH FEDERAL RESERVE BANK.

The Little Rock branch of the Federal Reserve Bank of St. Louis was established on January 6, 1919. The branch at that time had 2 officers and 15 employees; now have 3 officers and 62 employees; total of 65 on the pay roll at this time.

The branch Federal reserve bank at Little Rock occupies quarters on the second floor of the Southern Trust Building, which have long since proven inadequate to properly take care of the bank's business. The vault facilities are poor on account of smallness of the vault. This branch bank at Little Rock has justified its establishment, as the following figures show for themselves:

Net profits:	
1919	$104,000
1920	407,000
1921	500,000
Total	1,011,000
Loans:	
1919	96,000,000
1920	152,000,000
1921	140,000,000
Total	388,000,000

Transit items.	Number.	Amount.
1919	1,660,000	$386,000,000
1920	4,030,000	695,000,000
1921	4,250,000	525,000,000
Total	9,940,000	1,606,000,000

Collections, 1921, 11,130	$10,764,000
Liberty bond coupons, 1921, 198,171	717,400
Wire transfers of funds, 1921:	
Number incoming, 3,643	94,000,000
Number outgoing, 2,151	41,000,000
Currency and coin, 1921:	
Receipts	29,497,300
Disbursements	25,015,800

The Little Rock branch is handling more items than the branch Federal reserve banks located at Memphis, New Orleans, Portland, Nashville, Spokane, Helena, Jacksonville, and El Paso. Items are collected on 300 banks in Arkansas.

A lot at the corner of Third and Louisiana Streets, Little Rock, was purchased in January, 1921, at a cost of $85,000, for the purpose of erecting a building for the Little Rock branch, Federal Reserve Bank of St. Louis. Plans have been drawn for the building which have been approved by the Federal Reserve Bank of St. Louis, and it is our understanding that the consulting architect of the Federal Reserve Board has approved these plans. We are advised by the officers and directors of the Little Rock branch that they are very anxious to begin their building, and they say they are advised by the chairman of the board of the Federal Reserve Bank of St. Louis that the directors of the Federal Reserve Bank of St. Louis are very anxious to see this building for the Little Rock branch begun, but that the chairman of the board of the St. Louis bank has been notified by the governor of the Federal Reserve Board that in view of legislation pending no buildings can be begun.

The Federal Reserve Bank of St. Louis say that if the governor of the Federal Reserve Board will advise them that it is satisfactory to go ahead with the building of the Little Rock branch, they will be more than pleased to instruct the officers of the Little Rock branch to go ahead with the building as outlined in the plans that have been approved.

The following list covers State bank members of the Federal reserve system in Federal reserve district No. 8; and upon examination of this list you will see that there are more State bank members of the Federal reserve system in Arkansas than any other State in the eighth Federal reserve district; Arkansas having one-third of the State bank members in the district:

State bank members of the Federal reserve system in Federal reserve district No. 8.

Arkansas	36
Missouri (add about five members since this was made up to Missouri)	34
Illinois	17
Tennessee	11
Kentucky	5
Mississippi	3
Indiana	2
Total	108

The Little Rock branch handled 1,400,000 items more than the Memphis branch during the year 1921 and 1,200,000 items more than the New Orleans branch during the year 1921. The following list covers items handled during the year 1921 by branch Federal reserve banks:

Little Rock, Ark	4,238,626
Portland, Oreg	3,796,612
Nashville, Tenn	3,463,043
New Orleans, La	3,012,888
Spokane, Wash	2,937,509
Memphis, Tenn	2,802,536
Jacksonville, Fla	2,753,276
El Paso, Tex	2,374,898
Helena, Mont	2,365,000

There are 69 member banks attached to the Little Rock branch, and at this date no member bank attached to this branch bank in Little Rock has failed or closed its doors; and with the volume of loans amounting to $388,000,000 during the three years this branch at Little Rock has been established, no loss has occurred on a loan.

The cost of the proposed building for the Little Rock branch of the Federal Reserve Bank of St. Louis will be arranged as follows:

Building structure		$150,000
Plumbing and drains	$11,000	
Heating	16,000	
Refrigeration, ice water	3,000	
Generating plant	3,750	
Ash hoist	750	
Portable cleaners	350	
Elevators and inclosures	17,250	
Mail chutes	1,000	
Lamson tubes	1,800	
Electric wiring	9,500	
Lighting fixtures	6,500	
Screens	1,500	
		72,400
Total		222,400
Vaults, doors, time locks, protection, and grille		70,000
Permanent fixtures		50,000
Grand total		342,400

ZAH BARMON.

Mr. CAPPER. From the Committee on Claims, I report back favorably, with an amendment, the bill (H. R. 7425) for the relief of Zah Barmon, and I submit a report (No. 891) thereon.

Mr. JONES of Washington. I ask for the present consideration of the bill. It is to repay money that was deposited on a bid and which went into the Treasury. It was afterwards found that it should be refunded; but it could not be refunded, because it had passed into the Treasury. The bill has passed the House.

There being no objection, the bill was considered in Committee of the Whole.

The amendment was, in line 4, after the word "pay," to insert "out of any money in the Treasury not otherwise appropriated," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay out of any money in the Treasury not otherwise appropriated to Zah Barmon, of Spokane, Wash., doing business under the trade name of "Mikes' Trading Store," the sum of $3,625, to reimburse her for said amount of money deposited by her in connection with a bid submitted for certain surplus property advertised for sale by the surplus property division of the War Department and erroneously covered into the Treasury of the United States.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

THE PITTMAN SILVER ACT.

Mr. HEFLIN. Mr. President, I ask unanimous consent to have printed in the RECORD, in 8-point type, a splendid article prepared by the Senator from Nevada [Mr. PITTMAN]. It explains the Pittman Act and gives a brief history of silver legislation by Congress.

There being no objection, the matter referred to was ordered to be printed in the RECORD, in 8-point type, as follows:

STATEMENT BY SENATOR PITTMAN.

The Pittman Act is responsible, if responsibility must be placed, for the Government at this time paying $1 an ounce for American silver while silver produced everywhere else in the world is now selling in all countries, including our own, around 70 cents an ounce.

The life of the act is now, and for some time has been, threatened by violent efforts to have the purchasing clause repealed. It is largely through misunderstanding of the act and ignorance of its history that propagandists who are inspired by selfish motives have been able to create a widespread sentiment against the act.

These propagandists attempt to create the impression that the United States Government is paying the silver producer a bonus in a sum equal to the difference between the world market price and the sum of $1 an ounce paid by the Government to the producer of American silver. The Government does not pay any bonus whatever to the producer of American silver. The Government simply pays to the producer of American silver the dollar an ounce that it received from the sale, under the Pittman Act, of silver dollars in the Treasury of the United States. The Government loses nothing by the transaction. It is simply transferring British dollars to the producer of American silver, maintaining the production of the silver industry in the United States, and obtaining preference for American silver mines over the mines of every other country.

Now, let us refer to the history of the act. In the winter of 1917 and 1918 the price of silver was below 80 cents an ounce, and at the same time the cost of silver mining was over 60 per cent above normal by reason of war conditions. Silver mines were threatened with a close-down by reason of this low price and the extreme high cost of production. The governors of western States, representatives of civic bodies, committees of mine operators, and financial experts met in Washington with the Senators and Congressmen of the silver-producing States and conferred with the Treasury Department, the Director of the Mint, and other administration officers and governmental experts, with regard to the Government anticipating its needs for subsidiary coinage and purchasing silver in advance of requirements for the purpose of sustaining the silver industry. These conferences continued for several weeks. The great question at issue was the price that the Government should pay for the silver. It was finally agreed between the representatives of the United States Government and these various other representatives in conference that $1 an ounce was a reasonable price to be paid for silver, and that such price would no more than keep the mines in operation.

Then there suddenly developed a grave war condition that urged the Government to immediate action. I was sitting in my office one day in the early part of 1918 when I received a telephone message from Mr. Raymond T. Baker, the Director of the Mint. He urged me to come down to the Treasury Department immediately to confer with regard to some very important matters relating to the production and price of silver. I had already made preparations to depart from Washington on official business within 20 minutes after I received the telephone message. I stated this fact to Mr. Baker and told him that I would return in two days' time and would then take the matter up with him. He then called Mr. Leffingwell, the Assistant Secretary of the Treasury, to the phone, and Mr. Leffingwell told me that it was not only a matter that affected the welfare of the silver industry but that it was much more serious; that immediate action was necessary to prevent disastrous consequences to our success in the war. I, of course, went immediately to the Treasury Department. There I found Mr. Leffingwell, Mr. Straus, Mr. Baker, and other representatives of the Government, the British ambassador and other representatives of foreign countries, giving instant evidence by their demeanor of the grave crisis that occupied their thoughts.

The British ambassador at once frankly stated the case. He informed us that the Indian Government, under British supervision, had spent years and years teaching the Indians to accept paper certificates in lieu of silver rupees, which certificates were payable in silver on demand; that to facilitate this development the Indian Government had established many agencies of redemption throughout India.

The Indians had finally become confident of the power and willingness of the Indian Government to redeem these certificates and a large surplus of silver for redemption purposes was not required. Therefore this surplus had been allowed to decrease, and there was not near enough silver in India to redeem the certificates if presented. The Germans, so he told us, had started a propaganda in India to the effect that the British Government could not redeem its silver certificates, and this had started a run on the Indian redemption agencies. He frankly confessed to us that in a very few days the Indian Government would be compelled to admit that it could not redeem these certificates unless a supply of silver could be obtained, with the result that there would be great disturbances in India.

We all knew what a revolution in India at that time would mean. We knew that the great German drive against the west front was about to start. We realized that many of the depleted allied forces would have to be withdrawn to meet the effects of an Indian revolution. We did not deceive ourselves. We knew it might change the whole course of the war.

Astounding as is the fact, it was discovered that there was no surplus supply of silver in the world except the four hundred and odd millions of silver dollars lying in the Treasury of the United States to secure the redemption of the silver certificates issued against them. These silver dollars were placed there by our miners, and they were their security for their silver certificates. Our patriotism demanded that we find the means of utilizing this silver.

It may occur to the reader that it is strange that the Indian rupee certificates were not redeemed in gold, and yet it may seem stranger still to know that there are people in India, and the very same people who were supplying us with the jute bagging that was so necessary in the war, who will accept nothing but silver.

Congress, and Congress alone, had authority to authorize the melting up of these silver dollars and the supplying of the bullion derived therefrom to the Indian Government. Congress could be counted upon for favorable action, of course. Western Senators and Congressmen were confronted with a dual duty, and while it was their duty to help prevent revolution in India it was their duty at the same time to see that their own industries and their own people did not bear too heavily this burden.

We only required that the silver dollars be sold at a fair price and that such dollars be recoined and replaced from American silver purchased at the same price.

Representatives of the Government desired to fix the selling and purchase price at the then market price, approximately 80 cents an ounce. There were representatives of the silver-producing States who insisted that the selling and purchase price should be $1.29 an ounce. A compromise was finally reached on $1 an ounce, the price that had theretofore been agreed upon at the conferences to which I have referred.

I introduced the bill in the United States Senate. It was referred to the Committee on Banking and Currency. There were Senators and Congressmen who feared it was another free and unlimited silver coinage wedge. There were ardent free and unlimited silver coinage advocates who wanted to substitute a 16 to 1 bill. We knew if the debate were started no

bill could be passed. The Senators and others representing the silver States, together with the representatives of the Government, appeared before the committee and explained the situation. The committee unanimously approved the bill and reported it to the Senate. There were few speeches made on the subject in the Senate, and those speeches carefully guarded the prime purposes of the bill, as publicity would have but increased the danger. Each Senator, however, was personally informed with regard to all the facts. Every now and then some Senator would enter the Chamber who by some chance had not received information with regard to the bill. He would rise to his feet for the purpose of asking questions, but his coat tail would be tugged by some other Senator and he would silently and in amazement collapse in his seat.

The bill passed the Senate with only two dissenting votes. It went to the House of Representatives. It was referred to the Committee on Banking and Currency of that body. All of us again appeared before that committee and fully explained the facts and the necessity of the case. That committee unanimously approved the bill and favorably reported it to the House, and its passage through that body followed the same course that it did in the Senate. No bill of such far-reaching importance was ever so peculiarly passed or so rapidly acted upon.

The bill became a law under a fair compromise and by virtue of the solemn agreement between the Government, represented by its executives, and the Congress of the United States. That bill never could have become law over the objections of the Senators and Congressmen from the silver-producing States. It was within the power of such Senators to have filibustered against the bill indefinitely and thus to have prevented its passage. It is unthinkable that the Senate and the House of Representatives, under these sacred considerations, could for one moment, after being informed of all the facts, consider the repeal of this act, the repudiation of their contract, and the dishonoring of Congress and our Government.

And yet Congress is a changing body and composed of many men from many different kinds of localities, and there anything is possible. It is for this reason that the deception that is being spread broadcast throughout the country should be exposed and the facts given to the public.

But we of the silver-producing States have an additional interest in the preservation of this act. Our mines could not operate with silver at less than a dollar an ounce. Our mines would all be closed down if we could only receive the present world market price of silver. The killing of this great industry would mean poverty and distress in hundreds of localities throughout the West and the great diminution of the commercial power of the whole country. I am confirmed in this statement by numerous reports from silver-mine operators throughout the country.

The next question of vital importance to those interested in the production of silver is the length of time that this act will be operative, or, in other words, how long will the Government continue to pay a dollar an ounce for American-produced silver?

The act provides that the Government shall purchase upon presentation every ounce of American-produced silver and pay therefor $1 until the silver dollars that were melted up and sold to India have been replaced in the Treasury from the purchase of American silver.

The Government, under the act, melted up and sold 272,000,000 of silver dollars. This is equivalent to about 209,000,000 ounces. The Government has purchased under the act for recoinage and replacement of silver dollars 124,000,000 ounces. Therefore, there is remaining 85,000,000 ounces that must be purchased from American silver at $1 an ounce when presented to the Government. The act authorizes the sale of 350,000,000 of dollars. There are still 80,000,000 of dollars the Government may sell. If it should sell these 80,000,000, then there would be a total of approximately 145,000,000 ounces to replace.

How long will this take? The answer depends upon the amount of silver produced annually in the United States, and whether it is sold to the Government or elsewhere. In 1920 the total production of American silver was 55,000,000 ounces. In 1921 it was 53,000,000 ounces. In 1922 it will be approximately 53,000,000 ounces. I am, of course, using round numbers. So, if the Government continues to purchase American silver under the act, it will probably require about 20 months to replace the silver dollars already sold and a year longer if the additional $80,000,000 are sold or disposed of.

But, there are conditions that may continue this act in effect indefinitely; that is, the Government may never purchase a sufficient amount of silver to replace these dollars, in which case there would always be a fund for the purchase of American silver if the market price dropped below $1 an ounce. What are these conditions? When silver goes above a dollar an ounce the silver producer does not present his silver to the United States Government but sells it to outside purchasers in the open market. For instance, the Pittman Act became a law on the 23d day of April, 1918, and yet the Government purchased no silver under the act until June, 1920. Why? Because silver during that period of time was selling in the open market of the world at above a dollar an ounce, and therefore the American silver producers did not present their silver to the Government for purchase under the act.

This leads us to the natural inquiry as to the probability of silver going above a dollar an ounce before the Government has purchased sufficient silver under the Pittman Act.

This problem is governed by the supply and demand for silver throughout the world, and the ability of those desiring silver to find the means with which to purchase it. There is now, and always has been, a general impression that there is an unlimited quantity of silver in the world ready for mining. The fact is just the contrary. Engineers, geologists, and prospectors, backed by unlimited capital, for a great many years have been scraping the face of the earth in search of paying silver mines.

And yet notwithstanding this great effort there has been very little increase in the production of silver during the last 20 years. For instance, the world's production in 1900 was 173,000,000 ounces, while in 1918, being the latest authentic reports, the production was only 197,000,000 ounces. The United States is the greatest silver-producing country in the world, Mexico second, and Canada third. These three countries produce nearly all the silver of the world.

Let us see what has been the production of silver in the United States since 1906. In 1906 the production was 56,000,000 ounces. It steadily increased until 1916, when it reached 74,000,000 ounces. Since that time it has decreased to 53,000,000 ounces in 1921.

So the average annual production of silver throughout the world may be placed at 197,000,000 ounces and the average annual production in the United States at approximately 65,000,000 ounces.

These figures clearly disclose the scarcity of silver throughout the world. They demonstrate beyond argument the impossibility of greatly increasing the production.

Now, let us consider what is the demand for silver. We have already considered the demand for silver in India, which came to a crisis during the war.

Economists all know that China measures all values by silver in the form of bullion. Commerce can not be transacted in China except through the medium of silver. The demand for silver in China has always been enormous. This demand is now depressed because of the failure of crops in China and the deplorable economic and political conditions existing there. And yet, it is evident that China is going to develop rapidly in the next few years, and with this development will come a greatly increased demand for silver.

Silver is the money of general circulation in all of the South American Republics. As the commercial development of those countries increases the demand for silver there must naturally increase.

It is admitted that in India and China are the largest markets for silver. And yet in our own country during 1920 the Director of the Mint purchased 26,000,000 ounces of silver for subsidiary coinage, nearly half of the total production of silver in the United States.

All of Europe uses silver for subsidiary coinage. During the war there became such a tremendous demand in Europe for silver coins with which to pay certain of their soldiers that continental European countries were compelled to melt up silver plate to replenish these coins, and when the armistice was signed these countries were denuded of silver.

Did they want the silver? Did they need the silver? Witness what happened immediately after the signing of the armistice. These countries went into the open market of the world to compete in the purchase of silver with China and India. This natural demand and purchase carried the price of silver above a dollar an ounce, it reaching its maximum price of $1.38¼ an ounce on November 25, 1919.

Then the price commenced to recede until the month of May, 1920, when the world's market price of silver went below $1 an ounce.

What was the cause of this sudden drop in the price of silver throughout the world? China was racked with famine and torn to pieces with political disturbances. Germany, being without gold or credit, was compelled to remelt the silver coins that she had laid in immediately after the armistice and dump

such silver bullion on the market at any price she could obtain, because it was the only thing that had a value with which she might purchase in foreign countries. Other European countries did the same thing. Even India, for the first time in many years, melted up its silver and threw it on the markets of the world for the same reasons.

The depression, therefore, of silver was natural. And yet all of these countries must again supply themselves with silver for subsidiary coin so soon as they have credit or products with which to buy silver. Not only that, but as the countries of Europe become prosperous they will desire and undoubtedly will replace their silver plate that they melted up during the war and during the last several months.

In the United States alone during the past year there was over 25,000,000 ounces of silver used in the arts. Is it not natural that when European countries become prosperous they will use their proportion of silver in the arts? The high price of our silver, like the high price for many of our other products, must wait upon the prosperity of the rest of the world. They will buy our products when they can sell theirs.

The moving-picture industry is to-day one of the largest users of silver, and this silver when once used is destroyed and goes out of existence. This industry is increasing throughout the world and will continue to be a source of increasing demand for silver.

These facts prove beyond doubt that in the near future there will be great competition in the purchase of silver. In the future the ruinous competition of the sale of silver will be avoided. Such competition is bound to carry the price of silver above a dollar an ounce. It may be within one year, it may require two years, but in any event it is almost certain that the price of silver will go above a dollar an ounce before the fund for the purchase of American-produced silver under the Pittman Act is exhausted.

If this takes place, then the Government will cease to buy silver when it goes above a dollar an ounce, and the fund will remain on hand as a constant assurance and guaranty to meet any emergency at any time to protect American-produced silver at $1 an ounce.

These conjectures are all based upon existing laws and conditions. But there is additional legislation that I am now formulating and which will, in my opinion, add greatly to the value of silver and the stabilization of the market throughout the world.

The outlook for the silver mining industry in the United States is brighter than anywhere in the world, and no industry is so certain and stable.

EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 5 o'clock and 40 minutes p. m.) the Senate, under the order previously entered, took a recess until Monday, August 28, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate August 26 (legislative day of August 25), 1922.

PUBLIC HEALTH SERVICE.

The following-named passed assistant surgeons to be surgeons in the United States Public Health Service, to rank as such from the dates set opposite their names:

Clarence H. Waring, from August 21, 1922.
George A. Wheeler, from August 22, 1922.

These officers have served the required time in their present grade and have passed the necessary examination for promotion.

The following-named doctors to be assistant surgeons in the Public Health Service, to rank as such from date of oath:

Guy H. Faget.
William Y. Hollingsworth.

These doctors have passed the examination prescribed by law and the regulations of the service.

PROMOTION IN THE REGULAR ARMY.

DENTAL CORPS.

First Lieut. Albert Fields to be captain in Dental Corps, from August 23, 1922.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 26 (legislative day of August 25), 1922.

POSTMASTERS.

CALIFORNIA.

Frederic W. Stahler, Yorba Linda.

COLORADO.

Talitha B. Utterback, Mesa.

ILLINOIS.

John R. Scoggin, Gardner.
Albert Weiland, Peru.

KENTUCKY.

Gideon D. Ison, Blackey.
Hiram H. Braden, Blue Diamond.
Della McKinney, Fleming.

NORTH CAROLINA.

William B. Duncan, Raleigh.

OHIO.

Charles E. McClelland, Attica.

OREGON.

Ora Mahoney, Oakland.
Charles S. Heinline, Roseburg.

TEXAS.

Edwin C. Hill, El Campo.
Will K. Davis, Gonzales.
James W. McBee, Lavernia.
Joe R. Taylor, Rhome.

WASHINGTON.

Grover C. Schoonover, Odessa.

WITHDRAWAL.

Executive nomination withdrawn from the Senate August 26 (legislative day of August 25), 1922.

APPOINTMENT, BY TRANSFER, IN THE ARMY.

INFANTRY.

Second Lieut. Kenneth Francis Pughe, Air Service, with rank from June 13, 1922.

HOUSE OF REPRESENTATIVES.

SATURDAY, *August 26, 1922.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

The Lord be merciful and gracious unto us. By Thy Spirit lead and direct us in all our ways. May each succeeding day find us obedient to Thy call, to do Thy will and to follow Thy commands. Teach us not to hesitate to accept Thy rod and staff and grant that they may support and comfort us. O bless all instrumentalities by which light and knowledge are diffused throughout our country. We ask Thee, our heavenly Father, to extend all efforts for righteous peace, and may the love of Christ, the love of our fellows, and the welfare of all constrain them. O ever give us that bread that cometh down from above which feeds our souls and strengthens them in all noble impulses and aspirations. In Thy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

SALT RIVER RECLAMATION PROJECT.

Mr. HAYDEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill H. R. 10248, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Arizona asks unanimous consent to take from the Speaker's desk a bill of which the Clerk will report the title, disagree to the Senate amendments, and ask for a conference.

The Clerk read as follows:

H. R. 10248, an act authorizing the sale of surplus power developed under the Salt River reclamation project, Arizona.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER appointed as conferees on the part of the House Mr. SINNOTT, Mr. SMITH of Idaho, and Mr. HAYDEN.

EXTENSION OF REMARKS.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by incorporating therein a resolution adopted by the commission council of the city of New Orleans urging the improvement of the Ohio River.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

THE ROMANCE OF THE MISSISSIPPI AND ITS TRIBUTARIES.

Mr. O'CONNOR. Mr. Speaker, the days of romance are not over. They will not be over or come to an end for many, many centuries to come. I hope that romance, like hope, will spring eternal within the human breast. In all probability that wonderful feeling which has inspired generation after generation through centuries and centuries of time began, as the author of "Evolution" would say, "a million years ago," and it may be that a million years from to-day, if some planet or comet does not jostle this old earth out of its orbit, the thirst for adventure, glory, and romance will be with those far-away children of the world who have to come out and play their part and then depart to join the innumerable throng that have come and gone since the dawn of creation. And apparently it is not only man and his mate who enjoy the thrill of adventure. Inanimate things have their days of romance, their thrill of glory, their history. Homer gives vitality, virility, courage, and warlike and militant life to a river, and makes it play an heroic part in the great encounter between his mortal and immortal—terrestrial and celestial—heroes. But long before the days of Homer, in the very morning of the race, great rivers were worshipped and venerated by millions, who prayed alternately to be freed from their terrors or sought religious consolation in their waters.

Many a river lives embalmed in history and in historic verse. The Euphrates, the Nile, the Jordan, the Tiber, the Rhine, the Thames, the Seine typify the course of empires and dynasties. Countries are described and remembered best from committing to memory the names of the great rivers that flow through them, and most of the military chapters of the Old World history relate to battles fought on the banks of some great stream that heeded not the strife but calmly continued its march to the sea.

But the great river of the West, the mighty father of waters, from its length, its lordly tributaries, the immensity of the valley that it drains, the gorgeousness of its scenery, the fertility of its soil, the splendor of its cities, the wealth of its people, possesses a history of its own. In length it is exceeded only by the Nile—in volume by the Amazon. Geographically, it divides almost equally the broad territory of the United States in its sweep from ocean to ocean. It is the "trough" of the tremendous valley that lies between the rolling, undulating Alleghenies and the majestic Rockies. It is the proudest—the most valued natural possession of the American people. It is revered next to American liberty. Its banks from end to end are the scenes of romance, story, and song. Its history has been a dreamland for poets. Its commerce has builded a score of populous cities, hundreds of towns and villages, and has suggested a vast railway system that for years has taken the burden of traffic from its bosom. But the development of the country has exceeded the capacity of man to build railways and to equip them. The present industrial and transportation problem has demonstrated the necessity to the point of conviction of a return to the days when steamboats gave clouds of smoke by day and pillars of fire to the skies during the night on the big river and its great affluents. We must go back to the *R. E. Lee* and *Natchez* and *J. M. White* atmosphere, and under the thrill and inspiration of those days of glory on the river begin a renaissance, a revival, with modern up-to-date steamboats that will even be an improvement upon those celebrated floating palaces of the early seventies. For the renaissance, the revival is indeed at hand. Thoughout the valley freight congestion exists. Deep waterways must be established and landings and docks provided for the ever-increasing commerce that means so much to our people. The majesty of the Mississippi is reasserting itself. The father of waters returns to its own.

But in order to get the greatest possible results its powers must not be dissipated, bringing ruin and death to the thousands who dwell along its banks. It must be disciplined. It must be harnessed and kept within great banks; but in addition to that a "spillway" must be provided, or the people who live to the number of 400,000 in the magnificent city on its banks not far from the Gulf of Mexico will speak in unmistakable terms to the engineers who may or may not lay the flattering unction to their souls that they and they alone must speak oracularly on the subject of a safe river. The river must be harnessed—kept within bounds, disciplined and its tremendous power not only conserved but utilized. One thing is certain and that is that the people who were born and reared along the banks and levees of the lower Mississippi and its tributaries demand from the United States Government protection against overflow and breaks in the levees on the ground that it is an undeniable and undebatable obligation resting on the National Government to preserve the general welfare and prevent the annual floods that have become a visitation by reason of the unscientific development of great farming sections contiguous to the rivers that flow into the Mississippi and the rapidity of the drainage from both the country and the cities. In other words, the development of the lands and the growth of the cities to the north of us has brought a great danger to the lower country, as a result of the speed of the flow of the rainfall throughout the upper valley, into tributaries that act as immense drains for town, city, hamlet, village, and country. The Government, not as a matter of generosity, but as an act of common justice, is obligated to prevent or remedy such a situation. And the Government I am sure will not attempt to escape that obligation. It is just, and I have an abiding faith in the sense of fairness of the American people and their desire to do the proper thing under all circumstances.

On the walls of the rotunda, under the dome of this magnificent Capitol, are eight great pictures. One of them is by William H. Powell, entitled "The Discovery of the Mississippi." Hundreds of thousands of men and women have stopped to gaze on its unforgetable colors.

The time is 1541, the scene is the bank of the Father of Waters. There is De Soto, and beside him are his companions in adventure and in the thirst for glory. There are a few Indians—guides and an Indian girl or two. In the distance are seen dancing canoes, magical islands, and purple shores. The Big River is as much of an enchantment to us who have lived our lives along its banks as it was to the conquistadores who were the first white men to see it, almost 400 years ago. We who know it and love it feel for it that interest so beautifully expressed in the immortal lines of Keats "on first looking into Chapman's Homer":

> Then felt I like some watcher of the skies
> When a new planet swims into his ken;
> Or like Stout Cortez when with eagle eyes
> He stared at the Pacific and all his men
> Looked at each other with a wild surmise
> Silent upon a peak in Darien.

Balboa, or "Stout Cortez," viewed from Balboa Hill, now in the Canal Zone, the stiller sea on September 25, 1513, some 28 years before the other great spirit and discoverer of that period, De Soto, looked upon the waters of the Great River, in which he was buried. "Days of old; days that are no more," do not apply to the Mississippi. The renaissance, I repeat, is in the beginning. The days of old are coming back with a spirit that will make for a river traffic which in turn will build up river cities that will possess "the glory that was of Greece, the grandeur that was of Rome."

Listen to this great author. Four hundred thousand people of the city of New Orleans, speaking through their commission council about the river and its traffic and the far-away "Mighty Ohio." When great cities begin to trumpet their hopes and their faith in the return of the days of river splendor one must believe that the revival is at hand and that newer and finer *Lees* and *Whites* and *Natchezes* will soon be carrying passengers and freight from St. Louis, Cincinnati, Pittsburgh, and other rich and opulent cities and towns along the rivers to great, dreamy, but alert, old New Orleans, and from the "Old City" will go back rich loads of commerce and great lists of passengers to enjoy the glories of a river ride to the big cities above.

Look and listen to this expression from the mayor and commission councilmen of New Orleans:

Resolution by Mr. Maloney.

Whereas the United States Government, through the War Department, is now operating, successfully and on schedule time, with great resulting benefit to commerce and navigation, a barge line upon the Mississippi River, between the ports of New Orleans and St. Louis; and

Whereas important private corporations in the Pittsburgh-Wheeling district upon the Ohio and Monongahela Rivers, having immense tonnages to move at economies in transportation, have also demonstrated at their own expense, and to the advantage of consumers in the South, Southwest, and West, the saving in time and money consequent upon the intelligent and systematic use of the waterways of the Mississippi Valley; and

Whereas the rapid growth in population and industry in the valley, the increase in production and the necessity of providing additional facilities for transportation, in view of railroad congestion, render imperative the improvement of the Mississippi and its tributaries, which

afford natural highways of vital importance, and which may be rendered serviceable at all seasons, at relatively small expenditure by the Government; and

Whereas the Ohio River, between Evansville and Cairo, if canalized, with a system of locks and dams similar to that now being constructed by the United States Government between Pittsburgh and Evansville, would furnish a waterway of priceless value to the country at large, and more especially to the industrial zone centered in the Pittsburgh-Wheeling district, whose steel companies and other producers and manufacturers are willing and anxious to use the Ohio River to reach the Mississippi as a highway for the transportation of their commodities when the same shall have been made ready, but the use of which highway now depends upon the variable and uncertain stage of water found in the lower end of the Ohio River during the summer months; now, therefore, be it

Resolved by the Commission Council of the City of New Orleans, That the Congress of the United States be and is hereby respectfully and earnestly urged and requested, at the earliest possible moment, to provide as a national necessity for the improvement of the Mississippi and its tributaries, so that they may afford dependable avenues for transportation and commerce during the entire year, and that the Ohio River in particular be so improved that the consumer of the South, Southwest, and West may have the benefit of the resulting economies; be it further

Resolved, That copies of this resolution be forwarded to our Representatives in Congress, to the end that they may actively support and bring about the passage of congressional legislation in accordance with the principles of this resolution.

Adopted.

I hope the Committee on Rivers and Harbors will act favorably upon this resolution and thereby continue to do the noble things for which it is legislatively and historically noted.

COAL SITUATION.

Mr. BRENNAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD regarding the coal situation and to insert a telegram from the Michigan fuel administrator.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BRENNAN. Mr. Speaker, I have introduced today and intend to call up for consideration at an early date the following House resolution, which suggests the issuance of regulations to prevent or to restrict, during the present coal crisis, the use of coal for nonessential purposes:

Whereas it is apparent that, because of the greatly reduced production of coal during the past few months, there is grave danger of a fuel shortage during the coming winter, even though the coal and rail strikes are settled immediately; and

Whereas such a threatened fuel deficiency may imperil the lives and health of the people of the country and interfere seriously with the continued operation of essential utilities, industries, and activities; and

Whereas no steps have as yet been taken officially to restrict the use of coal to essential purposes or to conserve available supplies: Therefore be it

Resolved, That the House of Representatives respectfully requests the Interstate Commerce Commission, the Federal Fuel Distributer, and other Federal departments and establishments having jurisdiction in the premises, to consider the advisability of issuing orders and regulations, to become immediately effective, looking to the conservation of available coal stocks, prohibiting or limiting the unnecessary use of electric signs and display lighting, and forbidding or restricting the conduct of activities, nonessential in their character, which involve the consumption of fuel which now or hereafter may be required for essential purposes.

It is a strange anomaly that, while for some weeks great inconvenience and financial loss, if not actual hardship, has been experienced throughout the country because of the fuel shortage, no attempt, official or otherwise, has been made to restrict the use of the small stocks of fuel now on hand. The streets of any of our cities may be seen any night brilliantly illuminated by electric signs and display advertisements which are hourly burning up coal which may be sorely needed next winter to prevent people from freezing. Are we to wait until calamity is actually upon us before adopting means to avert it? No one, of course, wants to interfere with legitimate business activity, but ordinary prudence suggests that we restrict the conduct of certain nonessential activities now rather than face the almost inevitable prospect of complete shutdowns, accompanied probably by human distress and hardship this winter.

For weeks the press of the country has been calling attention to the serious coal deficiency which exists and which is bound to continue despite the heroic but belated efforts now being made to catch up with the demand. Only yesterday I received a telegram from Michigan's fuel administrator containing the following dismal announcement:

Canneries close; fruit rotting; cold weather imminent; schools and colleges without fuel; not an ounce of coal yet received for household use.

This message is but indicative of conditions throughout the country.

The utmost energy and effort on the part of operators, miners, and fuel officials during the next few months can not result in the delivery of coal which should have been mined this summer, but was not. Nor will it be physically possible for the railroads to handle in three months the coal shipments which normally are spread over eight months. There is one sensible and obvious way by which we can assist now in preventing a shortage later, namely, by curtailing the use of coal to the more necessary purposes until the crisis is actually passed.

It is unfortunate that we should find it necessary to resort to conservation methods and devices similar to those employed during the war. But the people faced the inevitable then with good grace and patriotic self-sacrifice. They will, I am sure, respond cheerfully again if the Government calls upon them. If some action is not taken at once to restrict and to conserve in advance of calamity, it seems certain that we will be called upon to face privations and hardships greater even than those experienced in the winter of 1917.

There has just been handed to me the following telegram from the Michigan State fuel administrator, which speaks for itself and seems to establish conclusively the necessity for immediately imposing restrictions upon the use of coal for nonessential purposes:

Coal situation in Michigan is desperate. Canners without coal, fruit is rotting, factories are closing for want of fuel. Thousands of men have been laid off. Some gas companies are running but two hours a day. The State has $500,000 cash guaranty filed with Federal Fuel Administration. Have another million-dollar guaranty executed and in my hands. Schools open in 10 days and are without fuel. Colleges and hospitals clamoring for coal. No stocks on hand for private consumption. Cold weather is imminent. Situation growing desperate. Some State mines in operation. Others can not begin until September 1 or 15. Production at most only 10 per cent of requirements. Not one ounce has been received for general distribution. Applications for priorities, accompanied by bank guaranties, have been turned down and applicants referred to stock of State fuel administration, which has no coal and has been furnished none. Coal moving in interstate commerce offered at from six to ten dollars a ton at the mines. * * *.

W. W. POTTER,
Michigan State Fuel Administrator.

EXTERMINATION OF INSECTS.

Mr. IRELAND. Mr. Speaker, by direction of the Committee on Accounts, I call up privileged report on House Concurrent Resolution 66.

The Clerk read as follows:

House Concurrent Resolution 66 (Rept. No. 1185).

Resolved by the House of Representatives (the Senate concurring), That the Architect of the Capitol be, and he is hereby, authorized and directed to make a contract for the extermination and banishment of insects from the House Office Building, the Capitol, and the Senate Office Building at an expenditure not to exceed $2,500. That the expenditures in carrying out the contract be paid from the contingent funds of the House and Senate in equal proportions, and upon vouchers authorized by the respective committees having control of the contingent funds of the Senate and House of Representatives and approved by the chairmen thereof.

Mr. IRELAND. Mr. Speaker, I think there will be no objection to the resolution and I move its adoption.

Mr. CLARKE of New York. I would like to ask the gentleman a question. Does it include mice?

Mr. IRELAND. No; it is not contemplated within this resolution to include the effort at extermination of our pet rodents; those are cared for in another way.

Mr. GARNER. Will the gentleman yield?

Mr. IRELAND. Yes.

Mr. GARNER. Why is the resolution so framed?

Mr. IRELAND. It is framed to include the House Office Building, the Capitol, and the Senate Office Building.

Mr. GARNER. I understood from the reading that it only applied to the Senate. [Laughter.]

Mr. IRELAND. No; there are a few bugs in the House. [Laughter.]

The resolution was agreed to.

JOHN M'MAHON.

Mr. IRELAND. Mr. Speaker, by direction of the Committee on Accounts I call up House Resolution 379.

The Clerk read as follows:

House Resolution 379 (Rept. No. 1186).

Resolved, That there shall be paid, out of the contingent fund of the House, to Thomas J. Lindsay, administrator of John McMahon, late an employee of the House of Representatives, a sum equal to six months of his compensation as said employee, and an additional amount, not exceeding $250, to defray the expenses of the funeral of said John McMahon.

The resolution was agreed to.

ELIZABETH SABINE.

Mr. IRELAND. Mr. Speaker, by direction of the Committee on Accounts I call up a privileged report on House Resolution 414.

The Clerk read as follows:

House Resolution 414 (Rept. No. 1187).

Resolved, That the Clerk of the House of Representatives be directed to pay, out of the contingent fund of the House, to Elizabeth Sabine, widow of George W. Sabine, late assistant librarian of the House, a sum equal to six months' salary as assistant librarian, and that the Clerk be further directed to pay out of the contingent fund the expenses of the funeral of said George W. Sabine, such expenses not to exceed $250.

The resolution was agreed to.

MINNIE TORBERT BLUMENBERG.

Mr. IRELAND. Mr. Speaker, by direction of the Committee on Accounts I call up the following privileged resolution.

The Clerk read as follows:

House Resolution 395 (Rept. No. 1188).

Resolved, That there shall be paid out of the contingent fund of the House to Minnie Torbert Blumenberg, widow of M. R. Blumenberg, late an employee of the House of Representatives, a sum equal to six months of his compensation as such employee and an additional amount, not exceeding $250, to defray the expenses of the funeral of said M. R. Blumenberg.

The resolution was agreed to.

HARRIET DUNBAR COUDEN.

Mr. IRELAND. Mr. Speaker, by direction of the Committee on Accounts I call up the following privileged resolution.

The Clerk read as follows:

House Resolution 412 (Rept. No. 1189).

Resolved, That the Clerk of the House of Representatives be directed to pay, out of the contingent fund of the House, to Harriet Dunbar Couden, widow of Dr. Henry N. Couden, late chaplain emeritus of the House, a sum equal to one year's salary as chaplain emeritus, and that the Clerk be further directed to pay out of the contingent fund the expenses of the last illness and funeral of said Dr. Henry N. Couden, such expenses not to exceed $250.

The resolution was agreed to.

FRANCES C. PADGETT AND IDA L. PADGETT.

Mr. IRELAND. Mr. Speaker, by direction of the Committee on Accounts I call up the following privileged resolution.

The Clerk read as follows:

House Resolution 406 (Rept. No. 1190).

Resolved, That the Clerk of the House of Representatives be, and he is hereby, authorized and directed to pay, out of the contingent fund of the House, to Frances C. Padgett the sum of $186.66 and to Ida L. Padgett the sum of $120, being the amount received by them per month as clerks to the late Hon. Lemuel P. Padgett at the time of his death, August 2, 1922.

The resolution was agreed to.

ENROLLED BILL SIGNED.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 4. An act granting relief to soldiers and sailors of the war with Spain, Philippine insurrection, and Chinese Boxer rebellion campaign; to widows, former widows, and dependent parents of such soldiers and sailors; and to certain Army nurses; and to amend section 2 of an act entitled "An act to pension the survivors of certain Indian wars from January 1, 1859, to January, 1891, inclusive, and for other purposes," approved March 4, 1917.

LAURENCE H. MALONE AND FLORENCE M. MALONE.

Mr. IRELAND. Mr. Speaker, I present the following resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 403 (Rept. No. 1191).

Resolved, That there shall be paid out of the contingent fund of the House of Representatives to Laurence H. Malone the sum of $200, and Florence M. Malone the sum of $106.66, being the amounts received by them per month as clerks to the late Moses P. Kinkaid, a Representative in Congress.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

DECORATION IN HOUSE WING OF CAPITOL.

Mr. IRELAND. Mr. Speaker, I present the following resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 381 (Rept. No. 1192).

Resolved, That the authority for payment out of the contingent fund of the House, pursuant to House Resolution No. 693, adopted March 3, 1921, for the decorations in the House wing of the Capitol Building is hereby continued from and after June 16, 1922, under the limitation therein provided.

Mr. IRELAND. Mr. Speaker, this resolution is the result of an oversight on the part of some one to have a former similar resolution continued. The work has not been finished, and at the request of several Members and the Architect of the Capitol this resolution is introduced. The resolution which this continues in effect was introduced by the gentleman from Maryland [Mr. ZIHLMAN] on February 21, 1921, and provided that there shall be paid out of the contingent fund of the House, until otherwise provided by law, the sum of $5,000 for the restoration of decorations in the House wing of the Capitol, and the employment of personal services and purchase of material, to be under the direction of the Architect of the Capitol, with the approval of the Committee on Accounts. The work necessitates the employment of a high-class artist. Most all of it is canvas work. It has not been completed. This resolution makes it possible to continue the work. The men employed have been at their work since June 30, but without compensation.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. IRELAND. Certainly.

Mr. STAFFORD. Will the gentleman inform the House what is included in this redecorating for which it is desired to have the authorization continued?

Mr. IRELAND. To cite one instance, there is the repainting of the coats of arms of some of the States.

Mr. STAFFORD. Does this propose to redecorate the House Chamber? I notice that there is on the wall a different color panel in substitution for the gold. It is a grayish, silvery tint, and some months ago I noticed on canvas a different color, also. Is it proposed to redecorate the House Chamber?

Mr. IRELAND. On that I am not positively informed, although that is a part of work that would come under this resolution.

Mr. WINGO. The gentleman does not charge that was done deliberately?

Mr. STAFFORD. Yes; with premeditation; and I believe some experimentation is now going on. I wish to know what is the scope of the proposed change in the interior decoration of the Chamber, because I think the gold effect is much superior to the substituted grayish tint.

Mr. IRELAND. I pretend to no artistic temperament which would permit me to advise the Achitect of the Capitol.

Mr. STAFFORD. What is the need of substituting any other color, when the gold decorations are in good condition?

Mr. IRELAND. The Chamber of the House is only one small item.

Mr. STAFFORD. Then, when there is no necessity for it, why go to the expense of substituting some other color?

Mr. IRELAND. I should think the Architect of the Capitol would be better able to judge of that than any Member of the House.

Mr. STAFFORD. The Members of the House themselves by their own inspection can see there is no pressing need for any change in interior decoration here.

Mr. IRELAND. About that I am not informed.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

Mr. GARRETT of Tennessee. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 124, nays 60, answered "present" 1, not voting 242, as follows:

YEAS—124.

Andrews, Nebr.	Fenn	Lawrence	Robsion
Anthony	Fitzgerald	Layton	Rogers
Atkeson	Foster	Lea, Calif.	Rosenbloom
Begg	Free	Leatherwood	Sanders, Ind.
Benham	French	Lehlbach	Sanders, N. Y.
Brennan	Fuller	McFadden	Schall
Brooks, Ill.	Glynn	McKenzie	Shaw
Burke	Graham, Ill.	McLaughlin, Mich.	Sinnott
Cable	Greene, Mass.	McPherson	Slemp
Campbell, Pa.	Greene, Vt.	MacGregor	Smith, Idaho
Cannon	Hadley	Madden	Smith, Mich.
Chalmers	Hardy, Colo.	Magee	Speaks
Chandler, Okla.	Haugen	Mann	Sproul
Chindblom	Hawley	Mapes	Stafford
Christopherson	Hays	Michener	Stephens
Clague	Hersey	Millspaugh	Strong, Kans.
Clarke, N. Y.	Hickey	Mondell	Taylor, Tenn.
Cole, Iowa	Hicks	Moore, Ill.	Timberlake
Cole, Ohio	Himes	Moore, Ohio	Tincher
Colton	Hoch	Morgan	Towner
Coughlin	Hull	Murphy	Underhill
Curry	Ireland	Newton, Minn.	Vestal
Davis, Minn.	Johnson, S. Dak.	Norton	Volstead
Dickinson	Kearns	Parker, N. J.	Walters
Dowell	Kelly, Pa.	Patterson, Mo.	Wheeler
Dunbar	Ketcham	Purnell	White, Kans.
Dyer	Kissel	Reece	Williams, Ill.
Elliott	Kline, N. Y.	Reed, W. Va.	Winslow
Evans	Kline, Pa.	Rhodes	Woodyard
Fairfield	Knutson	Ricketts	Wyant
Faust	Kopp	Roach	Zihlman

NAYS—60.

Almon	Crisp	Hammer	Lee, Ga.
Aswell	Davis, Tenn.	Hardy, Tex.	Lowrey
Bankhead	Doughton	Hayden	McClintic
Barkley	Drane	Hooker	McSwain
Black	Driver	Humphreys	Moore, Va.
Bland, Va.	Favrot	James	O'Connor
Bowling	Fisher	Jeffers, Ala.	Oliver
Box	Garner	Jones, Tex.	Parks, Ark.
Briggs	Garrett, Tenn.	Lanham	Quin
Bulwinkle	Garrett, Tex.	Lankford	Rankin
Collier	Gilbert	Lazaro	Rayburn

Sanders, Tex.	Steagall	Tyson	Weaver
Sandlin	Sumners, Tex.	Upshaw	Williams, Tex.
Scott, Tenn.	Swank	Vinson	Wilson
Smithwick	Tillman	Ward, N. C.	Wingo

ANSWERED "PRESENT"—1.

Clark, Fla.

NOT VOTING—242.

Ackerman	Dupré	Langley	Riddick
Anderson	Echols	Larsen, Ga.	Riordan
Andrew, Mass.	Edmonds	Larson, Minn.	Robertson
Ansorge	Ellis	Lee, N. Y.	Rodenberg
Appleby	Fairchild	Lineberger	Rose
Arentz	Fess	Linthicum	Rossdale
Bacharach	Fields	Little	Rouse
Barbour	Fish	Logan	Rucker
Beck	Focht	London	Ryan
Beedy	Fordney	Longworth	Sabath
Bell	Frear	Luce	Scott, Mich.
Bird	Freeman	Luhring	Sears
Bixler	Frothingham	Lyon	Shelton
Blakeney	Fulmer	McArthur	Shreve
Bland, Ind.	Funk	McCormick	Siegel
Blanton	Gahn	McDuffie	Sinclair
Boies	Gallivan	McLaughlin, Nebr.	Sisson
Bond	Gensman	McLaughlin, Pa.	Snell
Bowers	Gernerd	Maloney	Snyder
Brand	Goldsborough	Mansfield	Stedman
Britten	Goodykoontz	Martin	Steenerson
Brooks, Pa.	Gorman	Mead	Stevenson
Brown, Tenn.	Gould	Merritt	Stiness
Browne, Wis.	Graham, Pa.	Michaelson	Stoll
Buchanan	Green, Iowa	Miller	Strong, Pa.
Burdick	Griest	Mills	Sullivan
Burroughs	Griffin	Montague	Summers, Wash.
Burtness	Harrison	Montoya	Sweet
Burton	Hawes	Moores, Ind.	Swing
Butler	Henry	Morin	Tague
Byrnes, S. C.	Herrick	Mott	Taylor, Ark.
Byrns, Tenn.	Hill	Mudd	Taylor, Colo.
Campbell, Kans.	Hogan	Nelson, A. P.	Taylor, N. J.
Cantrill	Huddleston	Nelson, J. M.	Temple
Carew	Hudspeth	Nelson, Me.	Ten Eyck
Carter	Hukriede	Newton, Mo.	Thomas
Chandler, N. Y.	Husted	Nolan	Thompson
Classon	Hutchinson	O'Brien	Tilson
Clouse	Jacoway	Ogden	Tinkham
Cockran	Jefferis, Nebr.	Oldfield	Treadway
Codd	Johnson, Ky.	Olpp	Tucker
Collins	Johnson, Miss.	Osborne	Valle
Connally, Tex.	Johnson, Wash.	Overstreet	Vare
Connell	Jones, Pa.	Paige	Voigt
Connolly, Pa.	Kahn	Park, Ga.	Volk
Cooper, Ohio	Keller	Parker, N. Y.	Ward, N. Y.
Cooper, Wis.	Kelley, Mich.	Patterson, N. J.	Wason
Copley	Kendall	Perkins	Watson
Crago	Kennedy	Perlman	Webster
Cramton	Kiess	Petersen	White, Me.
Crowther	Kincheloe	Porter	Williamson
Cullen	Kindred	Pou	Wise
Dale	King	Pringey	Wood, Ind.
Dallinger	Kirkpatrick	Radcliffe	Woodruff
Darrow	Kitchin	Rainey, Ala.	Woods, Va.
Deal	Kleczka	Rainey, Ill.	Wright
Dempsey	Knight	Raker	Wurzbach
Denison	Kraus	Ramseyer	Yates
Dominick	Kreider	Ransley	Young
Drewry	Kunz	Reber	
Dunn	Lampert	Reed, N. Y.	

So the motion was agreed to.

The Clerk announced the following pairs:

On the vote:

Mr. Cramton (for) with Mr. Carter (against).

Mr. Maloney (for) with Mr. Gallivan (against).

Mr. Burton (for) with Mr. Oldfield (against).

Mr. Ramseyer (for) with Mr. Cantrill (against).

Mr. Hutchinson (for) with Mr. Riordan (against).

Mr. Langley (for) with Mr. Clark of Florida (against).

Mr. Appleby (for) with Mr. Sisson (against).

Mr. Cooper of Wisconsin (for) with Mr. Hudspeth (against).

Mr. Gahn (for) with Mr. Kincheloe (against).

Mr. Dale (for) with Mr. Lyon (against).

Mr. Henry (for) with Mr. Buchanan (against).

Mr. Longworth (for) with Mr. Carew (against).

Mr. Griest (for) with Mr. Larsen of Georgia (against).

Mr. Larson of Minnesota (for) with Mr. Connally of Texas (against).

Mr. Darrow (for) with Mr. Stoll (against).

Mr. Ackerman (for) with Mr. Taylor of Colorado (against).

Mr. Thompson (for) with Mr. Tague (against).

Mr. Morin (for) with Mr. Bell (against).

Mr. Rodenberg (for) with Mr. Rucker (against).

Mr. Frear (for) with Mr. Sabath (against).

Mr. Kreider (for) with Mr. Raker (against).

Mr. Beck (for) with Mr. Wise (against).

Mr. Denison (for) with Mr. Mansfield (against).

Mr. Michaelson (for) with Mr. Blanton (against).

Mr. Connolly of Pennsylvania (for) with Mr. Ten Eyck (against).

Mr. Funk (for) with Mr. Collins (against).

Mr. Bixler (for) with Mr. Stevenson (against).

Mr. Dunn (for) with Mr. Johnson of Kentucky (against).

Mr. Bowers (for) with Mr. Woods of Virginia (against).

Mr. Fess (for) with Mr. Kitchin (against).

Mr. Burdick (for) with Mr. Sears (against).

Mr. King (for) with Mr. Brand (against).

Mr. Green of Iowa (for) with Mr. Montague (against).

Mr. Butler (for) with Mr. Dominick (against).

Mr. Fish (for) with Mr. Kindred (against).

Mr. Bacharach (for) with Mr. Mead (against).

Mr. Luhring (for) with Mr. Martin (against).

Mr. Kleczka (for) with Mr. Jacoway (against).

Mr. Codd (for) with Mr. Tucker (against).

Mr. Kiess (for) with Mr. Deal (against).

Mr. McArthur (for) with Mr. Kunz (against).

Mr. Kendall (for) with Mr. Logan (against).

Mr. Connell (for) with Mr. Byrns of Tennessee (against).

Mr. Bland of Indiana (for) with Mr. Sullivan (against).

Mr. Goodykoontz (for) with Mr. Johnson of Mississippi (against).

Mr. Cooper of Ohio (for) with Mr. Byrnes of South Carolina (against).

Mr. Burroughs (for) with Mr. Cockran (against).

Mr. Focht (for) with Mr. Pou (against).

Mr. Snyder (for) with Mr. Overstreet (against).

Mr. Strong of Pennsylvania (for) with Mr. Drewry (against).

Mr. Osborne (for) with Mr. Fulmer (against).

Mr. Paige (for) with Mr. Cullen (against).

Mr. Scott of Michigan (for) with Mr. Griffin (against).

Mr. Rose (for) with Mr. Dupré (against).

Mr. Moores of Indiana (for) with Mr. Linthicum (against).

Mr. A. P. Nelson (for) with Mr. Hawes (against).

Mr. White of Maine (for) with Mr. Fields (against).

Mr. Siegel (for) with Mr. Harrison (against).

Mr. Olpp (for) with Mr. McDuffie (against).

Mr. Perkins (for) with Mr. Thomas (against).

Mr. Sinclair (for) with Mr. Rainey of Illinois (against).

Mr. Mudd (for) with Mr. Rainey of Alabama (against).

Mr. Snell (for) with Mr. Park of Georgia (against).

Mr. Temple (for) with Mr. O'Brien (against).

Mr. Watson (for) with Mr. Stedman (against).

Mr. Nolan (for) with Mr. Wright (against).

Mr. Patterson of New Jersey (for) with Mr. Taylor of Arkansas (against).

Mr. Treadway (for) with Mr. Huddleston (against).

Mr. Newton of Missouri (for) with Mr. Goldsborough (against).

Mr. MOORES of Indiana. Mr. Speaker, I desire to vote yea.

The SPEAKER. Was the gentleman present, listening, when his name was called.

Mr. MOORES of Indiana. I was not.

The SPEAKER. The gentleman does not bring himself within the rule.

Mr. COOPER of Wisconsin. Mr. Speaker, I desire to vote yea.

The SPEAKER. Was the gentleman present, listening, when his name was called.

Mr. COOPER of Wisconsin. I was not. I was about two minutes late.

The SPEAKER. The gentleman does not bring himself within the rule.

Mr. KRAUS. Mr. Speaker, I desire to vote.

The SPEAKER. Was the gentleman present, listening, when his name was called?

Mr. KRAUS. I was not.

The SPEAKER. The gentleman does not bring himself within the rule.

The result of the vote was announced as above recorded.

Accordingly (at 12 o'clock and 39 minutes p. m.) the House adjourned until Monday, August 28, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

676. Under clause 2 of Rule XXIV, a communication from the President of the United States transmitting a supplemental estimate of appropriation for the Department of Labor for the fiscal year ending June 30, 1923, for salaries, office of the Secretary, Department of Labor, $7,100; for salary for the Second Assistant Secretary of Labor and for private secretary to the said Second Assistant Secretary (H. Doc. No. 378) was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. FOSTER: Committee on Judiciary. H. R. 12355. A bill to amend section 876 of the Revised Statutes; without amendment (Rept. No. 1193). Referred to the House Calendar.

Mr. FOCHT: Committee on the District of Columbia. S. 2597. An act to amend an act entitled "An act to provide, in the interest of public health, comfort, morals, and safety, for the discontinuance of the use as dwellings of buildings situated in the alleys of the District of Columbia," approved September 25, 1914; without amendment (Rept. No. 1194). Referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HIMES: A bill (H. R. 12468) to provide a commission to secure plans and designs for a monument or memorial to the memory of William McKinley, late President of the United States; to the Committee on the Library.

By Mr. DICKINSON: A bill (H. R. 12469) to declare a national coal emergency, to create a coal commission, and to prescribe their duties in the supervision of the production and distribution of coal; to the Committee on Interstate and Foreign Commerce.

By Mr. McPHERSON: A bill (H. R. 12470) authorizing the Secretary of Labor to permanently admit in his discretion and under suitable regulations and upon such requirements as he may prescribe certain aliens who have been temporarily admitted to the United States during and since the year 1914, and who were minors at the date of such temporary admission; to the Committee on Immigration and Naturalization.

By Mr. ZIHLMAN: A bill (H. R. 12471) to provide for the establishment in the State of Maryland of a fisheries station, to be under the direction of the Bureau of Fisheries of the Department of Commerce; to the Committee on the Merchant Marine and Fisheries.

By Mr. WINSLOW: A bill (H. R. 12472) to declare a national emergency to exist in the production, transportation, and distribution of coal and other fuel, granting additional powers to the Interstate Commerce Commission, providing for the appointment of a Federal fuel distributer, providing for the declaration of car-service priorities in interstate commerce during the present and any succeeding emergency, and to prevent extortion in the sale of fuel; to the Committee on Interstate and Foreign Commerce.

By Mr. GOODYKOONTZ: A bill (H. R. 12473) granting the consent of Congress to the Wynco Block Coal Co., a corporation, to construct a bridge across the Tug Fork of Big Sandy River in Mingo County, W. Va.; to the Committee on Interstate and Foreign Commerce.

By Mr. CLOUSE: A bill (H. R. 12474) to authorize the appropriation of $20,000,000 for Federal aid in the construction of post roads and highways in the several counties composing the fourth congressional district of Tennessee, and for other purposes; to the Committee on Roads.

By Mr. BRENNAN: A resolution (H. Res. 415) restricting the use of coal in the United States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CRAMTON: A bill (H. R. 12475) granting a pension to Frank Carney; to the Committee on Pensions.

By Mr. KELLEY of Michigan: A bill (H. R. 12476) granting a pension to Martha L. Harris; to the Committee on Invalid Pensions.

By Mr. LAYTON: A bill (H. R. 12477) granting an increase of pension to Willie Lillian Steventon; to the Committee on Invalid Pensions.

By Mr. McSWAIN: A bill (H. R. 12478) granting an increase of pension to Francis Marion Cooper; to the Committee on Pensions.

By Mr. ROACH: A bill (H. R. 12479) authorizing the Secretary of Labor to permanently admit, under suitable regulations and requirements to be prescribed by him, Jacob Kalaf, son of N. J. Kalaf, a citizen of the United States; to the Committee on Immigration and Naturalization.

By Mr. ROBSION: A bill (H. R. 12480) granting a pension to Sarah E. Childers; to the Committee on Invalid Pensions.

By Mr. SCOTT of Tennessee: A bill (H. R. 12481) granting a pension to George Peyton Chambers; to the Committee on Pensions.

Also, a bill (H. R. 12482) granting a pension to Susie Thrasher; to the Committee on Pensions.

By Mr. STRONG of Kansas: A bill (H. R. 12483) granting an increase of pension to Rachel E. Kerby; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6239. By Mr. COLE of Iowa: Petition of the League of Iowa Municipalities, relating to the necessity of legislation for the mining and distribution of coal; to the Committee on Interstate and Foreign Commerce.

6240. By Mr. KISSEL: Petition of New York Board of Trade and Transportation, New York City, N. Y., regarding The Hague rules, 1921; to the Committee on Foreign Affairs.

6241. Petition of William B. Kluber, Esq., Brooklyn, N. Y., urging the 40 per cent tariff on wire cloth; to the Committee on Ways and Means.

SENATE.

MONDAY, *August 28, 1922.*

(Legislative day of Friday, August 25, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

COMPENSATION OF WORLD WAR VETERANS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 10874) to provide adjusted compensation for veterans of the World War, and for other purposes.

Mr. UNDERWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Hale	Nelson	Smoot
Ball	Heflin	New	Stanfield
Borah	Hitchcock	Nicholson	Sterling
Broussard	Jones, Wash.	Oddie	Sutherland
Bursum	Kellogg	Overman	Townsend
Cameron	Kendrick	Pepper	Trammell
Capper	Keyes	Pittman	Underwood
Culberson	La Follette	Pomerene	Wadsworth
Cummins	Lenroot	Ransdell	Walsh, Mass.
Curtis	McCormick	Rawson	Walsh, Mont.
Dial	McCumber	Reed, Pa.	Warren
Dillingham	McKellar	Robinson	Watson, Ga.
Gerry	McLean	Sheppard	Watson, Ind.
Glass	McNary	Shields	Williams
Gooding	Myers	Simmons	Willis

Mr. DIAL. I desire to announce that my colleague [Mr. SMITH] is detained on official business. I ask that this announcement may continue through the day.

The PRESIDENT pro tempore. Sixty Senators having answered to their names, there is a quorum present.

Mr. McNARY. Mr. President, I desire to preserve the continuity of my remarks, and therefore I must refrain from yielding to any Member of the Senate for a question until I shall have concluded.

On June 8, 1922, I proposed an amendment to an act to provide adjusted compensation for veterans of the World War. Originally the amendment took the form of a bill, having been reported favorably to the Congress by appropriate committees. The legislation proposed by the amendment has the sanction of the Western Reclamation Association, which has representatives in 13 arid and semiarid States, the indorsement of numerous civic and commercial associations throughout the country, and officials high in public life.

Mr. President, I have offered the amendment in question for the reason I believe no legislation fashioned to benefit the former service men is complete or accomplishes that which Congress desires to effect unless it contains a provision covering some practical plan of land settlement.

In every war in which this country has been involved the Government has provided as aid land for the veterans, and in my judgment no good reason exists for the abandonment of this national policy at this time.

Federal statistics show that 75,000,000 acres of the public domain was allotted in the form of bounties to soldiers and sailors of our wars preceding the World War. If the veterans of the Great War are to receive land it must first be reclaimed, as the ready-to-plow lands of the Prairie States have wholly been absorbed by private ownerships. Indisputable proof exists that there is a sincere desire for farm homes among thousands of the ex-service men.

Mr. President, a few months ago the able Secretary of the Interior, Mr. Fall, said, in substance, after completing a careful survey among the ex-service men, that there is abundant evidence of a sincere desire for farm homes on the part of the defenders of our country in the late war. The records of the

General Land Office and the Reclamation Service show that hundreds of thousands of inquiries have been received from former service men concerning the possibilities of land settlement and employment in the construction of reclamation projects, the inquiries coming largely from farm-trained men who were not appealing for a gratuity but were seeking an opportunity to acquire homes on the land. Mr. President, I desire to quote a paragraph from the statement of the Secretary of the Interior:

> The arid and semiarid States show up with a total of 61,340 ex-service men interested in home making on the land. The southern States are represented by 27,780, and the eastern States, including Pennsylvania, by 26,900. In the northern States of Michigan, Wisconsin, Minnesota, and the Dakotas there are 14,000 veterans who have indicated a desire to obtain a farm home.

This amendment is not novel in any of its provisions. Its purpose and scope is to encourage the development of the agricultural resources of the United States through Federal and State cooperation, giving preference in the matter of employment and the establishment of rural homes to those who have served in the military and naval forces of the United States.

The legislation involves three existing agencies, the Secretary of the Interior; a district in the nature of a municipal corporation, organized under the law of any State to provide for the agricultural reclamation of land; and the Federal Farm Loan Board. There are in most of the States drainage district laws, and in the arid and semiarid States of the West there are irrigation district laws. The irrigation district laws of the West are largely an adaptation of the drainage laws of some of the Middle Western States to the arid-land reclamation projects of the far West. In the amendment under consideration the Secretary of the Interior is authorized to investigate the feasibility of reclaiming lands within a district in any State. The Secretary can not enter into a contract unless the district, under the law of the State in which the district is located, authorizes the reclamation of lands by irrigation, drainage, or dikage, with authority to issue bonds, which shall be a general charge against all the lands within the district, and to contract with the United States under this act. The cost of investigation is to be borne equally by the district and by the United States, the total cost, however, to be included in the cost of the project, should it be undertaken by the Federal Government. The Secretary, upon determining that a project presented to him by a reclamation district is feasible, is authorized under contract with the district to construct the necessary works for the reclamation of the lands involved therein, and to operate and maintain such works as long as such operation and maintenance, in the opinion of the Secretary, is necessary to safeguard the interests of the Government. The total cost of construction and of operation and maintenance is to be paid by the district to the United States.

It is not the purpose of the amendment that the Government shall reclaim for an individual a large acreage for speculative purposes. Before the Secretary can undertake the construction of a project the sizes of the farms therein shall be established, and an agreement shall be made effectively subjecting not less than 80 per cent of the excess lands to disposal to settlers at prices and on terms fixed in advance, the prices and terms to be determined with the view of placing a bona fide settler upon each farm with the least possible delay. The term "farm" means an area of land within a reclamation project sufficient in size to support a family, but not exceeding 160 acres of reclaimed land. As the arid and semiarid lands of the West and swamp areas of the different States of the Union are held in comparatively large holdings, there will be under all reclamation projects a large amount of land which can not be retained by its owners and under this amendment are called "excess lands." When a project is a going concern, having been completed and successfully operated for one season, the total construction cost thereof shall be determined by the Secretary and repaid to the Government within a period not exceeding 40 years, with interest thereon not exceeding 5 per cent per annum.

Mr. POMERENE. Mr. President——

Mr. McNARY. I desire to be courteous to the Senator, but I announced in advance that in order to preserve the continuity of my statement I did not wish to yield.

Mr. POMERENE. I was not aware of that fact. I beg the Senator's pardon.

Mr. McNARY. Mr. President, preceding any expenditure by the United States on account of construction of a project, bonds of the district equal in face value to the amount of the proposed expenditure must be duly issued and delivered to the United States. During the progress of the work, should it appear to the Secretary that the amount of the bonds put up is insufficient, he may either curtail the work or require the district to issue additional bonds. In case too many bonds have been issued, the excess bonds, on completion of the project, are to be canceled. The bonds shall be in form approved by the Secretary, to run for a period not exceeding 40 years and bear annual interest at a rate to be fixed by the Secretary, not exceeding 5 per cent per annum. The bonds are to be deposited with the Federal Farm Loan Board, and when the project cost is known and the value of all the property within the district subject to assessment for the payment of the bonds shall reach twice the par value of the bonds as found by the board, the board shall offer the bonds at public or private sale at not less than par. The money received from the sale of the bonds is to be credited upon the district contract and covered into the reclamation fund, where it will constitute a revolving fund, to remain such at the will of the Congress.

The unentered and unpatented arid and semiarid lands of the United States susceptible of reclamation may be included in a district and may be subjected, like all other lands within a district, to all lawful district charges and burdens. Where the unentered public lands within a district constitute more than 50 per cent in area of the lands therein, the Secretary shall have the right to appoint upon the district board such number of persons to represent the interests of the United States as shall constitute a majority of the board. All public lands within a district are to be opened under the provisions of the homestead law. The Secretary is authorized to accept, by gift, deed of trust, or otherwise land within a district and dispose of it on terms and conditions to be agreed upon by the grantor or later fixed by the Secretary.

In the construction of every project the Secretary shall, as far as practicable, utilize the services of veterans. In every opening or sale of land by authority of the Secretary under this amendment veterans shall have the exclusive right, for a period of 60 days, to make entry or otherwise acquire land. A "veteran," by the terms of the amendment, means any individual a member of the military or naval forces of the United States in the war with Germany, the war with Spain, or in the insurrection in the Philippines, and honorably discharged therefrom, or placed in the Regular Army or Naval Reserve.

The amendment under consideration and all amendatory or supplementary acts shall be known as the national reclamation law, and for the purpose of carrying out its provisions there is established in the Treasury a fund to be known as the national reclamation fund.

The amendment, if adopted, contemplates an ultimate expenditure for reclamation of arid, semiarid, swamp, and overflowed lands in the United States of the sum of $350,000,000. The amendment designates no definite amount which shall be appropriated in any one year. All appropriations must originate under the Budget system and receive the approval of Congress. All moneys received by the United States under this amendment shall be paid into the national reclamation fund, and all moneys at any time in said fund shall be available for appropriation for the purposes of the act.

The amendment under consideration does not supersede or displace the present reclamation law. That law will continue to operate exclusively in its present field. The fund therein can be used for many years to come to complete projects already undertaken and to build further reclamation works.

Mr. President, when the Secretary of the Interior, in order to carry out the provisions of the present reclamation law, brought into being the present Reclamation Service, the plan adopted was to sell water rights to individuals and to look to them to make, from year to year, partial payments until their obligations were discharged. This plan resulted in much detail and unnecessary expense and was, and still is, the source of much complaint and misunderstanding. Of late the Reclamation Service has sought to deal only with an irrigation district; that is, to sell a water right to a district and the district to divide the water among its members. Dealing with a unit in this fashion throws the burden of collecting all charges upon the district, and all obligations with the district are discharged by a tax levy which is made and collected through the taxing agency of the State, thereby entailing a minimum of expense.

The issuance of district bonds and placing them with the Federal Farm Loan Board to be disposed of to the general public when a project is a going concern and the security ample is a new thought in legislation. This plan, however, sets up no new agency, but makes use of an existing one—the Federal Farm Loan Board. This board is already successfully engaged in the sale of securities, and the securities to be disposed of

by it under the provisions of this amendment ought to be as safe on a 2 to 1 basis as are the farm mortgages upon a like basis now being handled by the board.

The legislation suggested by the amendment is not paternalistic, nor does it invade the sovereignty of any State. Only upon the invitation of the State will the Secretary of the Interior even investigate a reclamation project, and lands must be grouped and thrown into a district before even such investigation can be made. Owners of land in severalty will not, except by reason of an overwhelming necessity, group their holdings and charge the mass with an obligation, which might, through want of skill of a project engineer, cause the loss of the "last faithful acre" under the general taxing power of a reclamation district. The amendment only contemplates the Government assisting and doing that which the individual or group of individuals can not do for themselves. Experience has taught that it is practically impossible to borrow money for investment where a security is to be created for its repayment. As a rule, where money has been so borrowed, too often, conditions have been imposed resulting in disaster to both lender and borrower.

Mr. President, 20 years ago Congress passed the basic reclamation act, under whose benign influence there have been added to the cultivated area of our country 1,187,000 acres of land under district Federal reclamation projects, and water has been supplied by the Government to 916,000 acres within irrigation enterprises. These lands before reclamation were largely barren, desert waste and unproductive. During 1919, on the 1,187,000 acres within the Federal projects crops were grown of a gross value of $89,000,000; and on the land in private irrigation projects receiving water from Federal project there were grown crops of a gross value of $64,000,000, or a total of $153,000,000, compared with a governmental expenditure of approximately $130,000,000. As a result of this expenditure there are fixed properties of a total value of upward of $550,000,000. Great reservoirs of local, State, and national taxation have been created. Agricultural production has been greatly increased without injury to any section of the country; prosperous homes have been built, towns and cities have grown up, and a great market for all kinds of manufactured products has been created, aside from the great addition to the supply of food products.

That the manufacturers of the East and of the Middle West have a splendid field in the irrigated districts of the far West for the sale and disposition of their wares is demonstrated by the vast quantities of manufactured goods and products that annually are transported to and sold in the western section of the country, where irrigation is the source of production. Permit me, Mr. President, to instance one typical district. The shipments into Yakima, Wash., for 1918, 1919, and 1920, which in value are as follows:

Value of manufactured products shipped into the Yakima (Wash.) irrigation district.

Products.	1918	1919	1920
Automobiles, tires, and accessories	$2,195,000	$3,225,000	$2,600,000
Hardware and building supplies	900,000	1,200,000	1,100,000
Mixed groceries	1,750,000	2,000,000	2,150,000
Farm machinery	600,000	750,000	500,000
Ready-to-wear clothing	1,600,000	2,000,000	1,500,000
Shoes	700,000	1,000,000	1,000,000
Furniture and household supplies	1,000,000	1,500,000	1,200,000
Cotton and woolen goods	800,000	1,200,000	1,000,000
Drugs	700,000	1,100,000	1,250,000
Millinery, notions, crockery, and electrical apparatus	800,000	1,000,000	950,000
Insurance premiums	2,500,000	3,000,000	3,200,000
Total	13,545,000	17,975,000	16,450,000

The foregoing illustration clearly leads to the conclusion that in the far West there is one of the best markets which the eastern manufacturers enjoy. It is a home market and an ever-constant one. If the Government, under the proposed law, will put up an underlying capital for the further reclamation of the western arid lands and the water-logged lands in various States, the markets for eastern products can be readily more than quadrupled.

The property held in reserve by the Federal Government in the Western States and Alaska is of fabulous value, the figure placed by Secretary Fall in his annual report being $150,000,000,000. In several of the Western States the value of the land held in reserve exceeds the value of the property subject to taxation. The reserve land bears no expense for the maintenance of State and local government. Under such circumstances few will assert that the money arising from the disposition of public resources should not be used in the far West under the present reclamation law. The reserve of such vast wealth in the far West surely justifies the people of that section in asking the Federal Government to be generous and just in the matter of reclamation legislation.

Mr. President, the practice of irrigation is of great antiquity. The earliest civilized communities, of whom we have any knowledge, lived in the practically rainless deltas of the Nile and Euphrates. The success of their agricultural undertakings depended on efficient irrigation and the control of the rivers. Much of the history of Chaldea is centered about the great irrigation accomplishments. From an inscription of one of the kings of that country, whose epoch is fairly well determined, we know that some of the great canals were in existence 2,000 years before Christ. As irrigation was the cause of that nation's prosperity, so was the destruction of this means of production the chief cause of its decline. From the reading of hieroglyphics of the Pharaohs we are informed that irrigation was practiced in Egypt at least 2,500 years before the birth of our Savior, and well may we take an example in the New World—for instance, in Colorado, Arizona, and New Mexico—where the remains of reclamation works indicate the practice of irrigation before the time of authentic history. In these and other intermountain States miles of prehistoric irrigation canals have been found. Abyssinia, China, and India were all practicing irrigation when the writing of history began. It was not until a fifth of a century ago that the need of national legislation upon this great subject became apparent throughout the country. Then a great statesman, possessing a big heart and penetrating vision, President Theodore Roosevelt, with the aid of a few strong advocates, fixed the minds of the Members of Congress upon the possibilities of national wealth resting in the bosom of the great western section of the country.

Mr. President, I do not lend myself to pessimism, but I do deprecate the ever-increasing volume of the flow of the human family to the congested cities. If by any feeble effort I can contribute to the subsidence of that stream, I shall feel my work in the Senate has not been without its reward. In my opinion, the country is city crazy, for more than half our population are now city dwellers. This should not be so. We can not all live in the cities and towns of our wonderful country. The published report of the Director of the Census Bureau contains this statement:

> The increase since 1910 in the population as a whole was 14.9 per cent, but during the decade there has been an increase in that portion of the population living in urban territory of 12,192,826, or 28.6 per cent, and in that portion living in rural territory of 1,518,016, or only 3.1 per cent; and if the comparison is extended to cover the two classes of rural territory it appears that that portion living in incorporated places of less than 2,500 inhabitants shows an increase of 1,745,571, or 21.5 per cent, whereas that portion living in purely country districts shows an actual decrease of 227,355, or six-tenths of 1 per cent.

The causes of the cityward movement are many and varied and operate unhappily throughout the world. No nation is free from its baneful influences. No country has given the world a remedy. However, I have faith that our country shall yet propose a remedy whereby those of its citizens hungry for land may find a home in the countryside.

The amendment to the pending bill is built upon the proposition that the Government by extending aid in cooperation with the States can assure a sufficient and prosperous population in the rural sections of the country. To accomplish this great desideratum the policy of the Government must be to lend its every effort toward encouraging the opening of new farm areas. For 50 years past our farm areas were increased at the annual rate of about 700,000 acres.

Secretary of Agriculture Wallace has lately said that to keep abreast with the demand for food, if the population of our country continues to increase, we will need an additional plow acreage of 8,000,000 acres a year.

Many remedies to defeat excessive urbanization have been suggested by economists and students of sociology, but one helpful remedy lies in governmental aid in reclamation, by which lands are made available for agricultural use upon a long-term plan of payment of the construction charges. Large areas of swamp lands, subject to drainage and suitable to come within the provisions of the amendment, are located in practically every State in the Union, the total extent being in excess of 96,000,000 acres. Under like conditions are over 20,000,000 acres of land thirsty for water in the intermountain States and in the arid portions of the Pacific Coast States.

At this juncture, Mr. President, I desire to insert in the RECORD the table which I send to the desk.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The table is as follows:

Number of acres of arid and wet lands subject to reclamation.

State.	Arid land.	Wet land.	Total.
	Acres.	*Acres.*	*Acres.*
Alabama		1,485,000	1,485,000
Arizona	1,000,000		1,000,000
Arkansas		5,830,000	5,830,000
California	3,000,000	3,500,000	6,500,000
Colorado	2,900,000	100,000	3,000,000
Connecticut		59,000	59,000
Delaware		127,000	127,000
Florida		19,000,000	19,800,000
Georgia		2,700,000	2,700,000
Idaho	3,000,000	50,000	3,050,000
Illinois		762,000	762,000
Indiana		660,000	660,000
Iowa		410,000	410,000
Kansas		302,000	302,000
Kentucky		445,000	445,000
Louisiana		10,200,000	10,200,000
Maine		187,000	187,000
Maryland		200,000	200,000
Massachusetts		60,000	60,000
Michigan		5,434,000	5,434,000
Minnesota		6,828,000	6,828,000
Mississippi		5,750,000	5,750,000
Missouri		2,009,000	2,000,000
Montana	2,000,000		2,000,000
Nebraska	400,000		400,000
Nevada	400,000		400,000
New Hampshire		19,000	19,000
New Jersey		377,000	377,000
New Mexico	812,000		812,000
New York		700,000	700,000
North Carolina		2,750,000	2,750,000
North Dakota		880,000	880,000
Ohio		200,000	200,000
Oklahoma		275,000	275,000
Oregon	1,500,000	2,500,000	4,000,000
Pennsylvania			
Rhode Island			
South Carolina		3,125,000	3,125,000
South Dakota		4,200,000	4,200,000
Tennessee		1,000,000	1,000,000
Texas	1,000,000	8,000,000	9,000,000
Utah	1,000,000		1,000,000
Virginia		800,000	800,000
Vermont		50,000	50,000
Washington	3,000,000	500,000	3,500,000
West Virginia		25,000	25,000
Wisconsin		3,800,000	3,800,000
Wyoming	2,446,000		2,446,000
Total	22,458,000	96,090,000	118,548,000

Mr. McNARY. No student of modern-day industrial and economic questions suggests that the unsuccessful citizen in the overcrowded cities be induced to migrate to the country and engage his activities in rural undertakings. On the contrary, thoughtful observers desire to keep upon the farms the boys and girls who have a background of farming and who are conversant with farm life, its manifold problems, and the application of scientific methods gained through personal experience and information obtained at the agricultural colleges in the different States, working in cooperation with the Federal Government agencies. This idea does not exclude thousands of our citizens who are ready, able, and willing to leave the crowded municipalities and go upon the various reclaimed projects, there to build prosperous and happy communities upon lands theretofore uninhabitable.

Mr. President, the legislation carried in the amendment does not place a heavy burden upon the Treasury, because it specifically designates that the Congress shall decide from time to time and from year to year the amount of money that shall go forth to be employed in the construction of feasible projects, but careful investigation must be made of the feasibility of the projects in all applying districts that desire to come within the benefit of the law. Engineering problems must be solved, and the Congress must give its approval of every project recommended by the Reclamation Service and authorize the expenditure of every dollar that goes into its construction. The money advanced is in the nature of a loan, returnable to the Treasury at the will of the Congress, except as to the contractual terms of the repayment of construction costs.

Mr. President, some sincere students of rural economics have asserted frequently that the opening of additional farm acreage in large areas, as is contemplated by this amendment, would result in the lowering of land values throughout the States. This argument can not be true. For more than a century land values in the United States have continued to rise. I offer as proof of my statement the Federal census from 1800 to 1920, showing the steady ascendancy of land values per acre:

1800	$11.14
1860	16.35
1870	18.26
1880	19.02
1890	$21.81
1900	19.82
1910	39.60
1920	70.96

Nor am I convinced that the products to be grown on new farm acreage contemplated by this amendment will come into general competition with the products produced on the present agricultural areas. More particular reference is now made to that section of the country to be irrigated. It is probable that two-thirds of the irrigated land in the far West is devoted to the growing of alfalfa.

There is no place in the world where this plant grows more luxuriantly than in the irrigated districts of the far West, where the soil is deep and light, the weather warm, and where moisture can be supplied as needed.

The distribution of the reclaimed areas of the West is such that there is scarcely a sheep or cattle range which is not supplemented by an irrigated area near by. This has resulted in preserving flocks and herds from starvation during the periods of snow in the mountainous regions.

The live stock from the foothills and elevated benches of the Rocky and Cascade Mountains has furnished a cheap supply of beef and mutton to the Middle West and Eastern States. While this has been going on the farmers of the Mississippi Valley, in the main, have been growing their own cattle and finishing them with corn for the markets at home and abroad.

There can be little question that should the 20,000,000 acres of arid land in the far West yet susceptible of reclamation be placed under ditch, a large proportion of this land would be devoted to the growing of alfalfa, which would be used to feed the stock of those sections for a longer period in the winter, resulting in the live stock not losing its flesh through underfeeding upon the ranges. The farmers in the Middle West, to a great extent, receive the cattle from the West and finish and fatten them upon the corn produced upon the prairies, to the mutual benefit of all concerned, so that the growing of stock in the West has enlarged the market for the corn of the Middle West. Annually great quantities of corn move into the great western country from the Central States for milling and feeding purposes. As the West adds to its flocks through the extension of its irrigable areas, so will the Middle States expand under the impetus of an increasing demand for its corn.

Again, may we look upon this country and observe other suitable crops not generally produced throughout the United States. Sugar beets are grown to perfection in the warm, mellow soils rich in volcanic ash. Beets find no competition with any other crop produced in this country, except the sugar cane produced in the Southern States and beets produced upon the moist lands of Michigan and Wisconsin. The average production of sugar beets to the acre may be placed conservatively at 9 tons. A ton of beets will render at least 230 pounds of sugar; consequently we may place the sugar-producing strength of an acre of irrigated land at 1 ton.

The Department of Commerce statistics for 1921 estimate the consumption of sugar at approximately 100 pounds per capita. This would require the employment of 5,000,000 acres of soil in the production of sugar beets if our country desires to produce all it consumes of this great essential food product. We produce about one-fourth of the sugar we annually consume; therefore we could well put to use over 3,500,000 acres of our own land to the production of sugar.

Examples similar to the foregoing could be given in great detail, showing indisputably that there can be no economic conflict between the eastern, western, central, and southern sections of our country in the production of foodstuffs. Indeed no substantial competition between the farmers of the New England and Atlantic States and those of the far West and South does or can exist. The products produced on farms in New York, Pennsylvania, Ohio, and almost every State of the East, are greater to-day in value than they were when these States had the largest acreage under plow. The increasing population of the cities has changed the farmer from a wheat producer to a milk, butter, egg, and vegetable producer, not to his injury but to his benefit. Instead of the Middle West or the eastern sections of the country being injured by the further development of the far West and South a substantial benefit will inure from the reclamation of lands.

Mr. President, the national Republican and the national Democratic platforms of the last presidential campaign have planks warmly indorsing reclamation, and frequently in the campaign of 1920 this action was stoutly commended. On August 31, 1920, Mr. Harding, in part, said:

We must make our mountain West a country of homes for people who need homes. It has everything that they will need. It can provide them with food, with the materials for industry, with lumber from its forests, with metals and minerals from its mines, with power

from its streams, and water for irrigation of its land. And the work must be done that it will inure most to the advantage of society and the development of the independent, self-sustaining family unit in our citizenship. There must be proper cooperation and direction in this development, but there must be all care to prevent monopolization of resources and opportunities.

And, in conclusion, Mr. Harding said:

It is fit to recall the splendid vision Theodore Roosevelt had of the vast possibilities of the West. In a chapter of his autobiography devoted to "Natural resources of the Nation," he said: "The first work I took up when I became President was the work of reclamation." It was his judgment "that reclamation, conservation, and proper utilization were all involved in one great plan for the development of our western country." In the same work President Roosevelt declares: "It is better for the Government to help a poor man to make a living for his family than to help a rich man to make more profit for his company."

Commenting upon this declaration, Mr. Harding said, in his speech heretofore adverted to:

The principle is particularly sound to-day. We have need to make these areas the seat of millions of new American families, just as we broke up our prairies and distributed them among strong, enterprising, vigorous men, who developed them into the great States of the Mississippi Valley.

Mr. President, a splendid opportunity is here given to the Congress to do a grand thing in empire building. Lands that now pant for water can be made fertile, and lands that now are burdened with water can be made free and productive. The ex-service men who desire to cast their destiny in the open country can find rural fields for the employment of their energies. The social and economic evils that attend the crowding of cities can be partially averted, and a happy and healthful balance between rural and urban life can be maintained.

Authentic history records abundant instances of nations falling to decay on account of their neglect to provide methods for farm betterment and rural enlargement. This country must observe the admonition of history and keep a watchful and sympathetic vigilance over that acknowledged basic industry. If our country shall permit farm impairment, or fail to encourage its development and expansion, all other human industrial institutions will fall as a house built of sand.

Mr. President, in concluding I wish to express the faith that I believe the Members of this body will give the amendment to the pending bill thoughtful consideration, and the majority will praise its virtues by their votes.

Mr. OVERMAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from North Carolina?

Mr. McNARY. I yield.

Mr. OVERMAN. In North Carolina we have many acres of swamp land which if drained would be the richest land in the world, in my opinion. Those lands when drained would be worth from $100 to $500 an acre, but most of them are owned by individuals, in large tracts. If a man owns a thousand acres of such land, and it is drained, what plan is to be provided by which the 160 acres can be acquired and given to the soldier who wishes to get that land and locate on it?

Mr. McNARY. Perhaps the Senator was not present at the time I was attempting to analyze the various provisions of the amendment under consideration. The first thing we must keep in mind is a corporation known as the drainage district. Most States have laws for the formation of such corporations, and when such a corporation is formed it must make application to the Secretary of the Interior to determine its feasibility for drainage. After a careful survey is made by the Secretary of the Interior, and he deems the project to be a feasible one, one which will inure profitably to those participating therein, then the irrigation district places its bonds with the Federal Farm Loan Board, at which time the Secretary of the Interior receives from the Treasury, provided Congress is willing to advance the money to secure it, money sufficient to carry on the formation of the project and complete it. After it is completed, and the bonds have been placed with the Federal Farm Loan Board as security to the Government, the soldier then is given a right of preference of settlement upon all public lands—of which there are none in the South, and in all excess acreage over and above the farm unit established by the Secretary of the Interior, which can not be over 160 acres and may be very much less.

Mr. OVERMAN. How is the soldier to get it? How are you going to take the land away from the owner, land which has increased in value to $500 an acre? How are you going to get it? Are you going to confiscate it?

Mr. McNARY. Perhaps I have not made myself clear; I did not touch upon that particular phase of the question. The Secretary of the Interior can not go into a project unless those holding the acreage in excess of the farm unit established by him agree to sell to the applicants for land at a price agreeable to the Secretary of the Interior.

Mr. OVERMAN. What about the price? If the land is drained, it is worth $500; now it is worth $10.

Mr. McNARY. The price is based upon the cost of the drainage. When the district is organized, it comes to the Secretary of the Interior and tells him it is willing to put up their bonds, and ask him to make a survey. He says, "All right; I will do it, provided you men who hold areas in excess of the farm unit will sell at a price which I think the land is worth to-day." That is a matter of detail between the Secretary of the Interior and the owners.

Mr. OVERMAN. Then it is to be sold to the ex-soldiers at $160 an acre?

Mr. McNARY. At a price which the Secretary of the Interior fixes with the men having excess acreage, plus the cost of construction; that is, the digging of the canals and ditches.

Mr. JONES of Washington. Mr. President, I will read one paragraph from the Senator's amendment, which I think will answer exactly the question of the Senator from North Carolina. The paragraph reads:

SEC. 803. That before construction of a project is commenced the sizes of farms therein shall be established and agreements shall be made effectively, subjecting not less than 80 per cent of the excess lands within the project to disposal by authority of the Secretary to settlers at prices and terms fixed in advance in such agreements. Such prices and terms shall be determined with the view of placing a bona fide and competent settler upon each farm of the project with the least possible delay.

Mr. KELLOGG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from Minnesota?

Mr. McNARY. I yield.

Mr. KELLOGG. I think I understand how the irrigation district is to be handled and the bonds issued, but under what provision of the amendment is the soldier to get the benefit, or does subdivision 7 of the original bill cover it?

Mr. McNARY. Mr. President, the amendment plainly provides three preferences for the soldier: First, in the way of employment and wages received in the construction of the great dams in the West and the construction of the diversion canals. In all other work connected with the construction of projects, whether they be irrigation or drainage, the soldier is given the preference right of employment, and if the project is to cost several million dollars, and there are many soldiers applying for employment, they get all the money in the way of wages.

Secondly, they have a preference right to settle all public and unentered land upon the public domain. In all excess areas above the farm unit in irrigated and drained land they have for 60 days a preference right. Those are the practical benefits which the soldier will receive under this amendment. I might say to the Senator that it has had the indorsement of the veterans of the World War, many posts of the American Legion, and the Kansas City convention of the American Legion.

Mr. KELLOGG. But those lands are not used as a gift to take the place of the other provisions of the bill?

Mr. McNARY. Oh, no; the soldier is only given a preference right, and he must pay the same as anyone; must pay back his bonds and pay the Government the money that has been advanced in the construction of these various projects.

Mr. POMERENE. Mr. President, I would like to ask the question which I intended to ask earlier in the day, which perhaps the Senator has answered, because I was called out.

Mr. McNARY. I will be very happy to answer, if I can.

Mr. POMERENE. What I want to know is how much of the arid land and how much of the swamp land in the country will it be practicable to improve along the line the Senator has indicated? Let me say, in advance, that I am in entire sympathy with any proposition which will develop those lands so that they may be used in the furtherance of the agricultural interests of the country, because that means the interest of the whole country. But, of course, there are certain of those lands which, because of lack of water or because of topography, can not be improved. We loosely speak of the vast amount of arid lands and the vast amount of swamp lands, when all of us know that there is much of the arid land particularly which it is wholly impracticable to improve. What is the amount which would be available for this work?

Mr. McNARY. I am very happy to say, in reply to the Senator from Ohio, that the figures I gave are of the feasible acreage. I gave an estimate made by the Reclamation Service as 20,000,000 acres in the West. There are many, many hundreds of millions of acres of arid land. The 20,000,000 are acres which have been reported as feasible for reclamation after careful and conservative survey by the Secretary of the Interior.

I gave the area of swamp land susceptible of drainage as 96,000,000 acres of the many hundreds of millions of acres of

swamp land, figures supplied me by the Reclamation Service. None of the figures I have given are mere guesses or assumptions, without having a basis in fact.

Mr. POMERENE. So that, all told, 116,000,000 acres are available?

Mr. McNARY. That is correct.

Mr. GOODING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from Idaho?

Mr. McNARY. I yield.

Mr. GOODING. As I understand it, the amount of land in the West which can be reclaimed is measured by the available water supply, and that is estimated at anywhere from 20,000,000 to 22,000,000 acres. That is the total amount of land possible of development in the West. It is all limited, of course, by the water supply. That is information I received from the Interior Department.

Mr. TOWNSEND. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from Michigan?

Mr. McNARY. I yield.

Mr. TOWNSEND. I have not been able to hear all that the Senator has said, and I am curious to know whether the amendment he proposes takes the place of any provision of the adjusted compensation bill, or whether it is in the form of an option, to be employed instead of some other provision. In other words, I want to know what the relation of this amendment is to the adjusted compensation bill.

Mr. McNARY. It is not an option in any sense. As a matter of history, it might be well for me to repeat that the House adjusted compensation bill contained a land-settlement provision, which the Senate Committee on Finance struck out. I think that was an extremely impractical provision, and would not have afforded the soldier the benefit which it was hoped it might do. Consequently, I offered this amendment, which was originally a bill, in the place of the House amendment, so that the Senate might have something upon which to work if it desired to give the soldier an opportunity to go upon the land.

It is not an option. The soldier can not take this in place of taking cash, or insurance, or vocational education, or whatever the bill may offer, but if he gets his money under some plan we may adopt, and wants to take that money and become a first-class citizen, and go upon a farm, we are giving him an opportunity to settle down and help build up the country, to make a better citizen of himself, through the preference rights which I mentioned to the Senator from Minnesota. It is not an option. He does not have to take this unless he wants to. There are many actual settlers hungry for land, but, as I say, from statistics supplied, there are several hundred thousand soldiers who desire an opportunity to go upon farms, and this simply furnishes them the opportunity.

Mr. STERLING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from South Dakota?

Mr. McNARY. I yield.

Mr. STERLING. As I understand the Senator from Oregon, this valuable preference right, the 60-day preference right, is in addition to the soldier's right to a bonus under the bill?

Mr. McNARY. It is.

Mr. STERLING. And all the privileges and options under the bill?

Mr. McNARY. That is correct.

Mr. STERLING. Any one of which he may exercise. This amendment contemplates legislation on the part of various States, does it not?

Mr. McNARY. It does not contemplate additional legislation, but it suggests that before a State or district can take advantage of this splendid opportunity for governmental aid it must organize irrigation districts either under their constitution or under State statute, so to that extent it does require cooperation by the States.

Mr. STERLING. In his investigation of the subject, has the Senator found any State which could accept the provisions of this law without actual legislation?

Mr. McNARY. I do not know of any State in the West, outside of perhaps one State, which can not come within the provisions of this amendment.

Mr. STERLING. Without additional legislation?

Mr. McNARY. Without any legislation. Of the 17 semi-arid and arid States, I think 15 or 16 have laws which provide for the incorporation of irrigation districts, making them quasi corporations, able to issue bonds and levy assessments for the payment of the construction charges.

Mr. STERLING. Are there not many States which do not provide either for irrigation districts or for drainage districts?

Mr. McNARY. I do not think so. Drainage has been practiced in a small way in every State in the Union since the settlement of the earliest pioneers, and, at any rate, if a State is not able to accept it at this time, it would only take a year or two to get its laws fashioned to go forward.

Mr. STERLING. I am not hostile to the Senator's proposition; it appeals to me strongly.

Mr. McNARY. I appreciate that.

Mr. STERLING. But it occurs to me that irrigation and drainage have been carried on in different States under conditions so different from the conditions contemplated by this amendment that it will involve legislation on the part of nearly every State in order that it may conform to the requirements of the amendment.

Just one more question, I want to ask the Senator, to clear the matter up. In subdivision (e) on page 2, we find this:

> The term "excess lands" means all lands in a single holding in excess of one established farm.

That was a little confusing to me at first, but I think I understand it now. By the "single holding" referred to in that subdivision the Senator refers to the holding of a private individual before the land is taken for this purpose?

Mr. McNARY. That is correct.

Mr. DIAL. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from South Carolina?

Mr. McNARY. As far as I am concerned, I have yielded the floor.

Mr. DIAL. Mr. President, I would like to ask the Senator from Oregon what would be the objection to including all kinds of lands? Why is it limited to arid lands or to swamp lands?

It occurs to me that many soldiers would not care to go to either one of those places, as there are hundreds of thousands and millions of acres of splendid land suitable for cultivation in sparsely settled communities which could be acquired for a very small sum. When we go to help the soldier get a suitable home I see no objection why an amendment should not be had to allow any community to form a district similar to the irrigation district or the drainage district and not necessarily have the soldier to leave his local neighborhood or leave his community where he has lived all his life, when perhaps he would not like to go elsewhere, when in his own neighborhood the lands might be better suitable for raising the products of the soil and would be more profitable perhaps than could be raised on the new lands considered in the amendment.

I have an amendment—I do not know whether it will cover the situation or not—by which I am proposing to include other kinds of land. I know in my State we have something like 9,000,000 acres of cut-over timberland, a great deal of it very fertile, and all it needs is occupation and cultivation. I would like very much to have an amendment along that line, and then I think I could support the Senator's amendment, even though I could not support the bill as a whole.

I call the Senator's attention, if he will allow me, to page 2, line 5, of his amendment as printed, and suggest, after the word "dikeage," to insert the words "or otherwise," and then, on page 6, line 14, after the word "construction," to strike the words "but not" and insert the word "and." According to my interpretation, it would be applicable then to the acquirement of any kind of land where they want to form a district of that sort and give the soldiers the preference. I think it would add greatly to the amendment and would certainly be much more beneficial to the soldiers, because we all know that irrigation is very expensive and drainage is often very expensive, too. I would like to ask the Senator if he has any objection to an amendment to cover that type of land?

Mr. McNARY. The thought of the Senator is not a new one. It is an interesting one. I should be very glad to express to the Senator my convictions along that line. As I said, the Senator's thought is not a new proposition.

Mr. DIAL. No; I know that.

Mr. McNARY. It has been given consideration by a great many practical men who have done much to create the amendment which I have offered. It was thought wise to limit the form of reclamation to the two which have been tried and tested, namely, by drainage and by irrigation. We have not, to my knowledge, in this country any organized districts for the reclamation of cut-over lands. I think I am conversant with the State laws regarding the subject. In my opinion, we have no laws permitting the organization of districts to reclaim cut-over lands. It has all been done through drainage and by the application of water. We have found those to be two practical

methods of reclaiming lands. There are plenty of such lands to absorb all the money that has been appropriated for projects of this sort, and very much more.

Many who have given the subject more careful consideration than I have believe that the reclamation of cut-over lands is not as practicable as the reclamation of irrigated lands and swamp lands, for this reason: The arid land is strong and contains abundant plant food. It is a volcanic ash formation. It can be farmed successfully in an intensified way in small units. The land is perfectly worthless until the water is put upon it. When the water is brought to the land, then very promptly the average land becomes of immense value. Consequently, it is thought that the land would appreciate so quickly and so rapidly in its value that the bonds would be salable, because the bond is not salable until the land in the district is twice the value of the outstanding indebtedness. The same thing I say of the arid lands is true of the swamp lands. Consequently, the cost of reclaiming cut-over lands is so great as compared with the resulting value that it is thought those bonds would become frozen, would not be liquid, and therefore would prevent the use of the revolving feature of the bill. The revolving feature of the bill is the very heart of the proposed legislation. Senators, of course, understand what the revolving feature provides. The fund would turn over, in the estimation of those who have given it thought, about three times in 18 years, thereby increasing the sum vastly in excess of the authorization contained in the amendment. To have logged-over lands with bonds that will not move, or bonds that are inert and will not turn, it is thought would tie up the appropriation and defeat the best feature of the bill, namely, the revolving-fund feature.

That is the answer I make to the Senator. Personally I have no preference. In my State there are immense quantities of cut-over land, more than of the arid lands, but from a general standpoint I do not know whether it is practicable. I expect, of course, if the Secretary of the Interior after careful investigation deemed the project was not feasible and that Congress also so believed—for it must come here finally for adjudication—then the project would not go forward. Personally I have not enough objection stoutly to oppose it.

Mr. SIMMONS. Mr. President, I would like to ask the Senator from Oregon a question.

Mr. McNARY. I yield to the Senator from North Carolina.

Mr. SIMMONS. Unfortunately I was not in the Senate during the last week and have just arrived this morning and did not hear the Senator's speech this morning and have not read his amendment. The Senator is connecting the Government with this by way of giving preference to the soldier. What does that preference to the soldier amount to—that is to say, what advantage has he over any other purchaser under the project of the Senator? I have no doubt the Senator has been over it, but will he explain it to me?

Mr. McNARY. At the expense of being tiresome to Senators who have been present——

Mr. ROBINSON. Mr. President, will not both Senators speak louder? We are utterly unable to hear either one of them.

Mr. SIMMONS. The question I ask is what advantage there would be to the soldier under the preference given in the amendment of the Senator from Oregon over any other purchaser.

Mr. McNARY. A very fair question, and one which I have attempted to answer from an inquiry by the Senator from Minnesota, as well as in my principal speech. The soldier has the preference upon all unentered public lands. Of course, that would only apply to the western public-land States, which are 13 in number. He has a preference to all lands in excess of what is called the farm unit, being the size of the farm which the Secretary of the Interior believes a man must have in order to provide himself with a living. It can not be more than 160 acres and it may be very much less, depending upon the character of the soil, climatic conditions, and the products to be grown. He has the preference right to that extent. I perhaps should go further and give an illustration.

A project is incorporated under the laws of North Carolina. The Secretary of the Interior believes it to be feasible. The secretary of state of North Carolina has 500 acres which he wants to come within the district. The farm unit is established at 100 acres. Before the project can go forward, before the Secretary of the Interior will advance any money or commit the Government to any obligation, the able Senator from North Carolina must agree with the Secretary of the Interior to sell the excess acreage, which in this case would be 400 acres if he had 500 acres, at a price which the Secretary of the Interior thought it was worth, and when that is done that becomes excess acreage and upon that land the ex-service man has first right of entry.

Mr. SIMMONS. The Senator said at prices fixed by the Secretary of the Interior.

Mr. McNARY. Yes.

Mr. SIMMONS. Is that price to the soldier any different from the price to anyone else?

Mr. McNARY. Not at all. The ex-soldier pays the same price, but he has a preference right to go there and get that land. He must meet his obligation the same as any other settler. The other provision beneficial to the soldier is that he has the right to be selected above anyone else to do that work. He has the preference right of wage and right of employment.

Mr. SIMMONS. Undoubtedly that is a very considerable advantage.

Mr. McNARY. I think so.

Mr. SIMMONS. But with reference to the other and the only other advantage, the ex-soldier has the preference in the purchase of the land, but he has to pay the same price that any other individual has to pay.

Mr. McNARY. Oh, yes.

Mr. SIMMONS. That is the same preference that the soldier has now with reference to irrigated lands of the West owned by the Government.

Mr. McNARY. Yes. He has that right now.

Mr. SIMMONS. The Secretary of the Interior would fix the price of the land to all purchasers?

Mr. McNARY. That is true.

Mr. SIMMONS. And the soldier would have the first call, and that would be the only advantage he would get?

Mr. McNARY. That is all. It is not intended as mere charitable legislation, but a practical matter based upon the experience of the Reclamation Service in past years.

Mr. TRAMMELL. Mr. President, I desire to offer an amendment to the amendment. I send it to the desk.

The PRESIDENT pro tempore. The Secretary will report the proposed amendment to the amendment.

The ASSISTANT SECRETARY. On page 3 of the printed amendment, in line 13, before the words "per cent," strike out "80" and insert in lieu thereof "40," so that if amended it would read:

SEC. 803. That before construction of a project is commenced the sizes of farms therein shall be established and agreements shall be made effectively, subjecting not less than 40 per cent of the excess lands within the project to disposal by authority of the Secretary to settlers at prices and terms fixed in advance in such agreements.

Mr. TRAMMELL. Mr. President, I am heartily in favor of the enactment of some form of legislation which will encourage the reclamation of the arid lands of the West and the swamp and overflowed lands of the South, and since becoming a Member of the Senate I have advocated such policy, but I am doubtful as to the practicability of the measure in regard to meeting the great need for aid in bringing about the reclamation of the overflowed lands of the South. The Senator from Oregon is familiar with the western situation and has no doubt so formulated his amendment that he feels confident that the arid lands of the West will enjoy a full participation in the benefits afforded by the amendment. I have offered an amendment to his amendment in regard to the question of the percentage of land that must be subjected to sale under the Secretary of the Interior.

I am very doubtful, if we require that at least 80 per cent of all the lands within a drainage district be surrendered to the control and direction of the Secretary of the Interior as to prices, that there would be any great number of districts in the South that would avail themselves of a plan with the 80 per cent limitation. With a largely diversified ownership it would be quite difficult to get 80 per cent of all the landowners within a given territory—territory probably needing and demanding reclamation by drainage—to surrender over all of their property rights and the control of their lands to the Secretary of the Interior as the amendment proposes. In order to form a district at least 80 per cent of all the property has to be turned over to the Secretary of the Interior for him to carry on the drainage, centralizing in him all power of operation, centralizing in him all power of fixing prices or carrying on negotiations of sale.

Therefore I do not believe that in the South where, so far as I know—and certainly it is true within my State—the land is owned by a diversity of ownership, the provisions of the measure as worded will accomplish so much as would be true if the 80 per cent requirement was modified. Therefore I have offered the amendment to provide that it will only be necessary to subject 40 per cent of the lands within a project to disposal by authority of the Secretary of the Interior.

Mr. McNARY. Mr. President, let me ask the Senator this question: Is not the Senator from Florida interested in seeing the large farm tracts in the South broken up into practical units and given over to settlement to as many people as possible?

Mr. TRAMMELL. Certainly; Mr. President.

Mr. McNARY. If the Senator understands the provisions of my amendment, that is all it provides for.

Mr. TRAMMELL. I understand the Senator's amendment.

Mr. McNARY. I do not think the Senator does.

Mr. TRAMMELL. I understand the object and purpose of the amendment; but if the proposed legislation is made impracticable and no drainage districts shall be created under the provision of the proposed law, then we shall not have accomplished the settlement of the land, and we shall, by restrictions and qualifications, have withheld the benefits of the proposed act from that particular section of the country to which its terms are but poorly adapted.

Mr. McNARY. Let us see if the Senator understands the proposed legislation. Take 1,000 acres, most of it, we will say, owned by four men. The Senator from Florida desires the owners to come in and agree with the Secretary to sell 40 per cent of that acreage to actual settlers and soldiers. Would he want them to go ahead and complete the project for the benefit of these great landholders and landowners? All that my amendment does is to provide that 80 per cent of the privately owned land in large tracts must be subject to the law, providing for the size of the unit, and that it shall be sold to actual settlers and soldiers at a price to be determined by the Secretary of the Interior.

Mr. TRAMMELL. I think that in view of the phraseology of the amendment of the Senator from Oregon upon this particular point, instead of the amendment that I propose being in the interest of large landowners, the amendment of the Senator from Oregon as it is now worded would be in the interest of large landowners, because when the ownership is centralized in a few men they will arrive at an agreement; that they will surrender 80 per cent of all their property if the Secretary of the Interior fixes a price at which they are willing to sell the property; but that would not be so feasible where there is a diversity of ownership of lands for the drainage of which application is made. Therefore the peculiar wording of the bill is in the interest of large land ownership; and I think it is not so much in the interest of having the reclamation of land where there is a diversity of ownership.

So far as the question of benefit to the soldier is concerned, I do not think there is very much in the proposed amendment for the soldier. We might just as well, therefore, consider it put upon the basis of its merits as a reclamation proposition.

As a reclamation proposal, we might accomplish something through a measure of this character; but the soldier will only have the benefit of 60 days' preference in entering the land at the price fixed by the Secretary of the Interior; that is all we are doing for the soldier; as far as I am concerned I think we should do more for him. We have laws now that give the soldier the preference in regard to homesteads, preference in regard to civil-service positions, and preference in regard to employment in connection with road construction. So we shall be doing nothing very wonderful for the soldier by this amendment, no more than if we should carry on a reclamation project under a measure which was not tacked on to and made a part of the soldiers' compensation bill. I want the soldier to be given the preference as provided in this measure, but consider the amendment of the Senator from Oregon, not primarily for the benefit of the soldier but primarily a reclamation measure.

Mr. WALSH of Montana. Mr. President——

Mr. TRAMMELL. I yield to the Senator from Montana.

Mr. WALSH of Montana. I was endeavoring to follow the argument of the Senator from Florida in support of his amendment to reduce the percentage from 80 to 40, but I find I have not been able to understand the position he takes. If I understand this provision, it may be illustrated by this concrete example: Ten thousand acres which are owned by a large number of people are to be reclaimed by a project. We will say that 4,000 acres of the aren are owned by 30 different people, each owning a little over 100 acres. Those 30 people are obliged to agree to sell everything they own over and above 100 acres at a price to be agreed upon by the Secretary of the Interior; and, of course, it will be agreed upon by them and the Secretary; but the other 6,000 acres are owned by three men, each owning 2,000 acres. Would the Senator from Florida like to have an irrigation district formed, 3 men owning 6,000 acres and 30 men owning just a little over 100 acres each, and those 30 men agreeing to give up their excess, but the 3 men holding out the 2,000 acres apiece?

Mr. TRAMMELL. Mr. President, I think that they should have a right to do that; that we should not take away from them their property right just merely because they happen not to constitute the larger number in that district.

Mr. WALSH of Montana. We do not take their right away from them.

Mr. TRAMMELL. Mr. President——

Mr. WALSH of Montana. One moment. That is where the Senator is in error. We do not take away rights from anybody. Before the district can be formed the owners of the land must agree to sell the excess above the unit at a price which is agreed upon—that is what this proposed legislation means—and agreements must be had from the owners of the 80 per cent of the land. That is because it is assumed that perhaps 20 per cent will be in the control of executors or of unknown owners, or something of that kind.

The point is not to permit the creation of a district, the benefit of which, and the benefits of the Treasury aid, will go to a few men owning large tracts of land. In the case that I have cited the three men will not agree to sell their excess at the price agreed upon by the Secretary of the Interior, but the other people, owning small tracts of land, are so desirous of having the work go on that they will agree to do so, and the man who owns 150 acres—100 acres, we will say, is the unit—will agree to sell his 50 acres at a price that is agreed upon, and another man owning 125 acres will surrender his 25 acres to be sold at a price to be agreed upon; but the three men, each owning 2,000 acres apiece, say "No, we will not agree to sell it." Still the district is organized and they get all the benefit out of it. Why should the Senator under those circumstances want to reduce it from 80 per cent to 40 per cent? The answer to those men each owning 2,000 acres will be, "Very well, you can not have any irrigation district."

Mr. TRAMMELL. Mr. President, I will reverse the case and make an application of it to illustrate my point. Say the three men, owning 2,000 acres each, making an aggregate of 6,000 acres, are willing to carry on a reclamation scheme for the purpose of promoting a land project, and are willing to surrender for sale at least 80 per cent of their lands; but, on the other hand, the 30 small owners, some of whom would like very much to enjoy the benefits of Government reclamation, and who have probably 300 acres of land each, say, "We should like to have this reclamation. The big landowners, it is true, owning 2,000 acres each, are willing to surrender 80 per cent of their lands to the Secretary of the Interior in connection with this project and for land sale, but we do not desire to dispose of our small acreage of land over and above the amount for a homestead or a settlement"; yet under the provisions of this bill they have to surrender their rights and allow the Secretary of the Interior to sell at least 80 per cent of their land before they can enjoy the benefits proposed by the measure. That is the reverse of the case under the illustration given by the Senator from Montana.

Mr. WALSH of Montana. Under those circumstances there would not be any irrigation district formed.

Mr. TRAMMELL. Certainly there would not be any district formed; that is just the point I am making.

Mr. WALSH of Montana. Why should the small owner, owning a small excess over the unit area, be entitled to hold any more than anyone else? He is not obliged to surrender anything; but 20 per cent of the community could still be obdurate and obstinate about the matter, and the irrigation district would go on anyway and they would get the benefit of it.

Mr. TRAMMELL. Mr. President, one out of the thirty small property owners mentioned by the Senator in his illustration could object and defeat the project. I dare say that under the provisions of a measure of this character the large property owners will be found much more ready to join in an effort to sell their property and to avail themselves of its provisions and to surrender 80 per cent or more of their lands to the Secretary of the Interior for his control in regard to improvement, price fixing, and so forth, than would the small owners.

In my State we have a great drainage project, I think the largest in the United States, involving 4,000,000 acres of land. The land embraced in that area belongs to thousands and thousands of owners, and so far as this measure is concerned they would in all probability have no advantage of its provisions. The 80 per cent requirement would make it probably impracticable, for 80 per cent of all the property of that district would hardly be surrendered to the Secretary of the Interior for the purpose of sale. But that is not all. The property placed in the hands of the Secretary of the Interior would furnish more swamp and overflowed reclaimed land than will be sold to only small settlers probably for a quarter of a century, if the owners

have to surrender 80 per cent of their entire holdings of land. I think the Secretary should have in his hand for sale every acre of land required for the small settler, but there is no reason why he should have millions of acres in excess of this demand.

What I had been hoping for was that we would work out a proposition under which the Government, without having to make disastrous restrictions, would furnish financial aid and assistance to reclamation projects in a reasonable way, to the extent of the area of land that would probably be needed for settlement at a reasonably early date; but not under restrictions that would preclude, in a very large measure, certain sections of the country from enjoying its benefits. I believe that the 80 per cent requirement would to quite an extent preclude such participation.

I have not offered an amendment as yet, but I propose to offer an amendment affecting projects that are already partially operated and being constructed. The pending proposal seems to contemplate entirely new projects, unless it reaches out to the already existing arid-land projects, and there are certain references in the amendment to other laws which probably bring existing arid-land projects within its provisions.

I offer the amendment and hope that it will be adopted. I am very apprehensive that if an amendment of this character is not adopted, except where there are large tracts of public domain still held by the Government, as in many of the arid-land States of the West, other States will not be benefited so much as I desire under the proposed measure.

The PRESIDENT pro tempore. The Secretary will state, so that the Senate may understand it, the proposed amendment of the Senator from Florida to the amendment.

The ASSISTANT SECRETARY. In the printed amendment of the Senator from Oregon [Mr. MCNARY], on page 3, line 13, the Senator from Florida proposes to strike out "80" and insert "40."

Mr. PITTMAN obtained the floor.

The PRESIDENT pro tempore. Will the Senator from Nevada allow the Chair to make an observation?

Mr. PITTMAN. Certainly.

The PRESIDENT pro tempore. The Chair is of the opinion that the amendment offered by the Senator from Oregon [Mr. MCNARY] is not now properly before the Senate and the record ought to be made clear before the debate proceeds further. The Chair is of opinion that the action of the Senate in agreeing to the substitute for title 8, reported by the committee, must be reconsidered before the amendment offered by the Senator from Oregon is in order.

Mr. MCNARY. Will the Senator from Nevada yield for the purpose of properly placing before the Senate the amendment in question?

Mr. PITTMAN. I yield for that purpose.

Mr. MCNARY. I move a reconsideration of the vote by which title 8 was stricken out.

The PRESIDENT pro tempore. The Senator from Oregon asks unanimous consent that the vote by which title 8 was stricken out and certain matter inserted in lieu thereof be reconsidered. Is there objection? The Chair hears none, and the vote is reconsidered.

Mr. MCNARY. I now offer my amendment to the bill.

The PRESIDENT pro tempore. The Chair is of opinion that the amendment is now in order.

Mr. FLETCHER. And the amendment of the Senator from Florida [Mr. TRAMMELL] to the amendment of the Senator from Oregon is in order?

The PRESIDENT pro tempore. The Senator from Florida now offers the amendment to the amendment proposed by the Senator from Oregon, which has already been stated, and which is the pending question. The Senator from Nevada will proceed.

Mr. PITTMAN. Mr. President, I gather from the argument of the Senator from Florida [Mr. TRAMMELL] that he understands the provision to mean that 80 per cent of the excess land of each owner of land is required to be subjected to disposal to settlers by the Secretary. That is not the fact. It simply requires 80 per cent of the excess land to be subjected to his disposal, whether that is furnished by one or by 100 owners. That is the distinction.

We will assume that one man in a proposed 10,000-acre district owns 9,000 acres. That one man, by turning over to the Government for the purpose of reclamation and disposal in farm units 8,000 acres, can form the district, while the owners of the other 1,000 acres, which we will say consist of five people having 200 acres each, do not have to give up any excess acreage at all.

In other words, the necessity for the provision is simply this: The Government is not going to furnish the money to develop an irrigation district or a drainage district unless it be for the benefit of a large number of settlers on at least 80 per cent of the land of the district. That is all that means. While there has been no experience in the drainage districts with regard to this provision, there has been experience with regard to a similar provision in the irrigation of arid lands in the West.

For instance, we will take a district in our State, where about half of the land is in private ownership and has been for a great many years owned in large tracts, two or three thousand acres to the person. These people have held that land for years for speculative purposes. It is not worth a cent unless you can put water on it. It is worth no more than the swamp lands of Florida if they can not be drained. The great trouble about the individual accomplishing the irrigation of these arid lands is the difficulty of bringing about an agreement between all of the landowners in the district and the Government, which owns the public lands in the district. Of course, the Senator from Florida will have no public lands in his drainage district. He will have State lands; but experience in the formation of similar districts for the purpose of taking care of the arid lands of the West, where part of the land is Government land and part of it is privately owned, has demonstrated that it is perfectly practicable to carry out such a provision as is found in this bill.

It took four or five years to accomplish it, it is true. I remember that in one district in our State, which is probably one of the richest farming districts in Nevada, all of the land up to a certain period of time had been privately irrigated. There were probably 30,000 acres of the richest land in the country under private irrigation, but the people who owned that 30,000 acres of privately irrigated land also owned about 20,000 acres of land that they did not have water to irrigate. They desired, however, to get the water to irrigate that 20,000 acres. To do that would require the building of a tremendous reservoir by somebody, either the individuals or the Government. The individuals could not bring it about, because it was difficult to get the proper contribution by hundreds of little landowners in that district. These little landowners did not have the money to join in this tremendous enterprise of building a large reservoir, and these wealthy men with large holdings did not want to put up all of the money, just as the Government under this provision does not want to put up money for the purpose of improving the land of one or two men who may own 60 per cent of the land to be benefited. The Government does not desire to lend money for the benefit of land owned by two or three people. The only argument at all in favor of the Government, as a government, taking part in these great reclamation schemes is, in the first place, that it can only be accomplished practically through the Government and, in the second place, that it is for the benefit of a great number of home seekers.

I think that when you place in this bill a requirement that the Government shall proceed to lend this money and construct these projects when 80 per cent of the lands are in farm units, you have gone far enough. The Government ought to know that at least 80 per cent of a district is going to be divided up, we will say, in 100-acre farms between a great number of people. It may be said that the Government may know that the other 20 per cent of that land is going to be equally benefited, and is owned by one individual. The Government does not want to do that; but it has been found, as the Senator from Montana has said, that possibly 20 per cent of that land is so owned that they can not get cooperation from it.

I am perfectly confident that if a provision were placed in this bill asking the Government to furnish money which might be enjoyed 60 per cent by one man and only 40 per cent by a number of men, the bill would be vetoed by the President. I can not see that it makes much difference in the practicability of forming a district whether you require 40 per cent or 80 per cent of the excess land over the farm unit to be distributed. It may require a few more days' time to bring them together. As a matter of fact, unless the services of the Government are required in a certain district, you never will have the district, anyway; and if the services of the Government are required for the success of the project, you will have no trouble in getting 80 per cent of the excess land disposed of. That has been the experience, as I tell you, with this same kind of provision in the development of projects in our arid-land section. These great holders of large quantities of land did not want to give it up, of course. They wanted the Government to put the water on the land, and make land that was worth $5 an acre worth $100 an acre, undoubtedly. The Government said, "No; if you are willing to sell this land at $5 an acre, its present value, the Government will take it over, and in turn we will sell it in 100-acre lots to home seekers, and we will put water

on it, and we will put water on the 100 acres that you keep for yourself." That was a fair, legitimate proposition, and any other kind of proposition would be unfair.

Mr. TRAMMELL. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Nevada yield to the Senator from Florida?

Mr. PITTMAN. I do.

Mr. TRAMMELL. Does this measure contain any provision requiring that this reclaimed land shall be sold only in small tracts to actual settlers?

Mr. PITTMAN. Yes.

Mr. TRAMMELL. There is nothing in the bill of that character.

Mr. PITTMAN. Oh, yes; there is.

Mr. TRAMMELL. The Senator is arguing from that viewpoint, but there is nothing in the bill which says that the Secretary of the Interior can not dispose of 1,000 or 5,000 or 10,000 acres to one land purchaser, if he sees fit.

Mr. PITTMAN. Oh, yes; I remind the Senator of the provisions of section 803:

That before construction of a project is commenced the sizes of farms therein shall be established and agreements shall be made effectively, subjecting not less than 80 per cent of the excess lands within the project to disposal by authority of the Secretary to settlers at prices and terms fixed in advance in such agreements. Such prices and terms shall be determined with the view of placing a bona fide and competent settler upon each farm of the project with the least possible delay.

Now turn to the definition in the first part of the bill, and see what "farm" means. This is subdivision (d), on page 2:

(d) The term "farm" means an area of land within a reclamation project sufficient in size, in the opinion of the Secretary, to support a family, but not exceeding 160 acres of reclaimed land.

Consequently, not over 160 acres could be sold to any one person; not over 160 acres could be homesteaded by any one person; and I may say that the experience in reclamation projects has demonstrated that in a great many cases the unit has been made only 80 acres. One hundred and sixty acres is the maximum.

Mr. TRAMMELL and Mr. BURSUM addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Nevada yield further; and if so, to whom?

Mr. PITTMAN. I yield first to the Senator from Florida. Then I will yield to the Senator from New Mexico.

Mr. TRAMMELL. The Senator speaks of homesteading. Does this bill contemplate that Government land that has been reclaimed can be homesteaded under the homestead law at the regular rate per acre?

Mr. PITTMAN. It does. This bill anticipates that the public lands that are taken in an irrigation district shall be subject to homesteading.

Mr. TRAMMELL. Without the accumulated expense of the reclamation being charged against the homesteader?

Mr. PITTMAN. The homesteader does not pay for the land. During a period of 40 years he pays to the district his proportionate part of the expense of constructing the project and of maintaining it. The district then, over a period, we will say, of 40 years, pays back to the United States Government its money for having established the project.

Mr. TRAMMELL. What if the homesteader does not homestead until 10 years after the completion of the project, and the bonded obligation has been running for a period of 10 years, and assessments have been made against that land for a period of 10 years? Does he still purchase the land at the regular homestead-entry price?

Mr. PITTMAN. That is to be arranged entirely by the Secretary of the Interior. That difficulty has arisen in the irrigation of arid lands. It has only arisen, however, through the mistake of the Government in taking in land that was not really arable; but in the case of the recent projects established by the Government, where the land is arable, experience has taught us that there is a scramble to enter this land, instead of having it lie open for 8 or 10 years after the project starts. It is a very inviting thing for the homeseeker, and he goes in there. While a condition might arise such as the Senator speaks of, in that case it is entirely within the power of the Secretary of the Interior to require that homesteader to assume the accumulated obligation as against that land in the district.

Now I will answer the question of the Senator from New Mexico.

Mr. BURSUM. What I intended to call to the attention of the Senator from Nevada and also the Senator from Florida was the fact that while a maximum of 160 acres is allowed to any project, yet experience has shown that the average would be nearer 40 to 80 acres. That is to say, in the intensive cultivation of a farm under irrigation it is impossible to take care of anything like the acreage that can be cared for in the case of land which is not cultivated by irrigation and where you do not get the large returns. Furthermore, any land under a project is automatically arranged so that it would be impossible to have any large areas of idle land on account of the annual capital water charge on that acreage. So under all the arrangements and regulations with reference to any project I know of that question would automatically settle itself and be reduced to the small ownerships.

Mr. PITTMAN. That completes that portion of the statement I was making with regard to the fact that in many cases there were only 80 acres. I have no doubt that the Senator from Florida feels that the requirement that at least 80 per cent of the land in excess of the farm units shall first be turned over for settlement of other people, upon paying, of course, the purchase price, will make it very difficult to organize one of these districts. It is true it would be easier to organize them if only 40 per cent was required. But coming down to the balance of the difficulties, while it is easier to form a district where only 40 per cent of the excess lands over the farm unit must be surrendered for sale, it is impracticable, because the Government will not put up the money where it benefits only a small number of persons. That is what we are up against.

This is not a new question as far as desert lands are concerned. It is a new question as far as drainage lands are concerned. It is perfectly natural that the Senator's mind should revolve around the same questions which have disturbed the minds of western Senators for several years.

As I said just now, here is a great farming valley, in which 30,000 acres are privately irrigated and privately owned, but there are 20,000 acres of privately owned land not in irrigation. There is no water to put on that extra 30,000 acres of land, which is owned by probably 10 people. The only way they can give any value to it is to put water on it, and the only way they can get water is to build an expensive Government reservoir. The few men who own these 20,000 irrigable acres of land, who have no water for it, do not want to put up all the money to build that reservoir, and at the same time have probably forty or fifty thousand acres of Government land benefited by it. In fact, they would have difficulty in selling their bonds to raise the money to put in that Government reservoir.

What is the result? They find that the only thing they can do is to go to the Government and say, "Will you cooperate with the State so that districts may be organized under the State law, embracing three kinds of land—land already irrigated and privately owned, land that is privately owned and not irrigated, and Government land?"

What has happened? Districts were incorporated. But the Government said, "Two or three of you fellows own 20,000 of the 40,000 additional acres which are to be put under cultivation by the building of this reservoir, and we are not going to advance the money where half of the benefit of this whole thing will go to two or three men. Your land is worth $5 an acre to-day without water on it. We will give you $5 an acre for it, all in excess of a farm unit. We will buy it from you, and then we will sell it to homesteaders in 80-acre tracts. Then we will put the water on it, because half of it will not be for the benefit of two or three people, but it will be for the benefit of a great many citizens of the United States." That is the great object of the Government in going into these projects.

We have been delayed four or five years by that fight. The Government has stood pat, and for four or five years these owners of half of that land have also stood pat. But they could not sell the bonds to develop their own projects, and finally they had to come to the Government. They had shed their selfishness, and they have said, "We would rather have a hundred acres each with water on it than to be paying taxes on 20,000 acres with no possibility of getting water on it." So they have turned it over to the Government for five or six or seven dollars an acre, whatever the price was, and the Government has turned it over to the homesteader at the same price, with the result that instead of having 30,000 acres under irrigation you have 70,000 acres under irrigation, and instead of having a population of probably 2,000 people on 30,000 acres of land, you have a population of 20,000 people on 70,000 acres. Instead of benefiting a few selfish individuals, you are benefiting the whole country by furnishing homes to a great many people and increasing the production of your country.

Senators say they do not see how this is going to benefit the soldier. The soldier is entitled to adjusted compensation, but that adjusted compensation will not compensate him, as all of us know. Nothing will ever compensate him for what he has done, although I know that his deeds have been forgotten by many of the people of the country. Hundreds of thousands of those boys who are not to-day confined in hospitals are limp-

ing around the country in broken health, feeling the effects of their terrible ordeal. We should take those boys and, if there is a power in this Government to do it, we should furnish them homes in the open air, we should put in their hands the opportunity to live healthfully and to prosper and to become a part of the great producing citizenry of this country which they probably saved in that desperate war.

Senators do not see how it is going to help the soldiers? Canada saw how it was going to help the soldiers. Canada, a country not nearly as rich as this country, loaned as high as $2,000 to a soldier, put him on a farm, and started him out with horses and teams and plows and seed. I wonder if the Canadian soldier could see how that could in any way help him?

What have we done for the soldier? We have praised him; we have told him we were going to take care of him; we have had declarations here in the form of messages and letters from men high in our Government, most solicitous in regard to the welfare of the soldier, most assuring with regard to taking care of him. Yet years have gone by, and we hear only the echoes of those assurances, and in our hearts we know that secretly and by stealth and by cunning the power of this administration is being massed for the purpose of forever defeating any compensation to these soldiers.

Then we say that they are not entitled to adjusted compensation; that they have not earned it; and one who does not dare say they have not earned it, because he was a soldier himself, one of the new Senators, says it will not compensate them. The salary that Senator receives probably does not compensate him for the work he does for his Government, and possibly his honorable position would be higher and more respected if he received nothing.

We did not consider that it was a crime or was insulting when we adjusted the compensation of Government employees during the war and have maintained that adjustment of compensation to the present time. But to-day by reason largely of the argument made by the United States Chamber of Commerce, a highly intelligent, cold-blooded, heartless organization, moved entirely by instincts of selfishness and greed, many legislators and business men of this country have almost come to the conclusion that the soldiers who suffered so much, who gave so much, whose lives were wrecked by the war, are to-day trying to rob this Government.

Mr. President, when I think of the $10,000,000,000 made in excess profits by the profiteers of this country; when I think of the $15,000,000,000 of profits in addition to the excess profits which were turned by corporations into capital stock for the purpose of avoiding paying of taxes, I am astounded at the greed, the heartlessness, and the lack of patriotism of the great financiers of this country.

You could pay this whole thing with a billion five hundred and some odd million dollars. Yet the excess profits earned during the war were over $10,000,000,000. A little over 10 per cent of the excess war profits of corporations alone would pay the whole thing. Yet it is a crime to ask for it! Six billion dollars of excess profits were made by individuals in this country during the war and out of the war, yet those individuals, including some of the highest officers of our Government, are so selfish and inhuman that they are unwilling to give up, we will say, 15 per cent of those enormous earnings to pay these soldiers.

Mr. President, Senators say they do not see how this land-settlement business will benefit the soldier. The soldiers saw it. They demanded it when this measure first came before the House over two years ago, and the House of Representatives, by an overwhelming vote, adopted title 6 of that bill, then known as the land-settlement bill. It came over to the Senate and the Finance Committee of the Senate struck it out.

When the adjusted compensation bill passed the House recently the land-settlement provision was again put in by the House because the soldiers wanted it and the House knew its great benefits. It came over to this body and again the Finance Committee struck it out. The bill comes into this body without that provision. As a matter of fact it is the most wholesome and beneficial provision of the entire bill. But that provision adopted by the House has been definitely and finally stricken out of the bill, and there is no chance to get it back into the bill. Therefore those of us who believe in the land settlement for soldiers are forced to come back to the amendment which has been presented by the Senator from Oregon.

It is a magnificent amendment. It is as good, probably, as the provision originally adopted by the House at the request of the soldiers. It accomplishes largely the same purpose. It looks largely to the same end.

I offered a land-settlement provision as an amendment at the time the bonus question was brought up by the Senator from North Carolina [Mr. SIMMONS]. It was brought up by the Senator from North Carolina as an amendment to the foreign war debt funding bill, and when he brought up the soldiers' adjusted compensation bill as an amendment I then offered as an amendment to his amendment the original land-settlement provision of the House bill, which the Senator from North Carolina accepted, but at that time both amendments went out on a point of order.

Mr. SIMMONS. Mr. President, I would be glad if the Senator would very briefly explain the language "in excess of the farm unit." I have not had an opportunity to study the amendment carefully.

Mr. PITTMAN. The Senator was not in the Chamber when I discussed it, but it is worth while, and I shall do it again.

The way the Government intends, through this provision, to develop irrigation and drainage projects is by doing it through cooperation with the States. Under the present irrigation law, as the Senator will remember, the Government took a lot of public lands, withdrew them, and put them into irrigation projects. That was all Government land, so the Government could do what it pleased with it. Then it divided it up into farm units, the size depending upon the richness of the soil and the natural value of the farm unit, the question being how much land would support a family comfortably. The farm units have been 40, 80, or 160 acres and no man may acquire more. The purchaser pays annually a certain proportion of the cost of putting the water on that land and maintaining it there. That is covered in payments extending over 40 years.

There was another character of land that the Government could not get at that way and that was where part of the land in the valley was in private ownership and already being irrigated by private water systems, part of the land was privately owned land in the district, but not under water, because they did not have the water for it, and the rest of it was Government land; three kinds of land. The Government did not feel like advancing money for the benefit of the few individual landowners, so it said, "Under the laws of the State organize a district and take in those three kinds of land. Then let those who own the nonirrigated land which is going to be benefited turn over to the Federal Government all in excess of what they own over the farm unit of 160 acres at a reasonable price." In other words, the Government bought from the owners the nonirrigated private land at its worth, all except 160 acres of it.

Mr. OVERMAN. But there is no such provision in the amendment.

Mr. PITTMAN. Oh, yes; there is. Then it made the man who entered the 160 acres pay the same price for it. What is accomplished is that instead of having two or three people owning the particular land to be benefited—because this land is all dry and there is no water on it—they make them sell it so that it becomes public land. When it is bought and becomes public land, then it is open to homesteading just as other Government public land. That is the provision.

But they have found in practical experience in the West that it is sometimes impossible to find all the owners of the land in excess of the unit. Some man, for instance, has 200 acres, 40 acres in excess. He has not been heard of in 10 years and can not be found. Consequently it has been provided in the amendment that the district may be organized when 80 per cent of the land to be benefited by the project is turned over to the Government, by sale or by other process. In other words, the Government will not start in to benefit the lands unless it has control of 80 per cent of it. That is the whole story. They do not confiscate anybody's land. They do not take it away from them. They buy it and if they can not buy it then there is no district. The law does not force them to sell. The Government does not proceed by condemnation methods. It merely says, "If you who own the excess lands think you can benefit by selling to the Government so we may subdivide it among homesteaders, all right, we will do business. If you do not want to do it, you do not have to do it." That is all there is to it. There is no forcing of the proposition. It is just opening a door through which the Government may assist in bringing into productivity the swamp lands and arid lands where private owners for years and years have found it impossible to do it.

Mr. FLETCHER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nevada yield to the Senator from Florida?

Mr. PITTMAN. I yield.

Mr. FLETCHER. The language is not very clear. Am I to understand the Senator's conception of it to be that where land is already owned by an individual, we will say 1,000 acres in the proposed project, and he is willing to go into the scheme, that 80 per cent of the thousand acres, or 800 acres of his land,

may be subjected to disposal, as the language is, by authority of the Secretary to settlers at prices and terms fixed in the agreement? The question is, Does the man who now owns the 1,000 acres and wants to go into the project get any pay for the 800 acres that he turns over?

Mr. PITTMAN. Why certainly. That is exactly what he gets.

Mr. FLETCHER. But the price mentioned is to the settler:

Such prices and terms shall be determined with the view of placing a bone fide and competent settler upon each farm of the project with the least possible delay.

Now, I suppose there may be years elapse before any settlers go in there. This does not seem to provide, but in case a settler is found for a portion of the 800—say, eight settlers, each taking 100 acres—and the price is agreed on as to what they shall pay, does the original owner of the land get any part of that price?

Mr. PITTMAN. Undoubtedly.

There seems to be some uneasiness for fear there is no provision for the payment of the private owners of the land for the excess area turned over for settlement. I may say, in the first place, that if there were no provision in any bill whatever the private land could not be taken even by the Government except upon payment of just compensation for the land; but I am not going to that extent now. Listen to the reading of section 803:

That before construction of a project is commenced the sizes of farms therein shall be established and agreements shall be made effectively, subjecting not less than 80 per cent of the excess lands within the project to disposal by authority of the Secretary to settlers at prices and terms fixed in advance in such agreements.

That is, agreements with the owners of the excess lands.

Mr. SIMMONS. Now, that is one point I desire to have cleared up. My colleague [Mr. OVERMAN] made inquiry of the Senator from Oregon. I did not quite get his answer; but if my colleague understood it correctly—and he has explained his understanding to me—it would mean that the owner of the land would never get more than the value of the land in its natural condition. I do not understand what the Senator has just read as meaning that. I understand that as meaning—and I want to ask the Senator if I am correct about it—that the Secretary of the Interior and the drainage district would confer together with reference to the price to be fixed upon the land and that the price would take into consideration the value of the land in its natural condition and also the value of the land after it has been improved, and the price would be fixed upon the basis of those two factors.

Mr. PITTMAN. We have had practical experience. A provision similar to that contained in the paragraph has been put into force and effect time and again. The agreement is not made with the district. The agreement is made between the Federal Government and the individual, because the agreement must be made before they can organize the district.

Mr. OVERMAN. Mr. President, before the Senator goes further, as I understood the Senator from Oregon [Mr. MCNARY], in answer to my question, and the Senator from Washington [Mr. JONES], when the district is formed the person who owns the 1,000 acres of land goes in, and he agrees with the Secretary of the Interior that that land shall be sold at a certain price to settlers; not that the Government buys it at all, but he goes into the scheme, and the Secretary of the Interior fixes the price at which it is to be sold to the settlers, he retaining only 20 per cent.

Mr. PITTMAN. That is really the practical operation of it; but, as a matter of fact, the Government is behind the payment for the land. The entryman either does pay for it, or it goes back to the owner, of course.

Mr. JONES of Washington. Mr. President——

The PRESIDING OFFICER (Mr. TOWNSEND in the chair). Does the Senator from Nevada yield to the Senator from Washington?

Mr. PITTMAN. I yield.

Mr. JONES of Washington. As I understand the provision, it is that the owner of the excess land practically makes the Secretary of the Interior his agent to sell the property for an agreed price.

Mr. PITTMAN. Undoubtedly.

Mr. JONES of Washington. And all of that agreed price comes back to the owner of the land when it is finally sold.

Mr. PITTMAN. I have spoken of the Government purchasing, but, as a matter of fact, the Government collects the money from the entryman and turns it over to the other party.

Now, as to the effect of the operation.

Mr. SIMMONS. Mr. President, the point I have in mind is this: Is the price which is to be fixed by the landowner and the Secretary of the Interior the price of the land in its natural state or is it the price which the land is supposed to be worth when it has been improved by the expenditure of money necessary to drain it or to irrigate it?

Mr. PITTMAN. I will say that the Government in all of its negotiations has contended that the value of the land is its value without water on it; and that the value that is added to the land by placing water on it is paid by the entryman; that is what he pays for. The entryman not only pays the price of the land—that is, where it is excess land turned over—but in addition he pays his proportionate part of the value of the impounding works, the ditches and maintenance. He pays for the increased value of the land through the project and the district, and, therefore, as a matter of fact, the Government has always held that the land value must be fixed at its value before the water is put on it.

Mr. OVERMAN. Or, in the case of swamp land, before the water is taken off?

Mr. PITTMAN. Yes; before it is drained. That, of course, has been the subject of extended negotiations. All of the elements of value that have ever been raised have been considered in those negotiations; and sometimes two or three years have been required to settle them.

Mr. SIMMONS. The drainage district issues bonds, as I understand?

Mr. PITTMAN. Yes.

Mr. SIMMONS. And the Government buys those bonds?

Mr. PITTMAN. No; the Government takes them and holds them.

Mr. SIMMONS. Or sells them?

Mr. PITTMAN. Or sells them; but, of course, it does not attempt to sell them until there is a going project.

Mr. SIMMONS. Say a man has sold his land embraced in a drainage district at the price of the land with water on it; the drainage district is composed of a number of tracts that have been sold in the same way. The drainage district has issued bonds, and the interest has got to be paid on those bonds, I should like to know who pays that interest until the land is sold?

Mr. PITTMAN. The Government advances all the money until the project is a going concern, until it forms adequate security for the district bonds; and then the district, the bonds having been sold, reimburses the Government for the total amount which has been expended by the Government in taking over the entire project.

Mr. SIMMONS. Suppose this case: Swamp lands are developed; the owners have sold them to the district at their value before the water was taken off, and before any money was expended on them, and have received their money; but the drainage district has issued bonds, and the interest upon those bonds has got to be paid by somebody until the land embraced in the area is finally disposed of; where is the drainage district to get the money to pay that interest?

Mr. OVERMAN. At that point, I will ask if the owner has received his money at all? That is what I want to get at. He does not get any money; he agrees to go into the project, and then money is appropriated for the purpose of drainage, in my section of the country.

Mr. SIMMONS. That may be so.

Mr. OVERMAN. There is no money advanced to him for his land at all. Under the pending amendment he agrees with the Secretary of the Interior that he will go in, and 80 per cent of his land is taken and can be sold to Tom, Dick, or Harry for settlement at such price as may be fixed by the Secretary of the Interior. The owner gets his money when the land is sold.

Mr. SIMMONS. But the question I have in my mind is, who is going to pay the interest upon the bonded indebtedness while the lands are being sold?

Mr. PITTMAN. The interest on the indebtedness or the interest on the money advanced—and all the money advanced is furnished by the Government, of course; so it does not make any difference whether it is called interest on a bond or otherwise—all the accumulated cost of the project, whether it includes cost or overhead charges or what not, is paid for by the man who enters the land. He pays for it in annual installments; and part of those annual installments go to the former private owner, if the lands were private lands.

So far as the district bonds are concerned, the district bonds do not issue—and they do not commence to draw interest until they do issue—until a market has been made for them by the Government.

Mr. SIMMONS. When they do issue, how are they paid?

Mr. PITTMAN. When they are issued, from the time they issue, of course, they draw interest; but that money is again refunded by the entrymen; in other words, the sale of the bond pays the Government for what it is out, and the entry-

man, in 40-year annual installments, pays the district for what it is out. So when it comes to the question of charges and payments, all of them fall on the entryman in his proportionate part.

Mr. OVERMAN. Mr. President, will the Senator let me ask him a question right there?

Mr. PITTMAN. Certainly.

Mr. OVERMAN. It has been stated here that all this has to be done in cooperation with the States. Now, what will the State of North Carolina have to do?

Mr. PITTMAN. The State of North Carolina will have to pass an act, if it has not one already.

Mr. OVERMAN. I understand the State of North Carolina has a drainage act, but do we put up any money?

Mr. PITTMAN. The State of North Carolina will not have to put up any money; but the State of North Carolina will have to pass a law governing the districts, and providing under what conditions such a corporation may exist.

Mr. OVERMAN. In other words, the State will have to provide the machinery?

Mr. PITTMAN. Yes; but the State may impose such limitations as it desires.

Mr. SIMMONS. The Government furnishes all the money for the purpose of reclaiming the land?

Mr. PITTMAN. It has to do so at the start, because there is no credit back of any of the bonds until the projects are in operation.

Mr. SIMMONS. I agree with the Senator that as soon as the lands are sold and become the subject of private ownership, then, of course, the entryman will have to pay his part of the interest. But what I had in mind was who would pay the interest on the bonds after they are sold but before the land is sold?

Mr. PITTMAN. I may say, if the Senator please, that in all of these reclamation schemes the Government has never charged any interest for the advance of its money.

Mr. SIMMONS. Ought not such a provision to be in the bill?

Mr. FLETCHER. Mr. President, is it not the case that the interest on the bonds will be paid, as the Senator has stated, correctly, I think, in the first instance by the district? The district is an organization created by State law. The Senator from North Carolina wants to know how the district gets its money to pay the interest. In all of the laws creating drainage districts in the States the power is given to levy taxes on the lands by the owners of the lands for the purpose of drainage. The money so raised by taxation will go to the district, and the district will use it in paying interest on its bonds, I take it.

Mr. SIMMONS. That is right where my trouble begins. The lands are sold at a fixed price, and that price is the value of the land in its natural condition. Until the lands are sold the interest upon the bonds for the money to reclaim them must be paid by somebody, I assume. That interest can be paid only by levying taxes upon the lands. That tax when it is levied upon the lands comes out of the landowners, and it seems to me it ought to be added to the price of the land.

Mr. PITTMAN. Wait a moment——

Mr. RANSDELL. Mr. President, will the Senator from Nevada permit me a moment?

Mr. SIMMONS. So that the price ought to be not only the price of the land in its natural state but any tax that the owner of that land, as a member of the drainage district, has to pay up to the time the land is sold.

Mr. RANSDELL. Mr. President, if the Senator from Nevada will permit me, that is exactly what section 804 of the amendment provides. It is very plain and simple. Let me read it.

Mr. SIMMONS. I will be very glad to have the Senator read it.

Mr. RANSDELL. The provision I have in mind is as follows:

SEC. 804. That when, in the opinion of the Secretary, a project has been fully completed and successfully operated for one season the Secretary shall fix the construction cost thereof, which shall include the total cost of investigation, the expense of selling district bonds under section 805, interest at not exceeding 5 per cent per annum upon all sums advanced by the United States in the construction thereof—

That is the very point the Senator raises—

and the cost of operating and maintaining the project to the date of fixing such cost. This total cost the district shall agree to pay to the United States within a period not exceeding 40 years, with interest thereon at not exceeding 5 per cent per annum.

So, the total cost, I will say to the Senator, including the interest on the cost of the project, is added up, and that interest is calculated by the Government itself.

Mr. SIMMONS. So that if the individual landowner has been compelled to pay any tax in order to raise money, to pay the interest, he will get that sum back in addition to the price?

Mr. RANSDELL. Unquestionably, but he does not have to pay that interest, for the Government, under the plain terms of section 804, pays the charges, including interest on the cost.

Mr. SIMMONS. And the landowner does not pay it?

Mr. RANSDELL. The Government pays it, and adds that to the cost of the project. It costs so much to reclaim the land; that is one part of the cost; and the interest on the amount is another part of the cost.

Mr. SIMMONS. I thank the Senator. That clears up the point I had in mind.

Mr. RANSDELL. It is perfectly clear from section 804.

Mr. SIMMONS. It would have been clear if I had read the bill, but, as I have said, I returned to the city only a few hours ago, and have not had an opportunity to read the amendment.

I wish to say to the Senator from Nevada right now, in connection with this amendment and in connection with some observations he had made upon the benefits of the amendment to the soldier, that I agree entirely with him that this is a very valuable concession to the ex-service men. At first blush I was not of that impression; I thought it gave him nothing more than a preference as a purchaser; but it is very much more that that; it is a preference to purchase lands at what might be termed an abnormally low price, a price that has no profiteering in it. That is very valuable.

To illustrate the value of that, Mr. President, there have been many drainage projects that have been brought to consummation in the South, some in my State, in the last eight or ten years. When those projects were first completed, and the lands were ready for cultivation, a little extra labor probably being made necessary by the removal of the timber, the first price fixed upon those lands was a moderate price. Generally they were fertile lands. Money is not invested in the South, as elsewhere, in these large drainage propositions unless the lands are of superior character. Of course we have vast areas of inferior cleared lands that are open to sale. The first price fixed upon those lands has been a moderate price, a price that probably represented simply the original cost of the lands in their natural condition, plus the expense of improvement. If the result of their cultivation was very profitable, as in many instances it has been, the price of the reserved lands was advanced, and as more of it was brought under cultivation, and its profits were further demonstrated, the price advanced again, until the ultimate price of the reserved part of the lands was exceedingly high.

As I understand, under this bill the soldier will get this land at a price fixed upon it, and that price—measured, probably, by the original cost of the wild land, plus the cost of its development—will not be advanced.

Mr. PITTMAN. Mr. President, I do not know that it would be accurate to say that he would get it at the original cost price.

Mr. SIMMONS. I said plus the cost of its development and improvement.

Mr. PITTMAN. For instance, you might buy desert land through the State at $2.50 an acre. I do not think that in any of the cases I have in mind in our State the price of the land has been fixed at $2.50 an acre; say $5 an acre or $6 an acre.

Mr. SIMMONS. But it would be a moderate price?

Mr. PITTMAN. Yes; it would be a moderate price. It would not be based, of course, on the value of the land before the water had been put on it, or before the water had been drained off, as the case might be.

Mr. SIMMONS. As I understand this bill, the price of those lands as fixed originally by the Secretary of the Interior and the landowner will not be advanced at any time. All of those lands will have to be sold—that is a part of the contract—at that price, whether they are sold in a year or in 10 years, and the soldier has a preference over other purchasers.

Mr. PITTMAN. For 60 days after it is opened.

Mr. SIMMONS. Oh, only 60 days?

Mr. TRAMMELL. Mr. President, he only has 60 days after it is opened.

Mr. SIMMONS. So the Senator from Nevada advises me. I think that ought to be extended. It is too short.

Mr. PITTMAN. Mr. President, the Senator from Oregon [Mr. MCNARY], in his very able speech, called attention to the splendid help given to the movement for the irrigation of arid lands throughout the West by the late President Roosevelt. All western men know of and appreciate that strong and unselfish support. There is no doubt that his support of the

legislation for the reclamation of arid lands brought about the accomplishment of such legislation much more rapidly than would otherwise have been the case; and yet I do not want it forgotten that my former colleague from Nevada, the late Senator Francis G. Newlands, gave his whole official life to the enactment and development of the reclamation law.

When I first became acquainted with Senator Newlands, years ago—yes, I may say, before I met him; but when I knew of him—he was then fighting, and fighting practically alone, for the passage of the reclamation act which bears his name. Away back in 1892, 10 years before President Roosevelt lent his magnificent support to reclamation, Senator Newlands was at every session fighting for the passage of that bill in the House of Representatives. Session after session, Congress after Congress, Senator Newlands offered his bill as an amendment to the rivers and harbors bill, and to every other bill that could possibly carry it. He started out by getting 3 or 4 votes for his amendment. Then, after a year or two, he had 5 or 6 votes; and through this slow process his votes increased, and his patience and his good humor and his courtesy and gentlemanliness were never disturbed or lost. He annoyed leaders in Congress by his persistency, and yet when they look back on it they must realize that it was that persistency alone that accomplished the passage of that act at the time it was passed. I think that as time goes on, and the history of statesmen is calmly reviewed, Senator Newlands will have a high position among those men, and his vision will be commemorated in some proper way.

Mr. OVERMAN. Mr. President, will the Senator yield to me?

Mr. PITTMAN. I yield to the Senator from North Carolina.

Mr. OVERMAN. Did Senator Newlands get that measure passed as a rider to a bill or as a separate proposition?

Mr. RANSDELL. It finally passed as a separate proposition.

Mr. OVERMAN. That was my recollection, and that brings me to this question——

Mr. PITTMAN. In 1902 we passed the Newlands Act as a separate proposition.

Mr. OVERMAN. That is as I understand. Now, why is this attached as a rider to the soldiers' compensation bill? I am inclined to give my support to it, but I have doubts whether I ought to vote for it as an amendment to the adjusted compensation bill. Why should this be put on as a rider when it has so much merit, standing alone, as a separate proposition?

Mr. PITTMAN. It took Senator Newlands 10 years of work along the lines I have stated to get this legislation for the West. I am inclined to think that we will wait 10 years to get this additional legislation for the West and the South unless we take every opportunity to pass it when we may.

Mr. OVERMAN. I think the Senator can get it through as a separate proposition.

Mr. PITTMAN. I do not think we can.

Mr. FLETCHER. Mr. President, I quite agree with what the Senator from Nevada [Mr. PITTMAN] has just stated in connection with the work and accomplishments of his late colleague, Senator Newlands; the Newlands Act is an everlasting monument to his memory. It was because of the successful operation of that system, and the great amount of good that had been accomplished in the West through it, that I wanted to see it nationalized, made nation-wide in application, if possible. I think the system ought to be extended to the reclamation not only of arid and semiarid lands but of swamp lands and overflowed lands. I see no reason why reclamation should not include reclamation by drainage as well as reclamation by irrigation. Hence, some time ago, on April 28, 1921, I introduced a bill which was indorsed by and had the approval and favor of the commissioners of agriculture of the various States. They sat here in Washington, and devised the plan embodied in the measure which I then introduced.

It was more comprehensive than the pending amendment, I think, and I believe that it would have accomplished greater good, and would have been, perhaps, more practical in its operation. However, the committee never acted upon it; and while I do not see in this proposal the possibility of very much being accomplished in the way of reclamation of swamp and overflowed lands, if our friends in the West want it, and there is some chance of its giving opportunities to former service men to avail themselves of these fertile swamp lands and overflowed lands, as it is in a way an extension of the system so as to include, in the language of the bill, "reclamation of lands by irrigation, drainage, or dikage," I shall feel disposed to support it.

There are practical difficulties, as mentioned by my colleague [Mr. TRAMMELL], so far as Florida is concerned, that would be encountered in connection with section 803. I can not very well see how that section can be successfully applied in Florida. It may be that a plan could be worked out under it. It is very general in its terms, and it is possible that there might be some drainage districts where it could be operated satisfactorily; but in the great undertaking of the State—to wit, the drainage of the Everglades—I can not quite see how it would be practical to make application of this measure to the conditions there.

In the first place there are no Government lands in the swamp and overflowed area. There are some State lands. In the Everglades the State is interested in lands which have not yet been sold. There are 4,000,000 acres in that area, all of them having been for ages covered practically all the time by water, and those 4,000,000 acres are in what is called a drainage district. There are over 1,000,000 acres of that drainage district in one county, the County of Palm Beach. The owners of these lands are paying drainage district taxes. The State having already constructed a number of canals, and there being now canals and roads leading into the center of the Everglades from the coastal regions on both sides, I can not see just how the plan proposed in this amendment can be superimposed upon the plan adopted by the State and upon the system there in operation.

With reference to this provision requiring 80 per cent of the excess lands to be reserved to be handled by the Secretary of the Interior by agreement with the owners, another great difficulty would be encountered. Conditions there differ in all sorts of ways.

For instance, a sugar company will want as much as 100,000 acres of land. One concern already has more than 130,000 acres of land, 5,000 acres already planted in sugar cane, and when I was there about a year ago there were 29 tractors at work extending and enlarging their undertaking. They may have in a few years a good many thousand acres more added, and they will want all of that holding themselves. They will not want to give up 80 per cent of what they have under actual cultivation, or perhaps any per cent of their present holdings. In that instance that concern will want a large amount of land. But for a settler who wants to grow vegetables or fruit, 40 acres, and perhaps 20 acres, would be fully as much as he would care to handle or could handle.

In that region one man will have his hands full to cultivate 20 acres of land, and especially there, where they can produce four crops a year on the same land. That is done in various portions of the State. In the potato region around Hastings, in the celery region around Sandford, and in sections in Manatee County and in other counties they produce four crops a year, 1 acre yielding 700 crates of lettuce, for instance, worth $5 a crate at the point of delivery, $3,500 being produced on 1 acre of land through one crop. That is not an uncommon thing. It may be that these settlers would not want over 20 or 30 acres each ordinarily, if they are growing vegetables, fruits, and products of that kind.

On the other hand, if a man wanted to go into the cattle business, he would want as much as 1,000 acres. Forty acres would not suit him at all. As I have said, if he wanted to undertake to grow sugar cane and put up a sugar mill, he would probably want 100,000 acres. So it would be very difficult to determine in advance the size of the different farms which would be wanted in the area of a given project. The districts have already been divided up, and I doubt very much if you can make applicable to those conditions the provisions of this amendment.

In the Everglades, already in a drainage district, as I have said, property owners paying drainage taxes all the while, it seems to me it would be almost impossible to superimpose a system like this upon the existing system of drainage, although I am willing, if it can be done, to give the people there an opportunity to avail themselves of this plan. There are other conditions obtaining elsewhere in the State under which perhaps new districts could be organized and this system applied.

It is estimated that there are 11,653,000 acres of overflowed lands, principally in the South. It is estimated that there are some 25,000,000 acres of swamp lands; that is, lands which are too wet for cultivation. In other words, there are 36,000,000 acres of land in this country, lying mainly in the Southern States, which can be reclaimed, and which when reclaimed are most fertile and productive. It is said there are some 152,000,000 acres of what are known as cut-over lands which might be available for cultivation, but they are not contemplated in this bill. The bill would, however, afford the possibility of reclaiming some 36,000,000 acres of swamp and overflowed

lands, which would be highly productive and which would add greatly to the agricultural resources of the country. A settler could very easily support a family on a few acres of such land, and, transportation and markets being favorable, make handsome profits.

It may be argued, why go into this at all? We have plenty of lands which are already dry enough to be cultivated or wet enough to be cultivated, and there is no need to spend the money to put water on land or take water off land, because we have plenty of land which can be used for agricultural purposes without that expenditure.

In the first place, these lands, when reclaimed either by irrigation or by drainage, as proposed in this measure, are most productive lands and susceptible of easy cultivation. The lands we have in excess of the present cultivated areas are lands mostly worn out and exhausted. In various portions of the country the soil has been washed away, and we have neglected our lands. We have not followed the course of our European friends in the older countries, where lands in cultivation a thousand years are better now than they were originally. We have allowed our lands to be washed away and wasted away. In a great many instances all the nitrogen and practically all the fertility are gone, and instead of building up those lands where it is possible to build them up, we have these areas which we can reclaim upon terms which will be advantageous to the settlers and to the country as a whole.

Besides, it will be recalled that from 1850 to 1900 we opened up about 30,000,000 acres of land for agricultural purposes, about 85,000 farms, about 6,000,000 acres a year. From 1900 to 1910, however, the number of farms increased only about 10 per cent, and from 1910 to 1920 the increase in farms in this country was only about 1.4 per cent. The population has been moving largely from the country to the cities and towns, so that cities and towns have grown in population seven and a half times as fast as the rural regions. It is pretty easy to calculate that in 20 years from now we will have 85,000,000 people living in the cities and towns in this country, and about 55,000,000 engaged in agricultural pursuits. So that we are approaching the time when we will need these lands, even if we do not already need them, and if, by reclamation, we can make available more fertile lands, which, by intensive cultivation, will increase production at a minimum of outlay and expense and labor, we ought to do it.

I strongly favor facilitating and assisting by every means in our power ex-service men to join the production forces of the country. I would afford to them every possible opportunity to establish themselves permanently in country homes.

The farmers of the country are entitled to every consideration that the Congress can extend to them. Think of it. The farmers of the United States dug out of the soil last year $14,755,000,000. The value of the corn crop in the United States was greater in dollars than the combined earnings of all the railroads leading out of New York. The value of the cotton crop of the United States was enough to establish seven banks as large as the New York Federal Reserve, and buy 12 more national banks. The hens laid $50,000,000 worth of eggs last year. Take the $2,000,000,000 worth of corn produced in the United States, and nearly that much in dollars in wheat, and nearly that much in cotton, to say nothing of the vegetables and the meats which have been produced by the farmers, thus supplying the food of the Nation, and it can be readily seen where are to be found the real factors in our prosperity, the hope, and the sinews of industrial activity, and the source of the Nation's wealth. Not the financiers, not big business, but farmers have caused two tracks of rails to be laid where only one was laid before. These plain people, living out in the woods and in the fields, about whom we hear nothing and know little individually, are the people who keep the balance abroad in our favor, because they are the people who furnish $500,000,000 worth of products for export every year.

These facts should encourage our young men, brave, as they have shown themselves, strong and home loving, willing to work, ambitious to succeed, to devote their energies to this field of unlimited possibilities. These people, the hope of the country, in war, in peace, who toil in season and out of season, taking all the chances, fighting all the enemies of plant life, having to contend with the seasons, and work without regard to any limitation of hours or conditions, are the people who are entitled to every consideration this Government can extend to them.

While I do not see any great amount of good which can come to Florida or to the South, or to that region where the swamp and overflowed lands lie, from this measure; our friends in the West want it, and there are some possibilities in connection with it which make me believe that it would be of some advantage in reclaiming lands, both by irrigation and by drainage, and promoting settlement, and I am going to vote for the measure.

With regard to my colleague's amendment, I am not so sure but what section 803, if applied to reclamation by drainage, would help development in the Everglades, and whether you provide that 80 or 40 per cent of the excess lands shall be turned over and prices fixed by agreement with the Secretary of the Interior is not so very material. What I would prefer would be to add, after the word "subjecting," the words "except in the case of reclamation by drainage," so as to leave out of the requirement set out in section 803 lands reclaimed by drainage. I do not believe you can make applicable to conditions in those regions that principle set out in section 803, whether you make it 80 per cent or 40 per cent, and what I would like to see, if it could be agreed upon, would be an amendment excepting reclamation by drainage from the provisions of that section. We have the bonds of the district. We have the taxing power back of the bonds. Under the district organization of the different States we need not furnish the money until the values are there upon which to issue the bonds. The bonds are put up with the Government and I do not see but what the Government is protected. While that principle has been found desirable in the West where the reclamation is by irrigation and has worked satisfactorily there, I can see under conditions such as we have in Florida that the difficulties would be almost insuperable if we attempted to follow that plan at all. I would much rather, if the Senator would agree, except reclamation by drainage.

Mr. McNARY. Mr. President——

The PRESIDING OFFICER (Mr. RANSDELL in the chair). Does the Senator from Florida yield to the Senator from Oregon?

Mr. FLETCHER. I yield.

Mr. McNARY. May I inquire of the Senator from Florida the exact place in the proposed amendment where he would insert the language he has in mind?

Mr. FLETCHER. On page 3, in section 803, in line 12, after the word "subjected" insert the words "except in the case of reclamation by drainage." So that it would leave that provision applicable to all other reclamation except that by drainage, which would cover the reclamation with which we have to deal. If the Senator could see his way clear to accept that, I believe my colleague would be willing to have it instead of his amendment.

Mr. TRAMMELL. I offered my amendment, but I am agreeable to withdrawing it. I would be very glad if the author of the pending provision would accept the amendment.

Mr. McNARY. I would like to inquire of the senior Senator from Florida concerning the proposed change. There would be no limitation upon the size of the farm unit in the case of reclamation by drainage. A project might be started by three individuals, each owning a thousand acres, which would be only in the interest of the private individual. The purpose, as I said to the Senator's colleague, is to permit the Secretary of the Interior to fix a practicable-sized farm unit, one that would sustain a family, in order to bring about the larger settlement of a given area, bringing more settlers from among the soldiers and encouraging intensified production on the farm. That is the reason for the 80 per cent provision. I think it contains much of merit, but under the Senator's proposition there would be no limitation at all in the case of acreage. I would very much prefer the amendment offered by the Senator's colleague, where there is a limitation of 40 per cent, than one without any limitation at all.

Mr. FLETCHER. I think under my amendment the restriction would apply everywhere to reclamation by drainage except as to the reservation of 80 per cent of the land in excess of the farms, no one of which can exceed 160 acres. The other provisions with reference to the size of the farm, the price, etc., would not be eliminated at all. The exception would apply only to the 80 per cent of the excess lands. I had in mind particularly, as mentioned by my colleague, for instance, the whole of the Everglades, 4,000,000 acres, which are now in one district. I do not see how we could specify the size of the farms in that district. As I indicated awhile ago, the man who wants to grow vegetables would not want over 20 acres; the man who wants to grow fruit and vegetables would not want over 40 acres; the man who would grow sugar cane might want 100,000 acres. The man who would want to establish a cattle ranch would want 1,000 acres. I hardly see how we can fix upon the size of the farms within that whole area of millions of acres of land.

Mr. McNARY. I will say to the Senator from Florida that the definition of the farm unit is found on page 2, and the pur-

pose of the limitation of area is to determine in each instance the number of acres in the farm unit. If I make application with the idea in mind of raising celery, perhaps 5 acres would satisfy me, while my neighbor who would want to raise oranges would, of course, want more land. But there must be some limitation upon the acreage one can hold, otherwise the purpose of the bill is entirely destroyed. It is not the purpose to reclaim for a few large landholders. That is not the purpose of the bill. That must come in another bill.

Mr. FLETCHER. I understand that, but can the Senator give any reason, for instance, in this vast area if an enterprise is started to produce sugar and build a sugar mill, why they should be limited to 160 acres?

Mr. McNARY. Yes, it is very clear to me.

Mr. FLETCHER. They could not accomplish anything with that limitation. It would require a division of the lands in a drainage project into small holdings. To the extent that it would give a chance for small settlers and facilitate development by intensive operations with a few acres, it would be helpful. The question in my mind is, Why limit the system in that way? If we can accomplish the purpose the Senator has in view and at the same time cover larger operations, why not do it?

Mr. McNARY. The land in its present condition is absolutely worthless, as are thousands and millions of acres of idle lands in the West. If a man can dispose of his excess acreage and make profitable the residue, he is a very fortunate individual; he will have something upon which he can pay taxes and produce for the national wealth. If the Senator's people would rather have their land remain in its present condition, they have that privilege. If they want to come in and dispose of the acreage which they can not use at all, and make some of it profitable that they retain, and thus build up the community by selling the balance, then the bill comes within the scope of that desire.

Mr. NICHOLSON. Mr. President, I shall appreciate it if Senators will refrain from interrupting me while I am briefly discussing the pending bill.

Mr. President, the soldiers' adjusted compensation bill was indorsed in the Republican platform of Colorado in 1920 in the following statement:

> We favor the passage of the soldiers' adjusted compensation bill as already adopted by a Republican House of Representatives in the Sixty-sixth Congress, and now pending in the Senate, providing for liberal options for all ex-service men on a financial basis which can be borne by the general public and which will not be seriously reflected in increased taxation.

The provisions of the bill now under discussion, Mr. President, undoubtedly comply with the specifications as recited from the Republican platform in Colorado, in that the financial burdens can be borne by the general public without being seriously reflected in increased taxation.

The twenty-third general assembly of the Legislature of the State of Colorado, at a special session held as recently as April of this year adopted the following resolution:

Senate Joint Resolution 4.

Be it resolved by the Senate of the Twenty-third General Assembly of the State of Colorado (the House concurring), That we regret and deplore the delay in the United States Senate in passing the adjusted compensation bill for service men of the World War; and be it further

Resolved, That copies of this resolution be forwarded to the Senators from the State of Colorado and to the President of the United States.

When the call to arms came, Mr. President, we conscripted the young men of the Nation and called them from their various occupations. With the exception of the young men who were attending our colleges and universities, all of those conscripted were receiving compensation for their services far in excess of the $30 per month, the sum allowed them by the Government while in the service of the Army and Navy. But let us follow this $30 per month and determine how much of it was actually received by the soldier. There was deducted each month from this $30, $6.40 to pay for his war-risk insurance; there was deducted $15 to apply on the allotment for the care of his dependents; out of the balance of $8.60, 75 per cent of the soldiers were obliged to pay $5 per month for the Liberty bonds for which they had subscribed. So that, as a matter of fact, the average cash received by the soldier was slightly in excess of $3 per month. The service men who bought Liberty bonds at par, confronted by unemployment upon their return home, were compelled to sell them at a heavy loss. Those who had remained at home and rolled up enormous profits by increased dividends on their invested capital, bought these bonds at the low figure, thereby profiting largely at the expense of the service men.

Mr. President, I was surprised to hear the argument advanced on this floor a few days ago that this adjusted compensation should be regarded in the light of a gratuity or as a reward for patriotism. Why, may I ask, Mr. President, was the $30 per month granted to these men as payment for their services? Are these men now to understand that the $30 which was paid to them during the time they served in the Army or Navy is to be considered as a price put on their patriotism, or are they to believe that this was a just recognition by the Government that they were entitled to this compensation for their services? Will any fair-minded man say that if they were entitled to the $30 per month in the first place that they are not entitled to an adjustment of their compensation now? If the former was justified, it is a very difficult matter for me to understand why the latter is not.

Mr. President, in sharp contrast with the inequitable basis of compensation which the Government provided for the defenders of the Nation is the equitable provision which the Government made in conscripting railroad properties.

It was agreed that the railroads should receive an adjusted compensation which would equal the average yearly earnings for three years prior to their being taken over by the Government. Further protection was afforded the railroads by the Government in providing that the roads should be returned to their owners at the expiration of governmental operation in as good physical condition as when they were taken over. Thus the railroads were protected by the Government against loss, both financial and physical, during the period of war or so long as the Government desired to operate them.

No question, Mr. President, has been raised to the settlement of claims arising under the Esch-Cummins Act, by which the railroads were made these guaranties, and these claims in the aggregate amount to more than $1,100,000,000. This amount would very nearly pay in cash the adjusted compensation provided for in this bill.

Mr. President, no such guaranty of equitable compensation was made to those inducted into the military and naval service. Had these men likewise been guaranteed compensation at the average rate for the three years prior to the war, the amount now owed to them by the Government would be far in excess of the so-called adjusted compensation provided in the present bill.

During the war wages and pay of those not in the military or naval service were greatly increased from time to time, while the labor of the service men was compensated for at the arbitrary rate fixed in the selective draft law.

Mr. President, in a statement covering personal income tax returns, based upon the actual tax returns made by individuals, the Bureau of Internal Revenue reports the total net income for 1916 to be slightly in excess of $6,000,000,000, while in 1918 the amount was nearly sixteen billions, or an increase of over 150 per cent. The Bureau of Internal Revenue further reports that in 1916 there were 437,000 personal returns reporting net income, while in 1918 the number had grown to 4,425,000, or ten times as many. Both the growth in the net income reported as well as the large increase in the number of persons earning net incomes is substantial proof of the general increase in compensation which was paid during the war period of which the service men had no opportunity to take advantage.

Not only did civilian labor and service receive an adjusted compensation, Mr. President, but capital received exorbitant profits for its employment in activities chiefly growing out of war necessity. Great corporations, such as the United States Steel Corporation and the Standard Oil Co. and its subsidiaries, increased their earnings enormously during the war and were enabled to pay greatly increased dividends to their stockholders.

The United States Steel Corporation in 1917 and 1918 earned a sum, in excess of its normal dividend and interest requirements, large enough to pay the amount of adjusted compensation provided in this bill if it were now paid in cash. The common stock of this corporation admittedly at one time had no value. A statement appearing in Moody's Manual shows that during the war period the average dividend earned on the common stock amounted to 40 per cent. Notwithstanding, Mr. President, the profiteering which these earnings on the one-time worthless common stock would indicate, Judge Gary, the chairman of the board of directors of the United States Steel Corporation, vigorously protests against the granting to the ex-service men the adjusted compensation provided in this bill and which in nowise is to be compared with the extraordinary earnings made by his corporation at the expense of the Nation in her hour of greatest peril.

It should not be forgotten that the other steel companies profited to a similar degree.

Mr. WADSWORTH. Mr. President, would the Senator object to answering a question at that point?

The PRESIDING OFFICER (Mr. KENDRICK in the chair). Does the Senator from Colorado yield to the Senator from New York?

Mr. NICHOLSON. Mr. President, I wish to be courteous to the Senator, but I requested when I began my remarks not to be interrupted until I had finished the main portion of my address.

Mr. WADSWORTH. I recollect now the Senator's request and I beg his pardon.

Mr. NICHOLSON. Mr. President, the Standard Oil Co. and its subsidiaries also profited enormously during the war period through the unconscionable increase in prices charged not only the domestic consumer but the Government in satisfying its war requirements.

I do not deny, Mr. President, the right of capital to earn a fair return on its investment, but I protest when the heads of great industrial enterprises refuse to recognize the right of the service man to have an adjustment made in his compensation for services rendered during the time their enormous profits were being made. Their refusal to recognize the claims of the service man for an adjustment of his compensation seems to me to be especially unjust and the very height of selfishness when we remember, Mr. President, that the labor or service of the returned soldier was and is his only capital.

Mr. President, the Government's requirements for war material provided under the cost-plus plan of contract were partly responsible for the vast fortunes thus created and for the swollen dividends thus paid. Employers did not resist requests for increased compensation by the workmen for the reason that their profits under the cost-plus plan would be greater after the increases were granted.

The Government, in the case of its own civilian employees, Mr. President, recognized the justice of increased compensation when Congress voted an additional compensation of $240 per annum to Federal employees not receiving in excess of $2,500 per year. This equitable adjustment in compensation to Federal employees is properly in effect to-day. This additional compensation of $20 per month amounts to two-thirds of the total compensation paid the service men. Are we, Mr. President, to neglect this equitable adjustment in the compensation of the service men when we have and are now paying the adjusted compensation to the civilian employees of the Government?

Mr. President, when the armistice was signed on November 11, 1918, our boys were gradually mustered out of the service and returned to their homes. Where were the men who, when the boys were marching to the railroad stations to entrain for duty, lined the streets, waving flags and vowing that nothing was too good for crusaders in the cause of democracy?

Democracy and civilization are now saved, and with them the money bags of the profiteer, whether he was the unpatriotic profiteer who overcharged the Government for the goods he sold or the workman who drew without shame the wages he did not earn.

Mr. President, how pitiful, and yet how true it is, that a great many of our men who had fought and suffered and bled for us returned to find their occupations gone, the industrial enterprises requiring their services before their entrance into the war closed down, or, if still operating, the positions and places left by them when answering the call of the country filled by men many of whom were successful in having themselves exempted from military service.

Upon demobilization and returning home, the ex-service men found the cost of living at its highest peak, and they were confronted by unemployment. And, Mr. President, through the lack of governmental preparation to meet their needs, over 1,000,000 ex-service men at one time were unemployed, and this gave rise to the embarrassing spectacle of charitable agencies being called upon to tide the men over the crisis.

Mr. President, in striking contrast to the treatment meted out to our returned service men was the provision made by the British Government to take care of its returned soldiers immediately upon demobilization and during the period of unemployment.

All temporary officers received on demobilization a substantial additional compensation, which was intended to assist them in returning to civil occupation. The amount varied according to length of service and rank held. It was calculated at the rate of four months' pay for the first year of service and two months' pay for each subsequent year or part of a year.

The amount spent is estimated at about £30,000,000.

A special war compensation varying from five to thirty-nine pounds, according to rank and length of service during the war, was paid to some four and a half million men.

The amount spent is estimated at £82,000,000. Approximately 4,000,000 men were granted four weeks' furlough on full pay and allowances as from date of dispersal to enable them to seek employment.

The amount spent is estimated at about £40,000,000.

Plain clothes, or an allowance in lieu, were given to all men on demobilization.

The amount spent is estimated at about £10,000,000.

(a) During the demobilization period ex-soldiers were provided with an out-of-work donation policy, valid for a period of one year from the date of their demobilization, entitling them to out-of-work donation during unemployment for 26 weeks—subsequently extended to 39 weeks.

(b) Subsequent to July 31, 1920, soldiers on discharge are credited with 90 contributions, for which Army funds pay £7 per man, and this entitled them to 15 weeks' benefit during unemployment after discharge.

It will be noted that the various advantages mentioned cost Great Britain approximately $800,000,000 at the present rate of exchange.

I also wish to call attention, Mr. President, to the liberal treatment accorded by Canada to the men who were in her military service during the World War.

The actual cash compensation paid by Canada to her soldiers amounted to $170,000,000. The war-service period embraces, as in the case of the United Kingdom, 4 years 3 months and 7 days.

Mr. President, in 1917 the Canadian Government passed the soldier settlement act to assist returned soldiers in settling upon the land. The main provision of this act granted ex-soldiers 160 acres of land and a maximum loan of $2,500 to assist in equipping and operating his farm. There are under the provisions of that act and amendatory acts thereto provisions to loan settlers purchasing land through the Canadian settlement board—

1. Four thousand five hundred dollars for the purchase of land.

2. Up to an amount of $2,000 for the purchase of live stock and other equipment.

3. Up to an amount of $1,000 for the erection of buildings and other improvements.

Ex-service men already owning agricultural lands are entitled to a loan of $3,500 for the removal of encumbrances upon their farms. They are also allowed an additional loan of $3,000 for the purchase of live stock, implements, and improvements. The various classes of loans mentioned are received on amortization terms spread over a period of 8 to 25 years.

Over 66,000 men have applied for these farm advantages. More than 43,000 men have been qualified to receive them. The total loan to these 43,000 men is $83,884,210.61.

Mr. President, if Canada, a country with such limited financial resources as compared with those of the United States, and which has borne a heavier burden by reason of the war, can thus extend to her ex-service men such equitable compensation, it is hard to understand the theory upon which the members of the "anvil chorus," who profiteered to such an extent during the war, can urge that our Government should neglect the duty which it owes to the veterans of the World War.

Mr. President, while we have been neglecting the just obligation we owe to the returned soldier, the various nations to whom we have loaned over $10,000,000,000 deferred the payment of the interest on their loans. In the aggregate this interest amounts to over $1,500,000,000 and this money was available to them to take care of their demobilized soldiers. In addition to the deferred interest payments, our Government, after the armistice, loaned to foreign nations $1,500,000,000 of the money resulting from the sale of Victory bonds and which was a surplus in our Treasury. This amount would have enabled us then and there to discharge in cash our obligation of adjusted compensation to our returned ex-service men as provided by this bill. Thus, Mr. President, these countries who were borrowing from us were enabled to adjust the compensation of their ex-service men at the expense of the ex-service men of the United States.

The gross debt of the United States in August, 1919, exceeded $26,500,000,000. On July 31, 1922, it had been reduced to approximately $23,000,000,000, or an amount, in round numbers, of $3,600,000,000. How can the Secretary of the Treasury defend the position he is occupying in opposing the adjusted compensation bill on the ground of the financial stress of the Government when it has been able to retire over $3,600,000,000 of public debt? This must represent an increase in revenue over expenditures. The Government has retired this substantial amount of public debt while at the same time neglecting a just compensation settlement, long deferred, to those who entered the defense of the Nation in its most critical hour.

Mr. President, in the light of this fact regarding the debt liquidation of the Nation, objection to this adjusted compensation on any financial grounds must be regarded as an excuse rather than as a substantial reason.

During the last two fiscal years ending June 30, 1922, we received a net gain of nearly $1,000,000,000 of gold into the country by excess importation, which has practically all found its way into the banking reserves of the Nation. After satisfying all legal requirements, the surplus gold held by the Federal reserve system on August 16, 1922, amounted to $1,695,000,000. This amount of gold would serve as the basis for an extension of credit of approximately $47,000,000,000, and this amount of credit does not include an additional amount which could be expended on the basis of reserves held by banks outside of the Federal reserve system.

It has been estimated by the Senator from North Dakota [Mr. MCCUMBER] that the present cash requirements for the year 1923 to finance the adjusted compensation under the present bill will amount to no more than $78,000,000. It is not conceivable, Mr. President, that such an amount would in any way involve an inflation of credit or produce a strain on the financial resources of the Nation at the present time. The Treasury has little difficulty in raising many times this amount. In fact, the investing public, with its surplus funds, would absorb many times this amount, and would be glad to have the opportunity.

Mr. President, on August 8 the Treasury Department announced that $1,000,000,000 of Victory notes outstanding, which do not fall due until May, 1923, would be retired in December of this year. To accomplish this funding operation the Treasury Department has had no difficulty in disposing of Treasury notes, each offering being many times oversubscribed. This indicates the ease with which the Government can obtain money in sufficient amount to meet any obligations which arise under the adjusted compensation bill.

Mr. President, I am opposed to the cancellation of any part of the debt owed to us by foreign countries. The debt owed to the United States by foreign countries amounts in principal to more than $10,000,000,000. The amount of principal owed by the British Government alone is in excess of $4,000,000,000. It is anticipated that the British Government, under the refunding operations now contemplated, will ask that the more than $600,000,000 of interest in arrears to April 15 and May 15 be funded with the principal, but that it will pay the interest from those dates in October and November, an amount of approximately $100,000,000.

During the month of July the net importations of gold into the United States exceeded $42,000,000, of which $38,000,000 came directly from England. This shipment of gold from England is regarded as the initial step in arranging for the payment of interest this fall in an amount which alone would more than pay for the estimated cost for the year 1923 under the adjusted compensation bill. No impairment of debt principal is involved in this transaction, as the interest alone on this single payment on the British debt will more than carry the cost.

Mr. President, from these facts with reference to the present status of our financial condition and the prospective revenue to the Government it is very apparent that no additional provisions will have to be made to meet the cash obligations under this bill. No substantial increase in the tax burden will be necessary. This removes entirely one of the arguments which was formerly made and is now selfishly adhered to by the opponents of this bill who seek to protect their enormous war profits.

Will anyone say, Mr. President, that if we had been forced to sacrifice 1,000,000 American lives in the World War we would have withdrawn from the conflict? Will anyone say that if the war had lasted one, two, or three years more we would have failed to find the resources to prosecute the war to a successful conclusion? Yet there are those who say that we can not find the funds with which to pay this adjusted compensation to the defenders of the Nation.

It is estimated that during the time these men were training in the cantonments or fighting valiantly for us on the battle line the Nation's wealth increased by some $50,000,000,000. During this same time the Nation's debt had increased by some $25,000,000 000. On their discharge from military service these men who were denied any opportunity to participate in this increase in the country's wealth found themselves confronted by an inescapable burden of taxation arising from the increase in the public debt from $10 per capita to $228 in 1920. As a matter of equity, this adjusted compensation is made more necessary because of these facts.

Mr. President, the Congress compensated the railroad companies by guaranteeing pre-war earnings, and protected the properties from physical impairment to the extent of $1,100,000,000. Contractors who supplied ships and other war equipment were paid a 10 per cent profit, and the Government has settled and is settling contractors' claims for losses sustained in the amount of millions. The Congress enacted the war minerals relief bill, under which payment has been and is being made for losses sustained by those who produced war essential minerals. To its civilian employees the Government is paying an adjusted compensation of $240 per annum. The total of this additional compensation for the entire period during which it has been in effect amounts to $840 for each employee, which, if paid to the 4,000,000 ex-service men, would amount to $3,360,000,000, or more than double the amount of compensation provided for in the present bill if paid in cash.

Mr. President, when the selective service bill was before this body I was not a Member of it; but I can not understand why any Member of this body who voted for the selective service bill, and also voted to pay those engaged in every kind of war activity an increased compensation, and protected them from every kind of loss, can now oppose the granting of this adjusted compensation to our ex-service men. The Congress should not longer delay the discharge of this just obligation to the ex-service men, who we must admit were the key men in winning the war.

Mr. WALSH of Montana. Mr. President, when the armistice was signed, and the work of repatriation of our soldiers was in progress, the public mind, moved by a sense of gratitude for the splendid work they had accomplished, was directed quite generally into the devising of plans by which the gratitude of the Nation might be exhibited toward them. In that state of mind it was quite natural that some plan of land settlement should have become uppermost in the thought of those who were directing attention to it.

After the Civil War the veterans of both armies—both the Confederate and the Union armies—practically stampeded the vacant lands of the West, and were the chief factor in the settlement of the regions west of the Mississippi and Missouri Rivers. It was realized, however, that all of the available lands capable of tillage without reclamation had been appropriated, and accordingly it was recognized that some plan of reclamation should form a feature of the land-settlement project for the benefit of the soldiers.

It will be recalled that the then Secretary of the Interior, the late Franklin K. Lane, was foremost in calling public attention to the wisdom of this land-settlement plan for the returning soldiers. He devoted his abilities to arousing public sentiment in favor of a project of that character. He circularized the soldiers themselves and learned by direct communication with them of the great desire on the part of vast numbers of these soldiers to avail themselves of some wise land-settlement plan. He secured from the Congress of the United States an appropriation of $100,000 for the purpose of investigating the lands available for reclamation and for settlement; and in submitting a very elaborate report that he made concerning that subject he said to the Congress of the United States as follows:

> Herewith I transmit a report upon the development of the unused lands of the country, made under the authority of the last Congress.
>
> This report in much detail gives the possible projects which are available in the various States. The field has not been fully covered, because the appropriation made was not sufficient to go further. We have, however, gone far enough to demonstrate that in most of the States—North, South, and West—there are great bodies of unused lands which with drainage or clearing can be made available at a comparatively small cost for farms.
>
> This work has been carried on in the prospect that the Congress would see fit to give to our returned soldiers and sailors an opportunity to go upon these lands under proper guidance and convert them into home farms for themselves. There are one or more bills pending before Congress having this end in view. It is a work that must, in my opinion, be undertaken soon if we are to maintain our position as a self-supporting people. And surely no other group deserves this opportunity more than the soldiers in the late war. I would not urge this as an exclusive method of stimulating and recognizing the ambition of our soldiers, but I believe it to be one method that carries good and no harm to the country and to the men themselves.
>
> If the objection is raised that the Federal finances will not support the drain proposed, I beg to advise that I am authoritatively informed that there will be no difficulty in selling $500,000,000 in Government 3½ per cent nontaxable bonds, which would be sufficient to cover the expenditures contemplated under the Smoot-Mondell bill. This would be in the nature of a reimbursable fund, the whole being repaid over a long period by the farm owners.

Mr. President, from that time down to this the land-settlement feature has, I believe, been an essential part of practically every bill providing adjusted compensation for the soldiers of the late war.

I can not understand upon what theory the Finance Committee of the Senate should have deemed it wise to excise that feature entirely from the measure before us. We spent $100,000 in carrying on an investigation into the availability of lands for a land-settlement scheme, and then the project was summarily dismissed without any explanation whatever, so far as I

have been able to discover. To my mind it ought to be a redeeming feature of the measure, even to those who are most strenuously opposed to it in its general aspects.

It is suggested, however, as it seems to me rather without force, that this measure now offered as an amendment to the pending bill has no place upon it because it is not connected with the direct object of the bill. To my mind it is particularly appropriate here. The best thought that has been given to this subject has resulted in the measure which is now tendered as an amendment to the pending bill. It gives to the soldier a very decided and a very substantial advantage. With respect to all Government lands which may be included within a project he has the right over and above anybody else to enter those lands. With respect to all other lands within a project held in private ownership, over and above such an amount as shall be considered by the Secretary of the Interior as adequate to the support of a family, and not to exceed 160 acres, he has a preference right to purchase, at the price at which the lands are now worth, before they shall be reclaimed, adding thereto only the actual cost to the Government of the reclamation of the land. That this is a most substantial advantage will be recognized when we realize that upon every opening of Government lands in the West there is always a rush to secure the lands, and ordinarily it is necessary to resort to some lottery scheme or other plan of distributing the choices by chance.

Moreover, these reclamation projects, both by irrigation and by drainage, are very often carried on by private enterprise, with the expectation that when the lands are reclaimed they will be sold at a very substantial profit to those who undertake their reclamation, and they are ordinarily put upon the market at a very great advance upon the price. The soldier, thus given an opportunity to acquire these lands at their actual cost to the Government, is given, as it seems to me, a very decided advantage and benefit.

I feel some considerable regret that any opposition to this plan is voiced from this side of the Chamber, and particularly from the South, where I was of the opinion that the project of reclaiming the swamp lands would be regarded as an especially inviting and alluring one. I can very well understand the opposition that has been voiced to the provision of the bill to which the Senator from Florida desires to make an amendment. It is desired that the lands to be reclaimed might be disposed of in very large tracts, of possibly 500 or 1,000 or even 10,000 acres, for the culture of sugar cane, or as cattle ranches, or something of that kind. Of course, to those who look to the disposition of lands in that way no particular encouragement can be found in this bill. That idea is entirely inconsistent with the fundamental idea upon which this amendment is framed; that is, to have the Government aid in the reclamation of these waste lands, in order that they might be utilized and appropriated by actual settlers in small areas, and thus become homes for those who enjoy the benefit of the Government in this regard. That being the case, it would be entirely inconsistent with the fundamental idea of the bill to leave the area which could be appropriated by any one individual, or which could become the property of any one individual, unlimited in amount.

It was suggested in the course of the discussion that three individuals owning 5,000 acres of land each could constitute themselves into an irrigation district comprising 15,000 acres, and thus secure the aid of the Government as provided in this bill. But we could easily conceive that one man owning the entire 15,000 acres would constitute himself an irrigation district and secure the benefit of this act, and having improved the land sell the land out at such figure as was satisfactory to himself. But it is not contemplated that the Government of the United States should get in for the purpose of aiding in the exploitation of any such real estate scheme, and therefore it must be provided, if the fundamental idea is to be carried out, that those who own lands within a district in excess of the amount deemed sufficient for the support of a single family should agree to sell those lands at a price to be agreed upon beforehand between them, the Secretary of the Interior, and the actual settlers upon the lands.

That idea has been dominant in this plan of reclamation at all times, even from the time the reclamation act was passed, in 1902, down to this day. But strangely I observe that the Senator from Florida himself at one time embraced this idea, and incorporated it in a bill which he introduced for the consideration of the Senate.

I refer to the senior Senator from Florida [Mr. FLETCHER], who is not in the Chamber now, but I direct the attention of his colleague to section 11 of Senate bill 3942, introduced in the Sixty-sixth Congress by the senior Senator from Florida [Mr. FLETCHER]. This was a plan for National and State cooperation in the reclamation of waste lands, the general idea being quite in harmony with that of the amendment now before the Senate. Section 11 reads as follows:

SEC. 11. That owners of land as herein provided, situated in any district, who may desire to take advantage of the provisions of this act, shall enter into an agreement with the Secretary of the Interior to sell, within a period not to exceed 10 years from the completion of the works of such district or such portions of such works as provide for the reclamation of such lands, all areas of such land in excess of such maximum area as he may, in his discretion, establish for such district; such maximum area, however, not to exceed 160 acres when, in his opinion, such land is most suitable for agriculture, nor 640 acres when, in his opinion, such land is most suitable for animal husbandry; and such excess areas shall be sold in farms of such size as will, in the opinion of the Secretary of the Interior, support a family in comfort, at such prices and on such terms of payment as are provided in such agreement; and such terms of payment shall provide that no transfer, assignment, mortgage, or lease made during a period of five years from the date of sale shall be valid without the approval of the Secretary of the Interior, unless full payment of the purchase price of such land shall have been made. Such agreements shall be executed by the owners of not less than 90 per cent of the total area of all holdings within such district which exceed the limits so established by the Secretary of the Interior before such project shall be finally approved by him. Such agreements shall confer an irrevocable power of attorney upon the Secretary of the Interior to sell such land through such agency as he may designate, in pursuance of the terms thereof, whenever he may deem it for the best interests of the project to effect such sale, and to sell any of such land remaining unsold after the expiration of such 10 years at such price as it will bring at public auction.

I do not believe that anyone can controvert the wisdom of the policy expressed in the section of the amendment under consideration. Nor do I believe that the amendment ought to have the approval of the Senate unless the area which one man may hold within a project is limited as indicated therein. Indeed, I believe that if any amendment of that provision is to be made at all, the amendment ought to be made to make it conform to the views which were entertained by the Senator from Florida in 1920, by increasing the amount from 80 per cent to 90 per cent, rather than reducing it, as now suggested, to 40 per cent, or any amount less than 80 per cent.

I am happy to observe that thus far, at least, in the discussion of this matter, no word has been uttered against the wisdom of the policy of the reclamation of the arid lands of the West. That policy, I believe, has vindicated itself from every point of view, until even the prejudices which were once harbored with respect to it have all but disappeared. However, there appeared in one of the local papers about 10 days ago an article concerning the reclamation projects carried on by the Government, which is so unfair in its character and so misleading in its nature that I feel impelled to devote a little attention to it.

It was suggested in that connection—and the same idea has been advanced on the floor of the Senate from time to time—that the Government has already expended on these reclamation projects $132,000,000, and that during a period of 20 years but $13,000,000 of that has been returned to the Government. It is then added that it was contemplated in the beginning, at the time the act was passed in 1902, that the entire amount should be returned to the Government in 10 years, and that now 20 years have already passed since 1902, when the law was enacted, and that during that entire period of 20 years but $13,000,000, 10 per cent of the total amount expended, has been returned.

How unfair that is will appear at a glance to those who attend to the matter. The act was indeed passed in the year 1902, and it provided that the amount which could be expended by the Government for the construction of any reclamation project should be returned to the Government by the owner or settler upon the land in 10 equal annual installments.

But, Mr. President, it was necessary at the outset to organize the Reclamation Service. It was necessary to make a survey of the entire country with a view to ascertain what particular project was possible and what was not, and eventually to decide upon the project or projects which were to be undertaken. Of course that consumed some years before a decision was eventually made and work was begun upon any project at all. Now, Mr. President, it was never contemplated that the settler or the landowner should begin to pay for the construction before the construction was completed or before it was begun. It was contemplated that when he got the water he should then be able to raise crops, and out of the crops thus raised he should pay back to the Government in 10 annual payments the amount expended. So that the great works were undertaken.

In the next place the amount of money available for the prosecution of the projects was limited. There was no money available, except a loan of $20,000,000 made by the Government, except as money should come in from the sale of public lands,

all of those moneys going into the fund; and no more was available for the prosecution of the work than was thus coming into the fund from year to year.

Mr. JONES of Washington. Mr. President——

The PRESIDING OFFICER (Mr. KENDRICK in the chair). Does the Senator from Montana yield to the Senator from Washington?

Mr. WALSH of Montana. I yield.

Mr. JONES of Washington. Will the Senator permit me, before he gets too far away from his suggestion with reference to the fixing of the amount that should be paid, to add that the amount which the settler would have to pay could not be determined until the project was completed?

Mr. WALSH of Montana. It was my purpose, of course, to refer to that. I want to endeavor at the outset to impress Members of the Senate who follow me with the idea that this was in the nature of a stupendous undertaking. Nothing like it, nothing of any such magnitude, had ever been undertaken before in this country. Our engineers were unfamiliar with the conduct of these great enterprises. It should be borne in mind that even before the act was passed in 1902 most, if not all, of the opportunities to irrigate land by means of cheaply constructed works had already been embraced, and it was only by the construction of works covering great areas and involving huge engineering enterprises that it was possible to work at all. Some of the enterprises were among the great engineering feats of the world. They involved the building of unusually high dams, two of them the Arrowrock of Boise project, Idaho, and the Shoshone of the Shoshone project, Wyoming, are the highest in the world. In addition, the Elephant Butte Dam of the Rio Grande project, New Mexico; the Roosevelt Dam of the Salt River project, Arizona; the Pathfinder Dam of the North Platte project, Wyoming; Belle Fourche Dam of the Belle Fourche project, South Dakota; and the Lahontan Dam of Newlands project, Nevada, are among the largest structures of their kind. Besides this, the service has constructed Gunnison Tunnel, the longest tunnel in the world used for conveying irrigation water, being 60 miles long. In addition, the service has built in connection with its reclamation projects other notable tunnels both as to length and size. Among them may be named the Strawberry Tunnel in Utah, more than 3¾ miles in length, feeding the Strawberry Valley project, Utah; the Corbett Tunnel, of the Shoshone project in Wyoming, 3½ miles long; besides a number of others from three-quarters of a mile to nearly 1½ miles in length. For the conveyance of water to the land, about 500 miles of canals of unusual size, besides thousands of miles of canals forming part of the distribution system, have been built, the total length of canals constructed being 13,400 miles. For the carrying out of works of such magnitude many years of time must be allowed.

We were obliged to allow much time, and it was not until the year 1913 when any of these projects were completed. I shall refer to that directly.

Now, Mr. President, it was provided in the law that the cost of the construction of the projects should be apportioned to the lands which were capable of being irrigated by them, which were to pay proportionately for the construction. Manifestly it was impossible to determine how much should be paid by any particular tract of land until the entire cost of construction was ascertained. In other words, it was impossible to tell how much the annual installments should be until the project was actually completed. As I said, the projects were not completed until in comparatively recent years. The following table gives the dates:

Boise, Idaho	1917
Carlsbad, N. Mex	1919
Huntley, Mont	1918
Minidoka, Idaho (2 divisions)	1916
North Platte, Nebr. (1 division)	1915
Okanogan, Wash	1917
Salt River, Ariz	1917
Shoshone, Wyo. (1 division)	1918
Uncompahgre, Colo. (but by contract first payment becomes due Dec. 1, 1923)	1918
Yakima, Wash. (2 divisions)	1913–1917
Yuma, Ariz	1918

So that, as will be observed, it was impossible to determine how much should be paid, for instance, by the Yakima, Wash., division until 1913, and impossible to determine how much should be paid by each acre of land under the Boise, Idaho, project until 1917. Accordingly no payments became due on any of the projects until they were completed at the dates which I have indicated. Then it was determined and the payments then, and then only, were begun. So that instead of the amounts which have been returned having been returned during the past 20 years, the amounts as a matter of fact have been returned chiefly since 1915, no project antedating that except one division of the Yakima, Wash., project, which was completed in 1913.

Mr. UNDERWOOD. Mr. President, will the Senator allow me to ask him a question?

Mr. WALSH of Montana. Certainly.

Mr. UNDERWOOD. Was not the delay also caused to some extent by the enactments of Congress providing that in some particular cases payments were postponed?

Mr. WALSH of Montana. Those are very recent. That has only occurred in very recent years.

Mr. UNDERWOOD. That was caused by the action of Congress and not by the original plans.

Mr. WALSH of Montana. Yes; that was caused by the action of Congress, and that was, by reason of the depressed condition of agriculture generally throughout the country, only during the last two years. Now, Mr. President, let us see, when the payments became due, how well those from whom payments were due responded. I have here the last number of the Reclamation Record, for the month of July, 1922, containing a table showing the repayments made by the various projects arranged according to the percentage paid of construction charges due. I shall ask leave to print the table in the RECORD; but I invite attention to the fact, as disclosed thereby, that in the case of the Orland, Calif., project every dollar of it that is due has been paid. The payments are 100 per cent. In the Klamath, Oregon-California, project the payments are 99.2 per cent of the amount due. In the case of the Newlands project the payments are 95.6 per cent of everything that is due. In the case of the Umatilla, Oreg., project 95.6 per cent has been paid. In the case of the Yakima, Wash., project 94.5 per cent. In the case of the Huntley, Mont., project 93.8 per cent. Bear in mind that in view of the terrific losses to which the farmers all over the country have been subjected during the last few years. I forebear reading further from the table, but the facts as a whole will be found therefrom. I ask permission to include the table in the RECORD without reading.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Repayments arranged according to per cent paid of construction charges due.

Project.	Construction charges due.	Repayments.	Per cent paid.
1. Orland, California	$168,700	$168,700	100.0
2. Klamath, Oregon-California	479,600	475,900	99.2
3. Newlands, Nevada	505,400	484,400	95.6
4. Umatilla, Oregon	315,000	301,200	95.6
5. Yakima, Washington	2,902,400	2,743,400	94.5
6. Huntley, Montana	365,700	343,000	93.8
7. Yuma, Arizona-California	885,500	820,700	92.7
8. Okanogan, Washington	43,600	40,200	92.2
9. Minidoka, Idaho	2,570,500	2,352,900	91.5
10. Sun River, Montana	148,800	134,600	90.4
11. Carlsbad, New Mexico	364,400	319,200	87.6
12. Strawberry Valley, Utah	355,800	309,800	87.1
13. Shoshone, Wyoming	684,800	578,300	84.4
14. Boise, Idaho	1,307,500	1,099,400	84.1
15. North Platte, Nebraska-Wyoming	1,980,100	1,541,500	77.8
16. Belle Fourche, South Dakota	631,500	455,100	72.2
17. Salt River, Arizona	1,219,900	609,900	50.0
18. Lower Yellowstone, Montana-North Dakota	[1] 41,100	[1] 41,100	.....
19. Grand Valley, Colorado	0	0	0
20. Uncompahgre, Colorado	0	0	0
21. King Hill, Idaho	76,700	0	0
22. Milk River, Montana	0	0	0
23. Rio Grande, New Mexico-Texas	0	0	0
24. North Dakota pumping, North Dakota	0	0	0
Total	15,048,000	[2] 12,820,300	85.2

[1] Accrued and unpaid charges canceled under contracts with irrigation districts, payment on construction charges to begin again in March, 1924.
[2] Estimated at $13,000,000 on June 30, 1922.

Mr. WALSH of Montana. I might add that during the year 1916, on all the projects, the amount paid was 88.6 per cent of the amount which was then due. In 1917 the payments were 91.9 per cent; in 1918, 92.3 per cent; in 1919, 93.5 per cent; in 1920, 95.2 per cent; in 1921, 89.3 per cent; and in 1922, 85.9 per cent. I think the farmers upon the irrigation projects, considering the disaster which overcame agriculture of the country from one end to the other, have done so well as to be entitled to much commendation from the Congress of the United States for having met their payments to the extent of 85 per cent of the amount that was due. I dare say there is not a line of business which during the last two years can show payment so near the amount that they were entitled to expect.

Now, another thing in connection with this matter. It is pointed out in this connection that during the last 10 years crops have been raised under these various irrigation projects

to the amount of $426,000,000. That, it will be observed, is nearly three times the entire amount that has been expended by the Government in the development of the various projects. But that does not tell the whole story. It is shown most vividly by the diagram which is suspended from the wall of this Chamber. There are disclosed the great communities that have been built up, thriving cities that have been developed which consume enormous quantities of the products of the eastern and middle sections of the country, as well as of the South. So that the benefit of the development is not by any means confined to the localities in which the projects are found, but extend throughout the entire country.

But, Mr. President, it is said, notwithstanding the facts, that the payment has been the meager sum of $13,000,000. As pointed out, the payments are being made substantially as fast as they become due, as fast as they are required to be made under the laws of Congress. It is a matter of gratification that it is so and that the produce is so great. But quite inconsistently with this it is pointed out in the article to which reference has been made that it is insisted that the return from these projects is relatively inadequate. It is conceded that the average return per acre from the lands under the projects is of a value of something more than $42 per acre, while the average throughout the country at large is not to exceed $17 per acre. But it is said that as a matter of fact the average is raised by reason of the exceedingly high productiveness of the Okanogan and Yakima projects in the State of Washington, where fruit culture is carried on very profitably. That is undoubtedly true, as these two projects return products of the value of $116 per acre in the one case and something more than that in the other.

Mr. WATSON of Georgia. I did not catch the first figures the Senator gave as to the value of the products. Will he repeat those figures?

Mr. WALSH of Montana. The total for 10 years was $426,000,000. During the period that the $132,000,000 was expended by the Government, the projects returned products of the value of $426,000,000. But if the two Washington projects are excluded from the computation, the average yield per acre of the lands under these projects is something over $32, almost twice as much as the average yield for the country at large.

Mr. JONES of Washington. Mr. President——

Mr. WALSH of Montana. I yield to the Senator from Washington.

Mr. JONES of Washington. I would suggest that in the average of the country at large are included the fruit areas of other sections of the country.

Mr. WALSH of Montana. Undoubtedly. A very unfair comparison is made with the yield per acre in the State of Connecticut and, possibly, in the State of New Jersey; but it is realized, or it ought to be realized, on all lands that agriculture in those States consists very largely of truck farming, the yield of which ought to run to $300 or $400 per acre in order to be profitable at all, considering the high rental that is paid and the labor cost in the production of crops of that character.

The work, Mr. President, which is carried on by the Government in the construction of reclamation projects is one which does great honor to our country. It is a policy which I believe is thoroughly approved by the public sentiment of the entire country as expressed from time to time by our leading public men, including the successive Presidents of the United States. It would be unfortunate if, through any misleading statements with respect to it, any hesitation should be exhibited toward the continuance of this policy, and particularly, Mr. President, it seems to me it would be singularly unfortunate if we forgot this very appropriate time to give the approval of Congress to it in connection with the measure that is now before us. I believe that the gratitude of the people of the Nation could be exhibited to the deserving soldiers in no better way than to make provision for the reclamation of waste lands and giving them the first opportunity to acquire them as provided in the amendment tendered by the Senator from Oregon [Mr. McNARY].

Mr. RANSDELL obtained the floor.

Mr. CURTIS. Will the Senator yield while I submit a request for unanimous consent?

Mr. RANSDELL. I am glad to yield to the Senator for that purpose.

Mr. CURTIS. I ask unanimous consent that when the Senate concludes its business to-day it take a recess until 11 o'clock to-morrow morning.

Mr. WADSWORTH. Let me ask the Senator if it is contemplated to attempt to hold the Senate here this evening?

Mr. CURTIS. There is a desire to conclude as much of the debate as possible to-day, and it was hoped that Senators might remain here a little after 6 o'clock and dispose of as many amendments as possible.

Mr. WADSWORTH. I have no objection to taking a recess as suggested by the Senator from Kansas, but I had hoped that Senators in charge of the pending bill would not attempt to keep the Senate here beyond the hour of 6.30.

Mr. CURTIS. I shall later on have a consultation with the Senator from North Dakota [Mr. McCUMBER] who has charge of the pending bill.

The PRESIDING OFFICER. The Senator from Kansas asks unanimous consent that when the Senate concludes its session to-day it take a recess until 11 o'clock to-morrow. Is there objection? The Chair hears none, and it is so ordered.

Mr. TRAMMELL. Mr. President, will the Senator from Louisiana yield for a moment before he begins to address the Senate? I do not desire to interfere with his speech.

Mr. RANSDELL. I shall be glad to yield to the Senator from Florida.

Mr. TRAMMELL. I sent to the desk a little while ago a proposed amendment to the pending bill. I desire to withdraw that and I now send to the desk an amendment covering the same question, and ask that it be read prior to the remarks of the Senator from Louisiana.

The PRESIDING OFFICER. The Secretary will read as requested.

The ASSISTANT SECRETARY. On page 3 of the printed amendment of the Senator from Oregon [Mr. McNARY], in line 15, after the word "agreements," it is proposed to insert the following:

Provided, That in his discretion the Secretary may require not exceeding 50 per cent of the excess lands within the project to be subjected to disposal by authority of the Secretary to settlers.

Mr. RANSDELL. Mr. President and Senators, I have given careful consideration to the amendment offered by the Senator from Oregon [Mr. McNARY], and I wish to say that I favor it unqualifiedly. I believe it is a very wise measure which he suggests, and I sincerely hope that it will be accepted by the Senate and become a part of the adjusted compensation bill. I strongly favor this bill and believe it would be greatly strengthened if the amendment of the Senator from Oregon should be made a part of it.

The amendment proposed by the Senator from Oregon would assist in providing farms for the soldiers as contemplated by the adjusted compensation bill. Unfortunately, we have no public lands of which the soldiers could get possession if they desired to do so. The amendment of the Senator from Oregon would provide lands, and the most valuable lands in this country, for when the arid lands of the West are reclaimed by irrigation and the wet lands of various sections are reclaimed by drainage they will be just as productive as are any lands in the Union; and the soldiers ought to take possession of good lands only; they ought not to be placed on any but very fertile and productive lands.

Mr. President, I doubt if Senators, unless they have looked very carefully into this matter, especially the Senators from the South, are aware of the wonderful possibilities of this measure for the reclamation of vast areas in their own States. Permit me to call to their attention a few figures showing, by States, the areas of arid and wet lands in the Union susceptible of reclamation which have been prepared by the Reclamation Service. I shall summarize and not bore the Senate with many details. I find that, according to the Reclamation Service, the wet lands of the United States aggregate a little over 94,000,000 acres. Of that 94,000,000 acres, 56,825,000 are in the Southern States. In other words, sir, a little over three-fifths of all the wet land of the United States lies in the South.

Those lands are located about as follows: In Florida, 19,000,000 acres; in Georgia, 2,700,000 acres; in Arkansas, 3,500,000 acres; in Louisiana, 10,200,000 acres; in Mississippi, 5,750,000 acres; in North Carolina, 2,750,000 acres; in South Carolina, 3,125,000 acres; in Tennessee, 1,000,000 acres; in Texas 8,000,000 acres; and in Virginia 800,000 acres, or a total, let me repeat, in the South of 56,825,000 acres. That is a very large area.

Mr. President, I have always been immensely proud of my own State; it is a vast area, but it contains only 30,000,000 acres, while the wet lands of the South alone are nearly double the total area of the entire State of Louisiana.

Mr. SIMMONS. Mr. President——

Mr. RANSDELL. I yield to the Senator from North Carolina.

Mr. SIMMONS. I simply wish to ask the Senator if the figures he has given embrace all of the wet and overflowed lands

of the South or only those portions of such lands in that region which are possible of development by drainage?

Mr. RANSDELL. These figures were prepared by the Reclamation Service, but I will say to the Senator from North Carolina that, as I understand them, they embrace those portions of the wet lands of the South which are susceptible of reclamation. Just as the same table, I will say to the Senator, gives the arid lands as aggregating 24,450,000 acres. Of course, the Senator and all of us know that if the arid lands of the entire West were included they would amount to a great deal more than 24,450,000 acres; but, as I understand it, the Reclamation Service in giving these figures state that there are something over twenty-four and a half million acres in the West which are susceptible of reclamation by placing water upon them, and in stating 94,000,000 acres as being the area of the wet lands in the entire Union, they mean there are that many acres which are susceptible of reclamation by proper drainage. Does that answer the Senator's question?

Mr. SIMMONS. That answers the question which I asked the Senator from Louisiana.

Mr. RANSDELL. Mr. President, these figures show that the amendment of the Senator from Oregon contemplates something very large; it is colossal. The amendment provides for lending the credit of the Government to the extent of $350,000,000. Of course, sir, if we reclaim all of those lands out West, and in the North, and the East, and the South, $350 000,000 would not begin to suffice, but it will make a little start. I imagine it would cost ten times as much to reclaim all these arid and wet lands.

This money is to be returned to the Government; it is not to be wasted or thrown away; but is to be carefully invested under the direction and control of the Interior Department. It is to be expended during a series of years, and every dollar of it is to come back to the Government. The reclamation cost of reclaiming each acre is to be added to every project, and when the lands are sold the cost thereof, including interest up to the date of the sale, is to be added to their cost.

In my judgment, sir, it is a wonderfully good business proposition. It simply means that the Government is lending its credit for the purpose of developing the waste places of the Nation. Away out West there are many arid lands which are now utterly worthless; and so to a considerable extent in the northern portion of the Mississippi Valley, all along the Atlantic coast, on the lower Mississippi, and on the coast of Texas, where alone there are 8,000,000 acres of lands needing drainage; there are vast areas which are worse than valueless now, but when improved, sir, as those lands will one day be improved, they will be as fertile and productive as any section of our country.

This is a wise provision, sir. It is an extension, in my judgment, of the reclamation act of 1902. I heartily indorse everything which has been said by Senators here who have spoken about the beneficent features of that act. When it was before Congress 20 years ago I spoke in favor of it and did all I could to secure its passage. I think it has done a great deal of good; I think it is going to do a great deal more good; and I should like, Mr. President, to see the great benefits of the reclamation act as it has been applied to the West extended so as to become the reclamation act not of the West alone but of America, taking in the wet lands as well as the arid lands.

Mr. President, there is no difference in principle between placing water on lands in order to make them produce when they have not enough moisture, and taking the water off land when it has more moisture than will permit it to produce. The two are exactly parallel—putting the water on land and taking the water off.

I always sympathized with the people out West who have no water for their lands, for I live on the banks of the mighty Mississippi, and unfortunately I have many times seen too much water down in that section. I have seen that river when it was 40 miles wide, from the hills on the east side to the highlands on the west, before we had great levees to protect our country as we have now. "A fellow feeling makes us wondrous kind"; and I was anxious, sir, to have some of the water that flowed down there on my section held back in the west, if possible, and used to irrigate the lands out there that needed it. However, the Mississippi River flood problems have no connection with his reclamation amendment; its levees do not come in this bill in any way at all, and I have merely referred to them in passing; but I should like very much to have the general principles of the original reclamation act applied to Louisiana.

We have over 10,000,000 acres of this so-called wet land in Louisiana according to the Reclamation Service. The total area of the State is only 30,000,000 acres, and it is a wonderful State. I wish I had time to tell you about it; but if Louisiana could have, in addition to the 20,000,000 acres now improved, 10,000,000 acres of wet lands well drained and highly cultivated, more fertile than that which has been reclaimed, there is no telling how rich the State would become; and that would be true of many other States. The wealth of the Nation would be added to enormously. I can not conceive of an investment this Government could make that would be more profitable than to pass this bill and rapidly improve all of these arid and wet lands.

Mr. DIAL. Mr. President——

Mr. RANSDELL. I yield to the Senator from South Carolina.

Mr. DIAL. I should like to ask the Senator why it is necessary to couple up this project with a reclamation project? Why is it essential to say that the soldiers shall be placed on arid lands or on swamp lands? Could we not advantageously provide in this bill that a district could be formed wherever the owners of the land might desire?

We have in our country a large area of unoccupied land which is fertile, which does not need irrigation, because the Almighty sends us copious showers; and, as well, we have land that needs drainage. It is considered that where land needs drainage it is somewhat unhealthy; mosquitoes and tadpoles are in abundance, and the soldiers would be apt to be carried off some distance from home, from their family ties and connections; and I see no virtue in tying up this matter with a reclamation project. I do not see the necessity of it. It does not take that to make it legal or constitutional, so far as I can see; and while I am against the bill in the main, yet, if it is going to pass, I should be very glad for some land ownership to be connected with it, for some way to own a home to be connected with it. I am a great believer in trying to encourage our people to own homes.

In North Carolina and South Carolina and Georgia, particularly, I know that there is a large area of cut-over timber land that is accessible to railroads, perfectly healthful, and which, at a very small expenditure of money, could be put into cultivation and would bring forth abundant harvests. While I do not live in that part of the State myself—I live in the foothills of the mountains—I know land that a few years ago was selling for from $1 to $10 an acre, and with the expenditure of perhaps $5 to $10 an acre the stumps have been taken out, and it has been put into cultivation, and to-day that land is bringing anywhere from $100 to $500 an acre. I was very much interested last year, out in my section of the State, when a friend of mine told me that he went into his own cornfield that had been planted in velvet beans, and he got lost in his field and went out on the other side.

That particular land was sold within the last 20 years for $1 an acre, and in the last 10 years perhaps for $10 an acre. We have wonderful possibilities of growing fruit in that section. My friend here from North Carolina [Mr. SIMMONS] knows that down about Pinehurst and the Aberdeen section there is one of the great shipping sections of the United States, while only a few years ago there was very little demand for the land. So I do not see any reason for sending soldiers away off to some other State or to some other part of a State when they might want to form a district and acquire some land that is practically ready for cultivation and could soon be put into cultivation, and would yield a crop in another year. I should like to hear the Senator's objection to an amendment making this bill cover that kind of a proposition.

Mr. RANSDELL. Mr. President, I gave the Senator all the time he wanted to make his little speech and have enjoyed what he said.

Mr. DIAL. I thank the Senator.

Mr. RANSDELL. I do not think the Senator hit the gist of the subject, however. We all know that there is a vast area of cut-over land in the South. My own State has a great many of these cut-over lands, and is trying to lead the Nation in reforesting them. Almighty God intended trees to grow on those lands. The lands that the Senator is talking about, sir, were forest lands. They were covered with fine pine trees and timber is becoming very scarce in this country. Let me advise you, Senator, to plant trees on those lands. You can not do better. Those lands that you say sell for $1 an acre and grow fine velvet beans and peas, and other things, will grow trees. The Creator of the universe intended trees to grow there, and trees are needed by the Nation. Plant trees on those lands as we are doing in Louisiana. Go to Bogalusa, or to Urania, in my State, adopt the wise plan followed there by the wide-awake lumbermen and foresters of those localities, and plant trees on your land. Perhaps you can find some moderately good cut-over lands in the South that have not already been put in cultivation which, by the use of a sufficient amount of nitrate

of soda and other things, will do to put these soldier boys on; but I am not going to advocate putting ex-service men on cut-over lands in South Carolina or Louisiana or any of those places. I want the soldier boys put on the most fertile lands in America, and this bill proposes to reclaim such lands. Some of them are in South Carolina, let me say. There are 3,125,000 acres of these wet lands in that State.

Now, my dear Senator, these soldier boys will not have to go out West to find land to live on. They will not have to go down to Texas, nor even as far as Louisiana. We will reclaim some land in South Carolina for your boys if they love their own State better than any other, and I hope they do, for it is a wonderful State. We are going to reclaim lands in all of these States, and let the boys take them where they like them best.

You ask why we tie up these two reclamation projects. I thought I had said that I could see no distinction between placing water on arid land in order to make it fertile and taking it off wet land in order to make it produce crops. There is no difference in principle. It is the same theory of government. The only difference any man can offer is that out West, when we started the irrigation of arid lands, those lands belonged to the Nation, and the theory was that the Government was going to redeem its own property, was going to make a worthless asset available. That is what we did back in 1900 and 1901 and 1902 when we passed the original reclamation act. We thought we were going to reclaim our own lands; but we speedily found that those lands had been taken up so rapidly that we must add thereto, in a great many instances, private ownership along with Government ownership, so we worked the two together, and we worked it wisely, we worked it well, we worked it beneficially for the entire Nation. That having worked so well, as shown by the able Senator from Montana [Mr. WALSH], the Government is going to get every dollar of it back. There has been no donation to anyone.

Why not apply that same reclamation principle to the 3,000,000 acres of swamp lands in South Carolina, which you say are inhabited by mosquitoes, tadpoles, alligators, and things of that sort? I should like to get rid of the mosquitoes, tadpoles, and alligators in Louisiana. Perhaps you are willing for them to continue to infest South Carolina. I do not want them to stay any longer in Louisiana. I want to get rid of them, and am entirely willing to have the National Government come in and help me to get rid of them as a loan. We are loaning to people everywhere. We are giving the credit of our great Government not only to home folks but we recently loaned ten billions to our allies during the World War.

That is one of the glorious things a government does for its people. We have the great Federal farm loan act, which the Senator is proud of, and I have no doubt he gets his people to borrow freely from their Uncle Sam. Why not have the principles of that great act applied in an indirect way under this McNary amendment?

Mr. WALSH of Montana and Mr. DIAL addressed the Chair.

Mr. RANSDELL. I yield to the Senator from Montana first, and then I will yield to the Senator from South Carolina.

Mr. WALSH of Montana. Mr. President, the argument of the Senator from Louisiana has presented to me this thought: He has very properly stated that the original reclamation act was founded upon the principle that the Government was improving its own lands, and therefore the reclamation easily came within the powers of the General Government, and the reclamation of the lands within the projects held in private ownership was only a mere incident of the general project. It was argued at that time that the operation of the act ought to be extended to the swamp lands as well; but it was answered to that that the swamp lands were held in private ownership and the Government could not do anything toward the reclamation of those lands; and that argument may even to-day lie with some force against that provision of the McNary bill, considered as an independent measure. Now an opportunity is afforded to give to it a constitutional basis. We make it now a means of providing for our discharged soldiers, which easily falls within the war powers of the Government, and we utilize these lands for that purpose. In other words, now, in connection with this bill, you can have a perfectly safe constitutional basis for the reclamation of your swamp lands. Lose this opportunity, and you may find yourselves confronted with a very serious constitutional question.

Mr. RANSDELL. I thank the Senator for his contribution to the discussion. The Constitution never bothered me much in matters of that kind. I believe that if we can lend money to farmers, as we do, we can lend it to reclaim arid and wet lands. However, there is great force in the Senator's argument, and I thank him for it.

I now yield to the Senator from South Carolina.

Mr. DIAL. In answer to the Senator from Louisiana I wish to say that I merely wanted the soldier to have whatever kind of land he wanted—not only the swamp land, but the other kinds as well.

Mr. RANSDELL. I would not object to that if you wish to offer it as an amendment to this bill. I want all the good things attached to this bill that I can get. I want to help the soldier, and if the Senator thinks it will help him, we will put it on.

Mr. DIAL. I have an amendment of that sort.

Mr. RANSDELL. Mr. President, I simply wish to say in conclusion that I do not expect to see our Government improve all these lands in the next year or so. It is a tremendous thing. Ninety-four million acres of these swamp lands and 24,000,000 acres of arid lands is a vast area. We will not do it in the next 10 years, and I doubt if we are going to reclaim anything like one-half or even one-fourth of the area in any State in the next 10 years. I do not pretend to say, sir, that we will be able to do anything like what the senior Senator from Florida [Mr. FLETCHER] contemplates down his way in the next 10 years, but I will tell you what I do believe can be done in Louisiana. I believe, sir, we will get several sample projects, if I may call them so; we will get a project here, and another project there, and one somewhere else, probably 50,000 acres in this tract, 75,000 in that, and 150,000 somewhere else.

We will have these projects conducted under the very best auspices. The finest engineers in the world—because that is what our Government will send to us—with all the lore in the world in regard to reclamation by drainage, will come there, and they will carry those projects on to marked success. People who wish a thousand or a hundred thousand acres reclaimed can look at the projects which the Government has improved, can see how it is done, can derive the benefit of this wonderful example, the great success made in these reclamation projects under the auspices of the Government, and then, Senators, private capital will come in and reclaim wet lands in Florida, Louisiana, and other places in immense quantities.

I am firmly convinced that in my State a great many landholders of the wet lands would be delighted to put them in under the terms of this bill, would willingly agree in advance with the Secretary of the Interior on a fair price at which those lands should be sold and reclaimed in tracts of not to exceed 160 acres to an actual settler.

I am one of those who believe in peasant proprietors. I do not believe in large landholdings. No country was ever permanently wealthy unless the lands were divided up into small tracts, and I believe that we should encourage small holdings just as much as possible. This bill will encourage small holdings. That is one of the very best things it does. I shall certainly vote for it with very great pleasure.

LAWS AND RESOLUTIONS OF FIFTH PHILIPPINE LEGISLATURE.

The PRESIDING OFFICER (Mr. KENDRICK in the chair) laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Territories and Insular Possessions:

To the Congress of the United States:

As required by section 19 of the act of Congress approved August 29, 1916, entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands," I transmit herewith a set of the laws and resolutions passed by the Fifth Philippine Legislature during its second session, from October 16, 1920, to February 9, 1921, inclusive; its third session, from October 17, 1921, to February 9, 1922, inclusive; and its special session of 1922, from February 13, 1922, to February 18, 1922, inclusive.

These acts and resolutions have not previously been transmitted to Congress, and it is therefore recommended that they be printed as public documents, as heretofore.

WARREN G. HARDING.

THE WHITE HOUSE, *August 28, 1922.*

COMPENSATION OF WORLD WAR VETERANS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 10874) to provide adjusted compensation for veterans of the World War, and for other purposes.

Mr. STERLING. Mr. President, just a word now to express my hearty approval of the pending amendment. In voting on the bill itself I shall probably be found in the minority, but if the bill passes I desire very much that it shall pass with this amendment included in it.

I think that former Secretary Lane had a great vision in his project for the reclamation not only of the arid lands of the

West but of the cut-over, burned-over, and swamp lands throughout the country generally. In the main I indorsed the bill which, in pursuance of his suggestions and recommendations, was reported to the Senate, as I now remember.

This reclamation scheme will, of course, be of great benefit to the West and the semiarid lands of the West. It will also be of equal benefit, I think, if not of greater benefit, to the people of the South in the reclamation of the swamp lands and the cut-over lands of the South. I think there are great possibilities for the whole country, for the Nation at large, in a measure of this kind. It will greatly add to the national wealth and, as has been suggested by some Senators, it will tend to keep the people of the country from rushing to the cities, and in that respect both country and city will be greatly benefited.

We have but the one irrigation project in South Dakota, known as the Belle Fourche project, not the largest by any means, nor among the largest, nor perhaps are the returns from it as great as the returns from other irrigation projects. But from land which we termed a few years ago semiarid land, fit only for the grazing of a limited amount of stock during a certain portion of the year, there was produced in 1920, from 59,000 acres and a little more, $389,870 worth of alfalfa, $108,055 worth of sugar beets, $87,150 worth of wheat, $18,140 worth of potatoes, $50,410 worth of oats, and $67,130 worth of pasturage, making a total of $832,200 worth of crops produced from the 59,850 acres under irrigation, or an average of $13.90 per acre. That shows the benefits of irrigation, on a comparatively small scale, it is true, but illustrative in a way of many of the irrigation projects of the West.

I hope to see the idea extended much beyond the limit to which it goes now, and for our western country. It is a particularly interesting problem to my own State. The turbulent Missouri River flows through and along the border of my State for a distance of 500 miles, a menace rather than a blessing because of its overflows and because of the erosion of the banks. But I hope that this will lead to a new interest in the question of irrigation and the storage of some of the waters of this great river and its tributaries for the purpose of irrigation. In order that we may comply with the present law and the powers of Congress as understood, we may have to make irrigation a secondary feature, in form, at least, but in reality it would become the principal feature of any improvement of the Missouri River.

I hope this amendment will carry. Of course, not the least among my reasons for wishing it may carry is the advantage it will give to the returned soldier, to the veteran—first, in the utilization of his services in the development of any project which may be selected and agreed upon between the Secretary and any reclamation district; secondly, because of the 60 days' preference it gives him in the matter of purchasing or making his entry upon the land. As I said, while I can not conscientiously support the pending bill as a whole, yet, if it passes, I hope it will pass with the McNary amendment as a part of it.

Mr. WADSWORTH. Mr. President, like the Senator from South Dakota [Mr. STERLING], I expect to support the amendment offered by the Senator from Oregon [Mr. MCNARY]. I do so because, primarily, it proposes to extend credit for a productive enterprise and, as contrasted with other provisions of the bill which is before us, it is sound and will bring a lasting benefit not only to the men who undertake the enterprise, and particularly the veterans, but to the country as a whole.

For some years I have believed that the safety of this Republic depends in the long run on the percentage of home owners inhabiting its borders, and any such measure as this, based upon sound principles, avoiding wildcat finance, useless extension of credit, and inflation of credit and prices, will always receive my support. I can not, however, support the so-called bonus bill.

As a preliminary to a discussion of the provisions of the bill, I desire to say just a passing word concerning a certain gentleman, a constituent of mine, who has taken a leading part in opposing the bonus bill. I refer to Mr. Frank A. Munsey, of New York, the publisher of the New York Herald and the New York Sun. Senators probably are familiar with his efforts in opposition to this legislation. I shall not recite them.

It so happens, however, that that gentleman has been subjected to bitter attack. His motives and his character have been traduced to such an extent that, were the practice to become general with respect to any person who had courage enough to stand by his convictions, I fear that grave harm would come to the body politic generally.

Mr. Munsey has replied to his critics. He has done it over his own signature and published it on the front page of his paper. I think it only due to him that at this time and in this place the statement published by him be made a matter of record. I therefore ask unanimous consent that there be printed in connection with my remarks the statement published by Mr. Munsey this morning.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Is there objection? The Chair hears none, and it is so ordered.

The statement referred to is as follows:

[From the New York Herald, Monday, August 28, 1922.]

A FEW FACTS THAT ARE DUE THE PUBLIC.

The New York Herald has opposed the various soldier bonus measures because it does not believe in handing a bonus to the young men of the country for doing the thing that is their right and duty to do—the protection of their country.

The New York Herald has opposed these measures on the ground that with the country now carrying a war indebtedness of $23,000,000,000 the Congress has no right to put an additional burden of $5,000,000,000 of indebtedness on the backs of the American people—five thousand millions of dollars.

The New York Herald has opposed these measures on the ground that they are largely political raids on the Treasury, devised and engineered by politician statesmen in Congress as an appeal to the soldier vote.

With the purpose of neutralizing the effect of the fight the New York Herald has made against the bonus, certain men and certain publications have been somewhat careless or downright malicious in their fervid charges against the man responsible for the stand of the New York Herald on the bonus grab.

That man is myself. Some of the charges are bitter, some of them venomous and criminally libelous. Briefly they amount to this: That I am a rich man; that I made a large share of my fortune in United States Steel and in munitions stocks; that these steel stocks were enormously profitable during the war. One newspaper, the Daily News of New York, puts it this way:

"A large part of Munsey's large fortune is from investments in United States Steel stock. This steel company made the material for the guns, bayonets, shells, automobiles, tanks, and so on, which were used in the war. Holders of steel stock profited enormously by the making of these weapons.

"Such weapons as these killed—killed—five or six million human beings during the war.

"The process of killing these five or six millions and wounding fifteen or sixteen millions more enormously enriched holders of munitions shares, like Mr. Munsey * * * large owners of munitions stock, like Mr. Munsey—well, their profits ran up into tens of millions.

"Furthermore, if we recall correctly, Mr. Munsey was extremely anxious in his newspapers for us to get into the war. He thought we were supine because we didn't do it sooner. He always believed in the draft, in seizing the young men and shipping them across the ocean to take their chances."

There is one truth in this whole utterance; just one—no more; that is that I deprecated America's delay in taking her part in the war. With this single exception this malicious utterance is utterly and wholly false. It has no shading or suggestions of truth.

The public will perhaps be interested in the facts concerning this charge and similar charges. The public is always fair in its judgment and its attitude when it has the facts, and the public is entitled to the facts in this instance.

The facts that have to do with these charges are these. The fortune I have, be it little or big, did not come to any considerable extent through the buying and selling of stocks. Some years ago, when my income was mounting large from my magazine business, I put some of my money then lying idle in bank into the security market. Up to this time all my thought and energy had gone into the upbuilding of my magazine business.

There is not much natural sympathy between money earning and money investing. A man may be good at one and good for nothing at the other. It was up to me now to handle the money flooding in from my publishing interests. My modest initial investments in the street grew ultimately to important holdings.

Weird stories have been circulated about my undertakings in the security markets. Until now they have been good-natured, though, I must say, grossly inaccurate. The bitter charges now, because of my stand on the bonus, are largely founded on these inaccuracies and exaggerations with respect to my security holdings. But inaccuracies and exaggerations good-naturedly expressed are one thing, and malicious, bitter, and wholly unwarranted attacks with the view to discrediting my newspapers in their fight against the bonus are quite another.

While I am on the subject I may as well put the record straight so that well-meaning newspaper men will not hereafter indulge in fantastic pictures in respect of my security holdings when I was in the market.

It was recently said that in my stock transactions I acted on inside information, a sure thing. There has never been a sure thing in any of my business activities, or in any of my financial investments. I have always been willing to take a chance on my own judgment, always been willing to take a loss on my own judgment.

I have never had a business partner in my publishing enterprises and other interests. I have reasoned out my own problems, done my own thinking, and I followed this method strictly in my stock transactions. In dealing in the volatile values of Wall Street I was indulging a spirit of adventure. But all the while my time was given to my publishing interests. Wall Street was a side issue.

Neither then nor at any time, before or since, in my life was I a party, directly or indirectly, to putting up, or putting down, values of securities. And neither then nor at any time, before or since, in my life did I buy or sell securities on tips or on short speculative movements. I bought or sold securities on the underlying business conditions of the country and the money conditions of the country as I saw them.

I bought always with a view to a long term and not a short one. Getting in and out of a stock every day, or every few days, or several times in a day, is highly speculative; buying for a long term—that is, to hold with the expectation of increased values with improving business conditions—is like buying and selling real estate.

But Wall Street never had any real interest for me. My real interest and real aim in life has been, and is, to do constructive work, to create something worth while, to make two blades of grass grow where one grew before. Money coming in from this creative work has

the seeming of real money; money coming in from the marking up and down of stocks isn't the same thing with me.

With sufficient experience in the security market to satisfy me and with some profit—not enough to get excited about—I withdrew my capital from the Street and turned to something more dramatic, more worth while, the daily newspaper. My actual net profit from my security holdings was relatively inconsequential compared with the aggregate profit of years from my publishing, real estate, and other interests.

I have not owned a share of Wall Street securities of any kind whatsoever in, I should say, something like a dozen years. I owned no Wall Street securities at the beginning of the war. I owned no Wall Street securities during the war, and I have owned no Wall Street securities since the war. I do not own now, and never have owned, a share in any munition plant of any kind or description. I had no connection, directly or indirectly, with any property or interest that lent itself to profiteering during or after the war.

I made no money whatever, directly or indirectly, out of the war or anything associated with the war. On the contrary, my interests, due to the high cost of magazine and newspaper making and the generally disturbed condition of affairs, suffered a very heavy shrinkage during the war and in the inflation period after the war.

This statement, answering the charges that my fortune has been made largely in Wall Street and from munition investments and war profiteering, must not be taken to mean that I have any apologies to make for my operations in listed securities. I ventured less into the realm of chance in Wall Street, far less, than I did in undertaking to found and build up without capital and without experience a magazine business in competition with the great established magazine properties of New York, and I took far less chance than I have taken, and one generally takes, in the daily newspaper field.

The fortune I have, such as it is, has come primarily from two sources: The $40 capital I brought with me from Maine to New York 40 years ago and the capacity God gave me for work. There has been no mystery, no legerdemain, no short cuts to fortune building with me. It has been done by fairly sound reasoning, the courage to put my conclusions to the test, and by paying the price in work.

I am a thorough believer in work. I love work and I wish all Americans loved work as I love it. Generally speaking, there is no such thing as getting something for nothing. We must pay the price in thought, in care, in watchfulness, in work—intense, everlasting work.

If I were a manufacturer of hardware, or textiles, or shoes, or anything else not linked up with public affairs, this statement in answer to careless and vicious charges would not be imperative, though I hold that one who is at all before the public, whatever his line of endeavor, owes it to the public to correct misstatements and put the truth before the public.

Calumny travels fast and far, and unless apprehended is accepted as the truth by the public. The public has no reason to suppose calumny isn't the truth if allowed to stand as the truth.

But with the newspaper owner the situation is highly sensitive, as the newspaper is a public institution. The newspaper is just what the man back of it makes it. The newspaper mirrors the man back of it, mirrors the man who puts himself into it. If his heart is in the public service his newspaper will be a bulwark of strength to the community and to the country. Indeed, with the present political subserviency to the vote, the best hope for sound government must rest with the well-purposed, independent press.

The attitude of the New York Herald on the bonus question has been the conscientious attitude of the owner of the New York Herald. I have no personal or selfish motive in my objection to the bonus. Fifty bonuses might be paid to soldiers and it wouldn't affect me personally.

I have taken my stand against the bonus on the ground that it is all wrong in theory, that it degrades the American soldier. It robs him of the spirit of patriotism, the spirit of defense of his country. I have taken my stand against the bonus because the Government is in no condition to shoulder this additional burden, because the taxpayers of the country are in no condition to shoulder this additional burden, and because the payment of this proposed bonus to soldiers would be a vicious precedent for future generations to deal with.

FRANK A. MUNSEY.

Mr. WADSWORTH. As to the pending bill itself, there have been a good many general statements made concerning the veterans of the war, both soldiers and sailors, and some of them may give rise to an inaccurate conception of just what the Government has done in the matter of pay and allowances up to this time. Merely in the interest of reasonably accurate history, and not for the purpose of argument, I desire to recite very briefly those measures taken by the Congress affecting the soldiers and sailors who were called to the colors during the last war.

When we went into the war the base pay of the private was $15 per month. In May or June, 1917—I forget which month, but I think it was May—approximately two months after we entered the war the Congress legislated on the question of pay and the base pay of the private was raised to $30 per month. The impression seems to prevail that $30 a month was the pay of the soldier generally. As a matter of fact, that was but the base pay of the private soldier, and the privates comprise approximately 49 per cent of the enlisted strength of the Army. Prior to our entrance into the war the base pay of the private first class was $18 per month. That was raised to $33 per month. The privates, first class, comprise approximately 25 per cent of the Army. Prior to our entrance into the war the corporal of the line, so called, received $21 per month, and that was raised shortly after we entered the war to $30 per month. The corporals in the aggregate comprise about 9.5 per cent of the enlisted strength of the Army. Prior to our entrance into the war the duty sergeant received $30 per month. His pay was raised to $38 per month. The duty sergeants and men of similar grade among the enlisted strength comprise about 9.5 per cent.

Mr. WARREN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Wyoming?

Mr. WADSWORTH. I yield.

Mr. WARREN. The Senator spoke of the $30 which the private received. What was the additional pay that he received when he went abroad?

Mr. WADSWORTH. I was coming to that. I will just finish this statement of the base-pay schedule, very much abbreviated. The battalion sergeant major, prior to our entrance into the war, received $40 a month and during the war that pay was increased to $48. The regimental sergeant major received $45 a month prior to our entrance into the war and that noncommissioned officer's pay was raised to $51 a month after our entrance into the war. The sergeant, first class, Medical Corps, received $50 a month before and was raised to $56 a month. The hospital sergeant received $65 a month prior to our entrance into the war and was raised to $71 a month. The quartermaster sergeant, who ranked among the highest paid grades and is typical of the highest grades as then existing, received $75 a month prior to our entrance into the war and was raised to $81.

It will be seen, therefore, that the soldiers in the lowest grades—the privates and privates, first class, and the corporals—received by far the greatest increase, measured by percentage of their former pay. It will be seen also that the mere statement that $30 a month was the pay of the soldier is grossly inaccurate, for more than 50 per cent of them got a great deal more than $30, and every soldier who went abroad got a 20 per cent increase in his base pay. So that no soldier served in France for as little as $30 a month or anything like it.

Mr. HEFLIN. About what was the average pay, then, for the private soldier?

Mr. WADSWORTH. I have not made an accurate estimate as to the average pay of the men in the Army. Exclusive, of course, of food and hospital care and clothing, I assume the average cash pay would run close to $40, and exclusive also of extra allowances, such as are given for marksmanship, $2 a month; sharpshooter, $3 a month; expert rifleman, $5 a month; and corresponding experts in other branches of the service which are not armed with the rifle but which require proficiency with some other weapon.

Mr. WARREN. Mr. President——

Mr. WADSWORTH. I yield to the Senator from Wyoming.

Mr. WARREN. Bearing on that, I ran across some correspondence lately, directed to me and probably to others, from the president of the Board of Trade of the United States, which gives the figures of pay of soldiers serving in France as follows: During the 19 months we were at war enlisted men of the various nations received the following total sums: The United States, $570; France, $27.55; Italy, $33.06; Russia, $7.41; Great Britain, $138.70. Belgium paid a rate slightly higher than France. New Zealand and South Africa paid a rate equal to Great Britain. Canada paid a rate equal to our own. Australia paid its men, all volunteers, the highest rate of any nation, $42 a month.

Mr. NELSON. What did Great Britain pay?

Mr. WARREN. Great Britain paid $138.70.

Mr. OVERMAN. Per year?

Mr. WARREN. No; for 19 months.

Mr. BURSUM. Mr. President, I would like to ask the Senator what was the policy of France with reference to her economic resources and her man power during the war?

Mr. WADSWORTH. Conscription.

Mr. WARREN. So far as France was concerned, her army was conscripted. It is the duty of every young man to serve in the army in France at some period for a given length of time, and the pay runs as low at times as $1 per annum.

Mr. BURSUM. But were the man power of France, her industrial strength, her economic resources, conscripted?

Mr. WADSWORTH. I think that was not done in any country. I never heard of conscription for any other purpose than a military one being invoked by any nation during the last war, or, for that matter, in any war.

I am not citing these figures in the way of argument, but merely, if I may, to contribute something to a little more accurate conception of just what happened, because the impression has been so often given out that nothing has been done, whereas, as a matter of fact, the base pay of the humblest private of the Army was raised 100 per cent at the very beginning.

As contrasted with the pay of soldiers of other countries—and I would not for a moment urge that we come down to any such figures as theirs—it is interesting to understand just what the situation was. As contrasted with Great Britain, the so-called pay of the soldier of the United States was more than three times as much, even though soldiers of both were serving

in a foreign country under exactly the same economic conditions, so far as that country was concerned.

I do not imagine for a moment that any Senator or any citizen believes that $30 a month for the private or $33 a month for the private, first class, or $36 a month for the corporal was voted for any other purpose than to give to the soldier a generous allowance of pocket money. Certainly it was never considered possible to compensate him. No such thought ever entered the mind of the Senate at the time, nor has any military legislation affecting pay in time of war been built upon the basis of compensation.

I remember very well, I think, the debate which occurred in the Senate at the time we doubled the base pay of privates and made corresponding, although somewhat less, increases in the upper grades of the enlisted force. Canada had established the principle of a dollar a day for her private soldiers and Australia had done something of the same sort. The American Congress believed that our men should receive and have for their enjoyment just as much pocket money as the soldiers of any other land. If I am not greatly mistaken, that is why the increase was made, and no one complained against it. It was a generous allowance of pocket money compared with the allowance made to American soldiers in the wars of the past. I think it was none too much, considering the conditions which our men had to confront, especially when removed so far from home as were those who went to France, and approximately 50 per cent of our men went to France and the other 50 per cent stayed in this country.

When the men were mustered out, again the Congress believed that the question of pocket money and the facilities which the soldier should have in tiding over that period of time between his discharge and his resumption of civilian employment should be taken care of, and the Congress appropriated a sum of money which, under the statute enacted at the time, gave to each soldier upon discharge $60. That has not been mentioned in this debate.

Mr. WARREN. Mr. President, the Senator from New York will perhaps remember that that amounted to $270,000,000. Great Britain has given $6,000,000 to her soldiers.

Mr. WADSWORTH. I have not the British figures at hand, but my recollection is that the $60 given to the men of the Army and Navy of the United States upon discharge amounted to about the same sum of money given for similar purposes by the British Government to the British soldier. That again was an effort of the Congress to see to it that the men were comfortable in the transition stage. It was not compensation. It was never intended to be compensation. In fact, there is no possible way of estimating it as such.

Another matter of far less importance, but worthy of mention, was the provision made by the Congress that each soldier upon discharge should receive and be permitted to take home and use as he saw fit an entirely new outfit of clothing. Under that provision each man was entitled to take and did, upon his own application, as I recollect it, take the following articles: A pair of shoes, a pair of olive-drab breeches, an olive-drab shirt, an olive-drab coat, a felt hat, and his choice of an overcoat or slicker. No time limit was stated as to the date upon which applications should come in from the men. Some of them drew the clothing, if the clothing was available, at the camp from which they were discharged. At many of those camps, of course, such a great reserve of clothing was not in existence, but the men were permitted to write to the Quartermaster General after they reached their homes and ask that this allowance of new clothing be sent to them. Thousands and tens of thousands did so, so much so that not only was the entire available stock of clothing in the hands of the War Department at the close of the war exhausted, but for nearly two years thereafter the Quartermaster General had to continue to manufacture new clothing to meet the applications that were still coming in. I can not recollect the figures of the appropriations which the Congress made after the war was over to continue the filling and the honoring of these applications. Suffice it to say that in the appropriation bill of a year ago the Congress decided that the applications should cease and that thereafter applications for new clothing should not be honored; but for two and one-half years at least after the war those applications were honored.

So, Mr. President, in the matter of the comfort provided for the men by Congress in the enactment of the statutes which I have recited, I do not think it can be said that the American Government or the American people were remiss. When we add to the efforts of the Government the efforts of the great associations which were organized on semireligious lines in some cases, and in others on civic lines, to bring further and additional comforts and relief to the soldiers—I mean by that the American Red Cross, the Y. M. C. A., the Knights of Columbus, the Salvation Army, the Jewish Welfare Society, and such as they—adding their hundreds of millions, literally, I do not think it can be charged by any Senator or any citizen, and I have never heard it charged by any soldier, that the American people as a whole were remiss in endeavoring to provide every obtainable comfort for their men in time of war.

I myself rejoiced at it. I think all those sums were wisely spent. They meant a greater degree of contentment for the men—a higher morale, which means better fighting qualities. They meant a better health rate. There was far less sickness in our Army in the World War than in any army we have ever raised. I think there was also far less discontent; there was less homesickness. The efforts that were made toward entertainment and providing comforts both by the Government and outside agencies were worth every penny that was expended and more, too. All those things were done by contributing money; but none of them have the slightest relation to compensation for duty performed. This bill is the first effort in the history of the American Congress, as I read history, to fix compensation for duty performed and to measure it by dollars and cents.

Mr. OVERMAN. May I interrupt the Senator there?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from North Carolina?

Mr. WADSWORTH. I yield.

Mr. OVERMAN. What would the Senator from New York call the $60 which we gave our soldiers when they came home?

Mr. WADSWORTH. As I remember the intent of Congress, as evidenced in the debate at the time and in the committee in drafting the amendment, the $60 payment was for the purpose of facilitating the comfort of the discharged soldier from the day of his discharge until he could take up his civilian employment.

Mr. OVERMAN. I understood the Senator from New York to say that we increased the pay of the soldier from $18 to $30 per month because Canada and Australia had done so?

Mr. WADSWORTH. Yes; because we wished our men to enjoy the same comforts as the soldiers of those countries enjoyed.

Mr. OVERMAN. Did not Canada, when her soldiers came out of the war, appropriate the same amount of money as we did—$60—whether it be called compensation, gratuity, bonus, or what not?

Mr. WADSWORTH. I do not know.

Mr. OVERMAN. Has not Canada also appropriated—call it compensation, bonus, or what not—a sum averaging $600 for each of her soldiers?

Mr. WADSWORTH. I do not know what the action of the Canadian Government has been.

Mr. OVERMAN. I think the Prime Minister of Canada, with whom I had a conversation here, told me that the Canadian Government had given to each Canadian soldier a bonus, the amount of which I have forgotten. If we are imitating Canada, and if she has given her men a bonus, why should we not also give our men a bonus?

Mr. WADSWORTH. I think it is a bad example to follow when it goes beyond the point of giving every conceivable comfort to the man who is serving his country.

Mr. OVERMAN. I understood the Senator to say that our Government increased the pay of its soldiers from $18 to $30 because Canada did it. If so, why should we not give a bonus or a compensation because Canada, as well as Australia, did it?

Mr. WADSWORTH. I think the two things are based on entirely different principles. The Senator from Minnesota [Mr. NELSON] reminds me, and it should be stated for the RECORD, that the Government also supplied some allowances for those soldiers who left dependents behind them, either wives or dependent children. My recollection is that the allowance was based upon a total of $15 for a wife and $5 for each dependent child up to an aggregate of $25 or perhaps $30. I never liked that.

I criticized it several times when the bonus bill, so-called, was previously before the Senate. I do not believe it was right for the Government to withdraw from the pay of a soldier any money for the support of his dependents. I think the Government owed that in its entirety. If we took a man from civil life and compelled him to go out and fight for his country, and at the same time he had to leave a wife and children behind, and we appropriated money for his pay sufficient for his personal comfort—and that is what the pay of the soldier in time of war is, and that is all it is—we should not have deducted from that pay one single cent to be sent home to his wife and children; the Government should have shouldered all of it. My original proposal two years ago was, instead of hav-

ing this indiscriminate distribution of cash to all the men who wanted it, whether they needed it or not—for that is what this bill in its essence means—that we should return to all those men who made allotments from their pay the sum total of the allotments made and square that account, and thereby finally assume at this late day the entire financial responsibility for supporting the wife and the children whom the soldier was compelled to leave.

Mr. NELSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Minnesota?

Mr. WADSWORTH. I yield.

Mr. NELSON. I think the statement which the Senator has just made is slightly confusing. As I understand, the Government required the soldier to contribute a portion of his pay as an allowance for his dependents, and then the Government made an equal contribution toward the allowance, so that the entire allowance did not come out of the pay of the soldier.

Mr. WADSWORTH. No; not at all. I was remiss in not stating that the Government matched the money which the soldier put in, dollar for dollar, as I recollect.

Mr. BURSUM. But was not the deduction made by the Government, and without any consultation with the soldier? The money was deducted and was sent to his dependents pursuant to the declaration which the soldier had made when he entered the Army, giving the names of his dependents.

Mr. WADSWORTH. Certainly.

Mr. BURSUM. It became simply a matter of administration, and the consent of the soldier was not required in order to send the money to his dependents.

Mr. WADSWORTH. Certainly; there was a law placed upon the statute books in reference to the payment of allotments from the soldier's pay to his dependent family, and also concerning the contributions of the Federal Government to meet or match the amount paid by the soldier. What the Senator from New Mexico says is perfectly true, but I do not think it changes or impairs the argument I am trying to make, that that was not a generous or a wise or a sound public policy.

Mr. BURSUM. I agree thoroughly with the Senator from New York as to that, and that is one of the reasons which, in my judgment, entitle the soldier to a refund at this time, which would come under the pending bill.

Mr. WADSWORTH. But this bill does not take into consideration anything of the sort; it makes no mention of it. The men who made a sacrifice and who sent home $10, $15, or $20 out of their pay to their families will not get any more under this bill than will the man who never sent back one cent. That is one of my criticisms of this measure, yet it is called an "adjusted compensation bill." There is no adjustment about it.

Mr. NICHOLSON. Will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Colorado?

Mr. WADSWORTH. I do.

Mr. NICHOLSON. The Senator from New York makes mention of men who returned no money to their families. There was a very small percentage of men who went into the Army who did not leave dependents behind them and from whose pay there was not deducted $15 per month.

Mr. WADSWORTH. The Senator is mistaken. There was a very large number who did not send back anything. They were not required to do so; there was no need for their doing so. I am not criticizing men who did not send money home voluntarily or under compulsion of the law, but a large percentage did not. They did not have to; there was no need of it; and yet they will get just as much under this "pawnbroker" arrangement that we have here as the men who did.

Mr. BURSUM. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield further to the Senator from New Mexico?

Mr. WADSWORTH. I yield.

Mr. BURSUM. Does not the Senator from New York believe that the $7.50 which was deducted from the soldier's pay on account of insurance during the period in which he was in the service ought to have been paid by the Government during his period of service?

Mr. WADSWORTH. My own personal view is that the Government might have shouldered that burden. I have never given much thought to that, but I recollect that when the war risk insurance act was passed it was regarded as the greatest step in advance that had ever been taken in the matter of securing the future of the country's soldiers and sailors. I do not recollect that the proposal was ever made at that time that the insurance premiums during the period of hostilities should be carried by the Government itself; I have never worked that out or studied it out, but as the Senator asks the question at this moment there does not seem anything unreasonable in the suggestion implied in his question. However, not all the men took insurance, nor in equal amounts, and again where is there any "adjusted compensation"?

There is no such thing as adjustment here. Men are treated with the grossest inequality. The mere indiscriminate distribution of $300 or $400, as the case may be, does not adjust anything, and it is confessed that it does not compensate anyone. The Senator from Alabama [Mr. UNDERWOOD] was perfectly clear about that. It can not be called compensation. There is no Senator here who would walk up to a veteran who had gone through the Argonne and say to him, "Here is what your services were worth; take $300." I never could understand how the name "adjusted compensation" could be attached to this bill. It is a desperate effort to get rid of the term "bonus" or "gratuity"; but, so long as these men are all treated exactly alike in dollars and cents, no matter what their sacrifices were, no matter what their pay, no matter what their service was there is no other name to call it but a "bonus."

Mr. BURSUM. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from New Mexico?

Mr. WADSWORTH. I yield.

Mr. BURSUM. I should like to ask the Senator one more question, and that is with reference to the Liberty bonds for which the soldiers subscribed. I am informed that in some divisions every soldier subscribed for Liberty bonds. The subscriptions were arranged through officers of the regiment as a rule, and those bonds were subscribed for by the soldier and paid for by deducting out of his wage a definite sum each month.

Those bonds in most instances very likely were sold around 80 to 85 cents on the dollar, and some cases for less. Does the Senator believe that it is fair and just on the part of the Government to impose upon the soldier the loss incurred under such circumstances for the financing of the war in which he was engaged when he was doing the fighting, was hazarding his life, and baring his breast in defense of his country?

Mr. WADSWORTH. Mr. President, I do not think it can be said that the men were compelled to subscribe for Liberty bonds. I think it unfortunate that such elaborate canvasses were made in the different regiments and brigades. In one particular camp I took occasion to protest against it. The pride of the men was appealed to, and the men in Company A of the Three hundred and first Infantry were invited by their officers to outsubscribe the men in Company B, and so on down through the lettered companies to the machine-gun company at the end of the line. I think it unfortunate that such rivalry was set up as between units and which resulted in many men—not in all, but in many men—subscribing for more Liberty bonds than they could really afford to pay for. Yet it is fair to say that while their subscriptions were generous, and perhaps in some instances too generous, they were subscribing for something of value; and they were not alone in having to sacrifice Liberty bonds at a price lower than par, for thousands of people had to do that during the year or two years following the war. Thank Heaven, Liberty loan bonds are now selling at par, and any man who subscribed to those bonds, whether he be ex-soldier or ex-sailor or mere civilian, will get all his money back with interest. That scarcely can be counted in as part of an obligation financially which the Government incurred in its treatment of the soldiers, and can scarcely be deducted from the pay of the soldier as a basis upon which to write bonus legislation.

Mr. President, I know full well that Members of the Congress who undertake to oppose legislation of this kind—which involves Uncle Sam laying from three billions to seven billions of dollars on a counter and inviting any one or all of four and a half million men to step up and take his share, whether he needs it or not—are put down in the minds of many as being enemies of the veteran, or at least failing utterly to appreciate what he went through. I hope I shall not be charged with any such failure of appreciation of what the soldiers and sailors in this war went through any more than I should be charged with failure to appreciate what the soldiers and sailors of former wars went through. War is organized destruction, perpetrated at wholesale. It can not be carried on without the infliction of suffering—suffering untold. The man who goes through with it with a brave smile on his face, and does his duty, and incidentally saves his country and the rest of us who could not go, is the man who will have my respect and admiration as long as he lives; but, Mr. President, I hope I shall not again be asked to appraise the performance of that duty in dollars and cents. We never have done so in the history of this country.

Had a bonus bill been introduced and passed at the close of the Civil War, I doubt if this Nation could have borne the

burden imposed upon it by any such practice as that. We staggered for years under the national debt of something like $8,000,000,000 resulting from the Civil War. Suppose the veterans of the Civil War, who numbered 2,000,000—a much larger army, in proportion to our population of that day, than the army we raised in the war with Germany—had demanded a bonus such as this, and it had been given them. Could the American people have borne it? Could the great West have been opened up with such alacrity? Could our people, under a burden such as that would have entailed, have spread across the prairies and the mountains and built up this great Nation? I doubt it. That would have been a fearful burden imposed upon 20,000,000 or 25,000,000 people. It would have more than doubled our national debt at that time, and it took us 50 years to whittle down the national debt left from the Civil War to a point where we could say that, practically speaking, it no longer existed.

Mr. NELSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Minnesota?

Mr. WADSWORTH. I yield.

Mr. NELSON. There was nearly a billion dollars left of that debt when the Spanish War broke out, and I think a remnant of between eight and nine hundred million dollars was unpaid when the World War broke out.

Mr. WADSWORTH. I think we had not paid it all, but perhaps some of that debt was due to other obligations. Certainly the major portion of it was Civil War debt. Some of it may have been due to the Spanish War and some to Panama Canal bonds.

Mr. WARREN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Wyoming?

Mr. WADSWORTH. I do.

Mr. WARREN. I suppose the Senator remembers that in the seventies Congress passed a bill somewhat similar to this which was vetoed by the President of the United States.

Mr. WADSWORTH. President Grant vetoed a bill quite closely resembling this, and the attempt was never made again to pass such a bill applicable to veterans of the Civil War and certainly no such movement arose from the veterans of the Spanish war.

Mr. President, last Friday afternoon I listened with great interest to a colloquy here in the Senate between four or five Senators, discussing the difficulties that are confronting the American people to-day. They discussed the coal strike and the suffering which may and probably will—in fact, some of them asserted that it was a certainty—overtake the people of our great communities as the result of the lack of coal and the lack of railroad transportation. We can sit here in this Senate Chamber and discuss these things in an academic way, but they are mighty real things when you go out among the people. When the average citizen is faced with the practical certainty of going down in his pocket deeper than ever not only to pay taxes but to pay his living expenses in the face of this industrial emergency and at the very moment when the people are wondering how they are going to heat their houses and run their industries and keep their employment—the notice has already gone out from Detroit that 106,000 men in the Ford plants may have to stop work in 10 days—it is not a very cheering thought that will come into those people's minds if, at that very hour, the Congress passes a bill burdening the American people with at least three and a half billions more in taxation.

There will come a time, Mr. President, when the people can not bear any more burdens. What political party would have the courage or the rashness to-day to introduce here a revenue bill raising the taxes of the people? Neither of them. This bill attempts to get away from that. It is an effort, almost laughable in its futility, to persuade people that money can be raised without imposing taxes—an utter impossibility.

The Senator from North Dakota [Mr. MCCUMBER] says it will cost but $78,000,000 in the first year. The Secretary of the Treasury points out that we have a $400,000,000 deficit facing us the first year, and the latest information is that instead of $400,000,000 the deficit will be $500,000,000, and yet lightly does the Senator from North Dakota suggest that we add another $78,000,000 to that deficit; and that is to be used only in paying the $50 cash bonus to those men whose so-called adjusted compensation does not exceed $50.

What relief are we to have as a people? There is none in sight, even if we do not pass this bill. We will have to impose heavier taxes or issue bonds in any event. The Senator from North Dakota lightly suggests that we suspend the good-roads work over the country in order to pay this so-called adjusted compensation. That is simply another way of taxing the people—depriving them of the facilities for doing business—that is all. What does this amount to when brought down to its essence? It is the many that pay, not the few. Political charlatans will invent, or pretend to invent, methods and pieces of legislation for imposing taxes in such a way that the few only will pay. Point me to a single taxation policy evolved by any government in the history of governments that has succeeded in imposing taxes in such a way that the few only bear the burden.

Mr. HITCHCOCK. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Nebraska?

Mr. WADSWORTH. I yield.

Mr. HITCHCOCK. The Senator remembers that one of the first acts of his party upon coming into power was to relieve from the excess-profits tax the corporations in the United States that were making the highest profits in business, and that in that way $450,000,000 of national revenue was sacrificed——

Mr. WADSWORTH. I do not agree with the Senator's last statement at all. I do not think you can find excess profits to-day.

Mr. HITCHCOCK. And about the same time another $100,000,000 of revenue was sacrificed by removing the surtaxes on the great fortunes of the United States.

Mr. WADSWORTH. The Senator's question is all based upon the assumption that high surtax rates on income taxes are paid by the rich man alone. He also bases his question, or must do so, upon the assumption that the excess-profits tax is paid by the rich corporation or individual alone. My contention is that it is paid by the rich man or the rich corporation *in the first instance*, and then inevitably, in whole or in part, depending upon market conditions, it percolates down through the body politic, and rests its heavy hand, directly or indirectly, upon every man, woman, and child in the country. If you impose taxes such as these in the hope that they will be paid by one selected group alone, you will encounter the proof of the same fallacy which has existed and has been shown time and time again. Prices will be raised to the consumer in order to pay the taxes. It has always been so.

Mr. HITCHCOCK. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York further yield to the Senator from Nebraska?

Mr. WADSWORTH. I do.

Mr. HITCHCOCK. The Senator's argument is quite familiar, and it is a very entrancing theory; but the fact was that those who brought influence to bear upon the Congress to lay aside that $450,000,000 of excess-profits tax were the corporations that were paying the tax, and the fact is that when we repealed the tax we lost the revenue. I know that it is a beautiful theory, and they added to that theory by saying that if you repealed the excess-profits tax you would improve business; but business has not improved. This is going to be the most disastrous year for business that this country has had, perhaps, in its history.

Mr. WADSWORTH. Then this is a beautiful time to incur another national debt of $5,000,000,000!

Mr. HITCHCOCK. And the theory that business could be improved by relieving the highly profitable corporations of $450,000,000 of excess-profit taxes has been proven false. This country this year is going to have the greatest number of commercial failures that it has ever had in its history.

Mr. WADSWORTH. Therefore, Mr. President, tax them more, according to the Senator!

Mr. HITCHCOCK. No, Mr. President; you do not tax the companies that are in difficulties. Your excess-profits tax falls only upon those corporations that are earning tremendous profits. You do not tax the companies that are in difficulties by an excess-profits tax; only those that are rolling in profits.

Mr. BORAH and Mr. REED of Missouri addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New York yield; and if so, to whom?

Mr. WADSWORTH. I yield first to the Senator from Idaho.

Mr. BORAH. If you tax the corporations that are rolling in profits, they are monopolistic corporations, and those corporations can and always do—it has been proven by actual observation—pass the tax on to the consumer.

Mr. HITCHCOCK. Mr. President——

Mr. WADSWORTH. I think I have the floor.

Mr. HITCHCOCK. That remark was in answer to my statement. Will not the Senator yield to me a moment longer?

Mr. WADSWORTH. Very well.

Mr. HITCHCOCK. The Senator from Idaho is advancing a very beautiful theory, and it has been frequently asserted that those corporations that were enjoying the excess profits passed the tax on to the people in the shape of increased prices; but

the Senator can not point to any reduction in prices by those corporations since you relieved them of the tax.

Mr. BORAH. Of course not; but if the Senator will go back to the time when we imposed an excess-profits tax upon sugar refineries and other corporations at the time of the Spanish-American War, where we have the history of the beginning and the end of it, he will find that they passed every single dollar of that tax on to the consumer. Competitive business, or corporations engaged in competitive fields, can not do so; at any rate not so fully, but corporations enjoying a monopoly can and do. While I voted against repealing the tax, I realize much of it was passed on.

Mr. WADSWORTH. So long as there is a seller's market, it will always be done.

Mr. REED of Missouri. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Missouri?

Mr. WADSWORTH. I should like to proceed. Does the Senator want to ask me a question?

Mr. REED of Missouri. I merely wanted to call attention to the fact that the Senator states that the Secretary of the Treasury estimates a $450,000,000 deficit for this year. That is the exact amount which the experts of the Treasury estimated we would get from the excess-profits tax which was repealed. The figures exactly tally.

Mr. WADSWORTH. Yes; and the experts of the Treasury made their estimates while the revenue bill which we last passed was before us. Since then we have awakened to the realization that while we hoped to balance our revenue account, we are going to be four or five hundred million dollars behind it; and the experts' estimates were not worth the paper they were written on at that time.

The truth of the matter is, the business of the country is not making the profits and the income that we expected is not forthcoming. We can add taxes, but there comes a time when taxes cease being productive.

Mr. REED of Missouri. Of course, if we repeal them we will not get the money.

Mr. BORAH. In to-day's New York Times is a very fine illustration of the situation which confronts us. The article reads:

> A preliminary report of the Commissioner of Internal Revenue for the fiscal year ended June 30, 1922, signed by C. P. Smith, acting commissioner, shows that collections from income and profits taxes in 1921 were $3,228,137,673.75 and in 1922 $2,087,946,243.76, a decrease of $1,140,191,429.99.

Mr. WADSWORTH. May I interrupt the Senator to say that that included excess-profits taxes, which were not repealed as of that fiscal year?

Mr. BORAH. This article continues:

> The receipts for 1922 include payments of the third and fourth installments of the 1920 taxes and the first and second installments of the 1921 taxes. There are included also various payments on account of additional assessments and amended returns of income and profits taxes for prior years.
>
> The total internal-revenue collections from all sources were $3,197,451,083 in 1922 and $4,595,357,061.95 in 1921, a decrease of $1,397,905,978.95.
>
> In every State there was a falling off in income and profits tax payments in 1922 as compared with 1921, while the decrease from 1920 collections was extremely heavy.

In other words, the sources of taxes are drying up, the most deadly form of economic disease with which we can possibly be afflicted.

Mr. WADSWORTH. I thank the Senator from Idaho for contributing that statement. He has expressed briefly and comprehensively the very idea I have been trying to enunciate. I can point to an instance illustrating the situation perhaps a little more in detail, and I know I shall not have the sympathy of a great many Senators in pointing to it.

Thousands and thousands of people were starving in Russia, and a great relief organization was set up here in the United States, under Mr. Hoover, elaborately organized, and with the very last word of information from the famine-stricken districts of that unhappy country. An appeal was made to the most generous people on God's footstool to save the starving Russians from certain death. What happened? They did not have any more money they could give, and the effort failed. Mr. Hoover and his assistants, able and persuasive as they were, could not get any more money. There was none left to spare. Then we taxed the people $20,000,000, and made them give—our only recourse.

There is no more spare money in this country. Money does not drop from the sky, and you do not pick it up on the street more than once. Money is earned in the sweat of men and women who work for a living, and they are the people who pay taxes—men and women who work in all the various strata of life. The drones are but an infinitesimal fraction of the American people. The overwhelming portion of them work hard day after day, producing, producing, producing, and it is from the producers only that you can raise billions of dollars in taxes. When you have taken away the surplus over and above what is necessary to sustain themselves and their families, when you have taken away that surplus, you begin to grind them down, down, down; and no more heinous crime can be committed by any government than to impose an impossible burden of taxation upon its people.

Revolution starts there. Trace the histories of the revolutions of the past, and away down underneath nearly every one of them lies that otherwise uninteresting topic of dollars and cents. Taxation without representation accounted for the American Revolution. Overburdensome taxation by the Bourbons accounted for the French Revolution.

I am not preaching a warning here. I am no such pessimist, but I tell you this question of dollars and cents has become the greatest question that confronts the men and women of America, and I can not understand for the life of me how any man can arise and blithely suggest at this hour in our history the adding of from three and a half to seven billion dollars to our national obligations.

The very men who it is said will be benefited by it will suffer the worst in the long run. They have the 40 years to live, the period outlined in the bill. Most of us have not. They will have to earn their proportion of this money and they will be the greatest earners, and therefore the greatest contributors, among all our people, for the next generation and a half. Theirs is the energy, theirs is the enterprise, theirs is the physical and mental strength, and you say to them "Here is $250 or $300 as adjusted compensation for what you did for your country during the war." You do not say to them, as you should say, that they will have to work all the harder, that their wives will have to work all the harder, that their sons and daughters, when they grow up, will have to work all the harder to pay the money back in the form of taxes.

Mr. President, for the moment the indiscriminate distribution of cash from the Treasury may have its attractive side to the recipients, but it will not be attractive long. The Senator from North Dakota has referred to this so-called compensation as the giving of a "few paltry dollars" to these men. He said it when he said that; a few paltry dollars"! That is just what it will be to each and every man, but to the Nation it is billions.

I suppose the amounts of adjusted compensation, so called, under this bill, will average something like $300 per man. What does this bill propose? That a certificate to that effect will be handed to the soldier, if he wants it, whether he needs it or not. It makes no difference whether he is able-bodied or otherwise, rich or poor; he is invited to come and take it. It will be handed to him. The Congress does not dare impose the taxes now to pay for the face value of that certificate. So we are going to defer the taking of the money out of the Treasury of the United States and defer and avoid for a little while the imposition of very heavy taxes.

We say to the man, "You can take this certificate and go to your little country bank, if you live in a little country town, step up to the cashier's office, and borrow 50 per cent of its face value, and if you have not paid that loan back to the bank at the end of three years the Government will make the bank good."

What a way to treat self-respecting veterans! The Senator from New Mexico, I think, calls it a pawnbroker arrangement. It is, with the intimation that the note signed by the veteran, supposedly and most assuredly a self-respecting man, will not be paid; with the intimation given to him by suggesting in this bill that he can later repudiate the note and his Government will pay. That is the way he is going to get the cash, or 50 per cent of it, by going back on his own obligation. What an attractive way to educate the young men of this country.

Mr. BURSUM. Mr. President, I suggest to the Senator from New York that a very easy way to obviate that embarrassment is by adopting the amendment which I have offered.

Mr. WADSWORTH. The Senator from New Mexico has introduced an amendment which, as I understand it, will give the soldier 50 per cent in cash outright on the certificate, and the rest he can borrow.

Mr. BURSUM. No; he can not borrow on his certificate.

Mr. WADSWORTH. In any event, the money is to be paid, and eventually it will be paid, by the imposition of taxes.

Mr. BURSUM. A debt can never be paid except by money or the giving of a note.

Mr. WADSWORTH. Does the Senator believe that a debt can be paid by the giving of a note? There has been too much

of that doctrine. That is the spirit back of this bill. These people have squirmed and wriggled and wriggled and squirmed to invent a way of giving money to these men without it costing anything to anybody.

Mr. BURSUM. Mr. President, the Senator recognizes that on account of obligations incurred during the war—and this is one which might very well be charged to the war—it became necessary to borrow money. Ninety-five per cent of the commercial business of the country is conducted on a basis of credit. Credit becomes necessary at times, especially in these times, when matters are depressed on account of the universal idleness all over the country, which naturally curtails the ordinarily available supply of money, and credit becomes more essential. I think, if the facts were known, if the amount of the losses in production during the past several months on account of the strikes in this country were computed, it would seem that we have lost more money than what would pay this bonus twice over. Yet the country is not going bankrupt. It is simply a case of deciding whether we owe these veterans the money. If we owe them, we ought to pay them; and if we have not the money, we ought to use our credit to get it. There will be no less money or any more money in the country by reason of this payment. It will all remain inside of the borders of the United States.

Mr. WADSWORTH. There will be more paper money in the country. There will be an inflation of credit by just the amount that is borrowed for unproductive enterprise. That is where we have to draw the line as to the soundness or unsoundness of a financial undertaking involving the extension of credit: Is the credit to be extended for the fostering of a productive enterprise? If so, then, other things being equal, that is a sound form of credit extension; but if credit is to be extended merely for the purpose of indiscriminate distribution of cash, with no productive enterprise assured and in sight, then, instead of helping the country, you are inflating credit and inflating prices. What are these men going to do with what the Senator from North Dakota calls their "few paltry dollars"?

How large a percentage of this distribution among hundreds of thousands of men will be invested in productive enterprise and thereby justify the expansion of credit? What can be done with a capital of $100? It may be used to make the last payment on a "flivver."

Mr. REED of Missouri. Or it might be used to make the last payment on a cook stove or some household goods to enable a man to take care of his family and keep them warm.

Mr. WADSWORTH. Possibly so. Any number of instances can be found of that character, but I do not think it can be contended—and the Senator from New Mexico himself will not contend—that this form of credit is comparable with the form of credit to which he alluded a moment ago. The money will be distributed in such fashion that it can not bring about, in the long run, that return which the man himself has a right to expect. How is he going to do it? It is a few paltry dollars, just as the Senator from North Dakota said. It differs vastly from the expansion of credit for the purpose of giving to the veteran aid in the establishment of a farm or a home. That is legitimate from the standpoint I am trying to occupy. That brings the man something in the end that is well worth while. It brings the country something. It does show our appreciation for his service.

Mr. STANFIELD. Mr. President——

Mr. WADSWORTH. I yield to the Senator from Oregon.

Mr. STANFIELD. Why does the Senator presume that the veteran will not use this money in improving his situation?

Mr. WADSWORTH. I think in the overwhelming majority of the cases the amount will be so small that it can not be used for any useful purpose.

Mr. STANFIELD. The Senator from New York is surely only presuming that the veteran is going to spend the money in a wasteful manner. Of course, the fact of the matter is that the veteran may use it for a very beneficial purpose.

Mr. WADSWORTH. But so many of the payments will be so small that they will not be able to use it in that way. At least that is my judgment of it. I have heard that expression from many veterans.

Mr. STANFIELD. The Senator is basing it wholly on his judgment that they will not use it in a useful way. These veterans are not spendthrifts. In fact the great majority of them are men of frugal habits. This money may be the means of enabling many of them to construct a home or to furnish a home or to accomplish some such useful purpose.

Mr. WADSWORTH. If we would confine our efforts to something like the amendment suggested by the senior Senator from Oregon [Mr. MCNARY] and perhaps even make that more generous with respect to the ex-service men we would really accomplish something for them and for the country; but I can not believe that this method of distribution is going to do any considerable number of them any permanent good. It is perfectly apparent that the supporters of the bill do not dare at this time, nor for three years to come, give them all the money. They are going to urge the young man to borrow half of it at a bank.

Mr. REED of Missouri. Mr. President, will the Senator yield?

Mr. WADSWORTH. I yield.

Mr. REED of Missouri. The Senator knows why they postponed payment for three years?

Mr. WADSWORTH. To avoid taxation.

Mr. REED of Missouri. No; to wait for the Democrats to come in and raise the money. That is the idea, I think.

Mr. WADSWORTH. The Senator from Missouri is the first Senator in the debate who has been entirely frank and injected a political thought into the discussion. I had hoped to steer clear of that. I remember the Senator from Montana [Mr. MYERS] something like a year ago said one evening here when we were having a rather heated debate upon the so-called bonus bill that there would not be nearly as much excitement about it if there were not 4,000,000 voters asking for it. I am sure that is not a controlling motive with Senators who are going to vote for or against the bill, and yet there have been efforts to push it into politics. I have seen efforts made to get some political advantage for one party as against another, efforts which I decry as strenuously as I may, because the men who fought for us knew no party. They belonged to every conceivable political aggregation. I do not believe they come here as members of a party either to oppose or to ask for the legislation, and I shall hope that the two great political parties may manage to keep that consideration out of the discussion.

Mr. President, much has been said concerning the overwhelming opinion of the veterans of the war that the bill should pass.

Mr. BURSUM. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from New Mexico?

Mr. WADSWORTH. I yield.

Mr. BURSUM. I merely desire for a moment to bring up the matter of expansion before the Senator gets off of that subject. I agree, of course, that whatever is appropriated and whatever is paid out will inflate the currency to that extent. But the Senator will recall that during the war the country became inflated very greatly and was inflated at a very rapid rate; that in 1920 there were sudden curtailments of credit, curtailments which were so severe in their influence upon the industries of the country and upon the banks of the country that in 1921 it became necessary, in order to stabilize and save the agricultural industry and to save the banks of the country, to reinflate by creating a credit of something over $600,000,000, which was made through the War Finance Corporation.

At the present moment we are living under a condition of depression on account of industrial controversies all over the country—the strikes; the coal strike, the railroad strike—and in sympathy with those strikes and on account of the influence which those strikes have upon other industries, other industries are paralyzed. In consequence of all this there has been a great loss of production, and that has correspondingly deflated the country to the extent of that loss of production. If we should have an inflation of six or seven hundred million dollars it would not be an injury, but rather it would be a stimulus to the business of the country. It would not hurt any.

Mr. WADSWORTH. That inflation will do us good is an economic doctrine I have never heard put forth before.

Mr. HITCHCOCK. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Nebraska?

Mr. WADSWORTH. I yield.

Mr. HITCHCOCK. I would like to call the attention of the Senator to the fact also that the drastic deflation which began in 1920 and ran through 1921 and did so much to ruin the cotton growers in the South and the agriculturists of the West was a policy which was followed because of the Republican platform adopted in June, 1920. The Republican platform denounced the expansion which the Senator from New Mexico [Mr. BURSUM] says produced such prosperity following the war; it denounced the Democratic policy of credits and currency expansion, and demanded and promised on the part of the Republican Party a drastic deflation, which it has carried out. Does the Senator remember that?

Mr. WADSWORTH. Is the Senator addressing the Senator from New Mexico or the Senator from New York?

Mr. HITCHCOCK. I would be glad to have either Senator of the Republican Party recall the fact.

Mr. WADSWORTH. No; I do not recollect it in that way at all.

Mr. HITCHCOCK. Will the Senator permit me to read the plank?

Mr. WADSWORTH. Oh, the Senator can read national platforms——

Mr. HITCHCOCK. I hope the Senator will let me read it.

Mr. WADSWORTH. I have not said anything about a policy of deflation at all.

Mr. HITCHCOCK. But the Senator's party did. His party demanded it. His party demanded the very thing that brought ruin upon the country.

Mr. WADSWORTH. Mr. President, is it not reasonable to expect the Senator from Nebraska to make his political speech in his own time?

Mr. HITCHCOCK. I will confine it to reading the Senator's party platform.

The PRESIDING OFFICER. The matter rests entirely with the Senator from New York whether he will yield or not.

Mr. WADSWORTH. Very well; I yield.

Mr. HITCHCOCK (reading):

> The prime cause of the "high cost of living" has been first and foremost a 50 per cent depreciation in the purchasing power of the dollar, due to a gross expansion of our currency and credit. Reduced production, burdensome taxation, swollen profits, and the increased demand for goods arising from a fictitious but enlarged buying power have been contributing causes in a greater or less degree.

I will omit the next paragraph and come to the gist of what it said:

> There is no short way out, and we decline to deceive the people with vain promises or quack remedies. But as the political party that throughout its history has stood for honest money and sound finance, we pledge ourselves to earnest and consistent attack upon the high cost of living by rigorous avoidance of further inflation in our Government borrowing, by courageous and intelligent deflation of over-expanded credit and currency.

That was the pledge of the Republican Party, and in the same plank it denounced the Democratic Party for the expansion of credit and currency which produced the two wonderfully prosperous years following the war.

Mr. WADSWORTH. Well, Mr. President, just what the declarations of the two great parties in their last national conventions have to do with the subject in hand I am not aware. I am not going to discuss the thing from the standpoint of a Republican or Democrat. I only know this, Mr. President, that the country is facing an immense deficit in its revenues. Every conceivable effort must be made to cut down the expenses. Tremendous strides have been made in that direction already. It seems to me as if even greater strides must be made in the next year or two before our Budget will balance. Indeed, desperate efforts must be made, even to the extent of abandoning what otherwise would be considered absolutely necessary projects. I need not remind Senators of the steps which already have been taken and how grave is the disappointment of the people in many parts of the country in that the Government has been unable to carry out those functions which the people believe are useful, constructive functions. The situation will be infinitely worse and will be extended over an indefinite period if action as contemplated in this bill is taken.

I need but remind Senators of one of the sacred obligations of the Government and that is the care of the disabled man. The cost of his hospitalization, his medical treatment, his compensation for injuries incurred in line of duty, and his vocational training this fiscal year will amount to $600,000,000 and we are but four years after the war. I do not begrudge one penny of the $600,000,000. At the same time we must recollect, if we have any memories at all, that after every war charges and obligations such as that increase inevitably. As the years go by that $600,000,000 will increase to $700,000,000, $800,000,000, $900,000,000, $1,000,000,000 a year. It is a burden which the American people will bear cheerfully, and yet no man will deny that it is a very, very heavy burden.

If we add to that the other legitimate expenses of the Government for carrying on those functions which the Government ought to perform, and then add the obligation contemplated in this bill, involving at least three and one-half billion dollars, and possibly as much as $7,000,000,000, and remember, at the same time, that this may not be the end of demands of this kind, I think every man who has some regard for the future contentment of the people, their happiness and their prosperity, will make up his mind that this constitutes a burden greater than can be borne. There is a limit, Mr. President; we have already reached it, as the figures show. We can not contrive taxes today that will balance our budget unless at the same time we abandon many activities that are necessary for the progress of America.

Mr. President, I merely wish to make this further observation: Much has been said about the number of the veterans who are in favor of this legislation. It is impossible, of course, to take a poll and develop thereby the sentiment of the veterans of the war. We receive conflicting reports. I have received hundreds and hundreds of letters supporting the proposed legislation, although I have been opposing it since the political campaign of 1920; I have likewise received hundreds of letters from veterans opposing it. In conclusion, as a sample of this opposition, I ask that the Secretary be allowed to read a letter addressed to me under date of August 17, 1922, from the commander of an American Legion post in the State of New York.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Secretary will read as requested.

The reading clerk read the letter, as follows:

AUGUST 17, 1922.

Senator JAMES W. WADSWORTH, Jr.,
United States Senate, Washington, D. C.

MY DEAR SENATOR: This is to advise you that the Leonard S. Morange Post, No. 464, American Legion, of Bronxville, N. Y., is unanimously opposed to the enactment of legislation intended to give a bonus or gratuity or so-called financial adjustment of compensation to veterans of the late war who suffered no disability therefrom and are not dependent on gratuities for their maintenance and support.

It is becoming increasingly apparent that at the end of this legislative session an attempt will be made to dragoon the Senate of the United States into passing certain legislation now pending which will give effect to the bonus system for military service rendered in time of war against the public enemy.

Our post invokes your opposition to such legislation.

It can not be said that the action taken by this post is either casual or remote in time. Every individual member has been afforded ample opportunity within the past six months to consider the terms of the proposed legislation and has voted as an individual over his own signature to define his position on this matter. This post also furnished a ballot to each of the few veterans of the World War who are residents in Bronxville and its vicinity and who are not affiliated with the American Legion, and the post has counted the ballots which have been cast by this element as if they were the votes of members.

This ballot has been watched with keen interest by the residents of the community, and the results thereof approved publicly without a single dissenting voice. The whole matter is one in which the people of Bronxville are keenly alive, and there can be no question about their undivided opposition to the enactment of any bonus legislation.

I have heard the argument advanced that those who are opposed to the bonus need not accept it, but have also heard that argument answered to the effect that if bonus legislation is passed it will be almost necessary for many of the beneficiaries thereunder to accept the bonus in order to pay the increased taxes which must be levied.

Respectfully yours,

DOUGLAS I. MCKAY,
Commander Leonard S. Morange Post, No. 464, American Legion.

Mr. REED of Missouri. Mr. President, I desire to inquire of the Senator in charge of the pending bill whether he desires to go on to-night?

Mr. CURTIS. Yes, Mr. President; it is desired to go on to-night.

Mr. REED of Missouri. I wish to make some remarks in reference to the bill, but I should much prefer to make them to-morrow morning.

Mr. HEFLIN. Mr. President, I desire to suggest to the Senator from Missouri that if he does not wish to go on now I shall make a few remarks on the bill.

Mr. REED of Missouri. I shall yield to the Senator from Alabama and discuss the bill to-morrow.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SIMMONS. Will the Senator from Alabama yield to me, in order that I may present an amendment to the pending bill?

Mr. HEFLIN. Does the Senator from North Carolina merely desire to present an amendment so that it may be offered later?

Mr. SIMMONS. Yes.

Mr. HEFLIN. I yield to the Senator for that purpose.

Mr. SIMMONS. I submit the amendment which I send to the desk, and which I intend to offer to the bill at the proper time. I ask that the amendment may be printed.

The PRESIDING OFFICER. The Senator from North Carolina offers an amendment to the pending bill, which will be printed and lie on the table.

Mr. DIAL. Will the Senator from Alabama yield to me, in order that I may present an amendment to the pending bill, and ask that it be printed?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from South Carolina?

Mr. HEFLIN. I yield.

Mr. DIAL. I submit an amendment to the pending bill and ask that it may be printed and lie on the table.

The PRESIDING OFFICER. It will be so ordered.

Mr. HEFLIN. Mr. President, the Senator from New York [Mr. WADSWORTH] has called attention to a newspaper statement to the effect that several thousand people will soon go out of employment who are now working in the plants of Henry Ford; but the Senator from New York failed to tell us what Mr. Ford said was the reason for that. Mr. Ford said he was forced to that action because of conditions produced by Wall Street financiers and permitted under the reign of the Republican Party.

Mr. President, I hold in my hand a statement from the New York World of to-day, which reads as follows:

MELLON BACKS HARDING.

(Special to the World.)

WASHINGTON, August 27.—Secretary Mellon is urging the reappointment of W. P. G. Harding as governor of the Federal Reserve Board. The President has inclined to some other candidate, especially Comptroller of the Currency Crissinger, but there is opposition to Crissinger among Republican Senators.

Secretary Mellon's views, it is believed, will go far in guiding the selection and may outweigh all other considerations. The announcement from the White House that the President shares none of the animosity against Mr. Harding is taken as an indication that the latter is leading for the place.

Mr. President, I also have before me an article which appeared in the Washington Evening Star of last Saturday, I believe, under the caption "Opposed by farm bloc," and which reads:

Opposition to the reappointment of former Governor Harding, according to some close observers of Reserve Board developments, is mainly from the section of the country represented in Congress by the farm bloc, while business sentiment, on the other hand, is said to be opposing Mr. Crissinger because of his suggestion for a 3½ per cent rediscount rate on farm paper, contingent upon not more than 6 per cent being charged on original loan by banks.

I wish to bring to the attention of the country the fact that Mr. Mellon, the Secretary of the Treasury, has opposed the appointment of a farmer upon the Federal Reserve Board, and now we are told that the financiers of Wall Street—for that is what it means—do not want Mr. Crissinger appointed because he favors a reduction in the rediscount rate.

Mr. President, the Bank of England has reduced its rediscount rate and interest rate to 3 per cent, whereas the Federal reserve system in the United States has reduced the rate only to 4½ and 4 per cent. We are insisting that the rate ought to be reduced here; that on loans through our banks, whether on agricultural paper or other kinds of paper, 3 per cent rediscount at Federal reserve banks is sufficient in these hard times.

I wish to call the attention of the Senate to what has been going on under the high interest rate charged by the Federal reserve system during the deflation drive conducted by Governor Harding. I am going to read some startling statements from a letter of John Skelton Williams, former Comptroller of the Currency, addressed to the Senator from Utah [Mr. SMOOT]. In the concluding portion of his letter Mr. Williams says:

Let me in conclusion bring to your attention the simply outrageous increase which has taken place in the salaries paid by the 12 reserve banks since 1918. In that year the total amount of salaries paid, as officially reported, amounted to $4,768,449. In the 12 months ending June 30, 1922, the Federal reserve banks in their most important departments did a smaller business than in 1918. For example, there was a tremendous falling off in the work involving the handling of the Liberty bond issues, no new Liberty bonds being brought out in the past 12 months, and there was also a heavy falling off in the amount of loans, discounts, and bought paper held by the 12 reserve banks. The average amount held for the 12 months ending June 30, 1922, was about $250,000,000 less than for the calendar year 1918; and yet the official reports just published show that the 12 reserve banks paid out in salaries for the 12 months ending June 30, 1922, the huge sum of $19,987,559, an increase over the calendar year 1918, when business in the most important departments was larger than it was in the past 12 months, of $15,219,110.

I call the especial attention of Senators to the following statement:

The increase alone in the salaries paid in the past 12 months, as compared with the calendar year 1918, amounts to more than three times the total of the salaries paid during the past year to all the Members of the United States Senate, all the Members of the United States House of Representatives, the President of the United States, the Vice President, the Chief Justice of the Supreme Court, all members of the Supreme Court, all United States circuit judges, all members of the President's Cabinet, all members of the Interstate Commerce Commission, all members of the Federal Trade Commission, all members of the War Finance Commission, the General of the United States Army, and the Admiral of the Navy.

Senators, these facts are simply astounding and shocking. A deflation policy that destroyed business was at the same time accumulating millions through usurious interest rates and using it to increase the salaries of agents, clerks, and other officials of the Federal reserve banks. All this was done under the approving eye of W. P. G. Harding.

And yet we are told that the Secretary of the Treasury is begging the President of the United States to reappoint him and that the Secretary is likely to have his way about it. Who is it that is demanding this man's reappointment? Wall Street, the men whose financial policy is driving Henry Ford, a man of immense wealth himself, to shut down, the men who will not permit the Federal Reserve Board to reduce the rediscount rate at least to the figure set by the Bank of England of 3 per cent. If Great Britain can afford, with all the vexing problems that confront her, to reduce the rediscount rate in the Bank of England to 3 per cent, why is it that the Government of the United States will permit the system here to hold it at 4½ per cent upon the common man and 4 per cent to certain other interests?

What have we found, Mr. President? We found this progressive interest rate applied, and while the country was in distress and its business was going to ruin, credits were withdrawn, currency was withdrawn, and the work of destruction went on until ruin was spread all about the country. What were these bankers doing during that time? Charging inexcusably high interest rates; making tremendous profits. What were they doing with those profits?

Increasing their salaries by leaps and bounds—an increase of over $15,000,000 over the salaries paid in 1918 when the banks did more business than in the year just ended. Why, Mr. President, I have shown here before that in New York they increased the salaries of clerks who were drawing $1,200 to $12,000; clerks drawing $1,600 to $16,000; clerks drawing $1,800 to $18,000; clerks drawing $2,500 to $25,000; and in the case of the governor of the board they raised his salary to $50,000! Who was paying that? The people of the United States, whose business was dying—literally dying—under that miserable, drastic, destructive deflation policy. What else did they do? Out of the profits they made from charging an interest rate ranging from 7 per cent to 87½ per cent they accumulated this money. Sixty per cent of it would go into the Public Treasury after running expenses and dividends were paid. With all that accumulation of money they did not turn the Government's part into the Treasury. They took it and used it. They said: "Here is the time to feast," and they proceeded to set apart over $20,000,000 to build a bank palace in the Wall Street district in New York City costing more money than this Capitol, the Senate Office Building, the House Office Building, and the State, War, and Navy Building, all four combined. That is what has been going on while the business of the people was going to ruin. The people could not get money to meet their business needs. They could not get credits extended to save their business from ruin. Why, during that time of destructive deflation, under the direction of Governor Harding these bank officials took out of circulation $14 per capita when they ought to have had twice $14 per capita.

How much did that $14 per capita amount to? Multiply 110,000,000 of people by $14, and you have a billion and a half dollars taken out of circulation, when we needed more money and credits to meet the requirements of business.

Was the Federal reserve system able to extend more credits? Governor Harding said it was. In his report of 1920, before he had heard the siren song of the financiers of Wall Street, before he had looked longingly at the promised land of incoming Republicans, he made a statement in his annual report in which he said: "We have met the requirements of the war without encroaching upon our reserves. We can expand still more without doing so, and we can expand very much more by resorting to the emergency provisions of the act." That is in his report. If he could do that, and John Skelton Williams says that he could, why did he not do it?

Mr. President, I have said here dozens of times that it was because Wall Street speculators wanted to make more than $1,000,000,000 out of the cotton crop of 1920, and they made it. They wanted to make millions and hundreds of millions on the corn crop and the wheat crop and the cattle industry of the West, and they made it out of the colossal losses of legitimate business in the South and West. What did the Republican leaders do? They came here and slammed the door in the face of the soldier who bared his breast in battle and offered to die for his country. They held him back for one year, two years, three years, four years, and he is still waiting for simple justice at the hands of the Government whose life he saved.

The Senator from New York said something about putting this adjusted-compensation fund upon a counter and permitting these ex-service men to come up and take their share. I saw the Senator from New York and those with him vote to put the excess-profits fund, $450,000,000, upon the counter, and they bade the profiteers come up and take down millions each and go their way rejoicing. I saw his party, with his aid, take $90,000,000 out of the Treasury for the big income-tax payers of the country, making $540,000,000 in these two instances, and they went their way with no sound of Republican protest following in their wake.

Mr. President, I have the figures here. Four hundred and fifty millions dollars of excess-profits tax and $90,000,000 taken off of the big income-tax payers, makes $540,000,000. Divide that by 4,000,000 of young, brave, upstanding Americans and it would give them $135 cash each. My, how much aid that would have been to these poor boys during the hard times that are behind us and how much it would assist them now!

Why, I had a letter here from a Republican Member of the House from New York, Mr. FISH, asking me if I had any old clothes to give to these boys. I wrote him that I did not, but that I was in favor of adjusted compensation for these boys. Give them old clothes! That is the estimate placed upon the valor of the soldier by the average high-brow Republican. They bow and smile most graciously when the profiteer comes around. "Walk right in; what can we do for you?" "Why," he says, "I want this excess-profits tax taken off."

They say: "Very well; it shall be done." Who is that at the door? Why, they are the big income-tax payers. "What can we do for you?" "Why," they say, "we want $90,000,000 of income taxes taken off of us." They say: "Very well; it shall be done." Then the contractors come in, who have material piled about their premises that the Government never used and never moved, and they say: "What do you want?" They say, "We want $700,000,000 and more to pay for this material. We want every dollar of it." The reply is made: "Why, you are not patriotic unless you give some. Won't you give something to the Government?" "Not a cent!" "Well, have a seat; we will grant your request." You granted $90,000,000 for the big income-tax payer, and he went his way; you granted $450,000,000 for the excess-profits man, and he went his way; you granted $700,000,000 and more to the contractor, and he went his way; you left neglected and standing in the cold the man who offered his all, his life, for his country, and then you stand here and talk about denying them the paltry sum of $1.25 a day on the battle fields of France!

Why, Mr. President, that would not begin to compensate him. Before I proceed any further I want a page to take this letter from John Skelton Williams to Senator SMOOT up to the press gallery to the newspaper boys. Let them all have it. I want to see how many of them are going to carry those figures about the increase in salaries of high officials, agents, clerks, and useless employees at the Federal reserve banks. I have a system of my own that I am working on. We may not be able to reach the people from this place through certain newspapers, but we will reach them on the hustings in October, and how we are going to lay our facts before them, and we ask them whether they want to continue this crowd in power or whether they want to put some others in who are for the people! Whose Government is this? It belongs to the American people. Are we going to permit the truth to be suppressed, keep the people in the dark, shut the door in the face of the soldier, and let big profiteers and big income-tax payers and big speculators in Wall Street literally run the country for which these boys were willing to die, and for which their comrades did die? That is the question we have to answer.

But I was about to remark, it has been said that a dollar and a quarter a day would not be compensation for the soldier's valor. Why, you can not compensate him. What good will a dollar and a quarter a day do him, we are asked. It will keep him from sitting in a theater in Cleveland where they were stacking up old clothes on the stage, and having him walk down the aisle before the people that he offered to die for, and take a suit of old clothes, and walk out with it, with his head hanging down. It will prevent such as that. What good will this paltry sum, as you call it, do him?

It will help to get him something to eat, something to wear, and a place to sleep for awhile. Senators on the other side, some of them, will deny him even that; but they were as silent as the tomb when the big income-tax payers were taking off their $90,000,000, and the excess-profits men took off their $450,000,000, and those who sold war materials at tremendous profits grabbed up more than $700,000,000 and carried it away. Not one of them opened his mouth in protest. Not one of them said to these men, "Shame on you!" Not one of them halted the profiteer at the door and said to him, "You ought to be ashamed of yourself. You are a contemptible wretch. You started into this game fleecing your Government in the hour of its peril. You took advantage of its distress, of its misfortune. You sold it goods at top-notch prices and unreasonable profits, and you have made not only hundreds of thousands but millions, and you imposed upon your Government in some instances and made ten times as much stuff as you knew the Government would want. You took advantage of your Government's need in the hour of dire distress and danger, and here you come now asking us to pay you for material that you knew would never be needed. Shame on you!" Did they say that? Not a word of it. They took him by the arm, they escorted him into the committee room, where he demanded that every dollar that he had charged against the Government be paid, and he got it. Not one of them ever said a word against him. These brave boys who marched through this city, stalwart, fearless young Americans, crusaders in the cause of right and liberty, were going away to do what?

To save this Government from overthrow and to save the liberty of the world. Who would have thought that when they came back anybody, including even the profiteer, would carry on a propaganda like that which they are carrying on to-day to deny the soldier the paltry sum of $1.25 a day for offering his life in battle fire 3,000 miles from home?

You hear some of these highbrows on the other side saying, "You can not estimate the value of the risk they took." Of course you can not. God bless them, you can not measure it in any way. We will cherish it in our heart of hearts while we live, and our posterity after us will love and honor their heroic service. You can not measure it, but you can help give him something to eat; you can put food in his mouth, clothes on his back, and a shelter over his head for a time. You can help him up and get him started. Many a man in this world to-day is on his feet doing well who started with $50 or had $100 to tide him over some awful time. Two hundred and fifty or three hundred dollars in cash now would be a blessing and a benediction to these boys. I have shown that the money they have given to these profiteering human hogs, who have rooted around this Capitol until they took away more than a half billion dollars—I have shown that the money they have thrown away to the big rich, these big, purse-proud fellows who put money in your campaign in 1920, $540,000,000, was enough to have given to 4,000,000 of these boys $135 apiece.

That is not all; I have shown that if you counted that $700,000,000 on war materials never used, where they took advantage of their Government and held it up, and add it to the $540,000,000, it would give to each and every one of 4,000,000 boys $310 cash, and you would have settled the financial obligation long past due. But you would not do that. You permitted that money to go, and now you have it in your power to compel England and France to pay a billion and a half dollars, and that would clean this debt up on a cash basis; but you will not do that. Wall Street will not permit you to do it. Wall Street collected more than $1,700,000,000 from France and England, but they are not going to permit you to do it.

You have Republican editors and a few others in Europe now working up a propaganda to cancel this debt. That is what is going on, and you give away ten or eleven billion dollars of the American people's money, with your own brave soldiery in distress at home, denying them adjusted compensation.

What is adjusted compensation? They try to hide behind the talk about a "bonus." It is not a bonus. What is adjusted compensation? Here is a young soldier who comes up and says, "I left my home at a certain time. I was gone so many months, was 'over there,' and served in France. I came back here, and you kept me away from where I used to work six months, through no fault of mine; I could not get there, and you did not get me there, and I have lost that time. I was doing well when I left here, and when I came back I had no job, my employment was gone, and I had not a nickel in my pocket."

They had to take up collections to get clothes in the playhouses of the country. This young man says, "I come now to present my little bill. It is small but it will help me greatly. I don't know whether you are going to pay it or not, but I claim you owe me that much. I do not ask you to present to me that amount as a gift, but I claim that you are due me that much." And what do you do? You will not even permit him to have his account adjudicated. You did not let him wait a week when you called him to the colors, but you have refused for four years to even give him a hearing on adjusted compensation. Some get up and say it is a bonus. The Senator from New York says the fact that you are going to give them all exactly the same amount shows it is a bonus. That is a strange doctrine. Four hundred and thirty-five Members of the House of Representatives are drawing $7,500 each; they get exactly the same pay. Ninety-six Senators are drawing exactly the same amount, and when we draw our salary, which is supposed to be compensation for service rendered according to the theory of the Senator from New York, we are getting a bonus. Four hundred and thirty-five Members in the House draw $7,500, and 96 Senators draw that amount, and because it is the same amount and paid on the same day under the theory of the Senator from New York it is a bonus. I think

it must be apparent to everyone that that suggestion is utterly ridiculous.

There is no bonus about it. As the Senator from Arizona [Mr. ASHURST] said, we paid for the shells, we paid for the powder in them, we paid for the bullet, we paid for the steel and the lead, we paid for the gun, we paid for the saber, we paid for all those things; we paid for implements and vehicles and the like to get the boys to the battle ground. War material, of course, had to be bought; but the spirit that abides in the breasts of our brave boys was what we were relying on. When they got there we knew that the thing would not last long, and it did not. Now it is over, and these human beings, made in God's image, whose valor and heroism saved the day, come home, and they are shoved back by the contractor who made hundreds and thousands of saddles that he knew we would never need and got his money, and there were other contractors who ran their arms into the Treasury, by the sanction of the Republican Congress, and took this money out, while the soldier stood in the background; and the profiteer got his, and the big income-tax payer got his.

Then came the army of tariff barons beating at the door, and we stood there and said, "Gentlemen, surely you will not make the soldiers wait any longer; they are taking up collections to get clothes for them; they are selling them on the auction block in Boston; they have nothing to live on, nothing to wear, no place to sleep; you will not make them wait any longer; I know you will not; 500,000 of them are out of employment and are in distress; I know you will not make them wait." But they said, "Shove them aside, shove them aside."

Here come the tariff barons marching upon a Republican Congress. They are hungry. They want an opportunity to tax the American people $3,000,000,000 in the year 1922, and if they can get their oppressive, tyrannical tariff bill through they will do it. They will get back some of the money they gave to the Republican campaign fund in 1920. "Get back, you boys who wore the khaki on the fields of France. Wait until these men are served."

The soldier boy stood there with a look of humiliation and disappointment on his face. He said, "They all got back for us over yonder. Nobody wanted to get in front of us over there." They said "Go to it, boys. We are relying on you. All that is dear at home is in your hands. You are the first consideration, soldiers of our country, standing between us and the overthrow of our Government and the loss of our liberty." First over there but last at home. That is the record of the Republican Party. God save the Republic from the continued affliction of such leadership and control.

Mr. President, the Senator from New York told us that when you keep taxing the people you get down to a certain point and revolutions are born. I want to tell the Senator from New York that the deflation policy conducted by his party cost the South and the West billions of dollars, and you have reduced almost to a state of pauperism thousands and thousands of men who were well-to-do in 1919. If reducing a man from a state of prosperity to a state of pauperism in 12 months is not drastic destructive deflation, what is it?

Mr. STANFIELD. Mr. President, day after day, it seems, we sit here and listen to the Senator from Alabama stating that the deflation policy was the policy of the Federal Reserve Board. Now he has reversed himself, and says it was the policy of the Republican Party, when surely the Senator from Alabama knows that the Federal Reserve Board was the creation of the Democratic Party.

Mr. HEFLIN. Certainly. I have said here 30 times, perhaps, that under Republican rule it was perverted from the ends of its institution, maladministered; that the progressive interest rate amendment to the Federal reserve act was introduced in this body by Senator MCLEAN, of Connecticut, a Republican, and in the House by Mr. PLATT, of New York, a Republican, and passed through a Republican Congress; and that the deflation resolution, introduced by Senator MCCORMICK, of Illinois, passed a Republican Senate, and the Republican platform adopted in June in Chicago declared for the deflation policy and condemned the Democratic Party for extending the credits it did extend to the people. I have said that before.

Mr. President, I was about to recount to the Senator from New York, when my friend from Oregon interrupted me, the ruin wrought in my State under the deflation policy. The farmers of my State alone were robbed of $102,000,000 on one cotton crop of 640,000 bales in one year. I saw big western mules, for which our farmers paid $250 and $300 at Christmas, 1919, sell for $40 and $50 during the year 1920. That is the work of your deflation policy.

Yet the Senator from New York, interrupted by the Senator from Idaho, said that the income taxes and other taxes had fallen off nearly $1,000,000,000. Of course, they took off nearly a hundred millions for the big income-tax payers. They took off $450,000,000 for the excess-profits tax men, the big profiteers. That accounts for over half a billion of it right there. They destroyed the purchasing power and the debt-paying power of the people, and that reduced the volume of business, and all this ruin has been wrought, and now you are face to face with the situation to which Mr. Ford, a man worth many millions of dollars himself, has called to your attention.

Before I close I want to say this: A clever Senator in this body, and one who sympathizes with my fight on deflation, who happens to be on the other side, a man of wealth himself, told me that just before they started this deflation drive; yes, before the farmer and average business man was attacked with poison gas—poison gas administered by W. P. G., known henceforth as William Poison Gas Harding—that they sent word to him: "You had better prepare for the storm before it breaks. We are going to have deflation." He said: "Prepare for the storm before it breaks. My business is such that I can not escape without heavy losses. I will lose thousands of dollars if deflation is brought upon me." And he said to me: "I did. That deflation policy cost me many thousands of dollars."

Yet the Secretary of the Treasury and Wall Street are seeking to have William Poison Gas Harding reappointed. What did he do? What happened in the situation that I have just mentioned? It is like a situation where a theater is full of people from the rank and file of our citizenship while men of great wealth and royal personages are sitting in a box. A bomb is placed under the building. The fuse is ready to be touched off and the work of destruction done. Quietly some man slips down to the box and whispers "Clear out of this box quietly. We are going to blow up this building. Don't make any noise, but get out before the bomb explodes." You see the men of wealth and the royal party get up and walk out, and the unsuspecting mass sit still while the work of destruction is done.

After the wealthy ones and the royal party have gone the wretch touches off the fuse, the bomb explodes, the building is destroyed, and thousands of lives go into eternity without a moment's warning. That is what happened when William Poison Gas Harding touched off the Republican Wall Street bomb. They tell us that he sent word out to the rich of the country, "Get out, deflation is coming." But no warning was given to the people of the South or the people of the West, the common mass. He caught them, administered poison gas, shelled them with field guns, and blew them up with bombs.

I protest against his reappointment, and assert that he can not be confirmed if reappointed. No Senator from the South will vote for his confirmation except two or possibly three, and no Senator from the West, in my judgment; not one would vote to confirm him.

The PRESIDING OFFICER. The Senator from Alabama will suspend while the Chair announces that the hour of 6 o'clock having arrived, under the unanimous-consent agreement hereafter debate is confined to 20 minutes on the amendments. The Senator has 20 minutes on the pending amendment.

Mr. HEFLIN. Mr. President, I have spoken longer than I intended, but I propose to continue to condemn this crime until it is a stench in the nostrils of every honest man and woman in the Republic. I intend to see to it that it is condemned and that those who perpetrate it are punished. That is a part of my business as a Senator from a sovereign State who loves his country and who wants to see justice done between man and man, and the great instrumentalities of the Republic so administered that they will bring about the greatest good to the greatest number.

I want to have the great Federal reserve banking system honestly, economically, and efficiently administered. I want to see it restored to the respect and confidence of the people. This can not be done with Governor Harding at the head of it.

PETITION AND MEMORIAL.

Mr. MCNARY (for Mr. NORRIS) presented a petition of sundry citizens of Bartley, Cambridge, Wilsonville, Indianola, Maywood, Freedom, and Danbury, all in the State of Nebraska, praying that the Federal Government take over and operate the railroads and coal mines, which was referred to the Committee on Interstate Commerce.

Mr. WILLIS presented a resolution of Chippewa Grange, No. 1912, Patrons of Husbandry, of Doylestown, Ohio, protesting against the passage of ship subsidy legislation, which was referred to the Committee on Commerce.

CIVIL SUITS IN UNITED STATES DISTRICT COURTS.

Mr. CUMMINS, from the Committee on the Judiciary, to which was referred the bill (S. 3918) to amend section 51 of chapter 4 of the Judicial Code, reported it with amendments and submitted a report (No. 892) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WATSON of Indiana:

A bill (S. 3959) to direct the Secretary of the Interior to grant to certain persons and corporations leases of certain lands, and the oil and gas deposits therein, lying south of the medial line of the main channel of Red River in Oklahoma, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. McCUMBER:

A bill (S. 3960) for the relief of Daniel M. Slattery; to the Committee on Military Affairs.

A bill (S. 3961) granting an increase of pension to Elizabeth C. Curtis (with an accompanying paper); to the Committee on Pensions.

By Mr. NEW:

A bill (S. 3962) to prohibit the sending of threatening letters through the mails, and for other purposes; to the Committee on the Judiciary.

By Mr. ROBINSON (for Mr. HARRISON):

Joint resolution (S. J. Res. 239) authorizing the Secretary of War to investigate the feasibility of constructing bridges across West and East Pascagoula Rivers, the Bay of Biloxi, and Bay St. Louis, in the State of Mississippi, for purposes of the national defense; to the Committee on Military Affairs.

WITHDRAWAL OF PAPERS—ADELIA SULLIVAN.

On motion of Mr. NEW, it was—

Ordered, That the papers filed with the bill (S. 2577, 66th Congress) for the relief of Adelia Sullivan, be withdrawn from the files of the Senate, no adverse report having been made thereon.

SPEECH BY SENATOR HARRISON.

Mr. McKELLAR. I ask unanimous consent to have printed in the RECORD in 8-point type a speech delivered by the Senator from Mississippi [Mr. HARRISON] August 26, 1922, at the celebration of the sixty-fourth anniversary of the Lincoln-Douglas debate, at Freeport, Ill.

There being no objection, the speech was ordered to be printed in the RECORD in 8-point type, as follows:

Senator HARRISON spoke as follows:

"Ladies and gentlemen, to come to Freeport under any circumstances is a pleasure, but to participate in this celebration, the sixty-fourth anniversary of the occasion upon which the eyes of the country were focused, the debate between Abraham Lincoln and Stephen A. Douglas, is an opportunity that comes to but few men.

"The debates between these intellectual giants attracted universal attention and were the most far-reaching in effect in the history of the country.

"From the earliest period of our colonial history slavery had been recognized and practiced by 12 of the original 13 States. When our independence was won slavery immediately became an appendage to our body politic. As new territory was acquired and more States were formed the slavery question began to be an issue. It became, therefore, the policy of the Government to admit States in pairs, so that when a State was admitted into the Union permitting slavery another was admitted prohibiting slavery. Thus it was that when Mississippi was admitted into the Union permitting slavery Illinois was likewise admitted into the Union as an antislave State.

"Sharp contest of conflicting views, however, did not arise until 1820, when Missouri, a part of the Louisiana Purchase, was formed into a State and admitted into the Union under congressional adjustment known as the Missouri Compromise, permitting that State to be admitted as a slave State, but prohibiting in the future slavery in all other States that might be admitted north of the thirty-sixth degree and thirty minutes north latitude.

"The Missouri Compromise seemed to settle the slavery question until in the settlement of the Mexican War new lands were acquired and the vexatious question again arose. The issue became so acute that Clay, the great pacificator, then an old man, who had been the leader in bringing about the compromise of 1820, was called from retirement in Kentucky and under his leadership the compromise measures of 1850 were agreed upon and enacted into law. These measures, in substance, approved California's admission as a free State, but adhered to the principle that in the future those States in that territory seeking admission should determine for themselves whether they were to be admitted as free or slave States.

"In 1853 a bill was introduced into the Senate for the admission of Nebraska into statehood. Nebraska was north of the thirty-sixth degree and thirty minutes north latitude. The constitution of Nebraska was silent with respect to slavery. Senator Douglas, at that time in the Senate of the United States, was chairman of the committee to which it was referred. The bill was reported to the Senate by him with an amendment in substance stating 'that all questions pertaining to slavery in the Territories and in the new States to be formed therefrom are to be left to the decision of the people residing therein through their appropriate representatives.' In other words, while indirectly repealing the Missouri Compromise of 1820, it was but carrying out the principle enunciated in the later compromise of 1850. The Nebraska bill, on the motion of Senator Dickson of Kentucky, was amended on the floor of the Senate, and the amendment finally became a law, expressly repealing the Missouri Compromise and permitting slavery to exist in the new States to which slaves might be carried if the people of the States should desire it.

"The adoption of this amendment was the beginning of a political explosion in every northern State. Lincoln, who had served one term in the lower House of Congress, and who had voted no less than 40 times for the Wilmot proviso, which sought to prohibit slavery in those lands acquired from the Mexican War, was aroused. He had been quietly practicing his profession in the capital of your State, but on the reopening of the slavery question he immediately gave up his practice and, like one inspired, went from city to city criticizing and denouncing Douglas and those with whom he was allied in pressing the Nebraska bill with the amendment repealing the Missouri Compromise. When Congress adjourned Douglas returned home, and from one end of the State to the other he traveled, speaking to multitudes, giving an account of his stewardship and his course as the champion of State sovereignty. This was in 1854. Four years later Douglas came up for reelection, and was the nominee of his party for the Senate. Lincoln became his opponent as the nominee of the Republican Party.

"The slavery issue had not abated, but had become more intense. Around the fireside, in workshops, in countinghouses, and at every public function it was the subject above all others that engrossed attention. In the meanwhile Kansas had applied to the Federal Government for admission as a State. Her representatives had agreed upon what was known as the Lecompton constitution, guaranteeing to her people the right of slavery within the State. Her admission was championed by the Buchanan administration, of which Douglas was one of the most influential spokesmen on the floor of the Senate.

"When the question came up for consideration, Douglas defied his own party administration and led the fight against the admission of Kansas as a State under the circumstances. He took the position which he had ever maintained and to which he adhered until his death, that the people should have the right to pass on their constitution, and in this instance the Lecompton constitution might be foisted upon the people without their approval. So earnestly and persistently did he combat the admission of Kansas into the Union under such conditions that he aroused the antagonism of the Federal administration and many of his own party leaders. But may it be said to the constancy of his purpose and devotion to principle that finally the Lecompton constitution was defeated and Kansas was admitted as a State under a constitution adopted by its people.

"He at that time had become the stormy petrel of American politics. He had warm friends and bitter enemies. The part he took in the debates was always a strong and dominating part. He never vacillated, but always stepped to the front as a leader in whatever position he took. It was at that time and under those circumstances that the celebrated debates, one of which we to-day commemorate, were held in seven leading centers throughout the State.

"Mr. Lincoln challenged Douglas and Douglas accepted. The terms of the debates were that on the first day Douglas was to be allowed 1 hour to open, Lincoln 1 hour and 30 minutes to answer, and then Douglas a rejoinder of 30 minutes. At the next place they were to alternate, and so on throughout the seven memorable debates.

"No two political gladiators ever fought over such a momentous question and with more settled convictions of the correctness of their respective positions. No two men ever measured up in higher degree and drew such crowds. The people came from every section and other States, and what was said was heralded by the press throughout the country, and accepted as a lead for others of the same thought to follow. The arena was Illinois; the amphitheater was the whole country. Mr. Douglas was then the foremost figure in public life. Clay, Calhoun, Webster, Cass, and Benton had passed from the political stage and he was left the unrivaled debater—the towering personality, the most commanding figure in America. He was

'the little giant of the West'—so known, so heralded, and so crowned. Abraham Lincoln at that time was little known and his prominence in that debate grew out of the fact that he was Douglas's opponent.

"It was a debate worthy of our very best traditions, and has occupied as it ever will a high place in the political literature of America. Stephen A. Douglas was a man of striking personality—short in stature, with a lionlike head, and deep, penetrating and attractive voice. His manner of speech was captivating, his power of expression seductive, and his grasp of public questions at that time unequaled by anyone. He could move audiences to tears or cheers with the same ease that he could steal away their thoughts. He could play upon their racial sensibilities, their partisan prejudices, with the same success that he could arouse their patriotic impulses. Crowds bent under the power of his oratory and the force of his logic as tall pines sway under the force of a storm. As a debater few men were his equal and none his superior. His followers were confined to no locality and they worshiped him with a devotion that amounted to idolatry. His utterances were their teachings and his acts the compass that guided their political movements.

"Mr. Lincoln at that time was not so fortunately circumstanced. He did not possess the influence that generally attaches to a leader whose reputation is bound by no State and who forms an important part in the machinery of the administration that moves the Government. He had never been permitted to shake the 'tree of patronage' that Hesperidian apples might fall at the feet of his friends. He had never held the Senate in the grip of his logic or swayed them with the power of his eloquence, and therefore he could not draw crowds as one to whom great reputation allures. However, his keen intellect, his constant poise, his majestic simplicity, his power of close analysis, and the natural results of an appeal forcefully and sincerely made in behalf of humanity soon ingratiated him into the hearts of his fellow Americans and drew from his giant antagonist that degree of respect that is always accorded to one exceptionally endowed.

"It is one of the many instances that is revealed through our form of government—that he who to-day may be poor to-morrow may be rich; that the capitalist of to-day may have been the laborer of yesterday. In a country such as ours, with opportunities unlimited, deaf to caste and rank, one who to-day may shine only in the reflected glory of another to-morrow may live in such glory that he is able to share it with his one-time benefactor.

"In 1858 Lincoln was known throughout this country only as the man who engaged in joint debates with Stephen A. Douglas. To-day Douglas is known as the man who engaged in joint debates with Abraham Lincoln.

"And to-day, as I stand before this great audience, championing the side against which one of the most beloved characters of American history stood and fought, I realize the magnitude of my task and the mighty current which I must combat, but I am sure that those of you who are not less proud of the name of Lincoln but proud of that other great Illinoisan who was Illinois's outstanding political character for almost a generation, reflecting credit upon her proud name and whose memory every son of Illinois and of this whole country should ever revere, will bear with me in patience while I present in a nonpartisan, unprejudiced, dispassionate way the principles which were the incarnation of his mighty genius and for which he stood with a devotion as unwavering as the sun and a constancy as fixed as the stars. And if in the presentation of the issues involved in that debate and the principles for which each contended I should say something that might meet with your disapproval and you should think that it would have been better if left unsaid, you will understand that my purpose is not to relight the fires that have long gone out or rekindle the smoldering prejudices that now lie dormant; they are presented because the exigencies of the occasion demand it and a discussion of the question would be colorless without them.

"Douglas understood, as few men in his day, the principles upon which this Government was founded. No one was more devoted to them or more fearless and constant in exposition of them. With slavery as unpopular before the people of Illinois as it was in 1858, it took courage on the part of a political leader to stand before his Illinois constituents and defend the right of the people of other States to countenance and practice it in the way in which he did. And those principles were defended without respect to the audience before whom he spoke or the section in which he happened to be. He believed in those principles with all his heart, and what gave him courage, as he so often said, was 'that they could be uttered in one section just the same as they could in another.'

"It is easy for public men to drift upon the tide of popular opinion, but it takes courage and the highest order of statesmanship to combat a popular theory in which all the prejudices of the moment are interwoven.

"How easy in 1858 would it have been for Douglas, whose reputation was unbounded and whose place was secure, to have played upon the sensibilities of the people of Illinois, to have inveighed against slavery, which to them was most unpopular, to have aroused their every prejudice, and to have appealed to those sentiments that would have met their approval without imposing upon him the necessity of an explanation or excuse! But how unlike Douglas it would have been if he had followed such a course. He would have spurned the thought and loathed the idea.

"Stephen A. Douglas was a man of the people. He personified in his every political act what Lincoln in his immortal words proclaimed, that this was a 'government of the people, for the people, and by the people.' He had faith in the wisdom of those men who builded better than they knew the framework upon which this mighty Nation should stand. He believed that the Federal Constitution was the most ideal piece of constructive statesmanship ever conceived by man; that it represented the most perfect form of government and insured the greatest guaranty of the rights of the people in its dual form. If he was zealous for the powers delegated by it specifically to the Federal Government, he was more so of the rights reserved in its hidden lines to the States. He believed in popular sovereignty in its every meaning and acceptation. It was with him a passion—an obsession. It was the anchor to which he tied his whole political faith. He recognized that the closer the Government is brought to the people, the more it will be understood, the greater will it be appreciated, the more economically administered, and rigidly, yet impartially, enforced.

"Neither political exigency or party devotion could modify those ideas. His adherence to that rule of political conduct was inflexible, his faith in it unswerving. To those who assailed his constancy to popular government and pictured him as an advocate of slavery, as a champion of its extension, as the archmover in spreading it broadcast all over the land, let me remind them that they need only recall that when President Buchanan, the leader of his party, employed his every influence to have Kansas admitted into the Union as a slave State under the provisions of the Lecompton constitution, Douglas was unyielding to his principles and defied not only that administration but some of his warmest personal friends in his opposition to it, contending that the people of Kansas should say what kind of a constitution they desired.

"And how completely does it answer the argument that Douglas was advocating slavery! How easy would it have been for him—if he had desired to promote the extension of slavery—to have surrendered the principle for which he had ever battled and allowed the Lecompton constitution and the admission of Kansas as a slave State into statehood without the approval of her people! No. Slavery to him was not the big question—it was only interwoven in the larger question of the right of the people of a State, under the Federal Constitution, to control in all matters coming under the jurisdiction of the States, without outside interference. And it was due to his unrelenting opposition that Kansas's admission into the Union as a slave State was delayed, and finally when the voice of the people was heard it was admitted as a free State.

"That was the dominant issue of those great debates, and with a logic unanswerable, a persistence irresistible, and a sincerity of expression that carried weight in every utterance he pressed that thought in its every phase and refused to be diverted therefrom.

"Douglas was not an advocate of slavery. Indeed, in speech after speech in that series of debates he approved the course of Illinois excluding slavery; but in no instance did he ever modify or soften his opposition to the right of the negro to citizenship under the Constitution. He combated with all the force of his mighty genius the assertion that the Declaration of Independence declared that the negro was included in the phrase 'all men were created equal.' And in the course of those debates, when that contention was made, his reply was that at the time of the adoption of the Declaration of Independence 12 out of the 13 original Colonies not only indorsed slavery but practiced it, his argument being that if what Mr. Lincoln and those who contended as he did were true, that is, that the Declaration of Independence had sought to give the negro equality of citizenship, that it was contrary to the practice of practically every Representative in the Congress that declared

for our independence and which Representatives and their States, following the declaration, failed to practice such a contention.

"There is an impression, general in its scope, that in those remarkable debates one of the important questions upon which Lincoln and Douglas divided was the right of the negro to social and political equality. Nothing could have been further from the issues of that campaign. It is quite true that Mr. Lincoln contended that that clause of the Declaration of Independence that 'all men are created equal' meant that the negro should have and was entitled to all the natural rights enunciated in the Declaration of Independence. To be specific, he said 'in the right to eat the bread which his own hand earned, he is the equal of every living man.' But, said he, 'anything that argues me into the idea of perfect social and political equality with the negro is but a specious and fantastic arrangement of words by which a man can prove a horse chestnut to be a chestnut horse. I have no purpose to introduce political and social equality between the white and the black races. There is a physical difference between the two, which, in my judgment, will probably forever forbid their living together upon the footing of perfect equality, and inasmuch as it becomes a necessity that there must be a difference I am in favor of the race to which I belong having the superior position. I will say then that I am not nor ever have been in favor of making voters or jurors of negroes nor of qualifying them to hold office.'

"Those views were shared by Mr. Douglas, and in expressions time after time he stood upon the same principles.

"I have cited these instances to disprove the common acceptation and at the same time as an illustration to show the remarkable change that has come over the country in the last 60 years.

"When all the chaff is removed from the subject matter of those debates, with side questions eliminated, it came down to the issue of whether the people of a State should decide for themselves the right of slavery or whether the human element should be accepted to the exclusion of the principles enunciated in the organic law.

"On one hand stood Mr. Douglas—not advancing slavery, not indorsing it, yet advocating its extension if the people of a State desired it. On the other hand stood Mr. Lincoln, hating slavery, condemning it, crying out against it as inhumane and morally wrong and advocating the prevention of its extension in every way. He was not for destroying it in those States where under the law it was established and existed but believed that by prohibiting a further extension of it and eliminating it in Territories it would gradually work its own destruction. As strong as Mr. Lincoln was in his opposition to slavery he did not even go so far against slavery as to say that with one fell swoop he would get rid of it in the District of Columbia. He recognized that fortunes had been invested in the property rights incident to slavery and that it could only be extinguished through a conservative course of gradual elimination.

"Mr. Douglas looked upon the Dred Scott decision as a wise judgment and as conforming to his interpretation of the Constitution. He respected the judgment of the Supreme Court and felt constrained when one of its decisions was rendered, whether they met his approval or not, to abide the consequences. He believed that it should be the final tribunal to which contested constitutional questions should go, and that when the decision was handed down an appeal to no other source should be permitted. It was his contention that in this, our peculiar form of government, there must be a final arbiter, and that when the people failed to respect it and abide by its decisions the very pillars of our Government would be threatened.

"The Supreme Court having held that the master of Dred Scott, a slave, had a right to carry him into a Territory of the United States, the Congress was powerless under the Constitution to give him his freedom. Mr. Lincoln argued against that decision, condemned it, held it up to scorn, questioned its correctness, and asserted the right of appeal from it either to Congress or to the people. And in this connection may I suggest that it was the far-sighted and political adroitness of Mr. Lincoln in the debate held here in Freeport that forced an answer from Mr. Douglas to the question whether 'the people of a United States Territory, in any lawful way, against the wish of any citizen of the United States, exclude slavery from its limits,' prior to the adoption of its constitution that perhaps reelected Douglas to the Senate, but blazed the way for Mr. Lincoln to become President of the United States. It was the answer of Mr. Douglas to that question that reveals the only time in all those debates or in his whole legislative career where one might believe that he did not answer candidly the question presented, the only time when it would appear he forsook the principles to which he was wedded and succumbed to the political exigencies of the hour. When he said that for laws to be enforced they must be backed by public opinion, it carried with it an assumption that the people, as a mass, would repeal a law by its continued and uninterrupted violation.

"It is remarkably strange in this day of independent thought and action when the theories and principles of our Government are very often too little understood that such tremendous changes have taken place in the enactment of legislation and the practice of governments from those contended for by Lincoln and Douglas.

"How little is the sentiment to-day for the repeal of the decisions of the Supreme Court of the United States through an appeal to the Congress or to the people. With what respect do the American people unanimously look upon the integrity of the members of the Supreme Court and the decisions of that great tribunal. How unwise would it be if the Senators should vote for the resolution recently introduced by one of the Senators of the United States to override a decision of the Supreme Court when two-thirds of the Congress should desire it. How dangerous to the perpetuity of our institutions if the Congress should seriously contend and say that decisions of the Supreme Court could be overturned by the Congress or the people at the ballot box.

"The faith of the American people in the integrity of our courts can not be shattered, and to a great degree, perhaps, is the stability of our form of government dependent upon the character of men who compose the Supreme Bench and the respect of all the people for its decisions.

"And may I be permitted to say in this presence that as Lincoln declared and Douglas believed, the progress and stability and dominating influence of our Government among the nations of the world are measured in large degree by the character of our electorate.

"Men in public life to-day seeking political preferment may challenge the convictions of Lincoln and forget the utterances of Douglas and appeal to race prejudice and pamper the pride of racial elements in order to obtain their votes, but in the heart of this country and in the sober judgment of its people they recognize that both Lincoln and Douglas were right when they stood for a Caucasian electorate, literate, and high-minded, unhyphenated, and thoroughly American. America to-day is great, dominant, and commanding, but if it is to continue so and maintain its great influence in world affairs its heartbeats must remain American, its blood pure, and its ideals high. Whenever the principles upon which our fathers built this Government are changed and their teachings forgotten, our shores overrun by those who love another country better than America, then we will become 'a house divided against itself' and it can not endure.

"And how, in so many matters of legislation, have we moved away from the principles of the fathers and the teachings of Douglas in wiping out State lines, building up in the National Capital a bureaucracy, and concentrating all the powers in the Federal Government? Under the tendency of the times in the movement on to Washington to obtain appropriations for governmental agencies of which the fathers never conceived nor the Constitution contemplated, we have seen State governments become almost powerless and too often inefficient. What the American people to-day need is an old-time awakening, reviving the teachings of the fathers, and, as Douglas contended, leaving in the hands of the people those powers which, under the Constitution, they were designed to have.

"How often in those debates did the illustrious Douglas cite the legislation that was enforced in Maine, that was undesirable to the people of Illinois? And with what sincerity did the martyred Lincoln declare that because of climatic or other natural causes laws could not be uniform but must be different in the various States. And it is to the credit of these two great men, trained in different political fields of thought, nursed in the schools of different political theories, that they should have agreed upon the one principle that because of a difference in the occupation of the people of the various States a law applicable to one might not be applicable to the other, and that the people of one State should not attempt to foist upon the people of another laws that were inimical to their interests and not desired by them.

"If Douglas could return to-day, how violent would he be in his opposition to some of the new-fangled ideas and tendencies of Federal encroachment upon the sovereign rights of the people. And I have no doubt that the silent Lincoln would throw the mighty power of his great influence against those things which he conceded in those debates as destructive of popular sover-

eignty and the rights of the people. It would be a long stretch of the imagination to see Douglas in the Senate of the United States championing a measure that would clothe the Federal Government with power to go into the State of Mississippi and because of an infraction of the police laws of that State, be it murder or rape, to seek to impose penalties upon the taxpayers of the county in which the crime was committed for the benefit of the Federal Treasury because of the failure of its officers to enforce the law; and I can not conceive of Lincoln, with the views expressed in these remarkable debates in answer to the advocacy of Douglas for popular sovereignty, would have permitted, with his approval, a law being passed vesting in the Federal Government authority to have gone into the county of St. Clair and extract from the sureties of the bond of the sheriff or other officers of that county and from its innocent taxpayers large sums as penalties because of the ruthless and inexcusable killing of many of its citizens a few years ago in East St. Louis. I can not in my wildest imagination see either Lincoln or Douglas permitting the arm of the Federal Government to reach into your State on that recent most inexcusable and reprehensible occurrence of citizens of your State being shot down in cold blood at Herrin and to again punish innocent taxpayers of Williamson County because the officers of that county failed or were unable to protect the lives of its citizens.

"The people of a State must have and be permitted to exercise certain powers, and one of the most important of all is to see that its police laws are enforced and that the lives and property of its citizens are protected. The people have the power to say who shall be their officers not only to make the laws for the protection of life and property but to say what officers shall enforce them. Because, forsooth, mistakes are made in the selection and innocent people are sometimes injured, it does not and should not license the Federal Government to step in and thereby change the whole fabric of our constitutional rights. Let us enforce the laws, and the best way to do it is to see that the right kind of individuals are selected for their enforcement. Under the present tendency of Federal encroachment and concentration of power in the Federal Government there has been recently passed in the House of Representatives and is now on the calendar of the United States Senate a measure that proposes to do just those things against which Lincoln and Douglas inveighed and their spirits no doubt would revolt.

"What we need to-day in this wonderful country is a rebaptism in the faith of our fathers and a reinculcation of the principles upon which this Government was founded. There should be carried on in every hamlet in this broad land a plan of education, not only by the parents around the hearthstone but in the public schools, informing all ages of those teachings upon which this great dual form of Government was founded and through an adherence to which it has progressed by leaps and bounds to its present commanding and dominant position among all the nations of the world. There is in this day and time too little of the faith of the fathers and too slight understanding of the theories which they sought to bequeath to posterity.

"I wish there could be organized in this country a campaign of education that would compel the teachings in the public schools of the principles upon which the rights of the States and Federal Government are based, so that as generations come on and new problems are presented they can at least be met by an intelligent conception and application of those principles upon which the Government was founded.

"One of the evils of this day is the failure of so many American voters to possess such a spirit of Americanism that would lead them to forget the interest of other countries when those interests conflict with the general welfare of our own. If the qualifications in the various States of the Union—and that, under the teachings of Douglas, was where the qualifications should be imposed—were more restrictive and compelled a higher degree of intelligence and in many instances a longer residence in America—certainly long enough for an understanding and respect for the principles and institutions of this Government to be planted in their bosoms—then this country's future would be more secure. The laxity of our election laws and the encouragement in the last generation of undesirable peoples from foreign lands who did not understand and could not accept the spirit of our institutions has detracted more from than it has elevated the character of our citizenship.

"The educational test for immigrants from foreign shores before admission as citizens into this country was a step in the right direction—but their right to participate in our elections very often comes too soon after their arrival here. I wish that I had the power to bring to the attention of every State in the American Union the dangers that lurk in an un-American and illiterate electorate and influence them to enact such election laws as would insure a more intelligent and American electorate. If the American people would attend more to the character of its voters and the purity of its elections, and adhere more strictly to the principles upon which the Government was founded, the rights of the people would be better guaranteed and this Government would then ever be a fixed star, the brightest of all in the great firmament of nations.

"But, ladies and gentlemen, while there has always been and ever will be two theories of political thought, two great political parties, made up of patriotic American citizens unswerving in their allegiance, there is no reason why we should be intolerant of the opinion of others, inconsiderate of their views, and unwilling to concede to each honesty of purpose and loyalty to the convictions which they hold. And if that spirit pervades the land and the principles for which Douglas contended and which Lincoln conceded—the sovereign rights of the people—this Government will ever be secure and its people contented.

"And, in conclusion, will you permit me to say that even though the clash of those two intellectual giants in 1858 gripped the attention of the country and presaged an antagonistic feeling between the sections, causing a rupture that threatened the very existence of the Union, it would, I am sure, be as beautiful to Lincoln as it would be inspiring to Douglas if they could return here to-day and see this country, once so torn in fratricidal strife, bleeding at every pore, clashing with its every resource, now reunited and bound together by ties of mutual affection, brotherly love, and common interest, and cemented by the blood of the sons of both North and South and sealed with the treasure of the sentiments and aspirations of a common people."

RECESS.

Mr. CURTIS. I ask that the unanimous-consent order be carried out and the Senate take a recess until to-morrow at 11 o'clock a. m.

The PRESIDING OFFICER. Pursuant to the unanimous-consent agreement heretofore entered into, the Senate stands in recess until 11 o'clock a. m. to-morrow.

The Senate thereupon (at 6 o'clock and 5 minutes p. m.) took a recess until to-morrow, Tuesday, August 29, 1922, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

MONDAY, *August 28, 1922.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou God, our heavenly Father, for every blessing we offer Thee praise and thanksgiving. Amid the war of elements, the wreck of matter, and the crash of worlds our lives are full of the mercy of the Lord and our days are made secure by Thy care. Thy eye is upon us for our good and Thy hand is laid upon us for our defense. With patient step help us to move onward day by day, breathing a sweeter, purer air from a higher altitude of earthly achievement. In all our labors, plans, and purposes, O may Thy spirit say unto us: This is the way, walk ye in it; and may we love to do so. In Jesus' name. Amen.

The Journal of the proceedings of Saturday, August 26, 1922, was read and approved.

ORDER OF BUSINESS.

Mr. MONDELL. Mr. Speaker, I anticipate that on to-morrow we shall have before us for consideration the coal distribution bill. That is a very important measure, and will probably consume, at least, two days. Next Monday is unanimous-consent and suspension day. It is also Labor Day. I doubt if we have a quorum on that day. There are quite a number of bills of some importance that ought to be considered that are on the Unanimous-Consent Calendar; and I ask unanimous consent that in lieu of unanimous-consent day on Monday next we have a day for consideration of Unanimous-Consent Calendar immediately following consideration of the coal distribution bill, not to interfere with conference reports. That will probably be on Thursday.

Mr. DYER. Of this week?

Mr. MONDELL. Of this week.

Mr. STAFFORD. I assume the gentleman means the day following the completion of the consideration of the coal distribution bill?

Mr. MONDELL. Yes.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that, in lieu of Monday next, the business that would then be in order on the Unanimous-Consent Calendar be assigned for the day following the completion of the bill to be reported by the Committee on Interstate and Foreign Commerce.

Mr. MOORE of Virginia. Mr. Speaker, the other day the gentleman from Wyoming said he expected that, following the enactment of the bill that was then under consideration, providing for the appointment of a coal commission, and the enactment of the bill of which he now speaks, the coal distribution bill, the House would enter upon a recess. I, for one, in view of the situation that exists in the country, was very much surprised and astonished at that statement. Everybody knows the extremely critical situation that confronts us. A great many think that the Congress ought to deal with it further than by the enactment of the two measures referred to. I believe personally we would be running away from our duty to leave here in such a crisis. And to quote, in substance, the language of Senator Borah in the Senate last Saturday, I do not believe we will dare to go away. I will ask my friend whether he still contemplates that, after the very limited and inadequate legislation that is proposed, represented by the two bills mentioned, he still expects to bring about, or endeavor to bring about, a recess of the House without anything further being done?

Mr. MONDELL. Mr. Speaker, it does not make much difference what the "gentleman from Wyoming" might expect to be able to do. The entire matter is in the hands of the House. The House will adjourn or recess when it is proper to do it under the conditions that exist at this time. At the time I made the statement that the gentleman refers to the anthracite coal and the railway shopmen strikes seemed to be in a fair way to early settlement and it looked as though it might be entirely possible to take a short recess pending the report of the conference committee having charge of the tariff bill. In view of the changed situation of affairs, and the fact that the committee of conference will probably be able to report much more promptly than we had anticipated, I do not at this time believe there is likely to be any recess, unless it may be for two or three days, until the conference report on the tariff bill shall have been disposed of.

Mr. MOORE of Virginia. I would like to say to my friend one word further. I do not think—and I speak as a very unimportant Member of the House, one who is only authorized to speak for himself—I do not think that, in view of the critical situation, we ought to be marking time to the extent that is now the case. I think that at least the entire situation in its legal aspects, which is now, as I understand, being dealt with to some extent by the Committee on Interstate and Foreign Commerce in its economic and business aspects, ought to be taken up and given speedy consideration by the Committee on the Judiciary.

Mr. MONDELL. Mr. Speaker, all of these observations are very interesting, but they do not bear at all, I may say to my friend from Virginia, on the very reasonable request that I made that after the consideration of the bill, which I understand is to be reported from the Committee on Interstate and Foreign Commerce to-day, we shall have one day for the consideration of bills on the Unanimous-Consent Calendar. I think all matters to which the gentleman from Virginia refers will be considered. I know the House is not disposed to stand in recess or to adjourn at any time when there is any probability of the need of action relative to any matter of importance. The statement I made a few days ago related to a situation in which the skies seemed to be clearing.

Mr. MOORE of Virginia. The other day a member of the Cabinet said—and I almost agree with him—that he regarded the present situation as the most serious we have had in 50 years. If that is true, it strikes me that we ought to be trying to do something concrete and definite. Because not only is the present peril and prospective peril to the country very great but it is most regrettable. I do not say this as a partisan, because I would not make any suggestion at this time of a partisan kind, that the country is losing confidence in the Government, and it behooves us to recognize our responsibility and duty to go forward and endeavor to do something to mitigate the evils that exist and are so dangerous and threatening, and to strengthen the confidence of the public.

Mr. MONDELL. That is exactly what the Committee on Interstate and Foreign Commerce is now considering, and what the House will consider as soon as that committee reports. If further legislation seems essential to meet the situation we shall consider it. I trust it will not.

Mr. GARNER. Mr. Speaker, further reserving the right to object, I want to say that I am surprised that my friend from Virginia [Mr. MOORE] has not observed sufficiently to know that the Republican organization does not know what it wants to do, and after it determines what it wants to do, it does not know whether it can do it or not. So he does not need to be disturbed about the present conditions. They only illustrate what has been in vogue for the past 12 months and which probably will continue. There seems to be no harmony of action between this body and another body or between it and the Executive.

Mr. HICKS. Mr. Speaker, regular order.

Mr. GARNER. I will ask for the regular order myself if the gentleman from New York wants me to, but the gentleman can not take a few jibes, because his skin is very thin. It will be thicker before he gets through.

Mr. MONDELL. I hope the gentleman from New York will not demand the regular order. The remarks of the gentleman from Texas are perfectly harmless. Gentlemen should not be disturbed.

Mr. GARNER. The skin of the gentleman from Wyoming is thick enough, but the skin of these gentlemen from New York is entirely too thin. The gentleman from Wyoming asks unanimous consent to set aside unanimous-consent day and use some other day. He ought to be able to tell the House if he expects to move to suspend the rules and consider important legislation. It is unfair to the minority and unfair to the House to set aside next Monday and take up some other day for the purpose of taking up something that might be of a partisan nature. If the gentleman from Wyoming will tell this side of the House what he expects to consider under suspension of the rules, if anything, I shall not object; but I shall insist that it is only fair to this House to know what he expects to consider under suspension of the rules.

The SPEAKER. The gentleman will please suspend a moment to enable the Chair to receive a message from the Senate.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had insisted upon its amendments to the bill (H. R. 10248) authorizing the sale of surplus power developed under the Salt River reclamation project, Arizona, disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. McNARY, Mr. JONES of Washington, and Mr. SHEPPARD as the conferees on the part of the Senate.

The message also announced that the Senate had passed joint resolution (S. J. Res. 238) authorizing the Federal Reserve Bank of St. Louis to enter into contracts for the erection of a building for its branch office in Little Rock, Ark., in which the concurrence of the House of Representatives was requested.

The message also announced that the Senate had passed with amendment the bill (H. R. 7425) for the relief of Zah Barmon, in which the concurrence of the House of Representatives was requested.

The message also announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 3917. An act to amend section 876 of the Revised Statutes.

SENATE JOINT RESOLUTION REFERRED.

Under clause 2, Rule XXIV, Senate joint resolution of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. J. Res. 238. Joint resolution authorizing the Federal Reserve Bank of St. Louis to enter into contracts for the erection of a building for its branch office in Little Rock, Ark.; to the Committee on Banking and Currency.

ORDER OF BUSINESS.

Mr. RAYBURN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RAYBURN. I desire to know what is contained in the unanimous-consent request of the gentleman from Wyoming.

The SPEAKER. The Chair stated it a moment ago.

Mr. RAYBURN. I was not here.

The SPEAKER. The gentleman from Wyoming asked unanimous consent, on the completion of the bill which is to be reported from the Committee on Interstate and Foreign Commerce, which is expected to be taken up to-morrow, that on the day following the completion of that bill a day shall be set apart for unanimous-consent and suspension business instead of Monday next, Labor Day.

Mr. MONDELL. I will say to the gentleman from Texas that the matter of suspension is a matter that rests with the Speaker. I have not discussed with him the question of suspension. I have not had in mind at any time any special legislation. I think there is a bill, one that I have in mind, which has been

agreed to by the Committee on Banking and Currency, having to do with the construction of a Federal reserve bank building. I imagine that that would not be objected to.

Mr. GARNER. Mr. Speaker, will the gentleman yield to a question?

Mr. MONDELL. But that is a matter which——

The SPEAKER. The Chair, who has control over suspension, would state that he has no program as to suspension, and is willing to agree, if it will facilitate the agreement, that he will recognize no motions for suspension without the consent of the gentleman from Tennessee [Mr. GARRETT].

Mr. GARNER. Mr. Speaker, I do not want to be ugly about the matter, but I want to call the attention of the Speaker and of the gentleman from Wyoming and of the House to this affair: If you agree to set aside Monday and substitute some other day, and the gentlemen will notify their friends to be here and suspend the rules and pass any bill, I think a better procedure is for the entire House to understand what the program is, because when unanimous consent requests are submitted that is the only opportunity we have to find out about these matters. That is the reason why I asked the question.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

Mr. GARRETT of Tennessee. Mr. Speaker, I do not understand that that means that Calendar Wednesday will be set aside?

Mr. MONDELL. No; but I think I shall make that request.

Mr. GARRETT of Tennessee. The gentleman does not intend to make that request to-day, does he?

Mr. MONDELL. I do not know that I shall. We hope, however, to secure a rule for the consideration of the coal distribution bill, when Calendar Wednesday would be utilized for that purpose under the rule.

Mr. GARRETT of Tennessee. I do not object to the other request.

The SPEAKER. Is there objection?

There was no objection.

Mr. GARRETT of Tennessee. I do not object if it is understood that it does not set aside Calendar Wednesday now; that is, under this agreement.

DISTRICT OF COLUMBIA BUSINESS.

The SPEAKER. To-day is District day. The gentleman from Pennsylvania is recognized.

CLOSING UPPER WATER STREET.

Mr. FOCHT. Mr. Speaker, I call up Senate bill 813.

The SPEAKER. The gentleman from Pennsylvania calls up the bill which the Clerk will report.

The Clerk read as follows:

A bill (S. 813) to authorize the Commissioners of the District of Columbia to close upper Water Street between Twenty-first and Twenty-second Streets NW.

Be it enacted, etc., That the Commissioners of the District of Columbia are hereby authorized to close upper Water Street between Twenty-first and Twenty-second Streets NW., lying between Potomac Park and square 88, provided that the consent in writing of the owners of all private property in square 88 is first had and obtained; and upon the closing of said street between the limits named the Commissioners of the District of Columbia are authorized to transfer the land contained in the bed of said street to the Chief of Engineers, United States Army, as a part of the park system of the District of Columbia.

BILL CREATING ADDITIONAL JDUGES—APPOINTMENT OF A CONFEREE.

The SPEAKER. The Chair will appoint as a member of the conference on the bill creating additional judges, in place of Mr. WALSH, resigned, Mr. DYER, of Missouri.

CLOSING UPPER WATER STREET.

Mr. FOCHT. Mr. Speaker, this bill, S. 813, has been passed by the Senate and has been reported unanimously by the Committee on the District of Columbia of the House. It provides for the closing of the street between Twenty-first and Twenty-second Streets, north of B Street. This street really has never been used for traffic purposes. At the present time it is virtually what might be called an ash dump. It is, of course, Government property, and it is desired by the National Academy of Sciences, an organization which for many years has been accumulating a fund for the construction of a building, of which I have the blue prints here, if Members desire to see them, also a blue print showing that portion of the street which it is desired to be closed. The National Academy of Sciences now has something in excess of $1,000,000, and immediately upon the passage of this legislation they will proceed with the construction of the building. I believe most of the Members are familiar with the legislation, since it has been here for several years, and I doubt whether any further explanation is necessary. I, therefore, Mr. Speaker, move the previous question.

The SPEAKER. The gentleman from Pennsylvania moves the previous question on the bill to the final passage.

The previous question was ordered.

The bill was ordered to a third reading, and was accordingly read the third time, and passed.

On motion of Mr. FOCHT, a motion to reconsider the vote by which the bill was passed was laid on the table.

DWELLINGS IN ALLEYS IN THE DISTRICT OF COLUMBIA.

Mr. FOCHT. Mr. Speaker, I call up the bill (S. 2597) to amend an act entitled "An act to provide, in the interest of public health, comfort, morals, and safety, for the discontinuance of the use as dwellings of buildings situated in the alleys of the District of Columbia," approved September 25, 1914.

The SPEAKER. The gentleman from Pennsylvania calls up the bill which will be reported by the clerk.

The bill was read as follows:

Be it enacted, etc., That the operation of the second paragraph of section 1, relating to the use or occupation of alley buildings as dwellings, of the act of Congress approved September 25, 1914, entitled "An act to provide, in the interest of public health, comfort, morals, and safety, for the discontinuance of the use as dwellings of buildings situated in the alleys in the District of Columbia," be, and the same hereby is, postponed until June 1, 1923.

Mr. FOCHT. Mr. Speaker, this is a measure postponing the date of the taking effect of an act which we passed in 1914, providing that after November 10 next all alley houses in the District of Columbia—of which there are something like 3,000, occupied by approximately 10,000 tenants, most of them colored—should be vacated and no longer used for residence purposes. On account of the war and the demand for places of abode and the exactions upon builders in the District of Columbia the commissioners report that it will be absolutely impossible to find housing for any part even of these 10,000 colored people who ultimately, when these alley houses are abandoned, must necessarily move to remoter portions of the District. This bill proposes to extend until next year the time of the taking effect of this law. It is regarded as very serious emergency legislation.

Mr. STAFFORD. Will the gentleman yield to me?

Mr. FOCHT. I yield to the gentleman from Wisconsin.

Mr. STAFFORD. In reading the report I notice that a special committee was appointed by the commissioners to investigate housing conditions to which this bill applies, and that that committee recommended within a couple of months the postponement of the enforcement of this act for two years instead of one. As I read the report, in the eight years since this law was enacted nothing has been done to correct the conditions pertaining to closed alleys. Those of us who were here during the war period remember distinctly the occasion for this legislation. It had the warm support of Mrs. Ellen Wilson, the first wife of our former President. She was deeply interested in correcting the dwelling conditions in the blind alleys in the District of Columbia. That bill as enacted forbade the continuation of living in these dwellings in blind alleys after December 1, 1918. In November, 1918, that postponement was extended until one year after the proclamation of peace with Germany. Now it is proposed to extend it until June 1, 1923. If nothing has been done in these eight years, what prospect is there that anything will be done between the date when this extension takes effect and June 1 next? The commissioners present the serious situation confronting them and confronting the District so far as housing for these 9,000 colored people is concerned. I believe that altogether there are some 2,000 dwellings affected by this law. We have good ground to believe that if conditions in the country improve as we hope they will, the Congress will not be in session after March 4 next until after the date of the expiration of this remedial legislation. If such is the fact, what will be the imminent condition confronting the commissioners on the date when the law takes effect and the people living in these blind alleys have to move out of their dwellings? This special committee appointed by the District Commissioners has requested that the date be extended two years.

The Senate date provides for an extension of less than one year. I present to the serious consideration of the chairman of the committee who brings in this bill to the exigent conditions that will confront the many dwellers in these blind alleys if Congress is not in session between March 4 and the date when this bill virtually compels these people to move out on June 1 next.

Mr. FOCHT. Unless we pass this bill they will have to move out sooner than that.

Mr. STAFFORD. Yes, but I am calling the attention of the gentleman to the condition that will arise if Congress is not in session. What are you going to do?

Mr. STEPHENS. Why not extend it two years?

Mr. STAFFORD. It will not be possible to grant any extension of time then, because Congress will probably not be in session. Now why should not the Committee on the District of Columbia follow the recommendation of this special committee appointed by the commissioners?

This is certainly a most serious condition, Mr. Speaker. According to the letter of the commissioners to the committee, the commissioners are considering remedial legislation, which I suppose involves the idea of condemning certain property, so that instead of these alleys remaining blind alleys they will be thoroughfares extending from street to street, as the original law intends; but nothing has been done in eight years. I wish emphatically to call the attention of the chairman of the committee to the fact that if Congress is not in session after March 4 next and before June 1 there will be a critical condition as far as the housing situation is concerned when these people are ejected from their habitations, with no place provided for them to go.

Mr. STEPHENS. Why not amend this bill so as to extend the time two years?

Mr. FOCHT. Mr. Speaker, it may be that there was more enthusiasm than judgment in the fixing of the time when this law should take effect. The proposition to remove these houses and have the people in better living quarters is a meritorious one, but there seems to have been a failure to appreciate the length of time it would take to overcome existing conditions. Now we all agree that an alley is a poor place for human habitation; but when my friend from Wisconsin [Mr. STAFFORD] speaks of blind alleys I do not quite understand what he means. My idea of a blind alley would be one which had only one means of entrance and exit, so that when you went into it you would have to come back to the same place to get out.

Mr. STAFFORD. That is the case.

Mr. FOCHT. Under the fire regulations there is no such thing as a blind alley; they are not permissible. After some little investigation which I made I came to the conclusion that these houses are not so bad after all, except as to their location in the alleys. You will find in European cities people calling themselves aristocrats and rich living on streets not half as wide as these so-called alleys. If these people want to live in close proximity to their employment, around the various circles, which is central for them, as it is claimed, and with the alleys paved or concreted it would be for their convenience. That is their business. Although I would like to see it emphasized, I think the men owning these houses would feel more comfortable if their tenants lived in a different quarter. The only object and purpose of this bill is to meet an emergency, so that the present law will not expire on the 10th of November; and in the meantime we hope the housing situation will be different; that we will have some legislation that will be broader and more comprehensive, and not such as this Senate bill. It is impossible to clean out the alleys and make parks of them; to remove 3,000 buildings and find accommodations for 10,000 people, all of them employed, and many by the Representatives of the House and the Senate and the Government.

Mr. STAFFORD. The gentleman from Pennsylvania states that this bill in its essence does not apply to blind alleys. The gentleman is not acquainted with the fundamental purpose of the bill. The report and everything embodied in the bill was to correct the conditions arising out of blind alleys. The report of the housing committee appointed by the commissioners refers to that condition. It does not relate to these alleys and thoroughfares that have entrance from street to street; the very proposal of the District Commissioners is to work out a scheme whereby they can open up the blind alleys, which their own letter in the report on the bill shows are dens of vice and immorality. That is the problem. If they were not blind alleys, this bill would not be before the House.

Mr. FOCHT. The blind alleys have all been opened. This bill proposes to move the houses away and make parks of the land.

Mr. STAFFORD. A special committee recommends that the blind alleys be opened, and nothing has been done. I am surprised that the gentleman is not acquainted with the real purpose of the bill reported by him for consideration of the House.

Mr. FOCHT. Mr. Speaker, I move the previous question.

The previous question was ordered.

The bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. FOCHT, a motion to reconsider the vote whereby the bill was passed was laid on the table.

ACACIA MUTUAL LIFE ASSOCIATION.

Mr. FOCHT. Mr. Speaker, I call up the bill (H. R. 11116) to amend an act entitled "An act to incorporate the Masonic Mutual Relief Association of the District of Columbia," approved March 3, 1869, as amended.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 1 of an act entitled "An act to incorporate the Masonic Mutual Relief Association of the District of Columbia," approved March 3, 1869, as amended, be amended by striking out the words "The Masonic Mutual Life Association of the District of Columbia" and substituting therefor the words "Acacia Mutual Life Association" as the name of the association, so that as amended it shall read "Acacia Mutual Life Association."

That sections 2, 3, 4, and 5 of such act be amended to read as follows:

SEC. 2. That membership in this association shall be limited to Master Masons, and that the business and objects of the association shall be to provide and maintain a fund for the benefit of the member, his family, widow, orphans, heirs, assignees, legatees, distributees, dependents, or other beneficiaries, and for this purpose it shall and may be lawful for the association to make all and every insurance appertaining to or connected with life or disability risks of whatever kind or nature and to grant, purchase, or dispose of annuities, and to furnish any aid or service to promote the health or safety of its members or their beneficiaries: *Provided, however*, That the association shall forever be conducted for the mutual benefit of its members and their beneficiaries, and not for profit, and that in the exercise of the powers hereinbefore enumerated it shall be subject to the supervision imposed by the laws of the District of Columbia relating to mutual life insurance companies.

SEC. 3. That the number of directors of said association shall be fixed by the by-laws and shall be at least 21, a number of whom, less than a majority, shall be elected by the members at the annual meeting of the association from among themselves for a term of three years; that in all cases of a tie vote the choice shall be determined by lot, and in all other cases a plurality vote shall decide. The annual meeting of the association shall be held at such time and place as provided in the by-laws. The directors shall elect from their number at their first meeting succeeding the annual meeting of the members a president of the association and a vice president, and shall elect from the members of the association a secretary and a treasurer, and from time to time such additional officers as the by-laws may provide. The president, the vice president, the secretary, and the treasurer shall each give bond with surety to the association in such sum as the board of directors may require for the faithful performance of his duties. At all meetings of the board of directors 12 of the board shall form a quorum. In case of any vacancy in the board of directors by death, resignation, or otherwise, such vacancy shall be filled by the remaining directors from among the members of the association to serve for the remainder of the unexpired term.

SEC. 4. That the directors shall have full power to make and prescribe such by-laws, rules, and regulations as they shall deem needful and proper for the disposition and management of the business, funds, property, and effects of the association not contrary to this charter or to the laws of the United States, and they shall have power to alter or amend the same as the interests of the association, in their opinion, may require.

SEC. 5. That nothing herein contained shall be construed to affect or impair in any manner whatsoever any vested right or interest existing in or under any contract of the association.

Mr. FOCHT. Mr. Speaker, this bill was passed at the last session and there was some objection made to it as to the designation of the institution. The request was made and the President vetoed it. The objections offered at that time have been met by an amendment, and the bill has been unanimously reported by the committee. If any Member desires any further explanation, the author of the bill is present and has every detail and will be glad to furnish whatever is desired to enlighten the membership of the House. If there is no question, Mr. Speaker, I move the previous question.

The previous question was ordered.

The bill was ordered to be engrossed and read the third time, was read the third time, and passed.

On motion by Mr. FOCHT, a motion to reconsider the vote whereby the bill was passed was laid on the table.

REMOVAL OF SNOW AND ICE FROM SIDEWALKS IN THE DISTRICT OF COLUMBIA.

Mr. FOCHT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 3086).

The Clerk read the title of the bill as follows:

S. 3086. An act providing for the removal of snow and ice from the paved sidewalks of the District of Columbia.

Mr. GARRETT of Tennessee. Why does not the gentleman ask that the bill be considered in the House in the Committee of the Whole?

Mr. FOCHT. Mr. Speaker, following the suggestion of the gentleman from Tennessee, I withdraw my motion to go into the Committee of the Whole House on the state of the Union and ask unanimous consent for the consideration of the bill in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That it shall be the duty of every person, partnership, corporation, joint-stock company, or syndicate in charge or control of any building or lot of land within the fire limits of the District of Columbia, fronting or abutting on a paved sidewalk, whether as owner, tenant, occupant, lessee, or otherwise, within the first eight hours of daylight after the ceasing to fall of any snow or sleet, to remove and clear away, or cause to be removed and cleared away, such snow or sleet from so much of said sidewalk as is in front of or abuts on said building or lot of land.

SEC. 2. That it shall be the duty of the Commissioners of the District of Columbia, within the first eight hours of daylight after the ceasing to fall of any snow or sleet, or after the accumulation of ice on the paved sidewalks within the fire limits of the District of Columbia, in front of or adjacent to all public buildings, public squares, reservations, and open spaces in the said District owned or held by lease by said District, to cause such snow, sleet, and ice to be removed; and also to cause the same to be removed from all crosswalks of improved streets and places of intersection of alleys with paved sidewalks, and also from all paved sidewalks or crosswalks used as public thoroughfares through all public squares, reservations, or open spaces within the fire limits of said District owned or held by lease by the District of Columbia; but in the event of inability to remove such accumulation of snow, sleet, and ice without injury to the sidewalk, by reason of the hardening thereof, it shall be their duty, within the first eight hours of daylight after the hardening thereof, to make reasonably safe for travel, or cause to be made reasonably safe for travel, by the sprinkling of sand or ashes thereon, such paved sidewalks, crosswalks, and places of intersection of alleys with paved sidewalks, and shall, as soon thereafter as the weather shall permit, thoroughly clean, or cause to be thoroughly cleaned, said sidewalks, crosswalks, and places of intersection of alleys with paved sidewalks.

SEC. 3. That it shall be the duty of the Chief Engineer of the United States Army, within the first eight hours of daylight after the ceasing to fall of any snow or sleet, or after the accumulation of ice upon the paved sidewalks within the fire limits of the District of Columbia, to remove or cause to be removed from such sidewalks as are in front of or adjacent to all buildings owned or leased by the United States, except the Capitol buildings and grounds and the Congressional Library building and from all paved sidewalks or crosswalks used as public thoroughfares in front of, around, or through all public squares, reservations, or open spaces within the fire limits of the District of Columbia, owned or leased by the United States, such snow, sleet, and ice; but in the event of inability to remove such accumulation of snow, sleet, and ice, by reason of the hardening thereof, without injury to the sidewalk, it shall be his duty, within the first eight hours of daylight after the hardening of such snow, sleet, and ice, to make reasonably safe for travel, or cause to be made reasonably safe for travel, by the sprinkling of sand or ashes thereon, such paved sidewalks and crosswalks, and shall, as soon thereafter as the weather shall permit, thoroughly clean said sidewalks and crosswalks.

SEC. 4. In case the snow, sleet, and ice can not be removed from so much of the paved sidewalks within the fire limits of the District of Columbia as front upon or abut such buildings or lots of land as are not owned or held by lease by the District of Columbia or the United States without injury to said sidewalks, because of the hardening thereof, the person, partnership, corporation, joint-stock company, or syndicate in charge or control of such buildings or lots of land, whether as owner, tenant, occupant, lessee, or otherwise, shall, within the first eight hours of daylight after the same has formed, make reasonably safe for travel, or cause to be made reasonably safe for travel, by the sprinkling of sand or ashes thereon, said sidewalks, and shall, as soon thereafter as the weather shall permit, thoroughly clean said sidewalks.

SEC. 5. That in the event of the failure of any person, partnership, corporation, joint-stock company, or syndicate to remove or cause to be removed such snow or ice from the said sidewalks, or to make the same reasonably safe for travel, or cause the same to be made reasonably safe for travel, as hereinbefore provided, it shall be the duty of the Commissioners of the District of Columbia, as soon as practicable after the expiration of the time herein provided for the removal thereof, or for the making of the said sidewalks reasonably safe for travel, to cause the snow and ice in front of such building or lot of land to be removed or to cause the same to be made reasonably safe, as hereinbefore directed to be done by such person, partnership, corporation, joint-stock company, or syndicate in charge or control of such building or lot of land, and the amount of the expense of such removal or such work of making the said sidewalks reasonably safe for travel, shall in each instance be ascertained and certified by the said commissioners to the corporation counsel of the District of Columbia.

SEC. 6. That the corporation counsel is hereby directed and authorized to sue for and recover from such person, partnership, corporation, joint-stock company, or syndicate the amount of such expense in the name of the District of Columbia, together with a penalty not exceeding $25 for each offense, with costs, and when so recovered the amount shall be deposited to the credit of the District of Columbia.

SEC. 7. That in order to enable the said commissioners and the Chief of Engineers of the United States Army to comply with their duties under this act and to carry it into effect there is hereby appropriated the sum of $10,000, one-half out of the general revenue fund of the District of Columbia and the other one-half out of any moneys in the Treasury not otherwise appropriated.

The following committee amendment was read:

On page 3, line 10, after the comma, insert "except the Capitol Buildings and Grounds and the Congressional Library Building."

The Clerk proceeded to read the bill.

Mr. STAFFORD (interrupting the reading). Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentlemen will state it.

Mr. STAFFORD. Where a bill is considered in the House as in Committee of the Whole, is it not necessary to have the bill read a first time?

The SPEAKER. The Chair thinks that the reading by title is the first reading.

Mr. STAFFORD. I was laboring under the impression that all bills have to be read a first time That is the rule whether the bill be a House bill or a Union Calendar bill. At some time bills must be read the first time.

The SPEAKER. The Chair thinks it is read the first time by title.

Mr. STAFFORD. Mr. Speaker, then I ask unanimous consent that the first section of the bill may be considered for amendment.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent that the first section of the bill may be considered for amendment. Is there objection?

There was no objection.

The first section of the bill is as follows:

Be it enacted, etc., That it shall be the duty of every person, partnership, corporation, joint-stock company, or syndicate in charge or control of any building or lot of land within the fire limits of the District of Columbia, fronting or abutting on a paved sidewalk, whether as owner, tenant, occupant, lessee, or otherwise, within the first eight hours of daylight after the ceasing to fall of any snow or sleet, to remove and clear away, or cause to be removed and cleared away, such snow or sleet from so much of said sidewalk as is in front of or abuts on said building or lot of land.

Mr. STAFFORD. Mr. Speaker, I move to strike out the last word for the purpose of directing an inquiry to the gentleman from Pennsylvania [Mr. FOCHT]. I noticed throughout this bill that it is purposed only to apply to buildings and tracts of land within the fire limits of the District of Columbia. As I understand, the fire limits of the District of Columbia are somewhat restricted. They are not coextensive by any means with the residential district. For instance, the fire limits do not extend to Cleveland Park, and they do not extend into many of the other residential districts. Why should not you make it applicable to the entire District where there are dwellings? If we are to legislate at all, we should legislate for the entire District. To just say that this shall apply to the District within the fire limits, those limits being restricted, is not passing legislation that is meeting the demands and needs of the people so far as the removal of ice and snow from the sidewalks is concerned. The people in Cleveland Park are just as much entitled to that relief and are just as much interested in ingress and egress to and from the District of Columbia as the people living in the city proper.

Mr. ZIHLMAN. Mr. Speaker, Cleveland Park is in the fire limits.

Mr. STAFFORD. The gentleman says that Cleveland Park is in the fire limits. He is much better acquainted with District matters than I am, because he is on the District Committee and his congressional district adjoins the District of Columbia, but, as I remember it, when I last examined the map of the District that showed the fire limits Cleveland Park and the residential districts in that neighborhood were not within those limits. It is true that they are within the limits so far as fire protection is concerned, but "fire limits" has a meaning quite different from merely fire protection.

The fire limit means where they must have a special character of building, so far as construction is concerned, and I think upon reflection and investigation the gentleman will come to the conclusion that the entire part or the major part of Cleveland Park is not within the fire limits of the District.

Mr. FOCHT. I will say to the gentleman that in drawing this bill it was the intention that there should be a certain prescribed limitation and that the fire limits should be that zone of limitation. Although the gentleman is so thoroughly acquainted with blind alleys, probably he does not know so much about the rural or rustic scenery of the District or he would know that there are 25 farms in this District of Columbia, and the gentleman surely would not compel the snow to be shoveled from in front of them.

Mr. STAFFORD. Mr. Speaker, I can not permit such an imputation to be cast upon me by the gentleman from Pennsylvania without challenging it. I wish to say that I do not ride in an automobile through the wide boulevards of Washington, but I walk, and I walk in the suburbs. I know the conditions that exist. I do not know as much about blind alleys as the gentleman, who has made a full investigation. My information was based entirely upon the report. I do not confess to having gone any further than that. The gentleman stated, when that bill was under consideration, that he had personal information about the conditions referred to. I yield in my judgment as far as blind alleys are concerned to the expert opinion of the distinguished gentleman from Pennsylvania.

Mr. STEPHENS. How about blind tigers?

Mr. STAFFORD. A question has been suggested about blind tigers. Once upon a time, Mr. Speaker, I did not have any acquaintance with those particular denizens of the jungle, but since the incoming of the illiberal, narrow, intolerant, and what not bill that takes away my liberties so that I can no longer indulge in an innocent drink of harmless beer in this city——

Mr. FOCHT. Oh, that only proves that the gentleman is quite unacquainted with the town.

Mr. STAFFORD. Where before I saw open, reputable saloons now I see merely a reminder of that kind known as speak-easies that were familiar in Kansas and North Dakota when I visited those States years back, when they attempted to enforce prohibition against the will of the constituency, but I yield to the gentleman from Pennsylvania because I know he is more acquainted with blind tigers than I am. My only acquaintance with blind tigers since the reign of Volsteadism is from the outside.

Mr. CLARKE of New York. Does the gentleman not think that before the reign of Volsteadism he might have seen double?

Mr. STAFFORD. No; I must say there is more chance of my seeing double since the reign of Volsteadism, because prior to that time I limited my beverages to a good wholesome glass of beer. I can not honestly say that to this date that has been the case. Since the reign of Volsteadism I am afraid to indulge in anything that is disposed of in these blind tigers because of the numerous instances of poisoning which have developed since this great reform.

Mr. DOWELL. Mr. Speaker, I move to strike out the last word. May I inquire of the chairman of the committee if he knows the fire limits of the city of Washington? Are they fixed by regulation of the commissioners or by statute enacted by Congress?

Mr. FOCHT. My impression is that that is a matter regulated by the commissioners, and they extend the limits as the various commercial and residential zones are extended. They have fire plugs in all those sections.

Mr. DOWELL. If this legislation is limited to the fire limits, that would mean an indefinite territory.

Mr. FOCHT. It would not include the farms in the outlying districts.

Mr. DOWELL. It would include anything that the commissioners might desire to place within the fire limits, and they may do that by regulation?

Mr. FOCHT. I think so.

Mr. STAFFORD. I question very seriously whether this would extend to residential districts, say, out on Wisconsin Avenue. As I stated, it has been some years since I saw a map showing the fire limits of the District.

They are rather limited, indeed. The purpose of the fire limits of the District of Columbia is to limit the character of the construction of buildings. I am strongly of the opinion that some good reason should be advanced why this bill should not be made coextensive with the parts of the District where there are sidewalks.

Mr. DOWELL. That is what I wanted to ask. What was the idea of the committee in limiting this? Why should not the streets outside of the fire limits be cleared?

Mr. FOCHT. There is great speculation in real estate in the District of Columbia. The first thing the real estate speculator does to make things look attractive is not to build a house, but a sidewalk. There are some miles of such sidewalks in the District of Columbia, with no one going to work or coming home from work over them. But down in the congested part, where you and I walk, they are so tired or so utterly lack civic pride as not to clear their walks, and that is what we want to reach. I hope that no one will object to this bill.

Mr. DOWELL. I want to pass this bill, but I do not want to protect the speculator the gentleman has referred to, and if the speculator is merely building sidewalks to speculate upon why not make him keep them clean?

Mr. FOCHT. I will not object to any amendment that will enlarge the purport of the bill.

Mr. DOWELL. Mr. Speaker, I move to amend by striking out "fire," on line 5, page 1, of the bill. This will leave the bill to be coextensive with the city——

The SPEAKER. The gentleman from Iowa offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DOWELL: Page 1, line 5, strike out the word "fire."

Mr. MOORE of Virginia. Mr. Speaker, the gentleman from Iowa has just said the intent of his amendment is to make the bill coextensive with the limits of the city of Washington. What are the limits of the city of Washington?

Mr. FOCHT. There is no such thing as the city of Washington.

Mr. MOORE of Virginia. We have the District of Columbia. I do not know what are the boundaries to the city of Washington, if there are any.

Mr. FOCHT. The gentleman has not the knowledge of this matter that my friend from Wisconsin [Mr. STAFFORD] has. He used the word "Washington." There is no incorporated institution known as the "city of Washington." He means the District of Columbia.

Mr. MOORE of Virginia. May I have the attention of the gentleman a little further. His amendment ranges all over the District of Columbia——

Mr. DOWELL. I can answer that. It will apply only where there are sidewalks. This applies merely to sidewalks. And if the sidewalks in the city of Washington or the District of Columbia are not kept clean this is a provision to require it.

Mr. MOORE of Virginia. The gentleman will remember that a good deal of the District of Columbia is in the country. Nevertheless there are sidewalks there. I am not contesting his view. I merely ask him if he wants to apply the law throughout the District.

Mr. DOWELL. I want to so apply it. It is a very simple thing to clean a sidewalk of snow on a long strip where it is outside the congested part of the city. They can draw an apparatus over it in a very few minutes and clear the snow off. It is a very simple thing and is not an expensive matter, either. And with that in view it seems to me that if there are sidewalks inside the city or in the District that are not kept clean, we ought to require the owners to keep them free of snow. That is why I offer my amendment.

The SPEAKER. The question is on agreeing to the amendment.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. LOWREY. Division, Mr. Speaker.

The House divided, and there were—ayes 4, noes 32.

So the amendment was rejected.

The SPEAKER. The Clerk will read.

The Clerk concluded the reading of the bill.

Also, the following committee amendment was read:

Page 3, line 10, after the word "States" insert the words:

Except the Capitol Buildings and Grounds and the Congressional Library Building.

The SPEAKER pro tempore (Mr. HICKS in the chair). The question is on the committee amendment.

Mr. STAFFORD. Mr. Speaker, I wish to inquire, in connection with the committee amendment, whether the committee considered extending the exception to other buildings than the Capitol Buildings and the Congressional Library Building?

Mr. FOCHT. The idea was to include the Botanic Garden, and that is the only one, I believe, in addition. I will offer an amendment to include the Botanic Garden.

Mr. STAFFORD. I do not yield for that purpose.

Mr. FOCHT. Let the gentleman offer it.

Mr. STAFFORD. I wish to inquire in that particular whether the committee considered excepting, for instance, the power plants of the Government right down here within a few blocks of the Capitol?

Mr. FOCHT. Are there any sidewalks there?

Mr. STAFFORD. I do not know whether there are or not. As far as excepting the Congressional Library is concerned, I do not know who would be expected to remove the snow. I wish to refer to an incident of about four years ago when we had a very heavy snow and the snow remained on the sidewalks around the Congressional Library for several days. They had a force there to do it, but the Superintendent of the Library at that time did not see fit to have the snow removed from the sidewalks around the building. Unless there is a new superintendent that has more desire for the convenience of the travel of pedestrians than the one that was formerly in office, I do not know whether we would go very far there in having the snow removed from around the Library Building by exempting it from the provisions of this bill.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. CHINDBLOM. Did we not recently pass a bill here to transfer the control of the Congressional Library to the Superintendent of the Capitol?

Mr. STAFFORD. We did. I expect we will have better service since the work of supervising the Library of Congress has now been referred to the former superintendent of the Capitol who is now the architect.

Mr. CHINDBLOM. The Congressional Library will be in as good hands as the Capitol itself.

Mr. STAFFORD. It will. And we can testify that so far as the removal of snow and ice from around the Capitol Building is concerned it has always been removed very expeditiously.

The SPEAKER pro tempore. The question is on agreeing to the amendment.

Mr. STAFFORD. Mr. Speaker, I wish to offer an amendment to the amendment. After the committee amendment insert "and United States Botanic Garden."

The SPEAKER pro tempore. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD to the committee amendment: Page 3, line 11, after the word "buildings," insert the words "and United States Botanic Gardens."

Mr. STAFFORD. And also to strike out the second "and" in the committee amendment and insert a comma.

The SPEAKER pro tempore. The gentleman from Wisconsin offers an addition to his amendment, which the Clerk will report.

The Clerk read as follows:

Addition to amendment offered by Mr. STAFFORD: Strike out the second word "and" in the committee amendment in line 11 and insert a comma.

Mr. MANN. Why the amendment?

Mr. STAFFORD. It was stated by the chairman of the committee in response to an inquiry that the Botanic Garden had their own force of men to keep the sidewalks clear, and that they have always kept their walks clear. We do not wish to impose that burden upon the Chief Engineer of the Army. This amendment excepts from the general scope the sidewalks around the buildings that the Army engineer will not supervise.

Mr. MANN. As a matter of fact, not of law, do not the custodians of all these public buildings remove the snow from all the sidewalks?

Mr. STAFFORD. I had an amendment prepared to cover that.

Mr. MANN. If they remove it, then the Army engineer will not.

Mr. STAFFORD. This bill is imposing a burden upon the Army engineer, and this amendment relieves him of a certain part of that burden.

Mr. MANN. Somebody has the responsibility of removing the snow. Of course, this will not remove the snow.

Mr. STAFFORD. If we are going to relieve any official or employee of a duty and transfer it to another official or employee, you may be assured that that work will be shifted on to the other employee or official.

Mr. MANN. Not at all. You could not pass a bill requiring private owners to remove the snow unless you put the responsibility upon somebody to remove the snow from Government-owned buildings. Nobody would defend such a bill, and it would not be legal anyhow. I suppose that is the reason for doing this. It would not affect the practice any.

Mr. STAFFORD. The gentleman from Illinois was evidently outside the Chamber a moment ago when I cited an instance four years ago, where there was a heavy snow, and the snow was not removed from the sidewalks around the Library of Congress. They shirked their duty.

Mr. MANN. They did not have the money.

Mr. STAFFORD. They shirked the duty. It was the duty of the janitors and the like to do that. They did not care enough for the convenience of the public. All they were concerned in was in being nicely housed in that display house of the country.

Mr. MANN. The trouble is that they have not the money. We never give them the money. They will not do the work themselves. They can not, and the Chief of Engineers can not go out himself and remove the snow; and he does not get the money to do it. We preserve the legality of the bill by imposing the responsibility of removing the snow from the public property while requiring it to be removed from private property. That is the purpose, as I understand.

Mr. STAFFORD. I know that the Superintendent of the Botanic Garden has horses and a snowplow, and he invariably removes the snow on the walks within the Botanic Garden and also the walks on the outside. We are excepting the Botanic Garden. This is intended to take the Capitol and the Library of Congress from the scope of the duty of the Chief of Engineers to do this work.

The SPEAKER pro tempore. The question is on agreeing to the amendment offered by the gentleman from Wisconsin.

The question was taken, and the Speaker pro tempore announced that the "noes" seemed to have it.

Mr. STAFFORD. Mr. Speaker, I ask for a division.

The SPEAKER pro tempore. A division is demanded.

The House divided; and there were—ayes 6, noes 19.

So the amendment was rejected.

The SPEAKER pro tempore. The question now is on agreeing to the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The Clerk will read.

Mr. CHINDBLOM. Mr. Speaker, I move to strike out the last word.

The SPEAKER pro tempore. The gentleman from Illinois moves to strike out the last word.

Mr. CHINDBLOM. I do so for the purpose of asking the chairman of the committee whether by any possibility the Government may have any leases for property where the leases provided that the owner of the property shall have anything to do with the removal of snow and ice.

Mr. FOCHT. I do not know anything about it.

Mr. CHINDBLOM. If that is the case, of course, in this bill we relieve the owner of the property of any responsibility in that regard, because this bill provides that it shall be the duty of the Chief of Engineers of the United States Army to remove the snow from sidewalks around Government buildings or adjacent thereto—buildings owned or leased by the United States Government. Has the committee inquired whether such lessees shall have any responsibility in the matter of the removal of snow?

Mr. FOCHT. I can not answer as to that.

The SPEAKER pro tempore. The pro forma amendment is withdrawn. The Clerk will read.

The Clerk resumed and completed the reading of the bill.

Mr. FOCHT. Mr. Speaker, I move the third reading of the Senate bill as amended.

The SPEAKER pro tempore. The question is on the third reading of the Senate bill as amended.

The Senate bill as amended was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. FOCHT, a motion to reconsider the vote whereby the Senate bill was passed was laid on the table.

CLAIMS FOR MATERIAL AND LABOR FURNISHED THE DISTRICT OF COLUMBIA.

Mr. FOCHT. Mr. Speaker, I ask unanimous consent to call up the bill (H. R. 5027) to amend an act approved February 28, 1899, entitled "An act relative to the payment of claims for material and labor furnished for District of Columbia buildings."

The SPEAKER pro tempore. The gentleman from Pennsylvania asks unanimous consent for the present consideration of the bill H. R. 5027.

Mr. FOCHT. And I ask that it be considered in the House as in Committee of the Whole.

Mr. MANN. What is the bill?

Mr. WINGO. Let the bill be reported.

The SPEAKER pro tempore. The Clerk will report the bill by title.

The Clerk read the title of the bill (H. R. 5027) to amend an act approved February 28, 1899, entitled "An act relative to the payment of claims for material and labor furnished for District of Columbia buildings."

The SPEAKER pro tempore. Is there objection?

Mr. WINGO. Reserving the right to object, will the gentleman explain what this bill is?

Mr. FOCHT. I will yield to the gentleman from Wisconsin.

Mr. STAFFORD. Mr. Speaker, this is a bill to make the same provision for the benefit of material men or laborers engaged in work on Government buildings in the District of Columbia, either in construction or repair work, as is applicable in the case of Government buildings outside the District.

Mr. GARRETT of Tennessee. Is it a Senate bill?

Mr. STAFFORD. No; it is a House bill.

Mr. GARRETT of Tennessee. It has not passed the Senate?

Mr. STAFFORD. No.

Mr. GARRETT of Tennessee. Is there anything emergent about it?

Mr. STAFFORD. I would not say that it is emergent.

Mr. GARRETT of Tennessee. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. Will the gentleman withhold that a moment?

Mr. GARRETT of Tennessee. I will withhold it for a moment.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted—

To Mr. DREWRY (at the request of Mr. BLAND of Virginia), indefinitely, on account of sickness in his family.

To Mr. LANKFORD, for two days, on account of sickness.

ADJOURNMENT.

Mr. STAFFORD. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER pro tempore. The gentleman from Wisconsin moves that the House do now adjourn.

Mr. GARRETT of Tennessee. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 120, nays 57, not voting 250, as follows:

YEAS—120.

Andrews, Nebr.	Fairfield	Kelly, Pa.	Patterson, N. J.
Barbour	Faust	Ketcham	Purnell
Begg	Fenn	Kissel	Reece
Benham	Fitzgerald	Kline, Pa.	Reed, W. Va.
Bird	Focht	Knutson	Ricketts
Boies	Fordney	Kopp	Roach
Bowers	Foster	Kraus	Robsion
Brooks, Ill.	Free	Lampert	Rogers
Burdick	French	Lawrence	Rose
Burtness	Fuller	Layton	Rosenbloom
Campbell, Kans.	Gernerd	Leatherwood	Sanders, N. Y.
Campbell, Pa.	Goodykoontz	McCormick	Schall
Cannon	Gorman	McLaughlin, Mich.	Smith, Idaho
Chalmers	Greene, Mass.	McPherson	Smith, Mich.
Chandler, N. Y.	Greene, Vt.	MacGregor	Speaks
Chandler, Okla.	Griest	Magee	Sproul
Chindblom	Hadley	Mann	Stafford
Christopherson	Hardy, Colo.	Mapes	Stephens
Clague	Haugen	Michener	Strong, Kans.
Clarke, N. Y.	Hawley	Millspaugh	Timberlake
Cole, Ohio	Hays	Mondell	Towner
Coughlin	Hickey	Moore, Ohio	Vestal
Curry	Hicks	Moores, Ind.	Walters
Dale	Hill	Morgan	Ward, N. Y.
Davis, Minn.	Himes	Mudd	Wheeler
Dickinson	Hogan	Murphy	Woodyard
Dowell	Hull	Norton	Wurzbach
Dyer	Ireland	Ogden	Wyant
Elliott	Jefferis, Nebr.	Parker, N. J.	Young
Evans	Johnson, Wash.	Patterson, Mo.	Zihlman

NAYS—57.

Almon	Garner	Lee, Ga.	Smithwick
Bland, Va.	Garrett, Tenn.	London	Steagall
Bowling	Gilbert	Lowrey	Swank
Briggs	Griffin	Lyon	Taylor, Tenn.
Buchanan	Hammer	Mansfield	Tillman
Bulwinkle	Hardy, Tex.	Moore, Va.	Tyson
Collier	Hayden	Oliver	Underhill
Cooper, Wis.	Huddleston	Park, Ga.	Vinson
Crisp	Hudspeth	Parks, Ark.	Weaver
Cullen	James	Quin	Williams, Tex.
Doughton	Jeffers, Ala.	Rankin	Wilson
Drane	Jones, Tex.	Rouse	Wingo
Driver	Kincheloe	Sanders, Tex.	
Dunbar	Lanham	Sandlin	
Favrot	Lazaro	Scott, Tenn.	

NOT VOTING—250.

Ackerman	Davis, Tenn.	Kirkpatrick	Perkins
Anderson	Deal	Kitchin	Perlman
Andrew, Mass.	Dempsey	Kleczka	Peterson
Ansorge	Denison	Kline, N. Y.	Porter
Anthony	Dominick	Knight	Pou
Appleby	Drewry	Kreider	Pringey
Arentz	Dunn	Kunz	Radcliffe
Aswell	Dupré	Langley	Rainey, Ala.
Atkeson	Echols	Lankford	Rainey, Ill.
Bacharach	Edmonds	Larsen, Ga.	Raker
Bankhead	Ellis	Larson, Minn.	Ramseyer
Barkley	Fairchild	Lea, Calif.	Ransley
Beck	Fess	Lee, N. Y.	Rayburn
Beedy	Fields	Lehlbach	Reber
Bell	Fish	Lineberger	Reed, N. Y.
Bixler	Fisher	Linthicum	Rhodes
Black	Frear	Little	Riddick
Blakeney	Freeman	Logan	Riordan
Bland, Ind.	Frothingham	Longworth	Robertson
Blanton	Fulmer	Luce	Rodenberg
Bond	Funk	Luhring	Rosedale
Box	Gahn	McArthur	Rucker
Brand	Gallivan	McClintic	Ryan
Brennan	Garrett, Tex.	McDuffie	Sabath
Britten	Gensman	McFadden	Sanders, Ind.
Brooks, Pa.	Glynn	McKenzie	Scott, Mich.
Brown, Tenn.	Goldsborough	McLaughlin, Nebr.	Sears
Browne, Wis.	Gould	McLaughlin, Pa.	Shaw
Burke	Graham, Ill.	McSwain	Shelton
Burroughs	Graham, Pa.	Madden	Shreve
Burton	Green, Iowa	Maloney	Siegel
Butler	Harrison	Martin	Sinclair
Byrnes, S. C.	Hawes	Mead	Sinnott
Byrns, Tenn.	Henry	Merritt	Sisson
Cable	Herrick	Michaelson	Slemp
Cantrill	Hersey	Miller	Snell
Carew	Hoch	Mills	Snyder
Carter	Hooker	Montague	Stedman
Clark, Fla.	Hukriede	Montoya	Steenerson
Classon	Humphreys	Moore, Ill.	Stevenson
Clouse	Husted	Morin	Stiness
Cockran	Hutchinson	Mott	Stoll
Codd	Jacoway	Nelson, Me.	Strong, Pa.
Cole, Iowa	Johnson, Ky.	Nelson, A. P.	Sullivan
Collins	Johnson, Miss.	Nelson, J. M.	Summers, Wash.
Colton	Johnson, S. Dak.	Newton, Minn.	Sumners, Tex.
Connally, Tex.	Jones, Pa.	Newton, Mo.	Sweet
Connell	Kahn	Nolan	Swing
Connolly, Pa.	Kearns	O'Brien	Tague
Cooper, Ohio	Keller	O'Connor	Taylor, Ark.
Copley	Kelley, Mich.	Oldfield	Taylor, Colo.
Crago	Kendall	Olpp	Taylor, N. J.
Cramton	Kennedy	Osborne	Temple
Crowther	Kiess	Overstreet	Ten Eyck
Dallinger	Kindred	Paige	Thomas
Darrow	King	Parker, N. Y.	Thompson
Tilson	Vare	Webster	Wood, Ind.
Tincher	Voigt	White, Kans.	Woodruff
Tinkham	Volk	White, Me.	Woods, Va.
Treadway	Volstead	Williams, Ill.	Wright
Tucker	Ward, N. C.	Williamson	Yates
Upshaw	Wason	Winslow	
Valle	Watson	Wise	

So the motion to adjourn was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Cramton (for) with Mr. Carter (against).

Mr. Thompson (for) with Mr. Tague (against).

Mr. Burton (for) with Mr. Oldfield (against).

Mr. Maloney (for) with Mr. Gallivan (against).

Mr. Ramseyer (for) with Mr. Cantrill (against).

Mr. Hutchinson (for) with Mr. Riordan (against).

Mr. Langley (for) with Mr. Clark of Florida (against).

Mr. Wood of Indiana (for) with Mr. Sisson (against).

Mr. Tincher (for) with Mr. Sumners of Texas (against).

Mr. Nolan (for) with Mr. Kindred (against).

Mr. Kahn (for) with Mr. Kitchin (against).

Mr. Longworth (for) with Mr. Bankhead (against).

Mr. Newton of Missouri (for) with Mr. Humphreys (against).

Mr. Henry (for) with Mr. Rainey of Alabama (against).

Mr. Kreider (for) with Mr. Hawes (against).

Mr. Hukriede (for) with Mr. Rayburn (against).

Mr. McKenzie (for) with Mr. Byrns of Tennessee (against).

Mr. Ansorge (for) with Mr. Woods of Virginia (against).

Mr. Johnson of South Dakota (for) with Mr. Taylor of Arkansas (against).

Mr. Luhring (for) with Mr. Brand (against).

Mr. Madden (for) with Mr. Byrnes of South Carolina (against).

Mr. Little (for) with Mr. Hooker (against).

Mr. Graham of Illinois (for) with Mr. Harrison (against).

Mr. Appleby (for) with Mr. Box (against).

Mr. Bland of Indiana (for) with Mr. Mead (against).

Mr. Kennedy (for) with Mr. Black (against).

Mr. Connolly of Pennsylvania (for) with Mr. Raker (against).

Mr. Merritt (for) with Mr. Lea of California (against).

Mr. Sinnott (for) with Mr. Johnson of Kentucky (against).

Mr. Shreve (for) with Mr. Sears (against).

Mr. Wason (for) with Mr. Bell (against).

Mr. Snyder (for) with Mr. Overstreet (against).

Mr. Sinclair (for) with Mr. Aswell (against).

Mr. Osborne (for) with Mr. Connally of Texas (against).

Mr. Porter (for) with Mr. Lankford (against).

Mr. Bixler (for) with Mr. Cockran (against).

Mr. Andrew of Massachusetts (for) with Mr. Blanton (against).

Mr. Bacharach (for) with Mr. Sullivan (against).

Mr. Kearns (for) with Mr. Barkley (against).

Mr. Burke (for) with Mr. Deal (against).

Mr. Fess (for) with Mr. Pou (against).

Mr. Brennan (for) with Mr. Dupré (against).

Mr. Fish (for) with Mr. Carew (against).

Mr. Denison (for) with Mr. Rucker (against).

Mr. Beck (for) with Mr. Rainey of Illinois (against).

Mr. Siegel (for) with Mr. Sabath (against).

Mr. Taylor of New Jersey (for) with Mr. Taylor of Colorado (against).

Mr. Perkins (for) with Mr. Stoll (against).

Mr. Snell (for) with Mr. Collins (against).

Mr. Winslow (for) with Mr. McDuffie (against).

Mr. Ackerman (for) with Mr. Wright (against).

Mr. Brooks of Pennsylvania (for) with Mr. McSwain (against).

Mr. Gahn (for) with Mr. Stevenson (against).

Miss Robertson (for) with Mr. Stedman (against).

Mr. Olpp (for) with Mr. Thomas (against).

Mr. Williams of Illnois (for) with Mr. Logan (against).

Mr. Reed of New York (for) with Mr. Johnson of Mississippi (against).

Mr. Strong of Pennsylvania (for) with Mr. McClintic (against).

Mr. Watson (for) with Mr. Davis of Tennessee (against).

Mr. Paige (for) with Mr. Garrett of Texas (against).

Mr. Rhodes (for) with Mr. Kunz (against).

Mr. Steenerson (for) with Mr. Dominick (against).

Mr. Webster (for) with Mr. Linthicum (against).

Mr. Rodenberg (for) with Mr. Tucker (against).

Mr. Edmonds (for) with Mr. Ward of North Carolina (against).

Mr. Morin (for) with Mr. Upshaw (against).

Mr. Kirkpatrick (for) with Mr. O'Brien (against).

Mr. Darrow (for) with Mr. Martin (against).
Mr. Crowther (for) with Mr. Wise (against).
Mr. Graham of Pennsylvania (for) with Mr. Montague (against).
Mr. McArthur (for) with Mr. Jacoway (against).
Mr. Lehlbach (for) with Mr. Ten Eyck (against).
Mr. Funk (for) with Mr. Goldsborough (against).
Mr. Burroughs (for) with Mr. Fisher (against).
Mr. Kiess (for) with Mr. Fulmer (against).
Mr. King (for) with Mr. O'Connor (against).
Mr. Temple (for) with Mr. Fields (against).
Mr. Treadway (for) with Mr. Drewry (against).
Mr. Cooper of Ohio (for) with Mr. Larsen of Georgia (against).

Mr. COLE of Iowa. Mr. Speaker, I desire to vote.

The SPEAKER. Was the gentleman present and listening when his name was called?

Mr. COLE of Iowa. No; I was not.

The SPEAKER. This is not a quorum call. The gentleman is not entitled to vote.

Mr. HOOKER. Mr. Speaker, I should like to vote.

The SPEAKER. Was the gentleman present and listening when his name was called?

Mr. HOOKER. I was not.

The SPEAKER. The gentleman does not qualify.

Mr. BLACK. Mr. Speaker, I desire to be recorded present if I may do so.

The SPEAKER. Was the gentleman present and listening when his name was called?

Mr. BLACK. I was not.

The SPEAKER. The gentleman can not be recorded.

Mr. BOX. I desire to vote, Mr. Speaker. I was present but was not listening.

The SPEAKER. Then the gentleman can not vote.

Mr. BOX. Do I understand the Speaker to rule that I can not be recorded as present?

The SPEAKER. There is no rule that allows it unless the gentleman was present and listening when his name was called.

Mr. CABLE. Mr. Speaker, I desire to vote.

The SPEAKER. Was the gentleman present and listening when his name was called?

Mr. CABLE. I was not.

The SPEAKER. The gentleman does not qualify.

The result of the vote was announced as above recorded.

Accordingly (at 1 o'clock and 42 minutes p. m.) the House adjourned until Tuesday, August 29, 1922, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. VOLSTEAD: Committee on the Judiciary. S. 3618. An act to amend section 135 of the Judicial Code; with amendments (Rept. No. 1195). Referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII,

Mr. MOORE of Virginia introduced a resolution (H. Res. 417) requesting the Committee on the Judiciary to consider without delay certain emergency legislation and to report the same to the House at the earliest possible time, which was referred to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FAUST: A bill (H. R. 12484) granting a pension to Charles M. Cornelius; to the Committee on Invalid Pensions.

By Mr. MORGAN: A bill (H. R. 12485) granting an increase of pension to Sarah L. Murphy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12486) granting a pension to Eliza Oldham; to the Committee on Invalid Pensions.

By Mr. MORIN: A bill (H. R. 12487) for the relief of A. S. Guffey; to the Committee on Claims.

By Mr. FULLER: A resolution (H. Res. 416) to pay Norman E. Ives $1,200 for extra and expert services to the Committee on Invalid Pensions; to the Committee on Accounts.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6242. By Mr. ANSORGE: Petition of Henry Johnson and three other parties, of New York City, indorsing the Towner-Sterling bill; to the Committee on Education.

6243. By Mr. KISSEL: Petition of New York State Legislative Board, Albany, N. Y., urging the repeal of title 3 of the transportation act of 1920; to the Committee on Interstate and Foreign Commerce.

6244. Also petition of Grain Trade Association of San Francisco Chamber of Commerce, San Francisco, regarding prohibition results in San Francisco, Calif.; to the Committee on the Judiciary.